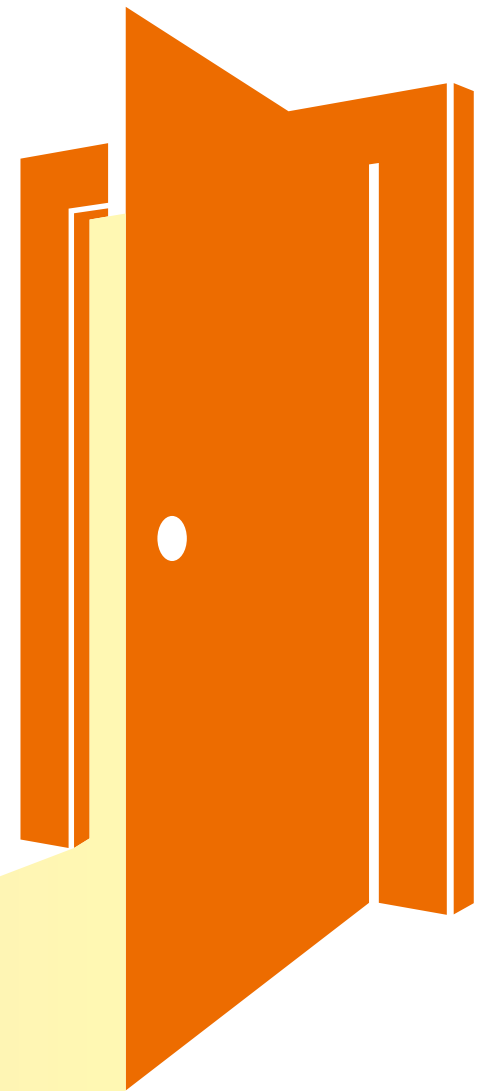




# INTEGRATED REPORT 2023

Open Up Group Inc.  
Integrated Report 2023



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## Reporting Period

Fiscal 2023 (July 1, 2022 to June 30, 2023)

This report also mentions activities and outcomes from outside the above reporting period.

## Scope of This Report

Regarding financial information, we use consolidated figures, but for qualitative information on our sustainability initiatives and quantitative information that supplements the qualitative information, we use the data of Open Up Group Inc. and its subsidiaries in Japan. In some cases, we describe measures according to the scale, business, etc., of a subsidiary, and when a specific group of subsidiaries is mentioned, we state the names of the respective companies.

Note: In this report, “the Group” refers to Group companies in Japan, as mentioned above.

## Referenced Guidelines

This integrated report has been produced with reference to the *Integrated Reporting Framework*, published by the IFRS Foundation, and *Guidance for Collaborative Value Creation*, published by the Ministry of Economy, Trade and Industry.

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# OUR PURPOSE

## Open Up Individual Potential through Rewarding Work

### The Spirit Expressed by Our Purpose

Just as each individual has a different way of thinking about happiness, we believe that rewarding work for workers is also diverse.

Our role is to create many doors to open up possibilities and a milestone toward a rewarding work for each employee.

We support the workers to open the doors.

- For some people, the challenge to a new job.
- For some people, to improve their skills in training.
- For some people, the time to consult future careers.

We believe that people will always grow and drive the society forward when they open the next door. We will increase the number of people who open the door to the next to make society more diverse and prosperous.

We, the Open Up Group, exist to create such a future.



**Yutaka Nishida**

Chairman and Representative Director, CEO

# Message from the CEO

We will strive to satisfy workers and unlock their true potential, creating medium- to long-term value as their employer of choice.

## Connecting People with Rewarding Work to Help Realize a Sustainable Society

Open Up Group Inc's Purpose—its reason for being—is to open up individual potential through rewarding work. We believe that rewarding work is the kind that allows each individual to demonstrate their strengths and expand their potential.

Work is one of the most important aspects of life in modern society besides the need for food, water, and shelter, but in reality not many people are able to find the jobs that they want. In particular, only a handful of people are able to find the jobs they are looking for right after graduation, and the majority of people find themselves hindered by various gaps when they actually start working. These gaps may take the form of missing skills and qualifications, a lack of opportunities and experience, or simply a difference between expectations and reality. Our role in society as a personnel staffing business is to bridge these gaps and connect people with rewarding work.

We will achieve growth as a Group by supporting the career development of our employees, creating opportunities for people to do work they are passionate about and increasing the value of this work in their lives. I believe this means no less than helping realize a diverse and prosperous society where people can fulfill their potential.

## Message from the CEO

### Focusing on Work Experience to Embed Our Purpose

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In fiscal 2023, the fiscal year ended June 30, 2023, the Group completed its framework for promoting sustainable management, with our Purpose positioned at the top. In conjunction with the development of BY25, our medium-term management plan covering the four-year period from fiscal 2022 through fiscal 2025, we established the Open Up Purpose Index, a series of five indicators that allow us to measure our progress in achieving our Purpose. Additionally, we have identified our material issues, which are issues that could impact our efforts to promote business strategies, create value over the medium to long-term, and ultimately our ability to realize our Purpose. More recently, we have formulated specific action plans to address these material issues and are incorporating our Purpose and material issues into the strategies of each operating company.

However, the truth is that there is still a great deal of work to do in terms of how much employees empathize with concepts such as our Purpose, material issues, and the Open Up Purpose Index, and whether they apply them in their work. I believe that for our Purpose to become embedded throughout the Group, we must help our employees get a better understanding of what it is trying to achieve. The key to this understanding is in the work experience of each individual employee.

Therefore, to help employees get a real sense that their efforts are bringing us closer to achieving our Purpose, we focus on sharing information within the Group. More specifically, we use our intranet to share achievements throughout

the Group, such as the case where a former food factory employee changed career and became an engineer with our support, and the fact that we have helped produce the greatest number of people with global cloud service platform qualifications in Japan. Another important aspect of this initiative is that we treat these achievements as achievements not only for the individual companies our employees belong to but also for the entire Group. This type of information not only inspires engineers and technicians to try to advance their own careers but also prompts employees in the sales, recruiting, planning, and administration departments to think of ways in which they can support this career advancement.

In this same vein, I believe that our material issues and Open Up Purpose Index tell us what we need to address to achieve our Purpose, give us a means to measure our progress in achieving our Purpose, and provide us with targets to reach along the way. At the same time, they give us an opportunity to reflect both on what we are trying to achieve by promoting initiatives to address these issues and reach these targets, and on our very reason for being.

### Unlocking Potential through Career Advancement and Change

---

To continue to grow in Japan, a country faced with a shrinking workforce, we must continue to be the employer of choice for workers. As I mentioned previously, there are many people with gaps in their work experience. If we offer services that help employees bridge these gaps and thereby find the jobs best suited to them, we will increase

the number of employees invested in their duties. As a result, the companies they are dispatched to will be more satisfied with their work, which will elevate the Group in the eyes of society. This virtuous cycle will help increase the Group's corporate value and help realize its Purpose.

Previously, the Group built a solid position in the market by focusing on the early stages of an employee's career, or the "career-launching stage," by hiring inexperienced people, training them as engineers, and dispatching them to companies. We are proud to count our deep well of knowledge on hiring and training inexperienced people among our strengths, and it is a strength we intend to maintain and build on in the future. At the same time, I would like us to increase our support for career advancement and career chances for more experienced engineers so that we remain the employer of choice among job seekers and employees alike.

This is driven by the desire to unlock the potential of workers. Even if you strive to build up your career, you limit your possibilities if your work remains the same for years on end. Social trends change, as do the knowledge, technological capabilities, and skills required of engineers. To unlock worker potential, we need to provide opportunities for continued learning—reskilling—and create a stage beyond career-launching that ensures that employees with motivation and skills can flourish.

### Enhancing Management Capital to Become the Employer of Choice

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An employer of choice must do more than provide basic advice along the lines of "Try this job," or "Try that job." It must provide constructive advice, training, education, and a wide range of support services that give workers the resources they need to develop their careers over the medium to long term. In addition to recruiting, training, and dispatching human resources to meet the needs of

**I believe that for our Purpose to become embedded throughout the Group, we must help our employees get a better understanding of what our Purpose is trying to achieve. The key to this understanding is in the work experience of each individual employee.**

## Message from the CEO

our client companies, we also try to learn what type of people a company needs in light of its medium- to long-term human resource strategy and prove ourselves to be a capable partner in resolving their issues. Put another way, we must improve consulting both for workers and for client companies.

To that end, we are working diligently to convert information into knowledge. For example, when making a proposal to a client company, it goes without saying that we need to be well-versed in the industry and technology trends that apply to that company. This has required the knowledge and experience of veteran employees familiar with the relevant industry. In the future, we would like to build a system that allows us to extract knowledge from an internal database without having to rely on individual people. If we can use this database to match client companies with engineers and technicians with appropriate experience, qualifications, and future career plans, our proposals will be much more compelling to workers and client companies alike.

When we take a close look at our current work, we find tasks that are legitimately difficult, as well as those that seem difficult on the surface but that can actually be performed by anyone if we take advantage of digitalization and automation. If digitalization and automation reduce the time it takes to perform these latter tasks, employees in the sales, recruiting, planning, and administration departments will be free to take on more difficult tasks, allowing them to display their abilities and improve their productivity considerably. If increasing their capabilities through taking on challenges leads to higher evaluations, improved compensation, and better benefits, employees will have a greater sense of fulfillment and engagement with their work. To create these conditions, we will make the investments necessary to digitalize information and convert it into knowledge while working to enhance our management capital, which is one of the key sources of the Group's competitiveness.

**If increasing their capabilities through taking on challenges leads to higher evaluations, improved compensation, and better benefits, employees will have a greater sense of fulfillment and engagement with their work. To create these conditions, we will make the investments necessary to digitalize information and convert it into knowledge while working to enhance our management capital, which is one of the key sources of the Group's competitiveness.**

### Strengthening Governance

In September 2023, we transitioned from a Company with an Audit and Supervisory Board to a Company with an Audit and Supervisory Committee, with the goals of speeding up decision-making and making our governance system more effective. Under the holding company structure, one of the major roles of Open Up Group Inc's Board of Directors is supervising and monitoring the business status of the Group's operating companies. Members of the previous Audit & Supervisory Board did not have voting rights within the Board of Directors, whereas members of the Audit & Supervisory Committee are also directors on the Board of Directors and can be more deeply involved in management-related decision-making. I believe that this is a highly significant step toward stronger supervision and monitoring.

The Board of Directors is a platform to discuss not only current management but also management for the next fiscal year, the year after, and beyond. To achieve our Purpose, I would like the Board of Directors to spearhead future-facing management, with a sharp focus on determining which matters are important and what types of initiatives and results we need to pursue.

The Group positions strict compliance with laws and regulations and information management as key prerequisites for management, and we are promoting initiatives that

emphasize employee education on these topics. This is a necessary step because, no matter how thorough the rules are, we need to consider the possibility that mistakes will occur, and having employees who can notice these mistakes is essential for dealing with problems should they appear. I believe that raising awareness of compliance among employees boils down to two ideas: "Treat others as you would like others to treat you," and, "If you think something is wrong, speak up."

### Increasing Worker Satisfaction and Creating Value

There is a belief that higher job satisfaction leads to higher retention rates. As a result, much attention is given to turnover rates and the reasons why people leave their jobs. However, I also think it is important to focus on the fact that there are employees who are satisfied with their jobs.

We must ensure that more of our 22,000-plus engineers and technicians are more satisfied with their jobs. We must give them the means to embark upon the next stages of their careers, charged with a sense of fulfillment and accomplishment. We are determined to realize our Purpose by pursuing employee satisfaction, the source of the value we create as a personnel staffing business.

# Competitive Advantages of the Open Up Group

## 01

### A Willingness to Hire Inexperienced People Coupled with a Strong Engineer Training Model

Our model for training engineers is our greatest strength. Under this model, we hire inexperienced people and help them gain practical knowledge and skills, ensuring that they are ready to start work at the companies they are dispatched to.

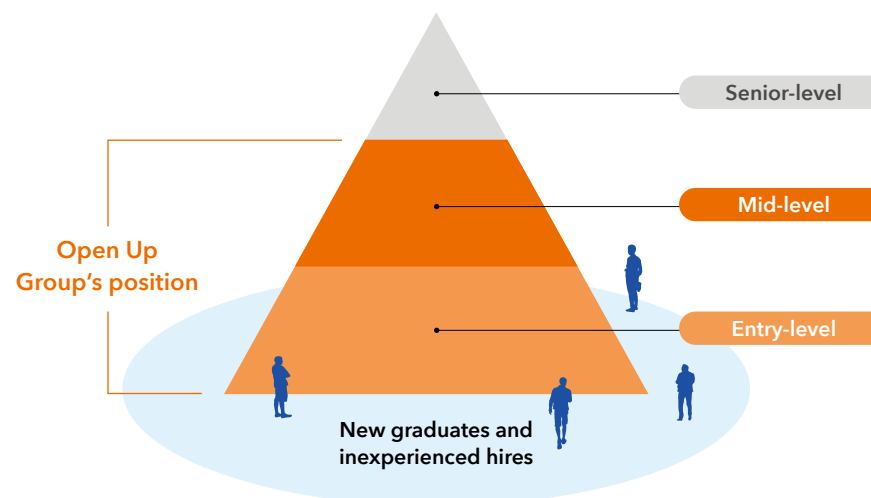
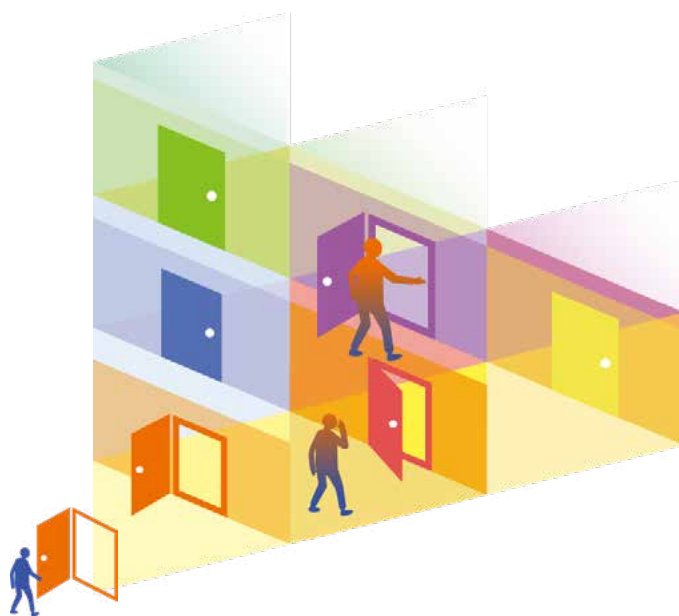
The number of people who study engineering at universities and other institutions and then go straight into the workplace constitutes only a handful of the engineers and technicians that companies actually need. At the same time, there is a pool of potential candidates who are interested in positions with these

companies but who feel that they have not had the chance to learn the necessary skills, or that they are unable to take the first step on their career path without any technical work experience.

These are the candidates we are willing to hire—people who have the desire to work as engineers but who may not have experience. We give them the opportunity to gain the knowledge and skills they need to succeed through extensive training and follow-ups.

In Japan, where the labor force is on the decline, there is already a shortage of engineers; this is particularly

noticeable in IT fields. Additionally, as technology evolves and the need for in-house technology development increases, companies are increasingly interested in using engineers with entry- to mid-level knowledge and skills. Accordingly, this segment of entry- to mid-level engineers is the largest in the engineer dispatch market. We have responded to this demand by hiring inexperienced people and training them through our engineer training model, which has enabled us to build a solid position in the dispatch market for engineers and technicians.



## 02 Our System for Supporting Career Advancement for Engineers

Our method of hiring inexperienced people and training them through our engineer training model is underpinned by comprehensive training programs and follow-up systems for our engineers and technicians.

The Open Up Group has operating companies working in segments that include Machinery and Electronics, IT, and Construction. These companies have developed a thorough understanding of technology trends, market-recognized qualifications, and customer needs, as well as extensive expertise in encouraging trainees in their pursuit of learning. By taking advantage of this understanding and expertise in the development and

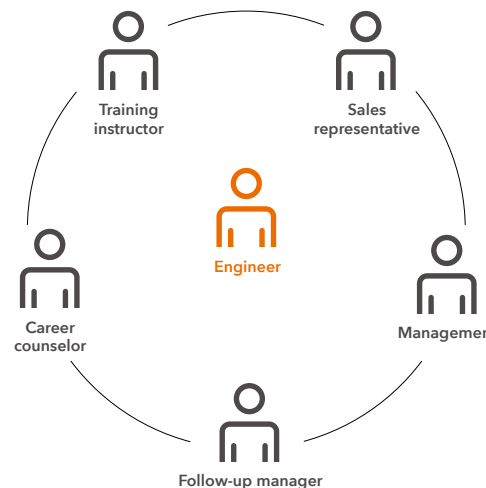
management of our training program, we can facilitate a smooth and efficient learning process.

We also help our employees gain qualifications, which allows us to measure the skills and technical level of our engineers. This form of support extends beyond inexperienced workers to include engineers who already have basic knowledge, skills, and qualifications and want to achieve a new level of success by acquiring more specialized knowledge and advanced technical skills. These engineers are given ongoing opportunities to reskill.

In addition to our training programs, we also place emphasis on our system for following up on employees.

Under our “workers first” policy, we support the growth and career advancement of our engineers. This support begins at the time that employees join the Group, when we use interviews and comprehensive assessments to understand their abilities, qualities, and aspirations, and it continues post-training when we match and assign employees to their positions. This support extends further, after they get acclimated to their positions, at which time we follow up on their progress. We also help them with advancing their careers once they have gained more experience.

### Our one-on-one support system, with a dedicated follow-up manager



### Supporting the improvement of employee skills by promoting reskilling





# 03 A Portfolio that Leverages Open Up Group's Industry-Leading Scale and Positioning

Japan's engineer dispatch market is valued at approximately ¥4.0 trillion. We have built up an impressive track record to become one of the largest players in this market, with over 22,000 engineers and technicians in our employ and a customer base of over 3,400 client companies.

The scale of our operations is attractive to job seekers, since it allows us to offer a wide selection of workplace options and a plethora of opportunities for career advancement. In addition, our strong sales team and its work with client companies and our follow-up system for engineers and technicians ensure we can provide

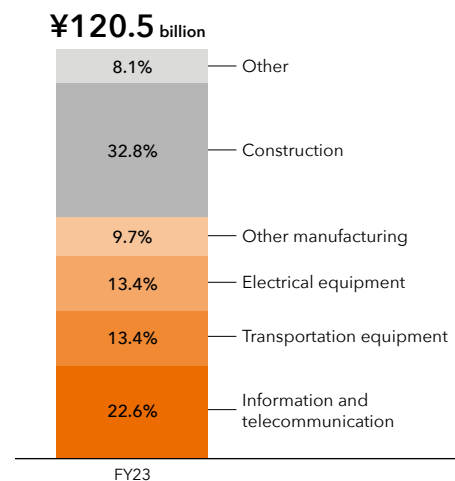
client companies with the appropriate services in a timely manner while also avoiding mismatches between new employees and the client companies they are assigned to. These qualities help improve customer satisfaction.

This industry-leading scale has also helped us build a business portfolio that balances profitability and growth. We have worked continuously to improve operations in our Machinery and Electronics and Construction segments—areas in which we have become industry leaders—and we have seen high profitability as result.

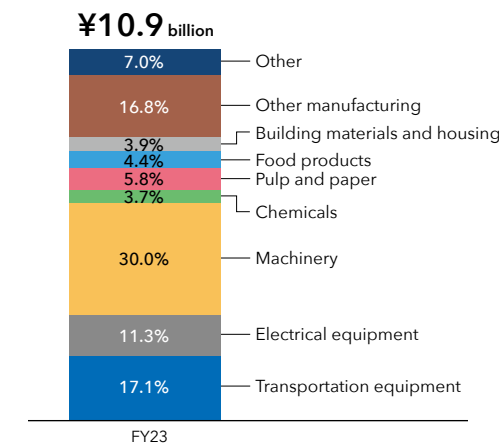
In order to continue growing and expanding our business base, we intend to ramp up hiring in engineering domains, which include the two previously mentioned segments as well as IT, a segment that is expected to see medium-term market growth. In addition, we have built a customer base across a wide range of industries, including the manufacturing domain, which has resulted in a highly resilient business portfolio that does not rely on economic trends in any particular industry.

<p><b>Number of engineers and technicians</b></p> <p><b>22,105</b></p> <p>(As of June 2023)</p>	<p><b>Number of client companies</b></p> <p><b>Over 3,400</b></p> <p>(As of June 2023)</p>
<p><b>Cumulative number of employees hired by client companies</b></p> <p><b>669</b></p> <p>(As of June 2023)</p>	<p><b>Operating profit</b></p> <p><b>¥12.8 billion</b></p> <p>(Fiscal 2023)</p>

Net sales in engineering domains by industry

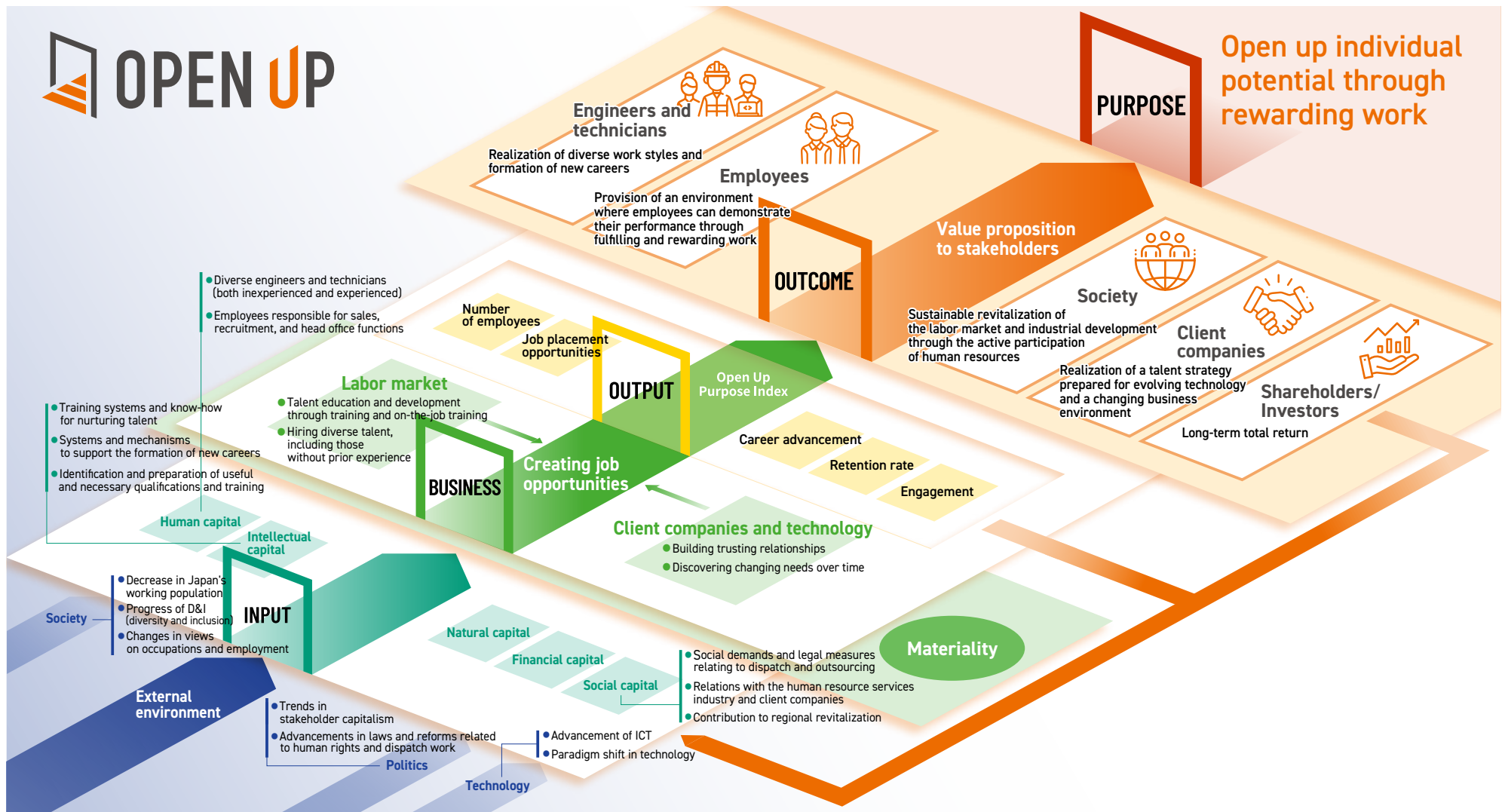


Net sales in manufacturing domains by industry



# Value Creation Model

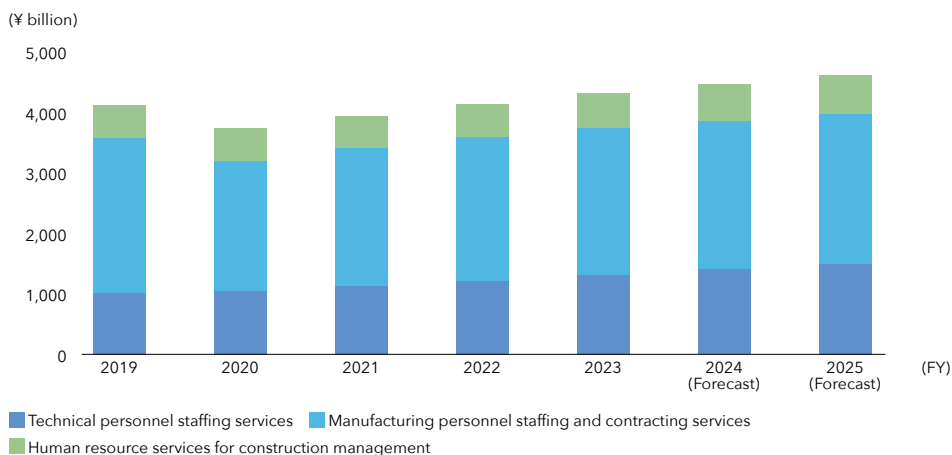
We believe that initiatives aimed at realizing our Purpose will create medium- to long-term value and contribute to the sustainable development of society. With this in mind, we have developed a value creation model that shows the relationship between our Purpose and the external environment, input, business, output, and outcome. By maximizing output, we create outcomes that produce value for a variety of stakeholders, and we aim to realize our Purpose by expanding and building up the positive effects of these outcomes.



## External Environment: Changes in the Technical Personnel Staffing Market

Japan's technical personnel staffing market continues to grow as economic activities return to normal following the stagnating effect of the COVID-19 pandemic, coupled with the strong demand for human resources in industrial sectors. The market is expected to continue to expand for the time being, in light of the shrinking working population, which bodes well for the Group in terms of the external environment.

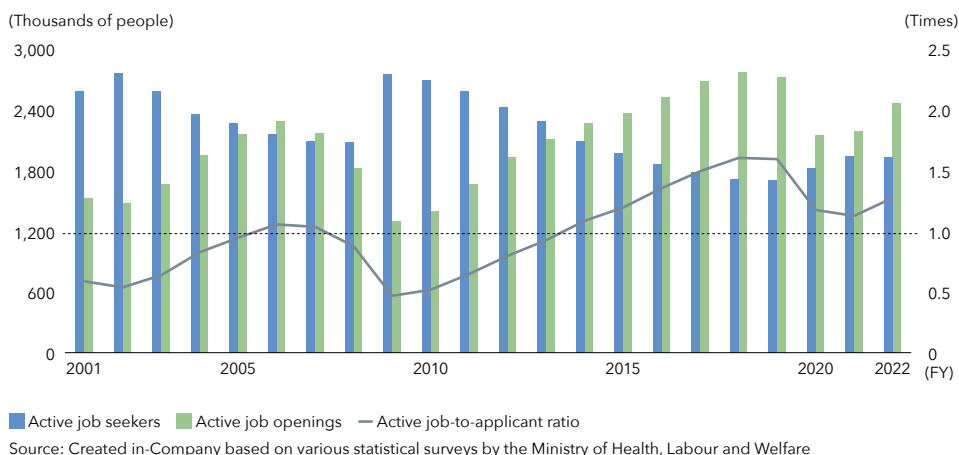
### Size of human resource services market by business segment



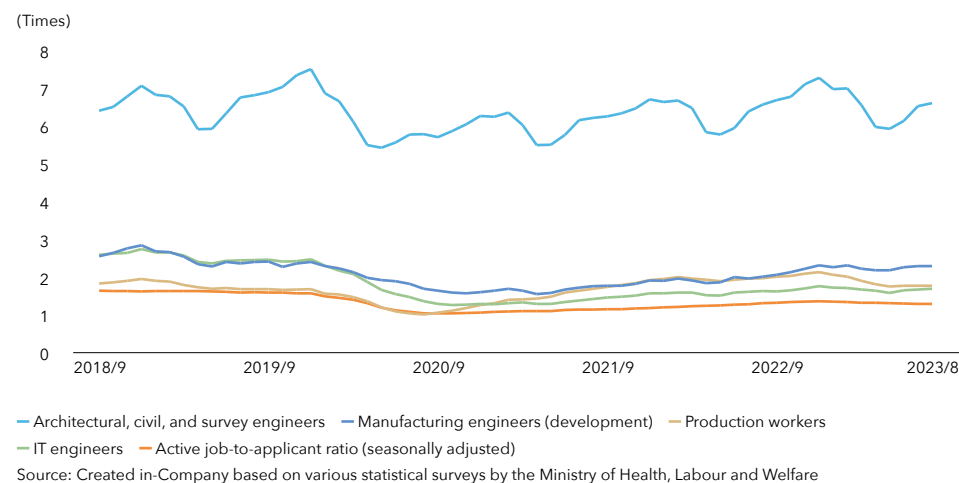
Although the human resource services market—the Group's main business domain—suffered a temporary contraction in scale in 2020 as a result of the COVID-19 pandemic, the market has started to recover as various industries and companies resume their business activities. As these industries and companies shift back to full-scale operations, this has put a spotlight on the shortage of labor, which is driving market growth. Growth is expected to exceed pre-pandemic levels, and most notably, the active job-to-applicant ratio for the Group's business segments remains comparatively high in contrast to the ratio for the market as a whole.

Securing human resources remains an important Group issue, and we will continue to actively recruit new graduates and mid-career employees through a variety of channels suited to our operating companies.

