

Year ended December 31, 2023  
**Financial Results & Strategy**  
**Briefing Materials**

JAC Recruitment Co., Ltd

February 21, 2024

# Today's key points

## 1. Consolidated financial results for the full year to 31 December 2023

- Both sales and net profit were largely in line with the revised plan and reached record highs.
- The dividend is expected to be JPY90 per share, an increase of JPY10 per share on the previous year (as announced in November).

## 2. Medium-Term Management Plan and Capital Policy

- For the period 2024-2026, the company aims for annual growth of approximately 15%. For FY2024, sales are forecast to increase by 16% to JPY40bn and net profit after tax by 14% to JPY6.8 billion.
- In principle, shareholder returns will be based on dividends, with a payout ratio of 60%-65% and a stable trend of increasing dividends. In FY2024, dividends are forecast to increase by JPY +3.5 to JPY26 (JPY +14 to JPY104 on a pre-split basis).

## 3. Longer-Term Management Strategy

- Aiming to be the world's No. 1 in quality and revenue by 2030, against the backdrop of Japan's job market, which is expected to continue to expand.
- Secure the number of consultants and strengthen management capabilities to further strengthen account management across the Group. Strengthen initiatives in the executive and financial fields, and reinforce and expand regional offices.
- In order to achieve sustainable growth, the company will also address climate change, promote human capital management and strengthen governance.

# **1. FY2023 Financial Highlights**

# JAC Group results FY2023

Sales rose slightly below plan by 13.3% to JPY34.47bn, while net profit rose by 18.9% to JPY5.97bn, in line with the revised plan announced in November. Both figures are **record highs**, as they were in the previous year.

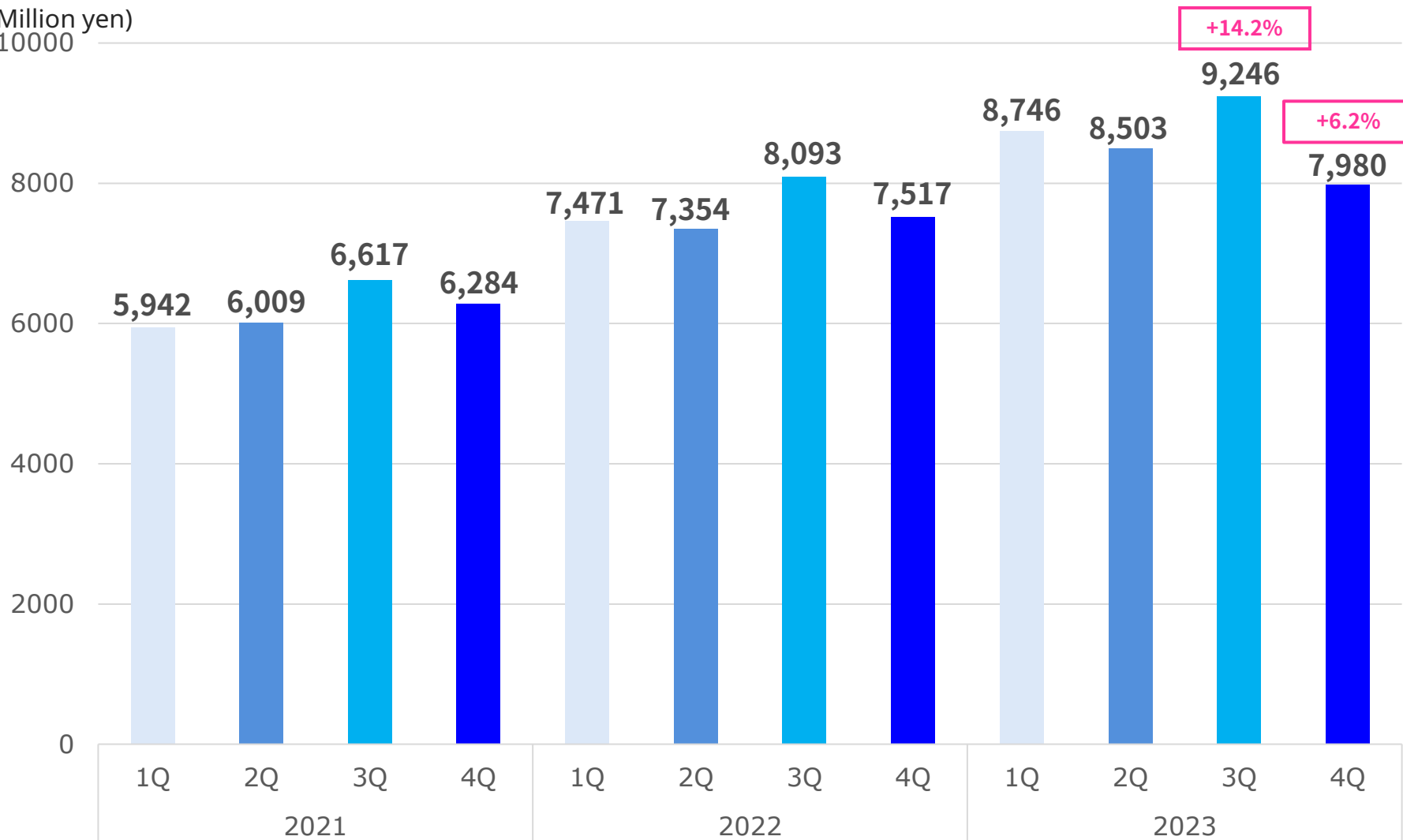
(Million yen)

	FY2022	FY2023	Change in pct.	Versus Forecast	
				1 <sup>st</sup> Half	Full Year
Revenue	<b>30,435</b>	<b>34,475</b>	+13.3%	94.1%	99.6%
Gross Profit	<b>28,043</b>	<b>31,821</b>	+13.5%	96.1%	99.8%
EBITDA	<b>7,607</b>	<b>8,875</b>	+16.7%	-	-
EBITDA Margin	<b>25.0%</b>	<b>25.7%</b>	+0.7pt	-	-
Ordinary Income	<b>7,052</b>	<b>8,209</b>	+16.4%	105.5%	102.0%
Profit attributable to owners of parent	<b>5,029</b>	<b>5,978</b>	+18.9%	110.4%	104.0%

# Quarterly comparison of company-wide sales

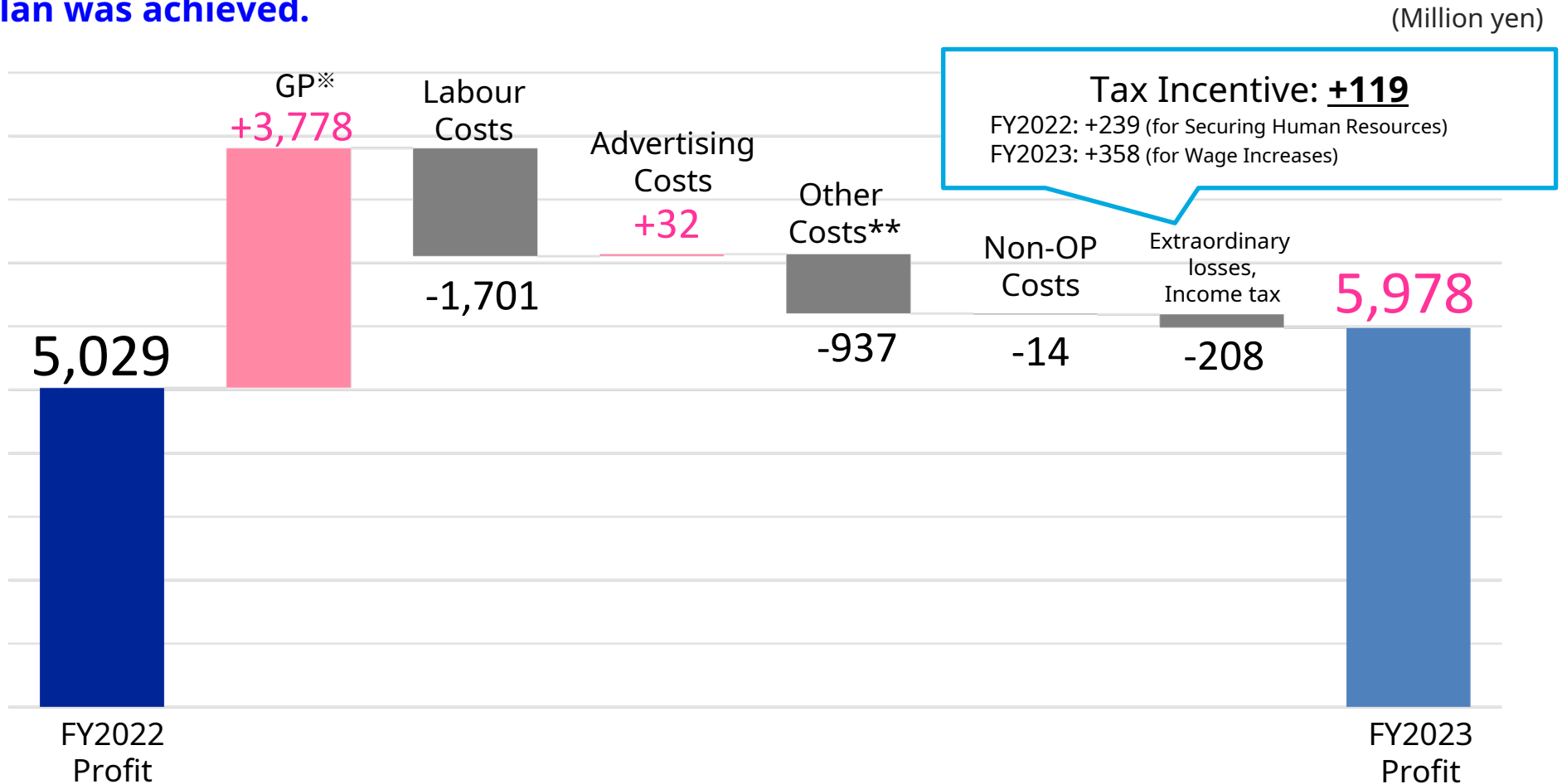
Company-wide sales **increased year-on-year** in both 3Q and 4Q.

(Million yen)  
10000



# Factors contributing to the change in net profit YOY

Staff costs increased due to steady recruitment of consultants, but thanks to controlling advertising costs and the application of a tax incentive to promote wage increases, the plan was achieved.



※GP: Gross Profit

\*\*Expanding Offices, etc.

# Full year 2023 Results by segment

Domestic recruitment continued to achieve **record sales and profits**, as in the previous year.

(Million yen, %)

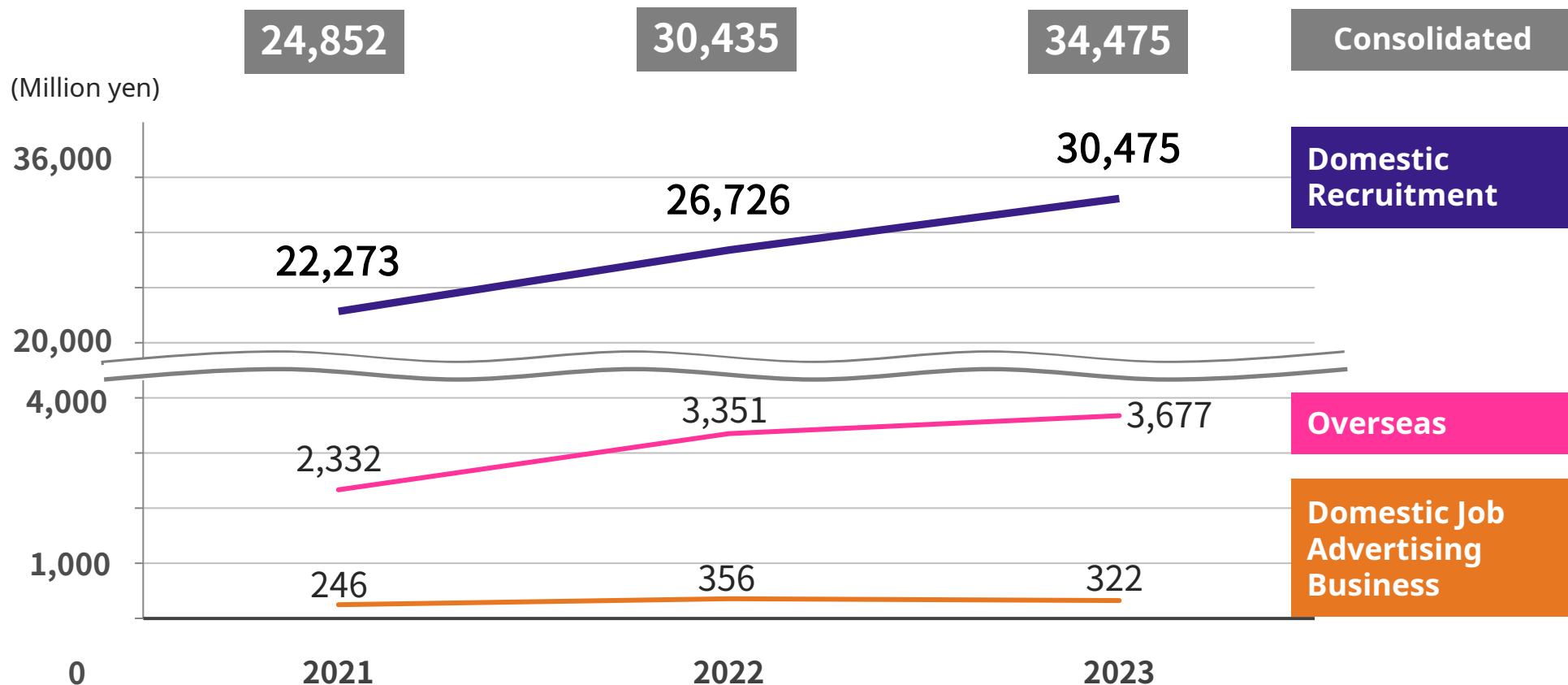
Segment revenue	FY2022	FY2023	Change
Domestic Recruitment Business	<b>26,726</b>	<b>30,475</b>	+14.0%
Overseas Business	<b>3,351</b>	<b>3,677</b>	+9.7%
Domestic Job Advertising Business	<b>356</b>	<b>322</b>	(9.7%)

Segment profit (loss)	FY2022	FY2023	Change
Domestic Recruitment Business	<b>6,872</b>	<b>8,097</b>	+17.8%
Overseas Business	<b>95</b>	<b>76</b>	(19.8%)
Domestic Job Advertising Business	<b>43</b>	<b>33</b>	(22.6%)

# Comparison of sales performance by segment

Domestic job adverts decline year-on-year, but domestic recruitment and overseas sales **continue to increase**.





