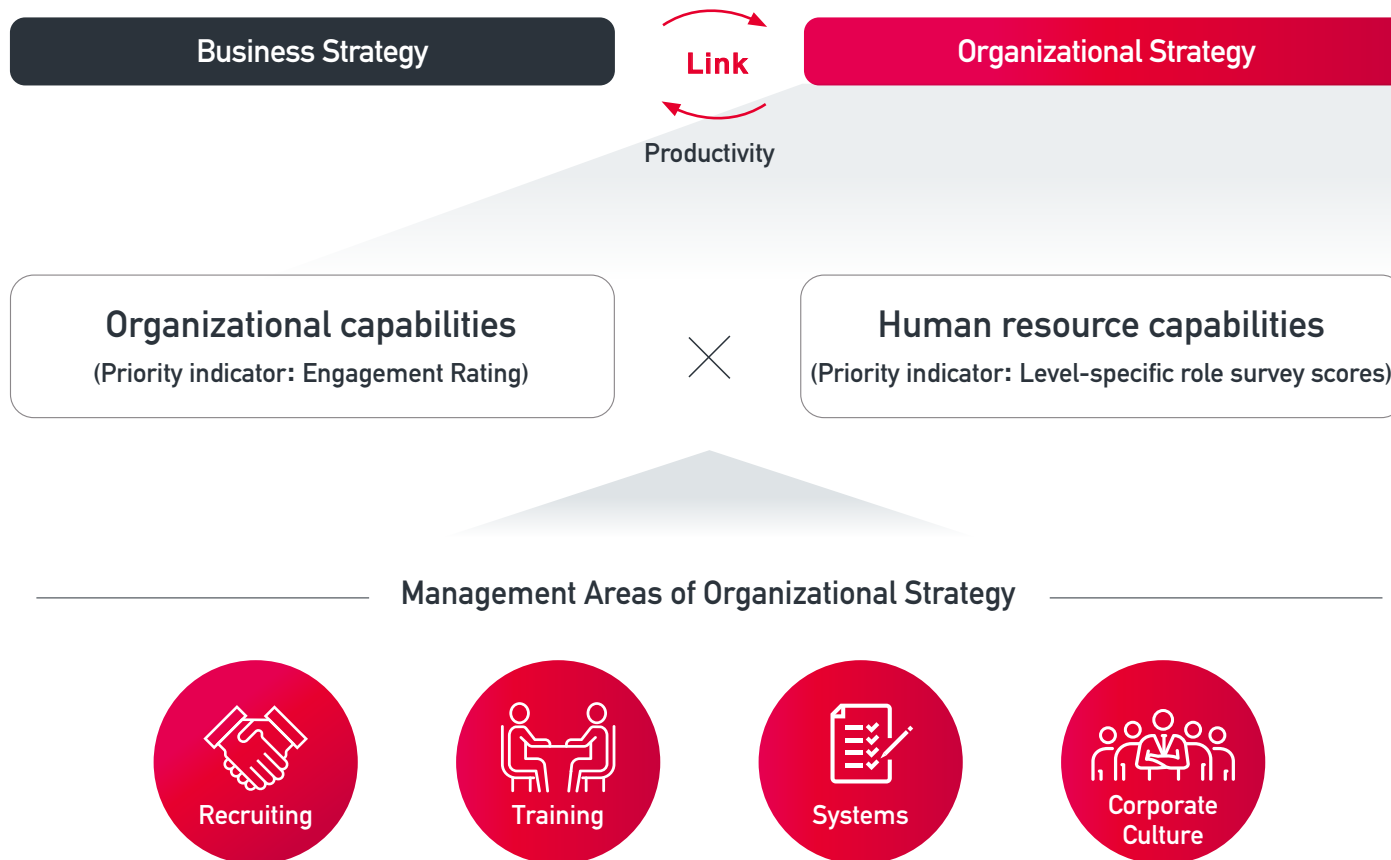


Organizational Strategy



Strategy Overview

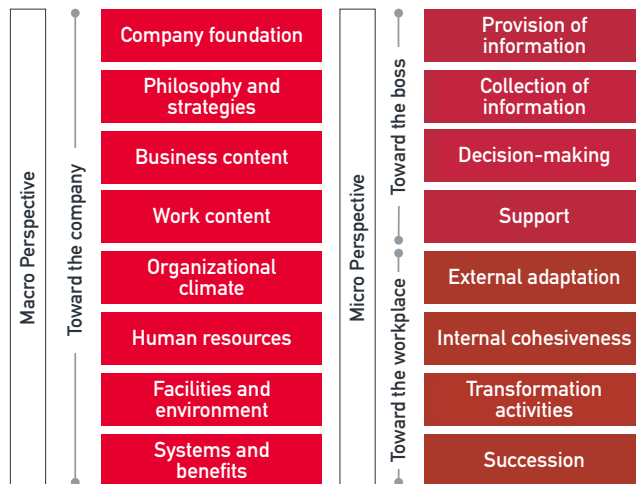
We will invest appropriately in the ongoing creation of a working environment with a high level of engagement from highly skilled employees. Our goal is to maximize our human capital, which will lead to business growth. In particular, we are improving our organizational and human resource capabilities through management of recruiting, training, systems and corporate culture that fully utilizes our own solutions.



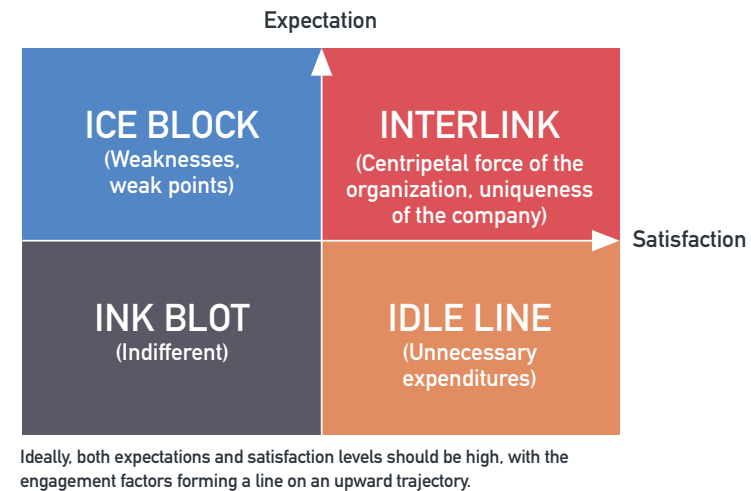
Organizational Capabilities –Priority Indicator: Engagement Rating–

We use engagement scores (calculated from organizational diagnosis data on some 3.12 million employees at a total of 10,600 companies) as a yardstick to carry out an ongoing cycle of improvement in employee engagement.

Engagement Factors in 16 Areas



4eyes® Windows



Note: [Click here for research results on the correlation of engagement scores with operating margin and labor productivity.](#)

Based on social system theory, psychology, behavioral economics and other academic fields, we define 16 areas as engagement factors—eight related to the company as a whole, four related to the employee’s boss, and four related to the workplace—to diagnose employee engagement. By further subdividing them into 64 items and plotting them in a graph along the axes of expectation and satisfaction, we conduct