

Recruit Holdings

Investor Update FY2023 - Help Businesses Work Smarter

March 28, 2024

Contents

[Presentation](#)

[Fireside chat](#)

[Q&A Session](#)

Presentation

Slide 2-01

Yoshi: I'm Yoshi, Executive Vice President and Head of the Matching & Solutions SBU.

Slide 2-02

Matching & Solutions consists of two subsegments: Marketing Solutions and HR Solutions. We provide matching platforms and SaaS solutions, centered around Air BusinessTools, for business clients in Japan. Annual revenue in Matching & Solutions is approximately 800 billion yen.

As we discussed during Day 1 of our Investor Update, HR Solutions, with annual revenues of approximately 300 billion yen, plays a pivotal role in promoting Recruit Holdings' most important business strategy, "Simplify Hiring", in Japan's HR Matching market together with the HR Technology SBU.

Marketing Solutions, with annual revenue of approximately 500 billion yen,

Slide 2-03

is at the center of Recruit's "Help Businesses Work Smarter" strategy, which is the second pillar of our three management strategies.

Marketing Solutions operates mainly 7 vertical matching platforms that connect individual users with business clients, and approximately 20 SaaS solutions that support business clients' operations.

By utilizing our ecosystem of vertical matching platforms and SaaS solutions, we aim to enhance the productivity and profitability of our business clients in Japan.

Slide 2-04

Our matching platforms in Marketing Solutions are online platforms that enable individual users to find necessary information and make reservations for daily activities such as choosing hair salons, travel destinations, and restaurants, and offer similar services for major life events such as purchasing a house or getting married.

Business clients can advertise on our platforms and post their available booking slots, referred to as "inventory", utilizing these platforms as a means to acquire customers through advertisements and as reservation management systems, which directly translates into revenue for them.

In order to accelerate the development of our vertical matching platforms, Matching & Solutions established subsidiaries for each vertical in 2012, with each one focused on managing and promoting its specific business area.

Having improved our competitiveness to a degree, we integrated all subsidiaries in April 2021 to prepare for the next stage of growth, aiming for revenue growth and productivity improvement of Marketing Solutions.

Slide 2-05

Since then, Marketing Solutions has been actively working to strengthen its governance structure, focusing on effective cost management and investment prioritization. This strategy is aimed at achieving both stable revenue growth and expansion of adjusted EBITDA margin, which is expected to be approximately 28% for FY2023, which is the fiscal year ending March 31, 2024, before allocation of corporate and shared costs.

Going forward, we believe that the evolution of our Marketing Solutions matching platform and SaaS solutions will enable us to achieve stable revenue growth and an increase in adjusted EBITDA margins through more efficient business operations.

Today, I will explain the core focus of our efforts in Marketing Solutions up to the present, how we have continued to evolve, and what we aim to achieve in the future.

Ever since our foundation in 1960, Recruit Group has sought to act as a two-sided marketplace that brings together individual users and business clients to facilitate the best possible matches for the mutual benefit of both parties. This is the engine of our business model.

Slide 2-06

Starting with job advertisements for new university graduates, we have expanded our business areas by anticipating changes in the industry and society.

From print media to online media, from online media to matching platforms, and SaaS solutions on top of that, we continue to evolve by repeatedly disrupting ourselves and creating new business models.

Slide 2-07

Marketing Solutions tends to be more resilient during economic downturns compared to HR matching businesses. Therefore, Marketing Solutions focuses not only on revenue growth and expansion of adjusted EBITDA margin, but also on contributing to consolidated adjusted EBITDA especially during challenging economic conditions.

Furthermore, the relationship built with business clients in Marketing Solutions, and information about business clients' operations acquired through our vertical matching platforms and SaaS solutions is advantageous for HR matching businesses such as Indeed PLUS and the job boards in HR Solutions.

We manage our operations daily, not only as the Marketing Solutions business, but also as part of the Matching & Solutions SBU overall, contributing to the enhancement of enterprise value across the entire Recruit Group.

Slide 2-08

Currently, Marketing Solutions operates vertical matching platforms for Beauty, Travel, and Dining where the added value of our business support SaaS solutions, including Air BusinessTools, is readily apparent.

We also operate Housing & Real Estate, which generates the largest revenue in Marketing Solutions, and we manage matching platforms across other verticals including Automobiles, Education, and Bridal.

The annual revenue varies by vertical, with Housing & Real Estate at approximately 140 billion yen, followed by Beauty at over 100 billion yen, Travel just below 100 billion yen, and approximately 30 billion yen for each of the verticals in Others. In each vertical, we have become one of the largest matching platforms in Japan.

Slide 2-09

The pricing models for our matching platforms vary according to the commercial practices and characteristics of each sector. These include advertising models, pay for performance models, and subscription models.

For example, in Travel, where hotel room prices fluctuate due to factors such as seasonality and foreign tourism, the pay for performance pricing model aligns well with the operations of our business clients.

On the other hand, for business clients in fields where service fees tend to be fixed such as hair salons and restaurants, an advertising based model offers the advantage of easier budget forecasting for business clients.

We continuously update our pricing models to ensure they are optimally aligned with the operations of our business clients. By doing so, we believe we can maintain long-term relationships with our business clients and maximize the lifetime value or “LTV” per client.

Slide 2-10

Over the past few years, our matching platforms have evolved from merely being media for business clients to advertise, to sophisticated matching platforms that can track individual users’ actions such as reservations and payments.

To achieve matches that directly contribute to the sales of our business clients, we utilize not only online resources but, when necessary, offline ones as well. Moreover, we leverage the vast amount of action data and matching technology we have accumulated over the years. This comprehensive approach enables us to facilitate matches that directly increase business client revenues.

Slide 2-11

Since FY2011, improvements in our services have led to better matching efficiency and increased value of our matching platforms, especially in high-frequency user verticals such as Beauty and Dining. This has led to a continuous increase in the number of actions taken by individual users.

By FY2022, the annual number of actions across the Matching & Solutions SBU reached approximately 420 million.

In order to continue to grow the number of actions, each vertical matching platform monitors action data closely, constantly making improvements, month by month and year by year.

At the same time, the management team is not just focused on growing the number of actions, but is strictly managing unit economics. Our decision-making is guided by increasing the LTV of both individual users and business clients while being mindful of acquisition costs. And we do this, not from the perspective of growing revenue and adjusted EBITDA margin for each vertical, but for Marketing Solutions as a whole.

