Results Briefing 4Q of FY2024

JAC Recruitment Co., Ltd.

12 Feb. 2025

JAC Recruitment

Consolidated Results: FY2024

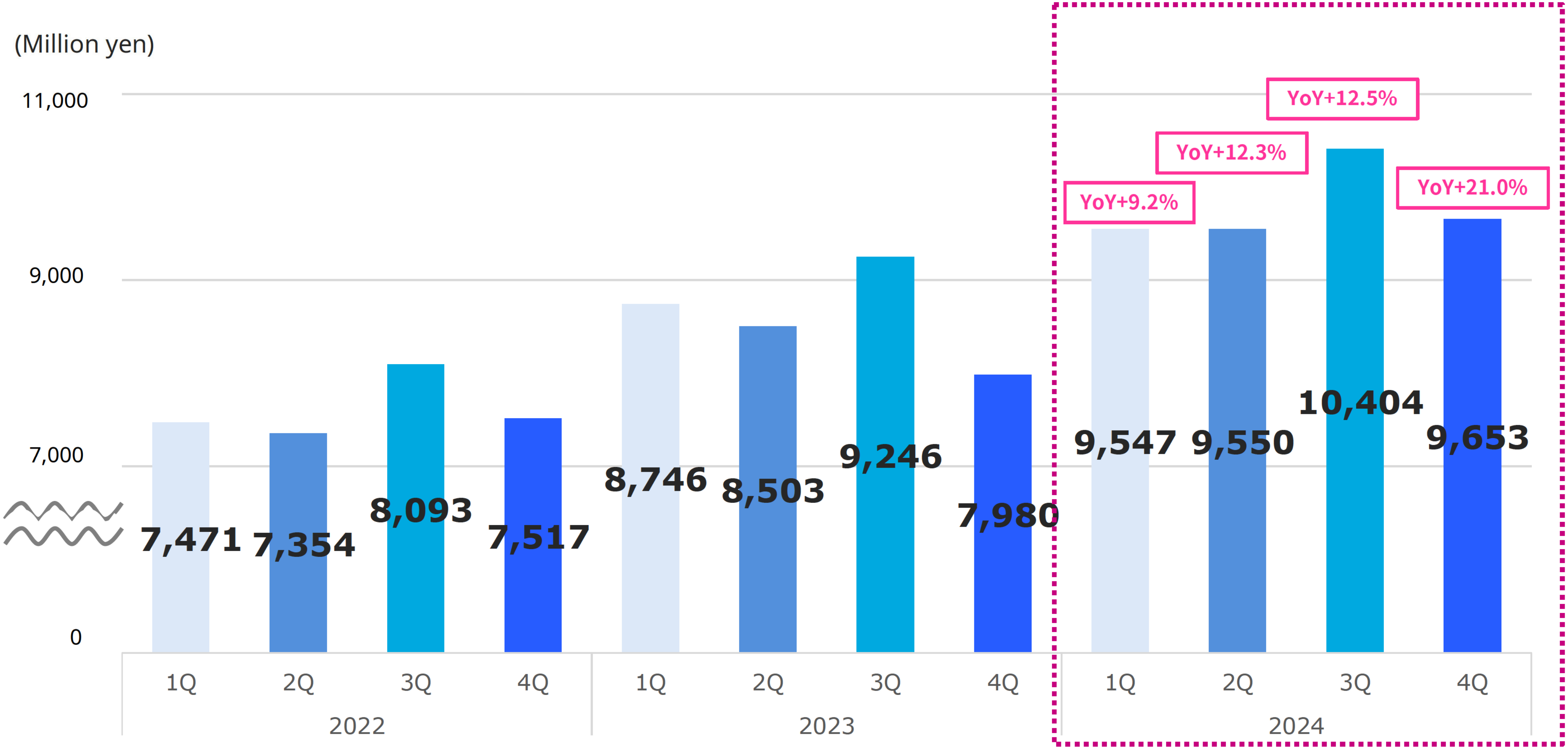
Revenue increased by 13.6% to a record high of JPY39.15billion exceed revised plan.

(Million yen)

	4Q FY2023	4Q FY2024	Change in pct.	VS. Initial Forecast	VS. Revised Forecast
Revenue	34,475	39,156	+13.6%	97.8%	100.4%
Gross Profit	31,821	36,248	+13.9%	98.8%	101.0%
Operating Profit	8,215	9,090	+10.7%	96.2%	103.3%
EBITDA	8,875	9,737	+9.7%	-	-
EBITDA Margin	25.7%	24.9%	(0.8)pt	-	-
Ordinary Income	8,209	9,122	+11.1%	96.5%	103.7%
Profit attributable to owners of parent	5,978	5,611	(6.1)%	82.5%	93.5%

