



# Integrated Report 2023

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**Editorial Policy**  
 JAC Group has issued Integrated Report 2023 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 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 subsidiaries). A clear indication to that effect is made individually when the coverage differs.

**Period Covered**  
 Centred on activities during FY2022 (1 January 2022 through 31 December 2022), but also refers to preceding and more recent (in and after January 2023) activities. Names of organisations and titles are based on the information as of 1 April 2023.

**Scope**  
 This report covers activities of the Company and 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 2023

**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 JAC Group makes no warranty as to their reliability. This information may be amended without notice.

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

In its 48-year history, JAC Group has expanded its business not only in Singapore and Japan but also in Malaysia, Indonesia, Thailand, Hong Kong SAR, China, South Korea, Vietnam, India, Germany, and the United States.

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 unique 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 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

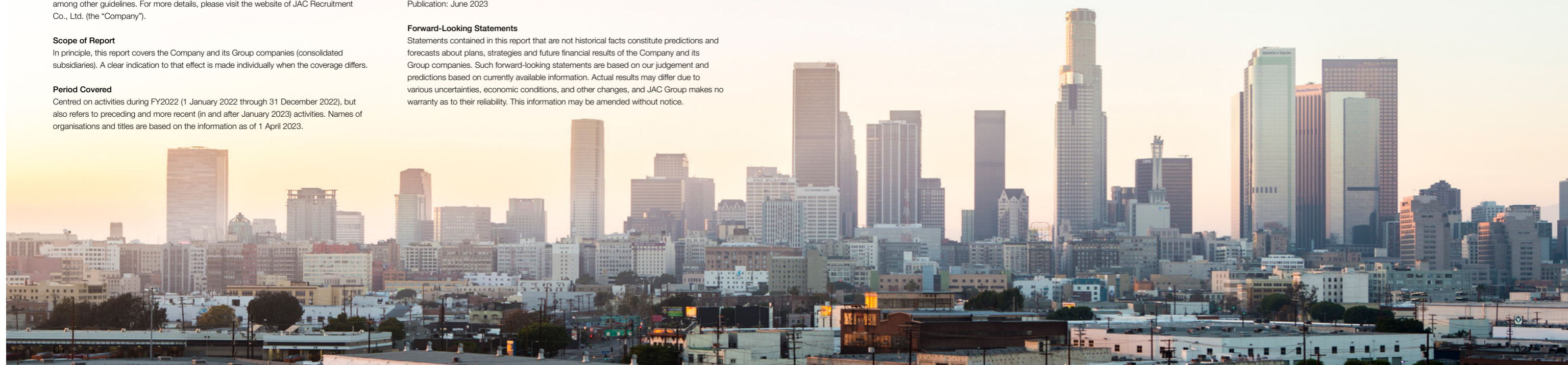
Fairness

**Policy**

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. 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 towards sustainability solving their recruiting challenges and by finding and introducing suitable human resources.



### Contributing to the Achievement of the SDGs based on 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. 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. 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.



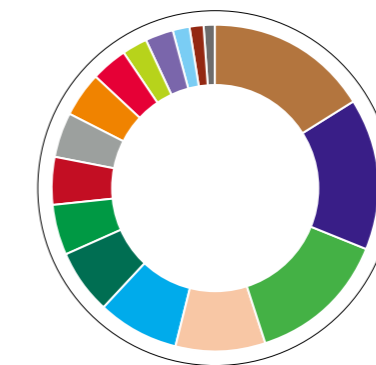
## Contributing to the Enhancement of Corporate Value through the Resolution of Client Companies' Recruitment Challenges

Continue to be the Best Partner for Addressing Corporate Human Capital Management in All Industries

In an era when there is demand for innovation with social awareness in all industries, 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 in diverse industries and at various business sites for human resources who can more clearly envision a future society, precisely analyse issues in many workplaces, and play a leading role in innovative business activities. JAC Group continues to be a unique partner for companies in all manner of industrial fields working to solve issues in human capital management, which forms the foundation of their business.

### Recruitment business results by industry in Japan

Results for FY2022

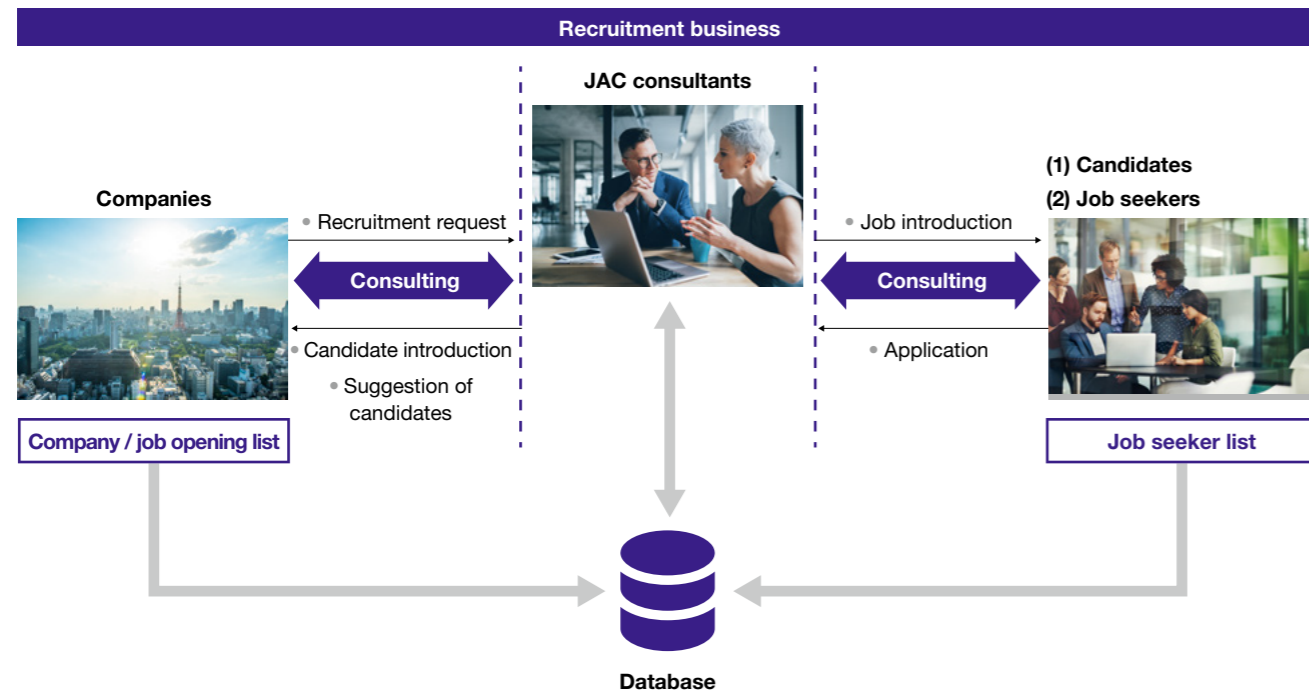


Medical services / Biochemistry	16.1%
Machinery	15.1%
Chemical	13.8%
Electricity	9.0%
IT	7.9%
Construction / Real estate	6.5%
Consulting / Think tanks	4.9%
Finance	4.7%
Web	4.5%
Consumer goods	4.4%
Distribution	3.6%
Services	2.7%
Trading companies	2.7%
Telecommunications	1.7%
Human resources / Education	1.2%
Others	1.1%



### Placing a wide variety of candidates to every industry in 12 countries around the world

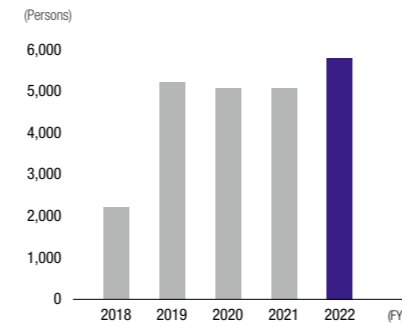
With offices in 12 countries spanning Europe, the United States, and Asia, JAC Group is characterised by its global-scale capacity to introduce candidates for all manner of occupations in all industrial fields within the scope of the license granted to private-sector recruitment businesses. We have established a system that allows us to introduce candidates not only domestically in each country but also across borders through collaboration among global Group companies.



### Professional Teams and Industry-Specific Consultants Ensuring High Customer Satisfaction

As of 31 December 2022, JAC Group's recruitment business in Japan included 1,227 industry-specific consultants, who are divided into over 140 segmented teams in Japan alone by location and industry. Leveraging the skills and expertise they have accumulated in their areas of specialisation, each team of consultants provides optimal and highly satisfactory consulting, matching the needs of both companies and job seekers.

Changes in re-registrations of past successful candidates



## 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 JAC Group's core business, and its primary strength lies in its experienced industry-specific consultants. They have a deep understanding of candidates in their specific fields, engage in several interviews with them, and consult with

them through positive discussion to identify their capabilities or potential and discuss their future careers. Our consultants work together with candidates to consider their life plans by sharing their vision and providing advice on their career paths in the future, before

providing them with recruitment information on companies and job openings. This method has been highly acclaimed by candidates, earning their trust and satisfaction.

## Our Path to the Group's Sustained Growth

Industry-Specific Consultants Are the Source of Our Value Creation

JAC Group's source of value creation is the industry-specific consultants who provide sincere services to both candidates and companies. It is the mission of each consultant to acquire a

deep understanding of the Group's Philosophy & Policy and provide high-quality services. The foundation for this is our founder's belief in "Freedom & Discipline" (to be self-disciplined in our

actions and refine ourselves with a strong will and freedom of thought), which is deeply ingrained in each consultant.



**100+ Club Member**

At JAC Recruitment Group, consultants who have achieved more than 100 successful candidate placements are awarded the title of "100+ Club" member, an in-house certification club for recruitment professionals.

100+ Club members are elite consultants who have taken on the mission of driving the growth of the recruitment industry and the industries they are responsible for.

At the JAC Recruitment Group, 193 of our 1100 consultants currently hold this distinction. For every 100 referrals, that number increase. A consultant who has helped 200 people change jobs is called a 200+ Club member. Currently, we have one 400+ Club member in Japan and one 700+ Club member overseas.

**100+ Club Members' Achievements** (Japan Only)

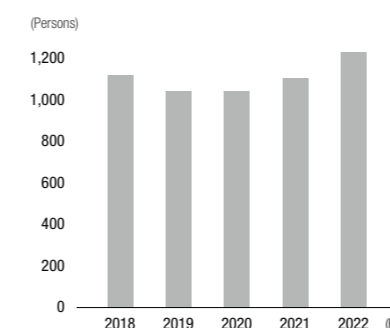
- The percentage of 100+ Club members is **17%** of all consultants
- The closing rate for high-paying jobs with an annual salary of 9 million yen or more is **1.5 times** the internal average

\* As of June 2020

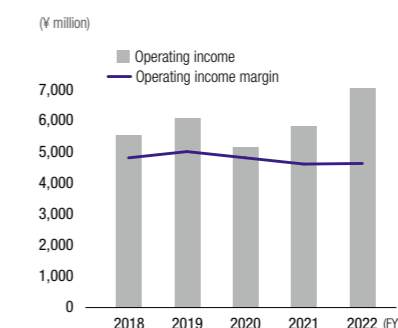
### Ensure Sustained Growth by Increasing the Number of Professionals

High-quality services lead to customer satisfaction, a higher number of successful placements of introduced candidates, and an improvement in the rate of placements, which will, in turn, result in high profitability. 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 JAC Group's original "100+ Club." Only consultants who have made at least 100 successful placements are certified as members. The growth of JAC Group is underpinned by continuously increasing its number of highly professional consultants.

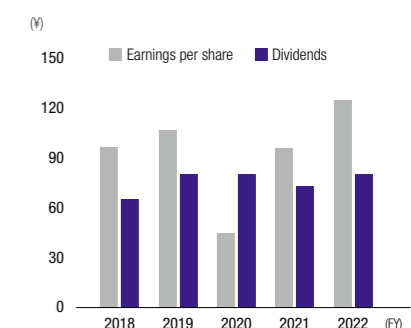
Number of recruitment consultants



Operating income / Operating income margin



Earnings per share and dividends



# CORE VALUES

## JAC Group's Five Advantages

①

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

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

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.

②

### Consulting with highly skilled professionals

(High-quality services)

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

③

### Specialising in managerial/executive and specialist positions

(Specialised in professional and middle- and high-level positions)

JAC Group's strengths lie in global recruitment necessary for foreign-affiliated companies and Japanese companies overseas, and career transition support specialised in professionals, managers, and middle- and high-level positions. The number of successful career changes we have supported in this field is among the highest in Japan.

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 candidates by sharing information among consultants and through multiple eyes. Our number of specialist teams is among the highest in the world, with over 140 segmented teams in Japan alone.

⑤

### Teamwork

(Recruitment services through company-wide collaboration)

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 information on the latest industry conditions shared among our teams.



## Basis for Development Plans

### JAC as No. 1

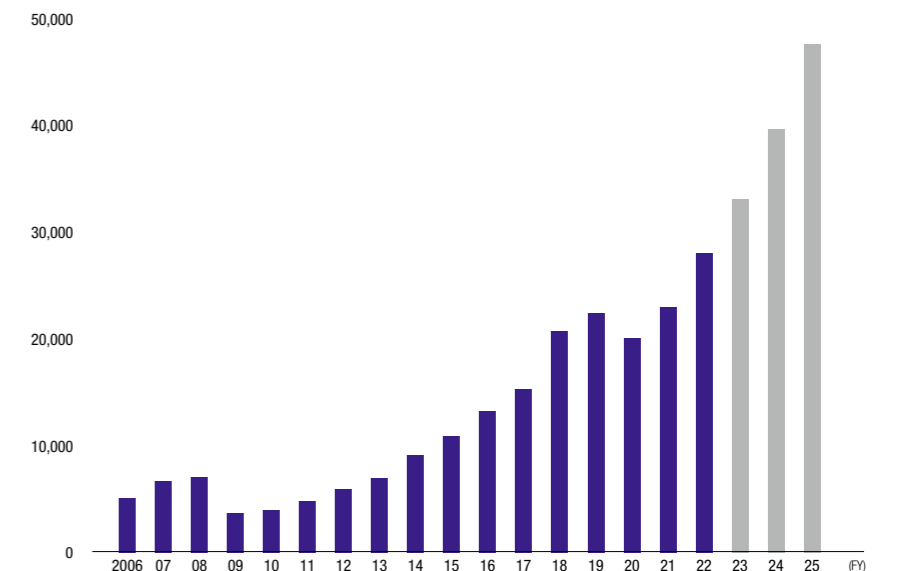
### Aim to be the world's No. 1 professional recruitment consultancy firm, both in quality of service and profitability

- Based on our core values accumulated over 48 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

(¥ million)

\* Figures for 2023 to 2025 are targets.





# TOP MESSAGE

## Connecting People and Companies through Consultant-Led Recruitment and Helping Enhance Human Capital Management

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

### Human Capital Management and the Role of JAC

Human capital management, which recognises the value of human resources as crucial assets and aims to maximise their potential to contribute to medium- and long-term corporate growth, is gaining significant attention. Companies that align their human resource strategy with their business goals and invest in their workforce are increasingly expected to enhance their corporate value and attract funding.

Since our founding in the United Kingdom in 1975, JAC has placed great emphasis on the importance of human resources. We firmly believe that **human resources are at the heart of every business**, regardless of the industry or field. Whether it involves growing vegetables or developing cutting-edge IT products, human involvement is indispensable in the production process. Through our recruitment business, we aim to make meaningful contributions to various sectors and support economic activities.

The Fourth Industrial Revolution has brought significant transformations to the way people work. There are now increasing expectations for individuals to possess higher skill levels and specialisations. Tasks that once relied on sheer manpower are now performed by computers and machines, freeing up humans to focus on tasks

that require their unique capabilities. Consequently, there is a growing need across society to ensure the right person is placed in the right position, allowing individuals to fully utilise their skills and expertise.

One of JAC's key strengths lies in our ability to deeply understand client companies' needs and candidates' individual traits, enabling us to provide professional consulting services that optimise placement. Our industry-specific consultants possess extensive knowledge of their respective sectors and companies, allowing them to propose the most suitable talent aligned with each company's business strategy. At the same time, we consider the experiences and traits of individual candidates, supporting their career plans by identifying the most fitting work environments. This approach is made possible through highly specialised expertise and collaborative team efforts. **Through our recruitment services closely aligned with the needs of both companies and candidates**, we aim to empower individuals to take charge of their career paths and unlock their full potential, which, in turn, will enhance productivity and competitiveness for companies, thereby contributing to a society that thrives on continuous progress.

