



Chapter

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Approach to Human Capital Management/ The Link and Motivation Group's Human Capital Management

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Message from the CEO and CHRO

We continue searching for the essence of human capital management to make the concept of “One for All, All for One” a reality.



Chairman and Representative Director
Ozasa Yoshihisa

Human Capital Management Today

After joining Recruit Co., Ltd. straight out of university, I worked mainly in recruiting before setting up the Organizational and Personnel Consulting Office. This experience convinced me that a time was coming when human resources and organizations would be key assets in corporate management, leading to my founding of Link and Motivation in 2000. We have supported the transformation of numerous organizations and individuals since then, and have continued to take a serious approach to human capital. Moreover, we have consistently managed Link and Motivation with a commitment to practicing what we preach so it can serve as a role model for society.

Recently, factors such as the publication of the Ito Report for Human Capital Management and the promotion of human capital information disclosure have been rapidly drawing attention to this subject. As a veteran in the field of organizational and personnel matters, I feel that the times have finally caught up with us, which puts Link and Motivation in a highly advantageous position.

However, I also sense a looming crisis. In 2023, disclosure of human capital information in securities reports became mandatory in Japan, and that has been a major catalyst for companies to adopt human capital management. On the other hand, I have witnessed many cases of companies single-mindedly collecting data without achieving the original objective of linking business strategy and organizational strategy, thus abandoning the essence of human capital management. The fundamental goal should be to improve corporate value by linking business strategy and organizational strategy. Forgetting this basic principle makes sustainable growth impossible.

The “One for All, All for One” Concept That Companies Should Work to Realize

At the most basic level, for an organization to survive, it must both achieve results as an organization and satisfy the desires of the individuals in it. No matter how good the results an organization produces, it will not last if the desires of the individuals in it are not satisfied. Conversely, even if the desires of the individuals in the organization are satisfied, the organization will not last if it does not produce results. Moreover, these two factors can overlap or cancel each other out. To find a balance between them, making the concept of “One for All, All for One” a reality is crucial.

That is why Link and Motivation's management policy is based on this concept. First, as a prerequisite for our survival and growth, we insist on “Management with Integrity” without the slightest bit of illegality or dishonesty. Building on that, from the perspective of “One,” we have set the goal of “Management in Which Every Employee Plays a Leading Role,” and from the perspective of “All,” we have set the goal of “Management with Good Reflexes.” As the pace of change accelerates in the business environment, we aim to maximize the value of both the organization and the individuals in it by having each employee take ownership of their work as we adapt flexibly to change as a company.

The Link and Motivation Group's Management Policy

One
Management in Which Every
Employee Plays a Leading Role

All
Management with Good Reflexes

Management with Integrity

Message from the CEO and CHRO

Human Capital Management at Link and Motivation

Link and Motivation defines human capital as the interaction between human resources (individual skills and capabilities) and organizational capabilities (engagement), and we invest aggressively in improving that human capital. Engagement is the key. Our research has shown that engagement has a positive correlation with a company's operating margin and labor productivity.

However, these are merely key performance indicators (KPIs), not ultimate goals. We believe that placing business strategy and organizational strategy on an equal footing and continuing to link the two will lead to improvement in our corporate value over the medium to long term and the realization of our mission. We emphasize productivity as the indicator for measuring results. More specifically, we have made improvement in human capital ROI and gross profit per employee our key goal indicators (KGIs), and are achieving steady results.

