

Investor Day - Simplify Hiring

March 27, 2024

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Matt Kolby: Welcome to Day 1 of the Recruit Holdings company-wide Investor Update. Thank you for joining us.

I'm Matt Kolby, Head of Institutional Investor Strategy for Recruit Holdings and Vice President of Investor Relations and Strategic Planning for Indeed.

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Over the next three days, you will have the opportunity to hear more about Recruit's three strategic pillars.

Through presentations from senior management, we aim to deepen your understanding of our long term strategy and future vision, highlighting the significant opportunities ahead.

We will showcase how the latest advancements in AI are not only propelling our strategy forward, but also strengthening our competitive edge.

As a reminder, FY2023 financial results and the outlook for next fiscal year, will not be covered during this event.

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Today, you'll hear about 'Simplify Hiring', a strategic pillar aimed at streamlining the hiring process for employers and making it faster and easier for people to get jobs.

We are leveraging the strengths of our three business units—HR Technology, Matching & Solutions, and Staffing—to work towards this ambitious goal. And we're excited to share how Recruit is uniquely positioned to address the HR Matching market and to seize a significant opportunity for long-term growth.

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On Day 2, March 28th, we'll discuss how we 'Help Businesses Work Smarter'. This strategic pillar is focused on enhancing the efficiency and productivity of business clients in Japan through our Matching & Solutions business unit. You'll hear about our online matching platforms and SaaS in Marketing Solutions, and their growth and margin expansion opportunities in Japan.

Slide 1-1-7

And on the final day, on March 29th, you'll hear about our third strategic pillar, 'Prosper Together'. Members of our sustainability committee will share their insights on our ESG strategy and initiatives across our businesses to achieve sustainable growth for all stakeholders.

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Now, I'd like to walk you through more about what to expect today.

Over the next two-and-a-half hours, we will focus on Simplify Hiring. You'll hear from "Deko", President and CEO of Recruit Holdings, he'll discuss Simplify Hiring's significance for Recruit, its impact on people's lives, and its broader benefits for society.

Following that, Chris Hyams, CEO of Indeed, will take us through Indeed's strategy to continue transforming from a search engine to a two-sided matching and hiring marketplace.

Then, we'll hear from Maggie Hulce and Raj Mukherjee who lead product development for Job Seekers and Employers at Indeed. They will explain how we're further leveraging AI to transform Indeed's products and experiences to help people get jobs and to help employers hire.

After, Chris will come back to provide more details on the significant, long term monetization opportunity for Indeed.

Following the Indeed presentations, you will hear from Yoshihiro Kitamura, Head of Matching & Solutions and Masamichi Yamaguchi, SVP of product for HR Solutions. They will share how Matching & Solutions and HR Technology are collaborating to simplify hiring in Japan through the launch of Indeed PLUS.

Then Rob Zandbergen, Head of the Staffing business unit, will share how we are bringing technology to the temporary staffing business.

Finally, after a short break, I will be joined by Deko, Chris, Maggie, Raj, and Rob for a Q&A session.

Please be sure to submit your questions as you listen to the presentations.

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Before we begin, please note that this presentation contains forward-looking statements, and there are a number of factors that could cause our results to differ materially from our expectations.

With that, before handing it over to Deko, we'll kick off with a short video about our work connecting people to jobs.

Thank you.

<video start>

Every day we help people get jobs. Let's meet some of them

I realized that I absolutely had to make a change even though it was insanely scary for me.

So overwhelming with the process .

Panicking over, oh my gosh, and work study funds are running out.

It's almost like a second job. Looking for a job.

I wish finding a job was simpler because I want to pay my bills.

It was not easy.

But what if it was?

I loved being able to kind of apply in one click, It was a huge help.

And another thing that I love this simple, easy Apply button, and you go.

What would have taken me hours was suddenly like already done for me to have my read. It just made the process a lot easier.

So I applied and I got an interview the same day. And at the end of the day, the doctor that I assessed for now said I would love to offer you the job as my assistant if you'll take it and I of course said yes. And was super stoked. I still am super stoked.

I was home. I was home when I got the job offer. I was excited. I was like oh wow, like this is really happening.

I was looking for this specific thing and I actually got it and it's been really fulfilling.

Even better than I hoped for mainly because I just got like a really amazing job.

Feelings I get when I get the job I want is way better than dating that's for sure.

I'm gonna ugly cry. I'm so lucky that I really found a calling that I'm passionate about.

Connecting people to opportunities.

<video end>

Slide 1-2-11

Deko: I'm Deko, CEO of Recruit Holdings.

I'm really excited about today. Unlike a quarterly earnings call, where we focus on financial numbers, today, we'll focus on our company's higher-level vision and how we're solving a real-world problem for society.

And as we execute our strategy to simplify hiring for people around the world, we believe financial performance will follow. So we're focused on creating value for all our stakeholders – job seekers, employers, communities, our employees, and of course, our shareholders.

Slide 1-2-12

Our work at Recruit Group is about connecting people to opportunity. It's about connecting people to jobs and we all know a job is very important for people's lives. Work is key to our society. But it can be difficult for everyone - as you heard from the job seekers in the video - to find a job that they are passionate about.

In fact, my family has also experienced difficulties in finding work. My sister could not get a high school diploma, and all of my family struggled to support her to get a job.

Slide 1-2-13

While my sister now has a job, it was not easy. Getting the perfect job remains a challenge for so many. Take last year, for example: on Indeed alone, there were over 2.5 billion applications submitted. And over 30 million job seekers applied to more than 30 jobs each, all in the hope of finding the right fit.

Yet, only a lucky few ever get noticed by recruiters, since much of today's job matching is still done the old-fashioned way—manually.

We believe that by understanding the needs of job seekers and the needs of employers more deeply, we can improve the hiring process.

Slide 1-2-14

Imagine a world where technology brings the touch of a personal recruiter or career companion to everyone, where looking for a job feels more human and hopeful for all.

Slide 1-2-15

Ultimately we believe getting an offer should be as easy as pushing a button. If we can simplify hiring this much, Recruit Group can contribute to a lot of people's lives and society.

Slide 1-2-16

From an employer perspective, the way hiring is done has not changed for a very long time. There is still a lot of manual work involved in the hiring process, making it time-consuming and inefficient. On average in the US, it takes over 50 days to make a hire. On Indeed, we've seen some employers receive tens of thousands of applications per week. And this issue is not just for employers with lots of job openings. There were millions of individual jobs that had over 100 applicants each.

This inefficiency in hiring highlights the true cost to society.

Slide 1-2-17

Everyone is excited about the potential of AI to solve challenges like this, and we are too. We've been working with AI for years, so we know it will take time for real change to happen.

We are uniquely positioned to solve this challenge with our rich unique data. Data that includes everything from job seeker activity on our online hiring platforms to offline conversations between recruiters and candidates, allowing us to use AI in ways no one else can.

Slide 1-2-18

Throughout today's presentations, we will share more about how our three strategic business units are working to create technology solutions that will serve as building blocks to simplify hiring well into the future.

Now we're going to dig deeper into our strategy and our products. Next you'll hear from Chris who will share Indeed's vision and strategy to simplify hiring.

Slide 1-3-19

Chris: Hello, I'm Chris Hyams, CEO of Indeed.

I am very happy to be here today to talk about Indeed's strategy and vision.

I joined Indeed back in 2010 to lead our product team. Over the past 13 years, I've had the extraordinary privilege to witness our growth from 130 people to 12,500. Looking back to 2010, it was impossible to imagine the Indeed of 2024, and the scale of our impact on the world.

But the heart of Indeed — our mission — is completely unchanged, and has been beating steadily since our founding 20 years ago.

Slide 1-3-20

Our mission is to help people get jobs. This is what gets us out of bed in the morning, and what keeps us going all day.

Slide 1-3-21

Outside of family and health, a job is one of the most important things in a person's life. This mission is so much more than a slogan that looks good on a t-shirt. It's our connection to the people whose lives we touch every day. Our mission is the lifeblood of Indeed.

Slide 1-3-22

As Deko said, our vision is to make getting a job as simple and fast as pushing a button.

Slide 1-3-23

The result is that today, Indeed is the world's #1 job site. More people find jobs on Indeed than anywhere else.

Hundreds of millions of job seekers visit Indeed every month from more than 60 countries around the world — to search for jobs, post resumes, research companies, and more.

Over 3.5 million employers use Indeed to find and hire new employees.

Slide 1-3-24

Our strategy is to transform from a search engine to a two-sided marketplace. I'll spend most of my time with you today explaining what this means, and how that translates into our focus and investments.

But to understand where we are, and where we're going, it's helpful to first take a step back to where we started.

Slide 1-3-25

In 2004, when Indeed was founded, the state of the art of online job search was sites like Monster and CareerBuilder. These job boards were essentially newspaper classified ads that were put online.

There were two huge problems with the classified ads model. For job seekers, they only saw jobs that were advertised. That meant if they wanted to have a shot at finding all the relevant job openings, they had to visit dozens of websites. For employers, the classified model meant pay to post—they paid the same amount to post a job regardless of whether they got 200 candidates, or 2.

Slide 1-3-26

Indeed launched in 2004, transforming the classified ads model into a search engine for jobs. We aggregated, or indexed, jobs from thousands of job boards, career sites, agencies... and yes, even newspaper sites. We brought them all together in one place to create a simple, fast, and relevant search experience for job seekers — one search, all jobs.

Slide 1-3-27

The answer to these key challenges of the classified ads model became our two founding principles.

One, we put job seekers first.

Two, our business model is pay for performance.

These might seem obvious today, but in 2004 this was a revolutionary change.

Today, these principles remain the north stars for every decision we make. They are the answer to the question of why Indeed has been successful.

I'd like to take a few minutes to talk about what these principles mean, and why they're so important.

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First, the most important decision every marketplace business must make is who comes first—which side is most important?

For most marketplaces, the decision is simple—whoever pays the bill comes first. For job sites, that means employers. In 2004—and even today—most job sites prioritize product features and marketplace policies that benefit the employer.

Indeed made a deliberate, contrary decision, to put job seekers first. This is our first core principle.

Slide 1-3-29

Putting job seekers first means that with every decision we make, we ask this question: “What’s best for the job seeker?”

When we started, rather than visiting dozens of sites, what’s best for the job seeker was to put all jobs together in a single search engine. Our original tagline: one search, all jobs.

On job boards, once a job seeker uploaded their resume, they had no control over who could contact them. Years later they would continue to get unsolicited outreach for jobs—and even to buy insurance.

What’s best for the job seeker is to protect their privacy, and give them control over how and when they can be contacted. Job boards are paid for every post, and have little to no incentive to police fake job posts.

What’s best for the job seekers is a significant investment in trust & safety. That’s why we work hard to ensure job seekers find real jobs with accurate information, while safeguarding them from spam and fraud.

We continue to ask this question every day, and every new product, feature, and policy is driven by putting job seekers first.

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All of this leads to building trust with job seekers.

In the end, if we put job seekers first, and make it simple and fast for them to get jobs, at the end of every successful search is an employer that’s made a hire.

So what’s best for job seekers, is also best for employers.

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Our second core value is pay for performance.

For us, pay for performance means that we get paid when we deliver value. Critically, it also means that we don’t get paid if we don’t deliver value.

Slide 1-3-32

Our first and still primary product is sponsored jobs. For sponsored jobs, we brought the auction based pay-per-click model used for nearly all internet advertising, to online hiring.

People often ask why our business model is a core value, but it’s actually profoundly important. The most powerful incentive for any business is how they make money. It drives more decisions than anything else.

Slide 1-3-33

Pay for performance means that we are successful if and only if our customers are successful. This means our primary incentives are deeply aligned with our customers.

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Just as important, pay for performance means that we can stay true to our first value of putting job seekers first.

We deliver value to our customers by connecting them with qualified and engaged job seekers. We make money when we help job seekers, so we are deeply aligned with job seekers.

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In this first phase of Indeed's business, our growth was driven by an SEO, or search engine optimization, flywheel. Because we aggregated jobs from every site, we had more jobs than anyone else. This led to SEO dominance—Indeed was at the top of nearly all search engine results for jobs, and in fact had multiple slots on most search pages. This led to rapid growth in job seeker visitors. More job seekers meant we could attract employers to sponsor their jobs on Indeed, which led to more revenue. And that allowed us to invest heavily in SEM, or search engine marketing, to bring even more job seekers to Indeed. Indeed traffic grew faster than any other site.

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By the end of 2010, just 6 years after launching, Indeed passed Monster to become the #1 job site in the US. Soon after, we reached #1 globally.

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This transformation from classified ads to search engine was Indeed's core strategy during our first phase of growth. It was enormously successful in helping us to get to #1 in traffic.

But by 2011, it became clear that we could only get so far as a search engine, and we embarked on the next phase of our strategy - which is the transformation from a search engine into a two-sided marketplace.

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This is a simplified view of a job seeker journey: they search, find some interesting jobs and click on them. They apply to the most interesting ones, and hopefully then interview and eventually get hired.

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When Indeed launched as a search engine, we aggregated—or what we call “indexed”—jobs from thousands of career sites, agencies, and job boards. Job seekers came to Indeed to search, and we connected them to those jobs.

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In this view of the journey, a job seeker searches and clicks on a job, then we send them to that career site, agency, or job board where the job is hosted because that's an external site, we have no idea what happens after that click. We don't know if they liked the job, if they applied, let alone if they got an interview or an offer.

