

Results Briefing 3Q of FY2024

JAC Recruitment Co., Ltd.

11 Nov. 2024

Consolidated Results: 3Q of FY2024

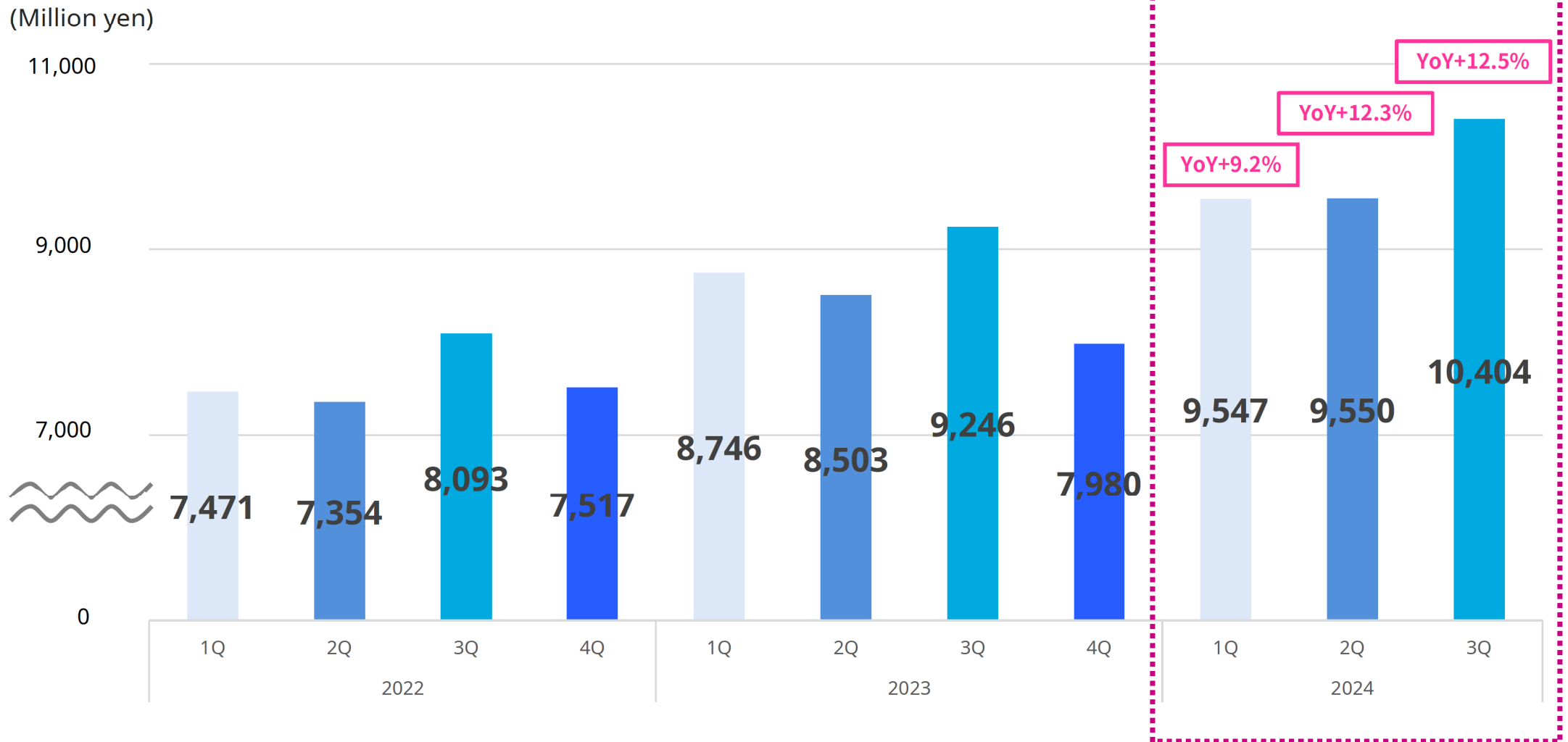
Revenue increased by 11.3%, and ordinary income increased by 6.2 % to a record high. Both revenue and profit were in line with revised forecast(9 Aug.).

