

# HUMAN CAPITAL DATA

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## Productivity

	Unit	2020	2021	2022
Human Capital ROI <sup>1</sup>	%	24.2	33.0	41.1

## Business Results per Employee

		Unit	2020	2021	2022
Per employee <sup>2</sup>	Revenues	Thousand yen	17,713	18,675	19,067
	Gross profit	Thousand yen	8,060	8,775	9,347
	Net income (loss)	Thousand yen	△535	583	1,225

There was a downturn in business results in 2020 due to the COVID-19 pandemic, but solid recovery in performance since 2021 has resulted in two consecutive years of increases in human capital ROI and business results per employee.

We will continue to monitor the balance between investment and returns as we invest appropriately in human capital with the aim of improving productivity.

- Human capital ROI = Adjusted operating income ÷ Human capital costs  
Human capital costs are calculated as total expenditures including employee salaries and bonuses, statutory internal and external welfare expenses, commuting expenses and other executive compensation.
- Calculated based on the number of employees when their hours are converted to full time (40 hours a week).

## Costs

	Unit	2020	2021	2022
Total workforce costs <sup>3</sup>	Million yen	19,875	21,349	21,445
External workforce costs <sup>4</sup>	Million yen	11,548	12,125	11,793
Total costs of employment <sup>5</sup>	Million yen	8,893	9,724	10,373

Since 2020, we have seen the COVID-19 pandemic as an opportunity to scale back investment in offices and ramp up investment in human resources and IT. Because of that, total workforce costs and total costs of employment have generally been increasing.

- Total costs the Group paid directly to employees.  
Defined to include total costs for the external workforce<sup>4</sup> in addition to people the Group employs directly.
- Total costs paid to outsourcers, temporary staff and other workers the Group does not employ directly.
- Total costs incurred in employment. Defined to include costs that indirectly benefit employees (training costs, benefit expenses, etc.).

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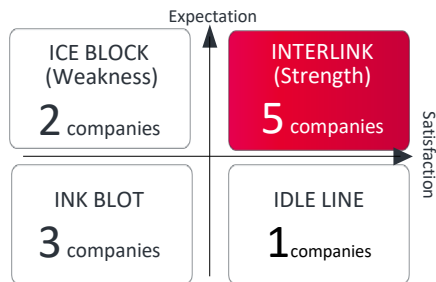


## Engagement Survey Results by Group Company\*

Group Company	Employees	ER
Link and Motivation Inc.	437	AAA
Link Global Solution Inc.	22	AAA
Link Event Produce Inc.	27	AAA
Link Corporate Communications Inc.	78	AAA
Link Academy Inc.	456	AAA
Motivation Academia Inc.	50	AAA
Link Interac Inc.	159	AAA
Link Japan Careers Inc.	12	AAA
OpenWork Inc.	71	AA
Link Agent Inc.	19	AAA
Link-i Inc.	20	AAA

\* Results from the engagement survey conducted in February 2023.

## Positioning of Priority Factor “Philosophy” by Company



## Breakdown of Engagement Survey Results\*

By Division	Subjects	ER
Organizational Development Division	564	AAA
Individual Development Division	506	AAA
Matching Division	281	AAA

By Gender	Subjects	ER
Male	759	AAA
Female	586	AAA

By Nationality (Region)	Subjects	ER
Japan	1,196	AAA
Asia (excluding Japan)	16	AAA
Oceania	3	BBB
North America	29	AAA
Central and South America	5	AAA
Europe	16	AA

We emphasize diversity not just in terms of each individual but also in terms of relationships among diverse individuals. We believe that this is the same thing as employee engagement, and that a high level of employee engagement enables each individual employee to play an active role and generate innovation. We pay close attention to employee engagement across a variety of attributes and take pride in the high level that each employee has achieved.