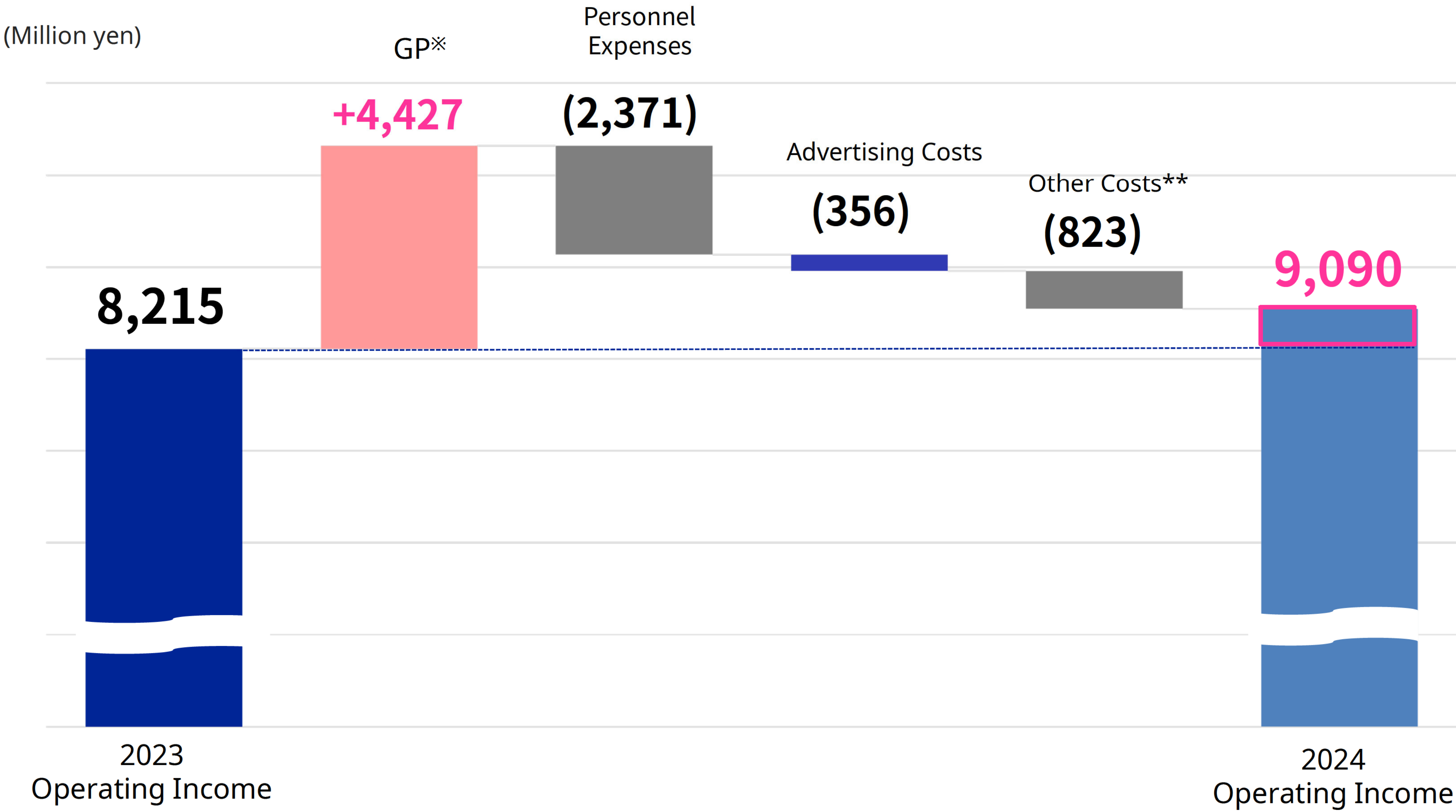
Quarterly comparison of company-wide sales

- Revenue of 1Q was lower than initial plan, however recovered from 2Q.
- In particular, revenue of 4Q increased by 21.0% YoY, exceed initial plan.



Factors Contributing to Increase of Operating Income YoY

Operating income increased by 10.7% YoY due to a steady growth in GP.

