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Overview of Human Capital Management and Fixed Investment Principles

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Message from the CEO and CHRO



Ozasa Yoshihisa
Chairman and Representative Director

We Embody the Essence of Human Capital Management by Practicing What We Preach

The Essence of an Organization

What is an organization? In thinking about this question, I often use the example of a train platform. The people waiting on the platform are merely a group. However, at the moment someone falls off the platform onto the tracks and people try to help that person, they become an organization. They have a common purpose of rescuing the person who has fallen, a willingness to serve for that purpose, and communication that arises naturally so they can work together. This example shows that the conditions for forming an organization are a common purpose, a willingness to serve and communication. If any one of these is missing, an organization will not be formed. **Figure 1**

Another point to keep in mind is that organizations are not permanent. Once the common purpose is lost, it ceases to be an organization. Likewise, loss of the willingness to serve—that is, the motivation of individuals to work together to achieve a common goal—or a lack of communication will cause the organization to grind to a halt. An organization only exists temporarily. For an organization to survive, two elements are indispensable: organizational results and the fulfillment of individual desires. **Figure 2** Even if an organization

Figure 1
Requirements for Establishing an Organization

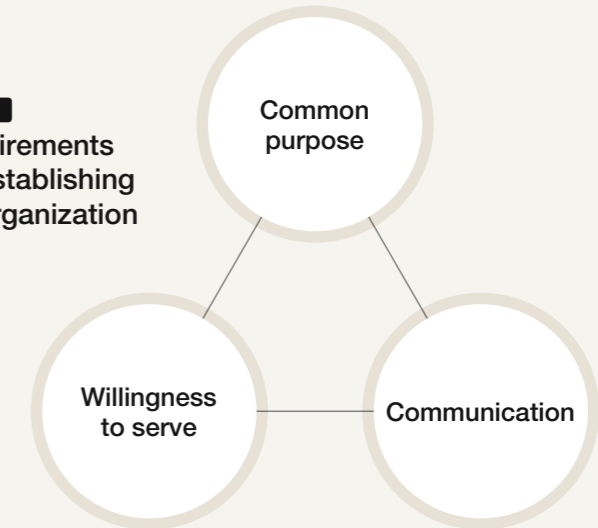
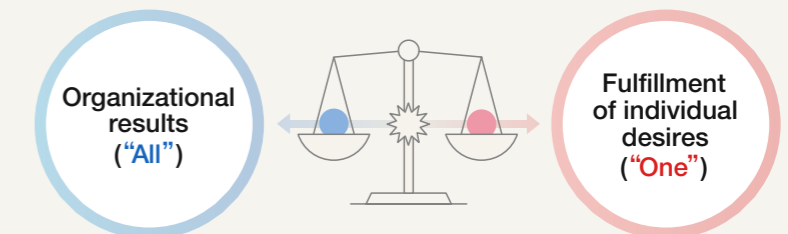


Figure 2 Requirements for an Organization to Survive



Message from the CEO and CHRO

Overview of Human Capital Management and Fixed Investment Principles

Core Themes in Human Capital Investment to Accelerate Business Growth

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Figure 3 Our Perspective on Humans

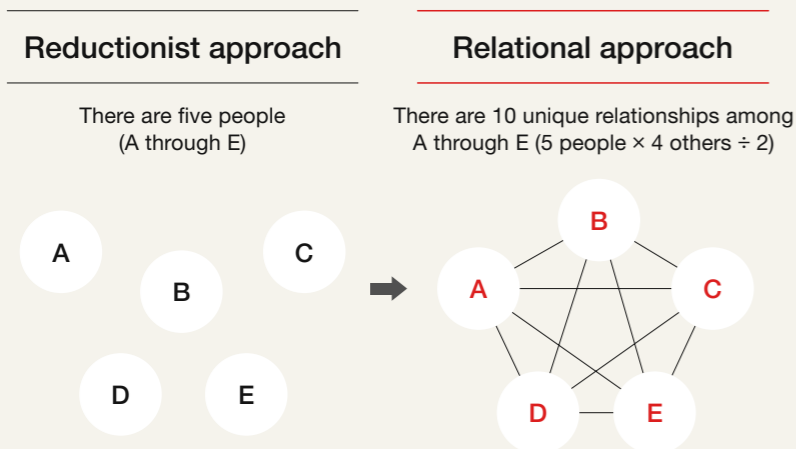


achieves results, it cannot continue if the desires of the individuals in it are not fulfilled. Conversely, even if individual desires are fulfilled, the organization cannot survive without producing results. I believe that the achievement of both elements is expressed in the phrase “One for All, All for One.” Achieving this state is a universal theme that organizations must pursue.

Furthermore, in that pursuit, a key premise is how we understand “One” (the individual) and “All” (the organization). Our perspective on humans is that people are not completely driven by economic rationality, but are emotional beings with limits to their rationality. **Figure 3** People do not always act rationally. Their judgments and actions are greatly influenced by emotions. Moreover, our perspective on organizations is that an organization is not just a collection of individuals. It is a cooperative system that is not reducible to its constituent elements. **Figure 4** It is composed of the relationships among individuals, and as the number of people increases, the number of relationships grows exponentially, increasing the complexity of the organization.

under this same principle of practicing what it preaches. We view business strategies that maximize customer value and organizational strategies that enhance human capital as equally important, and we manage our business by linking the two. We pursue initiatives to strengthen both human resource capabilities and organizational capabilities (i.e., build engagement), using human capital ROI and gross profit per employee as key goal indicators. To achieve our goals, we have designated the four domains of recruiting, training, systems and corporate culture as core targets for investment, and set priority themes to address business strategies and changes in the operating environment as we go through a cycle of ongoing improvement.

Figure 4 Our Perspective on Organizations



Foremost in Our Technology-Based Practice

Premised on these twin perspectives on humans and organizations, we established our core technology, Motivation Engineering. Consisting of diagnostic technologies and transformation technologies, Motivation Engineering serves as the foundation for all services provided by the Link and Motivation Group.

And above all, we emphasize practicing what we preach. Any service we offer to our client companies has first been thoroughly implemented in our own organization. We use it ourselves, refine it and then offer our insights to society as a service. We consider it our responsibility to continuously implement this cycle.

