



Full Year Results Briefing 2021

JAC Recruitment Co., Ltd.

24 February 2022

<https://corp.jac-recruitment.jp>

1. 2021 Financial Highlights and Outlook for 2022

Strong growth in revenue and earnings due to a rapid recovery from the impact of the Covid-19 in 2020

(Million yen)

	2020	2021	Vs. 2020	Change in pct.
Revenue	21,614	24,852	+3,238	+15.0%
Gross profit	20,084	23,004	+2,920	+14.5%
Operating income	5,138	5,822	+684	+13.3%
Ordinary income	5,196	5,813	+617	+11.9%
Profit attributable to owners of parent	1,834	3,882	+2,048	+111.6%

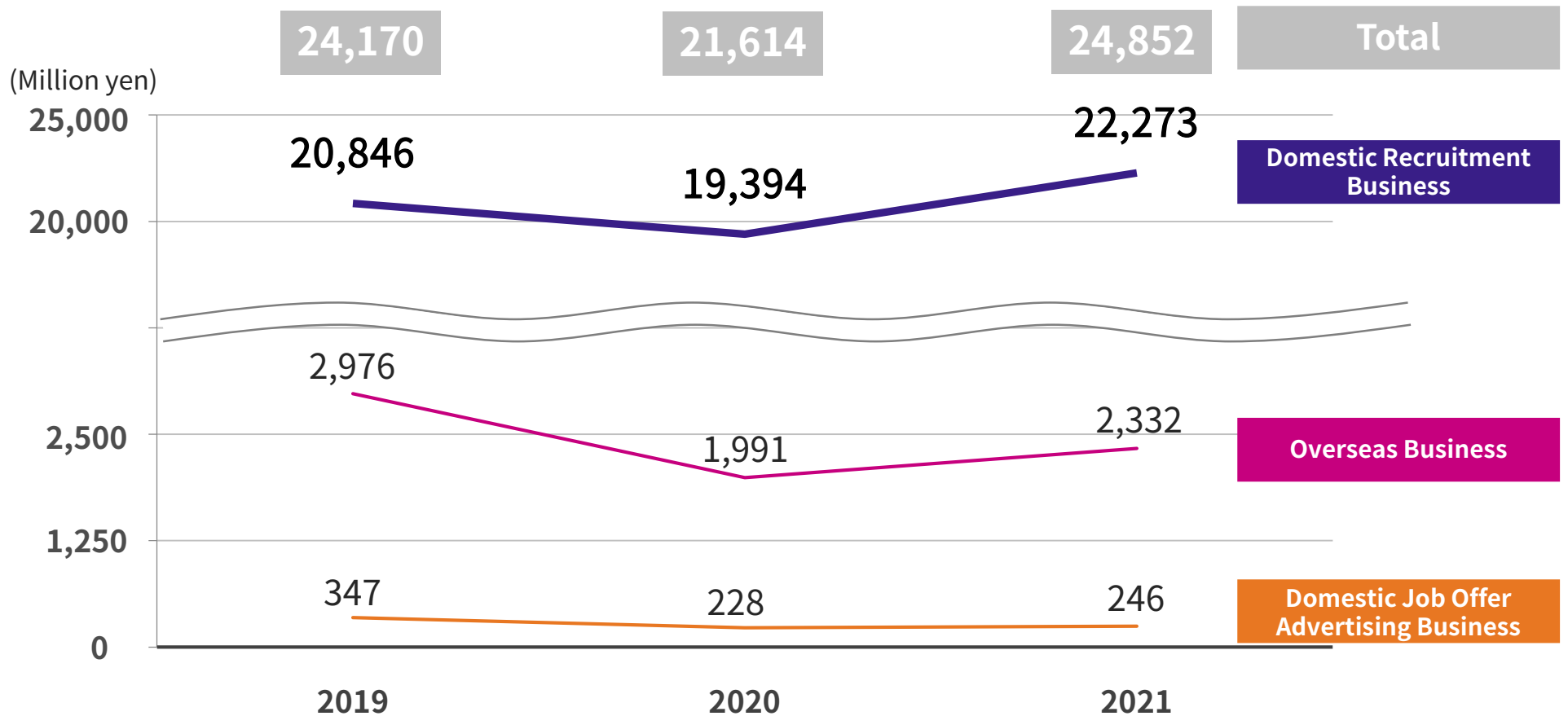
The core Domestic Recruitment Business was the primary source of growth

(Million yen)

