



Integrated Report 2022

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Editorial Policy

The JAC Group has issued Integrated Report 2022 to give all stakeholders, including shareholders and investors, an understanding of the Group's medium- to long-term initiatives for resolving social issues and value creation through its business. This report introduces factors that are especially critical for the JAC Group's value creation process in addition to financial and non-financial information using as a reference the Integrated Reporting Framework of the Value Reporting Foundation (VRF) and the Guidance for Collaborative Value Creation issued by Japan's Ministry of Economy, Trade and Industry, among other guidelines. For more details, please visit the website of JAC Recruitment Co., Ltd. (the "Company").

Scope of Report

In principle, this report covers the Company and its Group companies (consolidated and non-consolidated subsidiaries). A clear indication to that effect is made individually when the coverage differs.

Period Covered

Centred on activities during FY2021 (1 January 2021 through 31 December 2021), but also refers to preceding and more recent (in and after January 2022) activities. Names of organisations and titles are based on the information as of 1 April 2022.

Scope

This report covers activities of the Company and the JAC Group.

Reference Guidelines

The Integrated Reporting Framework of the Value Reporting Foundation (VRF), the GRI Sustainability Reporting Standards, ISO26000 / JIS Z 26000, the Guidance for Collaborative Value Creation issued by Japan's Ministry of Economy, Trade and Industry.

Publication: June 2022

Forward-Looking Statements

Statements contained in this report that are not historical facts constitute predictions and forecasts about plans, strategies and future financial results of the Company and its Group companies. Such forward-looking statements are based on our judgement and predictions based on currently available information. Actual results may differ due to various uncertainties, economic conditions, and other changes, and the JAC Group makes no warranty as to their reliability. This information may be amended without notice.

Established in the United Kingdom in 1975, the JAC Group engages in recruitment and recruitment-related businesses globally.

In its 47-year history, the JAC Group has expanded its business not only in Singapore and Japan but also in Malaysia, Indonesia, Thailand, Hong Kong SAR, China, Korea, Vietnam, India, and Germany.

With this expansion of the business regions, we are active at the forefront of the industry in its capacity as both a Japanese agency and international recruitment consultancy. Today, we are a leading recruitment company with a vast, globally unmatched database of registered bilingual professionals.

We will expand this business even further to become the world's No. 1 professional recruitment group on the strength of superior consulting services and profitability.

Philosophy & Policy

"Philosophy & Policy" represent the JAC Group's corporate culture and serve as the foundation for its ongoing growth and development.

This corporate culture and unwavering integrity have been passed on since its founding and practised successfully.

Philosophy

Freedom & Discipline

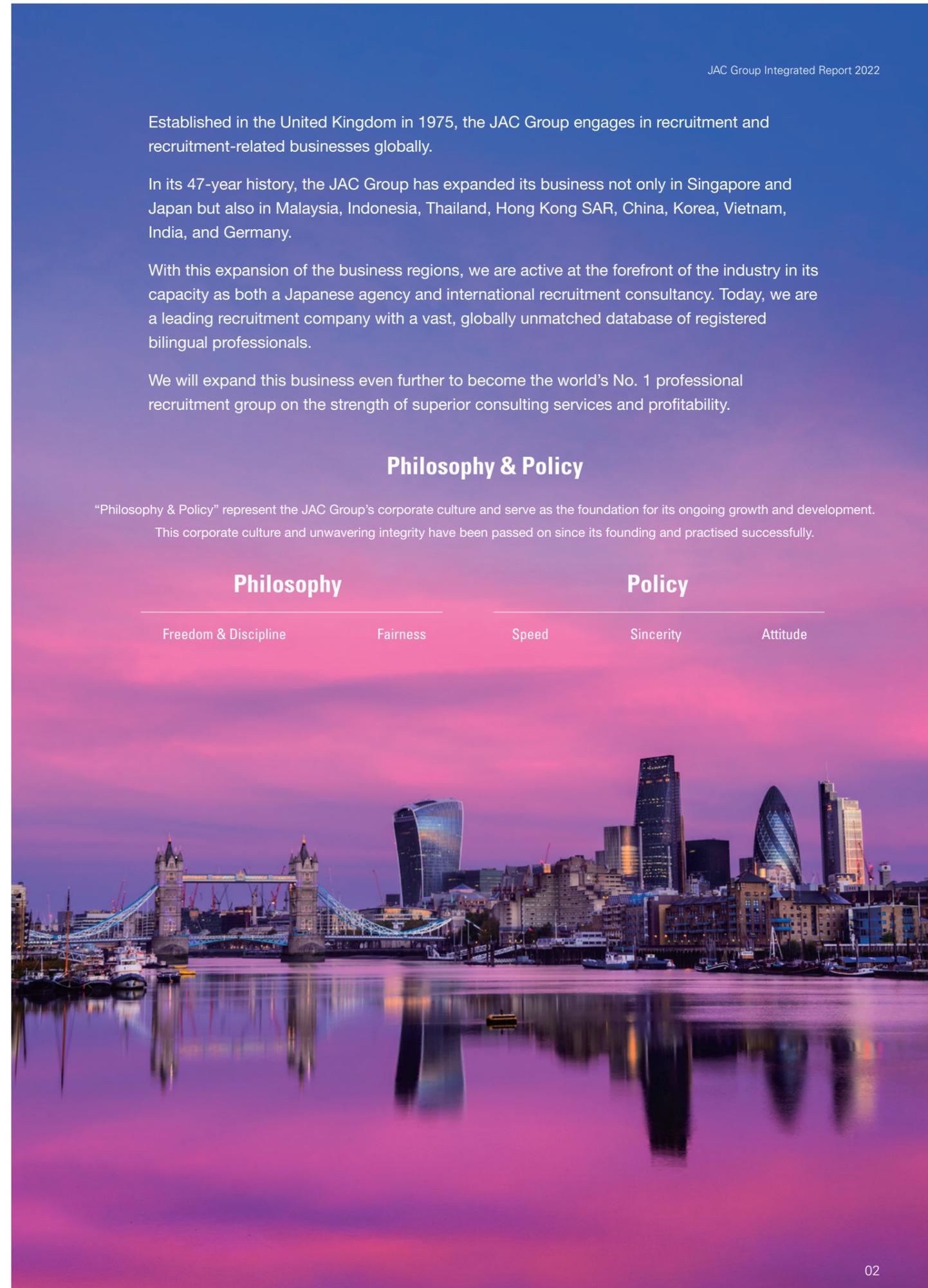
Policy

Fairness

Speed

Sincerity

Attitude



Contributing to the Sustainable Growth of the Economy and Society

Through the Recruitment Business, Contribute to Addressing Social and Environmental Issues and Promote the Sustained Growth of the Economy and Society

People are the key to developing a bright future for society. As more companies are committed to actively contributing to solving social and environmental issues spanning the globe and promoting the sustained growth of the economy and society through their businesses, the shortage of human resources capable of supporting these businesses is becoming

increasingly serious. The JAC Group believes that the important value it offers to the economy and society is its contributions to help companies involved in solving social issues and geared toward sustainability solving their recruiting challenges and by finding and introducing suitable human resources.



Contribute to the Achievement of the SDGs based on the JAC Group's Own Values

Expectations are high that private sector technology, funds, wisdom, and action will aid the resolution of the global issues represented by the Sustainable Development Goals (SDGs). For companies to continue providing value through innovation in different areas, they must secure people who can assume proactive roles. The JAC Group contributes to the achievement of the SDGs not only through its initiatives but also by providing the human resources that companies need to contribute to their goals. The JAC Group proactively engages in raising awareness of the SDGs in the economy and society through proposals and initiatives for companies, while it conducts a variety of activities to become a sustainable company. We constantly work to ensure a sustainability-oriented management structure through respect for human rights and the promotion of diversity.



Contributing to the Enhancement of Corporate Value through the Resolution of Client Companies' Recruitment Challenges

Continue to be the Best Partner for Companies Working to Solve Their Human Resources Issues

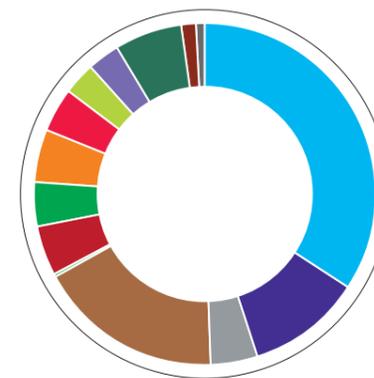
In an era when there is demand for innovation to address social issues, corporate management has never been more challenging. Amid the so-called fourth industrial revolution in which the development of knowledge-intensive industries is accelerating, there is a growing demand for human resources who can more accurately

envison a future society, precisely analyse issues in many workplaces, and play a leading role in business activities. The JAC Group continues to be the one and only partner for companies by addressing human resources issues that form the foundation of their businesses.

Promote the Expansion of Businesses with Great Potentials

The JAC Group has introduced human resources to many industries and sectors, including manufacturing, information technology, healthcare, financial services, consumer goods, services, and internet businesses, totalling over 430,000 people in Japan alone. In recent years, the JAC Group has been introducing human resources who are well-versed in fields experiencing rapid technological innovation, such as healthcare and medical services, biochemistry, information technology and telecommunications, and digital transformation, with proposals aligned with each company's vision for the future, growth strategy and organisational management. By paying close attention to increasingly diverse and complex recruitment needs, the JAC Group actively supports companies in their innovative initiatives and the enhancement of their corporate value.

Contract signings by type of business



| | |
|------------------------------------|-------|
| Energy / Machinery / Chemical | 34.3% |
| IT / Telecommunications | 10.9% |
| Web | 4.2% |
| Medical services / Biochemistry | 17.6% |
| Healthcare / Nursing / Welfare | 0.3% |
| Finance | 4.6% |
| Consulting / Think tanks / Offices | 4.3% |
| Consumer goods | 4.9% |
| Restaurants | 0% |
| Distribution | 4.2% |
| Services | 3.2% |
| Trading companies | 2.9% |
| Construction / Real estate | 6.4% |
| Media | 1.4% |
| Others | 0.7% |

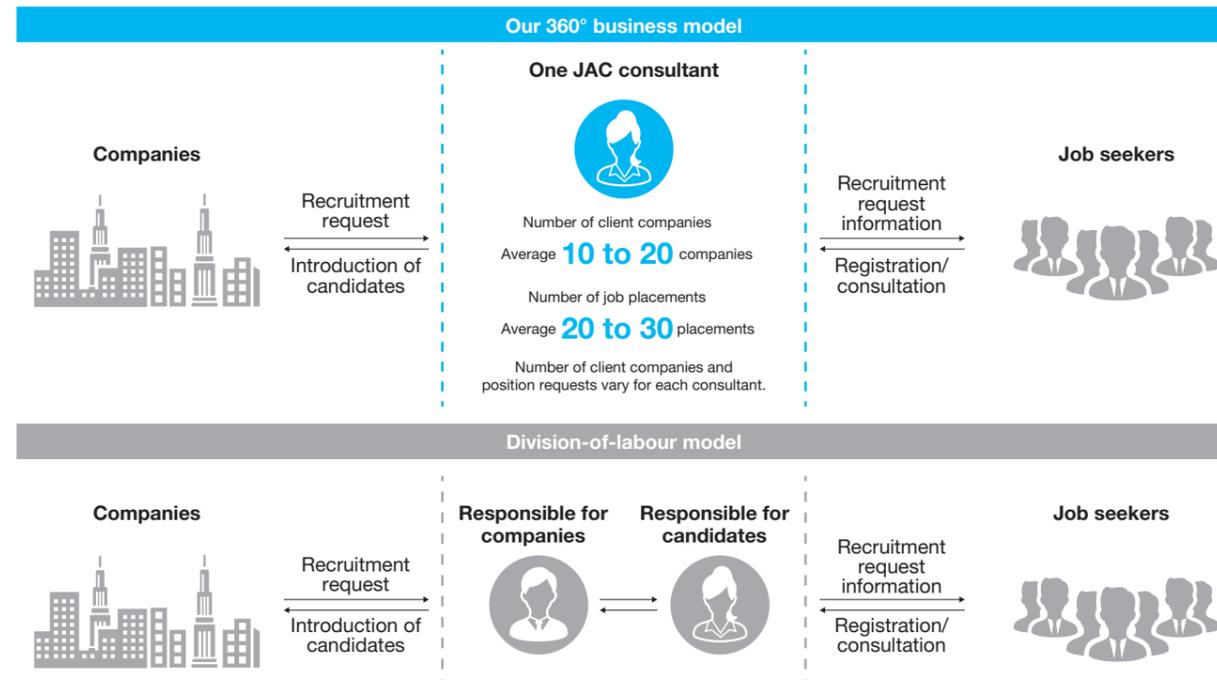
* Results for FY2021
* JAC Recruitment and JAC International

Maximising the Capabilities of Human Resources and Generating Value

Discover the Value of Human Resources and Provide Opportunities to Maximise Their Capabilities

The recruitment business is the core of the JAC Group, and its primary strength is the experienced industry-specific consultants. Our industry-specific consultants have a deep understanding of job seekers in their specific fields, engage in a series of interviews with them, and consult with them through positive discussion of their capabilities and potential. Working

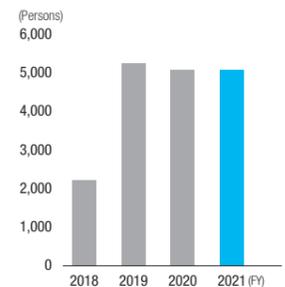
together with job seekers, we consider their life plans by sharing their vision and providing advice on their career paths in the future, before providing them with recruitment information. This method has been highly acclaimed by job seekers and earned their trust and satisfaction.



Professional Teams and Industry-Specific Consultants Ensuring High Customer Satisfaction

As of 31 December 2021, our recruitment business in Japan included 835 industry-specific consultants. The industry-specific consultants are divided into segmented teams by location and industry. Leveraging the skills and expertise they have accumulated in their areas of specialisation, our consultants provide optimal and highly satisfactory quality consulting, matching the needs of both companies and job seekers.

Changes in re-registrations of past successful job seekers

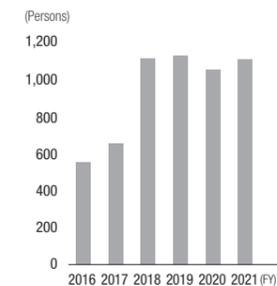


* JAC Recruitment and JAC International

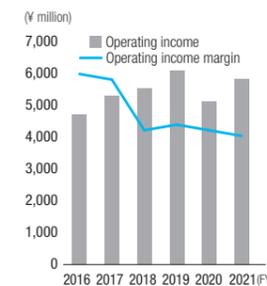
Ensuring Sustained Growth by Increasing the Number of Professionals

High-quality services lead to customer satisfaction, a higher number of placements and an improvement in the rate of placements, which will, in turn, result in high profitability and sustained growth of the JAC Group. The Group values consultants with outstanding track records in the number of placements and the rates of contract signing as professional recruiters. A system certifying their performance is the JAC Group's original "100+ Club." Only consultants who have successfully placed at least one hundred job seekers are certified as members of the 100+ Club. By increasing the number of highly professional consultants, the JAC Group aims to achieve its sustained growth.

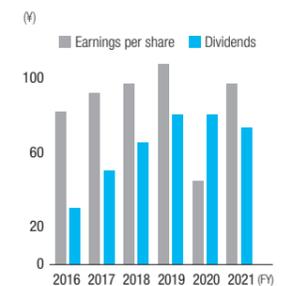
Number of recruitment consultants



Operating income / Operating income margin



Earnings per share and dividends



Our Path to the Group's Sustained Growth

Industry-Specific Consultants Are the Source of Our Value Creation

The JAC Group's source of value creation and its important growth driver are the industry-specific consultants who can provide services to both job seekers and companies based on our 360° business model. Each consultant has a deep understanding of the Group's Philosophy & Policy, which

constitute the foundation of the Group, and provides high-quality services. Moreover, the founder's belief, "Freedom & Discipline" (to be self-disciplined and refine ourselves with a strong will and freedom of thought), is deeply ingrained in each consultant.

CORE VALUES

The JAC Group's Five Advantages

No. 1

Superior skills to support the operations of companies outside their home countries

(Strength derived from having been founded in the United Kingdom)

The JAC Group is a global corporate group founded in the United Kingdom. It has extensive knowledge and human resources needed to operate businesses overseas. We have the ability to leverage our overwhelming strengths to support Japanese companies planning a foray into overseas markets and foreign companies entering the Japanese market.

No. 2

Highly skilled professionals with our 360° consulting for both job seekers and clients

(High-quality consulting)

Consultants with highly professional knowledge provide consulting services to both companies and job seekers, ensuring high-quality services.

No. 3

Specialising in managerial/executive and specialist positions

(Focusing on managerial and professional positions and middle- and high-level positions)

The JAC Group's strengths lie in the provision of support for global career transitions for foreign-affiliated companies and Japanese companies abroad. We also have an advantage in career transition services specialising in managerial and professional positions and middle- and high-level positions in Japan. The number of successful career changes we have supported is among the highest in Japan.

No. 4

Teams specialising in specific industry segments

(Operation by industry and business)

Industry-specific consultants are divided into segmented teams by sectors, including but not limited to information technology, medical and pharmaceutical services, technology, space, chemicals, and digital transformation, to accommodate the needs of both companies and job seekers by sharing information across the board and through multiple eyes. The number of specialist teams is among the highest in the recruitment business industry in Japan.

No. 5

Teamwork

(Recruitment services through company-wide collaboration)

Irrespective of where it is conducted, our 360° consulting involves one consultant to manage certain numbers of companies and job seekers alone, thus dependent on the individual skills of consultants. However, the JAC Group's segmented teams ensure information sharing. With an emphasis on making reliable information and choices available based on the realities of the market both for companies and job seekers, we have established a system that enables us to respond to each customer sincerely and deeply through multiple eyes based on the industry knowledge accumulated within the teams.