# Overview and initiatives in 2023

## Domestic Recruitment Business

- Against a background of structural labour shortages, demand for job vacancies among Japanese companies in general is at historically high levels.
- On the other hand, US-based IT and consulting companies and some major Japanese IT companies continue to curb employee recruitment from autumn 2022.
- The decline in job vacancies in the above-mentioned groups of companies has affected our IT-related divisions, resulting in lower-than-planned sales.
- Profits are higher than planned as a result of BPR of business processes and cost reductions.
- With future business growth in mind, the number of consultants has been increased as planned at the beginning of the year.
- At the same time, the number of Associate Directors and Division Managers levels has been increased to strengthen the organisation.

## Overseas Business

- Strong performance in Europe and the US, with new sites in Munich (Germany), Los Angeles, Charlotte (US), and NYC (US) in January 2024.
- Our office in Hong Kong which was underperforming was closed in September and sales activities in China were terminated.
- Reviewed cost structure, including labour costs, and worked on transformation to a highly profitable structure.

## Domestic Job Advertising Business

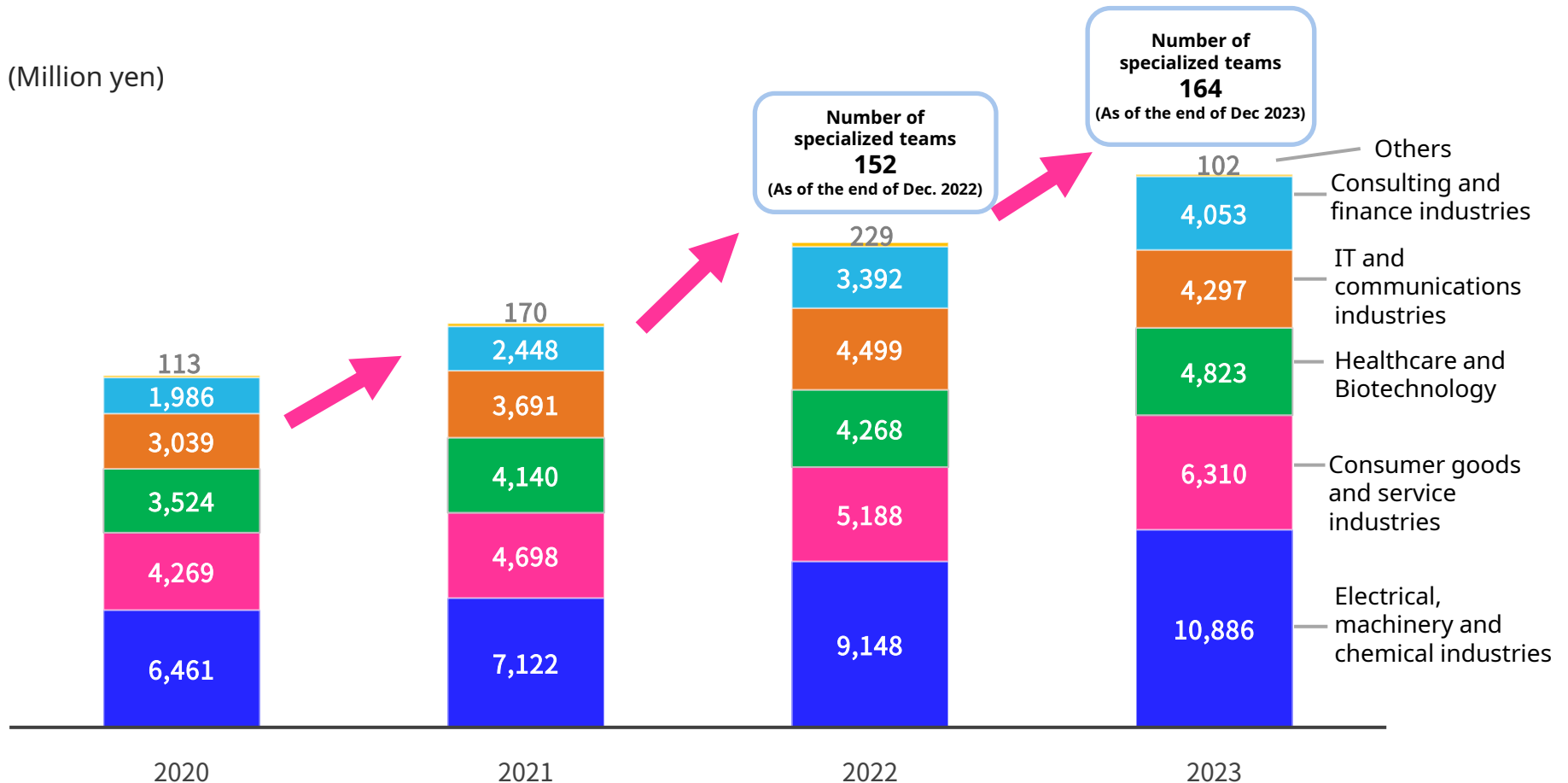
- Sales and profits down year-on-year due to prolonged curbs on recruitment by foreign companies.
- Aiming for recovery by focusing on sales activities for direct recruitment by client companies.

# Domestic recruitment business sales by sector

Although the IT industry is down compared to last year due to hiring restraint at some clients, other industries are **up between 13% and 22%** compared to last year.

Sales by Industry (Domestic Recruitment Consulting Services ※)

(Million yen)



※JAC Recruitment + JAC International + VantagePoint

# End of year 2023 Balance sheet summary

Capital adequacy ratio of **73.2%**; high financial stability continues.

(Million yen, %)

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

# End of FY2023 Cash Flows

**It is our Management policy to use cash reserves for future business investment, dividends and to maintain employment (retention) during recessionary periods.**

(Million yen)

	FY2022	FY2023
Cash flows from operating activities	5,913	<b>7,087</b>
Cash flows from investing activities	(944)	<b>(461)</b>
Cash flows from financing activities	(3,174)	<b>(4,838)</b>
Cash and cash equivalents at end of period	14,879	<b>16,767</b>

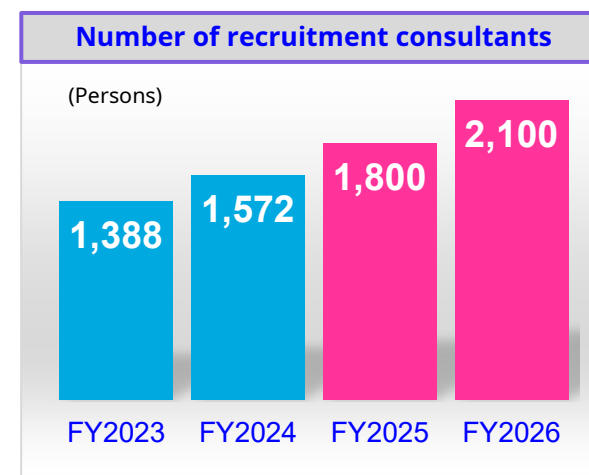
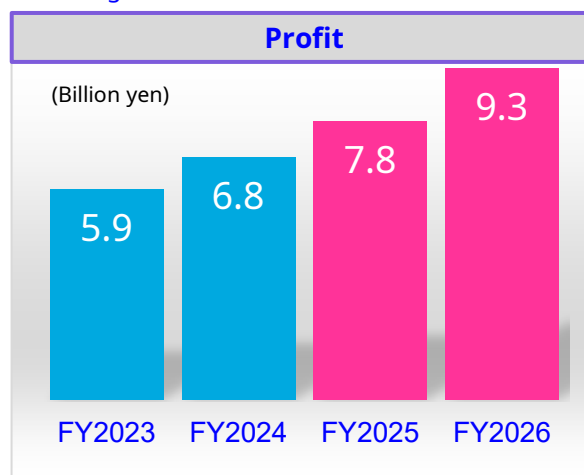
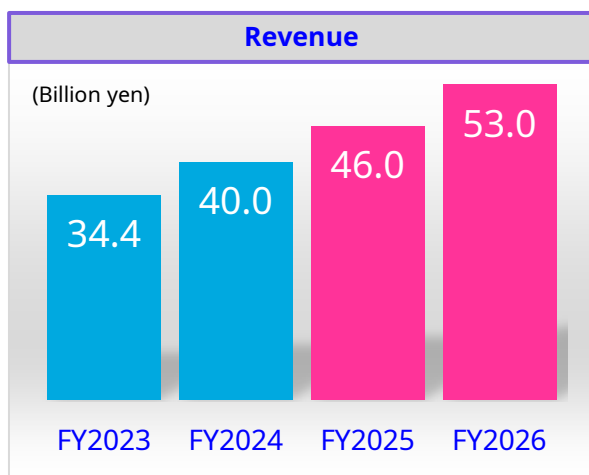
## **2. Medium-Term Management Plan and Capital Policy**

# Medium-Term Management Plan (1) Financial Indicators

Aiming for annual growth of approximately **15%** to achieve the world's No. 1 position by 2030.

(Billion yen, %, persons)	2023 (Actual)	2024 (Forecast)	2025 Goals	2026 Goals
Revenue	34.4	40.0 (+16%)	46.0 (+15%)	53.0 (+15%)
Operating margin	23.8%	23.6%	23.6%	24.5%
Profit attributable to shareholders of the parent company	5.9	6.8 (+14%)	7.8 (+15%)	9.3 (+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 Domestic Recruitment Business and Overseas Business.



# Medium-Term Management Plan (2) Non-Financial Targets

## E Climate Change Indicators

	2023 Actual	(YoY)	Target for 2030
GHG net emissions (Scope 1-3 sum)	2,953t	(323t)	Zero

## G Board Diversity Indicators

	2023 Actual	(YoY)	Target for 2030
Ratio of Women Directors	18%	+9pt	30%

## S Human capital management

Target for 2025
Acquisition of ISO 30414

## Diversity Related Indicators

	2023 Actual	(YoY)	Prematurely
Percentage of female managerial staff	22%	+1pt	40%

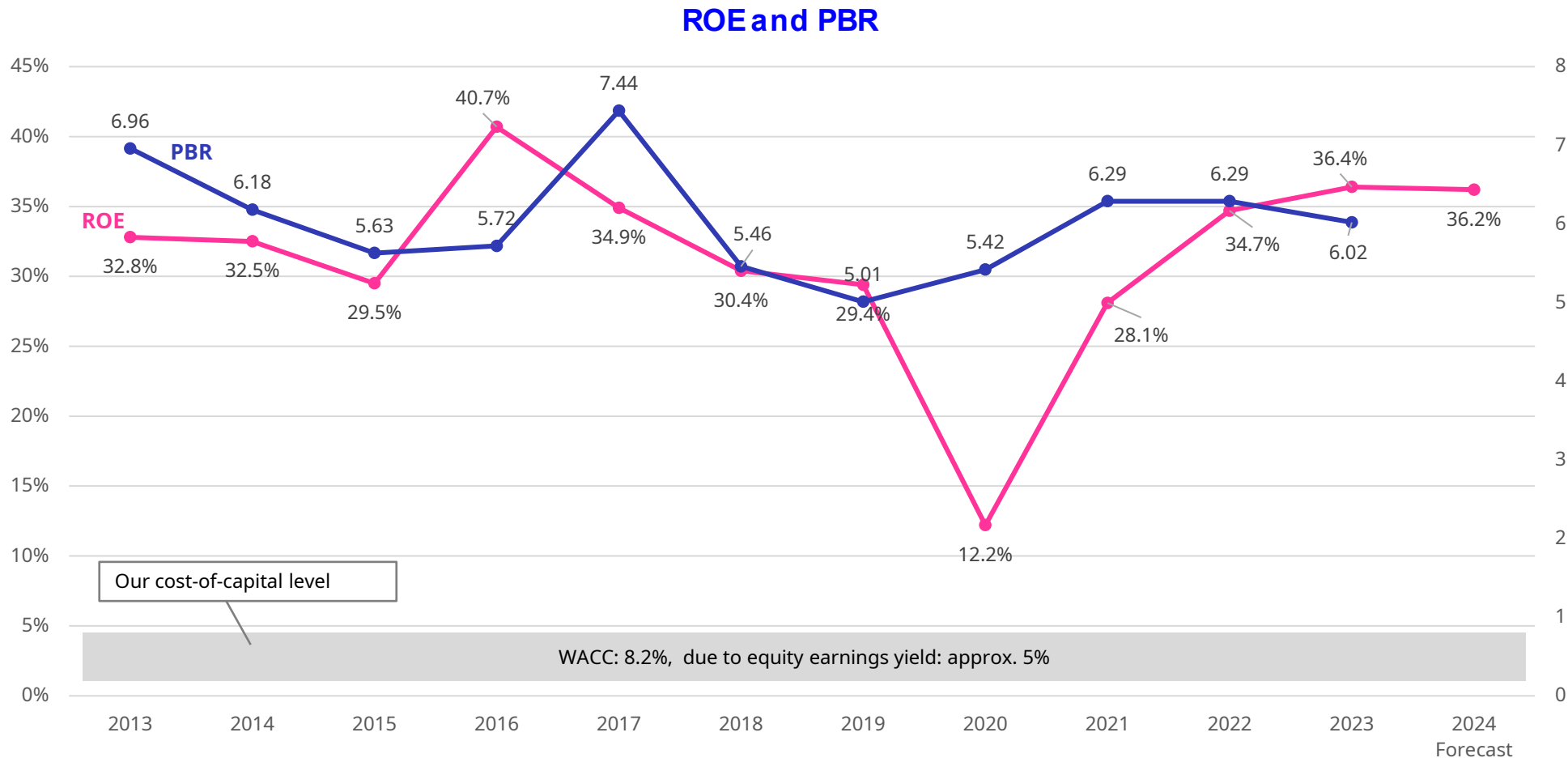
※As of the end of January 2024

Health and Productivity Management Indicators	2023 Actual	(YoY)	Target for 2025
Health checkup rate <b>Achieved</b>	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	28.0%	+0.7pt	30% or more
Percentage of employees with medical checkups	26.0%	(1.0pt)	20%
Paid Leave and Number of days of special summer leave taken <b>Achieved</b>	11.4 days	+0.86 days	11 days

※The rate of specific health guidance implementation is the results from April 2022 to March 2023.