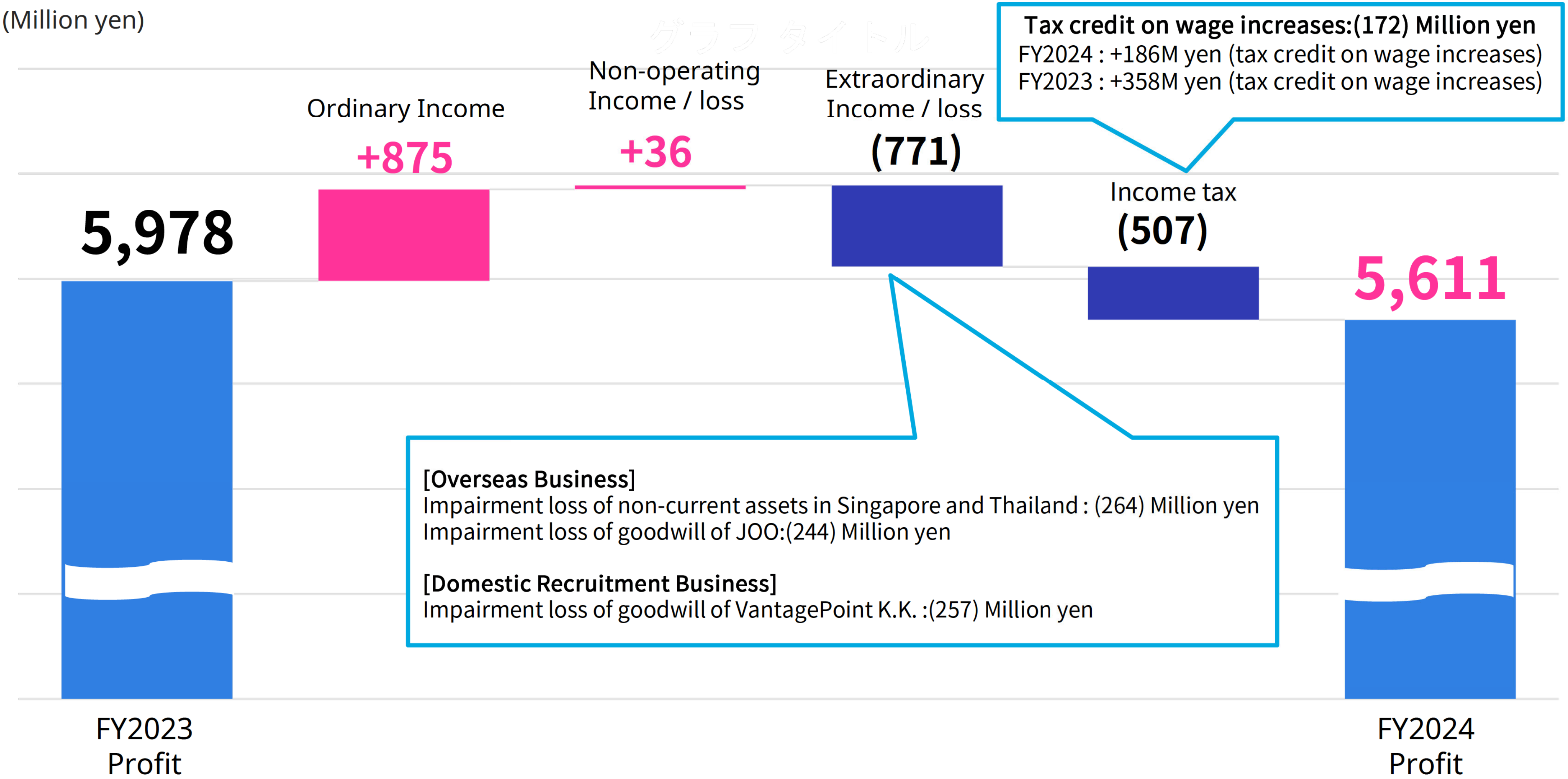


*GP: Gross Profit **Costs associated with expansion of headquarters floor space and layout changes, Core ICT system costs , etc.

Factors Contributing to Decrease of Profit YoY

But , profit declined YoY, mainly due to 1-time factors such as impairment loss of goodwill and non-current assets associated with the slump in the overseas business, and a result profit was lower than revised plan.

(Million yen)



Segment Performance

Domestic Recruitment Business: Continuing from the previous fiscal year, Revenue and profit rose to a record high.

Overseas Business: Maintained profitability excluding the impact of impairment losses of goodwill and non-current assets.

Domestic Job Offer Advertising Business: Growing steadily.

(Million yen)

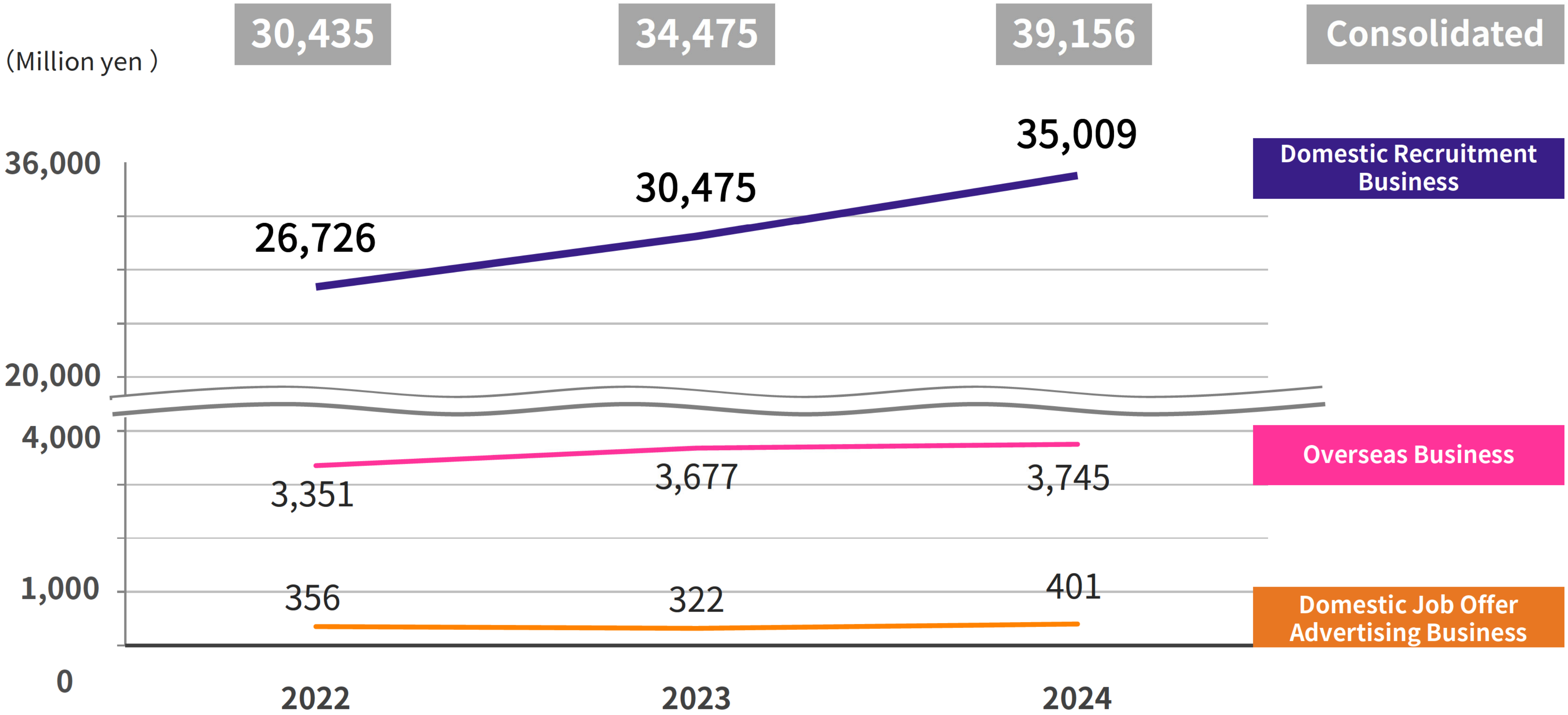
Segment revenue	FY2023	FY2024	Change in pct.
Domestic Recruitment Business	30,475	35,009	+14.9%
Overseas Business	3,677	3,745	+1.8%
Domestic Job Offer Advertising Business	322	401	+ 24.6%

