

Last Update: March 27, 2024

JAC Recruitment Co., Ltd.

Hiromi Tazaki, Co-Founder, Chairman, CEO and Managing Director
Contact: Toshihiko Okino, Director, Head of Administration and CFO
Securities code: 2124

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

The corporate governance of JAC Recruitment Co., Ltd. (the “Company”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Key Information

1. Basic Views

The Company believes that its mission in corporate management is to meet the trust and expectations of all stakeholders who support its 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 employees, for the company's lasting development, and therefore will strengthen its corporate governance system.

Reasons for Non-compliance with the Principles of the Corporate Governance Code

The company has complied with all the principles of the Corporate Governance Code.

Disclosure Based on each Principle of the Corporate Governance Code

The Company discloses the compliance with each principle as the “Basic Policies on Corporate Governance, JAC Recruitment Co., Ltd.” and posts it on the Company's website.

The URL of the website is:

(Japanese) <https://ir.jac-recruitment.jp/ja/investors/management/governance.html>

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

respectively.

(Measures to achieve cost of capital and share price conscious management) (English-language disclosure available)

The Company discloses the compliance with "Measures to achieve cost of capital and share price conscious management." (Corporate Governance Code Principle 5-2) in the " Basic Policies on Corporate Governance, JAC Recruitment Co., Ltd " which is published on the company's website.

The URL of the website is:

(Japanese) <https://ir.jac-recruitment.jp/ja/investors/management/governance.html>

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

respectively.

(Response for promoting dialogue with shareholders and disclosure) (English-language disclosure available)

The Company discloses the compliance with " Response for promoting dialogue with shareholders and disclosure " (Corporate Governance Code Principle 5-1) in the " Basic Policies on Corporate Governance, JAC Recruitment Co., Ltd " which is published on the company's website.

The URL of the website is:

(Japanese) <https://ir.jac-recruitment.jp/ja/investors/management/governance.html>

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

respectively.

2. Capital Structure

Foreign Shareholding Ratio

10% or more but less than 20%

Status of Major Shareholders

Name or Company Name	Number of Shares Owned	Percentage (%)
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. (equity-linked ESOP trust account, 75825 account)	500,844	1.24
JP MORGAN CHASE BANK 385632	440,943	1.09

Name of Controlling Shareholder, if applicable
(excluding Parent Companies)

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Name of Parent Company, if applicable

None

- 1 . The status of major shareholders is as at 31 December 2023.

- 2 . The number of shares held by Mr. Tadayoshi Tazaki above includes the number of shares (1,000,000 shares as of 31 December 2023) held by Custody Bank of Japan, Ltd. under a management trust agreement concluded on 18 December 2023.

- 3 . The shareholding ratio is calculated by deducting treasury shares (999,402 shares) held by the Company, excluding treasury shares held by the ESOP trust (500,844 shares), from treasury shares (1,500,246 shares).

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Prime Market
Fiscal Year-End	December
Business Sector	Services
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	¥10 billion or more but less than ¥100 billion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	10 or more but fewer than 50

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

5. Other Special Circumstances which may have a Material Impact on Corporate Governance

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight

1. Organizational Composition and Operation

Corporate Governance System	Company with Supervisory Committee
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Directors

Number of Directors Stipulated in Articles of Incorporation	14
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Outside Director
Number of Directors	11
Election of Outside Directors	Elected
Number of Outside Directors	6
Number of Independent Directors	6

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Yutaka Kase	From another company											
Günter Zorn	From another company											
Nobuhide Nakaido	From another company											
Toshiaki Mukaiyama	From another company											
Naoto Yokoi	CPA											
Nodoka Nakamura	Lawyer											

*Categories for "Relationship with the Company".

(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

- Person who executes business for the Company or its subsidiary
- Person who executes business for a non-executive director of the Company's parent company
- Person who executes business for a fellow subsidiary
- Person/entity for which the Company is a major client or a person who executes business for said person/entity
- Major client of the Company or a person who executes business for said client
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/company auditor
- Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
- Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to director him/herself only)
- Person who executes business for another company that holds cross-directorships/cross-auditor ships with the Company (applies to director him/herself only)
- Person who executes business for an entity receiving donations from the Company (applies to director him/herself only)
- Other

Outside Directors' Relationship with the Company (2)

Name	Membership of Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Yutaka Kase		*	N/A	<p>Mr. Yutaka 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. It was further determined that the Company can expect them to provide supervision and advice on corporate management as External Directors by taking the larger picture into account as he possesses sufficient insight into company management from his many years of experience in corporate management.</p>
Günter Zorn		*	N/A	<p>Mr. Günter Zorn 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. It was further determined that the Company can expect them to provide supervision and advice on corporate management as External Directors by taking the larger picture into account as he possesses sufficient insight into company management from his many years of experience in corporate management.</p>
Nobuhide Nakaido		*	N/A	<p>Mr. Nobuhide 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</p>

