Results Briefing 1Q of FY2025

JAC Recruitment Co., Ltd.

14 May 2025

JAC Recruitment

Consolidated Results: 1Q of FY2025

Revenue and profit both exceeded the initial plan.

(Million yen)

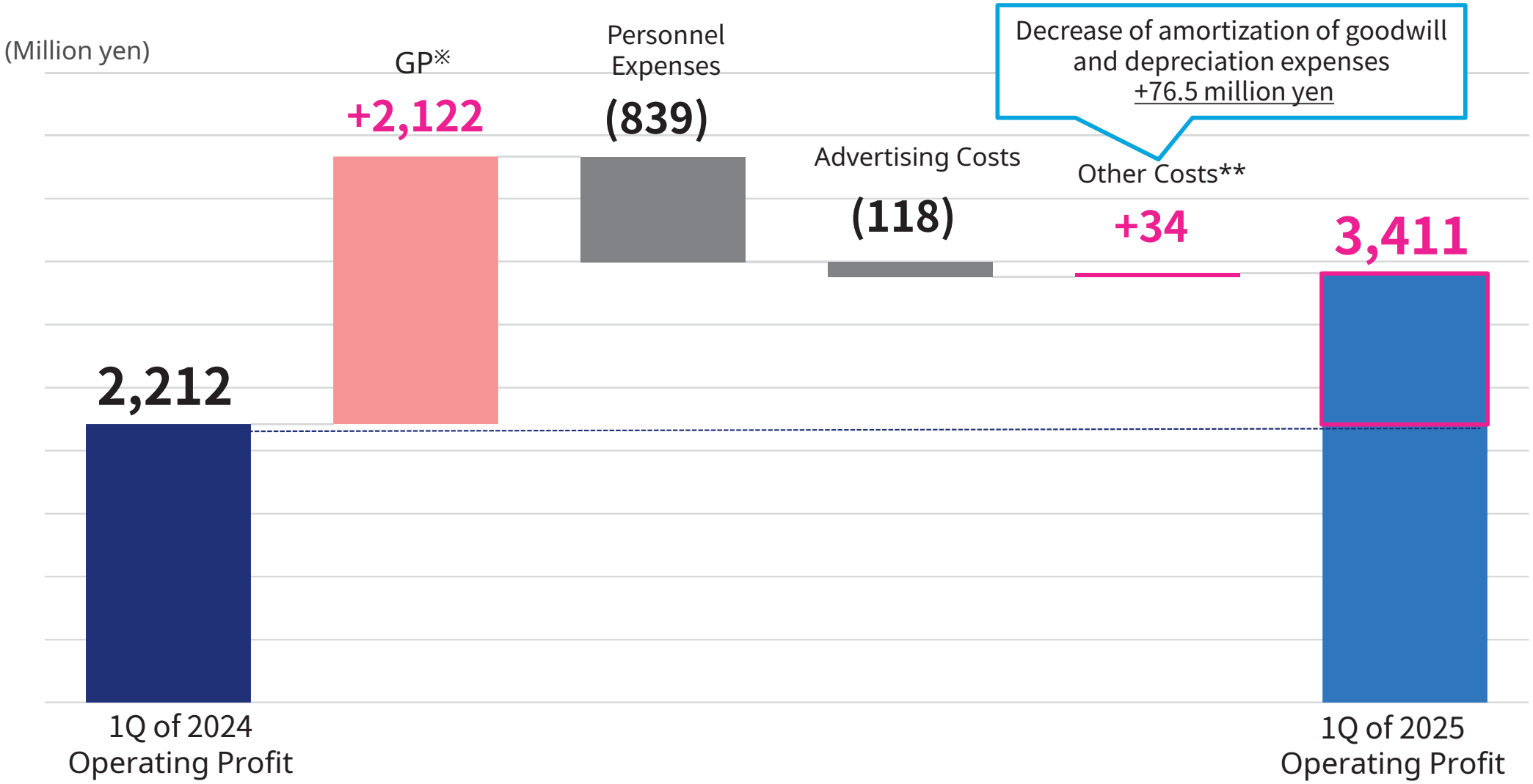
	1Q FY2024	1Q FY2025	Change in pct.	Vs. Initial Forecast for First Half
Revenue	9,547	11,793	+23.5%	54.1%
Gross Profit	8,815	10,938	+24.1%	54.2%
Operating Profit	2,212	3,411	+54.2%	72.6%
EBITDA	2,388	3,511	+47.0%	-
EBITDA Margin	25.0%	29.8%	+4.8pt	-
Ordinary Profit	2,218	3,424	+54.3%	72.9%
Profit attributable to owners of parent	1,501	2,337	+55.7%	70.8%

Quarterly comparison of company-wide sales

Continuing the positive momentum from FY2024 4Q, revenue growth was 23.5% YoY and exceeded initial plan.

Factors Contributing to Increase of Operating Profit YoY

Operating Profit grew significantly by 54.2% YoY due to a steady growth in GP, the absence of one - off expenses (such as moving costs and system vendor replacement costs) in the same period of the previous fiscal year, and a decrease of amortization of goodwill and depreciation expenses.