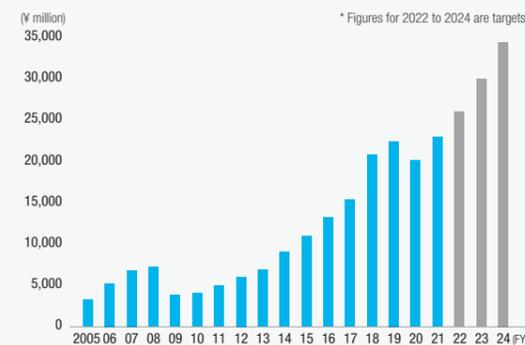
Basis for Development Plans

JAC as No. 1

Aim to be the world's No. 1 professional recruitment consultancy firm, both in quality of service and profitability

- Based on our core values accumulated over 47 years since the Company's foundation
- Provide the same high-quality service anywhere in the world
- A company that customers choose over others
- Satisfy all stakeholders
- Assure continuous provision of safety, comfort, trust, and good performance
- Aim to be a company that is continuously growing, developing, and advancing

JAC Group's gross profit



With the global economy clouded in uncertainty, we want to contribute to growth and development through a deep understanding of corporate needs while introducing the best specialist human resources.



Hiromi Tazaki
Co-Founder, Chairman, CEO, and
Managing Director



The global economy is changing by the day. The global situation is becoming increasingly uncertain, not only due to the COVID-19 pandemic but also as a result of geopolitical risks typified by the conflict between Russia and Ukraine. Nevertheless, the market in the human resources industry has been recovering steadily since last year. In 2021, business conditions improved significantly, especially during the second half of the year, and our core Domestic Recruitment Business performed well, with net sales outperforming those of pre-pandemic 2019. Using this recovery as a foothold, we have positioned 2022 as a year to clarify our future prospects and take a step toward our next major leap ahead. We will share improvements, reforms, and expansions within the Company and aim for dynamic management.

(March 2022 interview)

Hopes for Continued Growth in the IT Industry Driving the Digital Transformation

One domain that we are paying particular attention to as a growth market is digital-related technologies. In recent years, even ordinary companies are engaged in various digitalisation and digital transformation (DX) efforts, so demand remains strong. With the IT industry and other industries making effective use of IT, DX, and AI constituting core areas of almost all industries, we expect to see more demand for highly specialised human resources in detailed areas of these fields in the future. By penetrating deeply into the areas where these needs exist, we aim to become the No. 1 in this field.

In addition, although we have already been focusing on areas such as healthcare and life sciences for many years, the COVID-19 pandemic has reinforced the importance of pharmaceuticals and medical care to people around the world, and demand in these areas has grown. Both overseas and in Japan, we will continue to approach these industries as a key focus as we expect sustained demand for specialist human resources in R&D and an increasing workforce to arise from production expansion.

Another area that we are paying attention to is consulting. Around 20 years ago, consulting firms proliferated, but a period of stagnation followed when various problems surfaced. Since around 10 years ago, though, consulting has been attracting attention once again. Specialists are required in various fields from IT and DX to M&A, and we are currently focusing on it as one of our major markets.

Focus on growing markets and business segments

Growing markets and business segments

- Consulting
- Healthcare
- Digital technologies
- Life sciences

Increasing need for digitally savvy human resources (all industries)

| FY2019 | FY2020 | FY2021 |
|-------------------------|-------------------------------------|-------------------------------------|
| Fee income: ¥5,118 mil. | Fee income: ¥5,876 mil. (+14.8%) | Fee income: ¥7,840 mil. (+33.4%) |
| Divisions: 5 | Divisions: 6 | Divisions: 7 |
| Teams: 16 | Teams: 28 | Teams: 30 |

The way people work is also diversifying. With the spread of telecommuting, an increasing number of job seekers and companies are paying close attention to fully remote or location-free options. Permanent employment and full-time work are becoming less and less of an essential requirement. In addition, those with professional skills have also begun to choose a freelance style of work that allows them to work freely on an individual job or project basis.

Especially in the IT and DX-related industries, competition for the acquisition of qualified talent is fierce, making it more difficult to recruit. Consequently, companies are also increasing the number of project-based offers. We have already received some outsourcing projects that meet these needs, but as this trend accelerates, we are engaging in even more proactive initiatives.

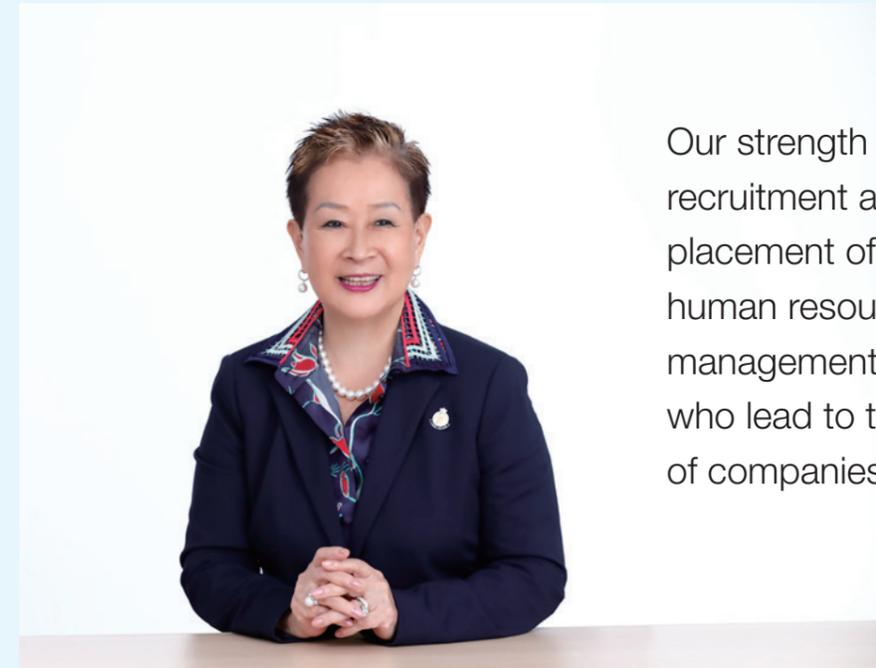
Dominating Strength in the Recruitment of Specialist Human Resources

In Europe—and particularly in the United Kingdom—where JAC Recruitment has played a leading role in the recruitment business, specialists and management personnel are generally recruited through specialised agents. Having built the Japanese recruitment business over the course of more than 30 years, it was our view that this approach would become firmly established in Japan as well. A company's recruitment activities are always influenced by the economy. If business conditions are good, employment will increase, and vice versa. However, this does not mean that all employment will be suppressed during tough economic conditions, as many companies seek to hire specialists in order to break the status quo. We have identified those needs and established a system to respond appropriately.

One of our distinctive strengths is that our consultants are familiar with the type of human resources required in overseas markets. They can propose suitable human resources for achieving business success for small and medium-sized enterprises planning to make a foray into overseas markets.

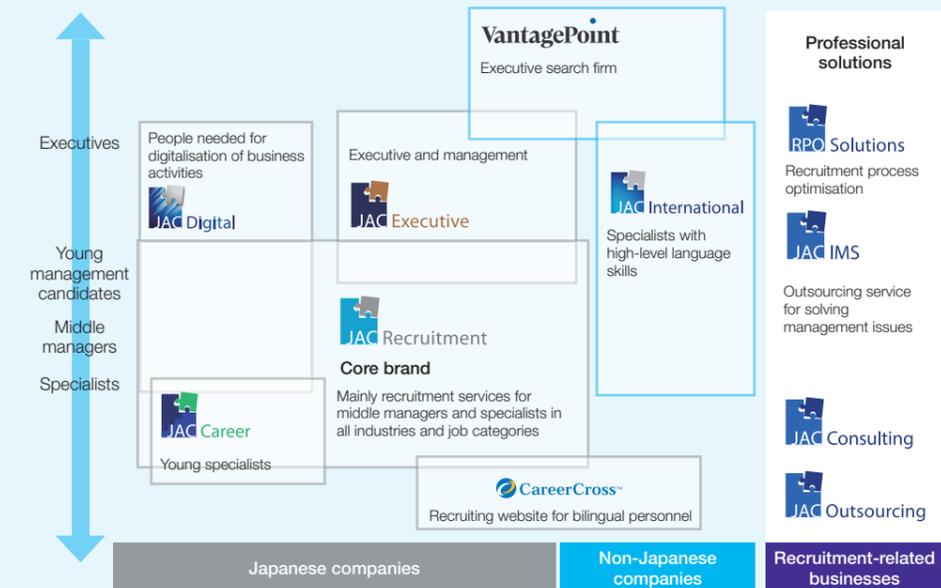
As of 31 December 2021, we have 147 dedicated teams in Japan. These teams are building in-depth knowledge of the specialised business types and industries in their respective segments and working toward a level where such experts can only be recruited by JAC Recruitment. Currently, we are working to strengthen our organisation to provide the same level of consulting services at the regional level. There are regions where the manufacturing industry is flourishing and others that are focusing on specific industries, so we would like to incorporate the characteristics and differences of each business location into our regional strategy and provide high-quality services with characteristics uniquely distinctive to JAC Recruitment.

We will also be working on our core service of recruiting and placing management personnel, executives, and other highly specialised human resources—who lead to the growth and development of companies—in permanent employment in all industries and regions, which is one of our strengths. Through this strategy, we aim to further open up the market by expanding our scope of specialised industries and strengthening our business locations. Going forward, we will also expand our business contracting and side job support businesses on an individual project basis. It may seem an obvious thing to say, but we will not get results by working half-heartedly. With this in mind, we are working with a sense of urgency while building the necessary organisational structure and implementing reforms.



Our strength lies in the recruitment and placement of specialist human resources and management personnel who lead to the growth of companies

Our service brands

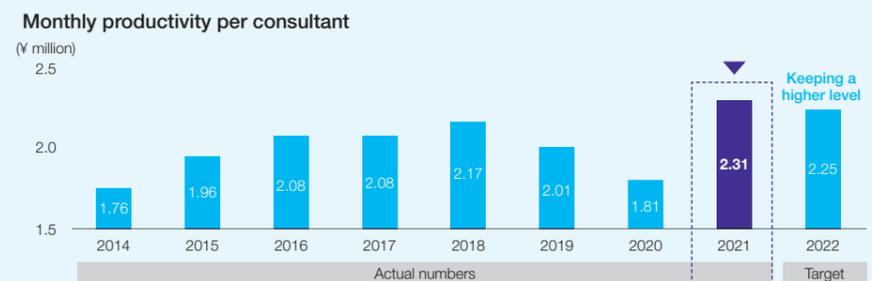


Greater Active Roles for Female Managers for Further Growth

Our primary route to growth is through organic growth, which includes increasing the number of branches, increasing our numbers of consultants, creating new teams, establishing new organisational units, and entering into new peripheral business areas. On top of that, in order to achieve our major growth strategy in the future, we will focus first on ground-breaking recruitment and education. For domains that we have not ventured into so far or that we seek to make a foray into, we will hire people with experience and expertise gained at other companies. In particular, we will focus on hiring at higher levels and expand our business by adding teams and divisions centred around those human resources. On the other hand, since expansion requires an increase in our number of consultants, it is also necessary to hire new graduates and human resources with limited experience who will grow in the future. Therefore, we will establish a “JAC Standard” specifying the skills and know-how to be acquired during the first year of joining the company, develop our own educational program, and focus on human resources development.

Our second route to growth is through M&A. With regard to industry experts, new domains, and regions that we have not yet been involved in, we will find possibilities through M&A both in Japan and overseas and incorporate them into our medium- to long-term plan.

We aspire to be the world’s top professional recruitment consultancy firm in terms of both service quality and profitability. For that reason, it is important to develop human resources, and we are focusing on the development of female executives in particular. At JAC Recruitment, female employees make up 40% of the total workforce and have been engaged in active roles even before SDGs and diversity became buzzwords. Over 15 years ago, we established the Working Mothers Committee (now called the Working Parents Committee) and have supported employees in achieving a balance between work and life events such as marriage and childbirth. Currently, the rate of employees who returned after parental leave stands at 96%. Going forward, we aim to create an environment in which a large number of female managers—including those who are also mothers—thrive. In this regard, we have established a Women’s Empowerment Committee and have been strengthening our efforts to train female executives. Our target is to increase the ratio of female managers from the current level of 25% to 40% by 2025.



* JAC Recruitment and JAC International; Productivity per consultant for FY2020 onward includes new subsidiary VantagePoint K.K.

Aiming to Raise Awareness of Our Contributions to the SDGs, Including the Resolution of Environmental Issues

Since 2008, the JAC Group has been involved in social contribution activities, such as planting trees on the Indonesian island of Bali and the Malaysian island of Borneo and has planted 110,000 trees as of 31 December 2021. Planting trees protects animal habitats and is effective as a measure against global warming by reducing greenhouse gases in the atmosphere. In particular, many of the plants donated by the Group have contributed to the regeneration of mountain forests and lakes left desolate and depleted by the frequent and vigorous volcanic activity in Bali, and we have received high praise from the local authorities. Since we started these activities in 2008, our motivation was to give back to the region where our business bases are located. As a company that contributes to local communities, we also wanted local employees to take pride in working for us.

As an extension of these activities, we established the JAC Environmental & Animal Protection Foundation in March 2022. In conjunction with and complementing these activities, we will be involved in social contribution toward achieving the SDGs.

The JAC Environmental & Animal Protection Foundation is based in Japan. The foundation’s mission is to protect nature and animals in Japan at a level that is on a par with other developed countries. Through its activities, our employees themselves engage in the improvement of the environment and protection of nature. We are also considering projects that we feel will lead to more harmonious coexistence between nature and animals—even humans—and achieve a sustainable society. It is not easy to regenerate a natural forest and create an environment where a diverse array of creatures can live. But we aspire to be a company that makes conscious efforts in this area.

The roads and buildings that support our lifestyles, the products and services around us, and even the things we eat and drink are all created through the blessings from Mother Nature. If we do not become more aware of this, we will not be able to escape from the global environmental crisis that we are facing. For humans to survive, we must drive the economy. But at the same time, we must recognise that protecting animals and the natural environment equates to protecting humanity. Forests that have survived for tens of millions of years around the world will be cut down, greenhouse gases will increase, icebergs will melt, plants and animals will lose their habitats, and eventually, our own lives will be affected. It is human beings who can stop this, even if only little by little. In the future, I believe that we as humans must work to maintain the Earth with an even stronger sense of responsibility.

We recruit and introduce specialists and management personnel to companies that are working to expand their business portfolio or taking on the challenge of entering new businesses and new markets. If businesses or companies grow as a result of encounters with amazing people, it will lead to the revitalisation of the economy. It is also we humans who create mechanisms for this kind of revitalisation to protect the Earth itself. Looking ahead, through our recruitment business, we would like to contribute further to a sustainable Earth and society.

Overview for FY2021

Business environment surrounding the Group and profit and loss for the fiscal year

Despite a decline in business performance in FY2020 due to the COVID-19 pandemic, we achieved significant growth in both net sales and profit in FY2021 due to the establishment of a telework system, such as conducting online interviews, and the increased recruitment activities of companies. By area, there was a significant improvement in Japan, while Europe, Singapore, and Malaysia recovered. Performance in Vietnam, India, and other countries remained sluggish.

Financial highlights

(¥ million)

| | FY2020 | FY2021 | vs. FY2020 | Change in percent |
|---|--------|--------|------------|-------------------|
| Net sales | 21,614 | 24,852 | +3,238 | +15.0% |
| Gross profit (GP) | 20,084 | 23,004 | +2,920 | +14.5% |
| Operating income | 5,138 | 5,822 | +684 | +13.3% |
| Ordinary income | 5,196 | 5,813 | +617 | +11.9% |
| Profit attributable to owners of parent | 1,834 | 3,882 | +2,048 | +111.6% |

“PPP&I” performance indicators in the Domestic Recruitment Business

The percentage of job openings filled in FY2021 recovered to the same level as in 2019 before the COVID-19 pandemic and increased by 1% in comparison with FY2020. Although productivity plunged in the previous fiscal year, in FY2021, we achieved greater results than in FY2019 against the backdrop of growing demand in the market as a whole. The increase in online interviews made it possible for multiple consultants to be present, which improved the accuracy of introducing job openings to job seekers.

“PPP&I” performance indicators in the Domestic Recruitment Business

| | Goal | FY2019 results | FY2020 results | FY2021 results | |
|-----------------|---|----------------|----------------|----------------|------------|
| P Professional | % of client job openings filled | 30% | 23% | 22% | 23% |
| | % of registered job seekers hired | 20% | 10% | 10% | 12% |
| P Productivity | Monthly job placement transaction volume per consultant | ¥2.40 mil. | ¥2.01 mil. | ¥1.81 mil. | ¥2.28 mil. |
| P Profit | GP operating margin | 30% | 31% | 30% | 29% |
| I International | % of international business | 50% | 59% | 59% | 61% |

* PPP&I figures are for JAC Recruitment and JAC International.

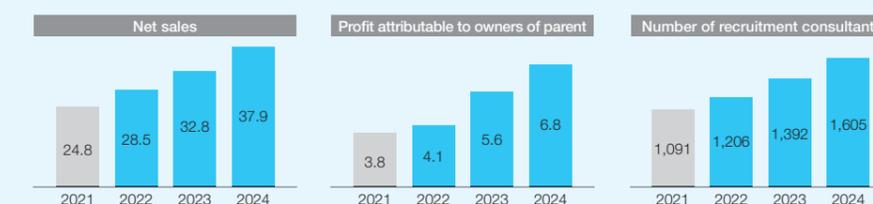
Medium and long-term business and management plan targets for the future

We have set an annual growth rate target of 15%. To that end, we will increase the number of consultants in line with the target value, aiming to have 1,605 consultants in three years (500 more than in FY2021). We will adopt various kinds of BPR and aim to improve our profit margin. Also, we will increase the number of consultants and maintain productivity, which are the foundation for the growth of our business. In order to maintain productivity, we will introduce a new training system, JAC Standard, and educate employees during the first year of joining the company to ensure a certain level of productivity. On the other hand, the sluggish market is an obstacle to achieving our target. Although we have prevailed during the COVID-19 pandemic, we need to pay close attention to the economic consequences of the conflict between Russia and Ukraine.

