TRANSLATION for Reference Purposes Only, Japanese Version Preferred

Consolidated Financial Results
for the Fiscal Year Ended December 31, 2024
[Japanese GAAP]

February 12, 2025

Company name: JAC Recruitment Co., Ltd.
Stock exchange listing: Tokyo Stock Exchange
Code number: 2124
URL: https://corp.jac-recruitment.jp/en
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Phone: +81-3-5259-6926
Scheduled date of Ordinary General Meeting of Shareholders: March 27, 2025
Scheduled date of commencing dividend payments: March 28, 2025
Scheduled date of filing securities report: March 27, 2025
Availability of supplementary briefing material on annual financial results: Available

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2024 (January 1, 2024 to December 31, 2024)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
Fiscal year ended	million yen	%	million yen	%	million yen	%	million yen	%
December 31, 2024	39,156	13.6	9,090	10.7	9,122	11.1	5,611	(6.1)
December 31, 2023	34,475	13.3	8,215	16.6	8,209	16.4	5,978	18.9

(Note) Comprehensive income: Fiscal year ended December 31, 2024: ¥5,719 million [(6.2)%]
Fiscal year ended December 31, 2023: ¥6,095 million [17.8%]

	Earnings Per Share	Diluted Earnings Per Share	Return on Equity	Ratio of Ordinary Income to Total Assets	Operating Income Margin
Fiscal year ended	yen	yen	%	%	%
December 31, 2024	35.22	–	31.8	36.8	23.2
December 31, 2023	37.42	–	36.4	36.0	23.8

(Reference) Share of profit (loss) of entities accounted for using the equity method:
Fiscal year ended December 31, 2024: ¥ – million
Fiscal year ended December 31, 2023: ¥ – million

(Note 1) Diluted earnings per share are not presented as there were no dilutive shares.

(Note 2) The Company conducted a four-for-one stock split effective January 1, 2024. Earnings per share have been calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets Per Share
As of	million yen	million yen	%	yen
December 31, 2024	26,013	18,095	69.6	114.43
December 31, 2023	23,518	17,217	73.2	107.91

(Reference) Equity: As of December 31, 2024: ¥18,095 million
As of December 31, 2023: ¥17,217 million

(Note) The Company conducted a four-for-one stock split effective January 1, 2024. Net assets per share have been calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(3) Status of Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
Fiscal year ended	million yen	million yen	million yen	million yen
December 31, 2024	8,119	(607)	(5,313)	19,051
December 31, 2023	7,087	(461)	(4,838)	16,767

2. Dividends

	Annual Dividends					Total Dividend Amount (Annual)	Dividend Payout Ratio (Consolidated)	Net Assets-to-Dividends Ratio (Consolidated)
	1st Quarter-end	2nd Quarter-end	3rd Quarter-end	Year-end	Total			
	yen	yen	yen	yen	yen	million yen	%	%
Fiscal year ended December 31, 2023	–	0.00	–	90.00	90.00	3,635	60.9	21.1
Fiscal year ended December 31, 2024	–	0.00	–	26.00	26.00	4,151	74.6	22.7
Fiscal year ending December 31, 2025 (Forecast)	–	0.00	–	32.00	32.00		73.0	

(Note 1) Dividends for the Company's shares held in the Employee Stock Ownership Plan (ESOP) Trust Account are included in Total Dividend Amount. (Fiscal year ended December 31, 2023: ¥45 million, Fiscal year ended December 31, 2024: ¥39 million)

(Note 2) In calculating dividend payout ratio and net assets-to-dividends ratio, the Company's shares held in the Employee Stock Ownership Plan (ESOP) Trust Account are included in the number of shares and the amount of net assets.

(Note 3) The Company conducted a four-for-one stock split effective January 1, 2024. The actual dividend amounts for the fiscal year ended December 31, 2023, are presented based on pre-stock split figures.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2025 (January 1, 2025 to December 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net Sales		Operating Income		Ordinary Income	
	million yen	%	million yen	%	million yen	%
First half (Cumulative)	21,800	14.2	4,700	7.8	4,700	7.8
Full year	44,900	14.7	10,000	10.0	10,000	9.6

	Profit before income taxes		Profit Attributable to Owners of Parent		Earnings Per Share
	million yen	%	million yen	%	yen
First half (Cumulative)	4,700	9.9	3,300	14.9	20.82
Full year	10,000	19.8	7,000	24.8	44.11

*Notes:

(1) Significant changes in the scope of consolidation during the period: None
New: –
Excluded: –

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: None
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Retrospective restatement: None

(3) Total number of issued shares (common shares)
1) Total number of issued shares at the end of the period (including treasury shares):
As of December 31, 2024: 165,557,200 shares
As of December 31, 2023: 165,557,200 shares

2) Total number of treasury shares at the end of the period:
As of December 31, 2024: 7,423,728 shares
As of December 31, 2023: 6,000,984 shares

3) Average number of shares during the period:
Fiscal year ended December 31, 2024: 159,314,954 shares
Fiscal year ended December 31, 2023: 159,775,548 shares

(Note) The Company conducted a four-for-one stock split effective January 1, 2024. Total number of issued shares at the end of the period, total number of treasury shares at the end of the period, and average number of shares during the period have been calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the Fiscal Year Ended December 31, 2024 (January 1, 2024 to December 31, 2024)

(1) Non-Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net Sales		Operating Income		Ordinary Income		Profit	
Fiscal year ended	million yen	%	million yen	%	million yen	%	million yen	%
December 31, 2024	33,658	15.4	8,898	11.1	8,947	11.5	4,521	(23.7)
December 31, 2023	29,170	14.7	8,012	19.0	8,024	18.7	5,924	20.2

	Earnings Per Share	Diluted Earnings Per Share
Fiscal year ended	yen	yen
December 31, 2024	28.38	–
December 31, 2023	37.08	–

(Note 1) Diluted earnings per share are not presented as there were no dilutive shares.