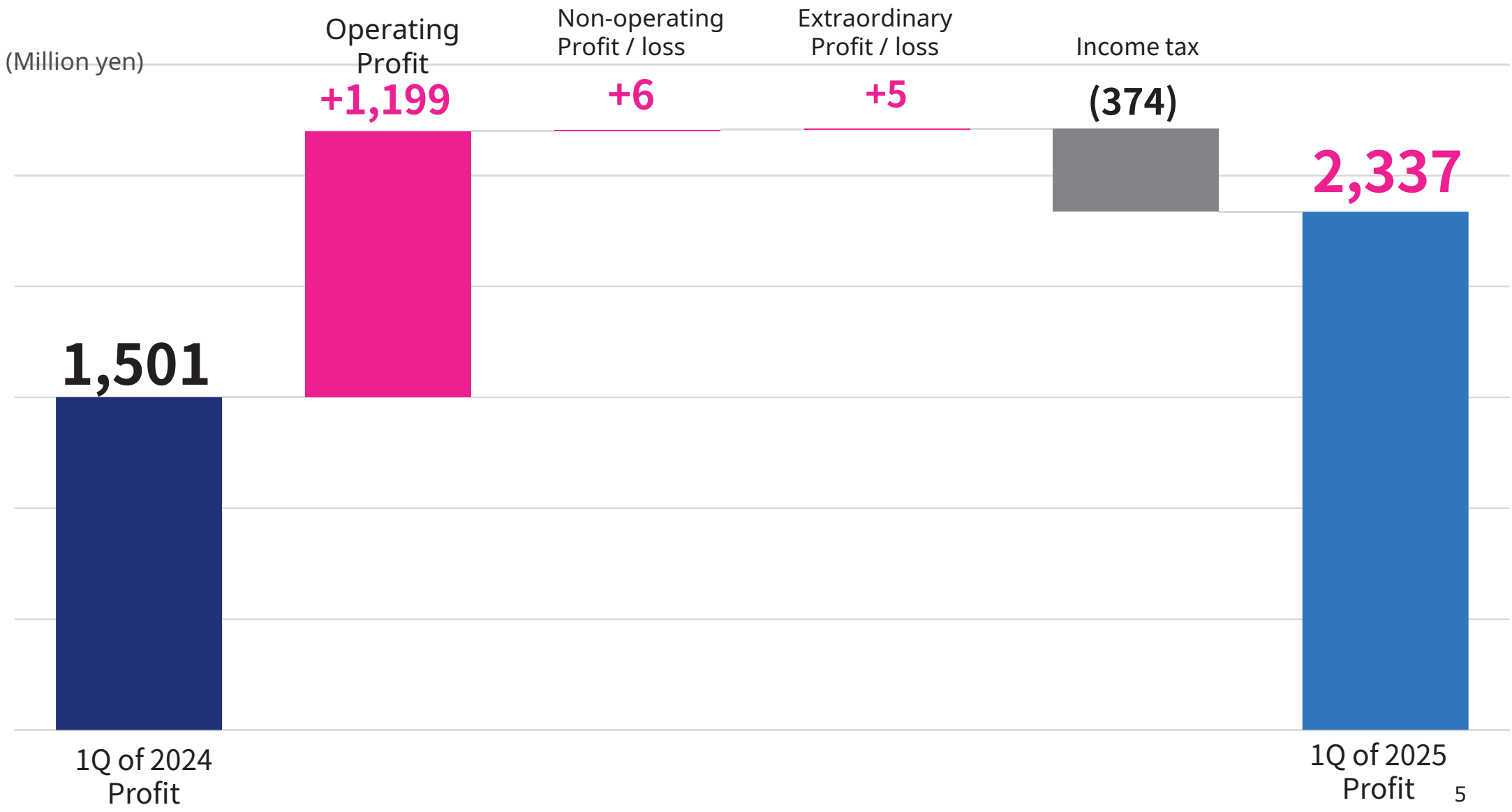


*GP: Gross Profit

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

Factors Contributing to Increase of Profit YoY

Profit increased 55.7% YoY due to a significant growth in Operating Profit.



Segment Performance

Domestic Recruitment Business: Revenue rose to a record high.

All segments: Profit increased YoY due to cost reduction initiatives.