Slide 2-12

We believe the Total Addressable Market, or TAM, in Marketing Solutions includes not only business clients’ advertising and promotional expenses, but also a portion of their SG&A costs, such as personnel expenses. This is because our SaaS solutions, regardless of industry, can improve operational efficiency across various industries by, for example, replacing the work of one person in store operations.

While we aim to achieve stable revenue growth for Marketing Solutions within this TAM, the contribution to the growth varies across verticals due to the market environment and different business models of each vertical.

Slide 2-13

For example, Beauty, where individual user frequency is high, tends to reflect the added value of enhanced productivity through our SaaS solutions. Therefore, in addition to acquiring new business clients to drive revenue growth, we also expect an increase in revenue per business client due to an increase in the cross-use of SaaS solutions.

Housing & Real Estate also has good potential to contribute to future revenue growth. In Japan, offline advertisements in the housing industry, such as flyers, are still common, but there is a gradual shift from offline to online advertising each year. Leveraging our industry leading position in the market, we expect to grow revenue by acquiring new business clients and increasing our wallet share of existing clients by enhancing convenience for both individual users and business clients.

Slide 2-14

Next, I will explain how optimizing productivity of our internal operations enables the simultaneous evolution of each vertical business area and the Matching & Solutions SBU as a whole.

Slide 2-15

Matching & Solutions is structured by functions, with departments such as corporate staff, sales, and product. All verticals are represented in each department.

This structure has enabled us to reduce redundant costs, manage expenses more appropriately and optimize personnel assignments more quickly when compared to before 2021, when each vertical operated its own subsidiary.

The management team strictly manages expenses and personnel assignments across the business to achieve revenue growth and expansion of adjusted EBITDA margins for Marketing Solutions as a whole.

For example, the product department, rather than the sales department, has the authority to make decisions regarding advertising and promotional expenses. This allows us to manage the cost-effectiveness of advertising by repeatedly analyzing the outcomes of implementing or not implementing advertising campaigns.

While controlling advertising expenses contributes to an increase in adjusted EBITDA margin, management decisions are made carefully to ensure that this does not lead to a long-term decrease in the number of actions taken by individual users.

Slide 2-16

To illustrate how we optimize personnel assignments, let's take a look at our sales team as an example.

Our sales team functions as a department across all verticals, rather than being divided by individual verticals. This structure allows us to quickly adjust personnel assignments between and within verticals based on economic trends and future growth prospects.

We also have a thorough system in place that allows our sales teams to utilize the anonymized action data of individual users and the operations data of business clients as assets for their sales activities.

This minimizes variability in the quality of proposals from each sales representative and helps them refine their productivity while maintaining and improving the quality of our sales team.

The relationships that our sales representatives have built with our business clients are an extremely important asset to our company. Our corporate culture is built on the idea of not only proposing our services, but also deeply engaging in our business clients' overall operations and thinking as a stakeholder about what improvements can be made.

This mindset has led to the creation of many new products, including Air BusinessTools, our suite of business support SaaS solutions.

By leveraging these important assets and our corporate culture, we believe that we can further enhance the efficiency of our sales activities in the future.

Rather than only focusing on our productivity, we aim to increase the adjusted EBITDA margin in Marketing Solutions by understanding the environment where there is a significant disparity in IT literacy among business clients. We will do this by introducing customer support systems that do not require sales representative intervention, and by establishing specialized functions such as new customer acquisition and customer success, according to the business sectors and characteristics of our business clients.

From here, we will detail how we are progressing with identifying challenges faced by individual users and business clients and how we are implementing improvements in our matching platforms and SaaS solutions for individual users and our business clients aimed at growing revenue and improving adjusted EBITDA margins.

A detailed explanation will be provided by Jun Akiyama, who is in charge of Product Management and Product Development for Marketing Solutions and Keiichi Ushida, who is in charge of SaaS Product Management.

Slide 2-17

Jun: I'm Jun and I'm responsible for Product Management and Product Development for Marketing Solutions.

I was involved in the launch of SALON BOARD, a cloud-based reservation and customer management system in Beauty, and in the product management of SUUMO, a matching platform in Housing & Real Estate.

Slide 2-18

Keiichi: I'm Keiichi, and I am in charge of SaaS Product Development.

I have been responsible for product management and new business development, working on the launch and management of products across many of our verticals such as HotPepper Beauty, HotPepper Gourmet, Jalan, and AirPAY.

Slide 2-19

Jun and I will cover the following four key initiatives:

- Enhancing individual user convenience to increase the number of actions
- Increasing available reservation slots, which we call "inventory" on the matching platform, and strengthening client relationships by improving operational efficiency of business clients
- Optimizing acquisition costs for both individual users and business clients
- Future potential of fintech services utilizing payment transaction volumes

We believe that these initiatives will significantly contribute to the growth and success of our matching platforms, and we are excited to explore these opportunities further.

Slide 2-20

Jun: First, I would like to talk about increasing convenience for individual users.

Have you ever found yourself thinking that you want to get a haircut or a massage after work? I too have moments where I think "I have some free time after work today, I should get a massage".

But if salons only offer reservations by phone, you might encounter situations where they are already closed for the day or you can't get through to anyone before opening, making it difficult to book at the right moment. So you might end up not going or putting it off to another day.

SALON BOARD was created in order to meet individuals' demands for features like making a reservation whenever they want. And it has now become an indispensable infrastructure for the operations of hair salons, massage parlors, and nail salons in Japan.

SALON BOARD is a vertical SaaS provided to business clients of Hotpepper Beauty. It enables business clients to accept reservations 24 hours a day and provides all the functions needed to operate salons: reservation management, customer management, point-of-sale, or POS, functionality, revenue and operational performance analysis, and since last year, the ability to create and manage job postings.

We believe SALON BOARD has significantly contributed to the growth of HotPepper Beauty, which has become one of the biggest matching platforms in Japan in the Beauty segment.

Housing & Real Estate is another example of a vertical where we have significantly improved convenience for individual users.

Housing & Real Estate, which started with the launch of "Monthly Housing Information" in 1973, now accounts for approximately 30% of revenue in Matching & Solutions. It offers SUUMO, a matching platform that provides information on all types of housing, including detached houses, apartment and condominium sales, rentals and custom-built-homes.

Initially, the magazine started as a collection of real estate advertisements. But we continuously aimed to make the housing search process easier and more convenient for individual users. We created the industry standard by producing the first ever index function which organizes property information by train line, station,

and price. And we launched an internet version of SUUMO, being the first to create an online marketplace. We have repeatedly been ahead of the curve, creating services and features which are now the industry standard.