Medium-term management plan numerical targets

| | FY2021 results | FY2022 forecast | FY2023 goals | FY2024 goals |
|---|----------------|-----------------|--------------|--------------|
| Net sales | ¥24.8 bil. | ¥28.5 bil. | ¥32.8 bil. | ¥37.9 bil. |
| Profit attributable to owners of parent | ¥3.8 bil. | ¥4.1 bil. | ¥5.6 bil. | ¥6.8 bil. |
| Number of recruitment consultants | 1,091 | 1,206 | 1,392 | 1,605 |

* The number of recruitment consultants is an average of the Domestic Recruitment Business and Overseas Business during a fiscal year.



Financial characteristic of JAC Recruitment

Generally speaking, the recruitment business requires no capital investment. Therefore, as long as it is profitable, we will have readily available funds. On the other hand, it is susceptible to fluctuations in the economy, making it indispensable to keep sufficient internal reserves. We have a system in place to maintain a stable business for 18 months. In addition, since further expansion requires large-scale investment such as in M&A, we will aim for a stronger financial foundation.

Consolidated balance sheets for FY2021

(¥ million, %)

| Line item | FY2020 | | FY2021 | | Change |
|---|--------|-------|--------|-------|--------|
| | Amount | % | Amount | % | |
| Current assets | 15,079 | 81.0 | 15,242 | 80.5 | +163 |
| Cash and deposits | 13,584 | 72.9 | 12,932 | 68.3 | (652) |
| Accounts receivable – trade | 1,140 | 6.1 | 1,800 | 9.5 | +660 |
| Non-current assets | 3,544 | 19.0 | 3,693 | 19.5 | +149 |
| Property, plant and equipment | 412 | 2.2 | 418 | 2.2 | +6 |
| Intangible assets | 1,741 | 9.3 | 1,617 | 8.5 | (124) |
| Investments and other assets | 1,390 | 7.5 | 1,657 | 8.8 | +267 |
| Total assets | 18,623 | 100.0 | 18,935 | 100.0 | +312 |
| Current liabilities | 4,129 | 22.2 | 5,424 | 28.6 | +1,295 |
| Non-current liabilities | 167 | 0.9 | 145 | 0.8 | (22) |
| Total liabilities | 4,297 | 23.1 | 5,569 | 29.4 | +1,272 |
| Total net assets | 14,326 | 76.9 | 13,365 | 70.6 | (961) |
| Total liabilities and net assets | 18,623 | 100.0 | 18,935 | 100.0 | +312 |



Where the Ambitions of People and Companies Meet

The JAC Group achieves high profitability and reliable growth by creating opportunities that connect the ambitions of people with those of companies.

History of Growth and Value Creation

Ambitious people aspire to continue growing by building their careers and utilising their experience and skills to challenge the limits of their own possibilities. Ambitious companies continue to advance by increasing their corporate value powered by the driving force of excellent human resources. Connecting ambitious people with ambitious companies is the core foundation of the JAC Group's business. The JAC Group generates high profitability and achieves reliable growth by creating opportunities that connect the ambitions of people with those of companies.

Founding

JAC Recruitment, the core organisation in the JAC Group, was founded in 1975 in London as a business to support the recruitment activities of Japanese companies expanding overseas. Since then, it has expanded its business as a Japanese recruitment company originating in the United Kingdom, primarily in Southeast Asia, including Singapore and Malaysia, and Japan. We have grown into a company that now offers recruitment services and a wide range of other related services for both Japanese and non-Japanese companies and major multinationals in 11 countries.

Business Expansion

The JAC Group has developed related businesses centred around its core recruitment business. In 2013, we acquired C.C. Consulting Co., Ltd., which operates the bilingual job board CareerCross, and in 2020 we acquired VantagePoint K.K., which provides executive search services for multinationals such as consulting companies and financial institutions, thereby expanding our services to a wider area. In overseas business, JAC Consulting provides one-stop solution market-entry support services for both local and multinational clients wishing to establish themselves in the Indonesian market such as licensing procedures, labour consulting, and interpretation and translation necessary for business operations, while JAC Outsourcing provides business process outsourcing (BPO) services and our contract business focuses mainly on the limited-period, managerial/executive positions. In 2020, we launched new businesses such as JAC Interim Management Solutions (IMS), which offers outsourcing services that connect businesses with human resources equipped to undertake project work relating to management issues and lead them to resolution, and the Recruitment Process Optimisation (RPO), which packages optimised recruitment activities and operational support agency services.

Expansion of Operating Areas

The JAC Group was founded in London and has continuously expanded the sphere of its business to encompass countries and regions such as Singapore, Japan, Malaysia, Indonesia, Thailand, China, South Korea, Hong Kong SAR, and Vietnam. We also launched business operations in India and Germany in 2014 and 2019, respectively. Today, we offer recruitment and related services for both Japanese and non-Japanese companies and major multinationals in 11 countries. In Japan, we are headquartered in Tokyo and opened offices successively in Osaka, Kyoto, Yokohama, Nagoya, Kobe, Shizuoka, Chugoku (Hiroshima), and Kita-Kanto. The Fukuoka Office was newly established in 2022. In this way, we respond to the diverse needs of companies doing business both in Japan and overseas.

Creating New Value

To date, the JAC Group has recruited human resources with a background in a range of industries and occupations and placed them with numerous growth businesses both in Japan and overseas. Fields that match the needs of Japan's economic development, such as energy and infrastructure, manufacturing, chemicals, and healthcare, are an area of focus. In recent years, we have enhanced our recruitment of digitally savvy human resources throughout the Group to respond to rapidly growing IT-related needs in areas such as digital transformation (DX) and AI. We have also launched IMS and RPO services. IMS connects job seekers wishing to leverage their experience in diverse work styles which have been accelerated by the impact of the COVID-19 pandemic—such as side jobs, joint roles, freelance, and advisory/consulting work—with companies that want to utilise the skills of such human resources on an individual project basis. Meanwhile, RPO specialises in recruitment agency services for companies.



JAC Group Growth History

The JAC Group's Position in the Human Resources Recruitment Market

The JAC Group's core Domestic Recruitment Business provides 360° consultation services for both managerial/executive personnel (officers and senior management executives) and specialist personnel who play active roles in the international domain, including non-Japanese companies and operations relating to overseas expansion. We are one of the world's major recruitment agencies in this area.

In the Overseas Business, we have offices in 15 locations in 10 countries, including the United Kingdom, Germany, and various Asian countries. We utilise the network that connects these offices

to provide the recruitment services to Japanese companies operating overseas and multinational companies.

The JAC Group ranks 12th in the world* in the global recruitment market in terms of sales (as of December 2020). Going forward, we aim to further expand our business by entering markets with high growth potential beyond the Asian region and by developing new businesses.

* The JAC Group ranks 12th in the world in terms of sales from full-time employee placements (According to research by the JAC Group, based on FY2020 data. Includes some estimates. Excludes recruitment companies that primarily specialise in lower price range positions.)

Business Growth History

In the 47 years since our founding in London, the United Kingdom, in 1975, our business has achieved significant growth. In 1987, we established our first overseas location in Singapore, providing human resources recruitment services to Japanese companies expanding into the country. JAC Recruitment was established in 1988 and has since offered services for non-Japanese companies making a foray into Japan and those in the finance industry. We later expanded into Southeast Asia and Europe.

At the same time as these regional expansions, we actively engaged in M&As to expand our business operations. We have also worked to create an organisation that can cater comprehensively to the diverse needs of customers. For example, we acquired C.C. Consulting Co., Ltd., which operates the bilingual career job board CareerCross, in 2013. Then, in 2020, we acquired VantagePoint K.K., an executive search firm specialising in consulting companies, financial institutions, and major corporations, offering completely customised services as a career strategy partner.

In recent years, we have also launched businesses such as JAC Interim Management Solutions (IMS) and Recruitment Process Optimisation (RPO). These businesses, which cater to the needs for hybrid and diverse work styles fostered by the COVID-19 pandemic, enhance our services for resolving management and recruitment process issues. Ahead of those businesses, in the Overseas Business, we created JAC Consulting, JAC Outsourcing and the contract business.

Business Overview

Domestic Recruitment Business

In the Domestic Recruitment Business, we recruit and introduce suitable candidates for client companies and receive success-based fees when a candidate joins the company.

In the past, the mobilisation of middle management and specialist personnel in Japan has been said to lag Western countries. But in recent years, mid-career recruitment of human resources has been progressing due primarily to the globalisation of Japanese companies and the encouragement of human resource mobilisation through national policies. Despite a temporary stagnation due to the impact of the COVID-19 pandemic, we believe that the re-expansion of the domestic recruitment market will continue in the future.

Overseas Business

As the business operations of Japanese companies continue to grow in Asia, the issue of localisation of management at subsidiaries has emerged. Accordingly, hiring directly through local subsidiaries instead of sending personnel from Japan is now becoming the mainstream approach for filling job vacancies in Asian countries. Although some regions are affected by entry restrictions and other issues due to the COVID-19 pandemic, we expect demand for job vacancies requiring local recruitment to continue to increase, leading to expanded business opportunities for the JAC Group.

Domestic Job Offer Advertising Business

C.C. Consulting, a subsidiary of the Company, offers advertising services on the bilingual job offer advertisement site CareerCross based on success-based fees.

In the job offer advertisement market for bilingual human resources, there has been an increase in the number of job offers at Japanese and other companies active in other Asian countries, which has a positive effect on the expansion of the recruitment market. Looking ahead, we will continue to expand business opportunities through coordination between the recruitment business and job offer advertising business.

Initiatives in the Diversifying and Expanding Digital Domain

The progress of information technology is phenomenal. While a steady stream of new products and services emerge, digital transformation (DX) is necessary to improve and streamline business processes and implement business reform at any and every company. On the other hand, there are not enough human resources for this rapidly growing market, especially those with sufficient knowledge of both business and technology. One of our key strengths is the capability to propose human resources with both expertise and managerial skills. JAC Recruitment is working actively to solve the issue of personnel shortages in the ever-diversifying digital domain.

Sales—East Japan 1 is comprised of 10 sales divisions and the Digital Support Division, which are collectively referred to as the “Digital Segment.” It includes the IT Consulting Division, which deals with IT companies, the Financial Technology Division, which combines financial services and information technology, the Digital Technology Division, which handles areas such as AI and security engineering, and the Digital Entertainment Division, which covers all aspects of entertainment including movies and games.

Most customers treat IT as a business and use it for products and services. On the other hand, even companies far removed from the world of IT have an increasing need to incorporate IT for operational efficiency and business reform. At the same time, with the shift in the overall market from material goods to more abstract experiences and services and the progress in the use of IT in all kinds of products and services, responding to the need for digitalisation of products and services has also become an urgent management issue.

Digital Segment

- IT Division • Consulting Division
- Digital Startup Division • Digital Technology Division
- IT Consulting Division • Digital Entertainment Division
- Financial Technology Division • Digital Executive Division
- Digital Enterprise Division • Digital Career Division
- Digital Support Division



An Urgent Need to Recruit Human Resources Who Can Bridge the Gap Between the Digital and Business Worlds

In many companies, information systems departments have handled conventional aspects of the digitalisation process, such as infrastructure development and the introduction of personal computers. But there is now an urgent need for companies to recruit human resources who can drive digital transformation (DX). It is part of our mission to support customers’ business operations from the perspective of recruiting DX personnel, and we believe that it is inevitable for us to enter this field.

To drive digital transformation, it is essential to have human resources who can understand both the business and digital worlds. While it is true that engineers who are well versed in cutting-edge technologies are necessary, engineers alone cannot overcome difficult challenges such as business process improvement and business reform. There is a need for human resources who can understand technologies from a business perspective—such as the application of the latest technologies and the kinds of technologies that should be used to achieve a company’s business objectives—and bridge the gap between the business and digital worlds.

Yuka Kono
Associate Director
of Sales—East
Japan 1

We have a large pool of middle-upper and executive human resources who play a key role in resolving management issues and implementing business reforms, as well as human resources with expertise in the digital domain. With our strength in 360° consulting, we have been proposing and searching for human resources who will contribute to resolving corporate management issues based on a deep understanding of the needs and possibilities of both companies and human resources. The introduction of business-savvy and digitally adept human resources required for DX is one of the areas where JAC Recruitment can make a truly unique contribution.

Aiming to Revitalise the Japanese Economy by Increasing the Number of Digital Human Resources

At the same time, since technologies in the digital domain are advancing rapidly, there is a high demand for human resources familiar with new technologies. In addition to technologies such as AI and IoT, it is safe to say that human resources with skills and knowledge in areas such as Big Data analysis and advanced security measures are in demand in any industry.

We have also launched the JAC Career brand, with an expanded focus on the younger generation, and established a system that enables us to introduce human resources from a wider range of age groups. Our policy of introducing suitable human resources based on a fundamental understanding of the corporate climate and cultures of our client companies remains the same for both young and middle-aged people. We will continue to focus on quality in our consulting services and strive for appropriate matching between human resources and job openings.

Future Policies

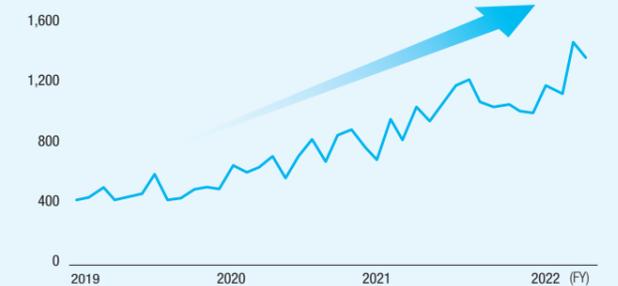
As explained above, there is a great market demand for human resources in the digital domain. We are also enhancing our organisational structure and responding to younger generations,

but the reality is that demand still outnumbers supply. We expect that demand will continue to grow, and personnel shortages will continue for the foreseeable future.

For that reason, we will accelerate our efforts to increase the size of our pool of digital human resources. Our first strategy is to encourage an influx of digital talent from different industries. Currently, the majority of job changes come from the IT industry itself. But there are also many people with engineering skills in peripheral industries. To make it easier for people to consider changing jobs beyond the boundaries of their current industry, we are working to increase recognition by providing information via social media and holding seminars through collaborative tie-ups with JAC Digital adviser Mr Madoka Sawa and various experts with in-depth knowledge of the digital domain. We would also like to utilise the network among JAC Group companies to focus on recruiting non-Japanese digital human resources active both in Japan and overseas.

In anticipation of the wave of digitalisation and DX that will continue in the future, we will support business management by increasing our pool of digital human resources. At the same time, we will strive to solve Japanese issues—specifically, the fact that Japan is lagging the rest of the world in the field of digitalisation—leading to the revitalisation of the Japanese economy.

Trends in new job openings in the digital domain



*Number of job openings handled by JAC Recruitment (January 2019 to April 2022)

Major Initiatives for Recruiting Digital Human Resources

The Digital Support Division provides information and holds seminars using websites and social media to encourage an influx of human resources from different industries and recruit digital human resources.

Communicating information

DX case studies and advancement know-how

Company-owned media is published on the JAC Digital website. We post DX case studies and articles such as the latest industry trends and event information.

<https://www.jac-digital.jp/topics>

Webinars

We hold webinars in a dialogue format to provide career development ideas and industry information specific to the DX era and invite JAC Digital adviser Mr Madoka Sawa and other professionals with in-depth knowledge in the digital field as speakers.

<https://www.jac-digital.jp/events>

JAC Digital official YouTube channel

Digital Q&A with Madoka Sawa

In this video series, Mr Sawa provides frank answers to questions from viewers, such as those wishing to rethink their careers, those interested in working in the digital and DX domain, and those who want to know their own market value.

<https://www.youtube.com/c/JACdigitalChannel>

Supporting the recruitment of highly specialised human resources in their 20s

JAC Career

JAC Career is one of the JAC Group’s service brands. It aims to introduce highly specialised human resources in their 20s who have developed their careers mainly in the IT and digital domains and administrative (back office) departments. JAC Career supports career development for young people aiming to become managers and specialists who will lead corporate management, which is one of the JAC Group’s speciality areas.

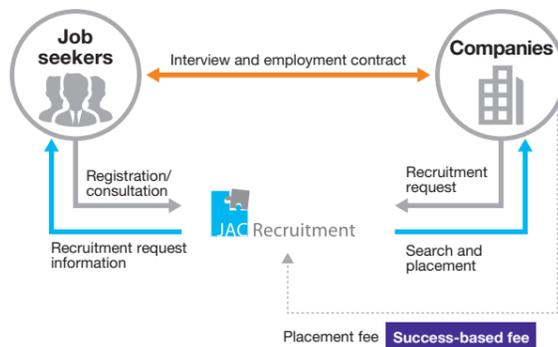


The JAC Group's Competitive Advantage and Future Possibilities

The JAC Group has 47 years of experience, with a core focus on the recruitment business. JAC Recruitment—the headquarters of the JAC Group—is a recruitment company with a history of over 30 years in the industry.

Business Model

By registering with JAC Recruitment, people wishing to change jobs can receive services such as job offer referrals and career change consultations free of charge. Client companies that ask for our help in recruitment activities pay us a placement fee, in the form of a success-based fee, when a candidate we introduce joins their company.



Business Model Strengths

A major feature of our recruitment service is that the same consultant provides consulting services to both job seekers/candidates and client companies. This avoids errors in our understanding of the needs and job requirements of client companies, enabling us to make sound recruitment and employment decisions based on reliable information. This 360° model enables us to provide high-quality services.

Business Strengths

1. Specialists, managers, and executives

One of JAC Recruitment's key strengths is placing core personnel for companies such as specialists and managerial and executive personnel (officers and senior management executives) who play key roles in the international domain and operations relating to overseas expansions by Japanese companies.

We have also earned a high level of trust as a company capable

of responding to a wide range of human resources needs for management and executives of both Japanese and non-Japanese companies in Japan, such as bilingual specialists with experience working at non-Japanese companies.

2. Global and overseas positions

Global expansion by Japanese companies is now commonplace, and placement of global human resources in overseas expansions and overseas-related fields is recognised highly as one of our key strengths. Currently, our international business domain accounts for over 50%, and we have established an overwhelming share within the industry.