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The key problem is that a lot happens after the click—in fact the most important parts of getting a job. If everything happens off our platform, we can't help with these steps, we can't make them simpler and faster.

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This is the difference between a search engine and a marketplace.

So we set out to transform into a two-sided marketplace, by bringing the apply through hire steps onto the Indeed platform.

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The jobs we index come from these external sites. And the most common platform for a career site is an ATS, or applicant tracking system.

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Mid- to large-size employers use an ATS to post their jobs, message and manage candidates, and track status and outcomes.

Nearly all marketplace activity happens in the ATS.

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So, we built a new product to enable employers to post their jobs directly on Indeed.

We call these hosted jobs, because they are hosted on our platform.

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Hosted jobs is essentially a simple Indeed ATS. Employers can post jobs, message & manage candidates, and track status—all on our platform.

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The most important innovation for hosted jobs was the introduction of Indeed Apply. For indexed jobs, job seekers click away to apply on a company site. But with hosted jobs, job seekers stay on Indeed when they apply.

We control the entire application experience, so we can make it simple, fast, and consistent.

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But the real key is that when a job seeker applies on Indeed, they need to upload a resume.

Indeed Apply became the conversion point for job seekers to create an Indeed account and upload a resume. We parse that resume and convert it into an Indeed resume, which the job seeker can then use to apply to the next job even simpler and faster.

As we grew the accounts and resumes on Indeed, we then built a resume search engine to allow employers to find and connect with active and qualified job seekers who had not even seen their jobs.

Slide 1-3-49

Indeed Apply was the key enabler of our first steps in transformation from a search engine to a two-sided marketplace.

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In this next phase of our business, our growth has been driven by a marketplace matching flywheel. The more marketplace jobs, the more deep data about jobs we get, which leads to more visits from job seekers. They create more accounts, which gives us more deep data about job seekers, which leads to more connections and hires. Marketplace activity on our platform gives us more downstream outcome data—interviews, offers, and hires. These results lead to more employers coming to the platform, which creates even more jobs.

All of this feeds unique data into our AI matching, which makes the entire marketplace more and more effective.

This is a virtuous cycle, which means the better we get at matching, the better we keep getting.

Slide 1-3-51

Hosted jobs on Indeed's ATS are all marketplace jobs. But the indexed jobs — those on external ATSes — still felt like a search engine to job seekers. So we developed the Indeed Apply Sync API, which brings the Indeed Apply experience to external ATSs.

With Indeed Apply Sync, every job can be a marketplace job.

We have integrated with more than 300 ATSs globally, which allows job seekers to apply to all of these jobs with the same simple and fast experience they have for hosted jobs.

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Indeed Apply Sync is part of a larger ATS Sync API. In addition to publishing jobs and enabling Indeed Apply, we can also sync candidates from other Indeed sourcing and hiring products, and sync dispositions, to bring outcome data from an external ATS into the Indeed platform, which powers further improvements in our AI matching.

Slide 1-3-53

ATS adoption of Indeed Apply has grown considerably over the past 10 years. But today, less than half of all jobs are Indeed Apply-enabled, which means there is still tremendous opportunity for continued growth from further ATS integrations.

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Indeed Apply is a key enabler of our marketplace.

And the key to our marketplace strategy is that Indeed Apply helps grow hires and revenue. Indeed Apply is better for employers—the simplicity and speed for job seekers means that on average, Indeed Apply jobs get 5 times as many completed applications.

This translates into the metric that matters most—Indeed Apply jobs are 2.5 times more likely to lead to a hire. Indeed Apply is also good for Indeed—on average employers spend twice as much for each job.

And as great as these improvements are today, we think we can do even better.

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The result of this strategy is that today Indeed is the leading global two-sided talent marketplace.

Hundreds of millions of job seekers visit Indeed and our sister site Glassdoor every month. They connect with more than 3.5M employers.

Across the world, 23 job seekers are hired per minute on Indeed—more than one every 3 seconds.

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Our product suite today maps into the search and marketplace journey. We call these areas attract, connect, and hire.

Attract is the original search engine business. We deliver interested candidates through sponsored jobs without Indeed Apply, and Employer branding on Indeed and Glassdoor.

For connect, part of the marketplace opportunity, we deliver quality, engaged candidates through sponsored jobs with Indeed Apply, and Smart Sourcing, our AI-powered resume search.

Hire is a massive future opportunity within marketplace. Over the past several years, we have introduced new, early stage experiments like Indeed Hire—a full service recruiting agency built on Indeed's data and AI matching technology, and Indeed Flex—an e-staffing marketplace for shift workers in the US and UK.

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Together, this makes up our overall strategic framework.

We have two simple goals: grow hires and grow revenue.

Our strategy is to continue our transformation from a search engine to a two-sided marketplace and we have two strategic priorities, which we'll spend the next sections diving into.

First, grow marketplace effectiveness through broad reach of jobs seekers and employers, AI powered matching and faster connections.

And second, grow effective monetization of the marketplace.

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I will now turn it over to Maggie and Raj, who will talk about our first strategic priority, growing marketplace effectiveness.

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Maggie: Hi I am Maggie Hulce, I lead our Job Seeker teams at Indeed and I have been at Indeed for 8 years. We spend more than a third of our lives at work, so where we choose to work is one of the most important decisions we make. At Indeed, we believe we can improve the lives of billions of people by making the process of finding a great job simpler, faster and more human.

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As you've already heard, our mission, for the last 20 years, is to help people get jobs. Today I am going to share our vision for serving job seekers around the world, and our 3-part strategy for how to achieve that vision.

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Indeed was founded on the value of putting job seekers first. We do this because we believe what's best for the job seeker is best for hires, and therefore what's best for the employer, too.

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As Indeed, we study the perspectives of workers around the world. More than 3 out of 4 workers agree that finding better work results in a better life. And while there are many barriers, two-thirds have hope - believing there is a better job out there for them. As Indeed, we want to help job seekers find better work - however they define it - so they can live better lives!

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As part of that, our vision is for workers everywhere to think of Indeed as their trusted career companion.

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Now job seekers are clear, and pretty reasonable, about what they want from a career companion.

They want to understand their options for jobs and companies upfront.

They want to find jobs that fit their skills and preferences.

And post-apply, at minimum they just want to hear back. But even more, they want to connect with a real person who will give them the chance to convey what they can do.

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Unfortunately, job seekers encounter many pain points along their hiring journey.

Their top ask is to know the salary for a job in advance of applying - but still only half of jobs in the US provide pay information up front.

Finding relevant jobs is then complicated by the fact that half of job seekers are looking for 2 or more different types of jobs at the same time during their search.

Lastly, 80% have experienced applying and never hearing back at all. This one is particularly sad, because most people say not hearing back from a prospective employer is worse than not hearing back from a potential partner after a first date.

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These pain points shape our three-part strategy to serve job seekers at Indeed.

The first pillar of this strategy is broad reach - which includes winning brand preference from job seekers by offering all the jobs in one place, along with authentic company reviews, career guides, salary info and more.

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Broadly, this strategy is working. We are in more than 60 countries and are number 1 or number 2 in more than 20 countries.

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We also hold a leading position in unaided consideration in all our top markets. This means, when we ask job seekers across the labor force - both those looking for a new job and those not looking - what they would use for a job search, they say Indeed. In unaided consideration, we rank number 1 in US, Canada, UK, Germany, Netherlands, and Japan and our lead has been growing in every market since 2020.

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Indeed is not just top of mind for job seekers in certain pockets - our strong unaided consideration holds consistently across all major industries.

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And we've been able to translate this strong awareness of Indeed into strong growth in unique visitors, which have doubled over the last 10 years, with notable acceleration post COVID. We now have north of 350 million unique visitors each month.

So what do all those visitors do?

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While most come to Indeed to explore jobs, our depth in company and salary insights drives additional engagement. Across Indeed and Glassdoor, we have nearly 1 billion company ratings and reviews and a similar number of salary data points and insights.

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Beyond exploring jobs and insights, job seekers also start applications on Indeed. Last year the number of JS who started an application on Indeed grew by 20%, with broad interest across occupations.

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Now job seekers don't just apply to jobs on Indeed, they also share skills and preferences as part of their profiles, allowing us to better tailor their job matches and overall experience on Indeed. Globally, we have 525 million verified profiles.

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And job seekers are increasingly choosing to make their profiles visible to employers and available for outreach - to the tune of 290 million and growing. This matters because job seekers are two times more likely to apply when they receive an invitation from an employer than if they look at a job on their own.

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The next part of our strategy is to offer the best matching for job seekers, providing personalized job and career recommendations based on our understanding of their skills and preferences.

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Excellence in personalized matching requires several steps:

We need to deeply understand occupations.

We collect information from job seekers and jobs.

We help employers validate skills.

We offer personalized job recommendations.

And we use every piece of data as part of a broader feedback loop to make our matching stronger over time.

So let me share a little more about how we do this.

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Our industry-leading understanding of occupations fuels our two-sided AI and ML matching models. Across 900 occupations, we extract more than 10 thousand unique attributes - things like skills, licenses, work settings, schedules, benefits and pay - many that are unique to each occupation.

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This occupation-specific understanding then powers most Indeed experiences. For example, if you search for a registered nurse in Seattle, you will see many drop downs, with options to tailor your search with attributes that are specific to registered nursing jobs. So, if you are looking for an acute care, pediatric nurse job with an evening shift - we can help you find it.

Now we don't just extract information from jobs and profiles, we also collect a lot of information about job seeker skills and preferences on Indeed while they are exploring jobs.

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You can see in this example - a job requires an RN license. We're not sure if this job seeker has one - so we just ask them while they are looking at the job.

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If they do, it turns green.

Slide 1-4-81

If not, it turns red.

This approach allows us to gather unique information about job seekers, at scale. Last year alone, across qualifications and preferences we collected more than 2 billion unique data points.

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Now, gathering preferences around pay from job seekers - and getting pay information on jobs - is particularly important for both matching and engagement. We see jobs with pay get 30% more started applications per impression. And again, as of right now, only about half of US jobs have pay information provided directly by the employer. That's up 10 percentage points versus last year, but there's still more to do.

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In addition to collecting self-reported skills, we also help job seekers prove they have them. We offer skills tests called Indeed Assessments for 900 skills. To date more than 1 billion assessments have been taken. We also offer options to add how many years of experience you have in a particular skill (which is not always clear from a traditional resume) and a way to convey skills gained through programs versus college or traditional work experience.

Slide 1-4-84

With this understanding of job seekers and jobs - we then focus on offering AI-driven recommendations to job seekers, so they can find great fit jobs faster. When a job seeker is logged in, the homepage feed shows recommended jobs, based on everything we know about that job seeker. We also email recommended jobs, and use AI to explain why we think a certain job might be a good fit. Recommendations like this (versus search) now make up 60% of our monetized started applications, so it's a very important part of our strategy.

As part of creating personalized recommendations, we are also testing new GenAI experiences to help job seekers explore job and career changes based on skills or other considerations.

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Our first experiment in the US already shows a 17 percentage point improvement in conversion to started apply vs. an open ended search on Indeed. And we see so much potential here for creating new compelling experiences for job seekers.

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Now, with recommendations, of course we are trying to steer job seekers to jobs where they are more likely to get hired. The green and red highlights are part of how we do this. And, when we see a job seeker start to apply to a job where they are missing core qualifications - we suggest they add supporting documentation and also suggest other jobs that might be a better fit.

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This last step - our feedback loop - is critical. We use all this data about job seekers to feed and tune our AI models and match recommendations over time. Personalized matching means we need to be constantly

looking for feedback - just like a career advisor would - to make sure our recommendations are actually helpful.

Slide 1-4-88

The third part of our strategy is enabling faster connections on Indeed - with tools to help job seekers showcase their skills, apply, interview, and ultimately get hired.

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Beyond matching, there are 4 elements that help drive faster connections on Indeed - our mobile app, Indeed Apply, Indeed Messaging and Indeed Interview.

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Our mobile app is our leading surface for engagement and revenue. Because job seekers on the app are always logged in, personalization becomes easier. Native elements on the app allow us to deliver a more seamless and retentive experience, which should help us lower our job seeker acquisition costs over time.

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Indeed Apply is another critical part of our strategy to streamline hiring, as it ensures a mobile-optimized application process. This is particularly important because 75% of applications are submitted via mobile devices.

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To give an example of the speed and simplicity difference - I looked at 2 barista jobs live on Indeed right now from different companies. The first barista job requires completing the application on the career site, off Indeed - which has many steps and takes 8 minutes to complete. The second has Indeed Apply and takes just a few clicks to complete, given the job seeker can use saved info from their Indeed profile. That's a 24X speed difference. Why does this matter? Well, because job seekers frequently just drop off when they encounter an apply flow that is too long or too hard to complete.

Slide 1-4-93

Now, after the apply, we work to enable messaging on Indeed - which is usually the first human connection between a job seeker and an employer after the apply. Last year, the number of job seekers who sent messages to employers on Indeed grew by 25%.

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To help job seekers and employers communicate even faster, we are also starting to use AI-generated prompts to get the ball rolling. What are the vast majority of messages about? Setting up an interview.

Slide 1-4-95

Interview scheduling is one of the most manual and time consuming parts of hiring. On Indeed, we offer a number of solutions to help make this faster, including options to schedule interviews into our video solution - Indeed Interview. Last year, we completed 8 million interviews on Indeed - and we've done 15 million since launch. Our average time to first interview is four days, whereas many hiring processes take weeks to get to this point.

