



JAC Group

HUMAN CAPITAL REPORT

2025

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JAC Group's Mission and Management Philosophy

At the core of JAC's business is people. People are at the heart of every enterprise, and all values are created by people. JAC Group's professional consultants (people) serve as a bridge, connecting exceptional people with companies and nations that require top talent-individuals who are key to driving business and economic growth.

Every action we take is guided by our Philosophy & Policy. No matter how times change, JAC's Philosophy & Policy remains deeply embedded within our organisation, shaping JAC Group's corporate culture and unwavering ethical principles, ensuring it is consistently passed down to all employees.

Our Mission

JAC 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 the professionals we **connect** leads to the progress of companies and eventually **to the** development of the world economy.

That economic development results **in** contribution to society.

Every person we **connect** will **connect** to new people in new environments, **leading to** further personal growth.

Connecting our ambitions leads to the development of individuals, companies, society, nations and the world.

Connecting these together is the work and **mission** of the JAC Group.

Philosophy & Policy

Philosophy

Freedom & Discipline

Fairness

Policy

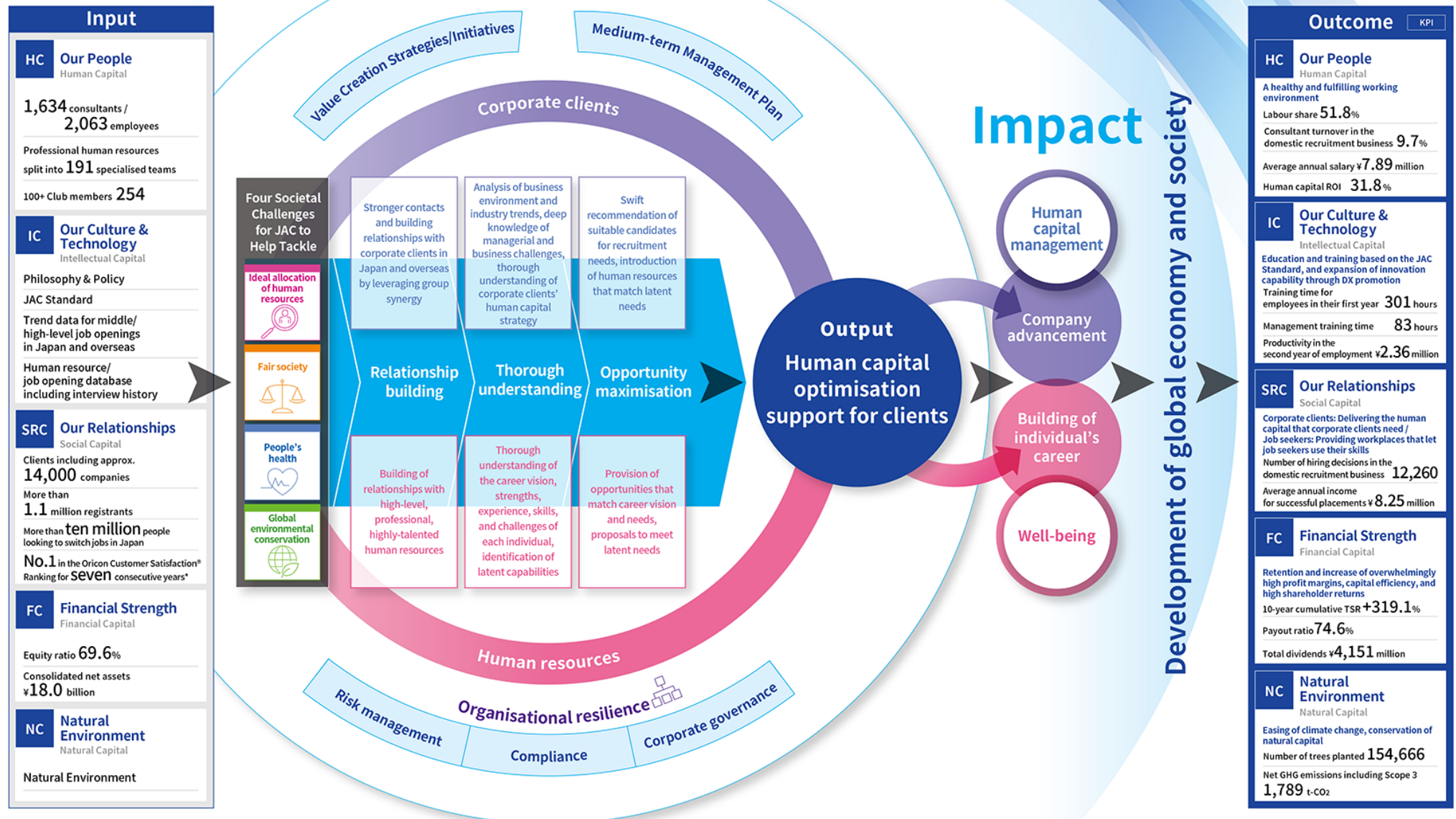
Speed

Sincerity

Attitude

JAC Group's Value Creation Model

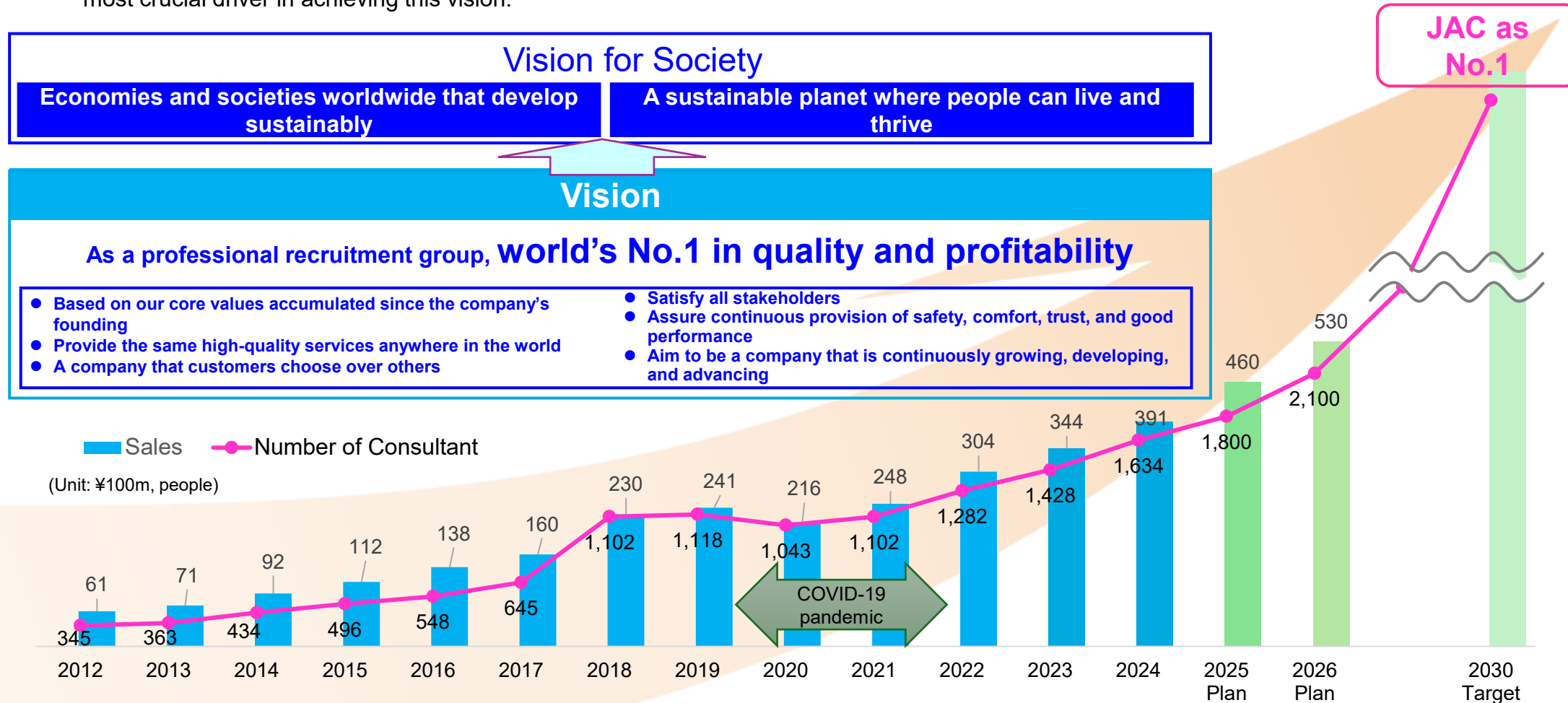
The foundation of JAC Group's corporate value creation lies in people. Our most critical input is human capital, with highly specialised consultants (people) identifying and addressing various social challenges related to people. By building strong relationships with both companies and talent, gaining a deep understanding of their needs, and uncovering hidden opportunities, we create environments where individuals can thrive. This process of matching the right people with the right positions is at the heart of JAC Group's value creation.



JAC Group's Vision

JAC Group aims to be the world's No.1 in quality and profitability as a professional recruitment firm. By delivering high-quality services globally and becoming the first choice for our clients, we believe that our revenue will naturally expand, enabling us to achieve the No.1 position in scale worldwide.

JAC Group's growth is directly proportional to the increase in the number of consultants. Securing and strengthening human capital is the most crucial driver in achieving this vision.



* The number of consultants is the total for the recruitment business in Japan and overseas.
The performance indicates the results at the end of each fiscal year. The forecasts and plans show the average for the fiscal year.

JAC Group's Revenue Structure

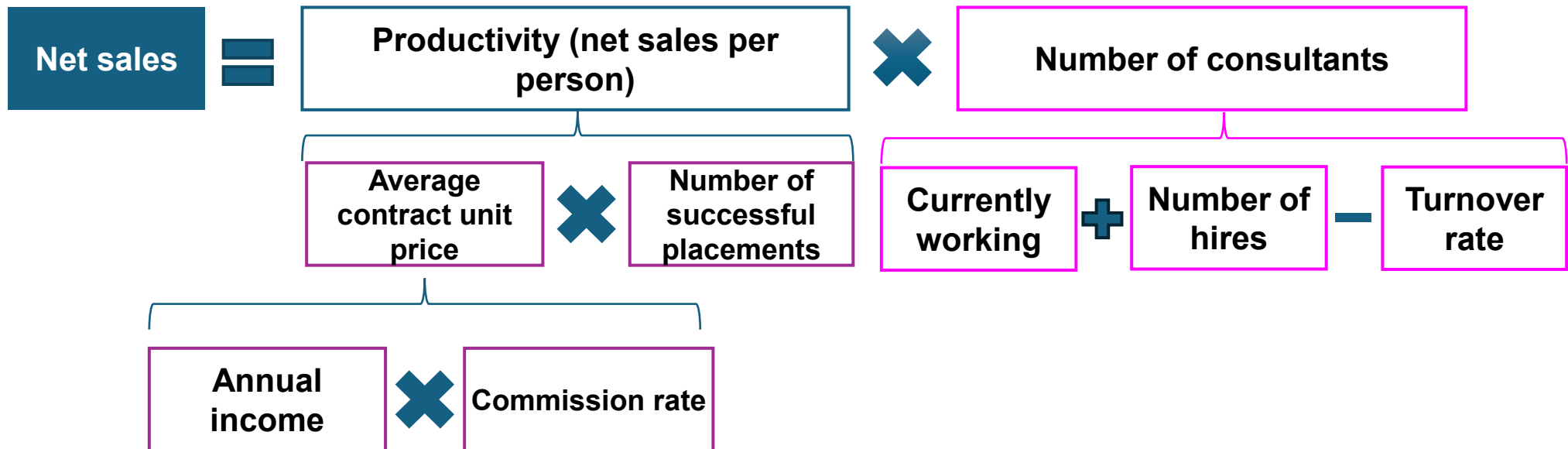
JAC Group's revenue is determined by net sales per consultant (productivity) multiplied by the number of consultants.

Productivity is calculated based on the contract unit price, which is derived from the annual income of individuals who secure a new position through JAC Group multiplied by the commission rate, and the number of successful placements.

The number of consultants can be broken down into the number of consultants currently working, plus the net increase, which is the number of new hires minus the number of resignations.

To ensure sustainable growth, JAC Group must not only strengthen consultant recruitment but also reduce the turnover rate to increase the overall number of consultants. In addition, it is essential to develop highly skilled, specialised consultants who can successfully place a greater number of candidates with higher salary levels.

Ultimately, the most critical management strategy is to foster a supportive corporate culture and create a workplace environment where all employees remain highly motivated and can thrive.



Positioning of the Human Capital Strategy

To contribute to the sustainable development of economies and societies and create a world where people can thrive, JAC Group focuses on introducing high-calibre and professional talent who play a key role in corporate strategy and decision-making.

To realise this business strategy, it is essential to secure and develop top-tier talent capable of engaging with high-calibre professionals. At the same time, fostering a corporate culture where these exceptional individuals support one another is a fundamental aspect of our human capital strategy.

Mission

Connecting people, businesses, economies, and societies, continually contributing to their growth.

Value Created by JAC

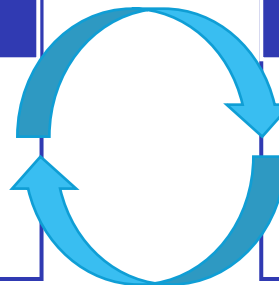
Supporting the optimal allocation of human capital for our client companies, contributing to individual well-being and the development of the global economy and society.

JAC Group's Vision

Aiming to be the world's No.1 in quality and profitability as a professional recruitment group.

Business Strategy

Focusing on introducing high-calibre and specialised professionals who support corporate strategy, enabling the optimal allocation of human capital.



Human Capital Strategy

Fostering a corporate culture where top talent supports one another.

JAC Group's Human Capital Strategy

JAC Group's greatest strength lies in its professional consultants, who have the expertise to introduce the most suitable talent to help client companies address their challenges. These outstanding consultants support one another and achieve results through teamwork, forming the foundation of JAC Group's corporate culture. To achieve our business strategy goal of becoming No.1 in the world in quality and profitability, our human capital strategy is centered on expanding this exceptional talent pool while deepening our culture of mutual support. Furthermore, we are committed to creating an attractive workplace environment, as well as enhancing HR and compensation systems, ensuring that every talented individual can thrive by fully leveraging their unique strengths.



Initiatives and KPI Targets

To realise our vision for talent and corporate culture, we are implementing six key initiatives: strengthening recruitment and reducing turnover rates, expanding training programmes, implementing management training, improving the workplace environment, securing a diverse workforce, and promoting health management. The breakdown of these initiatives and their corresponding KPI targets are summarised below.

* For details on each initiative, please refer to the following sections.