Another strength lies in the Group's business location infrastructure in 10 overseas countries. Through the locations, we offer support for overseas expansion with multifaceted advice and provide human resources environment and market information in each country to Japanese and multinational companies aiming to expand their business by making a foray overseas.

3. A group of professionals with in-depth knowledge in specialised fields

The JAC Group regards the recruitment business as a consulting business. Our core mission is to introduce specialists with a team structure that breaks down the specialist fields of each industry. This requires many consultants who are familiar with each specialist field. The JAC Group's vision for the future is to train professional consultants and cover a wider range of industries and a greater area of the world. As of 31 December 2021, JAC Recruitment and JAC International have together 147 teams and 816 industry-specific consultants who cater to the human resources needs of a wide range of industries and business types.

Contributing to the Development of People, Companies, the Economy, and Society

The JAC Group's corporate value (purpose) is to help companies and individuals achieve success in business through our recruitment and placement of excellent human resources and linking that success to the enrichment of the economy and society.

Finding the Value of Job Seekers

The JAC Group has over 70,000 new job seeker registrations each year. Our specialist consultants are familiar with the characteristics of each industry or job type. They correctly understand the value of the experience and skills of these human resources and search for places where they can fully demonstrate their capabilities.

The link between JAC and these human resources is not a one-time connection. People who trust us will consult with us again as they continue to improve their skills. This relationship of trust supports the value we earn through our recruitment business.

Contributing to the Success of Companies

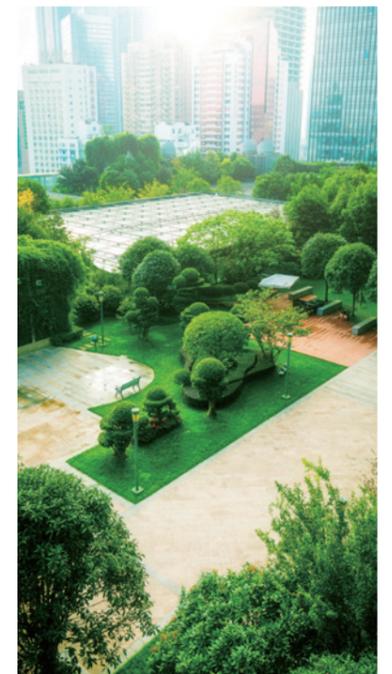
As companies are required to enhance and diversify their capabilities through various innovations amid a drastically changing business environment, needs for human resources as a source of value creation are becoming increasingly sophisticated and diverse.

The JAC Group has over 1,100 specialist consultants (as of 31 December 2021) specialising in each industry and job type, enabling it to recruit and introduce suitable human resources to client companies, where they can play active roles at the forefront of business. We contribute to the success of companies through human resources recruitment and placement.

Supporting Companies in Resolving Social Issues

In recent years, many companies have come to focus their attention on contributing to the sustainability of society. There is a need for human resources with new skills, such as in driving companies' efforts to reduce their environmental impact, taking a leadership role in climate change-related businesses, and launching new businesses that resolve social issues. We support the efforts of client companies to resolve social issues by responding accurately to sustainability-related human resources needs.

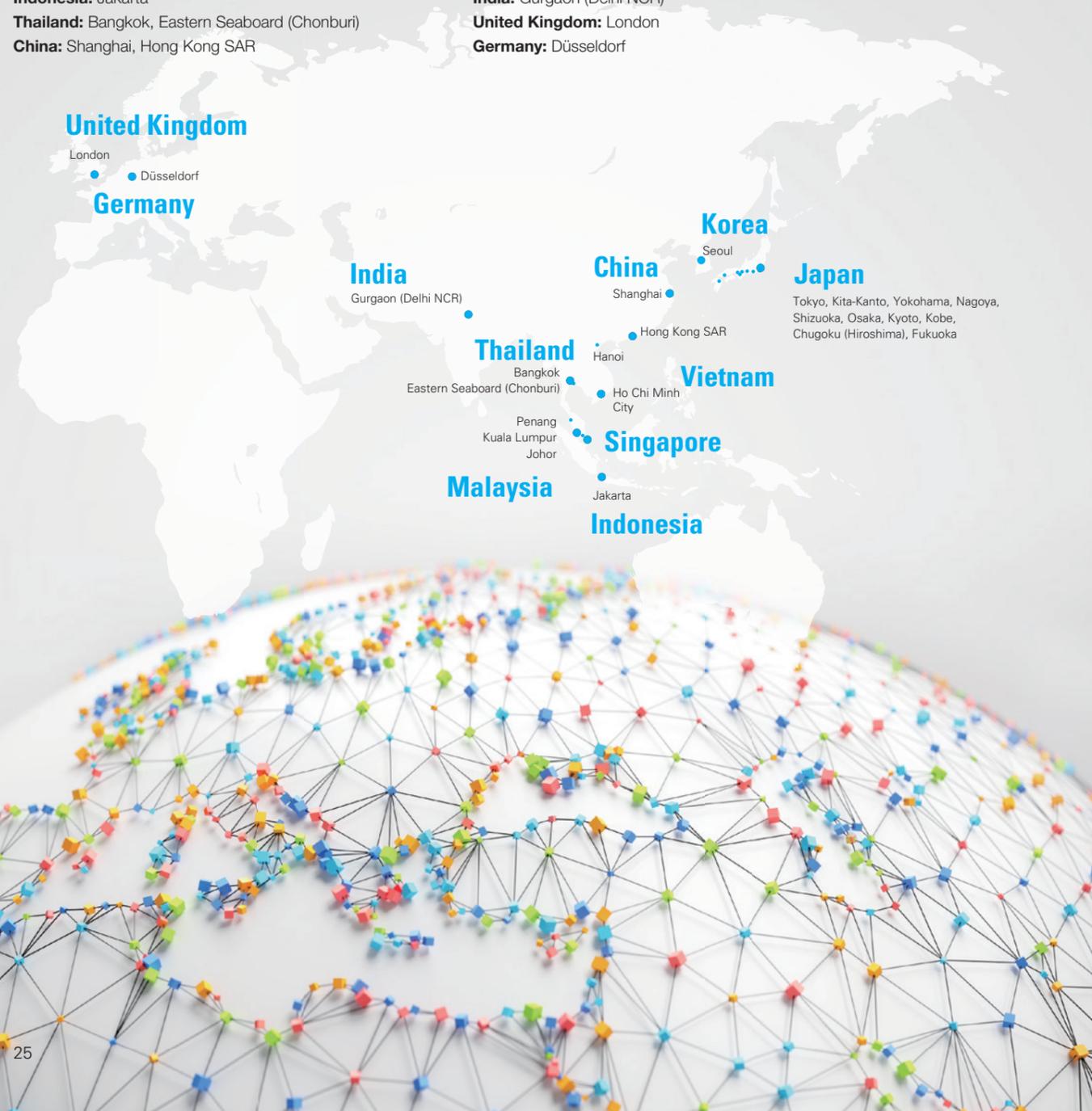
In addition to contributing to society through our business, we also tackle social and environmental issues ourselves and engage in various activities leading to the achievements of the SDGs.



Global Presence

The JAC Group provides career change support services in Japan, Singapore, Malaysia, Indonesia, Thailand, China, Hong Kong SAR, South Korea, Vietnam, India, the United Kingdom, and Germany. We have a proven track record of global career change support utilising our network spanning 11 countries worldwide.

- Japan:** Tokyo, Kita-Kanto, Yokohama, Nagoya, Shizuoka, Osaka, Kyoto, Kobe, Chugoku (Hiroshima), Fukuoka
- Singapore**
- Malaysia:** Kuala Lumpur, Penang, Johor
- Indonesia:** Jakarta
- Thailand:** Bangkok, Eastern Seaboard (Chonburi)
- China:** Shanghai, Hong Kong SAR
- South Korea:** Seoul
- Vietnam:** Ho Chi Minh City, Hanoi
- India:** Gurgaon (Delhi NCR)
- United Kingdom:** London
- Germany:** Düsseldorf



Initiatives for New Businesses and Domains

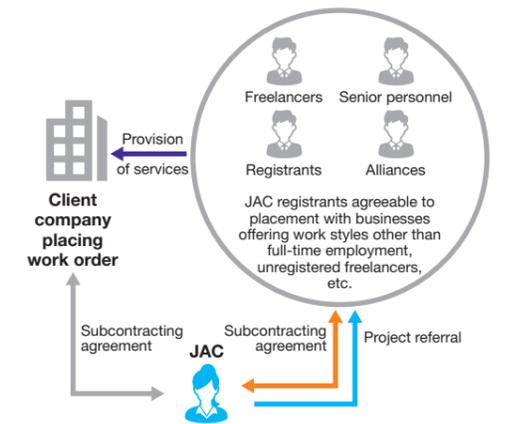
Interim Management Solutions (IMS) Outsourcing Services for Resolving Management Issues



Highly Skilled Human Resources Leading Business Managers to Solve Transitional Issues

As corporate management grows increasingly sophisticated and complex, including the acceleration of globalisation and diversification of business, the number of companies allowing employees to engage in side jobs—to retain excellent human resources—is increasing. In response to this trend, we have launched the Interim Management Solutions (IMS) business that utilises the specialist expertise and experience of our registrants and freelancers in specific fields to support client companies in resolving their management issues.

Specifically, companies seek to advance into new businesses by hiring highly skilled human resources on an individual project basis, and individuals provide their unique skills for each project. It is a new business system service that enables mutually convenient matchmaking for both parties.



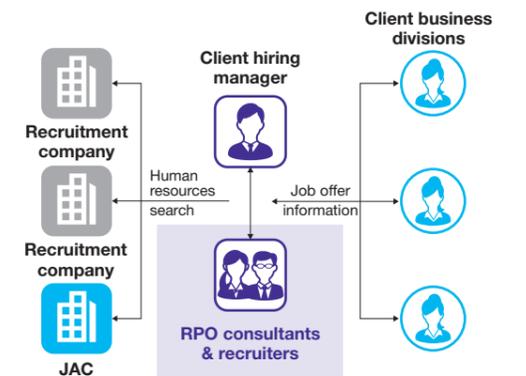
Recruitment Process Optimisation (RPO) Recruitment Agency Service



Supporting Companies to Achieve Their Recruitment Plans

It is becoming increasingly difficult to recruit talented human resources, and the ways companies recruit personnel are becoming more diverse and complex. In today's world, where competition to secure talented human resources is intensifying, specialised recruitment know-how and extensive experience are essential for companies to actualise their recruitment plans aligned with their business strategies.

JAC's Recruitment Process Optimisation (RPO) service packages optimised recruitment activities with operational support agency services. Specifically, we have a pool of RPO consultants with knowledge of recruitment and its processes and recruiters with extensive specialist knowledge of the industries of client companies they manage, and the job types of personnel being recruited. They accurately understand the recruitment issues of client companies by working together to provide services. Based on this understanding, they take charge of all processes from recruitment planning to placement and hiring to achieve high-level job placement results. This RPO service is also a new business system service devised around making the recruitment of excellent human resources a core component of companies' business growth.



| RPO Service Support Flow | |
|--------------------------|--|
| 1. | Hiring plan formulation |
| 2. | Recruitment plan, job description creation |
| 3. | Selection of a group of candidates |
| 4. | Selection process, document screening |
| 5. | Interviews |
| 6. | Informal offer |
| 7. | Job offer acceptance / joining the company |

SPECIAL CONTENTS

Consultants Maximising the Value of Human Resources

The JAC Group has introduced a 360° consulting system, in which a single consultant liaises with both client companies and job seekers, placing key human resources for corporate management. One of our key strengths is our team of consultants who can make optimum proposals. In order to further improve human capital, we are also working to enhance the education of our consultants.



MESSAGE



Hiroki Yamada
Executive Director and
Head of Sales

The JAC Group recruits and places optimum human resources, with a primary focus on specialists in various fields, middle management, and executives. Rather than simply matching the specifications of registered personnel with job offers received from client companies, our goal is to propose and introduce human resources who can contribute to the resolution of issues and the growth and advancement of client companies. To do so effectively, we must have a deep understanding of both client companies and job seekers, and we conduct detailed consultations to achieve this.

Demand for the managerial, executive and specialist human resources that we focus on remain stable, regardless of the state of the economy. In fact, there is a greater need during a stagnant economic situation for human resources who can be entrusted with key positions.

Refining Our Expertise through Daily Duties and Expanding Areas Demanded by Contemporary Needs

Recruiting human resources who will lead to corporate growth and resolution of issues requires an in-depth knowledge of the trends in each industry, key skills that are attracting attention and business domains that are likely to advance in the future. The JAC Group places an emphasis on the specialist expertise of its consultants. Mid-career hires are assigned to their home industries as much as possible. Information gained through team-specific industry study sessions and daily duties is shared as a form of organisational backup for them to refine their expertise and improve their skills. Expertise is further enhanced by narrowing down the areas for which each consultant is responsible, enabling them to deepen their understanding of each business type and industry. We focus on narrowing down business domains to identify the kind of human resources our client companies need.

The expertise of our consultants increases even further as they repeatedly experience the process of deepening their knowledge of different business types and industries, identifying the needs of client companies, and placing optimum human resources. The kind of specialist expertise demanded by the market changes with time, but recently, there has been a high global need for cutting-edge technology domains such as DX, IoT and AI. In response to this, JAC has further subdivided the business domains handled

by its consultants and established a group-wide organisational structure.

Aiming for a Deep Understanding of Client Companies and an Even Deeper Understanding of Job Seekers

We are also hiring managers to develop our consultants. Consultants can learn a lot when managers are present at business negotiations with client companies and interviews with job seekers. We aim to train consultants with a deep understanding of client companies and an even deeper understanding of job seekers.

The diversification of recruitment and employment at companies in recent years has given rise to new needs such as fixed-term employment of highly specialised human resources and the need to improve recruitment efficiency by bringing in professionals. The JAC Group has launched the Interim Management Solutions (IMS) and Recruitment Process Optimisation (RPO) businesses in response to these needs. We are also focusing on highly specialised young people and aim to develop our JAC Career service, which recruits and places excellent human resources in their 20s who will become executive candidates in the future. These young people will eventually become key human resources in corporate management and likely have a long-term relationship with our company. We expect that our consultants will gain a wide array of new knowledge and experiences from their dialogues with these young people.

C O L U M N

Strengths of JAC Group Consultants

1. A single consultant deals with both client companies and job seekers

Truly understanding the issues faced by companies and the type of personnel they require and then recruiting and placing human resources that match those needs demand a proper understanding of both companies and job seekers. Accordingly, the JAC Group has adopted a 360° consulting system in which a single consultant is responsible for both client companies and job seekers. Although this is the mainstream method at boutique-type agencies dealing with non-Japanese companies and managerial/executive positions, JAC Recruitment is the only major Japanese recruitment agency to have adopted this method, making it a characteristic feature of our company.

2. Further refining consultants' specialism by narrowing down business domains of expertise

Rather than using large frame classifications by industry, we subdivide our teams based on market needs and technology trends. Expertise is enhanced further by narrowing down the business domains for which each consultant is responsible, enabling them to deepen their understanding of each business type and industry.

3. Organisational support for the improvement of individual skills and growth through teamwork

We expect to achieve further growth through sharing information and specialist expertise through various meetings within each team, appropriately appointing management personnel for consultant development, and providing organisational backup for consultants to improve their skills.

Establishment of the JAC Standard to Lay Out an Ideal Vision for Consultants, and Training System

In order to respond to market needs and drive the continued growth of the JAC Group as a whole, it is essential to secure human resources who can cater to the various requests of client companies. Increasing the number of consultants we hire and training them appropriately will be a key aspect of this. The JAC Group has therefore created the JAC Standard, clarifying its ideal vision of a consultant one year after joining the company. In February 2022, we launched a new onboarding program summarising the knowledge and skills required to achieve this standard. In parallel, we will also provide training for managers who are responsible for the development of consultants. Regular training for consultants and the production of strong managers who can develop and motivate consultants are the two critical components of this initiative. Through such efforts, we are working to enhance the development of our professional consultants.

100+ Club: Priding Ourselves on the Quality of Our Specialist Consultants

The 100+ Club is the JAC Group's original global system that recognises consultants who have successfully enabled over 100 individual job seekers to change jobs. We expect members to become role models for all JAC employees based on their achievements. The 100+ Club encourages the development of consultants through continuous improvement and supports the growth of young employees. The 100+ Club serves as a goal and benchmark for all consultants and is a symbol of the JAC Group's pride in its specialist expertise.



Where the Ambitions of People and Companies Meet

SPECIAL CONTENTS

Consultants Maximising the Value of Human Resources

* Divisions and job titles are those at the time of the interview (November 2021).

The JAC Group's recruitment business connects people and companies to create new value for society and businesses. Through the work of our consultants, who play a key role in this process, we show why our business is indispensable to society, its superior advantages, and growth potential.

Question 01

Please tell us about the details of your current job and your area of expertise.

I introduce engineers to system integrators and telecommunications carriers. I focus on providing support for persons in their 40s or 50s and in mid-level positions. Young people constitute the most attractive segment of the Japanese recruitment market, so naturally, there is intense competition to secure human resources within this limited market, especially with declining birth rates, an ageing population, and a shrinking workforce. That said, people in their late 40s to 50s actually form the largest segment of the human resources market in Japan. Since this age bracket aligns with JAC Recruitment's policy to support "work-ready" human resources, we will continue to firmly support it.

We are currently in a seller's market. Although we receive numerous new inquiries from companies, some of them are unaware of the merits of hiring mid-level staff. By pinpointing the needs of companies through carefully focused consulting, we aim to introduce human resources capable of solving the challenging issues faced by companies.

Question 02

Please give us examples of providing value by connecting companies with job seekers.

Last year, I supported the recruitment activities of a company newly established by a prominent manufacturer. This new company urgently needed to hire new staff. Because this is a crucial business, the president and the hiring manager set an extremely high bar for recruiting new employees, making it difficult to fill the position. Assessing this situation, I suggested the president to focus more on someone he could entrust this new business with rather than on technical requirements and introduced a candidate in his 50s who was serving as an executive at another company in the same industry. The candidate told us he was so attracted to a new challenge that he would even accept a lower compensation. But these compromises do not always satisfy both parties. After a continuous and careful dialogue, the company offered this candidate the highest compensation I have seen from this client.