				<p>extensive experience as business manager. It was further determined that the Company can expect them to provide supervision and advice on corporate management as External Directors by taking the larger picture into account as he possesses sufficient insight into company management from his many years of experience in corporate management.</p>
Toshiaki Mukaiyama	*	*	N/A	<p>Mr. Toshiaki Mukaiyama has been appointed for External Director who is an Audit & Supervisory Committee Member mainly for the reason that he will give advice and recommendations to ensure adequacy and fairness based on his extensive experience in administrative operations in general, including business planning, accounting/finance and the management of overseas subsidiaries. It was further determined that the Company can expect Mr. Toshiaki Mukaiyama to apply his expertise and experience to corporate management as an External Director as he possesses sufficient insight into company auditing operations from his many years of experience in administrative operations.</p>
Naoto Yokoi	*	*	N/A	<p>Mr. Naoto Yokoi has been appointed for External Director who is an Audit & Supervisory Committee Member mainly for the reason that he will provide advice and recommendations to ensure adequacy and fairness from his professional viewpoint as a certified public accountant. It was further determined that the Company can expect Mr. Naoto Yokoi to apply his expertise and experience to corporate management as an External</p>

				Director as he possesses sufficient insight into the auditing operations of companies from the accounting knowledge and experience he has gained over many years as a certified public accountant, although he has not participated in corporate management in the past other than as an External Director or an External Audit & Supervisory Board Member.
Nodoka Nakamura	*	*	N/A	Ms. Nodoka Nakamura has been appointed for External Director who is an Audit & Supervisory Committee Member mainly for the reason that she will provide advice and recommendations to ensure adequacy and fairness from her professional viewpoint as a lawyer. It was further determined that the Company can expect Ms. Nodoka Nakamura to apply her expertise and experience to corporate management as an External Director as she possesses sufficient insight into the auditing operations of companies from the legal knowledge and experience she has gained as a lawyer, although she has not participated in corporate management in the past other than as an External Director or an External Audit & Supervisory Board Member.

Supervisory Committee

Composition of Supervisory Committee and Attributes of the Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Committee Chair
Supervisory Committee	3	1	0	3	Outside Director

Appointment of Directors and/or Staff to Support the Supervisory Committee

Appointed

Matters Concerning Independence of Said Directors and/or Staff from Executive Officers/Reasons for Adopting Current System

The Internal Audit Office has been established as an organisation reporting directly to the Supervisory Committee and is responsible for conducting audit work under the direction of the Supervisory Committee. Decisions on the transfer of employees belonging to the Internal Audit Office are subject to the consent of the Supervisory Committee, ensuring independence from the executive directors and the effectiveness of the Supervisory Committee's instructions.

Cooperation among the Supervisory Committee, Accounting Auditors and Internal Audit Department

The director (the Full-time Supervisory Committee member) and the Internal Audit Office exchange opinions on auditing on a regular basis, including monthly, to ensure mutual cooperation. Information is provided to the Accounting Auditors on notable events relating to internal control identified by the internal audit. The advices and opinions are exchanged as necessary among them to ensure mutual cooperation.

Voluntary Established Committee(s)

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee	No
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Matters Concerning Independent Directors

Number of Independent Directors	6
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Other Matters Concerning Independent Directors

Incentives

Implementation Status of Measures related to Incentives Granted to Directors	Introduction of Performance-linked Remuneration Scheme
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Supplementary Explanation for Applicable Items

The Company has introduced performance-linked remuneration (monetary remuneration) for the Company's directors (excluding outside directors and directors who are members of the Supervisory Board) from FY2024.

Persons Eligible for Stock Options	None
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Supplementary Explanation for Applicable Items

Director Remuneration

Status of Disclosure of Individual Director's Remuneration

Disclosure for Selected Directors

Supplementary Explanation for Applicable Items

The disclosure is limited to those whose total amount of consolidated remuneration, etc. is 100 million yen or more, and the subject of such disclosure for fiscal 2023 is one person, Hiromi Tazaki, Chairman and Managing Director.

*Hiromi Tazaki, Chairman and Managing Director; Total consolidated remuneration: 107 million yen (fixed remuneration of 105 million yen for the Company, fixed remuneration of 1 million yen for consolidated subsidiary JAC Recruitment (UK) Ltd and performance-linked remuneration of 0 million yen).