Initiatives

KPI Targets

I. Human Resource Development Initiatives	1. Strengthening Recruitment, Improving Productivity and Reducing Turnover Rates	(1) Strengthening Consultant Recruitment	Consultant growth rate: +15%	P. 13
		(2) Improving Labour Productivity	Consultant ratio: 80%	P. 15
			Monthly productivity per consultant (Japan): 1 placement per person	P. 15
		(3) Preventing Turnover	Turnover rate (standalone): 8%, Turnover rate (consolidated): 16%	P. 16
	2. Expanding Training programmes	(1) Development of Proprietary Training Programmes	Annual training hours target (including mid-career and new graduates): 25 hours per person	P. 21
		(2) Expanding Training Programmes		
		(3) Introduction of Career Development Programmes		
II. Fostering Organisational and Corporate Culture	3. Implementation of Management Training	(1) Enhancing Leadership and Manager Training	Maintaining a management structure of 1 manager per 8 team members	P. 26
		(2) Development of Executive Talent		
	1. Improving the Workplace Environment	(1) Enhancing Employee Engagement	Engagement score: YoY improvement	P. 32
		(2) Clear and Transparent Compensation System	Number of complaints and disciplinary actions: 0	P. 35
		(3) Enhancing Employee Benefits Programmes		
		(4) Promoting Compliance Awareness		
		(5) Management of the Alumni Programme		P. 36
	2. Securing a Diverse Workforce (Promoting DE&I)	(1) Ensuring Diversity in Executive Leadership	Percentage of female and foreign directors: 30%	P. 45
		(2) Promoting Women's Advancement	Percentage of female managers: 40%	
		(3) Raising Awareness and Understanding of LGBTQ+ Issues		
	3. Promoting Health Management	(1) Advancing Health Management Initiatives	Smoking rate: 0%	P. 50
		(2) Enhancing Health Literacy		

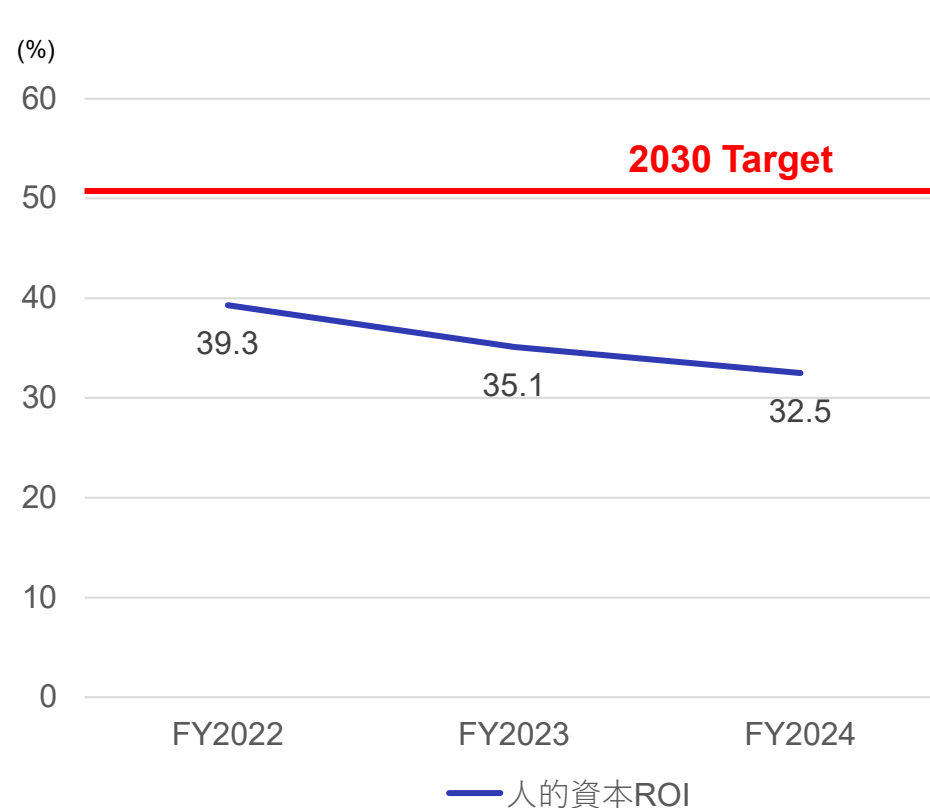
Human capital ROI

50%

Human Capital ROI

At JAC Group, human capital ROI is a key focus as the ultimate goal of our human capital strategy. By effectively utilising human capital and enhancing the productivity of each employee, we aim to maximise overall corporate returns and achieve a human capital ROI of 50%.

To reach this target, we will continue to implement initiatives to secure top talent and foster an organisational and corporate culture that enables them to thrive.



Human capital ROI is calculated using the following formula:

$$\text{Human Capital ROI} = \frac{\text{Sales} - (\text{Total Costs} - \text{Human Capital Costs})}{\text{Human Capital Costs}} - 1$$
 * Human capital costs = Salaries + All benefits

[Target]

Achieve 50% by 2030

[Current Status]

In 2022, human capital ROI increased to nearly 40%, and it declined slightly to 32.5% in 2024. One contributing factor is our proactive upfront investment in human capital to drive the next phase of growth.

The domestic recruitment market is expected to continue growing at a rate of over 10%, and for JAC Group to outpace this growth while expanding its market share, securing top-tier consultants is essential.

It takes approximately 2 to 3 years for newly hired consultants to develop into professionals who meet JAC's quality standards. As a result, we are currently in a phase of intensified recruitment and investment in talent development. This means that in the short term, human capital ROI is expected to decline before driving long-term growth.

[Future Policy and Measures]

The investment phase is expected to continue until 2026, during which human capital ROI is projected to decline temporarily. However, from 2027 onwards, the benefits of our prior investments will begin to materialise, leading to an improvement in human capital ROI.

This will be achieved through the following three key initiatives:

- Steady increase in the number of consultants
- Implementation of individual skill development support programmes
- Productivity enhancement through Business Process Reengineering (BPR)

I. Human Resource Development Initiatives

- 1. Strengthening Recruitment, Improving Productivity and Reducing Turnover Rates**
2. Expanding training programmes
3. Implementation of management training

1. Strengthening Recruitment, Improving Productivity and Reducing Turnover Rates

[Background of the Initiative]

In today's rapidly evolving business environment and labour market, securing and developing top talent is more critical than ever. The advancement of digitalisation and impact of globalisation has further heightened the need for agile and adaptable professionals within JAC Group. Moreover, enhancing employee productivity and reducing turnover are essential for improving corporate efficiency and stability.

To address these challenges, JAC Group is actively implementing strategic recruitment efforts, supporting employees in upskilling, and creating a workplace environment that fosters productivity and retention. Through these initiatives, we aim to enable every employee to maximise their potential and contribute to the client's long-term success.

[Specific Initiatives]

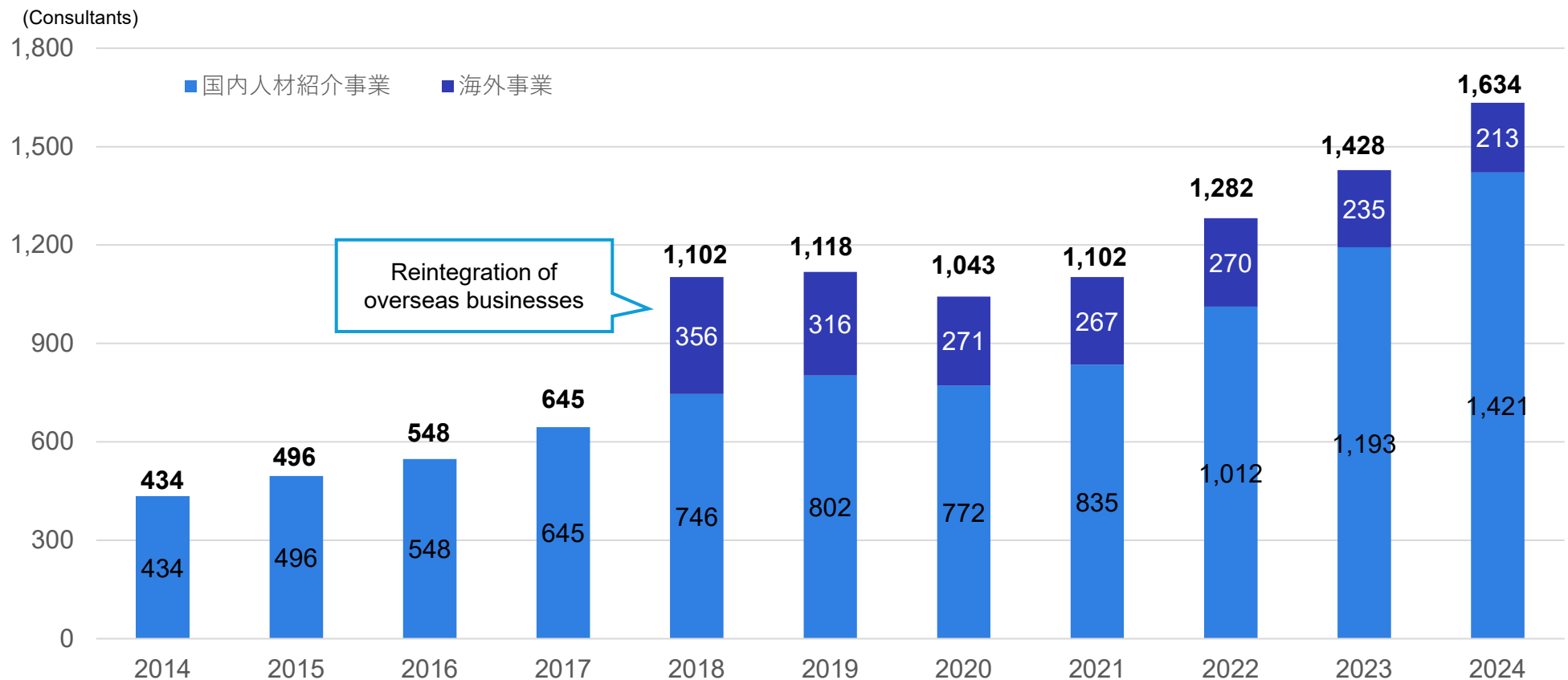
- (1) Strengthening Consultant Recruitment
- (2) Improving Labour Productivity
- (3) Preventing Turnover

(1) Strengthening Consultant Recruitment: ① Ensuring a Sufficient Number of Consultants

JAC Group's sales growth rate is highly correlated with the growth rate of consultant numbers. Additionally, newly hired consultants typically require two to three years of training before they can deliver the service quality expected of a JAC consultant.

To achieve this, we will steadily hire and reduce turnover to accelerate growth in consultant numbers, thereby achieving a growth rate that will enable us to become No.1 in the world in quality and profitability.

Trends in Consultant Numbers and Growth Rate (Domestic Recruitment Business)



(1) Strengthening Consultant Recruitment: ② Consultant Recruitment Planning

To ensure a stable number of consultants, we regularly conduct both mid-career and new graduate recruitment. In particular, from 2024 onwards, we have strengthened new graduate recruitment. One key objective of this initiative is to strategically and systematically develop young talent, enabling them to become the future bearers of JAC Group's corporate culture. This approach aims to establish a sustainable foundation for JAC Group's long-term growth.

We have implemented a dual recruitment team structure for new graduates and mid-career hires. By considering talent trends and the future talent portfolio, we formulate recruitment plans that balance both approaches, ensuring hiring activities align with their respective characteristics.

Policy and Measures

■ New Graduate Recruitment

We focus on hiring talent with strong management capabilities and global skills who have the potential to become future executives. To achieve this, we are reviewing our evaluation criteria in the interview process, taking into account factors such as leadership and English proficiency.

■ Mid-Career Recruitment

We recruit immediately effective professionals with specialised knowledge across various industries and sectors to strengthen our consulting expertise and technical capabilities. To ensure this, we are tightening screening criteria and enhancing the recruitment process.

Recruitment Planning

		FY2025	FY2026	FY2027
New graduates	Target	150	200	300
	Actual	149	-	-
	Achievement rate	99%	-	-
Mid-career hires	Target	400	400	400
	Actual	-	-	-
	Achievement rate	-	-	-
Total	Target	550	600	700
	Actual	-	-	-
	Achievement rate	-	-	-

(2) Improving Labour Productivity

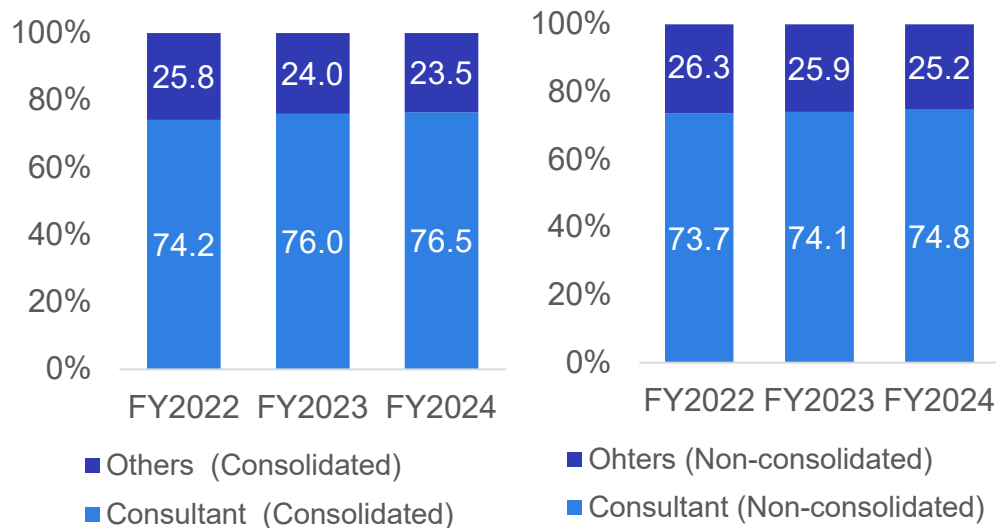
To enhance human capital ROI, it is crucial to increase productivity per consultant while maintaining a consultant ratio of at least 80% of the total workforce. To improve productivity per consultant, we are implementing a business strategy to increase contract unit price alongside education and training programmes to enhance the number of successful placements per consultant.

[Target Metrics]

Consultant ratio as a percentage of total employees: 80%

Monthly productivity per consultant: 220 (Unit: 10,000 yen)

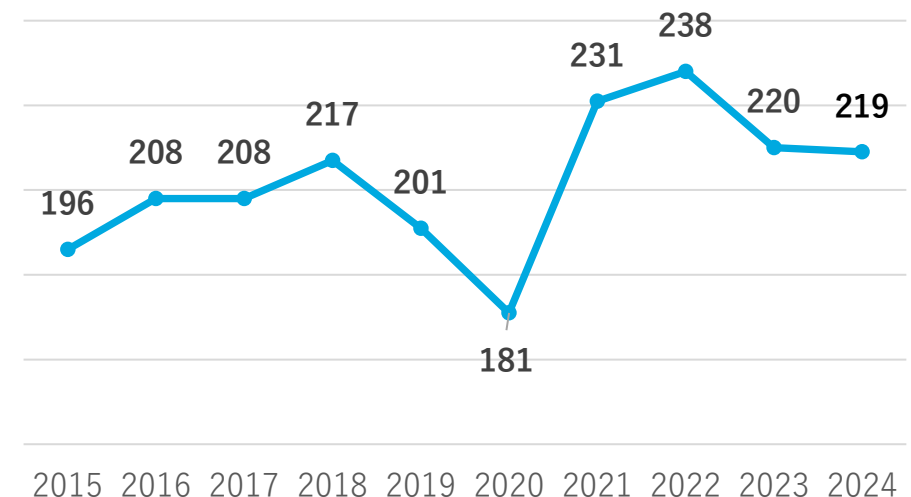
Consultant Ratio



* The consultant ratio is calculated using the following formula:

$$\text{Number of consultants at the end of the period} \div \text{Total number of employees at the end of the period}$$

Monthly Productivity Per Consultant (Unit: 10,000 yen)



*Monthly productivity per consultant is calculated using the following formula:

$$\text{Average monthly revenue based on closed deals for each year} \div \text{Average number of consultants during the period}$$

 *JAC Recruitment + JAC International + VantagePoint (after the year of 2020)

(3) Preventing Turnover ① Reducing Turnover Rates

At JAC Group, we prioritise employee career satisfaction and the creation of a supportive workplace environment as key issues.