(Million yen)

	3Q FY2023	3Q FY2024	Change in pct.	VS. Revised Forecast
Revenue	26,495	29,502	+11.3%	75.6%
Gross Profit	24,489	27,307	+11.5%	76.1%
Operating Profit	6,823	7,240	+6.1%	82.3%
EBITDA	7,308	7,729	+5.8%	-
EBITDA Margin	27.6%	26.2%	(1.4pt)	-
Ordinary Income	6,824	7,249	+6.2%	82.4%
Profit attributable to owners of parent	4,922	4,858	(1.3%)	81.0%

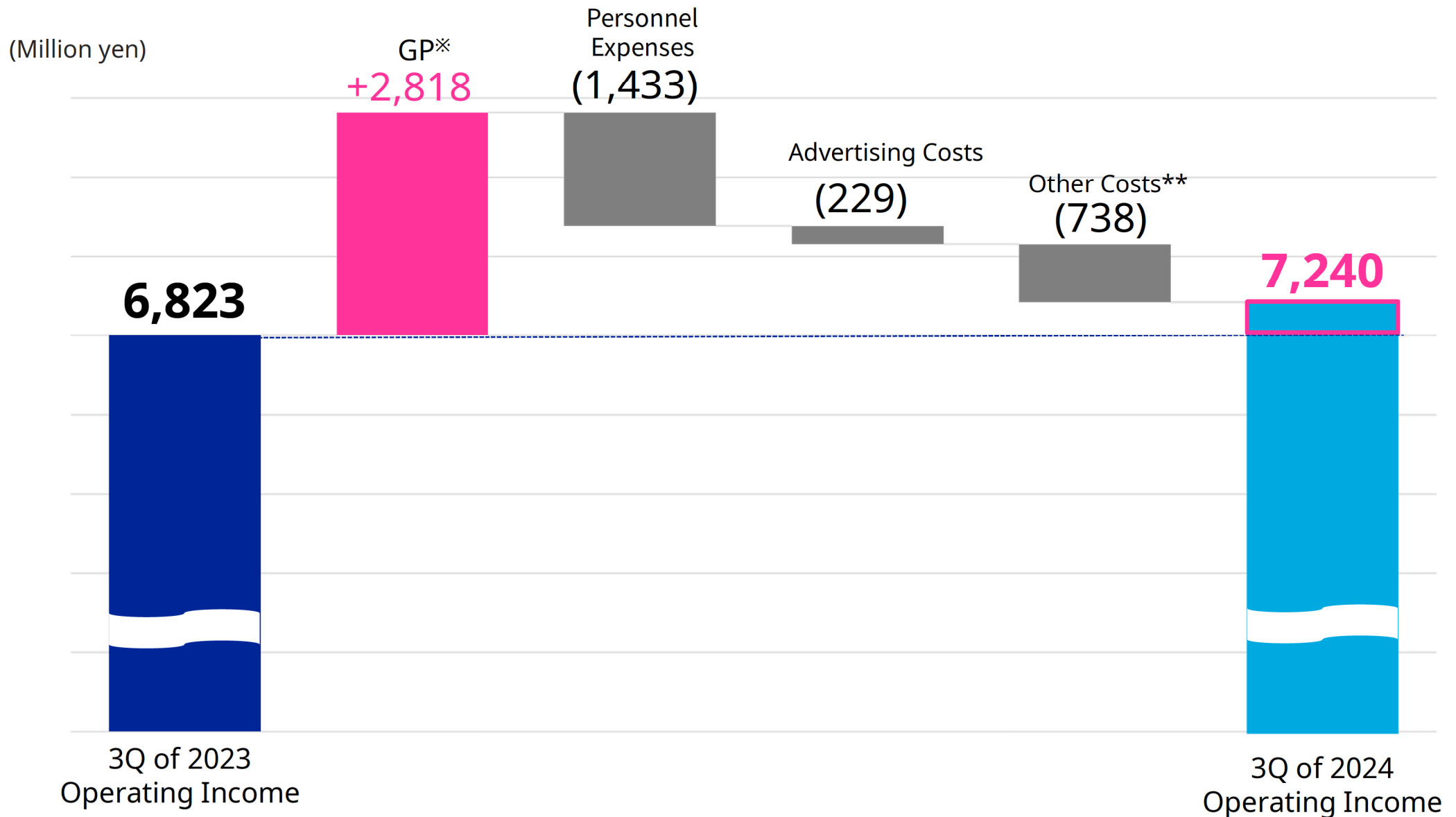
Quarterly comparison of company-wide sales

Company-wide sales of 3Q increased by 12.5% YoY and revenue growth continue recovering.