Segment profit (loss)	FY2023	FY2024	Change in pct.
Domestic Recruitment Business	8,097	8,736	+7.9%
Overseas Business	76	(447)*	—
Domestic Job Offer Advertising Business	33	59	+76.3%

*Including impairment losses(508 million yen) of goodwill and non-current assets.

Three-year Business Segment Revenues

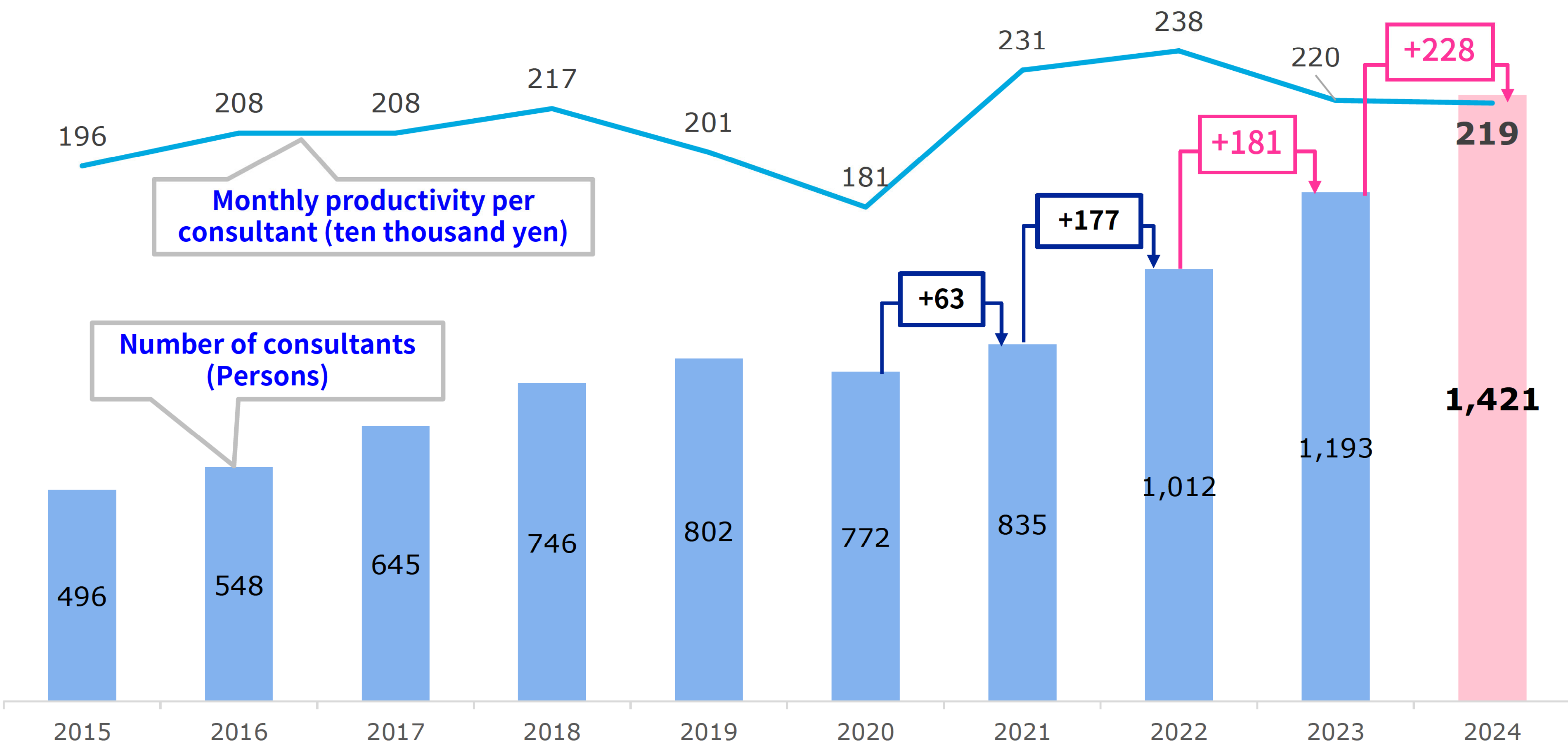
- Revenue of all Business Segments increased year on year.
- Revenue growth rate of our main business , Domestic Recruitment Business increased by approximately 1 pt YoY.