Our Responsibility to Society and Our Mission

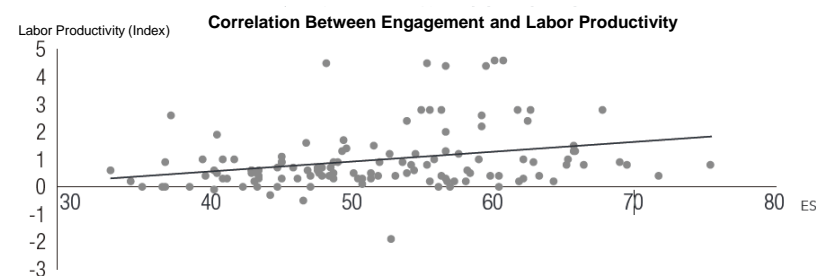
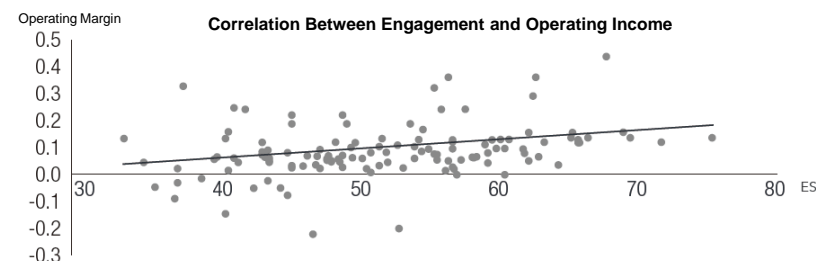
The business environment is changing dramatically. Under these conditions, an increasing number of companies are losing sight of their true essence as they become caught up in the demands and trends of society. If this continues, Japan's international competitiveness will decline. That is why we must create a virtuous cycle of maximizing both human capital value and customer value to continue to have a positive impact on society. Link and Motivation will continue to support numerous corporate transformations and fulfill its responsibility as a role model for society. Through human capital management, we will shape the future of companies and society together. I will continue to dedicate myself to this mission.



Correlation Between Engagement and Corporate Performance

A study conducted by our research organization, the Motivation Engineering Institute, has shown that **engagement has a positive impact on both operating margin and labor productivity**. The study also showed that **the higher the level of engagement, the higher the ROE, ROIC, PBR and other investment indicators**.

[Click here for details](#)