### Vision for 2030 and Medium- to Long-Term Growth Strategy

At JAC Group, our vision for 2030 is to **become the world's No. 1 professional recruitment group on the strength of superior consulting services and profitability**. We aim to provide high-quality services around the world, making us the first choice for both corporate clients and candidates. Our goal is to earn the trust of our shareholders and create a work environment where employees and their families find fulfilment and happiness. Through these efforts, we are committed to continuous growth and progress, aiming to establish ourselves as the world leader in profitability.

With regard to profits, we aim to achieve annual growth of 20% through dual approaches of maintaining high productivity and expanding the business scale by increasing the number of consultants. In doing so, we aspire to attain the highest sales and profits in the world. For the fiscal year ending December 31, 2023 (FY2023), we target net sales of ¥36.6 billion and profit attributable to owners of parent of ¥5.4 billion. We aim for net sales of ¥43.9 billion and profit attributable to owners of parent of ¥6.9 billion in FY2024 and ¥52.7 billion and ¥8.9 billion, respectively, in FY2025, as we focus on sustained growth and development.

To realise our vision, we have identified the following **five key areas of focus**.

First, we prioritise our human resource strategy in terms of **increasing the number of consultants** and implementing our unique and **advanced JAC Standard training program**. Sales in the recruitment industry depend on three elements, namely, the number of consultants, their individual productivity, and the job placement fee rate. Therefore, securing a high number of exceptional consultants and improving then maintaining their productivity are key to driving our business growth.

Second, we emphasise the importance of thorough **account management**. In addition to our recruitment business, we have expanded into

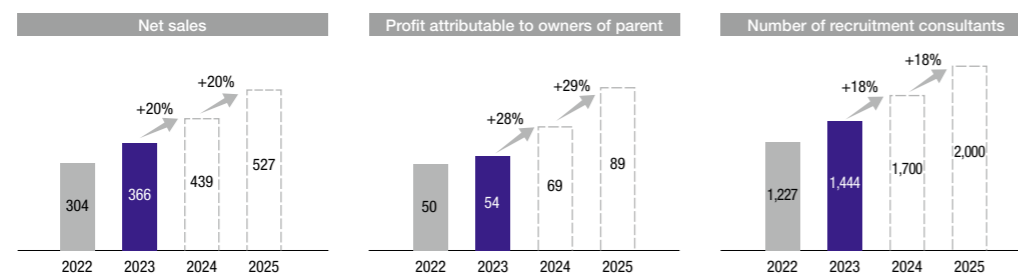
peripheral businesses such as Recruitment Process Optimisation (RPO), job advertising and recruitment agency services, and Interim Management Solutions (IMS) outsourcing services to meet the diverse needs of our client companies. We are committed to promoting comprehensive organisational management for key client companies, with all JAC Group companies and departments working together as one team to drive account management initiatives.

Third, we **focus on growth markets and domains**. As talent needs expand and develop in specific industries and business domains, it is crucial to identify emerging growth areas and strategically expand our business. While we have been focusing on the healthcare, life sciences, and IT/digital domains, we will also strengthen our efforts for regional expansion and executive position placements in FY2023.

Fourth, we are dedicated to **strengthening our management capabilities**. Building a robust organisational structure is essential for sustained business growth, and for that reason, we are investing in the recruitment and development of talented management personnel. As part of the JAC Standard initiative, in FY2022, we developed a rank-based training program for management and conducted training sessions for 180 employees in the managerial position of teams. In FY2023, we plan to further clarify the mission and duties of employees in managerial positions, from heads and deputy heads of departments up to associate directors, and provide training accordingly.

Lastly, we aim for **enhanced efficiency through business process reengineering (BPR)**. We are implementing BPR to achieve efficient operations throughout JAC Group. Based on the results of the current analysis conducted in 2022, we will proceed with the reform of core information systems and business processes in 2023.

#### Medium-term management plan



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

### JAC's Human Resource Strategy

#### Increasing the Number of Consultants and Providing Education through the JAC Standard

One of JAC's key strengths and greatest assets is its high-level professional consultants. The number of such consultants plays a crucial role in achieving our goals. That's why we pursue the **proactive recruitment of consultants and invest in their education and development**.

Since FY2021, we have been strengthening our Recruitment and Education Departments. By the end of FY2022, we had increased the workforce by approximately 2.5 times compared to FY2020. In FY2022, we created the JAC Standard education program to provide comprehensive training for all new employees and enhance their skills and capabilities at an early stage. These efforts increased recruitment and decreased turnover, and our Domestic Recruitment Business has 240 more consultants than two years ago. By the end of 2022, the total number of consultants

reached 1,012, exceeding our initial target of 990.

The strengthening of education has contributed significantly to the improvement of consultants' productivity. Despite the substantial increase in staff, the monthly productivity per consultant surpassed our initial target by 6%, reaching ¥2.38 million.

Moreover, establishing a training system led by the Education Department has greatly alleviated the workload associated with nurturing new consultants. In 2023, we aim to further reduce turnover rates and enhance the quality of our consultants by creating Japanese- and English-language handbooks on JAC Standard education, which has proven effective in reducing job departures, and distributing it across the entire JAC Group, including overseas subsidiaries.



### Focus on Growth Markets and Regions

At JAC, we establish optimal organisational structures to align with the market's needs. We aim to drive growth by focusing on rapidly growing markets and strategically allocating our human resources.

One of the areas we are particularly focused on is the **digital-related** domain.

We have achieved strong performance in the digital field with around 30% growth since FY2020. In FY2022, the signing of contracts amounted to ¥9.9 billion, and this figure is expected to jump to approximately ¥12 billion in 2023, demonstrating a solid annual increase. To cater to expanding market size and meet customer needs, we have implemented a more specialised and segmented team structure. As a result, the number of divisions and teams within our digital-related domain increased to 12 and 34, respectively, in 2022.

While larger digital companies have become more cautious in their hiring practices since autumn 2022, there remains a persistent talent shortage in Japan's medium-sized companies, indicating ongoing growth opportunities.

Another key area of focus is **strengthening our regional presence**.

Building on our accumulated expertise and successful track record in various regions, we aim to create new markets and contribute to the

employment of highly skilled professionals and management personnel beyond the Tokyo metropolitan area. This, in turn, will support regional revitalisation and contribute to the overall economic development of Japan.

In 2022, we opened our 10th office in Fukuoka and expanded our Osaka and Nagoya offices, which together added over 50 consultants. In April 2023, we established the Sendai office to support the recovery and development of the Tohoku region. We also opened a new office in Hamamatsu, one of Japan's foremost technology hubs, enhancing our domestic network to 12 locations. We have also expanded our Yokohama and Kyoto offices. Our commitment to strengthening regional bases aligns with our goal of doubling growth in three years.

At the same time, we are prioritising the **reinforcement of our executive domain** to maximise profitability in regional offices. By 2022, we assigned executive specialists to handle the high-income, executive-level positions in our Yokohama, Nagoya, Kyoto, and Kobe offices. In 2023, we will expand this initiative to encompass all offices, with a particular focus on high-income positions. The Executive Division at the Tokyo Head Office will lead this effort, targeting high-income individuals earning over ¥20 million annually as we strive to further boost profitability.



### Progress in FY2022 and Forecast for FY2023

With the exception of FY2020 when we were impacted by COVID-19, JAC Group has enjoyed **consistent growth in annual sales since FY2010**.

We achieved significant increases in both **net sales and gross profit in FY2022**, with both indicators exceeding 20% on a year-on-year basis, leading to **record-high** figures of ¥30.4 billion and ¥28 billion, respectively. Ordinary income was ¥7 billion, up over 20% year over year, and profit attributable to owners of parent was ¥5 billion, marking an increase of approximately 30% due to tax benefits that accompanied the substantial increase in the number of consultants recruited.

All segments saw sales increase significantly year on year. In particular, the Domestic Recruitment Business achieved record-high sales of ¥26.7 billion. The business also recorded ¥6.8 billion in profit despite cost increases, such as higher advertising expenses, including the broadcasting of TV commercials, and increased bonuses for employees as a result of strong business performance. The Overseas Business posted sales of ¥3.3 billion, an increase of 43%, while marking a turnaround to profitability with approximately ¥100 million. The Domestic Job Offer Advertising Business also saw sales surge 44% to approximately ¥400 million and turned profitable.

**In terms of consolidated full-year forecasts for FY2023, we project net sales to increase by around 20% to ¥36.6 billion** and operating income and ordinary income to both climb roughly 10% to around ¥7.8 billion. Profit attributable to owners of parent is forecast to increase by around 8% to approximately ¥5.4 billion.

The lower growth rate of profitability compared

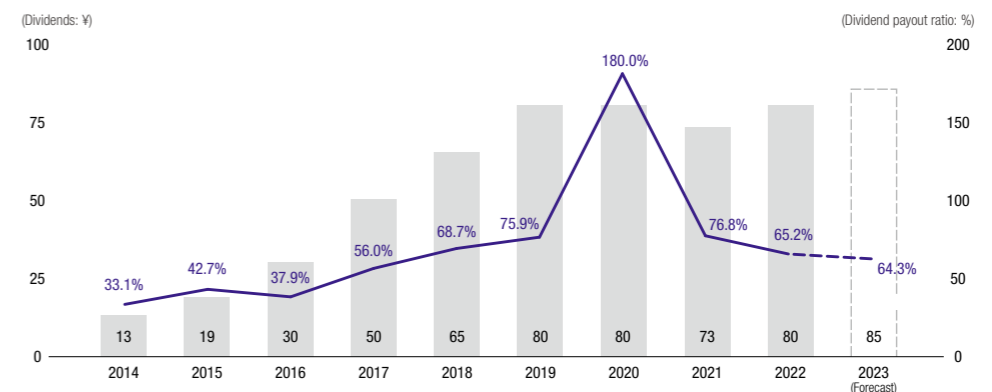
to sales growth can be attributed to an increase in selling, general and administrative expenses that arise from several factors. First, selling expenses have increased due to the broadcasting of TV commercials and other marketing activities to drive business expansion. Second, personnel expenses have risen due to an increase in the number of consultants, their training requirements, and the education of executives. Additionally, we have made upfront investments in IT and digital transformation (DX) initiatives to promote BPR. Meanwhile, the expiration of tax benefits related to securing human resources has led to an increase in tax burden, affecting profit attributable to owners of parent.

It should be noted that this performance outlook is based on the assumption that the impact of external factors on the global economy, such as the Russia-Ukraine conflict, will be kept at the current level and that any slowdown in the economies of Europe and the United States, as well as employment constraints, will remain limited in scope.

Providing shareholder returns is considered one of the key priorities of management, and we strive to do so primarily through dividend payments while achieving a balance between investments and returns as necessary. Meanwhile, we also maintain a reserve of funds for times of economic downturn and for investment purposes such as M&A to support our future growth strategies. For FY2022 and FY2023, our policy is to maintain a **dividend payout ratio of approximately 65%**. We paid a year-end dividend of ¥80 per share in FY2022 and plan to increase this to ¥85 per share in FY2023.

Going forward, we aim to steadily increase shareholder returns by consistently growing profits.

#### Dividends per share and dividend payout ratio





### Initiatives for Achieving the SDGs to Realise a Sustainable Society

JAC Group is committed to contributing to the achievement of the Sustainable Development Goals (SDGs) through various initiatives. Our fundamental approach to sustainability is based on “connecting people and companies and continuously contributing to their growth” and “enabling employees and companies to voluntarily contribute to realising a sustainable society.”

Aside from optimising the allocation of human capital through our recruitment business, we proactively contribute to addressing various societal challenges, for instance, by strengthening efforts at local bases to drive regional revitalisation. In addition, we undertake various initiatives to enhance the well-being of our Group employees and their families.

As an example, we are proactively promoting **diversity and inclusion** (D&I) to create an environment where employees with diverse values can thrive. One of our goals is to increase the ratio of female managers from the current 23% to 40% by 2025. To achieve this, we have established the Women’s Empowerment Committee, focusing on the development of female managers and encouraging a shift in mindset among male managers. We conduct one-on-one meetings with female manager candidates and strive to foster a culture that encourages women to aspire to

leadership positions. Further, we support working parents by implementing various initiatives, such as providing a monthly childcare subsidy of up to ¥100,000 per child, ensuring that they can continue to develop their careers while balancing the demands of parenting.

We have also established a committee to deepen our understanding of the LGBTQ+ community. Through company-wide training programs, organising events during Pride Month both internally and externally, and distributing Ally stickers to supportive individuals, we are actively working towards creating an LGBTQ+-friendly workplace. In recognition of our efforts in this area, we received the highest Gold award in the PRIDE Index 2022.

To promote employee health, JAC has set key performance indicators (KPIs), such as achieving a participation rate of over 30% in regular physical exercise and maintaining a 100% no-smoking rate. Other initiatives include encouraging health check-ups and comprehensive medical examinations, providing support and assistance for physical activity, and offering opportunities for disease prevention such as subsidising vaccination costs. As a result, we have been certified as a Health & Productivity Management Outstanding Organization for six consecutive years, including in 2023.

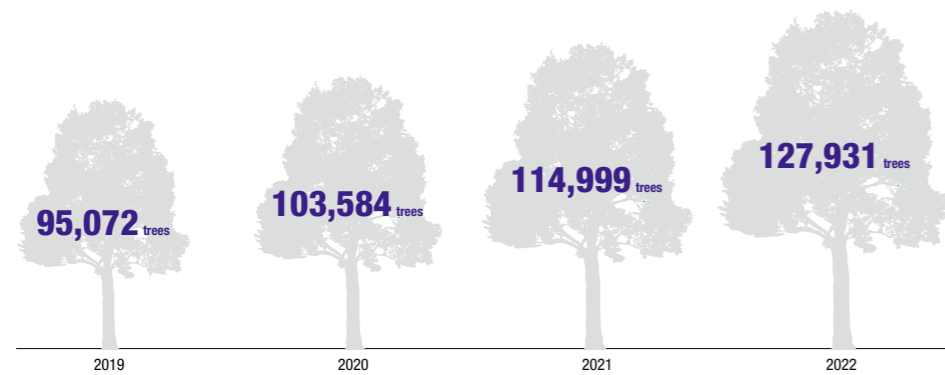
JAC Group has been implementing the PPP Project (One Placement creates One Plant to save the Planet), where one tree is planted for every successful placement of job seekers through JAC Group companies worldwide. Afforestation activities are ongoing in Bali in Indonesia and Borneo in Malaysia, and we have planted 120,000 trees, which absorb approximately 500 tons of greenhouse gases annually, since 2008. As a result of these efforts, in FY2022, we achieved carbon neutrality in Scope 1 and Scope 2 in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). These activities not only contribute to greenhouse gas absorption but also help protect the natural environment, preserve flora and fauna, and promote employment in local communities.

As part of our commitment to environmental issues, we provide operational support to the **JAC Environmental & Animal Protection**

**Foundation.** I established the Foundation in 2022 as Chairman, CEO and Managing Director of JAC, with the aims of preventing the euthanasia of dogs and cats, protecting endangered animals, and preserving their natural habitats. While the Foundation’s funding comes from my personal donations, JAC provides the necessary personnel and office space to support its operations. In February 2023, the Foundation was officially recognised as a public interest foundation, and in April, it distributed a total of ¥82 million to selected organisations as its first round of grants.

JAC Group, as a global recruitment company, is dedicated to connecting people, companies, the economy, and society. We strive to contribute to their growth and development while also making a positive impact on global environmental conservation and continuing to support the sustainable advancement of society in collaboration with our stakeholders.

#### Trees planted (aggregate since 2008)



#### Medium-term targets and 2022 results for D&I and health & productivity management

		Results for FY2022	Targets for FY2025
D&I	Ratio of female managers	23%	40%
	Smoking rate	8.0%	0%
Health & productivity management	Percentage of employees taking health checks	100%	100%
	Percentage of employees taking stress checks	87.7%	100%
	Percentage of anomalies in health checks	27%	20%





## Where the Ambitions of People and Companies Meet

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 of JAC Group's business. 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, JAC Group's main business, 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 12 countries.

### Business Expansion

JAC Group has also developed related businesses centred around its core recruitment business. In 2013, we acquired the bilingual job board website CareerCross (CareerCross Co., Ltd.), 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 services including licensing procedures, labour consulting, and interpretation and translation necessary for business operations. JAC Outsourcing provides business process outsourcing (BPO) services, while our contract business focuses on limited-period, high-salary positions. In 2020, we launched new businesses such as Interim Management Solutions (IMS), which connects businesses with human resources equipped to undertake project work for a limited period, and Recruitment Process Optimisation (RPO), which offers recruitment agency services for companies.

### Expansion of Operating Areas

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 in 2014, Germany in 2019, and the United States in 2023. In Japan, we are headquartered in Tokyo, and have opened offices successively in Osaka, Kyoto, Yokohama, Nagoya, Kobe, Shizuoka, Chugoku (Hiroshima), and Kita-Kanto. A new office in Fukuoka was established in 2022, along with offices in Hamamatsu and Tohoku in 2023. In this way, we are making efforts to revitalise local communities.