Factors Contributing to Increase of Operating Income YoY

Operating income increased by 6.1% YoY due to a steady growth in GP.



*GP: Gross Profit

**Costs associated with expansion of headquarters floor space and layout changes, Core ICT system costs, etc.

Factors Contributing to Decrease of Profit YoY

Profit decreased slightly due to an impairment loss of non-current assets in Thailand(2Q) and the absence of tax credit on wage increases.

(Million yen)



Segment Performance

Domestic Recruitment Business: Revenue and profit rose to a record high.

Overseas Business: Maintained profitability excluding the impact of impairment losses of non-current assets in Thailand recorded in 2Q.

Domestic Job Offer Advertising Business: Growing steadily.

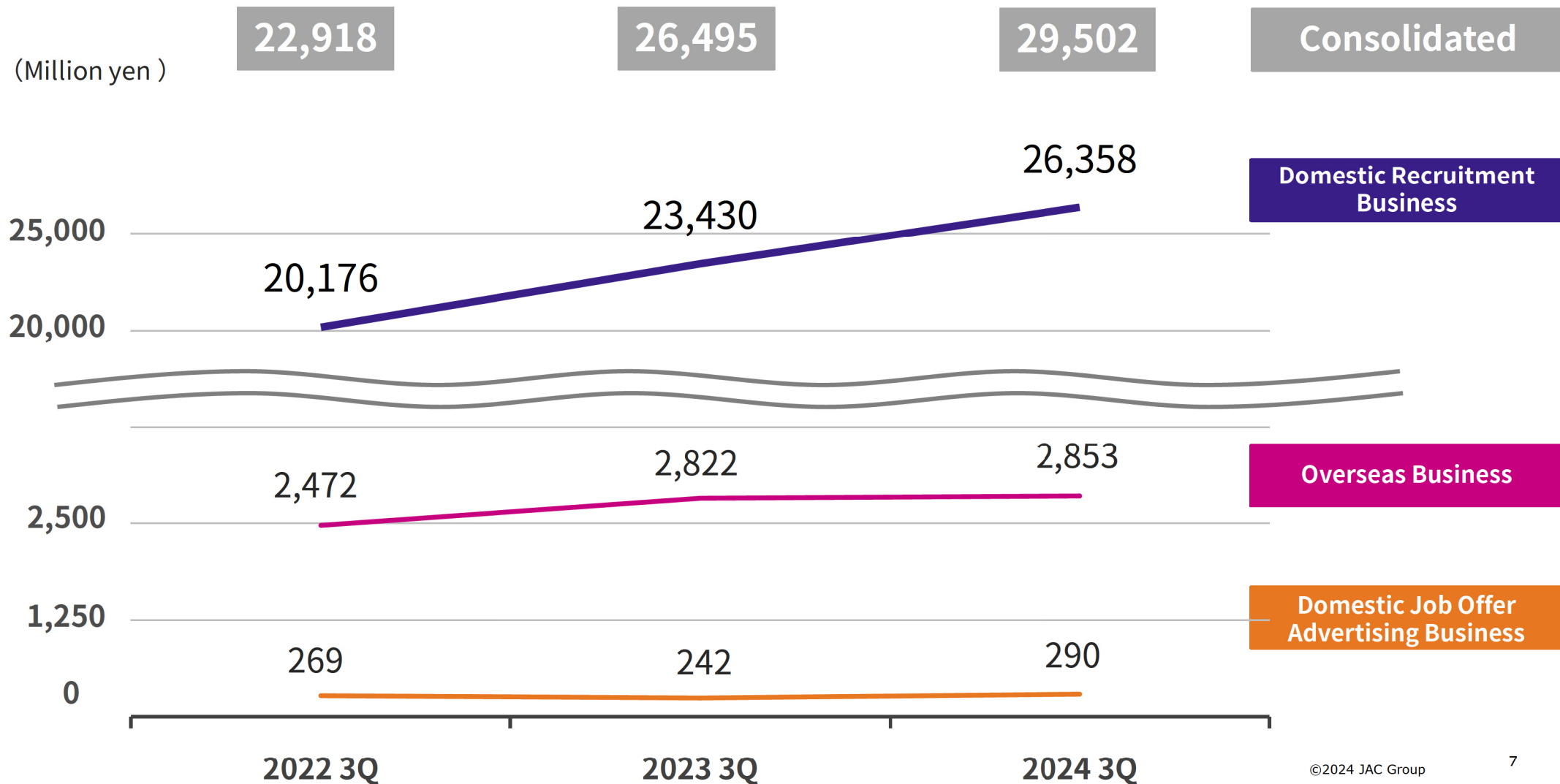
(Million yen)