Policy on Determining Remuneration Amounts and Calculation Methods

Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

1. Policy on the determination of the amount of remuneration to be paid to directors in FY2023 and the method of calculation of such remuneration

The monetary remuneration of the Company's non-audit committee members for the financial year 2023 consisted of annual base remuneration and performance remuneration, each of which was divided into 12 equal parts and paid monthly. The annual base remuneration was determined based on the scope and difficulty of the duties to be delegated in the same financial year, while the performance remuneration was determined by taking into consideration the results achieved in past areas of delegation and the consolidated performance trends of the Group as a whole. The decision was made after consulting the Independent Board of Directors (four Directors who are not members of the Supervisory Committee and three Directors who are members of the 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 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 the said resolution was nine (including four external directors). For the same financial year, 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 Board of Directors, 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 a Supervisory Committee member and who was elected at the 36th Annual General Meeting of Shareholders held on 28 March 2023, the proposal of 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, after consultation with the Independent Board of Directors, 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 Company's Directors (Directors excluding Outside Directors and Directors on the Supervisory Committee, hereinafter referred to as "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 term' and 200 million yen per annum as 'lump-sum stock-based remuneration granted in a lump sum'. The Board of Directors decides on the specific allocation to each eligible director and other directors. The number of eligible directors in the relevant resolution is five. The resolution of the same Annual General Meeting of Shareholders resolved that the annual remuneration of directors who are members of the Supervisory Committee, including that of outside directors, is 100 million yen. The number of directors who are members of the Supervisory Committee in the said resolution is three (including three outside directors).

- Directors (6, excluding Supervisory Committee members and outside directors): total remuneration: 253 million yen (fixed remuneration: 234 million, non-monetary remuneration including share-based remuneration costs: 18 million.)

- Outside directors (7): Total remuneration: 71 million yen (fixed remuneration 71 million yen).

2. Policy on the determination of the method of calculating the remuneration of eligible directors for FY2024

(1) Basic policy

The basic policy is that the remuneration of eligible directors should be linked to the company's performance and be based on a highly transparent and objective system.

(2) 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 in listed companies in Japan. The Company will also revise the remuneration policy from time to time in response to changes in the external environment.

(b) Remuneration structure

The remuneration for FY 2024 for eligible directors will comprise basic remuneration, performance-linked remuneration, restricted share remuneration (granted every financial year) and restricted share 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 year

- Restricted share-based remuneration (annual grant type): 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 remuneration (lump-sum grant): share 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: 51% to 100%.

- Performance-linked remuneration: 0% (Note 1) ~ 44%.

- Restricted share-based remuneration (annual grant type): 0% (Note 2) ~ 13%

- Restricted share-based remuneration (lump-sum grant type): - (Note 3)

(Note 1) Performance-linked remuneration is paid to eligible Directors excluding Director and Chief Advisor.

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

(Note 3) Lump-sum payments are made to the applicable persons (there are also periods when no payments are made).

(d) Timing of payment of remuneration

- Basic remuneration (fixed remuneration): Divided into 12 equal parts and paid monthly

- Performance-linked remuneration: Paid out once a year at a fixed time

- Restricted share-based remuneration (annual grant type): Paid out once a year at a fixed time

- Restricted share remuneration (lump-sum grant type): Paid out in a lump-sum when there are the applicable persons (there are also periods when no payment is made)

(3) 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 compensation

Performance 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 financial year, in the following manner. However, no payment shall be made if the amount of such profit falls below 3,249 million yen.

- Managing Director: profit before taxation for FY2024 x 0.50%

- Director and Chief Advisor: Same as above x 0% * See (2)(c) Note 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 (annual grant type)

Restricted share-based remuneration (annual grant type) is determined as share-based remuneration as an incentive to create shareholder value, considering the amounts paid under (a) and (b) above.

(d) Restricted share awards (lump-sum grant)

Restricted share remuneration (lump-sum grant type) is intended as share remuneration as 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 10 financial years and will not be granted if the Board of Directors determines that no one is applicable.

(4) Forfeiture of remuneration, etc.

Serious errors in the consolidated financial statements of previous 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 a serious fraud or breach of the duty of care shall be reported to the Board of Directors and the Supervisory Committee. If the Board of Directors so acknowledges, it consults the Independent Board of Directors 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.

(5) Remuneration governance

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

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 remuneration (granted each term) 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 of 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.

At the same 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. The number of directors covered by the resolution is six.

Support System for Outside Directors

Outside directors are provided with the same information as internal directors by a permanent board secretariat.

Status of Persons who have Retired as Representative Director and President, etc.

Information on Persons Holding Advisory Positions (*Sodanyaku, Komon*, etc.) after Retiring as Representative Director and President, etc.