### Creating Shared Value with Society

To date, 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. Another area of our focus is the recruitment and placement of human resources well-versed in the Sustainable Development Goals (SDGs), who are necessary to solve social issues such as increasingly serious climate change. Going forward, we will continue to contribute to solving social issues by recruiting talented human resources.

## JAC Group's Position

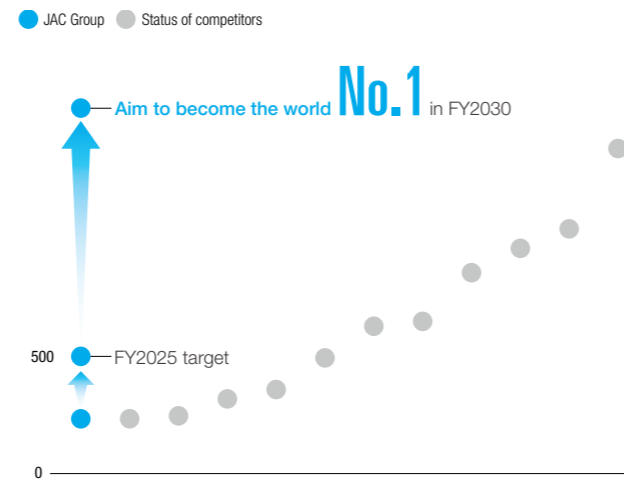
JAC Group's main business—the Domestic Recruitment Business—covers major regions of Japan from Sendai to Fukuoka, with more than 1,000 consultants at a total of 14 locations, including two subsidiaries. As a recruitment business that provides consultations for highly skilled human resources with high annual incomes, we are one of the largest in Japan in terms of our number of offices and consultants.

In the Overseas Business, we have offices in 17 locations in 11 countries, including the United Kingdom, Germany, various Asian countries, and the United States. We utilise the network that connects these offices to provide the recruitment services to Japanese companies operating overseas and multinational companies.

JAC Group ranks 12th in the world\* in the global recruitment market in terms of sales (as of December 2021) and aims to further expand its business.

\* JAC Group ranks 12th in the world in terms of sales from full-time employee placements (According to research by JAC Group, based on FY2021 data. Includes some estimates. Excludes recruitment companies that primarily specialise in lower price range positions.)

### JAC Group's Position



## Three Business Segments

### Domestic Recruitment Business

In the Domestic Recruitment Business, we recruit and introduce candidates for client companies and receive success-based fees when a candidate is hired. In addition to this core business, we operate a retainer-based business called Executive Search. 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 global trend of securing high-level human resources. We believe that the expansion of the domestic recruitment market, including overseas-related job openings, will continue in the future.

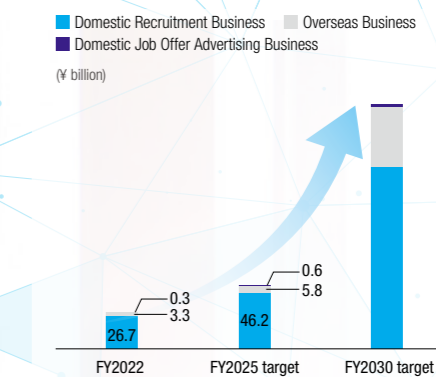
### Overseas Business

As the business operations of Japanese companies continue to grow in Asia, localisation of management has become the mainstream approach at local subsidiaries, and our business continues to expand to meet such needs. We are also focusing on the European and U.S. markets and developing our business in each region.

### Domestic Job Offer Advertising Business

CareerCross Co., Ltd. is a JAC Group company that operates advertising services on the bilingual job offer advertisement site CareerCross. In the job offer advertisement market for bilingual human resources, the site is used widely by non-Japanese companies for recruiting human resources, and in recent years it is also being used by many Japanese companies as a direct sourcing tool for recruiting global human resources. Looking ahead, we will continue to expand business opportunities through coordination between the recruitment business and job offer advertising business.

### Net sales by segment



## History of JAC Group

Japan Agency & Consultancy (now JAC) was established in London in 1975 to support UK-based Japanese companies and expatriates. At that time, JAC's business was wide-ranging, including housing brokerage for Japanese people, Japanese food sales, and restaurant management, but it also operated a recruitment business for local Japanese companies.

In 1981, Hiromi Tazaki—Co-Founder, Chairman, CEO and Managing Director—joined the company. JAC's recruitment business flourished, and the company name was changed to JAC Recruitment. We established a base in Singapore and JAC Japan, our Japanese office, in 1987 and 1988, respectively. Subsequently, we continued to expand our presence in other regions, primarily in Southeast Asia.

At the same time, deregulation between 1999 and 2000 opened up business opportunities for the Japanese domestic recruitment business, and JAC entered a period of significant growth. In 2002, we began hiring new graduates, expanding our business in earnest, and got listed on the JASDAQ stock exchange in 2006. Later, in the wake of the 2008 global financial crisis triggered by the collapse of Lehman Brothers, JAC shifted to a more sophisticated business model and strengthened our consulting-style business operations. We transitioned to the First Section (currently the Prime Market) of the Tokyo Stock Exchange in 2015. In 2018, JAC companies operating overseas were consolidated.

# Rolling Out 11 Service Brands

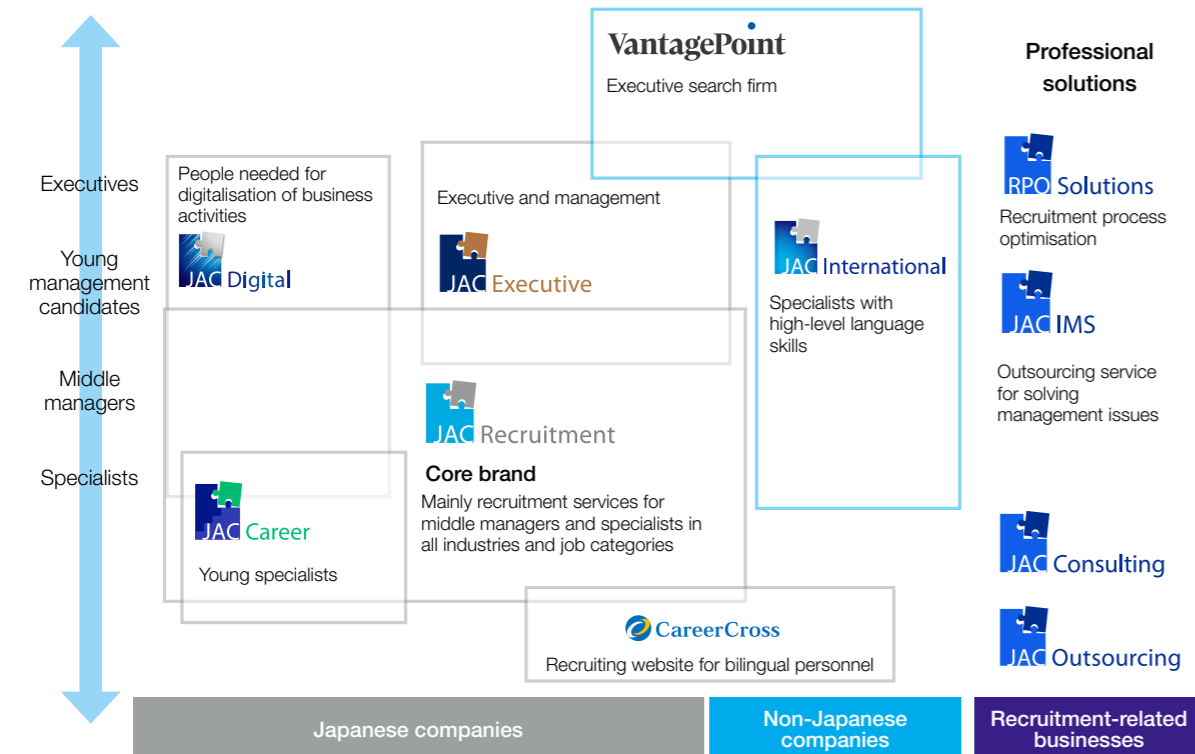
Offering brands that meet diversifying needs to provide more specialised services

The economic and social environments have changed with the times, companies recruit, and people change jobs in more diverse ways. JAC Group has developed a range of brands that emphasise necessary expertise in consideration of market conditions, providing services that meet the needs of its customers while maintaining a style of responding to the needs of JAC Group's core high-class global human resources and specialists through high-level consultations.

With each brand, we provide more specialised consultations tailored to individual needs and aim to be the top service provider in each field, thereby achieving our 2030 goal of becoming No. 1 in the world in terms of both quality and profit as a group of recruitment professionals.



## 11 Service Brands



# Supporting Human Capital Management and Contributing to Economic and Social Development

Supporting the resolution of social issues by connecting the aspirations of people and companies

Currently attracting attention is human capital management, which considers human resources as a form of capital and seeks to maximise their value, thereby leading to medium- to long-term improvements in corporate value. The industrial structure is undergoing rapid changes because of the so-called Fourth Industrial Revolution and other factors. Japan in particular faces a shrinking labour force due to the declining birth rate and ageing population. Amid this climate, securing human capital to support corporate growth strategies will become even more crucial.

Since its founding in 1975, JAC Group has focused consistently on the importance of people and provided human capital to support corporate human resource strategies. We seek to connect the aspirations of people to leverage their skills and experience to

advance their careers. At the same time, we support the aspirations of companies to sustainably increase their corporate value while responding to changes in the business environment. Through such commitments, we contribute to the development of society and the economy.

People's stance towards careers continues to change, and the roles required of people become more diverse and sophisticated as a result of the use of AI and other technologies. As such, our recruitment business, which responds to the challenges of corporate human resource strategies through high-quality consulting, is becoming increasingly important. Going forward, we will continue contributing to the development of the economy and society by connecting the aspirations of people and companies.



JAC Group supports over 70,000 newly registered job seekers each year as they pursue new challenges in their careers. Our specialist consultants are familiar with the characteristics of each industry or job type. They have a deep understanding of the value of the experience and skills of each individual and search for places where they can achieve their aspirations.

The link between JAC and these human resources is not a one-time connection. People who improve their skills in the places we connect them with will consult with us again when they seek to move on to the next step in their careers. This relationship of trust supports the value we earn through our recruitment business.



The business environment is changing drastically. For companies to achieve sustained growth, it is necessary to have diverse human resources who can generate various innovations. Human resources with the required skills are the most important capital for a company to realise its aspirations.

JAC Group supports corporate human capital management by introducing the best human resources to realise the business strategies of each company.



In recent years, many companies have come to focus their attention on contributing to the sustainability of society due to the emergence of issues that threaten the sustainability of society, such as the increasingly serious climate change and the global pandemic. Companies are seeking human resources with new skills to engage in their efforts to reduce environmental impact, promote measures to combat climate change through their business operations, and launch new businesses that address other social issues. An increasing number of human resources are also interested in the SDGs and seek to contribute to solving social issues.

We support the efforts of client companies to resolve social issues by recruiting and placing human resources with sustainability-related skills and knowledge that connect companies and human resources alike.

## Expansion of Regional Offices

### Providing the same level of high-quality services throughout Japan

Continuing to actively enhance regional offices and aiming for doubled growth in three years

JAC Group's medium- to long-term management policy of "JAC as No. 1" sets the goal of providing the same level of high-quality services anywhere in the world. This policy also applies in Japan. Around half of all listed companies in Japan are headquartered outside of Tokyo, and they are eager to recruit human resources. To respond to requests from companies in other regions, including unlisted blue-chip companies, we aim to double our growth over the course of three years. Accordingly, we have been working to enhance our regional offices since 2022.

In 2022, we opened our 10th office in Fukuoka and expanded our Osaka and Nagoya offices, which together added over 50 consultants. At the same time, we are prioritising the reinforcement of our executive domain to maximise profitability in regional offices. As part of this effort, we assigned executive specialists to handle the high-income, executive-level positions in our Yokohama, Nagoya, Kyoto, and Kobe offices. As a result, gross profit for all regional offices in 2022 exceeded 8 billion yen, thereby outperforming company average growth year on year.

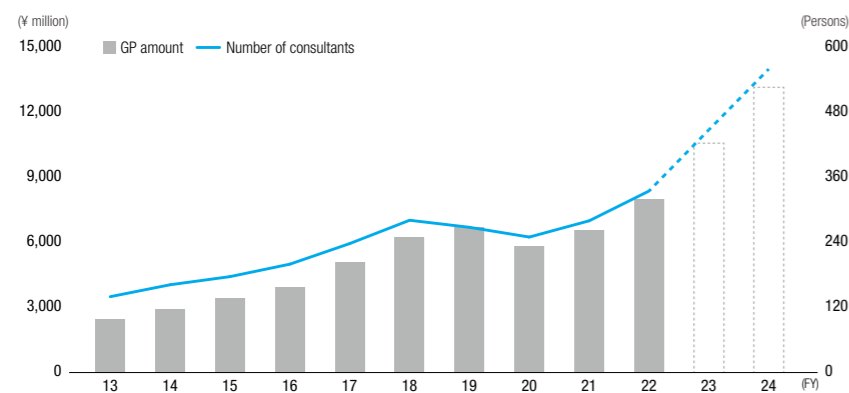
In 2023, we will continue to actively strengthen our regional offices. To drive high profitability, we have assigned executive specialists to all offices while opening new offices in Sendai and Hamamatsu in April to expand our regional presence.

#### Regional Offices: Measures in 2023

- (1) **High profitability:** Assignment of executive specialists at all offices
- (2) **Regional expansion:** New offices established in Sendai and Hamamatsu (April)



#### Gross profit (GP) amount and number of consultants at regional offices



#### FY2024 forecast

¥13 billion  
560 persons

## Human Resource Support in the Digital Domain

### Recruiting and placing human resources who can bridge the gap between businesses and information technology in new, fast-growing markets

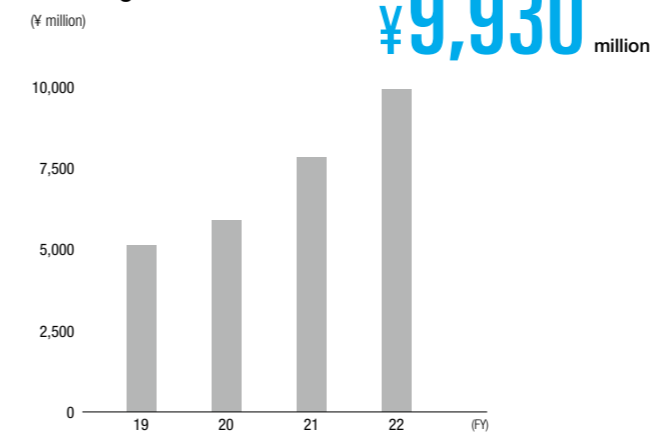
Establishing the rapidly growing digital domain as a core area of the recruitment business and strengthening the support system

While there has been remarkable progress in information technology, with new products and services being created in rapid succession, digital transformation (DX) is necessary for business improvement, increased efficiency, and business reform at all kinds of companies. We have set the rapidly growing digital domain as one of the core areas of our recruitment business. In 2019, we launched a new business brand, JAC Digital, and have been working to improve our internal system and increase the number of consultants. Demand for DX-related human resources has increased further due to the COVID-19 pandemic since 2020, and our digital domain sales have almost doubled over the course of three years, from 5.1 billion yen in 2019 to 9.9 billion yen in 2022. The pool of human resources is insufficient for this rapidly growing domain, and there is an acute shortage of human resources well-versed in both business management and information technology. DX requires engineers familiar with the latest technologies, but engineers alone cannot tackle difficult challenges

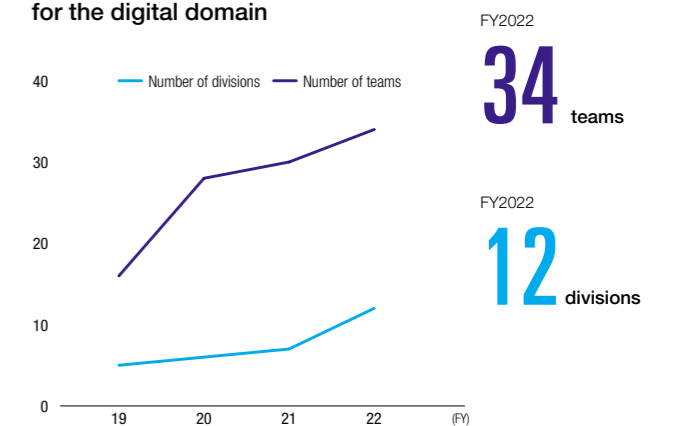
such as business improvement and business reform. There is therefore a need for human resources who can understand technologies from a business perspective—such as how to utilise the latest technologies and what kind of technologies are needed to achieve a company's business objectives—to bridge the gap between business management and digital technologies.