The Link and Motivation Group also conducts its human capital management

The Unchanging Essence of Management in the Age of AI

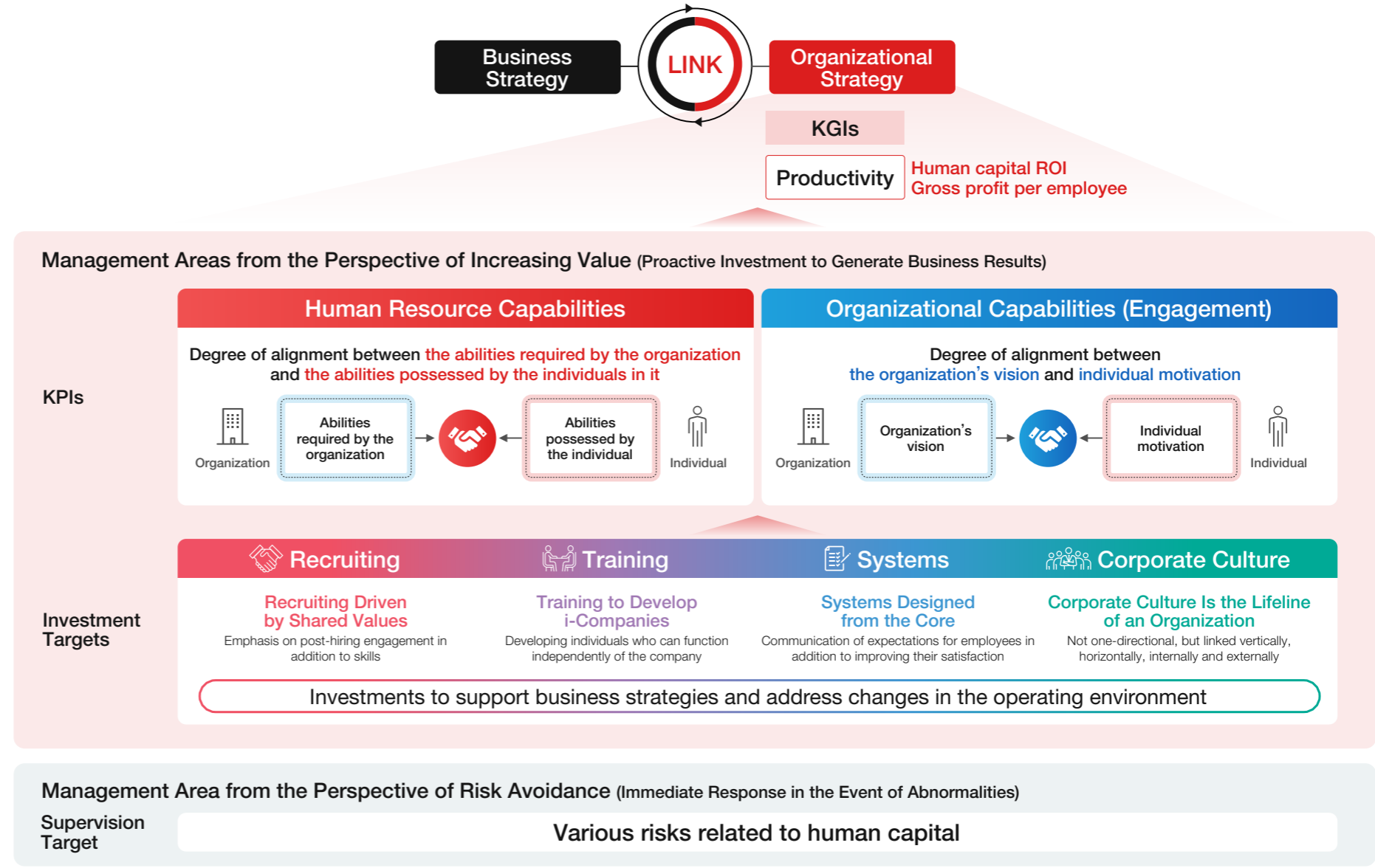
Advances in AI and other technologies are significantly changing the corporate operating environment. The spread of generative AI is dramatically raising productivity and transforming the way value is created. We are also proactively adopting these technologies as we invest to enhance organizational productivity and create value faster. However, no matter how much technology advances, the fact remains that people are at the heart of corporate value creation. The relationships that arise in the countless “gaps” within an organization—between individuals, between departments, and between management and the front lines—sometimes generate results beyond expectations, while at other times they are the source of significant hardships. Motivation Engineering technology provides insight into those relationships by serving as a lens that brings a relationship-based perspective into focus.

The Link and Motivation Group will continue to implement its own style of human capital management, grounded in a commitment to practicing what it preaches. At the same time, we will continue taking on the challenge of sharing our relationship-based perspective with organizations around the world.

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

An Organizational Strategy That Makes the Most of Human Capital

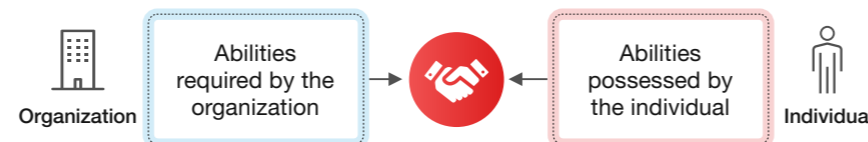
The Link and Motivation Group treats business strategy, which maximizes customer value, and organizational strategy, which maximizes human capital value, as equally important and links the two in its management practices. With human capital ROI and gross profit per employee as key goal indicators (KGIs), we have set the degree of alignment between the abilities required by the organization and the abilities possessed by the individuals in it as our KPI for human resource capabilities and the degree of alignment between the organization's vision and individual motivation as our KPI for organizational capabilities (engagement). To achieve KGI and KPI goals, we have made the four domains of recruiting, training, systems and corporate culture our core targets for investment. With ongoing initiatives in these domains as our baseline, we continue to identify priority themes that will support business strategies and address changes in our operating environment. In this way, the Group views investment in human capital as a strategic investment that will generate future returns, and aims to achieve sustainable organization growth by maintaining a cycle of evaluation and improvement based on various indicators.



High-Level Human Resource Capabilities and Organizational Capabilities (Engagement) through the PDCA Cycle



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



Indicator Role Survey Rating

The performance of roles required at each career level is mapped to an 11-level rating system according to the role survey score, which is calculated based on the degree of alignment between the expectations and satisfaction of others.

2025 Benchmark: Percentage with "A" rating or higher:
All employees: 57.0%; Managers: 75.0%

Results		2023	2024	2025
All employees	Number of survey subjects	1,378	1,363	1,320
	Rank A or higher	764	758	731
	Percentage of total (%)	55.4	55.6	55.4
Managers and above	Number of survey subjects	156	165	187
	Rank A or higher	114	122	148
	Percentage of total (%)	73.1	73.9	79.1

We use our cloud-based human resource training service, Motivation Cloud Role Development, to improve our human resource capabilities. Through 360-degree surveys that collect feedback from subordinates and supervisors, we calculate a role survey score based on the degree of alignment between the expectations and satisfaction of co-workers regarding the performance of the roles required of survey subjects at each career level. The calculated scores are categorized into 11 rating levels and presented as role survey ratings. Based on the survey results, we help subjects design an individual growth plan and implement a training cycle that encourages behavioral change, leading to improvement in human resource capabilities. The Link and Motivation Group uses role survey ratings as a KPI for human resource capabilities, and continuously monitors progress based on periodic repeat surveys. In 2025, we maintained a high level of human resource capabilities, with ratings of "A" or higher for more than 55% of all employees, and more than 75% of managers, which exceeded our target.

Service Overview

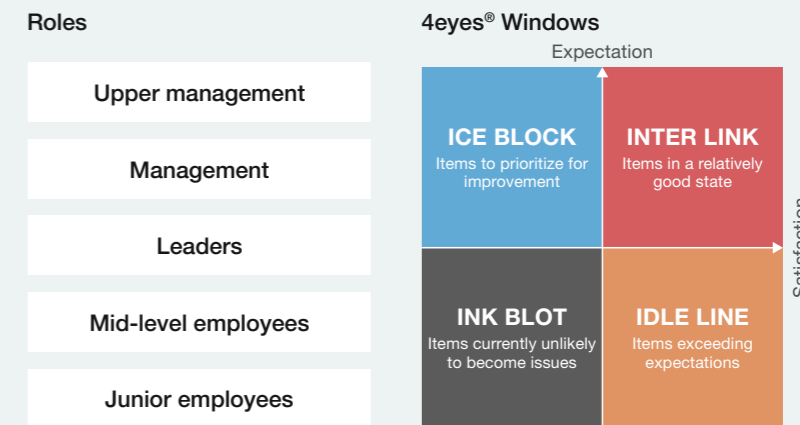
Motivation Cloud Role Development



A cloud-based human resource training service that facilitates an independent growth cycle. It uses diagnostic data to design individual growth plans, establish action plans and conduct progress management on the cloud to provide a training cycle that promotes behavioral change.

Visualizing Role Performance to Establish an Independent Growth Cycle

The extent to which individuals fulfill the roles expected of them at each career level is quantified through 360-degree surveys of both subordinates and supervisors covering the two axes of expectation and satisfaction. Items in the ICE BLOCK quadrant, where both supervisors and subordinates expect improvement but their satisfaction level is low, are identified as key issues, and a growth cycle is implemented.