(Note 2) The Company conducted a four-for-one stock split effective January 1, 2024. Earnings per share have been calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(2) Non-Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets Per Share
As of	million yen	million yen	%	yen
December 31, 2024	25,107	18,042	71.9	114.10
December 31, 2023	23,720	18,362	77.4	115.09

(Reference) Equity: As of December 31, 2024: ¥18,042 million
As of December 31, 2023: ¥18,362 million

(Note) The Company conducted a four-for-one stock split effective January 1, 2024. Net assets per share have been calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

*These financial results are outside the scope of audit procedures by a certified public accountant or an audit firm.

*Disclaimer Regarding the Use of the Financial Results Forecast and Other Special Notes

The financial results forecast and other forward-looking statements in this document are based on information currently available and certain assumptions the Company deems to be reasonable. Actual results may differ significantly from these forecasts due to a variety of factors. For the assumptions used for the financial results forecasts and the notes regarding the use thereof, please refer to “(4) Future Outlook” on page 5 of the attachment.

Table of Contents - Attachments

1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year ended December 31, 2024, the Japanese economy showed an improvement trend in the assessment of business conditions for large companies in both the manufacturing and non-manufacturing industries in the Bank of Japan's Tankan Survey, driven by economic stimulus such as the recovery in domestic automobile production and robust inbound demand. However, according to the December survey on the future outlook, both industries showed notable deterioration in their assessment due to concerns about changes in trade policies accompanying the U.S. administration change and rising interest rates.

Under these circumstances, in the Domestic Recruitment Business, which accounts for about 90% of the Company's consolidated net sales, Japanese companies maintained a high level of motivation to hire employees, thanks partly to the government's labor mobility measures and promotion of human capital management. While job seeker mobility temporarily declined before the pay increases in April 2024, affecting first-half sales, it recovered in the second half, and the movement of middle- and high-class human resources, which forms the core domain of our business, became more active.

As a result, although we revised our full-year consolidated financial results forecast downward at the six months ended June 30, 2024, the year-on-year sales growth rate in the Domestic Recruitment Business improved toward the second half. In particular, as we focused on face-to-face communication with client companies and registered job seekers as our highest priority, consolidated net sales for the fiscal year ended December 31, 2024 exceeded the revised forecast and reached a record high. Additionally, in August, our stock was selected as a constituent of the JPX-Nikkei Index 400.

Regarding the Overseas Business, while market conditions remained difficult, especially in Asia, we worked to achieve regrowth and improve profitability by providing services mainly to Japanese companies with strong hiring needs. We also intended to increase our share of the recruitment market for Japanese companies operating overseas by promoting Global Account Management through coordination between the Company and its subsidiaries in each country.

In the Domestic Job Offer Advertising Business, we sought to expand sales by shifting to a contingency fee model and increasing our contact points with Japanese companies, in addition to foreign companies, while also making sales efforts for direct recruiting by client companies and working on cross-selling through collaboration with our Domestic Recruitment Business.

With regard to selling, general and administrative expenses, although personnel expenses increased as we hired consultants as planned at the beginning of the period as an investment for the future, we continued company-wide cost-control measures focusing on advertising expenses and internal IT costs. As a result, consolidated operating income and ordinary income for the full year exceeded the revised consolidated financial results forecast and reached record highs.

However, profit attributable to owners of parent fell short of the forecast due to the impact of impairment losses on non-current assets, including goodwill, at domestic and overseas subsidiaries and associates.

As a result, for the fiscal year ended December 31, 2024, net sales reached ¥39,156 million (up 13.6% year on year). By segment, the Domestic Recruitment Business, the Domestic Job Offer Advertising Business, and the Overseas Business had net sales of ¥35,009 million (up 14.9% year on year), ¥401 million (up 24.6% year on year), and ¥3,745 million (up 1.8% year on year), respectively.

In terms of profit, operating income was ¥9,090 million (up 10.7% year on year), ordinary income was ¥9,122 million (up 11.1% year on year), and profit attributable to owners of parent was ¥5,611 million (down 6.1% year on year). By segment, the Domestic Recruitment Business posted ¥8,736 million in profit (up 7.9% year on year), the Domestic Job Offer Advertising Business posted ¥59 million in profit (up 76.3% year on year), and the Overseas Business posted a loss of ¥447 million (a profit of ¥76 million for the previous fiscal year).

1) Analysis of net sales

Net sales in the Domestic Recruitment Business increased by 14.9% year on year to ¥35,009 million, due to an increase in the number of consultants accompanying earnings expansion.

Net sales in the Domestic Job Offer Advertising Business increased by 24.6% year on year to ¥401 million, due to the shift to a contingency fee model and the promotion of account management.

Net sales in the Overseas Business increased by 1.8% year on year to ¥3,745 million, as market conditions remained difficult, especially in Asia, but progress was made in the recovery of earnings mainly in Europe.

As a result, net sales for the fiscal year ended December 31, 2024 increased by 13.6% year on year to ¥39,156 million.

2) Analysis of operating income

Due to the increase in net sales in the Domestic Recruitment Business and others, gross profit for the fiscal year ended December 31, 2024 increased by 13.9% year on year to ¥36,248 million, and the gross profit margin was 92.6%.

Selling, general and administrative expenses increased by 15.0% year on year to ¥27,157 million, due to an increase in personnel expenses owing to increased number of personnel and extending performance.

As a result, operating income for the fiscal year ended December 31, 2024 increased by 10.7% year on year to ¥9,090 million, and the operating income margin decreased by 0.6% year on year to 23.2%.

3) Analysis of non-operating income and loss

Non-operating income for the fiscal year ended December 31, 2024, increased by 36.6% year on year to ¥56 million, due to the posting of items such as reversal of allowance for doubtful accounts and interest income. Non-operating expenses decreased by 45.7% year on year to ¥25 million, due to the posting of items such as interest expenses.

4) Analysis of profit before income taxes and profit attributable to owners of parent

Profit before income taxes for the fiscal year ended December 31, 2024, increased by 1.7% year on year to ¥8,348 million due to the recording of impairment loss of 766 million yen on fixed assets including goodwill. Total of income taxes - current and income taxes - deferred increased by 22.7% year on year to ¥2,737 million, due to the impairment losses on fixed assets including taxable goodwill and others, despite tax credit based on the Tax Measure to Promote Wage Increases, and the tax burden for profit before income taxes was 32.8%, exceeding our statutory effective tax rate of 30.6%.

