CHAPTER 5 **CORPORATE CULTURE**





Communication: The Lifeblood of an Organization

When blood flow is blocked, the human body develops various disorders and illnesses. Similarly, when communication is blocked in an organization, various issues arise. Just as it is important to maintain good blood flow in our bodies, we consider it extremely important to enhance communication within an organization.

In more concrete terms, we believe that it is important to use communication to create connections within an organization, both vertically in its hierarchy and horizontally among functions, to facilitate both integration and mutual understanding. Growing the Link and Motivation Group necessitates specialization into organizational hierarchies and functions.

However, increasing specialization in an organization gives rise to a host of problems. A sense of distance naturally increases, both vertically in the hierarchy and horizontally among functions, the intentions of senior management are not communicated, and cooperation between departments weakens, among other issues. To resolve these issues and maximize results, we promote specialization within our organization and invest in communication to achieve the seemingly contradictory goals of integration and mutual understanding.

We also consider communication crucial for increasing employee motivation. Investing in communication is essential for us to maintain a high level of employee engagement as we continue to grow.

HUMAN CAPITAL REPORT 2022 - CHAPTER

CHAPTER 5 | Corporate Culture

O1 Creating Opportunities for Making Connections as a Group

Communication Measures



Group General Meeting

HUMAN CAPITAL REPORT 2022

Average participation in 2022 1,156 people

Held once every three months in order to share views of the Group as a whole. In addition to a review of business results and presentation of MVP awards, meetings also cover timely topics and share management policies going forward.



Web-Based In-House Newsletters

Average access rate in 2022 93.1%

| Name | Content | | | |
|-----------------|--|--|--|--|
| Top Comment | Posted once each month to deliver a message to employees from Chairman and Representative Director Ozasa Yoshihisa, covering the Group's current direction and recent developments, in order to share the views of senior management | | | |
| LM TIMES | Timely transmission of Group issues and topics for sharing with the aim of creating Motivation Companies and i-Companies | | | |
| LM JOB STORY | Conveys the appeal of different jobs through stories from employees working in various positions, with the aim of broadening career options | | | |



Measures to Communicate the Group's Heritage

2022 DNA Test average score 91.2/100 points

Our DNA Book contains Link and Motivation's reasons for existence, vision, management concepts and philosophies. It is designed to help employees understand various ideas and put them into practice. To ensure that employees do so at a high level, we plan and implement tests, reports and other measures every year.

Creating Opportunities for Mutual Understanding between the Company and Employees

Strategies Recruiting Training

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 inhouse newsletter, and measures to instill the Group's heritage. Through welltimed 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.

Our investment in communication exceeds ¥100 million each year. This cost has been declining as we have shifted to holding the Group General Meeting online and cut back on printed materials, but we will continue to actively invest in communication as a way to increase employee engagement.

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O2 Creating a Corporate Culture That Spurs Individual Desire for Growth

List of Awards

Managers

(recruiters)

The Link and Motivation Group gives awards to individuals in the following five categories. each with a different target group.

ROY \[Rookie Of the Year \((1st \section 2nd \section 3rd) \] First to third year

Young employees who achieved outstanding results

BMC/MC [(Best) Motivation Creator | **General employees** General employee who achieved outstanding results

BMM/MM [(Best) Motivation Manager]

Manager who achieved outstanding results

Entry managers EOY [Entry manager Of the Year]

Entry manager (recruiter) who achieved outstanding results

AOY 「Administrator Of the Year」 **Administrators**

Administrator who achieved outstanding results

| | 2020 | 2021 | 2022 |
|------------------------|------|------|------|
| Total number of awards | 34 | 40 | 37 |
| Awards for individuals | 24 | 27 | 24 |

Note: Awards are also given to projects and Group companies in addition to individuals.



Creating a Corporate Culture That Spurs Individual Desire for Growth by Providing Emotional Rewards

Strategies Recruiting Training

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.

By continuing to maintain an environment that facilitates individual growth and supports people who want to grow, we aim to implement our business strategies and improve productivity.