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## Level-Specific Role Survey Results<sup>1</sup>

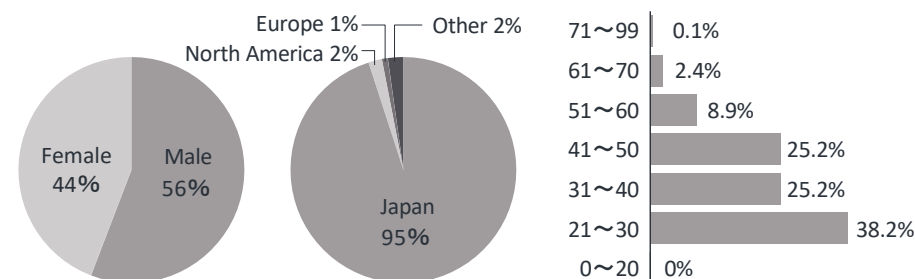
			2021	2022
All employees	Number of respondents	Persons	1,386	1,137
	Rank A to AAA	Persons	713	646
	Percentage of total	%	51.4%	56.8%
Managers and above	Number of respondents	Persons	159	146
	Rank A to AAA	Persons	111	110
	Percentage of total	%	69.8%	75.3%

## Total Workforce Absenteeism (Unplanned Leave) Rate

		2020	2021	2022
Total workforce	Executives <sup>2</sup>	28	30	32
	Group company employees	1,498	1,493	1,505
	Part-time staff	381	403	381
	ALTs <sup>3</sup>	3,378	3,304	2,857
	Total	5,285	5,230	4,775
Full-time / Part-time <sup>4</sup>	Full-time	1,537	1,518	1,567
	Part-time	370	408	351
Full-time equivalent (FTE) <sup>5</sup>		1,738	1,748	1,719
Absenteeism (unplanned leave) rate (%)		0.9	0.9	0.9

1. Results of level-specific role surveys conducted during July-December 2022.
2. Total of directors, managing directors and corporate officers, including outside directors.
3. ALT: Assistant Language Teacher
4. Contractual working time of at least 40 hours a week is considered "full-time" and less than 40 hours a week is considered "part-time," regardless of the form of employment. (Excludes ALTs.)
5. Number of employees when converted to full-time (40 hours a week). Calculated by dividing total working hours per week of all employees by 40 hours. (Excludes ALTs.)

## Male-Female Ratio Nationality (Region) Age Structure



Note: Excludes non-responses

We conduct hiring, evaluation, promotion, and other corporate functions based on each individual's performance and growth, irrespective of attributes such as gender, nationality or age. Workforce diversity ratios at the end of 2022 with respect to each attribute are shown above.

## Employees with Disabilities

	2020	2021	2022
Employees with disabilities <sup>6</sup>	1.35%	1.52%	1.41%

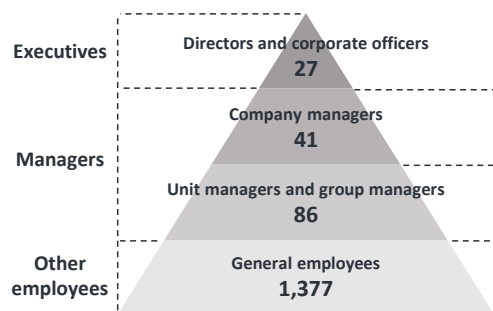
Some Group companies meet the legally mandated employment rate for people with disabilities of 2.3 percent of total employees, but the Link and Motivation Group overall still falls short. We will continue to step up recruiting to address this management issue.

6. Tabulated based on the content of the Report on the Status of Employment of People with Disabilities submitted to the Ministry of Health, Labour and Welfare each year. The results shown are as of June 1, in accordance with the aforementioned report.

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## Group Hierarchy Chart<sup>1</sup>



## Span of Control (Number of General Employees per Management Position)

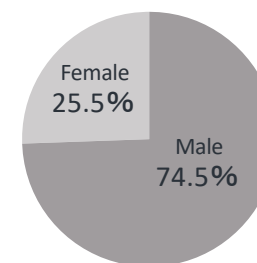
	2022
Directors and corporate officers	55.7
Company managers	35.7
Unit managers and group managers	16.0

1. As hierarchy names differ depending on Group company, figures are calculated by classifying positions within the hierarchy based on certain criteria. Outside directors, part-time staff and ALTs are not included in the number of people for each level.

The appropriate span of control at each hierarchical level differs depending on various factors such as business model, management maturity, composition of members, and organizational relationships, so we do not target a flat standard across the Group. Results for 2022 are as shown above.

Productivity is improving, and the numerical results of employee engagement and manager role surveys have been high, so we consider the span of control shown above to be appropriate.

## Management Position Male-Female Ratio<sup>2</sup>



2. The percentage of women in all management positions (excluding executives) based on the definition set by the Ministry of Health, Labour and Welfare.

As mentioned previously, treatment of employees in the Link and Motivation Group is based on each individual's performance and growth, irrespective of gender. The ratio of males to females in management positions is as shown above.