Employee turnover not only leads to a decline in the number of consultants but, in the case of early resignations, may also have a negative impact on the individual's career. Therefore, preventing turnover is crucial for both JAC Group and its employees.

To address this, we are implementing various initiatives with the goal of achieving a turnover rate of 8% (standalone) and 16% (group-wide).

[Target Metrics (By 2030)]

Turnover Rate (Standalone): 8%

Turnover Rate (Consolidated): 16%

* Compared to Japan, many overseas markets have a well-established culture of changing jobs for career advancement. As a result, the consolidated turnover rate target is set higher.

[Initiatives to Reduce Turnover Rates]

■ Career Path Planning

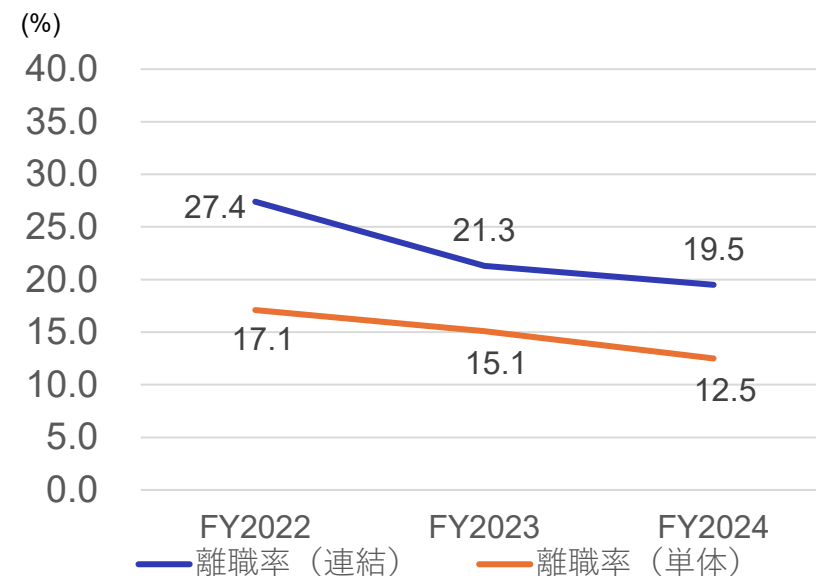
We visualise employees' skills and experience to develop and implement individual career path plans.

■ Support from the HR Department and On-Site Teams

We are strengthening our support framework through enhanced training programmes and initiatives like the 100+ Club, ensuring a work environment where employees feel secure and supported.

Through these initiatives, we aim to enhance skills, improve work efficiency, and increase job satisfaction.

Turnover rate



* Turnover rate is calculated using the following formula:
The total of the monthly turnover rate (number of leavers ÷ average number of employees)

* Data collection for the consolidated turnover rate began in 2022.

(3) Preventing Turnover ② Initiatives to Prevent Employee Turnover

Analysis of past turnover reasons has shown that the most common factor is challenges in career development, followed by poor individual performance. To address these issues, we have implemented the following measures:

1. Addressing Career Development Challenges

We have introduced HR-led career path planning and enhanced training programmes to provide clear growth opportunities and create an environment where employees can build long-term careers.

2. Addressing Turnover Due to Poor Performance

We support employees through skill development training and a reinforced individual follow-up system to help improve performance. Additionally, JAC Group's 100+ Club provides dedicated support for personalised follow-ups.

Reasons for Turnover

	FY2022	FY2023	FY2024
Reason Category ① Career development	19.2%	16.5%	22.4%
Reason Category ② Poor individual performance	7.6%	9.6%	12.8%
Reason Category ③ Corporate culture	5.5%	6.6%	4.2%
Reason Category ④ Dissatisfaction with conditions	1.4%	2.3%	1.5%
Other (Personal circumstances, health issues, relocation, unknown, etc.)	66.3%	65.0%	59.1%
Total	100.0%	100.0%	100.0%

* Turnover reasons are calculated using the following formula:

$$\frac{\text{(Number of employees who left for each specific reason over one year)}}{\text{(Total number of employees who left)}}$$

 * The total number of employees who left includes all cases, regardless of reason, such as retirement, transfers, dismissals, or company circumstances.
 * Applicable employees: Permanent employees (indefinite contracts) and contract employees (long-term contracts).
 * The majority of cases classified under "Other" are from overseas offices. Compared to Japan, many countries have a well-established culture of changing jobs for career advancement, leading to a higher percentage in this category.

100+ Club

Overview

The JAC Group has a special club called the 100+ Club, which is exclusively for consultants who have successfully supported over 100 career transitions.

To join the 100+ Club, consultants must build a track record by sincerely engaging with each corporate client and candidate. Being a member of the 100+ Club is a testament to one's expertise and experience as a top-tier professional consultant.

As consultants reach higher milestones, they are recognized accordingly:

Those who support over 200 individuals join the 200+ Club.

Those who support over 300 join the 300+ Club.

At present, in both Japan and overseas offices, 500+ Club are enrolled.

Structure and Key Features

- Number of Members: 254 (15.5% of all consultants)
- Productivity: Approximately 2 times higher than other consultants
- Average Tenure: 12.0 years (as of the end of 2024)

Activities

The club holds biannual general meetings, monthly study sessions, and internal seminars. Members take turns leading these sessions, creating a space where they can mutually enhance their skills and expertise. Additionally, the high-quality operations of the "100+ Club Concierge" serve as a model for other consultants, sharing various know-how such as business practices and sales techniques. This contributes to improving the overall quality of consulting services across the company.

I. Human Resource Development Initiatives

1. Strengthening Recruitment, Improving Productivity and Reducing Turnover Rates
- 2. Expanding Training Programmes**
3. Implementation of Management Training

2. Expanding Training Programmes

[Background of the Initiative]

At JAC Group, we place a strong emphasis on ensuring that each employee develops a high level of expertise, expanding business with a global perspective, and building strong relationships with clients and candidates. For consultants, we have introduced a competency framework, which standardises the necessary skills and knowledge. This framework clearly defines account management and candidate engagement methods, ensuring a structured approach to professional development.

Through our proprietary training programmes, JAC Group aims to support employee growth and enhance the company's overall competitiveness.

[Specific Initiatives]

- (1) Development of Proprietary Training Programmes
- (2) Expanding Training Programmes
- (3) Introduction of Career Development Programmes

(1) Development of Proprietary Training Programmes

JAC Group aims to become No.1 in the world in quality and profitability.

To achieve this, we have established the "JAC Standard" as the benchmark for service quality expected of JAC consultants striving for global excellence.

To ensure widespread adoption, we have created a bilingual handbook in Japanese and English, which is distributed to all employees across the Group. Additionally, we conduct training sessions for new employees as well as workplace-based training, reinforcing the JAC Standard throughout the organisation.

JAC Standard Training

The JAC Standard Training Programme is a common training course for all JAC Group consultants.

Its goal is to enable each employee to maximise their potential while strengthening the company's overall competitiveness.

[Objectives]

The programme teaches employees about JAC Group's fundamental principles, code of conduct, and standardised business processes, ensuring that all consultants can deliver consistent, high-quality services.

Particular emphasis is placed on business expansion from a global perspective and building strong relationships with clients and candidates.

[Training Content]

- Fundamental Principles
- Code of Conduct
- Standardisation of Business Processes
- Mission and Vision
- Account Management
- Candidate Engagement

Competency Framework

The Competency Framework is a set of standardised indicators that define the skills and knowledge required for JAC Group consultants. It ensures that all consultants can deliver consistent, high-quality services.

[Objectives]

The framework clearly defines the skills and knowledge that consultants must possess, standardising the required competencies across industries and specialisations.

By doing so, each employee can maximise their potential, leading to higher customer satisfaction and improved operational efficiency.

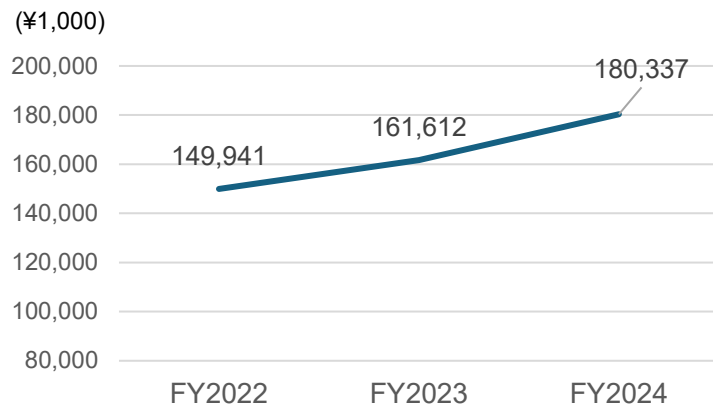
[Training Content]

- Enhancing Customer Satisfaction
- Building Effective Professional Networks
- Driving Business Process Improvements

(2) Expanding Training Programmes

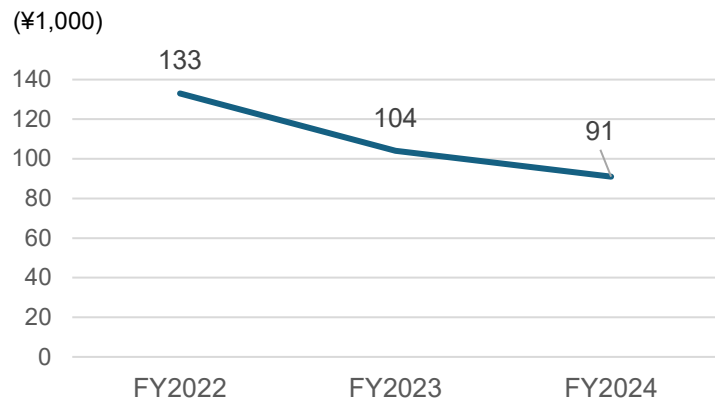
Investment in talent development and training is a key strategic initiative aimed at enhancing employee skills and driving organisational growth, with training programmes planned from a long-term perspective to ensure sustainable development. JAC Group consultants are equipped with account management and candidate engagement skills. To fully leverage the expertise accumulated within the company, we have established the Talent Development Division, composed of experienced consultants. This division is designed to operate employee education and training primarily using in-house resources.

Total human resource development and training costs



* Includes expenses for capacity development and training (such as venue, materials, and instructor fees) as well as personnel costs for the Talent Development Division.

Training cost per employee



* Total human resource development and training costs ÷ Number of participants

[Specific Initiatives]

–2022: Strengthening Training Systems and Increasing Investment

- **Introduction of JAC Standard Training:** A newly developed, standardised training programme for all employees.
- **Implementation of the Onboarding Programme:** In response to the increasing number of employees, an organisation-wide onboarding programme was introduced, including the Talent Development Division. A structured system was established to support large-scale recruitment.

2022–2023: Improving Investment Efficiency

- **Employee Retention and Productivity Enhancement:** While the number of employees has increased significantly, the rise in total investment in talent development and training has been more gradual. This is because employees have gained greater skills and experience, enabling a more efficient work structure even with fewer staff.
- **Onboarding Success:** Past investments have created an environment that facilitates employee retention, making it easier for new hires to settle in. As a result, even during periods of large-scale recruitment, operations can now be managed smoothly and stably.

2024 Onwards: Expansion of Training and Development Programs

• Company-wide Training:

Training sessions conducted to enhance sourcing skills across the organisation.

• Promotion of OJT per Employee:

As the number of employees increases, OJT (On-the-Job Training) is implemented. However, due to improved productivity, the associated costs are expected to remain controlled.

• Revamping the Training Framework Using LMS:

By clearly separating e-learning (input) and discussion-based sessions (output), the new structure contributes to better knowledge retention and improved time efficiency.

• Training for Future Leaders:

Expanded training programs and the introduction of a new development track for deputy manager candidates.

• Executive Development Program:

A blended training approach combining external and internal programs for current executives (department heads and above) and future executive candidates, aimed at strengthening leadership capabilities.

[Annual Training Hours Target (Including Mid-Career and New Graduates)]

25 hours per employee (Total training hours over one year ÷ Number of employees receiving training)

(3) Introduction of Career Development Programmes

Career development at JAC Group refers to a structured process that enables each employee to maximise their potential and contribute to the overall growth of the company. This includes enhancing specialised skills, developing leadership capabilities, fostering cross-cultural understanding, and providing diverse job experiences.

Upon joining the company, each employee is presented with one of four career paths, which are regularly reviewed. This allows employees to clearly define their career goals and achieve continuous growth toward their objectives.

Consultant Career Path

This career path is designed to develop professionals with advanced expertise and skills as consultants in the recruitment business.

To achieve this, employees are expected to deepen their specialised knowledge in a specific field while also enhancing their account management and candidate engagement skills.

Management Career Path

This career path is designed to develop managers with strong leadership and management skills. Therefore, emphasis is placed on enhancing leadership abilities and team management capabilities.

Additionally, for employees aspiring to become executive leaders, a structured training programme is in place, including Next Leader Training and Next Manager Training, which are conducted in stages.

Global Career Path

This career path is designed to develop consultants with cross-cultural understanding and a global perspective, enabling them to build their careers in other countries.

Employees are expected to perform at a level comparable to their success in their home country, even in a different cultural environment.

Multi-Role Experience Career Path

This career path is designed to develop professionals with a diverse skill set and broad knowledge by first gaining experience as a consultant in the recruitment business and then transitioning to a different role to acquire new expertise.

I. Human Resource Development Initiatives

1. Strengthening Recruitment, Improving Productivity and Reducing Turnover Rates
2. Expanding Training Programmes
- 3. Implementation of Management Training**

3. Implementation of Management Training

[Background of the Initiative]

Developing management personnel is essential for enhancing corporate efficiency and stability. To achieve this, we have defined detailed Mission and Duty statements for each leadership position, including leaders, managers, divisional heads, and executive officers, and have been enhancing training programmes each year.

JAC Group aims to build a system where each manager can fully utilise their capabilities and contribute to the company's long-term success.

[Specific Initiatives]

- (1) Enhancing leadership and manager training
- (2) Development of Executive Talent

(1) Enhancing Leadership and Manager Training: ① Target Values and Key Initiatives

As a global recruitment firm, JAC Group requires its managers to take on increasingly diverse roles. In particular, demonstrating leadership, developing successors, and acquiring globally applicable skills are essential factors in strengthening JAC Group's competitiveness. With these skills becoming ever more critical, we have introduced a structured management training programme to enhance overall organisational productivity and support long-term growth.

[Target Metrics]

- 1. Training Participation Rate:** Over 80% of all managers to participate in training.
- 2. Global Skill Development:** Increase the proportion of managers willing to participate in international projects by 20% after training.
- 3. Successor Development Rate:** Each department to formulate a successor development plan and identify over 50% of potential successors within one year.

[Specific Initiatives]

1. Mission and Duty (Management Training)

- Provides training on the roles and responsibilities required for managers, as well as how to demonstrate leadership.
- Covers key areas such as business strategy formulation, organisational expansion, compliance, risk management, talent development and recruitment, financial profitability, and stakeholder accountability.