Headcount of Consultant and Productivity in Domestic Recruitment Business

- The number of consultants was almost in line with plan due to continued recruitment and reduced turnover.
- Productivity (monthly sales per consultant) was almost even compared to last year.

Number of Consultants and Productivity (Domestic Recruitment Business*)



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

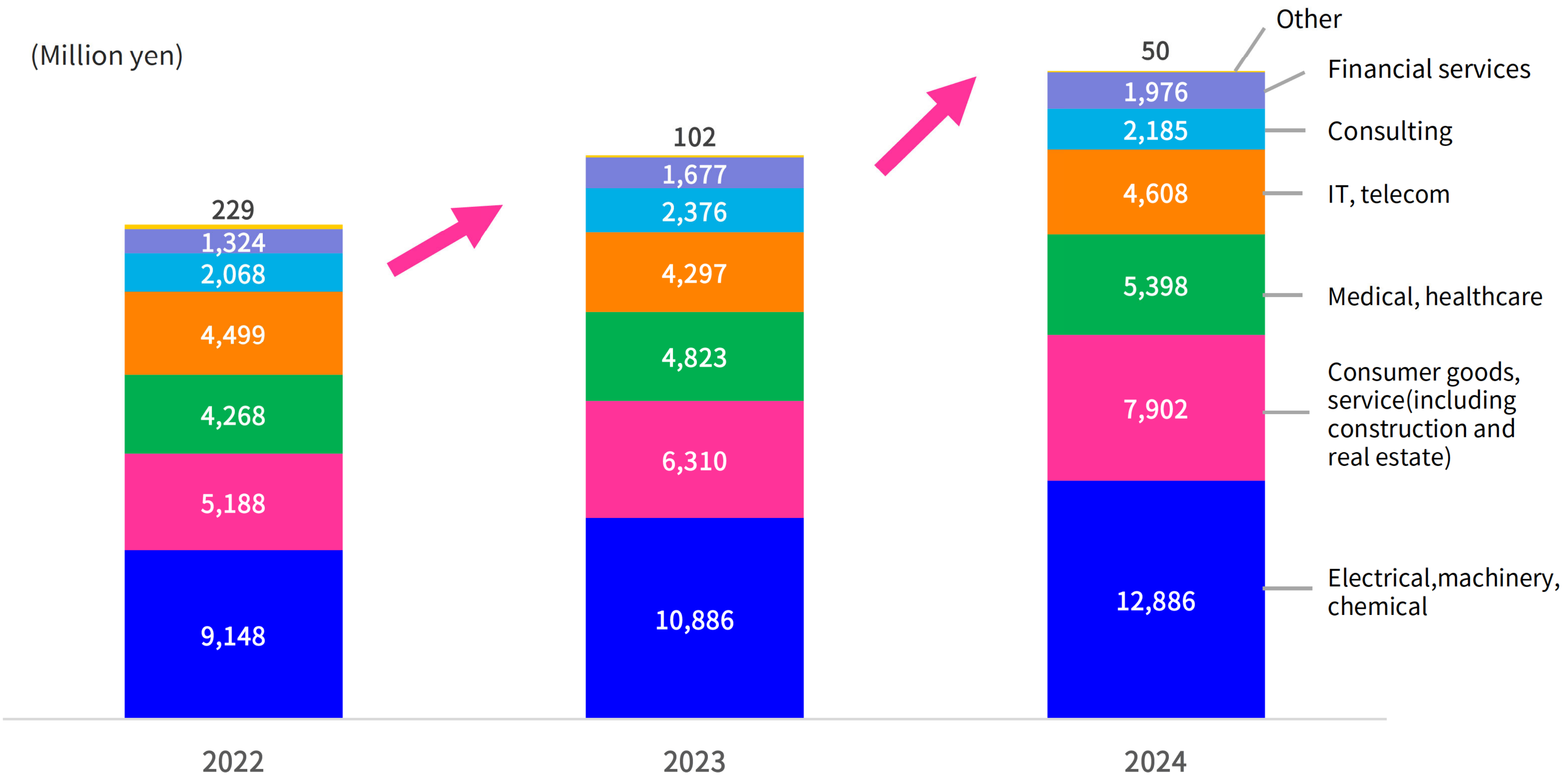
Overview of each segment in FY2024

Domestic Recruitment Business	● Japanese companies were still highly motivated to hire employees, 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, became more active. ● We focused on face-to-face communication with client companies and registered job seekers as our highest priority.
Overseas Business	● The market conditions remained difficult in Asia, but revenue was increasing in USA. ● 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 seek to expand sales by shifting to a contingency fee model and increasing our contact points with Japanese companies. ● We are making sales efforts for direct recruiting by client companies and working on cross-selling through collaboration with our Domestic Recruitment Business.