Revenue	2020	2021	Change in pct.
Domestic Recruitment Business	19,394	22,273	+14.8%
Overseas Business	1,991	2,332	+17.1%
Domestic Job Offer Advertising Business	228	246	+7.9%
Segment profit (loss)	2020	2021	Change in pct.
Domestic Recruitment Business	5,423	5,859	+8.0%
Overseas Business	(1,759)	(9)	—
Domestic Job Offer Advertising Business	(70)	(73)	—

Domestic Recruitment Business revenue exceeds 2019

■ Segment Revenue



Major Accomplishments of 2021

Domestic Recruitment Business

Strengthened points of contact with customers, which had been weakened by the pandemic, and improved the quality of services

- Extensive use of internet interviews for job seekers; more than one consultant to conduct interviews
⇒ Increased the quality and quantity of interviews between consultants and job seekers
- Many activities to strengthen account management
⇒ At 69 targeted companies, 1,622 people hired/¥4,188 million

Advertising expenditures for attracting job applicants (number of people visiting the JAC Recruitment website more than doubled)

⇒ Benefit of 4Q advertising = Internet searches up 13%, registrations up 11%

Recruitment of more consultants produced benefits

⇒ A big increase in the 2H number of people hired vs. the 1H of 2021

Overseas Business

- Strong performances in Singapore, Britain, Germany and South Korea due to stronger organizations, hybrid (face-to-face and internet) sales activities and other measures
- In Southeast Asia, performance was affected by the negative impact on the business climate of another wave of COVID-19

Domestic Job Offer Advertising Business

- Steady progress with the shift from prepayments to a contingency fees

Financial strength remains high with an equity ratio of 70.6%

(Million yen, %)

Item	End of 2020		End of 2021		Change
	Amount	%	Amount	%	
Current assets	15,079	81.0	15,242	80.5	+163
Cash and depos	13,584	72.9	12,932	68.3	-652
Accounts receivable - trade	1,140	6.1	1,800	9.5	+660
Non-current assets	3,544	19.0	3,693	19.5	+149
Property, plant and equipment	412	2.2	418	2.2	+6
Intangible assets	1,741	9.3	1,617	8.5	-124
Investments and other assets	1,390	7.5	1,657	8.8	+267
Total assets	18,623	100.0	18,935	100.0	+312
Current liabilities	4,129	22.2	5,424	28.6	+1,295
Non-current liabilities	167	0.9	145	0.8	-22
Total liabilities	4,297	23.1	5,569	29.4	+1,272
Total net assets	14,326	76.9	13,365	70.6	-961
Total liabilities and net assets	18,623	100.0	18,935	100.0	+312

Large negative financing cash flow due to dividends and purchase of treasury shares

- ▶ The policy is to use cash and cash equivalents for business investments, dividends, continuing to recruit consultants during economic downturns and other purposes.

(Million yen, %)

	2020	2021
Cash flows from operating activities	4,532	5,091
Cash flows from investing activities	1,312	(436)
Cash flows from financing activities	(3,617)	(5,400)
Cash and cash equivalents at end of period	13,584	12,932

A big improvement in productivity

Domestic Recruitment Business Performance Indicators 「PPP&I」 (JAC Recruitment + JAC International)

		Goal	2019	2020	2021	
P	Professional	% of client job openings filled	30%	23%	22%	23%
		% of registered job seekers hired	20%	10%	10%	12%
P	Productivity	Job placement monthly transaction volume per consultant	¥2.40mil.	¥2.01mil.	¥1.81mil.	¥2.28mil.
P	Profit	GP operating margin	30%	31%	30%	29%
I	International	International business domain %	50%	59%	59%	61%

Outlook for 2022

(Million yen)

	2021	2022 Forecast	Vs. 2021	Change in pct.
Revenue	24,852	28,556	+3,704	+14.9%
Gross profit	23,004	26,070	+3,066	+13.3%
Operating income	5,822	6,199	+377	+6.5%
Ordinary income	5,813	6,185	+372	+6.4%
Profit attributable to owners of parent	3,882	4,138	+256	+6.6%