2. Enhancing Global Skills

- Focuses on improving multilingual communication skills, including English, and cross-cultural communication abilities.

3. Successor Development Programme – "Next Leader/Manager Training"

- A training programme for future management candidates, designed to provide an understanding of Mission and Duty while developing a talent pool.
- Candidates recommended by divisional heads participate in this programme, which is conducted twice a year, providing opportunities for promotion to managerial positions.

Leadership development

	FY2022	FY2023	FY2024
Leadership training participation rate	100%	100%	100%
Manager training participation rate	100%	100%	100%

* Leadership training participation rate:
 $\text{Number of leaders who participated in the Leadership Development Programme (LDP) in one year} \div \text{Total number of leaders}$

* Manager training participation rate:
 $\text{Number of managers who participated in leadership training in one year} \div \text{Total number of managers}$

(1) Enhancing Leadership and Manager Training: ②Securing Management Personnel

As the number of consultants increases, the development of managers who can lead and oversee teams is becoming increasingly important. To effectively understand each team member's situation and provide precise guidance, it is most efficient to maintain a structure where each manager oversees around eight members.

To sustain this framework, JAC Group is actively focusing on securing and training future management candidates.

[Target]

Establish a structure where each manager oversees eight team members.

[Current Status]

Recruitment efforts are ongoing, with approximately 400 mid-career hires and 150 new graduate hires annually. However, around 20% of all employees leave the company each year.

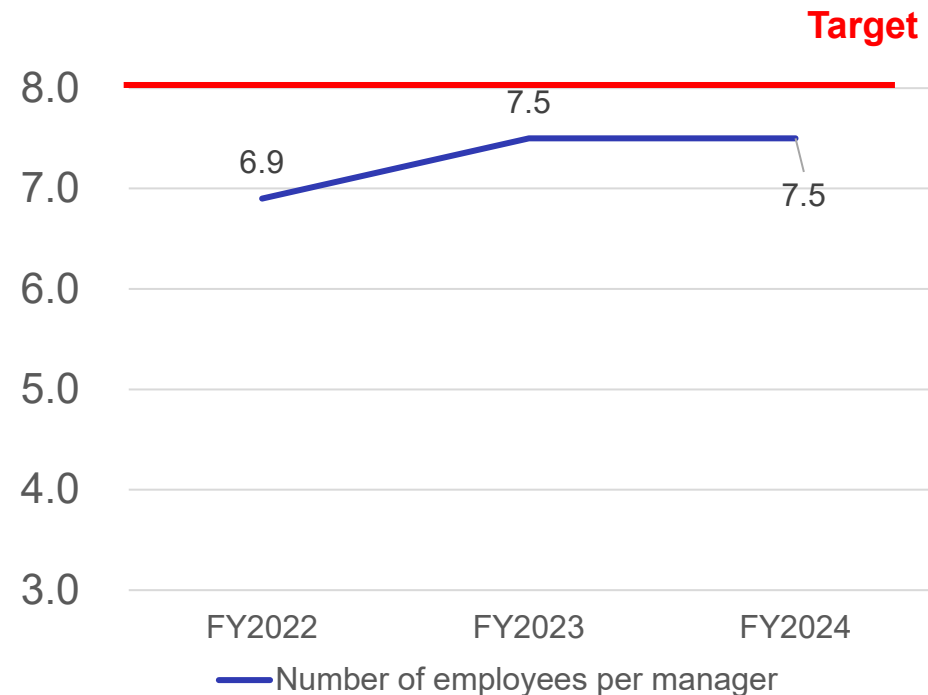
To achieve the target of eight members per manager, at least 50 additional managers will be required.

[Future Policy and Measures]

For leadership development, we have established a system to identify future manager candidates and support a smooth transition into managerial roles. Specifically, the "Next Manager Training" programme will be implemented, where divisional heads will nominate candidates, providing them with two opportunities per year (January and July) for promotion to manager positions.

Moving forward, 20 to 25 candidates will be selected in each round, enabling a structured approach to strengthening and expanding the management team.

Number of employees per manager



*Turnover reasons are calculated using the following formula:

$$\text{Total number of employees} \div \text{Total number of managers}$$

(1) Enhancing Leadership and Manager Training:

③ Succession Planning and Internal Promotions

To ensure a stable pipeline of managers, securing and developing successor candidates is one of the key missions for each department head.

To build a structure where highly specialised team members can collaborate effectively and deliver JAC-quality services, approximately 70% of managerial positions are filled through internal promotions, with this percentage steadily increasing. Increasing the internal promotion rate is a crucial initiative aimed at enhancing the overall expertise within the organisation.

Succession planning

	FY2022	FY2023	FY2024
Internal succession rate	71.0%	73.5%	88.6%
Successor candidate readiness rate (*Key positions)	74.4%	92.7%	81.1%
Successor readiness (Immediate)	74.4%	92.7%	81.1%
Successor readiness (1–3 years)	57.4%	48.3%	45.2%
Successor readiness (4–5 years)	43.4%	47.7%	32.7%

* Internal promotion rate calculation:

• Number of employees promoted or hired into managerial positions within one year ÷ Total number of employees promoted to managerial positions within one year

* Leader-to-manager ratio calculation:

Number of leaders at the end of the period ÷ Target number of managers at the end of the period

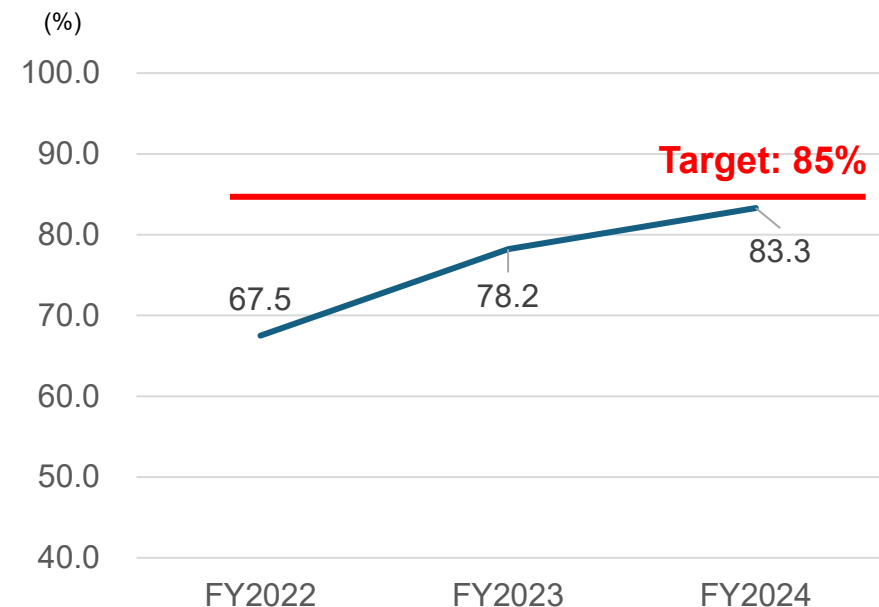
* Successor pool (1–3 years):

Number of employees in the successor pool expected to take over in 1–3 years, including Next Leader Training participants ÷ Number of key positions

* Successor pool (4–5 years):

Number of employees in the successor pool expected to take over in 4–5 years, including employees hired between 2021–2023 ÷ Number of key positions

Percentage of key positions (management roles) filled internally



* The internal promotion rate for managerial positions and above is calculated using the following formula:

• Number of managerial and higher positions filled by internal candidates ÷ Total number of managerial and higher vacancies filled

(2) Development of Executive Talent: ① Overview of Initiatives

At JAC Group, employees at the divisional head level and above are classified as executives. Candidates for executive positions first aim to become head of division, after which selected individuals advance toward executive officer roles. Further progression involves moving from executive officer to senior executive officer, with senior executive officers overseeing multiple executive officers as part of the corporate leadership team.

Executive development consists of two key components, enhancing the capabilities of current executives and ensuring a continuous pipeline of future executives. This initiative is a critical step toward achieving world No.1 in quality and profitability.

Enhancing the Capabilities of Current Executives

Strengthening current executives involves two key elements:

- **Enhancing Global Management Capabilities:** To ensure seamless management across the group, including global subsidiaries, executives are required to develop strong global management skills.
- **Promotion of Current Executives:** As business leadership and management participation are essential, a Senior Executive Officer position has been established, with current Executive Officers aiming for this role.
Divisional Heads first aim to become Executive Officers as part of their leadership progression.

Ensuring a Continuous Pipeline of Executives

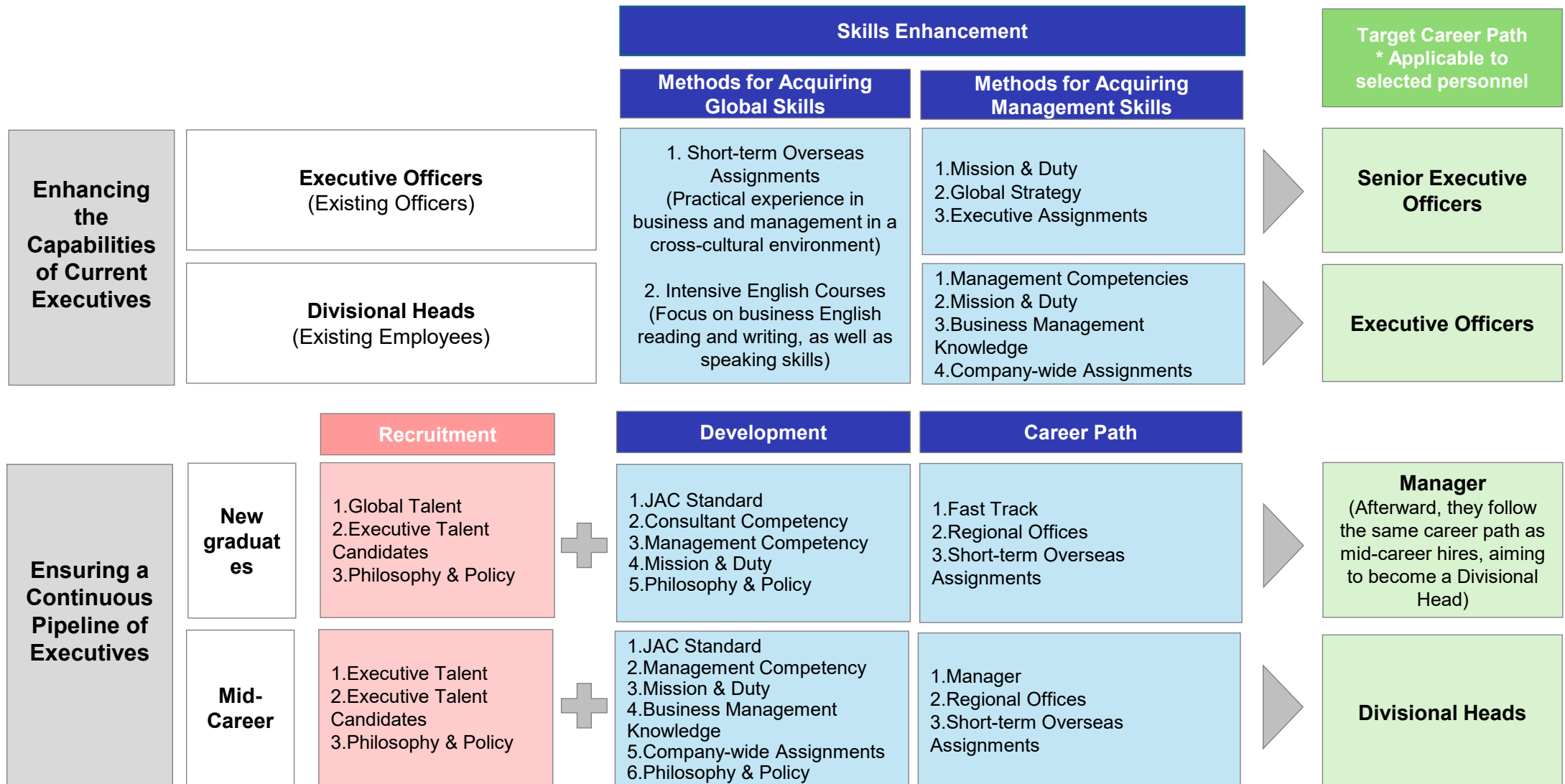
To maintain strong leadership, executives must be strategically developed and continuously nurtured.

The executive development framework is structured as follows:

- **Recruitment :** Future executive candidates are identified and hired through both new graduate and mid-career recruitment.
- **Certification :** Candidates are officially recognised by the company, and their mission is to aim for executive positions.
- **Career Path :** Candidates follow a dedicated career path to accumulate the necessary experience for executive roles.
- **Development :** Candidates participate in a specialised training programme to acquire executive competencies as efficiently as possible.
- **Assessment :** Candidates undergo an assessment to identify areas for improvement in preparation for executive roles. After completing training, they undergo a final assessment to confirm their competency as executives.

(2) Development of Executive Talent: ②Executive Development Framework

JAC Group develops executive leaders from two perspectives: enhancing the capabilities of current executives and ensuring a continuous pipeline of future executives. For current executives, career advancement is based not only on their performance in their current role but also on their ability to develop global skills and advanced management capabilities, which are essential for progressing to higher leadership positions. For newly recruited employees, skill development and structured career paths are implemented to strengthen their capabilities and prepare them as future executive candidates.



II. Fostering Organisational and Corporate Culture

- 1. Improving the Workplace Environment**
2. Securing a Diverse Workforce
3. Promoting Health Management

1. Improving the Workplace Environment

[Background of the Initiative]

A comfortable and supportive workplace environment is essential for employees to perform at their best. At JAC Group, we believe that accommodating diverse work styles and values while creating a flexible and comfortable environment is key to enhancing competitiveness.

By establishing a workplace where each employee can maintain a healthy and fulfilling life while maximising their potential, and by continuously improving work conditions, JAC Group aims to strengthen overall corporate competitiveness and achieve sustainable growth.

[Specific Initiatives]

- (1) Enhancing Employee Engagement
- (2) Clear and Transparent Compensation System
- (3) Enhancing Employee Benefits Programmes
- (4) Promoting Compliance Awareness
- (5) Management of the Alumni Programme

(1) Enhancing Employee Engagement

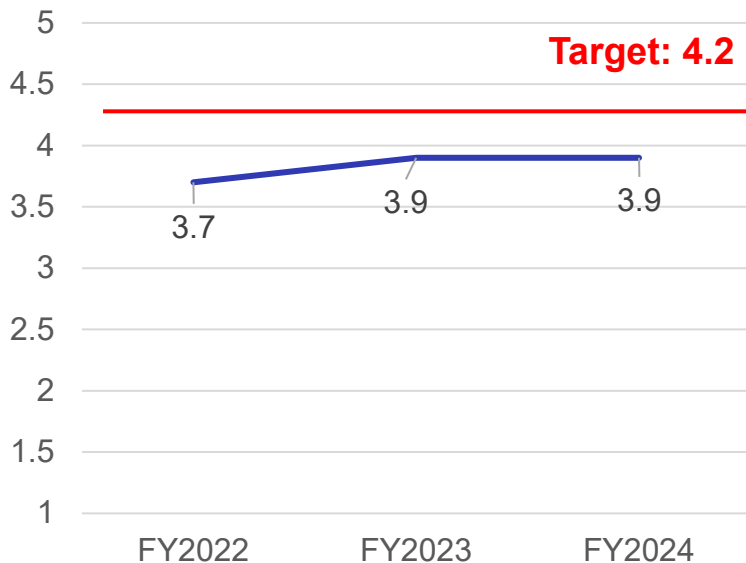
At JAC Group, we analyse turnover reasons and pulse survey results to identify challenges and implement targeted initiatives. As a result, we have continuously improved both engagement scores and retention rates year by year. The key initiatives include:

- Reviewing hiring criteria and recruitment methods
- Strengthening onboarding programmes for new employees
- Enhancing career path transparency and post-hire support

Moving forward, we will continue to regularly analyse engagement data to identify organisational challenges early and implement effective solutions.