Segment revenue	3Q FY2023	3Q FY2024	Change in pct.
Domestic Recruitment Business	23,430	26,358	+12.5%
Overseas Business	2,822	2,853	+1.1%
Domestic Job Offer Advertising Business	242	290	+19.6%
Segment profit (loss)	3Q FY2023	3Q FY2024	Change in pct.
Domestic Recruitment Business	6,711	7,145	+6.5%
Overseas Business	87	(11)*	—
Domestic Job Offer Advertising Business	24	32	+33.3%

*Including impairment losses(76 million yen) of non-current assets in Thailand recorded in 2Q 6

Three-year Business Segment Revenues

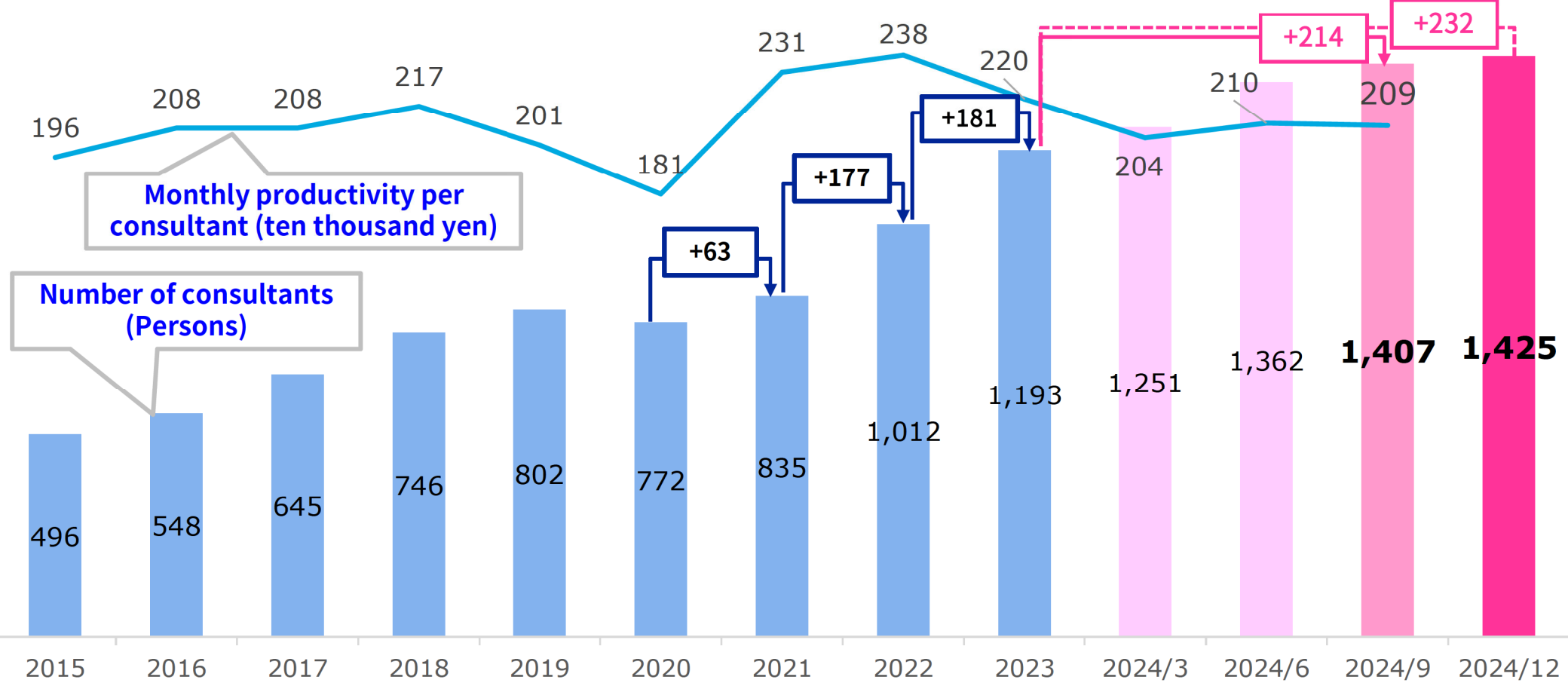
Revenue of all Business Segments **increased year on year.**