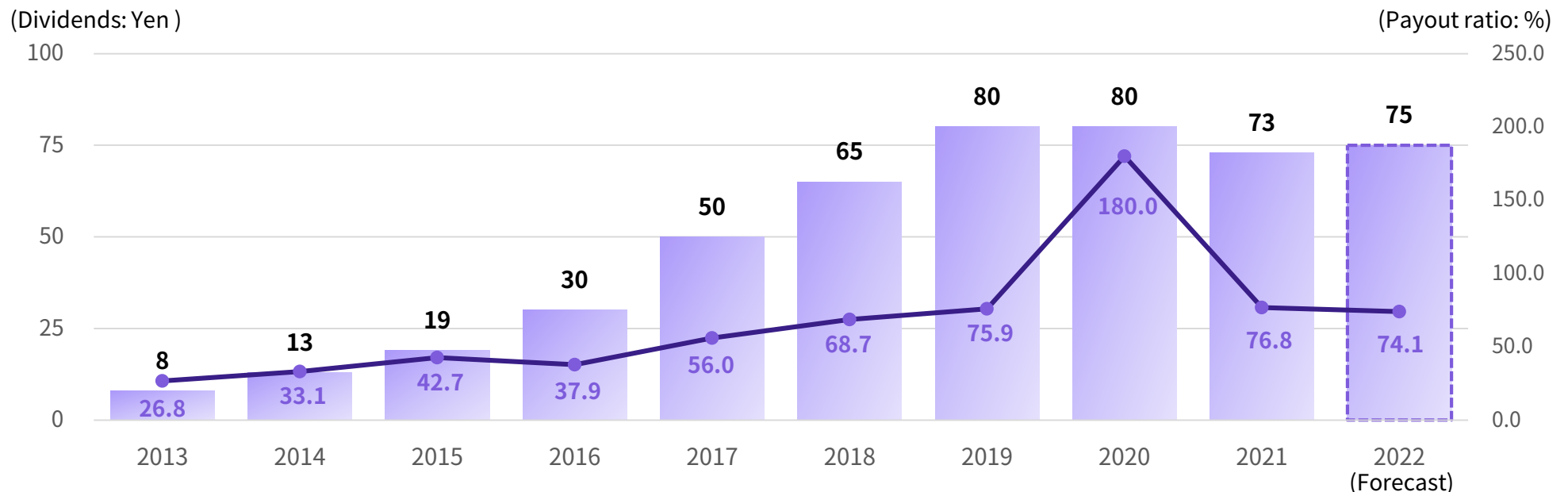
Assumptions used for this forecast

- Business climate: Only limited effects of the Covid-19
- Increase in consultant recruiting activities and same turnover rate as in 2021
- Productivity per consultant is also assumed to be the same as in 2021
- Increase of about 50% from 2021 in the budget for advertising to register job seekers

Basic Policy for Dividends

- ▶ Dividends are a management priority and the proper balance between investments and shareholder distributions is maintained.

Dividends Per Share and Payout Ratio



Notes

1. The 2013 and 2014 dividends per share have been adjusted to reflect the stock split.
2. Payout ratios since 2015 include shares held by the employee stock ownership plan.

2. Actions for Medium to Long-term Growth

JAC as NO.1

We aspire to be the **World's No.1** professional recruitment consultancy firm both in quality of service and profitability. ~~in the world.~~

Our definition of No.1

- Based on our Core Values accumulated over 47 years since its foundation.
- We provide the same high-quality service anywhere in the world.
- A company that customers choose over others.
- All stakeholders are satisfied by JAC's service.
- Assuring continuous stability of safety, comfort, trust and good performance.
- And we aim to be a company that is continuously growing, developing and advancing.

Innovation, Improvement and Expansion

The Core Values of JAC

- 1 Superior skills to support operations of companies outside their home countries**
- 2 Highly skilled professionals provide “360 - style consulting (for both job seekers and clients)”**
- 3 Specializing in managerial/executive and specialist positions**
- 4 Teams specializing in specific segments of the recruitment support market**
- 5 Teamwork**

A more powerful organization and infrastructure needed for faster growth

1 A stronger consultant team
(more people x training)



2 Stronger management
(more people x training)



3 Use BPR for higher efficiency
(review core systems and business processes)

4 Focus on growing markets and business domains
(especially digital technology)

Establish
the
JAC Standard

Stronger Consultant Team (More People)