As a result of our efforts, we have democratized access to real estate information and drastically improved convenience for individual users.

Through this evolutionary history, SUUMO now supports the matching of individual users and business clients such as real estate companies.

However, a challenge in this field is that individuals do not frequently move and buy or rent new properties, so most people don't have a lot of knowledge about how to best manage this process. As a result, it requires a lot of time and thought to make a decision.

So, although we made the process more convenient for individual users by providing information online, given the complexity, we wondered how we could more effectively and timely match these individuals with business clients. So we decided to create offline services, in addition to our online matching platform, to best support the decision making of individual users.

Slide 2-21

In 2005, we launched a service that provides the face-to-face introduction of properties to individual users.

Specifically, we operate more than 200 physical locations in shopping centers and other locations nationwide, known as SUUMO Counters. SUUMO Counter offers free consultations to individual users about purchasing custom built homes and new condominiums, operating with a performance based pricing model, where business clients pay commissions upon completion of a deal.

The conversion rate of individual users who utilize SUUMO Counters is significantly higher compared to those who only use the online matching platform. This is due to the "human" involvement in the offline process, and for us, this leads to revenue through performance based fees rather than advertising fees.

In order to solve the fundamental issues faced by individual users and business clients, we are enhancing the value of our matching platforms by utilizing all of our assets including online and offline services and matching technologies. This evolution is not only happening in Housing & Real Estate, but also in other verticals.

Slide 2-22

Keiichi: Next, I will talk about our efforts to increase the "inventory" available on our matching platforms by improving the operational efficiency of our business clients and strengthening our relationships with them.

Earlier, Jun presented how SALON BOARD is equipped with all the functions necessary for salon operations.

By having SALON BOARD handle all administrative tasks other than treatments, business clients can devote more time to serving their customers, resulting in an increase in the inventory available on our matching platform.

Slide 2-23

Additionally, since February 2023, we have been offering HotPepper Beauty WORK, an HR matching service that combines with HotPepper Beauty. In addition to a monthly service usage fee, this service introduces a performance based pay per hire pricing model, with the revenue accounted for in Beauty in Marketing Solutions.

HotPepper Beauty WORK automatically links information from HotPepper Beauty which is important for job seekers, such as details about the store's staff, treatment menus, and user reviews.

This means job seekers don't need to go back and forth between job boards and HotPepper Beauty to gather all of this information. They can search for jobs, collect salon information and apply for jobs all through HotPepper Beauty WORK.

Slide 2-24

And for business clients, they don't need to duplicate salon information which is already on HotPepper Beauty to post a job advertisement. They can hire directly from SALON BOARD, which they are already using on a daily basis.

This convenience allows business clients to streamline their hiring processes dramatically by reducing the effort required to create job advertisements, allowing them to post jobs much faster and more easily than before.

It's been one year since we launched this service and, as of the beginning of March 2024, there were approximately 34,000 salons using HotPepper Beauty WORK.

Slide 2-25

Next, I'll talk about Air BusinessTools, the core of our SaaS solutions.

Air BusinessTools, which improves the efficiency of management operations regardless of vertical, began as a response to the common operational challenges faced by various business clients using our matching platforms and in particular within Beauty, Travel and Dining.

In 2013, we launched our first service, AirREGI, a POS register application and now we offer 16 Air BusinessTools services.

Slide 2-26

Although there are differences from business to business, stores that provide services like restaurants or beauty salons are said to have at least 50 processes that are necessary to operate the business. Among these, 30% to 70% of the time is spent on administrative tasks, such as marketing activities, facilitating reservations, inventory management, and hiring staff.

Moreover, each of these tasks are often managed in separate systems or even paper-based, which complicates the processes and requires considerable time and effort, hindering productivity improvement for business clients.

Air BusinessTools, including AirPAY, AirREGI, and various other services we offer reduce the time, effort, and costs associated with these tasks by replacing the analog operations of a business with digital solutions. This spans from reservation and reception management, to accounting and payments, from recruitment and shift management to cash management and invoice management.

These characteristics of Air BusinessTools are behind Yoshi's earlier explanation that the TAM for Marketing Solutions includes a portion of a business client's labor and sales administration costs.

Now, let me introduce a case study that demonstrates how our business clients have leveraged our ecosystem to achieve improvements in productivity and performance.

A restaurant utilizing HotPepper Gourmet, a matching platform for Dining, along with its accompanying reservation management system Restaurant Board, that was also using AirPay and AirREGI for enhanced cashless payment support, started to use AirREGI Order following the COVID-19 outbreak.

As a result, most of the customers who now visit the restaurant use mobile ordering, which has eliminated order errors and typing mistakes at the cash register and greatly improved operational efficiency, simultaneously increasing the average spend per customer.

While in the past customers tended to refrain from placing additional orders when they saw busy staff, mobile ordering has eliminated the need to call on staff. This has resulted in a significant improvement in lost order opportunities and driven higher average spend per customer and increased store revenue.

And the number of reserved seats, which had previously been managed by time of day or day of the week, can now be managed more precisely and appropriately by visualizing the restaurant's seating status in real-time.

With real-time visibility into availability and the ability to make on-the-spot reservations, convenience has increased for individual users who want to dine at the restaurant, resulting in positive results for the business client in terms of improved table turnover and service quality.

Furthermore, with the increased revenue, we can expect increased use of our services, for example, to hire new employees or part-time workers for restaurant expansion or new restaurant openings using AirWORK ATS.

Or to upgrade the advertising plan on our HotPepper Gourmet matching platform, or even to add listings for new restaurants.

In this way, through Air BusinessTools, the visualization of operational data and its accumulation enables us to provide the most suitable solutions to the challenges faced by our business clients.

In addition, as productivity of business clients improves, inventory on our matching platforms increases, leading to more matches and actions between individual users and business clients.

Next, we will discuss measures we're taking to streamline the cost of acquiring individual users and business clients, ensuring they continue to use our services over the long term.

Slide 2-27

Jun: Firstly, let me discuss Recruit ID on the individual user side.

Recruit ID is an ID for individual users and is used as a login ID across vertical matching platforms in Marketing Solutions such as SUUMO and HotPepper Beauty, and those in HR Solutions such as Rikunabi NEXT.

The number of Recruit IDs has been steadily increasing, with the total number of IDs issued, including active and non-active accounts, reaching approximately 87 million as of February 2024.

We offer a loyalty program that allows individual users to earn and use points on our multiple vertical matching platforms, linked to a Recruit ID. These loyalty program points can also be used for a wide range of services offered outside of the Recruit Group.