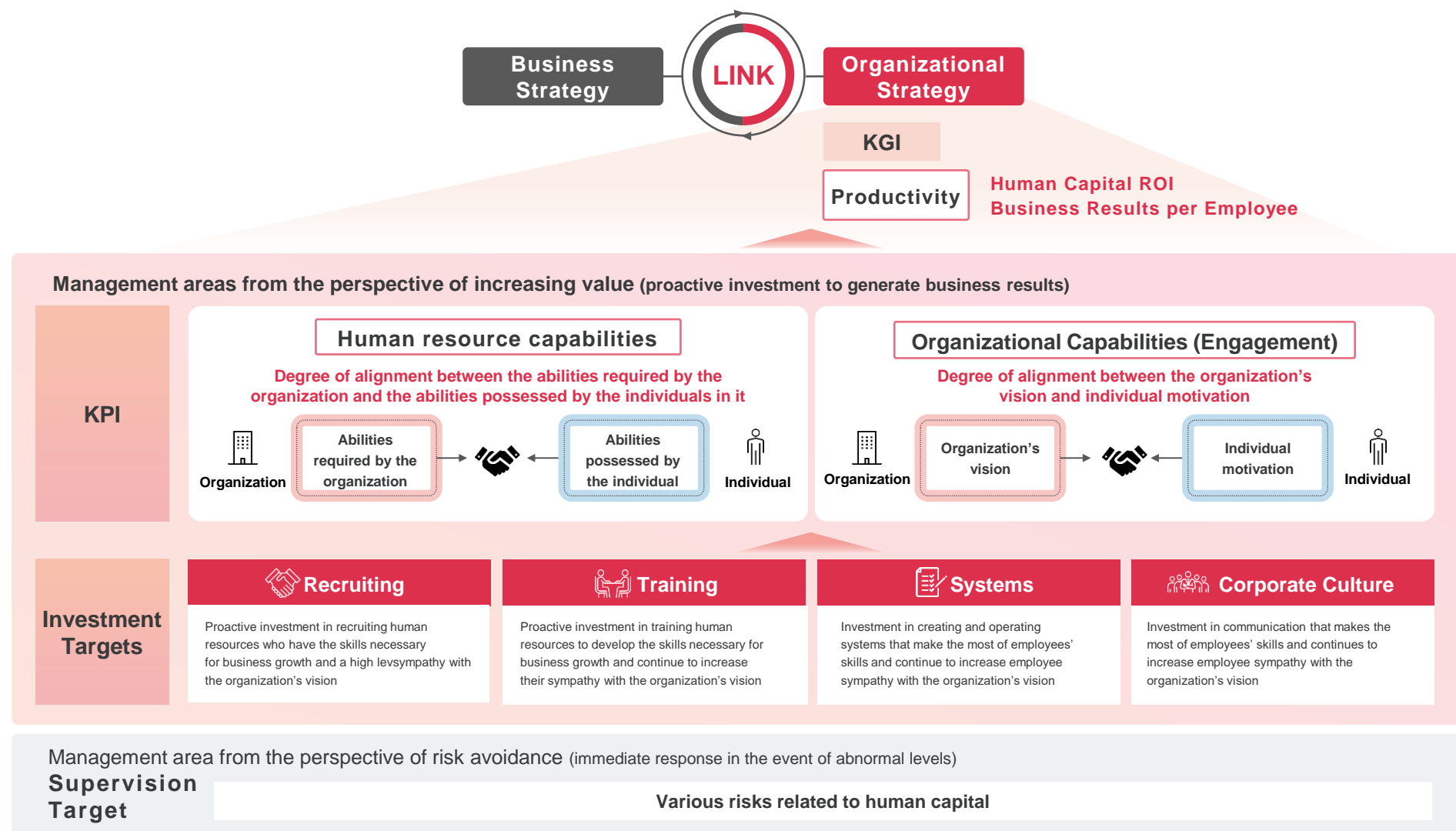


TOP MESSAGE

An Organizational Strategy That Makes the Most of Human Capital

The Link and Motivation Group's Approach to Human Capital Management

The management of a Motivation Company, which uses employee motivation as its growth engine, places its business and organization on an equal footing. We believe that linking a business strategy that maximizes customer value and an organizational strategy that makes the most of human capital while investing an appropriate amount of time and money in both to obtain returns will increase corporate value over the medium to long term and enable us to carry out our mission.

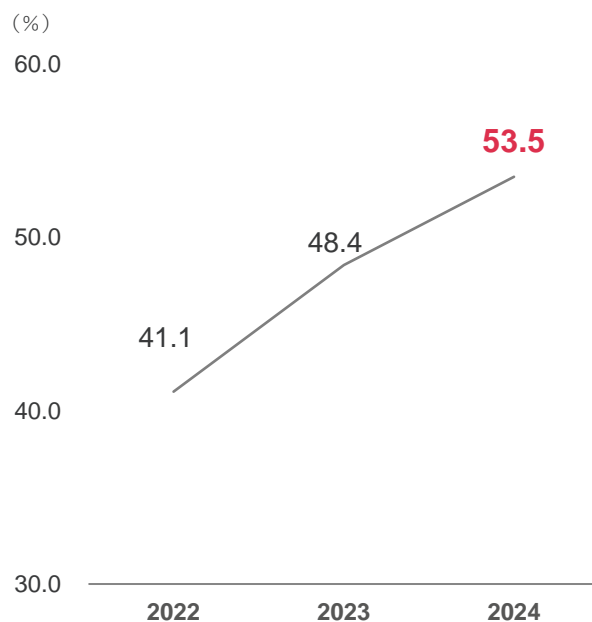


Productivity

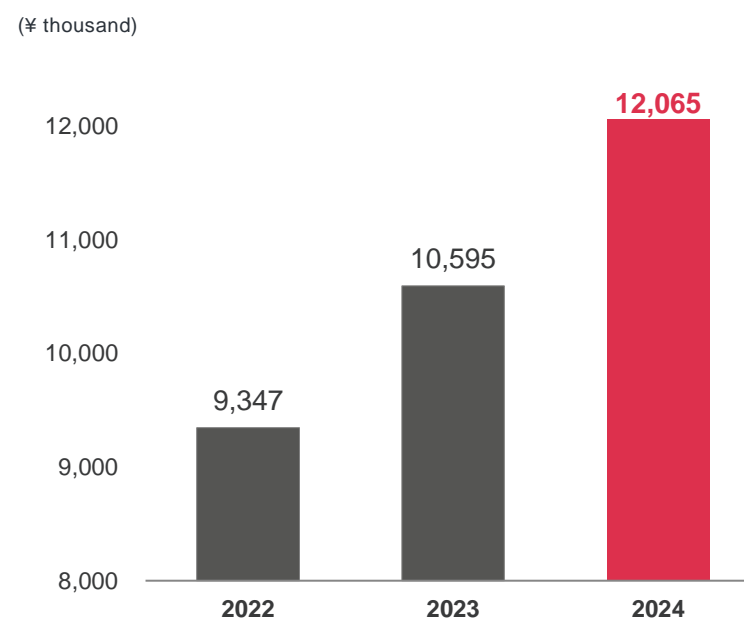
Human capital ROI* based on ISO 30414 has been steadily rising and is at a high level of over 50%.

Gross profit per employee has also continued to increase, and we expect further improvement in productivity going forward.