# Cost-of-capital and ROE

Compared to a **cost of capital of 8.2%**, the ROE for the past 10 years has always been significantly higher than this, and the P/B ratio has been consistently above 5x. The company will continue to maintain high capital efficiency.





# About Dividends

Shareholder returns are regarded as a key management issue and are mainly implemented through dividends, judging the balance between investment and returns from time to time.

## Dividend Policy

Dividend payout ratio targeted at 60%-65%.

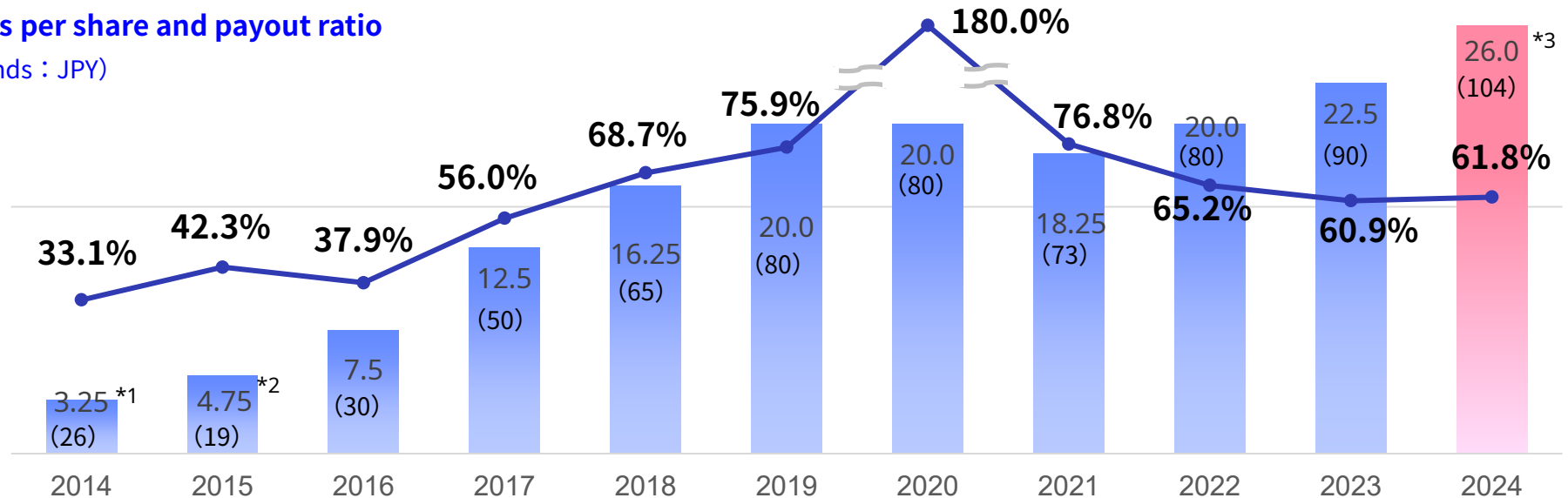
Maintain a steady trend of increasing dividends in line with profit growth.

(Dividends : JPY)

	Dividend of FY2023		Dividend of FY2024(Forecast)	
				dividend amount increase
DPS (Before the split)	90	104		+14
(After the split)	22.5	26		+3.5

## Dividends per share and payout ratio

(Dividends : JPY)



\*1: Dividends per share from FY2014 to FY2023 was retroactively adjusted to reflect stock splits.

\*2: Calculations for the payout ratios from FY2015 onward 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.

# Business investment policy

The Company's policy is to focus on highly reliable, highly profitable businesses and minimize risk-taking when investing in businesses.

## Business Investment Standard

- Investment efficiency well in excess of the hurdle rate set on the basis of the cost of capital (8.2%).
  - Targeting highly profitable businesses that can contribute to maintaining and improving profit levels in existing businesses.
- \*If it falls below the hurdle rate, withdraw from the market as needed if recovery is not expected in the next few years.

## Business investment target

Investment patterns:

- 1) System investment to improve business efficiency
- 2) Launch of new businesses within existing operating companies
- 3) M&A

Business Domains:

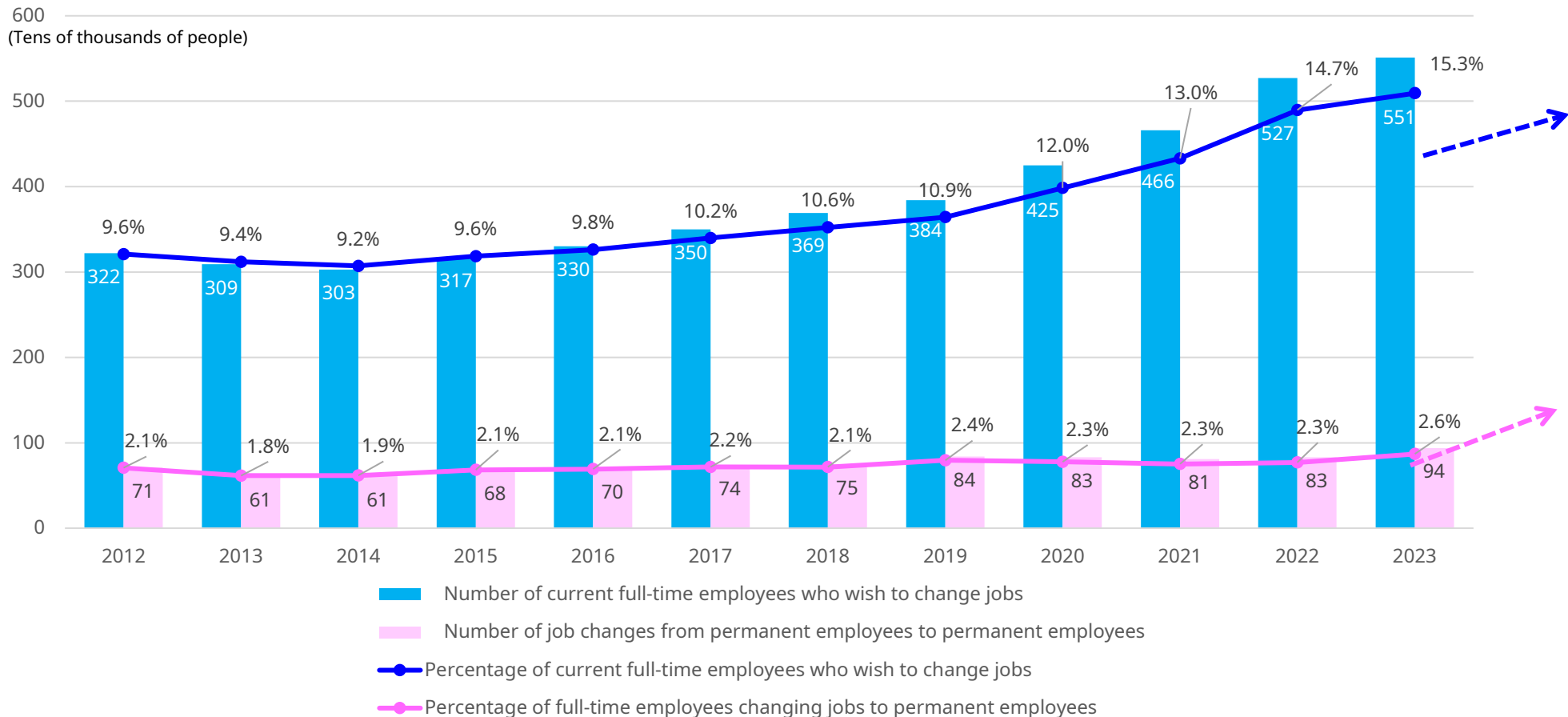
- 1) Recruitment consulting business: High-margin recruitment consulting services for regional or domain expansion
- 2) Domestic advertising business: Expansion of target domains and business areas
- 3) New business domains: recruitment consulting-related businesses, such as educational and consulting businesses

### **3. Management Strategy for Medium-to Long-Term Growth**

# Future Outlook for the Human Resources Market (1)

- Of the approximately 36 million full-time employees in Japan, the number of people who want to change jobs exceeded 5.5 million in 2023.
- On the other hand, the actual number of job changes is only 0.94million, and this difference is expected to lead to future growth.

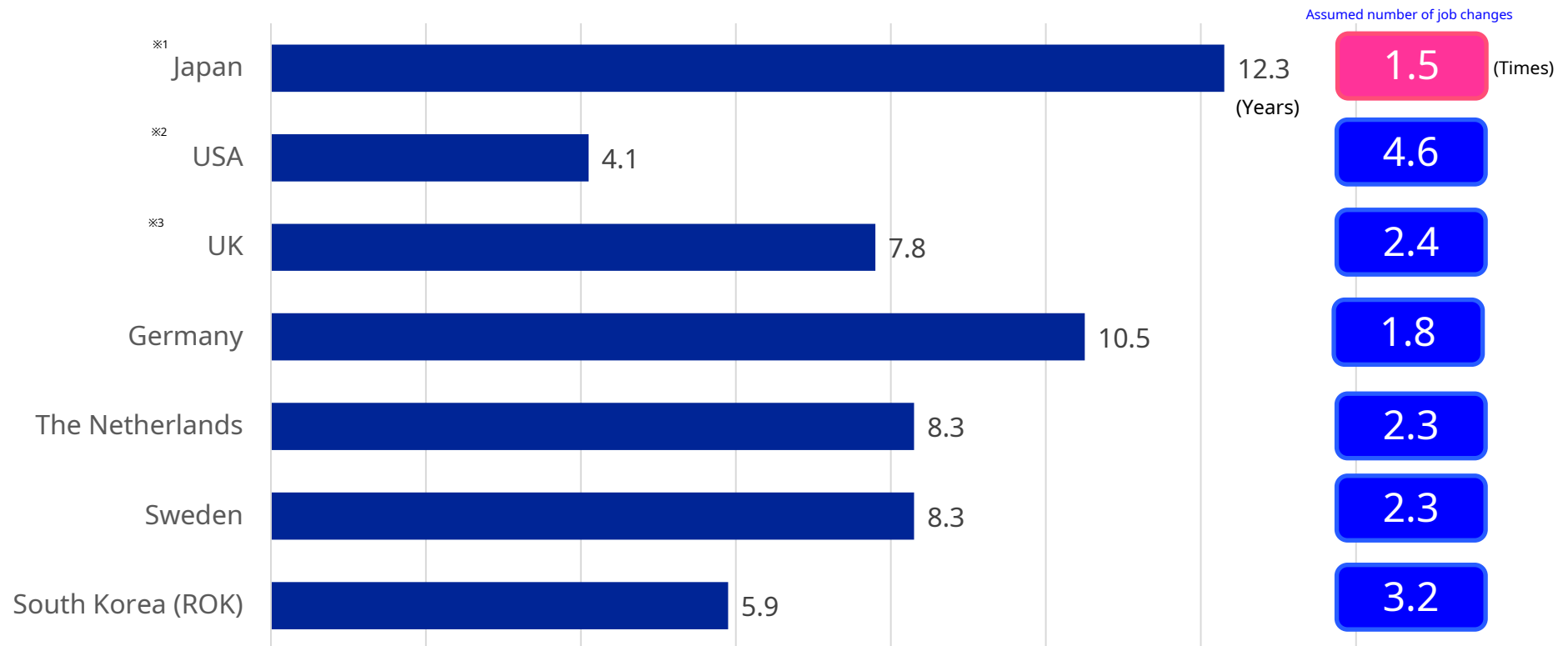
No. of full-time workers who wish to change jobs and actual No. of workers who do change jobs



# Outlook for the Human Resources Market (2)

- The expected number of job changes in a lifetime is 4.6 in the USA, compared to 1.5 in Japan, which is almost three times as many as in the rest of the world.
- The market in Japan is expected to expand as the mobility of human resources continues to increase and the level of mobility becomes comparable to that of other countries.

