

RECRUITMENT SPECIALISTS AROUND THE GLOBE

INTEGRATED REPORT
JAC Recruitment 2024

Our Mission

JAC Group has been connecting people, businesses, the economy and society and contributing to their growth by connecting (introducing) professionals who play important roles in the development of companies around the world.

The success of the professionals we connect with leads to the progress of companies and eventually to the development of the world economy. And that economic development results in a contribution to society. Every person we connect will connect to new people in new environments, leading to further personal growth.

Connecting our ambitions leads to the development of individuals, companies, society, nations and the world.

Connecting these together is the work and mission of JAC Group.

Philosophy & Policy

The management philosophy of JAC Group forms the cornerstone of its continuous growth and development.

As a recruitment consulting firm, we introduce as many talented professionals as possible to organisations in need of them.

Our recruitment consultants act in accordance with our “Philosophy and Policy” that has been consistently passed down as part of our corporate culture.

Our ethics have been unwavering despite the changing business environment and our continuous growth.

Philosophy

Freedom & Discipline

Fairness

Policy

Speed

Sincerity

Attitude

Key Points of JAC Group Integrated Report 2024

1

JAC Group Business Model

Optimise Human Capital Through a Deep Understanding of Both Companies and Candidates

The strengths of JAC Group are our professional consultants (human capital), who are divided into more than 170 specialised teams, the high quality of our service (intellectual capital) as defined by the JAC Standard, and our high customer satisfaction (social capital). JAC Group's distinctive business model, which says that we must "deeply understand both the corporate clients and candidates as we uncover hidden needs and talents, connecting them as we optimise human capital," is illustrated as a value creation model.

We have also compiled a list of the impacts on stakeholders resulting from this value creation, and the status of engagement with each stakeholder.

▶ P.20-21 Value Creation Model

▶ P.22-23 JAC Group Business Model

▶ P.28-29 Stakeholder Impact

2

Priority Issues (Materiality) and CSV Initiatives

Solve Social Issues Through the Recruitment Business

Having comprehensively identified the social issues, we organised and grouped them in a matrix of importance to stakeholders and importance to JAC Group, after which we selected the five issues of (1) the realisation of an ideal allocation of human resources, (2) the realisation of a fair society, (3) the realisation of people's health, (4) the realisation of global environmental conservation, and (5) organisational resilience as priority issues (materiality) for JAC Group to address.

For each priority issue, concrete examples of initiatives are described and categorised according to whether they are initiatives undertaken through business or internal initiatives. KPIs indicating the degree of progress are formulated, and examples of initiatives to solve social issues through business (CSV initiatives) are presented in special feature articles.

▶ P.24-25 Priority Issues to Address (Materiality)

▶ P.42-46 Special Feature: Professionals

3

Management Logic Tree

Increase shareholder value by linking business strategies, human resource strategy, and financial and capital strategies

We have broken down the company's revenue structure and organised it into a logic tree connected by KPIs to show how the currently implemented business strategy, human resource strategies, financial and capital strategies, CSV initiatives, and initiatives to support our foundation work together to increase shareholder value toward the fulfilment of the Medium-Term Management Plan.

The subsequent pages provide explanations of the Medium-Term Management Plan, Business Strategy, Human Resource Strategies, Capital Strategy, and Framework Supporting Value Creation, and show the positioning of each strategy and initiative vis-à-vis long-term value creation.

▶ P.30-31 Management Logic Tree

▶ P.34-35 Medium-Term Management Plan

▶ P.36-37 Business Strategies

▶ P.38-39 Investment in Human Capital and Human Resource Strategy

▶ P.40-41 Financial/Capital Strategies

▶ P.48-69 Framework Supporting Value Creation

Editorial Policy

JAC Group has issued Integrated Report 2024 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 guidelines below. For details, please visit the website of JAC Recruitment Co., Ltd.

JAC Recruitment IR Information

<https://irjac-recruitment.jp/en/investors.html>

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 FY2023 (1 January 2023 through 31 December 2023), but also refers to preceding and more recent (in and after January 2024) activities. Names of organisations and titles are based on the information as of 1 June 2024.

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 judgment 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.

Scope

This report covers activities of the company and JAC Group.

Reference Guidelines

- The Integrated Reporting Framework of the Value Reporting Foundation (VRF)
- The Guidance for Collaborative Value Creation issued by Japan's Ministry of Economy, Trade and Industry

Publication: July 2024



Contents

	04	Message from the CEO
	11	COLUMN: Coexistence among Animals, Nature, and People through the JAC Environmental & Animal Protection Foundation
Who we are		
JAC Group Today	12	At a Glance
	14	JAC Group History
	16	Three Business Segments
	17	JAC's Service Brands
	18	Strengths of JAC Group
How we create value		
JAC Value Creation Stories	20	Value Creation Model
	22	JAC Group Business Model
	24	Priority Issues to Address (Materiality)
	26	Risks & Opportunities
	28	Stakeholder Impact
	30	Management Logic Tree
	32	Trajectory to Enhance Corporate Value and Our Vision for 2030
	34	Medium Term Management Plan
	36	Business Strategies
	38	Investment in Human Capital and Human Resource Strategies
	40	Financial/Capital Strategies
Professionals		
Features	42	Contribute to a Fair Society
	44	Support of People's Health
	46	Contribute to Global Environmental Conservation
	47	COLUMN: Our Mission is to Produce Young People Who Will Be Active in Japan and Around the World as Global Leaders
Our Platform		
Framework Supporting Value Creation	48	Sustainability Promotion Initiatives
	48	Our Approach and Initiatives on Climate Change
	52	Forestation Activities
	54	Diversity, Equity & Inclusion Initiatives
	56	Respect for Human Rights
	57	Health and Productivity Management
	58	Risk Management & Compliance
	60	External Director Round Table
	62	Corporate Governance
Data Section		
	70	Ten-Year Financial/Non-Financial Data List
	72	Review of Operations
	74	Financial/Non-Financial Highlights
	76	Financial Statement Data
	80	Stock Information
	81	Corporate Profile
	82	Third-Party Assurance
	83	Management Commitment

The Company's Information Disclosure System

For more detailed information on JAC Group, please also refer to our official website.

JAC Group Integrated Reports

Who we are

JAC Group Today

Message from the CEO

Company History

Service Brands

How we create our value

JAC's Value Creation Stories

Medium Term Management Plan

Business Strategies / Human Resource Strategies / Financial and Capital Strategies

Our Platform

Framework Supporting Value Creation

Sustainability

Corporate Governance

Data Section

Financial and Non-financial Data

Corporate Profile

Official Website

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

Company Overview

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



Sustainability

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



Corporate Governance

<https://ir.jac-recruitment.jp/en/investors/management/governance.html>



IR Information

<https://ir.jac-recruitment.jp/en/investors.html>



Message from the CEO

**Helping to Optimise Human Capital through
High-Quality Consultations with an Accurate
Understanding of Clients' Needs**



Hiromi Tazaki

Co-Founder, Chairman, CEO,
and Managing Director

Management Beliefs Rooted in JAC's Establishment

My approach to the management of the company includes two beliefs that have endured since the company's foundation. The first is that the company should be one that employees are happy and proud to work for. People are the source of all business around the world, and everything is driven by people. Over the course of almost half a century, JAC has been involved at the core of business with a wide variety of companies through our recruitment service, and has supported the human capital management of these companies. JAC's professional recruitment consultants undertake highly significant work and provide a service essential for business as they seek out the people who will form a pillar for corporate growth and connect them with companies. We have received abundant praise from companies and the people hired by those companies, and this brings great gratification to our employees. It is my hope that JAC employees feel pride and satisfaction in the important work they do to help the economy develop, and that they work to refine the skills required to undertake such work while aiming for a level of professionalism that they themselves can be satisfied with and that is recognised by others. I also want JAC to be a company that can provide the support necessary to achieve this. To this end, we shall provide support for each individual employee to build their career and create opportunities for growth through work that offers fulfilment while playing an active role.

The second belief is that we should be a business entity that can give back to society. Society as a whole prospers when companies feed the benefits of their performance and growth back to society, and this leads to prosperity for individuals and local communities. Companies that grow produce more new business and employment, and this in turn leads to increased economic activity and growth. I believe that this cycle also leads to giving back to society and to the planet. Our recruitment services also lead to our own growth through the support we provide for the growth of our clients. Our work invigorates society, and we take pride in this as we go about our business.

These two beliefs are connected to each other. They produce a virtuous cycle whereby we become able to feed the profits from our work back to society when the company achieves growth as employees find satisfaction through their work in a fulfilling environment, and the increasingly prosperous society then generates further employment for which JAC provides support. I believe that it is JAC's mission to take this cycle around the world and leverage it to achieve economic and social development on a global scale.

Keeping these two beliefs firmly in mind, I will work to encourage personal and corporate growth, and to contribute to sustained economic growth and development around the world.

JAC's Approach to Business and Direction

As a professional recruitment agency, JAC Group aims to be the best in the world in terms of quality and profit. By providing our service with the same high level of quality anywhere in the world, we aim to be the company that companies and candidates choose over others and the most trusted company by our shareholders. We also aim to have our employees and their families take pride in the work done at JAC and to ensure safety and comfort in the workplace, and on the basis of this, to constantly evolve and progress to become the global number one company also in terms of profitability.

49 years have passed since I launched our recruitment service in the UK, and 36 years since I brought this business into Japan. JAC Group has led the way in the recruitment industry, which, when we first started out, still did not fit very well with Japan, and in order to achieve the status of the global number one, we need to constantly and proactively respond to market changes and needs, and to continuously evolve and grow. As the number of competitors we have

in Japan grows, in order to be a professional recruitment agency offering the highest quality service, we have always run our business with a tireless prioritisation of consultant training. At JAC, we have set out the high levels of quality we need to achieve as expert recruitment consultants in the JAC Standard, and are expending a great deal of effort to ensure employee development of a high level through the introduction of a training programme that uses an educational handbook for employees and a booklet called "Mission & Duty" for managers, both of which I myself supervised the creation of. These efforts have resulted in an increase in the quality of consultations provided by JAC employees to an even greater level, as well as an increase in the number of best agent awards bestowed on us by the companies who are our clients. Experiences such as when I received a letter praising our consultants and addressed to myself as the CEO from a registrant who had had no luck with other companies but ended up being employed at the directorial level by a major company thanks to an introduction by JAC give me a real

feeling of the purpose and significance of this business.

I am aware that as things stand, JAC is 12th in the world in terms of net sales as a white collar recruitment company, and is an estimated 6th or 7th among companies focusing on middle and high class human resources. In Japan, for the sixth year in a row, we were selected first overall in the Oricon Customer Satisfaction® Ranking for middle/high level placements. Based on high-quality consultations with an understanding of the unique characteristics of a wide variety of industries and positions as well as the needs of both companies and candidates, our method of business sets us apart from our competitors and has led to us receiving high praise. In this era, in which the importance of human capital is being questioned and a high level of business development is demanded, this method is becoming even more important and we are proud to play a

core role in meeting the needs of the market.

Based on a clear vision, at JAC we are taking our business forward toward the achievement of our medium- to long-term plan. To drive our growth forward, I myself share the operational knowhow required to become the global number one with our employees and incorporate it into concrete training content to ensure thorough education. This content includes imparting knowledge and providing education about the global management that constitutes one of JAC's strong points, and developing world-class executives. As experts in a niche market, we will aim to become the world number one based on our consultations with a global perspective and armed with our inimitable originality. We will prioritise the development of global human resources with the ability to flourish at our overseas locations.

▶ P.34-35 Medium-Term Management Plan

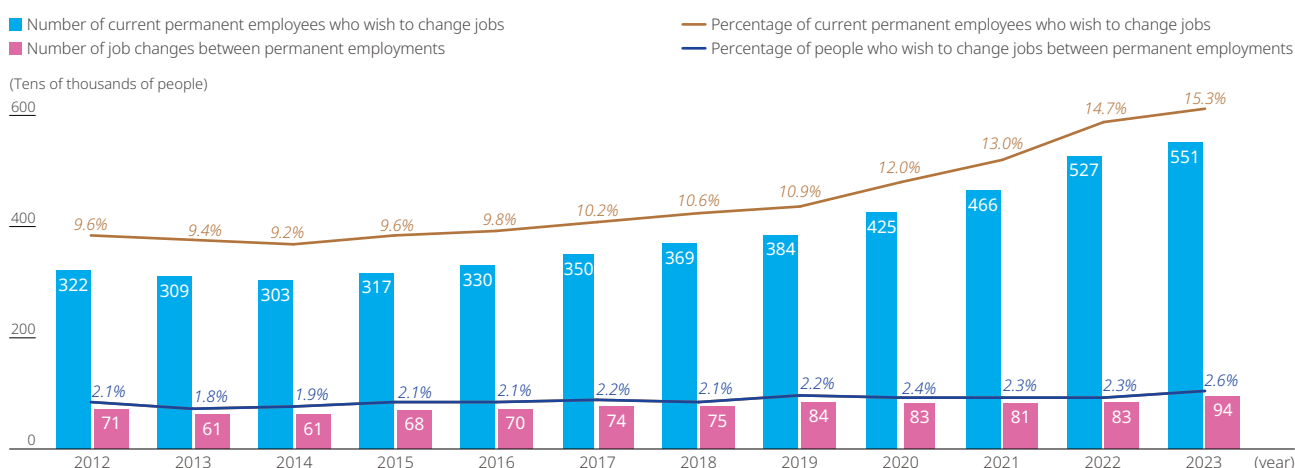
Future Market Outlook and Growth Strategies

The Japanese labour market is seeing a further increasing demand for specialised, highly skilled, and ready-to-work human resources by companies on the back of a labour shortage caused by a declining birthrate and aging population as well as increasing mobility of human resources. In 2024, the ratio of mid-career hires by major companies will be close to a record high of 50%, representing a major shift from a focus on new graduates to the hiring of persons who already have experience. And while more than 5.5 million of Japan's 36 million full-time employees in 2023 would like to switch jobs, the number who have actually managed to make the switch remains at 0.94 million, indicating the likelihood of a mismatch between increasing mid-career recruitment needs and those looking to switch jobs. Given this trend in human resources and to find a solution for this issue, the role of recruitment service providers who emphasise consultations such as ourselves will become increasingly important going forward.

High-Quality Consultations: Our Strength that AI Cannot Imitate

Of late we have seen many recruitment websites offering a matching service that utilises AI, but website-based matching is an area known as job-spec matching that covers general positions or positions for which no consultation is necessary. Positions for officers, senior management executives, and highly-specialised individuals that form the specialist area of JAC are not job offers for which website-based matching can be applied. Our greatest strength is recruitment based on consultations whereby, having first spoken directly to the top management and recruitment decision makers at a company about the human resource recruitment issues they have and their business plan, we investigate and discuss the type of human resources they need before going on to make proposals. JAC's consultations, in which we take into consideration corporate culture

Number of permanent employees seeking to change jobs and number of job changes between permanent employments



Source: calculated by the Company based on the '2023 Yearly Average Results (Detailed Tabulation) of Labour Force Survey' by Statistics Bureau of Japan

and the personality of candidates before suggesting the optimum human resources from the wide variety of resources we have in our own enormous database and other sources, simply cannot be replicated with AI matching. At JAC, we have introduced AI for use in BPR (business process reengineering) to streamline our business and allow consultants to concentrate on the work of consultants. Rather than leaving things to AI, our work as professionals in this business involves using AI as one of our tools.

2024 Management Guidelines - Connect JAC, Account Management 2.0

At the start of each year, in JAC Group we share with all group employees the management guidelines for that year as something we refer to as "Mission & Target". We ensure all employees are facing in the same direction using this as their indicator, and for the purpose of concrete action in 2024 we have adopted the keywords "Connect JAC, Account Management 2.0". With a focus on account management, each department of each company in JAC Group will work together in unison to provide support to our clients in a way that meets a wide variety of human resource needs.

And for candidates, we shall further enhance our building of relationships with highly-talented individuals based on the keywords of "Candidate Engagement". In some cases, it may be clear what type of human resources a company needs but not what type of career a candidate is aiming for. Therefore, another role of ours is to identify strengths and qualities that the candidate has not noticed, and set out a path forward. In many cases we build a long-term relationship akin to that of a friend, and the information we gain from such relationships also forms an important resource. We will aim to build relationships with candidates in which they feel able to speak to us at any time about their career.

Focus Domains

The business environment is constantly changing, and those involved in the management of companies must always read such changes while taking a dynamic approach to management. To enable us to handle change with an organisational structure that always focuses on fast-growing markets, JAC emphasises the optimisation of human resources. In order to meet the needs of the market, in 2024 we will also work to enhance our business in the domains of the financial sector, manufacturing industry, the construction and real estate sector, and digital-related domains in addition to expanding our business in the executive domain. While large-scale recruitment by major foreign companies in the IT industry has declined, there is still a high demand for human resources in digital fields, and we are likely to see continued inquiries over the

long term with a particular focus on human resources for DX (Digital Transformation) in all industries.

It is said that as DX progresses at companies, much work will end up being performed by AI. However, positions for high-level human resources that form our main target are not something that can easily be replaced with AI, and we believe there will continue to be a high degree of demand for these positions into the future.

We currently have 12 offices in Japan, and we will continue to work on strengthening our regional presence. I believe that one of our missions is to promote the hiring of highly-skilled personnel and management human resources with the ability to flourish in provincial areas, and link this to regional revitalisation.

▶ P.36-37 Business Strategies

Hire and Educate More Consultants, and Produce Global Human Resources

In order to expand our business, the acquisition of highly-talented human resources and the strengthening of our organisational structure are absolutely essential. While working to boost our recruitment of highly-talented consultants, at the same time we are also making effort in terms of educating them. We are also working on the recruitment and education of employees who will be future candidates to become executives. Furthermore, we institute training tailored to each layer of management.



JAC Group, which has business locations in 11 countries that include countries in Europe and North America, last year opened offices in Los Angeles, North Carolina, and New York in the US as well as an office in Munich, Germany. Going forward, we shall keep the establishment of overseas business locations in our sights and enhance our training for

employees with the ability to flourish in different countries. Developing human resources with the capability for global management is essential for JAC to achieve further global growth, and we are working on strengthening in this area.

▶ P.38-39 Investment in Human Capital and Human Resource Strategies

Sustainability Initiatives

As I mentioned, I have run this company on the basis of a determination to feed the profits of our business activities back to society and contribute to building an environment for a sustainable Japan and a sustainable planet. I see sustainability initiatives as being a natural responsibility of companies, and as well as supporting corporate initiatives for the resolution of societal challenges through our recruitment service, JAC Group is engaged in a range of initiatives that include environmental conservation and DE&I promotion.

Recruitment for Sustainability

By recruiting human resources in the field of sustainability, at JAC we proactively support the initiatives of our corporate clients toward the resolution of societal challenges. Examples of this include support for a company's diversity management initiatives through the introduction of women for placement in directorial and managerial positions or human resources of a variety of nationalities and backgrounds, and support for global environment preservation initiatives by finding and introducing human resources involved in energy saving and decarbonisation technology as well as those able to contribute to ESG investment and ESG management promotion.

▶ P.24-25 Priority Issues to Address (Materiality)

Toward a Society with a Level Playing Field - Our Approach to DE&I Initiatives and Human Rights

JAC Group, which has employees hailing from more than 30 countries as of 2024, has included sections called "Freedom & Discipline" and "Fairness" in its corporate Philosophy & Policy since it was founded, and while the group offers an environment that enables people to work without suffering any bias in terms of age, gender, religion, nationality, or any other such attributes, we are currently boosting our promotion of diversity, equity, and inclusion (DE&I) to enable employees to be themselves in an open environment.

We have established a Women's Empowerment Committee to increase the number of women in managerial positions, and are working to enhance awareness and education concerning managerial positions among women. The generous subsidy and environment that JAC provides have led to a ratio of 100% of employees returning to work after giving birth, and we are working to standardise parental leave for male employees. Within the company, it has now been 17 years since we established our Working Parents Committee project to provide support to parents raising children, and we have fostered a culture where both men and women who have children can talk to each other at lunchtime about their concerns, work-life balance, and other childcare matters as part of their normal day at work.

We have also established an LGBTQ+ committee in



From the left: Ms. Miwako Kaneko Associate Director, CCO, Stephen Blundell, Director, Head of Global Business Headquarters, Hiromi Tazaki, Co-Founder, Chairman, CEO, and Managing Director, and Tokuji Hayakawa, Associate Director of Sales East Japan 2

order to deepen our understanding of LGBTQ+ employees, and are working to build an LGBTQ+-friendly environment through activities that include training for all employees, participation in Tokyo Rainbow Pride, and distributing Ally stickers to those who make an Ally declaration. As well as raising awareness internally, in terms of JAC's business we have also put in place a structure to enable each and every consultant to naturally provide advice to LGBTQ+ candidates. Such initiatives that we are undertaking have won praise, and we have been awarded the Gold Award (the highest award) in the PRIDE Index 2023, marking the second consecutive year we have been given this award. I myself have long been of a mindset naturally geared to the acceptance of a wide range of employees, so it is my desire to promote understanding of diversity to employees and put in place a working environment that enables LGBTQ+ employees to feel at home and be themselves, and to put on display our understanding of diversity to companies, candidates, and society as a whole.

JAC approach to human rights is to respect the human rights not only of JAC Group employees but also of stakeholders and all other persons, and we have defined a human rights policy to ensure no violations of human rights. JAC works with people, who are at the centre of all business, and through our business activities we aim to help realise a society that accepts a diverse range of values and in which all people can live a vibrant life.

▶ P.54-55 Initiative of Diversity, Equity & Inclusion

▶ P.56 Respect for Human Rights

Lifting Japan's Fauna and Environmental Conservation Initiatives to Global Standards

Since 2008, JAC has been engaged in an activity called "One Placement creates one Plant to save the Planet" (which we refer to as the PPP Project) on the islands of Bali in Indonesia and Borneo in Malaysia, under which a plant is planted for each person who changes jobs through the work of our group companies around the world. So

far we have planted more than 140,000 trees, which, in addition to absorbing 500 tons of greenhouse gases (GHG) annually, are beneficial for the conservation of the local natural environment and for promoting employment. In addition to this activity, in 2024 we launched the JAC Moringa Forest Forestation Project in Malaysia, Okinawa, and other places. In this project we will reforest wasteland areas by planting trees that include Moringa trees, which absorb high levels of GHG, and native trees at a rate of 10,000 trees annually, and we have named it the JAC Moringa Forest. Through this project we will work to create employment for local residents and to restore the natural environment, and aim to achieve carbon neutrality by 2030.

I have had a strong interest in the protection of animals and in environmental issues since I was a child, and after moving to the UK in 1974 I was impressed by the reality of animal welfare organisations there and the culture of volunteerism for animal welfare that has taken root among the public. Every time I return to Japan, I am reminded of the fact that the country is lagging behind by several decades in this field, and on the basis of a strong desire to take the lead and do something about this without waiting for the Japanese government to take action, I established the JAC Environmental & Animal Protection Foundation in 2022, and it received certification as a public interest incorporated foundation in 2023.

The goal of this foundation is the elimination of culling of cats and dogs, and the protection of endangered animals as well as the associated protection of the natural environment in Japan. Conservation activities are funded entirely by donations from myself, the director of the foundation, and a total of ¥180 million in grants is planned for FY2024, with ¥76.14 million being distributed in April to the 61 organisations selected in the first round of applications. JAC supports the foundation's activities by providing personnel to help run the foundation and office space for it to work in. Awareness in Japan of fauna and

Tree-planting record (total no. of trees planted since 2008)



environmental conservation is lagging far behind Europe and North America, but taking the lead ourselves, we hold discussions with the Ministry of the Environment and work with local authorities and educational and research institutes to address this matter. Through these activities,

the foundation proactively supports the building of an environment for a prosperous future in which animals, nature, and society can coexist.

► P.52-53 Forestation Activities

► P.11 Coexistence among Animals, Nature, and People through the JAC Environmental & Animal Protection Foundation

Highly Transparent Management with a Strong Awareness of Governance

It is sometimes thought that at owner-operator companies, in which the founders take responsibility for management, strong leadership exhibited by management leads to self-righteousness and that lines between private life and work become blurred. Given my belief that management taking the lead and doing the right thing forms the foundation of management for a sound company, I have always acted with discipline in management. The “Freedom & Discipline” in our “Philosophy & Policy” is one of the values that JAC holds dear, and I myself also place much importance on discipline in my daily activities. Employees look to see if management are practicing what they preach, and if I myself, the person who stands at the top of the company, had been unable to show self-discipline, then employees would not have followed me and I would not have been able to grow the company to size it is now.

JAC is continuing to grow steadily, and in order to achieve even higher goals, we are aiming for management of an even higher standard. I believe that diversity in management is important when it comes to increasing the transparency of management and the objectivity of oversight. The Board of Directors is comprised of 11 members including members of the Audit and Supervisory Committee, and includes six independent external directors. In 2024, we added one new non-Japanese director and one

new female director, bringing the total to two of each.

In terms of our external directors, we have invited persons with different skills to be directors as we want them to share concrete and relevant opinions as well as examples of their work with the executive officers on the basis of their professional knowledge and experience. As an example of this, by appointing a balance of people with a range of experience, knowledge, and capabilities, such as former officers of major general trading companies, certified public accountants, lawyers, non-Japanese persons with the experience of being the director of the Japan branch of a multinational company, and persons with experience of management at IT companies, we maintain soundness and fairness in our management. The Board of Directors holds multifaceted and lively discussions each time it meets, and discussions concerning JAC's growth strategy and business strategy also see the expression of opinions from a range of perspectives, such as management, global, legal, and financial perspectives, on how we can minimise risks while seizing opportunities to grow. Going forward, we shall continue to ensure sound management with the benefit of appropriate oversight, monitoring, and advice.

► P.62-69 Corporate Governance

Aiming to Meet the Needs of Society and Increase Long-Term Corporate Value

The major premise of our goal of becoming the world's top recruitment company is to always maintain this goal going forward and to keep growing our business and increasing our corporate value beyond this and into the future.

I would like to see us become a company that clients are happy to entrust with work and that receives high levels of trust and praise by being able to see how the market is changing and predict how it will develop going forward, and gaining an understanding of our clients' vision before accurately identifying their needs and providing high-quality consultations and solutions. We intend to undertake the business required by our clients, candidates, and society to become the top recruitment company in the world that is chosen above all others, and to maintain this position.

While the pursuit of profit is naturally important as a company, I also see fulfilling the responsibility to maximise profit while achieving a sustainable society as the mission of JAC. Through continuous sound growth as a company, we will undertake management that achieves the trust of our shareholders and lives up to their expectations, making them glad to have provided their support to JAC.

JAC Group will continue to support the human capital management of companies through our recruitment service and to contribute to the achievement of a society in which everyone can enjoy the benefits of a prosperous daily life, and so I would like to request the continued support of our stakeholders.

COLUMN

Coexistence among Animals, Nature, and People through the JAC Environmental & Animal Protection Foundation

In March 2022, Co-Founder, Chairman, CEO, and Managing Director Hiromi Tazaki founded the JAC Environmental & Animal Protection Foundation to work toward the elimination of the culling of cats and dogs and the protection of rare and endangered animals as well as the associated protection of the natural environment in Japan.

This foundation contributes to sustainable coexistence between people and animals and to the protection of the natural environment through the provision of grants to organisations that work on the protection of animals and the associated conservation of the natural environment. It also contributes to bringing the protection of animals and the natural environment into people's consciousness in Japan through awareness raising activities. All grants come from donations made by Hiromi Tazaki, who serves as the director of the foundation. Based on the concept of returning the riches of economic development to the Earth, Hiromi Tazaki uses her own personal finances to fund the protection of animals and the environment in Japan, and through these activities, works with a strong desire to bring fundamental change to the protection of nature, animals, and the environment in Japan.



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

Supporting the Protection Activities of more than 100 Organisations in Japan from Hokkaido to Okinawa

The foundation has so far provided grants with a running total of ¥158.8 million to a total of 120 organisations out of more than 200 applicants.

Recipients of grants include organisations that work to protect the endangered sand tiger shark (Ogasawara Islands, Tokyo), Iriomote cat (Iriomote Island, Okinawa), and Okinawa rail (Okinawa Main Island). From FY2024, the improvement of animal welfare for livestock and industrial animals has been newly added to the areas eligible to receive grants. Grants have been provided for things including the repair of facilities at small-scale free-range egg-laying chicken farms taking into account animal welfare, improving the living environment for pigs on free-range pig farms, and supporting the operation of retirement farms for racehorses and horses that have retired from breeding. Given that the field of welfare of livestock and industrial animals has always struggled to attract support, the foundation will continue to proactively support activities in this field going forward.



Protecting the Iriomote cat from accidents on roads
The JAC Environmental & Animal Protection Foundation undertakes activities to protect the endangered Iriomote cat from accidents on roads on the Iriomote Island World Heritage Site.

Photo: © Kojo Tanaka

Grants Provided

Fiscal Year	No. of Grant Recipients		Grant		Grant Recipient Field of Activities	
2023	59 organisations (out of 141 applicant organisations)		¥82.66 million		<ul style="list-style-type: none"> • Conservation activities for wild animals, particularly rare and endangered wild animals: 27 • Protection activities for dogs, cats, and other domestic animals: 26 • Awareness raising activities: 4 • Activities for improving the welfare of wild animals on display: 2 	
2024	1st round of applications	61 organisations (of a total 100 applicant organisations)	1st round of applications	¥76.14 million	1st round of applications	<ul style="list-style-type: none"> • Conservation of rare wild animals: 13 • Improvement of animal welfare for companion animals/domestic animals: 35 • Improvement of animal welfare for animals in zoos and aquariums: 3 • Animal welfare improvement for livestock and industrial animals: 8 • Protection of the natural environment: 2
	2nd round of applications	TBD around September 2024	2nd round of applications	Planned at ¥100 million	2nd round of applications	TBD around September 2024

Endowed University Class Established, Education and HR Development Started

We have established an endowed class called the JAC Environmental & Animal Protection Foundation One Welfare Endowed Class at Nippon Veterinary and Life Science University in April 2024. As the first base for "one welfare" (the concept of human and animal happiness being interconnected) education activities at a university in Japan, this class will undertake educational and awareness raising activities concerning animal welfare improvement, the well-being of people, and the sustainability of society with the goal of achieving these things.

Promotion of Volunteering by Employees

In May 2024, we started a system for JAC Group employees to register as a volunteer for the foundation. This will provide employees with opportunities to think about environmental issues and help to address them by enabling them to take it upon themselves to get involved in the local environmental conservation activities of organisations who receive grants from the foundation. We also have a system that allows two days of leave per year for volunteering activities, and we encourage our employees to make use of this system.

At a Glance - Key Figures

Net sales

(FY2023 results)

34.47 billion yen

13.3% up year-on-year



Net income

(FY2023 results)

5.97 billion yen

18.9% up year-on-year



Average annual growth

21.2% *

* Average annual growth rate from 2012 to 2023
(COVID-19 years of 2020 and 2021 excluded)



P/B ratio

(End of 2023)

x6.02



ROE

(FY2023 results)

36.4%



EPS

(End of 2023)

150 (adjusted to 37)



Equity ratio

(End of 2023)

73.2%



Countries and regions with offices

(As of end of 2023)

11 countries



Offices

(As of June 2024)

34



Founded

1975



No. of employees

(As of end of 2023)

1,952



* Number of permanent employees plus the number of temporary employees

No. of consultants

(As of end of 2023)

1,428



Employee nationalities

(As of end of 2023)

34



Ratio of female managers (line chiefs)

(As of end of 2023)

21%



Trees planted

(As of end of 2023)

140,000+



External directors

(As of June 2024)

55%

* 6 out of 11



Female directors

(as of June 2024)

18%

* 2 out of 11



Foreign directors

(as of June 2024)

18%

* 2 out of 11



At a Glance - Evaluation

Acquired MSCI ESG “AA” rating



We acquired an “AA” rating in December 2023. Our efforts relating to human capital in particular were evaluated highly, leading to a rating increase from “A” in the previous evaluation (December 2022) to “AA”.

Four service brands certified as “Excellent Employment Placement Service Provider”



The FY2023 Excellent Employment Placement Service Provider Certification Project Council commissioned by the Ministry of Health, Labour and Welfare certified four of the company's service brands as “Excellent Employment Placement Service Providers”. These were JAC Recruitment, JAC Digital, JAC Executive, and JAC Career.

For the sixth year in a row, we were selected 1st overall in the Oricon Customer Satisfaction® Ranking for middle/high level placements



In the same survey, we were rated first overall for six consecutive years (2019-2024) as a result of evaluation in all four categories, including “ease of use” and “introduced job vacancies”.

Recognised in the 2024 Certified Health & Productivity Management Outstanding Organizations Recognition Programme Large Enterprise Category's



We were evaluated highly for our ongoing efforts across the company and received recognition in the 2024 Certified Health & Productivity Management Outstanding Organizations Recognition Programme for the seventh time in a row since 2018.

Listed in Forbes Japan WOMEN AWARD 2023 corporate ranking



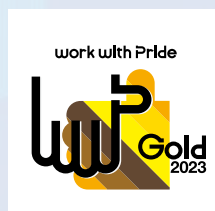
We were ranked 31 out of approximately 1,900 eligible companies in one of Japanese largest women's awards, WOMEN AWARD 2023. We are working on various initiatives to address unconscious bias in the workplace and to build an organisation in which everyone can leverage their individual strengths and abilities, regardless of gender.

Highest “Best Workplace” recognition in the D&I AWARD 2023



We were recognised as a “Best Workplace” in the D&I AWARD 2023 run by JobRainbow Co., Ltd. as an advanced D&I company that works to promote D&I at an elevated level, not only for Japan, but on a global scale.

Awarded top Gold rating in the PRIDE Index 2023



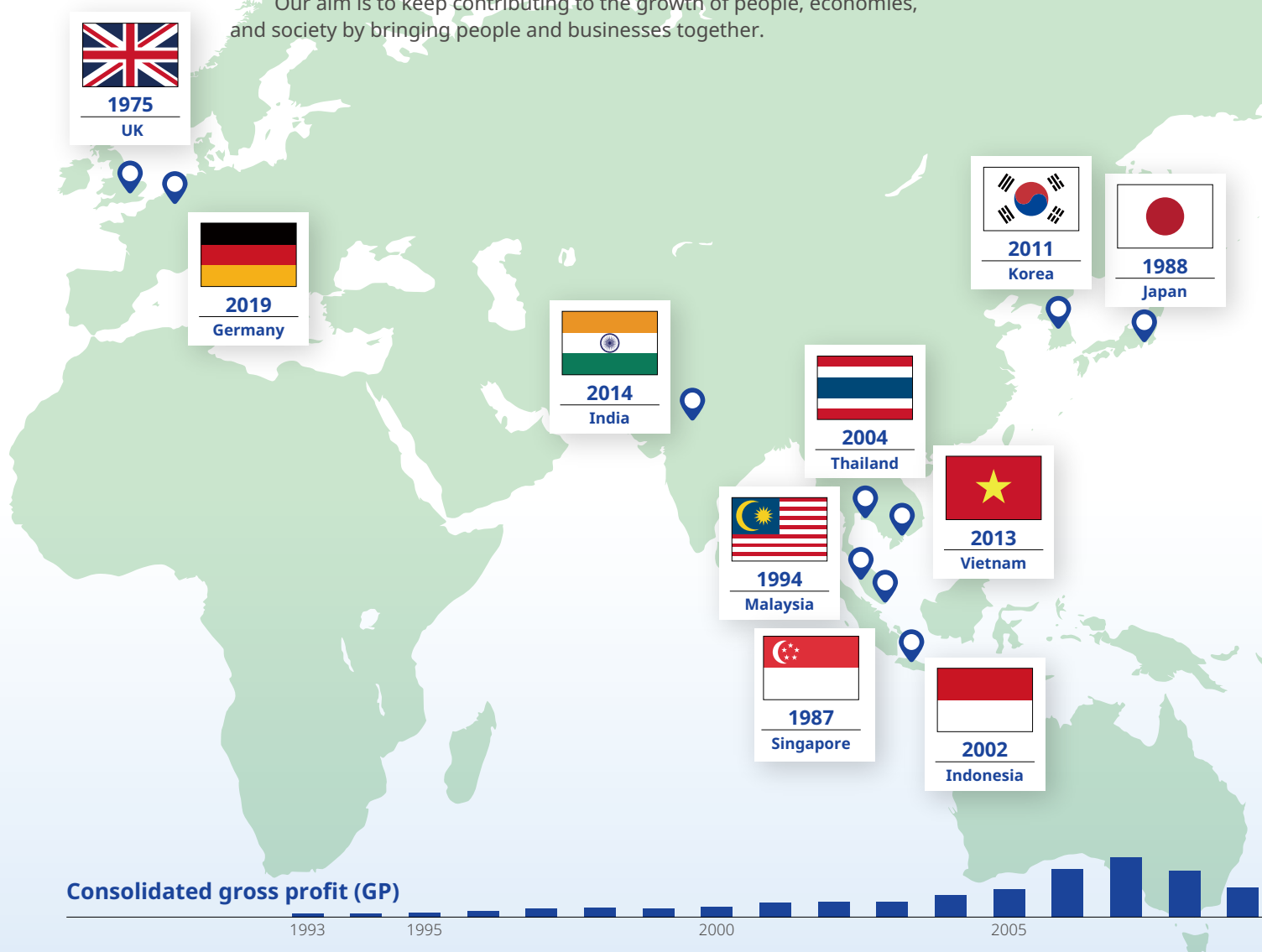
For the second year in a row, we received the highest Gold rating in this index that evaluates LGBTQ+ and other sexual minority initiatives. In 2021, we established an LGBTQ+ Committee that continues activities to raise awareness within the company.