To meet this need, we have established the IT Consulting Division for IT companies, the Financial Technology Division that combines financial services with information technology, the Digital Technology Division that deals with AI and security engineering, and the Digital Entertainment Division, which covers entertainment such as movies and games. By subdividing areas of responsibility in this way, we have enhanced our expertise and built a system to support business opportunities that are expanding in various fields from a human resources perspective. There are now a total of 12 divisions and 34 teams responsible for the digital domain nationwide (as of 31 December 2022).

#### Successful job placements in the digital domain



#### Changes in the number of divisions and teams responsible for the digital domain



## Main Services

### VantagePoint

**Retainer-style recruitment services for strategy consulting firms, etc.**

Since its establishment in 2012, VantagePoint K.K. has provided retainer-style recruitment services to the world's leading strategy consulting firms and financial institutions operating in Japan, recruiting and placing executives, such as senior managers and partners, as well as young executive candidates. Around 40% of its placements are management personnel, and around 10% are senior managers such as presidents and CXOs.



### CareerCross

**Job advertisement services that connect multilingual human resources with non-Japanese companies**

Since its launch in 2000, CareerCross Co., Ltd. has been utilised by companies wishing to hire multilingual human resources and job seekers aiming to find or change jobs at non-Japanese companies. It is characterised by the fact that more than 70% of registered job seekers have business-level English proficiency and has secured its place as a job site specialising in job changes and recruitment for global human resources.



### IMS (Interim Management Solutions)

**Outsourcing services introducing highly skilled human resources with new work styles, such as side jobs**

The IMS business, which was launched in 2020, is a service that introduces highly skilled human resources with extensive knowledge and experience to corporate strategic projects with new work styles such as side jobs and concurrent work. It is a new service that provides human resources with immediately applicable capabilities to solve business issues "in the here and now" at the required time and for the required period.



### RPO (Recruitment Process Optimisation)

**Business support agency services to optimise employee recruitment activities**

JAC's RPO service, which was established in 2020, packages optimised recruitment activities with operational support agency services. We have a pool of RPO consultants with knowledge of recruitment 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.



## Global Presence

JAC Group provides recruitment services in Japan, Singapore, Malaysia, Indonesia, Thailand, Hong Kong SAR, South Korea, Vietnam, India, the United Kingdom, Germany, and the United States. We have a proven track record of global recruitment utilising our network spanning 12 countries worldwide.

# PROFESSIONALS

## Professional Teams that Support Human Capital Management

### MESSAGE

I joined JAC Recruitment as a consultant in 2003. Drastic deregulation was implemented from 1999 to 2000, and the recruitment industry was still in a nascent stage of full-scale growth in Japan.

In those days, numerous companies did not understand the difference between recruitment and temporary staffing. This meant we had to explain the meaning of recruitment before we could even introduce our own services. Among those recruitment projects we received, quite a few were positions for young or inexperienced persons submitted to supplement job recruitment advertisements. In such cases, posted job advertisements received no applicants, so many companies had no choice but to rely on a successful fee-based recruitment agency. For this reason, recruitment agencies did not need the level of expertise that is essential today.

#### Pursuing Recruitment Business with a High Social Purpose

The collapse of Lehman Brothers and the mass retirement of baby boomers combined to trigger a dramatic shift in industry trends.

In the wake of the so-called Lehman Shock in the autumn of 2008, recruitment for young potential candidates with no experience instantly disappeared from the job market as business sentiment plunged. Around the same time, baby boomers began retiring en masse. This rapidly shifting landscape forced companies to hurriedly hire experienced work-ready

**Hiroki Yamada**  
Executive Director and Head of Sales



specialists and managers, which in turn changed the role demanded of the recruitment business.

From that turning point to the present, JAC has consistently pursued the recruitment business with a high social purpose that targets persons who will lead the way in finding solutions to the crucial issues faced by companies. Today, we have more than 140 professional teams subdivided by geographic region, industry, and job type as part of a specialised organisational structure to respond to diverse job orders from each company. These responses include facilitating the overseas business development of Japanese companies that now must undertake business globally; supporting bio-ventures that create ground-breaking treatments for intractable diseases with few treatment options; focusing on the field of

green energy with a low environmental footprint; and more recently raising corporate value from the perspective of the Sustainable Development Goals (SDGs) and environmental, social, and governance (ESG) management.

#### Intervening Value that AI Cannot Replicate

We emphasise face-to-face communication to realise a recruitment business with a high social purpose. Ambitious companies and job seekers both possess visions they hope to realise. The desire encapsulated in such visions can never be matched by just following the literal wording of job descriptions or work resumes. Professional consultants who are well versed in their respective industries and who can accurately articulate and share this desire of companies and job

The growth of Japan's recruitment business started gaining traction at the turn of the 21st century. Over two decades later, the role demanded of JAC Recruitment has dramatically transformed from the complementary function of job recruitment advertising towards supplying key persons who lead the way in finding solutions to crucial issues facing contemporary society. JAC Recruitment has over 140 professional teams subdivided by geographic region, industry, and job type while building a system capable of responding to a diverse range of recruitment orders.

seekers are essential. At the same time, professional teams that can bind such professional consultants as an organisation are also crucial.

Even professional consultants have limits to what they can achieve on their own. By forming professional teams that bring together professional consultants, JAC expands the range of companies and jobs it can introduce by mutually sharing highly specialised information from each consultant and broadening its imagination, which in turn leads to numerous instances of matchings that companies and human resources alone could never have imagined. This is the chief feature of our recruitment business. We take pride in this intervening value that AI cannot replicate regardless of how far it advances.

Triggered by the COVID-19 pandemic, new trends engulfing society have emerged, such as digital transformation and revitalisation of local economies. These trends are being accompanied by a movement of human resources at an unprecedented scale. We are confident that JAC's recruitment services can demonstrate its true value precisely in times like this when entire societies are entering a period of transition. We will continue working to enhance our professional consultants and teams to maintain a presence needed by companies and human resources as a recruitment agency with a high social purpose.

### Strengths of JAC's Professional Teams

JAC Recruitment's business is made up of more than 140 professional teams, which is unprecedented in Japan, and its unique organisational concept supports its high business growth potential.

#### 1. Three-dimensional organisation consisting of geographic region, industry, and job type matched to market needs

JAC Recruitment's teams are organised by optimally combining three-dimensional elements consisting of geographic region, industry, and job type matched to the needs of markets. When different knowledge and responses are required for Japanese companies and non-Japanese companies, even within the same industries, JAC Recruitment further subdivides its teams to ensure professionalism as we work to further cultivate markets.

#### 2. Ensuring the quality of management based on small teams

Each team is composed of fewer than seven consultants on average throughout the entire company. Our basic policy is to maintain a small number of consultants on each team to ensure that managers can be thoroughly involved in management and provide extensive guidance to every consultant. When the business volume expands, we further subdivide teams and create new teams to assure management quality.

#### 3. Horizontal collaboration of consultants with 100+ Club as a hub

JAC Group's recruitment business features a common group-wide membership system called the 100+ Club. Only those consultants who have accomplished over 100 placements are eligible to join. Operated by highly productive veteran consultants tasked with nurturing young consultants, the 100+ Club functions as a hub and regularly convenes company-wide seminars and luncheon meetings at each office. This creates a horizontal linkage for collaboration as part of systematic consulting.

#### 4. High-level work standardisation based on JAC Standard

JAC Group has documented its JAC Standard in both Japanese and English, which specifically prescribes the high level of work standard that all consultants engaged in recruitment business should achieve. To attain this standard throughout the Group, we implement a common training program. JAC Group has standardised all its day-to-day operations by using common languages to ensure everyone understands the tasks they must perform as professional consultants. This assures there are no variations in management even when we increase the number of teams as our business expands.

# PROFESSIONALS

**Professional Teams Support Human Capital Management**  
JAC Group solves important human resources issues and supports corporate human capital management.

## Biotech Team

### High-Level Expertise Supports Leading Venture Companies from Biopharmaceutical Drug Discovery to Manufacturing

Bio-ventures create ground-breaking treatments for intractable diseases and are increasing their presence in the development of new drugs and treatment technologies. JAC Recruitment's highly specialised consultants support leading venture companies that possess promising drug discovery concepts and development platforms.

#### OUR MISSION

Our team is supporting the transformation of the pharmaceutical industry based on our mission of "Creating the new medical care of the future together" and "Creating a human resource version of the drug discovery venture ecosystem."

The Biotech Team was established in accordance with changing trends and the transformation of the value chain in the pharmaceutical industry. The team supports venture companies that take on the challenge of drug discovery through new modalities (therapeutic methods) in biotechnology fields with high unmet medical needs.



**Keita Kamo** (centre)  
Senior Manager of Healthcare Division  
Joined the Company in March 2011

#### FUTURE PROSPECT

With the diversification of modalities that utilise innovative technologies, we are witnessing increasingly active moves in fields such as the treatment of cancer and rare diseases where positive outcomes are highly anticipated. This trend is likely to continue in the future. Recently, global companies have been placing greater focus on bio-ventures, and M&A is also brisk.

Many of these companies are still in their nascent business phase, which means currently, there is high demand for senior management positions responsible for development-related operations. In the future, we foresee a need for more team members as business expansion progresses.

#### OUR STRATEGY

The biopharmaceutical market is expected to continue expanding in the future as the number of leading bio-ventures increases while life science companies and major companies from other industries continue to enter the field.

As these trends unfold, we are raising our share in respective markets by leveraging our unique comprehensive strengths. These range from serving as recruitment experts in such specialised fields as drug discovery research, clinical development, and manufacturing to undertaking CxO searches for establishing new companies in response to the demands of venture capital.

For 2023, we aim for placement fee income of approximately 300 million yen. In three years, we intend to unify bio-venture markets not just in the Kanto and Kansai regions but across Japan and aim for annual placement fee income of 1 billion yen.

## New Era Team

### Realise a Sustainable Society with Decarbonisation as a Keyword through Human Resources Allocation

A decarbonised society is an indispensable keyword in promoting measures for combating global warming. Green energy, with its low environmental impact, is currently gaining the spotlight. Nonetheless, the industry faces a shortage of human resources needed to expand supplies of green energy. Recognising that persons with work experience in this new field are limited, JAC Recruitment identifies and introduces suitable personnel from existing fields. This is the essence of our intervening value.

#### OUR MISSION

The New Era Team was established to maximise contributions to companies that aim to realise a decarbonised society, which is now a global trend, and to support the improvement of global sustainability through the allocation of human resources.

The mission and conviction of the New Era Team is "The more we thrive, the more sustainable the world will become, making us a presence that changes the world."



**Shingo Nakamura** (centre)  
Senior Manager of Energy & Infrastructure Division  
Joined the Company in October 2013

#### FUTURE PROSPECT

As demand for green energy rapidly increases to realise a decarbonised society, offshore wind power in particular has been designated by the Japanese government as an indispensable power source. Given this trend, there continues to be high demand for recruitment in this field from both Japanese and non-Japanese companies that range from major companies to venture firms.

Demand for green energy will undoubtedly grow in the future as an important need of our times. Along with this, the development of related services is expected to accelerate across all industries, and we believe this will spur the formation of broad-based new markets.

#### OUR STRATEGY

Listed companies are now required to disclose climate-related financial information, and many companies are moving quickly to introduce green energy to achieve net zero carbon emissions. Benefitting from this tailwind in the market, our results in this field have outperformed those of any other recruitment agency since the establishment of our Energy Team in 2013. We are confident that we are unrivalled in terms of consulting capabilities that utilise our accumulated information, relationships with our client companies, human resource database, and industry knowledge.

Currently, our annual placement fee income in this field is about 500 million yen. We intend to increase this to 1 billion yen in three years to solidify our No. 1 position in this industry.



# PROFESSIONALS

Professional Teams Support Human Capital Management

## Enterprise Team

### Supporting the Promotion of SDGs/ESG Management that Vary by Each Company through the External Hiring of Executives

Following Tokyo Stock Exchange's market segment change implemented in 2022, major companies listed on the Prime Market in particular are required to improve their corporate value more than ever before from the perspective of SDGs and ESG management. However, the challenges that each company faces are by no means uniform. JAC Recruitment introduces executives who fit the strategies and progress of each company.

#### OUR MISSION

Our mission is to "connect global companies representative of Japan with executives to contribute to corporate transformation and their growth. We will create new value in executive human resources based on proposals of the JAC Executive service."

The management themes of the companies listed on the Tokyo Stock Exchange's Prime Market are diverse, such as digital transformation, ESG, and SDGs. JAC Recruitment contributes to the promotion of corporate business and solving management issues by making proposals for executive human resources sourced through our own network.



**Eiji Inaoka** (left)  
Senior Manager of Executive Division  
Joined the Company in May 2005

#### FUTURE PROSPECT

Among the SDGs, diversity and inclusion (D&I), especially raising the ratio of women in managerial positions, is currently an urgent issue for many companies listed on the Prime Market. To this end, there is a trend towards increasing recruitment for managerial positions that cannot be filled through internal promotions.

Additionally, a wide range of human resources are needed for attaining the 17 goals and 169 targets of the SDGs, such as implementing environmental measures that include coordination work with related ministries and agencies to realise net zero carbon emissions. We believe that multi-tiered demand in line with the strategies and progress of each company will continue over the long term.

#### OUR STRATEGY

After the Tokyo Stock Exchange's market segmentation change in 2022, domestic listed companies are coming under greater scrutiny from investors in Japan and overseas. The hurdles for SDGs and ESG management are higher, and the number of related job openings is increasing as the types of jobs are expanded. Currently, we generate annual placement fee income of approximately 3.3 billion yen.

Looking ahead, our team will continue building on its achievements and focus on female executives who promote D&I and governance positions, such as outside directors. By leading this field, we aim for annual placement fee income of 6 billion yen in three years.

#### SUSTAINABLE DEVELOPMENT GOALS



### 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

Ensuring the mobility of executive personnel to drive business activities globally

JAC Group's introduction of executive personnel, both in Japan and overseas, has resulted in numerous success stories. Companies have been able to launch new ventures, develop new products and services with momentum, and expand overseas. Our recruitment business, spanning 12 countries worldwide, plays a vital role in securing the mobility of executive talent, ensuring the right person is placed in the right position globally, thereby directly driving corporate operations.

The needs of our client companies for sustained business expansion are constantly evolving. The more rapidly the world changes, the more essential our recruitment services become to seamlessly connect the aspirations of companies and people. Guided by our unwavering mission "Connecting Ambitions," we will continue to provide timely services that meet the demands of each era, contributing to the growth of companies and individuals as well as overall economic development.

## Contribution to Economic Development and Society

JAC Group has been instrumental in connecting the value held by companies and individuals across the globe, fostering synergy that drives economic and social development. This impactful contribution has garnered recognition in the stock market, with our shares being incorporated into several ESG/SRI-focused funds. As we move forward, we remain committed to evolving and expanding our business operations, thereby deepening our contribution to economic development and society.

Placement track record (2022)

Total number of executive personnel placed at client companies

**437** persons

Total number of SDGs-related personnel placed at client companies

**1,399** persons



Contribution to Society

Providing solutions to social issues through actions of our own and client companies

JAC Group is committed to offering solutions to various social issues, including poverty, health, and education.

In our Domestic Recruitment Business, around 15% of our achievements are in the medical field. We have strategically positioned approximately 150 consultants across 22 segmented teams in six divisions, each specialising in functions such as research and development, manufacturing, and distribution. Their expertise supports the front line of modern healthcare through the supply of talent. Additionally, we are dedicated to supporting client companies that are actively addressing social issues from an ESG/SDGs standpoint. In 2022, we launched a company-wide project aimed at aggregating job listings and talent information related to ESG/SDGs to maximise the number of placements in this field.

In our Overseas Business, we recognise the unique responsibility we have in creating employment opportunities and providing jobs to individuals in developing countries experiencing significant economic growth. By supplying the most suitable personnel to companies and international organisations operating globally, we contribute to advancements in areas such as education, agriculture, technology, and healthcare. Further, for client companies making a foray into overseas markets, we offer vital consulting services on local customs and national characteristics, enabling them to navigate business practices effectively while raising awareness of human rights and environmental considerations.



### I Want Students to Learn the Importance of Taking on Unprecedented Challenges While Studying in the United Kingdom

— Nurturing Japan's International 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 towards study, then refine yourself with free thinking. Textbooks were not used during my higher education in the UK. Merely following textbooks hinders progress and limits discoveries. Instead, students displayed an abundant spirit of constantly pursuing unprecedented challenges.

The establishment of The Tazaki Foundation in 2016 was guided by this very principle. I aspire to instil in Japan's talented young individuals the importance of embracing unprecedented challenges that pave the way for new

possibilities. I also aim to foster future leaders who can confidently express their perspectives, rooted in their Japanese background, on the global stage. In line with this vision, The Tazaki Foundation sends scholarship students to the UK annually.