Domestic Recruitment Business Revenues by Industry

Revenue of IT and telecom industries turned to increase, and revenue increased in all industries except consulting.

Revenues by Industry (Domestic Recruitment Business*)



*JAC Recruitment +JAC International + VantagePoint

Balance Sheet Summary: End of FY2024

Current liabilities increased slightly due to an increase in 4Q revenue and other factors, however financial strength remains high with an equity ratio of 69.6%.

(Million yen, %)

Item	End of Dec. 2023		End of Dec. 2024		Change
	Amount	%	Amount	%	
Current assets	19,370	82.4	22,349	85.9	+2,979
Cash and deposit	16,767	71.3	**19,051**	**73.2**	+2,284
Accounts receivable - trade	1,928	8.2	**2,685**	**10.3**	+757
Non-current assets	4,147	17.6	3,663	14.1	(484)
Property, plant and equipment	788	3.4	**518**	**2.0**	(269)
Intangible assets	1,426	6.1	**834**	**3.2**	(591)
Investments and other assets	1,933	8.2	**2,309**	**8.9**	+376
Total assets	23,518	100.0	26,013	100.0	+2,494
Current liabilities	6,052	25.7	**7,726**	**29.7**	+1,673
Non-current liabilities	248	1.1	**191**	**0.7**	(57)
Total liabilities	6,301	26.8	**7,917**	**30.4**	+1,616
Total net assets	17,217	73.2	**18,095**	**69.6**	+878
Total liabilities and net assets	23,518	100.0	26,013	100.0	+2,494

End of FY2024 Cash Flows

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

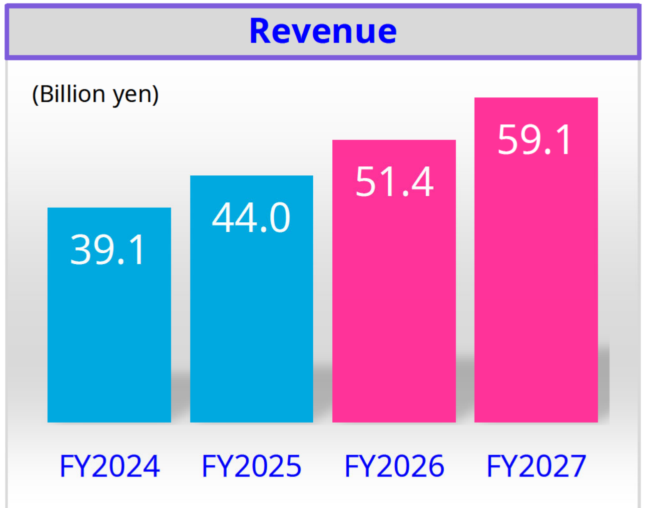
(Million yen)

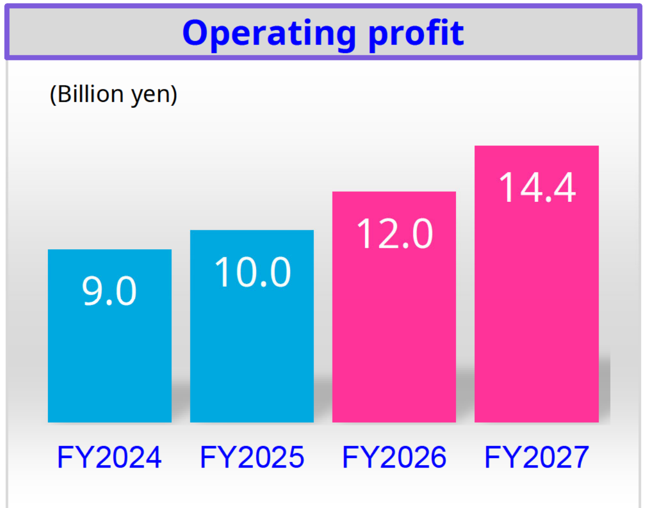
	FY2023	FY2024
Cash flows from operating activities	7,087	**8,119**
Cash flows from investing activities	(461)	**(607)**
Cash flows from financing activities	(4,838)	**(5,313)**
Cash and cash equivalents at end of period	16,767	**19,501**