We designed this program to encourage increased engagement on our matching platforms, utilizing the activities of individual users as a catalyst for further use.

Keiichi: Next, I will explain AirID and its impacts with business clients.

Slide 2-28

AirIDs are issued to business clients using Air BusinessTools, allowing seamless access to all services within the Air BusinessTools suite with just one AirID.

Slide 2-29

Based on the latest economic census, the number of potential customer establishments for our SaaS offerings is estimated at approximately 4.38 million. We assume that these establishments would use multiple SaaS products, and we use the cumulative number of accounts across multiple services as a KPI.

As of December 31, 2023, the cumulative number of SaaS accounts, including Air BusinessTools accounts, and including where one customer may have multiple accounts for different SaaS services, was approximately 3.6 million.

Therefore, we believe there is still significant potential for growth in the cumulative number of accounts as more business clients adopt multiple services.

Slide 2-30

In addition, with the launch of Air BusinessTools, a business support SaaS that is not restricted to any specific field, we are increasingly adding business clients in industries outside those we traditionally serve, including retail, various service industries, and pharmacies - areas where we previously had no transactions.

For example, of the approximately 450,000 AirPAY accounts as of December 31, 2023, approximately 55% are for business clients in the Beauty and Dining segments. The remaining 45% are from businesses where we don't operate a matching platform.

We believe that regardless of the business field, we will continue to face the challenges of Japan's aging workforce and chronic labor shortages, and that our business support SaaS will help address these challenges. We believe that by providing solutions for business clients' that help solve their operational issues, we will continue to expand our client base.

Slide 2-31

Offering business support SaaS solutions not only expands our client base, but also offers additional benefits. Business clients that use both matching platforms and SaaS in their businesses tend to have lower churn rates as well as higher revenue per client compared to those that use only matching platforms or only use SaaS.

Slide 2-32

For example, let me introduce a case study from Beauty and Dining, where the added value of operational efficiency through our business support SaaS is most evident.

Across these businesses, when a business client uses both our matching platform and AirPAY, one of our SaaS solutions, after 13 months, the churn rate of these customers, is just one quarter that of our business clients who use the matching platform only.

Finally, I would like to discuss the future potential of fintech services, utilizing payment transaction volumes.

By completing the transactions of individual users within our ecosystem through AirPAY and AirPAY Online, we can enhance payment convenience for individual users, reduce lost revenue opportunities for business clients, and increase the amount of payment transaction volume flowing through our ecosystem.

Slide 2-33

Gross Payment Volume continues to grow as the ecosystem expands, and is expected to reach approximately 1.8 trillion yen in FY2023.

Yoshi: The expansion of Gross Payment Volume is one of the key performance indicators of our "Help Businesses Work Smarter" strategy. It is the foundation for the expansion of fintech services, potentially contributing a new revenue stream to our business in the future.

We view the next three to five years as a period to grow revenue and increase adjusted EBITDA margins through the evolution of our ecosystem of matching platforms and SaaS.

At the same time, we will leverage the expansion of our customer base through SaaS to lay the foundation for new businesses with the potential to contribute to future revenue.

We will further reduce the time required to match individual users with business clients, increase the convenience of taking actions such as making reservations, and increase the likelihood of these actions leading to sales for our business clients.

In the future, we plan to utilize technology across our entire business more than ever before, improving operational efficiency while using action data from individual users and operational data from business clients obtained through SaaS, including Air BusinessTools.

Our goal is to evolve into a business model that allows us to charge for more precise matching and actions taken.

Thank you for your attention.

Shen: Thank you very much for attending Recruit Holdings' Investor Update Day 2, Help Businesses Work Smarter. I will serve as the moderator today. I am Shen from IR/PR.

Thank you very much for watching the presentation. From here, we will have a fireside chat with the presenters and receive questions from sell-side analysts.

Today, we have Yoshihiro "Yoshi" Kitamura, Head of Matching & Solutions Business and President and Representative Director, Recruit Co., Ltd., Ken Asano, Executive Vice President of Product Management, and Mio Kashiwamura, Senior Vice President in charge of CHRO, Public Relations and Sustainability.

Yoshi and Mio are Executive Vice President and Senior Vice President of Recruit Holdings Co., Ltd., respectively.

Ken is heading all product teams, including Jun Akiyama and Keiichi Ushida's team who spoke in the presentation.

Fireside chat

Shen: We will start the fireside chat. I will ask the questions that are probably of high interest from the capital markets participants.

First of all, starting with revenue and profit. At the strategy briefing 2 years ago, Yoshi announced that we were aiming for revenue of 1 trillion yen in the medium term and adjusted EBITDA margin in the low 20 % range as Matching & Solutions.

But with the launch of Indeed PLUS in January this year, as mentioned in Day 1 just yesterday, these were reset, as revenue in HR Solutions will shift to the HR Technology business.

You explained that the company will now aim to grow revenue and adjusted EBITDA margin as Marketing Solutions but did not announce any specific numerical targets this time, but those are probably of interest.

So in the next three to five year period, what image would you like the capital market participants to have regarding revenue growth?

Yoshi: First of all, the disclosure of the numbers and targets will be in May this year when we announce our financial results, so I hope you could wait until then.

As mentioned in the presentation, the annual revenue is approximately 500 billion yen and this is managed over multiple business domains.

Now, Recruit ID is one number we disclosed. The individual users will book or take some actions using our services with this ID and this is approximately 87 million IDs, so this is now quite sizable.

I'm hearing that compared to other services, you can see the size and magnitude of the service. So the user base and Air BusinessTools for SMEs, where the number of business clients is increasing now. These two

assets that we have will be leveraged to evolve our existing matching platform. Furthermore, Air Business Tools will also be leveraged to generate new value. And with that, we want to maintain our growth rate.

Shen: Thank you. Since we have Ken in charge of product management, I would like to ask a more specific question. Going forward, well, this is maybe the same question, but what is going to be the driver for growth going forward in terms of revenue?

Ken: Well, in our Marketing Solutions business, structurally speaking the revenue growth of our business clients correlates to our revenue growth.

Our growth driver is going to be linked to the performance of our business clients. For example, the number of the reservations or the per customer spending at stores, or utilization.

And the biggest driver is going to be the number of reservations, the number of actions, the number of customers that we can refer to stores, will directly contribute to our clients revenue growth. Plus improving convenience is the key and there is further room for improvement here.

In the past, when you wanted to book online, you needed to send a message saying I want to book on this date, at what time, and then the store will tell you if that is available or not.