### Number of job seekers, job openings, and active job-to-applicant ratio



### Active job-to-applicant ratio by position (Regular employees excluding part-time)

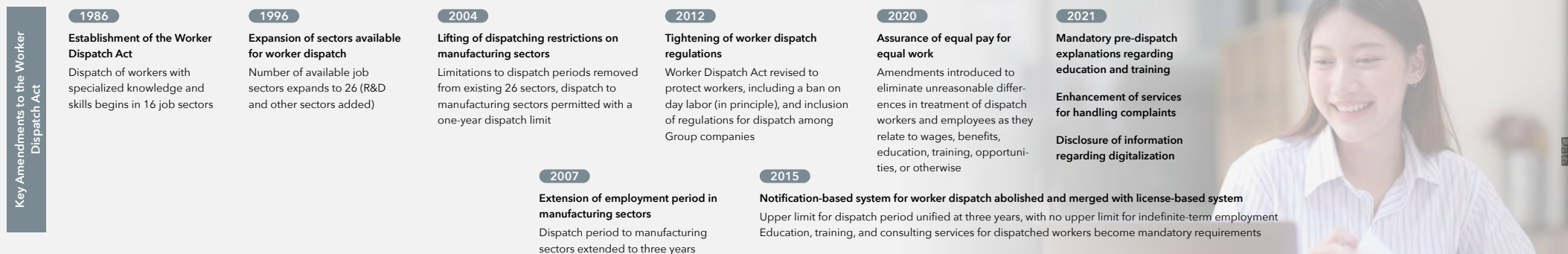
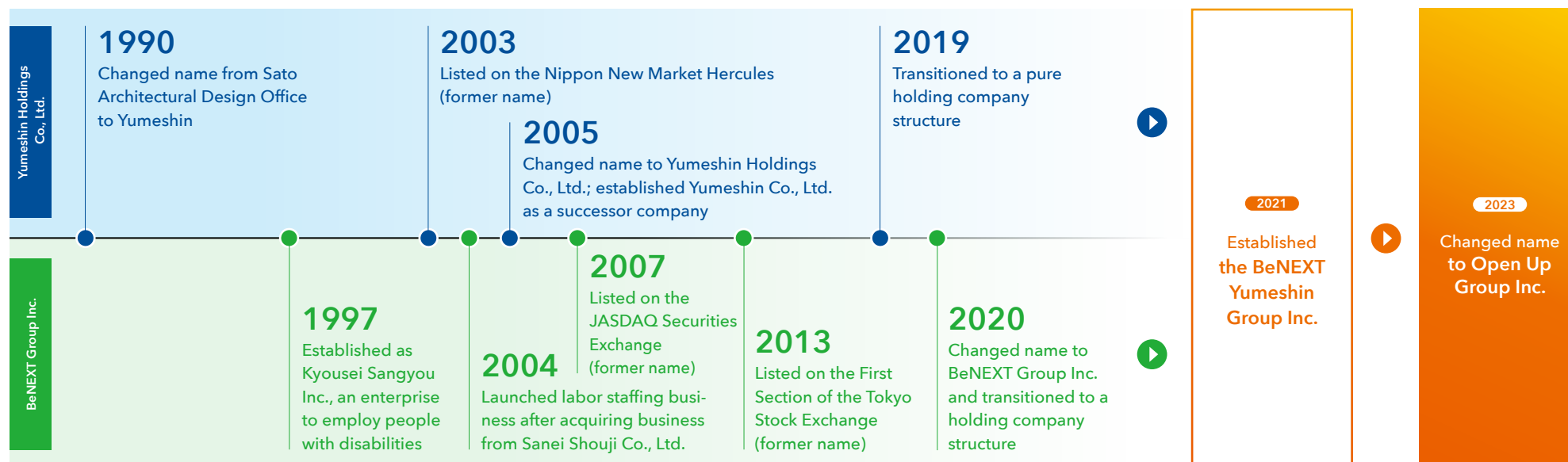


Source: Created in-Company based on various statistical surveys by the Ministry of Health, Labour and Welfare

Source: Created in-Company based on various statistical surveys by the Ministry of Health, Labour and Welfare

# Open Up Group and the Development of Japan's Personnel Staffing Market

A key factor in the formation and development of Japan's personnel staffing market has been the implementation and amendment of the Act on Securing the Proper Operation of Worker Dispatching Businesses and Protecting Dispatched Workers (the Worker Dispatch Act). Open Up Group, Inc. which is the product of the 2021 merger between Yumeshin Holdings Co., Ltd. and BeNEXT Group Inc. has continued to grow while remaining compliant with all relevant laws and regulations and their subsequent amendments. We will continue to do business in a way that puts workers first, to contribute to their happiness and to help create a prosperous society.



## Five Input Capitals

Open Up Group possesses two forms of intellectual capital—which it has gained by emphasizing the ideas and potential of each and every worker—as well as human, financial, and social capital brought forth by the business merger that created the Company and enhanced its management base. The Group uses these capitals to create value for workers, client companies, and the society they are part of. We intend to keep renewing and building up this collective management capital with the goals of sustainable growth, greater corporate value, and the realization of our Purpose.

As a Group dedicated to opening up the individual potential of workers, we treat intangible management capital with the utmost importance.

Intellectual capital is a vital example of intangible capital and key to realizing our Purpose. It is what gives us our competitive edge in the form of the know-how indispensable for opening up worker potential at every stage, including recruitment, the planning and operation of post-hiring education and training programs, the provision of follow-up support to alleviate any post-hiring anxiety, and support for career advancement. Operating companies are also constantly working to update a different kind of intellectual capital, which we treat as its own separate capital. These companies, which conduct business in our Machinery and Electronics, IT, and Construction segments, make continued efforts to deepen specialist knowledge in their respective fields and keep abreast of any changes, whether in terms of client companies' needs and business issues, or global trends in technology. Intellectual capital of this sort supports the Group's growth.

In addition to intellectual capital, the Group has boosted its human, financial, and social capital significantly following the 2021 merger, which also increased the scale of the Group and made it one of the largest engineer dispatch businesses in Japan. We strive for efficient management and increased corporate value by leveraging the management capital provided by economies of scale, including the number of our engineers and technicians, our cash generation capacity, and our client company base.



## Five Input Capitals

The Group has strengthened its intellectual, human, financial, and social capital while keeping up to date with social and regulatory changes, which include the mindful approach young workers take toward their careers, the needs of client companies, and the loosening of restrictions put forth in the Worker Dispatch Act, which forms the basis of the personnel staffing business. We will continue to update these capitals through digital technology and more sophisticated Group management for sustainable value creation.



We are highly adept at creating opportunities for job seekers who want to build careers as engineers. Moreover, we have the specialized knowledge needed to plan and run education and training programs that match the knowledge and skills levels of engineers and technicians. We also provide counseling skills that can help employees advance their careers. This accumulation of intellectual capital allows us to open up the potential of workers.

### Key Example

Yumeshin Co., Ltd., an operating company in the Construction segment, offers a free e-learning course for engineers and technicians to help them pass the exam to become qualified 2nd class assistant construction management engineers. To learners preparing for the exam, which is held twice a year, Yumeshin distributes easy-to-access videos viewable during commuting or free time, so that engineers and technicians who are already employed can study while working. This original course takes advantage of Yumeshin's knowledge of the work required of construction management engineers as well as the company's knowledge of the content covered by the exam. The course is popular for its focus on important content, which is supplemented with photos and illustrations and delivered in an easy-to-understand manner. The company also provides a strong support system for prospective test-takers, sharing guidance on how to proceed with studying, how to find study time, and how to apply for the exam.



We provide timely and efficient services made possible by the deep well of knowledge unique to the Group, which specializes in engineering. This includes a pinpoint understanding of the skills and qualifications that client companies require from engineers, and a good grasp of the impact that technological advances have on real-life engineering work. This knowledge also helps with securing human resources quickly and efficiently and conducting human resource planning in line with medium- to long-term strategies.

### Key Example

The demand for engineers familiar with cloud service technology is increasing rapidly as client companies embrace digital transformation (DX). Open Up IT Engineer Inc., which works in the IT infrastructure sector, has been quick to focus its attention on training engineers to acquire certification for Amazon Web Services (AWS), a cloud-based platform. In recognition of its efforts, the company received the AWS Japan Certification Award 2020 Rising Star of the Year, the only personnel staffing company to do so. From April 2021 to June 2023, the company's employees have acquired over 5,900 IT-related qualifications, and the company is an AWS Certified Partner.

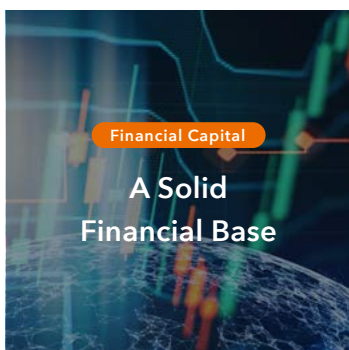
## Five Input Capitals



In addition to the large number of outstanding engineers and technicians working in Japan's engineer staffing industry, we are proud to say that the Group has executives who share its values and align with its Purpose, as well as people working in the sales, recruiting, planning, and administration departments at each Group company who are willing to take the initiative and share best practices with each other. The diversity and depth of this workforce fosters an organizational culture focused on the achievement of operational excellence and the creation of new value.

### Key Example

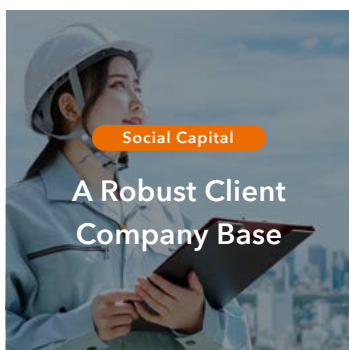
We hold regular meetings across the Group to share information by function, such as recruitment, training, employee retention, and sales planning. These meetings give us a stronger sense of what job seekers and engineers and technicians are thinking, what client companies need, and current technological and economic developments. At the same time, the meetings allow us to exchange opinions on business strategies and management issues, and to share best practices within the Group. As a result, we can learn from each other the best ways to proceed with work, optimize operation, and increase the satisfaction engineers and technicians derive from their jobs. Additionally, we hold an event called OPG Purpose Day, where Group employees from operating companies can interact with each other, with the goals of enhancing Group collaboration and ultimately realizing our Purpose.



We continue to provide shareholder returns while still taking advantage of profit opportunities exceeding cost of capital thanks to a sound balance sheet coupled with our ability to generate stable cash flows. In addition, our practice of sharing, utilizing, and assessing benchmarks within the Group facilitates effective use of funds and appropriate risk management and is part of our ongoing effort to optimize overall Group management.

### Key Example

The Accounting and Finance Division works to increase growth, improve profitability, and strengthen the Company's financial structure, thereby increasing corporate value. The division is also responsible for disseminating information to investors. As one of its functions as a holding company, Open Up Group Inc. assesses its business portfolio in terms of Groupwide optimization over the medium- to long-term, and then formulates and implements financial strategies that align with management strategies and business plans. The Company also maintains an understanding of business-specific business models, which includes the situation regarding investment and return cycles, competitive environments, risks, and supply chains. It uses this knowledge to make thorough assessments of potential growth investments that include consideration of expected returns and business risks. Following this step, it allocates funds to each business and manages risk.



We have approximately 3,400 client companies across a wide range of industries, including construction, information and telecommunication, transportation equipment, and machinery. This robust base of client companies means that our engineers and technicians have access to an abundance of work opportunities. By simultaneously increasing the number of these employees and expanding our client company base further, we will open up the potential of even more workers and achieve greater growth.

### Key Example

Open Up IT Engineer Inc., which works in the IT infrastructure sector, is focused on expanding its client company base and to this end has established its IT Solutions and Sales Department, which specializes in finding new client companies. In addition, Yumeshin Co., Ltd., which is part of the Construction segment, takes advantage of its extensive sales staff and employs a two-pronged approach that differentiates between sales staff for new client companies and sales staff for existing client companies. By having a dedicated staff focused on new client companies, Open Up IT Engineer and Yumeshin can listen more deeply to these clients' needs and make tailored proposals. Conversely, the sales staff in charge of existing client companies and their engineers can concentrate on high-quality follow-up activities. Thanks to this dual approach, Open Up IT Engineer and Yumeshin have been able to increase the number of contract renewals and add additional contracts, which has improved employee satisfaction.

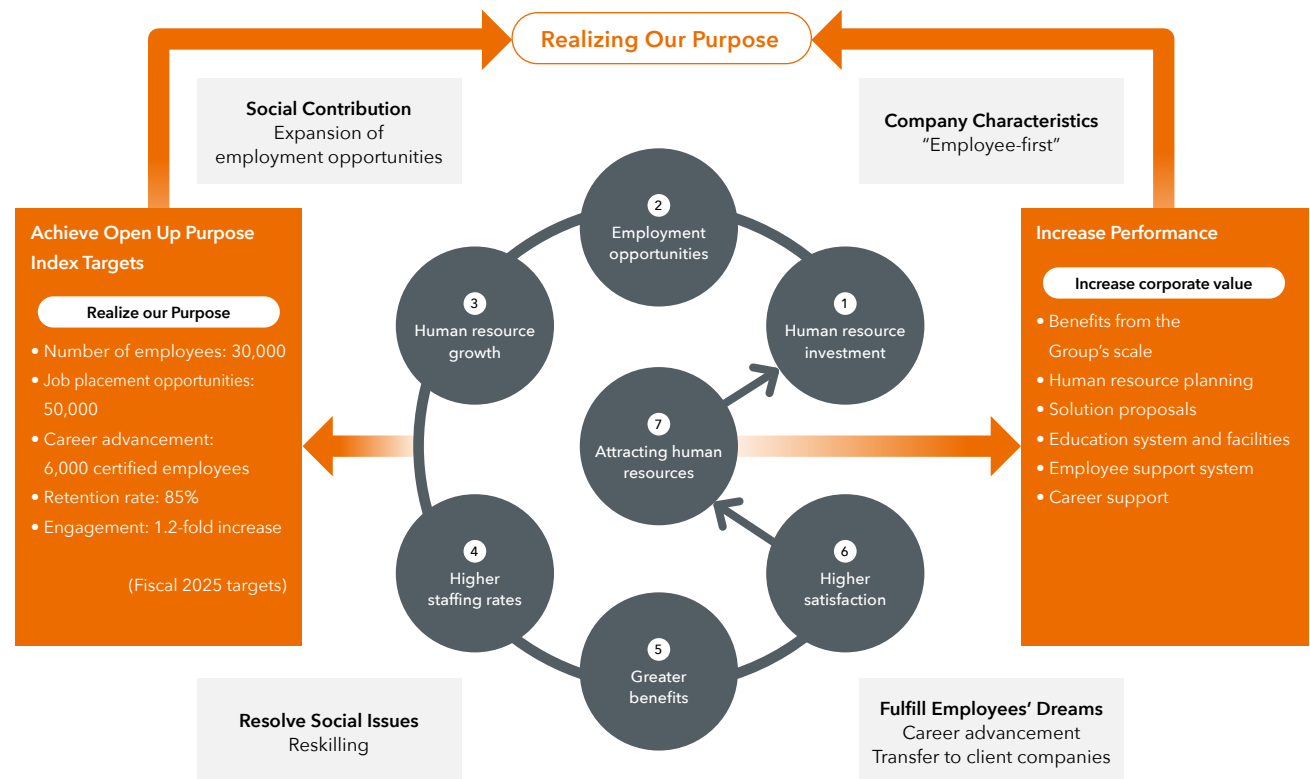
# Business Model

The Group invests in human resources to support the growth and career advancement of each employee while creating different employment opportunities, in an effort to remain the employer of choice for job seekers who wish to work as engineers. We aim to realize our Purpose by bringing more engineers and technicians into contact with a greater number of job placement opportunities, thereby opening up their potential.

Our business model begins with recruiting and training employees, followed by supporting their success and growth at their assigned workplaces. To open up the potential of a diverse range of job seekers, including those with no experience, we invest in human resources by providing unique training programs and support for obtaining qualifications. When engineers and technicians have acquired the knowledge and skills necessary to flourish in the field, we match them with a placement based on their individual career ambitions and desired work conditions. We continue to support the growth and career advancement of employees after they receive their assignments, in the form of follow-ups by our sales representatives, career counseling, continued learning opportunities, and assistance with obtaining more advanced qualifications.

As our engineers and technicians grow, it opens up possibilities for them to take the next steps in their careers and join the ranks of their assigned client companies as employees. This same growth also makes it possible for engineers and technicians to engage in more advanced work. The higher value they contribute allows us to charge higher staffing rates, enabling us to increase employee compensation and offer greater benefits. When employees know that this process of obtaining qualifications, continuing to learn, and taking on more advanced tasks leads to greater compensation, their work becomes more rewarding and satisfying.

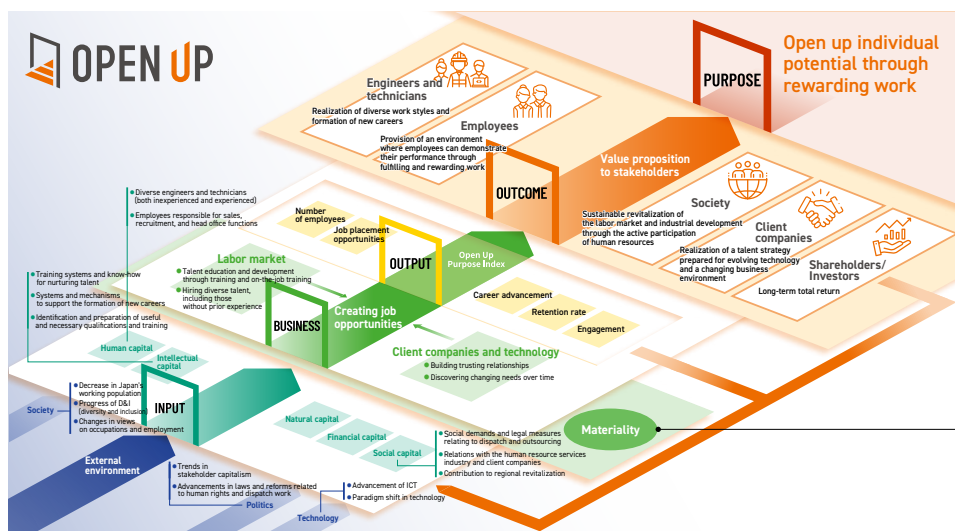
By creating such a positive cycle, we can achieve sustainable growth and increase corporate value.



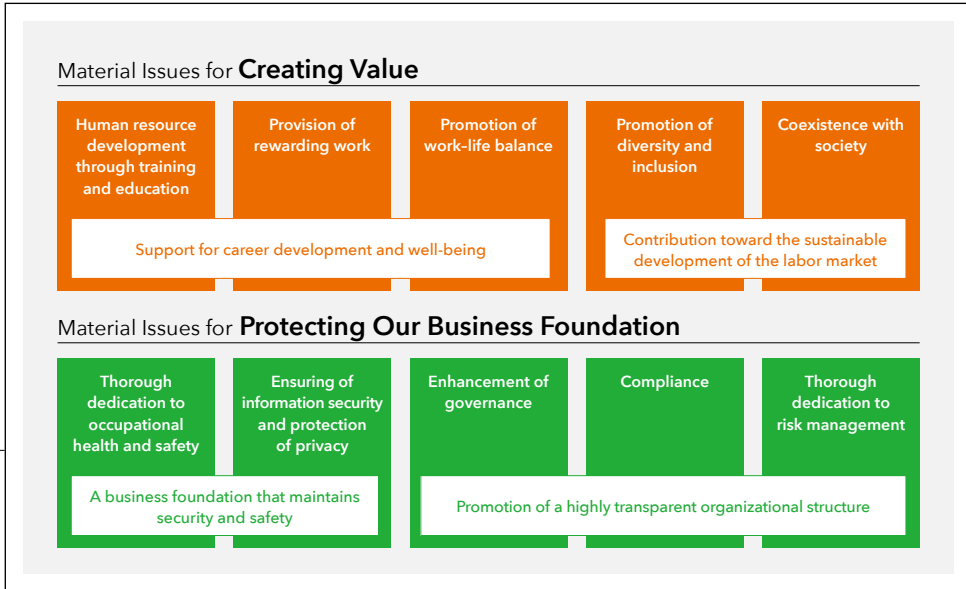


# Material Issues

Open Up Group Inc. has identified material issues that must be addressed in order to realize its Purpose, which is to open up individual potential through rewarding work. Issues are considered material when they directly impact the Group’s ability to create value, and when addressing them is crucial to gaining the trust of employees, client companies, and other stakeholders. The Group formulates specific action plans to tackle material issues and discloses the results of its efforts internally and externally.



As we promote efforts to address these material issues, we make sure to instill in our employees the importance of these efforts and how they bring us closer to our future vision. We do this because it gives employees a clear idea of how these issues tie in with day-to-day tasks and our Purpose. We want all employees to ask themselves what they need to do to fulfill the role that stakeholders—including our engineers and technicians—expect from the Group, and what actions are needed to strengthen the foundation of the Group’s business, since we believe that this mindset will contribute to value creation and the realization of our Purpose.



For details about our material issues, please refer to the Material Issues section (▶Page 42), the Material Issues Identification Process section (▶Page 43), and the Material Issues Action Plan section (▶Pages 44-45) of this report.

We aim to increase the value of the Group to engineers, achieve sustainable growth, and realize our Purpose.

### Daio Sato

President and Representative Director, COO

### Results that Exceeded Expectations, with Significant Progress in the Open Up Purpose Index

Looking at our consolidated results for fiscal 2023, the fiscal year ended June 30, 2023, revenue, business profit (a proprietary indicator), operating profit, and profit attributable to owners of parent increased compared with the previous fiscal year. Revenue increased in the Machinery and Electronics / IT segment, the Construction segment, and the Manufacturing segment, which offset an overall decrease in the Overseas segment. On the profit side, profit margins improved overall, overcoming a rise in recruiting costs due to the tight supply and demand for human resources in the wake of the COVID-19 pandemic. This positive result comes thanks to higher staffing rates and improved productivity, and the fact that segments with high profit margins comprised a larger proportion of revenue. I believe this puts us on a steady track toward the financial goals put forth in BY25, our four-year medium-term management plan which came into effect in fiscal 2022.

The Open Up Purpose Index is a set of five indicators used to assess the degree to which we have achieved our Purpose, which is to open up individual potential through rewarding work. Of these indicators, the figures for retention rate and engagement remained relatively unchanged compared with the previous fiscal year, but we made progress as expected in regard to the remaining indicators—number of employees, job placement opportunities, and career advancement.

In particular, we positioned fiscal 2023 as a year for increasing the number of employees, and as a result of our efforts to enhance recruiting, the biggest growth driver for

Message from the COO

## Message from the COO

the personnel staffing business, we achieved a net increase of approximately 2,500 employees. There were concerns over whether this accelerated recruitment would match the number of assignments, but we exceeded expectations here as well. This favorable performance extended to Machinery and Electronics, which was believed to be the segment with the most difficult-to-reach targets. This tells me that the executive capabilities of our operating companies are on the rise.

### Fiscal 2024—A Year for Building Further

I would like fiscal 2024 to be a year in which we build steadily upon the operational achievements we achieved in fiscal 2023. I anticipate that the business environment will remain in our favor for the time being and expect that we will comfortably reach our goals, even if we set them higher than in the previous fiscal year. Bearing this in mind, we plan to achieve revenue of ¥178.0 billion, operating profit of ¥14.3 billion, and an operating profit margin of 8.0% on the back of continued efforts to actively recruit workers and achieve growth, focusing on the engineering domains where we excel—Machinery and Electronics, IT, and Construction.

#### Revenue

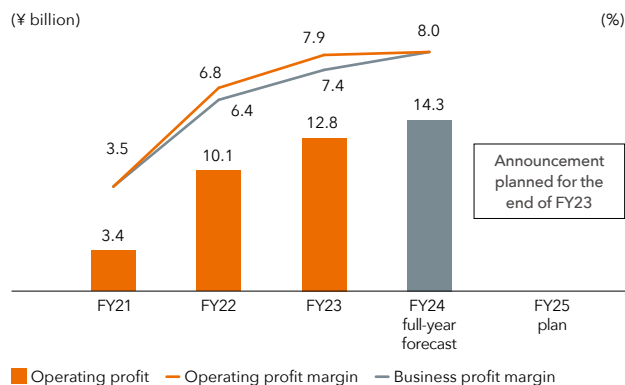


Note: The figure for FY2021 is based on JGAAP.

On the point of recruitment, we aim to recruit 3,000 people, an increase from approximately 2,500 people in the previous fiscal year. We will also work to improve the value added by our engineers, thereby increasing the level of fees client companies are willing to pay for their services. Regular price increases are essential for raising employees' salaries and offering them greater benefits. Therefore, we will emphasize communication via our sales representatives to help client companies understand just how much value is created by the human resources we dispatch.

As the hurdles that hinder us from securing human resources are becoming higher and higher, we recognize retention rate as an issue we will need to address over the medium term. In my personal opinion, we will need to keep working at the essentials, like supporting the careers of our engineers and technicians and helping them solve their day-to-day problems. As a first step, we will build up a series of initiatives at each of the Group's operating companies to raise their retention rates, using successful examples to guide the development of measures and investments for the Group as a whole. From there, we will continue to implement and improve upon said measures and investments.

#### Operating profit



Note: The figure for FY2021 is based on JGAAP.

### Integrated Management to Stimulate Group Company Growth

Earlier I alluded to an increase in the Group's executive capabilities, which is due to the sharing of best practices among its operating companies. After the management integration in 2021 following the merger of BeNEXT Group Inc. and Yumeshin Holdings Co., Ltd, the holding company led this initiative by providing a platform for operating companies to amalgamate their respective collections of best practices built up through their recruitment and sales activities. Fast forward two years to today, and information is now actively shared thanks to person-to-person networks set up between recruitment departments, sales departments, and other related departments at each operating company. This has created a snowball effect, leading these companies to reconsider the notion of "our way, our rules" and adopt the best practices shared within the Group, thereby improving the capacity and efficiency of their recruitment and sales activities.

I believe another contributing factor—one that cannot be evaluated quantitatively—is the Group's organizational culture. Pre-integration, both companies had a strong belief in respecting each other's methods and cultures. This was rooted in the fact that each company had grown through repeated organizational changes and therefore was not inclined to cling to its own way of doing things. We have not merged the cultures of the two former companies, nor have we been reborn as a new organization. Rather, I believe that preserving the original cultures of each company helped us complete a post-merger integration (PMI) swiftly.

During this process, I drew a great deal of encouragement from the passion exuded by employees working in the sales, recruiting, planning, and administration departments for overcoming the issues at hand and improving the newly formed Company in any way possible. In some cases, people have been able to break through operational barriers they were struggling with because they could see the

## Message from the COO

methods used by others down to the finest detail, inspiring them to incorporate the positives and try to make changes. When we share stories of success, we create a virtuous cycle that motivates us to take on new challenges. I believe that management integration has strengthened the Group's "invisible capital," a kind of capital that supports growth and has brought growth to a new level.

### Medium- to Long-Term Strategies Mindful of Social Changes

Since it seems almost certain that we will reach the targets we committed to under BY25, we are currently formulating a new medium-term management plan, which we expect to announce at the end of fiscal 2024. That being said, creating a plan should not be an end in itself—it is the underlying approach that is key. Accordingly, I would like to devote some space here to highlighting the strategies we should implement over the medium to long term for the Group to grow sustainably, increase corporate value, and realize its Purpose.

Although we are still in the early stages of consideration,

I reckon that retention rate will be one of the major themes of the next medium-term management plan. If we can increase our employee retention rate, we will be able to meet the strong demand from client companies, which will lead to better business results. I believe that the key to a higher retention rate is providing a more enriching work experience—a point we will return to later—and ultimately employee satisfaction.

As part of the formulation process for our new plan, we will also look into M&As, overseas business, and new business. Regarding overseas business, I believe we need to redefine our strategy going forward, despite the fact that the Overseas segment achieved a profit in fiscal 2023. Given that the Japanese domestic market is facing a medium- to long-term decline in the working population, withdrawing from overseas business is off the table. On the other hand, I believe that we must reexamine what kind of value we can provide as we expand our business overseas. We must also find a direction for M&As and new business, while finding methods to navigate shifts in the market, technological changes, and any potential risks.

### Enhancing Work Experience for Further Group Growth

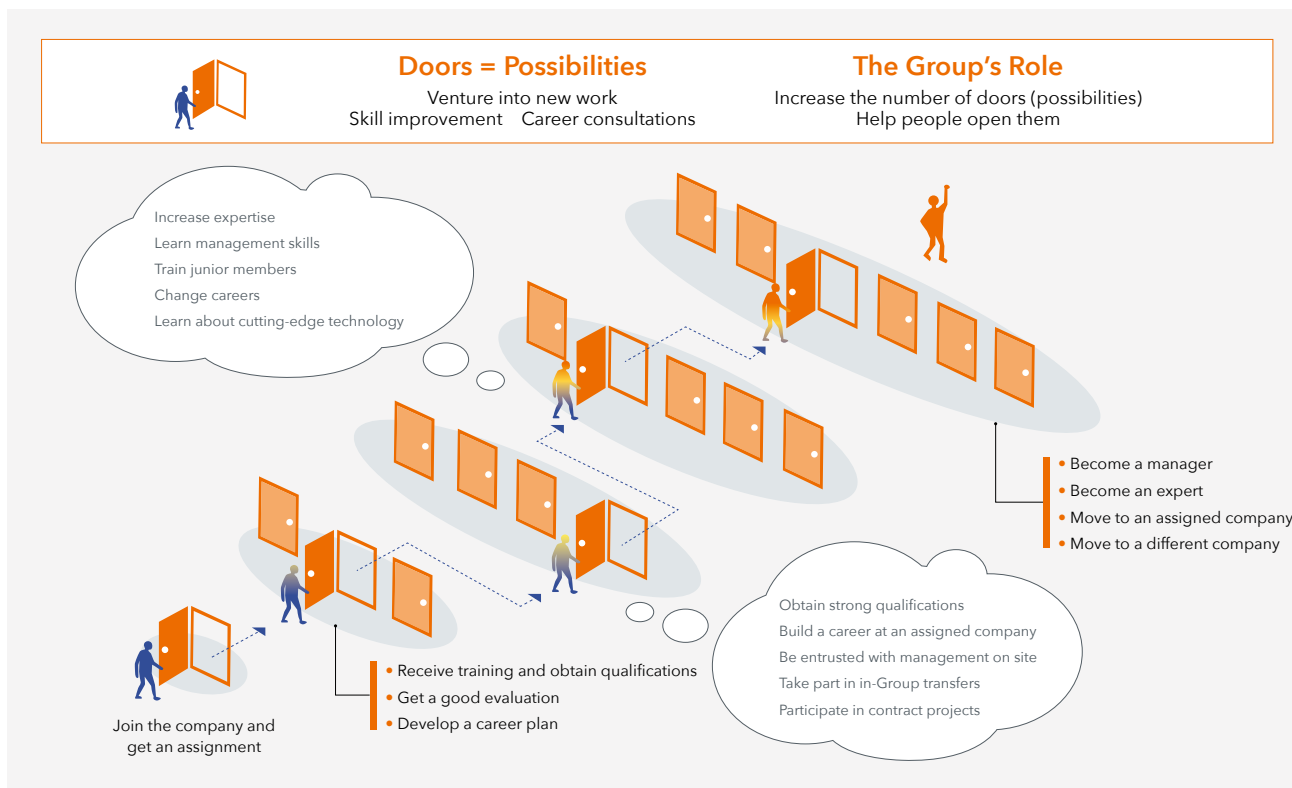
As it becomes increasingly difficult to secure human resources, we need to increase the level of job satisfaction among engineers and technicians and make sure that they feel glad to work for the Group, to ensure that we can continue to recruit employees and achieve growth. To be more specific, we need to make sure that employees feel that becoming a member of the Group increases their value as engineers and that their choice is helping them advance their careers. This means providing engineers with a more enriching work experience and also increasing the value of the Group from an engineer's point of view.

