

Results Briefing 1Q of FY2023

JAC Recruitment Co., Ltd.

15 May 2023

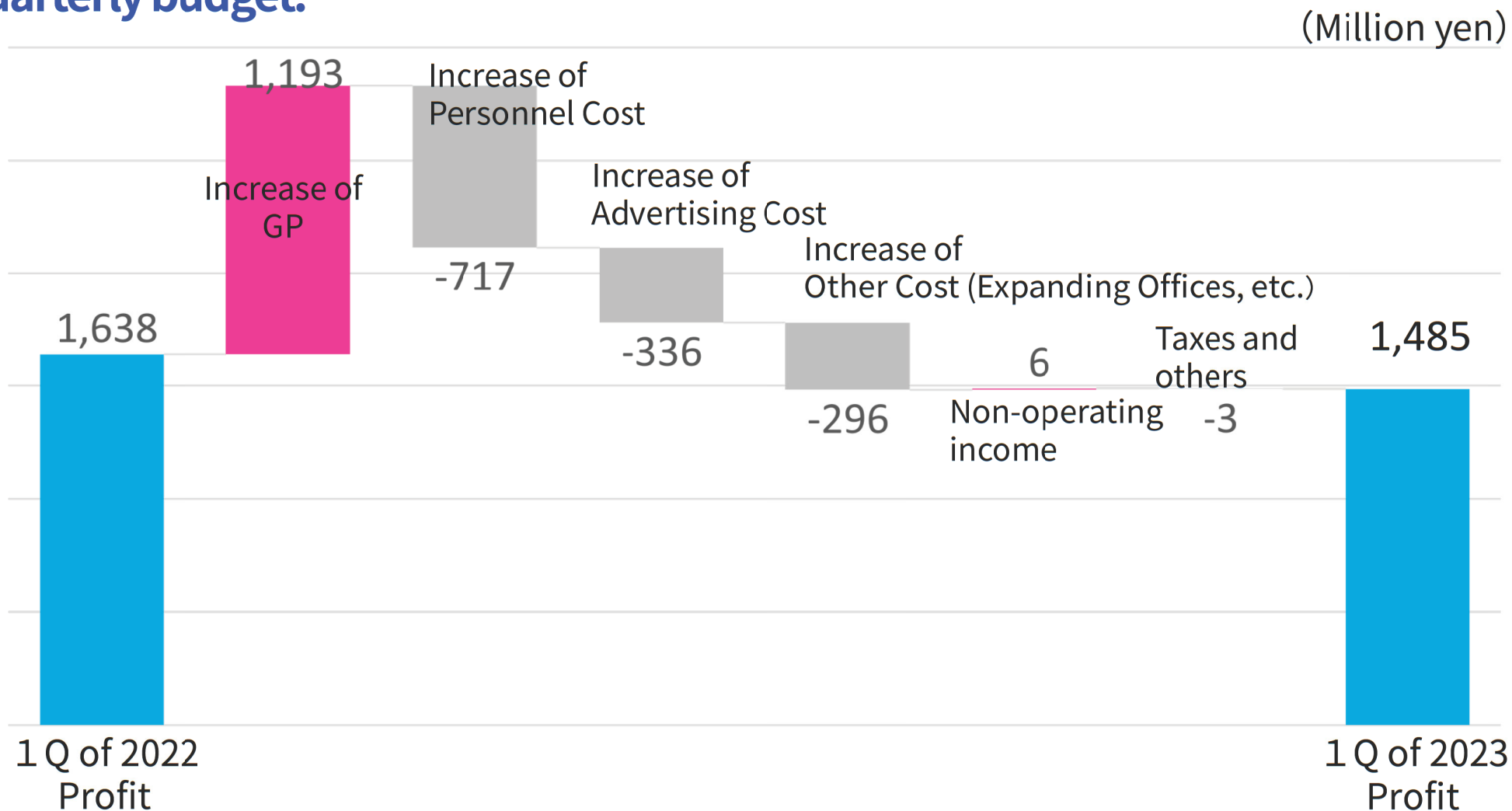
Revenue increased 17%, slightly low progress against the initial forecast.
 Profit decreased YoY, but **higher than the quarterly budget.**