But as of today, you can have an instant reservation. You just need to press a button in order to make a booking. That is an instant reservation model, which contributes to an improvement of convenience for our clients and customers.

In HotPepper Gourmet and HotPepper Beauty, you can make a reservation up to one minute before the desired time. So it's just before the time you wish to visit the restaurant or salon, and the reason that is possible is because there is a collaboration with Air BusinessTools.

Earlier, Keiichi gave a message in the video that when you take orders in AirREGI, there is a signal that the table is filled at the restaurant and that signal is received. And when payment is made in AirREGI, it sends a signal that the table is vacant and it would give that signal to HotPepper Gourmet.

So on a real time basis, you can have real time management of availability at the restaurant and you don't have to worry about the availability and clients do not need to have strict seat management.

In a collaboration with the HotPepper platform, our clients will be able to use this conveniently and on the customer side, individual users will be able to make an instant booking. That is becoming possible today. And ever since AirREGI started, we have had such a service.

For example in Tokyo at this time, I believe thousands of stores would be available on this instant booking system. Finally, I think this has gained familiarity with a wider audience and that is leading to improvement in convenience.

Shen: So it was paper-based until recently, right? It's been used in beauty salons also, but now you can book up until just one minute prior to the visit?

Ken: In 2012, HotPepper Gourmet started online reservations and for SALON BOARD, it's also 2012.

SALON BOARD was developed in 2012, and this SALON BOARD is a good product. Well, it may sound like I am boasting, but it's all based on a beauty stylist's schedule.

When they create their schedule, the available schedule slots are going to be released on HotPepper Beauty and on a real time basis, the salon does not need to manage it by themselves, but they just need to take care of the stylist schedule.

So with such a system customers can enjoy the benefit of this infrastructure with instant booking.

Shen: Thank you for that response. So the ceaseless improvement of user experience is the key I believe.

Next is adjusted EBITDA margin. You gave a strong message on that too. Now there's no target, so how can adjusted EBITDA margin be improved? The sales structure and the improvement of business productivity execution, I want to ask Mio about it. So what is happening now? That's my first question.

And sometimes we're asked by investors about the Housing & Real Estate and Beauty sectors. How they are very competitive, so they imagine that the Housing & Real Estate and Beauty margin is higher than Matching & Solutions and Marketing Solutions which are disclosed.

Using this best platform in the industry, is it possible to leverage the high competitiveness of the product to reduce costs and investment and raise margins further?

Yoshi: As you probably know, Beauty and Housing & Real Estate, if you look at comparisons, we are in a strong position. We are generating many actions, so business clients have high expectations of us. So there is an increase from that and profitability and revenue is that much bigger and profit margin is rising accordingly. So that is the model that we now have in the Housing & Real Estate, life event domain, something that happens only once or twice, three times in your life. So it's less frequent matching in life events. And Beauty which is used every month, in one way or another.

So the market is different, but what's common is the number of actions. The action volume is converted to sales, to revenue, and as a result, at the same expense level the adjusted EBITDA margin improves. So this is a good favorable cycle, virtuous cycle.

We want all businesses to move in that direction. But there is a certain order in which they should contribute to profitability. So we need to manage the advertising and promotion expenses and other investments. So these investments, for example, should have a payback period of about one year in the short term. So by meeting certain conditions we would like to manage to raise the adjusted EBITDA margin level.

In addition, the sales structure. And as Shen-san said, yes, we were using paper until a while ago. In the paper media era, the sales structure was, salespeople had to do many things. And with that sales structure, that is the current era in some businesses. So of course that needs to be revisited and improved and enhanced.

So Mio, you're well versed with this, so share with us your view, please.

Mio: Yes, first of all, as an underlying premise, three years ago seven companies were merged into one. And so we can flexibly allocate human resources cross functionally according to the business environment. And with that, we can assign people to growth areas.

And this is susceptible to the economic cycle. HR is impacted by the economy. So we can shift people from HR Solutions to Marketing Solutions when the economy is down. So this is the underlying premise. As Yoshi just said, for the customer interface, customer contact point, the key is how to raise the value of the customer contact activity and reduce the production cost at the same time.

As Yoshi said, originally in 2012, this was when the beauty SALON BOARD was launched and I was head of Beauty area. One salesperson did the first signing of the client's contract, and then onboarding, and then explained in detail how it can be used, and the follow up if there were problems. One single person did everything. But this is difficult from a capability perspective.

And so first, the role of starting the new contract, and then supporting through onboarding, the client's success, those tasks are separated to offer value and enhance value. And in each domain we are seeing evolution after the integration. We are trying to accelerate everything.

So we have taken on many challenges over the past three years. One is that a Client Success department was established, which is a cross organization. So the best knowledge, the cutting edge knowledge, is shared and systematized.

And the data platform and dashboard infrastructure are also in place now. Data needs to be extracted in a timely fashion and available on a dashboard. For Air BusinessTools, after a customer implements Air BusinessTools, how it's used, how they're troubled, needs to be understood in a timely fashion, so that we can address customers' problems in a timely fashion.

This is the evolution we have achieved in the past few years. One example is in one domain, a client report exists. So we use it to see the impact of the previous month. And this can be viewed from the data. So this is how we propose using the client report.

The salesperson spent two to three hours per client, but now with the data platform dashboard, we can have a good, analyzed report in five minutes. So if one person was in charge of 20 businesses, client reports took 30 to 40 hours a month. But now it's down to less than one hour.

So we are optimizing for each domain and also overall the labor reduction and how you are valued is something we can pursue further.

Yoshi: So we can go on and on on this point. So maybe we can touch on more specifics in the following questions.

Shen: Thank you. This is going to be my final question. It is on fintech services.

I think there is a lot of expectation and the capital market participants are wondering what it will look like, especially through Air BusinessTools. So we've already started trials on the website, and in IR meetings we talk about it, but it's still in the preparation phase and I think we are aligned on that.

But moving forward, what is going to be a fintech service unique to Recruit? Can you describe it?

So Yoshi or Ken as the person in charge of the product management?

Yoshi: Yes. Frankly speaking, while I have high expectations for the future potential, when it comes to fintech services you need to have legal compliance. And we need to accumulate our own data and have a system to utilize that data. So it's going to take some time.

Help Businesses Work Smarter is the concept where we help business clients improve their productivity, that is the big concept. Air BusinessTools helps to make the troublesome work easier, or gets rid of the troublesome work. That is the objective.