Up to this point, the Group has focused on the entry-level stage of employee careers, when inexperienced people set out on their new path as engineers. There is no doubt that our business model of hiring and training inexperienced workers has carved out a competitive advantage for us in Japan's personnel staffing industry and has been the driver of our growth to this day. However, to achieve sustainable growth and realize our Purpose, I believe we need to go beyond supporting inexperienced employees at the start of their careers and support engineers and technicians with established careers in engineering by assisting them with career advancement and career changes. We will therefore focus on providing a more enriching work experience for engineers under our next medium-term management plan.

The services needed for engineers at the start of their careers—what I call the "career-launching stage"—are relatively unambiguous and straightforward. Good career-launching services develop and provide training programs that give people the knowledge and skills essential to being an engineer, encourage the acquisition of qualifications that hold weight with client companies, and help dissipate the concerns that many people have at the early stages of their careers. While the specifics differ by segment, be it



Message from the COO



Machinery and Electronics, IT, Construction, or otherwise, the variation in services is not that large.

This, however, is not the case when we talk about mid-career engineers. The services they need are extremely diverse. Take, for example, an engineer who wants to increase their expertise and raise their value in a particular market; they may want reskilling opportunities related to cutting-edge technologies or support for obtaining advanced qualifications. Then again, an engineer whose career plan involves building a career with the company he or she has been assigned to and ultimately transferring to that company will want to acquire management skills, such as project management, and know-how related to training

junior members and people working under them. Or there may be an engineer who feels stifled by their current job and may be looking for someone to give them guidance on how to change careers in a way that uses their previous experience. In other words, to provide a more enriching work experience for engineers, the Group's services must also become more diverse and sophisticated.

We also need to enhance systems besides career support. It is extremely important to measure an engineer's skills objectively, give a fair assessment of their skills and performance, and increase their remuneration in step with career advancement. In addition to assessments and remuneration, there is also a need for systems to help employees continue

their careers, even alongside life events and responsibilities such as childbirth, childcare, and nursing care. We also need to provide them with information and success stories to keep them motivated to advance their careers, as well as opportunities for networking with colleagues on the same career path.

To make our services more diverse and sophisticated in these ways, over the course of the next medium-term management plan I would like us to allocate a portion of our growth investment to areas that provide a more enriching work experience.

**Continued Growth in 10 Years' Time;  
Continued Growth in 20 Years' Time**

The Group has continued to enjoy consistent growth centered on its engineering domains, adding the ever-growing IT segment to its tried-and-true Machinery and Electronics and Construction segments, both of which had been established by the two companies that would become Open Up Group Inc. prior to their management integration. However, we face the obstacle of a shrinking workforce, which could present a future where we are not able to increase recruitment levels, even if there is demand from client companies. This makes it important that we become the employer of choice for engineers, the place where they most want to work.

I am convinced that there is more that we as a Group can do to help each of our employees to thrive, including expanding initiatives to support workers, such as training, employment support, reskilling, and career advancement consulting. If we can do this, we will be able to maintain and strengthen our market position even in a changing business environment, and our Group will be able to grow in a sustainable way. I am determined to lead the Group closer to realizing its Purpose over the next 10 to 20 years and I would appreciate your support on this journey.

# Message from the CFO



## Achievement of Both Improved Growth and Quality of Operations

Beginning with consolidated results for fiscal 2023, the fiscal year ended June 30, 2023, revenue and profit increased across the board, with revenue increasing 8.8% year on year, to ¥161.6 billion, business profit\* increasing 25.7%, to ¥12.0 billion, operating profit increasing 26.3%, to ¥12.8 billion, and profit attributable to owners of parent increasing 36.7%, to ¥9.5 billion. The post-merger integration (PMI) that gave birth to Open Up Group Inc. in April 2021 has since settled, and, from the beginning of fiscal 2023, we were able to put ourselves back on a growth trajectory, with higher revenue and profit to show for it.

This fits the overall theme for fiscal 2023, namely figuring out how to get back on track toward growth, while maintaining utilization and turnover rates for dispatched employees

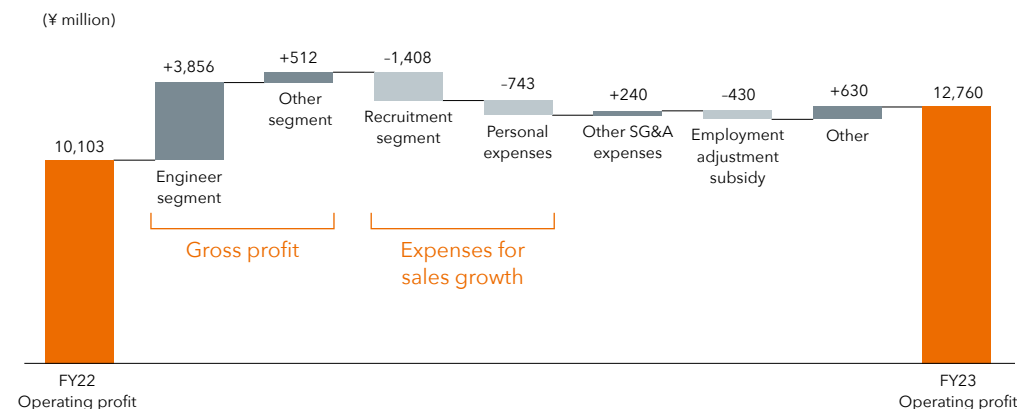
through the pursuit of operational excellence. In the personnel staffing business, utilization rate serves as an indicator for operational performance. To address operating companies with room for improvement, we introduced measures in fiscal 2022 to raise the quality of Group management, and these measures are close to completion. These measures include sharing best practices among companies to bring operations to a certain benchmark or higher. The effect of these efforts has been to bring the quality of operations at operating companies up to a similar level, specifically improving utilization and turnover rates, and helping improve business performance.

\* Business profit is a unique profit indicator of our Company, which is derived by subtracting "Selling, general and administrative expenses" from "Gross sales profit." It excludes the effects of special items (such as employment adjustment subsidies and impairment losses) recorded in "Other revenues" and "Other expenses."

We will practice meticulous scientific management within the Group to improve ROE and corporate value.

Hiroshi Sato  
Director and CFO

## Analysis of factors for changes in operating profit



## Message from the CFO

### Increasing Profitability by Enhancing Recruitment and Capacity

For fiscal 2024, we anticipate a 10.1% year-on-year increase in revenue, to ¥178.0 billion, a 19.0% increase in business profit, to ¥14.3 billion, a 12.1% increase in operating profit, also to ¥14.3 billion, and a 4.9% increase in profit attributable to owners of parent, to ¥10.0 billion.

One point of action toward reaching these targets is strengthening recruitment, our driver of business growth. Competitors who hire experienced engineers are constrained by the limited number of job seekers. To avoid this pitfall, we target new graduates and people without experience, which opens up a much greater number of potential employees to us. We believe that by continuing our current efforts, we will be able to increase recruitment for the immediate future, and we will therefore continue investment along this path in fiscal 2024.

### Fiscal 2024 consolidated business forecasts

(¥ billion)

	FY23 full-year total	FY24 forecast	YoY
Revenue	161.6	178.0	+10.1%
Gross profit	38.8	44.5	+14.7%
Margin	24.0%	25.0%	
SGA cost	26.8	30.2	+12.7%
Margin	16.6%	17.0%	
Business profit	12.0	14.3	+19.0%
Margin	7.4%	8.0%	
Operating profit	12.8	14.3	+12.1%
Margin	7.9%	8.0%	
Profit attributable to owners of the parent	9.5	10.0	+4.9%
Margin	5.9%	5.6%	

There is another point of action—increasing profitability. For the Group to improve profitability further, we must first improve utilization rates. In the second half of fiscal 2023, we ramped up recruitment to drive growth, and a larger number of employees, both new graduates and mid-career professionals, joined the Group than ever before. Although the assignment of these hires progressed more smoothly than we had originally anticipated, a decline in utilization rates was inevitable, particularly in the fourth quarter. This is an issue we must improve upon in fiscal 2024.

A detailed analysis of the operational data for our operating companies reveals that productivity is increasing rather than declining. The fact that utilization rates decreased despite an increase in productivity suggests that there is a lack of capacity within the Group for supporting the growing number of engineers and technicians while also engaging in sales, running training programs, and executing all the other functions our businesses need to operate fully. To be clear, this does not mean that there is a lack of capacity in all of our

operating companies. In order to avoid the decline in utilization rates that occurred in fiscal 2023, we will conduct meticulous scientific management within the Group. This includes increasing capacity based on productivity per employee.

Management integration has enabled the Group to build an efficient management structure. When merging operating companies in the same segment, we bring together the best systems from each of the original companies and adapt them for the resulting company. In fiscal 2024, we plan to finalize the integration of back-office systems and infrastructure for two operating companies in the IT infrastructure sector, which were merged in July 2023. While making a certain level of investment, such as centralizing IT systems that support operations, we will manage selling, general and administrative expenses efficiently and strengthen productivity over the medium term.

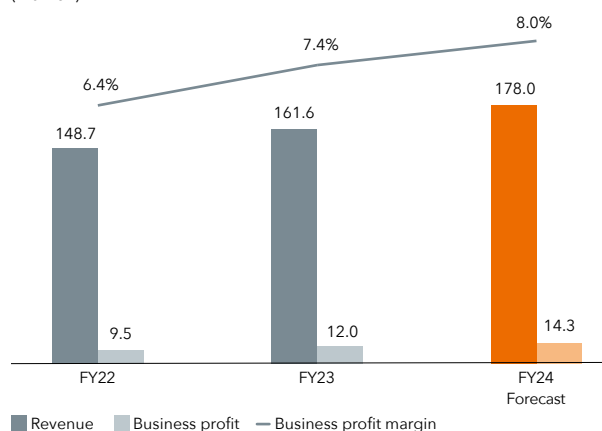
### A Growth-Oriented Financial Strategy

We have set the following three policies for our financial strategy, which aims to increase corporate value. The first is to bring return on equity (ROE) back to approximately 20%. ROE temporarily fell to 2.7% under Japanese GAAP following the post-integration expansion of the balance sheet, but with the transition to International Financial Reporting Standards (IFRS) we have carried out retroactive impairment accounting which returned ROE to a provisional value approaching 15% for the first half of fiscal 2024. We aim to raise this number back to 20% over the medium term by continuing to improve profitability and utilizing debt to finance M&As.

The second policy is to maintain a debt-to-equity ratio (D/E ratio) below 1.0. Ratio of equity attributable to owners of parent to total assets was high at 64.0% as of June 30, 2023, which was indicative of an extremely sound financial base. On the other hand, given that goodwill accounts for approximately ¥45.0 billion in assets, our policy is to keep

### Forecast for revenue and business profit (margin)

(¥ billion)



## Message from the CFO

the D/E ratio below 1.0 based on net assets after deducting goodwill and risk assets.

The third policy is cash allocation. Generally speaking, the Group's policy is to generate ¥10.0 billion each year in free cash flow and then allocate half of this amount to shareholder returns and the other half toward growth investment. Regarding shareholder returns, we have increased these for 11 consecutive years leading to fiscal 2023 based on our basic stance of increasing dividends in proportion to our increase in profit. The personnel staffing industry follows a cash-generating business model that does not involve large-scale capital investments, so I believe that there is almost no logical reason to increase internal reserves.

Regarding investing in growth, we plan to shift the approach we took in fiscal 2022 and fiscal 2023. During that period, PMI was our priority, so we focused on acquiring treasury stock instead of conducting M&As. From fiscal 2024, however, we will invest in growth, including through M&As. We can frame M&As as an alternative means of ramping up recruitment. Considering the existing strong demand from client companies, it may be more efficient to conduct M&As than taking time to recruit new hires. However, M&As depend on opportunity, and acquisition

prices are trending upward as other companies enter the market. In this sort of market environment, we need to make sure that we remain disciplined with our investments, so we have set an 8% return on invested capital (ROIC) as a hurdle rate. In addition, while we will primarily use debt to procure the funds for M&As as mentioned above, we will also consider raising capital from the capital market for M&As above a certain size.

### Looking Beyond BY25 to a 10% Operating Profit Margin

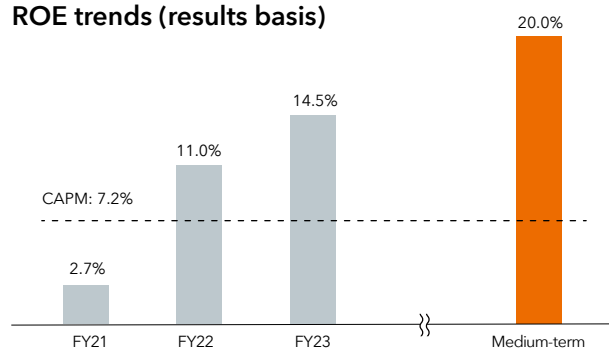
Given that we are close to achieving the commitments laid out in BY25, our medium-term management plan, we are currently formulating a new medium-term management plan for growth beyond fiscal 2025. From a financial management perspective, the next plan targets an operating profit margin of 10% or more. I believe that this is the minimum rate needed to compete with other companies in the same industry. This is crucial if we are to be seen as the "employer of choice" for employees and job seekers, and for our efforts to improve corporate value to be held in high regard by shareholders and investors.

Another theme of the new plan is reviewing our overseas businesses. This does not mean, however, that we are planning to pull out of overseas operations, since expansion overseas is one of the most promising strategies for continued growth, considering the expected decline in the domestic working population. Based on our overseas business strategy, which we will clarify after thorough discussion, we will consider ways to implement it, such as M&As.

### Acting as a Capital Market Intermediary

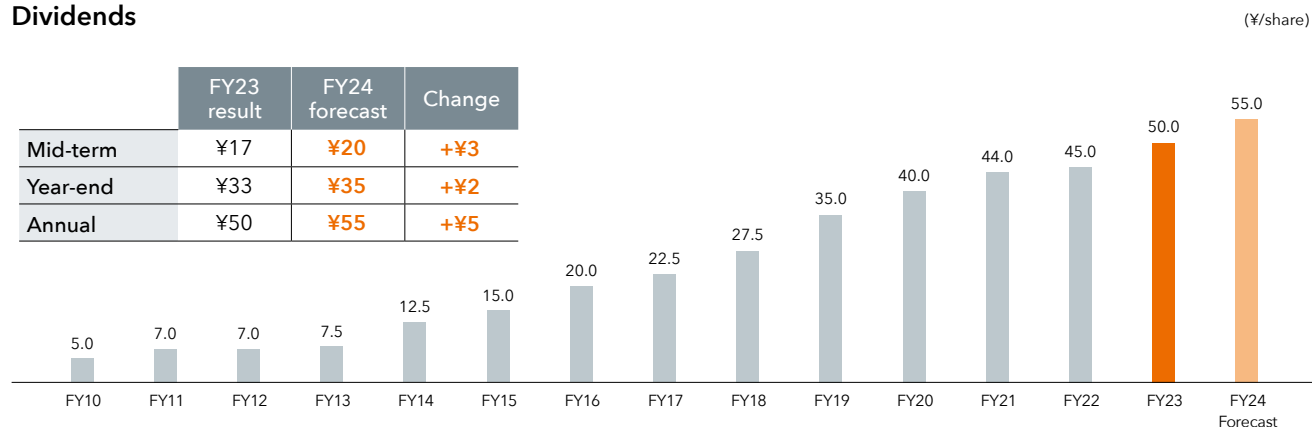
My role as CFO is to act as an intermediary between management and the capital market. In this role, I intend to communicate the Group's path toward increasing its corporate value to the capital market. At the same time, I also intend to provide objective assessments from the perspective of the capital market during Group discussions of management strategy, and work toward resolving management issues. I am determined to guide the Group as it strives to grow and create value in an effort to realize its Purpose.

### ROE trends (results basis)



- The figure for FY2021 is based on JGAAP. The figures after FY2022 onward are based on IFRS.
- ROE = Net income at the end of the period ÷ Equity
- Capital asset pricing model (CAPM) as of the end of FY2023 (our calculation)

### Dividends





# Medium-Term Management Plan BY25: Financial Targets and Business Strategy

BY25 is the Group's four-year medium-term management plan, covering the period from fiscal 2022, the fiscal year ended June 30, 2022, through fiscal 2025. We have set ambitious management targets under this plan and are pursuing growth in order to achieve them. In fiscal 2024, which is the third year of BY25, we are working to continue the steady upward performance of the previous fiscal year and promote business strategies adapted to changes in markets relevant to our business segments and domains. At the same time, we are implementing Groupwide measures to improve corporate value.

## Targets under BY25

### Revenue

¥200.0 billion

### Operating profit

¥16.0 billion

### Operating profit margin

8%

### Number of domestic employees

30,000

Despite uncertainty stemming from emerging geopolitical risks, ongoing inflation, and high interest rates, primarily in Europe and the U.S., and the slower-than-expected recovery of the Chinese economy, 2023 has been a year in which economic activity, which stagnated during the COVID-19 pandemic, has made an overall return to normal. For Japan, it has been a year of steady economic recovery, and the dispatch markets for both engineers and manufacturing workers has remained strong. To meet this growing demand, most Japanese human resource companies—including us—have ramped up hiring post-pandemic.

Concurrent with these macroeconomic trends, Yumeshin Holdings Co., Ltd. and BeNEXT Group Inc. merged in April 2021, forming Open Up Group Inc. The result of this merger has been an increase in business scale, a greater ability to generate cash stably, a sound financial base, and more robust management resources. BY25 was formulated to leverage this management capital to take on further challenges and under its guidance we intend to grow by targeting the entry- to mid-level market, which is the largest segment of the engineer dispatch market and where the Group has particular strengths.

In fiscal 2024, our financial performance has been increasing at a rate faster than originally planned, thanks to the steady rollout of our business strategy and the promotion of Groupwide measures. As a result, we are making good progress toward achieving the targets set out in BY25.

## Promotion of Groupwide Measures to Increase Corporate Value

### • Implement medium digital transformation (DX) measures:

Investigate and establish data utilization methods to enhance business efficiency, sophistication, and speed

Analyze data within internal systems or data that can be easily collected and stored to identify and systematize business processes that can be improved

### • Implement medium-term business process re-engineering measures:

Reduce costs by centralizing the Group's back-office operations

Centralize common tasks such as attendance, salary, billing, and contract-related work to take advantage of the economies of scale created by the business merger that formed the Group

### • Continue active M&A efforts:

Select key investment projects for each segment

#### 1. Machinery and Electronics and Construction

Focus on M&As which further enhance and expand businesses

Introduce business management methods, enhance marketing and recruitment capabilities, improve efficiency of SG&A expenses, etc., post-M&A

#### 2. IT

Expand opportunities to improve engineers' skills and careers

Improve value by taking advantage of the Group's recruitment capabilities

Establish a cooperative model with companies with technological capabilities

### ESG and SDG-Related Initiatives

- Identify material issues and formulate an action plan
- Expand disclosure of non-financial information

### Capital and Financial Strategy and Shareholder Return Policy

- Recover ROE to 10% or higher
- Maintain a 1.0 D/E ratio
- Implement two fundamentals: stable dividends and the purchase of treasury stock

For details about our business strategies, please refer to the Review of Operations section of this report (Pages 27-39).

For details about our ESG and SDG-related initiatives, please refer to the Sustainability Management section of this report (Pages 41-43).

For details about our capital and financial strategy, as well as our policy for shareholder returns, please refer to Message from the CFO in this report (Pages 21-23).

# Medium-Term Management Plan BY25: Open Up Purpose Index

We have established the Open Up Purpose Index (OPI), a series of indicators that enable us to visualize the extent to which we have realized our Purpose, which is to open up individual potential through rewarding work. The index also provides the key performance indicators for our medium-term management plan, which was developed in response to our material issues. By gaining a quantitative understanding of the five items that comprise the index, we can assess the progress of business strategies and sustainability-related efforts and uncover issues that may exist. At the same time, this understanding helps us fulfill our duty to keep employees and other stakeholders informed.



We believe that the increase in the number of employees—in particular of engineers and technicians—flourishing as a result of the Group’s business, is evidence that workers and client companies recognize the Group’s social significance. For this reason, we have set the number of employees (engineers and technicians only) as an indicator within the OPI, with a goal of 30,000 employees by the end of fiscal 2025. As of June 30, 2023, the number of employees in Japan is 22,105, a year-on-year increase of 13.7%.

Providing people with the opportunity to find rewarding work lies at the very heart of the Group’s business and is directly linked to the realization of its Purpose. We have therefore set the total number of new jobs and other opportunities (job placement opportunities) as an indicator within the OPI, aiming for 50,000 jobs by the end of fiscal 2025. The number of job placement opportunities grew considerably in fiscal 2023, increasing 2.27-fold year on year to 29,948 projects.

Our forte is recruiting and training people without experience, so we emphasize giving our engineers and technicians opportunities to grow and advance their careers, be it through on-the-job experience or by obtaining qualifications. To monitor employee progress, we have set the cumulative number of employees certified as mid-level engineers at domestic operating companies as an indicator within the OPI, with a goal of 6,000 certified engineers by the end of fiscal 2025. Career advancement grew considerably in fiscal 2023, doubling year on year, to 3,184 certified mid-level engineers.

We utilize retention rate—100% minus the rate at which people leave the Group—as a way to monitor whether people are willing to remain with the Group, and we have set retention rate as an indicator within the OPI under the belief that the retention rate reflects employee satisfaction. However, we also believe that an employee leaving the Group to pursue the next stage of their career—in particular, leaving the Group to join the client company they were dispatched to—is simply another form of opening up new possibilities for them. We therefore aim to balance retention rate with the encouragement of employees’ career pursuits. As a result, we are aiming for a retention rate of 85% for domestic, full-time employees by the end of fiscal 2025. Retention rate was 82.7% in fiscal 2023, which is relatively unchanged from the previous fiscal year.

We believe that when employees feel fulfilled in their work, it leads to their personal growth, success in their roles, and better evaluations from client companies. For this reason, we have set engagement as an indicator within the OPI, defining engagement as the NPS®\* for engineers and technicians within the Group. NPS® is a score that measures the extent to which an employee would recommend their company of employment to someone else, and we have set a goal of increasing this score 1.2-fold by the end of fiscal 2025, three years after our baseline of fiscal 2022 (1.0). Engagement in fiscal 2023 was unchanged from the previous fiscal year.

\* NPS® is a registered trademark of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld.

# At a Glance

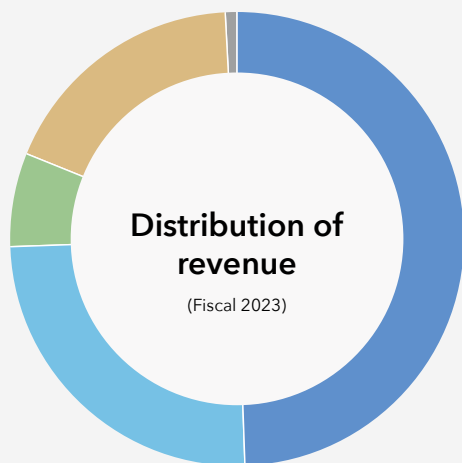
Revenue (Fiscal 2023)

¥161.6 billion



Number of OPG engineers and technicians in Japan  
(As of September 30, 2023)

22,140



(%)	Machinery and Electronics / IT	Construction	Manufacturing	Overseas	Others
Distribution of revenue	49.7	24.8	6.8	17.9	0.8

## Business segments

### Machinery and Electronics / IT

#### Contracting and consignment business engaged in the dispatch of engineers, software development, and other activities

Engages in dispatch and contracting services for mechanical, electrical, and electronics engineers to undertake development, design, manufacturing technology-related work, and other tasks at Japanese manufacturers and IT engineers to undertake the establishment, development, and operation of IT infrastructure such as networks, servers, and software at IT enterprises and other companies

Group companies: BeNEXT Technologies Inc. BeNEXT Solutions Inc. Open Up IT Engineer Inc. Open Up System Co., Ltd. Four other companies

### Construction

#### Business dispatching construction management staff, engineers, and CAD operators to the construction industry

Primarily dispatches construction management engineers and CAD engineers to enterprises in the Japanese construction industry

Group companies: YUMESHIN Co., Ltd. YUMESHIN EXPERT Co., Ltd.

### Manufacturing

#### Contracting, consignment, and dispatch business related to the manufacturing sites of client companies

Engages in dispatch and contracting services, primarily in relation to manufacturing processes at Japanese manufacturers

Group company: BeNEXT Partners Inc.

Note: Due to the sale of BeNEXT Partners Inc., businesses in the Manufacturing segment are scheduled to cease operating on March 31, 2024.

### Overseas

#### Dispatch, consignment, and job placement business in the engineering and manufacturing fields outside Japan

Engages in dispatch and contracting services for the engineering and manufacturing fields overseas, and in human resource services which involve fee-charging job placement and other activities

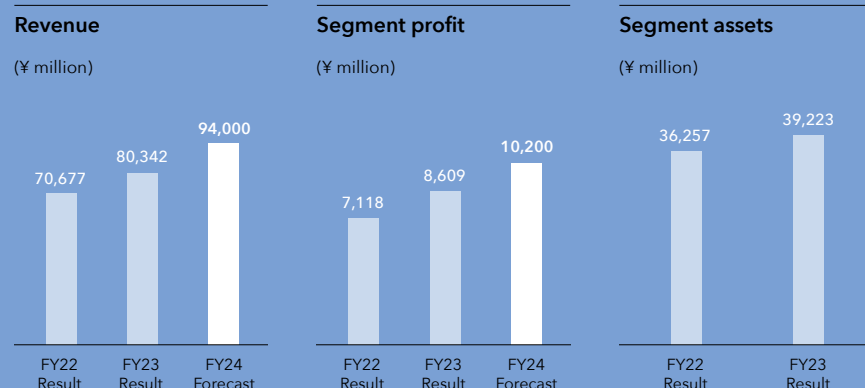
Group companies: Gap Personnel Holdings Limited (U.K.) 25 other companies

### Others

Group companies: SAMURAI, Inc. SAMURAI Career, Inc. Open Up With Inc.

## Review of Operations: Business Results

### Machinery and Electronics / IT

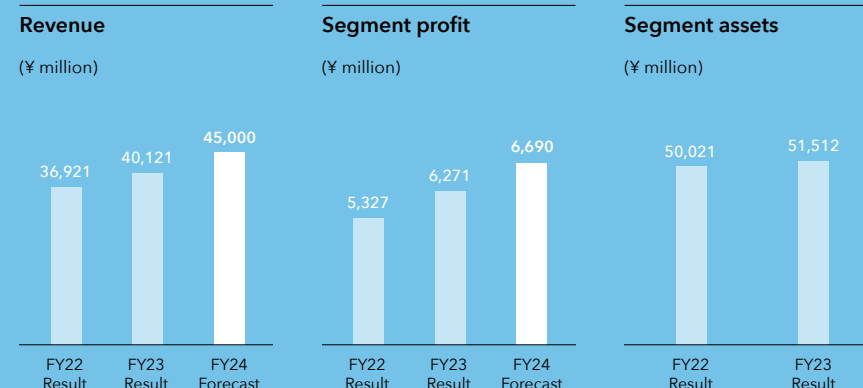


#### Review of Fiscal 2023

In fiscal 2023, the fiscal year ended June 30, 2023, the number of employees in the segment grew more than 10% compared with the beginning of the fiscal year due to aggressive investment in recruitment, which continued from fiscal 2022, a recovery of business confidence in a broad spectrum of industries, and rising demand for human resources. In addition, the employee utilization rate remained stable at more than 95% for most of the fiscal year, except during and immediately after April, when employee inactivity increases as a result of new graduate training and other programs. In terms of profit, despite a significant increase in recruitment costs owing to tight conditions in the human resources market, the profit margin improved slightly due to higher staffing rates for dispatch workers through the expansion of advanced training programs and a shift in projects and reduction in selling, general and administrative (SG&A) expenses thanks to improvements in operational efficiency.

As a result, revenue came to ¥80,342 million (up 13.7% year on year), segment profit stood at ¥8,609 million (up 20.9%), and segment assets amounted to ¥39,223 million (up 8.2%) in this segment in fiscal 2023.

### Construction



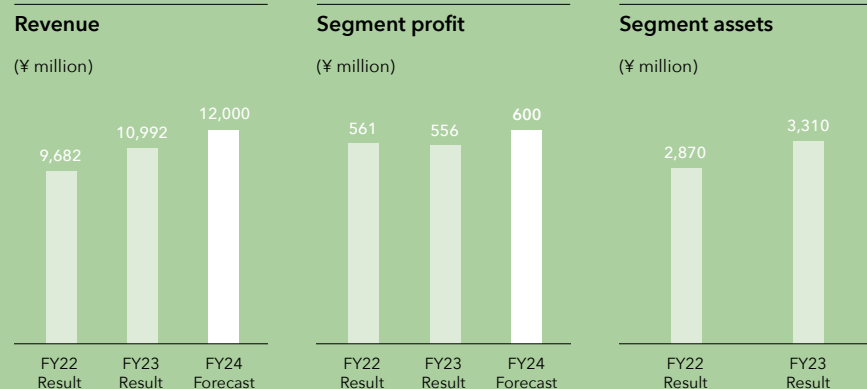
#### Review of Fiscal 2023

In fiscal 2023, the number of employees in the segment increased as a result of measures to strengthen and improve recruitment channels and retain employees, which began in fiscal 2022, and the utilization rate remained at a high level due to buoyant demand for human resources in the construction industry.