diagnosis and analysis to identify priority issues to be resolved. In addition, we use the organizational diagnosis data (on some 3.12 million employees at 10,600 companies) that we have been compiling since Link and Motivation was established to calculate an Engagement Score, our unique indicator. We then use it as a yardstick to carry out a cycle of improving employee engagement in the organization.

Organizational Capabilities –Priority Indicator: Engagement Rating–

The Link and Motivation Group has disclosed its Engagement Rating results since 2018. Since our founding, each Group company has maintained a high level of employee engagement, which is an advantage for the Group.

Engagement Rating Results

Number of AAA-Rated Group Companies¹ **10** companies
(out of 11)

	Company	Number of Employees ²	Engagement Rating				
			2019	2020	2021	2022	2023
Organizational Development Division AAA	Link and Motivation Inc.	437	AAA	AAA	AAA	AAA	AAA
	Link Global Solution Inc.	22	AAA	AAA	AAA	AAA	AAA
	Link Event Produce Inc.	27	AAA	AA	AAA	AAA	AAA
	Link Corporate Communications Inc.	78	AAA	AAA	AAA	AAA	AAA
Individual Development Division AAA	Link Academy Inc.	456	AAA	AAA	AAA	AAA	AAA
	Motivation Academia Inc.	50	AAA	AAA	AAA	AAA	AAA
Matching Division AAA	Link Interac Inc.	159	AAA	AAA	AAA	AA	AAA
	Link Japan Careers Inc.	12	AAA	AAA	AAA	AAA	AAA
	OpenWork Inc.	71	—	AA	BBB	BBB	AA
	Link Agent Inc. ³	19	AAA	AAA	AAA	AAA	AAA
	Link-i Inc.	20	AAA	AAA	AAA	AAA	AAA