Slide 1-4-96

Four days seems fast, but we are working to make it even faster, by enabling jobs with direct-to interview flows. In these flows, any JS that has the qualification for a job can immediately pick from pre-set slots to meet

with the employer. Job seekers love this experience, because they know immediately whether they will have a chance to convey to the employer why they want the job and what they can do!

Slide 1-4-97

So that is our three part strategy to help workers all over the world.

Slide 1-4-98

And to help bring our experience to life, here's a short demo of how Indeed works.

Slide 1-4-99

I open the Indeed App, find a great fit job on my homepage at the top,

Slide 1-4-100

I review it, see in all the green it's a good fit for me and decide to apply.

Slide 1-4-101

I can immediately review my application because my info was saved on Indeed.

Slide 1-4-102

I can submit my application,

Slide 1-4-103

check on its status,

Slide 1-4-104

message with employers,

Slide 1-4-105

and schedule an interview,

Slide 1-4-106

in a time slot that works for me.

Slide 1-4-107

When it's time to join the interview I can do so right from my phone and if all goes well,

Slide 1-4-108

I will hopefully get the offer!

Slide 1-4-109

Every day we collect messages from job seekers who have found a job on Indeed. Many of these messages are incredibly heartwarming.

Slide 1-4-110

There are nearly 20 million of these stories and you can check them out at gotajob.indeed.com

Each person's story for how they got a job on Indeed is a step toward our Indeed-wide goal to help 100 million people get jobs by 2030.

Slide 1-4-111

So here's what I hope you will takeaway from this presentation:

Our vision is to become a trusted career companion for every worker.

Our strategy focuses on offering broad reach, the best matching and faster connections.

We're providing personalized experiences using AI and ML, and our depth of job seeker understanding.

And we will help 100 million people get hired by 2030.

With that, I'll turn it over to Raj who will talk about how we're delivering value for employers.

Thank you.

Slide 1-5-112

Raj: Good morning, everyone. I'm Raj Mukherjee, and I lead employer-facing products at Indeed. I'm thrilled to be here with you today. I've been with Indeed for over 7 years and am more excited than ever about our future.

On a personal level, it's always so rewarding whenever people thank me for helping them find a job when they find out I work at Indeed.

Slide 1-5-113

That's why I'm here - to help hundreds of millions of people globally find their dream career opportunities.

Slide 1-5-114

Chris mentioned Indeed's founding principles earlier. Maggie explained how putting job seekers first makes us the leading place to find and get jobs. Everything I will talk about ties to our foundational principle of pay for performance and how we deliver value to employers.

Slide 1-5-115

And to do so, we're building solutions to simplify each step of the hiring process, from posting a job through making a hire.

Slide 1-5-116

Hiring is challenging: it can be complex, slow, and impersonal. The average HR team uses over 16 different systems, most of which don't work with one another. As Deko mentioned earlier, it takes companies more than 50 days on average to fill an open position. 78% of job seekers say they haven't shown up for an interview.

Slide 1-5-117

At Indeed, we're here to make hiring simpler, faster, and more human. We make it simpler to post jobs, source candidates, automate repetitive tasks, and enable meaningful human conversations, dramatically reducing time-to-hire.

That's why Indeed has become the hiring partner of choice for employers of all sizes, from start-ups to global corporations.

And we know we can help millions more employers.

Slide 1-5-118

Our vision is to become the primary hiring partner for every employer worldwide.

Slide 1-5-119

To achieve this vision, our strategy hinges on three key pillars - the same as what Maggie shared earlier:

Let's start with how we are Expanding Reach to all employers globally, across SMBs and Large Enterprises, and growing supply for all types of jobs

Slide 1-5-120

As a thriving 2-sided marketplace, we engage hundreds of millions of job seekers and employers monthly. More than 3.5 million employers worldwide turn to Indeed's marketplace to help them hire.

Slide 1-5-121

Let's take a brief moment to understand the impact we have had on hiring.

One of the big reasons employers come to Indeed is because we deliver over 3 times more hires than any other job site. In fact, more people get hired on Indeed than on all other job sites combined.

Slide 1-5-122

Our ability to solve employer problems has made us the brand leader in unaided consideration among SMBs across the globe.

Our brand recognition with employers mirrors that with job seekers worldwide.

Slide 1-5-123

We help small businesses like Get Up and Go Kayaking scale. They were looking to grow fast, and we helped them do just that - contributing to over 95% of their hires. As Justin, the owner, explained, Indeed provided more qualified candidates than any other job site - helping them scale their business quickly.

Slide 1-5-124

We also lead in unaided consideration with large enterprises, with 90% of Fortune 500 companies using our platform to help them hire. This broad reach is a testament to our brand's strength and the trust employers place in us.

As we continue to build solutions that make it faster and easier to hire quality candidates, we will continue to increase our value, allowing us to expand our wallet share.

We know employers, especially large employers, have many systems involved in hiring and people management.

Slide 1-5-125

As ecosystem enablers, we collaborate with ATS partners to help large enterprises connect essential tools and optimize their investments in HR Information Systems. We believe employers will get better matching and

hiring results when data flows smoothly between their ATS and Indeed. It's a win-win-win for employers, the ATSs, and Indeed.

Slide 1-5-126

Here's an example of how our solutions benefit large enterprises. TruGreen, the largest lawn care company in the US with thousands of employees, turned to Indeed for candidate volume, tapping the millions of active job seekers on the site daily. By leveraging Indeed Apply and integrating its ATS with Indeed, TruGreen reduced candidate drop-off by 85% and accelerated time to interview by up to 95%.

TruGreen and Get Up and Go Kayaking are just two of many companies we have helped grow, and we know we can help millions more.

Slide 1-5-127

The next pillar of our strategy is Best Matching, which uses our extensive job seeker and employer data to deliver AI-driven recommendations.

We believe the scale of employers and job seekers on Indeed is a key competitive advantage.

The data we collect from employer and job seeker interactions on Indeed enhances our matching algorithms, ultimately leading to more successful hires and reinforcing our competitive edge. I'll walk you through ways we collect and leverage this data to power our AI matching engine and how that translates into employer value.

We first introduced Job Posting in 2011 followed by the introduction of our free-to-post product in 2015, allowing employers to post their jobs directly on Indeed. Job postings have driven business growth and employer engagement.

Let's see how easy it is for Roberta, a recruiter for a small hospital in Austin, Texas, to post a job on Indeed.

Slide 1-5-128

Roberta is seeking a Registered Nurse. In just a few clicks, she can add common occupation-specific details that job seekers want to see. Market-based suggestions help her understand what pay and benefits will be fair and competitive. Within seconds she can generate - and edit - an AI-recommended job description optimized to attract the best candidates. She can also specify must-haves, like an RN license, so she can only get candidates that qualify. Once the job is ready, Roberta can start calibrating matches.

When she sponsors the job, she can see active candidates with resumes on Indeed who match that job, and start inviting them to connect right away. With the help of Generative AI, she can tailor her messages so job seekers will receive the personalized invitation they expect. On Indeed, Roberta can get connected with qualified candidates in a matter of hours - versus the days it could take elsewhere.

Slide 1-5-129

With over 3.5 million employers and 30 million jobs on our platform, combined with the 350 million unique visitors, we have a thriving ecosystem with incredibly robust data for matching, ultimately accelerating meaningful connections between job seekers and employers.

Slide 1-5-130

High-quality jobs really matter to attract the right job seekers and drive significantly more applications. We have been adding these critical attributes to the majority of jobs on Indeed, especially hosted jobs. For example, we have doubled compensation information for US hosted jobs over the past 5 years.

Slide 1-5-131

How about indexed jobs posted to Indeed from an ATS? As Chris mentioned, expanding the adoption of Indeed Apply for Indexed jobs has been key to our marketplace transformation, and employers benefit by seeing more started applications per job.

Slide 1-5-132

Another ingredient to better matching is screener questions, which help employers focus on candidates who meet all their requirements. Indeed builds tailored screener questions into the job posting and application experiences. For example, for a registered nurse job, Indeed will confirm that job seekers have a registered nurse license before applying. Jobs with screener questions result in 50% more hires on average.

Slide 1-5-133

As Maggie mentioned, we also offer Indeed Assessments to help employers reliably screen candidates for over 900 skills. Millions of employers have used these assessments with strong results: jobs using Assessments hire 49% more often, and employers who use them hire 16% faster.

Slide 1-5-134

Being the best in matching also means providing employers with tools to proactively recruit the best candidates among millions of active job seekers and encouraging qualified candidates to apply.

Indeed enables employers to automate as much of the sourcing process as they desire and flexes to support all types of roles, from high-volume to highly specialized.

Slide 1-5-135

Indeed Resume Search allows employers to source from hundreds of millions of searchable resumes through a subscription pricing model. Employers type in a query, get search results, and then reach out to candidates. As Maggie noted, job seekers who receive an outreach from Resume Search are 2 times more likely to connect with an employer than those who applied on their own.

Slide 1-5-136

To save employers time, Indeed introduced AI-driven Matched Candidates in 2021 as a separate feature, available only to paid Hosted Jobs. With Matched Candidates, there's no need to search. Indeed finds the best candidates based on qualifications and responsiveness.

Employers can easily invite Matched Candidates to apply for their roles. And when invited, matched candidates are 17 times more likely to apply - you heard me right, 17 times more likely to apply - than if they just found the job on their own. And now we are rolling out Matched Candidates to all paid hosted and indexed jobs.

Resume Search and Matched Candidate Recommendations are very effective individually. We believe they will be even better together.

Slide 1-5-137

We've combined them into a new product called Smart Sourcing, which weaves both features together and allows employers to build a holistic talent pipeline with seamless search and recommendations.

Slide 1-5-138

With Smart Sourcing, we're using Generative AI in powerful ways to help employers evaluate candidates and reduce time to source significantly. Candidate highlights provide an AI-generated summary to help employers easily determine whether candidates are a good fit for their role. For qualified candidates, employers can then use Smart Messages to quickly connect with AI-generated personalized outreach.

Smart Sourcing also offers enterprise-grade capabilities like ATS integration and team collaboration, making it attractive for larger companies. Smart Sourcing has been in beta and is set to launch in early April. The feedback is overwhelmingly positive! Early adopters are already raving about how quickly they're connecting with qualified candidates.

Slide 1-5-139

We also offer Automated sourcing, a fully automated option only available for paid jobs. Launched in 2019, Automated Sourcing revolutionizes recruitment by reaching out to job seekers whose skills and preferences align with an employer's needs.

Here's an example of an automated sourcing outreach my daughter received as she is finishing high school and is interested in part-time work. She excels at math - and her Indeed profile reflects this - so this recommended math tutor role is a great fit for her.

Job seekers who receive automated sourcing outreach are 2.5 times more likely to apply to a job than those who only see it in search.

Slide 1-5-140

Automated sourcing is powered by the same internal matching engine that Maggie showed when she discussed homepage recommendations. All the amazing data we collect from employers and job seekers powers these personalized outreaches.

Slide 1-5-141

We use advanced AI and ML to optimize these automated sourcing experiences, including proprietary and open-source tools. For example, we use generative AI to personalize automated sourcing outreaches.

Our first production version of genAI solutions for auto-sourcing has already yielded greater than 20% improvements in started applications.

Slide 1-5-142

The final pillar is Faster Connections between employers and job seekers, using automation and AI to increase responsiveness and reduce time to hire.

Slide 1-5-143

Speed to connection can make all the difference when competing for talent. Our data shows that candidates receiving an outreach within 4 hours of applying are 95% more likely to lead to a hire than those receiving an outreach a week later.

Slide 1-5-144

To drive connections on Indeed we have added multiple modes of communication and used AI to speed up the process for both employers and job seekers.

Slide 1-5-145

Indeed's built-in Messaging feature makes it incredibly quick to connect on the Indeed platform. Since we launched Messaging in 2019, there have been billions - yes, billions - of messages between employers and job seekers right on Indeed. Job Seekers typically reply within 2 hours when employers message them on Indeed, and with the introduction of a chat-based experience, it's gotten even faster this last year.

Slide 1-5-146

To accelerate the time to interview, we introduced virtual interviews that can take place on Indeed a few years back and scaled it to over 8 million interviews last year. The benefit: Great candidate quality and 44% faster hiring.

I'm also excited to share two promising areas still early in the investment cycle related to faster connections.

Slide 1-5-147

First, we're using automation to reduce the time between applying and getting a human-to-human connection. An example of automation: employers can quickly send tailored messages to all qualified job seekers who meet screener questions, enabling them to move forward faster with the best-fit candidates. These automations are available only for paid jobs. We have seen a 20X growth in the number of connections through automation just this year alone.

Slide 1-5-148

Another early success is a new, streamlined iOS app focused on fast connections and fostering a responsive marketplace. The great news is that employers receiving app push notifications respond 20% faster. Introduced last spring, monthly users have tripled in the first 6 months. We expect even more adoption when we add Smart Sourcing capabilities and an Android version this Spring.

Slide 1-5-149

So that's our three-part strategy to help employers around the world.

Slide 1-5-150

As Maggie mentioned, by 2030, we will help 100M get jobs. Which means we're helping employers grow by hiring 100M people.

All of these solutions are built with employers and job seekers in mind, as we work to make hiring simpler, faster, and more human. This is what I'd like you to take away from this presentation.

Slide 1-5-151

We intend to be the primary hiring partner for all employers globally.