As a result, revenue was ¥40,121 million (up 8.7% year on year), segment profit reached ¥6,271 million (up 17.7%), and segment assets totaled ¥51,512 million (up 3.0%) in this segment in fiscal 2023.

## Review of Operations: Business Results

### Manufacturing



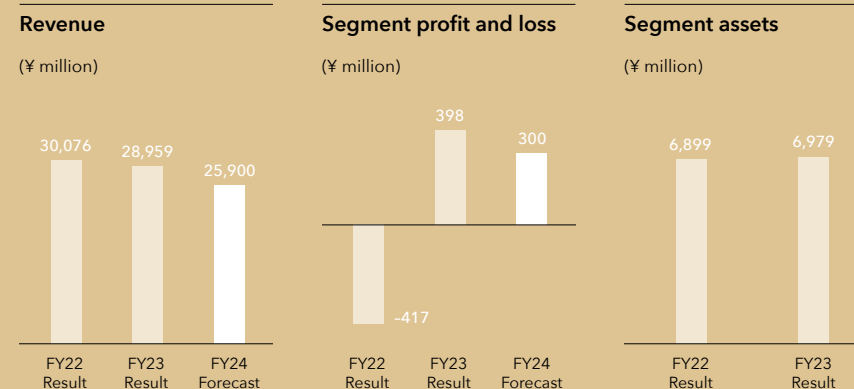
#### Review of Fiscal 2023

In fiscal 2023, we continued to develop demand in the segment for human resources on a wide scale in sales areas without favoring certain sectors or large client companies, and we increased the number of dispatched workers while striving to maintain and improve profitability through efforts including negotiations on staffing rates. As a result, the dispatch business saw an increase in the number of dispatched workers in a variety of sectors, such as materials, electrical and precision machinery, and logistics warehouses. However, the number of dispatched workers declined in the contracting business, due in part to a decrease in production related to semiconductors. Although the cost ratio remained steady or showed an improving trend, an increase in recruitment costs and personnel expenses led to a slight decline in the profit margin.

As a result, revenue stood at ¥10,992 million (up 13.5% year on year), segment profit was ¥556 million (down 0.8%), and segment assets came to ¥3,310 million (up 15.3%) in this segment in fiscal 2023.

Note: Due to the sale of BeNEXT Partners Inc., businesses in the Manufacturing segment are scheduled to cease operating on March 31, 2024.

### Overseas



#### Review of Fiscal 2023

In fiscal 2023, although demand for human resources in the United Kingdom recovered temporarily following the end of the COVID-19 pandemic, economic activities slowed toward the end of 2022 due to factors including soaring commodity prices, rising interest rates, and a downturn in trade. Despite the beneficial effect of a weak yen, revenue declined as the impact of such factors led to sluggish dispatch sales in the busy season before Christmas. On the profit front, while the profit margin in the business as a whole was largely unchanged, the termination of public subsidies for addressing the impact of the COVID-19 pandemic resulted in a decline in profits. On the other hand, the impairment loss of ¥744 million recorded in fiscal 2022 by our subsidiary in the UK was absent in fiscal 2023.

As a result, revenue came to ¥28,959 million (down 3.7% year on year), segment profit reached ¥398 million (compared with a segment loss of ¥417 million in fiscal 2022), and segment assets stood at ¥6,979 million (up 1.2%) in this segment in fiscal 2023.

# Review of Operations: Machinery and Electronics



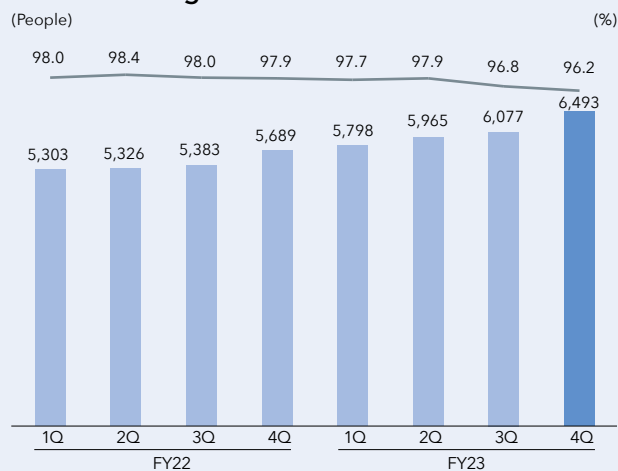
## Business Activities

**Contracting and consignment business engaged in the dispatch of engineers, the development of embedded software, testing, evaluation, and other activities**

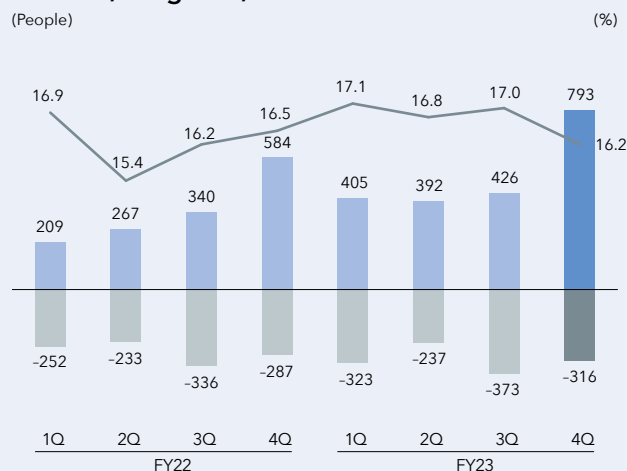
Many mid-level engineers play an active role in the Machinery and Electronics segment, which supports a wide range of sectors, such as transportation equipment, semiconductor-related equipment, electrical and electronic equipment, machinery, information and telecommunication, and chemicals. Also operating a contracting and consignment business engaged in the design and development of embedded software, the development of production technologies, testing and evaluation, information processing, and other activities, the Machinery and Electronics segment has built a client base spanning more than 900 client companies.



### Number of engineers and utilization rate



### Recruits, resignees, and turnover rate



### Hourly staffing rate



■ Number of machinery and electronics engineers  
— Machinery and electronics engineers utilization rate  
Notes: Utilization rate = (Number of active employees + Number of employees of partner companies) ÷ (Number of employees + Number of employees of partner companies - Number of employees on leave)  
Excludes resignations at the end of the fiscal year

## Message from the Head of the Machinery and Electronics Unit

**Einobu Yoshii**

Corporate Officer

Head of the Machinery and Electronics Unit

**Improving Lifetime Value by Supporting the Career Enhancement of Engineers to Extend Their Working Lives**

The Machinery and Electronics Unit has adopted the goal of improving lifetime value (LTV), that is, cumulative profit from engineers, by extending the working lives of engineers through support for their career enhancement. To realize this goal, we promote an Engineer Value (EV) model. Under this model, we provide support for engineers to improve their skills and implement a plan to ensure that they are assigned appropriately by visualizing each engineer's value, thereby enabling their further success.

In fiscal 2023, we worked to transfer engineers to more suitable workplaces as part of our EV model measures, which led to an increase in staffing rates. In addition to increasing the staffing rate of engineers, changes in workplace help reduce the turnover rate. Accordingly, we plan to continue promoting EV model measures going forward.

Meanwhile, we opened training centers in Tokyo in July 2022 and Osaka in May 2023 to conduct machinery and electronics engineer training for novice engineers. Satisfaction with the training among participants is exceptionally high, and results show that the contract continuation rate is higher for engineers who have undergone such training than it is for those who have not. In December 2023, we opened a new training facility for semiconductor engineers, where we plan to develop approximately 200 such engineers each year.

Amid projections that recruiting human resources, particularly new science and technology graduates and people with experience, will become increasingly challenging, the Machinery and Electronics Unit will work to strengthen LTV, fulfilling the career aspirations of engineers by enhancing the EV model.

## TOPICS

**Launching Joint Research with Ritsumeikan University into Establishing a Career Development Support Program for Engineers**

In July 2023, we launched joint research with Associate Professor Katsutoshi Furuta from the Graduate School of Technology Management at Ritsumeikan University, who conducts research on the topic of career growth and development. The goal of the research is to clarify those measures that would be effective in increasing employee retention based on analysis of the factors that prompt resignations. Through methods including questionnaires and employee interviews and the establishment of hypotheses using data analysis, the research examines measures that will be effective in reducing the turnover rate among engineers and improving their skills.

**Opening a New Training Center for the Semiconductor Field**

In December 2023, we opened a new training center to develop and produce for various client companies the human resources who will underpin Japan's semiconductor industry. The training center offers reskilling opportunities to jobseekers who do not have knowledge or experience of semiconductors. Specifically, in addition to classroom courses for the systematic acquisition of knowledge in the semiconductor field, the center conducts an intense learning program that includes training in which participants come into contact with the main equipment and materials used at actual production sites and training in model clean rooms similar to those in semiconductor plants.



# Review of Operations: IT



Open Up IT Engineer Inc.



Open Up System Co., Ltd.



AXIS CREATE Inc.



Arrow Trust Systems Co., Ltd.



Garet Co., Ltd.

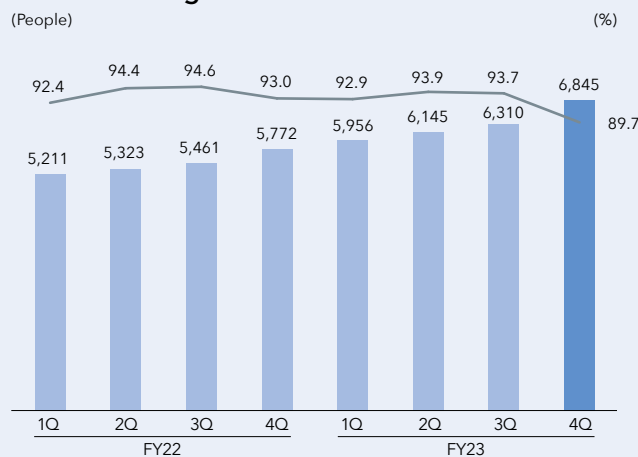
## Business Activities

- Infrastructure** Dispatch of IT engineers, outsourcing, job placements, and IT consulting
- Development** System planning, development, installation, upgrading, maintenance, and operation, and IT consulting

With a focus on its business dispatching IT engineers, the IT segment operates businesses in the IT infrastructure sector offering total solutions, such as contracting, consignment, and job placement, and a broad spectrum of services in the IT development field, encompassing everything from system planning to development and installation, upgrading and maintenance and operation of existing systems, and IT consulting.

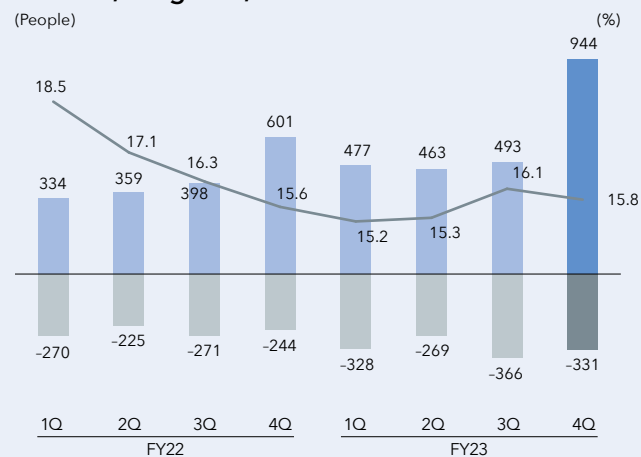


### Number of engineers and utilization rate



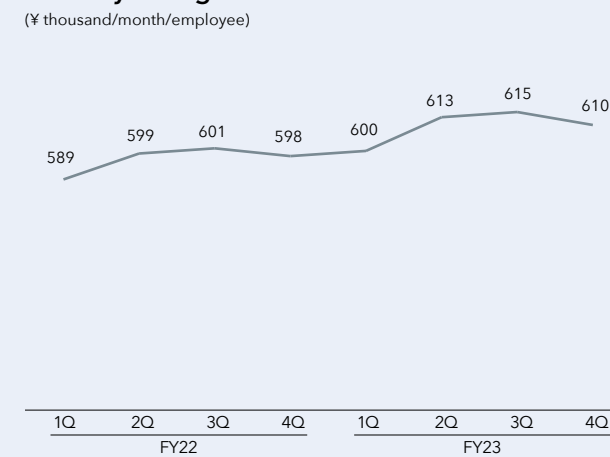
■ Number of IT engineers — IT engineers utilization rate  
Notes: Utilization rate = (Number of active employees + Number of employees of partner companies) ÷ (Number of employees + Number of employees of partner companies - Number of employees on leave)  
Excludes resignations at the end of the fiscal year

### Recruits, resignees, and turnover rate



■ Number of recruits ■ Number of resignees — Turnover rate

### Monthly billing amount



Notes: Billing amount = Net sales ÷ Average number of active employees (active employees, excluding employees of partner companies)  
Average number of active employees constitutes the average over the previous six-month period (average of the preceding quarter and the current quarter)



Review of Operations: IT

Message from the Head of the IT Infrastructure Unit



Realizing Continuous Growth by  
Consistently Creating Opportunities  
for IT Engineers to Grow

**Junji Nakashima**  
Corporate Officer  
Head of the IT Infrastructure Unit

In July 2023, YUME TECHNOLOGY Co., Ltd. and BeNEXT Solutions Inc., the two operating companies of the IT Infrastructure Unit, integrated to establish Open Up IT Engineer Inc. All employees, including engineers—augmented in number to approximately 5,000 through the integration—are working on activities to spread the newly formulated philosophy, vision, and mission of the new company.

With regard to augmenting the number of mid-level engineers, which is the fundamental strategy of the IT Infrastructure Unit, we have increased their number significantly by expanding our range of training programs and introducing e-learning-based training. Through these efforts, mid-level engineers now account for 24% of all engineers, up 10 percentage points from the previous fiscal year. With the establishment of advanced training, the number of engineers with Amazon Web Services (AWS) certifications has surpassed the 1,800 mark. In addition to our selection as an AWS-certified partner, one of our engineers was selected as a 2023 Japan AWS All Certifications Engineer. In these ways, the Group's presence is growing in the cloud and network engineer field.

In fiscal 2024, we will work to increase satisfaction levels among engineers through various measures such as revising the remuneration program and improving working environments. We will also realize business expansion in cities other than Tokyo, Osaka, and Nagoya, train human resources, invigorate our organizations, and foster a corporate culture with the aim of achieving continuous growth.



Employee event to mark the establishment of the new company

Message from the Head of the IT Development Unit



Realizing Continuous Growth by  
Establishing Work Environments  
Where Even Inexperienced  
Engineers Can Play an Active Role

**Takuro Ito**  
Head of the IT Development Unit

In fiscal 2023, the IT Development Unit focused on the post-merger integration (PMI) of the three IT development operating companies that merged in April 2022, enhancing operational efficiency by making improvements to systems, including the personnel system and system integration, and to business procedures and regulations, such as the operational flow and internal rules. As the final step in the reorganization of the Group, we took over the business of another company in April 2023, for which PMI is proceeding.

Alongside this PMI, the number of new recruits during fiscal 2023 rose to 79 thanks to our efforts to bolster recruitment. We also worked to enhance our existing training programs, centered on areas including basic IT training, web application development training, and project-based learning, and we established project manager and project leader development programs. Furthermore, we obtained engineering partner certification for mcframe—packaged software for the manufacturing industry—with the aim of expanding the scope of services to our client companies.

In fiscal 2024, we are facilitating the formation of teams whereby inexperienced engineers are partnered with their more experienced colleagues. We are also expanding opportunities for inexperienced engineers to play an active role by promoting project management restructuring in approximately 60 projects, which reassigns engineers and shifts the emphasis on work from upstream processes to those in development and manufacturing processes.



# Review of Operations: Construction



YUMESHIN  
YUMESHIN Co., Ltd.



YUMESHIN  
YUMESHIN EXPERT  
Co., Ltd.

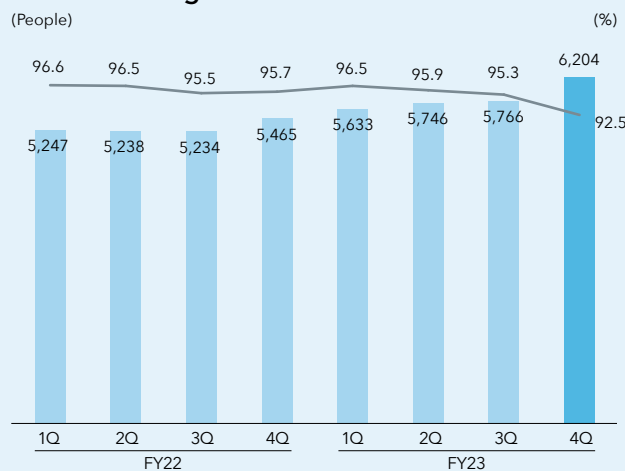
## Business Activities

Businesses engaged in the dispatch of construction engineers (construction management engineers, CAD operators, and construction-related clerical staff), contracting for the preparation of construction plans, and dispatch of workers with construction industry experience

Economies of scale afforded by its position as the industry leader in terms of number of construction engineers constitute a major strength of the Construction Unit. Together with nurturing many inexperienced human resources through our unique training system, we are particularly strengthening our system for following up on the progress of engineers, visiting the construction sites to which they have been dispatched. Meanwhile, our 250-employee strong business engaged in contracting for the preparation of construction plans has garnered praise for its quickness, accuracy, and cost competitiveness. In addition, we are building a track record for dispatching construction engineers with advanced skills and a wealth of experience.

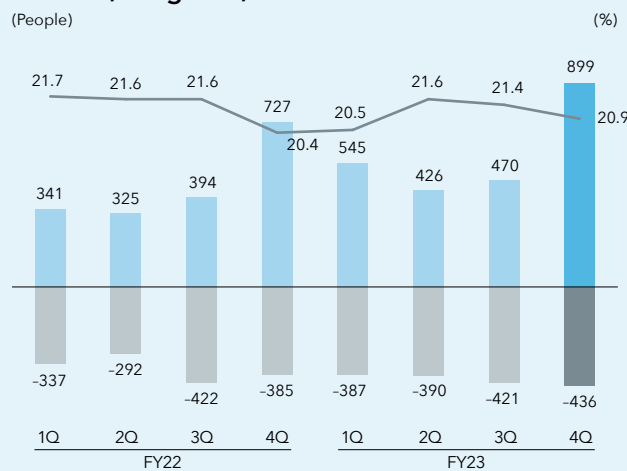


### Number of engineers and utilization rate



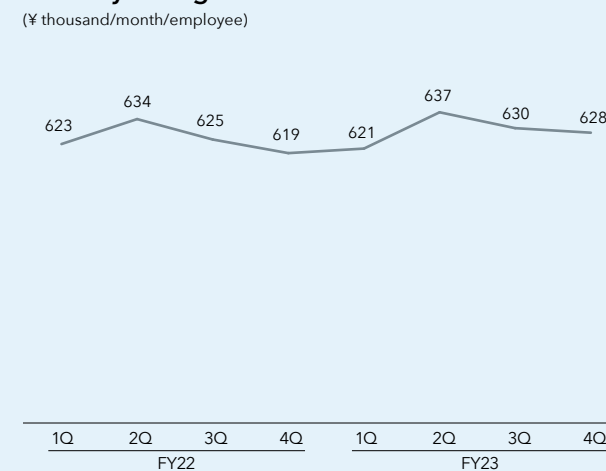
■ Number of engineers — Utilization rate  
Note: Utilization rate = Number of active employees ÷ (Number of employees - Number of employees on leave)

### Recruits, resignees, and turnover rate



■ Number of recruits ■ Number of resignees — Turnover rate  
Notes: Turnover rate = Number of resignees during the given year ÷ (Number of employees at the end of the previous fiscal year + Number of new recruits during the given year)  
Includes resignations at the end of the fiscal year

### Monthly billing amount



Notes: Billing amount = Net sales ÷ Average number of active employees  
Average number of active employees constitutes the average over the previous six-month period (average of the preceding quarter and the current quarter)

## Message from the Head of the Construction Unit

**Kenjiro Ogawa**

Corporate Officer  
Head of the Construction Unit

### Working to Maximize LTV by Pursuing Effective Ways to Support Engineers

In April 2024, legal restrictions on overtime work will come into effect in the construction industry. Amid projections that attendant reduction in working hours per person will further intensify labor shortages, the restrictions are expected to further accelerate efforts to secure human resources through improvements to both overtime work and the overall working environment.

The Construction Unit is working to strengthen recruitment and improve the turnover rate as part of measures to address such changes in the business environment. In fiscal 2023, we continued to recruit proactively and established a follow-up system for new employees during the period between joining the company and beginning stable work. Efforts to standardize support measures based on analysis of past resignation reasons and to improve the skills of follow-up managers bore fruit, reducing the turnover rate among engineers who had been with the company less than one year. In addition, among the 6,087 qualifications acquired in fiscal 2023, the number of construction management engineer qualifications rose to 320 as a result of efforts to promote the acquisition of qualifications by engineers to support their career development and create added value for client companies.

Meanwhile, we are also working to strengthen our system that places priority on maintaining extended business partnerships with client companies. To this end, we deploy sales staff to work exclusively with client companies that have large numbers of construction sites and projects, such as major general contractors, while assigning engineers on a priority basis to meet human resource requests from client companies that can be expected to provide long-term and continuous dispatch opportunities.

We will continue to steadily expand our number of active employees and maximize their LTV by promoting the long-term employment of engineers to further solidify our position as the leading player in Japan.

## TOPIC

#### Refurbishing the Yumeshin Training Center

In June 2023, we refurbished the Yumeshin Training Center, the training facility for newly graduated and novice engineers in the Construction segment, installing new industry-specific booths focused on practical training for civil engineering, electrical engineering, and various other equipment. The booth with surveying instruments, distribution switchboards, air-conditioning ducts, model water pipes, and other features enables such engineers to experience basic site work, including the operation of instruments and equipment, further improving training content.

The center also features a new cafe, putting in place an environment where trainees can relax in between training sessions. We encourage interactions among engineers based on our view that their sense of belonging will increase, enhancing work motivation and the retention rate, if they are among colleagues who support each other.



# Review of Operations: Manufacturing



BeNEXT Partners

BeNEXT Partners Inc.

## Business Activities

### Contracting, consignment, and dispatch business for the manufacturing processes of client companies

In the Manufacturing Unit, we operate a personnel placement business that aims to provide job opportunities to job applicants in a manner that caters to their individual lifestyles while at the same time contributing to the development of local communities.

Note: Due to the sale of BeNEXT Partners Inc., businesses in the Manufacturing segment are scheduled to cease operating on March 31, 2024.

## Message from the Head of the Manufacturing Unit



**Seiki Haruta**

Corporate Officer

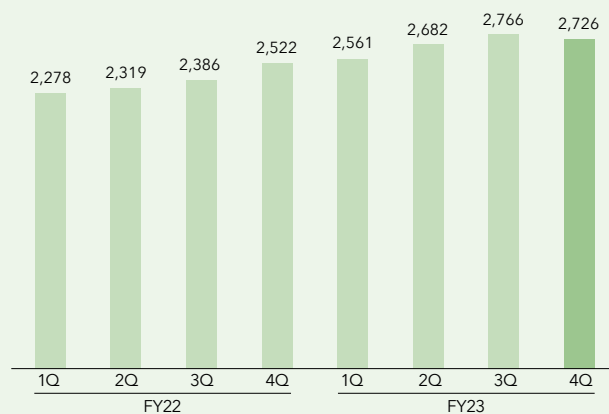
Head of the Manufacturing Unit

## Aiming for Growth through the Promotion of Area Strategies

In fiscal 2023, contracts with new clients increased considerably, up 40% compared with fiscal 2022, as we carried out sales activities through collaboration between local branches and offices and the call marketing team as part of our area strategies. As a result, we expanded our client base in industries including chemicals, medical equipment, machine tools, and construction, in addition to our conventional client base in the transportation equipment, precision electronics, and materials industries. By diversifying our business portfolio by industry, we have been able to reduce volatility resulting from busy and slow periods at specific companies as well as maintain employment on a continuous basis. In terms of recruiting, we saw an increase in job applicants due in part to efforts such as the strengthening of our owned media, Job Park. Furthermore, we successfully expanded the range of jobs to which we can introduce applicants. As of June 30, 2023, our number of registered technicians exceeded 2,700. In fiscal 2024, we will aim for further growth by continuing to promote area strategies in our sales activities while strengthening our relationships with existing client companies and enhancing the efficiency of our recruitment activities.

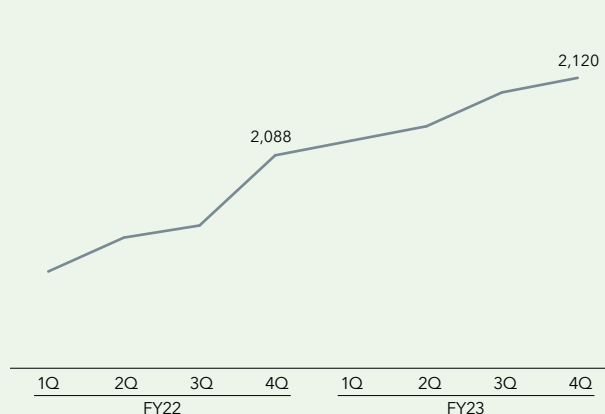
## Number of technicians

(People)



## Unit price of contracts

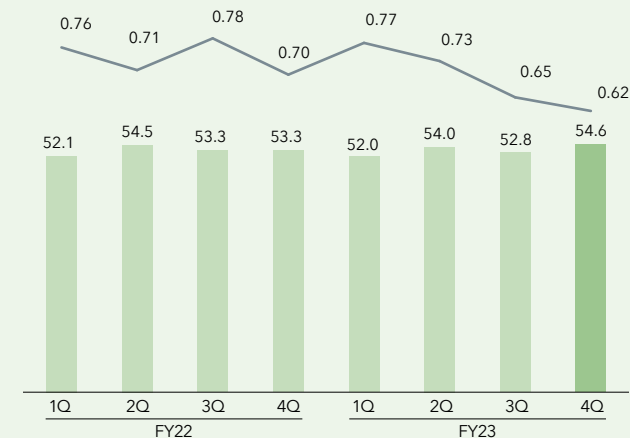
(¥)



## Number of operating days and hours of overtime

(Days)

(Hours)



■ Number of operating days — Hours of overtime

## Review of Operations: Overseas

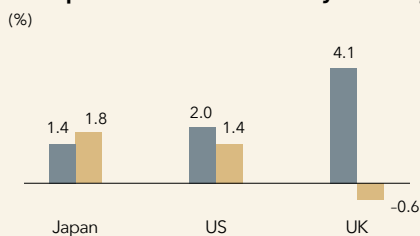


### Business Activities

Dispatch, contracting, and fee-charging job placement services in the engineering and manufacturing fields

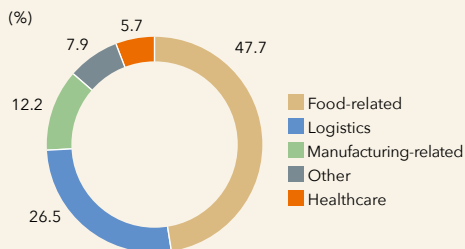
Our overseas operations center on the United Kingdom, where we dispatch workers to a wide range of companies under our corporate umbrella, primarily Gap Personnel Holdings Limited, to engage in a variety of duties.

### Comparison of real GDP by country

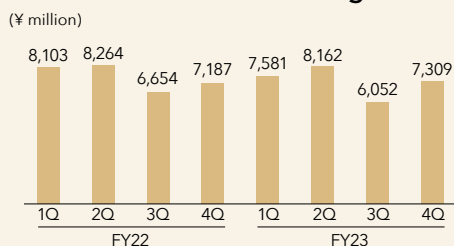


Source: World Economic Outlook Update, International Monetary Fund, January 2023.

### Revenue composition ratio of the UK business



### Revenue in the Overseas segment



## Review of Operations: Other Business (Education)



### Business Activities

Business pertaining to online IT education, job placement, corporate training, programming education, and programming learning media

To realize a world in which all people can utilize technology to forge a path to the future, we provide high-quality IT education that closely caters to individual needs and goes beyond boundaries such as age, learning environment, and value systems.

### Programming Education

In 2013, we commenced Japan's only person-to-person programming lessons provided by specialist instructors. Since then, we have created courses on AI, career-changing for engineers, and website design. As all of our information and communications technology (ICT) education provides person-to-person guidance, we help ensure that everyone is able to find jobs that are productive and fulfilling.

We also provide programs for elementary school, junior high school, and high school students as well as women and people with disabilities to help realize their dreams of enhancing their IT skills, becoming engineers, and creating apps.



### Job Placement Business

We provide job placement support for people with no experience throughout the process of career-changing to become an engineer. Through our specialized know-how in changing jobs to the engineering field, we help people select the best possible career from among a wide range of job opportunities. In collaboration with Group companies, we offer ways for those with no experience to acquire practical training in the engineering field while attending courses.



### Corporate Training Business

We offer programming training to corporations with the aim of helping their employees enhance their skills, acquire certifications, and receive employee benefits. Engineers with an abundance of practical experience propose training details tailored to the business models of client companies.



# Review of Operations: Training and Follow-Up System for Engineers and Technicians

## Machinery and Electronics Segment

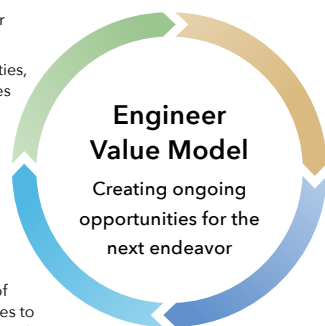
The Machinery and Electronics segment covers a broad range of industries, including automobiles, energy, and home appliances, and it requires vast and extensive knowledge in machinery, electronics, and electrical engineering. The Group supports the skills and career enhancement of each of its employees while at the same time creating opportunities for them to pursue new endeavors toward growth. By doing so, the Group works to continuously enhance the value of its human resources, or Engineer Value (EV), in the Machinery and Electronics segment.