Significantly increase the number of consultants

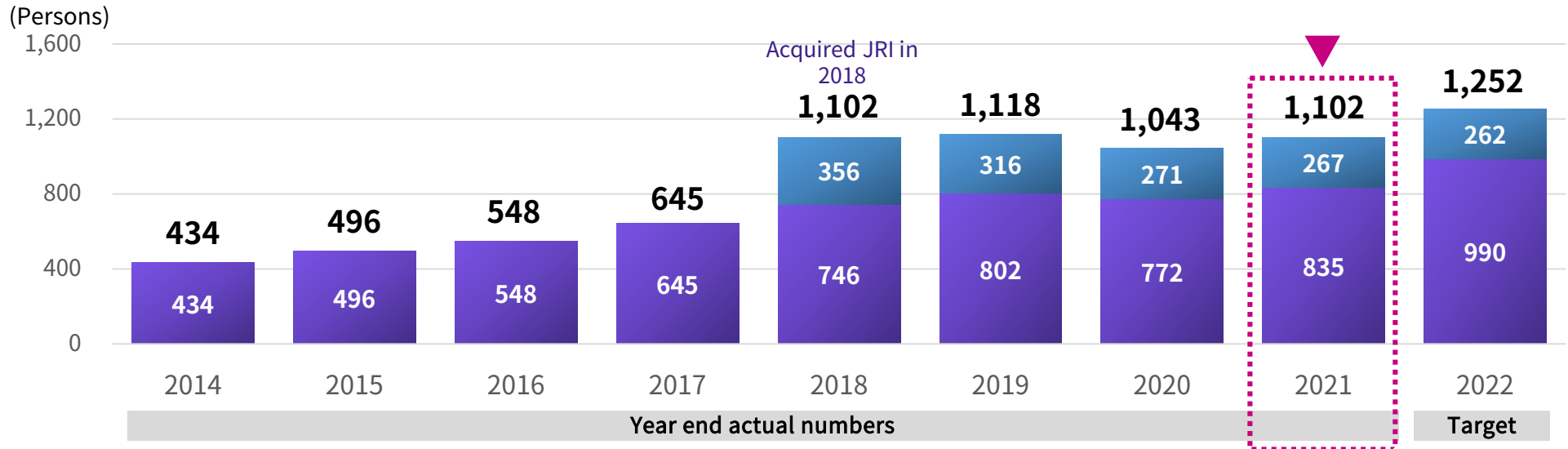
Strengthen recruiting departments

Jan. 2021 Jan. 2022
 (11 staff ⇒ 18 staff)

Have all employees participate in recruiting activities

Clearly define the mission of departments engaged in recruiting

■ Growth of the Consultant Team and 2022 Target



Stronger Consultant Team (Training)

Establish the JAC Standard

Strengthen HR development capabilities

Jan. 2021 Jan. 2022
(9 staff ⇒ 14 staff)

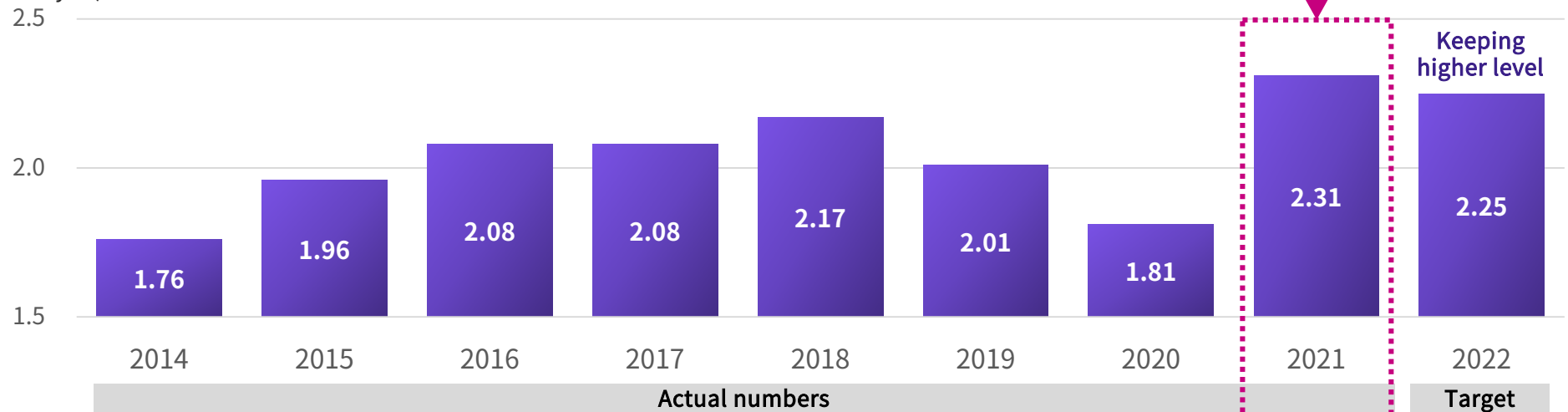
Talent development combining new employee training and follow-up training

Establishment of the JAC Standard that everyone must master within one year of joining the JAC Group

Raise productivity by quickly making new consultants productive

Monthly Productivity per Consultant (JAC Recruitment Japan Group)

(Million yen)



Note: Productivity per consultant includes new subsidiary Vantage Point starting in 2020.