We plan to do this by:

Building solutions powered by AI and automation to address employers' hiring challenges.

Matching employers with the best candidates in our active two-sided marketplace.

And finally, leveraging the vast scale of our data to power our matching engine, leading to more meaningful connections between employers and job seekers.

Now, I'll send it back to Chris to share more about our monetization opportunity.

Slide 1-6-152

Chris: Thanks Raj.

Once more, we have two strategic priorities.

Slide 1-6-153

First, improve the effectiveness of our marketplace in order to drive more hires, which Maggie & Raj just covered.

Second, as we improve matching and drive more hires, we need to effectively monetize the marketplace.

Slide 1-6-154

The most common question we get here is “why don’t you just raise your prices?”. That’s a great question, and the answer goes back to our core value of pay for performance.

Slide 1-6-155

The key to Indeed’s success from the very start has been our alignment to our customers, and to job seekers. We get paid when we deliver value, which means we grow revenue when we deliver more value. We can’t just raise prices by, say 10%, without jeopardizing that alignment.

However, there are multiple areas where we are charging less than the value we’re delivering, and that means significant opportunity to improve monetization by better capturing the value we already deliver.

Slide 1-6-156

We started our journey from search engine to marketplace back in 2011 with the introduction of Hosted Jobs and Indeed Apply. Since then we have made extraordinary progress, with a 45% CAGR over the past 12 years.

This is an ongoing transformation and if we look at Indeed Apply penetration, we are barely halfway through this journey.

Slide 1-6-157

That continued journey represents a massive opportunity ahead.

The key is that the marketplace total addressable market is significantly larger than the search engine TAM. The global HR matching market is north of \$300 billion.

When we look at the various segments that make up this market, the search engine opportunity is a sub-segment of Job Advertising and Talent Sourcing. At \$32 billion, it’s less than 10% of the total. The rest—recruitment automation, retained search, direct hire, and temp staffing—are all part of the larger marketplace opportunity.

Slide 1-6-158

The global marketplace TAM is 10 times the size of search.

Our strategy to transform from search engine to a two-sided marketplace opens the doors to this significantly larger opportunity.

Slide 1-6-159

We have a massive opportunity ahead along two simple dimensions:

First, we’ll grow the take rate of existing customers.

Second, we’ll expand our customer base with new employers.

Slide 1-6-160

Our first monetization lever is to grow take rate. Take rate is a measure of the cost per hire as a percentage of first year salary. If it costs \$10,000 to deliver the hire of someone earning \$100,000, that's a 10% take rate.

Today, for hires we measure on Indeed, the average take rate is less than 1%.

Slide 1-6-161

1% might seem reasonable, until we consider market pricing for traditional hiring platforms. Direct hire placement fees average roughly 20%, and executive search firms charge up to 40%.

So we can grow our take rate considerably and still have the advantage of offering a significantly lower cost per hire.

There are several levers to increase take rate on Indeed.

Slide 1-6-162

One of the biggest levers to grow take rate is to continue to grow the share of paid interactions on Indeed. Our core value of putting job seekers first means that we want to have all the jobs a job seeker would be interested in, regardless of whether or not the job is paid.

The majority of jobs on Indeed are what we call "organic," or free. When a job seeker searches on Indeed, they see a blend of free and paid jobs. Over time, we have grown our customer base, so we have more paid job inventory.

And as our matching AI has improved, we have been able to dial up the percentage of matches from paid jobs. As we continue to turn the knobs on free and paid matches, take rate will go up. This is an essential point of our alignment of values with job seekers and employers. For most ad supported platforms, the ads are a distraction for the users, a necessary evil.

On Indeed, our "ads" are the reason job seekers visit — to get jobs. And even more importantly, paid jobs represent an employer who is even more eager to fill a position than those that are free.

Slide 1-6-163

On average, sponsored jobs are 40% more likely to lead to a hire. So we can continue to grow the mix of paid vs free, and still put job seekers first.

Slide 1-6-164

Another key lever is to continue to grow ATS integrations for Indeed Apply. Enterprise clients are responsible for a huge portion of all open jobs, and nearly all of them use an ATS to post their jobs.

As I mentioned earlier, Indeed Apply jobs on average spend twice as much per job, while delivering 2.5 times as many hires. This means that our effective monetization of Enterprise customers is driven considerably by Indeed Apply adoption.

Today, less than half of all jobs on Indeed are Indeed Apply-enabled.

We have major new ATS integrations rolling out in 2024, including with four of the largest ATSs in the world. This will open up significant opportunities for Enterprise expansion.

Slide 1-6-165

Another key lever for increasing take rate is effective monetization for high salary jobs.

Throughout the HR industry, the higher the salary, the cost per hire goes up. But even more than that, the take rate also increases.

You can see this clearly in the sample data here from industry sources. For hospitality roles, we see an average cost per hire of about \$1,000 for jobs that pay around \$30,000, for an estimated take rate of 3.5%. For technical and scientific roles with a \$90,000 salary, the take rate goes up to 7%. Technical and scientific executive roles at \$150,000 salary have an estimated take rate of 26%.

Slide 1-6-166

I mentioned before that Indeed's average take rate is less than 1%.

But if we look at our take rate by salary range, we see that our curve is in fact the opposite of the industry trend. As salary increases, our take rate decreases. Jobs we fill with a salary of \$100,000 have half the take rate of jobs with a salary of \$50,000.

Slide 1-6-167

This is one big area where we are charging far less than the value we are delivering. We can turn the knobs on value based pricing — charging more for higher salary jobs — and directly increase take rate. We have a significant opportunity to close this gap, and we think we can drive even more value for these jobs over time.

Slide 1-6-168

The final lever for increasing take rate is to continue the strategy of moving more employers from search to marketplace products. We are growing Indeed Apply integrations, and launching Smart Sourcing as Raj explained earlier. Long term, we will continue to innovate monetization models that are “closer to the hire”.

Indeed Flex and Indeed Hire are early stage experiments. They represent more value to employers—we deliver hires and completed shifts. They also represent a significantly higher take rate today of 5% - 10%, and address a significantly larger TAM. You'll hear more about Indeed Flex from Rob Zandbergen later today.

While we are focusing on growing the take rate from existing customers, of course, we are also focused on growing our customer base.

Slide 1-6-169

As Raj shared, we have strong market awareness, preference and share in markets around the world. But there are numerous opportunities to grow our customer base.

At a high level, we have three key areas of focus.

First is our continued investment in international markets. 70% of our revenue today comes from the US, but 70% of global TAM is outside of the US. Japan is a key market for Indeed and Recruit, and you will hear more about our efforts there from Kitamura-san and Yamaguchi-san later today.

Next, our SMB business is powered by hosted jobs, which is driven by self-serve signups. By continuing to simplify and optimize the onboarding process, we can drive significant new spending conversions of SMBs.

Finally, we have substantial headroom to grow enterprise penetration. Our investments in Indeed Apply integrations will continue to open up new opportunities with Enterprise employers.

Slide 1-6-170

We have significant headroom to expand our current monetization across these two dimensions.

We'll grow take rate by growing the mix of paid and free matches.

Growing Indeed Apply for enterprise employers.

Growing value-based pricing for high salary jobs.

Growing adoption of “closer to the hire” solutions.

And, of course we’ll grow new customers.

These two strategies will work together to drive overall revenue growth.

Slide 1-6-171

Our transformation from search engine to marketplace is well underway. But with Indeed Apply adoption at less than half, we are still in the early innings of this evolution.

Slide 1-6-172

As we continue this strategy, we will drive more value for job seekers and employers, and unlock more of the nearly \$300 billion marketplace TAM.

Slide 1-6-173

Overall, the key takeaways for Indeed are:

One, our core principles of “Job seeker first” and “Pay for performance” have fueled our position as the global leader in hires.

Two, ongoing AI innovation is fueling our progress to transform from a job search engine into a matching and hiring marketplace.

Three, we have significant levers to grow our take rate and customer base to effectively monetize our marketplace, and address a much larger HR matching TAM.

No doubt we have a lot of work ahead of us, but the opportunity to grow hires and revenue is inspiring

Slide 1-6-174

When I joined Indeed in October 2010, we had 130 people, with just 45 in our Austin office where I work. Two weeks after joining, we moved into a new office space. In true startup fashion, we met on a Saturday morning with coffee, bagels, and yes, our own power tools.

Slide 1-6-175

We assembled desks, installed power and cabling, and stocked the kitchen.

But as fun as this was, I had been working in startups for 15 years at that point, and at 130 people, Indeed was actually the biggest company I had ever joined.

Slide 1-6-176

I was inspired by the mission and the people, but honestly, I was a bit worried that I’d missed all the fun.

Looking back now of course it’s clear that we were just getting started.

Slide 1-6-177

When I look at all the opportunities ahead of us today, I can say with absolute conviction that we are just getting started.

Thank you.

Slide 1-7-178

Yoshi: My name is Yoshi, and I am the Executive Vice President and Head of the Matching & Solutions Business unit at Recruit Holdings.

Since joining Recruit about 27 years ago, I have primarily been involved in the company's operations within Japan. I would like to provide an update on the progress of Simplify Hiring in Japan, a strategy that spans across all three Strategic Business Units.

Slide 1-7-179

First, let me discuss the current state of the HR matching market in Japan. As shared in earlier presentations, the global HR matching market is valued at approximately \$327 billion US dollars. Within this, Japan holds the position as the second largest market in the world, following the United States.

Slide 1-7-180

Deko mentioned that, as a common issue globally, searching for a job remains challenging and the recruitment process is inefficient. Japan faces similar issues.

The HR matching market in Japan has many unique characteristics, and it is crucial to understand these characteristics in order to effectively deliver on our strategy to Simplify Hiring.

Slide 1-7-181

First, Japan has been experiencing a serious labor shortage.

Slide 1-7-182

As Japan faces an aging population and declining birthrate, the working-age population has continued to decrease over the past 20 years. By 2040, it is expected that there will be a shortage of approximately 11 million people in the labor supply compared to labor demand.

I am convinced Simplifying Hiring is critically important in Japan. For job seekers, it provides support to make it faster and easier to find a job. For employers, it significantly streamlines the recruitment process itself.

Slide 1-7-183

Second, there is a low rate of people changing jobs.

Slide 1-7-184

In recent years, Japan has made progress in transforming its distinctive employment systems, including moving away from lifetime employment. However, according to a survey by Indeed, Japan has a lower rate of job change compared to other countries: less than 60% of respondents in Japan reported switching jobs, whereas this rate exceeds 90% in countries like the US and the UK.

For those who have never changed jobs and do not have much knowledge about how to do so, finding a suitable job from the many available options is not easy. Even for those with experience, changing a job requires a lot of effort and time. Although many people "wish to change jobs," the actual percentage that do so the following year remains just over 10%.

Among the reasons for not changing jobs, one in three people cited lack of time, and not finding the desired job was also among the top reasons. Therefore, we recognize the importance of making the process of finding the right job faster and easier.

Slide 1-7-185

Next, let's look at the market fragmentation of Japan.

Slide 1-7-186

Many employers, including us, have developed services to support matching within specific categories in order to meet the diverse needs of job seekers, dividing job boards by: employment type such as full-time, part-time, and temporary work; by timing such as new graduates and career changes; as well as by region such as Tokyo and Osaka.

As a result, there are approximately 28,000 employment agencies, about 44,400 temporary staffing agencies, and numerous job boards in Japan.

In the highly fragmented HR matching market, job seekers are able to search for job listings on job boards that are filtered based on their desired work style.

This provides job seekers the advantage of easily finding job listings that match their needs, and it gives hiring companies the benefit of being able to target their job advertisements to specific groups.

However, this segmentation tends to limit job seekers' opportunities to realize their potential or to find job listings that might suit them better.

For employers, choosing between multiple job boards, setting budgets, and creating job listings in various individual formats can make recruitment tasks inefficient due to the limited reach to potential candidates and the complexity involved.

While maintaining the benefits of traditional segmented HR matching services, we are leveraging our unique data and technology to respond to changes in work styles and skills-based matching. We are exploring ways to evolve so that a diverse range of job seekers and jobs can be matched more efficiently.

Slide 1-7-187

The Recruit Group has been involved in the HR matching business within Japan for over 60 years, since its inception. It started with job advertisement magazines aimed at college students and has continuously evolved by anticipating changes in society and industries. By disrupting ourselves, we have repeatedly created new business models, transitioning from print to online media, and then to matching platforms.

Since Indeed began its operations in Japan, Indeed offers added value that simplifies the processes for both job seekers and employers.

Slide 1-7-188

Going forward, we plan to further advance Simplify Hiring in Japan across the three Strategic Business Units.

As part of this effort, at the end of January this year, Indeed has started the nationwide rollout in Japan of Indeed PLUS, a job distribution platform that efficiently matches job seekers and employers. Indeed PLUS combines the power of our HR Technology platform with the data and insights of our various Japan-based HR solutions like Townwork and Rikunabi NEXT. These job boards in HR Solutions are now linked to Indeed PLUS.

Slide 1-7-189

In HR Solutions, we have traditionally operated several paid job boards such as Rikunabi NEXT, Townwork and others, using an advertising fee-based "Pay Per Post" model.

As they link to Indeed PLUS, the job boards in HR Solutions will transition to a "Pay Per Click" model, which is an auction-based pay for performance model. This change will enhance the transparency of cost-effectiveness for employers compared to the Pay Per Post model.