The ratio of women in management positions is 25.5%, about one-third that of men. We believe that this is due to two factors: fewer women than men are employed in positions on a management track, and women take maternity and childrearing leave at a higher rate and for longer periods, resulting in a comparatively longer time to promotion to a managerial position. We will continue working to create an environment in which employees can play active roles regardless of gender.

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## Leadership Team Skill Matrix

Name	Current Position	Corporate Management			Areas of Expertise				
		Managerial Experience	Employee Engagement	Industry Knowledge	Finance & Accounting	Legal & Risk Management	Research & Development	DX & IT	Sales & Marketing
Ozasa Yoshihisa	Chairman and Representative Director	○	○	○			○		
Sakashita Hideki	President and Representative Director	○	○	○					○
Ohno Shunichi	Director		○		○	○		○	
Yuasa Tomoyuki	Outside Director	○		○				○	○
Kakuyama Takashi	Outside Director		○	○			○		
Kuriyama Hiromi	Audit & Supervisory Board Member				○	○			
Tominaga Kenji	Outside Audit & Supervisory Board Member	○	○	○					
Matsuoka Yasumasa	Outside Audit & Supervisory Board Member	○	○	○					

The Board of Directors of Link and Motivation Inc. is composed of five directors (including two outside directors). The three internal directors make **management decisions that link business and organizational strategies** as professionals in organizational transformation, with extensive experience as organizational and personnel consultants. The two outside directors leverage their deep insight into corporate management and expert knowledge of industrial and organizational psychology, which has affinity with the Group’s business.

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## New University Graduate Recruiting

	Unit	2020	2021	2022
Number of hires <sup>1</sup>	People	142	93	147
Recruiting costs <sup>2</sup>	Thousand yen	443,973	355,000	336,989
Cost per hire <sup>3</sup>	Thousand yen	—	—	—
Average length of time to fill vacant position <sup>4</sup>	Days	72.1	56.1	55.2
Quality per hire <sup>5</sup>	—	10.1	10.1	10.0

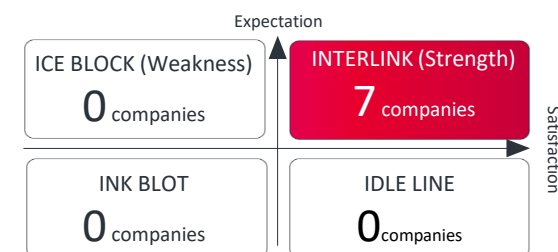
## Mid-Career Employee Recruiting

	Unit	2020	2021	2022
Number of hires <sup>1</sup>	People	53	42	63
Recruiting costs <sup>2</sup>	Thousand yen	200,514	180,085	159,704
Cost per hire <sup>3</sup>	Thousand yen	3,783	4,287	2,535
Average length of time to fill vacant position <sup>4</sup>	Days	—	—	—
Quality per hire <sup>5</sup>	—	9.8	9.9	9.8

1. Total number of employees who joined the Group in the relevant year.
2. Total recruiting-related costs recorded in the relevant year.
3. Calculated by dividing recruiting costs for the relevant year by the number of hires. Recruiting costs for new university graduates are not calculated because the amount invested in the relevant year is not directly linked to the number of hires.
4. Total number of days required to hire employees who joined the Group in the relevant year. Calculated based on the number of days from the application date to the offer acceptance date. Recruiting of mid-career applicants is not calculated because some Group companies hire throughout the year.
5. The six months after joining the company are a probation period. After the probation period ends, employees are evaluated on a scale of 2-18, with 10 meaning “met expectations.”

## Entry Management Survey Results

### Positioning of Priority Factor “Philosophy” by Company



We strongly believe that expenditures on recruiting are an investment, not a cost. As mentioned elsewhere, we are committed to quality in recruiting, so we emphasize devoting time and money to recruit the talent we want.

The Link and Motivation Group’s recruiting costs are shown in the table on the left. As in the previous year, recruiting of new university graduates was mainly conducted online, so costs were low.