In 2023, we exhibited at Tokyo Rainbow Pride for the first time and expressed our support for “Business for Marriage Equality”, among other initiatives.

JAC Group History

Since its foundation in the United Kingdom in 1975, JAC Group has grown around its core businesses relating to “human resources”.

Our aim is to keep contributing to the growth of people, economies, and society by bringing people and businesses together.



1975

Founded in London, UK

In the early 1970s, Japanese companies began to move actively into the UK. Tadayoshi Tazaki founded the Tazaki Group, predecessor to today's JAC, to provide support services to such companies. The company set up a range of businesses to meet Japanese company needs and help them get established in the UK, including food importing, real estate brokerage, recruitment, and Japanese newspaper publishing.

1981

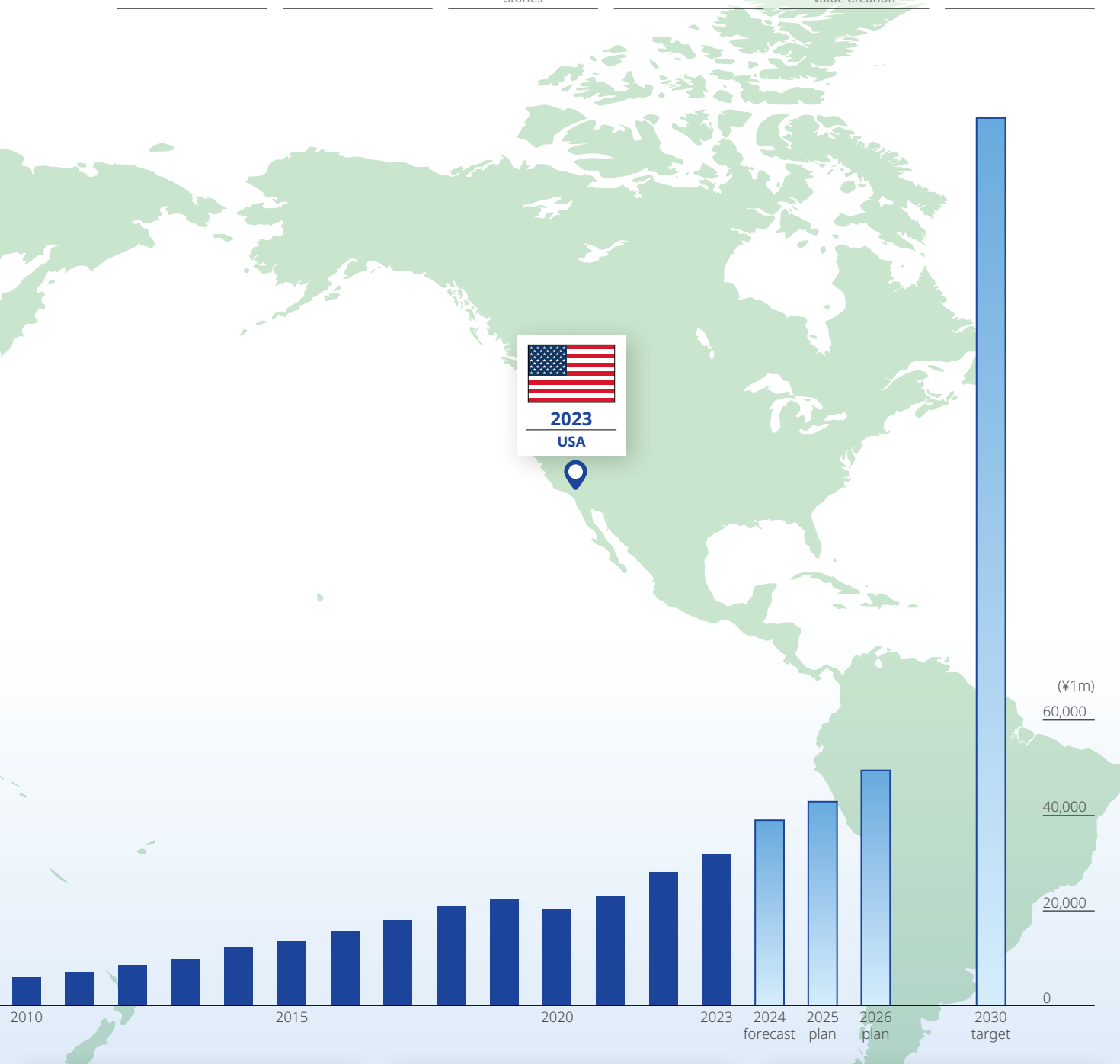
Full-scale recruitment business

Current Co-Founder, Chairman, CEO and Managing Director Hiromi Tazaki joined the company and launched a full-scale recruitment business operation. At the time, Japanese companies were unfamiliar with the recruitment business process, and she built JAC Recruitment's business style from scratch. In addition to recruitment, the company launched other services, such as head hunting and temporary staffing.

1988

Homecoming: JAC Japan established

In 1987, the company established a Singapore office, and the next year JAC Japan was founded as the company's Japanese office. (The name was changed to JAC Recruitment in 2009). After that, the company opened more offices in Japan and abroad, including the Osaka office, JAC Malaysia, and more. Overseas, the company launched new businesses, including consulting, outsourcing, and contracting businesses.



2006

JASDAQ listing

JAC Japan's shares were listed on the JASDAQ stock exchange in 2006 (changed to the First Section of the Tokyo Stock Exchange in 2015 and to the current Prime Market in 2022), following rapid growth due to deregulation of the job placement business in 1999-2000. In 2010, after coming through the 2007–2008 financial crisis, the company strengthened the consulting style it had developed since its foundation and clarified its management policy to focus on the middle to high income range.

2018

Reintegrating with overseas businesses

In 2018, the company reintegrated with its overseas businesses that had been split off upon the 2006 stock listing. With this, JAC Group companies operating overseas became consolidated subsidiaries of JAC Recruitment.

In 2020, the company launched Recruitment Process Optimisation (recruitment agency service) and Interim Management Solutions (fixed-term contract service for highly skilled personnel) services in Japan, and established a system to provide a range of services for supporting corporate clients' human capital management.

2030 and on

The world's top recruitment consultancy contributes to society on a global scale

We aim to become the "world's No. 1 professional recruitment group, both in quality of service and profitability."

Based on our own unique advantages in the form of our five core values, we optimise human capital by being the best possible partner for both companies and people. Through this, we contribute to the development of companies and society at large.

▶ P.18 JAC Group's Strengths

Three Business Segments

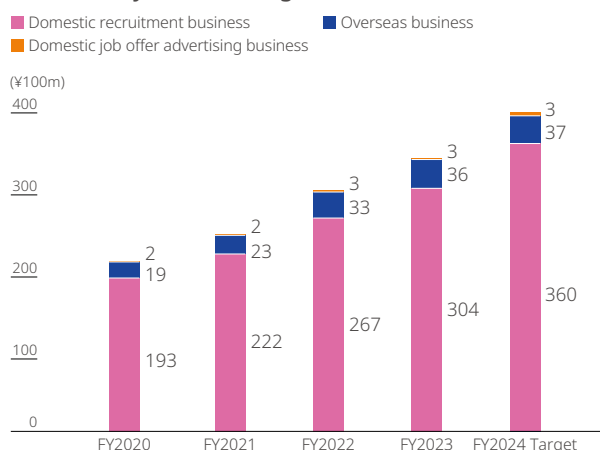
JAC Group's strength is the recruitment support we provide for high-class managers and professionals. We have built related businesses to meet increasingly diverse needs of companies. Through high-level consultation, we help drive the growth of people and companies not only in Japan, but also in countries around the world.

Domestic Recruitment Business

The core business of the Group is a success-based recruitment service. We introduce candidates to companies and collect a consulting fee when hiring takes place. We also offer a retainer business in which a portion of the fee is paid up front when the company requests a candidate search. Target human resources include managers, mid- to high-end executives, management staff and industry specialists.

With labour shortages in Japan, demand for candidates remains at a high level among Japanese companies. Continuing its run from the previous fiscal year, the Domestic Recruitment Business posted record highs in net sales and profits.

Net sales by business segment



Overseas Business

The Group operates 34 offices in 11 countries around the world. In recent years, business has been robust in Europe and the U.S., and we opened new offices in the U.S. and Germany. With success-based and retainer models, we provide integrated and ongoing human resources support. This includes everything from local recruitment to advice in Japan to Japanese companies expanding overseas.

Domestic Job Offer Advertising Business

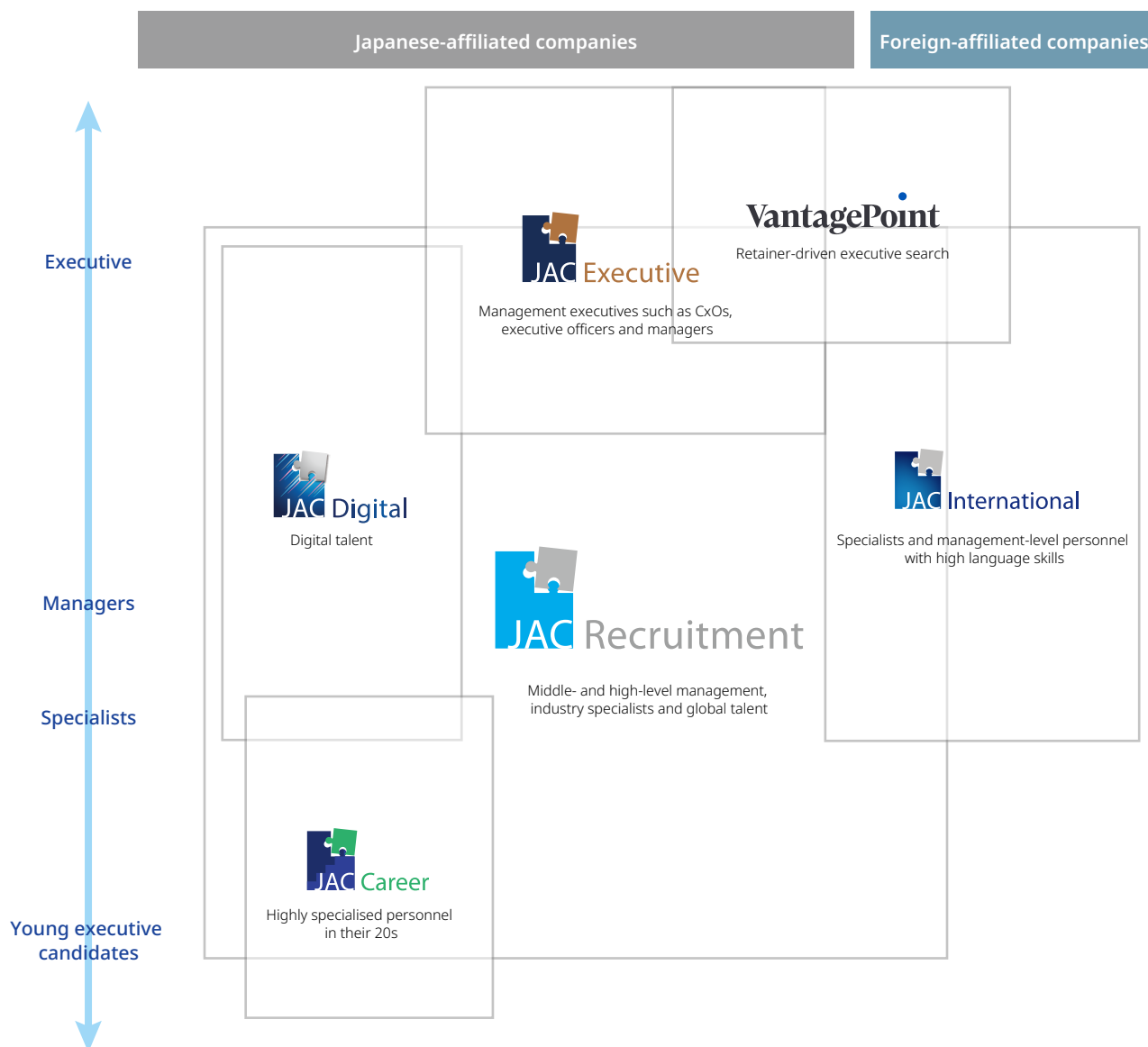
Under the Group umbrella, CareerCross Co., Ltd. operates a job ads site for bilingual and multilingual human resources. In 2020, in addition to the existing fee-for-posting service, the company introduced a success-based recruitment agency service that handles such tasks as company job advertising and scouting. We work to provide all the customer success staff needed for successful recruitment. Looking ahead, we are working to further expand our directory routing service.



JAC's Service Brands

The economic and social environment is changing with the times, and the way companies recruit and people work are diversifying. JAC Group has developed 11 highly specialised service brands that meet the needs of the market, with each brand aiming to be No. 1 in its respective field. At the same time, JAC Group as a whole aims to comprehensively support its customers and realise its goal of being the “world’s No. 1 recruitment professional group in terms of quality and profitability”.

JAC Group's Service Areas



Recruitment media services	Recruitment-related services	
<p>CareerCross</p> <p>Job ads site connecting global companies with global talents</p>	<p>Japan</p> <div> <p>RPO Solutions</p> <p>Recruitment agency service</p> </div> <div> <p>JAC IMS</p> <p>Time-limited placement service for immediate professional personnel</p> </div>	<p>Indonesia</p> <div> <p>JAC Consulting</p> <p>Consulting service</p> </div> <div> <p>JAC Outsourcing</p> <p>Business agent service</p> </div>

JAC Group's Strengths

JAC Group's Five Core Values

1 Superior skills to support the operations of companies outside their home countries (Strength derived from having been founded in the United Kingdom)

The Group is a global corporate group founded in the United Kingdom. We have extensive knowledge of business operation knowhow 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 services by highly skilled professionals

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

3 Specialising in managerial/executive and specialist positions (Focus on professional and middle- and high-level positions)

The Group's strengths lie in global recruitment necessary for foreign-affiliated companies and Japanese companies with overseas operations, 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. The number of specialist teams we have is among the highest in the world, with over 170 segmented teams in Japan alone.

5 Teamwork (Recruitment services through company-wide collaboration)

The Group is committed to thorough information sharing within each team. With an emphasis on making choices available for both companies and candidates, based on reliable information and the realities of the market, 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.

100+ Club

JAC Group's 100+ Club is a special group open only to consultants who have successfully placed 100 or more candidates. To achieve this, consultants must work closely with client companies and candidates at an individual level to build up a solid performance record. Membership in the 100+ Club is evidence of a professional consultant with first-class specialist knowledge and experience. The ranking increases with every 100 successful job placements. Consultants who have helped 200 or more candidates become 200+ Club members, and consultants who have helped 300 or more candidates become members of the 300+ Club. There are currently 500+ Club members in JAC Japan and 800+ Club members overseas.

Makeup and highlights

Members:	254 (About 18% of all consultants)
Productivity:	1.5x, compared to non-member consultants
Average years of service:	12.0 years (as of the end of 2023)

Activities

The club runs biannual general meetings and eight in-house seminars a year, as well as 12 themed subcommittees. Members are able to interact and share experiences, which enhances their skills and specialist knowledge.

Under the 100+ Club Concierge programme, the club provides operational and motivational support for other consultants, which is helping to raise the quality of consultancy across the Group.

Three Financial Advantages

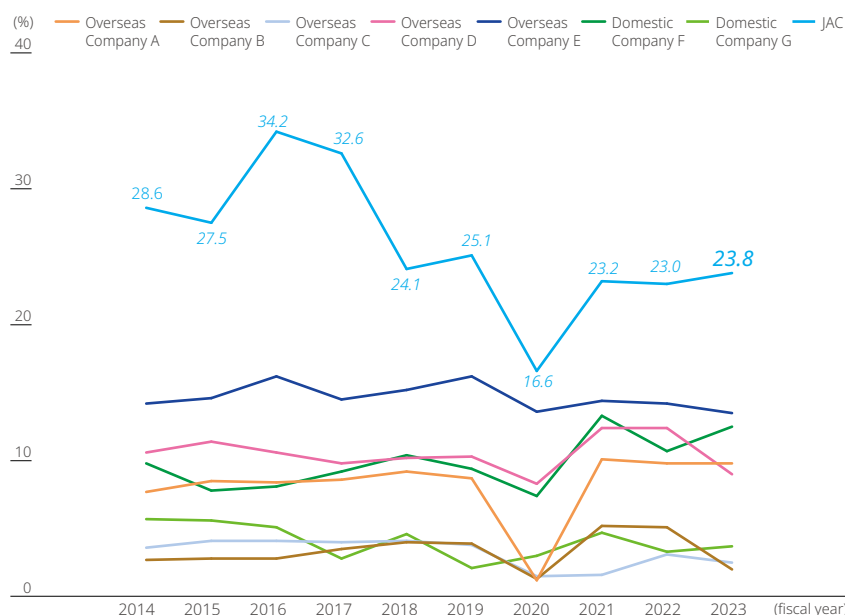
Through business activities that leverage our five core values, JAC group achieves significantly higher profit margins than any other recruitment agency in the world, and also maintains comparatively high growth rates and capital efficiency.

	JAC Group	Overseas Company A	Overseas Company B	Overseas Company C	Overseas Company D	Overseas Company E	Overseas Company F	Domestic Company G
Growth rate (gross profit CAGR over the past 10 years)	16.3%	7.0%	6.9%	6.1%	4.1%	0.8%	12.5%	13.4%
Operating income margin (income margin on net sales before taxes, 10-year simple average)	25.9%	7.8%	3.3%	3.2%	10.5%	14.7%	9.9%	4.1%
Capital efficiency (ROE 10-year simple average)	30.8%	28.6%	18.0%	24.1%	35.2%	21.3%	16.2%	12.7%

1 Operating income margin (income margin on net sales before taxes)

Average of 25.9%
2014 to 2023

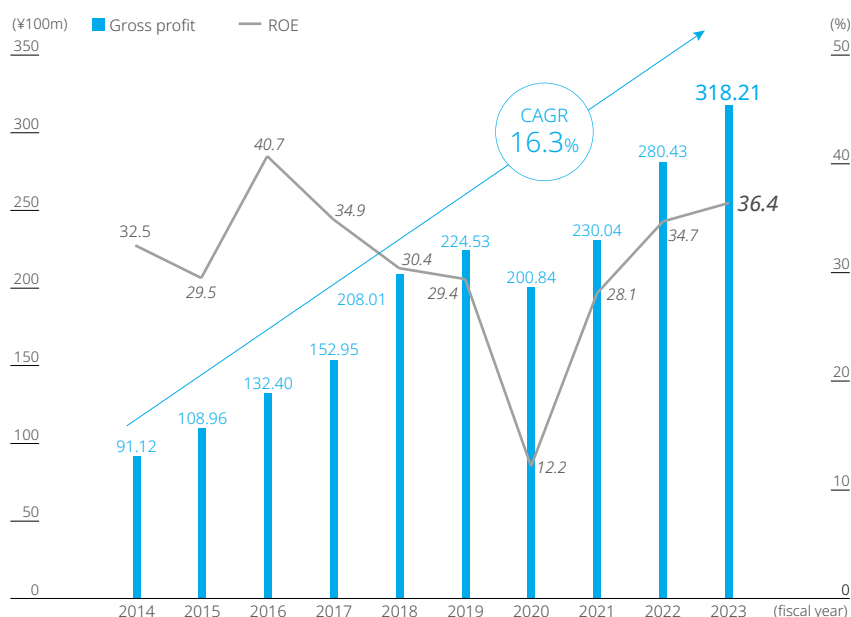
By providing high quality consulting services and focusing our business on specialists and mid- to high-income range candidates, we have maintained our group's income margin at 25.9% annually for the past 10 years (simple average), which is dramatically higher than that of any of other company in the industry.



2 Gross profit growth rate

CAGR 16.3%
2014 to 2023

With the expansion of the domestic recruitment market, our Group's top-line results have grown steadily. Over the past ten years, the average gross profit growth rate has reached the high level of 16.3% annually.



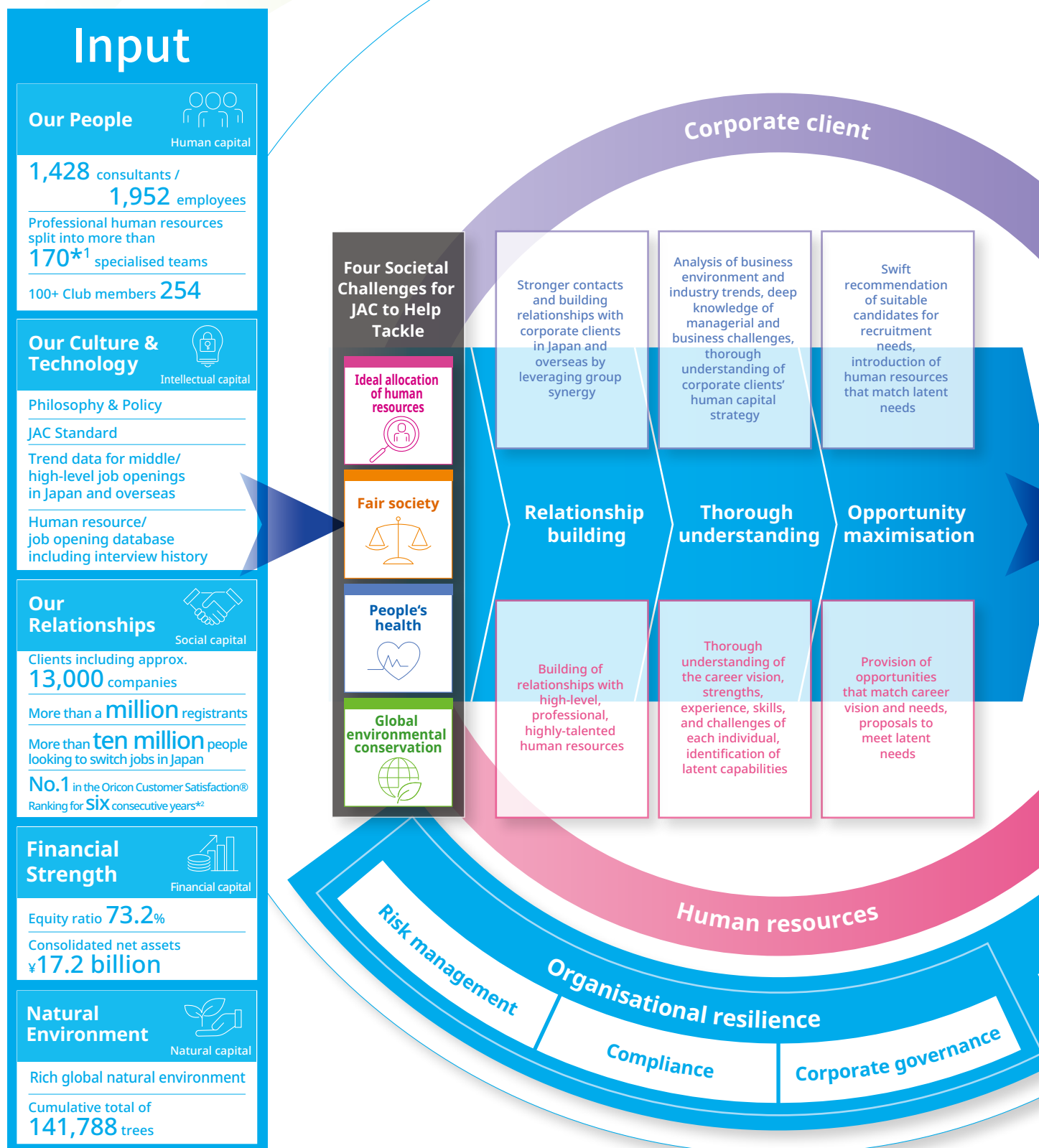
3 Capital efficiency (ROE)

Average of 30.8%
2014 to 2023

Our group's business model generates profits largely from human, intellectual, and social capital, and our capital efficiency trends high. The average ROE over the last 10 years was 30.8% (simple average), significantly higher than the average for companies listed on the Prime Market, and a relatively high level compared to global companies in the same industry.

Value Creation Model

JAC Group has had an unflinching focus on the importance of people ever since its foundation, and over the years has provided support for the optimisation of the human capital that forms the basis of human resource strategy among the companies who are our clients. JAC Group value creation process involves gaining an understanding of the various societal challenges facing people, building a strong relationship with and gaining a deep understanding of both companies and human resources, identifying latent needs and providing a place for human resources to play an active role, and connecting the right people with the right positions. This process delivers forward progress to the companies and the opportunity to play an active role to candidates, while supporting the development of the economy and society.



*1 As of January 2024

*2 No.1 in Oricon Customer Satisfaction® Ranking for middle/high-level placements for six years in a row from 2019 to 2024

Impact

Development of global economy and society

Output

Human capital
optimisation
support for clients

Human
capital
management

Company
advancement

Building of
individual's
career

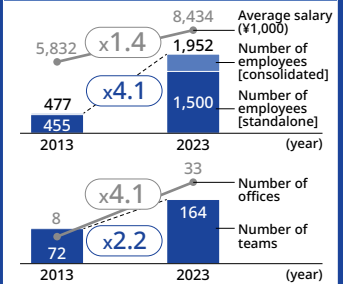
Well-being

Medium-term
management plan

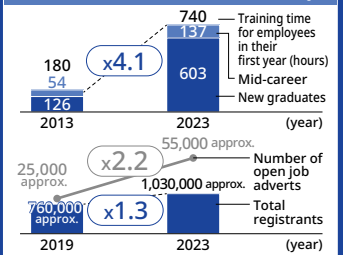
Outcome

Past rates of increase

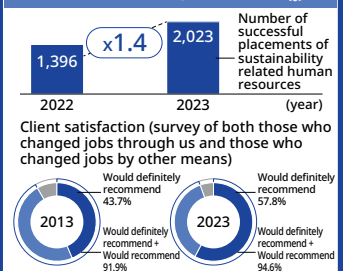
Our People



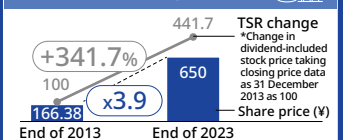
Our Culture & Technology



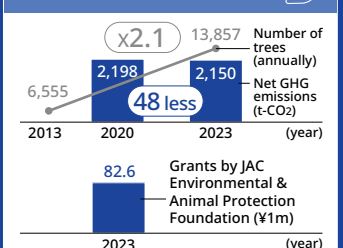
Our Relationships



Financial Strength



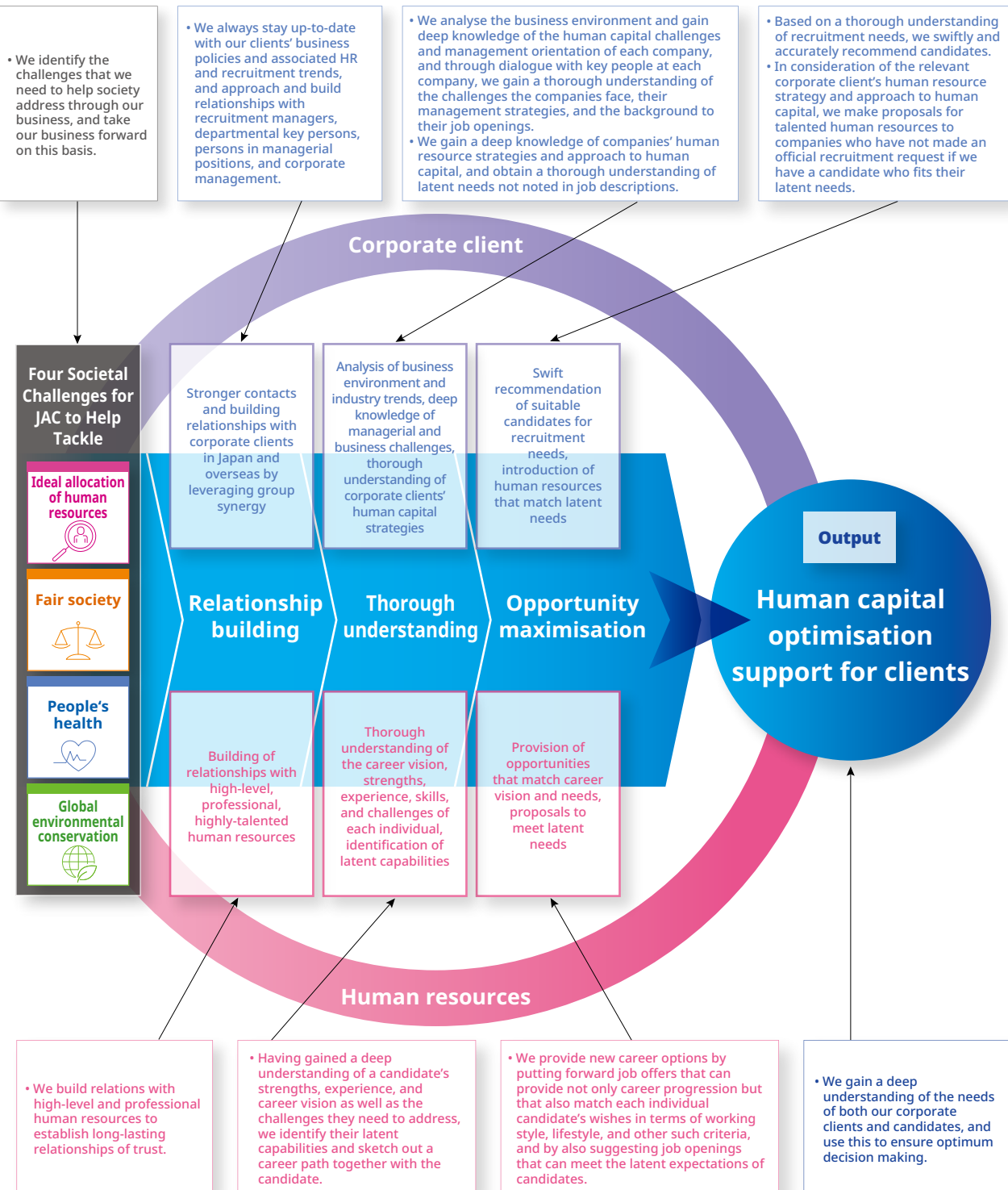
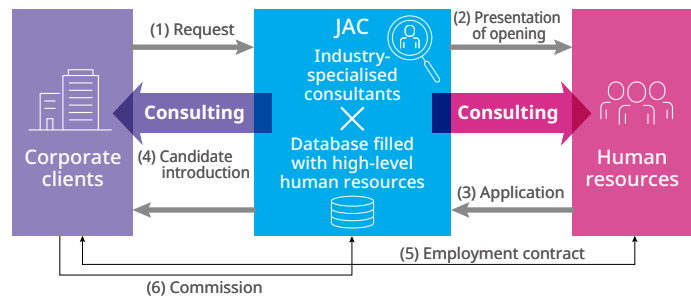
Natural Environment



JAC Group Business Model

Consulting Style Recruitment

The industry-specialised consultations that we provide constitute the strong point of our recruitment service. Our highly-experienced consultants are experts in a range of industries and professions, and by talking to both companies and candidates, they ensure that they introduce the optimum human resources to companies and the perfect positions to candidates.



The Five Types of Capital of JAC Group - Input & Outcome -

The Group achieves sustained corporate value expansion through a cycle in which it creates value based on the five types of capital it has built up and then produces more value by adding further value to each type of capital.

The greatest type of capital among these five types is human capital, and we have grown our intellectual capital and strengthened our social capital on the basis of our human capital.

Input

Outcome



Our People

Human capital

More than 1,400 industry-specialised consultants

We have a total of more than 1,400 industry-specialised professional consultants in Japan and overseas, each offering expertise in particular industries and occupations.

Going forward, we plan to steadily grow this number with the target of increasing it by around 15% annually.

A healthy and fulfilling working environment

On the basis of our philosophy of fairness, we are orientated toward health and productivity management and offer a working environment that enables each person to work healthily in terms of both mind and body and to leverage their individual characteristics to play an active role. With a compensation system built on the foundation of our desire to provide great reward to people who try their hardest and based on a clear and simple results-oriented approach, JAC provides a fulfilling workplace. We have also achieved a relatively high labour share, with the average salary growing by a factor of 1.4 over a 10-year period.



Our Culture & Technology

Intellectual capital

Skills and knowledge for high-quality human resource introduction based on our Philosophy & Policy

The Philosophy & Policy that the company has operated under since its foundation has become a culture that permeates the Group and has formed the basis of the trust our clients place in us.

We also possess unique intellectual capital in the form of the skills and knowledge that underpin our track record stretching back roughly half a century, and a database of more than one million high-level human resources.

Education and training based on the JAC Standard

We are constantly improving the quality of our consultants by promoting education and training based on the Group's own consultant textbook, JAC Standard, together with the sustained spread of our corporate philosophy.

Reinforcement of education and training has seen employees in their first year at JAC spend 4.1 times as long on training as 10 years ago (180 hours -> 740 hours).

Greater innovation capabilities through DX

We will speedily implement business streamlining through actions including BPR (Business Process Re-engineering) and the use of generative AI to achieve streamlining as a whole.



Our Relationships

Social capital

Strong relationships with corporate clients and high satisfaction from job seekers

The recruitment market in Japan, which has a shrinking workforce, is anticipated to see a sustained high level of growth.

Against this backdrop, we have been praised by many corporate clients who regard us as their number one agent, and have achieved No.1 in Oricon Customer Satisfaction® Ranking for middle-/high-level placements for six years in a row.

Corporate clients: Delivering the human capital that corporate clients need

Consultants with a deep understanding of clients' business strategies provide support for human resource strategy, and help companies to increase productivity. And by introducing human resources in areas related to sustainability, we provide support for companies to help find solutions to societal challenges. In 2023 we provided such support in 2,023 placements.

Job seekers: Providing workplaces that let job seekers use their skills

We help to ensure the well-being of people by helping them to leverage their experience and skills to move on to a stage where they can play an even more active role. In the 2023 customer satisfaction survey of both those who changed jobs through us and those who changed jobs by other means, "Would recommend" and "Would definitely recommend" constituted a combined 94.6% of responses.



Financial Strength

Financial capital

A robust financial base

We have constructed a business model that does not rely on loans, and possess a robust financial base.

We also have the cash flow to sustain our human capital, which constitutes our most important form of capital, even during economic downturns.

Retention and increase of overwhelmingly high profit margins, capital efficiency and high shareholder returns

We will work to improve our profit margin by growing our top line and streamlining our business to maintain and improve ROE, which stands at 35%. In terms of shareholder returns, in 10 years DPS has increased by a factor of approximately 11 and TSR has grown by 341.7%.



Natural Environment

Natural capital

Rich global natural environment

Development of the economy and society forms the basis for JAC Group's growth, and it takes place atop the planet's rich natural environment.

JAC views the sustaining of natural capital as a materiality, and is engaged in rainforest restoration activities as well as a range of other such initiatives.

Easing of climate change

The tree planting activities we have been engaged in since 2008, in which one tree is planted for each candidate we successfully place, have resulted in the planting of a total of more than 140,000 trees as of the end of 2023, and these trees have reduced net GHG emissions by 37 t-CO₂ in the past three years. In addition, in 2024 we launched a project called JAC Forestation Project that will involve the planting of Moringa trees, which absorb large volumes of greenhouse gases, both in Japan and overseas.

Conservation of natural capital

We support the conservation of the natural environment through volunteer activities carried out in cooperation with the JAC Environmental & Animal Protection Foundation.