Engagement, Satisfaction, and Commitment

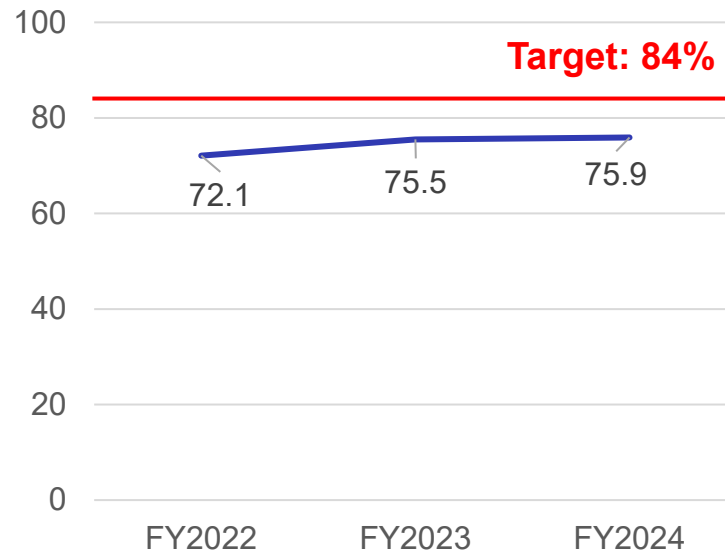
(Points)



An internal survey is conducted once a year. There are a total of 34 questions, and this indicator reflects only the results extracted from responses to the questions related to engagement.

Retention Rate

(%)



* The retention rate is calculated using the following formula:

• Retention rate = 1 – Turnover rate

(2) Clear and Transparent Compensation System

JAC Group's compensation system is structured so that remuneration is distributed based on individual target achievement and success rates.

This unique system sets JAC Group apart from other companies by allowing employees to earn their own compensation based on their performance. Increased over two years through awareness-raising initiatives, it is considered a basic necessity rather than a motivator, but JAC Group integrates it as part of its incentive structure. This approach enables employees to experience both a sense of accomplishment and financial stability, fostering a highly driven and engaged workforce.

In 2025, JAC Group will revise its compensation system to further enhance employee motivation and strengthen corporate competitiveness. Additionally, the system will be reviewed and adjusted annually to ensure continuous improvement.

Overview of the 2025 Compensation System Revision

1. Increase in Base Salary Ratio

To ensure financial stability for employees, base salaries are being increased. This will create a more secure working environment and enhance long-term employee engagement.

◆ Consultants: Base salary ratio increased by approximately 7.5%, with a corresponding adjustment in bonus ratio.

◆ Middle/Back Office: Base salary ratio increased by approximately 20%, with a corresponding adjustment in bonus ratio.

2. Increase in Base Salary for New Graduate Employees

Salaries are set at a level that provides financial stability, allowing new employees to focus on their work with peace of mind.

3. Management Compensation Structure in the Recruitment Business

A new position allowance will be introduced, and the base salary ratio will be increased by approximately 20%, with a corresponding adjustment in bonus ratio.

4. Higher Earnings for Top Achievers

Employees who achieve high performance will receive a total annual income exceeding the current system's compensation levels.

(3) Strengthening Employee Benefits – Supporting Asset Formation for Employees

JAC Group's employee benefits programme consists of two key components: health management initiatives (see P.49 for details), and programmes designed to support employees in building financial security. This section focuses on the latter.

These benefits serve as essential support systems that enable employees to work with peace of mind and long-term stability.

1. 401K Retirement Plan

This programme supports employees in building financial security for their post-retirement life.

Employees can contribute a portion of their salary pre-tax, allowing for tax benefits. The company matches contributions based on job position and qualification level, ranging from 5,610 yen to 134,640 yen.

Through this system, employees can enjoy tax advantages while building long-term financial assets.

2. Employee Stock Purchase Plan (ESPP)

This programme allows employees to purchase company shares and directly participate in the company's growth and success.

Employees can regularly purchase company shares using a portion of their salary. The company provides a 10% incentive on the contributed amount.

Through this system, employees can increase their motivation to contribute to the company's performance while building financial assets.

3. Employee Stock Ownership Plan (ESOP)

This programme allows employees to receive company shares upon meeting specific criteria, such as performance and years of service.

Through this system, employees can enhance their motivation for both company performance improvement and their own mid-to-long-term career growth, while also building financial assets.

4. Asset Formation Savings Plan

This programme helps employees save for major future expenses, such as home purchases or education costs. Employees can regularly set aside a portion of their salary for savings.

This system enables employees to build financial assets in a structured manner and prepare for significant future expenses.

(4) Promoting Compliance Awareness

Ensuring a safe working environment, fostering diversity, and addressing workplace harassment are critical management priorities. Beyond merely complying with legal requirements, JAC Group is committed to creating a workplace where employees can perform at their best. To achieve this, we provide training programmes for executives and employees, raising compliance awareness and implementing proactive measures for continuous improvement.

[Target] Number of complaints and disciplinary actions: 0

[Current Status] The participation rate in ethics and compliance training has reached 100%. While the number of complaints raised has been increasing year by year, the majority are related to workplace environment concerns and do not involve any legal violations. The increase in disciplinary actions is attributed to a rise in reporting, reflecting a positive shift toward a corporate culture where employees proactively speak up rather than overlook issues. This approach functions as a preventive measure against the recurrence of similar mistakes or complaints, contributing to the overall health and integrity of the organisation. Even negative feedback is shared transparently within the company, encouraging employees to reflect on their own behavior. This process plays a meaningful role in enhancing the quality of human capital.

Percentage of employees who completed ethics & compliance training

(%)

Indicator Details	FY2022	FY2023	FY2024
(1) Harassment training participation rate	100	100	100
(2) Overtime work training participation rate	100	100	100

Type and number of reported complaints

(Placements)

Indicator Details	FY2022	FY2023	FY2024
Total cases	24	28	29
① Number of cases using the internal reporting hotline	4	7	6
② Number of cases investigated through the external hotline	0	0	0
③ Number of consultations with the internal HR advisory desk (by category)	20	21	23

Type and number of disciplinary actions

(Placements)

Indicator Details	FY2022	FY2023	FY2024
Total cases	16	15	38
Reprimands	13	10	35
Salary reductions	2	2	2
Suspensions	1	1	0
Demotions	0	1	0
Voluntary dismissals	0	0	1
Dismissals for disciplinary reasons	0	1	0

* The disciplinary dismissal in FY2023 was not due to a legal violation.

(5) Management of the Alumni Programme

JAC Group operates an Alumni Programme to build and maintain connections with former employees, facilitating career development and knowledge exchange. The purpose of this initiative is to leverage the experience and expertise of alumni to drive the growth and development of JAC Group as a whole.

Currently, the JAC Alumni Programme has over 300 former employees who are actively engaged in various industries and regions. This extensive network is a valuable asset for JAC Group, fostering collaboration and mutual support among alumni to drive further growth and progress.

Key activities are as follows:

1. Hosting Networking Events

JAC Group regularly invites alumni to networking events. These events provide a platform for interaction between alumni and current employees, facilitating knowledge sharing, career opportunities, and business connections. They include talks and discussions on industry trends and the latest developments, allowing participants to expand their knowledge and insights.

2. Managing an Exclusive Online Platform for Alumni

JAC Group operates an online platform dedicated to alumni, facilitating information sharing and communication. The platform provides job listings and career support resources, enabling alumni to access valuable information to further develop their careers.

3. Collecting and Utilizing Feedback

JAC Group actively gathers feedback from alumni to enhance organisational improvements and identify new business opportunities.

Feedback is collected through regular surveys and interviews and is reported to senior management.

II. Fostering Organisational and Corporate Culture

1. Improving the Workplace Environment
- 2. Securing a Diverse Workforce**
3. Promoting Health Management

2. Securing a Diverse Workforce (Promoting DE&I)

[Background of the Initiative]

As a global company, securing a diverse workforce with different values and experiences is essential for driving innovation and business growth. JAC Group is committed to creating an inclusive environment where all employees can thrive, regardless of gender, nationality, age, or life stage.

[Specific Initiatives]

- (1) Clarifying corporate commitment
- (2) Ensuring workforce diversity
- (3) Promoting women's advancement
- (4) LGBTQ+ committee activities

(1) Clarifying Corporate Commitment: ① Human Rights Policy

JAC Group is committed to connecting people, businesses, economies, and societies through its recruitment business, continuously contributing to their growth and development.

At the core of all business activities is people, and JAC Group recognizes the importance of respecting human rights. As part of its corporate responsibility, the Group promotes decent work for individuals with diverse values through its business operations.

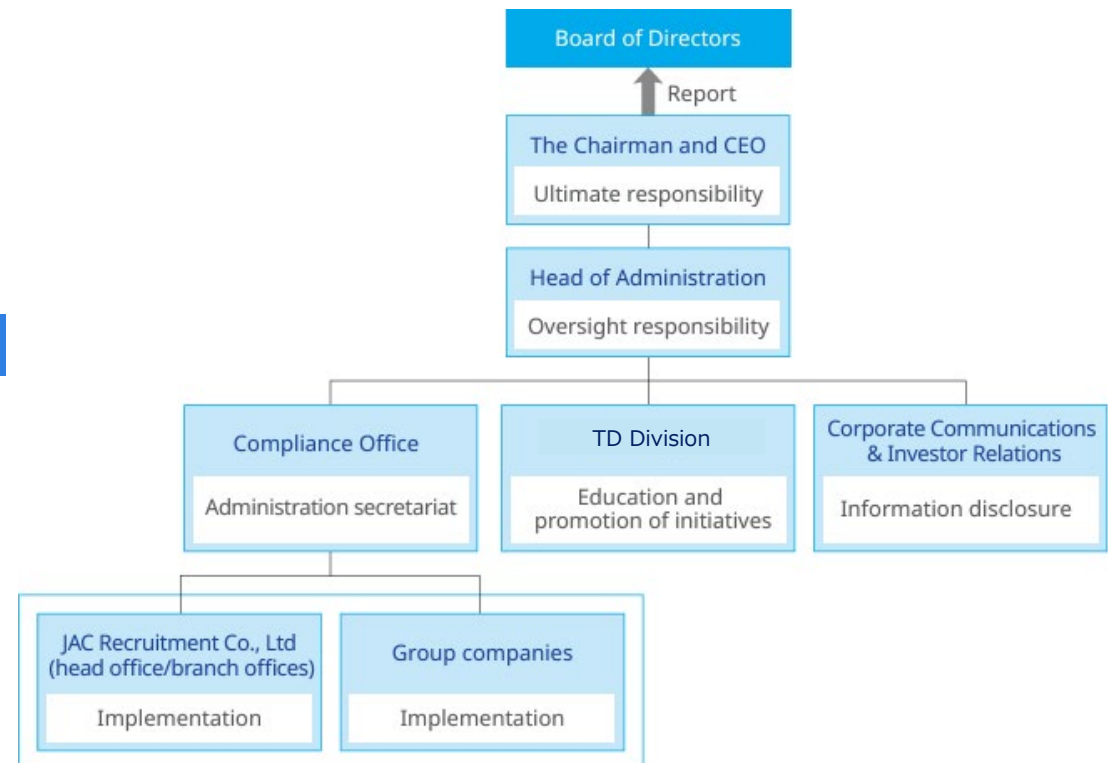
Our Approach to Respect for Human Rights

JAC Group respects the dignity of not only JAC Group employees but also of stakeholders and all other persons, and in April 2024 we enacted the JAC Group Human Rights Policy to ensure no violations of human rights. On the basis of this policy, we declare that we will respect the human rights of not only JAC Group directors and employees and the companies and individuals who use our services, but every single person involved in JAC Group's business activities. Going forward, JAC Group will further identify and mitigate potential negative impacts that may arise from its business activities, aiming for a sustainable working environment that enables work to be performed safely and with peace of mind while respecting human rights and ensuring that no individual is placed at a disadvantage or subjected to unfair conditions.

Human Rights Promotion Framework

The Head of Administration is responsible for supervising respect for human rights, while the Compliance Office plays a central role in promoting human rights initiatives in cooperation with relevant departments across JAC Group companies.

The Compliance Office regularly collects information on the status of human rights initiatives, compiles the latest updates, and reports them to the Chairman, CEO, and Managing Director through the Head of Administration. The Chairman, CEO, and Managing Director then report these findings to the Board of Directors, which regularly supervises the process and provides instructions for necessary actions where required.



(1) Clarifying Corporate Commitment: ②DE&I Policy and Implementation Framework

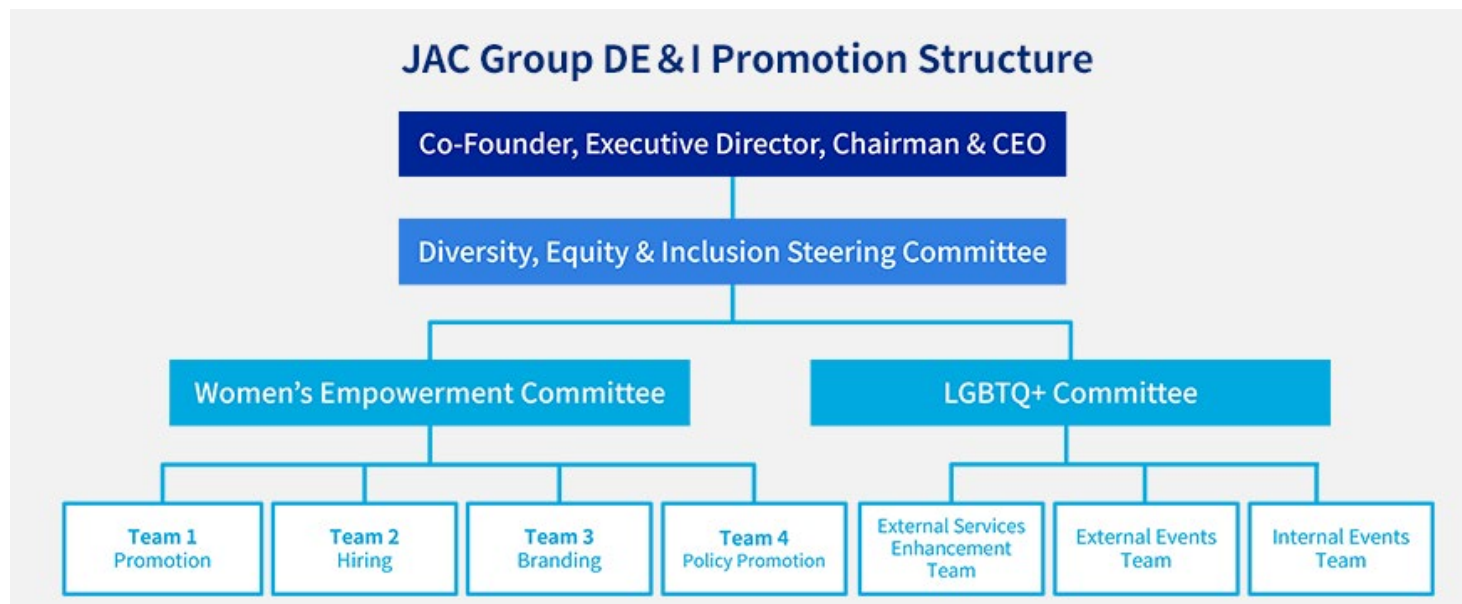
Since its founding, JAC Group has upheld the principle of Fairness, as stated in its Philosophy, striving to create an inclusive workplace where professionals can flourish in an open and supportive environment. From the late 2000s, JAC Group introduced a flexitime system to enable employees to work flexibly, and a childcare support programme ensuring that female employees could continue their careers while raising children. Today, the company has further expanded its internal policies to provide equal support for LGBTQ+ employees, reinforcing its commitment to empowering diverse talent.