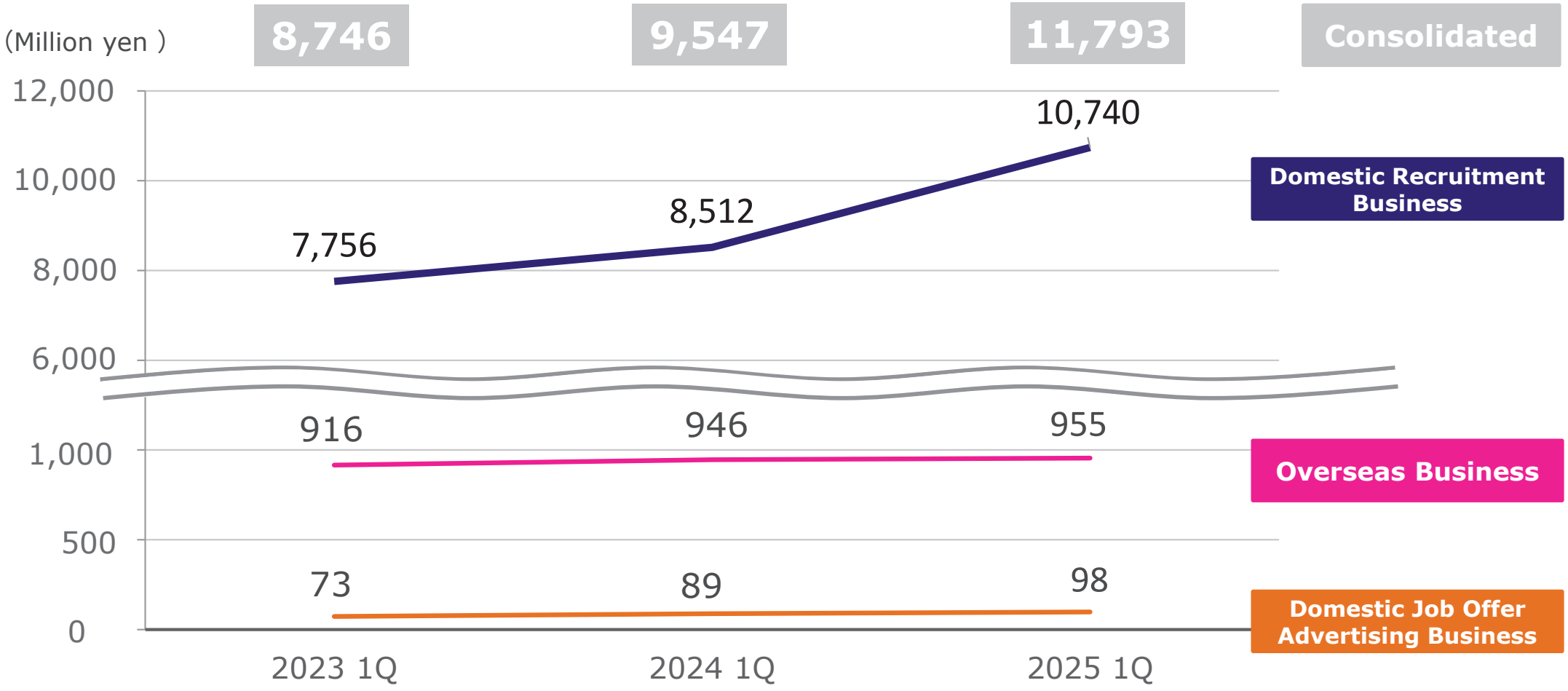
(Million yen)

Segment revenue	1Q FY2024	1Q FY2025	Change in pct.
Domestic Recruitment Business	8,512	10,740	+ 26.2%
Overseas Business	946	955	+ 0.9%
Domestic Job Offer Advertising Business	89	98	+ 9.6%

Segment profit	1Q FY2024	1Q FY2025	Change in pct.
Domestic Recruitment Business	2,176	3,341	+ 53.6%
Overseas Business	28	60	+ 110.1%
Domestic Job Offer Advertising Business	8	21	+ 158.3%

Three-year Business Segment Revenues

Revenue of all segments had increased for three consecutive years.



Overview of each segment

Domestic Recruitment Business

- Underscoring heightened concerns over unpredictable U.S. trade policies, they have had almost no impact on our revenues as of FY2025 1Q.
- Unlike the same period of last year, we have not observed any slowdown in the mobility of job seekers due to wage-increase expectations, and recruitment activity among middle- and high-class human resources, the core target of our business, remained robust.
- Carefully monitoring market conditions, We enhanced our organizational structure by focusing more strongly on high-salary segments, our primary target, through initiatives such as strengthening executive search across all industries, concentrating on specialist roles within the financial sector.
- We are expanding our regional presence, including opening a new office in Hokkaido this May.

Overseas Business

- The market conditions remained hard, especially in Asia.
- We are promoting Global Account Management through co-operation between us and our subsidiaries in each country.
- We have dispatched our sales directors to overseas locations to explore recruitment opportunities within Japanese companies which have strong hiring needs, while also intensifying retraining efforts for local consultants.