Ultimately, I think it was good that I suggested a different perspective compared to what the company originally requested. This candidate later expressed his happiness to me when I met him after he started his new job.

Question 03

How do you think your job as a consultant will evolve? Also, what kind of influence do you wish to have?

When I started this job back in 2006, there was a tacit understanding within the industry that 35 years old was the upper age limit for career changes. Some people may think twice about changing jobs because of their age, but there are still opportunities for people in their 40s and 50s. Some companies have a mandatory retirement age for managerial staff in their 50s as well as the statutory retirement at age 60. As a result, there is an increasing number of people considering new career development before reaching these ages.

As I explained earlier, as birth rates decline and the labour force shrinks, there is still a large segment of work-ready human resources in their 40s and 50s. I hope to communicate this to our client companies, increasing the number of opportunities for experienced candidates to play active roles. And at the same time, finding solutions to management issues faced by companies in Japan. In this sense, I believe consulting is a job that leads to a high degree of social contribution.



Yuta Kanazawa

Senior Principal
DX & ICT Platform Team
Digital Technology Division
Tokyo Head Office
Member of the 100+ Club

Joined the Company in July 2011

Question 01

Please tell us about the details of your current job and your area of expertise.

I joined JAC Recruitment as a new graduate and have since handled clients in the biotech industry. Drawing on my own experiences as a Ph.D. holder in Life Sciences, I worked to find the reasons behind the "postdoc problem" whereby young graduates from doctoral programs cannot find suitable jobs, but I ended up having to take a break due to poor health. However, my desire to invigorate biotech ventures remained unchanged since my early days at JAC Recruitment and I re-joined the Company in 2020. I launched the Biotech Team and am currently working as its manager.

Although this is a highly specialised industry, I believe that passion is in many ways even more important than knowledge of science. In fact, there are members in our team with academic backgrounds in the humanities who are thriving. Moreover, as a 360° consultant, it is also important to possess a desire to invigorate industries and client companies as well as have a sense of sincerity toward every job seeker. Given that organisations ultimately consist of people, sincerity, compassion toward people and enthusiasm are crucial elements. That is why I seek to tackle the postdoc problem from the perspective of human resources.

Question 02

Please give us examples of providing value by connecting companies with job seekers.

Every day, I feel I can provide a certain value precisely because I am a 360° consultant.

In biotech ventures, the representative of a company is frequently my counterpart. There are also instances where people who had successful careers in major pharmaceutical companies or were prominent teachers in academia are involved in corporate management. After joining a company, a new employee will make new relationships with company representatives and other executives. This means that we must consider the match between companies and job seekers from a holistic perspective, including how to undertake ongoing communications and build positive relationships after hiring.

Additionally, even when venture companies have bright futures, they are undoubtedly more unstable than established large and medium-sized companies. With this in mind, it is essential for job seekers to find the appropriate trade-off between what kind of jobs they seek and what their priorities are in life. Since this is a crucial perspective not only for persons in high-ranking positions, I think JAC Recruitment is uniquely positioned to respond to this market.

Question 03

How do you think your job as a consultant will evolve? Also, what kind of influence do you wish to have?

In the venture market, it is not sufficient to simply apply an existing recruitment scheme. Rather, we need to respond flexibly to the needs of each company and propose the right solutions. We probably need to think about proposal methods based on evolving markets and needs. However, the essence of our proposals will remain the same. This is because we will never alter the way we undertake our work, which involves listening directly to clients and job seekers, absorbing their thoughts, and then conveying these thoughts while adding our own ideas.



Mizuho Homma

Manager
Biotech Team
Healthcare Division
Tokyo Head Office

Joined the Company in 2014 as a new graduate,
rehired in March 2020

Where the Ambitions of People and Companies Meet

SPECIAL CONTENTS

Consultants Maximising the Value of Human Resources

Question 01

Please tell us about the details of your current job and your area of expertise.

I am in charge of about 10 major Japanese-affiliated manufacturers in the chemicals and materials sectors. I introduce human resources to departments mainly in R&D, business planning/marketing, production engineering, and overseas sales. Other features of this job are that about 30% of all successful placements are for confidential projects, and that we often provide support for hiring female managers.

I am a qualified career consultant, and this enables me to provide in-depth consultations to job seekers on building satisfactory careers. Meanwhile, to meet the needs of companies, I consider what types of human resources, careers, and attributes would be ideal for addressing management issues faced by these companies to make proposals accordingly. At JAC Recruitment, we exchange information within the team while growing our skills. This process has created our greatest strength, our ability to introduce human resources with highly specialised capabilities based on industry trends and technical knowledge.

Question 02

Please give us examples of providing value by connecting companies with job seekers.

Last year, I was tasked with finding a female manager for a company. Initially, the requirements were quite narrowly focused, such as possessing language skills and experience in line management in the semiconductor industry. In contrast, I proposed a person with broader qualifications and introduced somebody who was responsible for sales and marketing in Asia at a consumer goods manufacturer. The company was highly pleased with her professional background and personality and hired her.

As an additional example, there was a job seeker who was torn between job offers from two companies, a Japanese-affiliated company, and a foreign-affiliated company. I advised that "the Japanese company is more suitable for realising your future vision." This person later contacted me and said, "I was about to choose the foreign-affiliated company based on my work experience. But thanks to your insights, I didn't take the easy choice and now I am really satisfied with my current job."

Question 03

How do you think your job as a consultant will evolve? Also, what kind of influence do you wish to have?

Nowadays, I feel that "true value" is needed more than "evolution." In recent years, while dealing with the impact of COVID-19, perspectives such as SDGs and ESG, including diversity, have become indispensable to management. The chemicals and materials sectors I handle are mature industries. This means they must develop new business pillars based on existing businesses. They also need to address a growing range of issues such as promoting digital transformation, utilising digitally savvy human resources, efficiently developing new materials, and improving manufacturing sites.

Under such circumstances, a major challenge is whether we can introduce the human resources that each company truly needs. I have reaffirmed that in this age of dramatic change, we must look at the entire market and introduce human resources who can solve real problems faced by client companies and society.



Miyano Murata

Senior Consultant
Recruitment Team 1
Chemical Division
Tokyo Head Office

Joined in June 2019



Bringing Value to the Economy and Society

Supporting the development of companies and society through business that connect the ambitions of people with those of companies and contributing to the creation of a prosperous future and society that align with the SDGs.

Contribution to Economic Development and Society

The JAC Group's recruitment business provides the value of human resources to client companies. With client companies utilising that value, our business is contributing to the development of the economy and society. Going forward, we will continue contributing to economic and social development through our business activities.

Placement track record

Total number of management personnel placed at client companies



2,008 persons

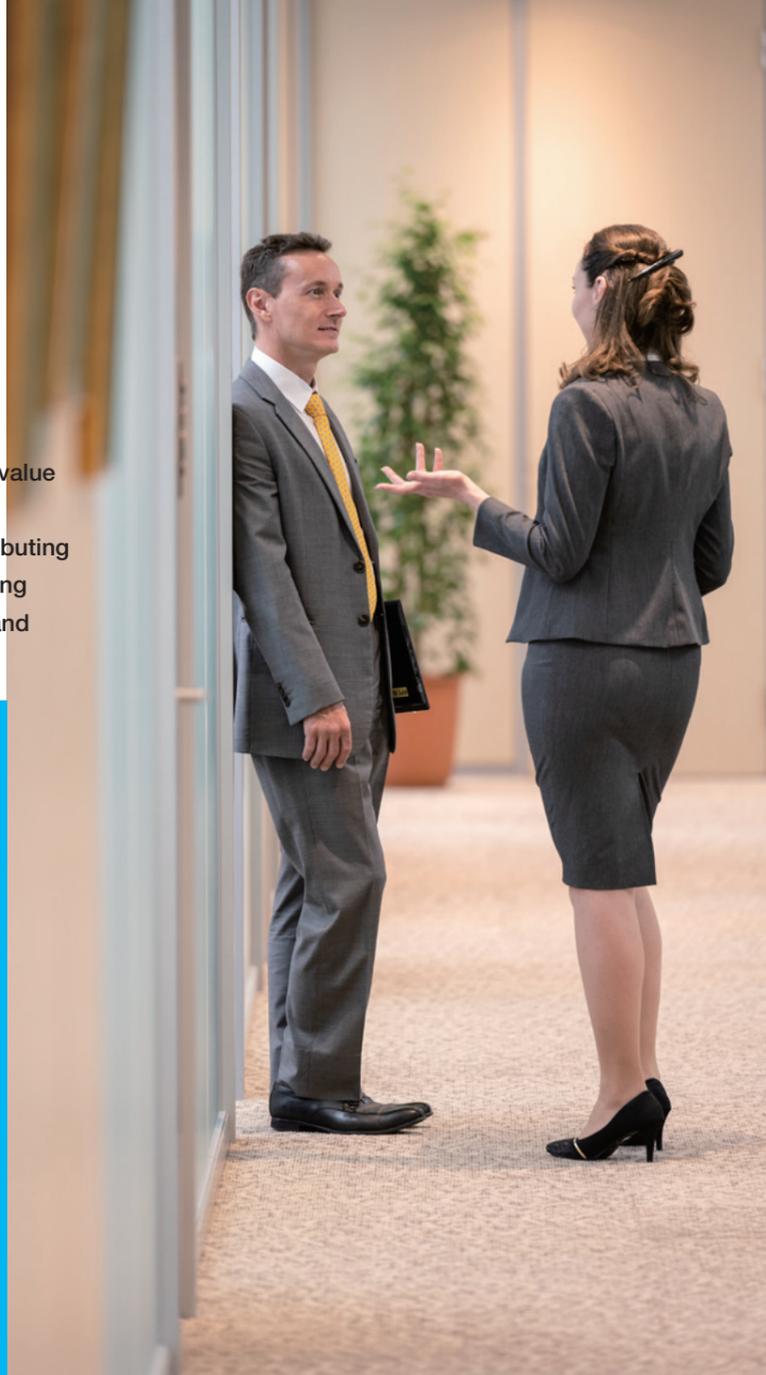
Total number of management personnel placed at general manager class or higher via JAC Recruitment and JAC International April 2019–December 2021

Total number of human resources in the digital segment placed at client companies



7,733 persons

Successful human resources placements via JAC Digital April 2019–December 2021



Contribution to Economic Development

Continuing to take on the challenge of sustained corporate growth through recruitment and economic development through corporate growth

Businesses lead the development of the global economy. Needless to say, the key to sustained growth for any business is the power of people.

Our client companies have a wide variety of needs for achieving the continuous expansion of their businesses. In recent years, as digital transformation (DX) has attracted attention as a key strategy for the further development and survival of companies, there has been a growing need to fill job openings in advanced technology fields in all industries. Our Domestic Recruitment Business has launched the JAC Digital service brand and has been bolstering its efforts to recruit digital-related human resources to respond to these changes in recruitment needs.

As the global situation has changed drastically due to the COVID-19 pandemic, human resources needs and people's

working styles and values have changed significantly. In this environment, we have launched services that seek to resolve management and recruitment issues. These include Interim Management Solutions (IMS), a non-employment-type placement of highly skilled personnel, and Recruitment Process Optimisation (RPO), a recruitment process outsourcing service, to cater to needs for hybrid and diverse work styles.

It is precisely because we live in such a rapidly changing society that the JAC Group—with approximately 1,500 employees operating in 11 countries around the world—values its Philosophy & Policy. We continue to take on the challenge of achieving sustained corporate growth through recruitment and economic development through corporate growth, based on our unwavering mission of "Where Ambition Meets Opportunity."

Contribution to the Resolution of Social and Environmental Issues

Focus on contribution to developing countries through the creation of employment opportunities and supporting corporate sustainability management

The JAC Group's business operations also contribute significantly to resolving social and environmental issues.

We believe that we have a responsibility—which we are uniquely equipped to fulfil—to create employment opportunities in developing countries registering remarkable economic development and to provide jobs for many people living in those countries. Specifically, we are contributing to the development of local companies and international organisations in various fields, such as education, agricultural technologies, and medical care, by supplying them with suitable human resources. We also play a role in educating client companies making a foray into such countries with regard to human rights and environmental issues by providing consulting services on topics such as customs and national traits, which are indispensable for driving business operations.

As social and environmental issues become increasingly serious on a global scale, companies are also required to face the challenges of the SDGs and provide funding and expertise to resolve social and environmental issues. At the same time, since resolving social and environmental issues also leads to business opportunities for companies, there is a movement to expand sustainability-related business operations. In response to such changes in expectations and changes in business opportunities for companies, we are leveraging our diverse human resources database and network to place personnel necessary for driving sustainability management and sustainability-related businesses at client companies.

Fostering International People Familiar with the Philosophy of Freedom & Discipline

Nurturing the Next Generation of Leaders through the Tazaki Foundation

Tadayoshi Tazaki
Founder, Director, and Chief Adviser



When I was 18, I went to study in the United Kingdom. What I learned during my time there is what is now the JAC Recruitment philosophy of Freedom & Discipline. It is a UK-style educational philosophy, the basic meaning of which is that study is not something that should be forced upon you. Rather, you must first discipline yourself in your attitude toward study, then refine yourself with free thinking. The idea that it is important to strictly discipline oneself and always act with high ambitions became the basis of my own way of life.

The Tazaki Foundation, which I established in 2016, also upholds this philosophy. The Foundation sends several scholarship students to the UK every year based on a desire to foster people who can contribute not only to Japan but also to the international community. The students are exposed to the British educational philosophy of freedom and discipline from a

young age of around 16 years old.

The human resources I hope to nurture through this Foundation are future leaders of Japan who can express their own opinions without hesitation in the international community. These leaders will be indispensable in many fields, including business, politics, and culture.

The first batch of students sent to the UK five years ago have joined the labour market this year, preparing to pursue their careers in areas such as computer science, medicine, mathematics, political science, and music. I believe that it is my mission to produce as many global citizens and leaders—rooted in both Japanese and British culture and education—as possible and send them out into Japanese society and the wider world.

Social and Environmental Contributions Rooted in Business



Afforestation Activities

As part of its CSR activities, since 2008 the JAC Group has been engaged in rainforest restoration activities aimed at bringing back greenery to the Earth.

Afforestation activities: wishes of “job” trees

The JAC Group’s PPP Project (One Placement creates One Plant to save the Planet) is a kind of afforestation activity that aims to combat global warming by planting one tree for every successful placement of job seekers through JAC Group companies.

Afforestation activities are ongoing in Indonesia and Malaysia. We hope that with the growth of each sapling, someone whom we helped find jobs will thrive in their new role. Through the restoration and conservation of tropical rainforests, the PPP Project also saves the lives of various creatures that inhabit the forests. At the same time, cooperation with local people to grow saplings and plant trees also leads to the creation of employment opportunities.

As a company that recruits human resources in countries around the world, it is the JAC Group’s wish to contribute to environmental conservation on a global scale and engage in such activities while helping each client company and registered user to achieve growth and development.

By restoring forests through this group-wide effort, we will work toward the conservation and protection of precious flora and fauna and the reduction of CO₂ emissions around the globe.



JAC Group afforestation zones

• Bali, Indonesia

Penelokan, Kintamani, Bangli Regency, Bali Province, Indonesia
In Bali—which served as the venue for the 13th session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP13)—we plant saplings of endemic species such as anpupu and chinaberry trees on land buried by lava and volcanic ash, in collaboration with the NPO Asian Green Forest Network (AGFN).

• Borneo, Malaysia

Apeng National Forest Reserve, Serian Division, Sarawak, Borneo, Malaysia
At the Apeng National Forest Reserve in Sarawak on the island of Borneo, previously counted as one of the most heavily deforested areas in the world, we plant seedlings in collaboration with the Japan Malaysian Association (JMA) Orangutan no Mori Fund. Our aim here is not only to restore and conserve Malaysia’s rainforests but also to save the lives of various creatures, including the orangutans that inhabit the forests.

Afforestation track record

Since the JAC Group began its afforestation activities in 2008, the Group has planted 110,000 trees (as of 2021). One of our planting sites—Mount Batur in Bali—has been plagued by repeated volcanic eruptions since 1849. The natural vegetation has been lost over a wide area, and the water supply for daily use in the surrounding area has fallen to critical levels. However, as a result of continued, steady afforestation activities, the natural vegetation has recovered, and the lake’s water level has returned to normal. Around 51% of the area’s afforestation is from donations from the JAC Group. As a result of these efforts, we have received words of gratitude from local people who use the lake as a water source for daily use, and we feel that our activities are very significant.

Health & Productivity Management

The JAC Group’s Philosophy & Policy outlines its unwavering values as its management philosophy and serves as the cornerstone of its continuous growth and development. Its underlying basic concept is Freedom & Discipline. We also embrace diversity and promote the creation of an organisation in which every employee is mentally and physically healthy and able to demonstrate their abilities to the fullest.

Health & productivity management policy

Based on our mission of connecting people, businesses, the economy and society and contributing to their growth, we aim to expand our contribution on a global scale and become the world’s top recruitment agency. The good health of our employees, who connect job seekers and companies, is a necessary prerequisite, and we believe that our intervening value can be enhanced by continuing to maintain and improve their health. We are engaged in various group-wide health improvement initiatives to enable all of our employees to voluntarily maintain and improve their health.

Initiatives and systems for improving employee health*1

In addition to formulating and implementing plans to improve the health of our employees, we comprehensively support and promote various initiatives. Such initiatives include improving work styles to effectively utilise time and efficiently produce results and helping employees have better work-life balance.

For this purpose, we have established the Health Management Promotion Committee chaired by the Deputy Managing Director (who also serves as the Head of the Administrative Division). The committee members include the Human Resources Senior Manager, the human resources team, the consulting doctor, and other members assigned at the Head Office and each office and engage in the activities listed below.