Headcount of Consultant and Productivity in Domestic Recruitment Business

- The number of consultants increased more than initial plan due to continued recruitment and reduced turnover.
- As upfront investment in human capital, the consultants who have only been with the company for a short period of time increased. Therefore productivity (monthly sales per consultant) was below 210 ten thousand yen.

Number of Consultants and Productivity (Domestic Recruitment Business*)



*JAC Recruitment + JAC International + VantagePoint (Fiscal 2020 and thereafter)

Overview of each segment

Domestic Recruitment Business

- Japanese companies were still highly motivated to hire employees, with the jobs-to-applicants ratio showing no significant change recently, thanks partly to the government's labour mobility measures and promotion of human capital management.
- The mobility of job seekers, which had been declining before the pay increases in April, has improved, and the mobility of middle- and high-class human resources, the core target of our business, remains robust.
- The number of consultants that are essential for business growth is increasing more than planned.

Overseas Business

- The market conditions remain difficult, especially in Asia.
- We promote Global Account Management through coordination between the Company and its subsidiaries in each country to increase our share of the recruitment market for Japanese companies operating overseas.

Domestic Job Offer AD Business

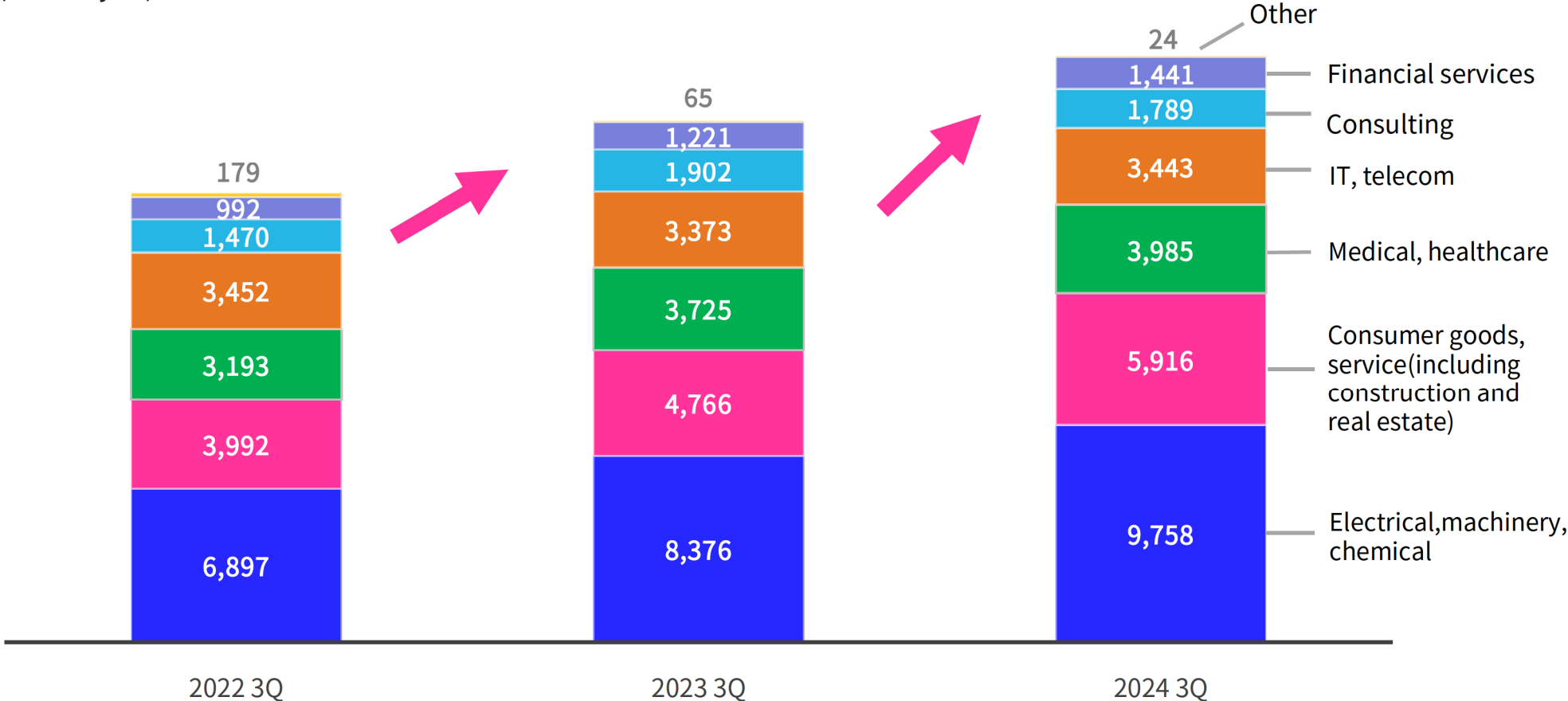
- We aim to strength scouting services and work on collaboration with JAC Group for job openings and job seekers.
- We are making sales efforts for direct recruiting by client companies.