Priority Issues to Address (Materiality)

JAC Group supports the SDGs advocated by the United Nations and is committed to contributing to the realisation of a sustainable society through its businesses. We consider the importance of each global issue toward the development of society from the perspectives of the Group and its stakeholders. JAC Recruitment selects four areas of social challenges where it can contribute to solutions as a recruitment consultancy firm and one where it can contribute to solutions through initiatives that became the foundation of our core businesses as priority issues (materiality). Initiatives to tackle materiality will not only help grow our businesses but also help achieve the SDGs.

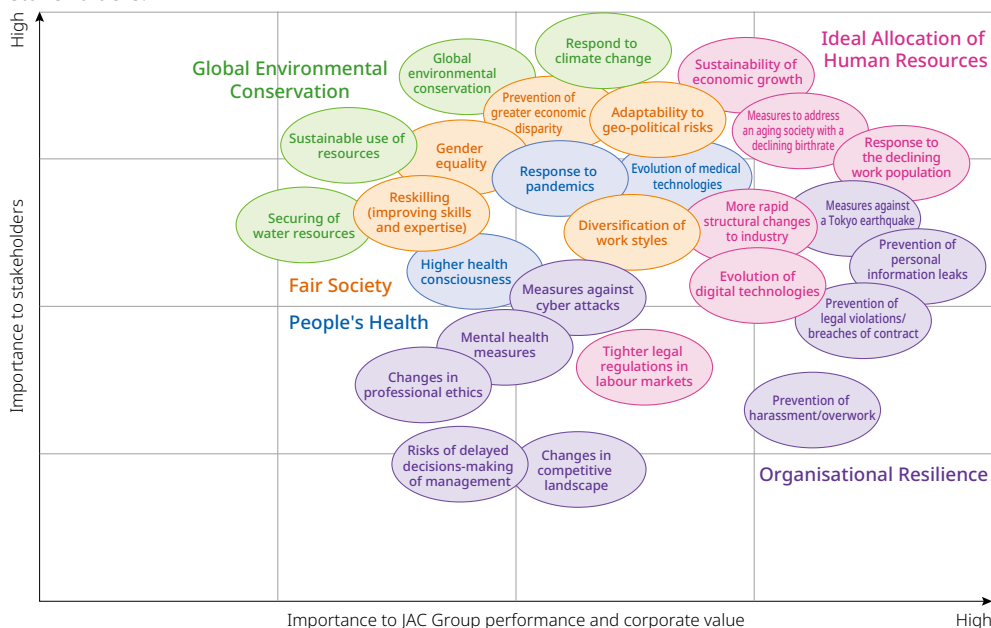
Steps to Materiality Analysis

Step 1 Identify Social Issues

We exhaustively identify and visualise social issues as a matrix from external perspectives that include the SDGs and reports from research institutes as well as the feasibility of our businesses to tackle an issue.

Step 2 Assess Importance

We assess the importance of risks along two axes: the importance to the performance and corporate value of the Group (size of risks and opportunities) and importance to our stakeholders.



Step 3 Consider Validity

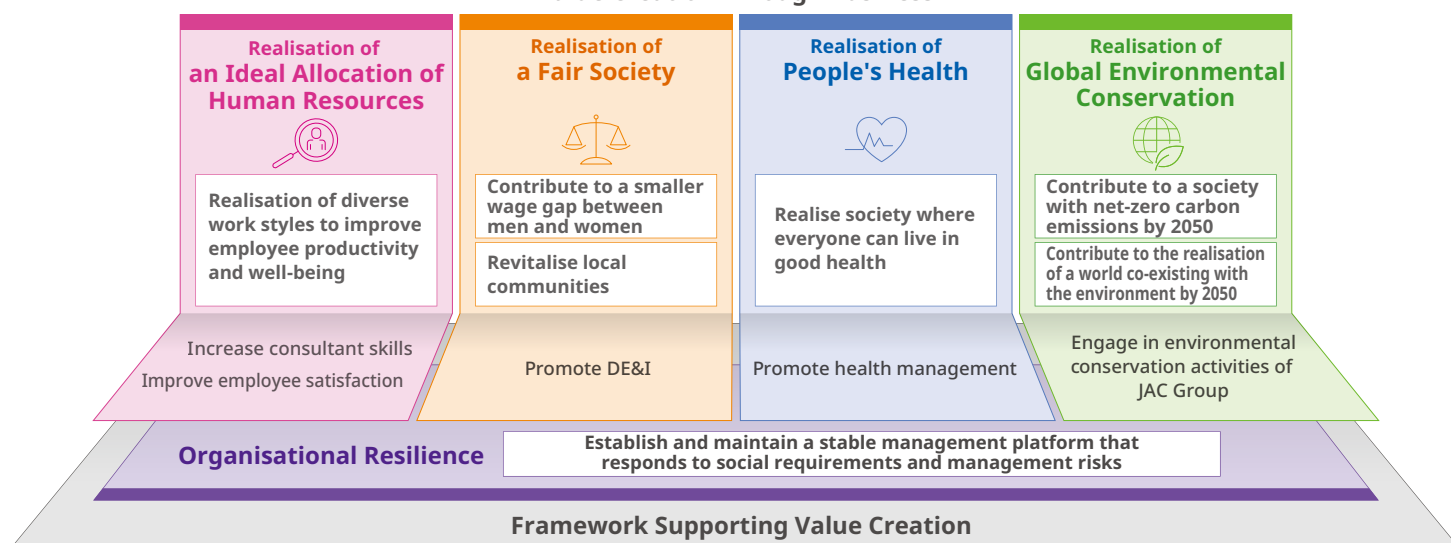
We categorise issues deemed to have a high importance in Step 2 and devise a materiality plan. We consider the validity of each issue by aligning each with the Sustainability Promotion Project positioned to address social issues through our businesses, by setting targets, and by exchanging ideas with external experts in a way that highlights the perspective of stakeholders. Based on these results, we take action to revise these categories.

Step 4 Determine Priority Issues (Materiality)

We set five material issues, which are shared at the Management Strategy and the Board of Directors meetings.

Five Priority Issues of JAC Group (Materiality)

Value Creation Through Business



Materiality and KPI

		Realisation of an Ideal Allocation of Human Resources	Realisation of a Fair Society	Realisation of People's Health	Realisation of Global Environmental Conservation	Organisational Resilience
Vision		<ul style="list-style-type: none"> Realise diverse work styles to improve employee productivity and well-being 	<ul style="list-style-type: none"> Contribute to a smaller wage gap between men and women Revitalise local communities 	<ul style="list-style-type: none"> Realise a society where everyone can live in good health 	<ul style="list-style-type: none"> Contribute to a society with net-zero carbon emissions by 2050 Contribute to the realisation of a world co-existing with the environment by 2050 	<ul style="list-style-type: none"> Establish and maintain a stable management platform that responds to social requirements and management risks
Initiatives through business		<ul style="list-style-type: none"> Provide services in line with recruitment agency services, support for side jobs, and other aspects of new hiring environments Flexibly support human resources for DX Support hiring activities based on changes in work styles ...etc. 	<ul style="list-style-type: none"> Strengthen regional offices to create inroads to positions and promote the flow of people in local communities Support expert human resources who contribute to local revitalisation, business succession, and local business development Support hiring of women as management and executives and recruit women as leadership candidates over the medium to long term ...etc. 	<ul style="list-style-type: none"> Introduce human resources who promote product development that capitalises on the latest medical technologies Introduce human resources to develop and expand businesses contributing to higher health and productivity management Introduce human resources who develop robots and wearable devices to bridge engineers and medical and nursing care domains Introduce human resources who are experts in remote and local medicine ...etc. 	<ul style="list-style-type: none"> Introduce environmental engineers to support the development of new energy technologies Introduce human resources who develop energy-saving/decarbonisation technologies Introduce engineers and managers to maintain water resources Introduce human resources who contribute to investments and promotion related to ESG Support recruitment of human resources who are experts in PPP/PFI domains ...etc. 	<ul style="list-style-type: none"> Recruit external directors and external auditors to support stronger corporate governance ...etc.
	KPI	6-month retention rate/Annual income standards ➤ P.21	Number of placements for sustainability Target: +25% year-on-year; FY2023 results: 2,023 (+44% year on year) Net sales and profit increase rate at local offices ➤ P.37			Introduce human resources who are experts in sustainability ➤ P.42
Internal initiatives		<ul style="list-style-type: none"> Increase employee consulting skills Improve employee satisfaction 	Promote DE&I ➤ P.54-55	Promote health and productivity management ➤ P.57	<ul style="list-style-type: none"> Reduce GHG emissions and expand planting activities Engage in nature-positive initiatives by supporting the JAC Environmental & Animal Protection Foundation ➤ P.48-53	<ul style="list-style-type: none"> Improve the effectiveness of corporate governance Select external directors who have expert skills Strengthen risk management Engage in uncompromising compliance
	KPI	Number of 100+ Club members, productivity rate at fourteen months after joining a company, turnover rate, and retention rate at three years after joining a company ➤ P.18	Ratio of female directors and foreign directors, ratio of women in managerial positions ➤ P.35	Health management and productivity indicators (Percentage of employees taking health checks, percentage of employees taking stress checks, percentage of employees taking special health checks, percentage participating in regular exercise, smoking rate, percentage of persons with concerns found in health check ups, and the number of days taken for paid leave and special summer holiday leave) ➤ P.35	GHG emissions including Scope 3 (net zero by 2030) ➤ P.50	

Risks & Opportunities

We select five priority issues that JAC Group should address as materiality by identifying the risks and opportunities brought by the internal and external environment changes as well as a variety of social needs, and evaluating the impact of those risks and opportunities over time. Our business strategies incorporate the risks and opportunities that JAC Group should address and promote action as foundational initiatives that contribute to value creation through our businesses to not only improve corporate value but also help tackle social issues.

Environmental Changes/Social Needs		Risks	Short Term	Medium Term	Long Term
Ideal allocation of human resources	Response to the declining work population	<ul style="list-style-type: none"> Shrinking labour market Adverse impact on our consultant hiring 	0	1	1
	Sustainability of economic growth	<ul style="list-style-type: none"> Rapid decline in placement due to a sudden economic slump panicking the world 	0	2	3
		<ul style="list-style-type: none"> Lower wage standards and a shrinking labour market due to a less competitive landscape throughout Japan 	1	2	3
	Rapid changes in the industrial structure (launch and development of new companies and businesses)	<ul style="list-style-type: none"> Lower earnings due to declines in our areas of expertise 	1	2	3
	Evolution of digital technologies and data use	<ul style="list-style-type: none"> Greater competitiveness in matching services that use digital technologies for large-scale business operators 	1	2	3
	Response to an aging society with a declining birthrate in Japan	<ul style="list-style-type: none"> More mismatching between the age of candidates and the age desired by companies Increased emphasis by competitors on middle to high-age markets 	1	2	2
Fair society	Changes of laws and regulations in labour markets	<ul style="list-style-type: none"> Potential for stricter legal regulations 	2	3	3
	Greater economic disparity	<ul style="list-style-type: none"> Shrinking labour market in developed nations and larger labour market in emerging countries with large populations 	0	1	1
	Gender equality	<ul style="list-style-type: none"> Lack of diverse human resource candidates 	1	2	2
	Adaptability to geo-political risks	<ul style="list-style-type: none"> Extensive risk to existing businesses due to the high concentration in domestic operations in the event of increased geopolitical risks in Japan 	2	3	3
	Diversification of work styles (changes in occupational/labour perspectives)	<ul style="list-style-type: none"> Candidates more casually changing jobs due to greater mobility and diversity as well as the potential for AI matching to become the primary recruitment tool Greater popularity of online services with more widespread telework and potential for the reach and responsiveness of online formats to be a factor of diversification 	1	2	3
	Reskilling (heightening skills and expertise)	<ul style="list-style-type: none"> Lower productivity and competitiveness of Japanese companies due to a lack of professionals taking on learning opportunities Loss of JAC employees who want to pursue reskilling opportunities 	1	1	2
People's Health	Response to pandemics	<ul style="list-style-type: none"> Slowdown in the global economy and stagnation in human resource demand due to pandemics 	1	1	3
	Higher health consciousness		-	-	-
	Evolution of medical technologies		-	-	-
Global environmental conservation	Respond to climate change	<ul style="list-style-type: none"> Risks of interruptions to businesses due to a higher number of natural disasters 	1	1	3
	Global environmental conservation		-	-	-
	Sustainable use of resources		-	-	-
	Securing of water resources		-	-	-
Organisational resilience	Risks of delayed management decisions-making	<ul style="list-style-type: none"> Impact on the competitive advantages of businesses due to interruptions in the decision-making process driven by factors, such as accidents involving top management, inhibiting timely management 	1	1	2
	Changes in competitive landscape	<ul style="list-style-type: none"> Rise in the share of specific fields occupied by small and medium-sized businesses specialising in a particular area 	2	2	3
		<ul style="list-style-type: none"> Loss of human resources to competitors who offer a more suitable labour environment and work conditions 			
	Measures against a Tokyo earthquake	<ul style="list-style-type: none"> Decrease in recruitment due to the cessation of head office functions of Japanese companies; outflow of foreign companies from Japan Stoppages to our head office functions 	0	0	3
	Measures against cyber attacks	<ul style="list-style-type: none"> Loss of personal and other confidential information due to cyber attacks 	1	1	2
	Prevention of personal information leaks	<ul style="list-style-type: none"> External use, loss and sale of personal information by employees, vendors, etc. 	2	2	3
	Mental health measures	<ul style="list-style-type: none"> Lower productivity due to worsening mental health 	1	1	2
	Prevention of harassment/overwork	<ul style="list-style-type: none"> Higher turnover rate and lower productivity due to harassment Occupational accidents due to overwork 	0	1	2
	Changes in professional ethics	<ul style="list-style-type: none"> Lower productivity, lower customer satisfaction, and higher risks of information leaks due to a decline in employee moral 	0	1	2
	Prevention of legal violations/breaches of contract	<ul style="list-style-type: none"> Revocation of business licenses due to legal violations Smaller customer base/candidate pool due to breaches of contracts 	1	2	3

[Period/Frequency] Short Term/High Medium Term/Average Long Term/Low

[Impact] 0: Almost no impact on business plans 1: Minimal impact 2: Some impact 3: Large impact

Opportunities	Short Term	Medium Term	Long Term
• Increase in the scarcity of human resources and rise in the difficulty of recruitment; increase in demand for recruitment services and higher tolerance of hiring costs	1	2	3
• Greater acceptance of foreign workers, increase in business opportunities for JAC, which has many overseas offices, a wealth of experience in cross-border recruitment, and expert know-how	1	2	3
• Increase in earnings due to a larger global recruitment market	1	2	3
• Creation of new markets due to a shift in economic models in Japan	1	1	2
• Expansion of new human resource markets	1	2	3
• Higher productivity through the use of digital technologies	2	3	3
• Reinforcing company differentiation by placing greater focus on the value of human intervention	1	2	3
• Increase in the working population of elderly persons and more business opportunities for JAC, which has extensive experience in supporting senior human resources change jobs	1	2	3
• Increase in second jobs, independent proprietors and other work styles besides regular employment	1	1	1
• Potential for growth in the recruitment market due to a loosening of related regulations	1	1	3
• Opportunities to build a system capable of providing services in emerging countries and increased business opportunities through differentiation	1	2	2
• More mid-career recruitment driven by corporate needs to advance DE&I	1	2	2
• Increase in human resources with a desire to work in a company furthering DE&I	1	2	2
• Opportunities to leverage our strengths through JAC's overseas network and reach to human resources from foreign nations due to an increase in foreign labour	1	2	2
• Opportunities for companies with a high sustainable growth potential to make progress if able to push forward geographical expansion	1	2	3
• Larger job market (generally encouraging professionals to change jobs)	1	1	2
• Increase in second jobs, independent proprietors and other work styles besides regular employment for expansion of new business domains	1	1	1
• Increase in telework from abroad and in business opportunities for JAC, which has many offices overseas	1	1	2
• Increase in opportunities for educational businesses due to broader reskilling needs	1	2	3
• Increase in the mobility of human resources who want reskilling opportunities	1	2	2
• Creation of new businesses during a pandemic and creation of new human resource markets driven by these new businesses	1	1	2
• Revitalisation of local employment due to pandemics and subsequent normalisation	1	2	3
• Growing need for human resources related to the development of health-enhancing products and services, and company operations etc.	1	2	2
• Increase in human resource needs at pharmaceutical/medical facilities and in other research and manufacturing domains	1	1	2
• Increase in human resource needs for environmental technologies due to a higher number of companies setting decarbonisation targets	1	1	2
• More active on-the-spot employment due to businesses involved in biodiversity conservation	1	1	2
• Greater human resource needs for service and other development to smoothly develop reuse and recycling-ready products and facilitate resource collection and recycling	1	1	2
• Greater human resource needs for product and service development related to the reduction of water use and conservation of water resources as well as water processing and treatment equipment	1	1	2
	-	-	-
• Gaining market share due to competitors withdrawing or downsizing from domestic operations	1	2	3
• Increase in candidates for several years after earthquakes	0	0	3
• Increase in needs for human resources versed in cyber technologies and other information security	1	2	2
	-	-	-
• Increase in human resource needs related to regulatory compliance	0	0	0

Value Creation Through Business

Provision of recruitment services through sophisticated consulting

Recruit for sustainability

Expansion of regional offices

Development of new human resource services based on market needs

Framework Supporting Value Creation

Human resource strategies

Promote health and productivity management

Promote DE&I

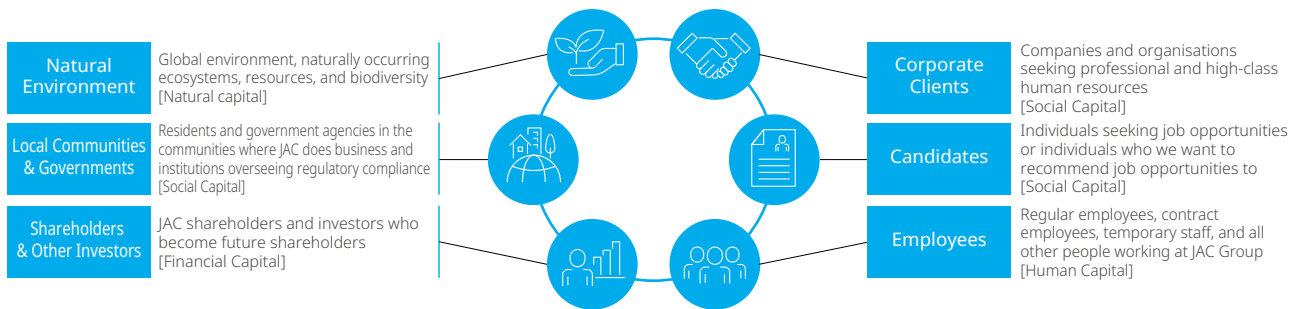
Response to climate change and environmental conservation

Stronger corporate governance

Stakeholder Impact

JAC Group has identified six important stakeholders influencing our business activities: (1) corporate clients, (2) candidates, (3) employees, (4) shareholders and other investors, (5) local communities and governments, and (6) the natural environment. We communicate with these stakeholders in many different ways to live up to the expectations for the Company, to create sustainable value through cooperation with them, and to contribute to the development of a sustainable society.

	Corporate Clients 	Candidates 	Employees 
Our Value for Stakeholders	Introduction of the ideal human resources necessary to realise business strategies	Proposals of positions that consider each candidate's career path by fully exploring each person's skills and experience	Work environments filled with growth opportunities, motivation, and a sense of security
Value created in 2023	<div>Survey of customers about whether or not to intend to continue using JAC services (NRS) 84%</div> <div>Placements via JAC Recruitment (Recruitment Business in Japan) 10,959 YoY: +1,259 </div> <div>Number of specialised teams (as of December 2023) 164 teams YoY: +12 teams </div> <div>Clients with 20 or more successful placements annually 68 companies YoY: +19 companies </div>	<div>Oricon Customer Satisfaction® Ranking No. 1 in middle/high class recruitment for six consecutive years from 2019 to 2024</div> <div>Customer satisfaction on a registered candidate survey (recommendations): 94.6% *57.8% would highly recommend JAC (YoY: +4.1 pt)</div>	<div>Labour share 51.6% YoY: -0.9 pt </div> <div>Turnover rate (FY2023) 12% YoY: No change </div> <div>100+ Club members (as of December 2023) 212 YoY: +27 </div> <div>Average annual salary ¥843.4 million YoY: -¥33,000 </div> <div>Percentage of female managers 21.0% YoY: -2.5 pt </div> <div>Paid leave and number of days of special summer leave taken 11.4 days YoY: +0.86 days </div>
How we engage	<ul style="list-style-type: none"> Providing a support system with a dedicated team of industry- or job-specific experts Providing seminars and social events to resolve human resources-related challenges (JAC Women's Empowerment Salon, seminars with digital experts on stage, seminars for companies expanding overseas, etc.) Survey of customers about whether or not to intend to continue using JAC services (NRS; twice per year) Setup of a telephone/email inquiry service 	<ul style="list-style-type: none"> NPS survey done 45 days after first interview (since FY2024; the NPS survey replaces the customer satisfaction survey and questionnaires after successful placement done up until FY2023) Setup of a telephone, email, and messaging inquiry service Provision of various information through websites (recruiting companies' future outlook and the type of person they are looking for, columns on the latest career trends, FAQs on career change, etc.) 	<ul style="list-style-type: none"> Monthly pulse survey* *Survey to grasp employee satisfaction and mental health Company-wide meetings (face-to-face: annually; online: monthly) Setup of 'Refresh', internal consultation service, in addition to external consultation services (legal advisors, industrial counsellor, health/nursing care telephone support) Use of the 100+ Club to celebrate consultants who have successfully recruited and helped a total of more than 100 candidates change jobs (voluntary activity and proposals/communication) Voluntary participation and support of committee activities (Women's Empowerment Committee, LGBTQ+ Committee, Working Parents Committee, etc.)
How we respond	<p>[Solutions to corporate problems] We are constantly adapting to the state of recruitment along with their business plans for corporate clients and engaging in repetitive dialogues to introduce ideal human resources who can solve the challenges faced by our customers.</p> <p>[Establishment of a unique and specialised network] We divide into teams by industry and teams by occupation to put in place consultants with expert knowledge in each domain and build a unique network. This enables us to quickly introduce high-class or highly-specialised human resources to corporate clients according to their needs.</p>	<p>[Consultant-based support for changing jobs] Focusing on a thorough understanding of candidates' career vision and essential needs, we are exploring to fully understand the services that bring meaning to consultant-based recruitment that technology cannot replace. We have established quality standards and review interviews with candidates as well as visualise the consulting skills of consultants through comprehensive training programmes. These are only some of the organisational efforts done to help candidates realise better careers.</p> <p>[Setup of specialised teams] Specialised teams organised by industry and occupation let consultants gain knowledge specific to each industry and occupation. This enables consultants to dig deeper into the skills and experience of each candidate to propose better job options considering their career path.</p> <p>[Diversification of work styles] A system has been put in place to handle a variety of employment opportunities, not only permanent and full-time jobs, but also second and dual jobs, advisory roles and outside directorships to support diversification of working styles and experienced senior personnel.</p>	<p>[Sustaining and improving motivation] We support employees who show lower satisfaction based on the results of monthly pulse surveys with the cooperation of HR and the employee's department to improve motivation.</p> <p>[Measures responding to reasons for resignation] We assess the reasons people resign and have put in place level-specific training programmes to heighten the skills and expertise of consultants as well as management training and individual career training programmes to create motivating workplaces.</p> <p>[Policy improvements] We have improved various social welfare systems, introduced other employee support programmes, and taken other steps based on proposals from committees with voluntarily participating employees, the 100+ Club and others.</p>

Shareholders &
Other InvestorsHigher sustainable
shareholder value

Total Shareholder Return (TSR)	First year returns	10.7%
	Third year returns	50.3%
	Fifth year returns	60.5%
	Tenth year returns	341.7%
Total dividends	¥3.6 billion	YoY +¥350 million
Payout ratio	60.9%	YoY -4.3 pt

Local Communities &
GovernmentsRevitalisation of local communities
and legal compliance

Net sales at offices in Japan other than Tokyo	¥9.8 billion	YoY +6.9%
Net sales of overseas businesses	¥3.6 billion	YoY +9.7%
Taxes	¥2.2 billion	YoY +0.8%

Natural Environment

Maintaining and improving the
sustainable global environment

Number of placements for sustainability	2,023	YoY +44.9%
Trees planted in Indonesia and Malaysia	Approx 140,000	Total between 2008 to 2023
GHG absorption from planted trees	608 t/year	YoY +50 t/year
Net GHG emissions including Scope 3	3,020 t/year	YoY -892 t/year

Our Value for
Stakeholders

Value created in 2023

[Investor dialogues in FY2023]

- Financial and strategy briefings for institutional investors and analysts: 2
- Radio appearances for individual investors: 1
- Briefings for individual investors: 2
- One-on-one meetings with institutional investors and analysts worldwide: 101
- Online roadshows with overseas investors: 1
- Inclusion of corporate profile videos on website

- Officer activities with human resource-related industrial associations (Japan Executive Search and Recruitment Association, Japan Association of Human Resource Services Industry, etc.)
- Setup of regional offices: Shizuoka (2016), Hiroshima (2017; Chugoku Office), Saitama (2017; Kita-Kanto Office), Fukuoka (2022), Sendai (2023; Tohoku Office), and Hamamatsu (2023)
- Expansion of overseas offices: Singapore, Malaysia, Indonesia, Thailand, Korea, Vietnam, India, UK, Germany, USA
- Dialogues and exchanges with regional offices

- Dialogues with experts, governments, research institution foreign foundations, NPOs and NGOs through support of the JAC Environmental & Animal Protection Foundation
- Collaboration and dialogues with local universities, government agencies and NGOs during PPP tours (employee planting activity)
- Signing of the Global Compact and participation in subgroup activities

How we engage

[Basic policy]

Our basic policy is to actively engage in constructive dialogues with shareholders, report the feedback from these investors every half year to the Board of Directors, and utilise that feedback to create value and improve corporate value.

[Main feedback in FY2023]

Lower turnover rate in recruitment consultants, employment trends for human resources in the IT and consulting industries, recovery of profit margins in overseas businesses, the shareholder return policy, etc.

[Examples of response to feedback]

We executed the following initiatives to lower the turnover rate of consultants:

- Further expanded stratified training programmes
- Introduced monthly pulse surveys, careers development programmes, overseas dispatch programmes, and executive development programmes

[Rural areas]

Issues

- An insufficient workforce due to an aging society is inhibiting regional corporate activities
- Local companies struggle with business continuity due to a lack of successors

JAC Initiatives

- Establish branches in local cities and actively recruit locally-born personnel to contribute to local employment
- Support the growth strategies of local companies by introducing executives, managers, specialists and returning professionals

[Entry of Japanese companies into overseas markets]

Issues

- Japanese companies have needs for personnel responsible for overseas business strategies in Japan and must also reinforce staff at overseas offices as more and more Japanese companies expand into overseas markets

JAC Initiatives

- We establish new offices according to corporate needs to recruit candidates with experience of working overseas and English language skills to support overseas business strategies of corporate clients

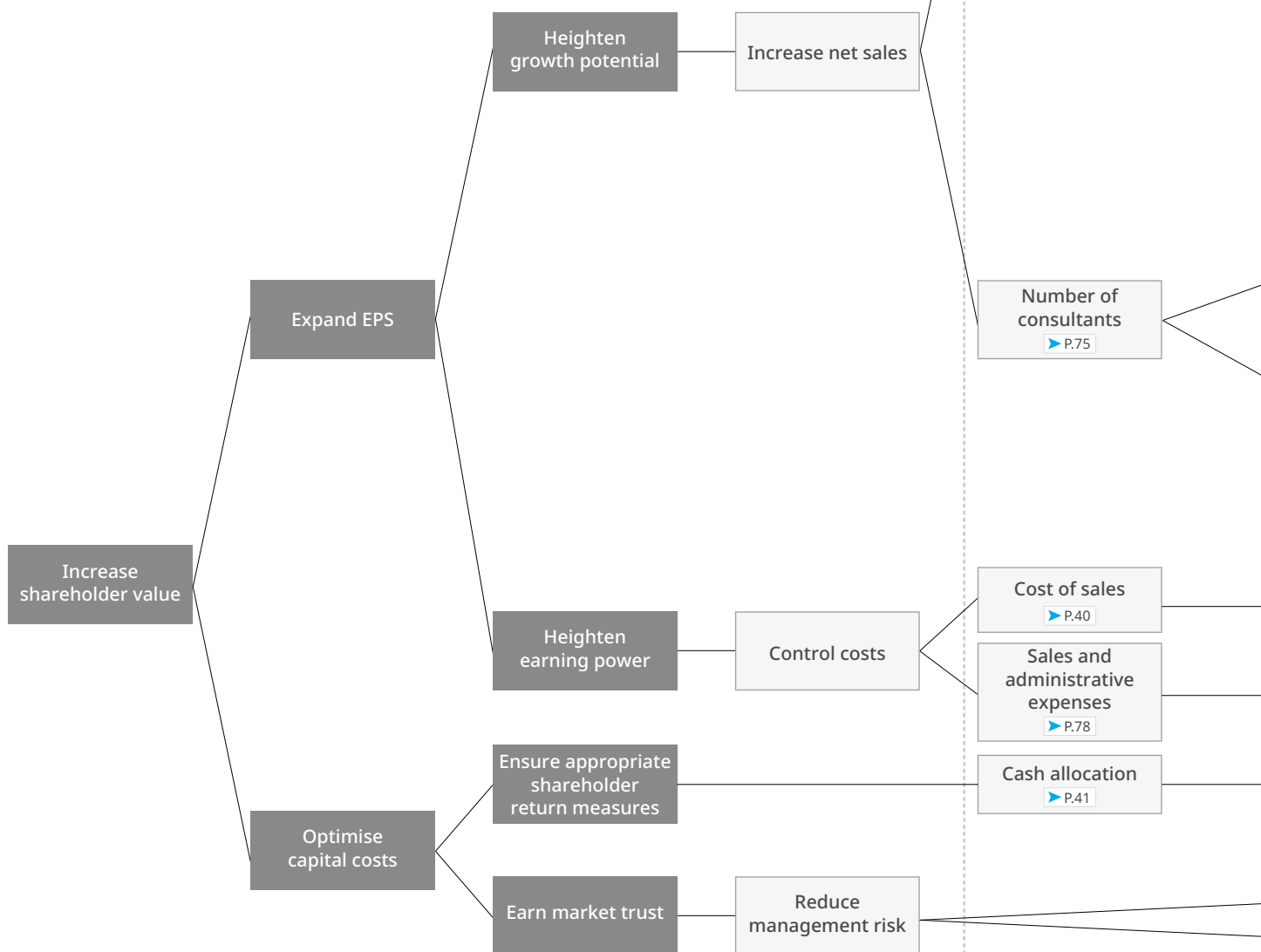
How we respond

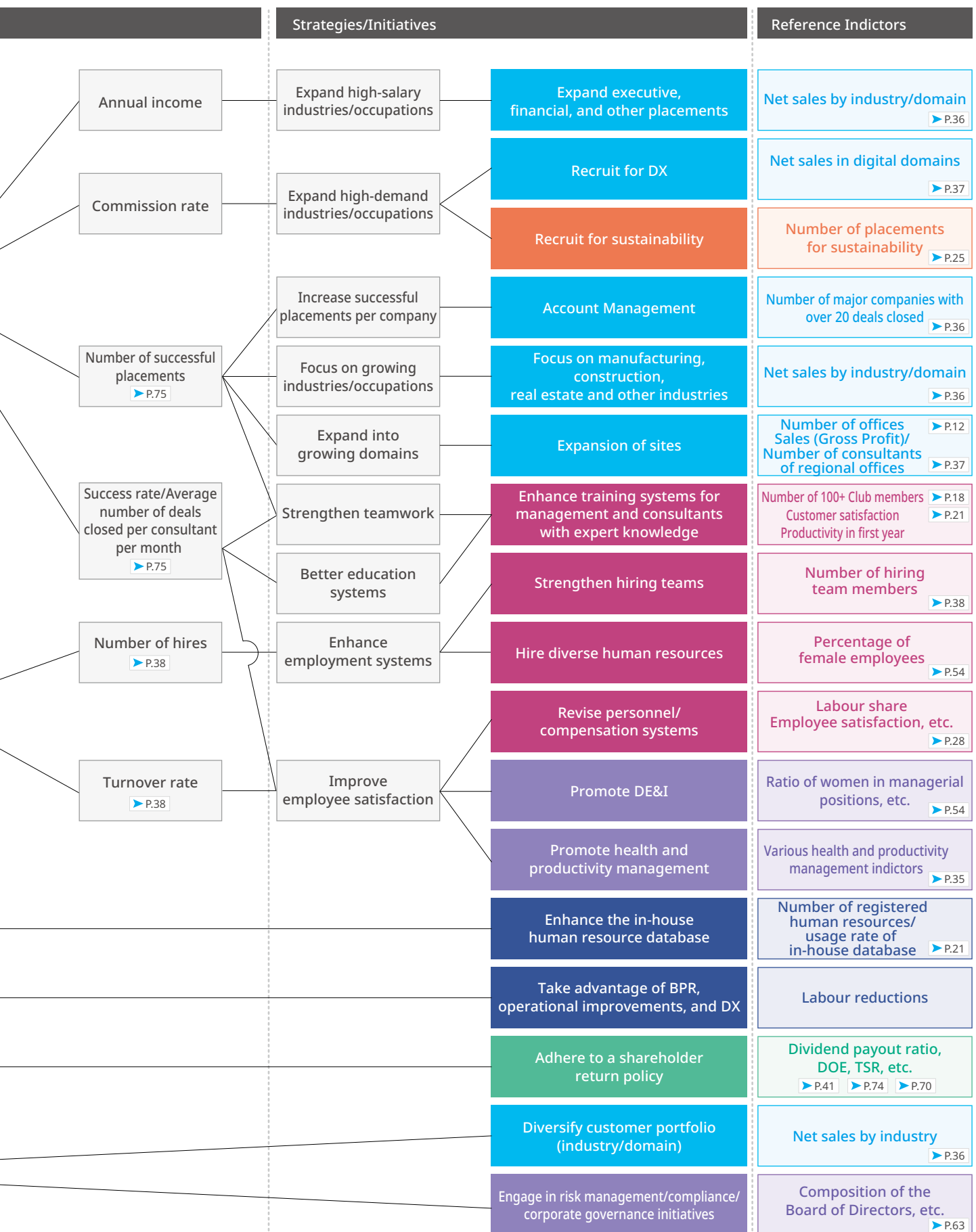
Management Logic Tree

JAC Group aims to become the world's No. 1 professional recruitment consultancy firm in service quality and profitability, to maintain and improve a high profit margin, to foster steady growth, and to maximise shareholder value. The ability of the Group to grow depends on the expert knowledge and productivity of its consultants. That is why we are expanding business and human resource strategies to heighten both knowledge and productivity. In addition, appropriate capital measures and stronger governance are optimising our capital costs.

Reference pages for each strategy and initiative

Business Strategy 1: Selecting Focus Areas	▶ P.36-37
Business Strategy 2: Improving Profit Margins	▶ P.37
Human resources strategy (investment in securing and strengthening human capital and HR strategy)	▶ P.38-39
CSV Initiatives	▶ P.25 ▶ P.42-46
Financial and capital strategy	▶ P.40-41
Framework to support value creation	▶ P.48-69





Trajectory to Enhance Corporate Value and Our Vision for 2030

The recruitment market in Japan is generally expanding steadily, although there are swings due to the effects of economic fluctuations, as domestic companies, which used to mainly employ people for life, are increasingly utilising mid-career human resources. This is particularly true in recruitment businesses specialising in managerial, executive and specialist positions where JAC Recruitment is focusing its efforts. Our actual net sales growth rate achieved a compound annual growth rate (CAGR) over 20% against our annual 15% growth rate target in FY2019, before the COVID-19 pandemic.

In 2018, JAC Recruitment reintegrated and strengthened the foundation for the global expansion of the overseas businesses under the Group umbrella and set a long-term target in 2020 to become the world's No. 1 professional recruitment group in service quality and profitability by 2030.

The global spread of the novel coronavirus (COVID-19 pandemic) starting in 2019 caused an unexpected and sudden slowdown in the global economy, which continued through FY2020 and FY2021. However, we did see a +22.5% recovery in FY2022 and +13.3% recovery in FY2023 to once again enter a growth phase.

Despite this substantial two-year delay, we are back on track unified as a Group in an effort to become No. 1 in service quality and profitability. By providing the world's best recruitment consulting services, we will contribute to sustainable economic and social growth worldwide as well as to a vibrant and hospitable society for all people.

