

Chapter

4

The Foundation Supporting Human Capital Management

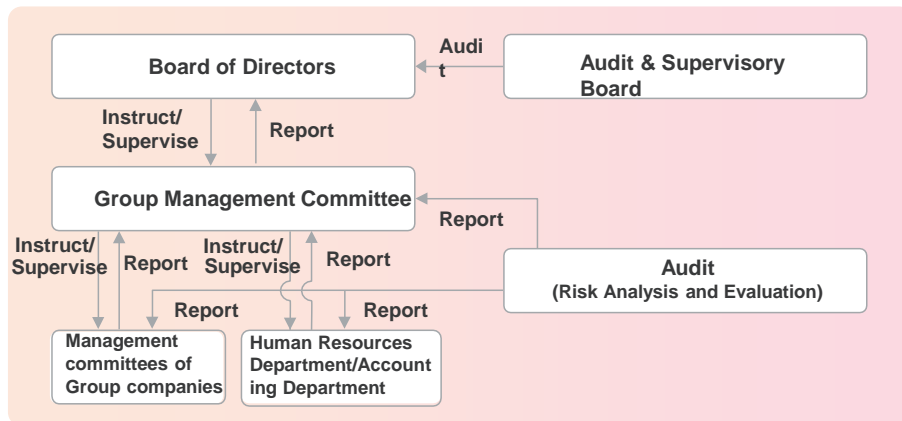
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Governance Structure

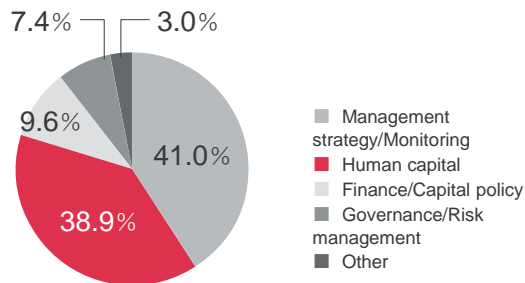
Based on the concept that human resources are the greatest, most powerful type of capital, the Link and Motivation Group has built a management structure that views the promotion of organizational strategies to maximize human capital as a core management issue.

Governance Structure

Efforts to maximize human capital are regularly reported on and discussed at meetings of the Group Management Committee, and the Board of Directors supervises related business execution.



Content of Board of Directors and Group Management Committee Agenda



Approach to CHRO Selection

In managing a Motivation Company, which uses employee motivation as its growth engine, the CEO should concurrently serve as the CHRO because the business and the organization are treated as equals.



Ozasa Yoshihisa
Chairman and Representative Director

- 1986 Graduated from Faculty of Political Science and Economics, Waseda University
Joined Recruit Co., Ltd.
Assigned to the Human Resources Development Department to handle internal recruiting of new university graduates
- 1994 Launched the Organizational and Human Resources Consulting Office
Established the Company, and assumed the position of President and
- 2000 Representative Director
- 2013 Chairman and Representative Director (to present)

Approach to Executive Compensation

In the Company's view, the role of a director is to increase corporate value by formulating management policies and strategies for the entire Group and providing advice and supervision to corporate officers and employees in conducting business. Therefore, our basic policy is to structure a compensation system for directors that consists of both basic and performance-based compensation. The types of compensation and the purpose and overview of each type are as follows.





Type of Compensation	Purpose/Overview	Policy
Fixed Basic compensation	Monetary compensation paid monthly as remuneration for the execution of duties as a director	The representative directors prepare a draft proposal based on evaluation criteria including the Group's business performance, degree of contribution to the promotion of business and organizational strategies, and employee salary levels. Following prior explanation to outside directors and a thorough exchange of opinions, a final decision is then made by the Board of Directors.
Variable Performance-based compensation	Monetary compensation paid every six months as remuneration for results	The representative directors prepare a draft proposal <u>based on the degree of achievement of key management indicators in areas including human resource capabilities and engagement, which are important metrics for organizations</u> , in addition to the Group's revenues and operating income. Following prior explanation to outside directors and a thorough exchange of opinions, a final decision is then made by the Board of Directors and payments are made within a set timeframe every six months. Key management indicators used as metrics and their values are reviewed by the Board of Directors as appropriate in response to changes in the environment.

A Board of Directors with Expertise in Organizational and Personnel Matters

The directors of Link and Motivation Inc. have extensive experience in organizational and personnel matters and are able to make management decisions that link business strategy and organizational strategy.

The two outside directors use their deep insight gained through corporate management and professional knowledge in industrial and organizational psychology, which is pertinent to the Group's business.

Directors

 <p>Sakashita Hideki President and Representative Director</p> <p>1991 Joined Recruit Co., Ltd. 2000 Established the Company, and assumed the position of Director 2013 President and Representative Director (to present)</p>	 <p>Ohno Shunichi Director</p> <p>1992 Joined Aoyama Audit Company (Price Waterhouse) 1998 Joined PwC Consulting Co., Ltd. (currently IBM Japan, Ltd.) 2002 Joined the Company 2008 Director (to present) 2015 Outside Director, Youji Corporation (to present)</p> <p>Note: Concurrently serves as director of seven consolidated subsidiaries and Audit & Supervisory Board member of OpenWork Inc.</p>	 <p>Yuasa Tomoyuki Outside Director</p> <p>2000 Joined Andersen Consulting, Ltd. (currently, Accenture Japan Ltd.) 2005 Joined Revamp Corporation 2010 Director, Revamp Corporation 2016 Outside Director, the Company (to present), President, Representative Director and CEO, Revamp Corporation, Outside Director, K's Holdings Corporation 2018 President and Representative Director, Chief Executive Officer, Revamp Corporation (to present)</p>	 <p>Kakuyama Takashi Outside Director</p> <p>1991 Professor, Tokyo International University 1992 Visiting Researcher, Michael G. Foster School of Business, University of Washington 2003 Dean of Faculty of Human and Social Studies, Tokyo International University 2009 Dean of Graduate School of Sociology, Tokyo International University 2011 Professor and Director of Motivation Laboratory, Tokyo Future University 2012 Dean of School of Motivation and Behavioral Sciences, Tokyo Future University 2018 President, Tokyo Future University (to present) 2020 Outside Director, the Company (to present)</p>
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Skill Matrix

Name	Current Position	Corporate Management		Areas of Expertise					
		Managerial Experience	Organizational and Personnel Matters	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	○	○	○					○