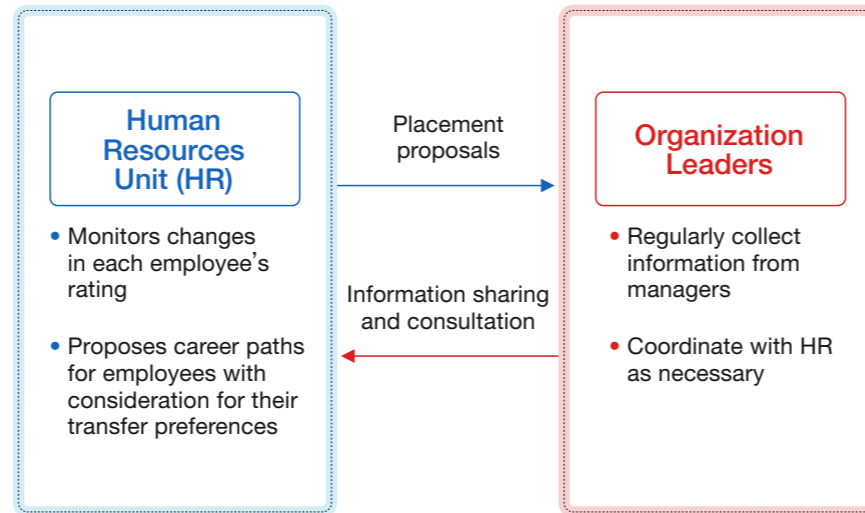
High-Level Human Resource Capabilities and Organizational Capabilities (Engagement) through the PDCA Cycle

Human Resource Capabilities

Within the Link and Motivation Group, we use Motivation Cloud Role Development to promote management that improves human resource capabilities on both the Group-wide and workplace level. At the Group-wide level, the Human Resources Unit monitors role survey ratings, which are based on 360-degree surveys, as a KPI, analyzing trends and patterns over time. For members with consistently low ratings or other issues, measures such as reassignment are taken in consultation with their workplace, with reference to the career plan the individual has submitted, among other factors. At the workplace level, managers serve as junction points linking corporate and individual growth. Members start by setting goals for each quarter, then work independently toward growth by using Motivation Cloud Role Development to execute their plans and review their actions. Managers provide guidance through regular one-on-one meetings and performance evaluations, so that each workplace can go through its own independent growth cycle. By linking Group-wide and workplace initiatives, we are able to raise the level of human resource capabilities across the organization.

Group-Wide

HR Monitors from a Group-wide Perspective and Coordinates with Workplaces as Necessary



Key Points

- HR monitors role survey ratings based on 360-degree surveys
- For members with consistently low ratings, HR proposes reassignment, with reference to their career plan and other factors

Workplace

Managers Link Corporate and Individual Growth So Members Can Grow Independently



Key Points

- By functioning as junction points in the workplace, managers link corporate and individual growth
- Members conduct their growth cycles independently

High-Level Human Resource Capabilities and Organizational Capabilities (Engagement) through the PDCA Cycle

Human Resource Capabilities

Case Study of a Junior Employee's Growth Cycle

How Motivation Cloud Role Development Cultivates Human Resource Capabilities

The Link and Motivation Group regularly conducts surveys of all employees, including executives, then encourages them to formulate growth plans based on the results and engage in a training cycle that leads to behavioral change. This page takes an in-depth look at how Motivation Cloud Role Development is utilized to enhance human resource capabilities through the example of a successful junior employee.

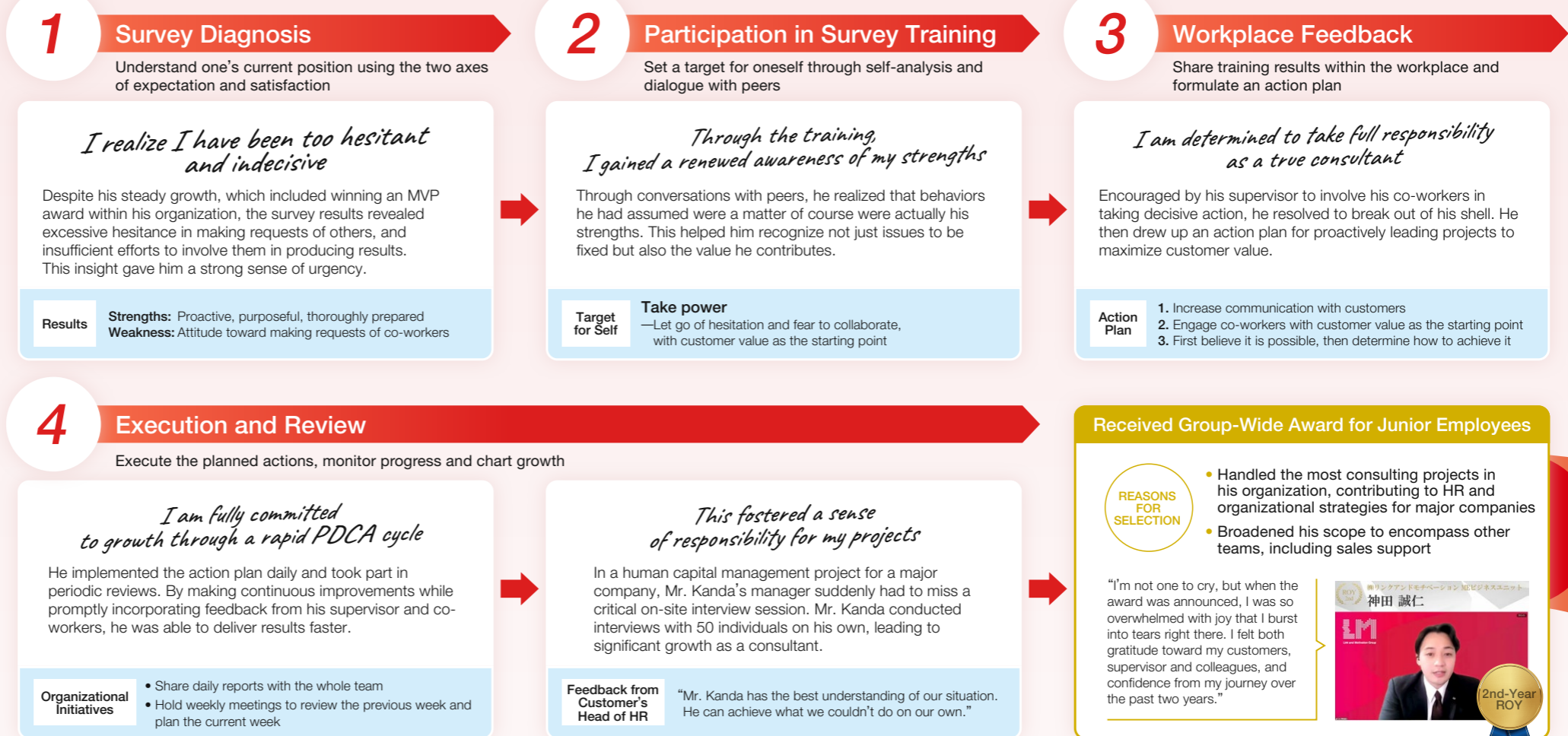


Close-up on One Employee's Growth Cycle



Kanda Masahito

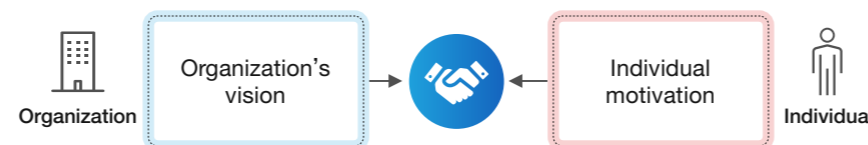
Mr. Kanda joined Link and Motivation after graduating from the School of Social Sciences at Waseda University in 2023. As a consultant, he has been involved in projects for organizational transformation and human capital management, primarily for manufacturers and other large companies. After supporting organizational transformation for a wide range of customers, in 2025 he received the 2nd-Year Rookie of the Year award.



High-Level Human Resource Capabilities and Organizational Capabilities (Engagement) through the PDCA Cycle



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



Indicator Engagement Rating

A ranking on an 11-level rating scale according to Engagement Score, calculated based on the degree of alignment between employee expectations and satisfaction regarding the company, supervisors and the workplace.