Overseas business reintegration

Enhancements to the consulting style for mid to high salary positions

Results

Since the collapse of Lehman Brothers, we have shifted from a business model of mass-matching young people by separating the client company representatives and candidate representatives, back to a consulting-style recruitment, which was our original business model when the company was founded, and established and strengthened a business style focusing on the middle and high income positions.

Issues

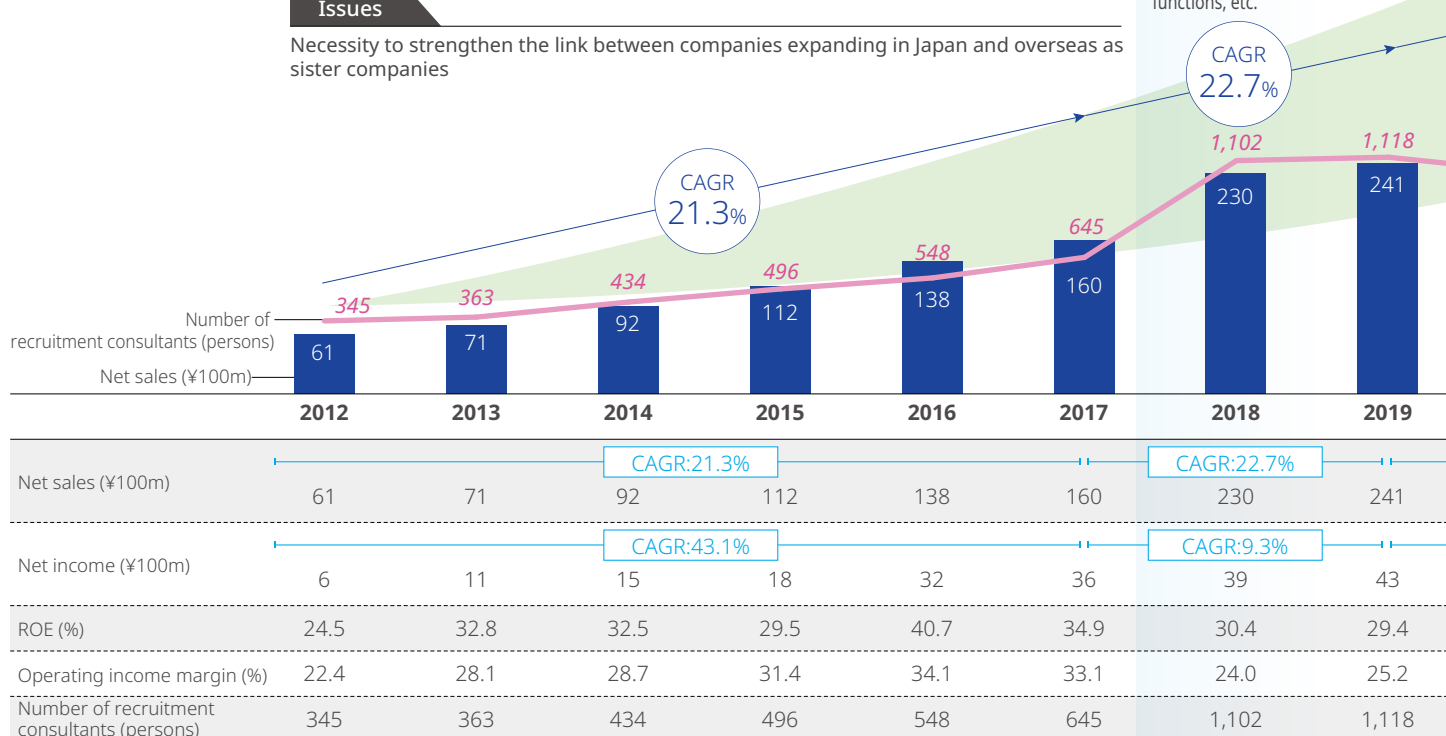
Necessity to strengthen the link between companies expanding in Japan and overseas as sister companies

Results

We reintegrated our overseas businesses and shifted to a system that can easily respond to the global recruitment needs of corporate customers throughout the entire Group.

Issues

Decline in profit margin due to enhancements of back-office functions, etc.



*The number of consultants is the total for the recruitment business in Japan and overseas.

The performance indicates the results at the end of each fiscal year. The forecasts and plans show the average for the fiscal year.

Vision for Society

Economic and social growth worldwide

A sustainable planet where people can thrive

World's No. 1 in service quality and profitability

- Based on our core values accumulated since the company's founding
- Provide the same high-quality services 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

Restart toward becoming the world's No. 1

Results

We are striving once again in growth strategies toward becoming the world's No. 1 in service quality and profitability as the COVID-19 pandemic eases.

Issues

Goal of steady growth by increasing the number of consultants and maintaining and improving productivity, while expanding the profit margin through a digital transformation (DX) that drives operational efficiency

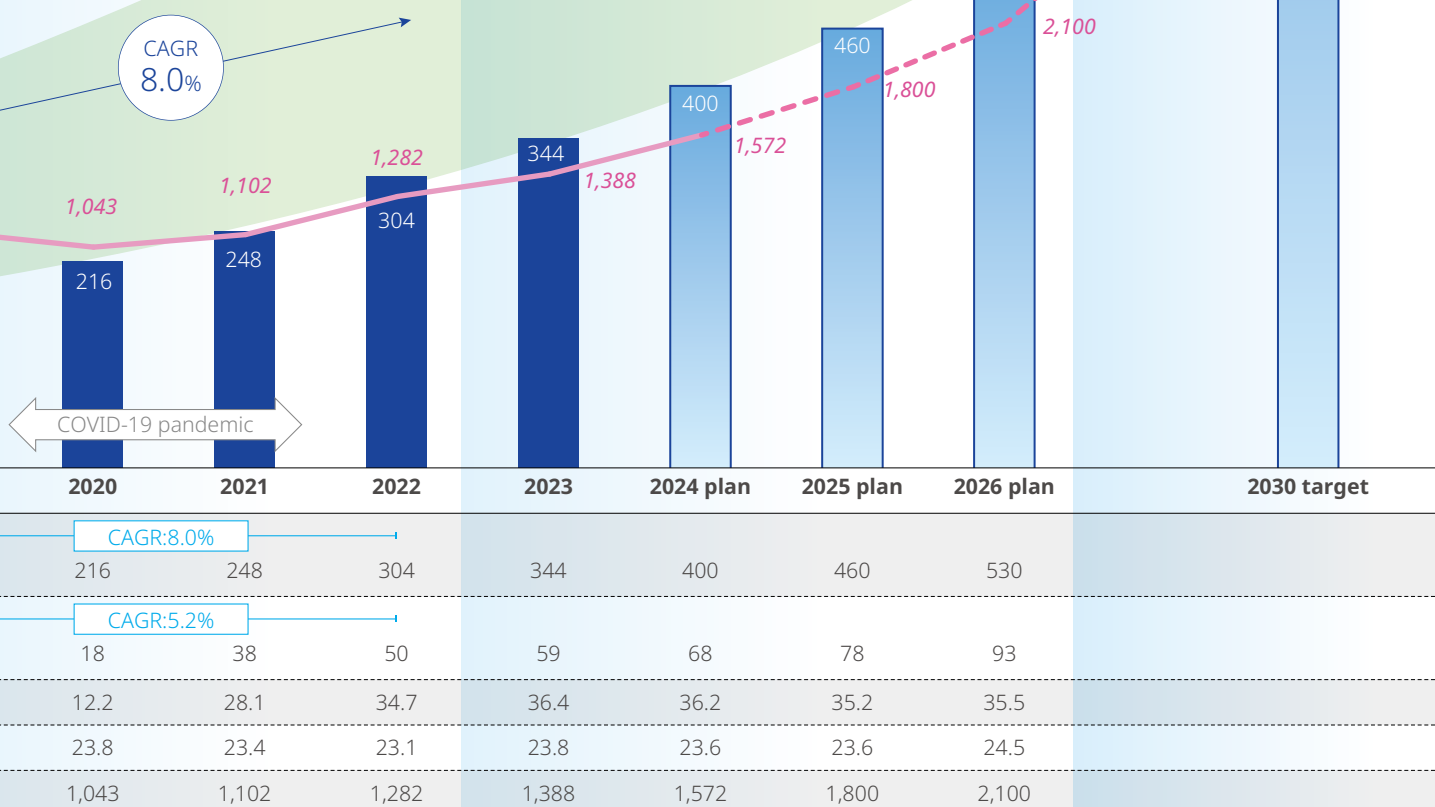
During the COVID-19 pandemic

Results

We first released our ten-year vision to become No. 1 in service quality and profitability in 2020.

Issues

Lack of progress toward initial plan due to the sudden economic slowdown resulting from the spread of the novel coronavirus



Medium Term Management Plan

We have drafted a medium-term management plan from 2024 to 2026 that outlines indicators to reach over the next three years towards the realisation of the “JAC as No. 1” long-term management vision for 2030.

The medium-term management plan provides the enhancements to human capital essential in order to improve service quality and foster business growth, insight into growth markets and domains, and improvements to the profit margin to become No. 1.

Numerical Management Targets

Financial Targets

Sustain profit margins and stable annual growth in net sales of about **15%**

The key driver of growth that aims to achieve an average annual growth of approximately 15% is action to increase the number of recruitment consultants.

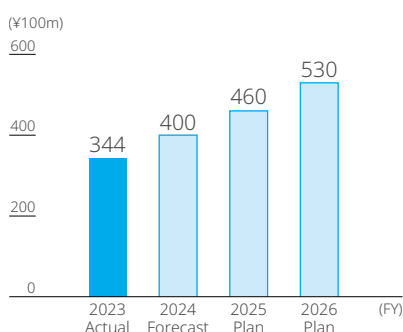
At the same time, cost reductions and improvements to the profitability of overseas businesses will improve the profit margin, which aims to increase the operating income margin to 24.5% by 2026 as well as raise it to a high standard that is 0.7 points above the current profit margin as of December 2023. As a result, JAC Recruitment has set a target to reach a net profit of ¥9.3 billion in FY2026, which is approximately 1.6 times the net profit for FY2023.

In addition, JAC should sustain a stable ROE at a level over 35%.

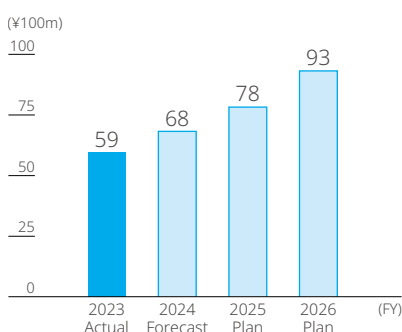
	31 December 2023 Actual	31 December 2024 Forecast	31 December 2025 Plan	31 December 2026 Plan
Net sales	¥34.4 billion	¥40.0 billion (+16%)	¥46.0 billion (+15%)	¥53.0 billion (+15%)
Operating income margin	23.8%	23.6%	23.6%	24.5%
Profit attributable to owners of parent	¥5.9 billion	¥6.8 billion (+14%)	¥7.8 billion (+15%)	¥9.3 billion (+19%)
Profit margin	17.3%	17.0%	17.0%	17.5%
ROE	36.4%	36.2%	35.2%	35.5%
Number of recruitment consultants	1,388	1,572 (+13%)	1,800 (+15%)	2,100 (+17%)

Note: The number of recruitment consultants is the annual average for consultants in the Recruitment Business in Japan and Overseas

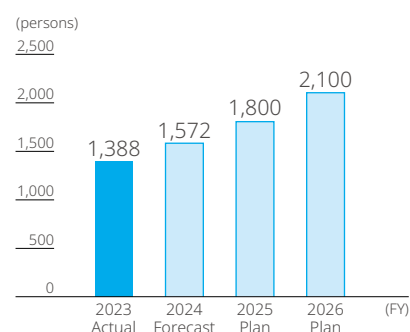
Net sales



Profit attributable to owners of parent



Number of recruitment consultants



Non Financial Targets

Foundation to Support Becoming World's **No. 1**

The most important factor to becoming the world's best in service quality are employees (human capital) motivated by a consistent corporate effort to build a better working environment. Therefore, we are working to build and operate a human capital management system in accordance with the ISO 30414 international standards and to further disclosure in other ways with a target to acquire this external certification by 2025. JAC Recruitment has also set diversity as well as health and productivity management indicators and will improve the working environment so that diverse employees can work in good health.

We have long been working to improve and conserve the global environment as a priority theme but will ramp up our efforts going forward as we expect the Company to reach net-zero GHG emissions, including Scope 3, by 2030.

▶ P.50 Our Approach and Initiatives on Climate Change “Targets and Metrics”

E Climate Change Indicators

	2023 Results	YoY	2030 Target
GHG net emissions (total Scope 1–3 emissions)	3,020t	(892t)	Zero

*The results for 2023 are current estimates.

G Board Diversity Indicators

	2024 (Plan)	YoY	2030 Target
Ratio of women directors	18%	+ 9pt	30%

S Human Capital Management

2025 Target
Acquisition of ISO 30414

Diversity Indicators

	2023 Results	YoY	2030 Target
Ratio of women in managerial positions	21.0%	-2.5pt	40%

Health management and productivity indicators

	2023 Results	YoY	2025 Target
Health checkup rate	Achieved ▶ 100%	+ 0pt	100%
Stress check rate	90.2%	+ 2.5pt	100%
Specific health guidance implementation rate*	6.9%	+ 0.5pt	25%
Percentage of people with exercise habits (percentage of people participating in the exercise promotion programme)	28.0%	+ 0.7pt	30% or more
Smoking rate	5.7%	(1.7pt)	0%
Percentage of persons with concerns found in health check ups	26.0%	(1.0pt)	20%
Paid leave and number of days of special summer leave taken	Achieved ▶ 11.4 days	+0.86 days	11days

* Specific health guidance implementation rates are for April 2022 - March 2023.

Basic Strategies for Medium to Long-term Growth

We will select focus areas, improve profit ratio, and secure and strengthen human capital as key measures to achieve our numerical management targets.

▶ P.36-37 Business Strategy: Select Focus Areas and Improving Profit Margin

▶ P.38-39 Investment in Human Capital and Human Resource Strategies

1 Selecting focus areas

We will further strengthen account management, which began in FY2023, and carry out comprehensive initiatives through the Group to address the various human resource needs of customers.

As growth markets and domains, the group will strengthen efforts in executive and financial sectors to incorporate consulting for high-salary positions. We will also focus on human resources for manufacturing, construction, and real estates sectors, which face greater competition as the Japanese economy recovers, as well as human resources for digital technologies, which are showing vigorous demand as these digital technologies evolve. Moreover, the expansion of regional and overseas offices will work to revitalise regions while broadening our portfolio to more regions.

2 Improving profit ratio

Initiatives to streamline operations through BPR and upgrade operational processes through DX will drive business efficiency as well as reduce the cost of sales and the sales, management, and administrative expenses. In addition, our overseas businesses will focus on domains with high profitability while reducing costs by aggregating head office functions in Japan to improve the profit margin.

3 Securing and strengthening human capital

We will strengthen efforts to hire consultants and improve the retention rate to steadily increase the number of consultants. The group will also expand training, improve consultant skills, and strengthen management capabilities while working to build a working environment where everyone can thrive to reach our goal to be the world's No. 1 in service quality.

Business Strategies

(1) Further strengthen account management

(2) Focus on growth markets/ domains

- 1: Expand executive, financial, and other placements
- 2: Focus on manufacturing, construction, real estate and other sectors
- 3: Expand recruitment for digital technologies
- 4: Expand the site

(1) Drive operational efficiency and a shift to IT and DX to reduce costs

(2) Improve the profit margin of overseas businesses

Human Resource Strategies

(1) Increase the number of consultants

(2) Expand employee and management training programmes

(3) Build a working environment where everyone can thrive

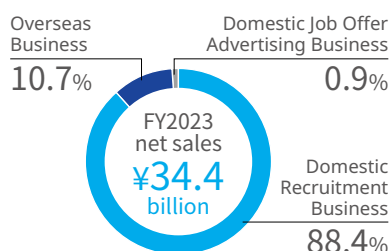
Business Strategies

Business Development with the Domestic Recruitment Business at the Core

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



JAC Group operates three businesses, comprising the Domestic Recruitment Business, the Overseas Business and the Domestic Job Offer Advertising Business. Of these, the Domestic Recruitment Business accounts for roughly 90% of net sales, while the Overseas Business accounts for around 10% and the Domestic Job Offer Advertising Business around 1%.



The shrinking of the Japanese labour force has increased demand for highly skilled personnel. The Domestic Recruitment Business is therefore expected to expand further in this field. The company focuses particularly on the mid-career recruitment market for high-class executives and specialists, which is difficult to accomplish with AI matching. By providing high-quality consulting, we have succeeded in expanding our market share.

In terms of our strategy to become the world's No. 1, our policy is to achieve steady growth upon the foundation of our Domestic Recruitment Business.

Select Focus Areas

Further Strengthen Account Management

At present, one of the business strategies we focus on the most is Account Management. In other recruitment agencies in which a single consultant provides consulting services to both corporate clients and candidates, consultants do not share information among themselves and tend to work as lone individuals. Although the company operates according to the same consulting style, it does things differently. We place great importance on sharing information across the company and building relationships with client companies on an organisational level so that we can help them solve their human resource issues.

We have focused our efforts on this initiative since FY2023, steadily producing results such that the number

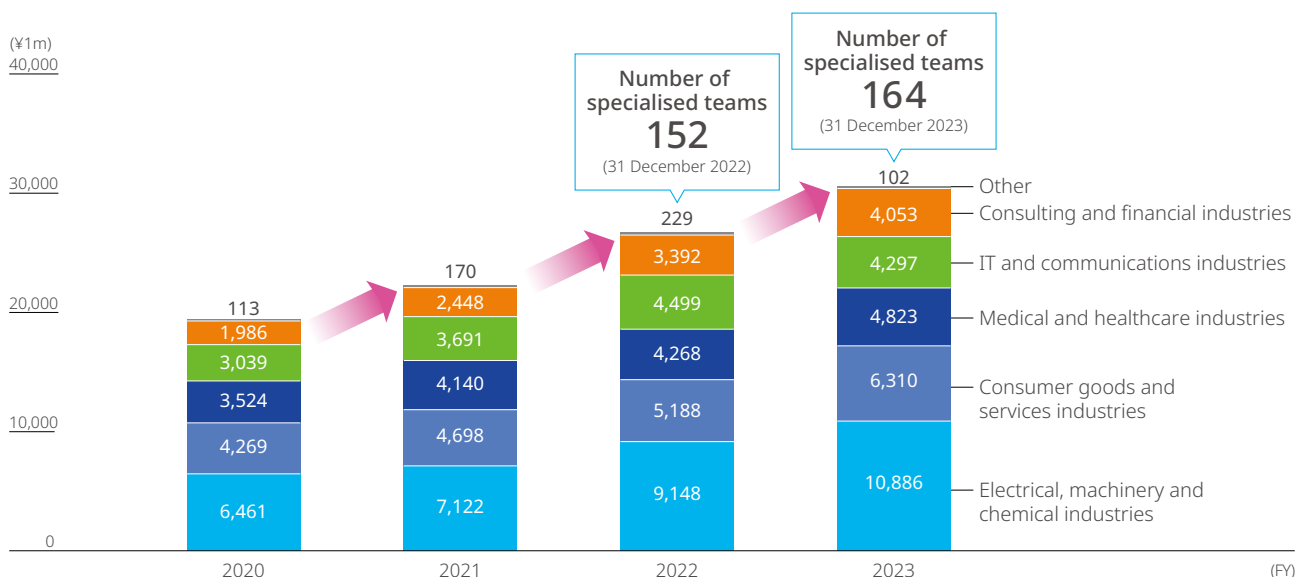
of companies with 20 or more successful placements has increased by approximately 40% compared to FY2022. In FY2024, we will further reinforce this initiative under the slogan "Connect JAC, Account Management 2.0".

Focus on Growth Markets/Domains

As the social environment and market change, so do the needs and issues of companies and human resources. The company places great importance on accurately identifying the trends of such corporate needs and developing its business in an agile manner.

Therefore, the markets/domains of focus for 2024 are set to include (1) the executive and financial sectors, (2) the manufacturing and construction real estate sectors, and (3) the digital-related human resources domain.

Net sales by industry (Domestic Recruitment Business*)



* JAC Recruitment + JAC International + VantagePoint

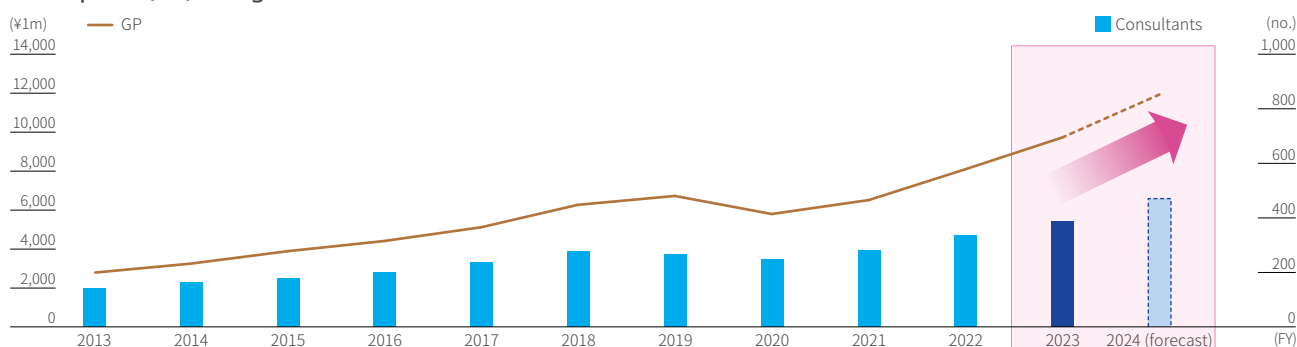
1 The Executive Domain and Financial Sectors

The executive domain, which covers recruitment from senior management level to CEOs, has a large market size in Europe and the United States. In 2023 the company established its Executive Search Division to handle retainer searches (a service whereby recruitment is carried out after the receipt of an advance payment). Since then, we have been working on reinforcing this division by increasing the number of assigned consultants. The financial sector, with its relatively high annual income level, is another area of focus. The need for mid-career recruitment is increasing, and we aim to expand by recruiting and training the consultants in charge.

2 The Manufacturing and Construction Real Estate Sectors

Japanese companies tend to have strengths in the manufacturing domain, particularly with automobiles, electronics, machinery and chemicals. This is also one of our principal areas. Our performance in this field was strong in FY2022 and FY2023, with net sales increasing by 28% and 19% in each respective year. Going forward, we aim to continue growing in tandem with the growth of Japanese companies. In the construction and real estate sector, there is a growing need for recruitment across the industry, particularly among real estate developers, construction companies and management companies. We are working to capture this need to further expand our sales.

Gross profit (GP) of regional offices and the number of consultants



Improving Profit Margins

Reducing Costs by Improving Operational Efficiency

We are expanding our internal databases and conducting business process reengineering (BPR) to improve our profit margins.

For example, by focusing on expanding our proprietary internal human resources database and making it more user-friendly, we have succeeded in reining in our cost-of-sales ratio. In addition, we plan to reduce SG&A costs by promoting the use of DX to improve the operational efficiency of consultants' peripheral operations, such as by automating corporate negotiation tasks.

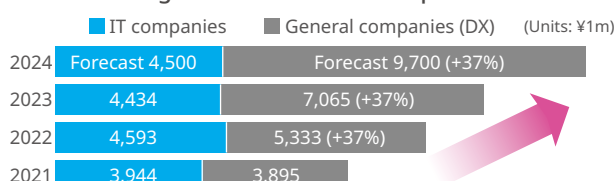
Improve the Profit Margins of Overseas Businesses

Profits have stagnated in the Overseas Business, due in part to the recent economic slowdown in China, as well

3 The Digital-related Human Resources Domain

Hiring constraints have remained in place for foreign IT companies after autumn 2022, but demand for jobs related to DX in general business companies is high, increasing by 37% in FY2022 and 32% in FY2023. We forecast robust growth in FY2024 and beyond.

Number of digital-related successful placements



Expansion of Offices

As a company, we place great importance on contributing to regional revitalisation by responding to the growing demand from regional companies and connecting them to human resources. The number of consultants at regional offices increased by 16% in FY2023, and gross profit grew by approximately 20%.

In addition, JAC Group, which has grown its business by supporting the expansion of Japanese companies into foreign markets, will open more offices in the future as it develops its business globally.

Investment in Human Capital and Human Resource Strategies

Human Resource Strategy

— Developing a Corporate Culture in Which Talented People Support One Another

The strength of JAC Group resides in its corporate culture, characterised by teamwork that achieves results. Not only can our talented, professional consultants introduce corporate clients to the most suitable human resources to help solve their issues, they also mutually support one another toward their objectives. By expanding this exceptional workforce and deeply instilling a mutually supportive corporate culture, we

will achieve our goal of becoming “the world’s No. 1 in service quality and profitability”.

We are also working to enrich our attractive personnel and compensation schemes, as well as our initiatives in DE&I and health and productivity management, so that all employees can exercise their individuality and play an active role in the company.

World’s No. 1 in Service Quality and Profitability



Measures	Current Status and KPI Targets
Enhancing recruitment and reducing turnover rates	<ul style="list-style-type: none"> Growth rate in the number of consultants: From 11.4% (FY2023) to 15% (target) Consultant ratio: From 79% (FY2023) to 80% (target) Turnover rate: From 12% (FY2023) to 10% or less (target)
Expanding on training programmes	<ul style="list-style-type: none"> Amount of new employee training per person: 603 hours for new grads / 137 hours for mid-careers (FY2023)
Implementing training for management personnel	<ul style="list-style-type: none"> Percent who participated in manager training: 76.7% (FY2023)
Building up working environments, compensation systems and official alumni community, etc.	<ul style="list-style-type: none"> Maternity/Paternity leave taken: Women 105% / Men Members of alumni programme: (280 at the end of 2023)
Securing diverse human resources (promoting DE&I)	<ul style="list-style-type: none"> Percentage of female managers: 40% (target)
Promoting health and productivity management	<ul style="list-style-type: none"> Health and productivity management indicators ▶ P.57

Enhancing Recruitment — Leveraging Consulting Skills in Recruitment

Recruitment teams from each business division and the Human Resources Division cooperate on recruitment activities, successfully hiring superior talent to the tune of 50 to 60 new graduates annually and 30 to 40 mid-career hires each month.

Composed primarily of people with a consulting background, the recruitment team at the Company’s HR Division is expanding each year to keep pace with the growing number of hires. At our job interviews, we leverage our skills as recruitment consultants to accurately assess each applicant’s qualifications as a recruitment consultant while taking into account their skills, experience, and motivation for applying for the position.

At the same time, we carefully explain the Company’s management orientation, corporate culture, and values as we support the candidate in drawing a clear picture of the direction of their career.

In addition, in order to ensure a high-income margin, our policy is to maintain a consultant ratio in which 80% to 85% of our employees are consultants.

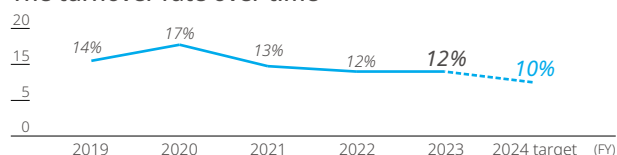
	January 2021	January 2022	January 2023	January 2024
Recruitment Department	11	18	25	30
Education Department	9	14	24	23

Reducing Turnover Rate — Preventing the Loss of Talent

It is essential to not only recruit steadily, but also retain the excellent human resources one has developed, and to do these things simultaneously. To this end, we are combining a variety of methods and approaches to reduce turnover rates. Having analysed the reasons why employees have resigned in the past, we are now working on (1) career path planning initiatives (i.e., identifying skills and experience, developing individual career path plans for each employee, including overseas office assignments and middle office duties, and

supporting the achievement of such plans) and (2) supporting the improvement of performance through enhanced education and training programmes and by supporting members of the 100+ Club. ▶ P.18 100+ Club

The turnover rate over time



Expansion of Training Programmes — JAC Standard Training

We have set out the standards that should be expected of consultants in our Group as the JAC Standard, which is compiled in a handbook for all employees. In addition to a code of conduct and a description of the mindset a consultant should hold, the JAC Standard also codifies the knowledge a consultant should acquire, the way to approach making proposals to corporate clients, sourcing methods and numerical indicators employees ought to achieve. We began using this handbook in employee training and new employee training sessions from FY2023.

We have designated the first 14 months of employment as a training period. During this time, the HR Division (Talent Development Team) provides extensive training, using both Off-the-Job Training (Off-JT) methods and coordinating with the employees' managers and buddies (persons responsible for education) in the departments to which they have been assigned. Proceeding at the pace of each employee's individual development, we guide them on the path to becoming consultants who can steadily produce results.

Management Training

In order to put excellent human resources to good use and foster an organisational and corporate culture that can grow sustainably, it is also important to develop excellent management personnel (209 people as of 31 December 2023).

We have therefore created a booklet describing the "Mission & Duty" of management personnel occupying the position of manager and higher. We hold regular group training sessions to discuss how management personnel can put their own Mission & Duty into practice and incorporate the JAC Standard into their own department's operations.

In addition, we offer online training courses on various topics necessary for running the organisation, such as team building, how to evaluate others, compliance, etc., thereby encouraging growth in management positions.

Members of upper management at the level of division and branch manager or higher receive training in management concepts and through executive coaching. Going forward, we plan to consider further expanding our education programmes.

Developing Global Human Resources

As we strive to become the world's No. 1, it is essential to secure and develop global human resources. We seek to develop human resources who not only speak English and other foreign languages, but also have international business experience, a deep understanding of foreign cultures and business environments, and the ability to take a global perspective in

managing organisations.

In particular, from the perspective of developing the future leaders of JAC Group, strategic planning for international expansion is seen as an important skill that directly impacts the future growth of the company.

Creating a Vibrant Working Environment

Providing a comfortable working environment

We have created an environment in which employees can focus on their work by respecting their work-life balance and introducing remote working and a core time policy while offering support for working parents and caregivers.

Childcare support system to enable parents to stay active while raising their children

We have been operating a childcare support payment system since 2007 to enable employees to balance work and childcare without difficulty and to continue their careers, and the return-to-work rate of female employees from childcare leave is extremely high. We are currently working towards a workplace environment where it is easy for male employees to take childcare leave, with a target of at least 30% of male employees taking childcare leave by the end of 2025.

A compensation system that raises motivation

Motivation is to a large extent maintained when employees can see themselves being rewarded in line with their abilities and performance. For this reason, our compensation system includes a high proportion of performance-based bonuses. With its clear evaluation criteria, our compensation system enjoys strong support from many of our talented consultants.

Building positive relationships with former employees

We have been operating an alumni organisation (a community of those who have left the Company) since FY2021 with a view to building and maintaining positive relationships with former employees who have a deep understanding of the Company's corporate culture and are honing their skills elsewhere as former employees, and in order that we may have a mutually beneficial impact on each other. Many of our alumni rejoin the Company later on, playing active roles in a variety of positions across the Company.

Financial/Capital Strategies

Maintaining and Enhancing High Profit Margins and Capital efficiency to Steadily Increase Corporate Value

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

The key features of JAC Group financial strategies are high profit margins and high capital efficiency.

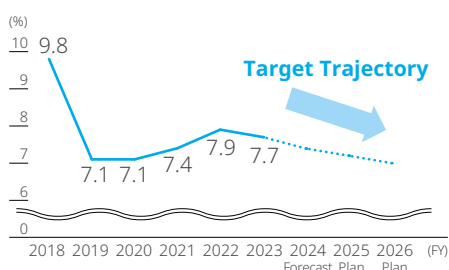
The Group vision is to become the world's No. 1 professional recruitment firm in service quality and profitability. To achieve this goal, we know it is important to maintain and strengthen these two financial aspects of our businesses.

Enhancing Profit Margins

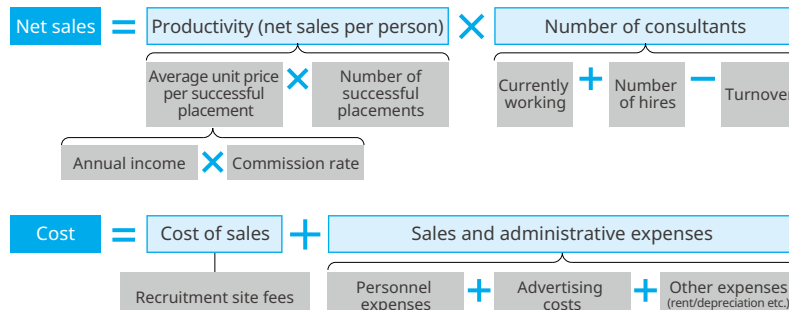
In FY2023, the Group achieved a 23.8% operating income margin, which maintains a high simple standard average of 27.1% over the last ten years. To maintain these high profit margins, we must focus on expanding the businesses that have high profit margins. That is why JAC Group will realise high growth toward becoming the world's No. 1 by 2030 by emphasising the organic growth of the Recruitment Business in Japan.

We will also work to reduce the cost of sales as well as sales and administrative expenses in the Japan Recruitment Business to further enhance the profit margins. More specifically, a more powerful in-house database, referrals, and scouting will attract the candidates necessary to reduce the use of external advertising and recruitment sites, which lowers the cost of sales ratio. These efforts have already reduced the cost of sales ratio in 2023 to 7.7%, down 2.1 points, from 9.8% in 2018. Operational innovations through a digital transformation will also drive efficiency in middle/back-office operations and improve consultant productivity to reduce sales and administrative costs. Furthermore, in addition to having moved back-office functions from overseas to the head office in Japan, our overseas businesses with low profit margins are currently shifting resources to more highly profitable regions in order to enhance the profit margins.

Cost of Sales Ratio Reductions



Revenue Model (Recruitment Business)

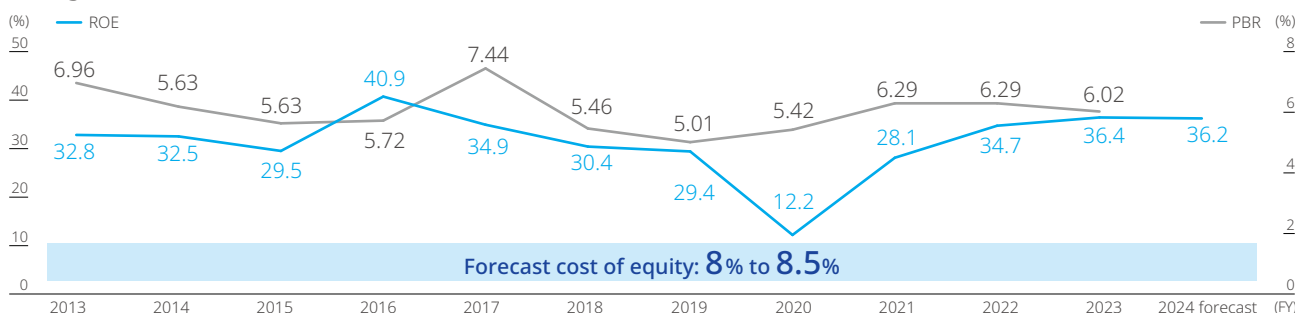


Maintaining/Improving Capital Efficiency

In FY2023, the Group achieved a tremendous ROE of 36.4% with a cost of equity at 8% to 8.5%. Over the last ten years, we have continually maintained a high simple ROE average of about 33%, excluding 2020 during the COVID-19 pandemic. Our price to book ratio (PBR) at the end of FY2023 was 6.02. We have also maintained a high PBR between 5 and 7 over the last ten years.

The company has secured a steady cash position. These funds act as both capital to flexibly invest in businesses as well

Changes in ROE/PBR



as a reserve to retain employees—the Company's strongest asset—during significant drops in earnings due to crises like the collapse of the Lehman Brothers.

We will secure the capital necessary to respond to these kinds of risks, enhance profit margins, and realise a high growth rate, which I hope will not only sustain high capital efficiency but also improve corporate value.

Business Investment Policy

The Group also needs to explore opportunities for inorganic growth in addition to organic growth to become the world's No. 1. As a means to this end, our policy is to pay out 60%–65% of net income as dividends, with the remainder allocated to growth investments.

The criteria to decide to invest in a business in order to maintain high profit margins and capital efficiency are: (1) whether the business is highly reliable and profitable, (2) whether we can expect investment efficiency to exceed capital costs and maintain high capital efficiency, and (3) whether the business has synergy with a high-class recruitment business, which is our current core business. Our policy also minimises risk-taking when investing in businesses. As a general rule, we do not invest in businesses that require large assets or a long payback period.

Recruitment businesses only require a small up-front investment to start and allows companies to flexibly exit and re-enter the market according to market conditions. Therefore, as policy, offices overseas and branches in Japan start reforming businesses if in debt for one or two years and will then exit the market if recovery cannot be expected over the medium to long term.