Health and Productivity 2021 certification*1

JAC Recruitment has been recognised under the 2021 Health & Productivity Management Outstanding Organizations certification program operated by Japan’s Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi (also recognised in 2022). The Health & Productivity Management Outstanding Organizations certification program awards enterprises engaging in particularly outstanding health and productivity management activities based on initiatives to address health-related issues and health-promotion activities advocated by Nippon Kenko Kaigi.

| Specific Initiatives*1 |
|---|
| Understanding the state of health <ul style="list-style-type: none"> Encouraging employees to take health checks Encouraging and providing subsidies for thorough medical examinations Conducting optional stress checks |
| Health promotion initiatives <ul style="list-style-type: none"> Introduction of programs to encourage exercise Subsidies for the cost of using sports gyms Health program trials |
| Work-life balance support <ul style="list-style-type: none"> Working hour management Encouraging employees to take paid leave Providing information to improve health Providing educational opportunities Parental care support fund system External counselling service Working Parents Committee activities |
| Providing opportunities for disease prevention <ul style="list-style-type: none"> Implementing and providing subsidies for influenza vaccinations Free dental examinations Subsidies for treatment expenses for tobacco dependence COVID-19 workplace vaccinations |

| 2021 Results*1 | |
|---|------------|
| 1. Percentage of employees taking health checks | 99.8% |
| 2. Percentage of employees taking stress checks | 86.1% |
| 3. Percentage of employees participating in programs to encourage exercise (Health Challenge program) | 30% |
| 4. Percentage of anomalies in health checks | 27.2% |
| 5. Number of days of paid leave and special summer leave taken | 11.26 days |
| Targets for 2025*1 | |
| • Smoking rate*2 | 0% |
| FY2020 | 7.3% |
| • Percentage of employees taking health checks and stress checks | 100% |
| (The latest figures are as follows) | |
| Percentage of employees taking health checks | 99.8% |
| Percentage of employees taking stress checks | 86.1% |
| • Percentage of anomalies in health checks to be lowered to 20% by FY2025 | |
| Most recent: Percentage of anomalies in health checks in FY2021 | 21% |
| Reference: Percentage of anomalies in health checks in FY2018 | 24.8% |

*1 JAC Recruitment and JAC International

*2 JAC Group

Diversity and Inclusion



Diversity and Inclusion

To promote “fairness,” one component of the JAC Group’s corporate Philosophy & Policy, we are working to create a workplace environment where all employees can work as professionals, regardless of age, gender, or nationality.

Empowering women

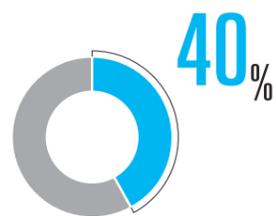
The percentage of female employees in JAC Recruitment and JAC International is 40%, which is higher than the national average of 27%. For the JAC Group as a whole, the percentage rises to 50% (2021). While the percentage of female managers currently stands at 25%, JAC Recruitment and JAC International have set a goal of raising it to 40% by 2025 and have been promoting various initiatives to achieve the goal.

Efforts to hire people with disabilities*

We promote the employment of people with disabilities to create a workplace where everyone can flourish (as of February 2021, we employ at 130% of the legally mandated employment rate for persons with disabilities). As one such initiative, since 2013, employees with disabilities have been working at a farm in Ichihara City, Chiba Prefecture. Harvested produce is regularly purchased by our employees through internal on-the-spot sales, sharing the success of people with disabilities and the joy of harvest.

* JAC Recruitment

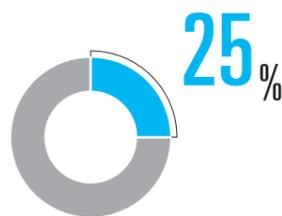
Percentage of female employees*1



Japan’s national average: 27%*2

*1 JAC Recruitment and JAC International
*2 For 2021, according to Teikoku Databank

Percentage of female managers*1



Japan’s national average: 9%*2



JAC Group Diversity and Inclusion Steering Committee

The JAC Group accepts all employees as distinct individuals. We encourage employees to utilise their differences and individuality as strengths, as individual professionals who make up an organisation and a team. We launched the JAC Group Diversity & Inclusion Steering Committee in June 2021 to build an environment in which each employee can maximise his/her individuality as strengths, thrive as professionals and derive satisfaction and motivation both at work and in private life under our philosophy of Freedom & Discipline.

Women’s Empowerment Committee

• Purpose of team activities

We aim to shift our management stance to create an organisation that values individual strengths and where employees can demonstrate their abilities regardless of gender or age. Currently, management is biased toward men and senior employees, but we are aiming for a type of management in which the percentage of female managers is commensurate to the ratio of female employees to overall employees. By selecting management personnel based on individuality, strengths, aptitude, potential, and other attributes, we seek to foster an inclusive organisational culture in which individuals are utilised fully.

In terms of new ideas, innovation, healthy dialogue, and decision-making, a management ratio skewed toward male employees also carries the risk of biased decision-making. A diverse state of management in which women with management aptitude, commitment, motivation, and potential can thrive and demonstrate their strengths will help us tackle unconscious bias in the workplace and increase psychological safety.

Team 1: Life & career

Team 1 contributes to the creation of an organisational culture that encourages cross-divisional dialogue and initiatives within the Group to achieve two purposes. One is to enable all female employees of the JAC Group to maintain a balance between life and career and actualise their careers while maintaining their individual values. Another is to allow them to think positively about and tackle various challenges, including their careers as managers.

Team 2: Unconscious bias

Everyone has various unconscious prejudices, mainly about gender. By being conscious and aware of and responding to such prejudices, Team 2 contributes to the creation of an organisational culture in which a diverse range of employees can demonstrate their abilities and enable the JAC Group to achieve sustained growth.

• Typical activities

Team 1

- Webinars for all employees given by internal role models
- Educational seminars with external speakers

Team 2

- Unconscious bias surveys to uncover employee awareness
- Planning and implementation of management training and workshops in collaboration with the Human Resources Division

LGBTQ Committee

• Purpose of team activities

The LGBTQ Committee aims to create a workplace environment where all employees can work while remaining true to themselves by raising awareness of LGBTQ and facilitating a deeper and correct understanding within the JAC Group. The committee also aims to create an innovative environment by utilising the diverse opinions and ideas of a range of employees. To this end, the committee holds in-house awareness sessions and other events. It also works to ensure that recruitment and welfare guidelines are established so that all employees can be treated equally, regardless of their sexual orientation or gender identity.

• Typical activities

- Biannual internal awareness surveys
- Training for directors and managers
- Video training for employees
- Ally development training for committee members
- Exchange of opinions with departments responsible for LGBTQ issues at other companies
- Distribution of Ally Stickers to those who wish to express their support for LGBTQ equality



Ally Stickers that enable people to declare that they empathise with members of the LGBTQ community and provide support for them

The JAC Group agrees with the aims of the “My Declaration of Human Rights” project promoted by Japan’s Ministry of Justice and has published its own declaration.

JAC Group “My Declaration of Human Rights”

The JAC Group has released its “My Declaration of Human Rights” vowing to respect human rights to help achieve a society in which everyone shows respect for human rights, in alignment with the aims of the My Declaration of Human Rights project promoted by Japan’s Ministry of Justice. (<https://corp.jac-recruitment.jp/csr/human-rights/>)

The notion of “fairness” has been a key component of the JAC Group’s Philosophy & Policy management philosophy since its founding, thereby culminating in a corporate culture whereby every employee is properly recognised and appropriately assessed on an individual basis. As part of our commitment to diversity and inclusion, we engage in a Group-wide project that involves empowering female employees and raising awareness and understanding of the LGBT community among our employees. We intend to redouble our efforts in carrying out the project going forward.

SDGs-Related Initiatives

TOP COMMITMENT



Our goal is to link companies and candidates in support of their continued growth while contributing to a sustainable society.

Hiromi Tazaki
Co-Founder, Chairman, CEO, and Managing Director

Based on its corporate philosophy of connecting people, businesses, the economy, and society and contributing to their growth, the JAC Group is working to help achieve the SDGs through its recruitment business, with a goal of creating a sustainable society.

The JAC Group—with its key strength in the introduction of talented global human resources—has been supporting the growth of people and businesses around the world for many years through its recruitment business at 25 locations in a total of 11 countries, including Japan, the United Kingdom, Germany, and various Asian countries.

In developing countries registering remarkable economic development, we provide not just employment opportunities to local businesspeople. We also provide client companies making a foray into such countries with consulting services on topics such as customs and national traits, which are indispensable for driving business operations. To this end, we share approaches to human rights and the environment that are already well-established in developed countries and educate them, thereby contributing to the development of local communities.

Moreover, we help develop locally active international organisations and national projects in various fields, such as education, agricultural technologies, and medical care, by supplying them with human resources. The JAC Group is aware that its business activities, which connect people and companies, also contribute to

improving the standard of living recommended by the SDGs—reducing poverty, enhancing people’s health and welfare, facilitating quality education, and ensuring a safe and hygienic environment. With this in mind, we will continue to expand our support for people and companies. To this end, we believe that placing excellent human resources at companies leading the development of the global economy and society will bring growth and development to both businesses and local communities, which in turn will result in the further development of the global economy and society.

It is also critically important to care about employees, who are the driving force behind such business activities. In addition to providing subsidies* for childcare support and the establishment of healthy lifestyle habits so that employees and their families can lead healthy and motivated lives, we are working toward the achievement of specific SDGs through various integrated activities involving both employees and companies. They include awareness-raising activities and healthcare subsidies* for outpatient treatments to achieve a 100% no-smoking rate for the entire JAC Group and afforestation activities in which employees participate so that their awareness extends to the global environment.

Going forward, we will continue to consider further activities and work proactively to achieve the SDGs, which are common global goals.

*JAC Recruitment and JAC International

Working to Build a Sustainable World and Society

Fostering awareness through the JAC Environmental & Animal Protection Foundation



In March 2022, Co-Founder, Chairman, CEO, and Managing Director Hiromi Tazaki established the JAC Environmental & Animal Protection Foundation. As stated above, since 2008 the JAC Group has been engaged in overseas afforestation activities. The new foundation will work to ensure the conservation of the natural environment and the protection of animal life in Japan.

As a recruitment company operating in countries around the world, we believe that our mission is to connect people, businesses, the economy, and society and help their growth while contributing to environmental conservation on a global scale, carrying out conservation activities, and raising awareness. It is not easy to protect nature and create environments where a diverse array of creatures can inhabit. But we want to be a company with human resources that can focus their awareness on that. We will continue to engage in various activities based on our belief that wealth from economic development returns to the Earth.



JAC Environmental & Animal Protection Foundation Objectives

The purpose of the foundation is threefold. Contribute to the coexistence of humans and animals and the sustainability of the natural environment through subsidising organisations that protect animals and the natural environment. Raise awareness for the protection of animals and the natural environment in Japan through information and enlightenment activities. Communicate information on these efforts to the world.

Business

1. Providing subsidies for organisations engaged in activities to protect animals and the natural environment
2. Awareness-raising activities to encourage the protection of animals and the natural environment

Current Status of SDGs Initiatives and Future Goals

Group Carried out by the JAC Group Japan Carried out by JAC Recruitment

| Goal | Target | JAC's goals and initiatives | Progress on JAC's goals and initiatives | Future action plans |
|--------------------------------------|---|--|---|---|
| 3 GOOD HEALTH AND WELL-BEING | 3.a Strengthen the implementation of the World Health Organization Framework Convention on Tobacco Control in all countries, as appropriate. | All employees to become non-smokers. Group | Currently, no employees smoke during working hours. JAC Recruitment is certified as a "Health & Productivity Management Outstanding Organization" by the Ministry of Economy, Trade and Industry (METI). | Continue to aim for 0% smokers among employees. |
| 5 GENDER EQUALITY | 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life. | By the end of 2025, raise the ratio of female employees in managerial positions to 40%. Japan | A committee has been set up to increase the number of female manager candidates. The committee holds company workshops for female consultants and distributes questionnaires to raise awareness. Female employees in managerial positions: 25% (as of 31 Dec. 2021). | Continue the activities of the committee. |
| 7 AFFORDABLE AND CLEAN ENERGY | 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix. | Maximise the use of green electricity in the buildings we occupy. Japan | | Achieve 100% use of green electricity in our Tokyo head office building. |
| 8 DECENT WORK AND ECONOMIC GROWTH | 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors. | Position the digital domain, on which we have been focusing, as one of the high value-added sectors (e.g., industries/companies conducive to the development of society) and contribute to the further growth of the digital domain by introducing advanced engineers, managers, and innovative human resources to clients in the digital domain such as AI and IoT. Japan | We have set up divisions dedicated to clients in the digital domain to better focus on this target. | Set internal contract targets for the digital domain. |
| | 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value. | Indirectly contribute to the achievement of client's targets and SDGs by holding seminars and workshops on SDGs for our registered users (job seekers) who are potential candidates for jobs related to SDGs, and by introducing them to client companies as human resources who can contribute to their SDGs. Japan | | Identify the companies that are actively promoting the SDGs, build a pool of human resources who have deep knowledge of matters related to the SDGs, and contribute to the further achievement of the SDGs through a matching system. |
| | 10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status. | Create an equitable work environment where a diverse group of employees can thrive. Group | Currently, employees from 25 countries are employed. | Continue recruiting activities regardless of gender, race, age, or other attributes. |
| | | Promote the employment of people with disabilities. Japan | Currently, people with disabilities are working with enthusiasm at our Wakuhati Farms in Ichihara City and Kashiwa City, Chiba Prefecture. Employment of persons with disabilities, mainly at the Wakuhati Farms, stands at 122% of the legally mandated employment rate. | Continue to provide a place where people with disabilities can work with enthusiasm. |
| | 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse. | When purchasing office supplies and consumables for internal use, preferentially select those that use repurposed materials and those that can be recycled at the time of disposal. Japan | <ul style="list-style-type: none"> • The LIMEX alternative material is used for business cards. • In September 2020, we removed PET bottled drinks from the vending machines installed in the office. • We reduced the use of plastic shopping bags. • We distributed original reusable bags to all Group employees. • Plastic file folders used in and outside the company were switched to those made of recycled polypropylene. | Develop guidelines for 3R (Refuse or Reduce, Reuse, Recycle) checks when purchasing and disposing of equipment, etc. |
| | 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle. | Post periodic SDGs reports on the corporate website and regularly update JAC's social and environmental efforts. In order to further raise the SDGs awareness among employees in conducting our business, carry out educational activities through periodic reports and intranets. Group | We have added a Sustainability page to our global website where we post content related to SDGs. | Publicise information on SDGs-related efforts on our website every three months and through integrated reports. Establish and start the operation of an education system including e-learning related to SDGs. Also, carry out educational activities internally at least once every six months. |
| 15 LIFE ON LAND | 15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally. | Plant one tree for each successful job placement contract. Group | Over the past 13 years, we have planted more than 110,000 trees in Indonesia and Malaysia under public-private partnerships (our "One Placement creates One Plant to save the Planet" project), contributing to the annual absorption of around 700 to 800 tons of CO ₂ (according to the Japan-Malaysia Association and NPO Asian Green Forests Network). | Continue the current tree planting activities and further expand the scale. For example, consider planting two trees for each successful job placement contract in order to achieve carbon neutrality by 2030. |

Corporate Governance

Board Members



Hiromi Tazaki

Co-Founder, Chairman, CEO, and Managing Director

Number of shares of the Company held: 7,179,600 shares

May 1981 Joined T. TAZAKI & Co., Ltd.
 March 1988 Founding Director at incorporation of the Company
 August 1991 Managing Director of T. TAZAKI & Co., Ltd.
 January 2000 Representative Director
 March 2005 Chairman and Director
 April 2008 Managing Director and Representative Director
 January 2011 Chairman, CEO, and Representative Director
 January 2022 Chairman, CEO, and Managing Director (to present)
 March 2022 President of JAC Environmental & Animal Protection Foundation (to present)



Tadayoshi Tazaki

Founder, Director, and Chief Adviser

Number of shares of the Company held: 8,505,100 shares

November 1974 Founding Director at incorporation of T. TAZAKI & Co., Ltd.
 March 1988 Representative Director at incorporation of the Company
 March 2005 Director and Adviser
 March 2012 Director and Chief Adviser (to present)
 August 2016 Chairman of The Tazaki Foundation (to present)



Toshiaki Mukaiyama

External Director
 Full-time Member of Audit & Supervisory Committee

Number of shares of the Company held: —

April 1992 Joined Nippon Mining Co., Ltd. (present ENEOS Corporation)
 April 2007 Manager, Foreign Exchange Section of Nippon Mining Finance Co., Ltd.
 April 2014 Director and Secretary of JX Nippon Oil & Energy Europe Limited
 February 2018 Chief Director, Finance & Accounting Department of MISUMI Group Inc.
 January 2019 Manager, General Planning Division of Fujitec Co., Ltd., etc.
 May 2021 Full-time and External Member of Audit & Supervisory Board of the Company
 September 2021 KANSAYAKU of C.C. Consulting Co., Ltd. (to present)
 September 2021 KANSAYAKU of Vantage Point K.K. (to present)
 March 2022 External Director, Full-time Member of Audit & Supervisory Committee of the Company (to present)



Hiroo Hattori

Deputy Managing Director and Representative Director

Number of shares of the Company held: 202,500 shares

July 2001 Joined the Company as Financial Director
 August 2001 Deputy Managing Director
 April 2008 Deputy Managing Director and Representative Director (to present)
 April 2018 Head of Global Business Headquarters (to present)



Takeshi Matsuzono

Director

Number of shares of the Company held: 342,900 shares

November 2008 Joined the Company as Deputy Head of Sales
 March 2009 Senior Executive Director
 January 2011 Managing Director and Representative Director
 January 2022 Director (to present)



Hisashi Ito

External Director
 Member of Audit & Supervisory Committee

Number of shares of the Company held: —

April 1985 Registered as a lawyer
 Joined Ginza Law Office (present Abe, Ikubo & Katayama Law Office)
 January 1998 Partner of Abe, Ikubo & Katayama Law Office (to present)
 April 2003 Instructor at the Legal Training and Research Institute of the Supreme Court of Japan (in charge of Civil Advocacy Instructor's Office)
 March 2011 External Member of Audit & Supervisory Board of the Company
 June 2016 Director, Member of Audit & Supervisory Committee of Kunimine Industries Co., Ltd. (to present)
 March 2022 External Director, Member of Audit & Supervisory Committee of the Company (to present)