(Million yen)

	1Q FY2022	1Q FY2023	Change in pct.	Progress rate (Vs Full Year Forecast)
Revenue	7,471	8,746	+17.1%	23.9%
Gross profit	6,876	8,069	+17.4%	24.4%
Ordinary income	2,319	2,170	-6.4%	27.9%
Profit <small>attributable to owners of parent</small>	1,638	1,485	-9.3%	27.4%

Factors to Decrease Profit YoY

GP increased but also expense increased, mainly due to the TV-CM cost started last May and personnel cost to increase consultant staffs. But the profit higher than the quarterly budget.



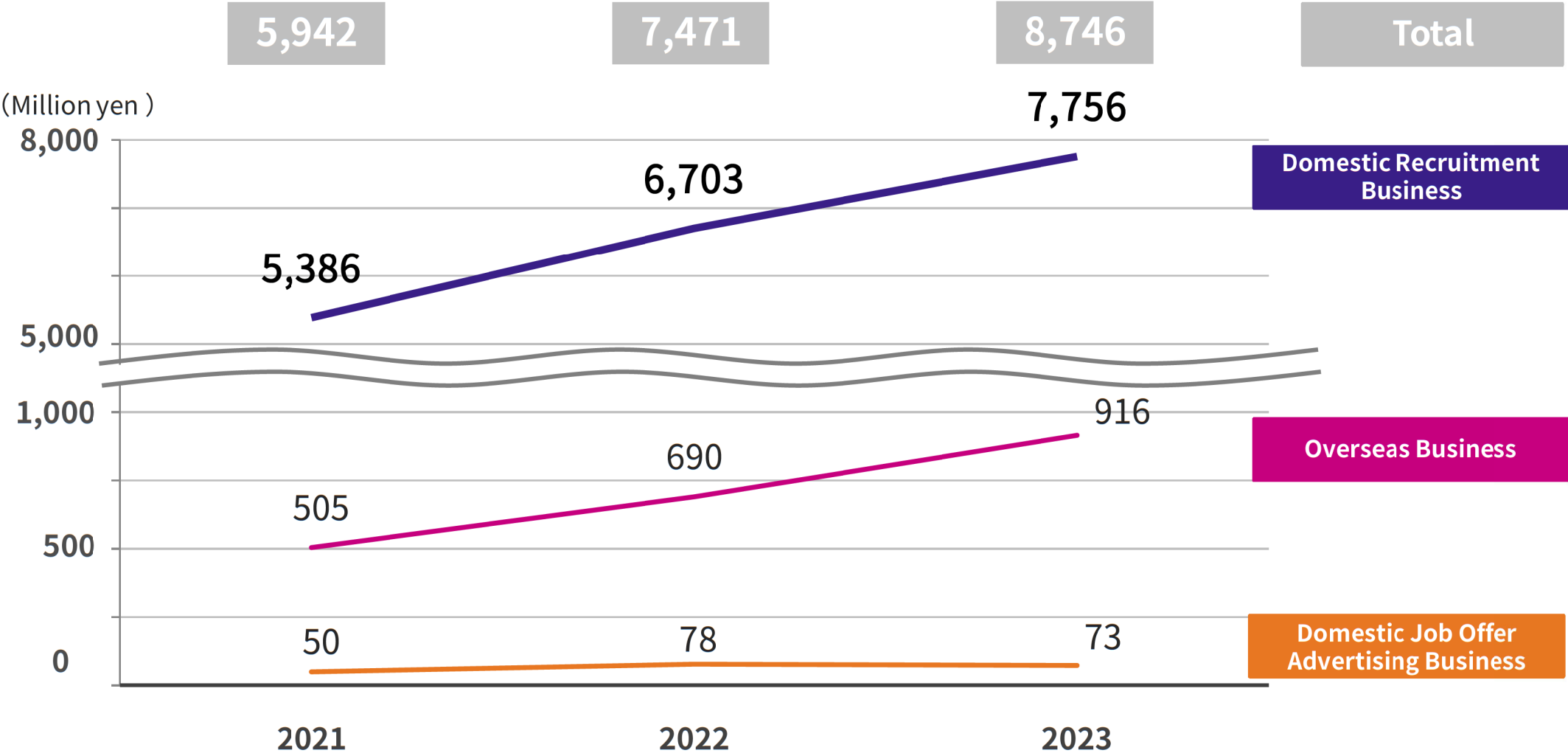
Domestic Recruitment: Revenue rises to **a record high**