In 2017, The Tazaki Foundation dispatched the inaugural group of five students. Over time, the program has steadily expanded, with the seventh group in 2023 comprising 10 students. The first group of students sent to the UK have joined the labour market, pursuing 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 leaders as possible and send them out into Japanese society and the wider world.

# Contribution to the Global Environment



## Afforestation Activities

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

### Afforestation activities: “One Placement, One Tree”

JAC Group’s PPP Project (One Placement creates One Plant to save the Planet) is an 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 JAC Group’s wish to contribute to environmental conservation on a global scale and engage in such activities while helping each client company and individual to achieve growth and development.

By restoring forests through this group-wide effort, we will work towards the conservation and protection of precious flora and fauna and the reduction of CO<sub>2</sub> 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 continue to 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 orangutan that inhabit the forests.

### Afforestation track record

Since JAC Group began its afforestation activities in 2008, the Group has planted roughly 130,000 trees (as of 2022). One of our planting sites—Penelokan in Bali—had lost natural vegetation over a wide area due to repeated volcanic eruptions of Mount Batur, causing the water supply for daily use in the surrounding area to fall 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. The majority of the area’s afforestation is the result of JAC Group activities. As a result of these efforts, we have received words of gratitude from local people who use the lake as their daily water source, and we feel that our activities are significant.

## Contributing to the Coexistence of Animals, Nature, and Humans through JAC Environmental & Animal Protection Foundation

I established JAC Environmental & Animal Protection Foundation in 2022 as JAC Recruitment’s Co-Founder, Chairman, CEO, and Managing Director. The Foundation aims to prevent the euthanasia of dogs and cats, protect and conserve endangered and threatened species in Japan, and promote the preservation of natural environments. All the grants provided by the Foundation are contributed through my personal donations, while JAC Recruitment supports the Foundation’s activities through various employee-based initiatives.

### Returning Wealth Generated through Economic Development to the Earth

JAC Environmental & Animal Protection Foundation aims to contribute to the sustainable coexistence of humans and animals and conserve the environment by subsidising organisations that protect animals and the natural world. Additionally, the Foundation strives to raise awareness of animal and environmental protection within Japan through educational initiatives.

Under the belief that “wealth generated by economic development should be returned to the Earth,” I personally dedicate my resources to the protection of animals and the environment in Japan. Through these efforts, I am committed to bringing fundamental change to nature conservation, animal protection, and environmental preservation in Japan.

### Supporting 59 Conservation Projects Nationwide, from Hokkaido to Okinawa

In February 2023, the Foundation was certified as a public interest corporation. As our inaugural grant, we selected 59 projects out of approximately 200 applications from across Japan, from Hokkaido in the north to Okinawa in the south. In April, the Foundation awarded a total of 82 million yen in grants. Among the recipients are initiatives dedicated to the protection of endangered species, such as the sand tiger shark (Ogasawara Islands), Iriomote wildcat (Iriomote Island), and Okinawa Rail (Okinawa Island). For 2024, we plan to allocate grants totalling 160 million yen, twice the amount awarded in 2023.

### Fostering Employee Engagement in Environmental Issues

Through the endeavours of the Foundation, we aim to spearhead the creation of a society and environment in Japan where animals, nature, and humans can coexist harmoniously while also striving to connect the efforts of the entire JAC Group to the sustainability of our planet. Looking ahead, we intend to create mechanisms for employee involvement in volunteer activities related to local environmental conservation initiatives supported by our grant, encouraging employees to think and act on their own to address environmental challenges.



### Protecting Iriomote wildcats from traffic accidents

JAC Environmental & Animal Protection Foundation supports efforts to protect the endangered species of Iriomote wildcats from traffic accidents on the World Heritage site of Iriomote Island.

(Photo: © Kojo Tanaka)



公益財団法人  
JAC環境動物保護財団  
JAC Environmental & Animal  
Protection Foundation



*“We aim to connect the whole activity of our Group to the sustainability of the planet.”*

**Hiromi Tazaki**

Co-Founder, Chairman, CEO, and Managing Director

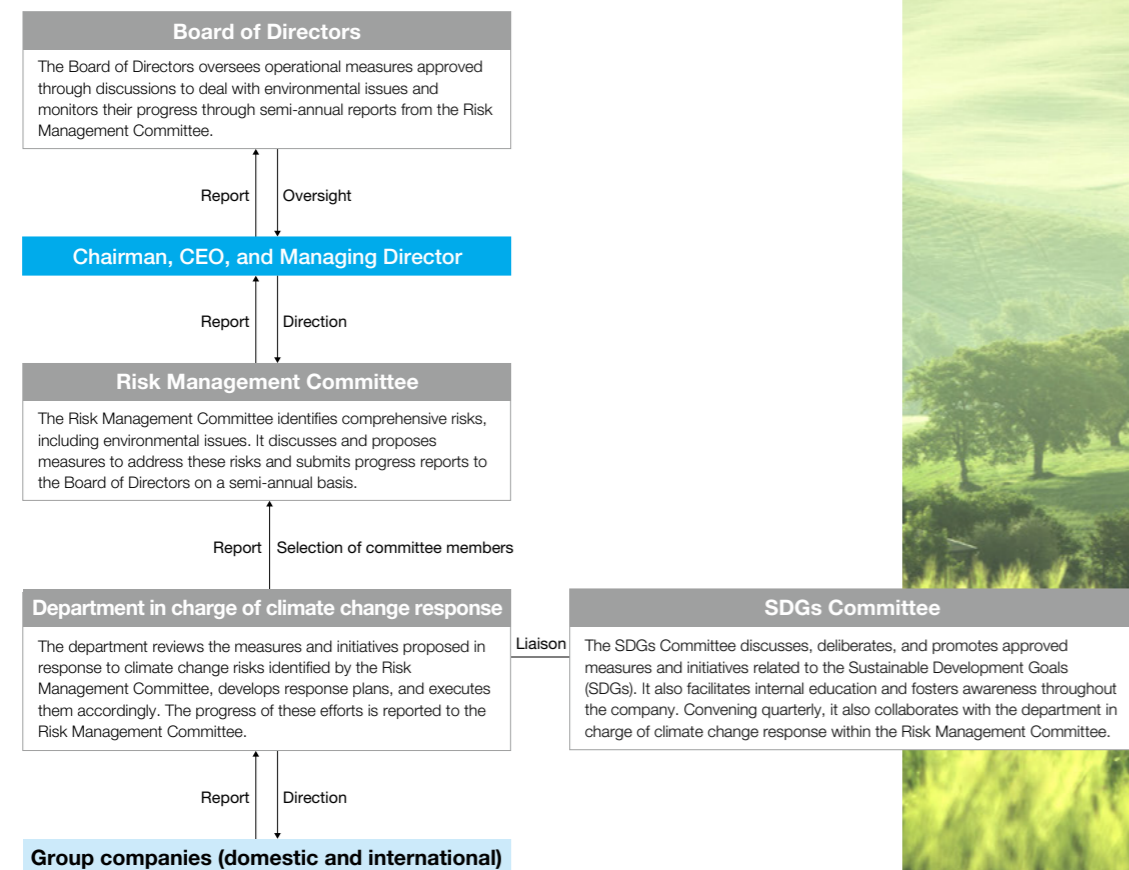
# Addressing Climate Change

Climate change is one of the most critical risks facing humanity. As temperatures rise and the severity of natural disasters worsens, the potential impacts on JAC Group's operations and performance, including shifts in job demand and cost structures, become increasingly significant.

To address this, we recognise climate change as a vital business risk. Taking guidance from the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we are implementing the following measures: (1) Establishing a governance framework, (2) Identifying and evaluating risks and opportunities to enable strategic planning, (3) Managing risks, and (4) Setting targets and metrics.

## Governance

JAC Recruitment has established a governance framework that defines management's role in assessing and managing climate change-related risks and opportunities, as outlined below.



## Strategy

JAC Recruitment develops strategies to address the risks and opportunities, which are identified and evaluated in relation to our business based on the 1.5°C and 4°C scenarios published by external organisations such as the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC).

### Risks and Opportunities

Based on the analysis of the scenarios, we have identified and specified key opportunities and risks, along with their respective timeframes and potential financial impacts, as outlined below.

Scenario	Opportunities/Risks	Event	Timeframe	Financial impact
1.5°C scenario	Opportunities	Increased demand for environmental and energy-related talent on the back of decarbonisation and energy efficiency efforts across all sectors	Short/Medium term	Increase in revenue
		Revitalisation of job market as a result of policy shifts by companies towards achieving net-zero emissions in certain sectors as well as changes in the employment environment	Short/Medium term	Increase in revenue
	Risks	Job losses in fossil fuel-related industries	Short/Medium term	Decrease in revenue
		Surge in electricity costs due to a sudden shift to energy conservation and green electricity	Short/Medium term	Increase in costs
4°C scenario	Risks	Decreased number of placements due to shortage of environmental and energy-related talent	Short/Medium term	Decrease in revenue
		Decreased job listings due to worsening corporate performance from increased natural disasters	Long term	Decrease in revenue
		Strengthened disaster preparedness due to increased natural disasters	Long term	Increase in costs
		Increased electricity costs due to decreased cooling efficiency of air conditioning systems as temperatures rise	Long term	Increase in costs
		Decline and stagnation in job market due to increased disasters and rising living costs that accompany climate change	Long term	Decrease in revenue
		Decreased productivity due to rising temperatures	Long term	Increase in costs

## Strategy

### 1. Diversification of Client Portfolio [Addressing Risk of Revenue Decline]

Given that the impacts of climate change are expected to vary in trend and timing across different industries, we aim to diversify our client portfolio across various sectors. This approach allows us to capture opportunities for increased job demand in other industries, even if there is a decrease in job opportunities in specific sectors due to climate change impacts, minimising the overall impact on our business.

### 2. Enhancing Placement of SDGs Professionals [Addressing Opportunities]

There is an increasing focus on decarbonisation and energy efficiency initiatives in various companies, leading to a rise in demand for mid-career professionals skilled in environmental and SDGs-related areas. We will seize this opportunity by searching and keeping professionals with these skills and strive for business expansion. Further, by connecting these professionals with companies in need of their expertise, we can contribute to accelerating decarbonisation efforts at the societal level, supporting innovative technological developments, and helping mitigate climate change.

### 3. Promotion of Energy Efficiency Activities [Addressing Cost Increases]

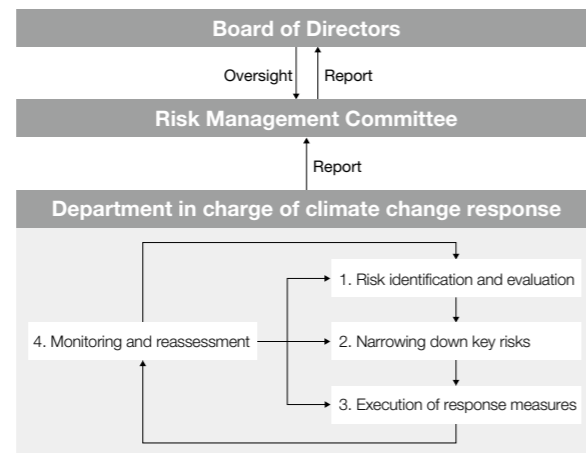
By enhancing energy efficiency activities, we can reduce electricity consumption and mitigate the impact of increased electricity costs associated with climate change.

Addressing Climate Change

Risk Management

In an increasingly complex and uncertain business environment, it is essential to effectively address risks that can have a significant impact on business operations in executing management strategy and achieving business objectives. We consider risk management a vital initiative for enhancing corporate value and have established the Risk Management Committee chaired by the Chairman, CEO, and Managing Director. The Committee is in charge of identifying and addressing various risks we may face.

Climate change risk is also recognised as one of the risks that can have a profound impact on JAC Group's operations. Within this framework, we narrow down and monitor key risks, continually reassessing their implications and potential consequences.



Targets and Metrics

JAC Recruitment has set a target to achieve carbon neutrality by FY2030 as our greenhouse gas (GHG) emission reduction goal, encompassing Scope 1 to 3 emissions. We are committed to reducing GHG emissions in our business activities, procuring green electricity, and expanding GHG absorption through afforestation efforts. Additionally, by placing personnel who foster innovation, we aim to drive the transition to carbon neutrality across society.

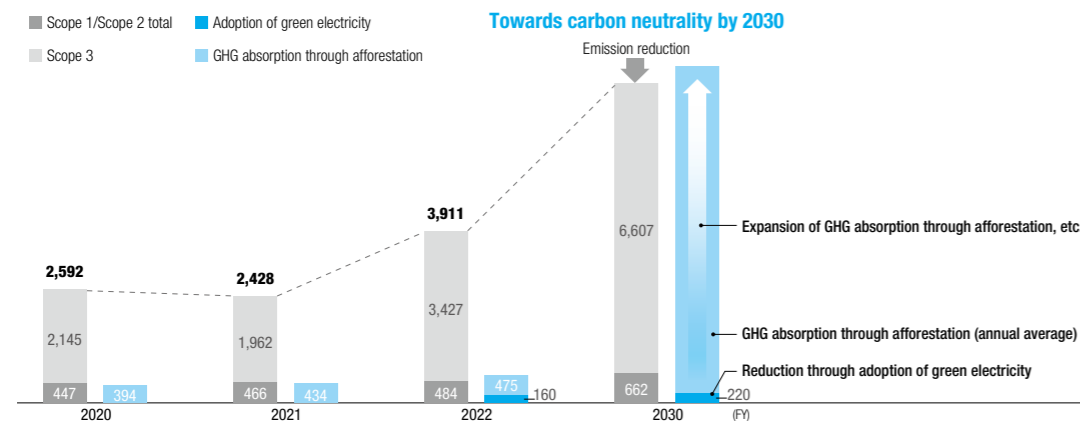
GHG Emission Status

JAC Recruitment has been calculating GHG emissions at all domestic and international locations, including subsidiaries, since 2020. In FY2022, total GHG emissions from Scope 1 and 2 increased by approximately 3.9% compared to the previous fiscal year, mainly due to office expansion and the opening of new offices. However, when considering the reduction achieved by adopting green electricity at certain locations starting in April 2022, total emissions were approximately 324 t-CO<sub>2</sub>, representing a reduction of about 30.5% compared to FY2021.

As for Scope 3 GHG emissions, we conducted calculations based on cost (monetary value) for Categories 2, 3, 5, 6, and 7, resulting in emissions of approximately 3,427 t-CO<sub>2</sub>, which represents an increase of about 74.7% compared to FY2021.

We have also obtained third-party verification from SOCOTEC Certification Japan Co., Ltd. for FY2021 and FY2022, covering the entire Group.

Trends in Greenhouse Gas Emissions and Absorption



Initiatives to Reduce GHG Emissions

JAC Recruitment has produced solid results in efforts to reduce GHG emissions, as outlined below. We will accelerate these efforts to accomplish carbon neutrality by 2030.

	Details	Effects
<b>PPP Project (afforestation)</b>	The project started in 2008 with the slogan, "One Placement creates One Plant to save the Planet." Approximately 130,000 trees have been planted to date. From FY2023 onwards, we plan to focus on moringa trees, which have a GHG absorption capacity 14 times greater than that of cedar trees (absorbing approximately 117 kg of CO <sub>2</sub> per tree annually). This initiative aims to significantly increase our GHG absorption capacity.	Approximately 500 t-CO <sub>2</sub> /year absorbed *As of 2023
<b>Adoption of green electricity</b>	The Tokyo Head Office switched to 100% green electricity in April 2022, and the Nagoya Office followed suit in April 2023. The Yokohama Office is planning to make the switch by April 2024.	160.21 t-CO <sub>2</sub> /year reduced *As of 2023
<b>Removal of PET bottled drinks</b>	We started removing PET bottled drinks from vending machines installed in the office in February 2020 and completed the removal in September 2022. Annual consumption of approximately 30,000 PET bottled drinks has now been reduced to zero.	Approximately 3.0 t-CO <sub>2</sub> /year reduced *As of 2021
<b>Distribution of reusable bags</b>	In August 2020, reusable bags were distributed to all executives and employees worldwide to reduce the use of plastic bags by Group personnel.	Approximately 1.0 t-CO <sub>2</sub> /year reduced *As of 2021
<b>Switch to business cards made of LIMEX</b>	In June 2019, we switched to business cards made of LIMEX, which has minimal environmental impact, for executives and employees, and now use almost no water or forest resources for our business cards.	Approximately 1.2 t/year water reduced *As of 2022
<b>Switch to FSC-certified paper</b>	Since 2014, we have gradually switched the materials for envelopes and other items used internally from recycled paper to more eco-friendly FSC-certified paper.	Measurement not available
<b>Switch to 100% recycled plastic file folders</b>	In August 2021, we switched to 100% recycled plastic file folders with lower environmental impact compared to regular polypropylene.	Measurement not available



# Diversity and Inclusion

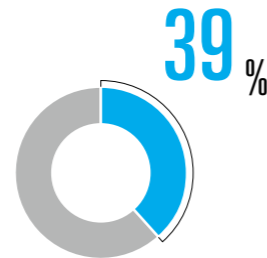
## Diversity and Inclusion

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

### Empowering women

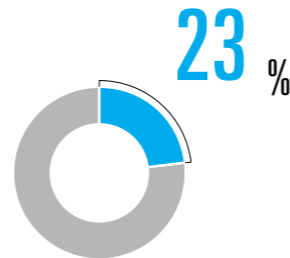
The percentage of female employees in JAC Recruitment and JAC International is 39%, which is higher than the national average. For JAC Group as a whole, the percentage rises to 46% (2022). While the percentage of female managers currently stands at 23%, we have set a goal of raising it to 40% by 2025 and have been promoting various initiatives to achieve this goal.