We believe HR Solutions in Matching & Solutions is able to transform into an HR technology business through the evolution of business models and pricing models.

Slide 1-7-190

For the twelve months ended December 2023, HR Solutions revenue was approximately 310 billion yen, with job boards in the full-time and part-time job recruitment areas alone accounting for approximately 115 billion yen.

Meanwhile, Indeed's revenue within Japan for the same period was approximately 68 billion yen.

The launch of Indeed PLUS is expected to attract new business clients and increase the average revenue from existing clients. As a result, HR Technology revenue in Japan is anticipated to grow further. This growth is supported by the Indeed PLUS value proposition of streamlining hiring processes.

From here, I would like to pass it over to Masamichi, SVP of Product for HR Solutions. He will give you an update on Indeed PLUS and how it simplifies hiring in Japan.

Slide 1-7-191

Masamichi:Hi, I'm Masamichi from the Product Management team at HR Solutions. I've been working in Product Strategy in HR Solutions since 2018.

Slide 1-7-192

Indeed PLUS is a job distribution platform developed over several years through close collaboration between Indeed and HR Solutions.

Slide 1-7-193

When employers post a job through an applicant tracking system, known as an ATS, linked to Indeed PLUS, the job is automatically distributed to the most suitable job boards within the Indeed PLUS network based on the job description.

This allows job seekers to choose from a wider range of jobs, and employers can expect to hire the most suitable talent more quickly and efficiently, from a larger pool of candidates. Attracting a larger pool of candidates is a critical challenge in the Japan labor market where there is a serious labor shortage.

As Kitamura-san mentioned earlier, most job boards in HR Solutions have become job boards linked to Indeed PLUS. We expect the number of job boards linked to Indeed PLUS will increase as third-party job boards outside Recruit Group join this network to provide more opportunities to the job seekers who use their job boards.

Additionally, Airwork ATS and JobOp, which are ATSs operated by Recruit Group, are already linked to Indeed PLUS. Other than ATSs operated by our group, 26 ATSs are already planned to be linked to Indeed PLUS.

For ATS providers, linking to Indeed PLUS is expected to expand the range of job advertising platforms where jobs can be posted and, consequently, reach a broader audience of job seekers, without incurring additional costs. Therefore, we anticipate an increase in ATSs linked to Indeed PLUS in the future.

From here, I will discuss the features of Indeed PLUS from three perspectives: data standardization, reach, and matching.

Slide 1-7-194

The first perspective is data standardization.

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Traditional job advertisements were created according to the format of each individual job board, making it time-consuming and labor intensive for job seekers to compare multiple job listings with different formats and content including application requirements.

Similarly, employers had to review applicants' documents in the different formats of each job board, leading to an inefficient recruitment process. Job postings created by an ATS linked to Indeed PLUS become easier to compare as the job descriptions and other recruitment details are standardized, allowing job seekers to more easily find jobs that suit them.

Slide 1-7-196

On Indeed PLUS job boards, a service called "Resume" has been introduced that allows for the easy creation of resumes in a cross-service format. With "Resume," job seeker information is standardized and structured in a way that AI can more easily understand, facilitating recruitment based on experience and skills. This enables employers to recruit the most suitable talent accurately and quickly.

Slide 1-7-197

The second perspective is Reach.

Slide 1-7-198

According to a survey by Indeed, more than 90% of job seekers in Japan feel that there might be job listings better suited for them out there. Furthermore, more than half of employers feel that they do not receive enough applicants unless they use multiple job sites.

Slide 1-7-199

Indeed PLUS job boards enable job seekers to effectively find the right job from a wider range of options.

And by posting jobs through ATs linked to Indeed PLUS, employers can reach up to 70% of users at the major job boards in Japan, increasing their chances of receiving more applications from job seekers that better match their needs.

Slide 1-7-200

The last perspective is Matching.

Slide 1-7-201

The algorithm of Indeed PLUS continuously optimizes itself using machine learning based on data from Indeed PLUS which includes job ad distribution, searches and recommendations on job boards, and advertisement budget allocation for employers.

Our group's matching engine, which constantly evolves through machine learning and AI, will make the matching between employers and job seekers faster and easier.

Here, we will explain specific use cases of Indeed PLUS from the perspective of both job seekers and employers.

Slide 1-7-202

First, let me introduce how job seekers are utilizing Indeed PLUS. Since October of last year, we have been testing Indeed PLUS in limited regions.

In these test regions, the number of job listings viewable on Rikunabi NEXT increased after the rollout of Indeed PLUS - leading to a growth rate of job listings that was approximately twice that of areas not participating in the test.

These results indicate that job seekers are now able to access an increasing number of job listings with Indeed PLUS. Therefore, from a job seeker's perspective, they can now select from more job openings than ever before, without changing their job search methods or habits.

Slide 1-7-203

Additionally, Indeed PLUS has AI-driven recommendations that deliver recommended jobs via email based on information from job seekers' resumes and job search activities, and an "Approach" feature that allows employers to send scout emails to job seekers.

With these features, job seekers will encounter a wider variety of listings than ever before and get opportunities to consider jobs they had never previously thought of.

Next, let's look at how employers are utilizing Indeed PLUS.

Slide 1-7-204

A construction company, which was impacted by a serious labor shortage in the construction industry, used to take a long time to find and hire appropriate employees. Even after 4 weeks of advertising on Rikunabi NEXT they only had 6 applications and none of them met the company's hiring criteria.

However, after switching to Indeed PLUS in January, the company received 106 applications and hired two new employees in 4 weeks.

In addition, there have been cases where it used to take two days to decide where to post a job ad and what the posting plan should be. But with Indeed PLUS, the process is automated and the time taken to post a job has been reduced to just a few minutes.

As you can see, Indeed PLUS makes the hiring process faster and easier, and we continue to receive feedback that the matching accuracy has improved with an increase in applications from suitable candidates that lead to hires.

We believe that by increasing collaboration with job boards and ATs other than our own in the future, Indeed PLUS will advance Simplify Hiring in Japan - allowing job seekers to select suitable jobs more quickly and enabling employers to streamline their recruitment processes, among other benefits.

Therefore, in HR Solutions in Matching & Solutions, our efforts to Simplify Hiring in Japan will focus on collaborating with Indeed Japan and promoting the widespread adoption of Indeed PLUS.

Yoshi: As a global leader in the HR matching market, one of our key strategies is to rapidly advance Simplify Hiring.

As we discussed today, we will evolve HR Solutions in Japan through collaboration with Indeed and by leveraging our unique data, machine learning, and AI technology.

As the labor market in Japan is undergoing significant changes, we are committed to matching job seekers and employers more efficiently. By leveraging our diverse service offering, we will not be limited by the constraints of existing recruitment mechanisms, allowing us to help job seekers find suitable jobs and employers to recruit the talent they desire.

This concludes my presentation.

Next, Rob will give you an update on Staffing.

Slide 1-8-207

Rob: Hello, my name is Rob Zandbergen, I'm Head of the staffing business for Recruit Holdings. I have been working in the staffing industry for more than 20 years. And since 2018, I have been the CEO of RGF Staffing.

Today, I'd like to tell you about our "Simplify Hiring" initiatives.

Slide 1-8-208

It is our mission to make employing easy. That is what gets us out of bed every morning. The temporary labor market is complex and far from efficient, for both employers as well as for employees.

Our people, who work in all our renowned local brands across the globe, put an enormous effort every day to support hundreds of thousands of employees and thousands of employers in organizing their work.

Helping to make employing easier for them! This is how we contribute to the prosperity of local working communities in all the regions we're in.

Slide 1-8-209

The core of our work is placing people in temporary jobs.

In 2022, in any given week, an average of 275,000 people were working on assignments at our customers in a wide variety of professions and industries.

In RGF Staffing, we employ a total of close to 20,000 employees. Currently, we have a presence in 11 countries spread over 4 continents – Asia, Australia, Europe and North America.

In 2022, we achieved annual revenue close to 1.6 trillion yen. Our Adjusted EBITDA grew to over 100 billion yen.

In addition we are also very focused on continuously increasing productivity. We measure this through conversion ratio, which is calculated as adjusted EBITDA as a percentage of gross profit.

In 2022, our conversion ratio was 36%, which was the highest in the staffing industry.

Slide 1-8-210

Here you see the ranking of the largest temp staffing players worldwide. Let's start on the left, where revenues are ranked in the bar chart and RGF Staffing ranked fourth. Our revenue was roughly half of the average revenue of numbers two and three. When looking at EBITDA, on the right, we see a different picture.

RGF Staffing's adjusted EBITDA is close to number two. This reflects our focus on continuous improvement and operational excellence, which has brought us to an exceptionally high level of productivity.

We can see this in the chart in the middle. It shows that RGF Staffing's conversion ratio was 36% in 2022, more than double the average of our peers. This is an important performance indicator within our staffing unit that we continuously measure and aim to improve.

Our dedication to continuous improvements and pursuit of operational excellence has made our operating cost levels highly competitive.

Slide 1-8-211

Compared to industry peers, RGF Staffing has the most competitive cost ratio. In 2022, SG&A as a percentage of revenue, amounted to approximately 11%. Among competitors, this percentage was much higher, estimated to be between approximately 14 and 19%.

Over the years we have consistently been able to grow our adjusted EBITDA.

Slide 1-8-212

At first, also driven by acquisitions to establish a global position, but since our last material acquisition of USG People in 2016, adjusted EBITDA growth was mainly driven by organic growth and increased productivity.

Even though we have not made any acquisitions in the past five years, our adjusted EBITDA has increased by approximately 40% during this period.

Slide 1-8-213

Also towards the future, we will focus on continuously increasing productivity and efficiency.

In the past years we did this as a stand-alone business unit. However, for our next steps, we will leverage the technology developed within Recruit, such as an unparalleled matching engine.

We are now in the unique position of having access to the capabilities and technologies within our entire Recruit group. With this, we will increase our focus on leveraging data and further automating our end-to-end process through incremental innovations. These innovations will lead to even greater competitiveness and a distinctive, excellent experience for customers and temporary workers.

We aspire to be the number one, most innovative platform in the staffing market.

Slide 1-8-214

Our markets offer plenty of opportunities for growth.

The temporary staffing market is approximately 40% of the HR Matching total addressable market. This makes it the largest segment with a size of 128 billion US dollars in terms of gross margin. The countries in which RGF Staffing is present cover approximately 3 quarters of the total staffing market, equal to a market size of approximately 100 billion USD.

This market is still very fragmented. The largest players have only a few percent market share and there are many players in the market with low productivity levels and limited technological capabilities.

We believe out-innovating competitors will enable RGF Staffing to take market share in its existing markets.

In addition within our current markets, Temporary Staffing penetration is still limited. The Temp staffing workforce represents approximately 2.5% of the total workforce. Automation and the use of technology will make the temporary market more efficient and more attractive. We believe the penetration can grow and increase the overall addressable market in the longer term.

Slide 1-8-215

Today's staffing processes are still inefficient and complex. The staffing business still has many labor intensive and complex processes with a lot of human interactions and manual work.

Slide 1-8-216

In our core staffing operations, there are still many opportunities to further improve processes through the effective use of data and AI. Our current high level of productivity is largely related to well-organized traditional business operations.

When we consider the current state of automation and digital channels, there is still a long way to go. A lot of manual effort is still required at various steps in the process. We focus on accelerating the process from job opening to employment at our local companies by leveraging technology.

For example: Improve the speed and quality of matching, increase retention of workers and automate manual processes.

Basically, we are gradually transferring the core business towards automated and AI supported processes with less human interactions.

Slide 1-8-217

As part of Recruit Group with our HR Technology and Matching & Solutions SBUs, we believe we are in a good position to 'out-innovate' traditional staffing competitors and make a meaningful contribution to the further development of a more efficient and more flexible labor market.

Within Recruit we have a whole range of innovative companies and billions of insights to draw upon to bring temp workers and companies together.

This offers the opportunity to leverage and scale digital and analytical solutions across our group.

Slide 1-8-218

Through our collective efforts and innovations, we can boost speed in the process and accuracy of matching.

Firstly, we have Indeed Flex, as Chris already mentioned. This is a joint initiative of Indeed and RGF Staffing, which offers temporary staffing services from a digital marketplace. After starting this initiative in 2019, Indeed Flex has been operational in the US for some time now.

Secondly, we started working to leverage the best matching technology. We explore the use of matching technologies and knowledge to make matches better and faster. We do this step-by-step through many local initiatives.

Lastly, as a third layer, we work together to further develop automation of our workflow.

So, we act on several levels at the same time. As an example, let's watch a short video in which Milly explains how Indeed Flex helps her find work easily.

<video start>

Milly: I decided to use Indeed Flex because I was in between jobs at that time, and my friend suggested Indeed Flex just to fill in that gap. So, I tried a few shifts. I really loved it.

I find the app really, really easy to use. Even when I'm explaining the app to somebody else, it takes them seconds to understand it because it's just very, very straightforward. I like the fact that it's very innovative. Every few months there's a new update. It even makes it even easier to use. For instance, lately there has been an update about flexible earnings, so you can claim part of your income right after you've done your shift.

A couple of years ago, I decided to branch out on my own and I started my own travel website, So it's seasonal work. December is very busy, and then when it comes to February, it's less busy. So that's when Indeed Flex comes in. When I have less traction within my business, I get to do a shift within Indeed Flex to supplement my income.