Stronger Management that Reflects the Growing Size and Breadth of Business Operations

Strengthen recruiting of management personnel

Use training programs and hiring people from other companies

Training programs

**Establish a JAC Standard for people at each level of the organization
⇒ Create and implement a training program to accomplish these goals**

**Make consultants productive quickly
Reduce the turnover rate
More activities targeting growing markets**

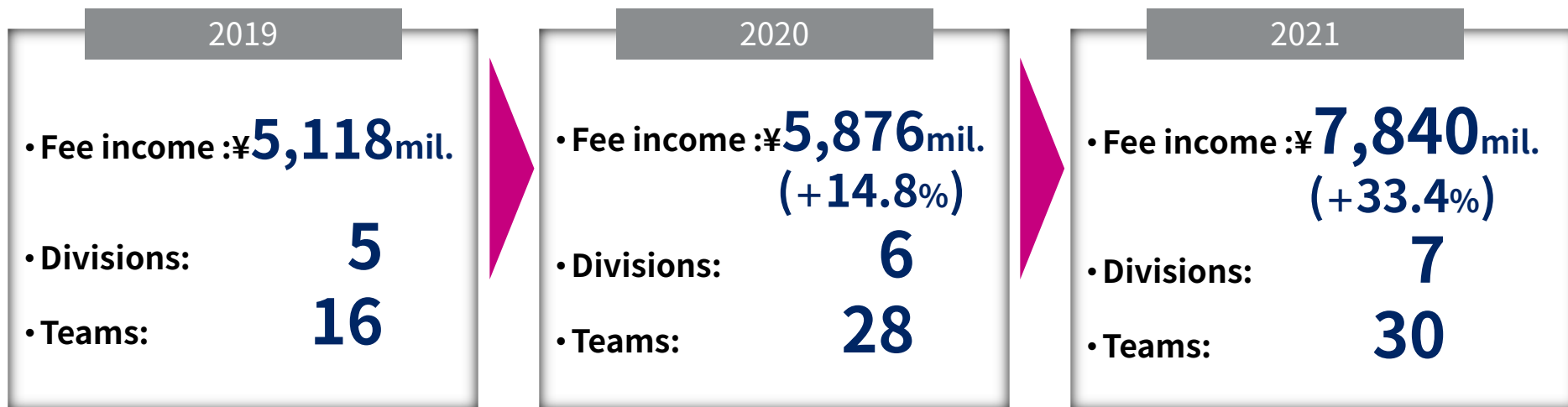
Focus on Growing Markets and Business Segments