2025 Benchmark: Maintaining a high standard of AA rank or above at all Group companies

Results

Division	Company	2023	Rating 2024	2025
Organizational Development Division	Link and Motivation Inc.	AAA	AAA	AAA
	Link Saussure Inc.	—	—	AAA
	Japan Strategic Finance Co., Ltd.	—	—	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	AAA
	Link-i Inc.	AAA	AAA	AAA

* Results from the engagement survey conducted in January for 2024 and earlier years, and July for 2025. Excludes overseas subsidiaries, Link Dining Inc., which conducts other business, and Unipos Inc. and e-Associates Inc., which became wholly owned subsidiaries in August 2025.

Motivation Cloud Engagement, a cloud-based service for improving engagement, is used to enhance organizational capabilities. This service groups the factors influencing people's sense of attachment to the organization into engagement factors in 16 areas to calculate an Engagement Score based on the degree of alignment between employees' expectations and satisfaction regarding the company, their supervisors and their workplace. The calculated score is rated on an 11-level scale and disclosed as an Engagement Rating. Based on the survey results, we operate an improvement cycle by setting ICE BLOCK (items with high expectation/low satisfaction) and other items as key issues to address, and implementing action plans for those issues. At the Link and Motivation Group, Engagement Rating is positioned as a KPI for organizational capabilities, and we continually monitor its status based on the results of the survey, which is conducted regularly. In 2025, the Link and Motivation Group maintained a high level of employee engagement, with an Engagement Rating of AAA for seven companies and AA for one out of the eight Group companies.

Service Overview

Motivation Cloud Engagement



A cloud service for improving employee engagement. We support improvement of engagement by visualizing the organization's condition using one of Japan's largest databases, collected from 13,930 companies and approximately 6.29 million people (as of December 31, 2025).

Establishing an Improvement Cycle for Visualizing Organizational Condition and Increasing Engagement

Based on theories of social psychology, we classify the factors that influence employees' sense of attachment to the organization into engagement factors in 16 areas. We then visualize the condition of the organization from two perspectives: expectation, which measures what employees expect of the company, and satisfaction, which shows the degree of satisfaction with the company in each area. We then set ICE BLOCK (items with high expectation/low satisfaction) and other items as key issues to address, and operate a cycle for improving them.

Engagement Factors in 16 Areas

Company	Supervisor	Workplace
Company foundation	Provision of information	External adaptation
Philosophy and strategies	Collection of information	Internal cohesiveness
Business content	Decision making	Transformation activities
Work content	Support	Succession
Organizational climate		
Human resources		
Facilities and environment		
Systems and benefits		

4eyes® Windows



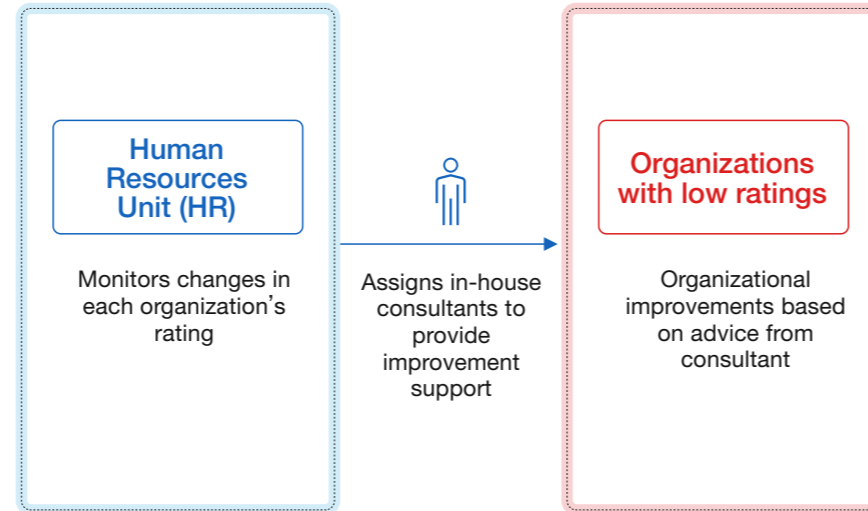
High-Level Human Resource Capabilities and Organizational Capabilities (Engagement) through the PDCA Cycle



The Link and Motivation Group utilizes Motivation Cloud Engagement to promote effective management across the Group and in individual workplaces to improve organizational capabilities. On a Group-wide basis, our HR unit regularly monitors the Engagement Rating of each organization as a KPI, and analyzes sudden changes and structural trends. Our in-house consultants are assigned to organizations with low ratings to provide accompanying support ranging from identification of issues to design and implementation of improvement measures. At the same time, companies and workplaces independently carry out improvement activities based on survey results, formulate and implement action plans, and operate a continuous and highly effective improvement cycle, with ongoing reflection through pulse surveys. Through this linkage of Group companies and workplaces, we visualize our overall organization's condition and achieve continuous improvements in engagement, and we also promote highly transparent and reliable organizational management by disclosing ratings internally and externally.

Group-Wide

HR Monitors from a Group-wide Perspective, Providing Support to Organizations as Necessary

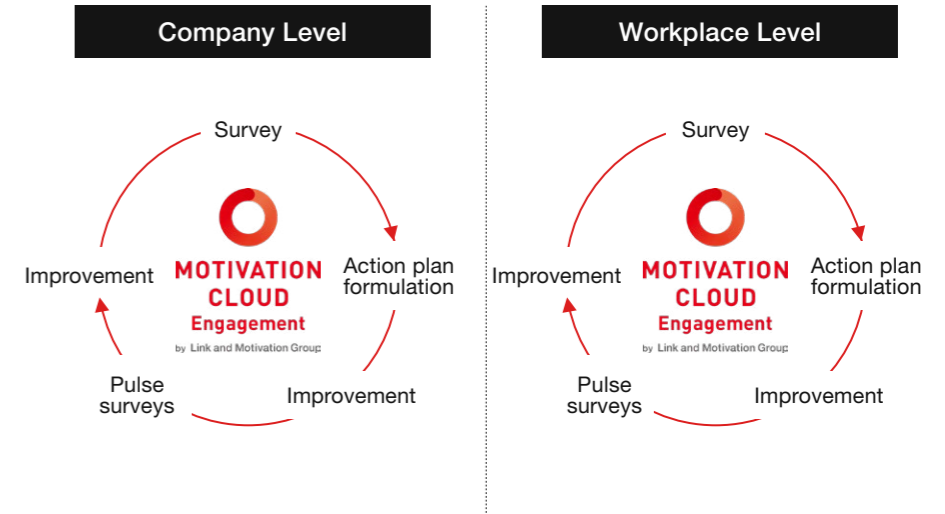


Key Points

- HR monitors the Engagement Rating of each organization to watch for any sudden changes
- For organizations with low ratings, in-house consultants are assigned to provide support

Workplace

Independent Efforts to Improve Engagement by Each Company and Workplace



Key Points

- Improvement activities utilizing survey results are carried out by workplaces as well as companies
- The president and management monitor the execution of action plans and changes in the results of pulse surveys

High-Level Human Resource Capabilities and Organizational Capabilities (Engagement) through the PDCA Cycle