Domestic Job Offer AD Business

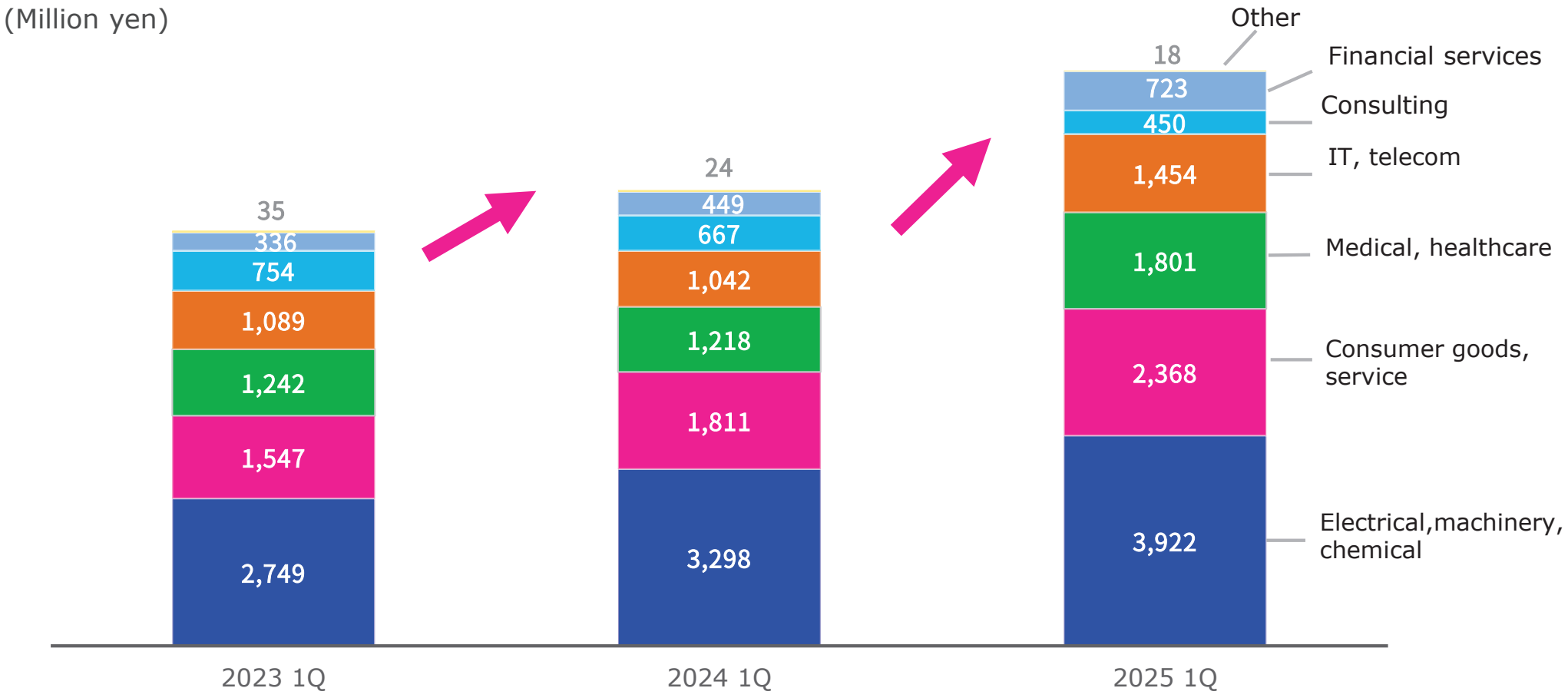
- Their sales and profits were expanded by strengthening cooperating with our domestic recruitment business to increase job postings and job seeker registrations while focusing on sales activities for direct recruiting by client companies.

Domestic Recruitment Business revenues by industry

Revenue increased in all industries except consulting industry.

In particularly, financial services industry increased 60.9% YoY, medical, healthcare industries increased 47.9% YoY, IT, telecom industries increased 39.6% YoY.

Revenues by Industry (Domestic Recruitment Business※)