Growing markets
and business
segments

- Consulting
- Health care

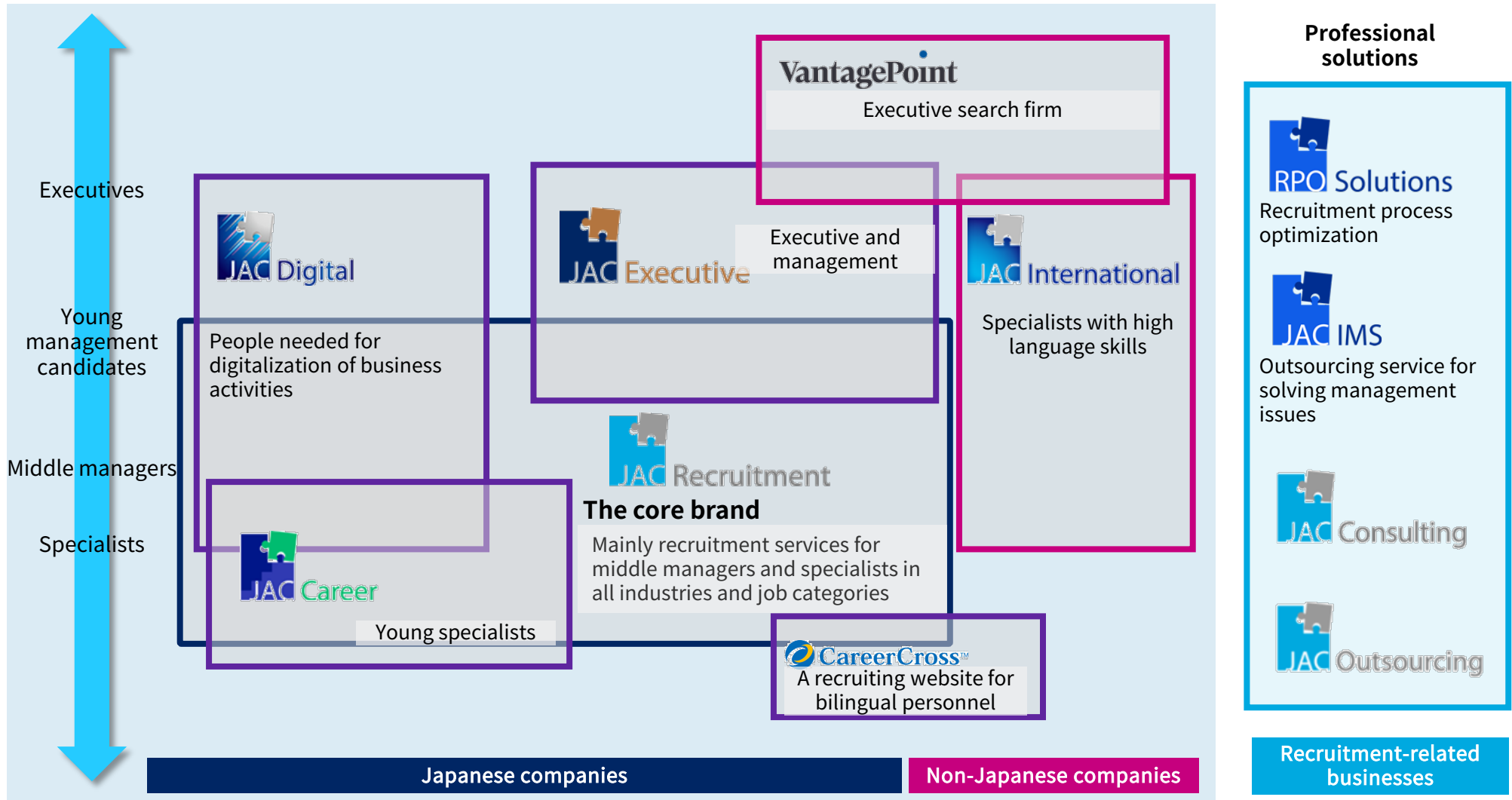
- Digital technologies
- Life sciences

Digital market : Increasing need for people in all industries



Our Service Brands

Recruitment Service Brands for Specialist and Managerial/Executive Positions



Adding New Businesses for a Stronger and more Diverse Business Portfolio

The RPO Market

Revenue worldwide: **¥540bil.** / Revenue in Japan: **¥41bil.** (Estimated by JAC Recruitment)



【Recruitment Process Optimization】

RPO Solutions is a recruiting agency service for managerial/executive positions. Our services are differentiated by skills for accurately selecting candidates and identifying the requirements of client companies for each position.

Revenue target in 2022: **¥300mil.**

The IMS Market

Revenue in Japan: **¥20bil.** (Estimated by JAC Recruitment)



【Interim Management Solutions】

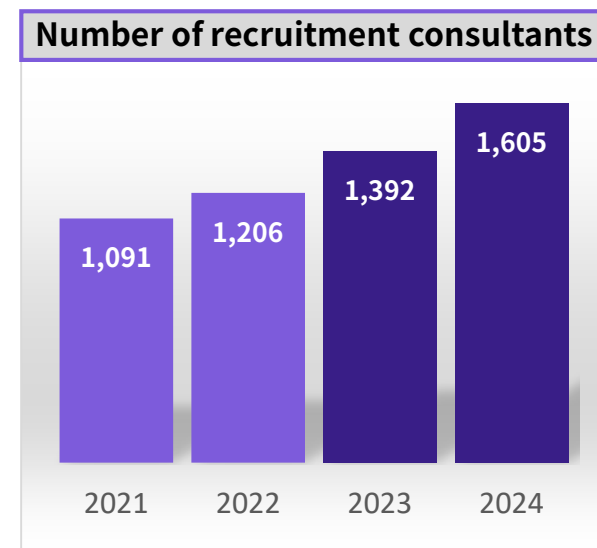
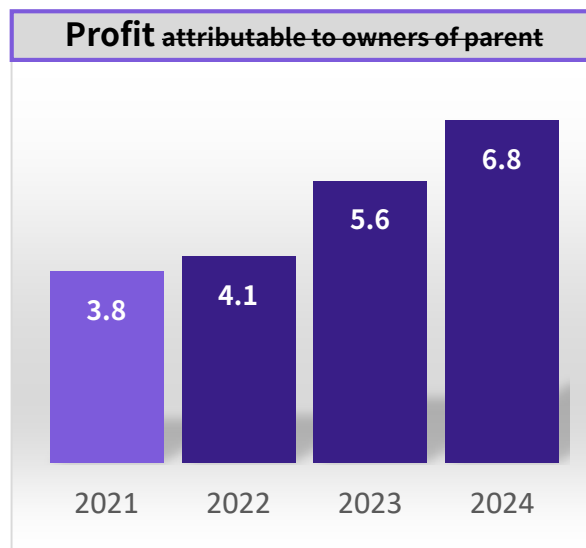
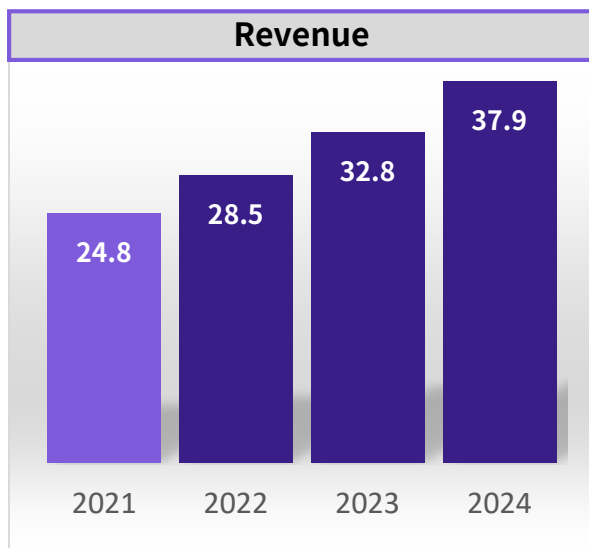
Highly skilled personal use their experience and knowledge to help solve the issues of companies by using a time-limit/project type approach. IMS supports new styles of work, such as using people in second jobs or concurrent positions.