As a result, profit attributable to owners of parent for the fiscal year ended December 31, 2024 decreased by 6.1% year on year to ¥5,611 million.

The following is the sales performance by segment for the fiscal year ended December 31, 2024:

Segment	Net sales (Million yen)	Year-on-year comparison (%)
Domestic Recruitment Business	35,009	114.9
Domestic Job Offer Advertising Business	401	124.6
Overseas Business	3,745	101.8
Total	39,156	113.6

(Note) Intersegment transactions were eliminated.

The following is the sales performance by segment and industry:

Segment/industry	Net sales (Million yen)	Year-on-year comparison (%)
1. Domestic Recruitment Business		
Electrical, machinery, chemical	12,886	118.4
Consumer goods, services	7,902	125.2
Medical, healthcare	5,398	111.9
IT, telecom	4,608	107.2
Consulting	2,185	91.9
Financial services	1,976	117.9
Other	50	49.4
Domestic Recruitment Business Total	35,009	114.9
2. Domestic Job Offer Advertising Business		
Domestic Job Offer Advertising Business Total	401	124.6
3. Overseas Business		
Overseas Business Total	3,745	101.8
Total	39,156	113.6

(Note) Intersegment transactions were eliminated.

(2) Overview of Financial Position for the Fiscal Year under Review

Total assets at the end of the fiscal year ended December 31, 2024, increased by ¥2,494 million from the end of the previous fiscal year to ¥26,013 million. Although goodwill decreased by ¥608 million, cash and deposits increased by ¥2,284 million and accounts receivable - trade increased by ¥757 million.

Liabilities increased by ¥1,616 million from the end of the previous fiscal year to ¥7,917 million. Income taxes payable increased by ¥710 million, accrued expenses increased by ¥469 million, and accounts payable - other increased by ¥162 million.

Net assets increased by ¥878 million from the end of the previous fiscal year to ¥18,095 million, and the equity ratio came out to be 69.6%. The Company paid dividends of surplus totaling ¥3,635 million and increased treasury shares by ¥1,230 million, but posted profit attributable to owners of parent of ¥5,611 million.

(3) Overview of Cash Flows for the Fiscal Year under Review

The balance of cash and cash equivalents at the end of the fiscal year ended December 31, 2024 increased by ¥2,284 million from the end of the previous fiscal year to ¥19,051 million. The following is a summary of cash flow activities.

(Million yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024	Changes
Net cash provided by (used in) operating activities	7,087	8,119	1,031
Net cash provided by (used in) investing activities	(461)	(607)	(146)
Net cash provided by (used in) financing activities	(4,838)	(5,313)	(474)
Cash and cash equivalents at end of period	16,767	19,051	2,284

[Cash flows from operating activities]

Net cash provided by operating activities for the fiscal year ended December 31, 2024 was ¥8,119 million (compared with ¥7,087 million provided in the previous fiscal year). The main factors for this are the appropriation of profit before income taxes of ¥8,348 million and income taxes paid of ¥2,321 million and others.

[Cash flows from investing activities]

Net cash used in investing activities for the fiscal year ended December 31, 2024 was ¥607 million (compared with ¥461 million used in the previous fiscal year). The main factor for this is purchase of intangible assets of ¥257 million and others.

[Cash flows from financing activities]

Net cash used in financing activities for the fiscal year ended December 31, 2024 was ¥5,313 million (compared with ¥4,838 million used in the previous fiscal year). The main factors for this are dividends paid of ¥3,631 million and purchase of treasury shares of ¥1,486 million and others.

Reference: Trends in cash flow indicators

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Equity ratio (%)	76.4	70.6	70.6	73.2	69.6
Equity ratio at fair value (%)	416.6	444.2	444.2	441.0	428.6
Cash flow vs. interest-bearing debt (%)	–	–	–	–	–
Interest coverage ratio	240.5	302.4	267.2	312.3	387.1

Equity ratio: Equity/Total assets

Equity ratio at fair value: Market capitalization/Total assets

Cash flow vs. interest-bearing debt: Interest-bearing debt/Cash flow

Interest coverage ratio: Cash flow/Interest payment

(Notes) 1. Market capitalization is calculated as closing price at end of period X Shares outstanding at end of period (excluding treasury shares)

2. Cash flow indicates cash flow from operating activities on the consolidated statements of cash flows.

3. Interest-bearing debt covers all liabilities that bear interest recorded on the consolidated balance sheets.

(4) Future Outlook

While the talent markets in Europe and Asia show signs of contraction due to uncertainties in the global economic outlook, recruitment demand continues in Japan, driven by the declining working population. In light of this, in fiscal 2025, we will advance further concentration and cultivation, focusing on high-value transactions in favorable markets and expansion in local markets, mainly in the Domestic Recruitment Business. Furthermore, to strengthen human capital, we will continue the recruitment, training, and retention of consultants while also working on the selection and development of our employees for executive candidates of our group, aiming for business growth with a view to the future.

Regarding the consolidated financial results forecast for the fiscal year ending December 31, 2025, we expect net sales of ¥44,900 million, operating income of ¥10,000 million, ordinary income of ¥10,000 million, profit before income taxes of ¥10,000 million, and profit attributable to owners of parent of ¥7,000 million. Considering our internal reserves provided for M&A and investment for ICT, but setting the priority on shareholder return, we also plan to pay a year-end dividend of ¥32.00 per share.

2. Management Policy

(1) Basic Management Policy

Our 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.

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.

Based on our mission, we always aspire to company management with the following corporate goals.

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.

(2) Target Management Benchmarks

With the recruitment business, which requires little capital investment and with almost no interest-bearing debt where our cost of capital consists solely of shareholders' equity costs, we have maintained high levels with an annual ROE of 31.8% for FY2024, and PBR of 6.16 times at the end of FY2024. We recognize that the operating income margin and the growth rate of profit are the most important financial benchmarks for us to further improve these levels going forward.