Hiroki Yamada

Executive Director and Head of Sales

Number of shares of the Company held: 7,274 shares

August 2003 Joined the Company
 April 2016 Associate Sales Director
 January 2017 Head of Associate Sales Directors
 March 2020 Director and Head of Sales
 March 2022 Executive Director and Head of Sales (to present)



Nobuhide Nakaido

External Director

Number of shares of the Company held: —

April 2005 Representative Director and Executive Vice President of Sumitomo Corporation
 June 2009 Chairman and President of Sumisho Computer Systems Corporation
 October 2011 President of SCSK Corporation
 June 2013 Chairman & CEO of SCSK Corporation
 May 2017 Independent Director of Ichigo Inc. (to present)
 October 2018 Chairman of Japan Association for Chief Human Resource Officers (to present)
 March 2019 Independent Outside Director of eSOL Co., Ltd. (to present)
 June 2020 Outside Director of Sourcencet Corporation (to present)
 March 2022 External Director of the Company (to present)



Naoto Yokoi

External Director
 Member of Audit & Supervisory Committee

Number of shares of the Company held: —

August 1979 Registered as a certified public accountant
 May 2000 Representative Partner of Asahi & Co. (present KPMG AZSA LLC)
 June 2014 External Director of TAKEEI Corporation (to present)
 June 2014 External Audit & Supervisory Board Member of Nichiban Co., Ltd. (to present)
 March 2015 External Member of Audit & Supervisory Board of the Company
 March 2022 External Director, Member of Audit & Supervisory Committee of the Company (to present)



Yutaka Kase

External Director
 Chairperson of the Board

Number of shares of the Company held: —

October 2005 Director and Executive Vice President of Sojitz Corporation
 Representative Director, President & CEO of Sojitz Corporation
 April 2007 Representative Director and Chairman of the Board of Sojitz Corporation
 April 2012 External Director of the Company (to present)
 March 2016 External Director of Sekisui Chemical Co., Ltd. (to present)
 June 2016 External Director of Sekisui Chemical Co., Ltd. (to present)
 June 2018 Adviser of Sojitz Corporation (to present)
 August 2019 Chairperson of the Board of the Company (to present)

Discussions on Raising Corporate Value While Considering Society and the Environment Are Essential

Over the past six years, I have kept a close eye on the management and governance of JAC Recruitment as an External Director. JAC Recruitment is a so-called "owner company," with its founding members as main shareholders. The founders themselves, Chairman, CEO, and Managing Director Hiromi Tazaki and Director and Chief Adviser Tadayoshi Tazaki have taken the lead and made sincere efforts to create a system that is not permeated by their own sense of "self-righteousness." Drawing on the ideas of these founding members, I strive to monitor management by utilising the driving powers of overseas business based on the internationally oriented sensibilities I nurtured while working at a general trading company, as well as my insights into corporate management gained from my past experiences as a company president and chairman.

There is no denying that the recruitment business is a highly promising growth industry. It is important to discuss ways to generate profits in such an expanding market. Looking ahead it is equally important for the Board of Directors to further deepen discussions on increasing corporate value while paying attention to society and the environment, including ESG and SDGs.



Shigeoki Togo

External Director

Number of shares of the Company held: —

April 1966 Joined the Bank of Japan
 July 1993 Director-General, Secretariat of the Policy Board of the Bank of Japan
 April 1995 Director-General, International Department of the Bank of Japan
 June 1996 Managing Director of The Nippon Credit Bank, Ltd. (present Aozora Bank, Ltd.)
 August 1997 President of The Nippon Credit Bank, Ltd.
 March 2012 External Audit & Supervisory Board Member of the Company
 October 2012 Chairman, Board of Directors of Higashi-Nihon-Gakuken
 March 2015 External Director of the Company (to present)
 October 2021 Adviser and Director of Higashi-Nihon-Gakuken (to present)

Accumulated Know-how Spurs Recruitment Business Undergoing a Dramatic Transformation

I have known about JAC Recruitment since my days in London and have been monitoring its business and governance in my capacity as an External Audit & Supervisory Board Member in 2012 and as an External Director since 2015. Human resources are the key drivers of economies. For over 30 years, JAC Recruitment has been involved in the recruitment business, most notably in recruiting and introducing human resources with advanced skills, and has accumulated a wealth of know-how. The recruitment business has undergone a profound transformation over the last few years. I feel that JAC Recruitment not only connects companies with people but also links these efforts to the development of new businesses while paying close attention to the current trends.

JAC Recruitment's Board of Directors engages in active discussions. Given my experience working in the international division of a financial institution, I am sometimes asked by the Board of Directors for my insights into trends in international finance and overseas financial institutions. On such occasions, I express my ideas from the perspective of helping JAC Recruitment's overseas business development. In Southeast Asia, Western financial institutions are making wide-ranging advances. Japanese companies are facing numerous difficulties as they try to make inroads into this region. As such, I believe the support of JAC Recruitment will likely serve as an important force.



Günter Zorn

External Director

Number of shares of the Company held: —

June 1991 Representative Director, President of Linotype-Hell K.K.
 April 1998 Representative Director, President of Heidelberg France S.A.
 April 2000 Chief Executive Officer of Heidelberg Asia Pacific
 July 2005 Representative Director, President of DHL Japan, Inc.
 April 2006 Representative Director, President of DHL Japan, Inc. and Executive Vice President for North Pacific in Pacific Region of DHL Express
 April 2009 Representative Director, President of z-anshin K.K. (to present)
 March 2020 External Director of the Company (to present)

Awareness of Diversity in Gender and Nationality Is a Key Theme for a Sustainable Future

JAC Recruitment has a well-established governance structure with both Internal and External Directors, and the monthly Board meetings give plenty of opportunity for an open exchange of opinions and suggestions made by the External Directors. I either formulate questions to clarify a point or to make suggestions based on my experience in human resources management and marketing, which I have specialised in both in Europe and Asia (especially Japan).

Future topics that will need constant focus and deep discussions include the ambitious mid-term growth plan and its financing, including M&A opportunities. In the area of M&A, which under any circumstances is financially risky and fraught with open and hidden obstacles, it will be important to have a highly professional, experienced team of both inside and external experts to assess and manage M&A opportunities properly. Another key topic for a sustainable future is the policies and activities concerning the hiring and retaining of quality managers and staff, with a special eye on diversity in both gender and nationalities. Diversity is equally important in corporate management and the make-up of the Board of Directors, and succession planning at all levels also needs increased focus.

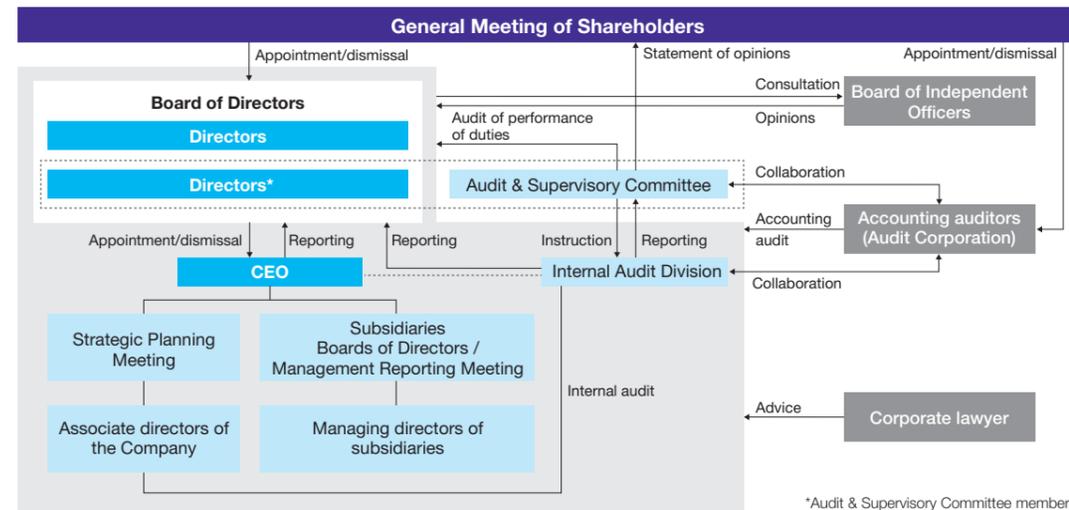
Corporate Governance

Basic Stance

Believing that raising long-term stable shareholder value is the mission of its corporate management, JAC Recruitment pursues transparent, sound, and efficient management to ensure the perpetual development of the Company.

Moreover, we are strengthening our corporate governance system to ensure that we disclose timely and accurate management information, comply with laws and regulations, and maintain and develop good relationships with stakeholders, including shareholders, client companies, job seekers, and employees.

Corporate Governance Structure



In March 2022, JAC Recruitment transitioned its organisation from a Company with Audit & Supervisory Board Members to a Company with an Audit & Supervisory Committee. We are determined to bolster audit and supervision functions concerning the legality and validity of our business execution as well as strengthen the corporate governance system.

Audit & Supervisory Committee

The Audit & Supervisory Committee consists of three directors, one of whom is a full-time member. It monitors corporate management by auditing performance of duties from the perspective of legality, validity, and other aspects. All three Audit & Supervisory Committee members are External Directors.

Board of Directors

The Board of Directors consists of nine directors who are not Audit & Supervisory Committee members (four of whom are External Directors) and three directors who are Audit & Supervisory Committee members. The Board of Directors meets every month while an extraordinary meeting of the Board of Directors is held as necessary. In principle, all directors participate in the proceedings.

The Board of Directors deliberates and decides on matters stipulated by the Companies Act and other important management matters and operates as an organisation that supervises the status of business execution.

Strategic Planning Meeting and Subsidiaries' Boards of Directors/Management Reporting Meeting

The CEO of JAC Recruitment convenes two forms of meetings to discuss and decide on a variety of important management measures of the Group. One is the weekly Strategic Planning Meeting composed of the directors and associate directors of JAC Recruitment, and the other is the monthly Boards of Directors/ Management Reporting Meeting of Group companies consisting of the directors of JAC Recruitment and directors of Group companies.

Internal Audit Division

As an organisation under the direct control of the CEO of the Company, the Internal Audit Division works with the Audit & Supervisory Committee to conduct internal audits per the internal audit schedule for each fiscal year and monitor the effectiveness of the internal audit organisation.

Incentive Compensation

JAC Recruitment's performance-linked compensation is determined by various factors, including past results in the delegated area of responsibility as well as the consolidated performance of the entire Group. The CEO's proposal regarding the compensation for directors who are not Audit & Supervisory Committee members is decided by the Board of Directors after consulting with the Board of Independent Officers (four directors

who are not Audit & Supervisory Committee members and three directors who are Audit & Supervisory Committee members), which is composed of independent directors as prescribed by the Tokyo Stock Exchange.

Additionally, JAC Recruitment provides incentive compensation to the directors of the Company (excluding External Directors and directors who are Audit & Supervisory Committee members, hereinafter referred to as "eligible directors") to continuously improve the corporate value of the Company. Apart from the above compensation limit, as of the 35th Annual General Meeting of Shareholders held on March 24, 2022, compensation for granting restricted stock shall be paid within the range of 40 million yen per year as "grant-type stock compensation for each fiscal term" and compensation within a range of 200 million yen per year shall be paid as "lump-sum grant-type stock compensation" to improve shareholder value. The specific allocation to each eligible director shall be decided by the Board of Directors. There are five eligible directors covered by the resolution.

Business conditions (for individual director compensation) are disclosed only for those directors whose total amount of consolidated compensation is 100 million yen or more. This information is not disclosed in the current fiscal year because there are no directors whose total consolidated compensation is 100 million yen or more.

The monetary remuneration of directors who are not Audit &

Supervisory Committee members of the Company consists of annual basic compensation and performance-linked compensation, each of which is divided into 12 equal portions and paid monthly. In principle, compensation shall be reviewed once a year during the month following the settlement month and changes in actual compensation amounts shall be implemented from the following month. Annual basic compensation is determined based on the scope and difficulty of the delegated areas of responsibility in the fiscal year to which the compensation review period belongs. Additionally, performance-linked compensation is determined by considering past results in the delegated area as well as the consolidated performance of the entire Group. The CEO's proposal regarding the compensation for directors who are not Audit & Supervisory Committee members is decided by the Board of Directors after consulting with the Board of Independent Officers (four directors who are not Audit & Supervisory Committee members and three directors who are Audit & Supervisory Committee members), which is composed of independent officers as prescribed by the Tokyo Stock Exchange. As of the 35th Annual General Meeting of Shareholders held on March 24, 2022, compensation for directors who are not Audit & Supervisory Committee members shall be within 1,000 million yen per year (excluding the employee portion of the salaries for directors who serve concurrently as employees). There are nine directors covered by this resolution (including four External Directors).

Total Amount of Compensation, Total Amount of Compensation by Type, and Number of Eligible Officers by Officer Category

| Officer category | Total compensation (Million yen) | Total amount by type of compensation (Million yen) | | | | Number of eligible officers (Persons) |
|--|----------------------------------|--|---------------------------------|---------------------|--|---------------------------------------|
| | | Fixed compensation | Performance-linked compensation | Retirement benefits | Among the items on the left, non-monetary compensation | |
| Directors (excluding External Directors) | 314 | 314 | — | — | — | 5 |
| Corporate Auditors (excluding External Corporate Auditors) | — | — | — | — | — | — |
| External Directors | 56 | 53 | — | 3 | — | 8 |

External Directors

The Company has appointed seven External Directors (all independent directors) and the reasons for their appointment are as follows.

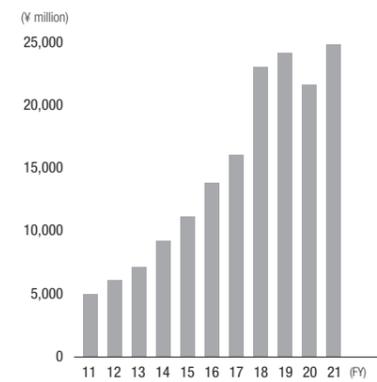
| Name | Reason for appointment |
|--------------------|--|
| Yutaka Kase | To participate in management from a comprehensive viewpoint to ensure the validity and appropriateness of management based mainly on abundant experience as a manager. |
| Shigeoki Togo | To participate in management from a comprehensive viewpoint to ensure the validity and appropriateness of management based mainly on abundant experience as a manager. |
| Günter Zorn | To participate in management from a comprehensive viewpoint to ensure diversity based mainly on abundant experience as a management executive of a multinational company. |
| Nobuhide Nakaido | To participate in management from a comprehensive viewpoint to ensure the validity and appropriateness of management based mainly on abundant experience as a manager. |
| Toshiaki Mukaiyama | To monitor and audit management based mainly on abundant experience in overall management operations such as management planning, accounting/finance, and management of overseas subsidiaries. |
| Hisashi Ito | To monitor and audit management by utilising legal knowledge as a lawyer. |
| Naoto Yokoi | To monitor and audit management by utilising the knowledge of accounting and finance as a certified public accountant. |

Consolidated Eleven-Year Summary (JAC Recruitment Co., Ltd. and its consolidated subsidiaries) (Fiscal years ended 31 December 2011–2021)

(Millions of yen) Thousands of U.S. dollars

| | | FY2011 | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 | FY2021 |
|--|--------------------|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|----------|
| Financial results | | | | | | | | | | | | | |
| Net sales | (Millions of yen) | 4,985 | 6,115 | 7,179 | 9,279 | 11,200 | 13,838 | 16,044 | 23,064 | 24,170 | 21,614 | 24,852 | 226,293 |
| Gross profit | (Millions of yen) | 4,830 | 5,929 | 7,009 | 9,112 | 10,896 | 13,240 | 15,295 | 20,801 | 22,453 | 20,084 | 23,004 | 209,464 |
| Operating income | (Millions of yen) | 788 | 1,370 | 2,019 | 2,663 | 3,519 | 4,725 | 5,309 | 5,531 | 6,087 | 5,138 | 5,822 | 53,012 |
| Profit attributable to owners of parent | (Millions of yen) | 758 | 670 | 1,193 | 1,584 | 1,811 | 3,269 | 3,685 | 3,908 | 4,354 | 1,834 | 3,882 | 35,349 |
| Financial position | | | | | | | | | | | | | |
| Current assets | (Millions of yen) | 2,752 | 4,044 | 4,659 | 6,520 | 8,587 | 11,415 | 10,816 | 11,257 | 13,032 | 15,079 | 15,242 | 132,438 |
| Non-current assets | (Millions of yen) | 516 | 421 | 1,001 | 1,195 | 645 | 922 | 4,326 | 7,468 | 7,059 | 3,544 | 3,693 | 32,090 |
| Total assets | (Millions of yen) | 3,269 | 4,466 | 5,660 | 7,715 | 9,233 | 12,337 | 15,143 | 18,725 | 20,092 | 18,623 | 18,935 | 164,528 |
| Current liabilities | (Millions of yen) | 779 | 1,395 | 1,415 | 2,210 | 2,438 | 3,050 | 3,252 | 4,782 | 4,069 | 4,129 | 5,424 | 47,132 |
| Non-current liabilities | (Millions of yen) | 59 | 25 | 4 | 2 | 4 | 3 | 2 | 0 | 182 | 167 | 145 | 1,262 |
| Total liabilities | (Millions of yen) | 839 | 1,421 | 1,419 | 2,212 | 2,443 | 3,053 | 3,254 | 4,783 | 4,251 | 4,297 | 5,569 | 48,393 |
| Total net assets | (Millions of yen) | 2,429 | 3,044 | 4,241 | 5,503 | 6,790 | 9,283 | 11,889 | 13,942 | 15,840 | 14,326 | 13,365 | 116,134 |
| Cash flows | | | | | | | | | | | | | |
| Cash flows from operating activities | (Millions of yen) | 879 | 1,348 | 1,156 | 2,261 | 2,562 | 3,693 | 3,946 | 5,061 | 4,692 | 4,532 | 5,091 | 46,359 |
| Cash flows from investing activities | (Millions of yen) | (14) | (44) | (363) | (267) | (96) | (294) | (3,556) | (2,647) | (11) | 1,312 | (436) | (3,976) |
| Free cash flows | (Millions of yen) | 865 | 1,304 | 793 | 1,994 | 2,466 | 3,399 | 390 | 2,414 | 4,681 | 5,844 | 4,655 | 42,384 |
| Cash flows from financing activities | (Millions of yen) | (27) | (88) | (330) | (344) | (526) | (784) | (1,238) | (2,062) | (2,867) | (3,617) | (5,400) | (49,175) |
| Cash and cash equivalents at end of period | (Millions of yen) | 2,238 | 3,452 | 3,915 | 5,565 | 7,504 | 10,118 | 9,269 | 9,585 | 11,397 | 13,584 | 12,932 | 112,371 |
| Per share information | | | | | | | | | | | | | |
| Earnings per share | (Yen/U.S. dollars) | 19 | 34 | 30 | 39 | 45 | 81 | 91 | 96 | 107 | 45 | 96 | 1 |
| Net assets per share | (Yen/U.S. dollars) | 62 | 152 | 105 | 136 | 168 | 230 | 293 | 341 | 385 | 347 | 331 | 3 |
| Annual dividends per share | (Yen/U.S. dollars) | 2 | 50 | 24 | 26 | 19 | 30 | 50 | 65 | 80 | 80 | 73 | 1 |
| Indices | | | | | | | | | | | | | |
| Operating income margin | (%) | 15.8 | 22.4 | 28.1 | 28.7 | 31.4 | 34.1 | 33.1 | 24.0 | 25.2 | 23.8 | 23.4 | |
| ROE | (%) | 36.4 | 24.5 | 32.8 | 32.5 | 29.5 | 40.7 | 34.9 | 30.4 | 29.4 | 12.2 | 28.1 | |
| ROA | (%) | 23.2 | 15.0 | 21.1 | 20.5 | 19.6 | 26.5 | 24.3 | 20.9 | 21.7 | 9.9 | 20.5 | |
| Equity ratio | (%) | 74.3 | 68.2 | 74.9 | 71.3 | 73.5 | 75.2 | 78.2 | 74.0 | 78.3 | 76.4 | 70.6 | |
| Number of employees | | | | | | | | | | | | | |
| | (Persons) | 392 | 426 | 458 | 544 | 615 | 684 | 811 | 1,389 | 1,433 | 1,350 | 1,440 | |