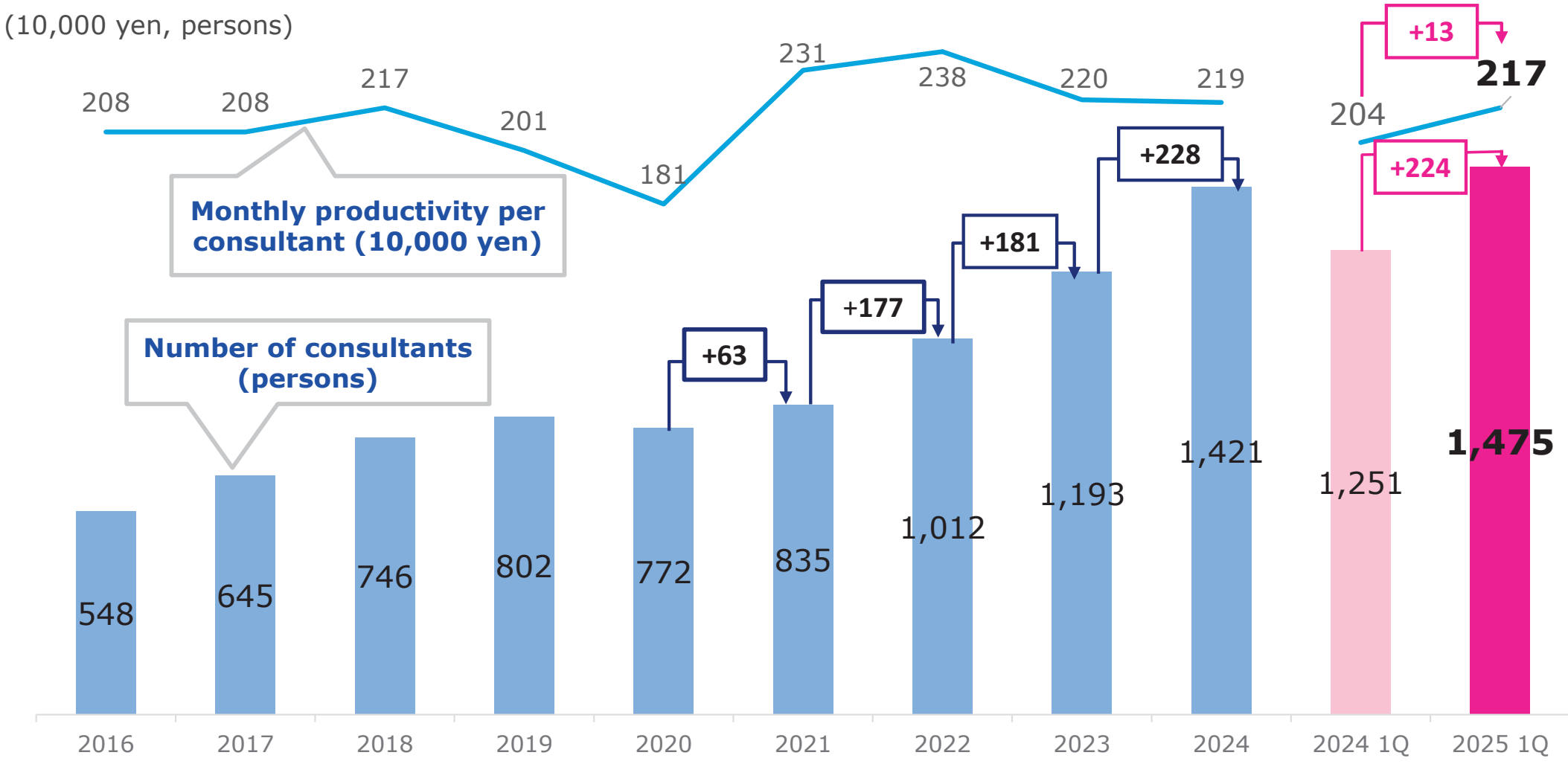


* JAC Recruitment +JAC International + VantagePoint

Headcount of Consultant and Productivity in Domestic Recruitment Business

- The number of consultants was almost in line with plan due to continued recruitment.
- Monthly productivity per consultant increased by 130,000 yen YoY.

Number of Consultants and Productivity (Domestic Recruitment Business*)

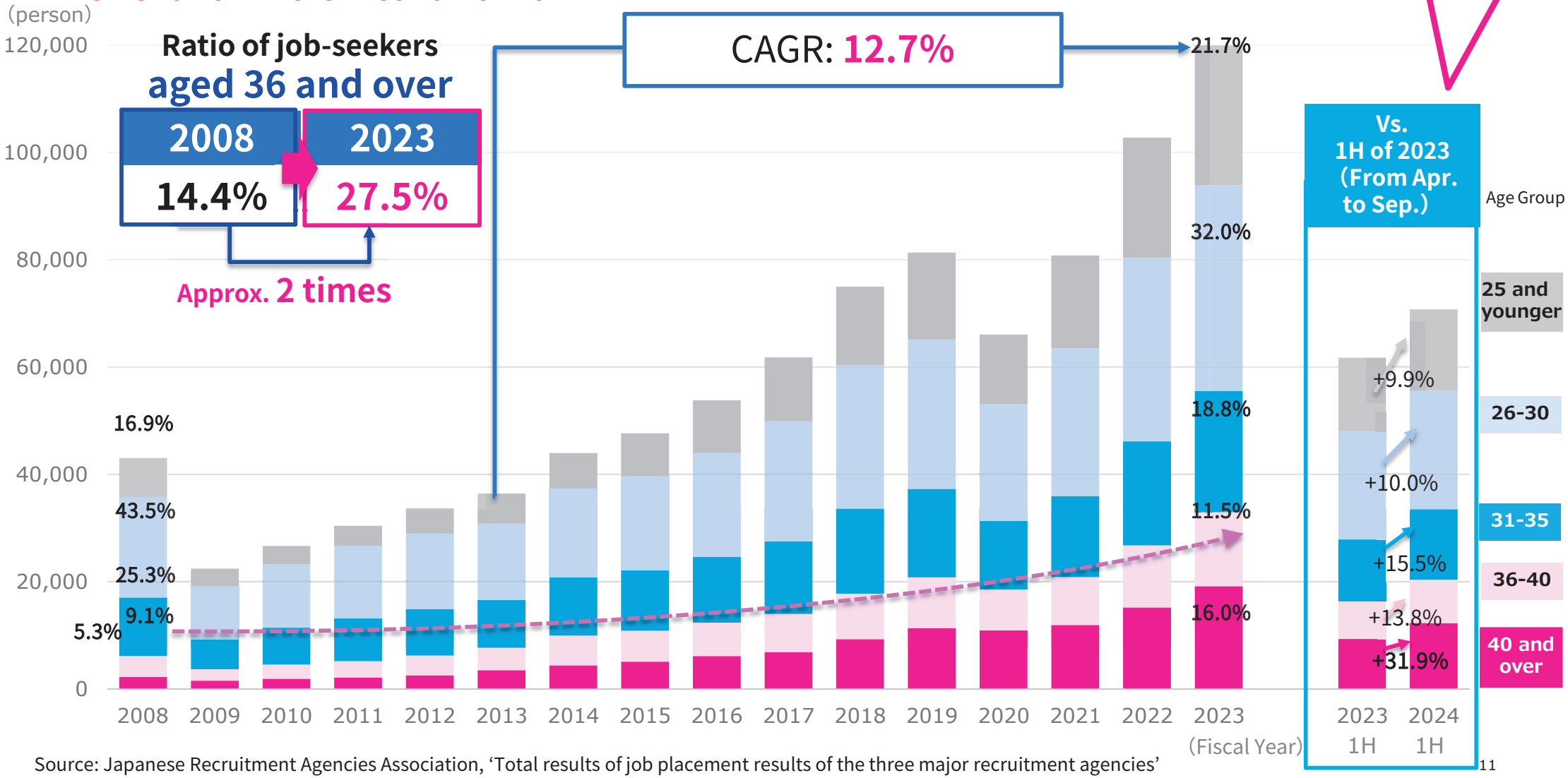


* JAC Recruitment + JAC International + VantagePoint (2020 fiscal year and thereafter)

Number of People Changing Jobs by Age Group
(Total of the 3 largest Japanese recruitment companies)

- CAGR over the past 10 years of the 3 largest Japanese recruitment companies was 12.7%.
- The growth rate of 1H of FY2024 was 14.6% YoY.
- Growth was particularly strong among those aged 40 and over, they increased 31.9% YoY in the first half of 2024.