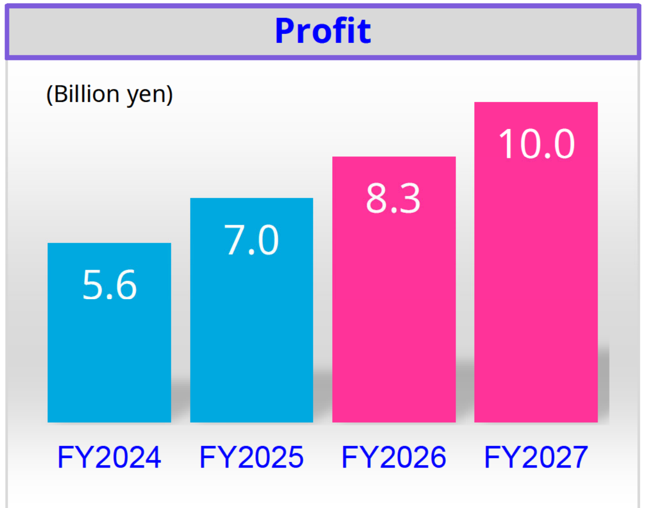
Medium-Term Management Plan (1) Financial Indicators

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

(Billion yen, %, persons)	2024 (Actual)	2025 (Forecast)	2026 Goals	2027 Goals
Revenue	39.1	44.9 (+16%)	51.4 (+14%)	59.1 (+15%)
Operating profit	9.0	10.0	12.0	14.4
Operating margin	23.2%	22.3%	23.3%	24.4%
Profit attributable to shareholders of the parent company	5.6	7.0 (+25%)	8.3 (+19%)	10.0 (+20%)
Profit margin	14.3%	15.6%	16.1%	16.9%







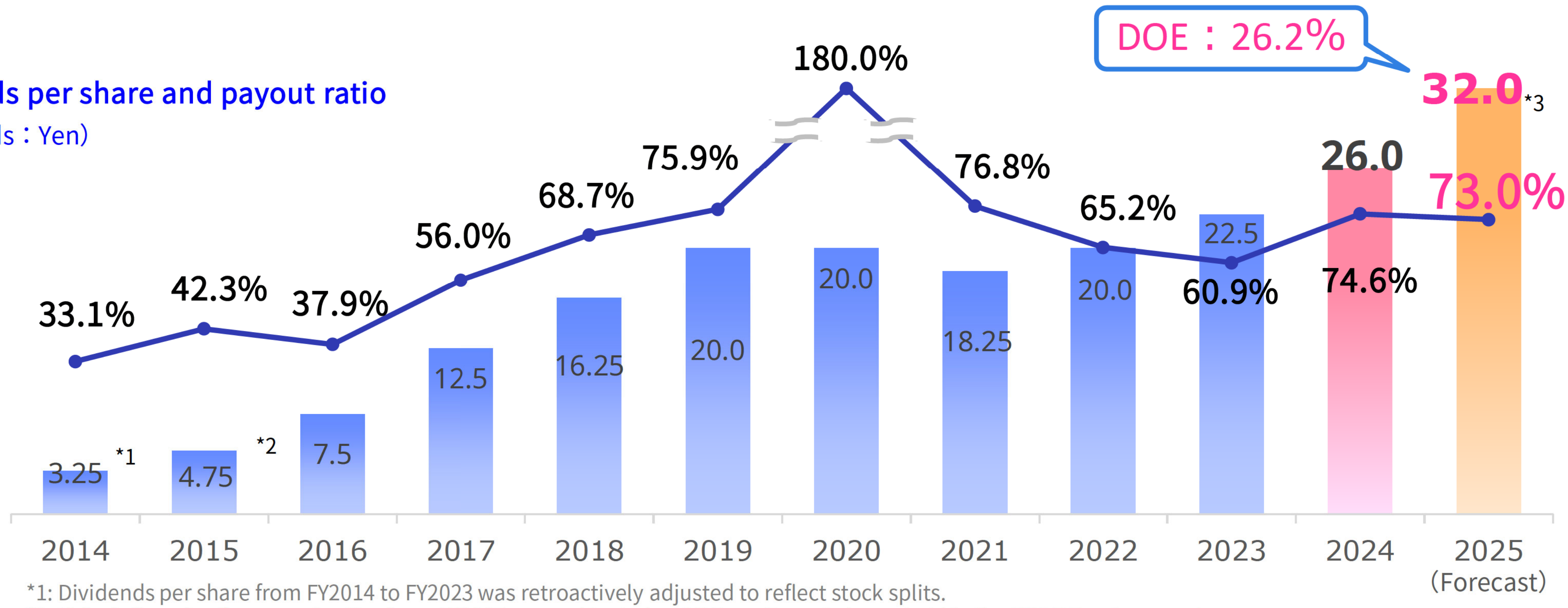
Shareholders Return Policy

- Combined with the share buyback in August - September, the total return ratio of FY2024 was 100.5%.
- Dividend of FY2025(Forecast) increase by ¥6 to JPY32 per share.