Business Investment Criteria

- Maintains capital efficiency sufficiently exceeding the hurdle rate set based on capital costs (8.2%)
- Targets highly profitable businesses that help maintain and enhance the profit level of existing businesses

* The company exits businesses if a several-year forecast does not anticipate recovery when below the hurdle rate.

Main M&A transactions

Date of acquisition	Company name	Business description	Acquisition value
December 2013	C.C. Consulting Co., Ltd. (now CareerCross Co., Ltd.)	Operation of a job ad website focused on bilingual recruitment	¥660 million
March 2018	JAC Recruitment Asia Ltd. (now JAC Recruitment International Ltd.)	Holding company for overseas offices of JAC Group	\$27 million
January 2020	Vantage Point K.K.	Executive search	¥740 million

Shareholder Return Policy

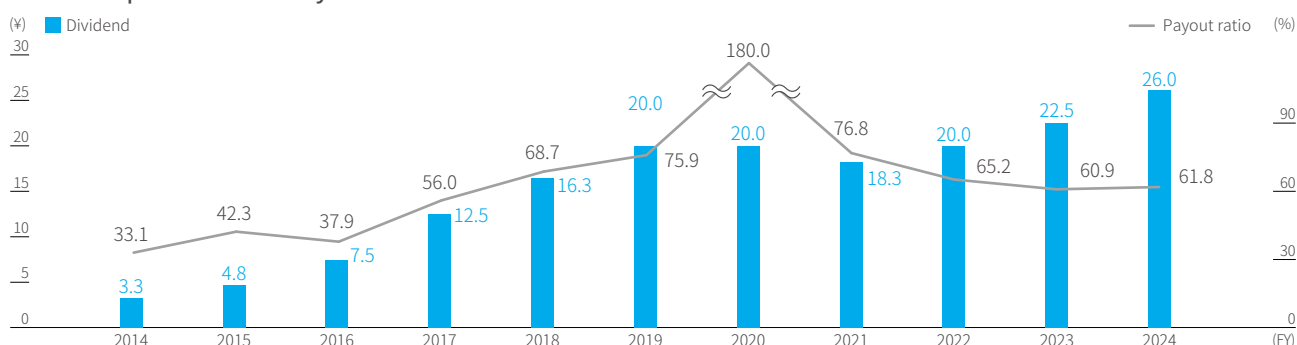
Our basic policy regards the return of profits to be an important management issue and is the blueprint for decisions to properly balance investments and shareholder returns primarily provided through dividends. The dividends per share in FY2023 were ¥22.5 after the stock split, which is the third consecutive year of increasing the dividend. Our dividend on equity (DOE) has also realised an extremely high standard of 21.1%. Going forward, we have secured the internal reserves necessary to maintain a high dividend payout and invest in businesses to foster subsequent growth while aiming to enhance shareholder value that exceeds increases in owned capital.

Dividend Policy

Dividend payout ratio targeted at 60%–65%.

Maintain a steady trend of increasing dividends in line with profit growth.

Dividends per Share and Payout Ratio



*1. Dividends per share from FY2014 to FY2023 have been retroactively adjusted to reflect stock splits.

*2. Calculations for the payout ratios from FY2015 include JAC Recruitment shares held in the ESOP Trust account.

*3. The dividend payout ratio for FY2024 is the figure at the time of the forecast at the beginning of the year.

Professionals

Companies must pursue sustainable management that aims for business growth while reducing the burden on the environment and fulfilling their commitment to sustainability. As recruitment specialists who deeply understand industries and occupations, the company introduces outstanding human resources who can help our corporate clients realise sustainable management while striving to solve social issues across the board.

Contribute to a Fair Society



Proposing Human Resources Who Revitalise the Local Economy as a Company Rooted in the Local Community

Shizuoka/Hamamatsu Branch Manager Fumiya Makimura

Shizuoka is the only prefecture where JAC has established two offices. In 2016 the Shizuoka Office was established to cover needs of the entire Tokai region, but we soon discovered that we would need another office to cover the automotive industries in the region around Hamamatsu City. Both cities are currently struggling with a population exodus as well as an aging society with a declining birthrate. On the other hand, Shizuoka has ranked as the top prefecture people want to move to for four consecutive years, which illustrates the potential to overcome the social issues it faces. Work in the destination is one of the essential conditions for people to move to a new place. The reason the company not only has its head office in Tokyo but also 11 other regional offices throughout Japan is for regional revitalisation. As one local company in Shizuoka Prefecture, our branch mission which plays a role in revitalising this local community is connecting local companies with outstanding human resource candidates who want to utilise their skills and experience.

Social Issues

The decline in population, aging society and declining birthrate are a **serious problem causing labour shortages and business succession issues**. Besides simply filling positions, we are also seeing an increase in companies seeking candidates as successors to take over businesses or take on leadership roles as executives. Component manufacturers and other companies are also working to launch new businesses to survive the shift to electric vehicles but must recruit specialists in various fields and management because current businesses lack employees with those particular skills and experience.

Examples of Support

A man in his thirties who worked in the automotive industry in Tokyo was able to change jobs and return to his hometown in Shizuoka with a company where he could leverage that experience after getting married. A man also in his thirties actively working as an engineer of machine design at a company in Kanagawa Prefecture wanted to change jobs to find a better work-life balance in the future. He expanded his search outside of Kanagawa finally deciding to accept a job at a company in Shizuoka where he could leverage his skills in a new industry. A man in his sixties who had to retire from launching new businesses at a general trading firm due to his age joined a company looking to start a new venture as an executive. This man coincidentally happened to be returning to Shizuoka where he had grown up.

Impact on Society

- More mobility of outstanding human resources throughout Japan is expected to revitalise local economies.
- A migration of professionals to regions outside of Tokyo in search of a better life balance alleviates the concentration of human resource in Tokyo.

Economic Impact on the Company

- The company can expand its performance and knowledge gained from a global network to recruit outstanding human resources for local companies. The development of branches and offices helps expand the business too.
- The company can recruit and introduce not only overseas staff when companies go abroad to setup new manufacturing bases or enter new markets but also local candidates after these businesses are up and running.

Proposing Opportunities for Professional Women as Executives while Discovering Future Candidates

Executive Search Division Senior Principal Tomoko Fujita

In 2023, Japan announced its aim to raise the female executive ratio to 30% in firms listed on the TSE Prime Market by 2030. JAC Recruitment is one firm helping recruit many of these female executives. Of course, the skills, experience, and other requirements for executives differs company to company, but there are very few candidates who are able to satisfy these needs. However, society at large is generating tremendous momentum to empower women in the workplace. I meet more and more women who have begun to think about an executive career path. One effort that the company can undertake thanks to its relationships with female executives is to create opportunities for professional women who want to serve as outside directors with women who are currently serving as outside directors. As a woman myself, I am proud to be able to support the outstanding women who can help build these corporate enterprises.



Social Issues

As ESG investments become more prevalent in financial markets globally, many institutional investors around the world focus on the ratio of female executives as one investment consideration. The Basic Survey of Gender Equality in Employment Management in 2022 done by the Ministry of Health, Labour and Welfare showed a 12.7% ratio of women in management roles and found that increasing the number of female managers who could be executive candidates for management is an urgent issue. Solutions require workplaces and personnel systems that accommodate women as well as the discovery and cultivation of female managers as role models to help female professionals envision a specific career path while nurturing more female management candidates.

Examples of Support

The ratio of female executives at firms listed on the TSE Prime Market was 11.4% as of July 2022 according to the data collected for a report on the virtuous cycle of empowerment of women and economic growth announced by the Gender Equality Bureau Cabinet Office in May 2023, which is far from the 2030 target. Japan revised its Corporate Governance Code in 2018 to require companies to have two or more outside directors. While there are more examples of women with expert knowledge serving as outside director, only a small number of women have management experience at business companies. The perspective of women in the management decision-making process should enhance diversity, but opportunities to gain this practical experience are few and far between. We held a seminar for an exchange of information with the participation of more than 50 women to build a network of female candidates with the potential to become outside directors in their careers and women currently serving as outside directors.

Impact on Society

- More female executives should bring greater diversity to corporate management and society.
- More female executives help provide a variety of role models and creates broader career options for talented women.

Economic Impact on the Company

- Approaching female candidates eyeing outside director and other executive positions at an early stage in the female manager market, which is expected to grow in the future.
- Building a network of outstanding female professionals who can become executives realises proposals that can satisfy the diverse needs of companies.

Support of People's Health



Cultivating Innovators Key to a Revolution in Medicine

Healthcare Division Manager Yuta Kobayashi

The use of digital technologies supports diagnosis and treatment. These digital healthcare products are not only found in hospitals and other medical facilities but are also built into wearable devices for general for consumer use, which have been highlighted as products with great expectations as one solution to medical issues faced by Japan in a rapidly aging society with a declining birthrate. This medical revolution requires the broad knowledge and expert skill through to spark innovation and encourage more practical use on medical sites because these products do not have a very long track record. One important mission for me is to find the human resources who can satisfy these needs.

Social Issues

Japan is seeing a dramatic **rise in medical costs** due to its rapidly aging society. To address higher social security costs, the Ministry of Health, Labour and Welfare formulated a healthy life extension plan in 2019, which encourages initiatives that aim to prevent disease and extend the healthy life expectancy. There are also concerns about providing sufficient medical services to areas with dwindling populations in particular due to the difficulty of securing medical practitioners. At the same time, **the normalisation of long hours for employees** is the biggest problem in medicine.

Examples of Support

The introduction of AI image analysis is expected to prevent diagnosticians from overlooking anything due to skill differences and to reduce the time required for diagnoses done by medical practitioners to improve operations. We have introduced candidates experienced in business and clinical development to major system integrators who are launching AI businesses. Online medical examinations also garnered a lot of attention during the COVID-19 pandemic and resolving medical disparities between regions, and we are placing candidates who have the knowledge and skill to build networks and AI for patient inquiries. We are also receiving more and more recruitment requests from venture companies due to the low barrier of entry into digital healthcare products. Previously, online advertisements for the prescription drugs and medical devices used by medical practitioners were prohibited. However, Japan relaxed regulations on online advertising for clinical apps, which is driving requests for human resources versed in digital marketing.



Supporting Medical Robots to Address Medical Disparities and Labour Issues Through Engineers

West Japan Healthcare Division Senior Consultant Daichi Adachi

Japan is actively introducing medical robots to play a major role in reforming the work styles of medical practitioners and eliminating medical disparities between regions. America currently holds the top share in the world for medical robots, but Japan is advancing development of these robots utilising the technological prowess and development capabilities that have earned it the top share for industrial robots. As a new field of robotics, we are sincerely supporting people who want to take on medical robots by fully communicating the prospects as well as the challenges.

Social Issues

Urban migration is problematic to **regional healthcare systems and causes a lack of medical specialists**. Whether in Japan or abroad, patients or doctors who must travel long distances to receive or perform surgeries costs both time and money and raises concerns about the burden placed on patients and doctors. Broader use of medical robots may provide solutions to these issues, but the implementation costs and time require for doctors to become familiar with the technologies present challenges.

Examples of Support

Venture companies and other such companies in Japan are developing their own proprietary medical robots. We introduce candidates with experience in developing medical devices for surgeries or surgeons to act as technical advisors. We also actively recruit candidates for marketing positions with sales experience homed in the medical industry. Moreover, regular maintenance is indispensable as any trouble with these robots puts a risk on life. Engineers versed in precision machine maintenance are in high demand, and we are able to introduce candidates with these specialised skills.

Impact on Society

- The introduction of software, robots, and other new technologies should eliminate medical disparities between regions and improve the working environment for medical practitioners.
- Lower prices and more accessibility to generic drugs that are easier to swallow should reduce social security costs and other burdens on people who need to take medications for lifestyle diseases and other long-term issues.
- The inclusion of Japan in the development and sales focusing on rare diseases from a global standpoint should broaden the potential and more quickly develop pharmaceutical products to bring well-being to more people.

Ensuring the Safety and Security of Generic Drugs Through Human Resources

Healthcare Manufacturing Division Yoshiko Kawa

Generic drugs refer to a company that manufacturers and sales the same pharmaceutical product as the company that developed it as a new drug after a patent expires. Generic drugs are cheaper than new pharmaceuticals due to shorter development periods and lower costs. Of course, these generic drugs are equally effective with some medications being improved to make them easier to take. Although generic drugs have many benefits, the supply continues to run low unfortunately due to scandals related to quality. It is our duty to recruit expert human resources who can ensure the safety and reliability of generic drugs to realise a stable supply of the inexpensive and easy-to-swallow generic drugs from the patient perspective.



Social Issues

Medical costs in Japan are increasing every year, and the financial resources of health insurance associations are constantly in crisis. Broader use of generic drugs is essential for Japan to maintain its universal health insurance system and not pass on these costs to future generations. However, ongoing scandals related to quality since around 2021 have suspended businesses of pharmaceutical and active pharmaceutical ingredient companies. This has continued to **inhibit the supply of generic drugs.**

Examples of Support

The insufficient supply of generic drugs is the result of poor-quality control. Japan is sounding the alarm and encouraging measure to address excessive price competition, labour shortages, and inconsistent organisational systems. The hope is to use professionals with expert skills in quality control and a wealth of experience in organisations and systems. For this reason, generic drug companies are hiring candidates in their fifties and sixties from major pharmaceutical companies through JAC for its proven track record in the industry. All of these professionals actively work aware of their duty to give back to the pharmaceutical industry and improve the current state of generic drugs. That is why we recruit specialists from other industries at factories currently at GMP or near equivalent ISO 9001 who are able to grasp the requirements of pharmaceutical manufacturing. This includes food and cosmetics industries, the semiconductor industry from a standpoint of sterilisation processes, and automotive industries from a standpoint of automation.

Recruiting Passionate Human Resources Who Pioneered Treatments for Rare Diseases in Japan for 35 years

Executive Division No. 2 Manager Daiki Akiyama

Japan defines rare diseases as those afflicting less than 50,000 patients in the country. However, the recovery of development costs due to the minimal number of patients, the difficulty of clinical screenings due to the few number of cases and other such factors prevent active development by pharmaceutical companies. There are companies who develop therapeutic treatments not just for their own country but for the world though. The use of these therapeutic drugs in Japan would give patients tremendous hope. I am passionate about meeting people who have a desire to help even just one more patient while giving back to the pharmaceutical industry.



Social Issues

Pharmaceutical companies conduct clinical trials to test efficacy and safety and submit the results of these tests on applications to gain approval for use in Japan when manufacturing and selling these drugs in the country. The efficacy and side effects of a drug may vary due to race and other such factors. That is why Japan must run additional clinic trials after the ones carried out overseas are done. Some medications that have been approved overseas are not approved for use in Japan. Only a few patients have need for therapeutic drugs for rare diseases. Due to the costs and time required for development only for the country, **Japan currently struggles with drug lag and drug loss.**

Examples of Support

Pharmaceutical companies developing therapeutic drugs for rare diseases have been considering starting ventures in Japan based on a desire to deliver these medications to patients struggling with rare diseases in Japan. Japan requires general marketing managers, quality assurance managers, and safety control managers to manufacture and sell these pharmaceutical products in Japan. In particular, the general marketing manager must be certified as a pharmacist, which limits the available human resources. JAC has a proven track record in the healthcare domain for over 35 years introducing candidates in their fifties and sixties who have built a career at pharmaceutical manufactures in Japan to take on these three roles at both Japanese and foreign companies. We also support these companies in recruiting MR and back-office staff once the launch is set and become involved in all aspects of establishing the organisation.

Economic Impact on the Company

- Future expectations for the healthcare industry in Japan will grow as the country faces an aging society with a declining birthrate. The industry will pursue human resources who hold the proper certifications and high-level skills unique to healthcare. As a company with a track record of helping professionals change jobs in the healthcare industry for over 35 years, JAC brings together more job opportunities while leveraging the network of candidates it has built thus far.
- Human resources who can spark innovation that solves the serious labour shortages in the pharmaceutical industry goes beyond just the healthcare domain to give JAC more opportunities to introduce specialists from a wide range of industries.

Contributing to Global Environmental Conservation



Supporting Corporate Decarbonisation Initiatives through Human Resources with Expert Knowledge and Skills

Energy & Infrastructure Division Senior Principal So Kurosaki

A wide range of companies are driving forward decarbonisation initiatives that use renewable energy regardless of the industry or sector. Meanwhile, the energy situation in Japan that is sensitive to geopolitical risks and natural disasters, including the impact of the COVID-19 pandemic, are driving the launch of renewable energy businesses over the last several years, which is increasing the number of requests from companies seeking human resources. Although this is still a very new business domain in Japan, there are many opportunities to leverage knowledge and experience cultivated throughout a career up until now. This is no exaggeration. There are many people who feel a duty to protect the global environment. I am motivated at the chance to help these outstanding and passionate human resources use those skills and experience.

Social Issues

In FY2013, the Japanese government set a target to reduce greenhouse gas emission 46% by FY2030. Companies must cooperate with Japan in order to reach this GHG reduction target. Companies now have a corporate social responsibility **to devise management strategies that consider decarbonisation**. As the impact of climate change becomes more severe, companies that rapidly engage in initiatives to achieve carbon-neutral management will not only enhance corporate value but will also help lead to new business opportunities.

Examples of Support

Of course, one example of our support of companies that are launching new solar power generation businesses is the introduction of professionals already active in the energy industry, whether designing equipment or buying and selling electricity. However, JAC also recruits professionals for all of the other positions who can leverage their experience in particular industries and occupations, such as securing land in the real estate industry, operating facilities in the manufacturing industry, or raising funds for solar power in the banking industry. JAC has also been supporting many other projects for new businesses influenced by next-generation energy trends. This is illustrated by our recent recruitment of candidates for business development positions in wind power and hydrogen businesses.

Impact on Society

- Companies are pushing forward specific initiatives to balance greenhouse gas emissions and absorption.
- Japan is building new power infrastructure to overcome its weaknesses in the power grid so that it will no longer depend on overseas sources for a majority of its energy.
- The installation of solar power generation systems that can shift large-scale power sources to small-scale local stations should revitalise regions, disperse risk in the event of natural disasters and ensure resilience thereafter.
- Projects led by Japan should also further work to develop technologies from hydrogen and CCS/CCUS to distributed power sources and system batteries.

Economic Impact on the Company

- The launch of solar power generation and other new businesses never seen before creates new jobs and will increase opportunities for human resources with various skills and experience to actively participate.
- Renewable energy generation facilities that are up and running also create maintenance and inspection, power retail, and other new employment opportunities in each region that should increase the number of local contracts.
- Advancement in the development and proof-of-concepts for hydrogen and other next-generation energies will increase the needs for human resources that have unique skills right for each phase of business.

COLUMN

Our Mission Is to Produce Young People Who Will Be Active in Japan and Around the World as Global Leaders

Founder, Director, and Chief Advisor, JAC Recruitment Co., Ltd.
Founder and President of The Tazaki Foundation

Tadayoshi Tazaki

I always have sensed this dilemma of Japan being undervalued by the world despite being such an amazing nation because there is not much information shared overseas and only a few of us who stand equal to global leaders. I know supporting the growth of Japanese youths into true global leaders who can actively participate in international society helps contribute to the future of Japan. That is why I founded the Tazaki Foundation in 2016.



Education and Performance Pursued by the Tazaki Foundation

The Tazaki Foundation helps Japanese high school students with full expense support for study in the UK, for a total of five years—two years at a public school (private boarding school) and three years at university—and subsidise and support other language learning in Japan. Since 2022, we have been helping students in education programmes offered by The University of Tokyo, Hitotsubashi University, and the Tokyo Institute of Technology intended to nurture global leaders to study abroad in the UK as well as began support for Japanese students who are attending graduate school programmes at the University of Cambridge. The Tazaki Foundation has helped a total of 380 students, all of whom have earned high praise in the UK as outstanding students in a variety of majors from sciences and maths to music, art, and classical western studies.

I am often asked why students go abroad before they graduate from high school. I believe students could start studying abroad at university as online formats evolve if only studying advanced academics. However, our foundation emphasises the importance of students having a strong backbone in their Japanese roots while developing international sensibilities and leadership skills during those important ages between 16 to 18 at boarding-type public schools in the UK founded to nurture global leadership. I believe that 16 is the limit for someone to become bilingual based on my own experience. I went to the UK when I was 19 and experienced all of this studying at a public school and at Cambridge University. Nine high school students will travel to the UK in the fall of 2024. I look forward to seeing them further hone their skills in the UK based on the culture and knowledge that they cultivated in Japan over 16 years.



Contributing to the Education of Truly Global Leaders

The Tazaki Foundation operates using the dividends of roughly 5,000,000 shares of JAC Recruitment Co., Ltd. (as of 2016) that I transferred to the Foundation from my own shares. Through the Foundation, we provide total scholarships between ¥40 to ¥60 million for each student to study abroad, which the students never need to pay back. I feel that providing the world's best educational opportunities to Japanese youths who want to actively participate on the global stage helps contribute to Japan. In 2022, The Japan-British Society celebrated us at The Japan-British Awards 2022 as "an impressive initiative that will no doubt play a significant role in cultivating the future generation who will carry forward the UK-Japan relationship". I believe it is my mission to support Japanese youths to study abroad and grow into human resources who can stand up among top world leaders through this foundation.

Past Support Given to Students to Study in the UK

fiscal year	2016	2017	2018	2019	2020	2021	2022	2023	Total
Men	2	1	3	5	5	4	6	4	30
Women	3	4	5	2	4	4	4	5	31
Total	5	5	8	7	9	8	10	9	61

Tazaki Foundation has provided other support to a total of 380 students for language training and study abroad scholarships to help students at specific University leadership programmes.

Study Abroad Track Record

Public Schools (Private boarding school)

- Christ's Hospital School
- Kingswood School
- Fettes College

Universities

- Cambridge University
- Oxford University
- University of Edinburgh
- University of London
- University of St Andrews
- ...etc.

Sustainability Promotion Initiatives

With the mission of “Connecting people, companies, the economy and society and continuing to contribute to their growth”, JAC Group aims to introduce excellent candidates to companies so that they can work lively and contribute to the development of the companies to which they are introduced and, in turn, to the sustainable development of society.

To realise this, we have identified priority issues that we should address as Materialities, and are responding to these issues through our business and internal initiatives.

► P.24-25 Priority Issues to Address (Materiality)

For example, we contribute to the realisation of environmental protection of the planet through the introduction of environmental engineers, and to the revitalisation of local communities through the introduction of professional personnel to community-based companies. By introducing sustainability-related personnel, we are contributing to solving social issues.

► P.42-46 Professionals

We also attach great importance to environmental considerations and social fairness in our operations, and are committed to improving energy efficiency, reducing waste, planting trees, promoting DE&I and improving the health and wellbeing of our employees. These initiatives not only enhance our corporate value, but also contribute to strengthening the relationship of trust with our stakeholders.



Our Approach and Initiatives on Climate Change

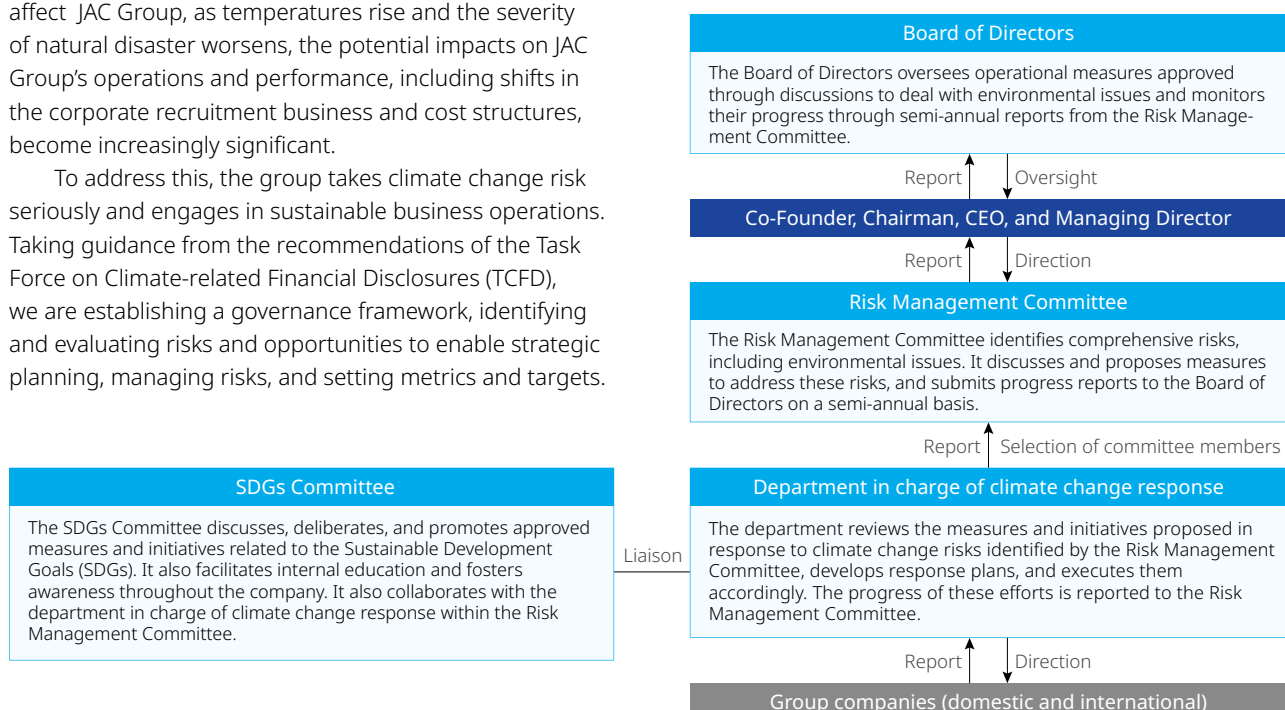


In order to build a sustainable future, it is essential to address climate change, starting with the reduction of greenhouse gases (GHG). Doing so will make it possible to protect the global environment, maintain a balance between ecosystems and provide a better environment for future generations. In terms of how these issues affect JAC Group, as temperatures rise and the severity of natural disaster worsens, the potential impacts on JAC Group's operations and performance, including shifts in the corporate recruitment business and cost structures, become increasingly significant.

To address this, the group takes climate change risk seriously and engages in sustainable business operations. Taking guidance from the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we are establishing a governance framework, identifying and evaluating risks and opportunities to enable strategic planning, managing risks, and setting metrics and targets.

Governance

We have established a governance framework that defines management's role in assessing and managing climate change-related risks and opportunities, as shown in the figure below.



Strategy

JAC group 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).

Scenario

1.5°C scenario

- IEA [NZE (Net Zero Emission by 2050)]
- IPCC [RCP 2.6]

4°C scenario

- IEA [STEPS (Stated Policies Scenario)]
- IPCC [RCP 8.5]

IEA: International Energy Agency
IPCC: Intergovernmental Panel on Climate Change
RCP: Representative Concentration Pathways

Opportunities/Risks

The key opportunities and risks, timescales and financial implications that we have identified and analysed based on the above scenarios are as follows:

Opportunities	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
		Decreased number of placements due to shortage of environmental and energy-related talent	Short/Medium term	Decrease in revenue
4°C scenario	Risks	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

Concrete Strategy

In an effort to reduce CO₂ emissions, JAC Group has continued forestation activities in South East Asia since 2008, even before the SDGs were formulated. As a global recruitment company, we contribute to environmental protection on a global scale. This initiative is a part of our efforts to response to the Sustainable Development Goals (SDGs), which aim to contribute to individuals, communities and society as a whole. We will continue to restore forests through this activity as a company-wide project to contribute to the conservation and protection of precious flora and fauna and to the reduction of global CO₂ emissions. [▶ P.52-53 Forestation Activities](#)

Our approach to risks and opportunities are also as follows.

Initiatives against risks

Diversification of customer portfolios

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. In this way, we will respond to the risk of declining sales.

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. In this way, we will respond to the risk of increased costs.

Initiatives for opportunities

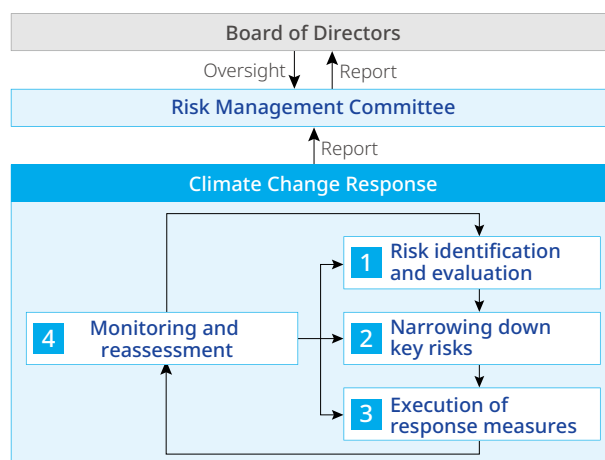
Strengthening the introduction of sustainability-related personnel

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 securing 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.

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.

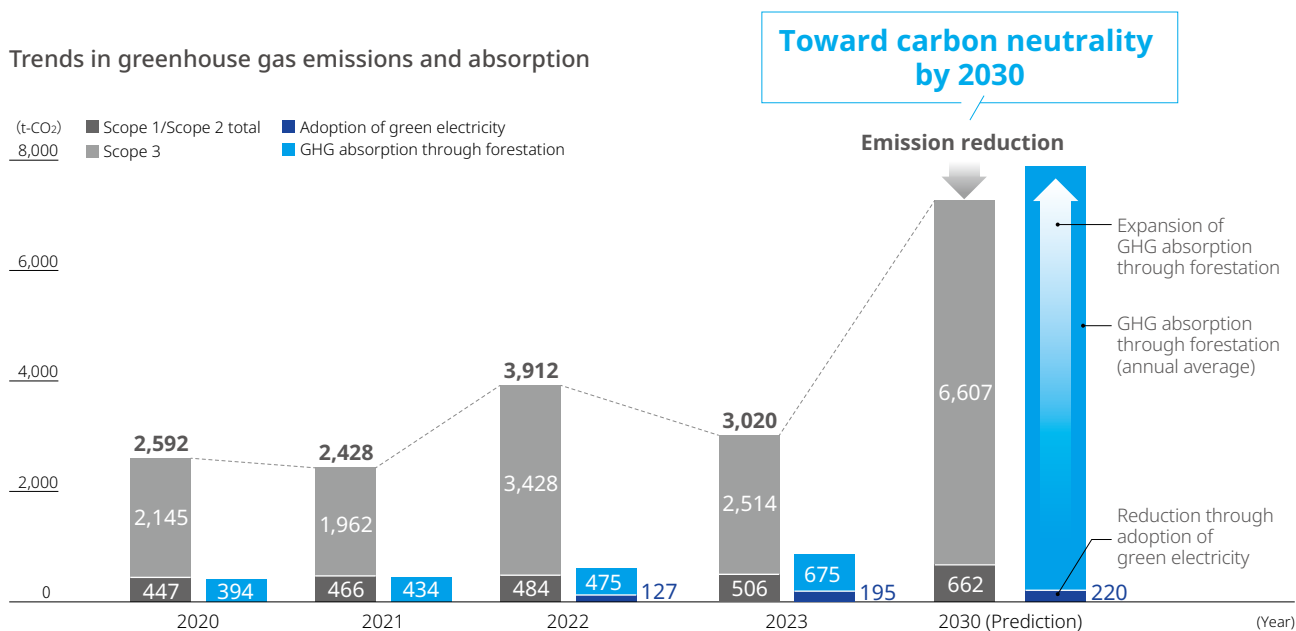
Climate change risk is also recognised as one of the risks that can have a profound impact on JAC Group's operations. Within this framework, we narrow down and monitor key risks, continually reassessing their implications and potential consequences.



Targets and Metrics

The group has set a target to achieve carbon neutrality by FY2030 as our greenhouse gas 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 forestation efforts. Additionally, by placing personnel who foster innovation, we aim to drive the transition to carbon neutrality across society.

Trends in greenhouse gas emissions and absorption



GHG Emission Status

The group has been calculating GHG emissions at all domestic and international locations, including subsidiaries, since FY2020.

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-CO₂, 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-CO₂, which represents an increase of about 74.7% compared to FY2021.

JAC Group has also obtained third-party verification from SOCOTEC Certification Japan Co., Ltd. for three consecutive years starting in FY2021.

Current status of greenhouse gas emissions

Items		Units	Year to 31 Dec 2021 (Jan to Dec 2021)	Year to 31 Dec 2022 (Jan to Dec 2022)	Year to 31 Dec 2023 (Jan to Dec 2023)
GHG emissions	Scope 1	t-CO ₂ e	0	0	0
	Scope 2 (location-based)	t-CO ₂ e	465	484	506
	Scope 2 (market-based)	t-CO ₂ e	—	—	307
	Total emissions (Scope 1 + 2) Location-based	t-CO ₂ e	465	484	506
	Emission intensity (Scope 1 + 2) Market-based	t-CO ₂ e	—	—	307
	Emission intensity (Scope 1 + 2) Location-based	t-CO ₂ e/billion yen in sales	19	16	14
	Emission intensity (Scope 1 + 2) Market-based	t-CO ₂ e/billion yen in sales	—	—	9
	Category 2: Capital goods	t-CO ₂ e	1,048	2,288	1,068
	Category 3: Fuel- and energy- related activities not included in Scopes 1 and 2	t-CO ₂ e	65	68	73
	Category 5: Waste generated in operations	t-CO ₂ e	440	594	667
	Category 6: Business travel	t-CO ₂ e	180	206	248
	Category 7: Employee commuting	t-CO ₂ e	229	269	459
	Subtotal (Scope 3)	t-CO ₂ e	1,963	3,428	2,514
	Total (Scope 1+2+3)	t-CO ₂ e	2,428	3,912	3,020
Energy consumption	Petrol, etc.	kWh	0	0	0
	Electricity used (of which, green electricity)	kWh	954,058 (0)	997,092 (259,730)	1,064,244 (490,304)

*The sum total for Scope 3 aggregates the results for each category, including decimal points, and does not correspond to the apparent rounded-off aggregate results for each category.

Initiatives for GHG reduction and absorption

Details	Effects
PPP Project (forestation)	The project started in 2008 with the slogan, "One Placement creates One Plant to save the Planet". Over 140,000 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 ₂ per tree annually). This initiative aims to significantly increase our GHG absorption capacity.
JAC Moringa Forrest	From June 2024, the planting of moringa trees in Malaysia and Okinawa Prefecture has been initiated, with plans to significantly increase absorption by promoting the planting of Moringa trees, whose GHG absorption is approximately 14 times that of cedar trees (each tree absorbs 117 kg per year). ▶ Reference P.53
Adoption of green electricity	The Tokyo Head Office switched to 100% green electricity in April 2022, the Nagoya Office followed suit in April 2023, and the Yokohama Office in April 2024.
Removal of PET bottled drinks	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.
Distribution of reusable bags	In August 2020, reusable bags were distributed to all executives and employees worldwide to reduce the use of plastic bags by Group personnel.
Switch to business cards made of LIMEX	In June 2019, we switched to business cards made of LIMEX, which has minimal environmental impact, for executives and employees, and now use very little water resources and no forest resources for our business cards.
Switch to FSC-certified paper	Since 2014, we have gradually switched the materials for envelopes and other items used by the company from recycled paper to more eco-friendly FSC-certified paper.
Switch to 100% recycled plastic file folders	In August 2021, we switched to 100% recycled plastic file folders with lower environmental impact compared to regular polypropylene.

Forestation Activities



The Group has been engaged in rainforest restoration activities aimed at bringing back greenery to the Earth since 2008. Through rainforest regeneration and conservation activities, our activities also save 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.

Forestation Activities Through the PPP Project: “One Placement, One Tree”

The Group has been engaged in tree-planting activities in Indonesia and Malaysia under the name of ‘PPP Project’, which stands for ‘One Placement creates one Plant to save the Planet’. By planting one tree for every successful placement of candidates through JAC Group companies, we hope for the continued development of our corporate clients and the success of people who have changed jobs through us, while also contributing to the fight against global warming.

Specific Initiatives

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, chinaberry, candlenuts and melina trees on land buried by lava and volcanic ash, in collaboration with the NPO Asian Green Forest Network (AGFN). We are working to restore watershed cultivation function* of forests.

* Watershed cultivation function: The function of forest soils to store precipitation and regulate the amount of water flowing into rivers, thereby easing floods and stabilising river flows. It also purifies water as rainwater passes through the forest soil.

Borneo, Malaysia

Gunung Apeng National Park, Serian Division, Sarawak, Borneo, Malaysia

At the Gunung Apeng National Park, 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 Forest Fund. Through the association, we also cooperate in the conservation of the forests where orangutans live and the orangutan conservation activities undertaken by the Orangutan Rehabilitation Centre in the Semenggoh Wildlife Centre in Sarawak. 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.