1H of FY2024
Number of job-changers aged 40 and over :
YoY **+31.9%**



Source: Japanese Recruitment Agencies Association, 'Total results of job placement results of the three major recruitment agencies'
Each fiscal year is from April to March and Each first half is from April to September.

Balance Sheet Summary

Financial strength remains high with an equity ratio of 74.0%

(Million yen, %)

Item	End of Dec. 2024		End of Mar. 2025		Change
	Amount	%	Amount	%	
Current assets	22,349	85.9	**19,103**	**85.8**	(3,246)
Cash and depos	19,051	73.2	**14,651**	**65.8**	(4,400)
Accounts receivable - trade	2,685	10.3	**3,393**	**15.2**	+707
Non-current assets	3,663	14.1	**3,175**	**14.3**	(487)
Property, plant and equipment	518	2.0	**508**	**2.3**	(10)
Intangible assets	834	3.2	**841**	**3.8**	+6
Investments and other assets	2,309	8.9	**1,825**	**8.2**	(483)
Total assets	26,013	100.0	**22,279**	**100.0**	(3,733)
Current liabilities	7,726	29.7	**5,619**	**25.2**	(2,107)
Non-current liabilities	191	0.7	**170**	**0.8**	(20)
Total liabilities	7,917	30.4	**5,789**	**26.0**	(2,127)
Total net assets	18,095	69.6	**16,489**	**74.0**	(1,605)
Total liabilities and net assets	26,013	100.0	**22,279**	100.0	(3,733)

Forecast for FY2025

No change from the forecast released on Feb. 14, 2025

- Unlike the same period of last year, we have not observed any slowdown in the mobility of job seekers due to wage-increase expectations, revenue is growing steadily. However, growing uncertainty about the future due to the U.S. trade policy, we should closely monitor changes in job market trends. In addition, we aim to maintain productivity by strengthening training for junior-level consultants, including about 150 new graduates who joined our company in April this year.
- Profit was higher than initial plan due to a significant growth in Operating Profit. This fiscal year, we expect steady achievement of profit by streamlining operations through group-wide BPR and reviewing total costs.

(Million yen)

	2024	**2025 Forecast**	Vs. 2024	Change in pct.
Revenue	**39,156**	**44,900**	+5,744	+14.7%
Gross Profit	**36,248**	**41,600**	+5,352	+14.8%
Operating Profit	**9,090**	**10,000**	+910	+10.0%
Ordinary Profit	**9,122**	**10,000**	+878	+9.6%
Profit attributable to owners of parent	**5,611**	**7,000**	+1,389	+24.8%

[Assumptions used for this forecast]

- U.S. trade policies will settle softly and cause only limited curtailment of recruitment.
- Business sentiments will not be changed much, while any big geopolitical risks and economic crisis will not occur.

About Dividends

No change from the forecast released on Feb. 14, 2025

Dividend Policy

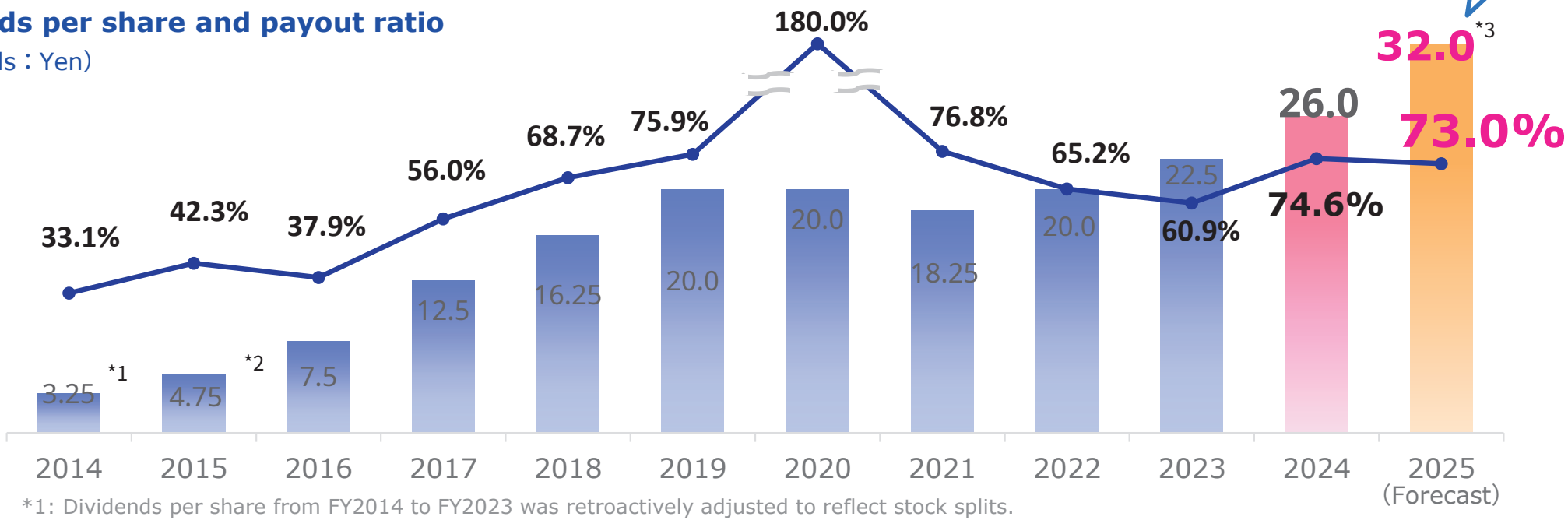
Dividend payout ratio targeted at 60%-65%.
Maintain a steady trend of increasing dividends in line with profit growth.