One thing I love the most about Indeed Flex is the fact that even though you're not part of a team, it's not the case. Because when you turn up to a shift, even if it's a very new employer, you see other Indeed Flex people that you've seen before and you've actually built a relationship with. So you're never really alone in a shift. And that's the one thing I love the most about Indeed Flex.

<video end>

Rob: You heard from Milly how she turns to Indeed Flex during low seasons to boost her income and support her venture. I really like her story. It is just one of many examples in which a marketplace model can help organize work and offer opportunities.

Also, we are working on several initiatives to leverage the best matching technology and automate our processes to improve workflows.

Slide 1-8-221

For example, tests are currently underway at one of our major Japanese operating companies to start implementing Recruit's AI-based matching engine. In my nearly 25 years of experience in staffing, this is an exciting, innovative step forward. So far, the early results are very encouraging.

The data shows that the number of applications increased by 90% after the implementation of the AI-based matching engine. These are certainly promising initial results, especially considering that we are already far more productive than the competition.

This brings me to the end of my presentation. Let's close with some key takeaways:

Slide 1-8-222

Our growth has been driven by our commitment to operational excellence and increased productivity.

The large, highly fragmented temporary staffing market covers only a very small part of the working population and is prime for growth and disruption from a tech-led provider.

We are uniquely positioned to transform temporary staffing with the use of technology and collaboration across Recruit.

Our initial cross-Recruit initiatives have shown promise, and we see many opportunities to further increase productivity and temp work efficiency, the key to our future.

Now I will hand it over to Deko to provide a recap of the day.

Deko: Thank you for your time today. We hope you have gained a better understanding of the long term opportunity in the HR Matching market and how Recruit is well positioned to use its data and technology across our entire organization to help job seekers and employers.

Looking ahead, we are optimistic that the next decade will witness advancements in technology, especially AI, that will transform the job search experience into something completely different from what it is today. We are committed to leading this transformation and will do so with a deep sense of responsibility.

A job is important for everybody. Our goal is to ensure that everyone can find not just a job, but a job that sparks passion and changes lives.

<Q&A Session>

Matt: Hi, everyone. Thank you for joining us for the Q&A portion of our Simplify Hiring Investor Update. I'm joined on the stage by Deko, Maggie, Chris, Raj, and Rob. You've heard a lot today about our strategic vision and our product innovation, and we're eager to take your questions.

Please submit your questions in the box on your screen, and don't forget to put your name and company so they can be attributed to you. As a reminder, we'll be reporting results in May, so please reserve any financial guidance or outlook-related questions until then. So with that, let's get started.

We've already received a lot of questions, as expected, about AI, so let's start with a question there for you, Deko.

What are the greatest opportunities you see for AI to Simplify Hiring across all of Recruit's businesses?

Deko: Okay. The greatest opportunities. Let me talk a little bit about the travel booking industry. 20 years ago I was building a travel booking website. And at that time, the market, the vast majority was owned by offline travel agencies, offline businesses. Of course, newer technologies like faster internet connections and smartphones and better matching algorithms, so we all know that today, travel booking industry vast majority is done by online bookings.

Then when I think about HR matching business or industry, today still vast majority is done by offline agencies or offline businesses. When I was thinking the reason why it's still mainly offline is, HR matching is just simply way more difficult and more complicated compared to travel booking, hotel bookings. It's more like a one-to-one matching. It should be customized for job seekers, employers, for each job, everything is so different.

But finally, finally, AI technologies, especially large language model is becoming to be a real one. We're seeing great test results. I'm so excited to see it. It's almost like every week now.

For example, we are running a recruiting agency business, offline recruiting agency business with thousands of thousands of recruiters in Japan and we started to provide online job matching algorithm to recommend jobs for offline recruiters. We're seeing better results, better number of hires, and better satisfaction from job seekers. It's great. Today AI is better to recommend one job out of 1,000 jobs than probably human beings. Human beings, recruiters, are probably better to explain why this job is recommended for you.

We're going to keep improving this test and I think this is a great example why we are uniquely positioned to innovate this industry and we're going to keep improving large language models and AI models with data for the next 5 years or 10 years. I'm sure 10 years later how people are finding jobs will be a totally different experience compared with today. That's what I'm excited about, and this will be one out of few decades-type of opportunity, which I think is a great opportunity.

Matt: Great. We also get a lot of questions not only about the opportunities, but also about the risks associated with AI. Chris, here's one from Jun Kato at CLSA.

"How long is AI going to be your friend before becoming a threat? What is the biggest risk for the Simplify Hiring business model?"

Chris: So, I think as Deko said, there's plenty to be excited about. In terms of threats, I'm not sure exactly which part of this Jun was asking, but I'll give two answers.

There's the question of what disruptors might come along and disrupt us. Obviously no matter how successful you're as a company, you have to imagine that there are other people working as hard as we are. But then the

second question that is important is, what is the impact on the world of employment? If we're a business that helps people get jobs and AI ends up destroying a bunch of jobs, what does that mean to us?

Looking first from a disruptor perspective, clearly we spent, I think, a good amount of time today in the presentation talking about the fact that Indeed has an incredibly unique set of data, both in its breadth because it covers the entire labor market in 60 different countries around the world. Also in the depth, we have an extraordinary amount of information about job seeker intent, preferences, behavior, and employers and everything that connects the two sides and these outcomes.

AI really is powered by the breadth and depth of data. Obviously, we are paying a whole lot of attention to what else is going on out there, but we think we are uniquely positioned to use that data to drive these amazing innovations.

I think the really interesting question is what is AI going to do to the world of employment? You can go back to the 18th century in England when the Luddites smashed looms because they were worried that the weaving jobs were going to go away.

For every single new technology innovation over the last couple of hundred years, we've asked the same set of questions. If you look at where we are today, we by-and-large work fewer hours in safer conditions and enjoy a higher quality of life than at any time in history before. More jobs are created, technology has done great things for humanity.

However, at each of those introductions of new technological disruptions, there have been people who've lost their jobs and in some cases a whole lot of them. Now, it used to be that it took multiple generations, and now with the internet and then with AI, those cycles of disruption are happening faster and faster. What we as Indeed and Recruit really think about it. What is our responsibility? How can we play a part in helping out here?

There's two sorts of unique things that we are focused on. One is we have this incredible set of data. Our Indeed Hiring Lab, which is our team of economists, are watching constantly and publishing research about the potential impact of AI on the workforce. But we're really also watching new skills and jobs as they are appearing, other ones that are going away. We want to be able to identify when these disruptions are happening and do that as quickly as possible.

Then we want to help people find new opportunities as quickly as possible. We've put a huge amount of work. We have a number of big, public ESG goals that we've published for the year 2030. The most relevant one here is to cut the amount of time it takes for someone to find a job by 50%. That is something that we're committed to as a business because it's going to be beneficial to society. If people lose their jobs and we can help place them as quickly as possible, that's going to help alleviate some of these challenges.

But the unique thing about Indeed and Recruit, I think, is that our ESG work is really core to the business. If we can reduce the amount of time it takes for people to find a job by 50%, that's going to help society, but also it's going to help every employer who's trying to hire on Indeed and will help us grow the business and be more successful.

Matt: Well, you're both really obviously excited about the ability of AI to accelerate our Simplify Hiring strategic pillar.

Let's move on to another topic. This question is for you, Maggie, about knowledge workers. This is from Minami Munakata from Goldman Sachs. "My personal view is cultivating executive and white collar workers is key for Indeed to gain further market share. Do you agree with this opinion? If so, what are the key functions or services you need to have to serve these segments?"

Maggie: Yeah, so the first thing I would say is we definitely have knowledge workers on our platform. Chris mentioned our audience is broadly representative of the labor force. Minami, you may remember a slide that I showed that was talking about top occupations by apply starts, and it included things like operations and management, finance and accounting, technology, healthcare, so it's definitely true that knowledge workers

are important to our existing strategy. They're a big part of our existing audience and they are critical to our future growth.

Specific things we're doing that are important for knowledge workers: If you think about our efforts to get data about jobs, knowledge workers are really interested in knowing things like what is the culture of a company? Do I have to wear a suit to work? What's the pay going to be? Can I have any flexibility? Can I work remotely?

Our efforts with profile are also really important for knowledge workers because we're trying to understand their skills, their preferences. Knowledge workers have a lot of transferable skills. When we're trying to think about how to help them navigate our career journey, we need to understand what they're solving for, what they care about.

Then we need to acknowledge, knowledge workers do have lower turnover rates, and so we do try to engage them in other forums off Indeed. A part of that is our partnership with Glassdoor, which has a lot of knowledge workers engaging on it, both with community and content.

Then we have partnerships with companies like Stack Overflow to specifically target tech workers and bring them into our experience. Knowledge workers are important for our business, they're important for our growth, and we do have multiple specific strategies to target them and serve them.

Deko: Wait, wait. Can I add one?

Matt: Please, thank you.

Deko: Indeed grew 10 times in 10 years or something and the vast majority of our employees were hired through Indeed. I think it's probably working.

Matt: It's true. Thank you for that.

Raj, this next question is for you and it's about something you presented about the enterprise opportunity. You talked a lot about that there are 90% of Fortune 500 companies already utilizing Indeed. Here we have a question from Tetsuro Tsusaka at Morgan Stanley about that opportunity. "Where are you now in terms of client penetration and/or wallet share of total recruiting budget? What are the areas where Indeed is strong today and areas you need more effort or are not as penetrated yet?"

Raj: So as you know in sales, the first thing is to get your foot in the door. That's really a hard thing to do and we have done that with more than 90% of Fortune 500 companies now using Indeed. Now, we can certainly get that to 100% and we are on it, but really it's about deepening the relationship with these Fortune 500 companies that we already have relationships with.

For example, you heard me talk about Smart Sourcing, and that's an opportunity for us to go to these companies and help them educate how they can use the Smart Sourcing solution to make hiring simpler, faster, and better.

Now let me talk about, very clearly, our marketplace transformation and how that ties to our enterprise opportunity. First of all, when you think about marketplace opportunity, Chris already talked about this concept of Indeed applicable jobs as being a critical part of our marketplace.

Indeed applicable jobs by definition are great for job seekers because they can reuse their information when they apply. They're also really good for employers because they can hire faster, they can hire better, and they get a lot more applies. It's also great for Indeed because employers tend to spend a lot more when they use Indeed applicable jobs.

Guess what? Most of the large enterprises don't have Indeed applicable jobs. They have a large share of non-Indeed applicable jobs and we are on a journey to transform all of those jobs to become Indeed applicable and that's what we are really doing with our ATS transformation. That's number one.

Number two, Maggie just described, we have a lot of opportunity with knowledge workers and Chris mentioned how we can increase take rate with our strategy around how we go and deliver more value to employers. That's what we're really doing right now with large enterprises. That's our second strategy, keep increasing our take rate and by delivering more value to large enterprises.

Last but not the least, we actually believe as part of a larger Recruit family, it's really one plus one plus one equals three or greater than three, and so that's what we really focused on. How do we bring in everything from job advertising to staffing to bear and help large employers hire all types of workers that they need? That's really what it is, Matt.

Matt: Great. This next question is a question you touched on a little bit during your presentation, Chris, and it's about raising prices. "You've shown us so many ways that you've improved outcomes for job seekers and employers. Why can't you just raise prices?"

Chris: Yeah, so we get this question a lot and I did, I think, address it pretty directly in the presentation earlier.

But look, I think the key is we have a lot of opportunity to increase what we're getting in return for the value that we're delivering. What we don't want to do is just raise prices indiscriminately everywhere. We could raise prices, and that would be a short-term win.

As a business, what we're really focused on is long-term sustainable growth. So what we want to do is, look at the areas where we're delivering a whole lot more value. We talked about the take rate, and just as a reminder, take rate is the cost per hire divided by the estimated full-year salary.

Take rate across Indeed, on average right now is less than 1%. When we think about how much room there is, how much headroom, so industry average, let's say around 20%, there's a lot of room between 1% and 20%. If we can get that 1% up to 1.5% to 2%, it's a really significant opportunity.

It's really important that we do that in a way that keeps us aligned to our customers and keeps us aligned to job seekers. So I'll just remind again, I think I said it seven or eight times in the presentation, but the pay for performance core value that we have is really essential to our business. It allows us to stay deeply aligned with our customers, establish that trust and that relationship over long-term and then that leads to sustainable long-term growth.

Matt: That's really helpful. So shifting gears to you, Rob. This question is about synergies actually across Staffing and the other businesses within Recruit. So can you provide some details on the synergies between RGF Staffing and the other strategic business units at Recruit?

Rob: Of course. Sure. I think Raj already explained one plus one plus one should be more than three, and it's more than three. I think when I started all business units, and we have three, did our own thing basically, and we did do great, but then of course we started to work together and we will do even greater. If I give you one example, I can give a few examples.

For example, in Japan we have a lot of labor shortage. That's really a huge problem for Japan. So we started the project where we use the matching technology of Indeed, with that matching technology, we were able to get 90% more applicants out of our databases, and we have huge databases.

So when you have 90% more applicants, and really that is a great and huge and fantastic number, we can have far more, let's say people working for us. So we help Japan from a social perspective, but of course we also help ourselves. And this is really a great example where we show the strength of Recruit because we do have the people, we do have the data, we do have the skills that it needs to work together. And again, we did do great individually, but we will do even greater when we combine our strengths.

Matt: So that's great explanation of how we're really...

Rob: I can give far more examples, but that's enough for now.