Domestic Recruitment Business Revenues by Industry

Revenue of all industries except the consulting industry increased steadily compared with last year.

Revenues by Industry (Domestic Recruitment Business*)

(Million yen)



* JAC Recruitment + JAC International + VantagePoint

Balance Sheet Summary: 3Q 2024

- Cash and deposit decreased by JPY 2,221 million due to the share buyback.
- Financial strength remains high with an equity ratio of **76.4%**.

(Million yen, %)

Item	End of Dec. 2023		End of Sep. 2024		Change
	Amount	%	Amount	%	
Current assets	19,370	82.4	18,741	82.8	(629)
Cash and deposit	16,767	71.3	14,545	64.2	(2,221)
Accounts receivable - trade	1,928	8.2	3,459	15.3	+1,531
Non-current assets	4,147	17.6	3,900	17.2	(246)
Property, plant and equipment	788	3.4	739	3.3	(48)
Intangible assets	1,426	6.1	1,351	6.0	(75)
Investments and other assets	1,933	8.2	1,810	8.0	(122)
Total assets	23,518	100.0	22,642	100.0	(875)
Current liabilities	6,052	25.7	5,119	22.6	(932)
Non-current liabilities	248	1.1	217	1.0	(31)
Total liabilities	6,301	26.8	5,336	23.6	(964)
Total net assets	17,217	73.2	17,305	76.4	+88
Total liabilities and net assets	23,518	100.0	22,642	100.0	(875)

Financial Results Forecast for FY2024

No change from the revised forecast disclosed on Aug. 9, 2024

- There is no change from full-year Financial Results forecast disclosed on Aug. 9, 2024 because the revenue growth is recovering and recent deal performance is solid.
- While labour costs are expected to increase in line with upfront investment in human capital and wage tax credit is not expected to apply to the company, we aim to secure full-year profit forecast due to the efforts to reduce costs (such as reducing advertising expenses and withholding system-related investments)

	2023 Full Year Achievement	Revised(2024/8/9)	VS. Full Year of 2023	
			Difference	Change in pct.
Revenue	34,475	39,000	+4,525	+13.1%
Gross profit	31,821	35,900	+4,079	+12.8%
Operating income	8,215	8,800	+585	+7.1%
Ordinary income	8,209	8,800	+591	+7.2%
Profit <small>attributable to owners of parent</small>	5,978	6,000	+22	+0.4%

Shareholders Return Policy

Although full-year profit forecast has been revised downward, we will keep the initial forecast of DPS at JPY26. Considering that this fiscal year includes upfront investment in human resources, the **dividends payout ratio** are expected to be around **70%**, which is above the range of the dividend policy.