Overseas: Recovering revenue to the level of 2019 before COVID-19

(Million yen)

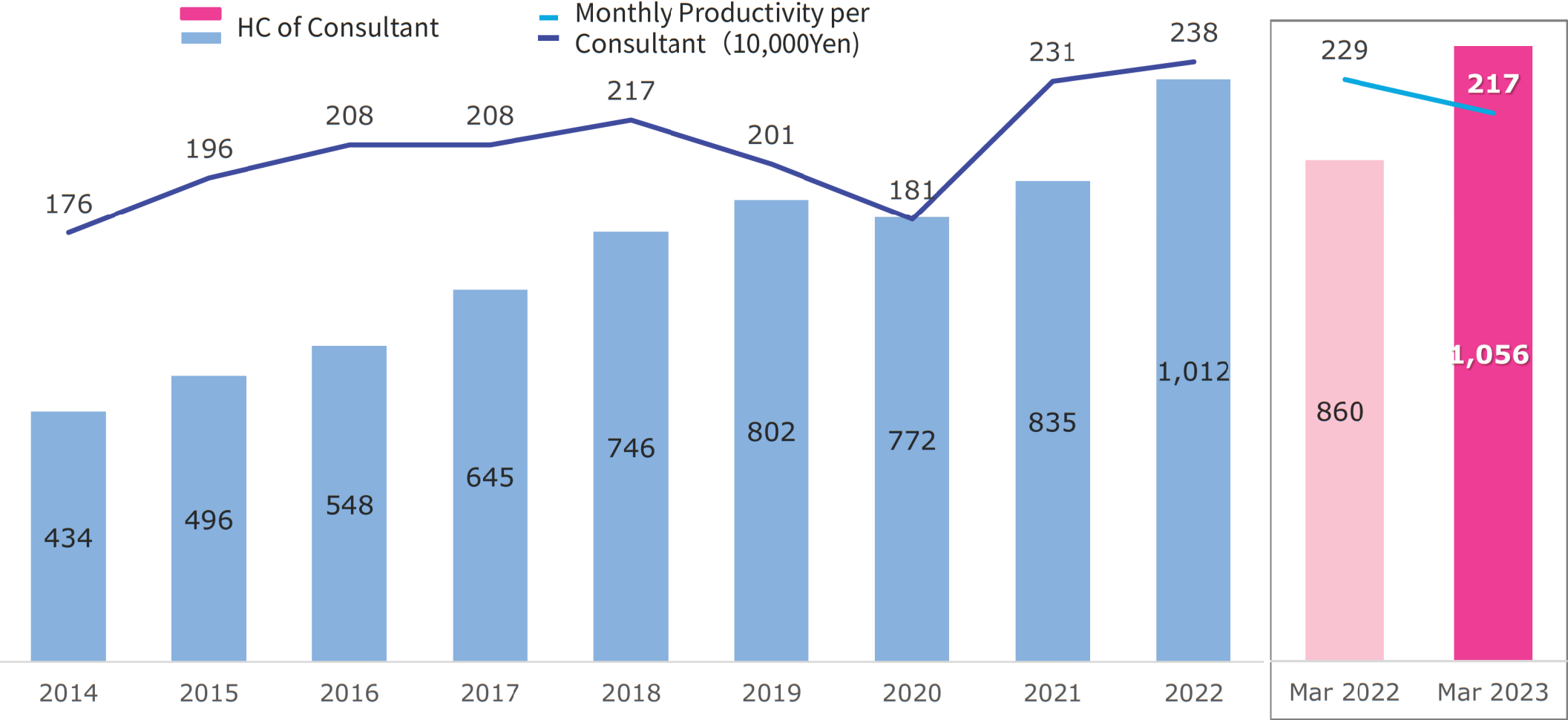
Segment revenue	1Q FY2022	1Q FY2023	Change in pct.
Domestic Recruitment Business	6,703	7,756	+15.7%
Overseas Business	690	916	+32.8%
Domestic Job Offer Advertising Business	78	73	-6.3%
Segment profit (loss)	1Q FY2022	1Q FY2023	Change in pct.
Domestic Recruitment Business	2,300	2,161	-6.0%
Overseas Business	22	17	-19.6%
Domestic Job Offer Advertising Business	-3	-9	—