Matt: I think it's a great explanation of how we're simplifying hiring across all of our businesses at Recruit, all the HR businesses.

So here Deko, we have a question for you, one that we always get. This one's about M&A. So how do you approach M&A? What are the areas of the business where an acquisition would accelerate your ability to Simplify Hiring?

Deko: So first of all, we are very open to all conversations with all parties and there are many good companies building great technologies. So we're open to talk with everybody. But the important thing for us is we just don't want to buy revenue or EBITDA.

We just want to innovate this HR matching industry. That's the most important thing. That's the vision. That's the goal for us. So we need to have a leadership team or founders who can have a really same passion to achieve this mission or vision. That is the most important thing. So that's how I'm thinking about M&A.

Matt: Okay. So let's move on to a topic that I know is on every investor's mind.

It's about take rate, and this one's for you Chris. So in light of Indeed's planned monetization strategies to increase take rate, could you share which initiatives will most significantly impact revenue in the coming year and which can be most easily implemented?

Chris: That's a great question and I think it's really important for us to have a wide variety of levers. We're investing in a number of different areas. Some of these will bear fruit in this year. Some of them will take more time and deliver more value in the coming years.

I think that the simplest way to talk about where the clearest short-term impact will come from the things that we have been doing for some time. So the areas that I mentioned, further Indeed Apply integration and penetration into enterprises and then the mix of free and paid listings on Indeed.

So with Indeed Apply, we talked quite a bit during the presentation about how it's really a linchpin of our marketplace transformation. The key to Indeed Apply is that it is better for job seekers. The apply rates are 5 times what they are for non-Indeed applicable jobs, it's great for employers. The hire rate is 2.5 times more, and those jobs on average spend twice as much per job. So it's good for Indeed.

As I talked about and Raj talked about, we have integrations with 4 of the largest ATSs in the world rolling out this year. And one of the things that's really great is that we have an established playbook for how when we get an ATS integration, how we go to an enterprise and explain, here's the data that we have, here's why it's going to be beneficial to you. It's going to help you hire. We feel pretty confident that that is going to bear fruit this year.

The other one is that mix of free and paid listings on Indeed. So when we first started as a business, as a pure search engine, our model was actually very similar to other search engines. We had free listings in the middle. We had a section at the top with a couple of paid listings. We had two or three at the bottom. There wasn't a whole lot of flexibility in terms of how we were able to manage that mix.

As we matured, we got more and more inventory and our matching improved such that we could actually show better sponsored or paid jobs. And we've moved over the last several years to a blended model now. So when you look at a list of jobs on Indeed, some of them will be organic, some of them will be paid. We have a huge amount of flexibility there. We've been able to dramatically increase the number of jobs that we're showing and that job seekers are interacting with.

And we can continue to do that as long as, like I said, we're doing this in a long-term sustainable way. But the key here, the most important piece is that sponsored jobs, paid jobs are actually measurably better for job seekers. They represent an employer who is willing to put money behind a job because they think that this is something that they really need to fill. And as a result, we see that those jobs are 40% more likely to lead to a hire. So we can do this in a way that is good for job seekers, good for employers, and good for Indeed.

Matt: Okay. So Maggie, this next question is for you and it's really about the importance of profiles for matching that you talked about in your presentation. So, can you please explain the distinction between job seeker profiles and resumes, especially regarding the 525 million profiles versus the 290 million profiles available for outreach?

Maggie: Yes. So the way to think about the 525 million is. Those are our job seeker accounts that have a verified email address, but really they are the heart of our relationship with job seekers. This is where we collect our understanding of their qualifications, their preferences, what they like, what they don't like, what jobs they want, what types of jobs they don't want.

And what's really important to us as part of our job seeker first principle is making sure job seekers know that information is theirs, it's transparent, they can edit it anytime they want. And that's why we give job seekers the option to opt into the employer outreach.

So the 290 million is the subset of the 525 that has said, "Yes, I want my profile to be visible and available for employers." And it doesn't just help employers who are using Smart Sourcing. It helps job seekers because as you saw in our presentations, when job seekers are matched to employers, when employers reach out to job seekers, the job seekers are more likely to apply, more likely to connect with employers, more likely to get a better outcome.

And I think the important piece about resume that I want to underscore is the resume in the context of a profile essentially becomes an artifact. To the extent that a resume is a piece of paper we've put into a PDF that we've put online, it's an artifact. It isn't a full representation of you as an employee of what you can do. The profile is intended to be much more holistic, much more comprehensive. And that's really why we see it as more of the heart of our relationship with job seekers.

Matt: That's really helpful.

Chris: Can I just jump in and just add one thing that is also I think easy to miss here. But the fact that there's a difference between those two is because we're giving job seekers agency. We're giving them the choice about whether or not they want to appear in public search. And we do that because of that core principle that we talked about of putting job seekers first. So we could very easily have made all 525 million of those searchable, but we want job seekers to opt in.

And what that really means is not only do they have the choice, but they're basically saying, "I am interested," which means that when people come and use Smart Sourcing and they're looking for job seekers, these are people who are opting into this process. They're not people who happen to be signed up for something else and might or might not be interested or responsive. So that distinction is actually really important because of who we are and those core principles.

Matt: Okay. So Deko, this question here is about something I know you spent a lot of time on.

So, synergies across our three SBUs, and this is from an investor on the call. So today you showed how the three SBUs have a similar philosophy and in fact working together to bring solutions to clients. Do you see a lot more collaboration potential ahead? Would it start blurring the boundaries between these SBUs a lot more in a few years time?

Deko: Okay. But my simple answer is yes. We want to push more collaborations because it's just simple. We are seeing almost like a jump-ish innovation of new technologies like Deep Neural Network or AI matching. This is a huge change. And instead of having Staffing SBU or M&S, job board for part-time workers and Indeed, different teams are working on improving AI matching. It's just probably not a great way to invest into our future and to innovate the HR industry.

Of course, besides no HR business, but the vast majority of our business, if it's related to HR, human resource matching, meaning how to improve the matching between job seekers and each job. So I think we're going to keep pushing the investment into the improvement of matching, and we're going to keep connecting different businesses with this core value as Recruit Holdings. That's how I'm thinking.

Matt: Great. So here, this question is for you Raj, and this one's about our pricing model pay per application, which we sunset earlier in the year.

So Raj, what are your key learnings from pay per application pricing tests, and how will these experiences shape your future pricing strategies?

Raj: So pay per application was a large-scale test that we started running about two and a half years back. And the idea here is very simple. When someone posts a job, we gave employers an option to pay per application as opposed to paying per daily budget, which used to be the default option.

And what that meant, employers would get applications and they would be able to determine after they received the application whether this met their standards or not. And they could decide to reject that application if they didn't want to have that application as part of their portfolio.

So the initial learnings were very, very good. We realized that employers were very happy with this concept of paying per quality application. Not just that, we saw faster time to hire and we saw higher dollar per job. That was one part of the learning.

The second part of the learning was that quality itself is nebulous. For one employer, it may be that if they receive an application for a nursing job with a nurse with three years of experience, that's great, but for another employer that may not be the case. So what ended up happening was quality was in the eye of the beholder.

The second part of that quality learning was, over time we realized a certain segment of employers were using it more as a cost control, not as a quality control. So this just became unsustainable. It was violating our principles of pay for performance, and we decided to sunset the test.

Now moving forward, this is really key to our future. We understand that employers are willing to pay for quality applications, they definitely want to pay for that.

And we are running tests where we are setting expectations around quality upfront. Before everything is done, before the application is delivered, we are setting those expectations correctly with the employer. And then we are also working with them to set budgets appropriately so they receive enough quality applications to make the hire.

And when we do these two things, that really changes the game and employers become way happier with the outcomes they receive. And we are running tests, for example, in the nursing segment, where we are seeing employers are spending up to two times per job and getting relevant applications and becoming happier. There's a lot more to come. We'll share soon.

Matt: That's really helpful, thanks Raj.

So the next question is for you Chris, and it's a question we get often asked. So it's about investment in matching in marketplace. So where are the areas of incremental investment required to accomplish the marketplace transformation?

Chris: So that's kind of our whole business, pretty much the marketplace transformation is the strategy, so everything we're doing is investment in that area. I think what I tried to cover, I think the sort of the big areas Indeed Apply is the sort of enabler of bringing, and again, just to reiterate, when we talk about a two-sided marketplace, it means that the job seekers are already on Indeed, so that half is there.

Employers, many of them, are not on Indeed. So these enterprise employers who are in applicant tracking systems, we're trying to bring them on Indeed to create the other side of the market. Indeed Apply integrations we've been investing in for many, many years. We have a lot of investments in that area, it's incremental in that we're continuing to do that, but that's not going to be necessarily a significant new effort, it's going to be a sustained effort as we continue to work on that.

The other big piece is matching. So that is as a two-sided marketplace, fundamentally what we do and we're investing in AI and in user experience to help connect both sides and to make sure that we're getting the right information and we're driving the right behaviors. The investments in AI from an incremental perspective, I'd look at it, there's sort of two parts to that. There's investment in talent and there's investment in infrastructure.

The investment in talent is ongoing. We have a really amazing team of AI and machine learning professionals who are building the foundation of the business and we have been and we will continue to invest. There are, especially in the last year and a half, there's a whole new field of generative AI that has been around for a while but suddenly has kind of exploded. We will continue to invest in new talent in that area.

The infrastructure side, that is a meaningful piece of our overall infrastructure investment, but one thing that is new in the last year and a half is that the vast majority of Indeed's AI work is our own models built from our own data that drive matching and all of the other behaviors that happen on the site. With the introduction of generative AI and its wide availability across multiple different vendors now. There's actually third party AI services that we can use.

We have never really been able to take advantage of that because so much of what we do is based on our really unique data. But what we can do is we can now combine these two things together. So we have a set of capabilities on the site today where, for example, when we're matching a job seeker to a job, we have these amazing models that do a really great job of identifying a job that would be good for a job seeker. But to make recommendations work, the person needs to understand why.

And so we've been able to combine that with third party use of generative AI. Once we get a match, we take the job and the job seeker's resume and some other experience, we pass that in and get back an explanation saying: "Hey Matt, this job is perfect for you because." That first set of experiments that we rolled out with that, we saw 20% increase in the take rate of these recommendations.

That's actually really amazing in a very, very short period of time. So there's a lot of power. That's something that we can take advantage of, that can be an incremental investment. But in that case, we've been able to do that critically in an ROI positive way because we can measure very precisely where the revenue from these matches is coming from and ensure that we're using the explainability generative AI in a way that's generating more revenue, and so we see a lot of opportunity to continue to invest in this new infrastructure in ways that will help us grow revenue.

Matt: That's really insightful, thank you Chris. Shifting gears to another topic that we presented on today, which is Indeed PLUS.

So we heard from Kitamura-san and Yamaguchi-san, but this question is from Haruka Mori at JP Morgan. Tell us about the uniqueness of the Japan HR market and background behind the launch of Indeed PLUS. What is the long-term business opportunity of Indeed PLUS?

Deko: Yeah, so first of all, we just want to deliver the best products and best services for the market. That's a very important thing. And so we have been running many different job boards, which are focusing on each segment like for part-time or for nurses, for full-time workers, for staffing workers. But when we think about the current Japanese market, especially the aging population, it is very challenging. All employers in Japan are having a really tough time filling their open positions.

So, I think we should extra focus on the efficiency and the productivity of the matching between jobs and job seekers. So again, as I said, we should focus on the investment. Instead of having three, four different teams thinking about the innovation of a next matching algorithm, we should have one team to improve matching. So I'm sure we will be delivering better results. And so far it's still short time, but we're seeing good feedback from our employers and job seekers and it's going to be better.

Matt: Great. So the next question here is another one we get asked a lot about, and I know that you presented about Rob, this one's for you.

So what factors contribute to your superior margins and conversion ratios compared to competitors? And what opportunities do you see for further improvement in these areas?

Rob: I have no secrets to share. It is just hard work and dedication, blood, sweat and tears. But before I answer, the question about future improvement, and then I have good news to share and excellent news to share. But first, why do we do so well? Why do we outperform our peers?

It's really hard work. We empower our local management. We are very, very disciplined. Disciplined in what we want to do, but also disciplined in what we don't want to do. We have a mean and lean cost structure, that's why if you see our cost structure as a percentage of revenue, we do quite well, we do better than our peers. And we steer on a conversion ratio. Conversion ratio, the definition is the percentage of gross profit, gross margin we convert into profitability. And we really steer on this, we manage on this and we compare.

And I think the combination besides the hard work and the blood, sweat and tears is that we do quite well. It's nice that we did do quite well in the past. It is very nice that we do well today, but of course it's even nicer when we would do well tomorrow because with the cash of yesterday, I cannot pay the bills of tomorrow. So what will we do in order to improve our performance further and to continue?

The good news is that we will do what we did, have we tried to improve further? But to be honest, can I do the same as the last five years where we really improved by far and outperformed the market by far, probably alone, that would be very difficult. But then the excellent news is I am not alone because I will be helped by my friend Raj, I will be helped by Chris, Maggie, and of course, Deko.

And that is really what set us apart as a staffing company, because we are a part of Recruit. So yes, do I have IT departments myself, yes. But I think Indeed and HR Technology both here and in the rest of the world has far bigger, let's say, IT departments than we have.