Dividend Policy

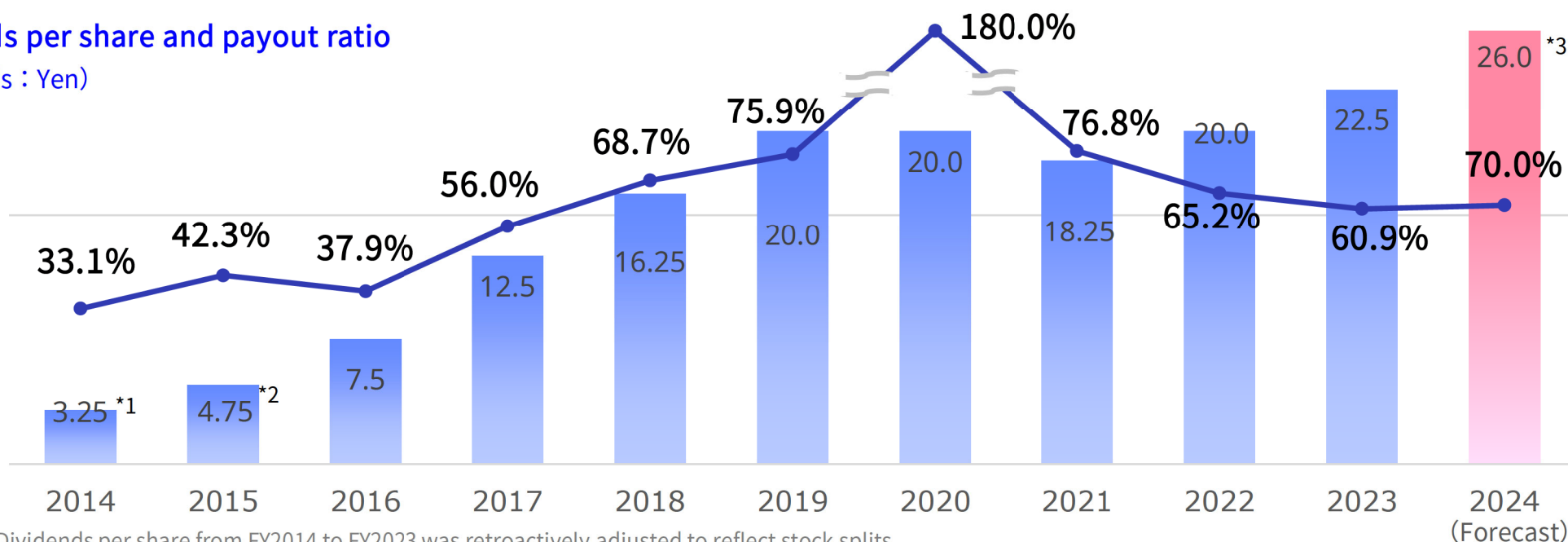
Dividend payout ratio targeted at 60%-65%.
We maintain a steady trend of increasing dividends in line with profit growth.

(Dividends : Yen)

	Dividend of FY2023	Dividend of FY2024(Forecast)	
			YoY
DPS	22.5	26	+3.5

Dividends per share and payout ratio

(Dividends : Yen)



*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.