Case Study of a Department's Organizational Transformation Cycle

How Motivation Cloud Engagement Cultivates Organizational Capabilities

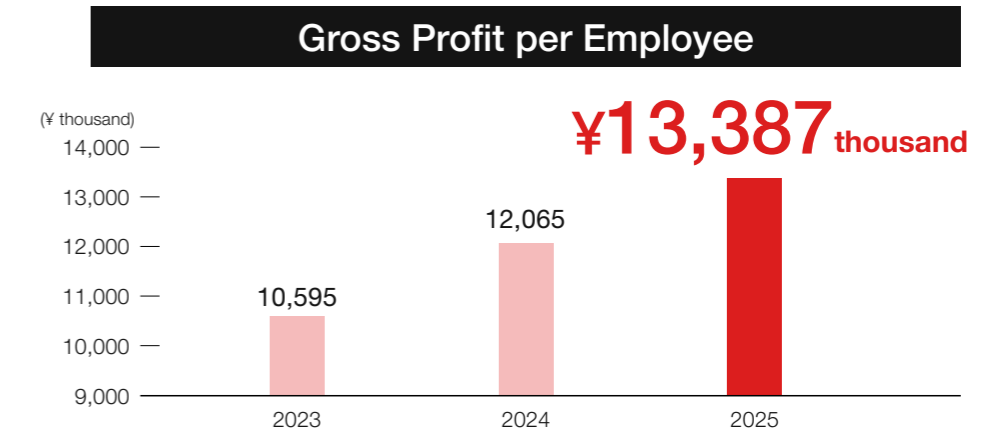
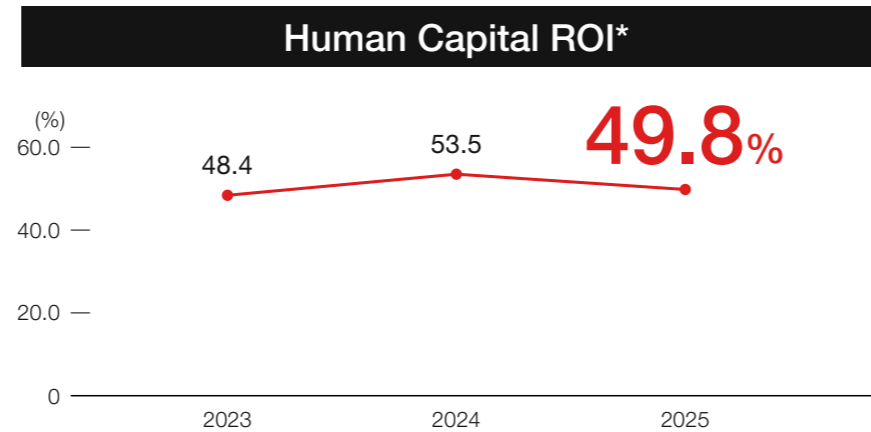
At the Link and Motivation Group, we promote organizational transformation through the PDCA cycle by turning diagnosis into transformation action, starting with surveys every six months. On this page, based on initiatives of one organization over half a year, we break down the process from identification of issues using Motivation Cloud Engagement, to execution of measures and advancing toward the organization's vision.



High Productivity Driven by AI

Further Optimizing the Link between Business and Organization

At the Link and Motivation Group, we place business strategy and organizational strategy on an equal footing, and believe that continuously linking both will lead to higher corporate value over the medium and long term, as well as achievement of our mission. We emphasize productivity as the key metric to measure the results of that effort, and have set human capital ROI and gross profit per employee as KGIs. Since 2024, we have accelerated digital transformation (DX) centered on the use of generative AI. Personnel have been appointed to coordinate DX in each organization, and we have implemented step-by-step upskilling through level classification and goal setting for employees who use AI. Furthermore, as a result of Group-wide rollout of successful models developed within specific organizations, by the end of 2025 we had established a structure in which all employees can utilize AI in their daily work and the foundation for providing organizational support for productivity improvement. As a result, human capital ROI maintained a high level, and gross profit per employee grew steadily. We will continue our efforts to increase productivity further.



Achieved 100% AI utilization among employees in the Consulting & Cloud Business



Assignment of DX Coordinators (TAs)

Technology Administrators (TAs) have been assigned in each organization. After training by our IT engineering team, TAs promote productivity improvements in each workplace.

1	Role Design of TAs	Rather than just improving business efficiency, a TA's mission is to transform businesses with the power of digital technology, and link that to the creation of customer value.
2	Selection Based on Individual Qualities	Selection takes personal qualities into consideration based on our unique aptitude test as well as current IT skills.
3	Strengthening Monitoring with the Use of Surveys	We regularly monitor how digital technology is actually being used within the Company, and increase the speed of improvement cycles.



Level Classification and Goal Setting for Employees Who Use AI

AI usage skills are classified on a scale of 1 to 5 for all employees. Levels are defined from being able to use basic AI tools, to contributing to business model transformation with the development of new tools. The TA is responsible for promoting usage at higher levels.

Level 1	Has tried it, but not yet using it for work tasks
Level 2	Routinely uses AI tools to boost efficiency
Level 3	Creates new usage case studies and contributes to organizational performance
Level 4	Identifies issues in business processes and develops AI tools to make improvements
Level 5	Drives business and business model transformation through AI



Group-Wide Rollout of Successful Models

In 2024, we began to use AI extensively in specific organizations, and gained the know-how to create mechanisms that bring about business impacts. In 2025, we rolled out successful models across the whole Group based on the following Five Principles of Digital Transformation.

1	Problem-Led	Start from the problem to be solved, not the technology
2	Start Small	Start small and expand
3	Continued Learning	Repeat the improvement cycle based on employee feedback and usage data to evolve the system
4	Effects and Setting	Proceed in tandem with effectiveness measurement, fully leveraging the results of efficiency improvements
5	Commitment of Front-Line Staff	People within the organization take the initiative with the support of engineers

* 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.

Current State of Human Capital Management as Reflected in Employee Reviews

How is the model of human capital management promoted by the Link and Motivation Group perceived by employees, and what kind of changes and results is it bringing? Employee Review Reports are a service offered on the OpenWork platform and are generated based on contributions submitted on the OpenWork employee review site. On this page, we look at Link and Motivation's Employee Review Report to gain an understanding of the actual situation of human capital management as told through comments from employees.



Link and Motivation Inc. from the Perspective of an Expert

Credit Pricing Corporation
 "Employee Review Report" Analyst

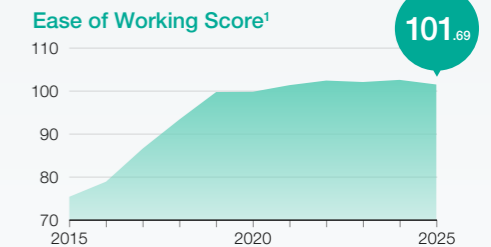
With respect to organizational culture and job satisfaction, **many respondents mention the permeation of the corporate philosophy, growth opportunities for junior employees, and the speed of growth.** On the other hand, there were some opinions **that change can be intense because while the speed of growth is fast, so is the speed of organizational transformation.** In other items, words such as "practice what we preach" and "mission-driven" appeared more than at other companies, and looking at the scores, "organizational culture" and "job satisfaction" were both at a high level. "Ease of working" is near the average, **but the score is being improved as the overall market level of "ease of working" is itself rising,** and words expressing the current "ease of working" were frequently mentioned.

INSIGHT

Ease of Working

Evaluates factors such as work-life balance and women-friendly workplaces

By promoting operating efficiency and flexible work styles, the Group has established an environment where everyone can continue to work over the long term and performance is maintained at a high level. As a result, the ease of working score continues to increase, and remains at a high level. In addition to ease of working, the strengthening of conditions that allow employees to confidently take on challenges is also being reflected in scores.



Highlight 1

Evaluates whether employees feel motivated, growth opportunities, etc.

Employee Review Report 2025 Score¹

Job Satisfaction 121.18

12th
 among listed companies in the services industry²

Employee reviews submitted to OpenWork³

Based on the human resources requirements framework, the opportunity to use data to visualize my own weaknesses from various angles, and consider approaches to address them with my colleagues and supervisor operates on a short cycle. A culture that helps people to pursue their own growth across the Company is well established, and I think being able to play an active role soon after joining the Company if you just have potential makes this a very attractive environment. (Excerpt)

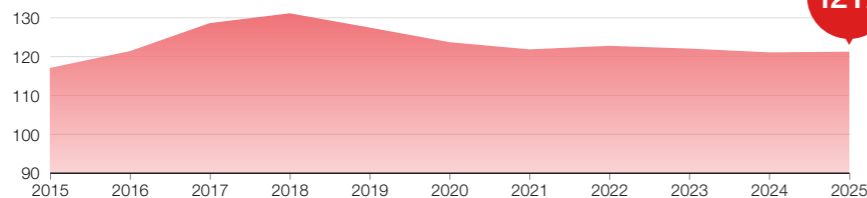
(New graduate hire / Current employee)

We have many younger employees, and since I was a mid-career hire, there are cases where my experience is broader and more extensive than that of employees in the rest of the Company, but I am deeply grateful that I have been able to learn about organizational and human resources matters from systematic and academic perspectives, and to organize my experience and framework to give greater clarity to my thought process.