Domestic Recruitment and Overseas: Increasing Revenue sequentially



Headcount of Consultant and Productivity in Domestic Recruitment Business

- **Headcount:** Kept up more consultants than planned by strengthening recruitment activity and reducing turnover
- **Productivity:** Declined due to a sharp drop in job openings at US IT companies and major consulting firms



Note: Headcount and Productivity include Vantage Point K.K. since FY2020

Overview of each segment

Domestic Recruitment Business

- Job openings declined mainly at a part of US and Japanese major IT companies, while were solid around manufacturing sector.
- Productivity of newly hired consultants improved through training based on our Code of Conduct for Providing Services, "JAC Standard"
- Opened branches in Sendai and Hamamatsu in April, our domestic bases reached 12, enable us to support revitalization of local economies
- Strengthening our efforts in the Executive and the Multinational Corporate Markets

Overseas Business

- Steadily progressed, due to solid performance mainly in Europe and Singapore, while sluggish situation continued in China.
- Closed Shanghai office at the end of February, while expanding in promising regions; opened offices in Los Angeles, US (January) and in Bengaluru, India (February)

Domestic Job Offer Advertising Business

- Declining revenues caused a slight loss, affected by the reduced hiring by the foreign companies which are the main customers

Financial strength remains high with an equity ratio of **73.2%**

(Million yen, %)

Item	End of Dec. 2022		End of Mar. 2023		Change
	Amount	%	Amount	%	
Current assets	17,820	80.7	13,482	78.1	- 4,338
Cash and depos	14,879	67.4	10,265	59.5	- 4,614
Accounts receivable - trade	2,244	10.2	2,592	15.0	+ 347
Non-current assets	4,263	19.3	3,770	21.9	- 492
Property, plant and equipment	745	3.4	771	4.5	+ 26
Intangible assets	1,532	6.9	1,474	8.6	- 58
Investments and other assets	1,985	9.0	1,524	8.8	- 460
Total assets	22,084	100.0	17,253	100.0	- 4,831
Current liabilities	6,161	27.9	4,350	25.2	- 1,811
Non-current liabilities	337	1.5	272	1.6	- 64
Total liabilities	6,498	29.4	4,622	26.8	- 1,876
Total net assets	15,585	70.6	12,630	73.2	- 2,955
Total liabilities and net assets	22,084	100.0	17,253	100.0	- 4,831

No change from the forecast released on Feb. 13, 2023

- Revenue is slightly weak due to the curtailment of hiring by a part of US and Japanese major IT companies. However, we will strengthen approach to other business sectors and initiatives to catch up in the second half.
- Profit goes over the forecast. We have also begun cutting costs in consideration of sluggish revenue in the first half and expect to achieve steady results.