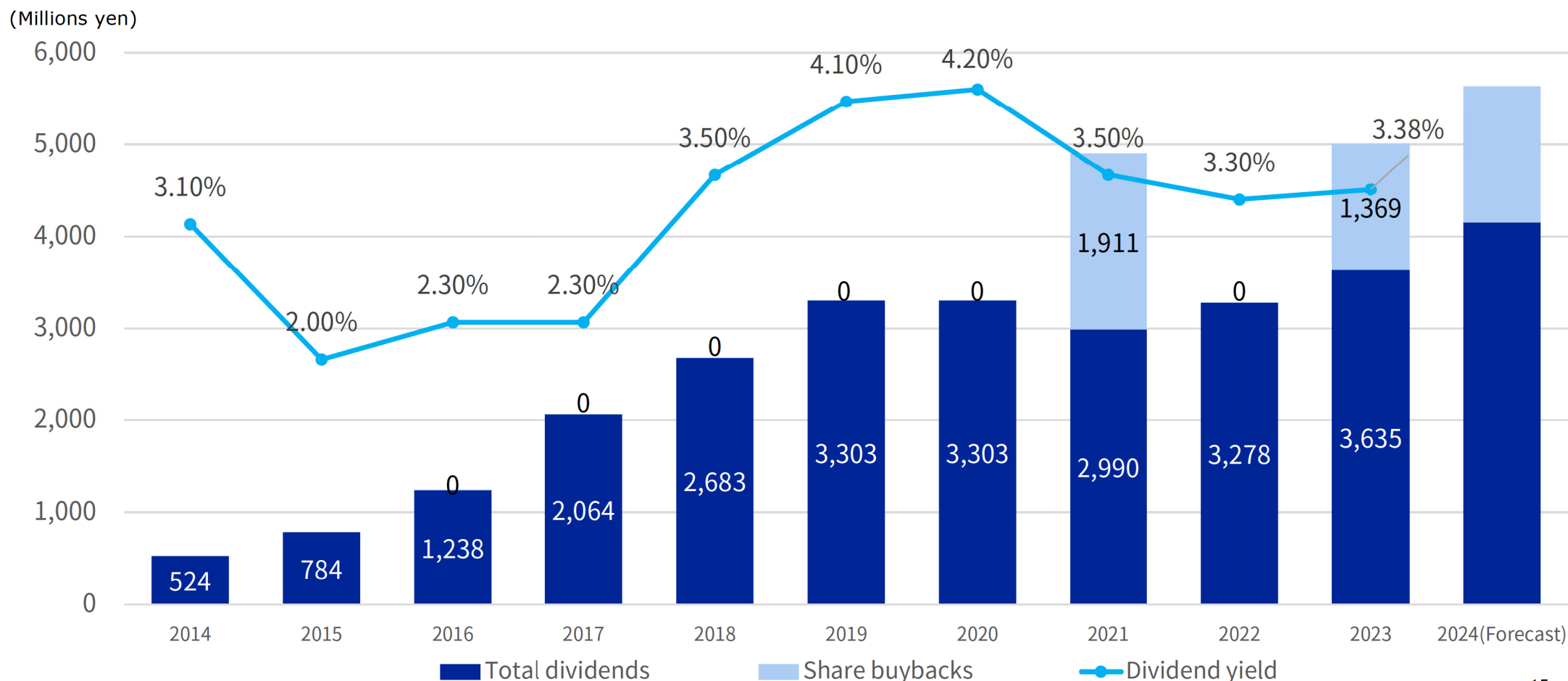
*3: The dividend payout ratio for FY2024 is the figure at the time of the forecast on 9 Aug. 2024.

Appendix

Shareholder Returns

We repurchased over **approximately JPY 1.5 billion: 2 million stocks of own shares in August - September.**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total	2024 (Forecast)
Dividend payout ratio	33.1%	42.3%	37.9%	56.0%	68.7%	75.9%	180.0%	76.8%	65.2%	60.9%	66.1%	70.0%
Total return ratio	33.1%	43.3%	37.9%	56.0%	68.7%	75.9%	180.1%	126.3%	65.2%	83.7%	75.0%	94.0%



Share price-related indicators

	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	2024 End of Sep.
Profit (Million yen)	1,584	1,811	3,269	3,685	3,908	4,354	1,834	3,882	5,029	5,978	4,858 (Forecast) 6,000
EPS: Earnings per share (yen)	9	11	20	22	24	26	11	24	31	37	30 (Forecast) 37
Stock price (closing price, yen)	208.3	236.8	329.3	546.3	467.8	485.8	473	521	607.3	650	764
Increase/Decrease rate	15.7%	13.7%	39.1%	65.9%	(14.4%)	3.8%	(2.6%)	10.1%	16.6%	7.0%	17.5%
<Reference> TOPIX increase /decrease rate	8.1%	9.9%	(1.9%)	19.7%	(17.8%)	15.2%	4.8%	10.4%	(5.1%)	25.1%	11.8%
Service industry increase/decrease rate	13.6%	13.7%	(3.0%)	28.3%	(10.1%)	24.8%	13.6%	15.0%	(20.2%)	15.7%	11.3%
BPS: Net assets per share (yen)	34	42	57	73	85	96	86	82	96	107	109
PBR: Book-value Per Share	6.18	5.63	5.72	7.44	5.46	5.01	5.42	6.29	6.29	6.02	6.98
PER: Price Earnings Ratio	21.5	21.1	16.3	24.0	19.5	18.2	42.3	21.7	19.5	17.3	20.3 (Forecast)
DPS: Dividends per share (yen)	3	4	7	12	16	20	20	18	20	22	26 (Forecast)
Market capitalisation (Billion yen)	344	391	544	902	773	802	781	863	1,005	1,076	1,264

*Figures from FY2014 to FY2023 have been retrospectively amended to take into account stock splits.

Precautions and Contact Information

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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.

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