Name	Job title/ position	Responsibilities	Terms and Conditions of Employment (Full/part time, with/without remuneration, etc.)	Date when former role as president/ CEO ended	Term
Takeshi Matsuzono	Adviser	Recruitment and development of the Company's executive employees, as well as promotion of the business in aspects such as fostering a corporate culture	Part time	2021/12/31	1 year

Number of Persons Holding Advisory Positions (*Sodanyaku, Komon*, etc.) After Retiring as Representative Director and President, etc.

1

2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System)

At the 35th Annual General Meeting of Shareholders held on 24 March 2022, the Company's transition from a company with auditors and a board of auditors to a company with an audit and supervisory committee was approved to further strengthen the auditing and supervisory functions and corporate governance system regarding the legality and appropriateness of business execution.

(a) Supervisory Committee

The 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 Supervisory Board are all outside directors.

(b) Board of Directors

The Board of Directors consists of eight non-audit directors (three of whom are outside directors) and three Supervisory Committee member directors, and holds a regular monthly Board of Directors meeting and, when necessary, an extraordinary Board of Directors meeting, which is in principle attended by all directors. The Board of Directors operates as an organ to deliberate and decide on matters stipulated in the Companies Act and other important management matters, as well as to supervise the execution of business operations.

(c) Management Strategy MTG, Group Company Board Meetings, Group Company Management Report Meetings

Weekly Management Strategy MTGs consisting of the Company's directors and Associate Directors, and monthly Group Company Board of Directors meetings or Management Report meetings consisting of the Company's directors and Group Company directors are held under the supervision of the Company's Chairman and Managing Director, to discuss and decide on various measures concerning important management matters of the Group.

(d) Internal Audit Office

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

(e) Accounting Auditors

The Company was audited by Deloitte Touche Tohmatsu LLC in the year ended 31 December 2023, and the names of the certified public accountants who performed the accounting audit work are as follows.

Certified public accountants who performed auditing services: Tsutomu Hirose, Designated limited liability partner and executive member, and Naoko Nose, Designated limited liability partner and executive member.

The number of years of continuous auditing services has been omitted as all of them have been with the

company for less than seven years.

(f)Independent Board of Directors

Nominations and remuneration of directors who are not members of the Supervisory Committee of the Company are decided after consultation with the Independent Board of Directors (three non-audit directors and three audit committee directors), all of whose members are outside directors and independent directors as defined by the Tokyo Stock Exchange.

3. Reasons for Adoption of Current Corporate Governance System

At the 35th Annual General Meeting of Shareholders held on 24 March 2022, the Company's transition from a company with auditors and a board of auditors to a company with an audit and supervisory committee was approved to further strengthen the auditing and supervisory functions and corporate governance system regarding the legality and appropriateness of business execution.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize General Meeting of Shareholders and Facilitate Exercise of Voting Rights

	Supplementary Explanation
Early Posting of Notice of the General Meeting of Shareholders	The company sends out early notices of the General Meeting of Shareholders.
Scheduling of the General Meeting of Shareholders on a Non-Peak Day	The Company's Annual General Meeting of Shareholders is usually held on a date that avoids the peak days.
Electronic Exercise of Voting Rights	The Company exercises its voting rights by electromagnetic means.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	The company participates in the electronic voting platform.
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	The Company provides the English text of the Notice of Meeting (Summary) on its electronic voting platform and on the Company's English website. The URL for this site is: https://ir.jac-recruitment.jp/en/investors/stock/meeting.html
Other	The Company publishes the Notice of the General Meeting of Shareholders on the Company's IR website. The URL of this website is: https://ir.jac-recruitment.jp/en/investors/stock/meeting.html

2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	The information disclosure policy is posted on the company's Investor Relations website. The URL of the said website is: https://ir.jac-recruitment.jp/en/investors/disclosure.html	
Regular Investor Briefings held for Individual Investors	The company participates in information sessions for individual investors organised by major securities firms.	
Regular Investor Briefings held for Analysts and Institutional Investors	Briefings for analysts and institutional investors are held twice a year after the announcement of results (second quarter and year-end) to explain performance and prospects.	Held
Regular Investor Briefings held for Overseas Investors	Online international roadshow is conducted.	Held

Online Disclosure of IR Information	<p>Financial statements and timely disclosure documents are available on the company's IR website.</p> <p>The IR website's URL is: https://ir.jac-recruitment.jp/en/investors/news.html</p>
Establishment of Department and/or Placement of a Manager in Charge of IR	<p>A department responsible for investor relations (IR Team) has been set up in the Administration Headquarters.</p>
Other	<p>_____</p>