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## Training Participation Rates

	Name of Training	2022
Technical Skills	Top Gun seminars	Not held
	Negotiation training	Not held
	Logical thinking training	Not held
Portable Skills	Self-motivation control training	Not held
	Leadership training	Not held
	Career design training	Not held
Stance	New company president training	100.0
	New manager training	100.0
	New employee stance training	100.0
Stance (Level-specific role survey training)	Survey training for upper management	91.1
	Survey training for management	87.9
	Survey training for senior employees	85.7
	Survey training for leaders	84.9
	Survey training for mid-level employees	88.8
	Survey training for junior employees	95.9

## DX Survey Results

	Unit	2021	2022	
Number of respondents	Persons	1,367	1,499	
Average DX Score	Points	98.9	123.3	
(Breakdown)	Digital knowledge	Points	53.8	57.9
	Excel skills	Points	45.1	65.4

## Total Human Resource Development and Training Costs

	Unit	2020	2021	2022
Actual costs	Thousand yen	146,799	94,793	190,536
Converted to amount charged for services to customers	Thousand yen	404,515	385,674	411,749

The tables on this page show our initiatives conducted to develop employees and the amount we invested in 2022. We did not implement some training programs in 2022, focusing instead on strengthening IT literacy. Although this change accounted for the increase in costs, it resulted in improved employee IT literacy, so we believe that we achieved the effect we intended. Training hours per employee were 38.9 hours\* in 2022.

- Calculated by dividing the total hours spent for all training in 2022 by the number of employees at the end of the year.



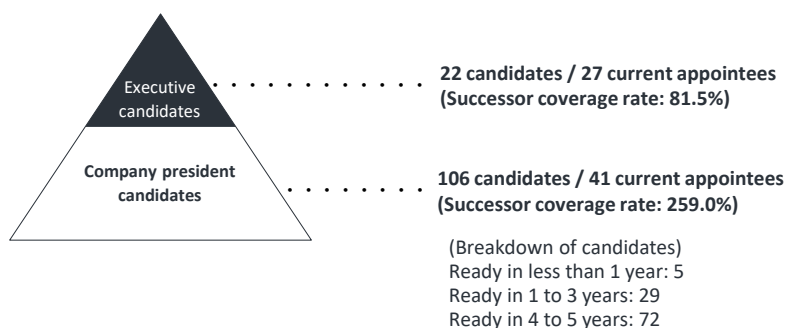
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## Number of Participants in "Top Gun Selection" Training for Management Personnel

Class	Objective	Unit	2021	2022
Corporate officer	Raise the level of corporate officers	Persons	—	5
Company president/Manager	Cultivate future officer candidates	Persons	10	14
General employee	Cultivate the next group of manager candidates	Persons	6	6

## Prospective Management Personnel



## Leadership Development

Type	Objective	Unit	2021	2021	2022
New manager training	Understand the role expected of a manager	%	100.0	100.0	100.0
Level specific training for managers	Understand current situation to set tasks and targets	%	94.2	91.0	87.9
Managers General Meeting	Broaden perspective as a manager	%	—	100.0	94.1

## Confidence in Leadership (Results of Role Surveys on Managers\*)

Five Sources of Influence Expected of a Manager				
Expertise	Appeal	Reciprocity	Consistency	Strictness
4.5	4.5	4.5	4.4	4.3

We monitor how others evaluate managers' leadership based on results of role surveys on those managers. In 2022, results for all five metrics remained at 4.0 or higher (of a maximum of 5), so we feel that the managers of the Link and Motivation Group are functioning well as junction points between those above and below them in their organizations.

- Numerical results for overall satisfaction as measured in a role survey on managers (Lincoln Survey). Satisfaction for each item is evaluated on a scale from a low of 1 to a high of 5 by subordinates and superiors of the subject managers. The figures above are the averages for all managers.

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## Appointment to Positions

	2020	2021	2022
Percentage of positions filled internally <sup>1</sup> (%)	68.7	73.1	78.3
Percentage of critical positions <sup>2</sup> (%)	1.5	1.6	1.7
Percentage of critical positions filled internally <sup>3</sup> (%)	100	100	100
Succession effectiveness rate <sup>4</sup>	100	100	100
Percentage of vacant critical positions in relation to all vacant positions (%)	0	0	0
Average length of time to fill vacant critical position (days)	0	0	0

In the Link and Motivation Group, we define critical positions as “directors (except outside directors), managing directors and corporate officers, including those of Group companies.” However, when a vacancy arises, we either appoint an immediate replacement or eliminate that position, so positions are never left vacant. Accordingly, the “percentage of vacant critical positions” and “average length of time to fill critical vacant positions” are zero.

All appointments to critical positions have been filled internally. We believe that these results are an indication of our systematic approach to successor development.