(3) Medium- to Long-Term Business Strategy

In our "JAC as No. 1" long-term management vision, we state our aspiration to be the world's number one professional recruitment consultancy firm in terms of both service quality and profitability. To achieve this, we are actively making growth investments, focusing primarily on enhancing the human capital that is indispensable for improving service quality. While focusing on expanding our share in Japan's profitable and growing white-collar recruitment market, we aim to become No. 1 globally and have been developing our recruitment business worldwide.

We also recognize that earning a return on capital exceeding capital costs is an essential management requirement. Accordingly, we aim to gain market recognition by maintaining and improving high return on capital.

We are committed to maintaining a high dividend payout ratio while ensuring adequate internal reserves for future growth investments, aiming for profit growth that exceeds the expansion of our equity. When making business investments, we view the entire human resources business as one portfolio and set a minimum hurdle rate of achieving a return on investment (ROI) that exceeds our capital cost. We also use maintenance of current capital efficiency as one of our criteria for evaluating investments.

Moving forward, we will further enhance disclosure of social impact brought about through initiatives to enrich non-financial capital, striving to increase shareholder value (expand equity spread).

(4) Issues to be Addressed

In the fiscal year ending December 31, 2025, the Domestic Recruitment Business will put effort into increasing and training high-caliber consultants and strengthening management, with the ongoing aim of expanding the business over the medium- to long-term while maintaining and improving productivity. We will improve profitability by focusing on high-income earners, such as executive field and finance, while also expanding and deepening our reach into existing locations and regional markets to secure our competitive advantage and expand business scale. At the same time, as the Group's core business, we will strengthen cooperation and collaboration with other business segments to maximize Group synergies.

The Overseas Business will focus on the recruitment market for Japanese companies with strong hiring needs by promoting Global Account Management through coordination between the Company and its subsidiaries in each country. In particular, we will aim to increase gross profit by promoting business expansion in countries such as the United States, where salary levels are high and Japanese companies are making remarkable inroads.

In the Domestic Job Offer Advertising Business, we will strive to expand sales by strengthening cooperation with the Company to increase job postings and job seeker registrations while focusing on sales activities for direct recruiting by client companies.

Furthermore, we will work to improve the Group’s overall profitability by promoting operational efficiency in middle and back-office operations, strengthening ROI management for upfront investments such as information systems, and reducing the ratio of various costs to gross profit.

(5) Sustainability Initiatives Including the Promotion of Environmental Conservation, Social Contribution, and Health Management Activities

We have long been actively involved in activities that contribute to sustainable development, the fight against global warming, and environmental conservation.

Our 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 Malaysia for every person it places into a new job. This embodies our hope that as the seedling grows, the job changer will also grow in his or her new company and that the idea of social contribution will take root in as many people as possible. This initiative also helps to conserve the global environment and combat global warming. To help our employees appreciate the significance of this project, we provide opportunities for them to plant trees themselves in the designated forests, working alongside local students, which aids in transforming their awareness. Furthermore, these forestation activities create jobs locally, in addition to raising awareness of environmental conservation among the local community. To date, the Group has planted over 150,000 trees, which absorb about 560 tons of greenhouse gases annually. With this, the Group has already achieved net-zero carbon emissions for Scope 1 and Scope 2, the official metrics for greenhouse gas emission reductions. In July 2024, we launched the JAC Moringa Forest project, which aims to achieve net-zero carbon emissions for Scope 3. This project regenerates forests by planting moringa trees, which absorb more than ten times the CO_2 of cedar trees, furthering our efforts to combat global warming. In 2024, we planted 1,000 moringa trees in Miyakojima City, Okinawa Prefecture, and plan to increase the number from 2025 onward.

JAC Environmental & Animal Protection Foundation, founded in March 2022 by Hiromi Tazaki, Co-Founder, Chairman, CEO and Managing Director of the Company, was certified as a public interest incorporated foundation in February 2023. The Company supports the foundation’s mission and works to preserve the natural environment and protect animals in Japan through its activities.

In addition to these projects, since 2019, the Company has switched business card material from recycled paper containing used paper to LIMEX, a material with less environmental impact. We have also worked to foster a “plastic free” awareness company-wide by, for example, removing products in plastic PET bottles with a high environmental impact from the vending machines installed in our offices. We have switched to paperless meetings, internationally certified eco-friendly “FSC certified paper,” and recycled polypropylene folders. In addition, we have distributed cloth eco-bags to all Group employees to use instead of plastic bags and shared the significance of this with them. Furthermore, we switched the electric power used at our Tokyo Head Office to 100% green electricity in principle in April 2022, at our Nagoya branch office in April 2023, and at our Yokohama branch office in April 2024.

As part of the D&I Project, in order to take the initiative in promoting active social participation by women, since 2007 we have implemented the Employee Childcare Support Project, which provides childcare allowance to employees. In the fiscal year ended December 31, 2024, we provided dual-income couples with up to ¥100,000/month (up to 9 months old) – ¥30,000/month (from the first to third year of primary school) per child. As a result, almost 100% of our female employees return to work after maternity leave. As a company, we have encouraged and successfully implemented a system that allows most consultants and staff members to balance work and childcare while continuing to build a career. The Working Parents Committee, which consists of employees, has led the effort to do so. In addition, we have established the Women Empowerment Committee, led by incumbent female managers. This committee, which operates on the fundamental belief that “the gender ratio among management should be equivalent to the ratio of all employees,” collaborates with male managers to develop new female managerial talent. In recognition of these efforts, this fiscal year, the Company received the highest three-star Eruboshi Certification for promoting women’s participation and advancement in the workplace, as designated by the Ministry of Health, Labour and Welfare.

The “Philosophy & Policy” of our management includes “Fairness: A company where employees are evaluated based on their capabilities and achievements. People who work at JAC are always given a fair chance.” Based on this thinking, to ensure that LGBTQ+ employees can work with peace of mind, we have made employees in same-sex marriages and common-law marriages eligible for congratulatory and condolence payments. We have also launched the LGBTQ+ Committee to create a structure where employees engage actively in various activities. A culture of “creating a work environment where diverse employees can play an active role on equal terms” has been instilled across the Company. In recognition of these initiatives, in this fiscal year, the Company received the highest “Gold” rating for the third consecutive year in the PRIDE Index 2024, an evaluation index for initiatives related to sexual minorities such as LGBTQ+ established by the voluntary organization “work with Pride.” Additionally, we were certified as a “Best Workplace” for the second consecutive year in the D&I AWARD 2024 organized by JobRainbow Co., Ltd., as a D&I advanced company promoting diversity and inclusion at a high level both in Japan and globally.