Committee Establishment and Operation

In June 2021, JAC Group launched the Diversity & Inclusion Steering Committee, under which the Women's Empowerment Committee and LGBTQ+ Committee were established to promote D&I initiatives.

As of 2024, equity- referring to fairness and the elimination of disparities- has been added to diversity, which represents a broad variety of human resources co-existing without discrimination, and inclusion, which ensures that everyone feels welcomed, reassured, and united. With this, the committee has been renamed the JAC Group Diversity, Equity & Inclusion Steering Committee.

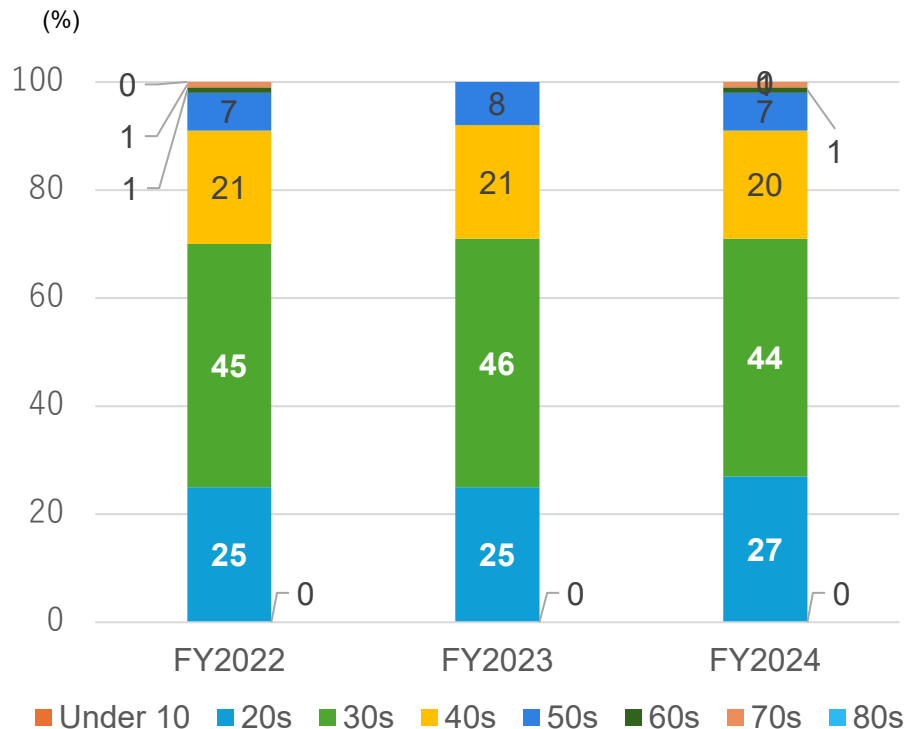
Led by this committee, JAC Group is advancing initiatives to create an environment and opportunities where everyone can play an even more active role.



(2) Ensuring Workforce Diversity: ① Diversity Among Executives and Employees

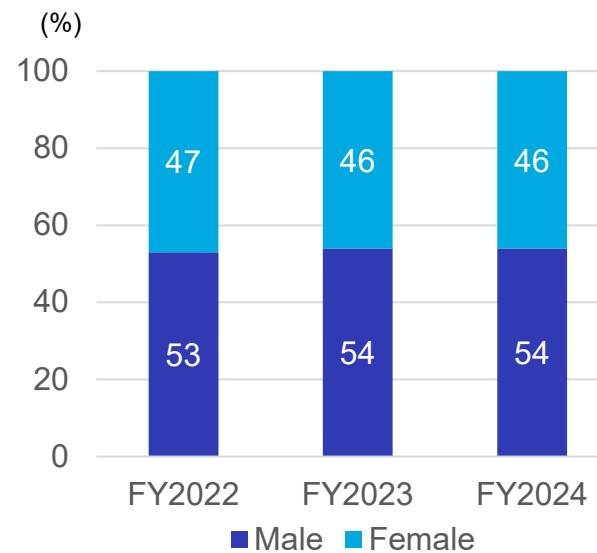
With offices in 11 countries and employees of over 30 nationalities, JAC Group respects diversity and a wide range of perspectives, ensuring equitable opportunities and an inclusive work environment tailored to individual circumstances.

Age



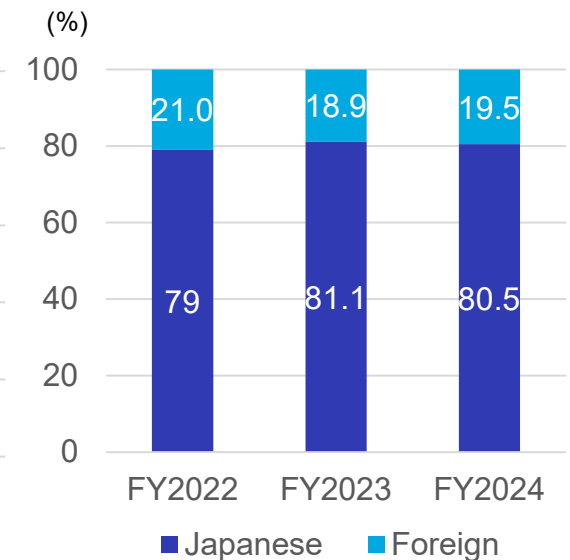
* The number of employees includes executives, full-time employees, and temporary employees (direct hires).
 * The data reflects the employee count as of the end of each fiscal year (December 31).

Gender



* The number of employees includes executives, full-time employees, and temporary employees (direct hires).
 * The data reflects the employee count as of the end of each fiscal year (December 31).

Nationality

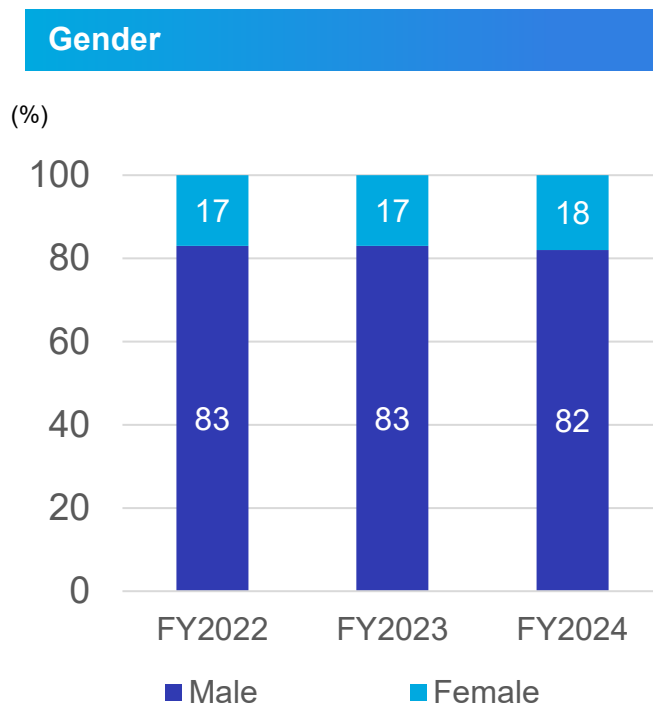


* The number of employees includes executives, full-time employees, and temporary employees (direct hires).
 * The data reflects the employee count as of the end of each fiscal year (December 31).

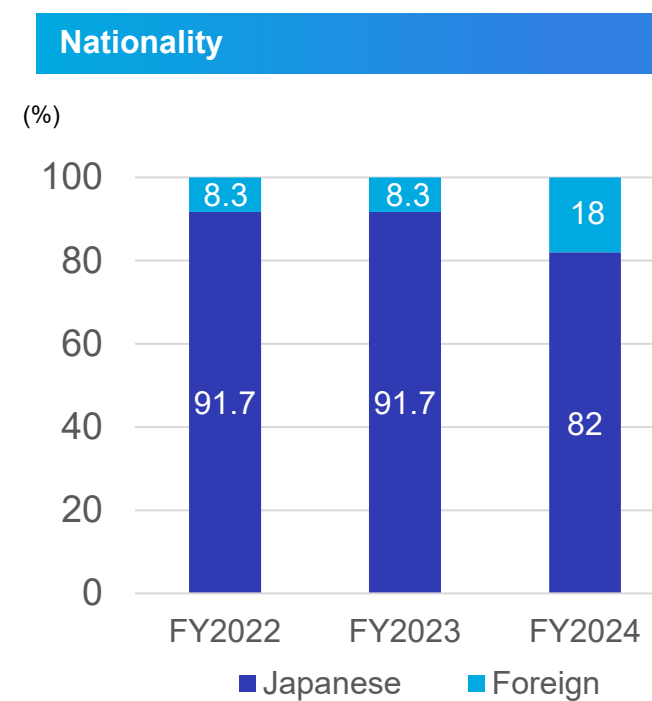
(2) Ensuring Workforce Diversity: ② Diversity in Executive Leadership

Promoting diversity within the Board of Directors, the company's key decision-making body, is essential for fostering innovative corporate management.

At JAC Group, when selecting board members, non-Japanese and female candidates are always considered as part of the nomination process, further advancing diversity within the Board of Directors.



* Calculations are based on the number of employees as of the end of each fiscal year (December 31).



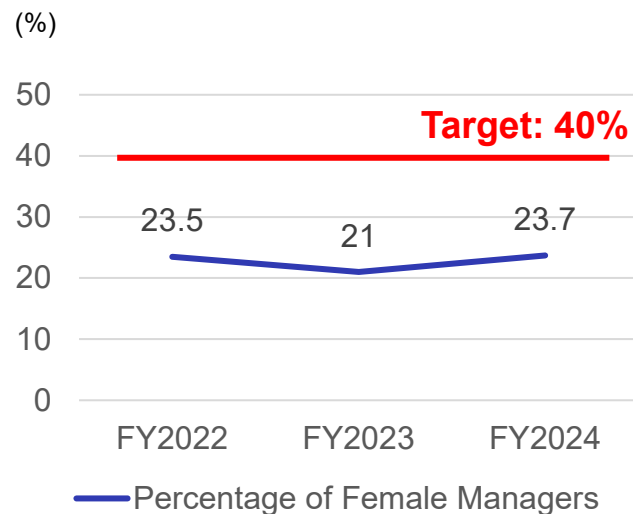
* Calculations are based on the number of employees as of the end of each fiscal year (December 31).

(3) Promoting Women's Advancement: ① Developing Female Managers

While women make up a significant portion of JAC Group's workforce, there is room for improvement in promotion rates to managerial positions. One contributing factor is the difference in career advancement awareness.

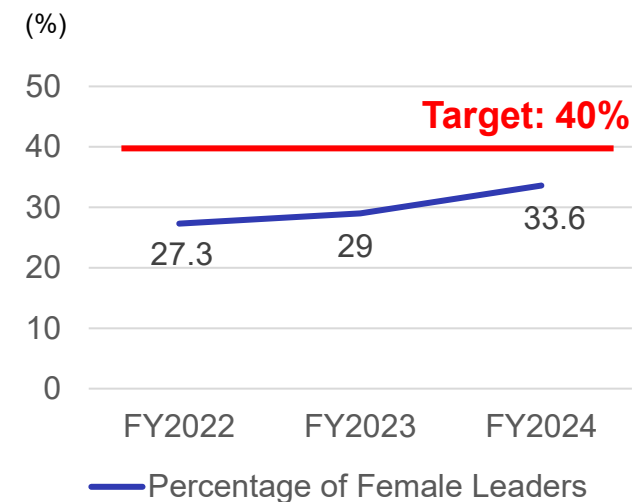
To address this challenge, JAC Group is implementing initiatives such as introducing flexible work arrangements, strengthening management development programmes, and expanding the mentorship system. By creating an environment where more women can thrive in managerial roles, the company aims to accelerate internal diversity promotion and enhance corporate value.

Percentage of Female Managers



* Calculations are based on the number of employees as of the end of each fiscal year (December 31).

Percentage of Female Leaders



* Calculations are based on the number of employees as of the end of each fiscal year (December 31).

(3) Promoting Women's Advancement: ②Activities of the Women's Empowerment Committee

To create an inclusive organisation where individual strengths and abilities can be demonstrated regardless of gender, JAC Group believes that the gender ratio in management positions should reflect that of all employees. Fostering new ideas and driving innovation requires a diverse workplace where female employees with management potential, motivation, and leadership aptitude can fully leverage their strengths. To support this goal, JAC Group is advancing initiatives to address unconscious bias in the workplace and enhance psychological safety for all employees.

Initiatives Implemented by 2024

Team 1: Recruitment

In collaboration with the Talent Acquisition Division, this team conducted multiple seminars targeting women to increase the ratio of female hires.

Team 2: Awareness & Development

This team worked on creating systems to increase the number of female leaders and manager candidates. They also operated a mentoring program and organised events such as roundtable discussions and networking sessions led by female managers.

Team 3: Retention

This team focused on follow-up support and environmental improvements to help female employees build long-term, sustainable careers at JAC. As part of their efforts to “connect” employees, they launched and began operating the “WEC Concierge (Mentor) Program.”

Team 4: Awareness Building

Through initiatives such as hosting the “JAC Women’s Empowerment Salon” for inter-company information exchange, organising webinars on women’s empowerment, and applying for various awards and rankings related to women’s advancement, this team aimed to further enhance the company’s reputation.

Team 5: Systems

This team worked on internal communication, promotion, and improvement of various support systems such as childcare assistance. They also operated the “Working Parents Committee,” which promotes paternity leave among male employees, aiming to create a workplace where all employees—including women—can pursue career challenges and skill development over the long term.

Results Achieved by 2024

Team 1: Recruitment

Out of 404 new hires in 2024, 170 were women (including 135 new graduates), resulting in a female hiring ratio of 42.1%.

Team 2: Awareness & Development

A total of 39 female leaders emerged through the team’s initiatives.

Team 3: Retention

Many employees—including those who had just joined the company, those aspiring to managerial roles, and those struggling to balance work with life events—applied to participate in mentoring sessions with senior female employees.

Feedback from participants included comments such as “I gained clarity” and “I discovered new perspectives and became more positive.”

Team 4: Awareness Building

By collaborating with many external stakeholders involved in promoting women’s empowerment, the team not only showcased the company’s philosophy and initiatives but also contributed to broader societal efforts to advance gender equality.