Revenue target in 2022: **¥600mil.**

Aiming for annual growth of 15% beginning in 2023

	2021 (Actual)	2022 (Forecast)	2023 Goals	2024 Goals
Revenue	¥24.8bil.	¥28.5bil.	¥32.8bil.	¥37.9bil.
Profit attributable to owners of parent	¥3.8bil.	¥4.1bil.	¥5.6bil.	¥6.8bil.
Number of recruitment consultants	1,091	1,206	1,392	1,605

Note: The number of recruitment consultants is the average for consultants in the Domestic Recruitment Business and Overseas Business.



Fundamental Approach

Our goal is to contribute to creating a sustainable society by continuously serving as a link between people and companies to support their growth.

The JAC Group uses many activities to play a role in achieving the SDGs.



Create employment opportunities and support the growth of companies and their people at 24 offices in 11 countries



Diversity & Inclusion



Efforts regarding health management



Disclosure of information and employee education about the SDGs



Environmental activities (Reuse, Reduce and Recycle)



Switch to use of green electricity



Reforestation (The PPP Project)

Since starting operations, we have been dedicated to providing a workplace environment which welcomes people from all backgrounds and allows them to realize their full potential

Empowerment of women

Pct. of female employees

Group **50%**

Japan **42%**

* Average in Japan is 27%
(Source: Teikoku Databank, 2021)

Pct. of female managers

Group **35%**

Japan **25%**

* Average in Japan is 9%
(Source: Teikoku Databank, 2021)

Goals for 2025
Japan **40%**

Diversity of Nationalities

JAC Group Offices

24 offices **11** countries

Nationalities of JAC Group employees

25

LGBTQ

Same-sex and common-law marriages are eligible for congratulatory and condolence payments.

Childcare support project (Japan)

Childcare support allowance

(Maximum payment per child)

Until age of 9 months **¥100,000/month**

Until the age of 3 **¥50,000/month**

First to third grade **¥30,000/month**

* Almost 100% of female employees return to their jobs after childbirth.

Major activities

- The Employee Childcare Support Project (2007~)
- Action plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children (1 Apr. 2020~31 Mar. 2025)

Employment of People With Disabilities (Japan)

We provide employment opportunities at a farm where employees with disabilities can make full use of their skills.

Pct. of disabled employees vs. level required by law

130%





JAC Recruitment was recognized under the “2021 Health and Productivity Management Organization Recognition Program”, the fourth consecutive year of recognition.