The Company upholds the philosophy that our employees should respect good physical and mental health and be individuals who can play a significant role in the growth of client companies and people. With management-level commitment, we have implemented various company-wide health promotion activities. In order to enhance the Healthy Challenge program, we have introduced a system to assist employees with sports club expenses, as well as other initiatives such as providing health-conscious meals in the office. We are also aiming for a 0% smoking rate Group-wide, and we subsidize the cost of smoking cessation treatment to achieve the target. In this fiscal year, for the seventh consecutive year, we were recognized under the Health & Productivity Management Recognition Program by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.

In comprehensive recognition of the above initiatives, in this fiscal year, the Company was evaluated for the second consecutive year as AA rank of MSCI ESG rating that is s a global evaluation index for ESG investment, and also selected as a constituent of the FTSE Blossom Japan Sector Relative Index, which includes Japanese companies that meet global standards for environment, social, and governance (ESG) requirements. We will continue to actively engage in ESG activities as a company-wide effort and strive to create a high level of corporate consciousness.

3. Basic Policy on Selection of Accounting Standards

Believing that applying IFRS would be of little advantage in the current situation, and considering the burden of changing to IFRS, the Group applies Japanese GAAP.

Concerning the future, the Group will appropriately respond while taking into consideration trends in IFRS adoption by listed companies.

4. Consolidated Financial Statements and Principal Notes
(1) Consolidated Balance Sheets

(Million yen)

	As of December 31, 2023	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	16,767	19,051
Accounts receivable - trade	1,928	2,685
Supplies	0	3
Prepaid expenses	384	459
Other	314	161
Allowance for doubtful accounts	(24)	(11)
Total current assets	19,370	22,349
Non-current assets		
Property, plant and equipment		
Buildings	526	537
Accumulated depreciation	(237)	(273)
Buildings, net	289	264
Machinery and equipment	66	85
Accumulated depreciation	(45)	(56)
Machinery and equipment, net	21	29
Vehicles	0	0
Accumulated depreciation	(0)	(0)
Vehicles, net	–	–
Tools, furniture and fixtures	419	456
Accumulated depreciation	(275)	(319)
Tools, furniture and fixtures, net	144	137
Leased assets	4	4
Accumulated depreciation	(2)	(3)
Leased assets, net	1	0
Construction in progress	–	0
Other	436	208
Accumulated depreciation	(104)	(121)
Other, net	331	86
Total property, plant and equipment	788	518
Intangible assets		
Goodwill	721	113
Software	550	470
Software in progress	154	251
Total intangible assets	1,426	834
Investments and other assets		
Investment securities	0	0
Investments in capital	0	0
Lease and guarantee deposits	928	1,055
Claims provable in bankruptcy, claims provable in rehabilitation and other	10	10
Long-term prepaid expenses	24	23
Deferred tax assets	980	1,237
Long-term accounts receivable - other	1	0
Allowance for doubtful accounts	(12)	(17)
Total investments and other assets	1,933	2,309
Total non-current assets	4,147	3,663
Total assets	23,518	26,013

(Million yen)

	As of December 31, 2023	As of December 31, 2024
Liabilities		
Current liabilities		
Lease obligations	0	0
Accounts payable - other	504	666
Accrued expenses	2,760	3,229
Income taxes payable	1,318	2,028
Accrued consumption taxes	688	832
Deposits received	297	381
Unearned revenue	36	40
Provision for bonuses for directors (and other officers)	–	99
Provision for stocks payment	204	218
Refund liabilities	59	58
Other	181	169
Total current liabilities	6,052	7,726
Non-current liabilities		
Lease obligations	0	–
Deferred tax liabilities	2	1
Other	245	189
Total non-current liabilities	248	191
Total liabilities	6,301	7,917
Net assets		
Shareholders' equity		
Capital stock	672	672
Capital surplus	1,516	1,540
Retained earnings	17,722	19,698
Treasury shares	(2,980)	(4,210)
Total shareholders' equity	16,930	17,700
Accumulated other comprehensive income		
Foreign currency translation adjustment	286	394
Total accumulated other comprehensive income	286	394
Total net assets	17,217	18,095
Total liabilities and net assets	23,518	26,013

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Net sales	34,475	39,156
Cost of sales	2,654	2,907
Gross profit	31,821	36,248
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	721	666
Salaries and allowances	13,246	15,172
Legal welfare expenses	1,780	2,125
Retirement benefit expenses	460	503
Provision for bonuses for directors (and other officers)	–	99
Provision for share awards	202	215
Provision of allowance for doubtful accounts	16	6
Rent expenses on land and buildings	1,285	1,420
Depreciation	541	523
Amortization of goodwill	119	123
Advertising expenses	1,565	1,922
Other	3,665	4,378
Total selling, general and administrative expenses	23,606	27,157
Operating income	8,215	9,090
Non-operating income		
Interest income	9	10
Reversal of allowance for doubtful accounts	–	15
Penalty income	–	10
Gain on cancellation of leases	17	–
Insurance fee income	5	7
Rental income from facilities	5	6
Other	2	6
Total non-operating income	41	56
Non-operating expenses		
Interest expenses	22	20
Foreign exchange losses	9	0
Other	14	4
Total non-operating expenses	46	25
Ordinary income	8,209	9,122
Extraordinary losses		
Loss on retirement of non-current assets	1	7
Impairment losses	–	766
Amortization of goodwill	–	–
Total extraordinary losses	1	773
Profit before income taxes	8,207	8,348
Income taxes - current	2,218	2,994
Income taxes - deferred	11	(257)
Total income taxes	2,229	2,737
Profit	5,978	5,611
Profit attributable to owners of parent	5,978	5,611