Team 5: Systems

The Working Parents Community facilitated cross-departmental and cross-location exchanges among employees, enabling them to share information about work and parenting.

A paternity leave support manual was developed (available on the intranet), and the male parental leave uptake rate improved compared to the previous year.

(4) Activities of the LGBTQ+ Committee

JAC Group aims to increase awareness and understanding of LGBTQ+ issues among employees, fostering a workplace where all employees—regardless of gender, gender identity and expression, or sexual orientation—can feel equal and be their true selves. By embracing diverse perspectives and ideas, JAC Group believes it can enhance innovation and creativity. Additionally, by ensuring that its consultants have a strong understanding of diversity, the company is committed to contributing to greater inclusivity across society through its recruitment services.

Initiatives Implemented by 2024

- ◆ Internal awareness survey every six months
- ◆ Training for directors, managers, and employees
- ◆ Creation and distribution of Ally declaration stickers
- ◆ Exchange meetings with departments responsible for LGBTQ+ matters at other companies
- ◆ Support Tips for Persons Registered as LGBTQ+ created as documentation for internal use and awareness raised among employees
- ◆ Exhibit at Tokyo Rainbow Pride 2023
- ◆ Declaration of support for Business for Marriage Equality campaign that promotes marriage equality in Japan (legislation for same-sex marriage)

Results Achieved by 2024

- ◆ Percentage of employees who understand the meaning of the word “ally” increased from 21.1% in October 2021 to 88.6% in June 2023.



For the third year in a row, JAC Recruitment has received the highest rating of Gold in the “PRIDE Index 2024”, an evaluation index for LGBTQ+ and other sexual minority initiatives, formulated by the voluntary organisation “Work with Pride”.



As a company committed to promoting D&I at a high level not only in Japan but also globally, we were recognised as a 'Best Workplace' in the D&I AWARD 2024 organised by JobRainbow Inc.

Future Policy for Advancing DE&I

JAC Group has been actively promoting awareness of unconscious bias in the workplace and implementing various initiatives to ensure that all employees can work equally and authentically. Moving forward, in addition to raising awareness and encouraging the use of existing internal systems, JAC Group will also focus on reviewing current policies and developing new initiatives to further enhance workplace inclusivity.

Women's Empowerment Committee

To achieve the 2030 goal of 40% female representation in managerial positions, we have established four teams, each focusing on a specific initiative:

Team 1: Promotion and Advancement

WEC members will be assigned to each division to drive initiatives aimed at increasing the number of female leaders and managerial candidates. It includes operating mentoring schemes in collaboration with the Talent Acquisition Division and the Talent Development Division. The target is to achieve 50% female representation in recruitment and promotion across all divisions.

Team 2: Recruitment

To raise the proportion of female hires, the team will work with the Talent Acquisition Division to organise seminars and briefing sessions specifically for female candidates. The goal is to reach 50% female recruitment.

Team 3: External Branding

Building on the efforts of FY2024, this team will continue to enhance the company's reputation by:

Hosting inter-company exchange events such as the "JAC Women's Empowerment Salon"

Organising webinars promoting women's empowerment for external audiences

Holding internal seminars and events

Applying for various awards and rankings related to women's advancement

Team 4: Systems and Support

This team will continue to operate the Working Parents Committee, facilitating information exchange among employees raising children and promoting paternity leave among male employees. Additionally, the team will pursue or renew certifications such as "Kurumin" and "Eruboshi", which recognise companies that support work-life balance and women's career development.

LGBTQ+ Committee

With the goal of deepening understanding of LGBTQ+ issues within JAC Group and creating a workplace where everyone can be their true selves, the committee is divided into three teams, each focusing on a specific initiative:

Team 1: Internal Events

This team focuses on creating opportunities to raise awareness and increase the number of allies (supporters) within the company. Key initiatives include:

Organising and archiving information on the intranet for easy access at any time

Promoting the distribution of ally stickers

Continuously conducting workplace awareness surveys on LGBTQ+ topics

Hosting seminars featuring external speakers

Team 2: External Events

This team aims to communicate JAC Group's DE&I efforts to external audiences. Planned activities include:

Exhibiting at Tokyo Pride 2025 (formerly Tokyo Rainbow Pride), scheduled for 7–8 June

Participating in Osaka Rainbow Festa!, scheduled for October

Team 3: External Service Enhancement

This team is dedicated to developing services that provide value to both candidates and client companies. Initiatives include:

Launching a dedicated page on the recruitment website to introduce LGBTQ+-friendly companies

Creating and updating interview manuals tailored for LGBTQ+ candidates

II. Fostering Organisational and Corporate Culture

1. Improving the workplace environment
2. Securing a diverse workforce
- 3. Promoting health management**

3. Promoting Health Management

[Background of the Initiative]

Employee health is directly linked to the sustainable growth of the company. Being in good physical and mental health enhances productivity and reduces turnover rates, making health management a key component of JAC Group's business strategy. To achieve this, JAC Group implements a comprehensive approach that includes enhancing health check-ups, strengthening mental health care, and encouraging regular exercise habits. Through these initiatives, JAC Group aims to promote healthy lifestyles for employees while strengthening the company's overall competitiveness.

[Specific Initiatives]

- (1) Advancing Health Management Initiatives
- (2) Enhancing Health Literacy

(1) Advancing Health Management Initiatives: ①Key Initiatives

As consultants in the recruitment business are expected to deliver high performance, their roles contribute to personal growth and increased motivation. However, they may also face challenges such as long working hours and stress. Since maintaining employee health directly impacts productivity and engagement, promoting health management has become a critical focus for JAC Group. To create a work environment where employees can work with confidence and longevity, JAC Group is implementing initiatives such as addressing long working hours, enhancing mental health support, and strengthening health promotion programmes. As a result of these efforts, JAC Group has achieved a 100% health check-up participation rate and a relatively low smoking rate of 7%. Through these initiatives, the company aims to achieve both sustainable corporate growth and enhanced employee well-being.

Health Promotion & Lifestyle Disease Prevention

JAC Group supports employees in maintaining healthy eating and exercise habits through the following initiatives:

- Lunch meal allowance
- Providing healthy prepared meals at a reduced price
- Exercise promotion programme (Healthy Challenge)
- Support for in-house club activities
- Financial assistance for use of sports clubs
- Disseminating anti-smoking information and providing financial assistance for smoking cessation

Health Management

JAC Group provides a supportive environment for sleep and mental and physical well-being through the following initiatives:

- Three-lock system prohibiting work after 22:00 (system lock, office lock, PC lock)
- Overtime alerts sent via the attendance system
- Distribution of a Working Time Management Handbook and related training sessions
- Promotion of flexible working hours through the flexitime system
- Encouraging employees to take paid leave
- Power Nap room (separate nap rooms for men and women) and an infirmary

Improving Health Literacy

JAC Group conducts multi-topic training sessions and consultations to support health maintenance, including:

- Mental health training and regular consultations with public health nurses
- Women-specific healthcare training conducted by industrial physicians

Support for Work-Life Balance

JAC Group is committed to creating an environment that prevents career discontinuity due to retirement, allowing employees to maintain long-term career development. Initiatives include:

- Childcare allowance payment system
- Working Parents Committee
- Telecommuting and flexitime system
- Child nursing or caring leave (extended until the child finishes primary school)
- Nursing care leave
- Fertility treatment support leave

(1) Advancing Health Management Initiatives: ②Progress on Target Metrics

JAC Group has established the following key monitoring indicators for health management and regularly reviews them to assess progress and implement necessary improvements.

By FY2023, the company successfully achieved two of the health management targets set for FY2025 and is now focusing on further improvements for the remaining four indicators.

Building on these achievements, JAC Group formulated its final set of health management target indicators in FY2024 and set new goals for 2030. Moving forward, the company will continue strengthening its health management initiatives to meet these long-term objectives.

Final Target Indicators for Health Management				
	2021 Actual	2022 Actual	2023 Actual	2030 Target
Percentage of employees with potential lifestyle related diseases that needs addressing Percentage of people eligible for secondary screening* ¹	27.0%	28.0%	20.1%	23.0%
Presenteeism* ²	56	55	57.5	60
Absenteeism* ³	0.16%	0.10%	1.26%	0.10%
Work engagement* ⁴	-	3.9	4	4

Notes:

*1. Calculated on persons subject to secondary screening/persons subject to general periodic health checks

*2. Calculated using the WHO-HPQ measurement method

*3. Calculated based on actual absenteeism (number of persons absent for 5 or more days per month / number of persons absent in the relevant month)

*4. Calculated using indicators from the company's own employee survey
(1 = not at all - 5 = strongly agree)

Other Health Management Indicators			
	2023 Actual	(YoY Change)	2025 Target
Health checkup participation rate	99.9%	+0pt	100%
Stress check participation rate	98.1%	+2.5pt	100%
Implementation rate of specific health guidance*	15.4%	+0.5pt	25%
Percentage of employees with regular exercise habits	23.0%	+0.7pt	30% or more
Percentage of employees with health checkup findings	43.0%	△1.0pt	20%
Number of paid leave days taken (including special summer leave)	11.41days	+0.86days	11 days

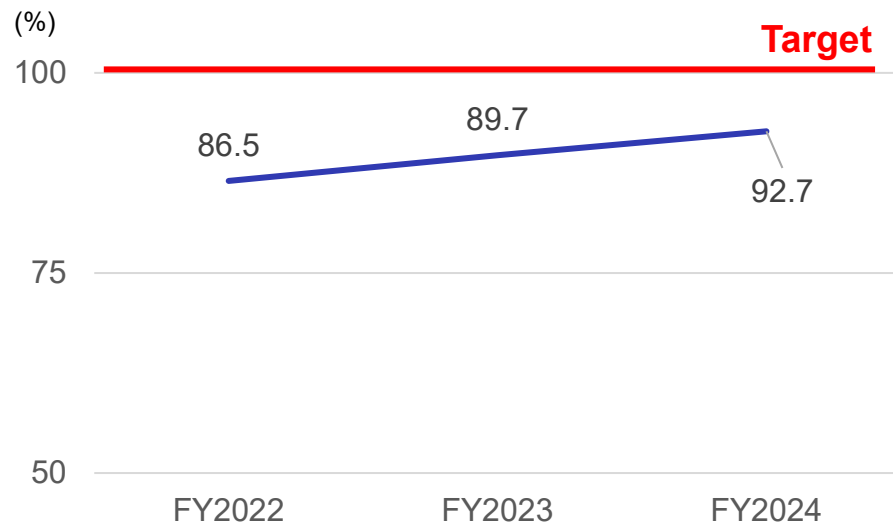
* The implementation rate of specific health guidance is based on results from April 2022 to March 2023.

(2) Enhancing Health Literacy

JAC Group believes that enhancing employees' health literacy is crucial, based on the idea that when each employee accurately understands their own health status and engages in proper health management, overall productivity and well-being within the company can be improved.

This initiative is driven by the increasing prevalence of lifestyle-related diseases in modern society and the growing health risks associated with long working hours. Recognizing that employee health is essential to the company's sustainable growth, JAC Group is committed to improving health literacy, empowering employees to take charge of their own health and lead better lives. By doing so, the company aims to boost employee motivation and performance, ultimately strengthening its overall competitiveness.

Percentage of Employees Who Participated in Health and Safety Training



* Health & safety training participation rate is calculated as:

· Number of employees who participated in health and safety training in one year ÷ total number of employees

* Number of employees refers to the total number of employees at the end of the fiscal year, including executives, full-time employees, and temporary employees (direct hires).

Workplace Accident Statistics

	FY2022	FY2023	FY2024
Time lost because of occupational accidents	0 hours	0 hours	0 hours
Number of occupational accidents (Incident rate per 1 million working hours)	0.6%	0.6%	2.0%
Number of people killed in occupational accidents	0	0	0

* Time lost because of occupational accidents is calculated as: Total hours lost due to workplace accidents in one year / Total prescribed working hours of all employees.

* Number of occupational accidents is calculated as:

Number of workplace accidents (including occupational and commuting accidents) / Total working hours.

The number of workplace accidents includes cases where work hour restrictions continue into the following year due to an accident.

* Number of people killed in occupational accidents is calculated as: Number of fatalities due to workplace accidents in one year / Total number of employees.

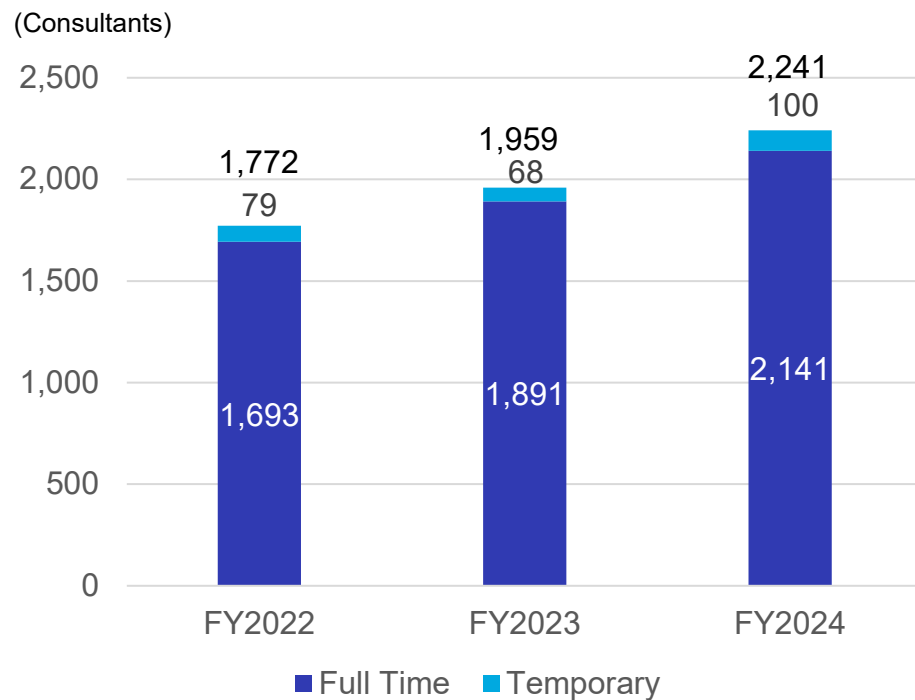
* The calculation of each metric includes all employees (executives, full-time employees, and directly employed temporary staff).