Employee Wellness Activities

Health monitoring

- Promotion of medical check-ups
- Promotion of complete check-ups (thorough physical examination) and assistance for expenses
- Stress level tests

Health promotion initiatives

- Program that encourages people to exercise
- Stretching classes at workplaces
- Support for clubs at workplaces
- Healthcare support for no smoking, supplementary payments for fitness club memberships, provision of healthy meals at offices, and other activities

Opportunities for measures to prevent diseases

- Influenza vaccinations with assistance for expenses
- Free dental check-ups



Goals for 2025

Medical check-ups

Employees receiving check-ups	100%
Employees receiving stress check	100%
Specified health guidance participation	25%

Lifestyle/Working style measures

Employees exercising regularly	30% or more
Employees who smoke	0%
Employees with check-up items requiring attention	20%
Days of standard and summer vacation special paid leave used	11 days

The JAC Group has a strong commitment to the 3 R's – Reduce, Reuse and Recycle



- Since 2019, all business cards were switched from recycled paper incorporating old newspapers to LIMEX, which has a smaller environmental impact.
- Vending machines at offices have no products using PET bottles, which have a high environmental impact, to raise awareness of the need to eliminate the use of plastics.
- Paperless documents at company meetings, switch to paper certified by the Forest Stewardship Council, use of recycled polypropylene for clear file folders used at group companies
- All group employees receive cloth eco-bags for avoiding the use of plastic shopping bags

One placement becomes one seedling, nurturing the future of the earth.

The JAC Group's reforestation program

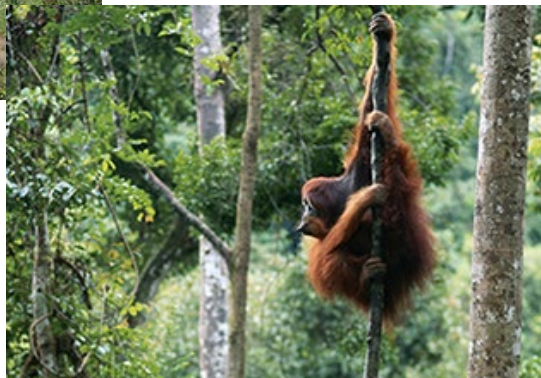
The PPP Project

One Placement creates One Plant to save the Planet

To help combat global warming, the JAC Group plants one seedling every time a person finds a job by using a group company.

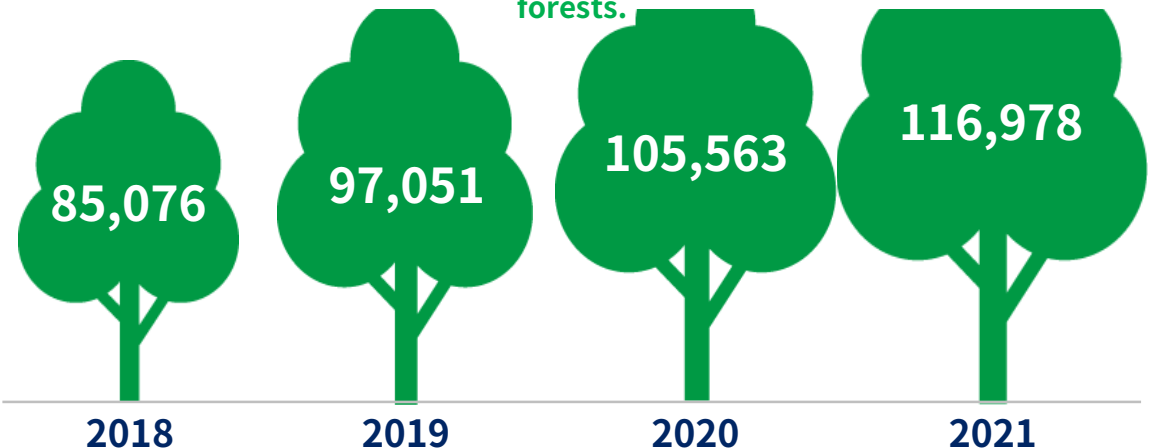
JAC Group Reforestation Locations

- Bali Island
(Pelelokian District, Kintamani County, Bangli, Bali Province, Bali, Indonesia)
- Borneo Island
(Apeng Forest Reserve, Sarawak Province, Borneo Island, Malaysia)



Seedlings Planted by the JAC Group since 2008 (cumulative)

Since the reforestation project started in 2008, the JAC Group has planted about 110,000 seedlings as part of activities for restoring tropical rain forests.



This reforestation project increases the commitment to social contributions of the people who participate in the project. Another benefit is the creation of jobs in Indonesia and Malaysia for students who perform reforestation work with JAC Group employees.

Precautions and Contact Information

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

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

Forward-looking statements in this presentation were determined by JAC Recruitment on 24 February 2022 and based on information that was available at that time. JAC Recruitment has no obligation to update or revise any of these statements to reflect future events or changes in the business climate.

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

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