(Mid-career hire / Current employee)

The Link and Motivation Group is focused on creating an environment where every employee can feel a sense of challenge and growth as the organization expands. Through the four areas of recruiting, training, systems and corporate culture, we provide growth opportunities and link performance with compensation. In the Employee Review Report, the job satisfaction score remains at a high level, and is well above the average at other companies. Furthermore, scores are above the market average in all categories, regardless of new graduate or mid-career status, occupation and gender, which indicates that individuals feel a sense of growth even as the Company continues to expand.

Job Satisfaction Score¹



Highlight 2

Rates the quality of the environment, culture and systems that are deeply rooted throughout the company

Employee Review Report 2025 Score¹

Organizational Culture 155.41

2nd
 among listed companies in the services industry²

Employee reviews submitted to OpenWork³

Given that consulting on organizational and personnel matters is the Company's core business, it places high importance on alignment with the Company Mission during recruiting. All employees embrace the mission and the corporate slogan, so communication within the organization is very good, and since there is a clear common purpose organization-wide, communication across departments is also very smooth.

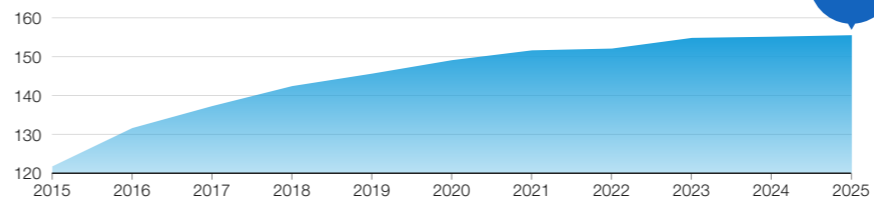
(New graduate hire / Current employee)

The Company provides organizational and personnel matters-related services to external customers with the idea that "One for All, All for One" is important, and that is practiced within the Group as well. Employees' sense of contribution to the company and their organization is a strength of the company.

(Mid-career hire / Former employee)

The Link and Motivation Group continues to make investments that link the four areas of recruiting, training, systems and corporate culture, and has prioritized integration centered on its philosophy, even as organizational differentiation and expansion proceed. The results of that effort are also reflected in the Employee Review Report. The organizational culture score is trending steadily upward, and has maintained a high level well above the average at other companies. Moreover, scores are significantly above the market average in all categories, regardless of whether the employee is a new graduate or mid-career hire, gender or occupation. This indicates the permeation of an organizational culture based on our philosophy that transcends how many years employees have spent with the Company or differences between departments.

Organizational Culture Score¹

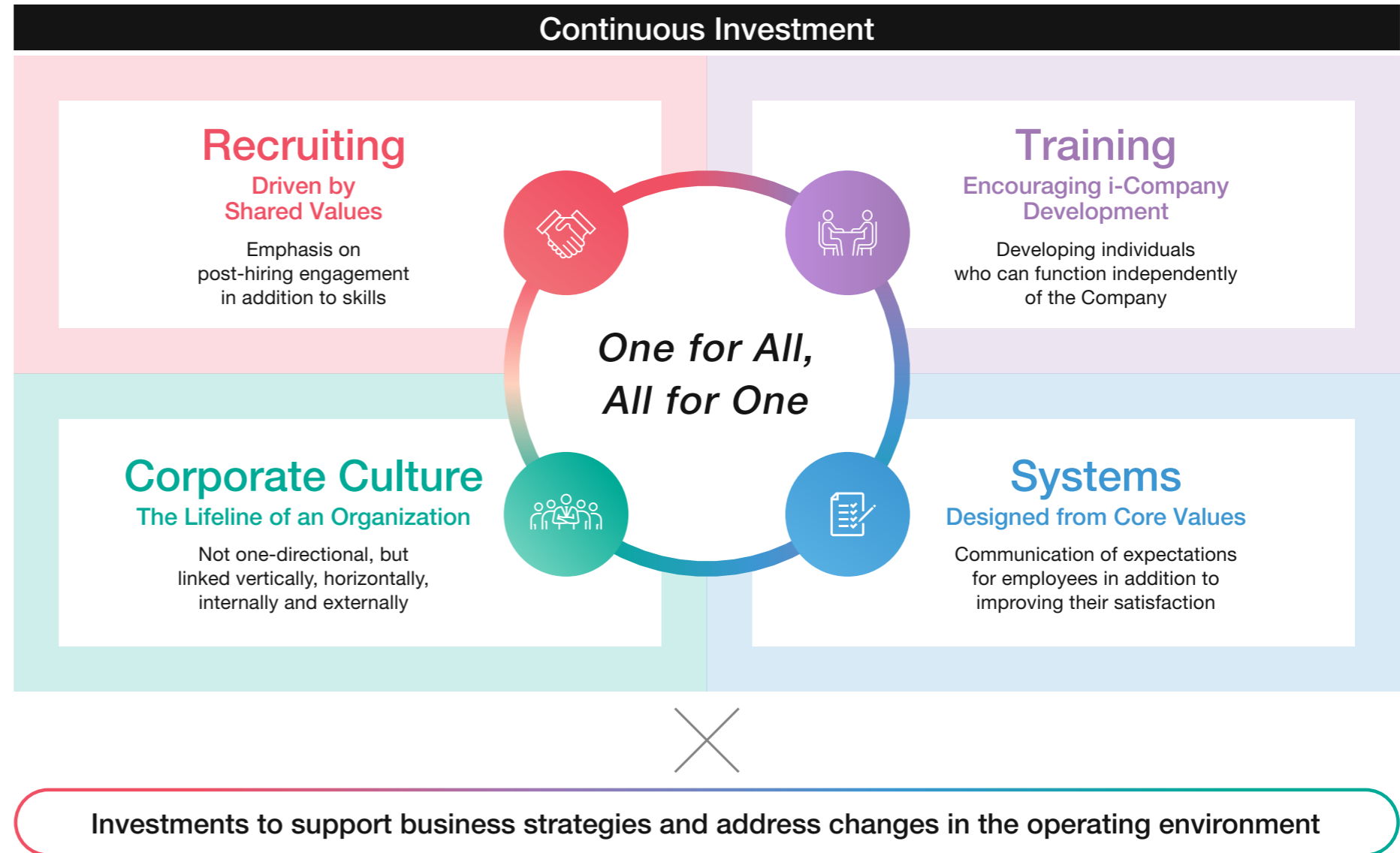


1. The "job satisfaction" score, "organizational culture" score and "ease of working" score are presented as relative values with the average of companies listed on the Tokyo Stock Exchange Prime Market or Standard Market set at 100.
 2. This ranking is a classification created by Credit Pricing Corporation based on publicly disclosed information. However, note that some companies are excluded from the comparative analysis, as it is limited only to companies with a minimum of 50 total contributors for each item.
 3. OpenWork employee reviews are published with the cooperation and permission of OpenWork Inc.

Our Enduring Commitment to Management in Four Domains

Maximizing Value by Linking Four Domains

The Link and Motivation Group views investment in human capital not as a one-time measure, but as an ongoing initiative that is at the core of our management. We link and align the four domains of recruiting, training, systems and corporate culture to strengthen them in an integrated fashion under the concept of "One for All, All for One." There are two essential elements for an organization's continued existence: organizational results and the fulfillment of the desires of the individuals who make up the organization. No matter how strong an organization's results may be, it cannot survive if individual desires are not met. Conversely, even if those individual desires are met, the organization cannot survive without producing results. Based on this fixed principle, we invest organically in the four domains, taking a basic approach of promoting recruiting driven by shared values; training that encourages i-Company development; systems designed from core values; and the corporate culture that is the lifeline of any organization. In addition, we identify priority themes to support business strategies and address changes in the operating environment, implementing measures that link the four domains in accordance with those themes. Through this approach, we maximize the value of our human capital and increase our corporate value.