## International comparison of average years of employment in one company



Source: '2021 Basic Survey on the Structure of Funds' of the 2021 Basic Survey of Wage Structure, Ministry of Health, Labour and Welfare (March 2022).

USA (top): Federal Bureau of Labor Statistics (September BLS) (2022) Employee Tenure in 2022.

Others: OECD ([https://stats.oecd.org/\(Link\)](https://stats.oecd.org/(Link))) as of October of Employment by job tenure intervals" 2022.

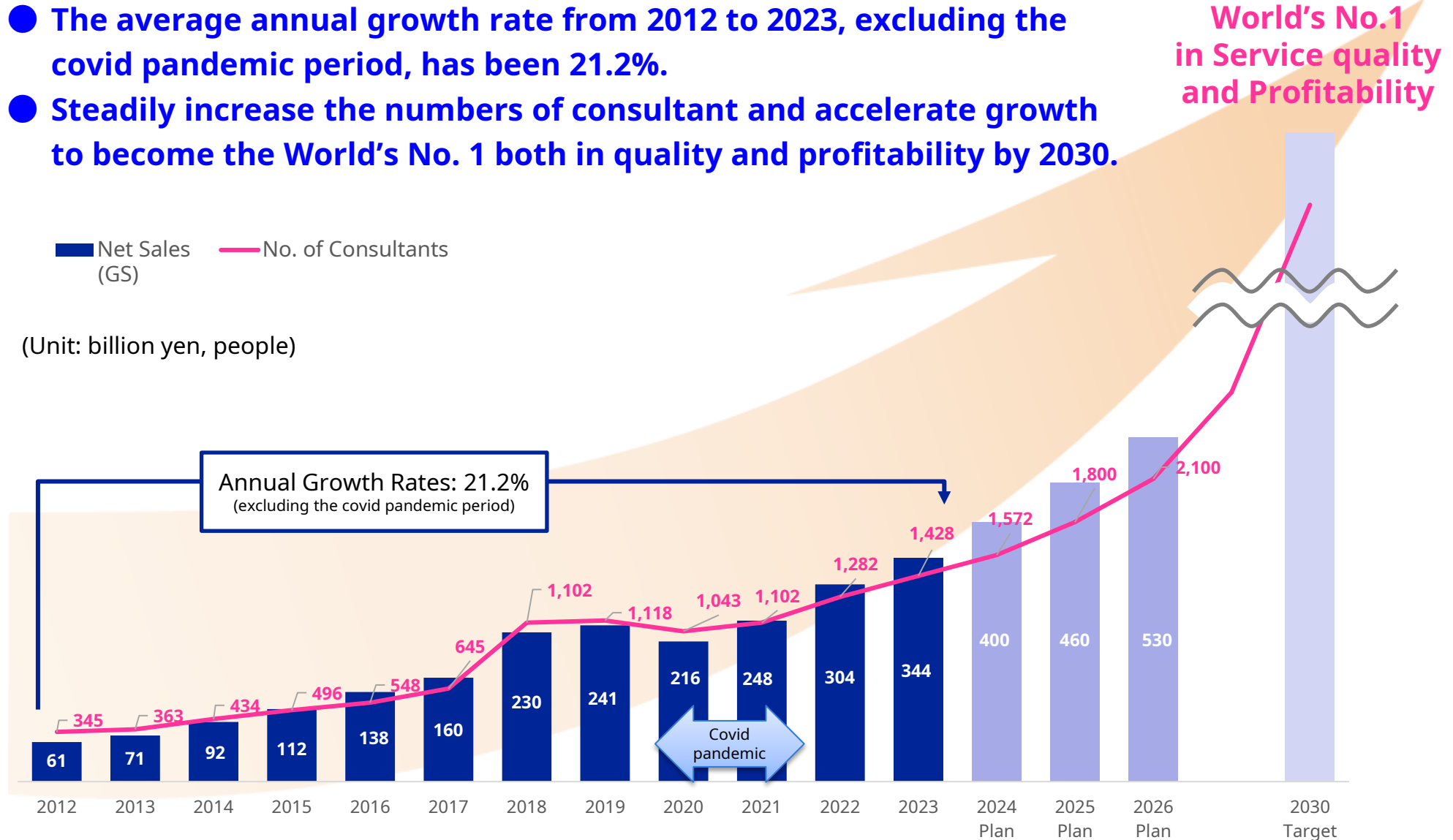
NOTE :U.S.: median, others: average years.

※1: As of the end of June 2021, regular workers at privately owned business establishments are covered. Excluding Part-Time Workers. Calculated by JILPT.

※2: As of January 2022. ※3: Figures for 2019. ※4: Assuming a lifetime working period of 38 years between the ages of 22 and 60.

# World's No.1 in Service quality and Profitability in 2030

- The average annual growth rate from 2012 to 2023, excluding the covid pandemic period, has been 21.2%.
- Steadily increase the numbers of consultant and accelerate growth to become the World's No. 1 both in quality and profitability by 2030.



※The number of recruitment consultants is the sum of the Domestic Recruitment Consulting Services and the Overseas Business. Results are the results at the end of each fiscal year. Forecasts and forecasts are the average for the fiscal year.

# Key Measures for Earnings Growth: Review of Fiscal 2023 and Initiatives in Fiscal 2024

## Securing and strengthening human capital

- 1 Increasing the number of consultants and expanding training programs
- 2 Strengthening management (recruitment and education)

## Selecting focus areas

- 3 Account Management to be further strengthened
- 4 Focus on growing markets and areas

## Enhanced margins

- 5 Streamlining through BPR (reducing cost of sales/improving business processes)
- 6 Improved profitability of overseas business

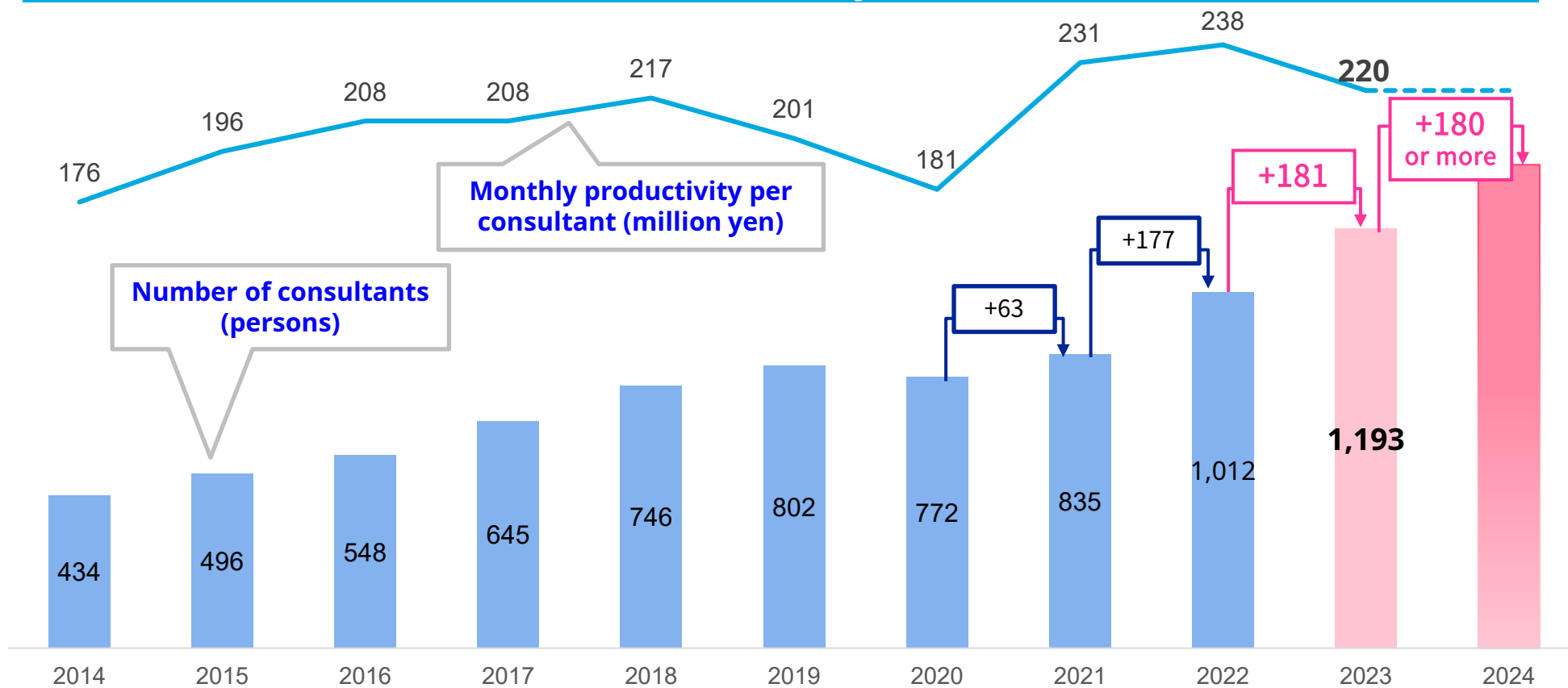
# 1. Securing and Strengthening Human Capital (1)

Increasing the number of consultants and expanding training programs ①

[FY2023] Consultant hiring was on plan (Target: 1,151 < Result : 1,193)

[FY2024] Continued significant increase in the number of consultants, as well as early development of the workforce through training.

## Number of Consultants and Productivity (Domestic Recruitment Consulting Services \*)



\* JAC Recruitment + JAC International + VantagePoint (2020 fiscal year and thereafter)



# 1. Securing and Strengthening Human Capital

## (1) Increasing the number of consultants and expanding training programs②

Steady improvement in sales performance of new graduates in their first year through training of consultants with JAC Standard Handbook as core material.

### Fiscal 2023 Initiatives

Group training using Handbook



Small class type training



Smooth Implementation at each workplace

### Action Plan for Fiscal 2024

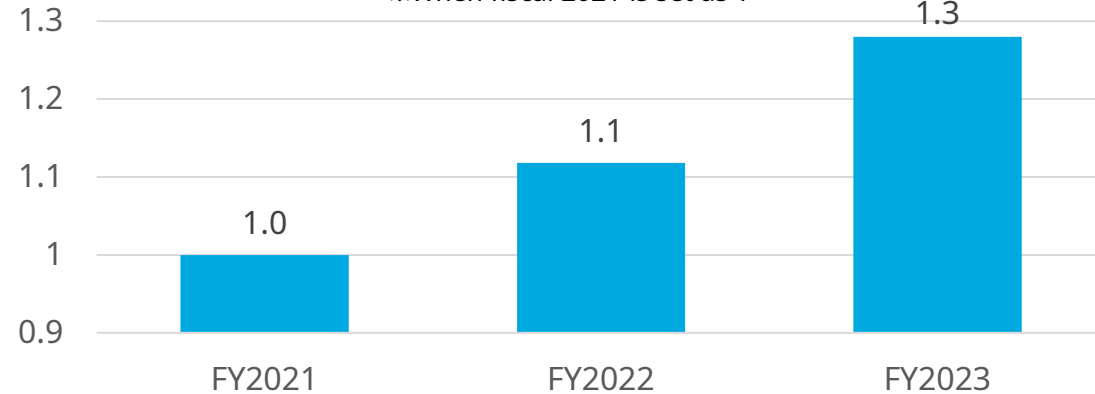
Support program for individual career development of all employees will start

- Established a team in charge in the Human Resources Division  
⇒ Career consultations and generous education
- Introduction of pulse survey  
⇒ Improving employee satisfaction and preventing employee turnover