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Profit	5,978	5,611
Other comprehensive income		
Foreign currency translation adjustment	117	107
Total other comprehensive income	117	107
Comprehensive income	6,095	5,719
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,095	5,719
Comprehensive income attributable to non-controlling interests	–	–

(3) Consolidated Statements of Changes in Equity

Fiscal year ended December 31, 2023 (from January 1, 2023 to December 31, 2023)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	672	1,514	15,022	(1,793)	15,415
Changes of items during period					
Dividends of surplus			(3,278)		(3,278)
Profit attributable to owners of parent			5,978		5,978
Purchase of treasury shares				(1,369)	(1,369)
Disposal of treasury shares		1		182	184
Net changes in items other than shareholders' equity					
Total changes of items during period	–	1	2,699	(1,187)	1,514
Balance at end of period	672	1,516	17,722	(2,980)	16,930

	Accumulated other comprehensive income		Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	169	169	15,585
Changes of items during period			
Dividends of surplus			(3,278)
Profit attributable to owners of parent			5,978
Purchase of treasury shares			(1,369)
Disposal of treasury shares			184
Net changes in items other than shareholders' equity	117	117	117
Total changes of items during period	117	117	1,631
Balance at end of period	286	286	17,217

Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	672	1,516	17,722	(2,980)	16,930
Changes of items during period					
Dividends of surplus			(3,635)		(3,635)
Profit attributable to owners of parent			5,611		5,611
Purchase of treasury shares				(1,486)	(1,486)
Disposal of treasury shares		23		255	279
Net changes in items other than shareholders' equity					
Total changes of items during period	–	23	1,976	(1,230)	770
Balance at end of period	672	1,540	19,698	(4,210)	17,700

	Accumulated other comprehensive income		Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	286	286	17,217
Changes of items during period			
Dividends of surplus			(3,635)
Profit attributable to owners of parent			5,611
Purchase of treasury shares			(1,486)
Disposal of treasury shares			279
Net changes in items other than shareholders' equity	107	107	107
Total changes of items during period	107	107	878
Balance at end of period	394	394	18,095

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Cash flows from operating activities		
Profit before income taxes	8,207	8,348
Depreciation	541	523
Amortization of goodwill	119	625
Increase (decrease) in allowance for doubtful accounts	14	(8)
Increase (decrease) in provision for stocks payment	202	215
Increase (decrease) in refund liabilities	(14)	(1)
Interest and dividend income	(9)	(10)
Interest expenses	22	20
Foreign exchange losses (gains)	2	4
Loss on retirement of non-current assets	1	7
Impairment losses	–	264
Decrease (increase) in trade receivables	320	(755)
Decrease (increase) in inventories	6	(2)
Increase (decrease) in accounts payable - other	(68)	169
Increase (decrease) in accrued expenses	(235)	569
Increase (decrease) in accrued consumption taxes	23	155
Other, net	82	326
Subtotal	9,217	10,450
Interest and dividends received	9	10
Interest paid	(22)	(20)
Income taxes paid	(2,117)	(2,321)
Net cash provided by (used in) operating activities	7,087	8,119
Cash flows from investing activities		
Purchase of property, plant and equipment	(152)	(187)
Purchase of intangible assets	(316)	(257)
Short-term loan advances	(45)	(43)
Collection of short-term loans receivable	55	40
Purchase of long-term prepaid expenses	(8)	(14)
Payments of leasehold and guarantee deposits	(40)	(154)
Proceeds from collection of other investments	45	9
Net cash provided by (used in) investing activities	(461)	(607)
Cash flows from financing activities		
Dividends paid	(3,275)	(3,631)
Repayments of lease obligations	(0)	(0)
Purchase of treasury shares	(1,369)	(1,486)
Other payments	(192)	(195)
Net cash provided by (used in) financing activities	(4,838)	(5,313)
Effect of exchange rate change on cash and cash equivalents	100	86
Net increase (decrease) in cash and cash equivalents	1,887	2,284
Cash and cash equivalents at beginning of period	14,879	16,767
Cash and cash equivalents at end of period	16,767	19,051

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Significant basis of preparing consolidated financial statements)

1. Scope of consolidation

Number of consolidated subsidiaries: 23

Names of main consolidated subsidiaries

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

2. Scope of equity method

Not applicable.

3. Fiscal year-end, etc. of consolidated subsidiaries

The fiscal year-end of consolidated subsidiaries is the same as the consolidated fiscal year-end.

4. Accounting policies

(1) Valuation methods for assets

Securities

Other securities:

Shares, etc. that do not have a market price

Stated at cost determined by the moving average method.

(2) Depreciation and amortization of significant assets

1) Property, plant and equipment (excluding leased assets)

The Company and its domestic consolidated subsidiaries apply the declining-balance method. However, auxiliary facilities attached to buildings and structures acquired on or after April 1, 2016, are depreciated by the straight-line method.

Overseas consolidated subsidiaries apply the straight-line method.

The main useful lives are as follows:

Buildings:	3-15 years
Machinery and equipment:	7 years
Tools, furniture and fixtures:	2-20 years

2) Intangible assets (excluding leased assets)

The straight-line method is applied. Internal use software is amortized over its internal estimated useful life (3-5 years).

3) Leased assets

The straight-line method is applied assuming the lease periods as useful lives with no residual value.

(3) Recognition standards of significant allowances and provisions

1) Allowance for doubtful accounts

To cover losses from bad debts for accounts receivable - trade, etc., an allowance for doubtful accounts is provided based on historical experience of bad debts for general receivables and on an estimate of the collectability of certain receivables deemed doubtful of collection.

2) Provision for bonuses for directors (and other officers)

To cover performance-linked compensation to be paid to directors, the Company records a provision for the amount expected to be paid in the current fiscal year.

3) Provision for stocks payment

To cover employee stock payments based on the Share Delivery Rules, the Company records a provision for stocks payment based on the estimated amount of share payment obligations as of the consolidated balance sheet date.

(4) Standards for recording significant revenues and expenses

1) Recruitment Business

In the recruitment service, we have obligations to introduce candidates primarily for permanent positions to client employers. We recognize success-based consulting fees as revenue when the candidates join the client employers. We receive consideration for the transaction generally within one month from the time when the performance obligations were fulfilled.