1. Results from February for each year (excluding Link Dining Inc.)

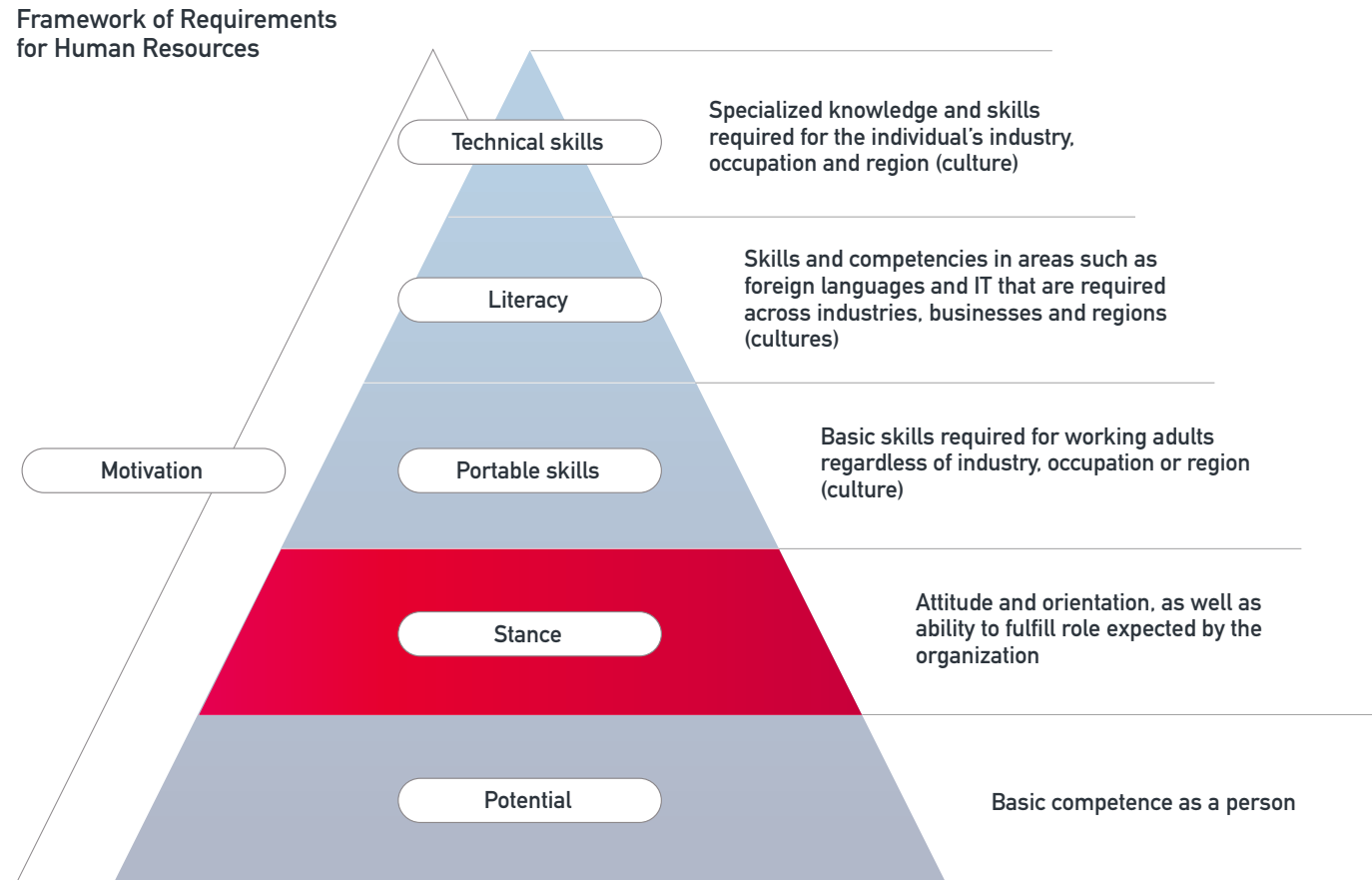
2. As of the time the survey was conducted in February 2023

3. Formerly Link Staffing Inc.

Note: The Group discloses information on human capital based on ISO 30414.