Percentage of female employees\*1



Japan’s national average: 33%\*2

Percentage of female managers\*1



Japan’s national average: 10%\*2

\*1 JAC Recruitment and JAC International

\*2 Source: “Basic Survey on Wage Structure” targeting companies with 1,000 or more employees, published by Japan’s Ministry of Health, Labour and Welfare (2022)

### Efforts to hire people with disabilities\*

We promote the employment of people with disabilities to create a workplace where everyone can flourish (as of April 2023, we employ at 115% of the legally mandated employment rate for persons with disabilities). As one such initiative, since 2013, employees with disabilities have been working at farms in Ichihara City, Chiba Prefecture, and other cities. Harvested produce is purchased by our employees through internal on-the-spot sales held on an irregular basis, sharing the achievement of our employees with disabilities and the joy of harvest.

\* JAC Recruitment



## JAC Group Diversity & Inclusion Steering Committee

JAC Group established the Diversity & Inclusion Steering Committee in June 2021 to promote diversity and inclusion. Under this committee, we have set up two sub-committees, the Women Empowerment Committee and LGBTQ+ Committee.

### Women Empowerment Committee

JAC Group strives to create an organisation where individuals can showcase their strengths and abilities regardless of gender. We also believe that the gender ratio in managerial positions should be proportionate to the overall employee ratio. Additionally, we recognise the importance of having a diverse organisation that encourages vibrant contributions from female employees who possess management aptitude, ambition, and untapped potential, as it fuels fresh perspectives and drives innovation. To achieve this, we actively strive to address unconscious biases in the workplace and enhance psychological safety through various initiatives.

#### • Initiatives to 2022

In 2021 and 2022, we formed two teams, “Team 1: Life & career” and “Team 2: Unconscious bias,” to drive our initiatives forward.

- Team 1 organised roundtable discussions and educational seminars for employees on career-related topics. The aim was to cultivate an organisational culture where all female employees can proactively pursue various challenges, including career growth into managerial positions while valuing their individual values and maintaining a healthy balance between their personal and professional lives.
- Team 2 conducted an unconscious bias survey and provided training sessions for management personnel to raise awareness and equip them to address unconscious biases, thereby fostering a workplace environment where diverse employees can thrive and demonstrate their abilities.

#### • Initiatives to 2023

In 2023, we are implementing initiatives through three teams, “Team 1: Promotion,” “Team 2: Recruitment,” and “Team 3: Awareness-raising,” to achieve our goal of a 40% representation of women in managerial positions by 2025.

- Team 1 collaborates with associate directors responsible for each division and office as well as heads of divisions and offices to identify potential candidates for managerial positions and focus on their development within divisional operations.
- Team 2 organises informational sessions for female candidates and holds information exchange meetings with other companies to create a conducive working environment for women.
- Team 3 administers a mentorship program for female leaders and manager candidates. This team also holds roundtable discussions with the Chairman, CEO, and Managing Director and organises networking events facilitated by women in managerial positions.

### LGBTQ+ Committee

JAC Group aims to increase the understanding of LGBTQ+ issues and create a workplace environment where all employees can work as their true selves and feel equal, regardless of their sexual orientation or gender identity. By doing so, we believe that we can harness the diverse perspectives and ideas of our employees, leading to the creation of innovative solutions. Also, through recruitment facilitated by consultants who have a strong understanding of diversity, we can contribute to the overall improvement of diversity in society.

#### • Initiatives to 2022

We have implemented various initiatives to increase awareness and promote a correct understanding of LGBTQ+ within JAC Group. These initiatives include conducting semi-annual internal surveys on awareness, providing training sessions for executives, managers, and employees, distributing Ally stickers to those who wish to show support, and engaging in exchange meetings with LGBTQ+ departments in other companies.

In recognition of our efforts towards LGBTQ+ and other sexual minorities, we were awarded the highest rating of Gold in the PRIDE Index 2022, an evaluation index for initiatives developed by the voluntary organisation “work with Pride.”



#### • Initiatives to 2023

In 2023, we are continuing with initiatives such as internal awareness surveys. We also strengthened our collaboration with external organisations, including making our first appearance at Tokyo Rainbow Pride 2023 and expressing support for Business for Marriage Equality (BME)\*.

We also created the internal document “Support Tips for LGBTQ+ Registrants” to raise awareness among employees and contribute to promoting diversity in society through our business activities.

\* BME is a campaign by non-profit organisations that highlights the companies that support the legalisation of same-sex marriage (marriage equality).

# Social and Environmental Contributions Rooted in Business

## Health and Productivity Management

Based on our mission of connecting individuals, 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. To be a meaningful presence in the growth of businesses and individuals, we must be physically and mentally healthy ourselves and always act with a calm mindset. We believe that our intervening value can be enhanced by continuing to maintain and improve our health. Based on this belief, we engage in health and productivity management with focused themes to enable all of our employees to voluntarily maintain and improve their health.

### Internal structure

JAC Recruitment operates the Health Management Promotion Committee chaired by the director and head of Administration. The Human Resources Senior Manager, the human resources team, consulting doctor, and other members assigned at the Head Office and each office work together to set goals based on health issues each year and develop and implement relevant initiatives. The effectiveness of these initiatives is evaluated based on reports from the members assigned at each location, and the results are regularly reported to the Board of Directors.

### Receiving Health and Productivity certification for six consecutive years

JAC Recruitment has been recognised under the 2023 Health & Productivity Management Outstanding Organization's certification program operated by Japan's Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi. This 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. JAC Recruitment has been selected as a Health & Productivity Management Outstanding Organization for six consecutive years since 2018 in recognition of our ongoing activities throughout the company.



### Key Themes

#### 1. Physical activity

For employees, especially those engaged in desk work, remaining conscious of the need for physical activity is crucial for preventing lifestyle-related diseases and maintaining good health. To encourage more employees to acquire regular exercise habits, we have introduced support systems such as subsidising sports club membership fees and offering trial sessions for health-related programs.

#### 2. Work-life balance

As consultants in the recruitment business often need to conduct interviews with job seekers in the evening, they tend to finish work later than normal. To address this issue, we have implemented a flexible working hours system, which allows employees to have flexibility in their daily start and end times. Additionally, we actively encourage employees to take vacations voluntarily, while also trying to reduce long working hours. Through our human resources systems, we aim to create an office environment where employees can balance their work and personal lives, ensuring peace of mind and well-being.

#### 3. Balancing work and parenting

Approximately 40% of our employees are women. Many play an active role in the company, and we have a high rate of employees returning to work after taking childcare leave. As building and maintaining strong relationships with client companies and talents is crucial in the recruitment business, it is of paramount importance to reduce the mental and physical burden on employees related to childbirth and childcare and enable them to continue their careers. To ensure the seamless integration of work and parenting, we have been operating a parental care support fund system since 2007. Additionally, we regularly convene the Working Parents Committee, which consists of employees actively involved in childcare, to identify ongoing issues and strive for continuous improvement.

#### 4. No-smoking initiatives

We believe that smoking not only harms the health of individuals but also affects the well-being of those around them. In our commitment to encouraging employees to maintain good health driven by a sense of professionalism, we have set a goal of achieving a 0% smoking rate among our employees. We actively promote a no-smoking policy to all employees and provide subsidies for treatment expenses for tobacco dependence upon request.

## Current Status of SDG Initiatives and Future Goals

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

Goal	Target	JAC's goals	Progress on JAC's goals and initiatives	Future action plans	
	<b>3.a</b> Strengthen the implementation of the World Health Organization Framework Convention on Tobacco Control in all countries, as appropriate	All employees to become non-smokers <b>Group</b>	Currently, no employees smoke during working hours. JAC Recruitment is certified as a Health & Productivity Management Organization.	Continue to aim for 0% smokers among employees.	
	<b>5.5</b> 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%. <b>Japan</b>	A committee has been set up to increase the number of female manager candidates to hold company workshops for female consultants and carry out surveys to raise awareness. Female employees in managerial positions: 23% (as of 31 Dec. 2022)	Continue the activities of the committee.	
	<b>7.2</b> By 2030, increase substantially the share of renewable energy in the global energy mix	Maximise our use of green electricity in the buildings we occupy. <b>Japan</b>	We have switched to using up to 100% green electricity for our Tokyo Head Office (since April 2022) and the Nagoya Office (since April 2023).	Continue to aim for 100% use of green electricity at all locations, including the Yokohama Office (planned for April 2024)	
	<b>8.2</b> 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. <b>Japan</b>	We are continuously increasing the number of industry-specific consultants while establishing dedicated digital departments as needed at the divisional and team levels.	Set annual internal placement targets for the digital domain.	
		<b>10.2</b> 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 <b>Group</b>	We are promoting recruitment regardless of gender, race, age, and other attributes, and have diverse nationalities represented among our employees, at 29 locations across 12 countries worldwide.	Promote recruiting employees regardless of gender, race, age, or other attributes.	
		<b>10.2</b> Promote employment of people with disabilities. <b>Japan</b>	Currently, our employees with disabilities are working with joy at our Wakuhapi Farms in Ichihara City and Kashiwa City, Chiba Prefecture and Yokohama City, Kanagawa Prefecture. Employment of persons with disabilities, mainly at the Wakuhapi Farms, stands at 115% of legally mandated employment rate.	Continue to provide a place where people with disabilities can work with joy.	
		<b>12.5</b> By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse <b>Japan</b>	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.	<ul style="list-style-type: none"> <li>The LIMEX alternative material is used for business cards.</li> <li>We have removed PET bottled drinks from the vending machines installed in the office.</li> <li>We reduced plastic shopping bags.</li> <li>We distributed original reusable bags to all group employees.</li> <li>Plastic file folders used in and outside the company has been switched to those made of recycled polypropylene.</li> </ul>	Formulate the 3Rs Check Guidelines for Purchasing and Disposing Office Supplies.
		<b>12.6</b> Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle <b>Group</b>	Periodically report SDGs initiatives in integrated reports and on the corporate website and regularly update JAC's social and environmental efforts.  Raise awareness of the SDGs among employees through regular reporting and educational activities on our intranet.	We report contents related to SDGs in our annual integrated reports and on the Sustainability page in our corporate website on a regular basis.	Publicise information on SDGs-related efforts in our annual integrated reports and on our corporate website on a regular basis.  Establish and implement an education system for the SDGs that includes e-learning. Also, conduct regular internal awareness-raising campaigns.
	<b>15.2</b> 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 <b>Group</b>	Plant one tree for every successful placement in our recruitment business.	As the PPP (one Placement creates one Plant to save the Planet) Project, we planted approximately 130,000 trees in Indonesia and Malaysia from 2008 to 2022, which absorb approximately 500 tons of CO <sub>2</sub> annually.	Continue the PPP Project to achieve carbon neutrality by 2030. As our business grows, expand the project scale and consider planting moringa trees, which have a higher CO <sub>2</sub> absorption capacity.	

Corporate Governance

Board Members



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

Number of shares of the Company held: 5,179 thousand shares

May 1981	Joined T. TAZAKI & Co., Ltd.
March 1988	Founding Director at incorporation of the Company
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)



**Hiroki Yamada**  
Executive Director and Head of Sales

Number of shares of the Company held: 26 thousand shares

August 2003	Joined the Company
April 2016	Associate Sales Director
January 2017	Head of Sales (to present)
March 2020	Director
March 2022	Executive Director (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
April 2007	Representative Director, President & CEO of Sojitz Corporation
April 2012	Representative Director and Chairman of the Board of Sojitz Corporation
March 2016	External Director of the Company (to present)
June 2018	Adviser of Sojitz Corporation (to present)
August 2019	Chairperson of the Board of the Company (to present)



**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
March 2015	External Director of the Company (to present)
October 2021	Adviser and Director of Higashi-Nihon-Gakuen (to present)



**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
April 2006	Representative Director, President of DHL Japan, Inc.
April 2009	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)



**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 Sourcexnet Corporation (to present)
March 2022	External Director of the Company (to present)



**Tadayoshi Tazaki**  
Founder, Director, and Chief Adviser

Number of shares of the Company held: 8,505 thousand 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)



**Toshihiko Okino**  
Director, Head of Administration, CFO, and CHRO

Number of shares of the Company held: 1 thousand shares

August 2019	Joined the Company as Associate Director and CFO
January 2023	Associate Director, Head of Administration, and CFO
March 2023	Director, Head of Administration, and CFO
April 2023	Director, Head of Administration, CFO, and CHRO (to present)

**Stay Vigilant about Governance and Build an Effective System during a Growth Phase**

I have been involved in the management of JAC Recruitment as an External Director since 2016 and as Chairperson of the Board since 2019.

As Chairperson, I am deeply committed to assuring the effectiveness of the Board of Directors through mutually active dialogue. Furthermore, since JAC Recruitment is an "owner company," with its co-founder leading the management team, I am careful to ensure that strong leadership never leads to self-righteousness. I strive to attain a higher standard of management in terms of soundness, transparency, and fairness. During my seven-year tenure, I am confident that JAC Recruitment's governance system has made steady strides.

Though we continue achieving solid growth, we are aiming higher. As we expand our network around the world, M&A will be a viable option. In general, the farther away a base or subsidiary is from the head office, the weaker governance tends to get. Especially during a period of growth, it is crucial we stay vigilant and build a strong system of governance.

JAC Recruitment's Internal Directors also serve as directors of subsidiaries to assure the maintenance of our top-quality governance. I believe that management risks can be controlled by establishing an effective governance system even while we expand the scale of our business.

**Provide Perspectives for Overseas Expansion by Leveraging the Experience in International Banking**

I have known about JAC Group since my days in London and have been monitoring its business and governance in my capacity as an External Auditor & 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.

**Increasing the Diversity of the Board of Directors to Sustain Growth as a Global Company**

As an External Director with ample management experience, including wide M&A activities both in Europe and Asia, I was able to give advice in frank discussions with the other Board members. JAC Group's performance was again excellent, given the many adverse global influences such as the COVID-19 pandemic, the Russian invasion of Ukraine, and the economic slowdown in China.

JAC Group has formulated the JAC Standard designed to lift everybody's performance to a higher level, whether general employees or management. Besides performing extremely well, not only in terms of business achievements, JAC Recruitment is also exemplary in its human resource activities with a strong program to ensure constantly improving diversity and inclusion.

I evaluate the effectiveness of JAC Recruitment's Board of Directors fairly high, although there is still room for improvement in areas such as the scheduled mix of presentations and discussions by the Board of Directors concerning operational topics, to give more room to strategic discussions such as M&A and management succession. I advocate for more diversity on the Board in terms of skills, gender, and nationality, especially given the global growth aspirations.

**Support JAC Recruitment's Sustainable Growth with IT and Global Knowledge**

Two major contributions I can make as an External Director are in the areas of IT and global knowledge.

I worked for a general trading company for many years, with over 10 years of assignments in Europe and the United States. During the 1990s, I was posted in New York and San Francisco, where I could truly feel the spirit of Silicon Valley. After serving as an executive officer of the trading company, I participated in the management of IT solutions companies.

Personal information is especially meaningful in the human resources business. As such, enhancing and reinforcing our IT governance, including information security, is vital. IT plays a key role as an interface that connects client companies with the most suitable talents.

Our current Board of Directors consists of 11 members, including seven External Directors. Their backgrounds and experience are richly diverse to make for a well-balanced Board. I intend to make proposals, primarily in my field of expertise, that contribute to the sustainable growth of JAC Recruitment. The Company is focusing on global business development and active use of IT, and I believe there are many ways I can apply my experience and knowledge.

**External Directors**

JAC Recruitment has appointed seven External Directors (all independent directors) to ensure management transparency and objective oversight. The reasons for their appointment are as follows.