Our Enduring Commitment to Management in Four Domains

Overview of Human Capital Management and Fixed Investment Principles

Core Themes in Human Capital Investment to Accelerate Business Growth

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Recruiting

Driven by Shared Values

Applicant Engagement Diagnosis:
Group companies whose philosophy and strategies fall in the INTER LINK quadrant

5 of 6
companies

First-year turnover rate

2.5%

With the belief that a company's state five to ten years in the future is determined at the hiring stage, the Link and Motivation Group considers recruiting to be the linchpin for advancing its management strategy and achieving its mission. Among the four domains of recruiting, training, systems and corporate culture, we invest most heavily in recruiting, viewing it as an activity to welcome individuals who share our corporate philosophy and are willing to work with us to achieve it. Accordingly, in addition to skills and potential, we consider resonance with our philosophy to be an essential requirement, and we rigorously design our selection process with a view toward candidates' success after joining the Group. As a result, the responses to our Entry Management Survey, a diagnosis of applicant engagement, placed the philosophy and strategies of five out of six of our Group companies in the INTER LINK quadrant, which indicates high levels of both expectation and satisfaction. In addition, our first-year turnover rate is 2.5%, demonstrating that strong engagement grounded in resonance with our philosophy contributes to employee retention. Through recruiting that focuses on resonance with our philosophy, we will continue to welcome candidates who will advance our organization and support our business growth.

Emphasis on Post-Hiring Engagement in Addition to Skills

Use of the BRIDGE Aptitude Assessment for Understanding Character Traits and Matching

Before selecting applicants for an internship, we have them complete the BRIDGE aptitude assessment to gain a better understanding of their character traits and areas of potential. We then intentionally pair them with an employee with a similar personality type or complementary traits as their Entry Manager to deepen mutual understanding and enhance candidates' motivation to join the Group.



Entry Manager System to Foster Sharing of Our Philosophy

We have introduced an Entry Manager System, in which an employee provides individualized support for each university student applicant from job offer to employment. Through ongoing dialogue with an employee, candidates gain a more in-depth understanding of both the Group and themselves, thereby strengthening their resonance with our corporate philosophy. By deepening understanding of our philosophy and business before the candidate starts work, we create conditions where new hires can proactively take on challenges and thrive from day one.



Internships for First-Hand Experience of the Connection Between Our Philosophy and Businesses

The Group offers practical internships designed to help participants understand the connection between our philosophy and our businesses. We offer interns the opportunity to deepen their resonance with our corporate philosophy through first-hand experience in the consulting business, working on projects for organizational and social transformation.

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Events for Prospective Employees to Help Them Feel Like Colleagues

Through pre-employment events, we provide opportunities for prospective employees to understand our philosophy and business in greater depth through interactions with employees and fellow job offer recipients. Some Group companies also hold activities such as retreats and social gatherings to foster connections rooted in our philosophy through ongoing dialogue. By deepening their understanding of our philosophy and direction before work begins, these experiences help each of our prospective employees develop a strong sense of themselves as future colleagues.



Our Enduring Commitment to Management in Four Domains



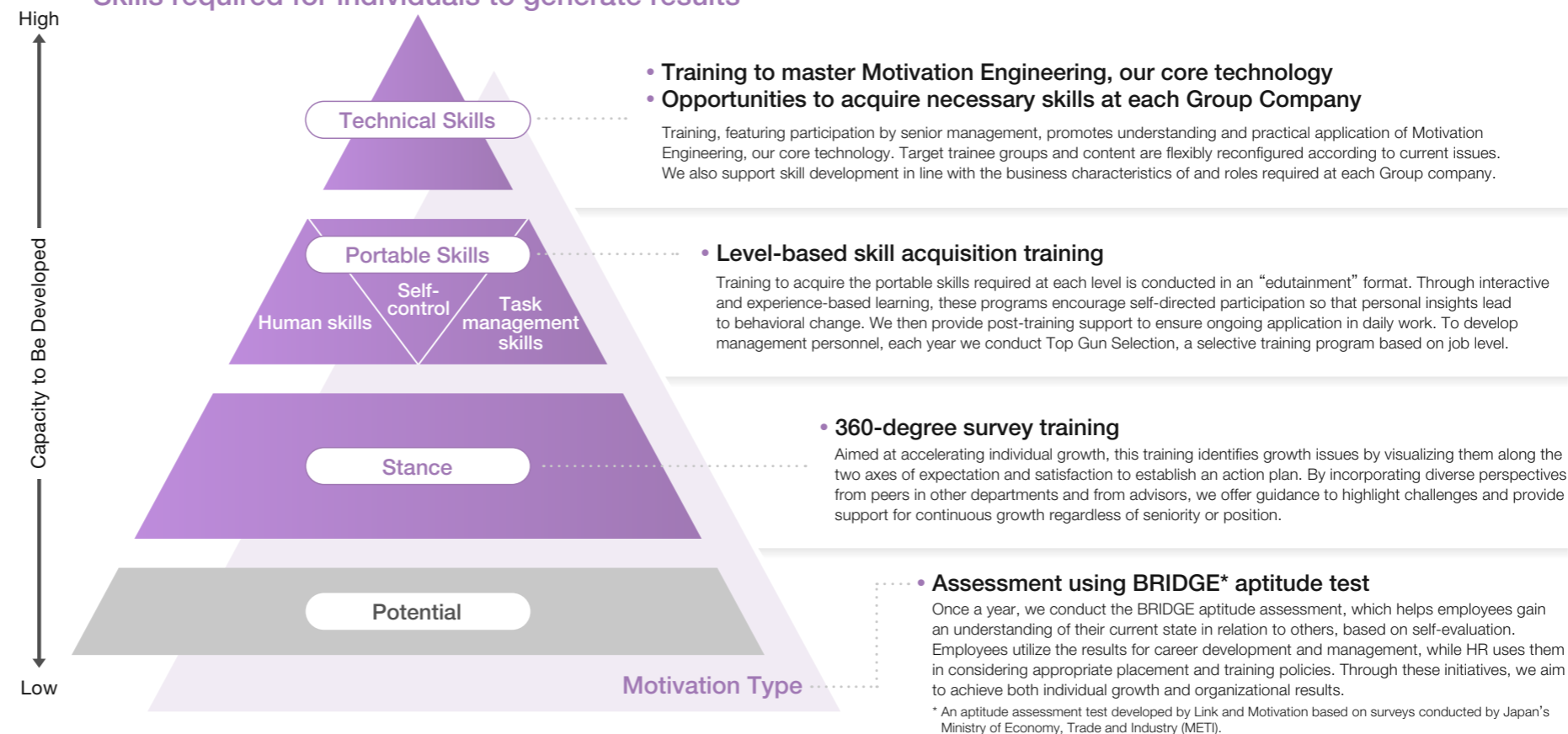
Executive candidate coverage rate
106.9%

Cumulative internal proposals submitted
620

We emphasize independent career development, and uphold the idea that each employee should cultivate a perspective of being the manager of their own “i-Company.” Based on this approach, we identify individual character traits and have established a training system based on our human resource requirements framework. By providing growth opportunities regardless of rank or role, we create an environment where each employee can proactively engage in their own development. In addition, because our organization is in a growth phase, we are focusing on training programs to develop our next generation of leadership. As a result, our executive candidate coverage rate is 106.9%, indicating that we are continuously cultivating talent capable of taking over management in the future. Furthermore, the mindset of taking the initiative developed through these programs is reflected in outcomes such as a cumulative total of 620 internal proposals submitted through our in-house proposal system. We will continue to nurture talent with a management perspective centered on our i-Company concept to support the evolution of our organization and our business.

Developing Individuals Who Can Function Independently of the Company

Human resource requirements framework: Skills required for individuals to generate results

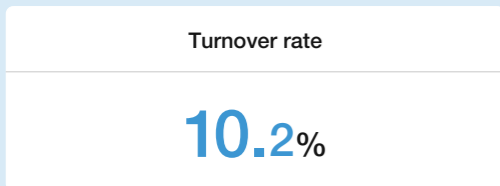


i-Company Support

- Submission of an annual career planning sheet
- HR consultation and opportunities for career change upon request

Employees submit a career planning sheet once a year as part of their efforts to independently build their careers. This encourages employees to articulate their aspirations and goals, and to set a clear direction for growth. In addition, to support independent career development we offer consultations with HR and opportunities for career change to those who request them.