In the Recruitment Process Optimisation service, we have obligations to support client employers in their recruitment activities primarily for permanent employees. The service is provided over a contract period, and we recognize revenue on a pro rata basis over the contract period, judging that our performance obligations are fulfilled with the lapse of time. Consideration for the transaction is received in a phased manner, generally according to the progress of the performance obligations, in accordance with the terms and conditions of transactions.

2) Job Offer Advertising Business

In the Job Offer Advertising Business, we have obligations to post job offers primarily for permanent positions solicited from client employers on job offer advertising websites. We concurrently use a prepayment method in which we recognize revenue when we are awarded a contract and a success-based method in which we recognize revenue when a job seeker joins a client employer via a job offer advertising website. We receive consideration for the transaction generally within one month from the time when the performance obligations were fulfilled.

(5) Translation standards of significant assets and liabilities in foreign currency

Assets and liabilities of overseas consolidated subsidiaries are translated into yen at the rates of exchange in effect at the consolidated balance sheet date, and revenue and expense accounts are translated at the average rates of exchange in effect during the fiscal year. Differences arising from the translation are presented as translation adjustments in the net assets section.

(6) Method and period of amortization of goodwill

Amortized using the straight-line method over 10 to 12 years.

(7) Scope of cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents consist of cash on hand, cash in banks which can be withdrawn at any time, and short-term investments with a maturity of three months or less when purchased which can easily be converted to cash and are subject to little risk of change in value.

(Unapplied accounting standards)

- Accounting Standard for Leases (ASBJ Statement No. 34, September 13, 2024)
- Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33, September 13, 2024)

Also, amendments to related Accounting Standards, Implementation Guidance, Practical Solutions, and Transferred Guidance

(1) Overview

Similar to international accounting standards, this establishes treatments such as recording assets and liabilities for all leases by the lessee.

(2) Planned application date

We plan to apply these standards from the beginning of the fiscal year ending December 31, 2028.

(3) Impact of applying these accounting standards

The impact is currently being evaluated in the preparation of the consolidated financial statements for the current fiscal year.

(Changes in presentation)

(Consolidated statements of income)

"Loss on cancellation of rental contracts" which was presented as a separate account under "Non-operating expenses" in the previous fiscal year, has been included in "Other" under "Non-operating expenses" in the current fiscal year due to its decreased financial materiality.

"Loss on cancellation of rental contracts" under "Non-operating expenses" in the consolidated financial statements for the previous fiscal year was ¥13 million.

(Additional information)

(Transactions to deliver shares of the Company through a trust to employees)

The Employee Stock Ownership Plan (ESOP) Trust Program, an incentive plan for employees, was introduced in August 2015 for the purpose of enhancing employee benefits and increasing the Company's medium- to long-term corporate value, but due to its termination in March 2021, it was re-introduced in May 2021.

(1) Transaction summary

Pursuant to the established Share Delivery Rules, the Company grants points to employees who satisfy certain requirements, and shares of the Company equivalent to these points are delivered. The shares delivered to employees, including those to be delivered in the future, are purchased by cash held in the trust, managed separately as trust assets.

(2) Company shares remaining in the trust

Shares of the Company remaining in the trust are recorded as treasury shares under net assets based on the book value in the trust (excluding incidental expenses). The book value and the number of said treasury shares were ¥849 million and 2,003,376 shares, respectively, as of December 31, 2023, and ¥647 million and 1,527,538 shares, respectively, as of December 31, 2024.

The Company conducted a four-for-one stock split effective January 1, 2024. Share numbers have been calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

In addition, from 28 Feb. 2025, we plan to transition to the RS trust system in which the Company's shares to be delivered will be changed from common shares to restricted shares.

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

The reportable segments of the Group are components for which separate financial information is available and are the subject of regular review by the Board of Directors to determine the allocation of management resources and evaluate performance.

The Group is engaged in the Domestic Recruitment Business, the Domestic Job Offer Advertising Business, and the Overseas Business. The Group has 12 domestic offices and two subsidiaries in the Domestic Recruitment Business, one domestic subsidiary in the Domestic Job Offer Advertising Business, and 20 subsidiaries in 11 countries and regions in the Overseas Business. As management resources are allocated to each business, reportable segments are presented according to business unit.

2. Method of calculating amounts of net sales, profit (loss), assets, liabilities, and other items by reportable segment

In principle, the accounting method for reportable segments is the same as described in "Significant basis of preparing consolidated financial statements." Inter-segment sales and transfers are based on prevailing market prices.

The Group does not allocate assets to business segments as asset information is not used for managing performance.

3. Information on net sales, profit (loss), assets, liabilities, and other items by reportable segment, and information on disaggregation of revenue
For the fiscal year ended December 31, 2023 (from January 1, 2023 to December 31, 2023)

(Million yen)

	Reportable segment			Segment total	Adjustment	Total
	Domestic Recruitment Business	Domestic Job Offer Advertising Business	Overseas Business			
Net sales						
Goods transferred at a point in time	29,880	219	2,601	32,701	–	32,701
Goods transferred over time	595	102	1,076	1,773	–	1,773
Revenue from contracts with customers	30,475	322	3,677	34,475	–	34,475
Net sales to outside customers	30,475	322	3,677	34,475	–	34,475
Intersegment net sales or transfers	22	27	19	68	(68)	–
Total	30,498	349	3,697	34,544	(68)	34,475
Segment profit	8,097	33	76	8,207	–	8,207
Other items						
Depreciation	375	–	165	541	–	541
Amortization of goodwill	74	–	45	119	–	119
Interest income	0	0	9	9	–	9
Interest expenses	0	–	22	22	–	22
Extraordinary losses	1	–	0	1	–	1
(Loss on retirement of non-current assets)	1	–	0	1	–	1

(Note) Segment profit is consistent with the profit before income taxes in the consolidated statements of income.