At BeNEXT Technologies Inc., a major operating company in the Machinery and Electronics segment, we have opened training centers at the Tokyo and Osaka offices that offer training programs on electrical engineering for novices. These programs, e-learning included, provide a diverse array of over 1,630 courses. For example, with regard to the QC KENTEI (Quality Management and Quality Control Examination), which is required in a broad range of fields and highly recognized among corporations, the rate of participants in training seminars at BeNEXT Technologies who have passed levels 3 and 4 of this exam has recently exceeded the nationwide pass rate by more than 12 percentage points. This is one measure that demonstrates the positive impacts and high reputation of the company's training programs.

In addition to these training programs for inexperienced employees, another major component of the BeNEXT Technologies training structure is its career brush-up training, which targets engineers in employment. This training is held twice a year and provides an opportunity for participants to reflect on their own career and skills and consider the kind of career that they want for the future. Also, the Career Center, a specialized division, provides robust support that includes interviews with employees regarding any concerns they may have in the workplace and any requests for improvement. The company also provides smartphones to all employees to ensure smooth communication via the intranet.

### Visualizing Value

- Bring together a multitude of skills, experience, achievements, and customer evaluations at workplaces, etc.
- Collect information on technical capabilities, career ambitions, and desired workplaces via smartphone site for engineers and analyze such information using AI



### Enhancing Potential

- Make full use of online interviews and marketing tools
- Improve expertise through the division of labor and specialization of sales processes to enhance job postings and personnel proposals
- Increase utilization of newly hired and reassigned employees

### Improving Value

- Leverage human resources tech to establish various frameworks for promoting skills enhancement, tailored to the visualized capabilities, issues, and ambitions of engineers
- Create assignment plans based on the level of engineer expertise and bill appropriately in accordance with market evaluation

### Realizing Active Roles

- Respond flexibly to diversity and changing work styles in terms of personnel evaluations and employment status optimized for technical fields
- Promote recognition systems, pay increases, bonus systems, and training programs that enable engineers to work with pride and a sense of fulfillment

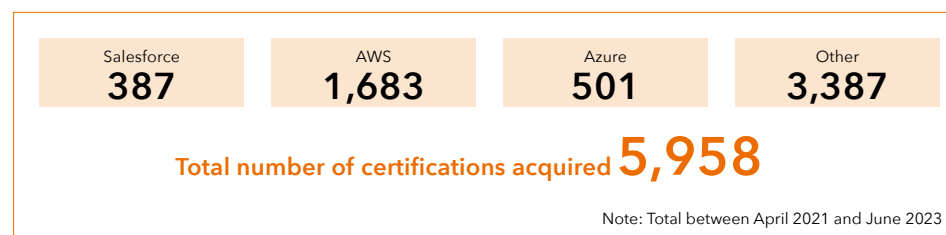
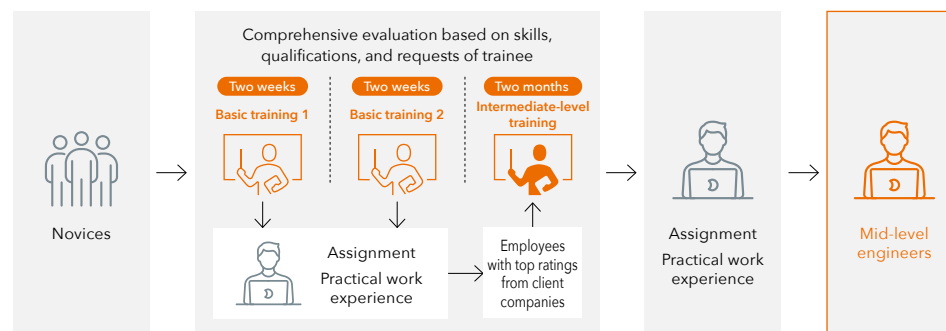
## IT Segment

With the growing trend of digital transformation (DX) by corporations, IT (infrastructure and development-related) is positioned as a growth industry which also faces a pressing shortage of engineers. Under these circumstances, the Group continuously produces a high volume of engineers who play an active role on the front lines, centered on Open Up IT Engineer Inc., which specializes in infrastructure-related IT, and Open Up System Co., Ltd., which excels in development-related IT.

Our robust lineup of training programs, which help novice engineers acquire technical skills from the ground up, have underpinned our human resource development efforts in the IT segment. After completing introductory training when entering the company, new employees undertake one-month basic training and two-month advanced technical IT training in stages, based on their skill level. The advanced technical IT training, which enables participants to acquire various certifications such as AWS and Salesforce Developer, also includes e-learning courses, and is available anytime after an employee has started working.

After employees complete training, they interview with sales representatives regarding the kind of engineer they want to be, and they are assigned to suitable companies. An engineer who works for three years or more in the same company they are dispatched to is able to transfer to a full-time position as long as their request aligns with said company.

### Training programs of Open Up IT Engineer Inc.



## Review of Operations: Training and Follow-Up System for Engineers and Technicians

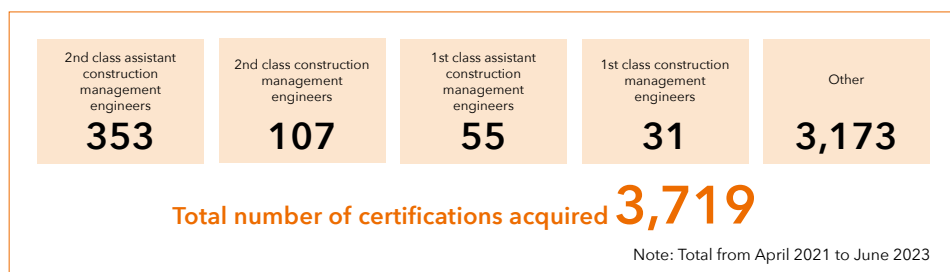
### Construction Segment

In the Construction segment, we produce a large number of personnel primarily from YUMESHIN Co., Ltd., Japan's largest provider of dispatch services for construction-related engineers, to meet the needs of an industry facing the issues of a rapidly aging population and labor shortages, and the needs of society as a whole.

As a general rule, all employees who are hired as new graduates or without experience undertake new employee training before assignment to construction sites. To enhance the quality of this new employee training, it is conducted at the Yumeshin Training Center, a proprietary facility that was refurbished in June 2023. In addition to classroom lectures on topics such as safety and health management and material management and courses to build PC operation skills and interpersonal skills, new employee training also offers practical training in environments similar to the front lines, thereby nurturing engineers who can be effective in the workplace immediately.

There are roughly 100 types of construction-related certifications, starting with registered architect and construction manager, and a total of 200 types of certifications including adjacent qualifications. Holding multiple types of qualifications is an effective means for enhancing the careers of employees. To that end, in 2022 we launched the Certification Promotion Project and set up rank-based training and e-learning courses.

In addition, our support team, comprising roughly 60 follow-up managers, conduct interviews with employees and visit their workplaces once a month. When doing so, they hold consultations on improving the engineering skills of employees, respond to issues faced at work, and ask questions and propose improvements that help bridge any gaps between companies and their frontline operations. By assigning follow-up managers to each engineer, we are able to hold consultations regarding certification acquisition and provide advice regarding methods for securing time to study amid busy schedules, thereby supporting the career development of engineers.

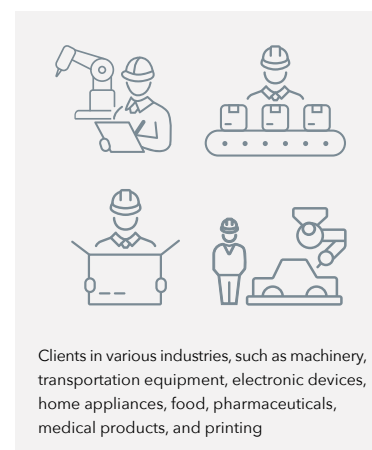


### Manufacturing Segment

In the Manufacturing segment, BeNEXT Partners Inc. (BNP) handles the dispatch of technicians specializing in manufacturing, providing job opportunities that cater to the preferences of job applicants, including the preference to work in their hometowns and the desire to work in ways that accommodate their lifestyles. With 25 offices located in major cities across Japan from Hokkaido to Okinawa, the connections we forge between job applicants and client companies dealing with labor shortages also contribute to the development of local economies. The number of personnel has grown steadily year by year. As of June 30, 2023, the number of technicians and employees involved in sales and corporate planning was over 2,800.

The Manufacturing segment itself comprises client companies from various industries and involves various positions. Among this vast range of work, BNP strives to introduce job applicants to companies that best match their requests and ambitions. In situations where the hurdle for recruitment is high due to such factors as work experience, we hold direct negotiations with client companies on behalf of the job applicant to explore the possibility of employment. We also strategically find other places of employment in these cases so that applicants can reapply to the companies they originally desired after building sufficient experience.

After employment, technicians gain months of work experience on the manufacturing front lines and receive support from our sales representatives who understand their working conditions, thereby securing an environment in which technicians can work with peace of mind. In addition to supporting the acquisition of certifications for each technician with a view to building their careers, we have introduced a career exploration system where technicians can transfer to sales or corporate planning positions, providing other options for their career paths.



### Major offices



25 offices across Japan, contributing to the development of local communities and providing work opportunities for job applicants that cater to their individual lifestyles

Note: Due to the sale of BeNEXT Partners Inc., businesses in the Manufacturing segment are scheduled to cease operating on March 31, 2024.

## Messages from Engineers and Technicians

**TM**

Mechanical Engineer  
BeNEXT Technologies Inc.  
Joined in 2021

### Being in an environment where I can face my career head-on has enabled me to take steps to develop my skills.

When I attended the training program at the Career Center, I chose courses that were in areas that I was interested in, highly versatile, and that would allow me to learn skills that I wanted to continue to develop in the future. I try to keep a record of every time I learn or realize something new, and I feel a sense of growth when I revisit my notes and cast my mind back to the time when I took them.

Career brush-up training, which is held every six months, provides us with an opportunity to regularly reflect on our own careers. Until I entered the company, I had been unable to approach my work from the perspective of actively embracing my personal dreams and aspirations and engaging in work that only I could do. However, after attending career brush-up training, taking stock of my skills, reflecting on the previous six months, and setting goals, I came to believe that I could transform my career as much as I wanted to.

I also receive follow-up support from the sales representatives. When I consult with them about any challenges I am facing, to the extent that it does not raise any issues in relation to my current assignment, they listen carefully and encourage me to achieve my goals with a “first, just give it a try” attitude, which I find reassuring.

In the future, I want to take on the challenge of obtaining professional engineer qualifications. This is because, as an experienced engineer, pursuing challenging qualifications will lead to the next stage in my growth. My goal is to acquire difficult-to-obtain national qualifications to enable me to take on greater responsibilities at work.

**NA**

Engineer (Salesforce)  
Open Up IT Engineer Inc.  
Joined in 2022

### I am achieving both an enriched lifestyle and enhanced job satisfaction.

Out of the basic training options that I could choose from when I joined the company, I selected training that would allow me to work in a way that suited the lifestyle I was seeking. I feel the results of this training every day. Thanks to the basic knowledge I learned in training, I am often able to solve any issues that I face in the field by myself.

As part of the support provided to engineers when they change assignments, the sales representative interviewed me about what kind of work I would like to take on, which gave me an opportunity to reconsider my future career. The sales representative also advised me that obtaining higher-level qualifications in addition to the ones I would obtain during training would broaden the range of jobs I could be referred to, which helped motivate my self-improvement.

I wanted to engage in work at a higher level for my personal growth and decided to undertake advanced training to improve my skills. I have taken Salesforce developer training via e-learning, and I am also currently taking an AWS e-learning course. Even when studying for higher-level qualifications, I find it easier to understand new concepts and functions because of the foundation of knowledge that I built during basic training. I hope to become an even more marketable engineer in the future by acquiring new knowledge and skills from courses other than those I selected in the basic training program and expanding my areas of expertise.

**YK**

Construction Management Engineer  
YUMESHIN Co., Ltd.  
Joined in 2022

### Encouraged by the relationship of trust with my follow-up manager, I was able to pass the qualification exam.

Currently, I am mainly engaged in exterior finishing work, but since there are often cases where general knowledge of construction work is required even when specializing in one part of the entire process I concluded that having a qualification would broaden the scope of my work. Therefore, I decided to take on the challenge of obtaining a qualification.

My follow-up manager had already obtained the qualification I was aiming for and provided me with generous support, including sharing the actual test strategies they had used themselves and analyzing the trends of the exam for the year I would be taking it. Encouraged by their friendly support, I was able to stay motivated and work on preparing for the exam right through to the end. Since obtaining the qualification, I feel that I am better equipped to make decisions armed with new knowledge and that the fruits of my efforts in studying for the exam have helped me in my daily work, especially with regard to administrative tasks.

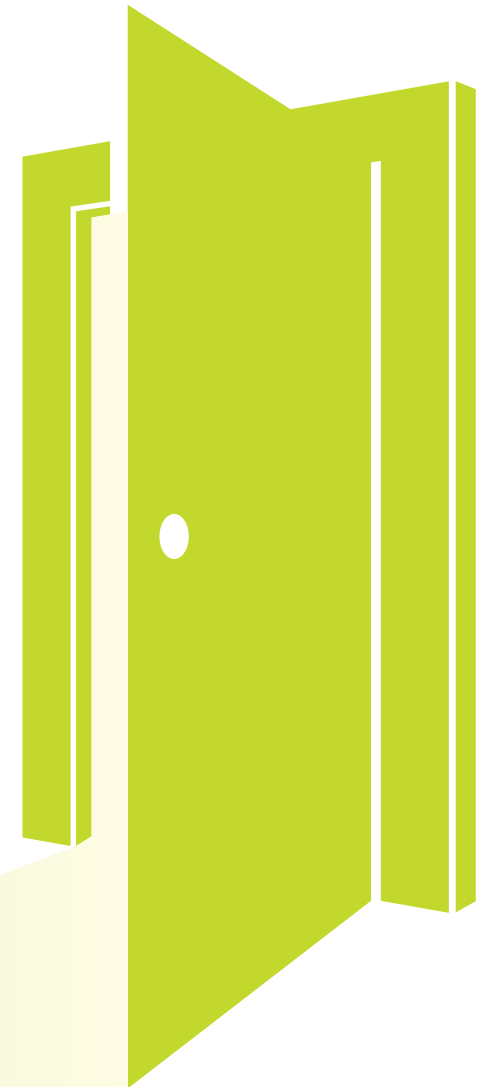
In addition, my career counselor worked closely with me from the very beginning of my employment and engaged in frequent dialogue, which I believe has helped contribute to my current motivation at work. By having other people to rely on in addition to the sales representatives, I can work with peace of mind and face the future without worry.

Going forward, I aim to be able to run the site so that everyone involved can carry out their work smoothly, while making use of the practical experience in hazard prediction I gained through the training at the Yumeshin Training Center. To this end, I am working with a view to acquiring further qualifications.



# Sustainability

We strive to use the growth of our business and the promotion of sustainability-related activities to increase corporate value. At the same time, we aspire to a sustainable society where diversity is lauded and individuals can showcase their abilities to the world.



# Sustainability Management

## Basic Stance

Our basic stance toward sustainability is to conduct business activities that are sustainable over the long term and in harmony with both society and the natural environment. Bearing this in mind, we draw upon our independently established Basic Sustainability Policy and Corporate Ethics for Society, Human Rights, and the Environment to conduct business that helps resolve social issues, achieving sustainable growth for the Group and contributing toward building a sustainable society.

## Basic Sustainability Policy

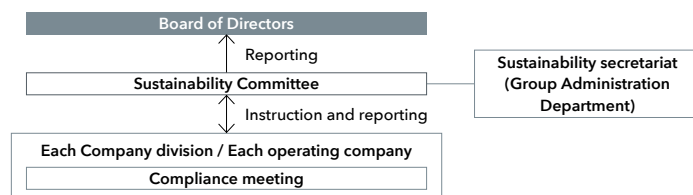
The Group's Purpose is to open up individual potential through rewarding work. The Group aims to help build a sustainable society and achieve corporate growth by working closely with job seekers (the people it finds work for), client companies, and all other stakeholders to leverage its business to resolve issues faced by society.

## Sustainability System

The Group has developed a sustainability promotion system that centers on its Sustainability Committee. The committee is chaired by the person serving as representative director, chairman, and CEO, and also comprises the person serving as representative director, president, and COO, the person serving as director and CFO, presidents from the Group's major operating companies, and Group officers and employees designated by the chair. As a result, the committee's structure ensures representation from throughout the Group. The committee reports to the Board of Directors regarding its efforts to manage the examination and update of the Group's value creation process and material issues. It also reports its reviews of risk management related to medium- to long-term sustainability and discussions of countermeasures, covering topics such as human rights, the environment, and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Each division of the Company holds a monthly compliance meeting as does each operating company. The Sustainability Committee receives reports about the content of these meetings to assist with overall management of the Group's response to sustainability-related risks. The secretariat duties regarding these meetings are handled by the Group Administration Department, which ensures that sustainability measures are both flexible and consistent.

## Sustainability promotion system



## Characteristics of Our Sustainability System

- Sustainability management is conducted primarily by the Sustainability Committee, chaired by the person serving as representative director, chairman, and CEO.
- Presidents of major operating companies participate in our sustainability system as members of the Sustainability Committee.
- The Sustainability Committee is also in charge of reviewing sustainability-related risk management and discussing countermeasures.
- The Group Administration Department carries out secretariat duties for the Sustainability Committee and compliance meetings, ensuring consistent sustainability measures.

## Sustainability Committee Meetings

The Group's Sustainability Committee meets at least twice a year. The committee manages any examinations of and updates to the Group's value creation process and material issues and aggregates risk management status updates highlighted during the monthly compliance meetings at each operating company. The following are key agenda items from Sustainability Committee meetings held in the period from April 2022 to October 2023.

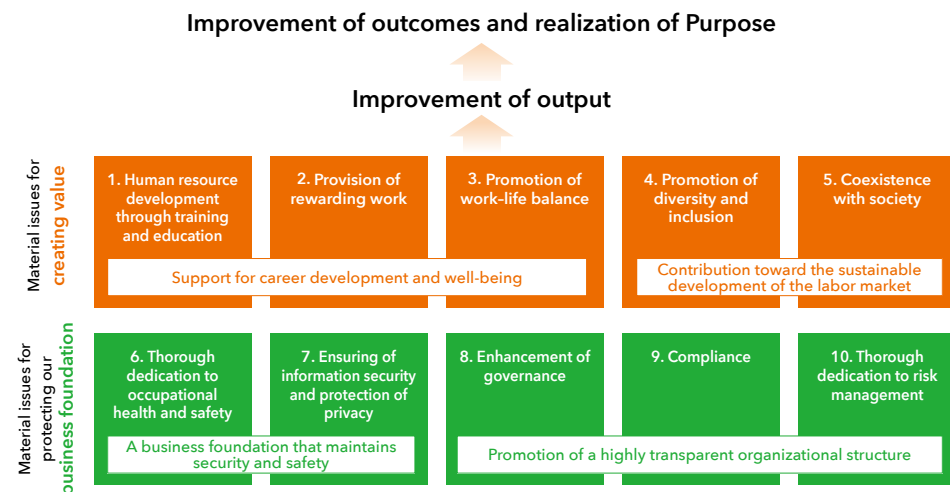
## Overview of Sustainability Committee meetings

Date of meeting	Main items
First meeting April 12, 2022	<ul style="list-style-type: none"> <li>• Discussed the Sustainability Committee's operating policy</li> <li>• Began initial deliberations on the Group's value creation model, material issues, and TCFD recommendations</li> <li>• Discussed annual schedule</li> </ul> <p>In addition to the activities of the Sustainability Committee, an outside consulting firm held several meetings for executives in charge of business execution, including feedback sessions and workshops in which participants examined and discussed issues related to sustainability and environmental, social, and governance (ESG) factors.</p>
Second meeting December 22, 2022	<ul style="list-style-type: none"> <li>• Shared decisions on the Group's value creation model, material issues, and the TCFD recommendations and confirmed policies for future initiatives</li> <li>• Formulated key performance indicators (KPIs) for material issues</li> <li>• Confirmed sustainability-related items to be included within risk management (requested feedback from each Group company)</li> </ul>
Third meeting May 11, 2023	<ul style="list-style-type: none"> <li>• Discussed progress of ongoing activities at the time and considered next steps               <ul style="list-style-type: none"> <li>• Publishing value creation model and material issues on corporate website</li> <li>• Sharing schedule for development of the material issues action plan</li> <li>• Preparing to endorse the TCFD recommendations</li> </ul> </li> <li>• Reviewed the status of sustainability items               <ul style="list-style-type: none"> <li>• Human rights: Confirmed Human Rights Policy, joined the UN Global Compact</li> <li>• Confirmed Social Contribution Policy</li> </ul> </li> </ul>

Sustainability Management

Material Issues

Material issues are important issues that a company needs to prioritize to ensure its sustainable growth. In October 2022, Open Up Group Inc. identified 10 material issues that must be addressed to promote its medium- to long-term business strategy and realize its Purpose, which is to open up individual potential through rewarding work.



We have identified 10 material issues, which are separated into two categories: material issues for creating value; and material issues for protecting our business foundation. Issues 1 to 5 fall into the first category and create opportunities for business growth by supporting the career development and well-being of each individual worker, while also contributing to the sustainable development of the labor market. On the other hand, issues 6 to 10 fall under the latter category and, if not properly addressed, they could actualize management risks that negatively impact our business foundation for ensuring a safe, secure, and highly transparent organizational structure. Therefore, a systematic approach to addressing these material issues is directly related to the Group's ability to both take advantage of business opportunities and enhance its risk management.

Our goal is to leverage our business activities to address material issues and improve output by doing so, specifically in terms of the indicators listed in the Open Up Purpose Index and other aspects of human capital. We believe that compounding these inputs one upon the other will improve outcomes, including sustainable improvement of corporate value, provision of new value to a wide range of stakeholders, resolution of social issues, and ultimately realization of our Purpose.

Analysis of Opportunities and Risks Related to Material Issues

We have analyzed our 10 material issues for the material impact they have on Group management in terms of opportunities and risks. The findings are shown below.

	Material issues	Opportunities gained from addressing issues	Risks presented by not addressing issues	SDGs
Support for career development and well-being	Human resource development through training and education	Helping employees update their skills allows them to stay with the Group for longer, expand their career options, and gain opportunities to increase their compensation.	If the Group does not offer sufficient support for its employees, there is a risk that their job satisfaction will decline, resulting in high turnover and a drop in its hiring ability.	4 QUALITY EDUCATION
	Provision of rewarding work	By providing work that is rewarding to employees, the Group can help improve their performance and growth while increasing client company satisfaction.		8 DECENT WORK AND ECONOMIC GROWTH
	Promotion of work-life balance	By creating a positive working environment, the Group enables employees to work with peace of mind, which can reduce turnover and enhance the Group's reputation.		5 GENDER EQUALITY, 10 AFFORDABLE AND CLEAN ENERGY
Contribution toward the sustainable development of the labor market	Promotion of diversity and inclusion	By making it possible to attract a diverse range of employees in terms of age, gender, nationality, sexual orientation, and other characteristics, the Group will be able to provide value to a wider range of client companies.	It may be difficult to attract human resources from the labor market, leading to organizational stagnation and rigid management.	5 GENDER EQUALITY, 10 AFFORDABLE AND CLEAN ENERGY
	Coexistence with society	As an industry leader, the Group can simultaneously contribute to the labor market and personnel staffing industry while continuing to work with client companies and securing human resources.		17 PARTNERSHIPS FOR GOALS
A business foundation that maintains security and safety	Thorough dedication to occupational health and safety	The ensuring of health and safety gives employees peace of mind while they work, which can contribute to better performance and productivity.	In addition to having a negative impact on the health of employees, serious industrial accidents may cause a decline in the Group's reputation.	3 GOOD HEALTH AND WELL-BEING
	Ensuring of information security and protection of privacy	Information security and protection of privacy are the foundation for trust-building for potential job seekers, employees, and client companies.	The Group may lose the trust of job seekers, employees, and client companies, while also suffering a decline in its reputation.	-
Promotion of a highly transparent organizational structure	Enhancement of governance	Effective supervision of management can help create corporate value over the medium to long term and contribute to the realization of the Group's purpose.	Corporate value may be negatively impacted, and the Group's reputation may decline, preventing the Group from realizing its Purpose.	-
	Compliance	Information security and protection of privacy are the foundation for trust-building for potential job seekers, employees, and client companies.		-
	Thorough dedication to risk management	Risk management is the foundation for trust-building for potential job seekers, employees, and client companies, and it is key to fulfilling responsibility to shareholders.		-

## Sustainability Management

### Material Issues Identification Process

When identifying material issues, we used a three-step process to select and narrow down potential material issues, focusing on the perspectives of stakeholders inside and outside the Group.

**STEP 1**  
**Select potential themes**

We selected 17 candidate themes that could affect the Group's pursuit of sustainable growth, based on international frameworks (GRI and SASB Standards), the Sustainable Development Goals (SDGs) of the United Nations, survey items used by major ESG evaluation agencies, and the Group's Purpose.

**STEP 2**  
**Narrow down list of themes to those with a significant impact on the Group**

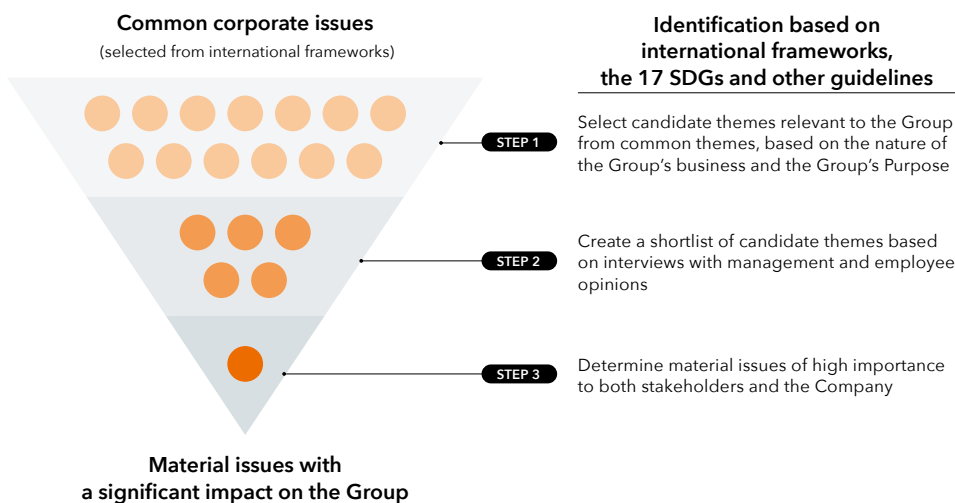
We assessed the 17 candidate themes based on feedback from stakeholders both inside and outside the Group. We used this information to narrow down the list of themes to those believed to have a particularly significant impact on the Group.

First, we conducted interviews with management (representative directors, executive directors, corporate officers of holding companies, and representative directors of major operating companies) regarding the importance of each candidate theme, and then we held similar discussions with outside experts. Additionally, the Human Resources Department conducted a survey asking employees about issues that they consider important in the human resources services business.

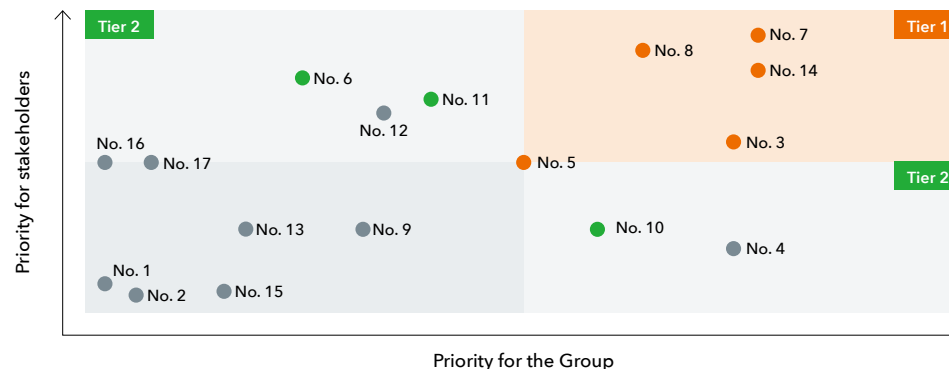
The results of this process are shown in the Material Issues Matrix on the right. A total of eight themes were identified as final candidates and separated into two tiers. Five were categorized as Tier 1 (high priority both inside and outside the Group) and three were categorized as Tier 2 (high priority either inside or outside the Group).

**STEP 3**  
**Identify material issues**

In the final step, we created a final draft based on the Material Issues Matrix. Material issues were derived from these eight themes after repeated workshop-style discussions at the Management Meeting and final approval by the Board of Directors.



### Material Issues Matrix



### Final list of candidate themes for determining high-priority material issues

Tier 1	<b>No. 3</b>	Thorough dedication to occupational health and safety
	<b>No. 5</b>	Promotion of work-life balance
	<b>No. 7</b>	Provision of rewarding work
	<b>No. 8</b>	Human resource development through training and education
	<b>No. 14</b>	Thorough governance, risk management, and compliance as part of Group management
Tier 2	<b>No. 6</b>	Promotion of diversity and inclusion
	<b>No. 10</b>	Ensuring of information security and protection of privacy
	<b>No. 11</b>	Coexistence with society

**Tier 1** Recognized as having particularly high priority both within the Group and with stakeholders outside the Group: Five themes

**Tier 2** Recognized as having particularly high priority either within the Group or with stakeholders outside the Group: Three themes

# Material Issues Action Plan


We have identified 10 material issues, which are separated into two categories: material issues for creating value and material issues for protecting our business foundation. To address these issues, we have formulated a material issues action plan. By setting out a clear vision for 2030, with specific initiatives and quantitative indicators to bring us toward this vision, we can encourage employees to make an active effort to address these material issues. Moreover, we have made it a policy to disclose information related to this plan, keeping stakeholders up to date with our initiatives.