Name	Reason for appointment
<b>Yutaka Kase</b>	To participate in management from a comprehensive viewpoint to ensure the validity and appropriateness of management based mainly on abundant experience as a business administrator.
<b>Shigeoki Togo</b>	To participate in management from a comprehensive viewpoint to ensure the validity and appropriateness of management based mainly on abundant experience as a business administrator.
<b>Günter Zorn</b>	To participate in management from a comprehensive viewpoint to ensure diversity based mainly on abundant experience as a management executive of multinational companies.
<b>Nobuhide Nakaido</b>	To participate in management from a comprehensive viewpoint to ensure the validity and appropriateness of management based mainly on abundant experience as a business administrator.
<b>Toshiaki Mukaiyama</b>	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.
<b>Hisashi Ito</b>	To monitor and audit management by utilising legal knowledge as a lawyer.
<b>Naoto Yokoi</b>	To monitor and audit management by utilising the knowledge of accounting and finance as a certified public accountant.



Corporate Governance

Board Members



**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	Corporate Auditor of C.C. Consulting Co., Ltd. (present CareerCross Co., Ltd.) (to present)
September 2021	Corporate Auditor of VantagePoint K.K. (to present)
March 2022	External Director, Full-time Member of Audit & Supervisory Committee of the Company (to present)
March 2023	Corporate Auditor of JAC International Co., Ltd. (to present)

**Transition to a Company with Audit & Supervisory Committee that Focuses on Overseas Markets**

In 2021, I was appointed as a Full-time and External Member of the Audit & Supervisory Board. In 2022, I became an External Director and a Full-time Member of the Audit & Supervisory Committee when JAC Recruitment transitioned to a Company with an Audit & Supervisory Committee system.

Being an External (independent) Director with a full-time position might be considered rare, even progressive. I recognise this positioning makes some tasks feasible and one of my tasks is to reduce the asymmetric nature of the information provided to independent directors.

JAC transitioned to a Company with an Audit & Supervisory Committee. The previous system, a Company with an Audit and Supervisory Board, is unique to Japan and was difficult to gain an understanding of its significance overseas, which is why we considered a committee-based form of governance to show its objectivity in a simplified manner. Ultimately, the Audit & Supervisory Board, the Board of Directors, and the General Meeting of Shareholders approved the proposal for the transition.

The transition has broadened the scope of our audits. While audits by Members of the Audit & Supervisory Committee continue to revolve around legality, the Committee actively discusses the appropriateness of management and exercises voting rights at Board meetings. I intend to fulfil the duties of the Audit & Supervisory Committee to improve the effectiveness of governance.



**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.
March 2022	External Director, Member of Audit & Supervisory Committee of the Company (to present)

**Strive for In-depth Dialogue in Limited Time in an Increasingly Complex Business Environment**

I have been involved with JAC Recruitment as an External Member of the Audit & Supervisory Board since 2011. Subsequently, I have been serving as an External Director and Member of the Audit & Supervisory Committee since 2022, following the transition to a Company with an Audit & Supervisory Committee.

During my time as an External Member of the Audit & Supervisory Board, I utilised my background as a lawyer to voice my views mainly from the perspectives of law, compliance, and corporate governance. This stance will remain unchanged. Becoming an External Director and Member of the Audit & Supervisory Committee comes with voting rights at the Board of Directors meetings, and I feel a greater sense of responsibility as a director.

I often feel the global sense of JAC Recruitment. Since the Company originated overseas, I occasionally witness discussions based on a keen awareness of international perspectives and values. Such awareness will likely assume more importance in the future.

Amid an increasingly complex business environment, the Board of Directors handles a growing number of themes. A major challenge is to hold in-depth discussions with tight time limitations. I hope to give more consideration to the ways I can leverage my background and experience to articulate useful opinions at Board meetings.



**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)
October 2013	Chief of Naoto Yokoi Certified Public Accountant & Certified Tax Accountant Office
June 2014	External Director of TAKEEI Corporation
June 2014	External Audit & Supervisory Board Member of Nichiban Co., Ltd.
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)
October 2022	Outside Director and Audit & Supervisory Committee Member of TRE Holdings Corporation
June 2023	External Director of TAKEEI Corporation (to present)

**Active Discussions from Multiple Perspectives and Fair Operation of Board Proceedings**

I have worked for an audit firm for many years as a certified public accountant (CPA). I try to fully leverage my experience in accounting audits and IPO consulting. As an External Director and Member of the Audit & Supervisory Committee, I also strive to supervise, monitor, and provide advice from the perspective of sound growth via appropriate risk-taking.

Diversity is an outstanding attribute of JAC Recruitment's Board of Directors. Currently, seven out of 11 directors of JAC Recruitment are independent External Directors. In addition to a CPA like myself, the Board also consists of members with experience in corporate management and general administrative work, including the management of overseas subsidiaries, as well as a lawyer. It engages in active discussions from multiple perspectives, and the chairperson who leads the discussion is also an External Director. The proceedings at the Board are fair and the discussions are highly transparent.

The knowledge required of directors is increasing rapidly in step with breathtaking changes in the environment. While respective Board members strive to raise expertise on their own, we also work to absorb knowledge from each other, share our knowledge with the Board of Directors, and deepen dialogue on how to increase JAC Recruitment's corporate value.

Board of Directors' Skill Matrix

To engage in discussions from a multitude of perspectives to realise JAC Group's growth strategy, we have defined the following skills (knowledge, experience, and skills) as essential for assuring the effectiveness of the Board of Directors.

Meanwhile, to maintain a balance and diversity of knowledge, experience, and skills among our directors, we appoint Internal Directors based on the criteria of "organisational management experience in the human resources business or expertise in global management, accounting, legal affairs, and other relevant domains." We appoint External Directors based on the criteria of having "a strong track record in management and deep knowledge in their respective fields."

International experience	Three or more years of international business experience as an officer or general manager
Corporate management	Three or more years of work experience as a director or executive officer at a listed company or major company
Human resources industry	Three or more years of work experience on the management team in the human resource-related business, which is JAC Recruitment's core business
Sales/sales promotion	Three or more years of work experience on the management team in a sales-related position
Legal affairs/compliance	Three or more years of work experience as an expert in the relevant field, such as a lawyer, or as general manager of the relevant department at a listed company or major company
Finance/accounting	Three or more years of work experience as an expert in the relevant field, such as a certified public accountant, or as a general manager of the relevant department at a listed company or major company

The skill matrix of our directors is shown below.

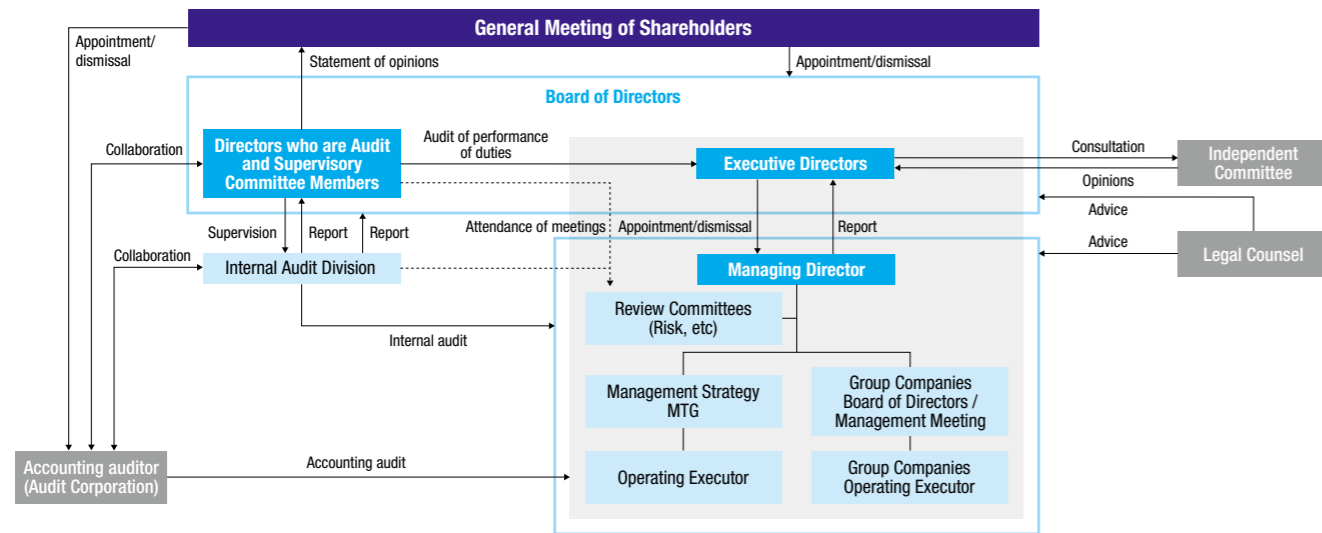
		International experience	Corporate management	Human resources industry	Sales/sales promotion	Legal affairs/compliance	Finance/accounting
<b>Directors (Not Audit and Supervisory Committee Members)</b>	Hiroshi Tazaki	●	●	●	●		
	Tadayoshi Tazaki	●	●	●	●		
	Hiroki Yamada		●	●	●		
	Toshihiko Okino		●			●	●
	Shigeoki Togo		●				●
	Yutaka Kase	●	●		●		
	Günter Zorn	●	●		●		
<b>Directors (Audit and Supervisory Committee Members)</b>	Nobuhide Nakaido	●	●	●	●		
	Toshiaki Mukaiyama	●				●	●
	Hisashi Ito		●			●	
	Naoto Yokoi (CPA)						●

Corporate Governance

Basic Stance

JAC Recruitment believes that the mission of its company management is to meet the trust and expectations of all stakeholders who support its corporate activities and to achieve sustained growth to increase corporate value over the medium to long term. JAC Recruitment pursues transparent, sound, and efficient management to ensure the perpetual development of the Company. Moreover, we are strengthening our corporate governance system based on the belief that it is important to 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



The 35th General Meeting of Shareholders held on 24 March 2022 approved the transition of JAC Recruitment's 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 audits the business execution of directors in charge of business operations and monitors the legality and appropriateness of management to maintain good corporate governance. The three directors who are Audit and Supervisory Committee members are all External Directors.

Board of Directors

The Board of Directors consists of eight 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.

Management Strategy MTG and Group Companies' Board of Directors / Management Meeting

The Chairman, CEO, and Managing Director 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 Management Strategy MTG composed of the directors and associate directors of JAC Recruitment, and the other is the monthly Boards of Directors / Management 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 Audit & Supervisory Committee, the Internal Audit Division conducts internal audits per the internal audit schedule for each fiscal year and monitor the effectiveness of the internal restraint function.

Incentive Compensation

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 24 March 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 were 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. In FY2022, there was one director, Hiromi Tazaki (Co-Founder, Chairman, CEO, and Managing Director), whose total consolidated compensation was 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 annual 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-related compensation is determined by considering past results in the delegated area as well as the consolidated performance of the entire Group. The Chairman, CEO, and Managing Director'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 Independent Committee (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 24 March 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 were 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-related compensation	Retirement benefits	Non-monetary compensation	
Directors (excluding Audit & Supervisory Committee members and External Directors)	337	328	—	—	9	5
Audit & Supervisory Committee members (excluding External Directors)	—	—	—	—	—	—
Corporate Auditors (excluding External Corporate Auditors)	—	—	—	—	—	—
External Officers	66	66	—	—	—	8

Note: 1. As of 24 March 2022, JAC Recruitment has transitioned from a Company with Audit & Supervisory Board Members to a Company with an Audit & Supervisory Committee.  
2. Non-monetary compensation includes stock-based compensation.

Total Amount of Compensation for Each Officer

Name	Total compensation (Million yen)	Officer category	Company category	Total amount by type of compensation (Million yen)			
				Fixed compensation	Performance-related compensation	Retirement benefits	Among the items on the left, non-monetary compensation
Hiromi Tazaki	104	Director	JAC Recruitment	97	—	—	—
		Director	JAC Recruitment (UK) Ltd (consolidated subsidiary)	6	0	—	—

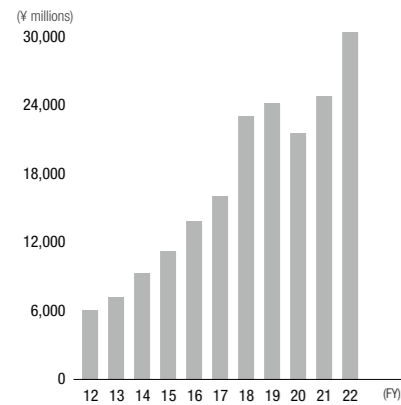
Note: Only the officer whose total consolidated compensation is 100 million yen or more is shown.

**Consolidated Eleven-Year Summary** (JAC Recruitment Co., Ltd. and its consolidated subsidiaries) (Fiscal years ended 31 December 2012 - 2022)

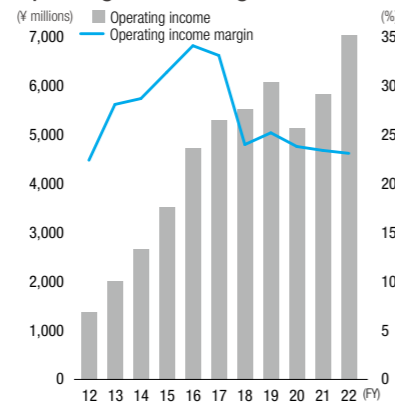
(Millions of yen) (Thousands of U.S. dollars)

		FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2022
<b>Financial results</b>													
Net sales	(Millions of yen)	6,115	7,179	9,279	11,200	13,838	16,044	23,064	24,170	21,614	24,852	30,435	227,126
Gross profit	(Millions of yen)	5,929	7,009	9,112	10,896	13,240	15,295	20,801	22,453	20,084	23,004	28,043	209,276
Operating income	(Millions of yen)	1,370	2,019	2,663	3,519	4,725	5,309	5,531	6,087	5,138	5,822	7,044	52,567
Profit attributable to owners of parent	(Millions of yen)	670	1,193	1,584	1,811	3,269	3,685	3,908	4,354	1,834	3,882	5,029	37,529
<b>Financial position</b>													
Current assets	(Millions of yen)	4,044	4,659	6,520	8,587	11,415	10,816	11,257	13,032	15,079	15,242	17,820	132,985
Non-current assets	(Millions of yen)	421	1,001	1,195	645	922	4,326	7,468	7,059	3,544	3,693	4,263	31,813
Total assets	(Millions of yen)	4,466	5,660	7,715	9,233	12,337	15,143	18,725	20,092	18,623	18,935	22,084	164,805
Current liabilities	(Millions of yen)	1,395	1,415	2,210	2,438	3,050	3,252	4,782	4,069	4,129	5,424	6,161	45,977
Non-current liabilities	(Millions of yen)	25	4	2	4	3	2	0	182	167	145	337	2,514
Total liabilities	(Millions of yen)	1,421	1,419	2,212	2,443	3,053	3,254	4,783	4,251	4,297	5,569	6,498	48,492
Total net assets	(Millions of yen)	3,044	4,241	5,503	6,790	9,283	11,889	13,942	15,840	14,326	13,365	15,585	116,305
<b>Cash flows</b>													
Cash flows from operating activities	(Millions of yen)	1,348	1,156	2,261	2,562	3,693	3,946	5,061	4,692	4,532	5,091	5,913	44,126
Cash flows from investing activities	(Millions of yen)	(44)	(363)	(267)	(96)	(294)	(3,556)	(2,647)	(11)	1,312	(436)	(944)	(7,044)
Free cash flows	(Millions of yen)	1,304	793	1,994	2,466	3,399	390	2,414	4,681	5,844	4,655	4,969	37,082
Cash flows from financing activities	(Millions of yen)	(88)	(330)	(344)	(526)	(784)	(1,238)	(2,062)	(2,867)	(3,617)	(5,400)	(3,174)	(23,686)
Cash and cash equivalents at end of period	(Millions of yen)	3,452	3,915	5,565	7,504	10,118	9,269	9,585	11,397	13,584	12,932	14,879	111,037
<b>Per share information</b>													
Earnings per share	(Yen/U.S. dollars)	101	60	39	45	81	91	96	107	45	96	125	0.93
Net assets per share	(Yen/U.S. dollars)	457	210	136	168	230	293	341	385	347	331	386	2.88
Annual dividends per share	(Yen/U.S. dollars)	300	48	26	19	30	50	65	80	80	73	80	0.59
<b>Indices</b>													
Operating income margin	(%)	22.4	28.1	28.7	31.4	34.1	33.1	24.0	25.2	23.8	23.4	23.1	
ROE	(%)	24.5	32.8	32.5	29.5	40.7	34.8	30.3	29.2	12.2	28.0	34.7	
ROA	(%)	15.0	21.1	20.5	19.6	26.5	24.3	20.9	21.7	9.9	20.5	22.8	
Equity ratio	(%)	68.2	74.9	71.3	73.5	75.2	78.2	74.0	78.3	76.4	70.6	70.6	
Number of employees	(Persons)	426	458	544	615	684	811	1,389	1,433	1,350	1,440	1,641	