Fintech services that we will develop will be aligned with that service. And we'll be offering similar value. The size of GPV continues to increase as you are aware. But just multiplying it with a take-rate, it's not as simple as that. We're not just trying to introduce that formula. Cash related friction or inconvenience is something that we want to make sure that we can remove.

And that is the value we would like to identify and solidify before offering that to the market. So frankly speaking, I hope the market can be patient.

Do you have any additional comments on the product?

Ken: Yes, as a trial, we have an invitation based trial for the AirCASH service, which improves the convenience of cash management.

So this is based on GPV through AirPAY, and based on that cash flow, you only need two clicks on the system to raise funds in cash. Through Air BusinessTools we have access to information and the more the volume increases, the more convenience can be offered to our clients to raise funds.

So it's not just a stand-alone offering, but we need collaboration of various different tools to offer a unique distinctive service of record. And we want to offer support to our clients day to day challenges. So we're hoping that this is going to roll out in various different ways going forward. Thank you.

Q&A Session

Shen: Thank you. We will now take questions from the sell-side analysts. We will take two questions per person, so please raise your hand if you have questions. First, Goldman Sachs securities Munakata-san please.

Munakata: This is Munakata from Goldman Sachs, thank you very much. So my first question is about the ecosystem. When you build an ecosystem matching platform, the number of actions by individual users, the number of SaaS accounts of the business clients and the GPV, these 3 KPIs will increase all together to expand, as I understand you presented so before.

So the growth of three KPIs, they should not be separate, I think, but looking back over the past few years, how do you evaluate your performance? Are there areas where you are satisfactory or not so satisfactory yet? And the three will grow at the same rate or are there KPI that will grow stronger than the others?

Second, maybe a qualitative answer is fine. From the perspective of reducing the labor costs and the inconvenience, you've been explaining from these perspectives, I think, is very powerful. As we need to improve the labor productivity because labor unit cost is rising, maybe you can receive more pay for that. What do you think about monetization there? Do you think the current monetization is at a fair level, or are there many opportunities, what is your view?

Yoshi: Thank you for the questions, very good questions. So I will answer your first question. And then Ken will also comment.

For the past few years, we enhanced our online matching business. And we focused on the actions and decided to change our business model from around 2010. But the number of matching and the number of business clients and the GPV for the past few years have grown more than we expected. So these three as you rightly said are linked as they grow together, so the more matching the more business clients, and if a payment can be completed then GPV will also increase. So these will all increase in a chain reaction manner if you will. Until now, it's been better than we thought. That is my view.

Now our expectations for the future, so the KPIs we can expect for the future. I want them all to grow. Grow all of them, to be greedy. But the number of business clients is a very important source of information to generate user actions. And it is also an action-based source, and a source of GPV. So increasing the number of business clients, including Air BusinessTools, is something we need to focus on more and more.

Yesterday, we talked about HR Technology and how we will use such a scheme to address the HR market in Japan. And so we will serve as the assisting role for that. The number of business clients, we expect to grow very strongly. And from a product perspective, what do you think?

Ken: From a product perspective, the number of actions and the GPV, by vertical, the growth phase is different, because they started at different points in time, but if we look at this in a cross functional, horizontal manner, what we cherish is, the simple number of actions can increase by improving the usability or the convenience. With that increase in the number of actions, we are also being paid in accordance with our contribution to the improvement in the business clients' performance. We are considering to contribute to the spend per customer after sending users to the customers.

In Jalan.net, the revenue assistance service for example, we are involved with the pricing and anticipate the operational use of utilization ratio in the future and assist and suggest the future possible unit price and utilization rate.

And as Keiichi said in the presentation, for example, customer orders. So in restaurants, a customer can order by smartphone and therefore increase the spend per customer. Pricing and the unit price, these are another area we want to be involved in. And HotPepper Gourmet, when the restaurant is booked, booking can be

done every 15 minutes. And points can be given based on the booking time, which means we have the infrastructure where we can manage utilization rate.

Using points or limited time coupons, the booking rate can be improved. And not only that, we can also be involved in the pricing, utilization rate and this will eventually raise the overall GPV. The nature of the number of actions is different from those in the past. We hope there's room to increase from that perspective.

Yoshi: So your second question. The time and the headcount that has been reduced is powerful. Now, is this fair? Are we being paid fairly? Thank you. That's a great question.

So from a product perspective, it is partially included in our answers to your first questions. But the way we are paid now results from as the number of business clients increases. We want to make this even more powerful. And of course, with this, of course there are things that will no longer be necessary for the clients, but that's great, but you never know until you actually use it. Until you use it, the business clients will not understand how valuable and usable it is.

If we set higher pricing for those things, it will hinder the introduction and it will not become something powerful enough to change the entire industry. So at the starting point, the profitability may be low, but we want more business clients to use it first of all, so we focus on that point.

But in order to increase revenue, we use data and assist and to find out what unit price we should set or what unit price is appropriate for which point in time, to maximize profit. So data and AI, services using AI, we will add on or convert to that. As clients use our service, we can have even more powerful usage, and profit as a result of that is something we are looking for. We are still halfway through our journey. I hope this answers your question.

Munakata: Thank you.

Yoshi: Thank you.

Shen: So as Munakata-san said, the time we were able to reduce in terms of inconvenience, on Air BusinessTools 10th anniversary brand website, it says that we were able to reduce 21.72 million hours per year. And the reduced personnel cost was 23 billion yen per year. I think this is a very powerful number.

Yoshi: Yes, we can see this result from various perspectives. The reduced number of hours, what are they used for instead? When we think about it, well, maybe it can be offered in the form of labor. Improving productivity means, thinking about, for example, what the reduced number of hours can be allocated to in order to maximize the revenue and profits of our clients, which will ultimately lead to the growth of our revenue. Like the link of 3 KPIs, In terms of pricing as a result of our contribution in reducing cost and time, we need to make sure that we maximize the linkage is a key to grow our profitability in the future.

Shen: Well let me move on to our next question. JP Morgan, Mori-san.

Mori: This is Mori speaking. Thank you so much for your explanation today. I also have two questions. One is related to AirPAY.

So 55% of clients are existing users and others are 45%, as you mentioned, in the 450,000 that number. And there's more than 4 million potential business clients as a TAM. Can I simply estimate the penetration ratio is at 10%? Well, I think it depends on what you would like to achieve with AirPAY, but is the penetration rate simply 10%? And the other question is, in areas where matching is not likely to happen, this 45%, how are you going to face those areas? When there is no scalability of matching, will it be a profitable business? That is my first question.