		Material issues	Our vision (2030 targets)	Specific initiatives	Indicators
Material issues for creating value	Support for career development and well-being	Human resource development through training and education	We will help employees develop a career plan by providing the following: <ul style="list-style-type: none"> <li>• Sufficient career education and counseling</li> <li>• Continuous training to enhance skills to complement employees' career aspirations</li> <li>• Support and provide opportunities for each employee to achieve further growth</li> </ul>	<ul style="list-style-type: none"> <li>• Establishment and operation of a Human Resources Development Committee</li> <li>• Development and operation of position-specific and career-specific training programs</li> <li>• Operation, update, and expansion of training programs that improve the skills of our engineers and technicians</li> <li>• Operation, update, and expansion of a support system to help employees to obtain qualifications</li> <li>• Career support through thorough interviews and follow-ups on progress</li> </ul>	<ul style="list-style-type: none"> <li>• Scores on relevant items from the EX Survey* (growth opportunities, training, etc.)</li> <li>• Cost of training per person</li> <li>• Number of qualifications obtained while employed</li> <li>• Satisfaction with training according to engineer surveys</li> </ul> <p>* In-house survey measuring the experience of employees in the sales, recruiting, planning, and administration departments</p>
		Provision of rewarding work	<ul style="list-style-type: none"> <li>• We will offer each employee job options across several types of work that fit the employee's desired career path, based on a shared understanding of the employee's ambitions.</li> <li>• We will utilize an appropriate evaluation system, provide constructive feedback, and offer benefits in keeping with the labor market.</li> </ul> <p><b>Quantitative target: Achievement of Open Up Purpose Index (OPI) targets by fiscal 2025 (50,000 job placement opportunities, retention rate of 85% or higher, 1.2-fold increase in engagement)</b></p>	<ul style="list-style-type: none"> <li>• Establishment of a human resources system that motivates employees</li> <li>• Development and operation of a system for internal recruitment and voluntary job transfers</li> <li>• Provision of quality job options in sufficient quantity</li> <li>• Provision of job placements that match employees' career aspirations</li> <li>• Improvement of evaluation systems, feedback content, and follow-ups to increase employee motivation</li> <li>• Provision of greater compensation in line with improvements in technical skills</li> </ul>	<ul style="list-style-type: none"> <li>• Scores on relevant items from EX Survey* (job aptitude, existence of a clear evaluation system, fair evaluations and compensation, etc.)</li> <li>• Number of job transfers to client companies (engineers and technicians)</li> <li>• Satisfaction with work at assigned client company according to engineer surveys</li> <li>• OPI targets (job placement opportunities, retention rate, engagement)</li> </ul> <p>* In-house survey measuring the experience of employees in the sales, recruiting, planning, and administration departments</p>
		Promotion of work-life balance	<ul style="list-style-type: none"> <li>• Optimal employee performance will be possible thanks to a work environment and systems that facilitate flexible work styles, as well as an appropriate corporate culture.</li> <li>• We will provide many jobs options, enabling employees achieve their desired work-life balance.</li> </ul>	<ul style="list-style-type: none"> <li>• Promotion, establishment, and provision of more diverse work styles (telework, shortened work hours, 3-day work weeks, etc.)</li> <li>• Encouraging employees to take childcare leave</li> <li>• Encouraging client companies to promote the use of paid leave</li> <li>• Creation of an appropriate corporate culture by changing conventional modes of thinking and promoting dialogue within the Group</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly average of working hours (overtime work) / Annual total of working hours</li> <li>• Average number of paid leave days granted</li> <li>• Average number of paid leave days taken</li> <li>• Ratio of employees who take childcare leave (men and women)</li> <li>• Turnover rate</li> </ul>
	Contribution toward sustainable development of the labor market	Promotion of diversity and inclusion	<ul style="list-style-type: none"> <li>• We will have a corporate culture that is conscious and considerate of diversity in terms of gender, age, nationality, ability or disability, and sexual orientation and provide an accommodating workplace environment. No matter what, every employee will receive fair evaluation and treatment, ensuring our highly diverse workforce is able to thrive.</li> <li>• We will continue to promote diversity in the job market and expand the number of job options that enable our wide range of engineers and technicians to succeed.</li> </ul> <p><b>Quantitative target: Ratio of female managers of 30% by fiscal 2030 (consolidated)</b></p>	<ul style="list-style-type: none"> <li>• Promotion of efforts to recruit female employees</li> <li>• Promotion of active efforts to appoint female managers</li> <li>• Development of a work environment with consideration given to diversity, including a review of company efforts to accommodate premenstrual syndrome, a review of rules related to nursing care, extension of retirement age, and the introduction of work styles for sales employees with childcare duties</li> <li>• Establishment of a fair and unbiased human resource system</li> <li>• Creation of a corporate culture that is mindful of unconscious bias</li> <li>• Acquisition and provision of job options that allow a wide range of human resources to succeed</li> </ul>	<ul style="list-style-type: none"> <li>• Ratio of female managers at Group companies</li> <li>• Ratio and number of female employees</li> <li>• Ratio and number of employees aged 60 and over</li> <li>• Ratio and number of foreign nationals</li> <li>• Ratio and number of people with disabilities</li> <li>• Gender pay gap</li> </ul>
Coexistence with society		<ul style="list-style-type: none"> <li>• We will be able to leverage our business and social contribution activities to fulfill our Purpose in terms of coexistence with society, leveraging collaboration within the Group, as well as collaboration with external organizations and companies (Open Up 1% Action).</li> </ul> <p><b>Quantitative target: Achievement of carbon neutrality by fiscal 2030</b></p>	<ul style="list-style-type: none"> <li>• Expansion of social contribution activities as part of the Group's business and efforts to fulfill its Purpose, aiming for coexistence with society</li> </ul>	<ul style="list-style-type: none"> <li>• Greenhouse gas emissions (Scopes 1, 2, and 3)</li> <li>• Expenditure related to regional and social contribution</li> </ul>	

Material Issues Action Plan

		Material issues	Our vision (2030 targets)	Specific initiatives	Indicators
Material issues for protecting our business foundation	A business foundation that maintains security and safety	Thorough dedication to occupational health and safety	<ul style="list-style-type: none"> <li>We will actively promote health management and work to obtain and maintain status as a Certified Health &amp; Productivity Management Outstanding Organization.</li> <li>We will make even stronger efforts to protect personal information and ensure that individuals have a stronger understanding of the protection of personal information, which they incorporate into their work.</li> <li>We will have an established information security management system.</li> </ul>	<ul style="list-style-type: none"> <li>Obtaining and maintaining status as a Certified Health &amp; Productivity Management Outstanding Organization</li> <li>Appropriate management of occupational health and safety</li> <li>Implementation of health and safety education</li> </ul>	<ul style="list-style-type: none"> <li>Group companies recognized as a Certified Health &amp; Productivity Management Outstanding Organization</li> <li>Number of serious workplace accidents</li> </ul>
		Ensuring of information security and protection of privacy		<ul style="list-style-type: none"> <li>Obtaining and maintaining PrivacyMark or information security management system (ISMS) certifications</li> <li>Training or testing on protecting personal and client company information</li> <li>Internal audits of information security</li> <li>External audits of information security</li> </ul>	<ul style="list-style-type: none"> <li>Number of Group companies with PrivacyMark certification</li> <li>Number of serious information leaks</li> <li>Implementation rate for education on personal information management, etc.</li> </ul>
	Promotion of a highly transparent organizational structure	Enhancement of governance	<ul style="list-style-type: none"> <li>We will continue to maintain an outside director majority on the Board of Directors, Remuneration Committee, Nominating Committee, and Audit &amp; Supervisory Committee of the Company.</li> <li>By maintaining a proper governance system we will be able to get an accurate understanding of the rapidly changing business environment, speed up decision-making and business execution, and ensure fair and transparent management.</li> <li>We will continue to obtain and maintain certification as an Excellent Dispatch Company.</li> <li>We will continue to enhance our efforts to respect human rights, individuals will have a stronger understanding of human rights, and the Group will have a system to ensure due diligence.</li> <li>Appropriate risk management will continue to be conducted Groupwide.</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining an outside director majority on the Board of Directors, Remuneration Committee, Nominating Committee, and Audit &amp; Supervisory Committee</li> <li>Maintaining a 30% or higher ratio of female directors</li> <li>Internal Control Committee meetings at each Group company</li> </ul>	<ul style="list-style-type: none"> <li>Certification as an Excellent Dispatch Company</li> <li>Ratio of female directors</li> <li>Ratio of outside directors</li> </ul>
		Compliance	<p><b>Quantitative target: Ratio of female directors of 30% or higher (Achieved; continue to maintain)</b></p>	<ul style="list-style-type: none"> <li>Creation of a system for implementing human rights due diligence</li> <li>Obtaining and maintaining certification as an Excellent Dispatch Company</li> <li>Training or testing on respecting human rights</li> <li>Training or testing on harassment</li> <li>Training or testing on bribery and corruption</li> </ul>	<ul style="list-style-type: none"> <li>Number of grievances filed</li> <li>Number of uses of helpline and internal consultation, etc.; number of serious whistleblowing cases</li> <li>Number of cases that could lead to serious permit-related sanctions</li> <li>Number of bribery charges, criminal charges, and large compensation lawsuits</li> <li>Compliance education and training implementation rate</li> <li>Expenditure related to political contribution and lobbying</li> <li>Whether cases of bribery or corruption have been identified</li> <li>Whether requests or usage by antisocial forces have been identified</li> <li>Whether cases of insider trading have been identified</li> </ul>
	Thorough dedication to risk management		<ul style="list-style-type: none"> <li>Risk management via the Sustainability Committee</li> <li>Internal control meetings at operating companies</li> </ul>		

For details about our material issues and material issue identification process, please refer to the Sustainability Management section of this report (▶ Pages 42-43).

 For details of the latest information on the Group's sustainability, please refer to the Sustainability section of the corporate website.

Overview

Strategy

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Governance

Data

# Respect for Human Rights


## Basic Stance, Policy, and Promotion System


As expressed by our Purpose, individuals—or more specifically, individual workers—are the source of the Group's value creation. Accordingly, respect for human rights lays the foundation for opening up individual potential to society. Therefore, as part of our social responsibility, we are careful to respect the human rights of all people affected by our business activities, in keeping with relevant laws and regulations, as well as our own Human Rights Policy and Corporate Ethics for Society, Human Rights, and the Environment.

As for specific efforts, we require major operating companies to have monthly compliance meetings, the contents of which are reported to the holding company's Group Administration Department—the department responsible for overall sustainability. Our promotion system has been designed so that any matters related to human rights that are brought to light are reported to the Board of Directors. Under this system, instructions for appropriate responses and improvement measures are given where needed, in addition to promoting Groupwide measures and information disclosure.

As another effort of note, in June 2023 we became a participant in the UN Global Compact (UNGC) and joined its local network, Global Compact Network Japan. We support the 10 principles of the UNGC in the four areas of human rights, labor, environment, and anti-corruption, and we will continue to practice sustainable business activities.



 For more details about the Group's Human Rights Policy, please refer to the Human Rights Policy and Initiatives section of the corporate website.

 For more details about Corporate Ethics for Society, Human Rights, and the Environment, please refer to the Corporate Ethics section of the corporate website.

## Human Rights Education and Training



We place great importance on compliance training for employees. In addition to wider topics such as law and corporate ethics, this training covers human right risks that are more applicable to day-to-day operations, such as harassment and employment and working conditions. The training also includes a detailed overview of the Group's whistleblowing and consultation system with instructions on how to use it. We also

conduct compliance tests to check the understanding of those who take this training. These actions are part of our commitment to raise human rights awareness throughout the Group.

The implementation rate of compliance education and training for fiscal 2023 was 100%.

## Reporting Desks, Harassment Consultation Desks, and Remedial Actions



The Group has established reporting desks for whistleblowing and consultations, which are available to a wide range of stakeholders, including employees.


An internal reporting desk for general compliance also receives reports related to human rights issues. Additionally, we have established consultation desks dedicated to harassment both internally, via desks at each operating company

and a desk connected to the Audit & Supervisory Committee, as well as externally, via a desk connected to a law firm. We strive to create an environment that makes it easy for employees to seek advice, including by giving an overview of our whistleblowing system during compliance education and training.

These reporting desks are available to anyone working for a Group company, as well as those who have retired or whose contracts have ended within the past year, including officers, employees, part-time workers, subcontractors, and the Group's business partners. We take every possible measure to protect privacy, and in the unlikely event that a person is negatively impacted due to a violation of privacy, we will take appropriate remedial and corrective actions immediately. By extension, we protect those who utilize the reporting desks for whistleblowing or consulting purposes from retaliatory treatment. When harassment and other incidents occur at dispatch locations, the division in charge of labor affairs is tasked with understanding all the relevant information and resolving the issue quickly and soundly. In fiscal 2023, the internal whistleblowing system was used to log 36 cases, none of which were serious human rights violations.

## Reporting and Consultation Contact Point for All Stakeholders

We have set up a public contact point on our corporate website for all stakeholders, through which we accept whistleblowing reports and consultations on human rights.

 For more details about the Group's human rights initiatives, please refer to the Human Rights Policy and Initiatives section of the corporate website.

# Human Resource Employment and Development

## Basic Stance on Human Resource Recruitment and Employment

The Group is rooted in the human resource services industry, and human capital is its most important management resource. This makes the employment and development of human resources a core element of the Group's business. Its Purpose is driven by the idea of helping more and more people "open the next door" and progress toward rewarding work, while also creating more "doors" for each worker to walk through in the form of opportunities to encounter rewarding work. The Group believes that putting this idea into action demonstrates its dedication to contributing to society.

Workers have a wide variety of expertise and abilities and are at different life stages, meaning each one has a different definition of "rewarding work." We welcome and actively recruit a wide range of motivated job seekers, whether they are new graduates or mid-career hires. They may be people who want to materialize their personal career visions; they may be people who want to try use their existing expertise in a new job; they may be people who want to sharpen their skills; they may be people who want work that suits their stage in life—or they could be other types of people altogether.

## Fair Employment and Evaluation in Line with Roles

We utilize a fair employment and evaluation system that aligns with an employee's role, to ensure that each employee is highly motivated to open the door to their next challenge.

When assigning an engineer or technician to work at a client company, we communicate and conduct interviews with them to learn their individual skills, expertise, qualifications, and career aspirations. Using this information, we try to find an assignment that will give them the work they wish to engage in. In addition, salary and other work conditions are determined based on the principle of equal work for equal pay and are clearly stated in advance.

Meanwhile, Group employees in the sales, recruiting, planning, and administration departments are given a clear explanation of their expected roles and results, and we strive to provide them with fair treatment, regardless of their age, gender, or any other characteristic. To this end, these employees have one-to-one interviews with direct superiors to discuss their work progress, level of achievement, use of their abilities, their future career vision, and other relevant matters. We then strive to provide clear evaluations that these employees will find constructive, to increase their motivation going forward.

## Message from the Head of Human Resources



**Mitsuyoshi Matsumoto**  
Corporate Officer  
Head of Human Resources

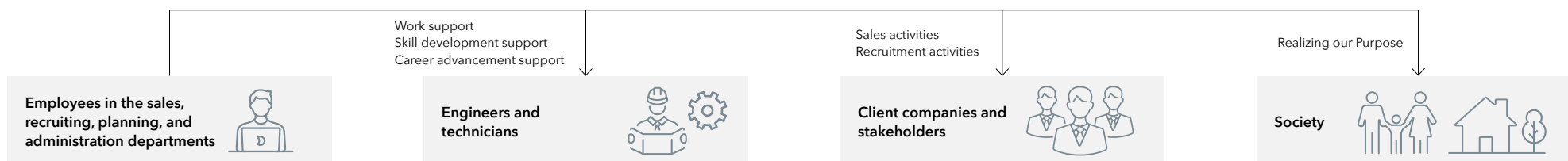
It has been two years since the Group formulated its Purpose in 2021, and there has been ongoing discussion inside the Group about the type of human resources management that will best help realize that Purpose, as well as the type of human resource pool that is ideal for future growth. We reached a milestone toward these goals in July 2023, with the formulation of our Human Resource Policy, which is a Groupwide policy targeting office employees in the sales, recruiting, planning, and administration departments, with the goal of fostering individual and organizational growth.

This policy is underpinned by the idea that our office employees are the starting point from which we provide value to engineers, technicians, and client companies, and for ensuring that the Group continues

to be an employer of choice. We can also think of office employees as drivers of competitiveness, since the higher efficiency and productivity achieved from their continued improvement of work processes contribute to sustainable corporate growth.

We are promoting measures designed to actualize our Human Resource Policy based both on this line of thinking and on the four keywords embedded in the policy: UP<sup>↑</sup>, Fairness, Challenge, and Diversity. These measures include sharing philosophies and business strategies, invigorating communication between office employees, their superiors, and management, establishing fair evaluation and compensation systems, supporting career and skill development, developing client-oriented work processes, and establishing an organizational culture and work environment that allows a diverse group of people to flourish. In addition to these measures, we will keep watch over indicators related to each of the keywords I mentioned previously, monitor employee engagement, and track changes to identify other effective measures and help increase corporate value.

## Employees in the sales, recruiting, planning, and administration departments—a source of value creation





## Human Resource Employment and Development

### Basic Stance on Human Resource Development

The Group's role is to create several "doors" by expanding the possibilities for workers, and open these doors by helping workers obtain opportunities for growth. We treat human resource development as one of the keys to fulfilling this role.

### Training System and Follow-Up System for Engineers and Technicians

1,246,611

Total number of training hours  
for engineers and technicians  
in fiscal 2023

¥2,131 million

Total amount spent on training  
for engineers and technicians  
in fiscal 2023

Instead of matching employees to jobs solely for the benefit of the client company, we utilize an employee-first approach that favors matching employees eager to work to jobs that align with their intentions and career aspirations, satisfying both the employee and the client company alike. To support this approach, we have established a human resource development system unique to the Group. One major Group strength in this regard is its engineer training model, through which it provides training programs specifically designed for its specialized segments, including Machinery and Electronics / IT and Construction. This training model can develop new graduates and inexperienced

personnel into engineers who are able to play active roles in the field. As we work to raise the satisfaction level of client companies, we are working just as hard to increase the motivation of engineers with specialized skills by offering them reskilling and career advancement support, which helps them get higher-level jobs and benefits, and ultimately increases corporate value.

For more details about the Group's training system and follow-up system for engineers and technicians, please refer to the Review of Operations: Training system and Follow-Up System for Engineers and Technicians section in this report (● Pages 37-39).

### Message from a Sales Department Employee



**Hiroaki Azuma**

Osaka Branch  
Kansai Sales Department  
BeNEXT Partners Inc.

In 2022 I took part in the company's Training for the Next Generation, which is meant for employees looking to become the next generation of branch managers. During the training, which takes place over 12 lectures throughout the year, we learn how to draft and finalize a business plan, apply this knowledge to develop the next business plan for an existing branch, and then present our plan to officers of the company. Making the actual plan was six-step process. First, we analyzed the current situation at the branch; second, we recognized any problems; third, we gathered information; fourth, we identified issues; fifth, we determined a course of action toward resolution; and sixth, we came up with specific ideas and included the best ones in the plan.

Learning the process of moving from step one to step two has proven particularly useful in my work. It is quite a thorough process, which involves gathering information about sales and orders, applications and job interviews, starting and managing

### Training System and Follow-Up System for Employees in the Sales, Recruiting, Planning, and Administration Departments

The sales, recruiting, planning, and administration departments of the holding company and operating companies are staffed with employees with specialized knowledge and skills relevant to their duties. These employees support the Group's business operations. Their responsibilities span a wide range of areas, including recruitment activities for job seekers; the planning, development, and operation of training programs and career support for engineers and technicians; sales and proposals for client companies; and the promotion of sustainability and compliance.

Employees in these departments support the success and growth of engineers and technicians, meaning that any efforts to realize the Group's Purpose and increase corporate value start with them. Bearing this in mind, we impart an understanding of our Purpose and values to these employees during their initial training. After employees are established in their roles, we provide them with a variety of specialized training depending on their career paths and job skills, and we encourage them to participate in seminars and other events outside the Company to gain more specialized knowledge and a broader perspective.

Under our follow-up system, these employees have one-to-one interviews with direct superiors several times a year to have frank discussions about their work progress, level of achievement, and the degree to which they use their abilities. We strive to provide them with fair, constructive evaluations that increase their motivation going forward. In addition, we support employee growth by providing career advancement counseling and other self-actualizing opportunities alongside our training system.

In 2023, we formulated a Human Resource Policy for employees in the sales, recruiting, planning, and administration departments. As part of this policy, we are taking steps to improve our human resource development system and methods.


dispatch contracts, segmenting this information into separate data sets, and then ferreting out which key performance indicators (KPIs) need improvement. Instead of just trying to recreate successful sales experiences, as I did prior to this training, I have become more aware of the problems that create bad conditions and how bad conditions differ from the good conditions that lead to success, giving me a much stronger radar for detecting the path to victory.

Since finishing my training I have been assigned the role of sales leader by my superior and given the opportunity to sharpen my business execution skills through tasks such as creating sales policies for the branch. Now I am focused on performing my day-to-day duties while honing my ability to elicit strong results from the people around me, with the hope of becoming a branch leader one day.

# Promoting the Successful Advancement of a Diverse Workforce

## Basic Stance and Policy

We believe that in a human resource services business such as ours, a diverse workforce is key to value creation. An organizational culture in which a wide range of individuals respect and understand each other increases everyone's job satisfaction and performance, making it possible to improve services to client companies and ultimately corporate value. Therefore, we have prohibited discrimination based on gender, nationality, age, disability, or any other characteristic under the Group's Corporate Ethics for Society, Human Rights, and the Environment. We also subscribe to the principle of equal pay for equal work and ensure that work conditions and compensation are not influenced by gender, nationality, or other factors. In Corporate Ethics for Society, Human Rights, and the Environment, the Group clearly states its stance on promoting diversity and inclusion with the goal of providing decent work (work that is rewarding and humane) and work-life balance to all people.

 For more details about Corporate Ethics for Society, Human Rights, and the Environment, please refer to the Corporate Ethics section of the corporate website.

## Promoting the Success of Women

**26.9%**  
Ratio of female employees at domestic Group companies (As of June 30, 2023)

**10.9%**  
Ratio of female managers at domestic Group companies (As of June 30, 2023)

**30.0%**  
Ratio of female directors for the holding company (As of September 30, 2023)

In today's society, life events and responsibilities such as child-birth and childcare can have a significant impact on a woman's career development. Because of this, we are working to foster an environment where female employees can fulfill their potential and achieve success. Specifically, in addition to offering maternity leave, childcare leave, and shortened working hours for people providing childcare, we encourage both men and women to take advantage of their childcare and nursing care leave options. We also consider these conditions when assigning work placements for employees.

As of June 30, 2023, the ratio of female employees at domestic Group companies was 26.9%, and the ratio of female managers at domestic Group companies was 10.9%. Furthermore, the ratio of female directors for the holding company was 30.0% as of September 30, 2023. While the ratio of female employees is increasing with each passing year, we recognize that there is significant room for improvement in increasing the ratio of female managers.



Eruboshi certification mark

## Promoting the Employment of People with Disabilities

**2.3%**  
Ratio of employees with disabilities at domestic Group companies (As of June 30, 2023)

The Group encourages the employment of people with disabilities, based on both the Act to Facilitate the Employment of Persons with Disabilities and the SDGs. As of June 30, 2023, the ratio of employees with disabilities at domestic Group companies was 2.3%, which meets the legally mandated employment rate. Open Up With Inc.\* is a special subsidiary that provides clerical services to Group companies and operates a flower arrangement business as well as a business for stationery made with recycled paper. The company offers individualized training and follow-up services while providing a variety of jobs tailored to people with disabilities, ensuring that its employees have high levels of job satisfaction.

\* Name changed from BeNEXT With Inc. in July 2023

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Monisu certification, provided by the Ministry of Health, Labour and Welfare



Kanagawa SDGs Partner



Sagamihara SDGs Partner

## Recruiting Foreign Nationals

**2.7%**  
Ratio of foreign nationals employed at domestic Group companies (As of June 30, 2023)

We use strict standards when hiring foreign nationals that include checking the validity and expiration date of their work visas both before and during employment. When foreign employees meet these standards, we provide them with support such as Japanese language education and assistance for day-to-day living. Moreover, we ensure that they are treated fairly under our human resource and evaluation systems. In practice, many foreign engineers are selected for annual awards granted to engineers and technicians for outstanding achievements. As of June 30, 2023, the ratio of foreign nationals employed at domestic Group companies was 2.7%.

## Promoting the Success of Human Resources Aged 60 and Over

**2.2%**  
Ratio of employees aged 60 or over at domestic Group companies (As of June 30, 2023)

As the declining birthrate and aging population create an increasingly dire labor shortage, the Group has opted to use its business to create job opportunities for human resources aged 60 or older. In addition to establishing a re-employment system for retirees up to the age of 65, we are also actively promoting new employment of engineers and technicians aged 60 or older. This is especially true in the Construction segment, in which Yumeshin Expert Co., Ltd. is ramping up its efforts to recruit highly skilled human resources aged 65 or older. As of June 30, 2023, the ratio of employees aged 60 or over at domestic Group companies was 2.2%.

## Promoting the Successful Advancement of A Diverse Workforce

### Message from the President of Open Up With



**Work styles that allow each individual to demonstrate their individuality**

**Hiroki Sano**  
President and Representative Director  
Open Up With Inc.

At Open Up With Inc., a special subsidiary of Open Up Group, our mission is to be the most accommodating company in Japan, so we make every effort to create a comfortable work environment that meets the needs of each employee to ensure that they can enjoy the fulfillment that comes with an enriching lifestyle and financial independence.

By carefully matching employees with disabilities with jobs that allow them to flex their individual skills while accommodating their specific needs, we create work styles that include a combination of telework and flextime systems, enabling employees to demonstrate what they are truly capable of. We also place a strong emphasis on hiring women and supporting their career advancement, with women currently accounting for 58% of all managerial positions. In recognition of our efforts, our company has obtained Monisu certification, which is granted to small and medium-sized business owners who excel in the employment of people with disabilities, and Eruboshi certification, which is granted based on the Act on Promotion of Women's Participation and Advancement in the Workplace.

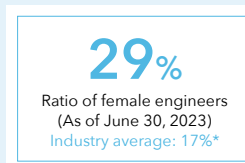
The "ideal work style" differs from person to person, whether they have a disability or not. Going beyond our original framework as a special subsidiary aimed at employing people with disabilities, we also employ people such as senior citizens who have retired from company work, with the hope that we can provide a place for anyone with the desire to work, regardless of their age, gender, or the presence of a disability.

I believe that embracing individuality allows diverse human resources to flourish and succeed. At Open Up With, our slogan is "Recognize each other's individuality, and live together in the now." To do this slogan justice, we will continue our work to help realize a society where a wide range of human resources can showcase their individuality and unlock their potential.

### Active Efforts by Yumeshin to Resolve Market and Industry Issues

We believe that the Group's efforts to promote the success of a wide range of human resources will also help address the various challenges facing Japan's labor market, brought about by the declining birthrate, aging population, and population decline. Using the initiatives of Yumeshin Co., Ltd., one of the Group's main operating companies, as an example, we will provide an overview of the value that a diverse group of engineers and technicians can offer society.

#### Helping Women Enter the Industry



\* According to the Labour Force Survey, produced by the Ministry of Internal Affairs and Communications

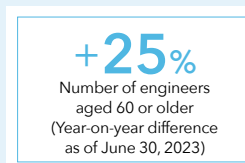
Yumeshin has been actively recruiting female employees, even back when there was a strong notion that construction jobs were for men and clerical jobs were for women. It used to be rare for women to be recruited into technical positions such as CAD operators and construction management engineers, and although some employers voiced doubts at the beginning, these female engineers dispelled such criticism on the backs of their success. Even now, as women are increasingly entering the construction industry, the number and ratio of female engineers at Yumeshin far exceeds the industry average.

#### A Trailblazer for Recruiting Inexperienced Workers



Spurred by the aging population and increasingly serious labor shortages at construction sites, Yumeshin was an early adopter of the practice of hiring inexperienced workers. Supporting the learning and growth of younger generations and helping them develop into full-fledged engineers is no less than weaving a tapestry of human resources and technology that stretches from the past to the present and into the future. To fulfill this mission, Yumeshin is working to further enhance its training and follow-up systems and expand its business scale.

#### Active Support for Employees Aged 60 or Older



If a company is to maintain its technical capabilities, it is extremely important that it continues to employ veteran engineers so that they can pass on their skills to younger employees. On the other hand, in order to bring out the full potential of older engineers, who may be worried about their ability to follow a conventional work style, it is necessary to have a unified system specifically for managing the recruitment, utilization, and care of these engineers. Yumeshin has developed a team structure under which departments collaborate to recruit these experienced workers, dispatch them to respond to client company needs, and follow up on how they fare in their roles. These actions serve to support older engineers who wish to remain active throughout their lives.

# A Comfortable Working Environment

## Basic Stance and Policy on Occupational Health and Safety and Health Management

We believe that for a company to grow sustainably, it needs a system in place that allows each employee to maintain good physical and mental health as they work to improve their skills and advance their career in a way that feels rewarding. Therefore, we have established an occupational health and safety policy as part of the Group's Corporate Ethics for Society, Human Rights, and the Environment, and we ensure thorough compliance with the Act on Securing the Proper Operation of Worker Dispatching Businesses and Protecting Dispatched Workers (the Worker Dispatch Act). In addition, we are working to create an environment where employees can work with peace of mind, by taking appropriate measures to address health and safety issues. This includes efforts to reduce long working hours and to promote employee education. We also encourage client companies to improve their work environments similarly when needed.

### ■ Promotion System

The person serving as president of each operating company determines basic policies on occupational health and safety and oversees health and safety activities. In addition, we have established a health and safety secretariat at each operating company to ensure the smooth promotion and management of health and safety activities. Members of this secretariat include department heads, while presidents of operating companies serve concurrently as secretary general. We have also established health committees and safety committees at each business location.

In addition, each operating company discusses occupational health and safety during its monthly compliance meeting. Participants in these meetings share information and gain an understanding of the latest guidance from labor authorities, any issues and serious matters that need to be addressed, and mandated measures to reduce working hours. They then give the necessary instructions to implement them within the company. These controls are monitored by the Group Administration Department of the holding company and reported to the Board of Directors on a monthly basis.

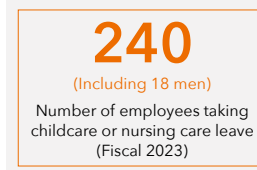
### ■ Health Management Initiatives

We promote health management throughout the Group so that each employee can perform their duties with a healthy body and mind. With this goal in mind, we monitor the employee rate of attendance for regular health checkups and manage how these checkups are implemented to help detect illnesses and ensure employees are treated at an early stage, and also to reduce employee health risks. In 2023 Yumeshin Co., Ltd. and BeNEXT Technologies Co., Ltd. were recognized by the Ministry of Economy, Trade and Industry as Certified Health & Productivity Management Outstanding Organizations. Going forward, we plan to strengthen further our Groupwide approach to health management.

### Basic Stance on Work-Life Balance

We have introduced a range of support systems that enable each employee to work in a flexible way that matches their life stage and accommodates life events.