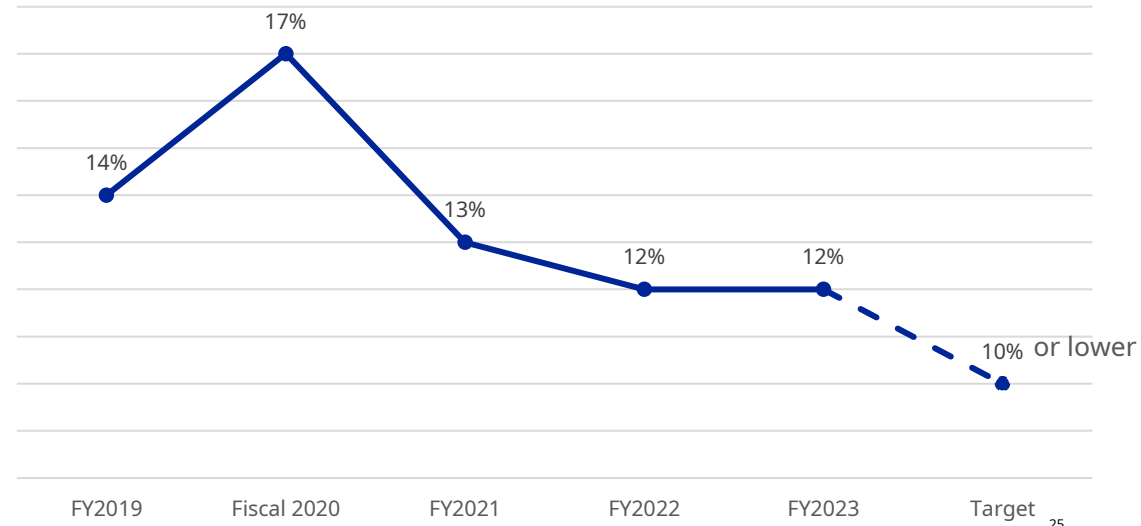
Target turnover rate of 10% or less

### Sales of New Graduates in the First Year

※When fiscal 2021 is set as 1



### Trends in turnover rate



## 2. Securing and Strengthening Human Capital (2) Strengthening Management

### Fiscal 2023 Initiatives

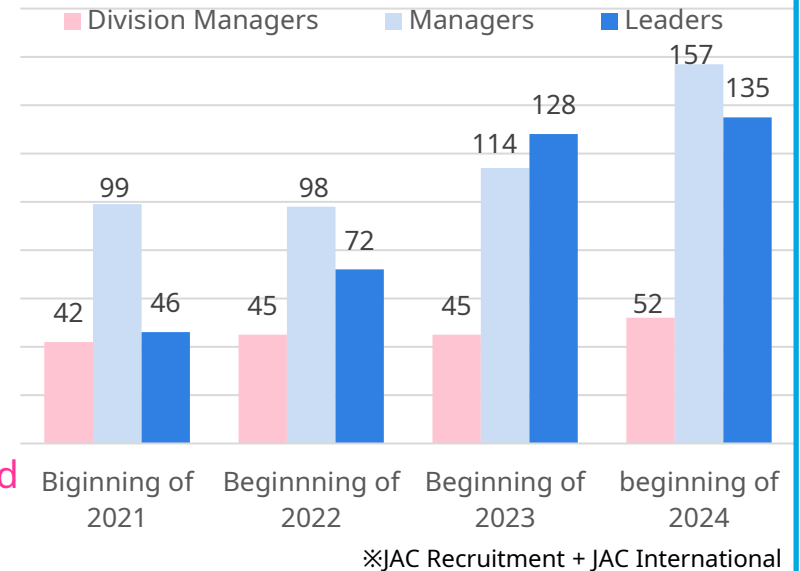
#### Strengthening the management structure

- Increased the number of Associate Directors in Sales by two, bringing the total to **seven**.
- **From one to four** executive officers in the middle and back offices.

#### Strengthening education for managers

- **Formulated “JAC Manager’s Standard Mission & Duty”** and conducted training for all managers and above employees
- **Conducted group training for Directors, Associate Directors, and General managers.**

#### Increase in the number of managers



### Action Plan for Fiscal 2024

#### Cultivation of managers

- Providing career development support and training tailored to each management layer (Associate Directors, Division/Branch Managers, Managers, Head of Subsidiary Companies).
- Recruitment and training of **future executive candidates**.

# 3. Selecting focus areas

## (1) Thorough promotion of Account Management

### Account Management (organisational management of business customers)

Cultivate and strengthen relationships with client companies through key persons.  
Build organizational relationships with client companies.

#### [Results for FY2023]

① Clients with more than 20 placements: **38% up**  
49 clients (2022) → **68 clients** (2023)

② Successful case: number of contracts at Japanese Company A  
15 (2021) → **43** (2022) → **78** (2023)

#### [Initiatives in FY2024]

- ① Promotion of Account Management 2.0  
⇒ Comprehensive support **throughout the JAC Group**
- ② Cultivation of **potential** large multiple contract companies  
⇒ Large (more than 2,000 employees) Japanese companies with less than 20 contracts with JAC Group  
**1,580 companies**

## Connect JAC



## 4. Selecting focus areas

### (2) Focus on Growing Markets and Areas (a) Executive

Growing markets / areas

Executive



**FY2023: Set up Executive Search Div. for retainer business**

⇒ Aimed to high class placement such as **CxO**

**FY2024: Reinforced and merged executive sections at HQ**

⇒ Aiming for positions with annual earnings over **20 mil. JPY**

FY2023  
(Achievement)

**2.3** bil. JPY



FY2024  
(Plan)

**3.5** bil. JPY

# 4. Selecting focus areas

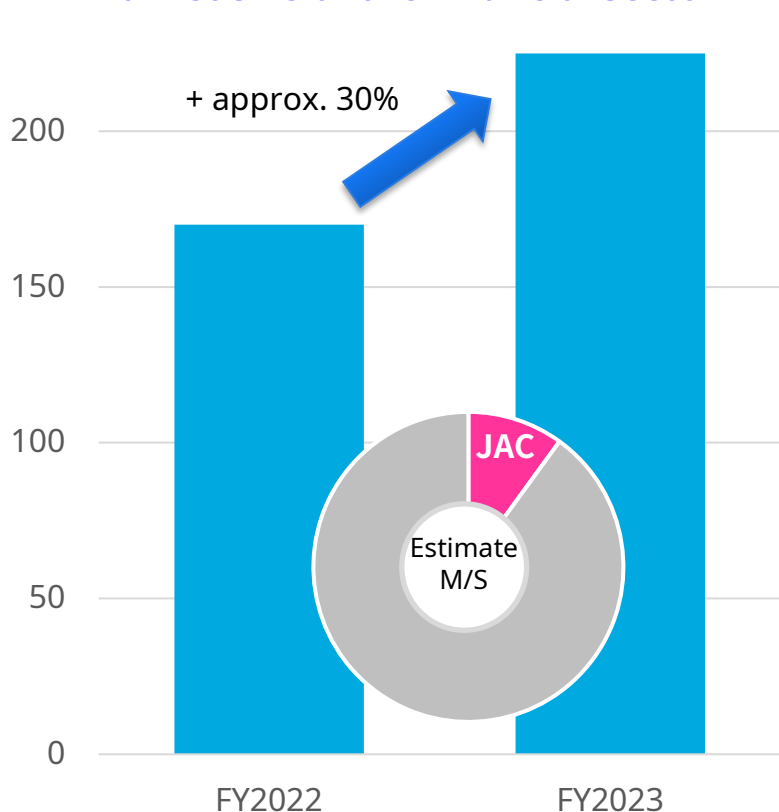
## (2) Focus on Growing Markets and Areas (b) Financial Sector

Growing markets / areas

**Financial Sector**

(Billions of yen)

**Market size of the financial sector**



### Financial sector human resources market

- The annual income of the financial sector is 2-30% higher than that of other industries.
- Specialized domains such as "fund management," "investment banking," and "private banking" grew steadily, and are **expanding at a pace of over 30%**.

### Initiatives and Targets for Fiscal 2024

- Accelerating recruitment and training of **new consultants with expertise in specialized areas**.
- Focus not only on the Japanese market but also on **major financial markets** such as NY, London, and Singapore.



Aiming for **No.1** in the financial sector

※Estimates based on our performance

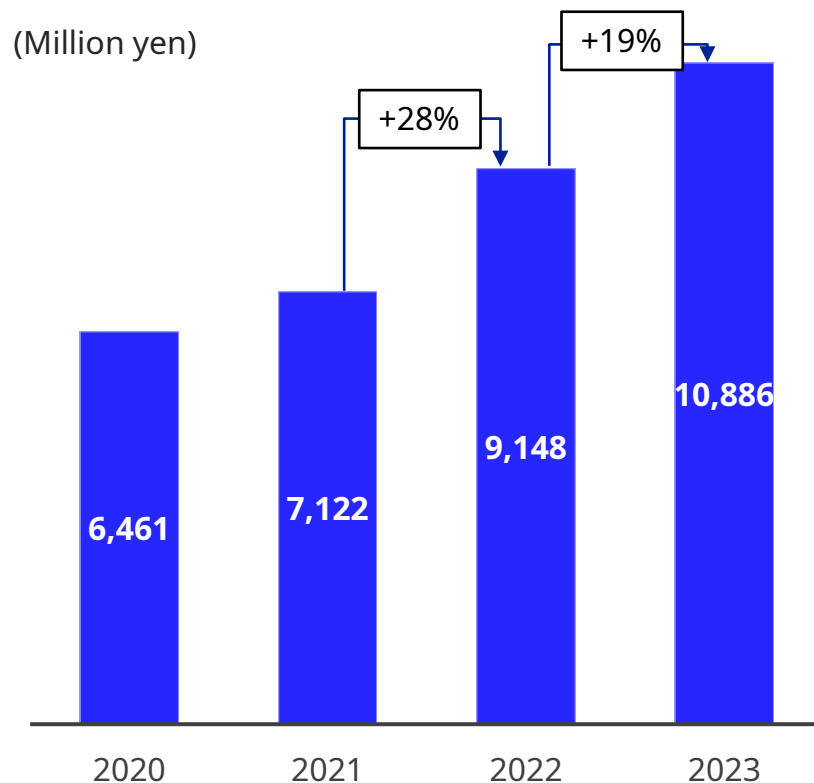
## 4. Selecting focus areas

### (2) Focus on Growing Markets and Areas (c) Manufacturing

Growing markets / areas

**Manufacturing** (Automotive, Electrical, Machinery, Chemicals & Energy)

Sales in manufacturing



#### Initiatives and targets in Fiscal 2024

- Expansion of **specialists and DX areas** of major manufacturers (automobiles, semiconductors and electrical machinery)
- Creation of new domains (**space, aerospace, defense**)
- Strengthening development of regional customers



Aiming to **double in size** in three years

## 4. Selecting focus areas

### (2) Focus on Growing Markets and Areas (d) Construction and real estate sector

Growing markets / areas

## Construction and real estate sector

### Human resources market in the construction and real estate sectors

- Many redevelopment plans are being developed in major cities, and demand for human resources in general contractors and property management is increasing, especially among developers.
- Demand for global human resources is increasing in line with the rise in construction projects in ASEAN countries and North America.

### Initiatives and Targets for Fiscal 2024

- Establishing new fields, such as smart cities, data centers, sports-related projects, and renewable energies, which are in high demand
- Collaborating with global JAC offices to build a system that covers globally comprehensive human resource demand

## 4. Selecting focus areas

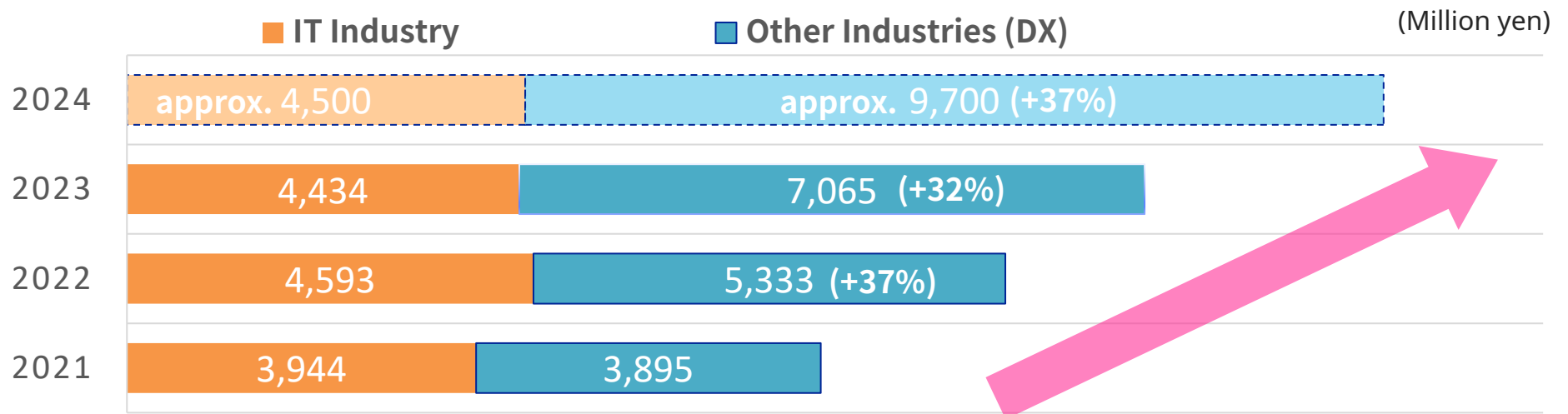
### (2) Focus on Growing Markets and Areas (e) Digital-related

Growing markets / areas

Digital-related

**FY2023: Recruitment curbed by some of the major foreign/Japanese IT companies**

**FY2024: Focusing on DX-related hot jobs of other industries**





## 4. Selecting focus areas

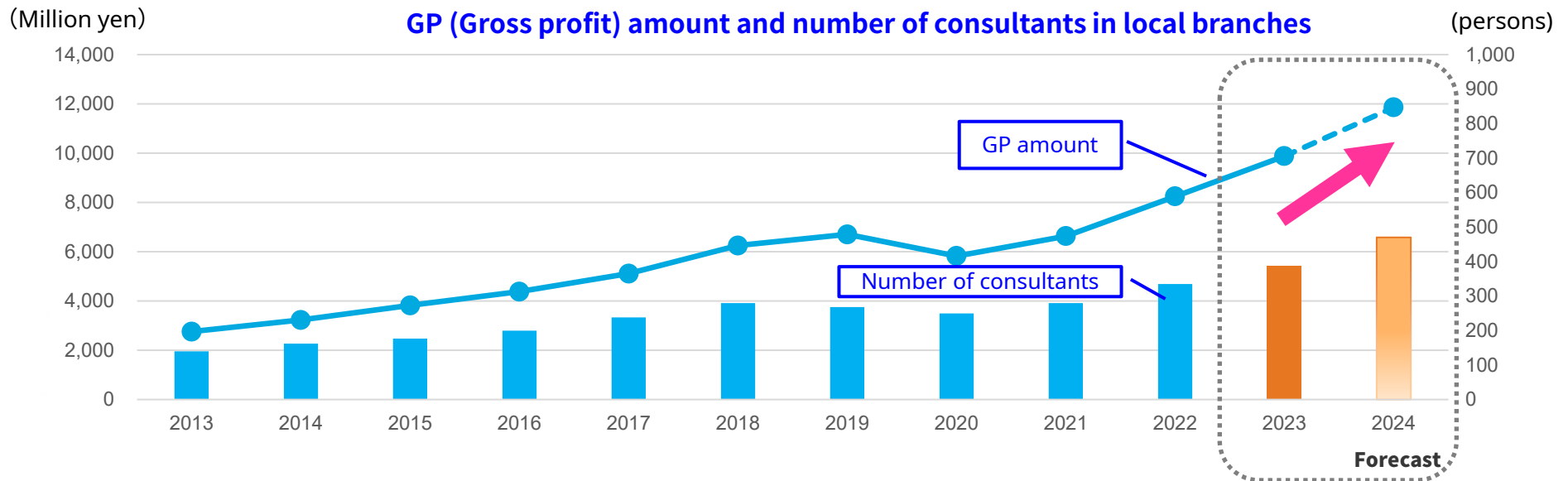
### (2) Focus on Growing Markets and Areas ⑥ Regional Branches