For the fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(Million yen)

	Reportable segment			Segment total	Adjustment	Total
	Domestic Recruitment Business	Domestic Job Offer Advertising Business	Overseas Business			
Net sales						
Goods transferred at a point in time	34,193	315	2,498	37,006	–	37,006
Goods transferred over time	815	86	1,246	2,149	–	2,149
Revenue from contracts with customers	35,009	401	3,745	39,156	–	39,156
Net sales to outside customers	35,009	401	3,745	39,156	–	39,156
Intersegment net sales or transfers	57	15	27	100	(100)	–
Total	35,066	417	3,772	39,256	(100)	39,156
Segment profit (loss)	8,736	59	(447)	8,348	–	8,348
Other items						
Depreciation	353	0	169	523	–	523
Amortization of goodwill	74	–	48	123	–	123
Interest income	0	0	10	10	–	10
Interest expenses	0	–	20	20	–	20
Extraordinary losses	263	–	509	773	–	773
(Loss on retirement of non-current assets)	6	–	0	7	–	7
(Impairment losses)	257	–	452	710	–	710
(Amortization of goodwill)	–	–	56	56	–	56

(Note) Segment profit is consistent with the profit before income taxes in the consolidated statements of income.

[Related information]

For the fiscal year ended December 31, 2023 (from January 1, 2023 to December 31, 2023)

1. Information by product and service

This information is not provided here because it is the same as the information provided under “Segment information.”

2. Information by geographical area

(1) Net sales

(Million yen)

Japan	Asia	Europe and the United States	Total
30,784	2,989	701	34,475

(Note) Net sales are segmented into country or region based on customer location.

(2) Property, plant and equipment

(Million yen)

Japan	Asia (excluding Singapore)	Singapore	Europe and the United States	Total
388	129	256	13	788

3. Information by major customer

This information is not provided here because there were no customers that accounted for 10% or more of the net sales recorded in the consolidated statements of income.

For the fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

1. Information by product and service

This information is not provided here because it is the same as the information provided under “Segment information.”

2. Information by geographical area

(1) Net sales

(Million yen)

Japan	Asia	Europe and the United States	Total
35,391	2,727	1,036	39,156

(Note) Net sales are segmented into country or region based on customer location.

(2) Property, plant and equipment

(Million yen)

Japan	Asia	Europe and the United States	Total
402	109	6	518

3. Information by major customer

This information is not provided here because there were no customers that accounted for 10% or more of the net sales recorded in the consolidated statements of income.

[Information on impairment losses on non-current assets by reportable segment]

For the fiscal year ended December 31, 2023 (from January 1, 2023 to December 31, 2023)

Not applicable.

For the fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(Million yen)

	Reportable segment			Reportable segments total	Corporate or elimination of inter-segment transactions	Total
	Domestic Recruitment Business	Domestic Job Offer Advertising Business	Overseas Business			
Impairment losses	257	–	452	710	–	710

[Information on amortization of goodwill and unamortized balance by reportable segment]

For the fiscal year ended December 31, 2023 (from January 1, 2023 to December 31, 2023)

(Million yen)

	Reportable segment			Reportable segments total	Corporate or elimination of inter-segment transactions	Total
	Domestic Recruitment Business	Domestic Job Offer Advertising Business	Overseas Business			
Balance at end of period	444	–	277	721	–	721

(Note) Amortization of goodwill is not provided here because it is the same as the information provided under "Segment information."

For the fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(Million yen)

	Reportable segment			Reportable segments total	Corporate or elimination of inter-segment transactions	Total
	Domestic Recruitment Business	Domestic Job Offer Advertising Business	Overseas Business			
Balance at end of period	113	–	–	113	–	113

(Notes) 1. Amortization of goodwill is not provided here because it is the same as the information provided under "Segment information."

2. Impairment losses on goodwill of ¥257 million was recorded in the Domestic Recruitment Business segment, and impairment losses on goodwill of ¥188 million was recorded in the Overseas Business segment.

[Information on gain recognized on negative goodwill by reportable segment]

Not applicable.

(Per share information)

(Yen)

Previous fiscal year (From January 1, 2023 to December 31, 2023)		Current fiscal year (From January 1, 2024 to December 31, 2024)	
Net assets per share	107.91	Net assets per share	114.43
Basic earnings per share	37.42	Basic earnings per share	35.22

(Notes) 1. The Company conducted a four-for-one stock split effective January 1, 2024. The amounts for per share information have been calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

2. The basis for calculation of net assets per share is as follows.

	Previous fiscal year (As of December 31, 2023)	Current fiscal year (As of December 31, 2024)
Total net assets (Million yen)	17,217	18,095
Amounts deducted from total net assets (Million yen)	–	–
Net assets attributable to shares of common shares (Million yen)	17,217	18,095
Number of outstanding common shares	165,557,200	165,557,200
Number of treasury shares of common shares	6,000,984	7,423,728
Number of common shares used to calculate net assets per share	159,556,216	158,133,472

3. The basis for calculation of basic earnings per share is as follows.

	Previous fiscal year (From January 1, 2023 to December 31, 2023)	Current fiscal year (From January 1, 2024 to December 31, 2024)
Basic earnings per share		
Profit attributable to owners of parent (Million yen)	5,978	5,611
Amount not attributable to common shareholders (Million yen)	–	–
Profit attributable to owners of parent relating to common shares (Million yen)	5,978	5,611
Average number of common shares during the period	159,775,548	159,314,954

4. The shares of the company remaining in the trust, which are recorded as treasury shares under shareholders' equity, are included in the treasury shares to be deducted in the calculation of average number of shares during the period for the purpose of calculating basic earnings per share, and are also included in the number of treasury shares to be deducted from the total number of shares outstanding as of the end of the period for the purpose of calculating net assets per share.

The average number of treasury shares during the period deducted for the purpose of calculating basic earnings per share is 2,094,068 shares for the fiscal year ended December 31, 2023 and 1,635,193 shares for the fiscal year ended December 31, 2024. The number of treasury shares deducted at the end of the period for the purpose of calculating net assets per share is 2,003,376 shares for the fiscal year ended December 31, 2023 and 1,527,538 shares for the fiscal year ended December 31, 2024.

5. Diluted earnings per share are not presented as there were no dilutive shares.

(Significant subsequent events)
Not applicable.