Human Resource Capabilities –Priority Indicator: Level-Specific Role Survey Scores–

The Link and Motivation Group has organized the elements necessary for individuals to generate results into its Framework of Requirements for Human Resources.* We believe the requirement that should be given the highest priority in development is “stance,” which serves as the foundation for other skills. We therefore focus on level-specific role survey scores, which measure the degree to which an individual’s “stance” is developed.



* Framework organized by Link and Motivation from the content of a survey it conducted and requirements it defined under a commission from the Ministry of Economy, Trade and Industry for its 2005 Survey on Basic Skills of Working People.

Human Resource Capabilities –Priority Indicator: Level-Specific Role Survey Scores–

The percentage of people with a rank of “A” or higher increased compared with the previous year both for all employees and for those in managerial positions. We therefore believe that the human resource capabilities of the Link and Motivation Group are improving. By further increasing the percentage of people with a rank of “A” or higher, we will raise the capabilities of each of our human resources, enabling them to implement our business strategies and improve productivity.

Overview of Level-Specific Role Surveys

Upper management	Plato Survey
Management	Lincoln Survey
Leaders	Einstein Survey
Mid-level employees	Columbus Survey
Junior employees	Darwin Survey
Senior employees	KOSI Survey

We define the stance required for each job level, and measure the degree of agreement between the expectations and satisfaction of those who work with the survey subject. Results are divided into 11 levels, the same as in the engagement survey, and we calculate the percentage of survey subjects with a rank of “A” or higher.

Level-Specific Role Survey Scores

		2021	2022
All employees	Number of eligible respondents	1,386	1,137
	Rank A to AAA	713	646
	Percentage of total	51.4%	56.8%
Managers and above	Number of eligible respondents	159	146
	Rank A to AAA	111	110
	Percentage of total	69.8%	75.3%

Measures to Improve the Capabilities of Organizations and Human Resources –Recruiting–



It is said that the competency level of the new employees a company hires determines its future in five to ten years. In addition to hiring capable human resources, out of the four areas of recruiting, training, systems and corporate culture we invest most heavily in recruiting to ensure that our employees have a high degree of sympathy with our philosophy.

Recruiting United by a Common Philosophy

New University Graduate Recruiting: Entry Management Survey Results

Position of Priority Factor “Philosophy” by Company



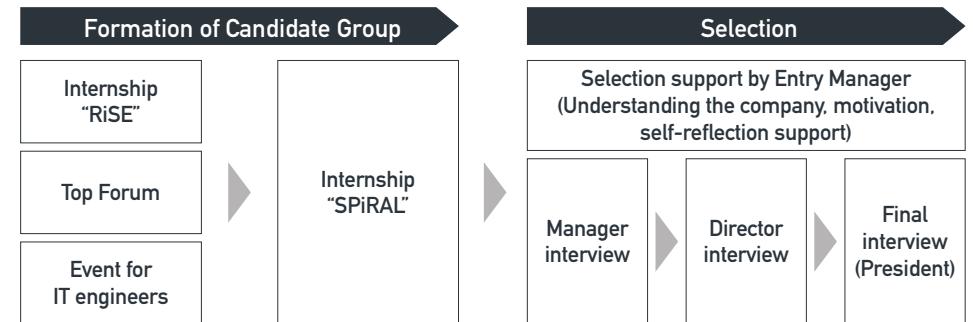
Note: Covers the seven Group companies that recruit new university graduates.

To achieve a high level of employee engagement, at the recruiting stage we insist on a **high level of engagement**. In the Link and Motivation Group, we believe that sympathy with our philosophy will lead to a high level of engagement, so **we give sympathy with our philosophy the greatest emphasis in our recruiting**.

We measure the degree of mutual affinity between our Group companies and applicants in recruiting activities based on the Entry Management Survey, a diagnostic tool that can quantify the degree of mutual commitment between companies and applicants. The results of the 2022 survey indicate that in each Group company, **new employees are sympathetic with the Group’s philosophy when they join**.

Attracting the Talent We Want to Hire

New University Graduate Recruiting Process



We approach recruiting with the stance of **attracting the talent we want, rather than choosing from among people who want to work for us**. We believe it is important for our recruiting activities to lead people with potential and compatible values to feel that we want them to join our company.