Growing markets / areas

Regional branches

**[FY2023]** GP increased **19.8% YoY**, Number of consultants increased **16% YoY**.

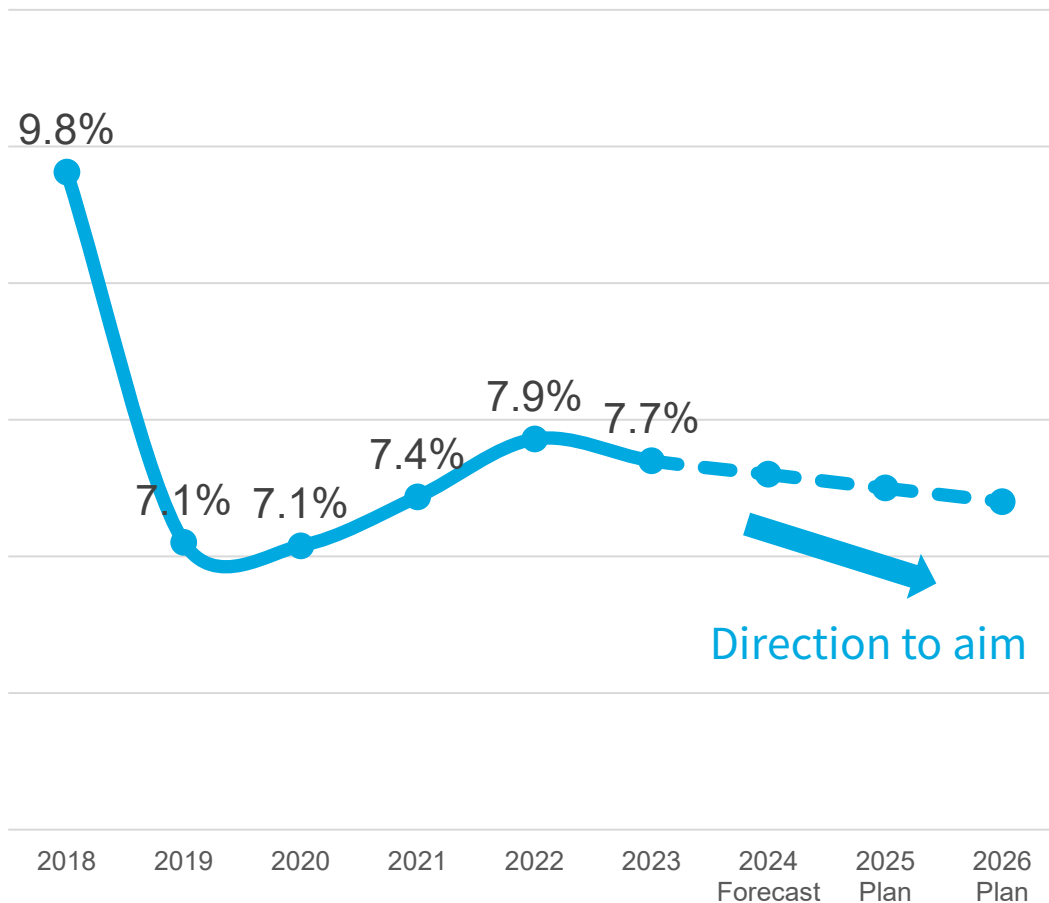
**[FY2024]** Continue recruitment of consultants and increase contracts in the higher price range.



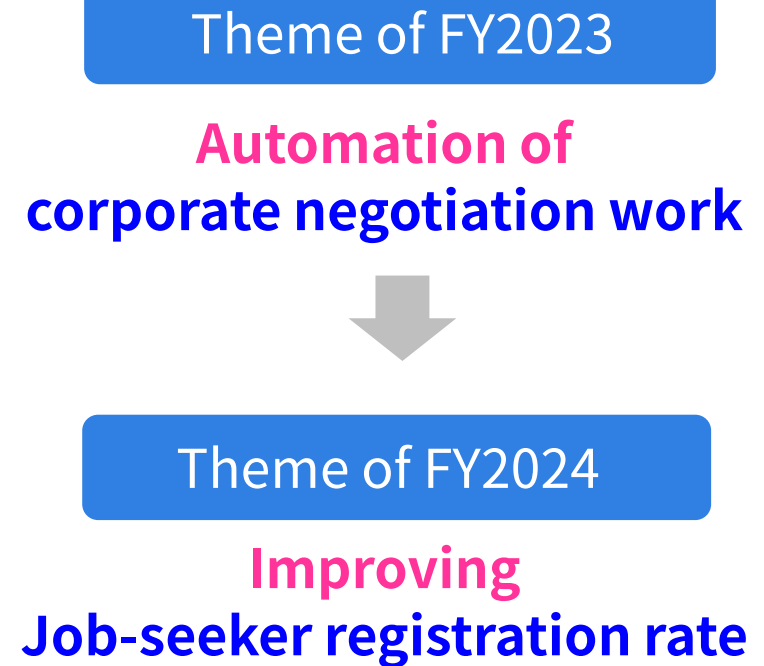
## 5. Streamlining through BPR (reducing cost of sales/improving business processes)

**Domestic Recruitment Business: Enhanced the internal database to reduce the usage of external AD media and decrease cost of sales 0.2pt YoY in FY2023.**

### Reducing cost of sales



### Improving business processes



# 6. Increasing Profitability

## (2) Improving profitability of overseas business

### Fiscal 2024 Initiatives

#### □ Expanding focus on Japanese companies

- Expanding focus on Japanese companies in light of the slowdown in the recruitment of foreign companies.

#### □ Strengthening expansion into regions with high annual income

- Target highly profitable regions.
- Strengthen expansion into Europe and the Americas, where annual income levels are high, in order to increase profit margins.

2023.1	JAC Recruitment US, LA Office opened	2023.2	Closed JAC Recruitment Shanghai
2023.7	VantagePoint US, North Carolina Office opened	2023.9	Closed JAC Recruitment Hong Kong
2023.10	Opened JAC Recruitment Germany, Munich Office opened		
2024.1	JAC Recruitment US, NYC Office opened		

#### □ Cost Reduction Initiatives

- Overseas business head office functions to be centralised at the Japanese headquarters.

# Initiatives to Achieve Non-Financial Targets



## Environment

(1) Response to climate change and environmental conservation

(2) Status of GHG emissions



## Society

(1) Promotion of human capital management

(2) DE&I Initiatives



## Governance

(1) Initiatives to Strengthen Governance





# The new **JAC Forest** initiative will start in 2024 and will significantly increase GHG absorption.

## JAC Group Planting Results from PPP Projects (Cumulative Number since 2008)

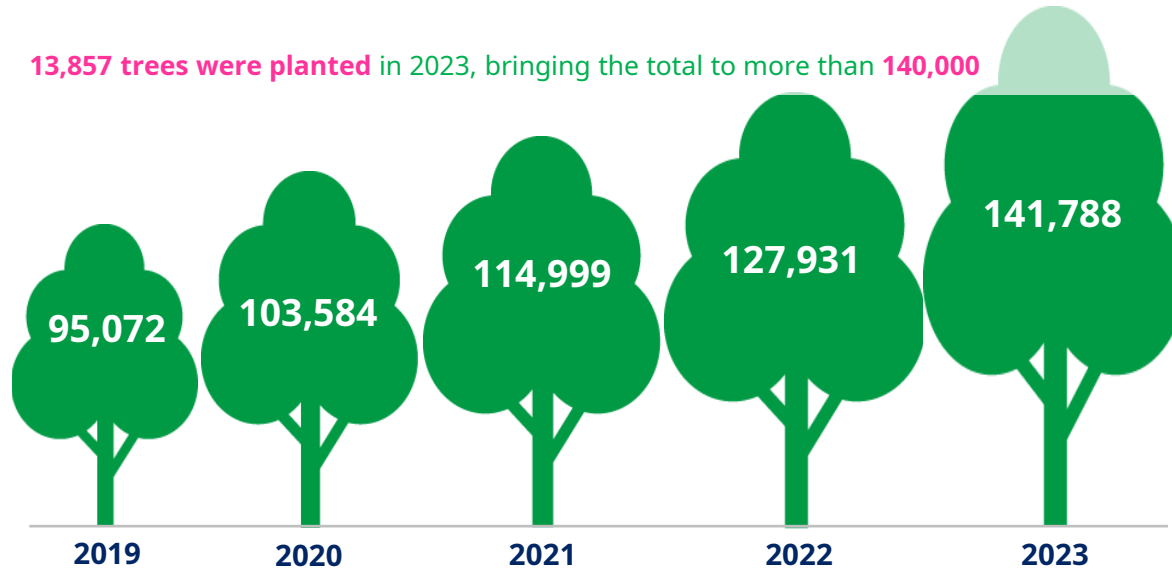
### PPP Project: One Placement creates One Plant to save the Planet

By planting one tree for each person who changes jobs through JAC companies around the world, forests are nurtured, ecosystems are protected, and the project contributes to the fight against global warming.

## JAC Forest Project

In 2024, in addition to the PPP project, the '**JAC Forest**' project will be launched to plant trees such as moringa, which has high GHG absorption capacity, to achieve a carbon net zero including Scope 3 by 2030.

**13,857 trees were planted** in 2023, bringing the total to more than **140,000**



Regions: Malaysia, Indonesia, Okinawa

Tree plantations: Total of **10,000 trees/year** of moringa trees and other indigenous species in each region

Timing: Scheduled to start sequentially from April 2024

Absorb approximately **6,000t/ annual** GHG by 2030  
(Approx. **10 times higher** than current PPP Project)

This activity encourages participants to change their awareness of social contribution, and creates local employment by having employees and local students work together on tree planting activities.

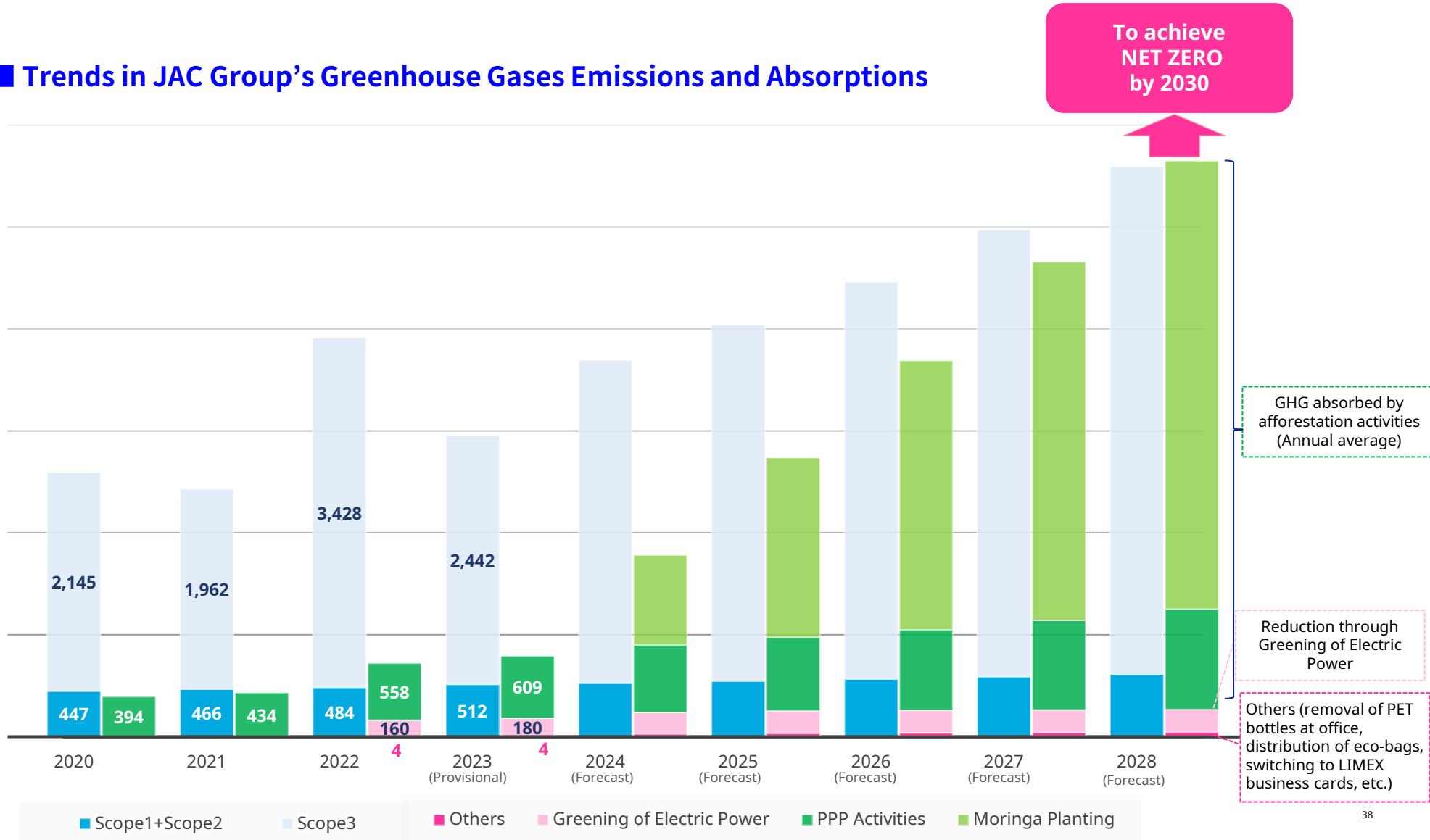


# E Environment (2) GHG Emissions Reduction Initiatives



Aiming to achieve **NET ZERO**, including Scope3, by 2030.