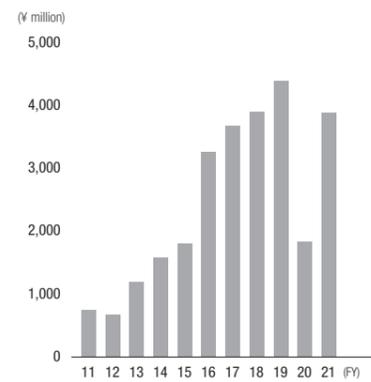
Consolidated net sales



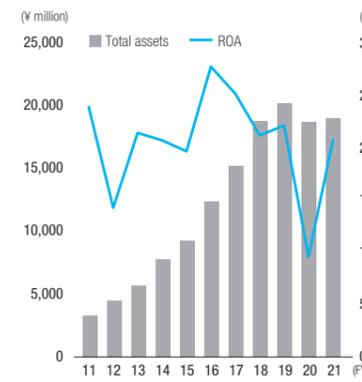
Consolidated operating income / operating income margin



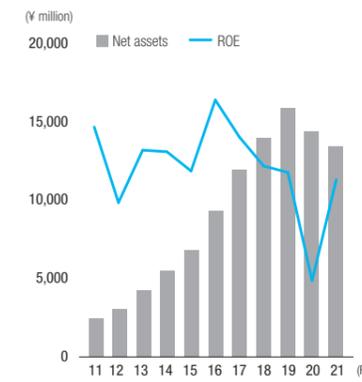
Profit attributable to owners of parent



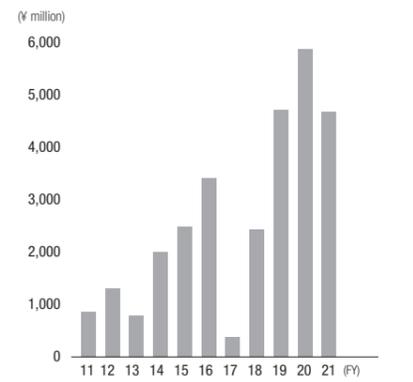
Total assets / ROA



Net assets / ROE



Free cash flows



Review of Operations

Overview of Operating Results

COVID-19 infections repeated a cycle of subsiding and surging in Japan. Amid this environment, the Domestic Recruitment Business, which is the JAC Group's core operations, posted solid results in the fiscal year ended 31 December 2021, thanks to the robust jobs-to-applicants ratio.

As a result, the Group's overall earnings grew significantly, and net sales reached ¥24,852 million (up 15.0% year on year). By segment, the Domestic Recruitment Business, the Domestic Job Offer Advertising Business, and the Overseas Business posted net sales of ¥22,273 million (up 14.8% year on year), ¥246 million (up 7.9% year on year), and ¥2,332 million (up 17.1% year on year), respectively.

Overview of Profit/Loss

In terms of profit, operating income was ¥5,822 million (up 13.3% year on year), ordinary income was ¥5,813 million (up 11.9% year on year), and profit attributable to owners of parent was ¥3,882 million (up 111.6% year on year).

By segment, the Domestic Recruitment Business posted ¥5,859 million in profit (up 8.0% year on year). The Domestic Job Offer Advertising Business posted a ¥73 million loss (compared with a loss of ¥70 million a year earlier), while the Overseas Business posted a ¥9 million loss (compared with a loss of ¥1,759 million a year earlier).

Overview of Financial Position

Total assets at the end of the fiscal year ended 31 December 2021, increased by ¥311 million from the end of the previous fiscal year to ¥18,935 million. Cash and deposits decreased by ¥651 million due to dividend payments, the purchase of treasury shares, etc., but accounts receivable – trade increased by ¥659 million and deferred tax assets increased by ¥166 million.

Liabilities increased by ¥1,272 million from the

end of the previous fiscal year to ¥5,569 million. Provision for stocks payment decreased by ¥268 million, but accrued expenses increased by ¥1,078 million and accounts receivable – other increased by ¥248 million.

Net assets decreased by ¥960 million from the end of the previous fiscal year to ¥13,365 million, and the equity ratio was 70.6%. The Company posted profit attributable to owners of parent of ¥3,882 million but paid dividends of surplus totalling ¥3,303 million and increased treasury shares by ¥1,541 million.

Overview of Cash Flows

The balance of cash and cash equivalents at the end of the fiscal year ended 31 December 2021, decreased by ¥651 million from the end of the previous fiscal year to ¥12,932 million. The following is a summary of cash flow activities.

Cash flows from operating activities

Net cash provided by operating activities for the fiscal year ended 31 December 2021, was ¥5,091 million (compared with ¥4,532 million provided in the previous fiscal year). The main factors for this are profit before income taxes of ¥5,776 million and income taxes paid of ¥1,912 million.

Cash flows from investing activities

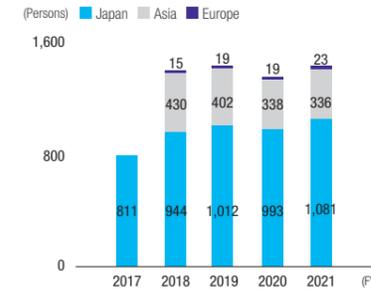
Net cash used in investing activities for the fiscal year ended 31 December 2021, was ¥436 million (compared with ¥1,312 million provided in the previous fiscal year). The main factor for this is the purchase of intangible assets of ¥288 million.

Cash flows from financing activities

Net cash used in financing activities for the fiscal year ended 31 December 2021, was ¥5,400 million (compared with ¥3,617 used in the previous fiscal year). The main factors for this are dividends paid of ¥3,299 and the purchase of treasury shares of ¥2,904 million.

ESG Data

Number of employees by region (consolidated)



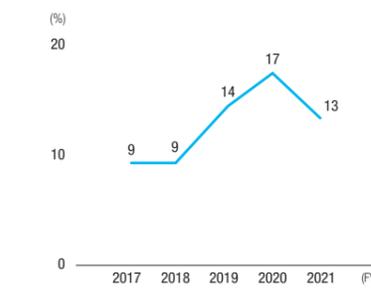
* As of fiscal year-end (31 December)
 * Japan includes JAC Recruitment, JAC International, CC Consulting, and VantagePoint.
 * Asia includes bases of the Overseas Business in Singapore, Malaysia, Indonesia, Thailand, Korea, China (Shanghai and Hong Kong SAR), Vietnam, and India.
 * Europe includes bases of the Overseas Business in the United Kingdom and Germany.

Ratio of female employees in managerial positions (managers and above)



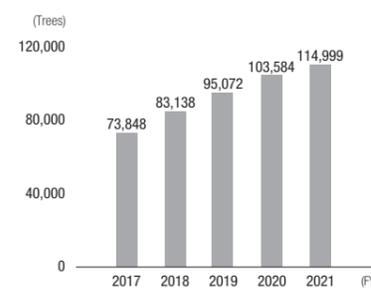
* As of fiscal year-end (31 December)
 * Calculated based on the total of JAC Recruitment and JAC International
 * Employees in managerial positions defined as managers and above

Turnover rate



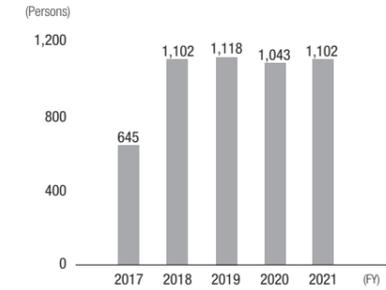
* Calculated based on the total of JAC Recruitment and JAC International as of fiscal year-end (31 December)

Environment: Number of planted trees



* Starting in 2008, accumulated number of planted trees as of fiscal year-end (31 December)

Number of industry-specific consultants (consolidated)



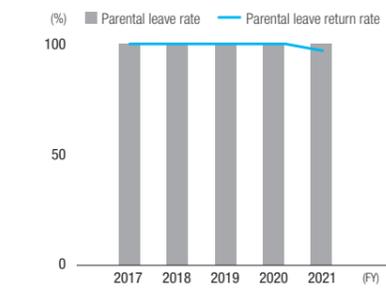
* As of fiscal year-end (31 December)

Number of employees with disabilities (actual)



* Actual employment at JAC Recruitment and JAC International as of fiscal year-end (31 December)

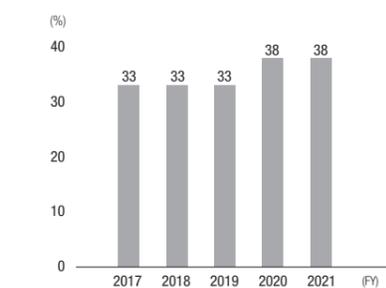
Parental leave rate / parental leave return rate



Parental leave rate
 * JAC Recruitment and JAC International
 * Includes female employees only
 * Each fiscal year includes employees continuing to take parental leave from the previous fiscal year.
 * Rate of employees who started taking parental leave from among employees who either gave birth or adopted a child during the applicable fiscal year
 * Will include male employees from FY2022

Parental leave return rate
 * JAC Recruitment and JAC International
 * Includes female employees only
 * Rate of employees who returned after completing parental leave during the applicable fiscal year
 * Will include male employees from FY2022

Governance: Ratio of external directors



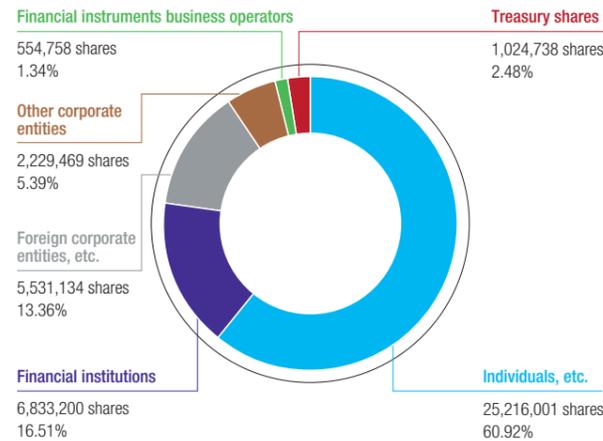
* JAC Recruitment

Investor Information

Stock Information (As of 31 December 2021)

| | |
|------------------------------------|---|
| Stock listing | Tokyo Stock Exchange (The first section) |
| Total number of authorised shares | 144,000,000 |
| Total number of shares outstanding | 41,389,300 |
| Trading Unit | 100 |
| Number of shareholders | 19,940 |
| Fiscal year | 1 January to 31 December |
| Year-end dividend record date | 31 December |
| Interim dividend record date | 30 June |
| General meeting of shareholders | March every year |

Stock Ownership Distribution

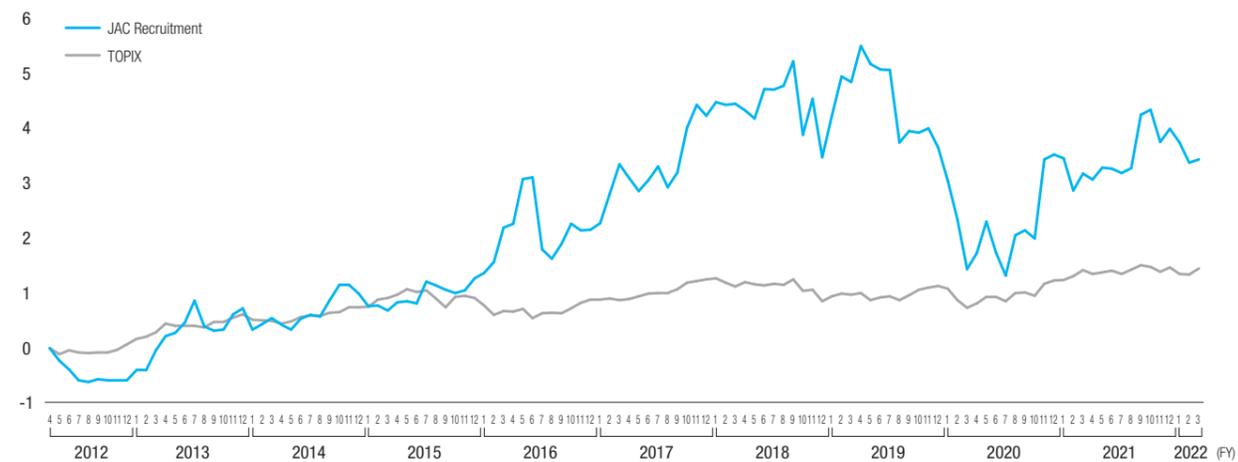


Top 10 Shareholders

| Name | Number of shares held (thousands) | Percentage of shares held (%) |
|--|-----------------------------------|-------------------------------|
| Tadayoshi Tazaki | 8,505,100 | 20.76 |
| Hiromi Tazaki | 7,179,600 | 17.53 |
| Shingo Kanaoya | 4,238,700 | 10.35 |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 3,542,700 | 8.65 |
| The Tazaki Foundation | 2,200,000 | 5.37 |
| Japan Post Insurance Co., Ltd. | 1,405,800 | 3.43 |
| Custody Bank of Japan, Ltd. (Trust Account) | 995,300 | 2.43 |
| The Master Trust Bank of Japan, Ltd. (ESOP Trust: 75,825 shares) | 600,080 | 1.46 |
| SMBC Trust Bank Ltd. as a regulated security trustee | 435,100 | 1.06 |
| Takeshi Matsuzono | 342,900 | 0.84 |

Note: In calculating the percentage, the treasury shares (424,658 shares) owned by the Company is deducted from the entire treasury shares (1,024,738 shares), except for the treasury shares owned by the ESOP trust (600,080 shares).

Share Price Performance (vs TOPIX)



Corporate Profile (As of 31 March 2022)

| | |
|--|---|
| Company name | JAC Recruitment Co., Ltd. |
| Established | 7 March 1988 |
| Capitalisation | ¥672.26 million |
| Number of employees | 1,503 (Total of JAC Recruitment (1,036 employees, JAC International (29 employees), C.C. Consulting (24 employees), JAC Recruitment International (383 employees), and VantagePoint (31 employees)) |
| Head office | 14F Jinbocho Mitsui Building, 1-105 Kanda Jinbocho, Chiyoda-ku, Tokyo 101-0051 |
| Offices (including affiliated companies) | <p>25 offices in 11 countries</p> <p>Japan Tokyo, Kita-Kanto, Yokohama, Nagoya, Shizuoka, Osaka, Kyoto, Kobe, Chugoku (Hiroshima), Fukuoka</p> <p>Overseas Singapore, Malaysia (Kuala Lumpur, Penang, Johor), Indonesia (Jakarta), Thailand (Bangkok, Chonburi), China (Shanghai, Hong Kong SAR), South Korea (Seoul), Vietnam (Ho Chi Minh City, Hanoi), India (Gurgaon), United Kingdom (London), Germany (Düsseldorf)</p> |
| Main business | Recruitment services (Ministry of Health, Labour and Welfare License Number 13-㉔-010227) |

Board Members (As of 31 March 2022)

| | |
|---|--------------------|
| Co-Founder, Chairman, CEO, and Managing Director | Hiromi Tazaki |
| Deputy Managing Director and Representative Director | Hiroo Hattori |
| Executive Director and Head of Sales | Hiroki Yamada |
| Founder, Director, and Chief Adviser | Tadayoshi Tazaki |
| Director | Takeshi Matsuzono |
| External Director/ Chairperson of the Board | Yutaka Kase |
| External Director | Shigeoki Togo |
| External Director | Günter Zorn |
| External Director | Nobuhide Nakaido |
| External Director (Full-time Member of Audit & Supervisory Committee) | Toshiaki Mukaiyama |
| External Director (Member of Audit & Supervisory Committee) | Hisashi Ito |
| External Director (Member of Audit & Supervisory Committee) | Naoto Yokoi |

Subsidiaries (As of 31 December 2021)

| |
|------------------------------------|
| JAC International Co., Ltd. |
| C.C. Consulting Co., Ltd. |
| JAC Recruitment International Ltd. |
| VantagePoint K.K. |

JAC Recruitment Co., Ltd.

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<https://corp.jac-recruitment.jp/en/>