That is why **the entire company, from upper management to the youngest employees, works together** in recruiting. The idea is **not to put people into the company, but to put the company into applicants**. Therefore, a variety of employees interact with applicants during various aspects of the recruiting process to give applicants a deeper understanding of the Group. We believe this enables our hiring to emphasize the connection between the applicant’s vision for the future and the philosophy of the Link and Motivation Group.

Measures to Improve the Capabilities of Organizations and Human Resources –Training–



We emphasize that each employee should adopt the viewpoint of being the manager of their own “i-Company” to independently develop their careers. LM College, an institution for developing our human resources, provides abundant opportunities for each employee to nurture their own i-Company. It also offers them chances to hone their abilities in relation to the expectations of others in terms of the stance required by the Group and portable and technical skills.

Cultivating Management Personnel to Support the Company’s Future

“Top Gun Selection” Training for Management Personnel

<p>Program 1 Proposal Presentation Meeting Presentations to directors on various themes and feedback</p>	<p>Program 2 Survey Feedback Training Setting tasks and targets with Group Representative Director Ozasa Yoshihisa</p>	<p>Program 3 Group Dinner Sharing views from various angles and socializing with Group Representative Director Ozasa Yoshihisa</p>
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Class	Objective	No. of Participants	
		2021	2022
Corporate officers	Raise the level of corporate officers	-	5
Company presidents and management	Cultivate the next group of officer candidates	10	14
General employees	Cultivate manager candidates for the coming year	6	6

Cultivating management personnel to lead the organization is indispensable for business expansion and growth. The Link and Motivation Group’s management personnel are expected to be **able to adapt to product, labor and capital markets, and to think from a Group-wide perspective**. However, in carrying out day-to-day duties, there is a tendency to adapt only to the product market and to take the perspective of one’s own particular field. Therefore, since 2021 we have been implementing the selective training program **Top Gun Selection** as an opportunity for growth separate from actual work. The year-long program selects participants from each level, from general employees to senior managers, to **learn the perspective and approach a manager should have**.

In 2022, we provided training at all levels for a total of 25 people. We felt the training helped participants develop as future management personnel, with comments including, “Now I understand the **different standards required to be ready** to take on a management role,” and “I came to strongly feel that **I want to play a role in creating our future**.”

Updating Literacy for Contemporary Needs

Measures to Improve IT Literacy

Diagnosis	Transformation								
 Identify current skill level using DX Survey Basic	<table border="1"> <tr><td>Professional</td></tr> <tr><td>Advanced</td></tr> <tr><td>Basic</td></tr> </table>	Professional	Advanced	Basic	<table border="1"> <tr> <td style="text-align: center;">Operation</td> <td style="text-align: center;">Training attendance</td> </tr> <tr> <td style="text-align: center;">Knowledge</td> <td style="text-align: center;">Acquisition of qualifications (IT Passport)</td> </tr> </table>	Operation	Training attendance	Knowledge	Acquisition of qualifications (IT Passport)
Professional									
Advanced									
Basic									
Operation	Training attendance								
Knowledge	Acquisition of qualifications (IT Passport)								
	2021	2022							
Number of trainees	1,367	1,499							
DX Score*	98.9	123.3							

* The sum of the scores for digital knowledge and Excel skills. Since each has a maximum of 100 points, the maximum DX score is 200 points.

Skills and competencies in areas such as foreign languages and IT that are required across industries and businesses are referred to as literacy. We believe literacy must be updated in line with contemporary needs. This is similar to the concept of **reskilling**, which has been attracting attention recently. Employees must continue acquiring essential skills, even as what constitutes “essential” changes.

Lately, **improving the IT literacy of each employee** has become crucial for increasing productivity as an organization. Therefore, since 2021, we have been working to improve individual IT literacy by rolling out DX support measures for individuals at companies, which is provided by the Individual Development Division.

The average score on the DX Survey, which measures individual IT knowledge and IT operation proficiency (DX score), was **123.3 out of 200 for the Link and Motivation Group** in 2022, surpassing our target for the year of 110 points.

Measures to Improve the Capabilities of Organizations and Human Resources –Systems–



A company's systems play an important role in showing employees the company's expectations and the direction of its growth. To improve organizational and human resource capabilities, we believe it is crucial for each employee to feel that, in meeting the company's expectations, they are also getting closer to achieving their own vision.