■ Trends in JAC Group's Greenhouse Gases Emissions and Absorptions



## JAC Group's human-capital management

JAC Group's largest non-financial capital is **human capital**

⇒ Development of Human Resource Development Policy, Internal Environmental Development Policy, etc.

⇒ Creating a work environment where all employees can maximize their individual abilities.



## Supporting the human capital management of client companies

Providing support to client companies engaged in human capital management through introducing optimal human resources.

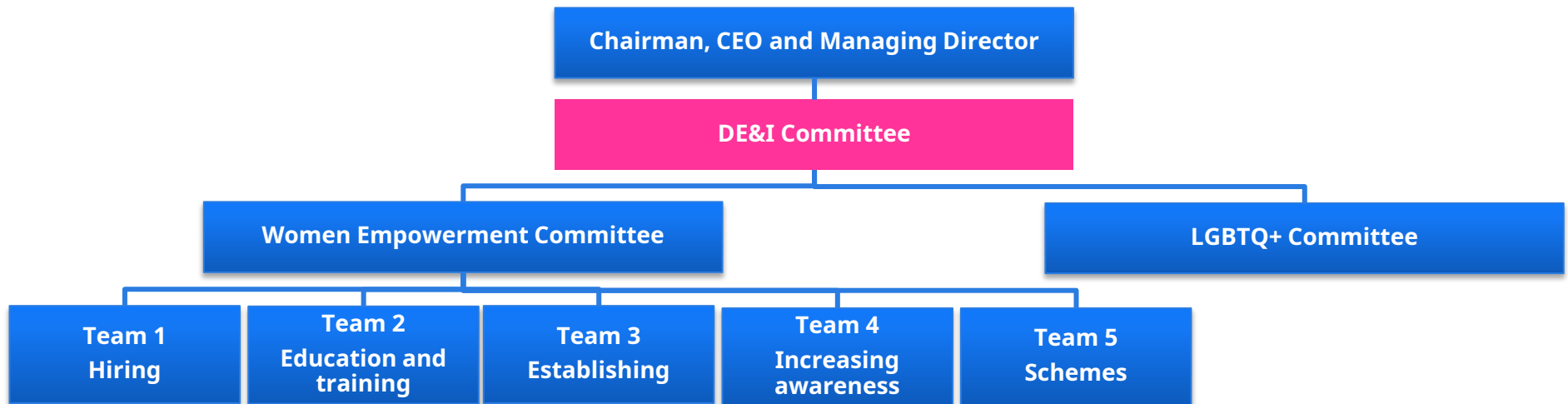


Contributing to the **penetration of human capital management into society** through further refining our business of recruitment consultancy.

## JAC's Approach to DE&I

- The JAC Group has **Fairness** as part of its Philosophy & Policy, and DE&I is an important value for the Group.
- In addition to ensuring that a diverse range of people exist without discrimination (Diversity) and that everyone feels welcome, psychologically secure and united (Inclusion), the Group has introduced 'Equity', which provides an environment and opportunities for everyone to flourish, and promotes the creation of workplaces where more professionals can flourish in their own way in a more open environment. **We promote the creation of workplaces where as many professionals as possible can flourish in their own way in an open environment.**
- **By introducing diverse human resources to client companies** seeking diversity, the company actively contributes to the realisation of a society in which a wide range of professionals can thrive.

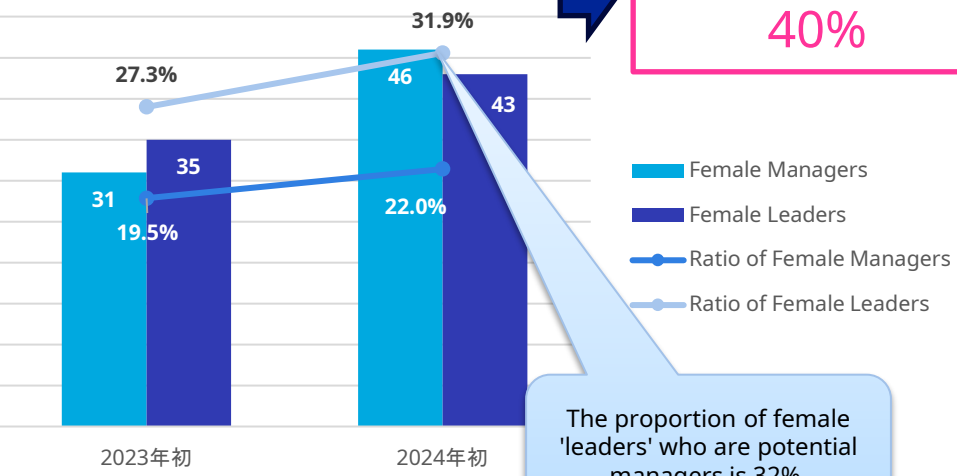
## Structure to promote DE&I





## Activities Promoting female employees

### No. of Female Managers



Target female manager rate  
**40%**

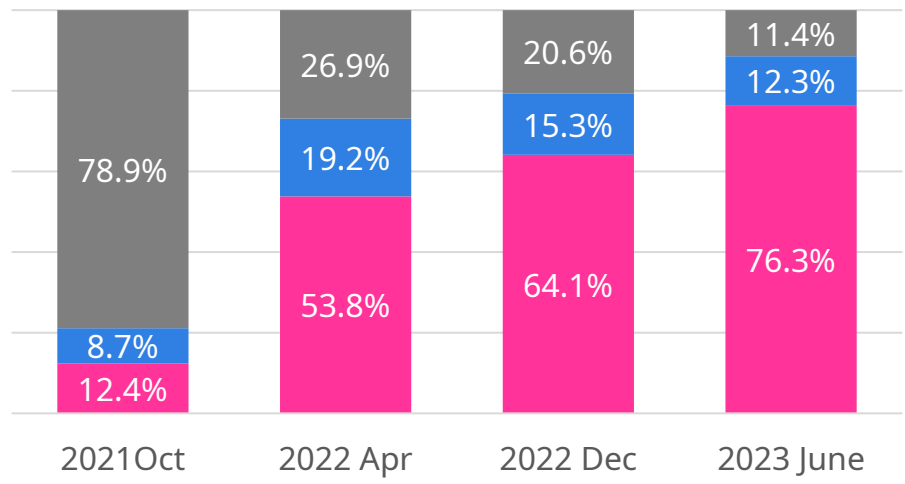
The proportion of female 'leaders' who are potential managers is 32%.

## Penetration of understanding of LGBTQ +

- Distribution of Ally stickers to those who express supports as Ally
- Participation in Tokyo Rainbow Pride 2023
- Announcement of support for BME(Business for Marriage Equality)

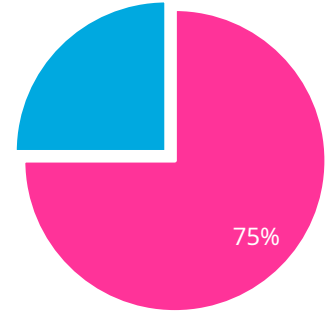


### "Ally" Recognition



- Knows neither word nor meaning
- Knows the word, not the meaning
- Knows the word, meaning

**3/4 (75%) of top professional consultants\* are women**



(JAC Group-wide, as of December 31, 2023)

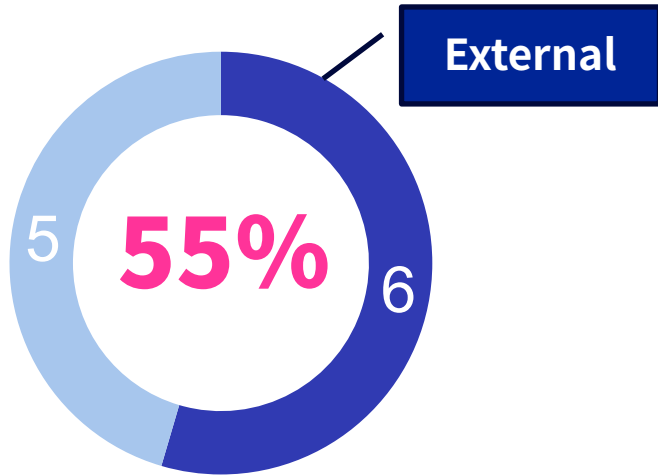
\* Consultants who have successfully supported more than 300 career changes  
 We operate 100+ Club internal certification system, which is joined by consultants who have successfully supported more than 100 people changing jobs. 100+ Club memberships serve as a model for all consultants and are responsible for driving the domestic and overseas recruitment agency business.  
 The above figures are totals for over 300+ Club consultants who succeeded in helping them change jobs.

Received the Gold Award, the highest evaluation in PRIDE Index 2023, an evaluation index for efforts in sexual minorities formulated by voluntary organization work with Pride