1. Calculated as the number of vacant positions filled through internal recruiting divided by the total number of vacant positions filled through internal plus external recruiting.
2. Calculated as the number of critical positions divided by the total number of positions.
3. Percentage of critical positions that opened up during the year that were filled through internal recruiting.
4. Percentage of critical positions filled through internal recruiting as of the end of the year.

## Transfers

	Unit	2020	2021	2022
Average period in the same field <sup>5</sup>	Years	3.7	4.1	3.6
Internal mobility rate <sup>6</sup>	%	56.4	69.7	68.8

We emphasize appropriate transfers so that employees acquire a full range of competencies in order to cultivate their i-Companies. Experiencing multiple fields and occupations broadens a person’s range of competencies and skills. Therefore, the Link and Motivation Group focuses on how long an individual is assigned to the same field, and conducts transfers once every four years as a rough guideline.

5. Group businesses are categorized into specified fields, and the period an individual spends in each field is calculated.
6. Transfers among occupations and the fields in note 5, as well as changes in roles due to promotions or emotions, are defined as internal transfers for the purpose of calculating the internal mobility rate for the year.

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## i-Company Branding System

	Unit	2020	2021	2022
Management plan submission rate	%	98.7	98.5	97.4

## Average individual evaluations<sup>1</sup>

	Unit	2020	2021	2022
Performance	—	4.7	4.8	4.7
Stretch goal	—	5.0	5.0	5.0
Total	—	9.7	9.8	9.7

## Compensation

	Unit	2020	2021	2022
Average monthly wage <sup>2</sup>	Thousand yen	344	371	379
Average annual wage <sup>3</sup>	Thousand yen	4,677	5,302	5,301
Ratio of executive compensation to total salaries paid <sup>4</sup> (%)	%	4.3	4.9	5.2

- Each employee's performance and stretch goal are evaluated on a scale of 1 to 9, with 5 being "met expectations."
- The sum of all taxable payments for salaries and allowances.
- Calculated as average monthly wages plus bonuses paid four times a year.
- Calculated as total of executive compensation as a percentage of total compensation of all employees.

## Male/Female Wage Differential<sup>5</sup>

Group Company	Male/Female Wage Differential (%)		
	Full-time	Part-time staff and fixed-term employees	All workers
Link and Motivation Inc.	82.4	162.9	74.4
Link Global Solution Inc.	89.0	101.0	83.3
Link Event Produce Inc.	77.9	— <sup>6</sup>	77.8
Link Corporate Communications Inc.	82.4	57.9	76.8
Link Academy Inc.	81.8	68.2	77.9
Motivation Academia Inc.	79.4	82.6	64.5
Link Interac Inc.	97.3	59.1	82.6
Interac North Co., Ltd.	74.8	98.4	96.8
Interac Kanto North Co., Ltd.	71.1	92.8	90.6
Interac Kanto South Co., Ltd.	90.7	92.6	92.4
Interac Kansai & South Central Co., Ltd.	74.9	95.5	94.2
Interac West Co., Ltd.	63.3	87.9	86.8
Link Japan Careers Inc.	66.6	— <sup>6</sup>	64.4
Link Agent Inc.	75.5	— <sup>6</sup>	66.3
Link-i Inc.	76.2	503.1	72.2

- Full-time: Applies to indefinite-term employees only.  
Part-time: Applies to fixed-term employees, part-time staff and ALTs.  
Calculated by dividing the average annual wage for women by the average annual wage for men, based on definitions set by the Ministry of Health, Labour and Welfare.
- Calculation is not possible because employees are exclusively either male or exclusively female.

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## Priority Communication Measures

	Unit	2021	2022
Group General Meeting average participation	Persons	908	1156
Web-based in-house newsletters access rate	%	92	93.1
Measures to communicate the Group's heritage	DNA test average score	Points	—
	DNA report submission rate	%	100

## Number of Group Awards

	Unit	2020	2021	2022
Total number of awards	Persons	34	40	37
Awards for individuals	Persons	24	27	24

## Health and Safety

	2020	2021	2022
Number of occupational accidents <sup>1</sup> (per million work hours)	3.74	4.15	3.2
Lost time for injury <sup>1</sup> (total lost time in hours per million work hours)	12.80	3.80	82.86
Number of people killed during work <sup>1</sup>	0	0	0
	2020	2021	2022
Illness/injury leave rate (%)	1.9	2.8	2.3
Percentage of employees who participated in training <sup>2</sup> (%)	87.4	92.4	88.2
Maternity leave rate <sup>3</sup> (%)	100.0	100.0	100.0
Paternity leave rate <sup>3</sup> (%)	13.6	25.7	38.9

The above table shows health and safety-related results for the Group. All occupational accidents occurred while commuting or traveling.