And my second question is, maybe this is not a good question, but Housing & Real Estate and Beauty are the two largest areas. And if the growth of these two areas slow down, the segment as a whole, may slow down. But these two are already large to a certain extent. So I would like to ask you what is going to be the driver for these two businesses going forward? Is there any room for further penetration among clients or as you

explained in details today, revenue per client, is that going to be able to grow further and there's no worry? Those are my two questions.

Yoshi: Yes. Thank you. Then, for your first question I'm going to respond. For the second question Ken is going to respond, I believe. To your first question, business clients who are not using a matching platform, how are we going to tackle that area? And also, there was a question related to the market as a whole.

As we discussed in the beginning, AirCASH reducing friction is something we want to remove or make it easier to deal with. That's what we have been studying and using prototypes to hold trials with, as discussed earlier. For example, cashless payroll payment is a new system that was on the news, we submitted an application to the government. And regarding clients whose touch point with us started from cash management, then we would like to continue expanding the value in that cash related service. And as a result we would need to discuss the take rate. That is something we hope to offer.

At the same time. This is a unique strength of Recruit. HR Technology was discussed the other day and recruiting happens in such areas as well. We have a horizontal service of recruiting, so by offering services in one way or another, GPV is something we hope to think about together with cash management. And I think you will be able to imagine what is likely to happen in the future.

And to your second question how, well maybe we should respond from a product side perspective.

Ken: Yes, so if the growth of Housing & Real Estate and Beauty slows down.

Shen: So we will be growing Marketing Solutions as a whole, but Housing & Real Estate and Beauty are already large. So what will be the drivers there?

Ken: In terms of Housing & Real Estate compared to Beauty, Travel and Dining, using technology to solve a client's challenges and improving convenience of users in that area, we delayed. For example from 2018 we started the online reservation service for model houses, which is six years later compared to the Dining service.

There is room for further improvement in services as we started from paper based media and moved to online media and we're still in progress. Or it just started to become more convenient. So I think there is room left for further improvement. Depending on the timing of transition of services and timing of release, the growth may seemingly slow down but regarding Housing & Real Estate I believe there is a room left for growth.

And regarding Beauty, today in the booking service, we are able to offer a certain amount of services to the market. And then there's Air BusinessTools that are used as an add on and if that happens we will be able to contribute even more. That is the perception from the product side.

Yoshi: In the Beauty, beauty salons, hair salons other than those areas, the aesthetic area is growing strongly, right?

Ken: Yes. aestheticians and nail salons.

Yoshi: Well, people say that our services are mainly around hair salons, but actually they are in many more beauty-related areas and there are new types of salons born every day. I often use massage for example. And it may be mainly for women, but new types of services are born. And each business client's companies are trying to acquire new users via various means.

Compared to that, once they post their ads on our platform, they will be able to reduce cost per user when they think about user acquisition. Because the market is aware of that, some early stage businesses choose us in many cases these days.

We have a platform with clear targets and I think the environment is encouraging various businesses to create new types of salons. So I do have a hypothesis that we can grow further.

Mio: And recently, many services are used by male users as well. So I think there's room for growth there as well.

Shen: So for investors, this aesthetic or beauty-related area is something new. How do you distinguish it?

Mio: Well, Beauty is hair salon or coloring salon, then there's aestheticians, nail salons or eyelash salons. So everything else is one area and then there is a medical area as well.

Shen: So there's just everything right? I can even use it five days a week.

Yoshi: So to your second question. The growth in Housing & Real Estate on a per client basis, using IT and internet services, we can contribute even further. So we will be able to grow revenue per client. And I don't like to describe it in this way, but clients' digital transformation is something we would like to expand as measures to grow revenue per client. And regarding Beauty, as we said earlier, we can grow the number of clients even further. So I think that is going to be the driver in these areas. I hope we answered your questions.

Munakata: Thank you very much.

Shen: Next question is from Citigroup, Yamamura-san, please.

Yamamura: Thank you very much, Citigroup, I am Yamamura. Thank you for appointing me and for the explanation.

I have two questions. First question is, HR Technology shifts from the advertisement based revenue, you are shifting to CPC and SaaS data action billing is another plan. In Beauty, where the revenue is large, the advertising based revenue model is still the mainstream. So the current format, is this the best solution or not?

From the nature of the industry, is this billing model the final format, or will this move to CPC or CPA eventually in the future? That's my first question.

My second question is about Air BusinessTools. You are trying to improve the productivity to maximize the revenue, I understand the scheme. But the revenue is growing strongly year after year. In the medium term, maybe aside from your intent, the SaaS business may contribute to your profit. Is that a possibility?

You said you wanted to offer this for low cost and focus on penetration, but now the competition is intensifying. In the long term, maybe the monetization will become difficult? Is that a risk that we need to think about? If you could share with us your view. Thank you very much.

Shen: Thank you. That's a question for Yoshi.

Yoshi: Yes, your first question is about shifting to PPC in HR Solutions has progressed, but how about Matching & Solutions' progress. There are some examples in Beauty.

So our monetization, I talked about this before. We are doing substantial research. And the way we research is from the perspective of the buyer, the business client, is it an acceptable one that helps their decision making? Not just in terms of the price but also the products. Which products can be monetized? Looking at this using psychology, we decided on the current format.

For example in Beauty, it's not transaction based, we take the advertisement based model. We say it's advertising, but in reality it is a subscription. It is a monthly usage fee in most cases.

Of course this is to acquire new customers. But we also have the booking management system, SALON BOARD which is highly acclaimed. We need less people to manage it. In that sense, it is unlimited use per month. It's a sense of security, from the individual user's perspective.

And it's not an industry that has much affluent cash flow. So it's easier to know the payment to be made the following month, not based on the transactions. So we think this is the best at this point in time, but will

continue being the best in the future? Maybe better but maybe not necessarily the best. And this is not only for Beauty, we need to continue researching to find the best solution.

Now suppose we shifted to a PPC model, maybe the inventory that will satisfy individual users will not be there. The days that anyone wants to go or the popular time slots, because we're human beings, there's concentration on particular days or times. And when it cannot be booked, it will lower the attractiveness of the platform and the user action declines and the user ID count will no longer grow. Which means that we will no longer have the positive chain reaction of value.

So that is why we did not adopt a PPC model. From a monetization point of view, we decided considering all of these elements. And at the same time, if we can have all the inventory, the higher the number of bookings, the lower the unit cost. More seats means you can register quickly, which means the available seats on the platform can be maximized, more than other players. And that is why HotPepper Beauty's performance is so high.