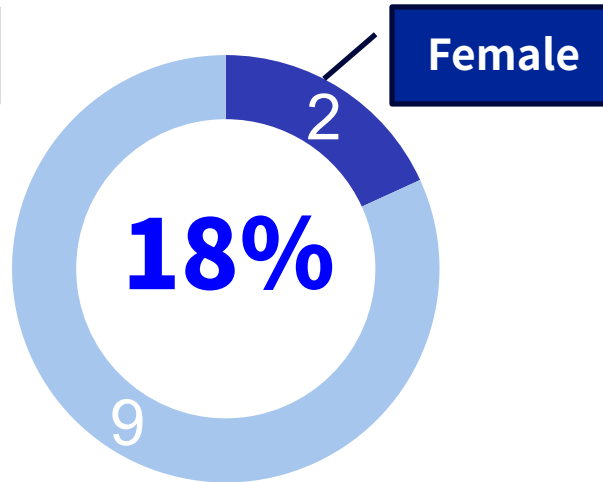


## ● Diversity of Board (FY2024: Plan)

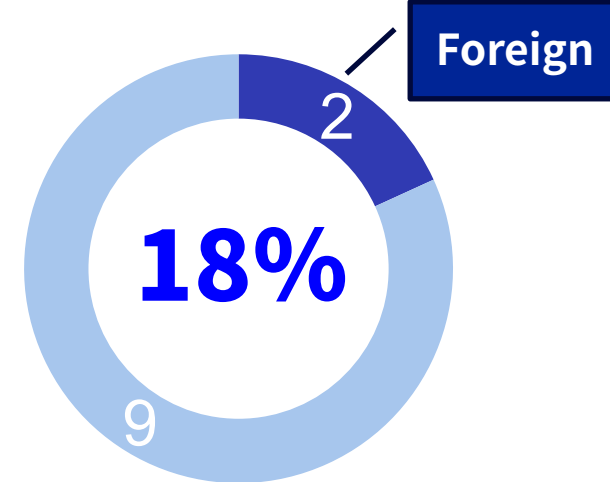
### External Directors



### Female Directors



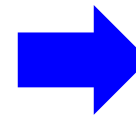
### Foreign Directors



## ● Activity of External Directors (FY2023: Achievement)

**Audit & Supervisory Committee**  
constituted solely by external directors

**Independent Directors Committee**  
governed by all the external directors



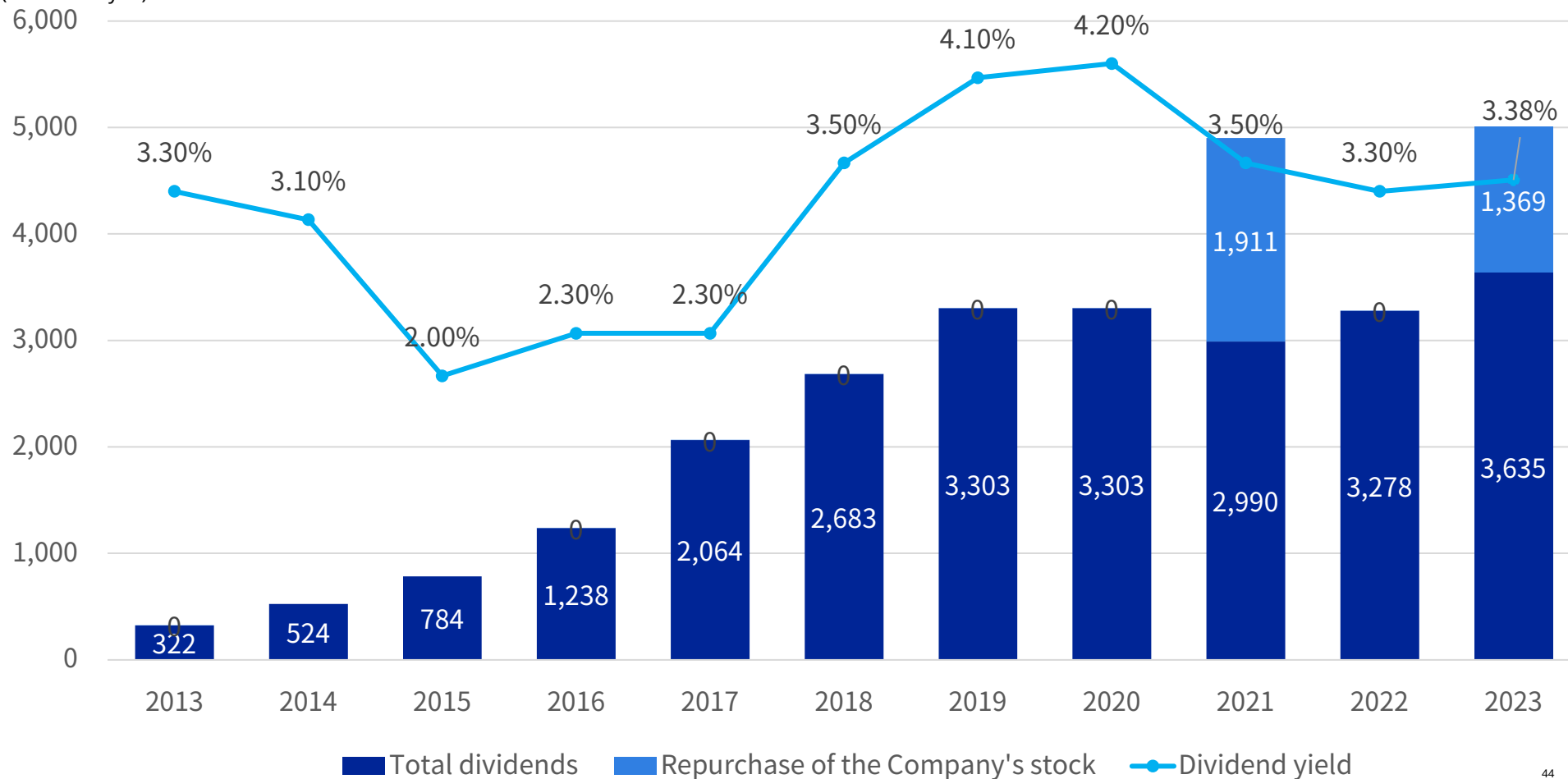
- Operational and accounting audits
- Review of the adequacy of board meeting proposals
- Improving the effectiveness of board meetings

# Appendix

# Shareholder Returns

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Dividend payout ratio	26.8%	33.1%	42.3%	37.9%	56.0%	68.7%	75.9%	180.0%	76.8%	65.2%	60.9%	66.1%
Total return ratio	27.1%	33.1%	43.3%	37.9%	56.0%	68.7%	75.9%	180.1%	126.3%	65.2%	83.7%	75.0%

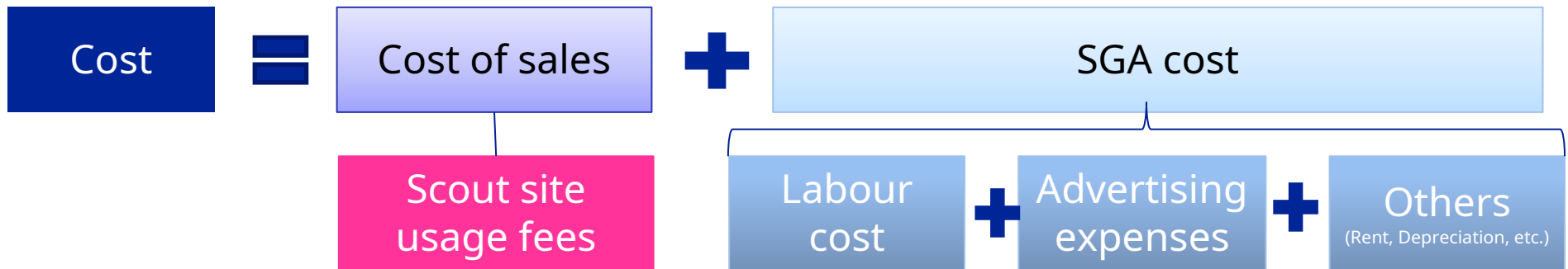
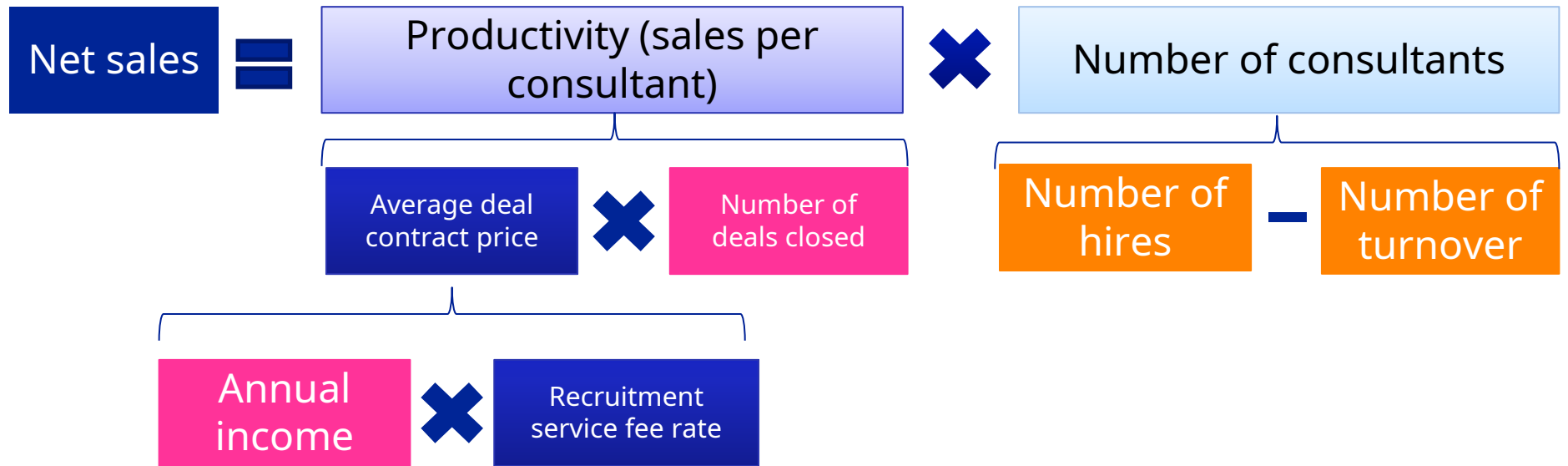
(Millions of yen)



# Share price-related indicators

	2013 Year-end	2014 Year-end	2015 Year-end	2016 Year-end	2017 Year-end	2018 Year-end	2019 Year-end	2020 Year-end	2021 Year-end	2022 Year-end	2023 Year-End
Net income (Million yen)	1,193	1,584	1,811	3,269	3,685	3,908	4,354	1,834	3,882	5,029	5,978
EPS: Net income per share (yen)	60 (Adjusted) 30	39	45	81	91	96	107	45	96	125	150 (Adjusted) 37
Stock price (closing price, yen)	1,440 (Adjusted) 720	833	947	1,317	2,185	1,871	1,943	1,892	2,084	2,429	2,600 (Adjusted) 650
Rate of decline	41.3%	15.7%	13.7%	39.1%	65.9%	△14.4%	3.8%	△2.6%	10.1%	16.6%	7.0%
<Reference> TOPIX increase /decrease rate	51.5%	8.1%	9.9%	△1.9%	19.7%	△17.8%	15.2%	4.8%	10.4%	△5.1%	25.1%
Service industry Exponential drop	56.3%	13.6%	13.7%	△3.0%	28.3%	△10.1%	24.8%	13.6%	15.0%	△20.2%	15.7%
BPS: Net assets per share (yen)	210 (Adjusted) 105	136	168	230	293	341	385	347	331	386	432 (Adjusted) 107
PBR: Price Book Value Ratio	6.96	6.18	5.63	5.72	7.44	5.46	5.01	5.42	6.29	6.29	6.02
PER: Price Earnings Ratio	24.7	21.5	21.1	16.3	24.0	19.5	18.2	42.3	21.7	19.5	17.3
DPS: Dividends per share (yen)	48 (Adjusted) 24	26	19	30	50	65	80	80	73	80	90 (Adjusted) 22
Market capitalization (Billion yen)	297	344	391	544	902	773	802	781	863	1,005	1,076

# Earnings model (Placement/Recruiting)



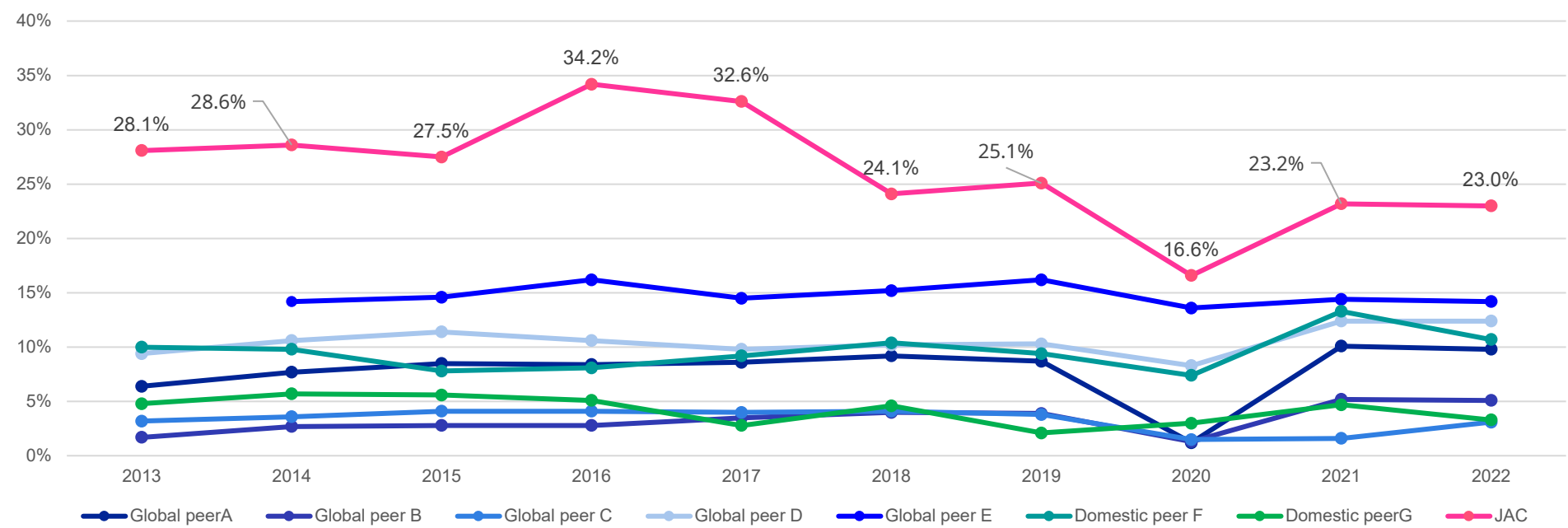
# JAC's Advantages:

## 1)Growth Rate, 2)Profit Margin, 3)Capital-Efficiency and 4) Volatility

	JAC Group	Global peer A	Global peer B	Global peer C	Global peer D	Global peer E	Domestic peer F	Domestic peer G
<b>Growth rate</b> (CAGR of gross margin over the last 10 years)	👑2 16.8%	7.4%	8.6%	4.9%	6.8%	4.6%	👑3 14.2%	👑1 21.8%
<b>Profit margin</b> (10-year simple average of profit before tax on sales)	👑1 26.3%	7.9%	3.3%	3.3%	👑3 10.5%	👑2 14.8%	9.6%	4.2%
<b>Capital efficiency</b> (10-Year Avg. ROE)	👑2 30.5%	👑3 28.5%	18.1%	25.8%	👑1 35.5%	21.8%	15.6%	12.3%
<b>Volatility</b> (10-year standard-deviation of stock price volatility) *	👑3 29.0%	👑1 21.6%	34.8%	36.1%	29.9%	👑2 23.8%	45.8%	50.1%

\*Five years from 2018 for Global peer E and eight years from 2015 for domestic peer F

### Profit margin (ratio of profit before tax to sales)



# Precautions and Contact Information

This presentation contains information about the businesses of JAC Recruitment Co., Ltd. and trends in the recruitment services industry. Information also includes forward-looking statements based on current plans, estimates, expectations and forecasts of JAC Recruitment.

These forward-looking statements incorporate many risk factors and uncertainties. Known or not yet known risk factors, uncertainties or other items may cause actual performance to differ from these forward-looking statements. JAC Recruitment is unable to guarantee that forward-looking statements and forecasts are correct. Consequently, actual results of operations may differ significantly from these statements and may be even worse.

Forward-looking statements in this presentation were determined by JAC Recruitment on 21 Feb. 2024 and based on information that was available at that time. JAC Recruitment has no obligation to update or revise any of these statements to reflect future events or changes in the business climate.

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