In addition, the rate of taking paternity leave has been increasing each year. We will continue striving to create an environment that facilitates work in order to strengthen the capabilities of our organizations and human resources.

1. Calculated based on total workforce (executives, Group company employees, part-time staff and ALTs).
2. Calculated based on participation rate in annual stress checks.
3. Calculated based on total number of Group company employees and part-time staff.

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## Compliance

	2020	2021	2022
Number of grievances filed <sup>1</sup>	8	3	11
(Type)			
Harassment	3	0	6
Workplace environment	2	1	2
Other	3	2	3
Number of concluded disciplinary actions <sup>2</sup>	5	5	6
(Type)			
Reprimands/pay cuts	5	5	6
Suspensions/demotions	0	0	0
Requests for resignation/disciplinary dismissal	0	0	0
Number of unresolved external audit findings <sup>3</sup>	0	0	0
Percentage of employees who have completed training on compliance (%)	100.0	100.0	100.0
Information management training participation rate <sup>4</sup>	100.0	100.0	100.0
Harassment training participation rate <sup>4</sup>	—	—	98.5

1. The number of consultations with the hotline that is open to all employees.  
Calculated based on total workforce (executives, Group company employees, part-time staff and ALTs).
2. Calculated based on total workforce (executives, Group company employees, part-time staff and ALTs).
3. The number of findings in external audits by the Labor Standards Inspection Office, etc., that are still unresolved.
4. All training content completed by employees.

The Link and Motivation Group strives to practice Management with Integrity (i.e., management with no illegality or dishonesty toward any of its stakeholders, including customers, business partners, employees and shareholders). We are proactively strengthening compliance and ethics, which are prerequisites for achieving this. As a company, we abide by laws, regulations, corporate ethics and social norms, and understand that individual employees must also make efforts to avoid transgressions.

Our performance in the area of compliance is shown in the chart on the left. At the Link and Motivation Group, we believe that our emphasis on employee engagement helps to strengthen compliance, and see our high performance in these metrics to be a result of our high level of employee engagement.

By continuing our efforts to raise every employee's awareness of compliance as we improve employee engagement, we are creating a workforce that embodies Management with Integrity.

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## Turnover Rate

	2020	2021	2022
Turnover rate <sup>1</sup> (%)	9.8	10.0	13.3
Voluntary turnover rate (%)	9.6	9.8	13.0
Voluntary turnover rate (management) <sup>2</sup> (%)	0.6	0.3	0.7
Voluntary turnover rate (IT engineers) <sup>2</sup> (%)	0.3	0.3	0.4

## Reasons for Leaving

Rank	Reason	% of total	Year-on-year change	
1	Work	43.7%	+0.5 pts.	To advance career, to change type of work, etc.
2	Family	14.9%	-3.5 pts.	
3	Health	14.4%	+5.6 pts.	
4	Treatment/Pay	11.5%	-4.5 pts.	
5	Corporate culture	6.9%	+4.5 pts.	
6	Retirement age	3.4%	+1.0 pt.	
7	Philosophy	2.9%	-5.9 pts.	

1. The annual (12-month period) sum total of the monthly turnover rate (monthly number of leavers ÷ monthly average number of employees)
2. The annual (12-month period) sum total of the monthly turnover rate of defined category of employees (monthly number of leavers ÷ monthly average number of employees)

The Link and Motivation Group works to create organizations that emphasize a mutually selective relationship, in which companies and individuals choose each other as they deem appropriate rather than a mutually binding relationship based on lifetime employment.

Therefore, we focus not on the Group’s overall turnover rate, but on the turnover rate for employees with attributes we deem important in terms of our management strategy. Specifically, we monitor the turnover rates of management and IT engineers. In 2022, the overall turnover rate increased by 3.3 percentage points from the previous year. However, because productivity is rising, and the year-on-year increase in turnover rates for management and IT engineers was low, we consider the situation to be acceptable.

We also keep a close watch on reasons for leaving. Continuing from the previous year, the main reasons for leaving in 2022 were work-related, while the percentage of people leaving because of our philosophy and corporate culture—which we are particular about—was low. We therefore think we have achieved appropriate mutual selection.