Our Enduring Commitment to Management in Four Domains



We view our personnel systems as “messages from management” that communicate the company’s expectations for each employee and the direction of their growth. While the primary objective of personnel systems generally tends to be improving employee satisfaction and workplace comfort, the Link and Motivation Group aims to use its personnel systems to increase resonance with its corporate philosophy. Our basic policy is therefore to incorporate our clear expectations into each system, resulting in our unique HR design. When revising or introducing systems, top management communicate the background and intent themselves through channels such as the Group General Meeting and internal communications, to foster understanding and agreement among employees. Through these initiatives, we create an environment in which employees can feel a true sense of connection to our philosophy as they fully demonstrate their abilities. As a result, we maintain a relatively low turnover rate of 10.2%. We will continue to upgrade our personnel systems in response to changes in the operating environment in order to support employee growth and sustainable improvement of our corporate value.

Communication of Expectations for Employees in Addition to Improving Their Satisfaction

An Overview of Our Distinctive Systems

Category	System	Expectations/Message from the Group	Details
Evaluation and Salary	Class	To give rise to new heroes who will leave their mark on history	<ul style="list-style-type: none"> Classes named after historical figures <p>Class assignments are based on individual capabilities rather than seniority. Each employee’s class is disclosed to all other employees.</p>
	Evaluation	To encourage employees to grow at four times the pace of the rest of the world	<ul style="list-style-type: none"> Quarterly evaluations <p>Goals are set every three months from the perspectives of “Performance,” which indicates the degree of contribution to the company’s results and organization, and “Stretch,” which reflects the degree of individual growth. Use of a PDCA cycle promotes rapid development.</p>
	Salary and Bonus		<ul style="list-style-type: none"> Salary Bonus (premier rewards) <p>Salary is determined based on the employee’s class, combined with evaluation results for “Performance” and “Stretch.” Ongoing base salary increases are also implemented. Bonuses are paid as a share of the results achieved, determined based on both organizational performance and individual evaluation over each three-month period.</p>
Working Style	Life Event Support	By regularly reassessing the relationship between the Group and each employee and recalibrating expectations, we aim to create an environment where employees can continue to work over the long term.	<ul style="list-style-type: none"> Work Style Options <p>A system that enables employees to temporarily change their work style to accommodate childbirth, childcare, family nursing care, injury or illness. At the same time, we also realign expectations based on changes in work performance.</p>
	Work Style	To enhance both productivity and engagement	<ul style="list-style-type: none"> Compatible Work <p>We design work processes that make the most of the advantages of both office work and remote work, creating an environment where employees can be productive at a high level. To facilitate communication, designated in-office days are set at the organizational level.</p>
Benefits	Paid Leave	To encourage employees to grow at four times the pace of the rest of the world	<ul style="list-style-type: none"> Quarterly vacation days <p>Based on our unique calendar that treats “three months as one year,” we provide three consecutive days of leave at the end of each quarter as a “year-end” break.</p>
		To use time well to prepare for the next stage	<ul style="list-style-type: none"> Overhaul leave <p>Granted every three years of continuous service, with additional “Refine Bonus” payments provided depending on each Group company’s internal policies.</p>
	Employee Stock Ownership Association	<ul style="list-style-type: none"> To give employees a management perspective To share joy in the Company’s growth with Group employees who continue to invest their valuable time 	<ul style="list-style-type: none"> Incentive system <p>A portion of the stock purchase price is subsidized based on amount of stock purchased. This system encourages long-term shareholding and creates a cycle in which both the Company and employees prosper.</p>

Our Enduring Commitment to Management in Four Domains

Overview of Human Capital Management and Fixed Investment Principles

Core Themes in Human Capital Investment to Accelerate Business Growth

Human Capital Management

Human Capital Data



Corporate Culture

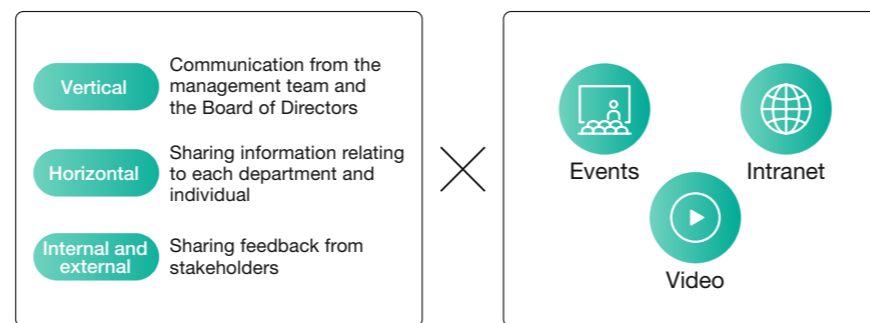
The Lifeline of an Organization

Group companies with the survey item "philosophy and strategies" in the INTER LINK (strengths) quadrant

5 of 8 companies

The Link and Motivation Group views communication as the "lifeline" of an organization. Differentiation by hierarchical level and function is essential for an organization to grow, but the more differentiation progresses, the greater the sense of distance between levels and functions, creating challenges in mutual understanding and effective communication. As our organization becomes more differentiated, we place great importance on connecting vertically (across hierarchies), horizontally (across departments), and internally/externally (inside and outside the Group), thereby promoting integration and mutual understanding. In addition, we anchor communication in our philosophy and strategies, and implement measures that combine various media, including events, the Group intranet and video, to maintain a constant connection to them. Through these initiatives, we have deepened understanding of our philosophy and strategies. As a result, the survey item "philosophy and strategies" is in the INTER LINK quadrant, which represents organizational strengths, for five out of the eight Group companies. We will continue to balance differentiation and integration through communication in order to support the further evolution of our organization and our human resources.

Not One-Directional, but Linked Vertically, Horizontally, Internally and Externally



Daily	LMG News	Presents LMG business results data, etc., with an emphasis on timeliness	Intranet
Quarterly	Group General Meeting	Held as a forum for sharing the Group's perspective. It brings together all employees with the goal of explaining the Group's current position and intended future.	Event
	LM Journal	Web-based distribution of in-depth content on Group-wide themes to provide opportunities to understand Group businesses and organizations from diverse perspectives.	Intranet
	Top Comment	Dialogues and messages in a streaming video format. They share the viewpoints and ideas of the management team.	Video
Yearly	History Book	Updated and published annually to share the Group's history from its founding and the background of its decision-making.	Publication
	LM Kaitai Shinsho	A breakdown of quantitative data for each of the three markets. It facilitates understanding of the Group's current position.	Intranet
No fixed schedule	LM Job Story	Profiles of employees active in various job roles. They convey the appeal of all kinds of work.	Intranet
	DNA Book	A book for passing down the "DNA" that provides the building blocks of the Group.	Publication
	ME Book	An explanation of Motivation Engineering, the Group's core technology.	Publication

Examples of Content

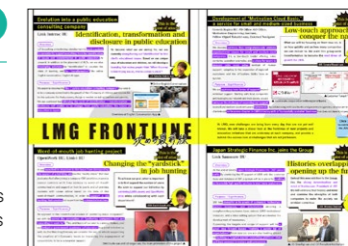
Event: Group General Meeting Vertical

Once every three months, all employees attend a meeting where a business report and Group-wide awards are announced, and Group representatives make presentations on management policies and key topics. Through these presentations and messages, Group members align their understanding of the Group's current state and performance standards, while deepening their shared vision for the future.



Intranet: LM Journal Horizontal

This comprehensive web media platform examines the Group's businesses and organization from a variety of editorial perspectives. In focusing on topics such as front-line challenges and their context, Group company strategies and award winners, it promotes mutual understanding across departments and roles, helping to establish shared standards and perspectives within the organization.



Video: Top Comment Internal and external

Videos share the perspectives and thoughts of the executive team. They communicate their message across the organization. The incorporation of stakeholder expectations and external ideas through discussions with experts from outside the Group and other features helps to link internal and external perspectives, and to encourage a broader shared outlook.