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
<p>Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders</p>	<p>The Company will promote its business based on the following basic company management policies.</p> <p>The Group's main business is recruitment consultancy. The Group has been connecting people, businesses, the economy and society and contributing to their growth by linking (introducing) professionals who play an important role in the development of companies around the world.</p> <p>The success of these professionals leads to the progress of companies and, eventually, to the development of the economy. As the economy develops, it, in turn, leads to the development of society. Moreover, these contribute to the preservation of the global environment. It is our mission to continue sustainably promoting this cycle.</p> <p>Based on our mission, we always aspire to company management with the following corporate goals.</p> <ol style="list-style-type: none"> 1. Respect high quality and work with a high level of awareness. 2. Work to the highest level of satisfaction of both companies and job seekers. 3. Be a company that always makes speedy improvements and reforms. 4. Always aspire to be professional, continue to grow as an excellent company in profitability and profit growth rate, and aim to be an attractive company that can satisfy shareholders, customers, and employees.
<p>Implementation of Environmental Preservation Activities and CSR Activities, etc.</p>	<p>The Group began an initiative in fiscal 2008 called the PPP Project, "One Placement Creates One Plant to Save the Planet," planting one tree in designated areas of Indonesia and other countries for every person it places into a new job. This is calculated to absorb just under 500 tons of greenhouse gases per year, and the Group has already achieved net-zero carbon emissions for Scope 1 and Scope 2</p> <p>In addition to this, the company has been promoting the 3Rs (Reduce, Reuse, Recycle), such as switching the material used for business cards from recycled paper containing used paper to LIMEX, a material with less environmental impact since June 2019; removing products in plastic PET bottles with a high environmental impact from the vending machines installed in our offices; and switching the material for clear files used within and outside the company to recycled PP.</p>

<p>Formulation of Policies, etc. on Provision of Information to Stakeholders</p>	<p>The information disclosure policy is posted on the company's Investor Relations website.</p> <p>The URL of the said website is:</p> <p>https://ir.jac-recruitment.jp/en/investors/disclosure.html</p>
<p>Other</p>	<p>_____</p>

IV. Matters Concerning the Internal Control System

1. Basic Views on Internal Control System and Status of Development

In accordance with the Companies Act and the Enforcement Regulations of the Companies Act, the Board of Directors resolved the following Basic Policy for Establishing and Organizing an Internal Control System, as well as matters necessary for the development of the system.

We strive to build an excellent internal control system by continuously monitoring and constantly reviewing the operation of our internal controls.

1.A system to ensure that the execution of duties by the directors and employees of the Company, as well as the directors, executive officers, members who execute the business, persons who are to perform the duties set forth in Article 598 Paragraph 1 of the Companies Act, and other persons equivalent thereto (hereinafter referred to as "Directors, etc.") and employees of the Company's subsidiaries comply with laws and regulations and the articles of incorporation

(1) The Code of Ethics shall be established to ensure that directors, officers and employees of the Company and its subsidiaries (hereinafter referred to as the "Company Group") are fully aware of their corporate social responsibilities, comply with laws and regulations and the articles of incorporation in the performance of their day-to-day management and business activities, and conduct themselves in conformity with social ethics.

Directors, officers and employees who serve in management duties of the Company Group are aware that their role is to realize the spirit of the Code of Ethics, and are committed to taking the initiative in putting this code in mind and ensuring that all concerned parties are fully aware of it.

(2) The Company shall establish policies and plans for the development of the internal control system as a company with an audit and supervisory committee.

(3) The Company shall establish the board of independent officers as an advisory body to the board of directors from an independent and objective standpoint.

(4) In the event a director of the Company Group discovers a violation or an act that is likely to become a violation of the laws and regulations or the articles of incorporation by another director, such director shall immediately report such violation to the audit and supervisory committee member appointed by the audit and supervisory committee (hereinafter referred to as "appointed committee member") and the board of directors.

(5) The Company's department in charge of compliance shall endeavour to establish the management of the Company Group's compliance system. In addition, each of the Company Group's companies shall manage its system.

(6) The Company shall establish an internal audit office, under the direct control of the audit and supervisory committee, which verifies, evaluates and advice whether the internal controls are effectively and efficiently functioned and operated. The appointed committee member and the internal audit office shall conduct audits on a regular basis or as the situation requires.

(7) The Company Group shall work with lawyers and police to respond systematically, and in a resolute manner, to anti-social forces and organizations that pose a threat to the order and safety of civil society.

(8) In accordance with the Whistleblower Protection Act, the Company Group shall establish the

whistleblower protection system to establish a mechanism for the proper handling of reports and consultations concerning systematic or personal violations of laws and regulations from our and domestic subsidiaries' officers, employees (permanent employees, contract employees, part-time employees, dispatched employees, etc.) and retirees.