As part of this effort, we have established measures that help employees raising children to balance their work and family lives if they meet certain conditions. These measures apply to engineers and technicians as well as to employees in the sales, recruiting, planning, and administration departments. Specifically, we have introduced a childcare leave system that employees can use until their child is two years old and a reduced hours work system that can be used until an employee's children graduate from elementary school. For employees who take childcare leave, we provide a return-to-work program which facilitates a smooth return to their duties. We also promote flexible work styles throughout the Group with systems to support nursing care, job transfers, remote working, and flextime.



### ■ Occupational Health and Safety Initiatives

We strive to improve working conditions and prevent workplace accidents in order to establish an environment where employees can work with peace of mind. For example, employees who exceed legal limits for overtime receive in-person guidance from a doctor, and we also promote health and safety education throughout the Group as part

of our efforts to raise awareness of safety. If we discover that a client company that utilizes our engineers and technicians has issues with health and safety management or needs to pay more attention to mental health, we will encourage that company to improve its workplace. If the situation does not improve, we will respond strongly and terminate the work contract. The holding company manages and supervises these labor management activities to ensure that they are being properly implemented at each operating company in Japan and overseas.

# The Environment

## Environmental Policy

We have developed an Environmental Policy to help ensure that all business activities of the Group are geared toward a sustainable society and global conservation. We are hard at work to spread awareness of this basic policy, which all officers and employees must comply with in their duties.

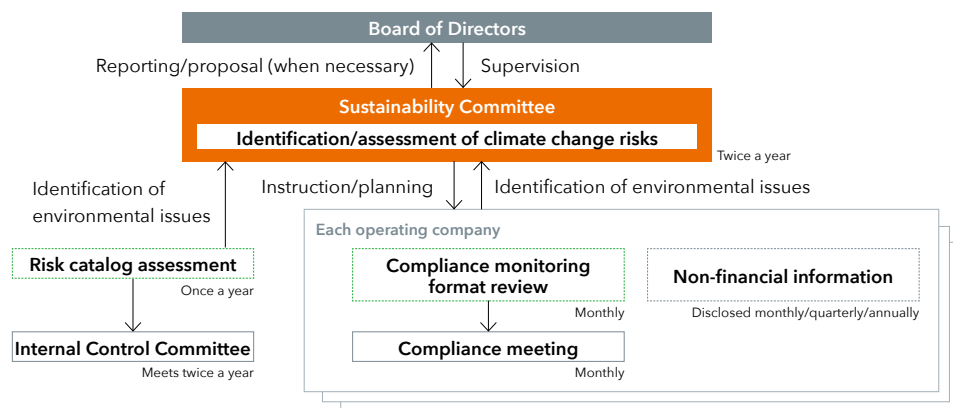
## Disclosure of Information based on the Recommendations of the TCFD

### Governance Risk Management

The Sustainability Committee, which is chaired by the person serving as representative director, chairman, and CEO, identifies and determines controls for risks and opportunities related to climate change. The committee formulates any necessary action plans on a yearly basis and deploys them within the Group while working to identify issues in the field using a bottom-up approach. In addition, the committee investigates any associated financial impacts in conjunction with the risk catalog, which is produced by the Internal Control Committee and revised annually.

The content of discussions from Sustainability Committee meetings are reported to the Board of Directors, and the person serving as representative director, president, and COO is responsible for reflecting and promoting the action plans developed by the Sustainability Committee in management strategy.

### Governance and risk management system



Note: The Sustainability Committee is responsible not only for addressing climate change but also for managing medium- and long-term business continuity risks, such as social contribution activities, business continuity planning (BCP), IT security, and important regulations and law enforcement in each country.

For details about the Environmental Policy and items disclosed, as well as specific efforts to reduce the Group's environmental impact, please refer to the Environment section of the corporate website.

### Strategy

In 2022, we conducted a scenario analysis based on two situations: one in which the global temperature rises a maximum of 1.5°C (from before the Industrial Revolution to the end of the 21st century), and one in which the global temperature rises 4.0°C.

#### Scenario analysis (1.5°C / RCP\*2.6)

	Category	Major risks and opportunities	Time frame	Impact
Risks	Transition risks (Regulatory)	<b>Enhanced carbon pricing</b> Although the direct impact on business is limited, higher carbon pricing is expected to increase indirect tax burdens from electricity used in offices and from travel for employees, engineers, and technicians.	Medium term	Small to medium
	Transition risks (Market / Reputation)	<b>Reputation among client companies in a decarbonized society</b> Client companies are increasingly concerned about climate change, therefore insufficient disclosure could be perceived as a reluctance to take action, which could lead to a negative brand image, putting the Group at risk of falling behind competitors.	Medium term	Small to medium
	Transition risks (Market / Reputation)	<b>Reputation among job seekers in a decarbonized society</b> Inadequate disclosure of information on how we are addressing climate change could affect recruitment, especially among young people, who are our primary target for recruitment, due to their greater concern for climate change and sustainability.	Medium term	Small to medium
Opportunities	Products and services	<b>Changing needs due to technological change</b> Client companies' needs for external engineers and technicians may change due to technological change. The Group can offer a flexible supply of human resources in response to these changes.	Medium term	Small to medium
	Market / Reputation	<b>Reputation among client companies in a decarbonized society</b> By proactively showing our commitment to addressing climate change and fully disclosing related information, client companies will be more likely to choose to work with us. This will reduce the cost of building relationships with client companies.	Medium term	Small to medium
	Market / Reputation	<b>Reputation among job seekers in a decarbonized society</b> Proactively demonstrating our commitment to addressing climate change and fully disclosing related information may increase the chance of job seekers choosing to work for the Group. This will reduce the cost of building relationships with job seekers.	Medium term	Small to medium

#### Scenario analysis (4.0°C / RCP\*8.5)

	Category	Major risks and opportunities	Time frame	Impact
Risks	Physical risks (Acute)	<b>Impact of extreme weather on commuting</b> Severe extreme weather events, such as heavy rains and typhoons, may prevent engineers and technicians from accessing client company sites.	Medium to long term	Small
	Physical risks (Acute)	<b>Impact of extreme weather on client company work sites</b> Severe extreme weather events such as heavy rainfall and typhoons may cause client companies to temporarily suspend operations.	Medium to long term	Small
Opportunities	Products and services	<b>Responding to labor needs as client companies relocate their sites</b> Client company factories and laboratories may relocate to avoid typhoon damage, river flooding, and other forms of damage. We can supply human resources to meet their needs even at relocated locations.	Medium to long term	Small

\* Representative Concentration Pathways

Note: Regarding time frames, we define up to one year as the short term, up to 2027 as the medium term, and up to 2050 as the long term. Financial impact is considered major when the impact on operating income is about 30%, medium when the impact is about 10%, and minor when the impact is less than 10%.

### Indicators and Targets

We aim to become carbon neutral by reducing the Group's CO<sub>2</sub> emissions (Scopes 1 and 2) to net zero by 2030. In the future, we will disclose a road map for reaching this target along with our reduction efforts.

# Social Contribution Activities

## Basic Stance

We conduct social contribution activities in four main categories: 1) Support for opportunities and conditions that favor education and sound development, targeting children, students, and job seekers; 2) Support for the transfer of skills and knowledge; 3) Support for the success of people raising children, people with disabilities, and sexual minorities and for raising awareness of the issues they face; and 4) Support for volunteer and pro bono work by employees, related parties, and improved conditions to support volunteer activities. Each Group company works together to promote activities while encouraging employee participation via a specialized department that plans and manages community relations.

### Support for Greater Opportunities and More Conducive Conditions for Education and Human Resource Development



#### Workshops That Offer Multi-Faceted Learning

From 2022, the Group has held the Kids' Tech Caravan, an event for elementary and junior high school students. The event features multi-faceted workshops that feature learning from an engineering perspective through the creation and programming of robots, combined with learning through contact with local nature. In 2023, we ran the event in Hiroshima Prefecture from May to June.



This initiative, based on the concept of STEAM education,\*1 was started out of a desire to unleash the potential of children by giving them opportunities to learn about manufacturing and nature—an idea very much in line with the Group's Purpose. During the 2023 workshop, participants competed in building, programming, and operating robots (an activity commonly

known as "Robot Survival" in Japan), while also enjoying a combination of hands-on activities and nature-based learning in Etajima, an island in the Seto Inland Sea, and at Sandankyo Gorge in the mountains of Hiroshima.

Another unique feature of these workshops is that they bring together various stakeholders to help invigorate local communities. They provide an opportunity for local NPOs tackling social issues and university students in Hiroshima Prefecture to collaborate with each other, further increasing the possibilities of their respective activities. We believe that social contributions made through this initiative also help our efforts to realize our Purpose.

In addition, we have been an official sponsor of the Robot Survival Project since July 2023, helping give children the opportunity to experience the joy of building things.

\*1 An educational concept that adds creativity-based education to science and mathematics education targeting the five areas of science, technology, engineering, arts, and mathematics

### Support for Local Development and Regional Revitalization Contributing to Local Communities Through Open Up Lab Takizawa



The Group leverages its support of the corporate version of Japan's *Furusato Nozei* hometown tax program\*2 to engage in local creation projects that help realize the Group's Purpose. This is just one of the ways in which the Group promotes the Sustainable Development Goals (SDGs), in keeping with its policy of continued involvement in revitalizing local communities. Specifically, BeNEXT Technologies Inc., part of the Machinery and Electronics segment, has directed its corporate hometown tax payments toward Takizawa City in Iwate Prefecture since fiscal 2019, in support of a project to revitalize the local community through youth exchanges and cutting-edge human resource development.

This initial initiative sparked further collaboration with Takizawa City, and in 2020 the company created permanent stations for BeNEXT Technologies' engineers at the city's IPU Innovation Center, which was established by Takizawa City and Iwate Prefectural University to promote industry-government-academia collaboration on open innovation. The stationed engineers currently operate as part of Open Up Lab Takizawa, where they work to resolve local issues through collaboration with industry, governments, academia, or the local community. At the same time, they strive to sharpen their skills, build knowledge, and gain experience to advance their own careers.

This team is working with the local community to create new value, including collaborative initiatives with a research group at Iwate Prefectural University. Notable initiatives include the development of an AI-driven image recognition module as part of a system to keep pests away from crops and a system to analyze and predict sales data for restaurants in city-operated facilities. Lab members also do pro bono work in lecturer or supporting roles and offer website development courses for local people and students.

\*2 A program that allows corporations to deduct taxes from their corporate-related taxes when they make donations to projects of local governments that have been approved by the Cabinet Office as regional revitalization plans



We are dedicated to social contribution activities that help create a society that opens up individual potential. To this end, we continue to support the production of reading and drama performances by entertainers with mental disabilities and we promote local development in Isumi City, Chiba Prefecture, where we have opened the Group-owned land and buildings of Yumeshin Village to the local community, which we use and operate together. For details about these social contribution activities, those conducted via the UK-based Group company Gap Personnel Holdings Limited, and other activities not listed above, please refer to the Social Contribution Initiatives section of the corporate website.

# Management

## Directors



**Yutaka Nishida**  
Chairman and  
Representative Director,  
CEO

Apr. 1987 Joined Recruit Co., Ltd.  
Apr. 1990 Joined Recruit Seeds Staff Co., Ltd. (currently Recruit Staffing Co., Ltd.)  
Oct. 2003 Director, General Manager of Sales Headquarters, ORIFA Corporation  
Apr. 2005 Executive Officer, Recruit Staffing Co., Ltd.  
Apr. 2007 Director, Recruit Staffing Cities Co., Ltd.  
Apr. 2010 Representative Director, Mates Co., Ltd.  
Apr. 2011 Representative Director, Recruit From A Casting Co., Ltd.  
Apr. 2014 Advisor, the Company  
Sept. 2014 President and Representative Director, COO, the Company Director, TTM Inc. (currently BeNEXT Partners Inc.)  
July 2016 President and Representative Director, the Company  
Mar. 2017 Director, FUSIONi Co., Ltd. (currently Open Up IT Engineer Inc.)  
Dec. 2017 Director, Gap Personnel Holdings Limited  
Aug. 2018 Director, Quattro Recruitment Limited  
July 2019 Representative Director, BeNEXT Technologies Inc.  
Apr. 2021 Chairman and Representative Director, the Company  
July 2021 Chairman and Representative Director, CEO, the Company (current position)



**Daio Sato**  
President and  
Representative Director,  
COO

Apr. 2006 Joined Nomura Real Estate Development Co., Ltd.  
Apr. 2010 Joined YUMESHIN HOLDINGS Co., Ltd.  
Dec. 2010 Director, YUMESHIN HOLDINGS Co., Ltd.  
Dec. 2015 Representative Director, YUMESHIN HOLDINGS Co., Ltd.  
Oct. 2018 President and Representative Director, NEPLUS K.K. (current position)  
June 2019 Representative Director, Yumeshin Co., Ltd.  
Apr. 2021 President and Representative Director, the Company  
July 2021 President and Representative Director, COO, the Company (current position) Director, Yumeshin Co., Ltd. (current position)  
Apr. 2022 Director, Open Up System Co., Ltd. (current position)  
July 2022 Director, BeNEXT Technologies Inc. (current position)  
July 2023 Director, Open Up IT Engineer Inc. (current position)



**Hiroshi Sato**  
Director, CFO

Apr. 1979 Joined NEC Corporation  
May 2002 General Manager of Corporate Controller Division and Chief Manager of Corporate Planning Division, Electron Devices Company, NEC Corporation  
Dec. 2002 Vice President and CFO, NEC Electronics Corporation  
Oct. 2003 Senior Vice President and CFO, NEC Electronics Corporation  
Apr. 2010 Senior Vice President, CFO and General Manager of Planning Department, NEC Networks & System Integration Corporation  
Apr. 2013 Executive Officer and CFO, NEC Networks & System Integration Corporation  
Feb. 2014 Director and CFO, TechnoPro Holdings, Inc.  
July 2014 Director and Senior Managing Executive Officer, TechnoPro, Inc.  
May 2020 Advisor, the Company  
Sept. 2020 Director, the Company  
July 2022 Outside Director, HRnetGroup Limited (current position)  
June 2023 Director, CFO, the Company (current position)



**Mari Oshima**  
Outside Director

Apr. 1992 Assistant, Institute of Industrial Science, the University of Tokyo  
Apr. 1995 Overseas Researcher, Ministry of Education, Science, Sports and Culture (Stanford University, United States of America)  
June 1998 Instructor, Institute of Industrial Science, the University of Tokyo  
Apr. 1999 Assistant Professor, Institute of Engineering Mechanics and Systems, University of Tsukuba / Institute of Industrial Science, the University of Tokyo  
Apr. 2000 Assistant Professor, Institute of Industrial Science, the University of Tokyo  
July 2005 Professor, Institute of Industrial Science, the University of Tokyo (current position)  
Apr. 2006 Professor, Interfaculty Initiative in Information Studies, the University of Tokyo (current position)  
Apr. 2014 Director, National Institute of Technology (until FY2021)  
Apr. 2017 President, the Japan Society of Mechanical Engineers (95th term)  
Apr. 2017 Director, NSK Scholarship Foundation  
Oct. 2017 Council Member, Science Council of Japan  
July 2018 Outside Director, Toyota Central R&D Labs., Inc. (current position)  
Sept. 2018 Director, Mitsubishi Gas Chemical Memorial Foundation (current position)  
June 2019 Director, The Hitachi Global Foundation (current position)  
Aug. 2020 Advisor, Japan Society for Science Education (current position)  
Apr. 2022 Director, The Japan Society of Fluid Mechanics (current position)  
Sept. 2022 Director, steAm BAND (current position)  
Outside Director, the Company (current position)



**Tomoko Kawakami**  
Outside Director

Apr. 2000 Full-time Instructor, Faculty of Business and Commerce, Kansai University  
Apr. 2002 Assistant Professor, Faculty of Business and Commerce, Kansai University  
Apr. 2003 Visiting Researcher, Foster School of Business, University of Washington  
Apr. 2007 Associate Professor, Faculty of Business and Commerce, Kansai University  
Apr. 2009 Professor, Faculty of Business and Commerce, Kansai University  
Aug. 2012 Visiting Researcher, INSEAD Blue Ocean Strategy Institute (current position)  
Jan. 2013 Fulbright Researcher, Foster School of Business, University of Washington  
Oct. 2013 Research Fellow, Institute on Asian Consumer Insight, Nanyang Technological University  
Apr. 2015 Professor, Graduate School of Business and Finance, Faculty of Commerce, Waseda University (current position)  
Apr. 2016 Secretary, Waseda Blue Ocean Strategy Institute (currently Waseda Blue Ocean Shift Institute), Comprehensive Research Organization, Waseda University (current position)  
Apr. 2019 Director, Marketing International Institute (currently Marketing and Sustainability International Institute), Comprehensive Research Organization, Waseda University (current position)  
June 2019 External Director, Takara Holdings Inc. (current position)  
Dec. 2019 Examination Board Member, Certified Public Accountant Examination  
Sept. 2022 Outside Director, the Company (current position)  
Mar. 2023 Visiting Researcher, Shidler College of Business, University of Hawai'i at Mānoa (current position)

## Management

## Directors



**Arata Shimizu**  
Outside Director

Apr. 1997 Joined Accenture Japan Ltd  
 Sept. 2005 Executive Partner, Accenture Japan Ltd  
 July 2015 Executive Officer, General Manager of Strategic Consulting Headquarters, Accenture Japan Ltd  
 Mar. 2017 Representative Director and COO, SEAOS, Inc.  
 Sept. 2017 Outside Director, the Company (current position)  
 June 2020 Outside Director, MISUMI Group Inc. (current position)  
 June 2021 Director, P&E Directions, Inc. (current position)



**Yoichi Wada**  
Outside Director

Apr. 1984 Joined Nomura Securities Co., Ltd.  
 Apr. 2000 Joined SQUARE CO., LTD.  
 Dec. 2001 President and Representative Director and CEO, SQUARE CO., LTD.  
 Apr. 2003 President and Representative Director, SQUARE ENIX CO., LTD. (currently SQUARE ENIX HOLDINGS CO., LTD.)  
 Aug. 2016 Outside Director, WonderPlanet Inc. (current position)  
 Mar. 2018 Outside Director, Mynet Inc. (current position)  
 Apr. 2021 Outside Director, GENDA Inc. (current position)  
 Sept. 2021 Outside Director, the Company (current position)  
 June 2022 Outside Director, COVER Corp. (current position)



**Rieko Zamma**  
Outside Director  
(Audit & Supervisory  
Committee Member)

Apr. 1970 Joined Shizuoka Broadcasting System, Inc., Announcer  
 June 1973 Joined Kobunsha Co., Ltd., Reporter for Josei Jishin (Women's Self) Editorial Department  
 May 1980 Representative Director and President, Candid Co., Ltd. (currently Candid Communications Co., Ltd.)  
 Feb. 2001 Panel member, Panel on Infrastructure Development, Ministry of Land, Infrastructure, Transport and Tourism  
 Mar. 2004 General Producer, International Skills Festival for All, Japan 2007, Ministry of Health, Labour and Welfare  
 July 2005 Representative Director and President, Creative Senior Co., Ltd. (currently Candid Produce Co., Ltd.) (current position)  
 Jan. 2007 Member, Fiscal System Council, Ministry of Finance  
 Jan. 2009 Representative, club willbe (social network for all adults) (current position)  
 Aug. 2009 Member, Advisory Committee on Lay Judge system, Ministry of Justice  
 Mar. 2010 Outside Director, Fujita Kanko Inc. (current position)  
 June 2016 Outside Director, SHIMA SEIKI MFG., LTD. (current position)  
 Sept. 2016 Outside Director, the Company (current position)  
 Sept. 2023 Outside Director (Audit & Supervisory Committee Member), the Company (current position)



**Shintaro Takahashi**  
Outside Director  
(Audit & Supervisory  
Committee Member)

Apr. 1989 Joined Recruit Co., Ltd. (currently Recruit Holdings Co., Ltd.)  
 Oct. 2001 Joined Magclick Inc. (currently GMO AD Partners Inc.)  
 Mar. 2006 President and Representative Director, GMO AD Partners Inc.  
 Mar. 2008 Director, GMO Internet, Inc. (currently GMO Internet Group, Inc.)  
 Mar. 2013 Managing Director, Supervisor of Group Media Division, GMO Internet, Inc. (currently GMO Internet Group, Inc.)  
 Mar. 2015 Chairman of the Board, GMO AD Partners Inc.  
 Apr. 2016 Representative Director, Head of Sales Division, Indeed Japan, Inc.  
 July 2016 Non-Executive Director, gumi Inc.  
 Oct. 2017 Representative Director, General Manager and Head of Sales Division, Indeed Japan, Inc.  
 Oct. 2020 CMO, USEN-NEXT HOLDINGS Co., Ltd.  
 Nov. 2020 Director, USEN-NEXT HOLDINGS Co., Ltd. (current position)  
 Representative Director and President, U-POWER Co., Ltd. (current position)  
 External Director, CUUSOO SYSTEM Co., Ltd. (current position)  
 Sept. 2022 Outside Director, ONE MEDIA Inc. (current position)  
 Sept. 2023 Outside Director (Audit & Supervisory Committee Member), the Company (current position)



**Hiroaki Rokugawa**  
Outside Director  
(Audit & Supervisory  
Committee Member)

Apr. 1997 Admitted to the bar (Dai-ichi Tokyo Bar Association) Hori Sogo Law Office  
 June 2002 Barack Ferrazzano Kirschbaum & Nagelberg LLP (Chicago)  
 Apr. 2004 Lecturer, Chiba University Law School  
 Mar. 2007 Baker & McKenzie GJB Tokyo Aoyama Aoki Koma Law Office  
 Apr. 2007 Lecturer, Advanced Institute of Industrial Technology (AIIT) and Tokyo Metropolitan University (current position)  
 June 2008 Ogasawara Rokugawa International Law Office  
 Mar. 2009 Outside Auditor, Funai Zaisan Consultants Co., Ltd. (currently Aoyama Zaisan Networks Co., Ltd.) (current position)  
 Apr. 2009 Lecturer, Faculty of Law, Seijo University  
 Dec. 2010 Outside Auditor, YUMESHIN HOLDINGS Co., Ltd.  
 Apr. 2013 Professor, Tokai University Law School  
 Oct. 2013 Lecturer, School of Culture, Media and Society, Waseda University  
 Dec. 2016 Outside Director, TSUNAGU SOLUTIONS Inc. (currently TSUNAGU GROUP HOLDINGS Inc.) (current position)  
 Sept. 2020 Outside Director, Abalance Corporation (current position)  
 Apr. 2021 Outside Audit & Supervisory Board Member, the Company  
 Apr. 2022 Managing Partner, Tokyo Uchisaiwaicho Law Firm (current position)  
 June 2022 Outside Director, Meiji Machine Co., Ltd. (current position)  
 Sept. 2023 Outside Director (Audit & Supervisory Committee Member), the Company (current position)



Management

Officers



**Noriyuki Murai**  
Senior Executive Officer



**Yuichi Kamata**  
Corporate Officer, Head of Corporate Planning



**Kenjiro Ogawa**  
Corporate Officer, Head of the Construction Unit



**Mitsuyoshi Matsumoto**  
Corporate Officer, Head of Human Resources



**Einobu Yoshii**  
Corporate Officer, Head of the Machinery and Electronics Unit



**Akihito Kato**  
Corporate Officer, Head of DX Promotion



**Junji Nakashima**  
Corporate Officer, Head of the IT Infrastructure Unit



**Akio Takeya**  
Corporate Officer, Head of Finance



**Seiki Haruta**  
Corporate Officer, Head of the Manufacturing Unit



**Noriyuki Sasano**  
Corporate Officer, Head of Group Management

# Corporate Governance

## Basic Stance and Policy

The Group considers the objective of corporate management as the improvement of corporate value in a sustainable and stable manner based on its Purpose, which is to open up individual potential through rewarding work, and it will promote efficient management that enables profitability and growth while ensuring sound management.

Furthermore, the Group treats the strengthening of its corporate governance system as one of its most important management issues, with the aim of ensuring transparent management and forming positive relationships with its stakeholders, which include shareholders, investors, business partners, employees, local communities and the broader society, and it provides accurate and timely disclosure of management-related information to these ends. The Group's efforts to strengthen its system for corporate governance enable it to conduct corporate activities with full awareness of its corporate responsibility.

The Group has adopted a holding company structure under which the holding company supervises the proper execution of business by the operating companies, and it flexibly designs meeting bodies and reporting lines in keeping with business expansion and changes in the business environment to ensure that labor and human rights issues, which are important to the human resource services industry, are fully controlled. The Group also ensures transparent and objective management through its Board of Directors and Audit & Supervisory Committee.



We implement every principle of Japan's Corporate Governance Code. Please refer to the Company's corporate governance report for the latest disclosure in relation to each principle.

## Structure

In September 2023, the Company transitioned to a Company with an Audit & Supervisory Committee. Under this structure, the Audit & Supervisory Committee members, who are responsible for auditing and supervising the execution of duties by directors, are also included as members of the Board of Directors. This change will enhance the supervisory function of the Board and enhance corporate governance. In addition, as the Board of Directors of a Company with an Audit & Supervisory Committee, the Board will appropriately delegate decisions on business execution to executive directors, separating business execution and supervision to speed up management decision-making. The Company believes that this approach, as well as the further expansion of its business operations, will lead to increased corporate value.

The Company has also appointed seven outside directors among its ten directors in order to strengthen its system for monitoring management, which includes supervision to ensure the appropriate execution of duties by directors. Furthermore, to ensure the effectiveness of

audits, the Company has appointed three outside directors as the three members of the Audit & Supervisory Committee, which works in cooperation with the accounting auditor and the Internal Audit Department at all times.

For business execution, we have established the Management Meeting, a meeting body aimed at prompt and efficient decision-making, which comprises the person serving as representative director, chairman, and CEO, the person serving as representative director, president, and COO, and the person serving as director and CFO, all three of whom are executive directors, as well as other corporate officers. Regarding other meeting bodies, the Company has established the Internal Controls Committee and the Sustainability Committee to support business execution and established a risk management system that includes checks on business operations and compliance with social ethics, the statuses of which are reported to the Board of Directors in a timely manner.

## Message from the Chair of the Audit & Supervisory Committee



**Hiroaki Rokugawa**  
Outside Director  
(Chair of the Audit & Supervisory Committee)

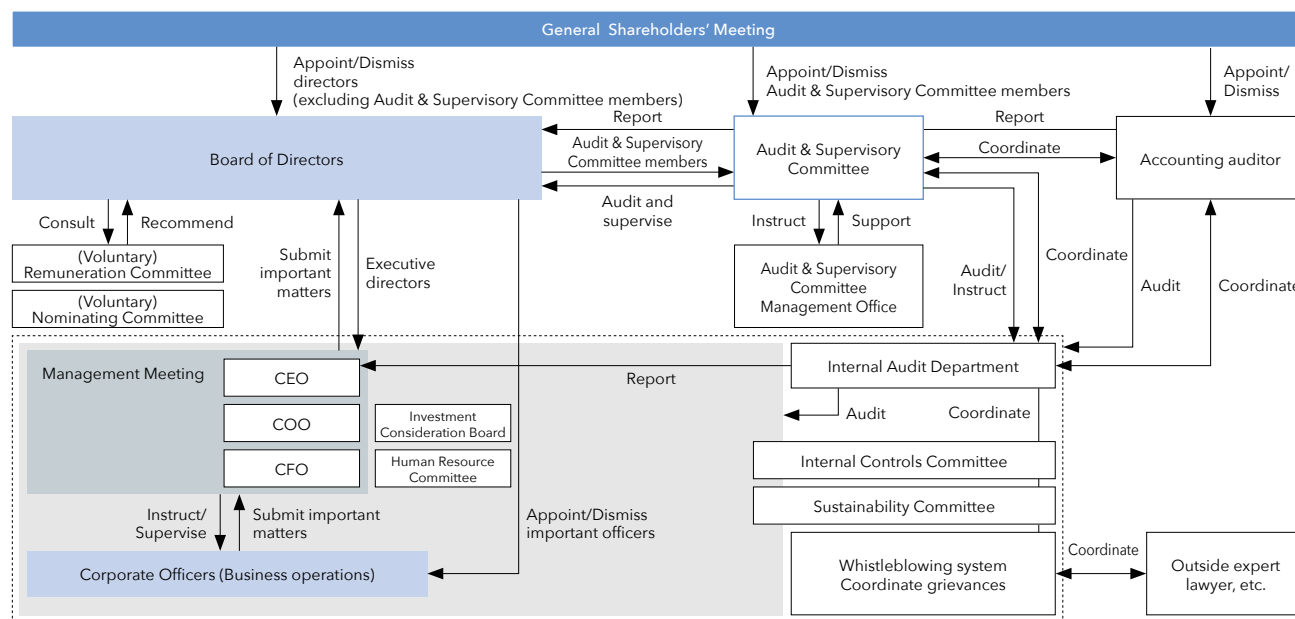
Open Up Group Inc. transitioned to a Company with an Audit & Supervisory Committee in September 2023. A problem that existed under its previous structure as a Company with an Audit & Supervisory Board was that Audit & Supervisory Board members did not have voting rights, even when compliance-related matters were on the agenda. This stemmed from restrictions under Japan's Companies Act, under which Audit & Supervisory Board members are not considered members of the Board of Directors and therefore do not have voting rights at Board meetings. With the shift to a Company with an Audit & Supervisory Committee, all committee members have voting rights as directors, which I believe has made the Company's governance even more robust.

The two companies that would form the current Group were both actively working to increase their number of outside directors prior to the merger, and following the conclusion of the General Shareholders' Meeting on September 26, 2023, the Board of Directors currently consists of 70% outside directors. In addition, 30% of the Board's members are women. As a result, I can say that the Company has made steady progress toward strengthening governance and increasing the diversity of its Board of Directors.