So we have a lot of data, we have a lot of capabilities, and they will help me to increase the profitability and of course the productivity, or I should say productivity first and then profitability will follow. And really it's also what Raj said, one plus one plus one will be more than three, and I think we have everything that it takes not only the data, not only the technology, but also the management to make it reality. I'm pretty sure and I'm very excited for the next five years.

Matt: So that really helps investors understand the opportunity in staffing.

Rob: It's hard work.

Matt: Yeah, it's hard work. And actually that's a nice lead into our next question. Before I jump to the next question. We are coming towards the end of our scheduled time, but we do have a number of questions still in the queue, so we're going to keep going. So this one is about TAM and staffing is actually the largest part of our TAM.

But this, I'm going to give to you, Deko and Chris. So this one is of the 300 billion plus TAM, how much of it is addressable by Indeed and by Recruit now and in the future? What will the TAM look like over time as technology becomes a bigger part of HR matching? Maybe you want to start Chris?

Chris: Sure. Yeah. So when we talk about our view of the TAM, that is what we think is addressable by Recruit. So those different areas, there's other spend in the HR world that we have not included in this \$300 billion plus. So I think the real question is as we tackle this and bring our innovation, do the different sectors shrink or do they grow? And I think the answer is yes, it's going to be a little bit of both.

Let's take for example, in recruitment automation, which is a pretty big, the \$64 billion estimated chunk. That is us looking at primarily what are the internal recruiting costs that companies bear? Huge amount as Deko said at the very start, huge amount of very, very manual human work. When we bring technology and AI and automation to that, we will certainly be making it more efficient, we should be taking some cost out, we should be able to capture a good chunk of that. Our guess is that that part will probably shrink.

But Rob talked about in his presentation that staffing, which is, as you just said, is the largest part. It's over \$120 billion. And that just for clarity, that's the net revenue, gross revenue and staffing is even larger than that. So the net revenue of \$120 billion, that might even grow over time.

And just for clarity, I mentioned the smallest piece is sort of where Indeed started in the search engine world in job advertising and talent sourcing at \$32 billion, that's actually much larger than it was 10 years ago, 20 years ago when Indeed started. So it's entirely possible that some of these will grow just as we bring more efficiency to it, that people might actually be able to spend more to get more value.

So I think the key is that when you look outside of job advertising, it is extraordinarily fractured. There is not one entity in any one of those areas that has anything like dominant market share. And in fact, outside of job advertising and talent sourcing, there's really no technology players that have a significant position, so we think that we are extraordinarily well positioned between Indeed, the Staffing business and all of Recruit to tackle this TAM.

Matt: Excellent. Deko, anything you want to add to this?

Deko: I don't think I got it. But I understand everybody is talking about TAM, TAM, TAM and TAM is very important for the business. I understand that, but long term, when I think about our business, I think even if it's TAM or not. I think if somebody is trying to find a job who can be passionate, that we need to help. We want to support everybody who is trying to find a better job. So that's very important thing for us as a vision and a mission. So that is that.

Matt: That's perfect. Actually, that's a great lead into the next question, which is for Maggie about how, and this is your vision for the job seeker team about being a career companion.

So what initiatives is Indeed taking to increase ongoing engagement with job seekers aiming to make Indeed a lifetime career companion rather than a platform for active job seekers? How does this strategy differentiate Indeed from social networking platforms?

Maggie: So as we think about what it means to become a career companion, we're thinking about understanding workers, understanding job seekers at a level that's fundamentally different than what anyone would put on a social networking platform. We are trying to understand their passions, what they're solving for. We're trying to be able to use that to recommend opportunities to them that align with their skills, their capabilities, and all the other parameters for life that people navigate.

And then we're also trying to help them find longer term career pathways. Things that they can think about for, well, 10 years from now, "What might I be able to do if I took this job now" or "I've built this skill", et cetera. And I think we're particularly excited about the capabilities of Gen AI to make this experience more like a conversation just like it would be with a real person.

So I sit down with a real person and I say, "Oh, I've been working at a bank for 20 years, but I'm a great writer and I don't want to commute to the city anymore. And what are my choices? How can I navigate that? I also would really love to work from home two days a week. How can I do this?"

So in that conversation, you're sharing more about you, what you're solving for than again you would ever put on a resume. And in that conversation we learn a lot. We will learn a lot about job seekers and what really matters to them, and that's what will make the recommendations fundamentally better and different than what we can do if we were just having people fill forms of what are you solving for, yes/no questions.

So I think that's the really important thing to think about as you think about Career Companion. It's understanding job seekers at a different level and then helping them navigate their choices throughout their career, not just at any one given point in time.

So I think the last thing I would share is we have a lot of investment in salary insights. We talked about company insights. Where can your skills take you in a career? Is a skill gaining in popularity or can you earn more if you gain a skill? Those are important investments for this Career Companion concept because it gives

us a way to have a conversation with the job seeker and be useful to them in all stages of their career, not just in the moments of transition. So a lot to be excited about, I think, here with where we can take it.

Matt: Thank you. This next question, and we have a lot of questions actually about our new products and this one's about Smart Sourcing, Raj for you.

So this is from Junko Yamamura at Citigroup, "The Smart Sourcing service is becoming somewhat similar to LinkedIn. What is the biggest difference between them? If it's about matching accuracy, will it take some time for clients to feel the effects. Is it possible to increase the budget share by improving matching accuracy?"

Raj: So let me start by talking about what sourcing is. So sourcing is when anyone, a recruiter or a hiring manager, is reaching out proactively to a job seeker, asking them to apply for a job opportunity as opposed to a job seeker finding a job on their own, searching for that and then applying. So that's really the opposite side if you think about it.

Now, sourcing is hugely manual. Deko talked about it. I also mentioned the same thing. We really have a problem where it takes more than 50 days to hire. And a large part of that is your time you spend in sourcing. And so how can we reimagine that? How can we actually change the way sourcing is done?

And so if I go back to our current product set, since 2018, we've had this product, Resume Search, which is again built on this concept of manual search and we made it better and better. But we also launched Matched Candidates, which is based on recommendations, matching based, where we fundamentally transformed how someone can source. And so we're bringing these together. And by bringing this together, we are calling it Smart Sourcing.

So let me talk about the three things that we really need to do to differentiate Smart Sourcing from anything that exists out there. First, let's talk about the reach. We are all talking about reach of active job seekers, job seekers who are actively looking. And Indeed has the highest number of active job seekers. This is not a social networking platform where you're passively looking, you're going in and actively looking for a job.

Second, number two, we are really talking about the power of matching. And to give you a simple example, when we talk about someone through Matched Candidates reaching out to a job seeker, the job seekers are 17 times more likely, you're 17 times more likely to apply for that job than if they found it on their own through search. So that's just the beginning of what we are doing with matching and we'll continue to expand that.

And number three, we really talk about faster connections. And this is really important, through smart messaging which is AI driven. Chris was talking about LLM based messaging. We are also talking about how do we do candidate highlights where we are really highlighting what's great about this candidate and how you can reach out in a personalized fashion.

All of these things really bring down that time through automation that is being spent manually. So if you do all of these things, we are clearly going to be differentiated among all the products out there, and we obviously hope that'll lead to higher revenue over time.

Matt: Great, Raj. This next question is about making getting a job as easy as pushing a button. So we always show the "Get an Offer button". And so for Chris, this one is for you. And I'm sure Deko, you have comments about this one as well. So this is from Jun Kato at CLSA.

"How many years will it take for people or how realistic is it to be able to change jobs in just one click without meeting anyone?"

Chris: So that's one of my favorite questions. First of all, it is very important to recognize that when one of the questions people have is, do people really want to just push a button to get a job? We talked earlier before about job seeker agency, we put job seekers first. If you look at the button, and again, I don't think we're going to build a blue button that looks like that physical thing that you push, but we could. But the idea is that if you look at the picture that Deko shows, that I showed, it says, "Get an offer." It doesn't say "accept an offer."

So what we want to do is, we want to take all of the stuff that is complex, slow, and impersonal and just automate all of that 100%. So someone can say, "Here's a set of jobs that actually I'm qualified for that are mine." And then they can do the very human thing of talking to people and trying to understand it. Obviously we're going to provide a lot of information and help them maybe learn stuff before they get there, but have a conversation and make a decision. The job seeker agency is really, really important.

But, this is not, and I talk about this because folks internally also ask this question, if it's or it's not a metaphor. We're very serious about this. And how long we'll take? The answer is we're doing it today. So Indeed Flex, Rob talked about this in his presentation, is an e-staffing platform for hourly workers. What we do is we do a bunch of vetting up front.

We're a W2 employer. We do background checks, we interview them, we make sure that they have these skills. And then once they're vetted and verified, they go into the platform, they can see and they can browse or get matched with a set of opportunities. They can push a single button, book that shift, go work it and get paid in the app the next day.

And so we're doing that right now very successfully in a very specific set of sectors, but I don't actually see any reason why it's going to only work for a certain set. So like, could this work for me? I'm actually pretty sure I could get a job without interviewing. And so if it can work for someone who's working in a restaurant and working for me, it should be able to work everywhere in between. So we think that this is a super exciting opportunity and this is what we're working towards.

Deko: Yeah. So as Chris said, it's relatively easy to just send offers to everybody, recommending offers to everybody, but it's going to be very difficult to recommend a job or sending offers or jobs which job seekers can be passionate or the job seeker can be excited to get the offers, right? So it might take time, it will take time, but the important thing is that part.

Matt: Okay. This next question here is about Indeed Apply. Actually it's going to be for you again, Chris. This is from Jiyong Oum from Nomura.

"What will the adoption curve look like for Indeed Apply? Considering ATS integration plans for 2024 and improvement in your products, maybe an uptick of penetration can go up high quickly."

Chris: So we talked quite a bit about Indeed Apply and in particular about these integrations with applicant tracking systems, which are these third party systems that large employers use. We have been building these integrations for many years. We have 300 of them. But for example, in terms of an uptick, I mentioned that we have the four of the largest ATS in the world, the integrations will be complete this year, that is iCIMS, Workday, Oracle, SAP. Between them, they have more than a million jobs. So that's actually a pretty significant uptick.

We have been working on some of these smaller ones. These big ones will open up a significant opportunity for us this year. As I said before, we have this really successful playbook of how to have a conversation once an ATS has those integrations with their customers. In fact, in many cases their customers have been begging for these for some time. And that's sort of drove the work that's getting done right now.

And so it's a technology work and then there's go-to-market work behind it. But we have a whole lot of experience and success with it, so we expect to see more success this year.

Matt: Okay. So it looks like we have time for one more question. And so Chris and Deko, this is a question I always get asked by investors. So certainly, we've learned a lot today about Recruit's opportunity to simplify hiring. But what do you feel may be underappreciated most about Recruit and Indeed? Maybe Chris, you could start from the Indeed perspective.

Chris: Yeah, so I think other than the "why can't you just raise prices", probably the biggest thing is the idea that Indeed is just for low-salary job seekers. And that is a misconception I think on a couple levels. The first, just in terms of the jobs and job seekers that we have on Indeed, are representative, it's a snapshot of the global labor force.

And so our data, it's really clear if you just look at the jobs, our hiring lab publishes a whole bunch of research and data and insights that are relied on by everyone from researchers and journalists to the European Central Bank. Christine Lagarde recently cited Indeed and our data as being essential to the work that they do to understand the global labor force.

Our job seekers, when Maggie talked about the profiles and the resumes, it is we have long-haul truckers to CFOs, everything in between. You look at any dimension based on salary or sector, it's a representative snapshot. But I think the more important sort of thing that this misconception belies is that somehow low-salary job seekers are worth less.

So we have everyone, our mission is to help all people get jobs. But if you look at the labor force, look at the US, look at the Bureau of Labor Statistics data, 85% of US workers earn less than \$100,000. And even though you're getting paid more at the higher end, 66% of all wages in the US are for people who earn less than \$100,000. Furthermore, people in lower-salary jobs change jobs more frequently. They have higher turnover, which means there's more hiring activity, there's more placements. So more of the business is actually going on there.

So for us, we want to service the whole market. This is a bigger chunk of the market, but we actually want all of it because if you think about there is no large employer anywhere in the world that only employs people who earn more than \$100,000.

So for Walmart, we can help Walmart place their data scientists and we can help them with their retail associates. And they hire a whole lot more retail associates than they do data scientists. But it's really important for us to be able to help them with all of their hiring. And so if we do that, then we can just help more people around the world get jobs.

Matt: Great. And Deko from a Recruit perspective?

Deko: I don't know if we are underappreciated or not, but what I know is we are committed to improve HR matching. We are committed to improve how people will be getting a job, people will be hired. We are responsible for it. If 20 years later, 30 years later or 50 years later, people are still struggling to find a job, that's our responsibility.

So of course I cannot say we can make everybody to be happier globally, but I can say that if people can find a job which they can be passionate, their lives will be better. A little bit better probably. So that's our responsibility. We really believe that. So I really want, we want to achieve our vision to improve the HR matching. That's how I'm thinking.

Matt: Great. So thank you Deko. And thank you Maggie and Chris and Raj and Rob. So that concludes our Simplify Hiring Investor update. A recording of today's event will be available on the Recruit IR site later today.

As a reminder, over the next few days, you'll be able to hear about our other two strategic pillars, Help Businesses Work Smarter and Prosper Together. And you can tune into those on our IR site as well. Also, look out for a survey in your inbox over the next few days after these investor updates' complete. We're really interested in hearing your thoughts and gathering your feedback. So thank you very much for joining us today. Arigato Gozaimasu.

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