Forestation Track Record

Since JAC Group began its forestation activities in 2008, the Group has planted 141,788 trees (as of 31 December 2023).

Indonesia

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 forestation activities, the natural vegetation has recovered, and the lake's water level has returned to normal. The majority of the area's forestation 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.

Malaysia

Seedlings grown by women's groups in villages in the area of activity are purchased and used for forestation. In addition to sowing and managing the seedlings, the local people also help with the maintenance of previously planted trees, ground preparation and tree-planting work. The project contributes not only to the greening of the area but also to the promotion of local employment. The project will continue as a programme to improve the livelihoods of village communities in the future.

Association / Organisation	Japan - Malaysia Association	Asian forestation Friendship Association
Region	Borneo, Malaysia	Bali, Indonesia
Year started	2008	2008
Cumulative number of plants planted (-2023)	60,688	81,100
Cumulative CO ₂ absorption (-2023)	213.3 t-CO ₂	336.1t-CO ₂
Amount donated in 2023	JPY 1,769 thousand	JPY 3,900 thousand



Launch of the New Project “JAC Moringa Forest”

With the goals of further absorbing CO₂, conserving local ecosystems and benefiting local peoples, JAC Group launched a reforestation initiative of planting moringa trees in June 2023. Moringa trees are said to absorb approximately 14 to 20 times more CO₂ than standard cedar trees (approximately 110-160 kg per year). The project will therefore focus on restoring forests by planting moringa trees. In addition, there are plans for the cultivated moringa trees to be used and consumed locally.

This activity requires a lot of cooperation from local people and also creates and promotes local employment. It promotes sustainable land use and brings both environmental and economic benefits.



Specific Initiatives

Borneo, Malaysia

National Park, Sarawak, Borneo, Malaysia

In addition to the aforementioned PPP Project, more moringa trees will be planted than native species. We aim to plant 4,000 trees each year over five years, for an expected total of 20,000 trees.

Miyakojima City, Okinawa Prefecture

While the average forest coverage in Okinawa Prefecture is 46%, Miyako Island is very low at 16.4%, and CO₂ emissions are on the rise due to the rapid increase in tourism since 2015 and the accompanying increase in construction work. As tourism is a major industry in the city and it is necessary to promote tourism and reduce CO₂ emissions at the same time, these issues need to be addressed by planting trees. In response, the company is committed to planting more Moringa trees as well as native species. The number of trees planted is envisaged to be 1,000 every year.

Diversity, Equity & Inclusion Initiatives



JAC Group includes the idea of fairness in its Philosophy & Policy, and so diversity, equity, and inclusion (DE&I) form an important value for us, and we are working to build a workplace where employees play an active role in a free and open environment. With offices in 11 countries and employees of more than 30 nationalities, JAC Group respects the idea of diversity and a broad range of values and provides equal opportunities and environment to fit the circumstances of each individual.

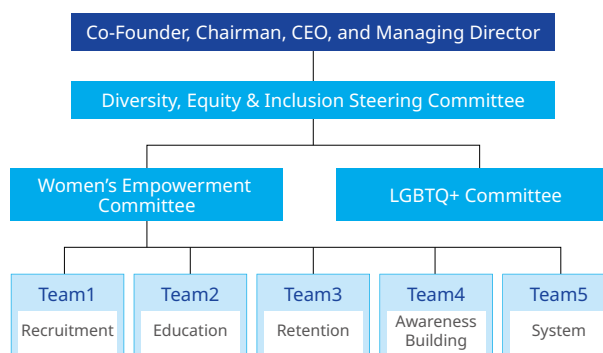
Adding Equity to D&I and Evolving to DE&I

JAC Group introduced systems including a flextime system to enable employees to work flexibly and a childcare financial support system in the latter half of the 2000s, and has put in place an environment that enables women to play an active role at work while raising children. We have now established an internal system to provide similar support to LGBTQ+ employees, and through this we help our diverse employees to play an active role at work.

In June 2021 we launched JAC Group Diversity & Inclusion Steering Committee under which we established the Women's Empowerment Committee and LGBTQ+ Committee, and have taken action since then in order to further enhance our promotion of D&I. As of 2024, we have added equity (i.e. fairness and the elimination of disparities) to diversity, which refers to a broad variety of human resources co-existing without discrimination, and inclusion, which refers to everyone being welcome and having a feeling of reassurance and unity, and changed

the name of the committee to JAC Group Diversity, Equity & Inclusion Steering Committee. With this committee taking the lead, we are working on initiatives to provide an environment and opportunities so that anyone can play an even more active role.

JAC Group Structure for DE&I Promotion



LGBTQ+ Committee Activities

The LGBTQ+ Committee is working to increase JAC Group employees' understanding of LGBTQ+ and to achieve a working environment in which all employees are equal and free to be themselves regardless of gender, gender identity or gender expression, or sexual orientation.

Initiatives and Results to 2023

Initiatives

- Internal awareness survey every six months
- Training for directors, managers, and employees
- Creation and distribution of Ally declaration stickers
- Exchange meetings with departments responsible for LGBTQ+ matters at other companies
- Support Tips for Persons Registered as LGBTQ+ created as documentation for internal use and awareness raised among employees
- Exhibit at Tokyo Rainbow Pride 2023
- Declaration of support for Business for Marriage Equality campaign that promotes marriage equality in Japan (legislation for same-sex marriage)

Results

Percentage of employees who understand the meaning of the word "ally" increased from 21.1% in October 2021 to 88.6% in June 2023. JAC's proactive initiatives are held in high regard, and for two consecutive years since 2022 we have received the highest rating of gold in the PRIDE Index created by the work with Pride voluntary organisation that evaluates initiatives for LGBTQ+ and other sexual minorities.

Initiatives in 2024

We have set the goal of increasing understanding of LGBTQ+ within JAC Group and creating a working environment in which everyone is free to be themselves, and will aim for targets including the creation of a workplace with no discrimination or harassment and more employees making an Ally declaration. While continuing our current initiatives, we shall work to promote diversity in society through our business, including holding joint events with companies and NPOs working on DE&I, exhibiting at Tokyo Rainbow Pride, and supporting those who register with us who are LGBTQ+.



Co-Founder, Chairman, CEO, and Managing Director, Hiromi Tazaki, who heads the DE&I Committee and JAC employees at the Tokyo Rainbow Pride 2024

Women's Empowerment Committee Activities

This committee is composed of volunteer members who, regardless of gender, are engaged in activities with the aim of bringing the ratio of women in managerial positions up to the ratio of female to male employees.

Initiatives and Results to 2023

Initiatives

- Unconscious bias surveys
- Training for managers
- Selection of managerial candidates, and in-department development
- Establishment and operation of a mentor system for female leaders and managerial candidates
- In-house events including round table discussions with CEO and women in managerial positions and networking events
- Women's Empowerment Meeting social gatherings hosted by CEO Hiromi Tazaki at JAC offices

Results

As a result of cultivating an organisational culture where all female employees can proactively pursue various challenges while maintaining a healthy balance between their personal and professional lives, the ratio of women among the leaders who are candidates for managerial positions increased from 27.3% (as of January 2023) to 29.0% (as of December 2023).

Initiatives in 2024

We have created five teams to undertake the work detailed below in order to achieve our goal of a 40% representation of women in managerial positions by 2030.

- Team1 Recruitment** Runs informational sessions and other such initiatives for female managers in order to increase the ratio of women hired.
- Team2 Education** Works on building a mechanism to increase the number of female leaders and managerial candidates, and runs a mentorship programme as well as events such as round table discussions with women in managerial positions as well as networking events.
- Team3 Retention** Performs follow-ups concerning life events and works to establish an environment that makes it easy to discuss concerns in order to enable women to keep building their careers even after being promoted.
- Team4 Awareness Building** Holds JAC Women's Empowerment Salon networking events to exchange information with other companies and internally and externally communicates initiatives for the promotion of female empowerment with the aim of increasing awareness in order to contribute to the achievement of gender equality across society as a whole.
- Team5 System** Raises in-house awareness and encourages use of the internal childcare support system and other forms of support, makes improvements to the system, and undertakes other such activities. Also runs the Working Parents Committee to facilitate information exchanges among parents who are raising children and to encourage male employees to take parental leave, and works on building a working environment to enable employees to play an active role over the long term while aiming to help female and all other employees take on challenges and increase their skills in their careers.

Status of Female Empowerment

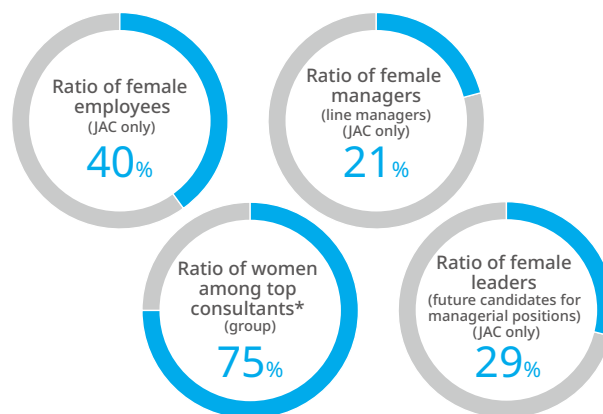
With a female employee ratio of 40% at JAC Recruitment Japan and 46% across JAC Group as a whole, many women play active roles at JAC.

Ever since it was founded, JAC Group has been run as an organisation that provides all employees, regardless of their age or gender, with fair opportunities to leverage their individual strengths and capabilities to play an active role. As a result, 75% of our top consultants who have provided support for more than 300 successful placements are women.

On the other hand, the ratio of women in managerial positions at JAC is 21%, thus we are undertaking a range of initiatives with the goal of boosting this to 40% by 2030. (All figures current as of the end of 2023)

▶ P.70-71 Ten-Year Financial/Non-Financial Data List

▶ P.75 Non-Financial Data



* JAC has an internal certification system called the 100+ Club for consultants who have supported more than 100 successful placements. Setting an example for all consultants, 100+ Club members play the role of leading the way in the recruitment business both in Japan and overseas. The above are figures for consultants in the 300+ Club, who have supported more than 300 successful placements.

Initiatives for the Employment of People with Disabilities

To enable people with various disabilities to work according to their unique capabilities in a stable manner, JAC takes into consideration working times and work content as necessary to build an environment that provides fair opportunities to play an active role. As of December 2023, our rate of employment of people with disabilities stands at 105% of the legally mandated rate, and as well as mainly being involved in back office work in our offices, we also have employees with disabilities involved

in agricultural work at our three Wakuhapi Farms, in Ichihara City and Kashiwa City in Chiba Prefecture and Yokohama City in Kanagawa Prefecture. The harvest from these farms is sent to each office, where employees can purchase it at on-the-spot sales. This has created a virtuous cycle in which the joy of the active role played by persons with disabilities and of harvesting is shared by everyone.

▶ P.70-71 Ten-Year Financial/Non-Financial Data List

Respect for Human Rights



The mission of JAC Group is to connect people, companies, the economy, and society through our recruitment business, and to continuously contribute to their growth. “People” are at the core of all of our businesses and we recognise the importance of respecting their human rights, and as part of our corporate responsibility, we will promote decent work for people with a range of different values through our business activities and contribute to achieving a society in which everyone can live vibrantly.

Our Approach to Respect for Human Rights

JAC Group respects the dignity of not only JAC Group employees but also of stakeholders and all other persons, and in April 2024 we enacted the JAC Group Human Rights Policy to ensure no violations of human rights. On the basis of this policy, we declare that we will respect the human rights of not only JAC Group directors and employees and the companies and individuals who use our services, but every single person involved in JAC Group's business activities. Going forward, based on this,

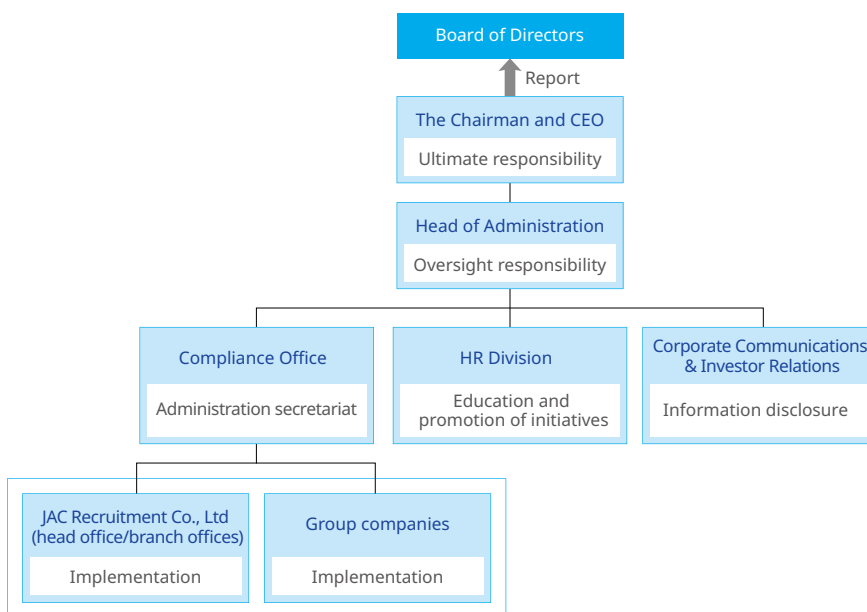
we will also pay even attention to the potential for negative impacts on human rights caused by the business activities of JAC Group, and aim for a working environment that enables work to be performed safely and with peace of mind in an ongoing fashion while respecting human rights and ensuring that no one is placed in a disadvantageous position or environment.

JAC Group Human Rights Policy
<https://corp.jac-recruitment.jp/en/csr/human-rights/>

Structure for Implementation

Responsibility for oversight when it comes to respect for human rights lies with the Head of Administration, and the Compliance Office will play a central role as we undertake our initiatives toward respect for human rights in cooperation with the relevant departments at group companies.

The Compliance Office will collect information on the status of human rights initiatives on a regular basis to compile an up-to-date picture of the status of the initiatives, and shall report to the Chairman and CEO, via the Head of Administration. The Chairman and CEO shall in turn report this information to the Board of Directors, which shall provide regular oversight of this process and point out any issues as necessary.



Participation in UN Global Compact

The United Nations Global Compact (UNGC) is the world's largest sustainability initiative and involves the UN and the private sector (companies and organisations) joining hands to build a robust global society. JAC is a signatory to the UNGC, and was registered as a participant in April 2024. Additionally, JAC is also a member of the Global Compact Network Japan, which is formed of Japanese companies and other organisations that are signatories to the UNGC. We shall strive to help make the Ten Principles of the UN Global Compact concerning the protection of human rights, the elimination of forced and compulsory labour, responding to environmental issues, and the prevention of corruption.



Health and Productivity Management



As an organisation consisting of professionals in recruitment and as a global company involved in the growth of people and companies, we aim to become the world's leading professional recruitment group. 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 the value of our mediation can be enhanced by continuing to maintain and improve our health. Based on this belief, we engage in health and productivity management with key themes to enable all of our employees to maintain and improve their health of their own volition.

Internal Structure

JAC has a Health Management Promotion Committee chaired by the Head of Administration. The Human Resources and Labor Affairs Senior Manager, the Human Resources Team, consulting doctor, and members of Health Committees from head office and JAC offices work together to set goals for health challenges each year, and to develop and implement the relevant initiatives. The effectiveness of these initiatives is evaluated based on reports from the members of the Health Committee at each office, and the results are also reported to the Board of Directors.

Recognised under the Certified Health & Productivity Management Outstanding Organizations Recognition Programme for Seven Consecutive Years

JAC Recruitment has been recognised under the 2024 Health & Productivity Management Outstanding Organization's certification Programme operated by Japan's Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi. This certification Programme 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. We were evaluated highly for our ongoing efforts across the company and received recognition in the Certified Health & Productivity Management Outstanding Organizations Recognition Programme for the seventh time in a row since 2018.



Key Themes

1 Physical activity

For employees, especially those engaged in desk work, it is crucial to consciously pursue a certain level of physical exercise for the prevention of lifestyle-related diseases and to maintain good health. To encourage as many employees as possible to acquire exercise habits, we have introduced a Programme where we provide subsidies for the use of sports clubs and where points are awarded to employees who exercise regularly. Incentive payments are made according to the level of achievement, and the number of participants in this Programme is growing with each year.

2 Work-life balance

Consultants in the recruitment business often need to conduct interviews with candidates in the evening, and as such they tend to finish work later than normal. To address this issue, we have designed our HR system to allow an ongoing and reassuring balance between work and private life by introducing a flexible working hours system that allows flexibility in the time that employees start and finish work on a given day, and thus curbs long working hours. Furthermore, we provide employees with an opportunity for mental and physical refreshment by encouraging them to take nine consecutive days of leave over the summer.

3 Balancing work and life events

In the recruitment business, it is important to build and maintain relationships with corporate customers and candidates. To enable employees to continue their careers without difficulty while balancing work and life-stage changes, we have established various support systems, such as informing employees about support for balancing work and family life, meeting with supervisors and human resources, and providing information about outside counseling services. We support flexible work styles so that employees can build their professional careers while respecting their personal circumstances, such as childbirth, childcare, family nursing care, or their own illness.

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.

2023 Results and Targets

	2023 results	2023 target
Health checkup rate	100% (+0pt year-on-year)	100%
Stress check rate	90.2% (+2.5pt year-on-year)	100%
Specific health guidance implementation rate*	6.9% (+0.5pt year-on-year)	25%
Percentage of people with exercise habits (percentage of people participating in the exercise promotion Programme)	28.0% (+0.7pt year-on-year)	30% or more
Smoking rate	5.7% (-1.7pt year-on-year)	0%
Percentage of employees with issues discovered in medical checkups	26.0% (-1.0pt year-on-year)	20%
Paid leave and number of days of special summer leave taken	11.4 days (+0.86 days year-on-year)	11 days

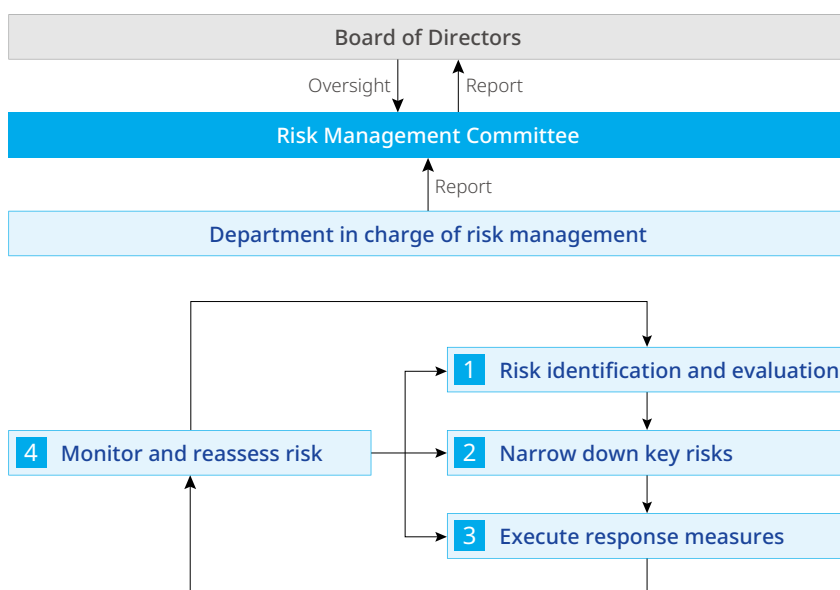
* Results from April 2022 to March 2023

Risk Management & Compliance

Risk Management

We have positioned risk management as a vital initiative for enhancing corporate value. JAC Recruitment put in place the Risk Management Committee chaired by the Chairman, CEO, and Managing Director to monitor and review potential risks that could seriously impact management through the framework illustrated on the right.

In FY2023, the Risk Management Committee reported on the various measures against risk undertaken in FY2022 and the results at the Board of Directors meeting held on 16 March 2023. The main measures are outlined in the table below.



Type of Risk	Issue	[FY2022] Measures Against Risk	Effectiveness
Natural disasters	Disasters at offices	Company-wide disaster prevention training	Approximately 500 employees yet to learn the evacuation routes underwent training
	Employee recovery of operations	Safety confirmation training	Requests for safety confirmation received an average response rate of 98%
IT security	Safeguards from external attacks	JAC put in place an Endpoint Detection and Response (EDR) system	EDR sensors built into employee terminals enable rapid incident detection
	Revisions to response guidelines	JAC formed the Computer Security Incident Response Team (CSIRT)	JAC prepared the organisational foundation to formulate Cyber Incident Response Plan (CIRP)
Compliance	Lack of employee's knowledge	Training on insider trading, fair recruitment, antisocial forces, etc.	Participation rate 94%-99%
Regulations on job placement services	Lack of employee's knowledge	Training on the Employment Security Act	65% pass rate for general employees, 91% pass rate for managers
	Lack of control within the Group	Training in subsidiaries	Improved understanding among employees of the subsidiary concerned
Protection of personal data	Lack of employee's knowledge	Quarterly checks on the operational status of divisions and branches, and e-learning training	Improve employee understanding
SNS	Lack of employee's knowledge	New employee training has added a literacy programme	294 employees have taken part in this programme from its start in August to the end of the year
	Awareness and response to incidents	JAC adopted a third-party monitoring service	The around-the-clock monitoring system shortens the time delay from occurrence to awareness of incidents

Management of Personal Information

As an operator providing fee-based recruitment services, JAC Group holds personal information on a large number of people who register for our services (including placement candidates and those applying for job offers). Claims for damages and loss of credibility in the community arising from the leak of personal information to outside parties as a result of non-compliance with the relevant regulations or unforeseen circumstances would not only cause a severe impediment to the Group's business operations, but could also have a significant impact on our business results and financial condition.

To handle these risks and fulfil our responsibility as a company involved in businesses related to human resources,

the Group has created a policy on the protection of personal information (Privacy Statement) based on the Enforcement Rules for the Act on the Protection of Personal Information, and ensure thorough implementation by directors and employees. We also established rational protection and correction measures from technological and organisational perspectives. In 2006, JAC Recruitment was granted the right to display the PrivacyMark based on the JIS Q15001 Personal Information Protection Management Systems - Requirements standard, which has since been reviewed and updated every two years. The Compliance Office takes the lead in providing regular training and guidance to all company personnel and in implementing required measures, and the Internal Audit Office checks and audits management status as needed.

Compliance

Legal Affairs

a) Licenses required for business operations

As an operator providing fee-based recruitment services in Japan, the Group has obtained licenses from the Ministry of Health, Labour, and Welfare. These licenses must be updated every five years, and Article 32-9 of the Employment Security Act stipulates matters that will disqualify an operator. Any operator who has been disqualified, cannot receive a license for the next five years. As far as we are currently aware, none of the reasons for disqualification stipulated under the law apply to JAC Group (such reasons include being a corporation with officers who have been sentenced to imprisonment or worse; who are persons prescribed by Order of the Ministry of Health, Labour and Welfare as being unable to properly carry out paid employment placement services due to a mental or physical disorder; or who are subject to bankruptcy proceedings and have not been discharged from bankruptcy). However, should our licenses be revoked in the future for whatever reason, this would not only constitute a major impediment to the Group's business operations, but it would also have a significant impact on our business performance and financial condition.

To address this risk, we are working to raise awareness among executive officers and employees through various compliance training programmes, which are predominantly planned and operated by our Compliance Office and the team in charge of employee training. Furthermore, we have developed a system that constantly monitors any legal violations that may occur in the course of duties conducted by executive officers and employees. The Audit & Supervisory Committee and the Internal Audit Office play a central role in this system.

b) Changes to legal regulations

In Japan, the Group complies with the Employment Security Act and provides fee-based recruitment services.

Any tightening of legal regulations in the future as a result of revisions to the law may impose restrictions on the Group's business.

To address this risk, we strive to collect the latest information through the Japan Executive Search and Recruitment Association, an industry body, and the law firm that acts as our legal advisor.

Whistleblowing system

The Group's whistleblowing system allows employees to report any breaches of law, breaches of internal regulations or inappropriate conduct by organisations or individuals, or any conduct that could lead to such breaches, to the whistleblowing office when they discover them.

Internal and external contact points have been set up to make it easier for whistleblowers to use. The company also takes care to protect the confidentiality and handling of information of whistleblowers and counselors, and ensures that whistleblowers are not treated unfavourably as a result of their reporting. Even if the whistleblower gives his or her real name, we ensure that the whistleblower's name and other personal information will not be disclosed unless the whistleblower gives his or her permission for disclosure.

If, after receiving a report, it is deemed necessary to investigate, an investigation is promptly initiated and, in accordance with the whistle-blowing rules, the full-time Audit Committee member, the head of the Administration and the head of the Human Resources Division are informed before taking action.

For employees at overseas sites, the Director and Head of the Global Business Headquarter is the direct point of contact, who also carries out investigations independently. Depending on the results of the investigation, the facts are reported to the director and the head of the Human Resources Division at the head office in Japan, and actions will be taken.

External Director Round Table



External Director
Günter Zorn

External Director
(Member of Audit & Supervisory Committee)
Naoto Yokoi

External Director
(Chairperson of the Board)
Yutaka Kase

For JAC to Become No. 1 Globally

JAC Group has outlined its aspirations to become the world's top professional recruitment consultancy firm both in service quality and profitability in JAC as No. 1 long-term management vision.

External Director Yutaka Kase (Chairperson of the Board), External Director Günter Zorn, and External Director Naoto Yokoi (Member of the Audit & Supervisory Committee) sat down to discuss the strengths of JAC Group and how the firm can improve the quality of its services.

The first question is for you, Yutaka Kase, as the Chairperson of the Board. What are your thoughts on the quality of JAC Group services?

Kase: Third-party evaluations from job applicants and companies seeking candidates are important to service quality. The Group understands the importance for their consultants to catch up to each industry trend and be able to quickly match the right candidates to companies all while increasing the number of superb consultants. To sustain this level of quality, the Group has to put quite a lot of effort into hiring and training its consultants. The key to this will surely be the use and thorough execution of the unique JAC Standard training platform developed and implemented by JAC.

Naoto Yokoi, from your perspective as a certified public accountant and Member of the Audit & Supervisory Committee, what do you feel are the strengths of JAC Group's recruitment business?

Yokoi: As the work styles and values of each individual change, we are not only seeing more mid-career recruitment posts but the recruitment market itself is growing. I think one field where JAC is quite far ahead is its amazing flexibility in positioning consultants in those areas that are growing. Another area that the Group is emphasising is medium to high salary positions, which I feel has high profitability and is one the Company is good at in the recruitment market.

Günter Zorn, as an External Director from Germany, do you see any difference between the job market in Japan and Germany?

Zorn: While there is a common culture in which people tend to work for a long time in a single company, Germany has a higher level of workers' mobility. I think the impact of social media has become significant in both job markets. And I suppose that this has led to the growth of the human resources industry, as it has come to be exposed to a large amount of information on human resources, including what people are doing with their success stories, and a large amount of corporate information, including specific job offers.

What does JAC Group need to do to further improve the quality of its services?

Kase: The Group needs to further enrich the quality of its consultants. It is essential to strengthen HR functions, and top management is already working to do just that. This approach is to build an organisation that follows the vision of top management.

Yokoi: Employee recruitment depends on how many people the Group can bring together as applicants that resonate with its values. It also depends on how high it can get their placement rate. Therefore, JAC Recruitment needs to closely analyse hiring processes and really think about what it can do as a recruiter and a company. The employee turnover rate has been going down thanks to better training after introducing the JAC Standard training programme, but turnover is unpredictable. It is important to really assess why employees leave to build the right internal environment.

Kase: Communication is vital to employee retention. Placement efforts will overwhelm the Company if the turnover rate does not drop. This is another reason that recruitment must emphasise quality. The Group has many competitors. Without higher employee satisfaction, human resources will seek out other companies. That is why it might also be a good idea to incorporate these perspectives in the KPI for the department and division managers.

Zorn: To grow this company, it is necessary to increase the number of recruiting consultants, but large-scale hiring creates the risk of deterioration in quality. In the service industry, quality is more important than quantity. There are many competitors in Japan, but the only way to differentiate ourselves is to constantly improve our service quality besides growing staff. Educational activities using JAC Standard are suited to this orientation. In addition, we should conduct regular customer satisfaction surveys, and we also need to establish internal KPIs on service quality for our managers. In my previous career, a significant part of my target bonuses was determined by the achievement of these KPIs. I would like to encourage investment in quality improvement, such as investment in people and training. The role of the Board of Directors, including external directors, is to consider what is important for the Company, while making use of the experience gained in other companies and other industries.

The Group is aiming to become a world leader in not only service quality but also profitability, so how would you currently rate its profitability?

Kase: The profitability of the Domestic Recruitment Business is really quite high. However, it will take quite some time to generate the highest profitability in the world by simply sustaining these high earnings. That is why some form of M&As will become necessary. The Group also needs to enhance profitability of its overseas businesses. Currently, the head office in Japan is taking control and working to improve profitability. However, it has become necessary to deploy

employees from Japan overseas for training to accomplish this goal. If done right, the Group should be able to see its next stage of growth, which might include involving American and European multinational corporations into business expansion around a Japanese company.

Zorn: The Japanese domestic job market has limited room for growth due to the population decline, so considering its medium- to long term growth as a company, it is essential to expand its overseas business but in a profitable manner, to avoid diluting the entire group's profitability. For this reason, as their parent company, we will need to strengthen and consolidate their back-office administrative functions. I was the president of a subsidiary of a multinational company, but the cost of the administrative function is heavy for the subsidiary, and it is harder for the subsidiaries to improve the profit margin unless their administrative function is centralised where possible by the parent company. Going forward, I suppose that acquisitions of target companies will be pursued through M&A. However, acquisitions will likely fail without a fast and decisive integration (Post Merger Integration; PMI). JAC still have limited experience in PMI management. There is also a way to use external advisors, but I would like to recommend that we have a management team in our company that is dedicated to these tasks. I have been involved in more than 30 M&A deals in the past, and what I learned from my experience is that enough resources must be invested for an acquisition to succeed.

Yokoi: The source of the Group's earning power is enhancing the value of human capital. This requires the Board of Directors to set human resource strategies and KPI as well as regularly monitor the progress towards those targets while comparatively analysing the Company versus its competitors.

What do you think of corporate governance at JAC Group?

Zorn: I feel that there is no particular problem. However, structured succession planning and visible potential career paths at all levels as well as clear skills development plans for candidates with regular review and feedback, can be further improved. In discussions at Board meetings, as an external director, I can express my views openly. I believe that it is the role and responsibility of an external director to clearly express opinions and concerns if any, at the Board of Directors' meetings.

Kase: The Board of Directors is very open and has a great atmosphere. The founders, Hiromi and Tadayoshi Tazaki, always welcome feedback from external directors. Each director specialises in a different field, which brings a great composition to the Board of Directors.

Yokoi: Internal control has been effective too. However, this does not mean there is no room to improve the effectiveness of the Board of Directors. It is important to set challenges every year and continually work to improve.

Corporate Governance

Basic Policy

We believe that our mission in corporate management is to meet the trust and expectations of all stakeholders who support our corporate activities, to achieve sustainable growth and to increase corporate value over the medium to long term. The Company considers it important to pursue transparency, soundness, and efficiency in management, disclose timely and accurate management information, comply with laws and regulations, and maintain and develop good relationships with stakeholders, including shareholders, client companies, registered candidates, and our employees, for the company's lasting development, and therefore will strengthen its corporate governance system.

Transition to a Company with an Audit & Supervisory Committee to Further Strengthen the Governance System

The 35th Ordinary General Meeting of Shareholders held on 24 March 2022 approved our corporate transition from a company with auditors and a board of auditors to a company with an Audit and Supervisory Committee to

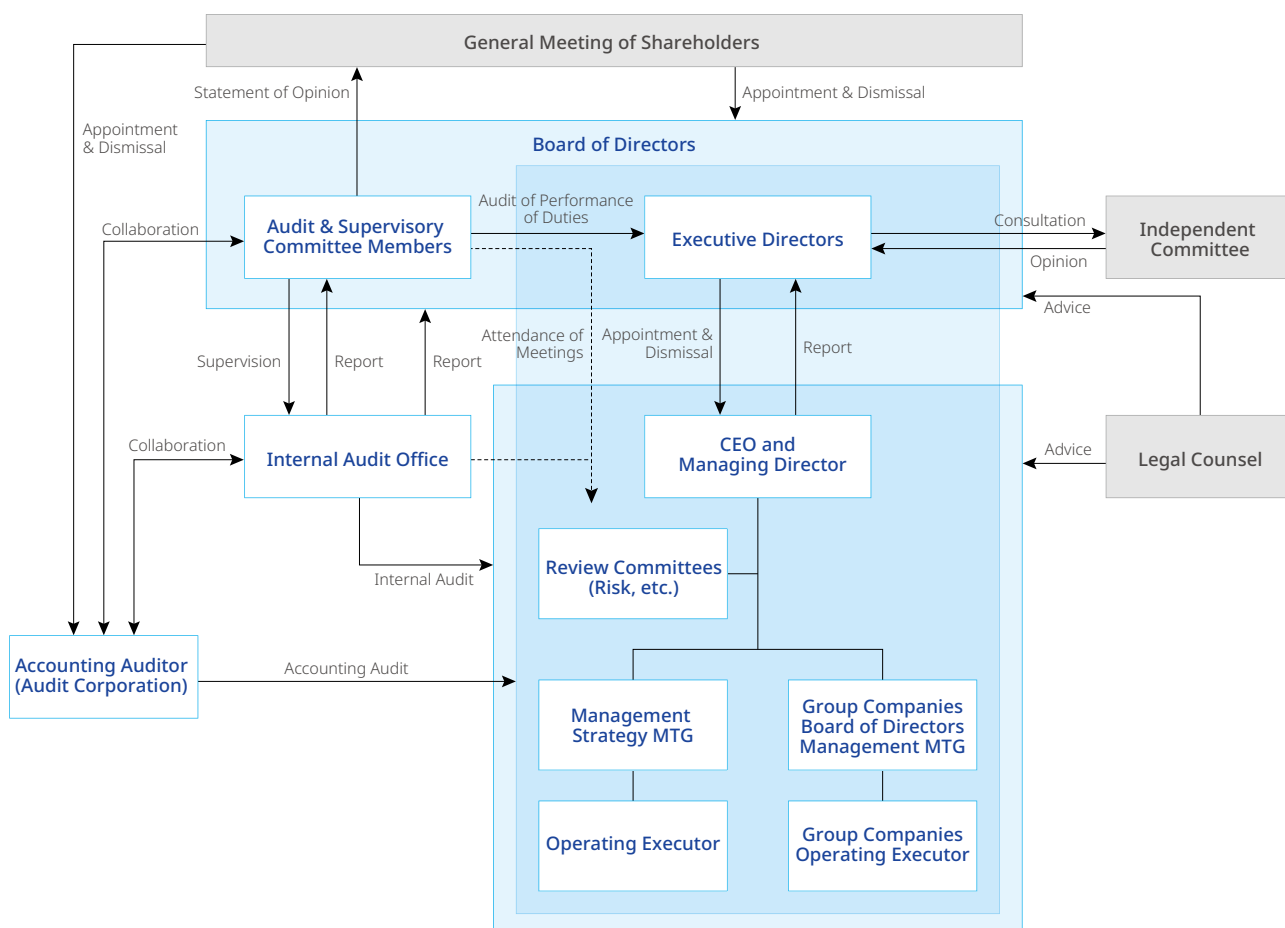
enhance management functions of the Board of Directors, further strengthen the auditing and supervisory functions and further improve the flexibility of business execution in order to enhance the corporate governance system.

Audit & Supervisory Committee

The Audit & Supervisory Committee consists of three members, one full-time director and two part-time directors, who audit the business execution of the executive directors and monitor the legality and appropriateness of the management to maintain good corporate governance. The three directors who are members of the Audit & Supervisory Committee are all external directors.

Internal Audit Office

The Internal Audit Office, an organisation reporting directly to the Audit & Supervisory Committee of the Company, conducts internal audits in accordance with the annual internal audit schedule and monitors the effectiveness of the internal check functions.



Composition of the Board of Directors

The FY2024 Board of Directors consists of eight directors of whom are not Members of the Audit & Supervisory Committee (three of whom are external directors) and three directors who serve concurrently as Members of the Audit & Supervisory Committee (all of whom are external directors). The Board of Directors convenes regularly once a month in addition to extraordinary meetings held as necessary, in principle with all directors in attendance to conduct the proceedings. All six external directors are independent directors as prescribed by the Tokyo Stock Exchange. Two women (of whom one is not a Member of the Audit & Supervisory Committee) and two foreign nationals (both of whom are not Members of the Audit & Supervisory Committee) serve on the Board of Directors.

