Summary of Q&A Session at the Financial Results Briefing for the Six Months Ended June 30, 2026

Date: 21 August 2026 (Friday)

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Senior Director, Head of Administration & CFO: Tetsuya Akutsu

The following summarises the principal questions addressed during this financial results briefing (questions 1 to 3). In addition to this, questions 4 to 7 were submitted during this session but could not be answered due to time constraints.

Key Questions Addressed During this Briefing

Q1. Both revenue and profit from the RPO business have grown significantly. Could you elaborate on the drivers behind this growth and your outlook going forward? Could you also comment on the IPS business?

A1.

Our RPO business continues to benefit from increasing demand among companies to outsource recruitment functions to specialised external partners. One of our key strengths is our ability to provide integrated recruitment and RPO solutions. Our RPO services are delivered by consultants who leverage the expertise and industry knowledge developed through our recruitment services. Our deep understanding of recruitment markets and human capital is highly valued by clients and serves as an important differentiator, contributing to the expansion of business with existing clients.

As for our IPS business, performance has remained solid, supported by growing demand for highly specialised professionals, particularly in IT, digital transformation and AI-related areas. Demand is also increasing as companies seek to utilise specialist professionals on a project basis.

Q2. Could you provide an update on the implementation of AI initiatives and the expected progress in improving productivity?

A2.

Our policy is to utilise AI as a support tool rather than as a replacement for consultants. At present, AI is being used to improve efficiency in areas such as preparation for candidate interviews and client meetings, as well as the drafting of meeting notes and related administrative tasks.

Tasks requiring professional judgement and consultation will continue to be handled by our consultants. The time created through AI-driven efficiencies will be redirected towards activities where our value proposition is strongest, namely meeting candidates, advising clients and delivering

our core mission of "professionals introducing professionals".
We plan to accelerate the deployment and adoption of AI support tools during the second half of FY2026, targeting a 10% reduction in workload by 2027 and a 20% reduction by 2028, thereby driving further productivity improvements.

Q3. Gross profit margins have improved because of increased in-house sourcing. How do you assess risks such as lower placement success rates due to a deterioration in candidate data quality, or higher costs associated with in-house sourcing?

A3.
We do not consider that strengthening our in-house sourcing capabilities will lead to lower placement success rates. On the contrary, by enabling consultants to establish direct relationships with candidates through face-to-face meetings and ongoing engagement, we expect that candidate understanding and matching accuracy will improve. Over the medium to long term, this should contribute to higher placement success rates.
From a cost perspective, while we have incurred certain expenses related to initiatives such as the renewal of our website, these have been more than offset by lower spending on external sourcing platforms. This has contributed positively to gross profit margins.
We continue to manage personnel and marketing expenses carefully relative to gross profit while maintaining growth investments. Strengthening in-house sourcing is therefore positioned as an initiative that supports both improved placement performance and higher gross profit margins.

Questions Submitted During the Briefing but Not Addressed Due to Time Constraints

Q4. What caused the slowdown in the second quarter compared with the first quarter of FY2026?

A4.
As our revenue is recognised based on candidates' joining dates, there is typically a time lag of two to three months between placement and revenue recognition.
The weaker performance in the second quarter reflected weaker placement activity during the first quarter. Against the backdrop of heightened uncertainty arising from tensions in the Middle East, hiring activity became temporarily more cautious, particularly within the manufacturing sector, resulting in slower growth in placement volumes. Consequently, second-quarter revenue growth moderated to 7.2% year-on-year, compared with 14.8% in the first quarter.
However, placement activity in the manufacturing sector has shown signs of recovery since April, and gross profit growth on a placement basis recovered to 22.7% year-on-year in June. We therefore

view this not as a deterioration in underlying demand, but rather as the result of temporary delays in hiring decisions caused by geopolitical uncertainty.

Q5. Which positions within the financial sector are seeing increased hiring demand as interest rates rise?

A5.
The strongest demand is currently for professionals supporting digital transformation and IT initiatives within financial institutions. In addition, demand remains robust for specialists in positions such as risk management, internal audit and compliance, as well as market-related functions.

Q6. Shifting towards higher-salary placements in sectors such as financial services, IT and consulting is not easy. What factors have enabled you to make progress in these sectors?

A6.
Historically, JAC has maintained a strong position in higher-salary recruitment segments. Through ongoing dialogue with clients, we closely monitor market demand and continue to strengthen both our organisational capabilities and consultant allocation in high-growth areas such as financial services, IT and consulting.
These sectors require a high degree of specialist expertise and are less susceptible to disruption from AI-driven matching alone, allowing us to demonstrate the value of our consultative approach. Furthermore, by employing highly specialised consultants, including professionals with direct industry experience, we have been able to strengthen our presence and growth within higher-salary recruitment markets.

Q7. Why did JAC not discontinue the use of major external sourcing platforms sooner?

A7.
Major sourcing platforms had historically been one of our most important channels for securing a stable flow of candidates. However, following recent increases in platform fees, we reassessed their cost-effectiveness.
As a result of initiatives including the renewal of our website, enhancements to our website and SEO, LMMO initiatives, and greater utilisation of our proprietary database, we gained confidence that our own channels could effectively replace these external platforms.
Accordingly, we decided to discontinue the use of major sourcing platforms. In addition to

improving gross profit margins, this strategy enables our consultants to build direct relationships with candidates, strengthen face-to-face engagement and deepen candidate understanding. We consider that this will ultimately contribute to higher placement success rates and reinforce JAC's consultative value proposition.

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