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

DOE：26.2%

Dividends per share and payout ratio

(Dividends：Yen)

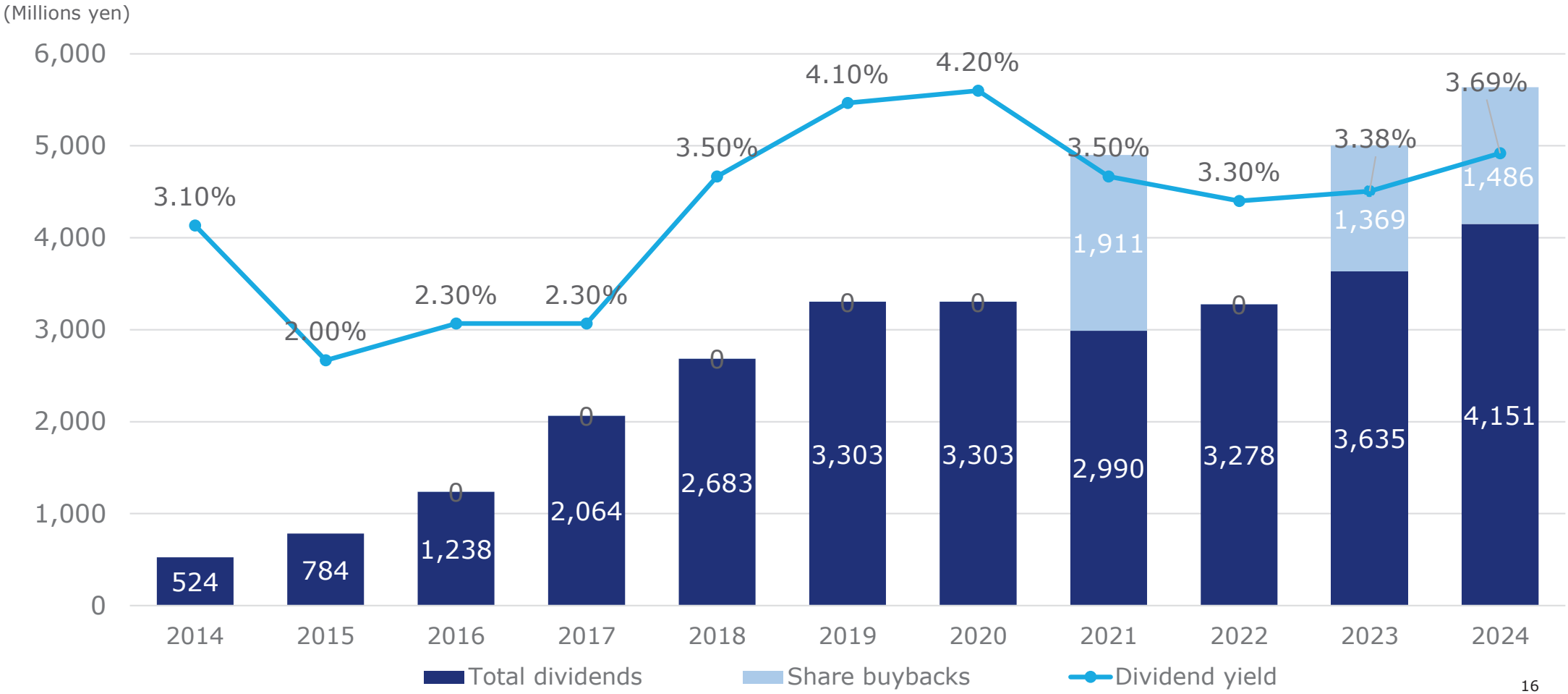


*1: Dividends per share from FY2014 to FY2023 was retroactively adjusted to reflect stock splits.
*2: Calculations for the payout ratios from FY2015 onward include JAC Recruitment shares held in the ESOP Trust account.
*3: The dividend payout ratio for FY2025 is the figure at the time of the forecast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

Appendix

Shareholder Returns

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total	2025 (Forecast)
Dividend payout ratio	42.3%	37.9%	56.0%	68.7%	75.9%	180.0%	76.8%	65.2%	60.9%	74.6%	68.3%	73.0%
Total return ratio	43.3%	37.9%	56.0%	68.7%	75.9%	180.1%	126.3%	65.2%	83.7%	100.5%	79.9%	—