	2022	2023 Forecast	Vs. 2022	Change in pct.
Revenue	30,435	36,651	+6,216	+20.4%
Gross profit	28,043	33,109	+5,066	+18.1%
Operating income	7,044	7,770	+726	+10.3%
Ordinary income	7,052	7,783	+731	+10.4%
Profit attributable to owners of parent	5,029	5,417	+388	+7.7%

[Assumptions used for this forecast]

- Global economic impact stemming from conflict between Russia and Ukraine will remain at its current level.
- Economic slowdown in US and Europe will settle softly and cause only limited curtailment of recruitment.

No change from the forecast released on Feb. 13, 2023

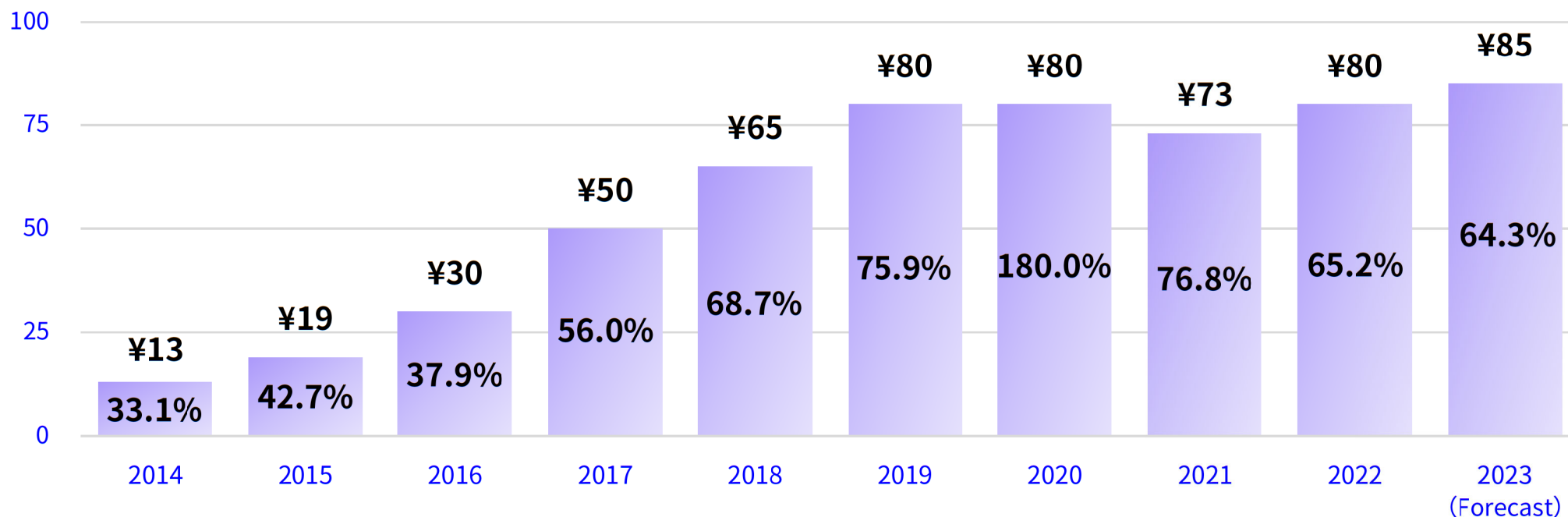
Basic Policy for Dividends

We consider dividends payment as a key management issue and seek to determine an appropriate balance between investments and shareholder return as necessary.

Dividends per share and payout ratio

(Dividends: JPY)

(Payout ratio: %)



Note 1: Dividends per share in FY2014 have been retroactively adjusted to reflect stock splits.

Note 2: Calculations for the payout ratios from FY2015 onward include JAC Recruitment shares held in the ESOP Trust account.

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 15 May 2023 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.

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