Linking the Visions of a Company and Its Employees

Systems That Connect Corporate and Individual Visions

Timeframe		System		
↑ 3 years	i-Company Branding System			
		2020	2021	2022
	Management plan submission rate	98.7%	98.2%	97.4%
1 year	Survey feedback			
3 months	Monthly target setting and evaluation			
		2020	2021	2022
	Average individual performance	4.7	4.8	4.7
	Stretch goal evaluation score*	5.0	5.0	5.0
	Total	9.7	9.8	9.7

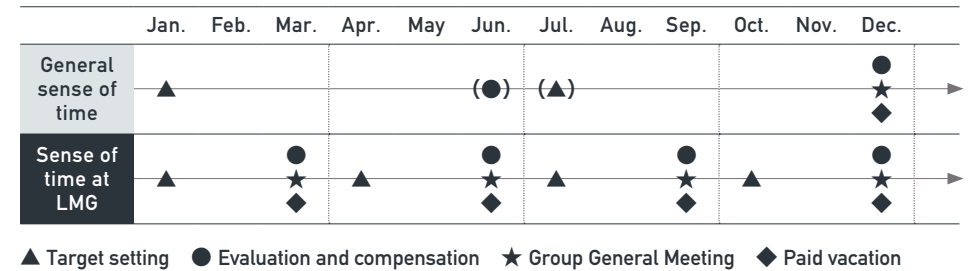
* Both performance and stretch goals are evaluated on a scale of 1 to 9, with 5 being "met expectations."

To improve employee engagement, we **emphasize the connections between the company's vision and the vision of each employee**. We believe that clarifying the career path an individual will follow and how they will grow while working at a company—and as a result how this will get them closer to achieving their own vision—helps to improve employee engagement.

Therefore, we provide opportunities on various timeframes for individuals to align their visions with the company's, as shown above. We have employees set targets and evaluate them for every three-month period, provide survey feedback to clarify targets for the next year, and conduct the i-Company Branding System for targets three years in the future. Each of these measures **communicates the company's intended direction and expectations of each individual**, then offers an opportunity for **individuals to make clear their intentions and growth objectives**.

Growth at Four Times the Speed of the Rest of the World

System Design in Three-Month Intervals



A unique perspective toward time has supported discontinuous growth at the Link and Motivation Group since its founding. Based on our belief that running on a cycle with a short span is important for growth, we share a unique view of time, in which **three months everywhere else is one year at the Link and Motivation Group**. Accordingly, we set a milestone every three months. By doing so, we aim to create an environment where employees maintain a high level of motivation as they continue to grow and to achieve speedy business development.

All organizational operations, including management of business results, target setting, personnel evaluations, promotions or demotions, payment of bonuses, the Group General Meeting, and vacations (year-end and New Year holidays), are **divided into units of three months** and conducted four times a year. This intentional division of time acts as a mechanism that makes us conscious of using time to the fullest every day.

As a result, Link and Motivation has a very high score of **4.9 out of 5** for the items **"growth environment for employees in their twenties"** and **"employee morale"** in OpenWork's survey. We believe this is proof that our employees are making full use of their time.

Measures to Improve the Capabilities of Organizations and Human Resources –Corporate Culture–



In the process of growing as a company, we are promoting specialization within our organization to maximize results, while investing in communication to achieve the seemingly contradictory goals of integration and mutual understanding.

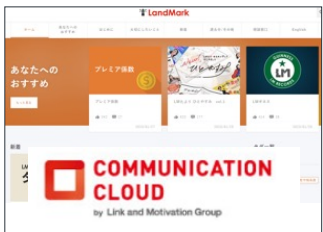
Creating Opportunities for Making Connections as a Group

Communication Measures



Group General Meeting

Average number of attendees in 2022: **1,156**



Web-based in-house newsletter

Average access rate in 2022: **93.1%**

To maintain employee engagement, the Link and Motivation Group considers it **crucial to enhance vertical and lateral communication within the organization**. We have therefore developed various opportunities for communication that connects senior management to the field, department to department, and all employees to each other.

Representative examples include the Group General Meeting, a web-based in-house newsletter, and measures to instill the Group's heritage. Through well-timed sharing of a Group-wide perspective and the creation of a common language, we aim to **create a situation where everyone works toward common goals**.