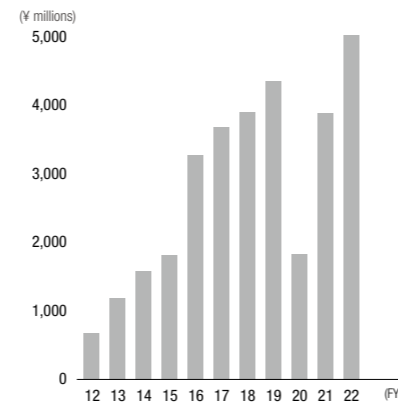
Consolidated net sales



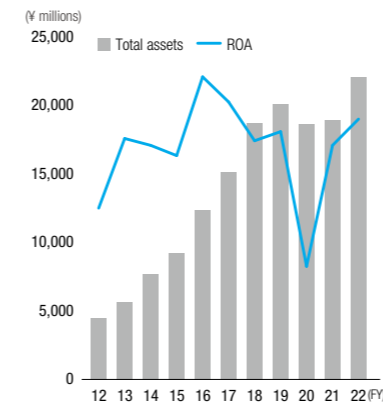
Consolidated operating income / operating income margin



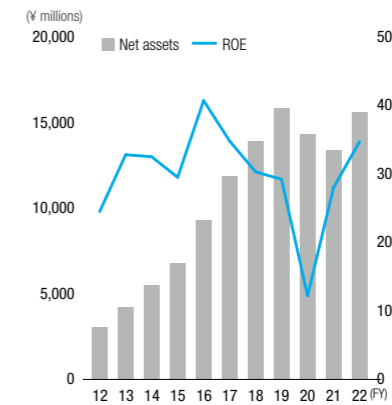
Profit attributable to owners of parent



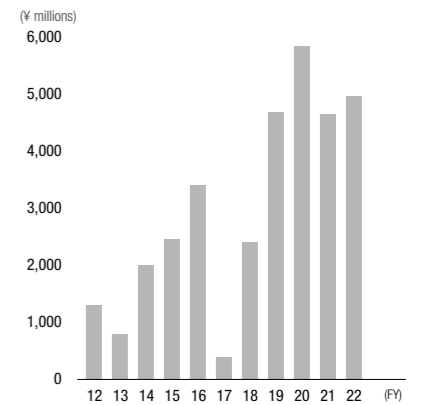
Total assets / ROA



Net assets / ROE



Free cash flows



## Review of Operations

### Overview of Operating Results

Although some foreign companies started to show moves to refrain from hiring employees due to increasing uncertainty over the global economic outlook, in Japan, many companies were hiring employees for the regrowth of their businesses and securing of diverse human capital, and the jobs-to-applicants ratio remained robust. Due to this trend, our Domestic Recruitment Business continued to be solid, resulting in strong sales for the Group overall during the fiscal year ended 31 December 2022.

Our net sales reached ¥30,435 million (up 22.5% year on year). By segment, the Domestic Recruitment Business, the Domestic Job Offer Advertising Business, and the Overseas Business had net sales of ¥26,726 million (up 20.0%), ¥356 million (up 44.8%), and ¥3,351 million (up 43.7%), respectively.

### Overview of Profit/Loss

In terms of profit, operating income was ¥7,044 million (up 21.0% year on year), ordinary income was ¥7,052 million (up 21.3%), and profit attributable to owners of parent was ¥5,029 million (up 29.5%).

By segment, the Domestic Recruitment Business posted ¥6,872 million in profit (up 17.3%). The Domestic Job Offer Advertising Business posted ¥43 million in profit (compared with a loss of ¥73 million a year earlier), and the Overseas Business posted ¥95 million in profit (compared with a loss of ¥9 million a year earlier).

### Overview of Financial Position

Total assets at the end of the fiscal year ended 31 December 2022 increased by ¥3,148 million from the end of the previous fiscal year to ¥22,084 million. Cash and deposits increased by ¥1,946 million, accounts receivable – trade increased by ¥443 million, and property, plant and equipment

increased by ¥326 million.

Liabilities increased by ¥929 million from the end of the previous fiscal year to ¥6,498 million. Accrued expenses increased by ¥420 million, non-current liabilities increased by ¥192 million, and provision for stocks payment increased by ¥170 million.

Net assets increased by ¥2,219 million from the end of the previous fiscal year to ¥15,585 million, and the equity ratio was 70.6%. The Company posted profit attributable to owners of parent of ¥5,029 million, but paid dividends of surplus totalling ¥2,990 million.

### Overview of Cash Flows

The balance of cash and cash equivalents at the end of the fiscal year ended 31 December 2022 increased by ¥1,946 million from the end of the previous fiscal year to ¥14,879 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 2022 was ¥5,913 million (compared with ¥5,091 million provided in the previous fiscal year). The main factors for this are profit before income taxes of ¥7,011 million and income taxes paid of ¥2,261 million.

#### Cash flows from investing activities

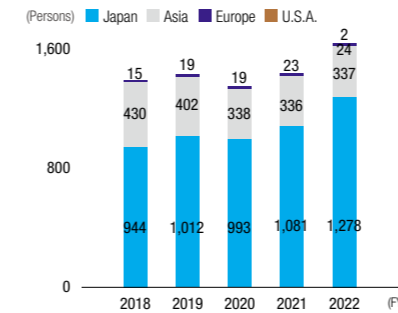
Net cash used in investing activities for the fiscal year ended 31 December 2022 was ¥944 million (compared with ¥436 million used in the previous fiscal year). The main factor for this is purchase of intangible assets of ¥408 million.

#### Cash flows from financing activities

Net cash used in financing activities for the fiscal year ended 31 December 2022 was ¥3,174 million (compared with ¥5,400 million used in the previous fiscal year). The main factor for this is dividends paid of ¥2,986 million.

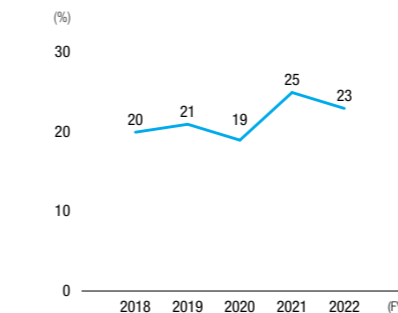
## ESG Data

### Number of employees by region (consolidated)



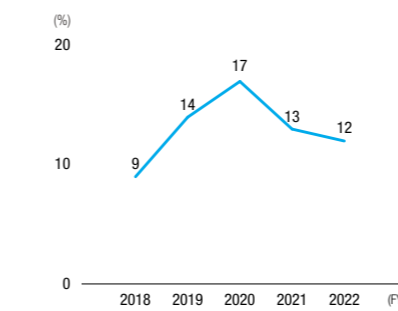
\* As of fiscal year-end (31 December)  
 \* Japan includes JAC Recruitment, JAC International, CC Consulting (present CareerCross), and VantagePoint.  
 \* Asia includes bases of the Overseas Business in Singapore, Malaysia, Indonesia, Thailand, South Korea, China (Shanghai and Hong Kong SAR), Vietnam,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



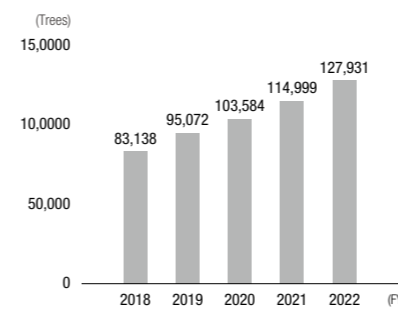
\* As of fiscal year-end (31 December)  
 \* Calculated based on the total of JAC Recruitment and JAC International  
 \* Employees in managerial positions defined as managers and above

### Turnover rate



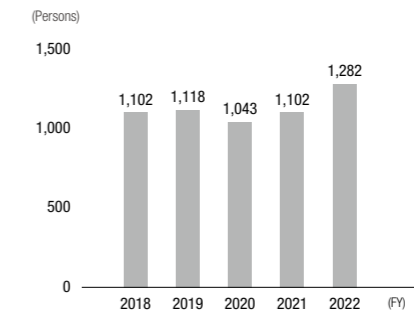
\* Calculated based on the total of JAC Recruitment and JAC International as of fiscal year-end (31 December)

### Environment: Number of planted trees



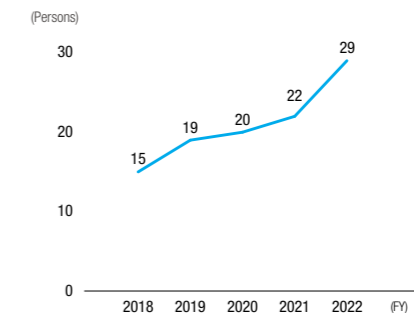
\* Accumulated number of planted trees as of fiscal year-end (31 December)

### Number of industry-specific consultants (consolidated)



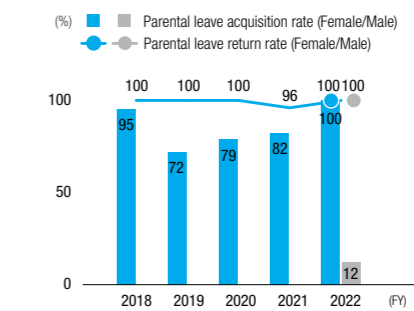
\* As of fiscal year-end (31 December)

### Number of employees with disabilities (actual)



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

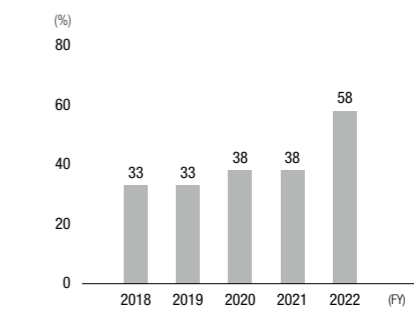
### Parental leave acquisition rate / Parental leave return rate



Parental leave acquisition rate  
 \* JAC Recruitment and JAC International  
 \* 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  
 \* Includes male employees from FY2022

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

### Governance: Ratio of external directors



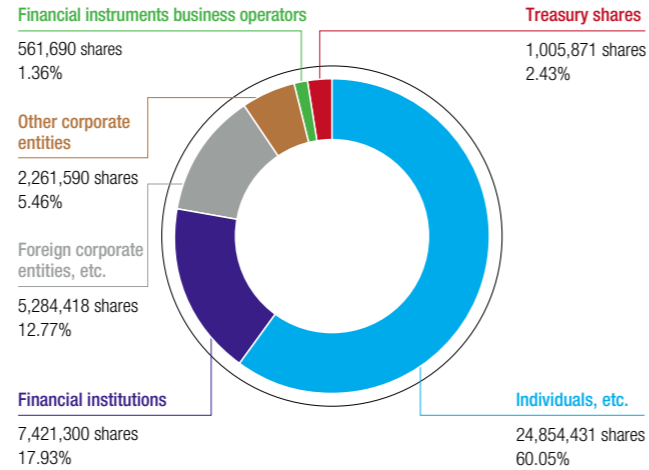
\* JAC Recruitment (including Directors who are Audit and Supervisory Committee Members)

## Investor Information

### Stock Information (As of 31 December 2022)

Stock listing	Tokyo Stock Exchange (Prime Market)
Total number of authorised shares	144,000,000
Total number of shares outstanding	41,389,300
Trading Unit	100
Number of shareholders	24,379
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

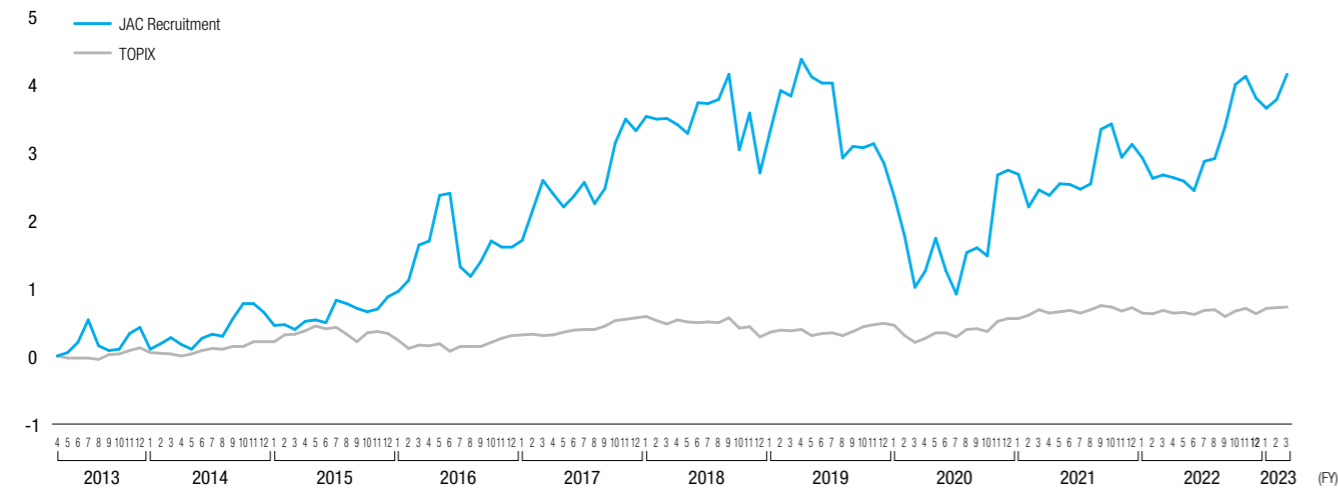


### Top 10 Shareholders

Name	Number of shares held	Percentage of shares held (%)
Tadayoshi Tazaki	8,505,100	20.75
Hiromi Tazaki	7,179,600	17.52
Shingo Kanaoya	4,238,700	10.34
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,311,400	8.08
The Tazaki Foundation	2,200,000	5.37
Custody Bank of Japan, Ltd. (Trust Account)	1,730,700	4.22
Japan Post Insurance Co., Ltd.	1,540,800	3.76
The Master Trust Bank of Japan, Ltd. (ESOP Trust: 75825 Account)	600,080	1.46
SMBC Trust Bank Ltd. as a regulated security trustee	435,100	1.06
Takeshi Matsuzono	342,900	0.84

Note: 1. The number of shares held by Tadayoshi Tazaki includes the number of shares held by Custody Bank of Japan, Ltd. (500,000 shares as of 31 December 2022) in accordance with the management trust agreement concluded on 16 December 2022.  
 2. Hiromi Tazaki donated 2,000,000 shares to the JAC Environmental & Animal Protection Foundation on 20 April 2023. As of 30 June 2023, the number of shares she owns is 5,179,600 shares.  
 3. In calculating the percentage, the treasury shares (405,791 shares) owned by the Company is deducted from the entire treasury shares (1,005,871 shares), except for the treasury shares owned by the ESOP trust (600,080 shares).

### Share Price Performance (vs TOPIX)



## Corporate Profile (As of 30 April 2023)

Company name	JAC Recruitment Co., Ltd.
Established	7 March 1988
Capital stock	¥672.26 million
Number of employees (As of 31 January 2023)	1,834 (Total of JAC Recruitment (1,357 employees), JAC International (38 employees), CareerCross (28 employees), JAC Recruitment International (383 employees), and VantagePoint (28 employees))
Head office	14F Jinbocho Mitsui Building, 1-105 Kanda-Jinbocho, Chiyoda-ku, Tokyo 101-0051
Offices (including affiliated companies)	<p><b>29 offices in 12 countries</b></p> <p><b>Japan</b> Tokyo, Tohoku (Sendai), Kita-Kanto, Yokohama, Shizuoka, Hamamatsu, Nagoya, Kyoto, Osaka, Kobe, Chugoku (Hiroshima), Fukuoka</p> <p><b>Overseas</b> Singapore, Malaysia (Kuala Lumpur, Penang, Johor), Indonesia (Jakarta), Thailand (Bangkok, Chonburi), China (Hong Kong SAR), South Korea (Seoul), Vietnam (Ho Chi Minh City, Hanoi), India (Gurgaon, Bengaluru), United Kingdom (London), Germany (Düsseldorf, Frankfurt), United States (Los Angeles)</p>
Main business	Recruitment services (Ministry of Health, Labour and Welfare License Number 13-YU-010227)

### Board Members (As of 30 April 2023)

Co-Founder, Chairman, CEO, and Managing Director	Hiromi Tazaki
Founder, Director, and Chief Adviser	Tadayoshi Tazaki
Executive Director and Head of Sales	Hiroki Yamada
Director, Head of Administration, CFO, and CHRO	Toshihiko Okino
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 30 April 2023)

JAC International Co., Ltd.
CareerCross Co., Ltd.
JAC Recruitment International Ltd.
VantagePoint K.K.

**JAC Recruitment Co., Ltd.**

14F Jinbocho Mitsui Building

1-105 Kanda-Jinbocho, Chiyoda-ku, Tokyo 101-0051

Tel: +81 (0) 3 5259 9221

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