Director Attendance at Board of Director Meetings in FY2023

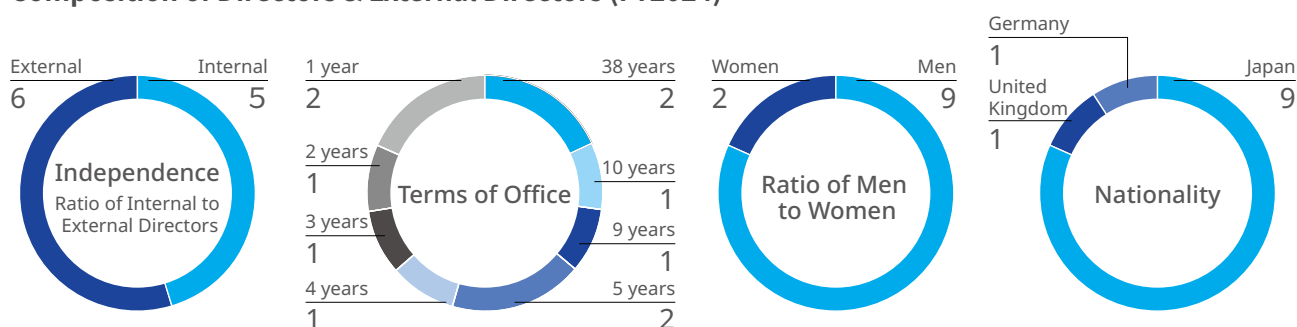
Title	Name	Meetings Held	Attendance (Rate)
Co-Founder, Chairman, CEO, and Managing Director	Hiromi Tazaki	13	13 (100%)
Founder, Director, and Chief Advisor	Tadayoshi Tazaki	13	13 (100%)
Executive Director and Head of Sales	Hiroki Yamada	13	13 (100%)
Director, Head of Administration, CFO, and CHRO	Toshihiko Okino	10	10 (100%)
External Director	Shigeoki Togo	13	9 (69%)
External Director	Yutaka Kase	13	13 (100%)
External Director	Günter Zorn	13	12 (92%)
External Director	Nobuhide Nakaido	13	13 (100%)
External Director (Full-time Member of Audit & Supervisory Committee)	Toshiaki Mukaiyama	13	13 (100%)
External Director (Member of Audit & Supervisory Committee)	Hisashi Ito	13	13 (100%)
External Director (Member of Audit & Supervisory Committee)	Naoto Yokoi	13	13 (100%)

Note: 1. Director, Head of Administration, CFO, and CHRO Toshihiko Okino began his term of office on the same day as his appointed at the 36th General Meeting of Shareholders held on 28 March 2023. Therefore, his attendance to the Board of Directors meetings only includes meetings after his appointment as Director.

2. External Director Shigeoki Togo resigned on 31 December 2023.

3. The Board of Directors acted on and approved two other resolutions in writing in addition to those at the above Board of Directors meetings.

Composition of Directors & External Directors (FY2024)



Skill Matrix & Reasons for Appointment as External Director

Skill Matrix for Directors

Definition of Skills/Expertise

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

Expertise/Experience

Title	Name	International Experience	Corporate Management	Human Resource Industry	Sales/Sales Promotion	Legal Affairs/ Compliance	Finance/ Accounting
Director (Not Audit & Supervisory Committee Member)	Hiromi Tazaki	●	●	●	●		
	Tadayoshi Tazaki	●	●	●	●		
	Hiroki Yamada		●	●	●		
	Toshihiko Okino		●	●		●	●
	Stephen Blundell	●		●		●	●
	Yutaka Kase	●	●		●		
	Günter Zorn	●	●		●		
	Nobuhide Nakaido	●	●	●	●		
Director (Audit & Supervisory Committee Member)	Toshiaki Mukaiyama	●				●	●
	Naoto Yokoi (CPA)		●				●
	Nodoka Nakamura (Attorney)					●	

Reason for Appointment/Activities as External Director

Category	Name	Reason for Appointment/Activities
Director	Yutaka Kase	Mr. Kase has been appointed mainly for the reason that he will participate in management from a broad perspective in order to ensure adequacy and fairness based on his extensive experience as business manager. He has served as the Chairperson of the Board since September 2019. Moreover, Mr. Kase has provided insight into corporate management based on his extensive experience in corporate management.
Director	Günter Zorn	Mr. Zorn has been appointed mainly for the reason that he will participate in management from a broad perspective in order to ensure diversity based on his extensive experience as core management at multinational corporations. He has provided insight into corporate management based on his extensive experience in core corporate management.
Director	Nobuhide Nakaido	Mr. Nakaido has been appointed mainly for the reason that he will participate in management from a broad perspective in order to ensure adequacy and fairness based on his extensive experience as business manager. He has provided insight into corporate management based on his extensive experience in corporate management.
Director (Full-time Member of the Audit & Supervisory Committee)	Toshiaki Mukaiyama	Mr. Mukaiyama has been appointed mainly for the reason that he will monitor and audit management based on his extensive experience in overall management operations, such as management planning, accounting/finance, and management of overseas subsidiaries. He has provided insight into corporate management from an expert standpoint based on his extensive experience in overall management operations.
Director (Audit & Supervisory Committee Member)	Naoto Yokoi	Mr. Yokoi has been appointed mainly for the reason that he will monitor and audit management from an expert standpoint as a certified public accountant. He has provided insight into corporate management from an expert standpoint as a certified public accountant.
Director (Audit & Supervisory Committee Member)	Nodoka Nakamura	Ms. Nakamura has been appointed mainly for the reason that she will monitor and audit management from an expert standpoint as an attorney at law. She has provided insight into corporate management from an expert standpoint as an attorney at law.

No personal, capital, transactional, or other conflicts of interest exist between each person above and JAC Recruitment. Furthermore, JAC Recruitment appoints independent external officers as below, based on the independence criteria for independent officers stipulated by the Tokyo Stock Exchange.

- The person is not a relative within the second degree of kinship of a director who is or was serving as an executive director at JAC Recruitment or its subsidiaries
- Any transaction between JAC Group and the Company to which the external director serves in a business execution role or as an employee must not exceed 2% of each consolidated net sales for the last three consolidated fiscal years
- An external director shall not have received compensation of over ¥10 million for a legal, accounting, tax or other expert or consultant services from JAC Recruitment for the last three consolidated fiscal years (excluding remuneration as a director of JAC Recruitment or payments to institutions or offices to which the external director belongs)
- A non-profit organisation where an external director works as an associate director shall have not received a donation from JAC Group exceeding ¥10 million in the last three consolidated fiscal years

Discussions by the Board of Directors

JAC Recruitment has laid out 51 corporate management items related to the role and duty of the Board of Directors that should be made clear in the Board of Directors regulations.

In FY2023, the Board of Directors convened 13 meetings to discuss matters that included employee recruitment, training, working hours, results of employees' health check-ups in addition to the proposals related to the Board of Directors resolutions above. The Board of Directors also received and discussed reports on various subjects, such as public and investor relation activities, risk management, grievances, and mistakes made in the recent past. The right table provides an overview of these meetings.

Number of Board of Directors Meetings, Length of Discussions, and Proposals

Fiscal year	Meetings Held	Length (Total)	Proposals (Total)	Resolutions	Reports, etc.
2023	13	23 hours and 20 minutes	168	72	96
2022	14	25 hours and 20 minutes	182	84	98
2021	16	21 hours and 30 minutes	172	78	94

Note: The Board of Directors acted on and approved three other resolutions (two in FY2023 and one in FY2021) in writing in addition to those at the above Board of Directors meetings.

Evaluation Results of the Board of Directors and Improvements

JAC Recruitment evaluates the effectiveness of the Board of Directors and each director after the end of the fiscal year (at the beginning of the following fiscal year) to ensure that their responsibilities regarding the corporate governance and other duties are being fulfilled continuously and effectively. The evaluation results are reported to the Board of Directors, and after discussion, utilised as a point of view for the corporate management of the new fiscal year.

1. Evaluation of the Effectiveness of the Board of Directors for FY2023 (hereinafter referred to as the "Survey")

For FY2023, we conducted the Survey along the following outline immediately after the end of FY2023 and reported the results at the Board of Directors meeting held on 13 February 2024.

Survey Outline

In the second half of the fiscal year under review, we will finalise the Survey plan at the Board of Directors based on the opinions of the Independent Directors Committee which will be submitted at the same time. In FY2023, their effectiveness was evaluated on a 4-point scale with 37 questions for the major items listed right, targeting all directors.

Major items:

- A) Composition, roles and responsibilities of the Board of Directors, and dialogue with investors
- B) Dialogue with stakeholders other than investors
- C) Dialogue on sustainability
- D) Supervisory function of the Board of Directors
- E) Directors' own performance of duties
- F) Items related to Chairperson of the Board of Directors and the management of the Board of Directors
- G) Items related to the Independent Directors Committee and Audit & Supervisory Committee

Survey Results

The Independent Directors Committee had submitted an opinion stating that their effectiveness was at a favourable level in this survey. In addition, we understand that there is room for improvement in items that have not received the highest rating of 4 individually, and we are looking into improvements.

2. Improvement from FY2023 to FY2024

At the meeting of the Board of Directors held on 14 February 2024, the Company newly presented the candidates for non-Japanese director and female director. Based on this presentation, we held the 37th Ordinary General Meeting of Shareholders on 27 March 2024, and received their approval.

Overview of Remuneration for Directors —Policy on Determining Remuneration Amounts and Calculation Methods in FY2024

Basic Policy

The basic policy is that the remuneration of directors (except external directors and directors who also serve as Audit & Supervisory Committee members; hereinafter "Eligible Directors") should be linked to the company's performance and be based on a highly transparent and objective system.

Remuneration System

(a) Remuneration Standards

In accordance with the above basic policy, the

remuneration of the eligible directors will be set at a standard that each of them will find attractive according to his or her responsibilities. In setting such standards, consideration will be given to other companies in the same industry and third-party surveys of management remuneration of listed companies in Japan. We will also revise the remuneration policy from time to time in response to changes in the external environment.

(b) Remuneration Structure

The remuneration for FY2024 for eligible directors will comprise basic remuneration, performance-linked remuneration, restricted share-based remuneration (granted every fiscal year) and restricted share-based remuneration (granted in lump sum), as follows:

- Basic remuneration (fixed remuneration): monetary remuneration determined for each position according to task responsibilities
- Performance-linked remuneration: monetary remuneration linked to company performance in a single fiscal year
- Restricted share-based remuneration (granted every fiscal year): share-based remuneration in which shares of the company's common stock are granted annually with restrictions on transfer for the purpose of providing incentives for the creation of shareholder value
- Restricted share-based remuneration (granted in lump sum): share-based remuneration with restricted transfers and a lump-sum grant of the company's common shares, with the aim of providing incentives to create shareholder value

(c) Remuneration Ratio

Base Remuneration	Performance-linked Remuneration	Restricted Share-based Remuneration (Granted every fiscal year)	Restricted Share-based Remuneration (Granted in lump sum)
51% to 100%	0%* ¹ to 44%	0%* ² to 13%	—* ³

*1. Performance-linked remuneration is paid to eligible directors excluding the Director and Chief Advisor.

*2. Restricted share-based remuneration (granted every fiscal year) is paid to eligible directors excluding major shareholders.

*3. Restricted share-based remuneration (granted in lump sum) is made to the applicable directors (there are also periods when no payment is made).

(d) Timing of Payment of Remuneration

- Basic remuneration (fixed remuneration): Divided into twelve equal monthly payments
- Performance-linked remuneration: Paid out once a year at a fixed time
- Restricted share-based remuneration (granted every fiscal year): Paid out once a year at a fixed time
- Restricted share-based remuneration (granted in lump sum): Paid out in a lump-sum when there are the applicable directors (there are also periods when no payment is made)

Method of Determining Remuneration

The remuneration of eligible directors for FY2024 shall be determined in the following manner:

(a) Basic Remuneration (Fixed Remuneration)

Basic remuneration (fixed remuneration) is a monthly payment of one-twelfth of the basic remuneration determined for each position in accordance with the responsibilities of the position.

(b) Performance-Linked Remuneration

Performance-linked remuneration shall be determined as monetary remuneration linked to the company's performance in a single fiscal year, based on the amount of profit before taxation for the 2024 consolidated fiscal year, in the following manner. However, no payment shall be made if the amount of such profit falls below ¥3,249 million.

Chairman and Managing Director	Profit before taxation for FY2024 x 0.50%
Director, and Chief Advisor	Same as above x 0% *See (c) under Remuneration System* ¹
Executive Director	Same as above x 0.33%
Director/Head of Administration	Same as above x 0.20%
Director (in Charge of Overseas)	Same as above x 0.15%

(c) Restricted Share-Based Remuneration (Granted every fiscal year)

Restricted share-based remuneration (granted every fiscal year) is determined as share-based remuneration of an incentive to create shareholder value, considering the amounts of (a) and (b) mentioned.

(d) Restricted Share-Based Remuneration (Granted in lump sum)

Restricted share-based remuneration (granted in lump sum) is intended as share-based remuneration of an incentive to create shareholder value, in principle as a lump-sum grant of an amount equivalent to the compensation for the performance of duties over ten fiscal years and will not be granted if the Board of Directors determines that no one is applicable.

Forfeiture of Remuneration, etc.

Serious errors in the consolidated financial statements of previous fiscal years, serious accounting scandals such as window-dressing in the Company and its consolidated subsidiaries, huge losses resulting from such accounting scandals, as well as any incident that is recognised or is likely to be recognised as serious fraud or a breach of the duty of care shall be reported to the Board of Directors and the Audit & Supervisory Committee. If the Board of Directors so acknowledges, it consults the Independent Directors Committee with a proposal for the return of remuneration, and with the results of the consultation, the Board of Directors decides on the return of remuneration in accordance with the seriousness of the matter.

Remuneration Governance

The method of calculating remuneration for each fiscal year and the amount of remuneration for each individual eligible director shall be decided by the Board of Directors after consulting the Independent Directors Committee for each such year.

Revision of remuneration for directors in 2024

In order to increase the proportion of the share portion of remuneration for eligible directors, the 37th Ordinary General Meeting of Shareholders on 27 March 2024 resolved that the total amount of restricted share-based remuneration (granted each fiscal year) should be increased from "up to 40 million yen per year" to "up to 200 million yen per year" and the limit of shares to be issued or disposed should be increased from "up to 20,000 shares per year" to "up to 186,000 shares per year", taking into consideration the 4-for-1 split of the Company's

common shares on 1 January 2024, the medium-term increase in share price and other factors. The number of directors covered by the resolution is five.

At the same Ordinary General Meeting of Shareholders, a resolution was also passed to establish a limit of non-monetary remuneration of up to 50 million yen per year for full-time directors, with the aim of facilitating the

speedy and smooth execution of business operations.

It is envisaged that the non-monetary remuneration will be allocated to company housing, which is generally a standard property. At the same Ordinary General Meeting of Shareholders, the number of directors covered by the resolution is six.

Policy on Determining Remuneration Amounts and Calculation Methods of Directors in FY2023

The monetary remuneration of the Company's non-audit committee members for FY2023 consisted of annual base remuneration and performance remuneration, each of which was divided into twelve equal monthly payments.

The annual base remuneration was determined based on the scope and difficulty of the duties to be delegated in FY2023, while the performance-linked remuneration was determined by taking into consideration the previous results achieved in the fields of delegation and the consolidated performance trends of the Group as a whole. The proposal of the Chairman and Managing Director regarding the amount of remuneration of directors who are not members of the Audit & Supervisory Committee was decided after consulting the Independent Directors Committee (four Directors who are not members of the Audit & Supervisory Committee and three Directors who are members of the Audit & Supervisory Committee), which consists of independent directors as stipulated by the Tokyo Stock Exchange.

The 35th Annual General Meeting of Shareholders resolution of 24 March 2022 resolved that the remuneration of directors who are not members of the Audit & Supervisory Committee shall not exceed 1,000 million yen per annum (not including the employee salary of directors who are also employees of the Company). The number of directors covered by said resolution was nine (including four external directors). For FY2023, the proposal of the Chairman and Managing Director regarding the amount of such remuneration was decided at the Board of Directors meeting held on 25 January 2023 after consultation with the Independent Directors Committee, and the Board of Directors considers that the content of such decision is in line with the policy for determining remuneration as stated above.

With regard to Toshihiko Okino, a director who is not an Audit & Supervisory Committee member and who was elected at the 36th Ordinary General Meeting of Shareholders held on 28 March 2023, the proposal of the Chairman and Managing Director regarding the amount of such remuneration, etc. was decided at a meeting of the Board of Directors held on the same day after the close of such meeting of shareholders, after consultation with the Independent Directors Committee, and the Board of Directors has determined that the content of such decision is in line with the above policy for determining remuneration, etc.

In addition, the 35th Ordinary General Meeting of Shareholders held on 24 March 2022 resolved that, for the purpose of providing incentives to the eligible directors to continuously improve the Company's corporate value and to further promote value sharing with shareholders, apart from the above remuneration framework, remuneration for the grant of restricted shares is to be paid in an amount not exceeding 40 million yen per annum as "stock-based remuneration granted every fiscal year" and 200 million yen per annum as "stock-based remuneration granted in a lump sum". The Board of Directors decides on the specific allocation to each eligible director. The number of eligible directors in the relevant resolution is five.

The resolution of the same Ordinary General Meeting of Shareholders resolved that the annual remuneration of directors who are members of the Audit & Supervisory Committee, including that of outside directors, is 100 million yen. The number of directors who are members of the Audit & Supervisory Committee in said resolution is three (including three external directors).

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

Officer Category	Total Remuneration (Million Yen)	Total Amount of Each Remuneration Type (Million Yen)				Number of Eligible Officers (Persons) etc.
		Fixed Remuneration	Performance-linked Remuneration	Retirement Benefits	Non-monetary Remuneration etc.	
Directors (excluding Audit & Supervisory Committee Members and External Directors)	253	234	—	—	18	6
Audit & Supervisory Committee Members (excluding External Directors)	—	—	—	—	—	—
External Officers	71	71	—	—	—	7

Note: Non-monetary remuneration include share-based remuneration.

Directors (As of June 2024, but "Number of shares of the Company held" is as of March 2024)



Hiromi Tazaki

Co-Founder, Chairman, CEO, and Managing Director

Number of shares of the Company held: 20,718 thousand shares

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



Tadayoshi Tazaki

Founder, Director, and Chief Advisor

Number of shares of the Company held: 34,020 thousand shares

November	1974	Founding Director of T. TAZAKI & Co., Ltd.
March	1988	Founding Representative Director at incorporation of the company
March	2005	Director and Advisor of the company
March	2012	Director and Chief Advisor of the company (to present)
August	2016	Founder and President of the Tazaki Foundation (to present)



Hiroki Yamada

Executive Director and Head of Sales

Number of shares of the Company held: 121 thousand shares

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



Toshihiko Okino

Director, Head of Administration CFO, and CHRO

Number of shares of the Company held: 28 thousand shares

August	2019	Joined the company as Associate Director and CFO
January	2023	Associate Director, Head of Administration, and CFO of the company
March	2023	Director, Head of Administration, CFO, and CHRO of the company (to present)
January	2024	Vice Chairman of the Tazaki Foundation (to present)



Stephen Blundell

Director, Head of Global Business Headquarters

Number of shares of the Company held: -

March	1989	Joined T. TAZAKI & Co., Ltd.
September	1991	Finance Director and Group CFO of T. TAZAKI & Co., Ltd.
August	1995	Group CFO and Head of UK Operations of T. TAZAKI & Co., Ltd.
August	1995	Deputy Managing Director of JAC Strattons Ltd.
November	2008	Finance Director of Tazaki Foods Ltd.
March	2012	Finance Director and CFO of JAC Recruitment International Ltd. (to present)
March	2024	Director and Head of Global Business Headquarters of the company (to present)

External Directors (As of June 2024, but "Number of shares of the Company held" is as of March 2024)



Yutaka Kase

External Director and 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 and CEO of Sojitz Corporation
April 2012	Representative Director and Chairman of Sojitz Corporation
March 2016	External Director of the company (to present)
June 2018	Adviser of Sojitz Corporation
August 2019	Chairperson of the Board of the company (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. and Executive Vice President for North Pacific in Pacific Region of DHL Express
April 2009	Representative Director, President of z-anshin K.K. (to present)
March 2020	External Director of the company (to present)



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	Independent Outside Director of Sourcext Corporation (to present)
March 2022	External Director of the company (to present)



Toshiaki Mukaiyama

External Director, Full-time Member of Audit & Supervisory Committee

Number of shares of the Company held: -

April 1992	Joined Nippon Mining Co. (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 Team of MISUMI Group Inc.
January 2019	General Manager, General Planning Division of Fujitec Co., LTD.
May 2021	Full-time and External Member of Audit & Supervisory Board of the company
September 2021	Corporate Auditor of CareerCross Co., Ltd. (to present)
September 2021	Corporate Auditor of VantagePoint K.K. (to present)
March 2022	External Director, Full-time Audit & Supervisory Committee Member of the company (to present)
March 2023	Corporate Auditor of JAC International Co., Ltd. (to present)



Naoto Yokoi

External Director, Member of Audit & Supervisory Committee

Number of shares of the Company held: -

August 1979	Registered as a certified public accountant
May 2000	Representative Partner of Asahi & Co. (present KPMG AZSA LLC)
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 the Audit & Supervisory Board of the company
March 2022	External Director, Audit & Supervisory Committee Member of the company (to present)
June 2022	Outside Director and Audit & Supervisory Committee Member of TRE Holdings Corporation
July 2023	External Director of TAKEEI Corporation (to present)



Nodoka Nakamura

External Director, Member of Audit & Supervisory Committee

Number of shares of the Company held: -

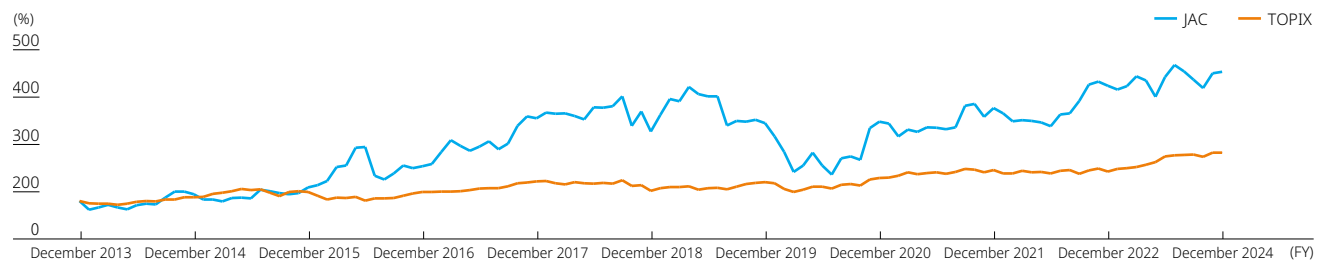
October 2004	Registered as a lawyer (Dai-Ichi Tokyo Bar Association), joined Abe, Ikubo & Katayama
June 2012	Seconded to Fujitsu Limited
April 2013	Lecturer at Training Course of Specific Infringement Lawsuit Counsel at Japan Patent Attorneys Association
August 2016	Partner, Abe, Ikubo & Katayama (to present)
December 2016	Examiner of Industrial Property Council (for Patent Attorney Examination; responsible for Design Act)
March 2024	External Director, Audit & Supervisory Committee Member of the company (to present)

Ten-Year Financial/Non-Financial Data List

JAC Recruitment Co., Ltd. and its consolidated subsidiaries (fiscal years ended 31 December 2013 - 2023)

	Units	FY2013	FY2014	FY2015	FY2016
Financial data (consolidated)					
Net sales	¥1m	7,179	9,279	11,200	13,838
Gross profit	¥1m	7,009	9,112	10,896	13,240
Operating income	¥1m	2,019	2,663	3,519	4,725
Profit attributable to owners of parent	¥1m	1,193	1,584	1,811	3,269
Current assets	¥1m	4,659	6,520	8,587	11,415
Non-current assets	¥1m	1,001	1,195	645	922
Total assets	¥1m	5,660	7,715	9,233	12,337
Current liabilities	¥1m	1,415	2,210	2,438	3,050
Non-current liabilities	¥1m	4	2	4	3
Total liabilities	¥1m	1,419	2,212	2,443	3,053
Total net assets	¥1m	4,241	5,503	6,790	9,283
Cash flows from operating activities	¥1m	1,156	2,261	2,562	3,693
Cash flows from investing activities	¥1m	(363)	(267)	(96)	(294)
Free cash flows	¥1m	793	1,994	2,466	3,399
Cash flows from financing activities	¥1m	(330)	(344)	(526)	(784)
Cash and cash equivalents at end of period	¥1m	3,915	5,565	7,504	10,118
EPS	¥	7	9	11	20
BPS	¥	26	34	42	57
Annual dividend per share	¥	2	3	4	7
Operating income margin	%	28.1	28.7	31.4	34.1
ROE	%	32.8	32.5	29.5	40.7
ROA	%	21.1	20.5	19.6	26.5
Equity ratio	%	74.9	71.3	73.5	75.2
Number of employees at end of period	no.	458	544	615	684
Non-financial data (standalone)					
Number of employees	no.	429	518	585	665
Number of female employees	no.	214	249	277	302
Number of women in managerial positions	no.	16	13	15	16
Total number of persons in managerial positions	no.	80	74	71	82
Number of employees with disabilities	no.	7	10	9	13
Number of employees who left the company in the period	no.	74	52	83	70
Number of employees at start of the year + number who joined during the year	no.	502	570	666	711
Number of employees receiving childcare support allowance	no.	596	775	1,004	1,113
Ratio of women in managerial positions	%	20.0	17.6	21.1	19.5
Ratio of female employees	%	49.9	48.1	47.4	45.4

Total shareholder return (TSR) over the past ten years



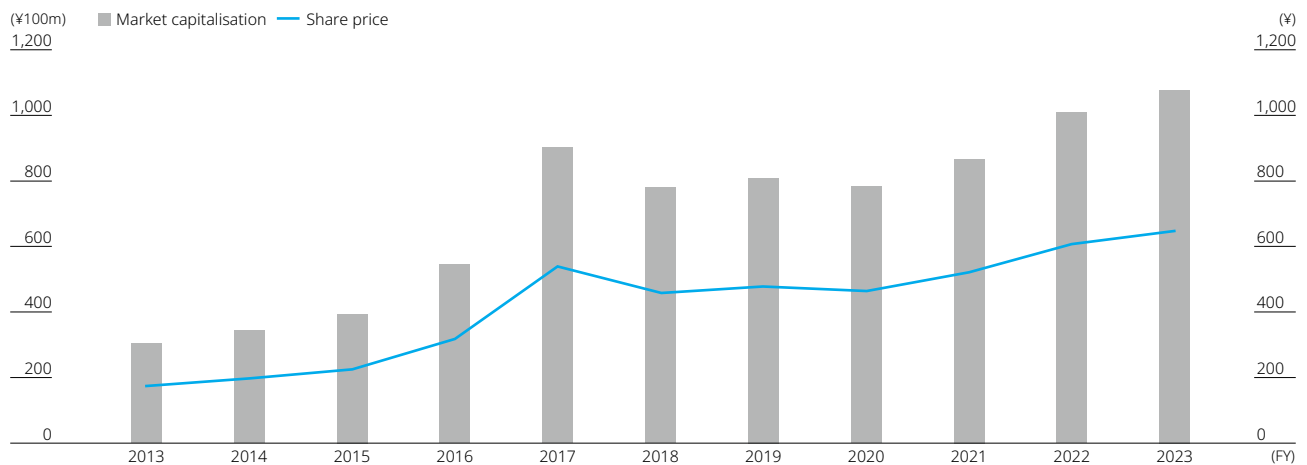
Period held (%)	1 year	3 years		5 years		10 years	
	Accumulation/APR	Accumulation	APR	Accumulation	APR	Accumulation	APR
JAC	+10.7	+50.3	+14.5	+60.5	+9.9	+341.7	+16.0
TOPIX	+28.3	+41.1	+12.1	+78.9	+12.3	+127.8	+8.6

Note: Total shareholder return (TSR) is a ratio obtained by dividing the income gained from investment in shares (dividend and capital) by the investment amount (share price). The graph and table above indicate the TSR in the case of an investment made at the end of December 2013. (The closing price at the end of March 2013 is deemed to be 100%)

FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
16,044	23,064	24,170	21,614	24,852	30,435	34,475
15,295	20,801	22,453	20,084	23,004	28,043	31,821
5,309	5,531	6,087	5,138	5,822	7,044	8,215
3,685	3,908	4,354	1,834	3,882	5,029	5,978
10,816	11,257	13,032	15,079	15,242	17,820	19,370
4,326	7,468	7,059	3,544	3,693	4,263	4,147
15,143	18,725	20,092	18,623	18,935	22,084	23,518
3,252	4,782	4,069	4,129	5,424	6,161	6,052
2	0	182	167	145	337	248
3,254	4,783	4,251	4,297	5,569	6,498	6,301
11,889	13,942	15,840	14,326	13,365	15,585	17,217
3,946	5,061	4,692	4,532	5,091	5,913	7,087
(3,556)	(2,647)	(11)	1,312	(436)	(944)	(461)
390	2,414	4,681	5,844	4,655	4,969	6,626
(1,238)	(2,062)	(2,867)	(3,617)	(5,400)	(3,174)	(4,838)
9,269	9,585	11,397	13,584	12,932	14,879	16,767
22	24	26	11	24	31	37
73	85	96	86	82	96	107
12	16	20	20	18	20	22
33.1	24.0	25.2	23.8	23.4	23.1	23.8
34.9	30.4	29.4	12.2	28.1	34.7	36.4
24.3	20.9	21.7	9.9	20.5	22.8	25.4
78.2	74.0	78.3	76.4	70.6	70.6	73.2
811	1,389	1,433	1,350	1,440	1,641	1,818
757	887	953	918	1,007	1,195	1,404
329	385	412	388	396	462	558
16	23	28	27	36	36	37
102	112	127	132	144	153	176
13	15	19	20	22	29	28
72	91	146	188	154	164	191
822	973	1,099	1,090	1,161	1,355	1,585
1,473	1,854	1,839	998	1,184	1,334	1,367
15.7	20.5	22.0	20.5	25.0	23.5	21.3
43.5	43.4	43.2	42.3	39.3	38.7	39.7

Note: Figures for fiscal years prior to the year to December 2023 have been retrospectively amended to take into account stock splits

Share price and market capitalisation over the past ten years



Review of Operations

Overview of Operating Results

(Units: ¥1m)

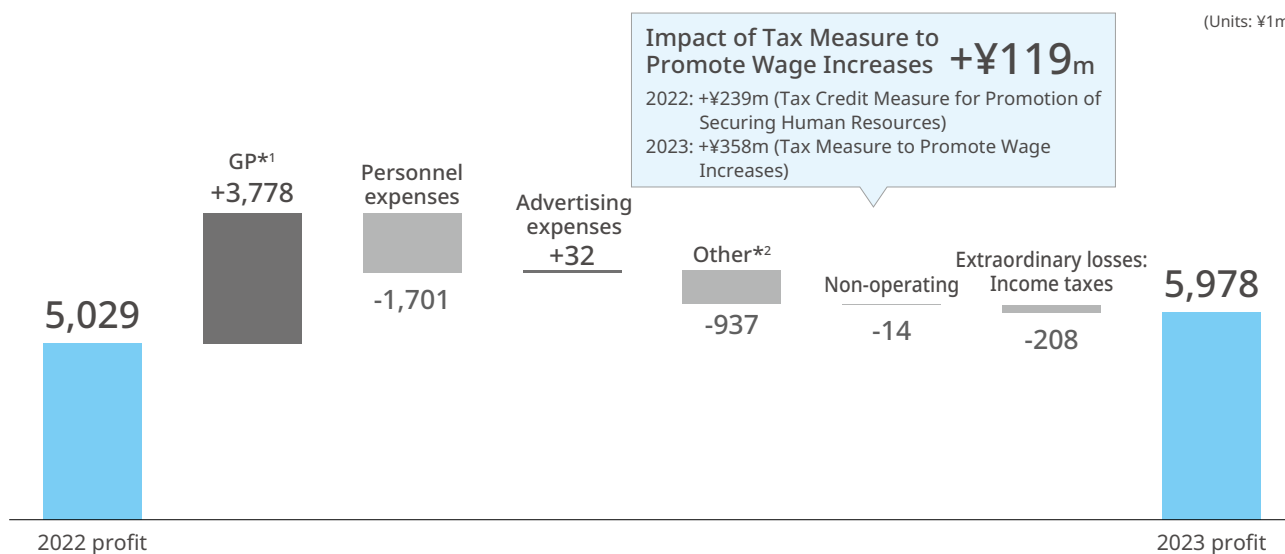
	Year to 31 Dec 2022	Year to 31 Dec 2023	Year-on-Year Change	Plan Achievement Rate	
				Initial Plan Achievement Rate	Amended Plan Achievement Rate
Net sales	30,435	34,475	+13.3%	94.1%	99.6%
Gross profit (GP)	28,043	31,821	+13.5%	96.1%	99.8%
EBITDA	7,607	8,875	+16.7%	—	—
EBITDA Margin	25.0%	25.7%	+0.7pt	—	—
Ordinary income	7,052	8,209	+16.4%	105.5%	102.0%
Profit attributable to owners of parent	5,029	5,978	+18.9%	110.4%	104.0%

On the back of a reinvigoration of economic activities that included a recovery in domestic automobile production accompanying the resolution of a shortage in semiconductor supplies and a strong inbound demand due to an increase in overseas tourists, companies in Japan showed a strong appetite for hiring employees and the jobs-to-applicants ratio maintained a robust level in the fourth quarter of the consolidated accounting period. However, some US IT consulting companies and major domestic IT companies continued to hold back on hiring, and the effect of this also impacted the digital divisions in JAC Group's core Domestic Recruitment Business.

As a result of this, net sales for the consolidated fiscal year were ¥34,475 million (up 13.3% year-on-year), and while this represented an increase, it still fell short of the target in the initial plan. By segment, net sales were ¥30,475 million for the Domestic Recruitment Business (up 14.0% increase year-on-year), ¥322 million for the Domestic Job Offer Advertising Business (down 9.7% year-on-year), and ¥3,677 million (up 9.7% year-on-year) for Overseas Business.

Profit/Loss

(Units: ¥1m)



*1 GP: Gross profit *2 Costs such as those pertaining to expansion/establishment of business locations

Operating income was ¥8,215 million (up 16.6% year-on-year), ordinary income was ¥8,209 million (up 16.4% year-on-year), and profit attributable to owners of parent was ¥5,978 million (up 18.9% year-on-year). By segment, profit and loss was ¥8,097 million for the Domestic Recruitment Business (up 17.8% year-on-year), ¥33 million for the Domestic Job Offer Advertising Business (down 22.6% year-on-year), and ¥76 million (down 19.8% year-on-year) for Overseas Business.

Finances

(Units: ¥1m, %)

Item	31 December 2022		31 December 2023		Change
	Amount	%	Amount	%	
Current assets	17,820	80.7	19,370	82.4	+1,550
Cash and deposits	14,879	67.4	16,767	71.3	+1,888
Accounts receivable - trade	2,244	10.2	1,928	8.2	(316)
Non-current assets	4,263	19.3	4,147	17.6	(116)
Property, plant and equipment	745	3.4	788	3.4	+43
Intangible assets	1,532	6.9	1,426	6.1	(106)
Investments and other assets	1,985	9.0	1,933	8.2	(52)
Total assets	22,084	100.0	23,518	100.0	+1,434
Current liabilities	6,161	27.9	6,052	25.7	(109)
Non-current liabilities	337	1.5	248	1.1	(89)
Total liabilities	6,498	29.4	6,301	26.8	(197)
Total net assets	15,585	70.6	17,217	73.2	+1,632
Total liabilities and net assets	22,084	100.0	23,518	100.0	+1,434

Despite decreases in assets including accounts receivable and goodwill, which saw respective falls of ¥316 million and ¥92 million, total assets at the end of the fiscal year ended December 31, 2023 grew ¥1,434 million year-on-year to ¥23,518 million thanks to increases including a ¥1,887 million increase in cash and deposits.

Liabilities decreased by ¥197 million year-on-year to ¥6,301 million despite increases including a ¥111 million increase in income taxes payable, which was thanks to decreases including a ¥235 million decrease in accrued expenses and a ¥90 million decrease in other non-current liabilities.