Appendix: Data Book

Other Human Capital Related Data

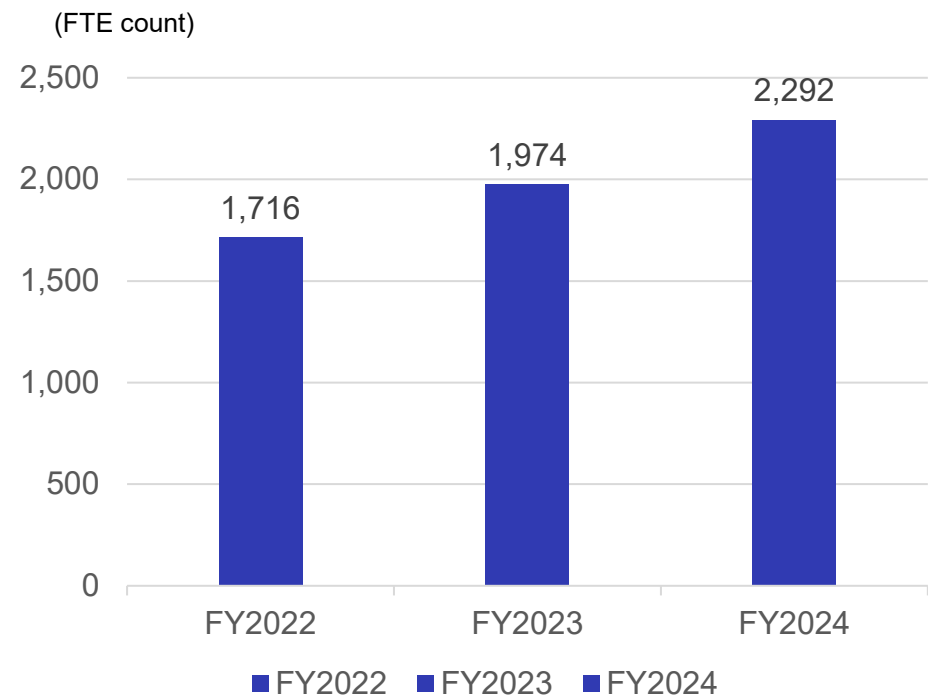
Workforce

Breakdown of Total Employees



* The total number of employees includes executives, full-time employees, and temporary employees (direct hires).
 * The employee count is as of the end of each fiscal year (December 31).

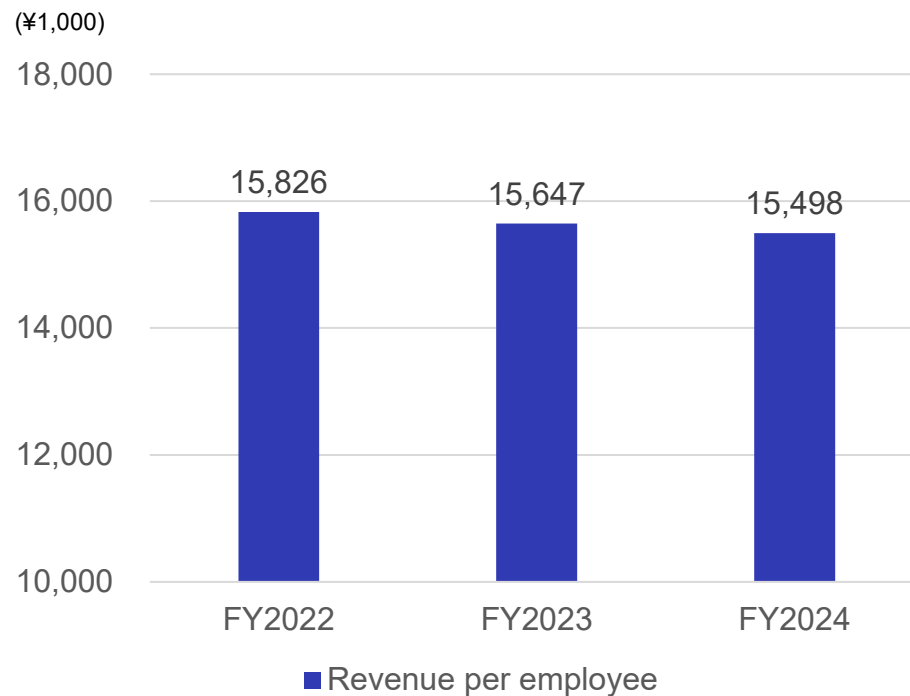
FTE (Full Time Equivalent)



* FTE is calculated as the total annual working hours of all employees divided by 52 weeks and then divided by the standard working hours of a full-time employee.

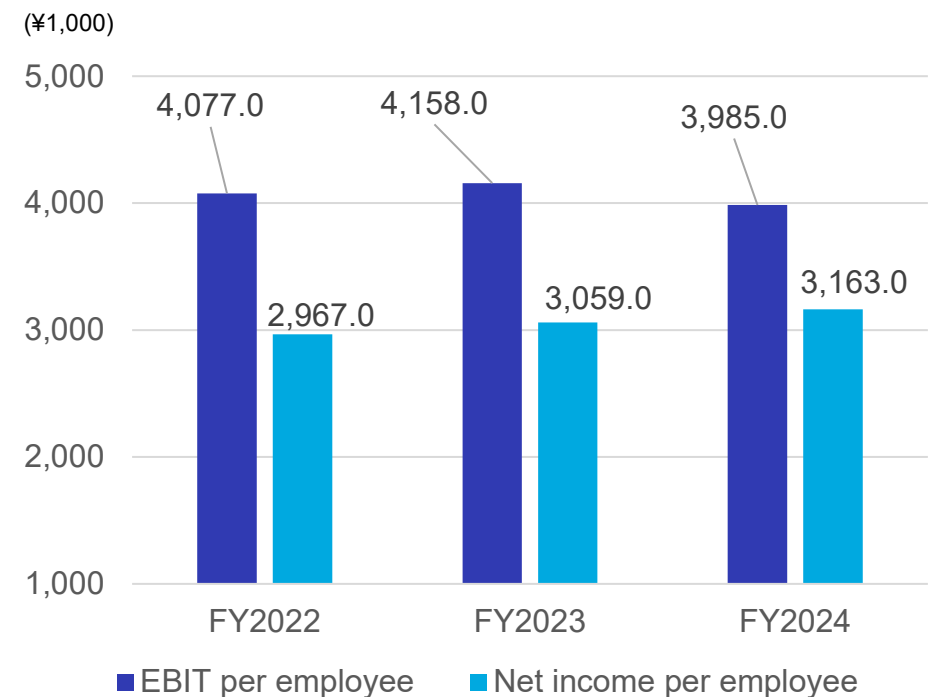
Improvement in Labour Productivity

Sales Per Employee



- EBIT per employee = EBIT (= ordinary income + interest expenses – interest income) ÷ FTE
- Profit per employee = profit after tax (= EBIT – tax – interest expenses) ÷ FTE

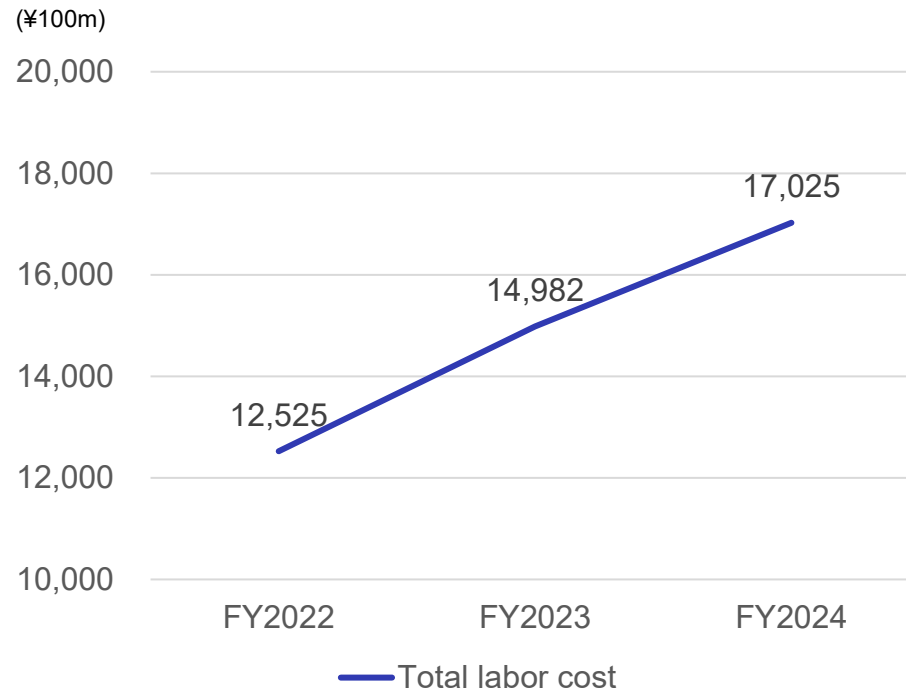
EBIT and Net Income Per Employee



- EBIT per employee = EBIT (= ordinary income + interest expenses – interest income) ÷ FTE
- Profit per employee = net profit (= EBIT – tax – interest expenses) ÷ FTE

Cost

Total Workforce Cost

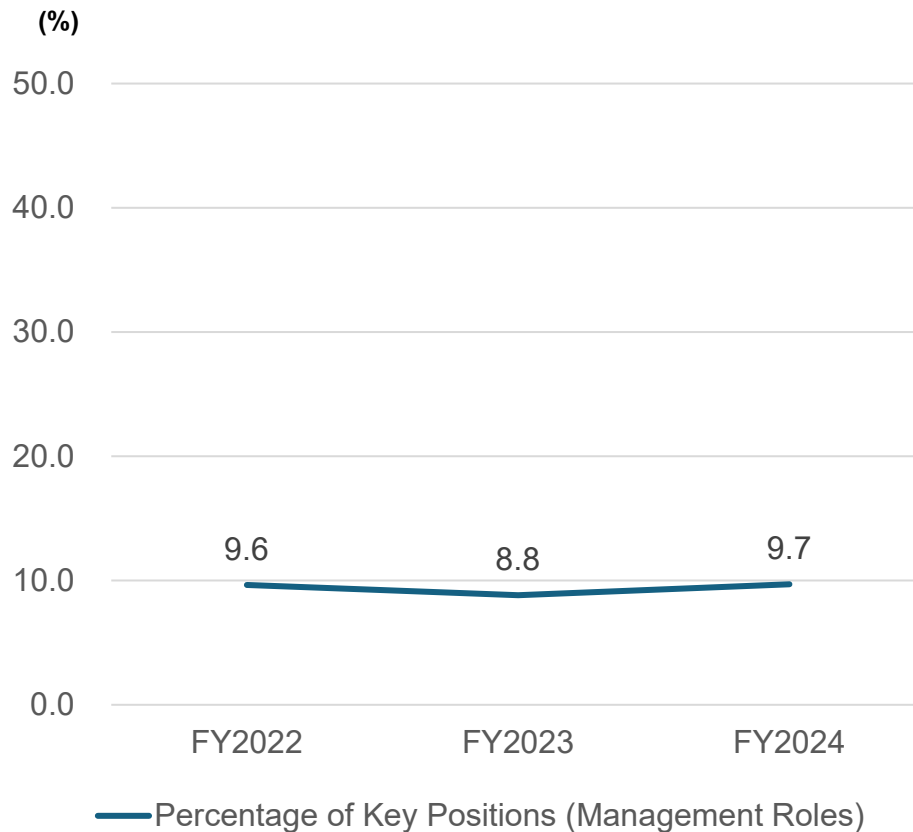


* Total workforce cost is calculated using the following formula:

· Total amount of remuneration paid + total amount of benefits (including statutory welfare + non-statutory welfare) + external workforce cost.

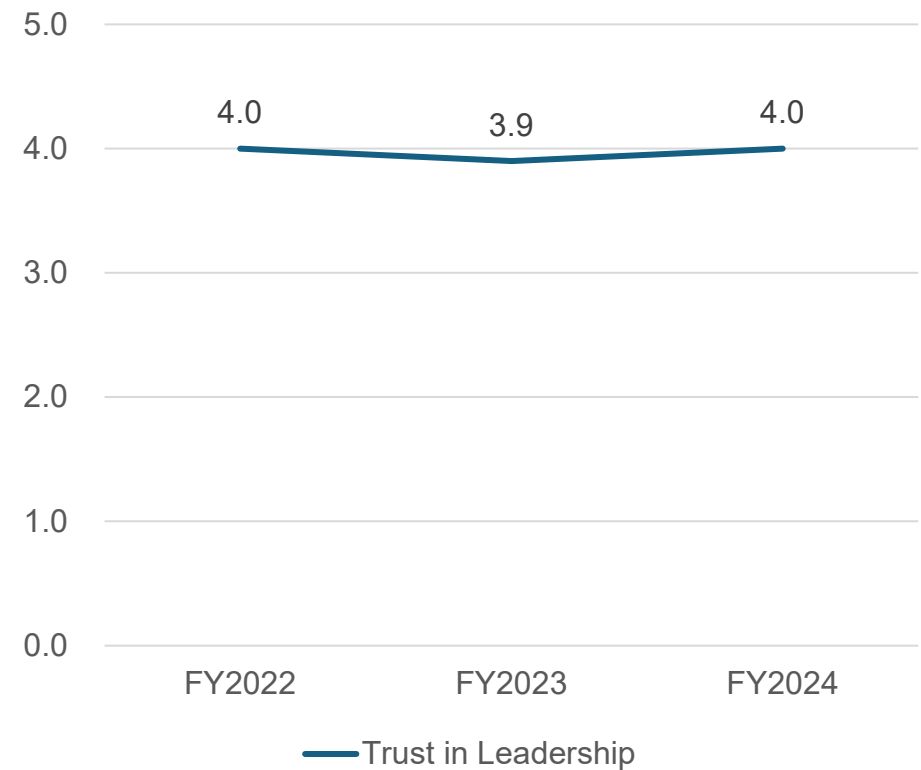
Trust in Key Positions and Leadership

Percentage of Key Positions (Management Roles)



Number of key positions ÷ total number of employees

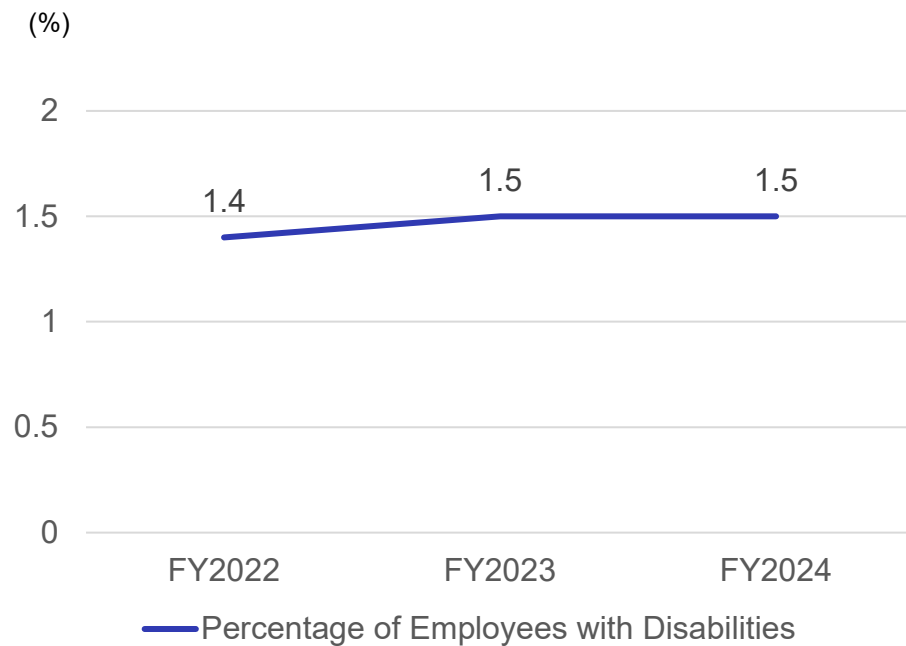
Trust in Leadership



Average score based on employee surveys using appropriate tools

Diversity (Number of Employees with Disabilities)

Percentage of Employees with Disabilities



* The number of employees with disabilities includes individuals with intellectual, physical, and mental disabilities.

* The total number of employees used for calculation includes executives, full-time employees, and temporary employees (direct hires).