Human Capital ROI



Gross Profit per Employee



* Human capital ROI = Adjusted operating income ÷ Investment in human capital

Adjusted operating income is a profit indicator that measures operating results. It excludes temporary factors such as goodwill, right-of-use assets, and impairment of fixed assets from operating income.

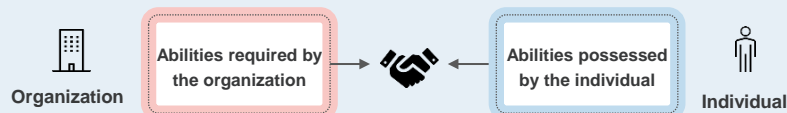
Investment in human capital reflects total expenditures, including employee salaries and bonuses, statutory internal and external welfare expenses, commuting expenses and other executive compensation.

Human Resource Capabilities/ Organizational Capabilities (Engagement)

The Link and Motivation Group is working to improve human resource capabilities and Organizational Capabilities (engagement), and has set numerical KPIs for both. We use the Role Survey Rating as an indicator for human resource capabilities, and the Engagement Rating as an indicator for engagement.

Human Resource Capabilities

Degree of alignment between the abilities required by the organization and the abilities possessed by the individuals in it



Indicator: Role Survey Rating

We use our own Motivation Cloud Role Development¹ service to measure the degree of alignment between the expectations and satisfaction of others regarding a survey subject's performance of the roles required for each rank listed below, and calculate a score on an 11-level ratings scale.



Service

Motivation Cloud Role Development

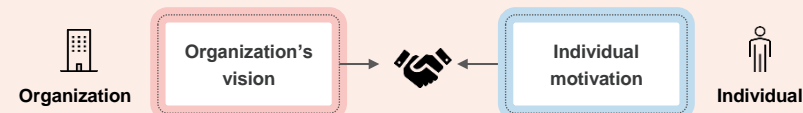


A cloud-based human resource development service for establishing an autonomous growth cycle.

Individual evaluations are quantified using an index of expectations and satisfaction in a 360-degree evaluation by the subject's subordinates and superiors. Based on the data, we design a growth plan for each individual to create a development cycle that transforms the subject's behavior.

Organizational Capabilities (Engagement)

Degree of alignment between the organization's vision and individual motivation



Indicator: Engagement Rating (ER)

To assess the state of engagement in an organization, we use our own Motivation Cloud Engagement² service to measure the degree of alignment between employees' expectations and satisfaction regarding the company, their superiors, the workplace and other items, and calculate a score on an 11-level ratings scale.



Service

Motivation Cloud Engagement



A cloud-based service for improving employee engagement.

It uses one of Japan's largest databases, collected from approximately 5.09 million respondents in 12,650 corporate diagnoses (to date), to visualize the condition of an organization and implement action plans for the issues it finds, leading to improvement in employee engagement.

Human Resource Capabilities/ Organizational Capabilities (Engagement)

The Role Survey Rating, which indicates human resource capabilities, remains at a high level, with A or higher ratings for more than 50% of employees overall, and more than 70% of managers.

The Engagement Rating, which indicates organizational strength, also remains at a high level, with all Group companies continuing to receive an AA or higher rating.

Role Survey Rating

		2022	2023	2024
All employees	Number of eligible respondents	1,137	1,378	1,363
	Rank A or higher	646	764	758
	Percentage of total (%)	56.8	55.4	55.6
Managers and above	Number of eligible respondents	146	156	165
	Rank A or higher	110	114	122
	Percentage of total (%)	75.3	73.1	73.9

Engagement Rating (ER)

Division	Group Company	Rating		
		Feb. 2023	Feb. 2024	Feb. 2025
Organizational Development Division	Link and Motivation Inc.	AAA	AAA	AAA
	Link Saussure Inc.	—	—	AAA
Individual Development Division	Link Academy Inc.	AAA	AAA	AAA
	Motivation Academia Inc.	AAA	AAA	AAA
Matching Division	Link Interac Inc.	AAA	AA	AA
	OpenWork Inc	AA	AA	AA
	Link-i Inc.	AAA	AAA	AAA

Average among the general public

Rating	AAA	AA	A	BBB	BB	B	CCC	CC	C	DDD	DD
Score	67 or higher	Less than 67	Less than 61	Less than 58	Less than 55	Less than 52	Less than 48	Less than 45	Less than 42	Less than 39	Less than 33