Despite factors including a dividend of surplus of ¥3,278 million and an increase in treasury shares of ¥1,187 million, net assets saw a year-on-year increase of ¥1,631 million to ¥17,217 million due to a recording of ¥5,978 million in profit attributable to owners of parent, and equity ratio stood at 73.2%.

Cash Flows

(Units: ¥1m)

Cash and cash equivalents at end of period for the consolidated fiscal year grew by ¥1,887 million to ¥16,767 million. Cash flows from each activity are as set out below.

	Year to 31 Dec 2022	Year to 31 Dec 2023
Cash flows from operating activities	5,913	7,087
Cash flows from investing activities	(944)	(461)
Cash flows from financing activities	(3,174)	(4,838)
Cash and cash equivalents at end of period	14,879	16,767

Cash flows from operating activities

Net cash provided from operating activities for the consolidated fiscal year was ¥7,087 million (compared to ¥5,913 million the previous year). The main factors for this were profit before income taxes of ¥8,207 million and income taxes paid of ¥2,117 million.

Cash flows from investing activities

Net cash used in investing activities for the consolidated fiscal year was ¥461 million (compared to ¥944 million used the previous year). The main factor for this was the purchase of intangible assets of ¥316 million.

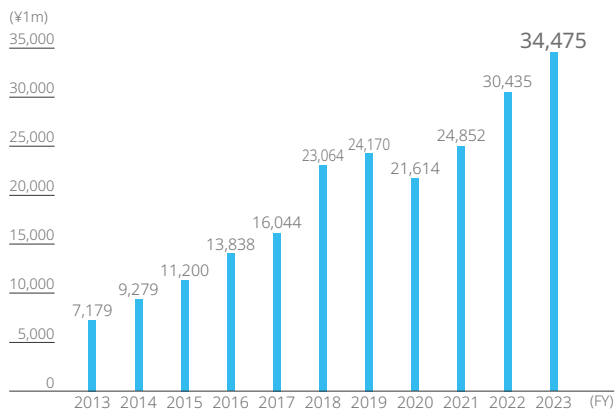
Cash flows from financing activities

Net cash used in financing activities for the consolidated fiscal year was ¥4,838 million (compared to ¥3,174 million used the previous year). The main factors for this were dividends paid of ¥3,275 million and a purchase of treasury shares of ¥1,369 million.

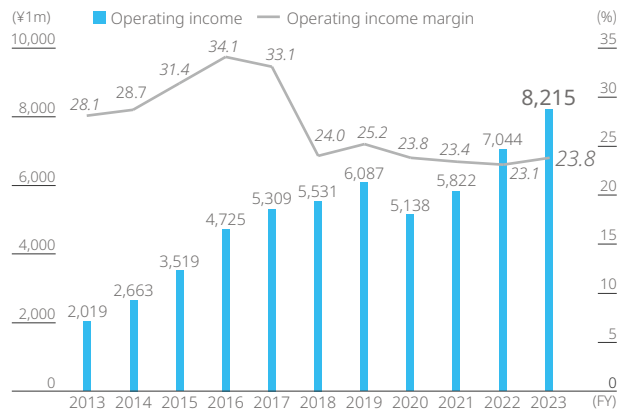
Financial/Non-Financial Highlights

Financial Data

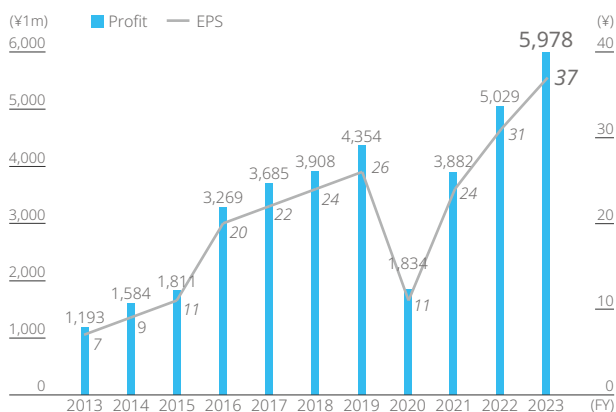
Consolidated net sales



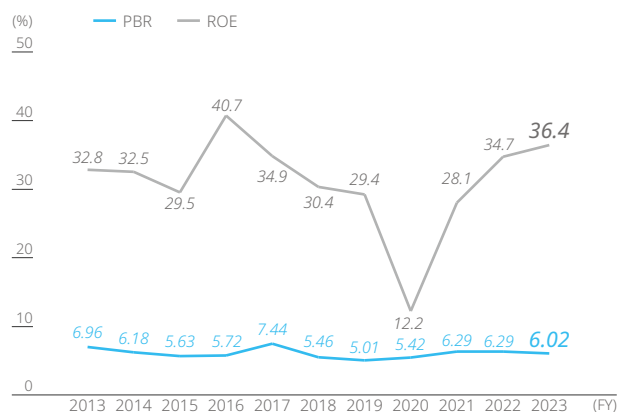
Consolidated operating income / Operating income margin



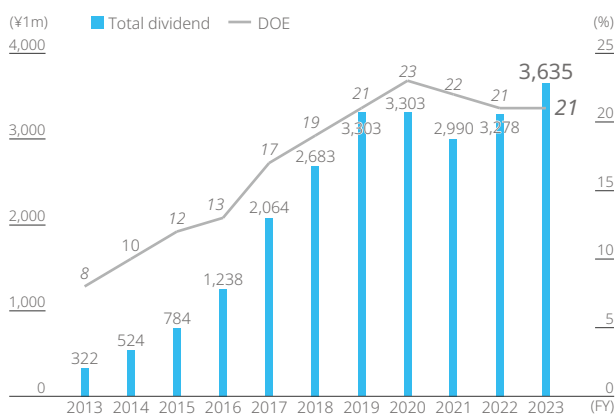
Profit attributable to owners of parent / EPS



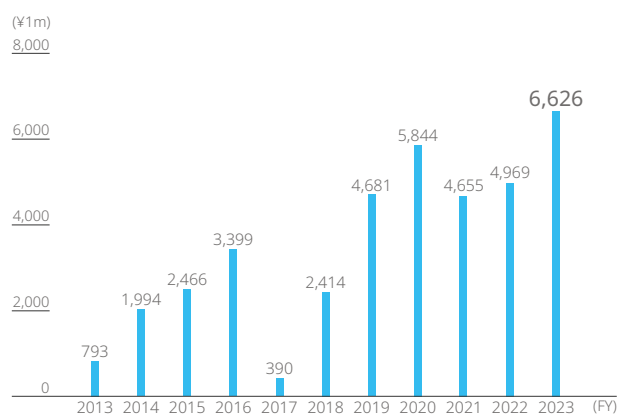
PBR / ROE



Total dividend / DOE

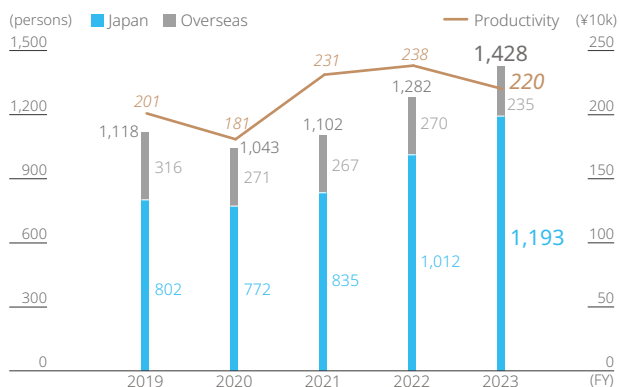


Free cash flow



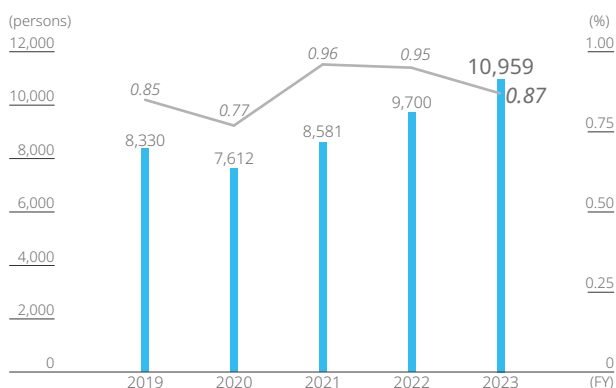
Non-Financial Data

Number of industry specific consultants (consolidated) / Productivity (in Japan)



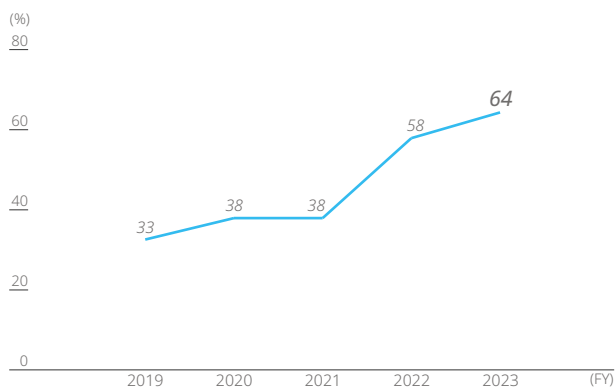
Net sales is productivity multiplied by the number of consultants, and there is a direct proportional relationship between the number of consultants and net sales. We are working to continuously increase the number of consultants with the aim of achieving sustainable growth in our results.

Ave. number of deals closed per consultant per month (standalone) / Number of deals closed (in Japan)*3



Productivity per consultant can be calculated as the average number of deals closed per consultant per month multiplied by the unit price per deal. We are working to increase productivity and the number of deals closed by raising productivity in the form of the number of deals per consultant through consultant training and BPR.

Ratio of external directors

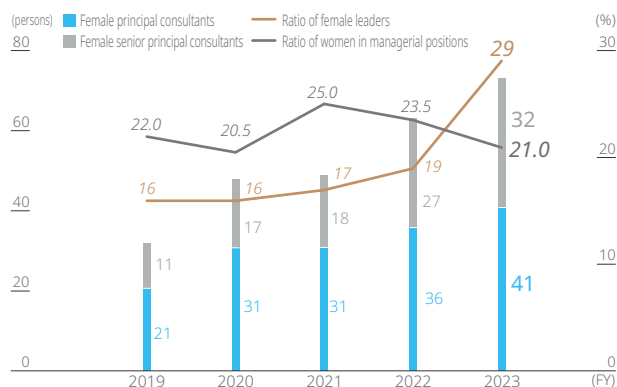


The ratio of external directors has been gradually increasing, and since FY2022 more than half of our Board of Directors has been made up of external directors as we work to strengthen governance and increase our corporate value.

*1 Figures for JAC Recruitment standalone

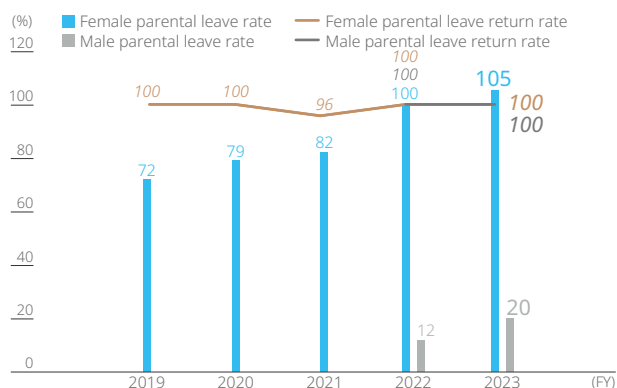
*2 Figures for JAC Recruitment and JAC International

Ratio of women in managerial positions*1 / Number of female consultants*2



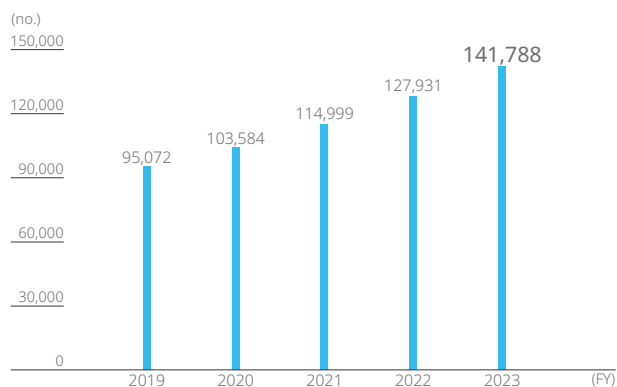
When it comes to diversity in recruitment, a diverse range of employees is essential. The number of highly-specialised female principal and senior principal consultants on our books is growing steadily, and the ratio of women in managerial positions (line managers) and ratio of women among leaders who constitute the candidates for such positions remain high.

Parental leave rate*2 / Parental leave return rate*2



We have established a range of support systems to create an environment that facilitates long-term employment of highly productive consultants, regardless of their life stage. The parental leave rate in FY2023 was 105% for women, and grew 8% year-on-year for men. The parental leave return rate was 100% for both men and women.

Number of trees planted (Accumulated total since 2008)



In 2008, we embarked on a tree planting project (the PPP Project) to express our hope that those that we have introduced to companies' mid-career are able to lay roots in their workplace. Through this rainforest restoration activity, we contribute to the preservation and protection of precious flora and fauna and reducing greenhouse gases.

*3 Number of deals closed: The number of persons who has been placed by the domestic recruitment business of JAC Group in the month.

Financial Statement Data

Consolidated Balance Sheets

(Units: ¥1m)

	Previous consolidated fiscal year (ended 31 December 2022)	This consolidated fiscal year (ended 31 December 2023)
Assets		
Current assets		
Cash and deposits	14,879	16,767
Accounts receivable - trade	2,244	1,928
Supplies	7	0
Prepaid expenses	413	384
Other	283	314
Allowance for doubtful accounts	(7)	(24)
Total current assets	17,820	19,370
Non-current assets		
Property, plant and equipment		
Buildings	421	526
Accumulated depreciation	(220)	(237)
Buildings, net	201	289
Machinery and equipment	66	66
Accumulated depreciation	(35)	(45)
Machinery and equipment, net	30	21
Vehicles	0	0
Accumulated depreciation	(0)	(0)
Vehicles, net	—	—
Tools, furniture and fixtures	383	419
Accumulated depreciation	(237)	(275)
Tools, furniture and fixtures, net	145	144
Leased assets	4	4
Accumulated depreciation	(2)	(2)
Leased assets, net	2	1
Construction in progress	0	—
Other	401	436
Accumulated depreciation	(36)	(104)
Other, net	364	331
Total property, plant and equipment	745	788
Intangible assets		
Goodwill	814	721
Software	617	550
Software in progress	100	154
Total intangible assets	1,532	1,426
Investments and other assets		
Investment securities	0	0
Investments in capital	0	0
Lease and guarantee deposits	969	928
Distressed receivables	13	10
Long-term prepaid expenses	27	24
Deferred tax assets	988	980
Long-term accounts receivable - other	2	1
Allowance for doubtful accounts	(16)	(12)
Total investments and other assets	1,985	1,933
Total non-current assets	4,263	4,147
Total assets	22,084	23,518

	Previous consolidated fiscal year (ended 31 December 2022)	This consolidated fiscal year (ended 31 December 2023)
Liabilities		
Current liabilities		
Lease obligations	0	0
Accounts payable - other	590	504
Accrued expenses	2,995	2,760
Income taxes payable	1,207	1,318
Accrued consumption taxes	659	688
Deposits received	242	297
Unearned revenue	93	36
Provision for stocks payment	170	204
Refund liabilities	74	59
Other	128	181
Total current liabilities	6,161	6,052
Non-current liabilities		
Lease obligations	1	0
Deferred tax liabilities	—	2
Other	335	245
Total non-current liabilities	337	248
Total liabilities	6,498	6,301
Net assets		
Shareholders' equity		
Share capital	672	672
Capital surplus	1,514	1,516
Retained earnings	15,022	17,722
Treasury shares	(1,793)	(2,980)
Total shareholders' equity	15,415	16,930
Accumulated other comprehensive income		
Foreign currency translation adjustment	169	286
Total accumulated other comprehensive income	169	286
Total net assets	15,585	17,217
Total liabilities and net assets	22,084	23,518

Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(Units: ¥1m)

	Previous consolidated fiscal year (From 1 January 2022 To 31 December 2022)	This consolidated fiscal year (From 1 January 2023 To 31 December 2023)
Consolidated Statements of Income		
Net sales	30,435	34,475
Cost of sales	2,391	2,654
Gross profit	28,043	31,821
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	772	721
Salaries and allowances	11,868	13,246
Legal welfare expenses	1,522	1,780
Retirement benefit expenses	376	460
Provision for share awards	170	202
Provision of allowance for doubtful accounts	0	16
Rent expenses on land and buildings	1,157	1,285
Depreciation	448	541
Amortisation of goodwill	115	119
Advertising expenses	1,597	1,565
Other	2,969	3,665
Total selling, general and administrative expenses	20,999	23,606
Operating income	7,044	8,215
Non-operating income		
Interest income	4	9
Gain on cancellation of leases	6	17
Insurance fee income	5	5
Rental income from facilities	4	5
Other	17	2
Total non-operating income	39	41
Non-operating expenses		
Interest expenses	22	22
Foreign exchange losses	8	9
Loss on cancellation of rental contracts	—	13
Other	0	1
Total non-operating expenses	30	46
Ordinary income	7,052	8,209
Extraordinary losses		
Loss on retirement of non-current assets	12	1
Impairment losses	29	—
Loss on valuation of investment securities	0	—
Total extraordinary losses	41	1
Profit before income taxes	7,011	8,207
Income taxes - current	2,134	2,218
Income taxes - deferred	(152)	11
Total income taxes	1,981	2,229
Profit	5,029	5,978
Profit attributable to owners of parent	5,029	5,978
Profit	5,029	5,978
Consolidated Statements of Comprehensive Income		
Other comprehensive income		
Foreign currency translation adjustment	144	117
Total other comprehensive income	144	117
Comprehensive income	5,173	6,095
(Details)		
Comprehensive income attributable to owners of parent	5,173	6,095
Comprehensive income attributable to non-controlling interests	—	—

Consolidated Statements of Cash Flows

(Units: ¥1m)

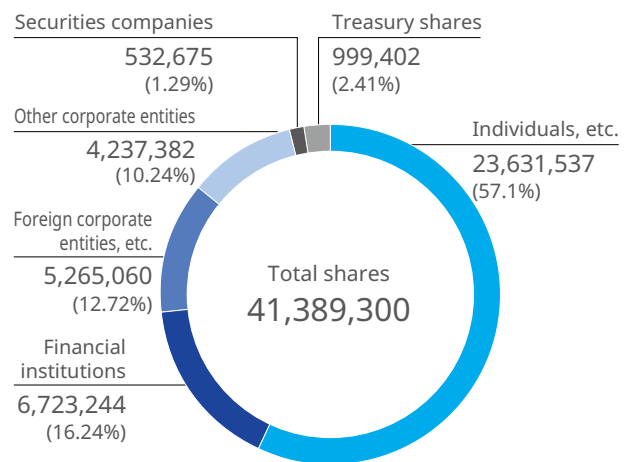
	Previous consolidated fiscal year (From 1 January 2022 To 31 December 2022)	This consolidated fiscal year (From 1 January 2023 To 31 December 2023)
Cash flows from operating activities		
Profit before income taxes	7,011	8,207
Depreciation	448	541
Amortisation of goodwill	115	119
Increase (decrease) in allowance for doubtful accounts	(6)	14
Increase (decrease) in provision for stocks payment	170	202
Increase (decrease) in refund liabilities	22	(14)
Interest and dividend income	(4)	(9)
Interest expenses	22	22
Foreign exchange losses (gains)	1	2
Loss on retirement of non-current assets	12	1
Impairment losses	29	—
Loss (gain) on valuation of investment securities	0	—
Decrease (increase) in trade receivables	(439)	320
Decrease (increase) in inventories	0	6
Increase (decrease) in accounts payable - other	(90)	(68)
Increase (decrease) in accrued expenses	420	(235)
Increase (decrease) in accrued consumption taxes	166	23
Other, net	313	82
Subtotal	8,192	9,217
Interest and dividends received	4	9
Interest paid	(22)	(22)
Income taxes paid	(2,261)	(2,117)
Net cash provided by (used in) operating activities	5,913	7,087
Cash flows from investing activities		
Purchase of property, plant and equipment	(312)	(152)
Purchase of intangible assets	(408)	(316)
Short-term loan advances	(38)	(45)
Collection of short-term loans receivable	37	55
Purchase of long-term prepaid expenses	(28)	(8)
Payments of leasehold and guarantee deposits	(195)	(40)
Proceeds from Collection of other investments	0	45
Net cash provided by (used in) investing activities	(944)	(461)
Cash flows from financing activities		
Dividends paid	(2,986)	(3,275)
Repayments of lease obligations	(0)	(0)
Purchase of treasury shares	(0)	(1,369)
Other payments	(186)	(192)
Net cash provided by (used in) financing activities	(3,174)	(4,838)
Effect of exchange rate change on cash and cash equivalents	151	100
Net increase (decrease) in cash and cash equivalents	1,946	1,887
Cash and cash equivalents at beginning of period	12,932	14,879
Cash and cash equivalents at end of period	14,879	16,767

Stock Information

Stock Information (as of 31 December 2023)

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	25,871
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 (as of 31 December 2023)



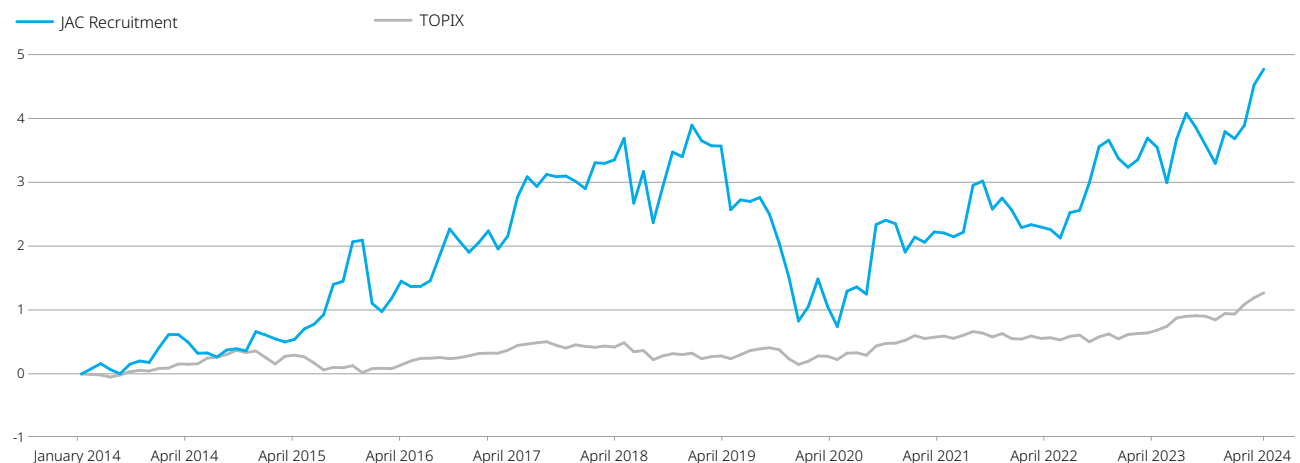
Top 10 Shareholders

Name	Number of shares held	Percentage of shares held
Tadayoshi Tazaki	8,505,100	21.06
Hiromi Tazaki	5,179,600	12.82
Shingo Kanaoya	4,238,700	10.49
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,761,900	6.84
The Tazaki Foundation	2,200,000	5.45
JAC Environmental & Animal Protection Foundation	2,000,000	4.95
Japan Post Insurance Co., Ltd.	1,585,000	3.92
Custody Bank of Japan, Ltd. (Trust Account)	1,484,000	3.67
The Master Trust Bank of Japan, Ltd. (ESOP Trust: 75825 Account)	500,844	1.24
JP MORGAN CHASE BANK 385632	440,943	1.09

Note 1: The number of shares held by Tadayoshi Tazaki includes the number of shares held by Custody Bank of Japan, Ltd. (1,000,000 as of 31 December 2023) in accordance with the management trust agreement concluded on 18 December 2023.

Note 2: In calculating the percentage, the treasury shares owned by the Company (999,402) was deducted from the total number of treasury shares (1,500,246), except for the treasury shares owned by the ESOP trust (500,844).

Share Price Performance (vs TOPIX)



Corporate Profile

(As of June 2024)

Company name	JAC Recruitment Co., Ltd.
Established	7 March 1988
Share capital	¥672.26 million
Number of employees (as of 31 December 2023)	1,952 (comprising employees from JAC Recruitment: 1,500; JAC International: 48; VantagePoint: 26; CareerCross: 27; and JAC Recruitment International: 351)
Head office	〒101-0051 14F Jinbocho Mitsui Building, 1-105 Kanda Jimbocho, Chiyoda-ku, Tokyo
Offices (including affiliated companies)	34 offices in 11 countries <ul style="list-style-type: none"> • Japan (12 offices) Tokyo, Tohoku (Sendai), Kita-Kanto (Saitama), Yokohama, Shizuoka, Hamamatsu, Nagoya, Kyoto, Osaka, Kobe, Chugoku (Hiroshima), Fukuoka • Overseas Singapore, Malaysia (Kuala Lumpur, Johor, Penang), Indonesia (Jakarta), Thailand (Bangkok, Chonburi), South Korea (Seoul), Vietnam (Ho Chi Minh City, Hanoi), India (Gurugram, Bengaluru), UK (London), Germany (Dusseldorf, Frankfurt, Munich), USA (Los Angeles, New York, Charlotte)
Main business	Recruitment services Ministry of Health, Labour and Welfare License Number 13-YU-010227

Board Members (as of June 2024)

Co-Founder, Chairman, CEO, and Managing Director	Hiromi Tazaki
Founder, Director, and Chief Advisor	Tadayoshi Tazaki
Executive Director and Head of Sales	Hiroki Yamada
Director, Head of Administration, CFO, and CHRO	Toshihiko Okino
Director, Head of Global Business Headquarters	Stephen Blundell
External Director / Chairperson of the Board	Yutaka Kase
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)	Naoto Yokoi
External Director (Member of Audit & Supervisory Committee)	Nodoka Nakamura

Subsidiaries (as of June 2024)

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

Third-Party Assurance

JAC Recruitment Co., Ltd obtains third-party assurance from SOCOTEC Certification Japan Co., Ltd. regarding the information below in order to ensure objectivity and accuracy in GHG volumes.

Verification Process for Third-Party Assurance

STEP1	STEP2	STEP3	STEP4
Verification planning <ul style="list-style-type: none"> Preliminary survey of information subject to assurance, incorporation into verification plan Drafting of sampling plan for information subject to assurance on the basis of risk evaluation 	Verification work <ul style="list-style-type: none"> Cross checking with supporting materials using trial calculation, and recalculation Field work at Tokyo head office and Shizuoka office 	Review of verification report <ul style="list-style-type: none"> Check that amendment and intended action is set out for all observations Check that the verification report is fit for purpose 	Submission of assurance report <ul style="list-style-type: none"> Submission of assurance report Establishment of system for appropriately dealing with facts that come to light post-verification

Assurance Procedures of SOCOTEC Report

- Appraisal of the policy and procedures created by JAC regarding principal information
- Questions to JAC representatives to gain an understanding of the above policy and procedures
- Confirmation that the relevant project meets the suitability requirements
- Cross checking with supporting materials using trial calculation, and recalculation
- Acquisition of supporting materials for important hypotheses and other data, and cross checking
- Inspection of JAC's Tokyo head office and Shizuoka office to check calculation system and state of data gathering and management

Independent Assurance Report

SOCOTEC

Ms. Hiromi Tazaki
Co-Founder, Chairman, CEO, and Managing Director
JAC Recruitment Co., Ltd.

We, SOCOTEC Certification Japan (hereafter "SOCOTEC"), have performed a limited assurance engagement, in response to the entrustment from JAC Recruitment Co., Ltd. (hereafter "The Company"), in order to provide an opinion as to whether the subject matter information ("FY2023 GHG Emissions Calculation Report" (period: 1st January 2023 to 31st December 2023)) of the Company meets the criteria in all material respects.

1 Subject Matter Information and Criteria

The subject matter information for our assurance is "a report on energy-derived greenhouse gas emissions (Scope 1, Scope 2 (location-based and market-based)) and all other indirect greenhouse gas emissions that occur in a company's value chain (Scope 3 (Categories: 2, 3, 5, 6, 7))" covering the operations and activities of the Company and its consolidated companies in Japan and overseas (3 domestic subsidiaries and 1 overseas subsidiary) described in "FY2023 GHG Emissions Calculation Report" (period: 1st January 2023 to 31st December 2023).

The criteria for preparing subject matter information is "GHG Emissions Calculation Guideline_20240314".

Subject matter information	period: 1st January 2023 to 31st December 2023
Energy-derived GHG emissions	All other indirect GHG emissions that occur in a company's value chain
Scope 1:	0 t-CO ₂ e
Scope 2: location-based	506 t-CO ₂ e
market-based	307 t-CO ₂ e
	Category 2: 1,068 Category 3: 73 Category 5: 667
	Category 6: 248 Category 7: 459
	*The Scope 3 totals are the aggregate results for each category, including decimals, and do not necessarily match the aggregate results that are rounded off for each category.

2 Management Responsibility

"FY2023 GHG Emissions Calculation Report" (period: 1st January 2023 to 31st December 2023) was prepared by the management of the Company, who is responsible for the integrity of the assertions, statements, and claims made therein (including the assertions over which we have been engaged to provide limited assurance), the collection, quantification and presentation of all data and information in the report, and applied criteria, analysis and publication.

The management of the Company is responsible for maintaining adequate records and internal controls that are designed to support the reporting process and ensure that "FY2023 GHG Emissions Calculation Report" (period: 1st January 2023 to 31st December 2023) is free from material misstatement whether intentional or negligent.

3 Assurance Practitioner's Responsibility

The responsibility of SOCOTEC is to express a limited assurance conclusion as to whether the subject matter information has been prepared in compliance with the criteria in all material respects.

SOCOTEC performed limited assurance engagement in accordance with the verification procedures stipulated by SOCOTEC and "JIS Q 14064-3:2023 (ISO 14064-3:2019) Specification with guidance for the verification and validation of greenhouse gas statements".

The procedures implemented in the limited assurance engagement are limited in their type, timing and scope as compared to the procedures implemented in the reasonable assurance engagement. As a result, our limited assurance engagement does not provide as high assurance as reasonable assurance engagement.

Our procedures performed depend on the assurance professional practitioner's judgement, including the risk of material misstatement, whether due to fraud or error. Our conclusion was not designed to provide assurance on internal controls.

We believe that we have obtained the evidence to provide a basis for the conclusion for limited assurance.

1/2

SOCOTEC

4 Assurance Procedures

The procedures that SOCOTEC has conducted are based on professional judgment and include, but are not limited to:

- Evaluation of policies and procedures created by the Company in relation to subject matter information
- Questions to the Company personnel to understand the above policies and procedures
- Verification that the target project meets eligibility requirements
- Matching with the basis data by trial calculation and recalculation
- Obtaining and collating material for important assumptions and other data
- We visited Tokyo Head Office and Shizuoka Office of the Company in order to confirm the calculation structure and procedures, data collection and implementation status of record control.

5 Statement of Our Independence, Quality Control and Competence

SOCOTEC has introduced and maintained a comprehensive management system that conforms to the accreditation requirements of "ISO 17021:2015 Conformity assessment - Requirements for bodies providing audit and certification of management systems". In addition, we have also established a management system according to "ISO 14065 Greenhouse gases - Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition". These meet the requirements of International Standard on Quality Control 1 by the International Auditing and Assurance Standards Board and Code of Ethics for Professional Accountants by International Ethics Standards Board for Accountants. We maintain a comprehensive quality control system that includes ethical rules, professional standards and documented policies and procedures for compliance with applicable laws and regulations.

The SOCOTEC Group is a comprehensive third-party organisation in inspection, testing and certification operations, and conducts management system certification services and training services related to quality, environment, labour and information security in countries around the world. Engaged in performance data and sustainability report assurance of environmental and social information, SOCOTEC affirms that it is independent of the organisation that has ordered the assurance engagement, its affiliated companies, and stakeholders, and that there is no possibility of impairing impartiality or conflict of interest.

We assure that the team engaged in the assurance is selected based on knowledge, experience in the relevant industry, and the competence requirements for this assurance engagement.

6 Use of Report

Our responsibility in performing our limited assurance activities is to the management of the company only in accordance with the terms for this engagement as agreed with the Company. We do not therefore assume any responsibility for any other purpose or to any other person or organisation.

7 Our Conclusion

On the basis of our procedures performed and evidence obtained nothing has come to our attention that causes us to believe that the subject matter information is not, in all material respects, prepared and reported in accordance with the stated criteria.

SOCOTEC Certification Japan



Seigo Futaba
Managing Director
26 March 2024

2/2

Management Commitment

Upon the Publishing of JAC Group Integrated Report 2024

Thank you for reading JAC Group Integrated Report 2024. This is the third time we have published an integrated report since we published our first in FY2022 with the aim of increasing our stakeholders' understanding of medium- to long-term value creation by JAC Group. The report this year was put together on the basis of a new editorial policy in reference to the comments and appraisals we have received from investors and analysts.

In addition to JAC's financial and non-financial information, the report also sets out the kind of social value that we can create through our recruitment service that forms the core of our business based on the value creation story of JAC Group as a whole. It includes concrete examples of our work through interviews with JAC's highly industry-specialised consultants and specific content on our business governance as seen from third parties in a round table discussion with outside directors.

This report was also put together and edited in reference to the Integrated Reporting Framework advocated by the VRF and the Guidance for Collaborative Value Creation published by Japan's Ministry of Economy, Trade and Industry. I would like to state to readers that we worked to set out the initiatives of JAC in an easy-to-understand way and took a serious and honest approach to the report's creation in order to make it a communication tool that will be of use in dialogue with stakeholders. As JAC Group CFO who has editorial responsibility, I would also like to state that the report was created through a proper process and that its contents are accurate.

I hope that you find it useful in terms of helping you gain an understanding of JAC. Going forward, we will continue to place importance on dialogue with our stakeholders and work to expand the scope of the information disclosed in these reports, and I look forward to receiving any comments or feedback that you may have.

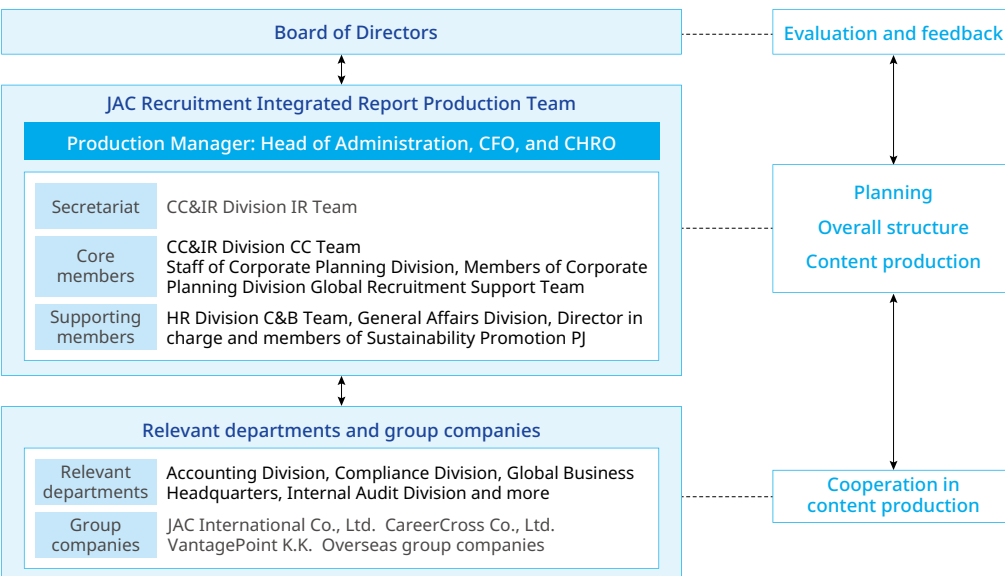


June 2024

Director, Head of Administration,
CFO, and CHRO

Toshihiko Okino

Editorial Structure



Enquiries
(Securities Code: 2124)

Corporate Communications & Investor Relations Division
JAC Recruitment Co., Ltd.
Email: ir@jac-recruitment.jp
Telephone: +81 (0) 3 5259 6926 (weekdays 9:30 - 17:30)
Address: 14F Jinbocho Mitsui Building, 1-105 Kanda Jimbocho, Chiyoda-ku, Tokyo 101-0051



JAC Recruitment Co., Ltd.

14F Jimbocho Mitsui Building 1-105

Kanda Jinbocho, Chiyoda-ku, Tokyo 101-0051

Tel: +81 (0) 3 5259 9221

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