In addition, as a person engaged in Whistleblower Response Services, the Company shall designate persons engaged in Whistleblower Response Services, including a full-time member who is appointed committee member. Foreign subsidiaries shall comply with the Rules for Internal Reporting in accordance with the laws and regulations of each country.

(9) The Company Group shall establish an internal system to ensure compliance with accounting standards and other relevant laws and regulations and to ensure the legality and appropriateness of financial reporting.

2. System for the preservation and management of information related to the execution of duties by the Company's directors

(1) The Company shall establish document management regulations that provide for the preservation and management, etc. of information pertaining to the execution of duties by directors, such as records pertaining to decision-making at important meetings including the board of directors meeting and documents approved by each director in accordance with the administrative authority regulations and shall organize an appropriate system for the preservation and management of information.

3. Regulations and other systems for managing the risk of loss for the Company Group

(1) The Company Group recognizes that the identification, assessment, and management of risks that may have a significant impact on corporate management and business continuity are important issues, and to properly manage these issues, each executive director shall establish and organize systems to manage risks, and establish regulations, rules and guidelines, etc. in accordance with the content of the risks.

(2) The Company Group conducts training and enlightenment for directors, officers and employees on risks that have a significant impact on corporate management and business continuity (information security management, protection of personal information, etc.), and spread awareness about and promotes mindset for matters related to risk management.

(3) In order to appropriately manage the risk of loss to subsidiaries, the Company shall establish the subsidiary management regulations and conduct risk management of subsidiaries in accordance with said regulations.

(4) In order to understand the actual status of the Company Group's operations and assets, as well as the envisaged risks and their management, and to ensure management efficiency, and based on the audit plan of the audit and supervisory committee's and the established internal audit regulations, the internal audit office shall audit the status of risk management and evaluate the effectiveness of each of the Company Group's companies, report to the audit and supervisory committee and the board of directors. The Company Group shall organize a system for taking improvement measures.

4. System to ensure the efficient execution of duties by the directors of the Company and the Directors, etc. of the Company's subsidiaries

(1) Each company in the Company Group shall establish organizational rules, administrative authority rules, and a list of administrative authority to clarify the execution of duties and administrative authority of the boards of directors, etc. of each company and to ensure the efficiency of execution.

(2) In order to ensure the efficient execution of duties by directors, the Company Group shall hold the Board of Directors meetings and the management report meetings in each company once a month in principle, and extraordinary meetings shall be held whenever necessary.

In addition, progress toward annual targets, etc. will be periodically verified through performance reports at the Board of Directors meeting.

(3) The Company shall regularly hold executive meetings with the members composed of each director in charge of operations and associate directors for the purposes of disseminating management strategies as well as timely and appropriately reporting the status of each department.

5. System for reporting to the Company any matters related to the execution of duties by Directors, etc. of the Company's subsidiaries and other systems for ensuring the appropriateness of the business operations of the Company Group.

(1) In order to ensure the appropriateness of the Company Group business operations, the Code of Ethics shall be established, which applies to all companies of the Company Group, and each company shall stipulate its regulations.

(2) In order to ensure the proper and efficient operation of the Company's subsidiaries, the Company shall establish the subsidiary management regulations and manage subsidiaries in accordance with said regulations.

(3) The Company Group shall hold regular liaison meetings to share information, communicate with each other, and unify the group management policies among the group. At the same time, we dispatch officers to our subsidiaries as necessary.

(4) Internal Audit Office shall conduct internal audits of subsidiaries in cooperation with the Audit & Supervisory Board Member(s) of subsidiaries as appropriate and reports the results of such audits to the Audit & Supervisory Committee.

6. Matters related to directors and employees who assist the audit and supervisory committee (hereinafter referred to as "Duty Assisting Employees, etc.")

(1) In the event that the audit and supervisory committee requests that Duty Assisting Employees, etc. be appointed to assist in the performance of its duties, the Duty Assisting Employees, etc. shall, upon discussion with the board of directors, be appointed to assist the audit and supervisory committee in the performance of its duties.

7. Matters ensuring the independence of Assisting Employees, etc. from the Company's other directors (excluding directors who are audit and supervisory committee members) and the practicability of instructions given to Duty Assisting Employees, etc. by the Company's audit and supervisory committee

(1) Duty Assisting Employees, etc. shall not concurrently serve as an employee of another department nor shall be directed or ordered by a person other than the directors who are audit and supervisory committee members (hereinafter referred to as an "audit and supervisory committee member").

(2) During the period of assistance designated by the audit and supervisory committee, the authority of direction and supervision, personnel transfer, personnel evaluation, etc. towards Duty Assisting Employees, etc. shall be transferred to appointed committee member designated by the audit and supervisory committee, and the Duty Assisting Employees, etc. shall not be subject to the instructions and orders of directors who are not audit and supervisory committee members, thereby ensuring the independence of, and the practicability of instructions towards, Duty Assisting Employees, etc.