		FY2024	FY2025(Forecast)	
				YoY
(Dividends：Yen)	DPS	26	32	+6
(DOE：%)	DOE	22.7	26.2	+3.5pt

Dividends per share and payout ratio

(Dividends：Yen)



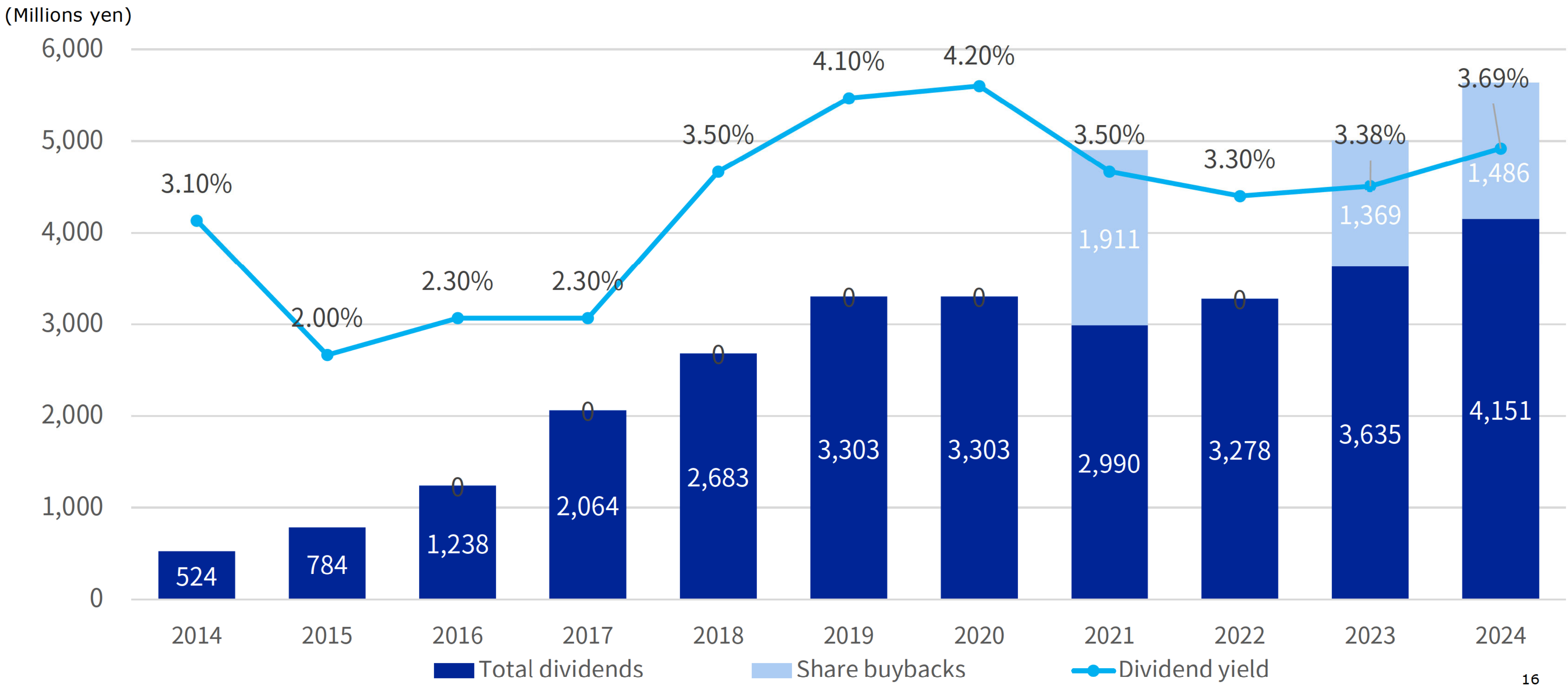
*1: Dividends per share from FY2014 to FY2023 was retroactively adjusted to reflect stock splits.
*2: Calculations for the payout ratios from FY2015 onward include JAC Recruitment shares held in the ESOP Trust account.
*3: The dividend payout ratio for FY2025 is the figure at the time of the forecast on 12 Feb. 2025.

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	2024	Total
Dividend payout ratio	33.1%	42.3%	37.9%	56.0%	68.7%	75.9%	180.0%	76.8%	65.2%	60.9%	74.6%	68.3%
Total return ratio	33.1%	43.3%	37.9%	56.0%	68.7%	75.9%	180.1%	126.3%	65.2%	83.7%	100.5%	79.9%



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 Year-end
Profit (Million yen)	1,584	1,811	3,269	3,685	3,908	4,354	1,834	3,882	5,029	5,978	5,611
EPS: Earnings per share (yen)	9	11	20	22	24	26	11	24	31	37	35
Stock price (closing price, yen)	208.3	236.8	329.3	546.3	467.8	485.8	473	521	607.3	650	705
Increase/Decrease rate	15.7%	13.7%	39.1%	65.9%	(14.4%)	3.8%	(2.6%)	10.1%	16.6%	7.0%	8.5%
<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%	17.7%
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%	22.4%
BPS: Net assets per share (yen)	34	42	57	73	85	96	86	82	96	107	114
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	6.16
PER: Price Earnings Ratio	21.5	21.1	16.3	24.0	19.5	18.2	42.3	21.7	19.5	17.3	20.1
DPS: Dividends per share (yen)	3	4	7	12	16	20	20	18	20	22	26
Market capitalisation (Billion yen)	344	391	544	902	773	802	781	863	1,005	1,076	1,167

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

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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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