It's a balancing act. The way we offer value on the platform and the way we build. It's about balance. And if the business evolves in the future, if there is a midpoint action that is more valuable than the final action, then we may move to a PPC model or some usage fee type model. At this point in time, especially in Beauty, we think existing models are the best.

Now monetization is difficult. From a product perspective, anything you can say?

Ken: From a product perspective, from the sales frontline, our salespeople visit the clients and have this much investment, and this much response and this much revenue. On our booking system, you can see the amount of money, so that is the conversation we have with the client.

This much investment and this much return, that is the basis of the conversation, resulting in a similar to the take rate based model.

On the product side, the amount that their sales increased by using our platform is calculated and we see if the current monetization is appropriate. If we are receiving too much, then the clients will suffer. So the client side needs to grow and we need to grow and where is that fine line. We are trying to ascertain that fine line. The model is an advertising based model, but if we look deeply it is similar to a transaction type model in reality.

Shen: That is how business clients understand it?

Ken: Yes. In Beauty salons, to attract new users, they need to incur costs. But their repeaters come for the hair stylists' capabilities. But will it be billed on Recruit? That's wrong. Their stylists' capability attracts existing and new customers. It is difficult to ascertain. So the beauty salon side, the need to be satisfied and to make it a convenient platform, the need to be usable and convenient for the users, and the need for higher profits for the business clients, the beauty salons. We're trying to take all that into account to come up with the plan.

HotPepper Gourmet, the advertising model was the mainstream, but after COVID, usage based plans have been newly introduced. So when customers do not come, no cost is incurred but when the booking comes, it will be usage based. Pay as you go. According to the market, we change the model, tailor the model.

Yoshi: It can use both. So it can be a cross use. So for the person who selects, we should not narrow the options too much. In HR Solutions, it will shift to PPC, but in Japan, the advertising revenue model is adopted in some parts and the PPC Indeed PLUS model exists in other areas. In the billing model, we need to increase the options for the business clients along the way.

Shen: Thank you very much. The second question, Air BusinessTools.

Yoshi: It may as a result contribute to profit, and the long term risks. I think we touched on this before. Standalone SaaS that replace some kind of business operation will become difficult eventually as a standalone because there's a chain of value. By being used for a long time, lifetime value goes up. If it's a

standalone there's no positive chain reaction of value. So including the reduction of the workload, we have been increasing the service lineups.

SaaS competition is intense but the competition landscape is finished. We are beyond that, I think. In a short time frame, our SaaS products were launched one after another. If it's a standalone, LTV or life time value cannot be generated. So we have the connected value and use multiple IDs. We are offering this in a simple manner so that we can snap out of this competitive SaaS landscape, this fierce competition. We are in a good position. And therefore we are starting to talk about fintech.

And at the same time, in the video you saw matching platforms and SaaS. If both are used, LTV improves. If both are used, we can reduce the churn rate. Direct sales and assisted sales contribute to both. Air BusinessTools contributes to both. Probably it's contributing to profit. What do you think?

Ken: As Yoshi just said, there's the verticals with matching platforms and some other industries that are irrelevant. So in verticals with matching platforms, with Air BusinessTools the value that is offered by Air BusinessTools, and is reflected on the matching tool. Air BusinessTools data can capture the availability information.

With higher convenience, the matching platform value goes up and matching platform revenue goes up, in some verticals. And in other verticals, it is totally different. So when we separate the two, which side should we give weight to? And offer more services? We think of that when we design our monetization plan.

On the matching platform side, it is sometimes the contribution to profit, but maybe the SaaS side or some independent vertical. In the balance, between the three, I think the contribution is already being made.

And matching platform new client acquisition, some come from the SaaS side, and then paying on the matching platform side, in many cases now. Reducing the sales cost, churn rate improvement and follow-up cost reduction. I think there's a contribution there too. Thank you, I hope I answered your question.

Yamamura: Thank you very much, I learned a lot. Thank you.

Shen: Thank you so much. Now we are at closing time so we would like to finish the Q&A part. And I would like to ask the three of you to give a message to the capital market participants and in the order of seating, Ken, Mio and then Yoshi please.

Ken: Thank you for joining us today. As someone in charge of product management, our services are being improved every day, and I think it is becoming more convenient than ever.

So I hope that you will use HotPepper Beauty to book a hair salon or massage salon appointment or go on a trip through Jalan or use a HotPepper Gourmet to book a restaurant. And maybe you can use SUUMO to purchase a condominium, perhaps you may be interested. And in that case, we can serve as a point of contact to introduce you to a real estate company. So I hope you will do that.

Shen: Thank you. Next, Mio please.

Mio: Thank you for your attendance today. I talked as an HR person today and ever since the foundation, Recruit has been putting importance on the Bet on Passion culture, meaning that when people take action from what comes from within, it leads to the best performance.

So it's important that employees think about what kind of services they wish to have. And that will lead to offering added value to our clients which will ultimately lead to adding social value. So we will continue to embrace this culture to maximize the value we can offer. And thank you once again.

Shen: Thank you. Finally, Yoshi, please.

Yoshi: Thank you for joining us today. In Recruit, matching businesses are our core business. In the past, we started from paper based media, matching 1.0. And then it shifted to online, matching 2.0., and then it became

a platform which includes a payment function and which completes a lot of actions. And I recognize that as matching 3.0. And moving forward, using data and AI is going to be the key to evolve into something new.

When I think ahead, in 10 years from now, this kind of service will be changed in certain ways utilizing new technologies. That is something we discussed internally, to model new platforms, and we've been working on various different trials.

Compared to the past, our services while we disclosed some numbers today, but compared to what it used to be, I think our services performance is higher than ever. And tomorrow, next month, next year, our services and as a business as a whole, we would like to aim for what is even better. And after 10 years, new technologies and services will be utilized to realize a completely new matching form.

In order to realize that, we want to think about what we should be doing today in our business operation. So as Ken said, who's in charge of product management, and Mio also commented, as someone in charge of HR, that we need to recruit diverse talents and evolve our offerings. We may deny about half of what we're already doing in order to become even better.

So to the capital market participants, we will strive to convey our messages in an easy to understand manner, so I hope you will keep in touch.

Shen: Thank you very much everyone. We would like to conclude Investor Update Day 2. Tomorrow is Day 3, the Prosper Together session. Ayano Senaha, COO, and three outside members of the Sustainability Committee are going to attend. We hope to see you tomorrow. Thank you.

[END]

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