

# CHAPTER 4

## SYSTEMS



## Conveying Messages from Management through Our Personnel Systems

Personnel systems play an important role in showing employees a company's expectations and the direction of its growth.

As one of our expectations, our personnel systems convey the message that we want to link the direction the Group intends to take with the vision of each employee. To improve employee engagement, we consider it crucial that each employee feels that they are getting closer to achieving their own vision while meeting their company's expectations. For this reason, we have implemented many measures that provide opportunities for aligning these elements.

As another expectation, our personnel systems contain the message that we want employees to increase the speed of their growth. Based on our unique view of time, in which three months for the rest of the world is one year for the Link and Motivation Group, we have designed various systems with the expectation that our employees will grow at four times the speed of the rest of the world.

We believe that incorporating messages on what we consider most important in our personnel systems in ways like these enables us to increase employee engagement as we conduct management.

# CHAPTER 4 | Systems

## 01 Linking Corporate and Employee Visions

Timeframe



3 years

### i-Company Branding System

Each employee creates a “management plan” for their i-Company to outline their career direction, then aligns their ideas with the company’s.

	2020	2021	2022
Management plan submission rate	98.7%	98.2%	97.4%

1 year

### Survey Feedback

Based on the results of the level-specific role survey, employees receive advice from employees at the same level, superiors and other colleagues to clarify growth issues and their action plan.

3 months

### Target Setting/Evaluation

Targets are set along two axes: performance, which indicates the degree of contribution to the company’s business results and the employee’s organization; and a stretch goal, which indicates the degree of individual growth.

		2020	2021	2022
Average individual evaluation score	Performance	4.7	4.8	4.7
	Stretch Goal	5.0	5.0	5.0
	Total	9.7	9.8	9.7

Note: Performance and the stretch goal are evaluated on a scale of 1 to 9, with 5 being “met expectations.”

## Linking Corporate and Employee Visions to Improve Employee Engagement

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.

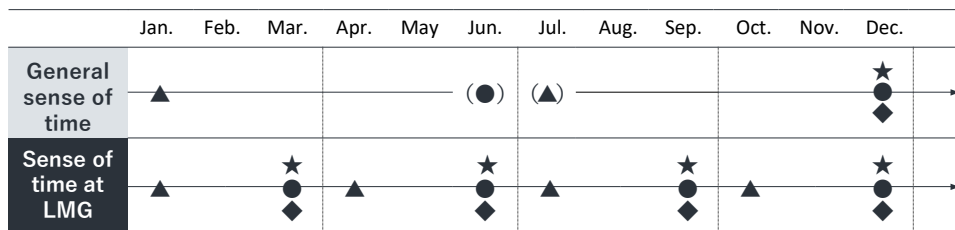
Therefore, we provide opportunities on various timeframes for individuals to align their visions with the company’s, as shown above. We have employees set targets and evaluate them for every three-month period, provide survey feedback to clarify targets for the next year, and conduct the i-Company Branding 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.

We believe that these measures allow employees to reaffirm what working for the company means to them, and consequently help to improve employee engagement.

# CHAPTER 4 | Systems

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

### Three-Month Cycle



▲ : Target setting

Employees set targets for individual achievement (performance) and growth (stretch goal) for a three-month period. Since the cycle is a short period of 3 months, employees can remain constantly aware of their targets.

● : Evaluation and compensation

Evaluations are conducted according to the targets that have been set, with promotions or demotions based on the evaluation results. Bonuses (premium compensation) are also paid every three months.

★ : Group General Meeting

Treated the same as other companies' end-of-year general meeting, including a review of business results and awards for MVPs.

◆ : Paid vacation

Employees receive "pit stop" vacation days that correspond to other companies' year-end and New Year holidays. A three-day holiday after every Group General Meeting gives a sense of having reached a milestone.

### Treating Three Months as a Year for Growth at Four Times the Speed of the Rest of the World

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 milestones 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.