8. System for the directors (excluding directors who are audit and supervisory committee members) and employees of the Company as well as Directors, etc. and other persons equivalent thereto and employees of the Company's subsidiaries, or persons receiving reports from such persons, to report to the audit and supervisory committee of the Company, as well as other systems related to reports to the audit and supervisory committee of the Company

(1) The Company Group's directors (excluding directors who are the Company's audit and supervisory committee member) and directors in charge of business execution shall, from time to time, report on the status of the business execution for which they are in charge at important meetings such as the board of directors meeting attended by the audit and supervisory committee member.

If requested by the audit and supervisory committee, they shall attend the committee and report the matters which the committee requests, etc.

(2) All employees of the Company Group shall immediately report to the appointed committee member upon discovering any other fact that may cause serious damage to the Company Group such as any violation of laws and regulations.

(3) The status of whistleblowing under the whistleblowing system shall be reported promptly to the appointed committee member.

(4) The Company Group shall prohibit any employees of the Company Group who has reported to the audit and supervisory committee from being treated disadvantageously on the grounds of making such report, and shall ensure that all employees of the Company Group are fully aware of such prohibition.

9. Matters concerning the procedures for advance payment or reimbursement of expenses or any other policy concerning the disposal of expenses or liabilities arising from the execution of the duties of our Audit and Supervisory Committee Members (limited to those relating to the execution of the duties of the Audit and Supervisory Committee)

(1) Where an Audit and Supervisory Committee Member demands prepayment of expenses or reimbursement

of expenses from the Company for the performance of their duties, the Company may not promptly dispose of such expenses or liabilities or refuse such reimbursement, except in cases where it is found that the expenses relating to such demand are not necessary for the performance of the duties of the Audit and Supervisory Committee Member.

10. Other systems to ensure effective audits by the Company's audit and supervisory committee

(1) Directors (excluding directors who are the Company's audit and supervisory committee member) and employees of the Company Group shall cooperate in the implementation of audits based on the audit plan prepared by the audit and supervisory committee every fiscal year.

(2) The Company's representative director shall meet and exchange opinions with the appointed committee member or audit and supervisory committee on a regular basis or at the request of the audit and supervisory committee.

(3) In order to improve the effectiveness of audits by the Audit and Supervisory Committee and to conduct audits efficiently and smoothly, Internal Audit Office shall perform auditing operations in accordance with the instructions and orders of the Audit and Supervisory Committee. The Internal Audit Office personnel shall be subject to Section 7 above.

(4) Internal Audit Office shall report the results of the audit to the Audit and Supervisory Committee. The Audit and Supervisory Committee shall report the results of audits by the Internal Audit Office to the Board of Directors.

(5) Decisions on the appointment or transfer of Internal Audit Office personnel shall be subject to the consent of the Audit and Supervisory Committee.

(6) The Audit and Supervisory Committee shall regularly hold exchanges of opinions with accounting auditors to strengthen cooperation. Audit and supervisory committee shall seek the opinions of outside experts as necessary.

2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development

• Basic approach to eliminating Anti-Social Forces

In accordance with the 'Code of Ethics' and the Basic Policy for Establishing and Organizing an Internal Control System, the Company is deeply aware of its corporate social responsibility and has a basic policy of complying with relevant laws and regulations and practicing behaviour in conformity with social ethics in its daily management and execution of business activities. The company is also working to eliminate relations with anti-social forces and groups that threaten the order and safety of civil society by taking a resolute and systematic approach in cooperation with lawyers, police, and other authorities.

• Status of measures to eliminate Anti-Social Forces

Regarding the elimination of relations with Anti-Social Forces, from the viewpoint that it is important to raise employee awareness in accordance with laws, regulations and corporate ethics, internal training is provided on the above-mentioned 'Code of Ethics' and 'Transaction Guidelines' formulated in accordance with the 'Basic Policy for the Establishment of Internal Control Systems', and efforts are made to eliminate relations

with Anti-Social Forces. In addition, regarding business partners, the Company conducts examinations in cooperation with public interest incorporated associations and the Special Anti-Violence Prevention and Countermeasures Federation within the jurisdiction of the Metropolitan Police Department, etc. In actual transactions, contracts, application forms and memoranda containing the elimination of Anti-Social Forces are exchanged and immediate termination is possible in the event of any violation.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures

Not Adopted

Supplementary Explanation for Applicable Items

2. Other Matters Concerning the Corporate Governance System

■ Overview of the timely disclosure system

• Basic approach to timely disclosure

The company discloses information in an appropriate and timely manner in accordance with the "Timely Disclosure Rules" established by the Tokyo Stock Exchange, the provisions of the Companies Act, the Financial Instruments and Exchange Act and other relevant laws and statutory regulations. We also act pro-actively to disclose material information that may impact the investment decisions of our investors in a prompt and impartial manner.