Creating a Corporate Culture That Spurs Individual Desire for Growth

Awards System

New university graduates (First to third year)	Rookie of the Year (1st/2nd/3rd) Young employees who achieved outstanding results
General employees	Best Motivation Creator General employee who achieved outstanding results
Managers	Best Motivation Manager Manager who achieved outstanding results
Entry managers (Recruiters)	Entry Manager of the Year Entry manager (recruiter) who achieved outstanding results
Administrators	Administrator of the Year Administrator who achieved outstanding results
Projects	Best Motivation Project Project that achieved outstanding results
Companies	Company of the Year Company that achieved outstanding results



For our business to grow, we believe that it is **important for each employee to broaden their own roles based on a desire for personal growth**. We have therefore established an awards system to recognize employees who have done so.

Awards are presented at the Group General Meeting held once every three months. Criteria for selecting employees as award winners cover a comprehensive range of factors, including level of performance, degree of growth and change, and extent of influence on others. A certificate with the reasons for the evaluation and relevant anecdotes is read in front of all employees, and the winner has the opportunity to make a speech. This not only helps to encourage the further growth of the award recipient, but also spurs a desire for growth among other employees.

Special Feature: Human Capital Management Case Study

Our ongoing efforts as a company that supports our customers' human capital management encompass both theory and praxis. This look at the 2022 Gold Award winner for Company of the Year, which is given to the Group company with the best results, is a case study of our initiatives in practice.

Motivation Cloud Enterprise Company

Mission

Support for organizational transformation at major companies through cloud-based services

Number of Employees **53**

Engagement Rating **AAA**

Reasons for the Award

The company recorded the highest Engagement Score of any company in the Group. In addition to developing new customers among major companies, it significantly improved the monthly retention rate. The company's influence extends beyond its own organization, as the fastest among all Group companies to reach its target for customer referrals to the Career School Business.

Striving for Results That Exceed Expectations

The year 2020, when COVID-19 spread worldwide, was a turning point for Motivation Cloud Enterprise ("MCE") Company. At a time when every company involved in human resources was negatively affected, every member of MCE Company was committed to business growth, aiming to achieve noteworthy results without using external conditions as an excuse and working to increase engagement in every organization. To ensure speedy decision-making, the management team held daily meetings without fail, then ensured that members clearly understood the decisions made in order to deal with customers and present a united front in facing issues. As a result, MCE Company continued to grow each year from 2020 to 2022. To achieve its vision for 2025 and 2030, the company will continue to play a role that goes beyond diagnosis of its customers' organizations to include transformation and disclosure, in a cycle that increases the engagement of all organizations.

Applying Motivation Engineering to Its Business

MCE Company is committed to fully utilizing Motivation Engineering in its own business. As one manager once put it, "The most important thing in MCE Company is not its president, but its philosophy." Even the president can be wrong at times. That is why, when questions arise on how to price services for customers, or how to deal with competitors, the company does not make facile decisions. Rather, it refers back to the *DNA Book*, which serves as the foundation of all decisions and actions taken in the day-to-day operations of the Link and Motivation Group. The company president also takes the lead in building up a library of case studies of improvements in engagement at customer companies as a knowledge base for use in sales, content delivery and products to improve reproducibility.

Applying Motivation Engineering to Its Organization

Twice a year, MCE Company also internally conducts the organizational diagnosis surveys it provides to its customers through Motivation Cloud. Rather than seeking to assign blame for organizational problems, including any issues that become clear through the survey, the president, managers and general employees all work together to resolve issues as concerned parties. In order to do so, it is essential that managers act as a liaison between the president and general employees on a daily basis, that each individual acts independently, and that relationships of trust exist between all members of the organization. For example, when a new member joins the team, opportunities for dialogue with the manager, and for sharing of goals, strengths and weaknesses among staff, lay the foundation for building a good team. In doing so, the company straightforwardly and sincerely carries out the ongoing process of organization building.

Comments from Employees of Other Group Companies

I feel that the key to winning the Company of the Year is not just a particular company's achievements and engagement within its own organization, but also the extent to which it can redirect those factors back outside the company to spread its influence. I can take pride in our service when dealing with customers.

It was very frustrating for us not to win Company of the Year, but you can't help but be convinced by the overwhelmingly high level set by MCE Company in winning the Gold Award. As we continue to monitor conditions at our customers and throughout the Group, I hope we can improve our organizational strength and win next year.