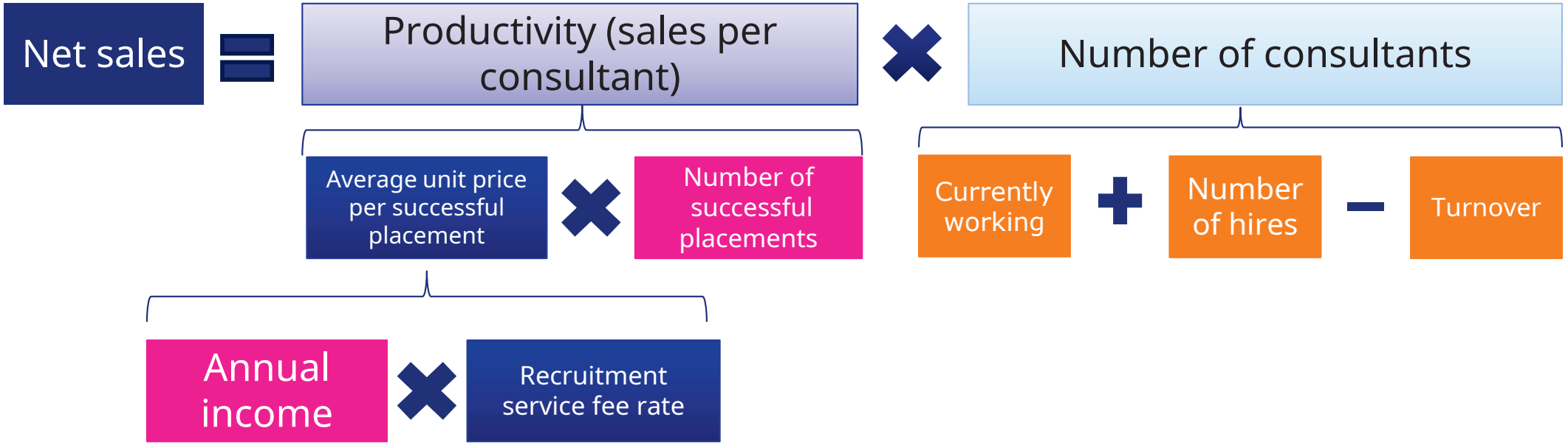


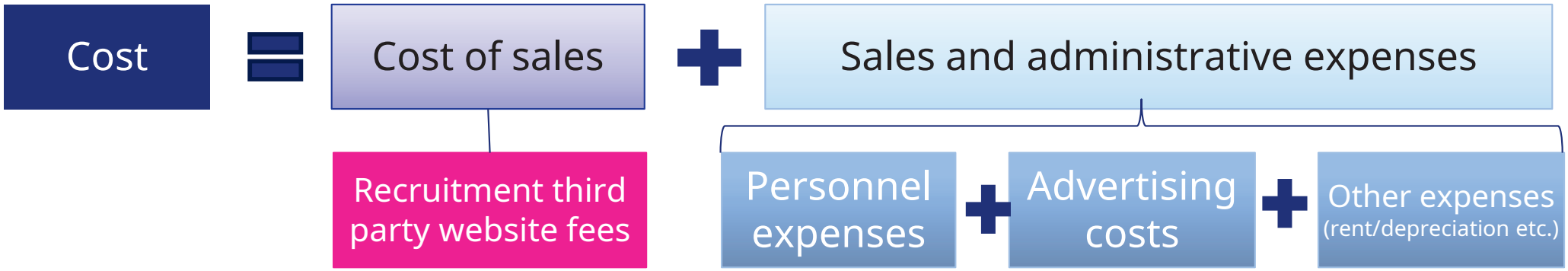
Share price-related indicators

	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	2025 End of 1Q
Profit (Million yen)	1,811	3,269	3,685	3,908	4,354	1,834	3,882	5,029	5,978	5,611	2,337 (Forecast 7,000)
EPS: Earnings per share (yen)	11	20	22	24	26	11	24	31	37	35	14 (Forecast 44)
Stock price (closing price, yen)	236.8	329.3	546.3	467.8	485.8	473	521	607.3	650	705	807
Increase/Decrease rate	13.7%	39.1%	65.9%	(14.4%)	3.8%	(2.6%)	10.1%	16.6%	7.0%	8.5%	14.5%
<Reference> TOPIX increase /decrease rate	9.9%	(1.9%)	19.7%	(17.8%)	15.2%	4.8%	10.4%	(5.1%)	25.1%	17.7%	(4.5%)
Service industry increase/decrease rate	13.7%	(3.0%)	28.3%	(10.1%)	24.8%	13.6%	15.0%	(20.2%)	15.7%	22.4%	(15.4%)
BPS: Net assets per share (yen)	42	57	73	85	96	86	82	96	107	114	103
PBR: Book-value Per Share	5.63	5.72	7.44	5.46	5.01	5.42	6.29	6.29	6.02	6.16	7.77
PER: Price Earnings Ratio	21.1	16.3	24.0	19.5	18.2	42.3	21.7	19.5	17.3	20.1	18.3 (Forecast)
DPS: Dividends per share (yen)	4	7	12	16	20	20	18	20	22	26	32 (Forecast)
Market capitalisation (Billion yen)	391	544	902	773	802	781	863	1,005	1,076	1,167	1,336

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

Revenue Model (Recruitment Business)





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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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Please use the following contact information for questions about the information in this presentation.

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