• Status of internal systems for timely disclosure

(1) Aggregation of information

A system has been established whereby the aggregation of information that corresponds or may correspond to corporate information that must be disclosed under the Timely Disclosure Rules is promptly communicated directly from each department to the Chairman and Managing Director and the director in charge of information disclosure.

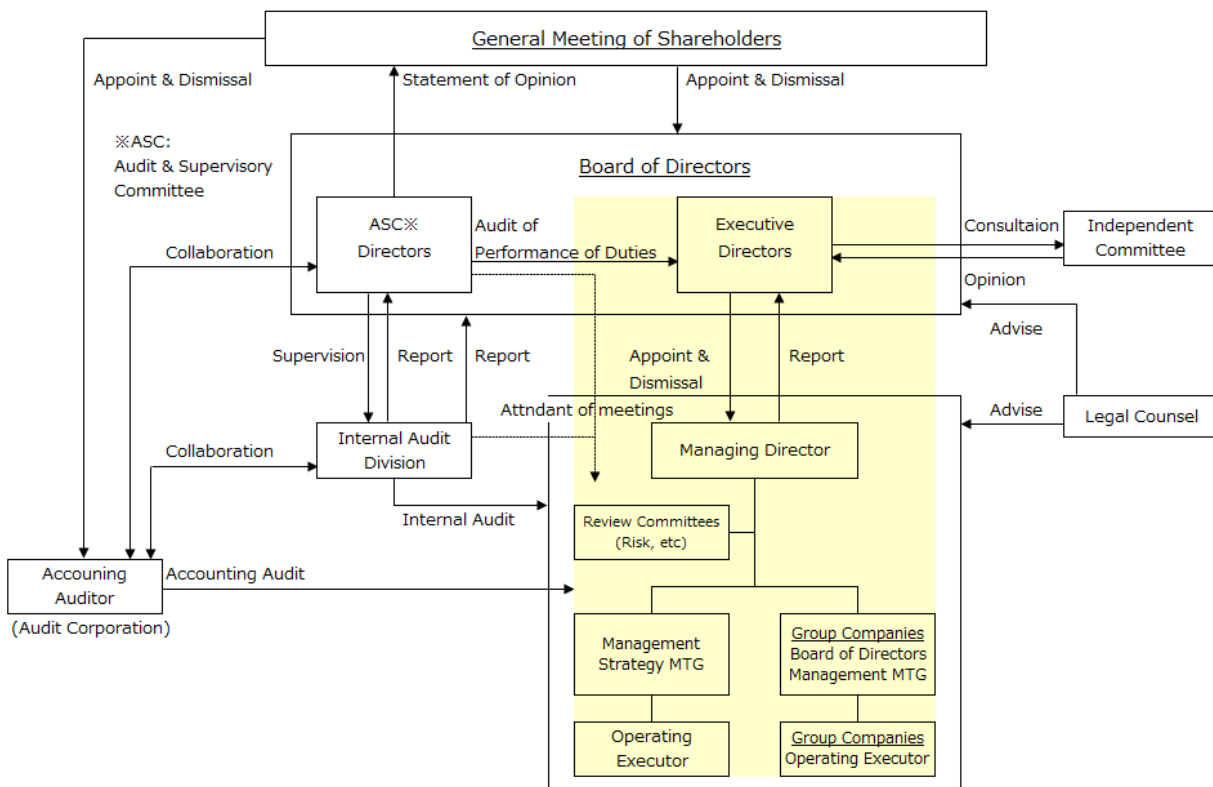
(2) Determination and implementation of information disclosure

• Timely disclosure information is disclosed in accordance with the Timely Disclosure Rules of the Tokyo Stock Exchange.

• Information on decision-making facts and information on financial results is promptly disclosed by the director in charge of information disclosure after a resolution by the Board of Directors.

• The Chairman and Managing Director and the director in charge of information disclosure will decide whether or not timely disclosure is necessary and will promptly disclose the information concerning the occurrence.

• Timely disclosure information determined in accordance with the above methods is disclosed as quickly and extensively as possible by IR staff under the direction of the director in charge of information disclosure. If there are any enquiries from outside the company regarding such information, we will respond to them in good faith to the extent that timeliness and fairness are not compromised. After the announcement, the disclosure material will be disclosed on the company's website without delay.



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