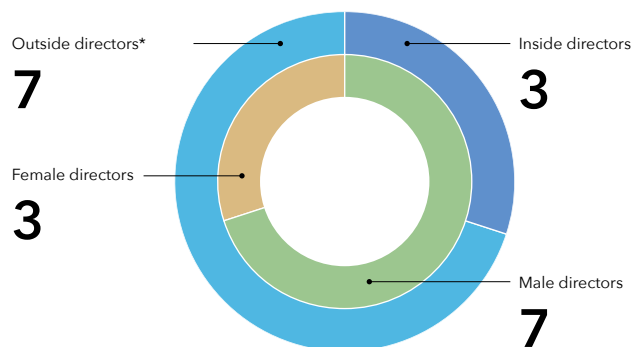
Going forward, I and the other members of the Audit & Supervisory Committee will work to fulfill the committee's responsibility to audit business plans and measures aimed at increasing corporate value that management is currently implementing, or plans to implement in the future, and confirm whether these plans and measures are compliant with the most up-to-date laws and regulations and the rules put forth by the Tokyo Stock Exchange, including Japan's Corporate Governance Code. Furthermore, as a member of the Board of Directors, I aim to improve corporate value and meet the expectations of the Company's shareholders, investors, and other stakeholders.

Corporate Governance

Corporate governance structure



Composition of the Board of Directors  
(As of September 30, 2023)



\* The Company's outside directors have adopted the independence requirements of the Tokyo Stock Exchange

Directors and Board of Directors

The Company's Board of Directors is composed of 10 directors (including seven outside directors). As a general rule, regular Board meetings are held once a month and extraordinary Board meeting are held as needed. The Board decides matters stipulated by law and other important management matters in addition to monitoring directors' execution of duties. The Company appoints two representative directors, and in July 2021 we gave these positions the titles of CEO and COO and divided responsibilities between the two roles in order to establish a system of checks and balances.

The Nominating Committee, the majority of whom are outside directors, discusses and selects candidates to ensure that the Board maintains a good balance of knowledge, experience, and ability. At the same time, the committee also considers factors such as gender diversity. The committee then reports its recommendations to the Board of Directors.

Audit & Supervisory Committee

The Company transitioned from a Company with an Audit & Supervisory Board to a Company with an Audit & Supervisory Committee by resolution at the 19th Ordinary General Shareholders' Meeting. The committee is composed of three outside directors and works in cooperation with the accounting auditor and the Internal Audit Department.

Nominating Committee and Remuneration Committee

Although the Company is not a Company with a Nominating Committee, etc., as stipulated in Japan's Companies Act, it has established its Remuneration Committee and Nominating Committee to ensure transparent and objective management. Members of both committees are appointed by a resolution of the Board of Directors and, in order to ensure objective decision-making, a majority of members must be outside directors who are not directly involved in business operations, and the committees are chaired by outside directors.

The Nominating Committee selects director candidates on the basis of skill, gender, and diversity and reports to the Board of Directors. It also discusses topics such as succession planning and communicates with internal employees as appropriate.

The Remuneration Committee discusses the remuneration system for directors, who are tasked with contributing to the Company's sustainable growth and increase of its corporate value, and it reports to the Board of Directors regarding policies and other matters related to determining remuneration. The committee also provides the Board of Directors with reports regarding remuneration amounts for individual directors. For the latest information, please refer to the Company's corporate governance report under the section titled "Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods."

In fiscal 2023, the Nominating Committee met twice, with all members in attendance. The Remuneration Committee met twice, with all members in attendance.

## Corporate Governance

## List of Directors

Position	Name	Roles and important concurrent positions	Number of meetings attended*	Attendance rate*
Chairman and Representative Director, CEO	Yutaka Nishida	None	17/17	100%
President and Representative Director, COO	Daio Sato	Director, BeNEXT Technologies Inc. Director, Yumeshin Co., Ltd. Director, Open Up IT Engineer Inc. President and Representative Director, NEPLUS K.K. Director, Open Up System Co., Ltd.	17/17	100%
Director, CFO	Hiroshi Sato	Outside Director, HRnetGroup Limited	17/17	100%
Outside Director	Mari Oshima	Professor, Institute of Industrial Science, the University of Tokyo Professor, Interfaculty Initiative in Information Studies, the University of Tokyo Outside Director, Toyota Central R&D Labs., Inc.	13/13 Newly appointed in Sept. 2022	100%
Outside Director	Tomoko Kawakami	Professor, Graduate School of Business and Finance, Faculty of Commerce, Waseda University External Director, Takara Holdings Inc.	13/13 Newly appointed in Sept. 2022	100%
Outside Director	Arata Shimizu	Outside Director, MISUMI Group Inc. Director, P&E Directions, Inc.	17/17	100%
Outside Director	Yoichi Wada	Outside Director, WonderPlanet Inc. Outside Director, Mynet Inc. Outside Director, GENDA Inc. Outside Director, COVER Corp.	17/17	100%
Outside Director (Audit & Supervisory Committee Member)	Rieko Zamma	Outside Director, SHIMA SEIKI MFG., LTD. Outside Director, Fujita Kanko Inc. Representative Director and President, Candid Produce Co., Ltd.	17/17	100%
Outside Director (Audit & Supervisory Committee Member)	Shintaro Takahashi	Director, USEN-NEXT HOLDINGS Co., Ltd Representative Director and President, U-POWER Co., Ltd. External Director, CUUSOO SYSTEM Co., Ltd. Outside Director, ONE MEDIA Inc.	Newly appointed in Sept. 2023	-
Outside Director (Audit & Supervisory Committee Member)	Hiroaki Rokugawa	Lecturer, Advanced Institute of Industrial Technology (AIIT) and Tokyo Metropolitan University Managing Partner, Tokyo Uchisaiwaicho Law Firm Outside Auditor, Aoyama Zaisan Networks Co., Ltd. Outside Director, TSUNAGU GROUP HOLDINGS Inc. Outside Director, Abalance Corporation Outside Director, Meiji Machine Co., Ltd.	17/17	100%

Notes:

- Directors were appointed at 19th Ordinary General Shareholder's Meeting held on September 26, 2023.
- Concurrent positions are as of September 2023.

## Members of the Nominating Committee and the Remuneration Committee

Position	Name	Nominating Committee		Remuneration Committee	
		Number of meetings attended*	Attendance rate*	Number of meetings attended*	Attendance rate*
Outside Director (Chair of the Nominating Committee)	Yoichi Wada	2	100%	2	100%
Outside Director	Mari Oshima	2	100%	2	100%
Outside Director (Chair of the Remuneration Committee)	Rieko Zamma	2	100%	2	100%
Outside Director	Tomoko Kawakami	2	100%	2	100%
Outside Director	Arata Shimizu	2	100%	2	100%
Chairman and Representative Director, CEO	Yutaka Nishida	2	100%	2	100%
President and Representative Director, COO	Daio Sato	2	100%	2	100%

## Members of the Audit &amp; Supervisory Board (Inactive)

Position	Name	Board of Directors		Audit & Supervisory Board	
		Number of meetings attended*	Attendance rate*	Number of meetings attended*	Attendance rate*
Full-time Outside Audit & Supervisory Board member	Fujio Shimokawa	17/17	100%	14/14	100%
Outside Audit & Supervisory Board member	Toshio Nago	17/17	100%	14/14	100%
Audit & Supervisory Board member	Hajime Mita	17/17	100%	10/10	100%
Outside Audit & Supervisory Board member	Hiroaki Rokugawa	17/17	100%	14/14	100%

Note: The Company transitioned to a Company with an Audit &amp; Supervisory Committee in September 2023.

\* "Number of meetings attended" and "Attendance rate" figures are for fiscal 2023.

## Members of the Audit &amp; Supervisory Committee, Nominating Committee, and Remuneration Committee (As of September 30, 2023)

	Yutaka Nishida	Daio Sato	Hiroshi Sato	Mari Oshima	Tomoko Kawakami	Arata Shimizu	Yoichi Wada	Rieko Zamma	Shintaro Takahashi	Hiroaki Rokugawa
Audit & Supervisory Committee								○	○	○ Chair
Nominating Committee	○	○		○	○	○	○ Chair			
Remuneration Committee	○	○		○	○	○ Chair	○			

Note: Members were appointed as directors at 19th Ordinary General Shareholder's Meeting held on September 26, 2023.

## Corporate Governance

### Accounting Auditor

We have appointed Ernst & Young ShinNihon LLC as our accounting auditor. The Audit & Supervisory Committee and Internal Audit Department work with the accounting auditor to enhance the quality and efficiency of audits.

### Management Meeting

The Management Meeting has been established as a meeting body to enable swift and flexible decision-making for the entire Group, including important matters regarding business execution that have been approved by the Board of Directors. The Management Meeting, which meets once a week in principle, comprises the person serving as representative director, chairman, and CEO, the person serving as representative director, president, and COO, and the person serving as director and CFO, and 13 corporate officers as of September 30, 2023. After thorough discussion among members, resolutions are approved by majority decision by the CEO, COO, and CFO.

### Sustainability Committee

The Company has established the Sustainability Committee to ensure that its business is sustainable, taking into account human rights, environmental issues, coexistence with society, and other relevant factors. The committee is tasked with managing opportunities and risks comprehensively and from a sustainability perspective, reflecting them in management. It comprises the CEO, who serves as chair, the COO, the CFO, and other Group executives and employees as designated by the committee chair.

The Company intends to utilize this committee to conduct risk management and monitoring for climate change and the medium- to long-term business environment, to continue the development and updating of the Company's material issues and its value creation models, and to reflect these activities in management plans and wherever else relevant.



For details about the Company's sustainability promotion system and its activities, please refer to the Sustainability Management section of this report (● Pages 41-43).

### Internal Controls Committee

The Company has established the Internal Controls Committee to understand, manage, and control the risks that pertain to the Group's financial reporting. To carry out these duties, the committee works across related departments throughout the Group to ensure the efficiency of any work related to financial reporting. The committee comprises the CEO, who serves as chair, the COO, the CFO, and other Group executives and employees as designated by the committee chair.

## Directors

### Policy and Procedure for Appointment, Dismissal, and Nomination

The policies and procedures for the appointment and dismissal of the representative directors and the nomination of director candidates are set out below.

#### ● Nomination of Director Candidates

The Nominating Committee discusses and selects director candidates based on whether candidates display a high level of professional ethics and whether they are able to continuously elevate the corporate value of the Group over the medium- to long term while respecting the rights and positions of stakeholders. The list of candidates is reported to the Board of Directors for resolution, and then submitted to the General Shareholders' Meeting.

#### ● Dismissal of Representative Directors

Dismissal of representative directors is determined by the Board of Directors following sufficient inquiry, debate, and recommendation by the Nominating Committee in cases where an inadequacy has been recognized, for example, when the quality of their business execution has failed to meet the required standard. Moreover, the Nominating Committee discusses the education and training of candidates for successors to the representative director positions and the possibility of inviting successors from outside the Company.

### Criteria for Assessing the Independence and Efficacy of Outside Directors

Criteria for assessing the independence and efficacy of outside directors are defined as follows.

The Company selects individuals who have not been executive directors or business executives for the Company in the past and who meet the requirements for an outside director as defined in the Companies Act. These individuals also meet the requirements for an outside director who is unlikely to have conflicts of interest with general shareholders as defined in the Tokyo Stock Exchange criteria for independence. Moreover, the Company seeks out individuals with extensive experience and expertise in their respective fields, who can provide advice and recommendations from an outside and objective perspective or serve in other ways that will elevate the transparency and soundness of management-related decision-making.

At least half of all directors are outside directors to ensure the Board receives appropriate advice and recommendations concerning Company management from an objective, external perspective, and to strengthen the supervisory function of the Board of Directors. Furthermore, outside directors serve as chairs of the Nominating Committee and the Remuneration Committee, which are advisory bodies to the Board of Directors, to ensure appropriateness and transparency in the appointment and remuneration of directors.

Corporate Governance

Directors' Skills Matrix (As of September 30, 2023)

The following matrix shows skill categories required by the Company based on its management environment and the characteristics of its business and shows which directors possess these skills based on their work experience.

Position at the Company	Name	Age	Type		Knowledge and experience important for Group management (skill categories)										
			Outside	Independent	Industry experience	Management experience	Executive of a listed company / Economics, business administration, etc.	International experience	M&As, investment, and PMI	Law	Finance and financial strategy	Governance, risk management, and sustainability	Digital technology and cybersecurity	Technology / Education in science and technology	
Chairman and Representative Director, CEO	Yutaka Nishida	60			◎	○							○		
President and Representative Director, COO	Daio Sato	39			○	◎				○					
Director, CFO	Hiroshi Sato	66						○	○			○			
Outside Director	Mari Oshima	61	■	■					○					○	○
Outside Director	Tomoko Kawakami	58	■	■				○	○				○		
Outside Director	Arata Shimizu	51	■	■				○	○					○	
Outside Director	Yoichi Wada	64	■	■			○	○		○					
Outside Director (Audit & Supervisory Committee Member)	Rieko Zamma	73	■	■			○	○					○		
Outside Director (Audit & Supervisory Committee Member)	Shintaro Takahashi	58	■	■			○	○						○	
Outside Director (Audit & Supervisory Committee Member)	Hiroaki Rokugawa	60	■	■						○	○		○		

Notes: The above matrix shows the top three skills each director is particularly expected to demonstrate in their role. For representative directors, the skill each director is particularly expected to demonstrate in their role is represented by a ◎ symbol.

Reasons for Selecting Skill Categories (Management Environment, Nature of the Company's Business)

<b>Industry experience</b>	The Group emphasizes growth potential, so it needs directors who can make management decisions based on real-life experience of the changes, challenges, opportunities, and other aspects of the personnel staffing industry.	<b>Finance and financial strategy</b>	The Group is looking to invest in growth through M&As and to stably enhance shareholder returns and therefore needs directors with wide-ranging knowledge and experience of finance and related matters.
<b>Management experience</b>	As a Group comprising multiple business companies, we need directors with comprehensive and extensive managerial experience, including business promotion and risk management.	<b>Governance, risk management, and sustainability</b>	The Group aims to achieve sustainable growth while remaining in harmony with society and therefore needs directors with experience in fields such as governance, risk management, and social contribution.
<b>Executive of a listed company / Economics, business administration, etc.</b>	The Group needs directors with experience of business promotion and risk management in a variety of industries or extensive knowledge of business administration, so that they can help enhance the objectivity and transparency of the Group's management.	<b>Digital technology and cybersecurity</b>	The Group is moving forward with digital transformation efforts and therefore needs directors with knowledge and experience of making appropriate decisions in this field and of the new risks associated with IT.
<b>International experience</b>	The Group conducts business in the U.K. and many other countries around the world and therefore needs directors with international management experience and an understanding of the business environment outside Japan.	<b>Technology / Education in science and technology</b>	The Group needs directors with expertise in the changes and trends in technology affecting clients in the manufacturing sector, as well as in the education of human resources who must adapt to these changes.
<b>M&amp;As, investment, and PMI</b>	The Group has positioned M&As as a key strategy in its medium-term management plan, and therefore needs directors with wide-ranging experience of M&As.		

Corporate Governance

Reasons for the Appointment of Outside Directors

The reasons for appointing each outside director are as follows.

Position	Name	Reasons for appointment
Outside Director	Mari Oshima	Mari Oshima has a wealth of experience and a strong academic background, mainly in digital technology, cybersecurity, technology, and science and technology education, and she is capable of providing advice and recommendations from a professional perspective to the Company's Board of Directors in its decision-making.
Outside Director	Tomoko Kawakami	Tomoko Kawakami has a wealth of experience and a strong academic background, mainly in the fields of business administration and marketing, and she is capable of providing advice and recommendations from a professional perspective to the Company's Board of Directors in its decision-making.
Outside Director	Arata Shimizu	Arata Shimizu has a wealth of consulting experience and insights, and he is capable of providing advice and recommendations to the Company's Board of Directors to ensure objectivity in its decision-making.
Outside Director	Yoichi Wada	Yoichi Wada has a wealth of experience and broad insight as a manager across different industries and business sectors, and he is capable of continuing to provide advice and recommendations to the Company's Board of Directors to ensure objectivity in its decision-making.
Outside Director	Rieko Zamma	Rieko Zamma has a wealth of management experience in different industries and possesses a high-level academic background, and she is capable of providing supervision and advice to directors on the execution of their duties from an objective and neutral standpoint, particularly in the area of sustainability.
Outside Director	Shintaro Takahashi	Shintaro Takahashi has a wealth of management experience in different industries and possesses a high level of academic knowledge, and he is capable of providing supervision and advice to directors on the execution of their duties from an objective and neutral standpoint, particularly with respect to group governance.
Outside Director	Hiroaki Rokugawa	Hiroaki Rokugawa has a wealth of experience as a lawyer and a high level of insight based on his wide range of knowledge, and he is capable of providing supervision and advice to directors on the execution of their duties from an objective and neutral standpoint, particularly with respect to compliance.

Note: All outside directors listed above satisfy the requirements for independent officers stipulated by the Tokyo Stock Exchange. Therefore, the Company has determined that there is no risk of conflict of interest with general shareholders and nominated them as independent officers, leading to their appointment.

Analysis and Assessment of the Effectiveness of the Board of Directors

The Company conducts an evaluation of the effectiveness of the Board of Directors once every fiscal year, in order to verify whether the functions expected of the Board of Directors are being properly fulfilled and to find areas for improvement.

Progress in Addressing Issues Identified in the Assessment of the Effectiveness of the Board of Directors in Fiscal 2022

- Appropriate involvement and oversight regarding successor/management development plans**  
 The Nominating Committee and meeting bodies have begun discussing the criteria and process for appointing successors and will continue to examine the issue.
- Oversight for the development and operation of the Company's internal control system and Companywide risk management system**  
 The Company continued to revise the content of its monthly compliance report, as well as the internal audit report and the Sustainability Committee's regular report (each published twice a year).
- Improvement of materials sent prior to Board meetings and of meeting operations**  
 The Company introduced an annual agenda schedule for anticipated resolution and opinion exchange meetings. In addition, the Company changed the order of deliberations and reports on the meeting agenda to ensure sufficient time for deliberations.



Methods and Processes Used in the Fiscal 2023 Assessment and Analysis of the Effectiveness of the Board of Directors

- The Company assessed the effectiveness of the Board of Directors using the following process.
- Persons subject to assessment:** Directors and Audit & Supervisory Board members (14 in total)
  - Assessment method:** An in-house registered survey was conducted, the results of which were tabulated and analyzed and then assessed by the Board of Directors.
  - Assessment items:** 1) Items related to the composition of the Board of Directors; 2) Items concerning the operation of the Board of Directors; 3) Items concerning the agenda of the Board of Directors; 4) Items related to the support system for the Board of Directors; 5) Matters concerning nomination and remuneration



Overview of Results

It was recognized that the Board of Directors fulfills its expected roles of supervising management and making decisions on important matters and that the Board of Directors has a system in place that enables it to perform an appropriate supervisory function for management in terms of its size, composition, operational status, and other factors. The Board of Directors was also recognized for maintaining an atmosphere in which all members, including outside directors, can speak freely and engage in lively discussion. This assessment confirms the overall effectiveness of the Board of Directors.

The Company will implement the following efforts in response to the fiscal 2023 assessment and the various opinions expressed by each director during the discussions, in continuation of its work to improve the functionality of the Board of Directors.

- The Company will consider providing information on the activities of the Sustainability Committee as appropriate to further enhance the content of the Company's regular reports (twice a year) and deepen discussions further.
- The Company will improve operational aspects of the Board of Directors meetings, including the systematic implementation of deliberation items, streamlining of routine reporting items, and distribution of materials, and it will enhance discussions at Board meetings by establishing meetings for outside directors to be held approximately three times a year during which they can share information and exchange opinions.
- The Nominating Committee and other meeting bodies will continue to review the Company's internal successor and management development plan as well as the suitability of its selection and dismissal processes, in light of the importance of human resource strategies for enhancing corporate value over the medium to long term.

Corporate Governance

Director Remuneration

Our policy for decisions, procedures, and resolutions regarding the remuneration for directors is as follows.

Policy for Determining Director Remuneration

Executive Directors

Remuneration for executive directors (the person serving as representative director, chairman and CEO, the person serving as representative director, president and COO, and the person serving as director and CFO) consists of fixed remuneration, bonuses, and stock remuneration (restricted stock remuneration). The combination of these three types of remuneration is designed to provide incentives for executive directors to contribute to the sustainable growth of the Company and increase corporate value.

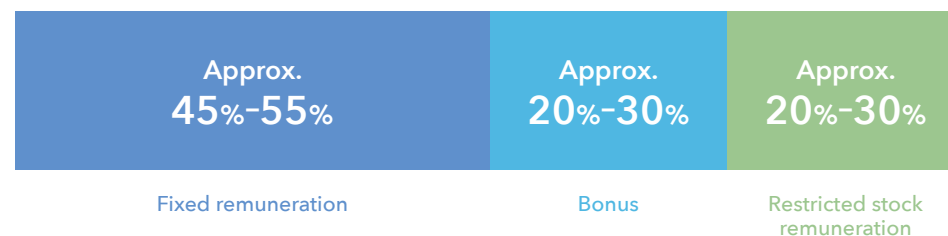
Fixed remuneration (monetary remuneration) will be determined for each year of the executive director’s term of office and will be paid in monthly installments. The amount for each director will be determined by their position in consideration of the nature of the director’s duties and responsibilities, etc., at a level appropriate to the director’s responsibilities.

Bonuses are short-term performance-linked remuneration intended as short-term incentives to achieve targets for a single fiscal year. Operating profit is used as the Company’s indicator of consolidated performance and the common indicator for evaluating all directors eligible to receive bonuses. A standard bonus amount for each executive director is determined for each position, taking into consideration the content of each job, role, responsibility, and remuneration composition ratio. This amount is adjusted according to the degree to which the Company’s operating profit target is achieved, set at 100% of the standard amount for reaching the target and fluctuating from 0% to 200% depending on the degree of achievement.

The purpose of the restricted stock remuneration is to provide an incentive to improve the Group’s medium- to long-term performance and corporate value while encouraging a shared interest with the Group’s shareholders. This system is designed to allocate common stock subject to a 30-year restricted transfer period, with allowances for the Company to acquire restricted stock without charge (it includes a malus clause). The Company recommends that eligible executive directors and others hold a number of shares equal to or greater in value than one year of fixed remuneration as a general rule. This includes latent shares to be issued upon resignation.

The Remuneration Committee considers the policy for determining the payment ratio of each type of remuneration so that the payment ratio does not fluctuate significantly from fiscal year to fiscal year. This ratio is generally 45% to 55% for fixed remuneration, 20% to 30% for bonuses, and 20% to 30% for restricted stock remuneration.

Breakdown of remuneration for executive directors (Fiscal 2023)



Outside Directors

Remuneration of outside directors is limited to fixed remuneration to ensure their perspective remains independent of business operations. The amount paid to each director is determined based on their professional expertise and other factors.

Single-year performance-linked remuneration by percentage of target achieved (standard amount x corresponding coefficient)

Percentage of target achieved	Less than 80%	80%	Every 2% lower	94%	96%	98%	100%	102%	104%	106%	Every 2% higher	140%
Coefficient	No payment	50%	-5%	85%	90%	95%	100%	105%	110%	115%	+5%	200%



## Corporate Governance

### Procedures for Determining Director Remuneration

The Remuneration Committee examines director remuneration (excluding directors who are members of the Audit and Supervisory Committee) and submits a report to the Board of Directors, ensuring the transparency and objectivity of the entire remuneration system, including remuneration levels and the process for determining remuneration. For this reason, when determining fixed remuneration, bonuses, and restricted stock remuneration, the Remuneration Committee first examines and prepares a report for the Board of Directors regarding remuneration for each director. The Board of Directors then makes a resolution on remuneration based on this report.

Remuneration for directors who are members of the Audit & Supervisory Committee will be determined through discussions among the directors who are members of the Audit & Supervisory Committee.

In the event that the Board of Directors adopts a resolution to make subsequent adjustments to the financial statements due to material accounting errors or fraud, or if the Board of Directors determines that a director who is not an Audit & Supervisory Committee member has materially breached the engagement agreement with the Company during the director's term of office, the Remuneration Committee will deliberate whether to require forfeiture of all or part of the rights to receive bonuses and restricted stock remuneration (malus) or return of all or part of the bonuses and restricted stock remuneration already paid (clawback) and report the results of such deliberations to the Board of Directors.

### Resolution on the Amount of Remuneration for Directors

The total sum of remuneration for directors of the Company (excluding directors who are members of the Audit & Supervisory Committee) was set at no more than ¥600 million per year (including no more than ¥100 million per year for outside directors) at the 19th Ordinary General Meeting of Shareholders held on September 26, 2023.

In addition, the introduction of a restricted stock remuneration system was approved at the 14th Ordinary General Meeting of Shareholders held on September 21, 2018.

Remuneration under this system is separate from the remuneration limited to ¥600 million mentioned above and shall be provided as restricted stock remuneration to eligible directors. The total amount of such remuneration provided under the restricted stock remuneration system was set at no more than ¥400 million per year at the 19th Ordinary General Meeting of Shareholders held on September 26, 2023.

The amount of remuneration for directors who are members of the Audit and Supervisory Committee was set at no more than ¥100 million per year at the 19th Ordinary General Meeting of Shareholders held on September 26, 2023.

Fixed remuneration and bonuses for fiscal 2023, as well as restricted stock remuneration were determined by the Board of Directors on the same day as the 19th Ordinary General Shareholders' Meeting of Shareholders held on September 26, 2023, after prior consideration by the Remuneration Committee.

Payment of performance-linked remuneration for executive directors for fiscal 2023 was determined based on the degree to which targets were achieved. Since operating profit was ¥12,760 million under International Financial Reporting Standards (IFRS), exceeding the initial target of ¥11,600 million, a coefficient of 115% was applied according to the performance target achievement rate set in advance by the Remuneration Committee. This coefficient will be applied to performance-linked remuneration for fiscal 2024.

### Remuneration amounts for fiscal 2023

Type of officer	Total remuneration, etc. (¥ million)	Total of each type of remuneration (¥ million)			Number of eligible officers
		Fixed remuneration	Performance-linked remuneration	Restricted stock remuneration	
Directors (Outside directors)	362 (45)	197 (45)	88 (-)	77 (-)	12 (7)
Audit & Supervisory Board members (Outside members)	25 (22)	25 (22)	- (-)	- (-)	5 (4)
Total (Outside officers)	388 (67)	222 (67)	88 (-)	77 (-)	17 (11)

#### Notes:

- The table above includes two directors and one Audit & Supervisory Board member who retired at the conclusion of the 18th Ordinary General Shareholders' Meeting held on September 27, 2022.
- Officers eligible for restricted stock remuneration are directors, excluding outside directors. Allotted shares for fiscal 2023 were awarded with a restriction period of 30 years, as determined by the Board of Directors. The Company has also stipulated conditions for this restriction period to be lifted upon resignation from the Company, as well as reasons for the Company to reacquire the shares without remuneration.
- Officers eligible for performance-linked remuneration are directors excluding outside directors. Remuneration paid in fiscal 2023 depends on the extent of achievement in fiscal 2022, the previous fiscal year.
- In fiscal 2023, there were four Audit & Supervisory Board members, three of whom were outside members.

# Compliance

## Basic Stance and Policy

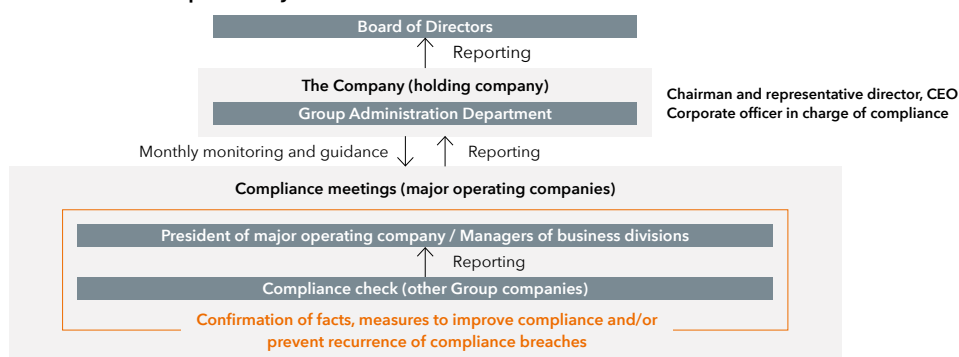
The Group's officers and employees must act in accordance with the Group's action guidelines, titled Corporate Ethics for Society, Human Rights, and the Environment, which call for rigorous professional ethics, profound insight, and self-discipline, under the belief that compliance is not limited to laws and regulations but also extends to corporate ethics and social norms.

## System

The corporate officer in charge of the Group Administration Department is also in charge of Groupwide compliance, under the supervision and direction of the holding company. Efforts to promote compliance are handled primarily through compliance meetings, which are held at each major operating company and comprise the company's president and managers of its business divisions. The Company monitors the effectiveness of each operating company's compliance meetings as well as the status of their internal controls and reports to the Board of Directors every month, after which operating companies are encouraged to make improvements as necessary.

At each major operating company's monthly compliance meeting, they conduct independent compliance checks related to the Act on Securing the Proper Operation of Worker Dispatching Businesses and Protecting Dispatched Workers (the Worker Dispatch Act) and other labor-related laws and regulations, and to make improvements. Specifically, the meetings aim to share the most up-to-date guidance from the Labor Bureau and Labor Standards Inspection Office and ensure that any issues that need to be addressed, any required reductions in working hours, and any other efforts related to laws and regulations are properly understood, that the proper instructions are given, and that any initiatives in response are suitably promoted. In addition, the meetings monitor items related to human rights, the environment, information management, misconduct, internal whistleblowing, and other matters, and if a serious incident occurs, the operating company in question works to gain a rapid understanding of the situation and take counter-measures. Furthermore, the company conducts internal audits of business offices engaged in contracting, outsourcing, and other transactions in keeping with the nature of their specific business to confirm that any commands given to maintain compliance with the law have been implemented and that legally mandated safety and health standards are being enforced.

## Overview of compliance system



## Responses to Revisions of Relevant Laws and Regulations and Reviews of Operations

The Group operates in multiple countries and makes the fullest efforts to ensure thorough compliance with the relevant laws and regulations of each country. Any information related to revisions in these laws and regulations as well as responses to inspections from public institutions and subsequent results are shared among operating companies. The Company also maintains control over relations between operating companies. Furthermore, the Company has entered into advisory agreements with multiple law firms according to the type of law and the nature of the business in question, creating a system that gives it constant access to new information and advice.

## Labor-Related Laws and Regulations

The Company's main business, human resources services, is regulated by laws and regulations such as the Labor Standards Act, the Worker Dispatch Act, and the Employment Security Act, and compliance with these laws and regulations is vital for maintaining valid permits and licenses. Compliance with these laws and regulations also contributes to respect for human rights, the safety and health of the Group's employees, and risk management—all of which underpin the Group's sustainable operations—while also being integral to realizing the Group's Purpose, which is to open up individual potential through rewarding work.

Specifically, the Company promotes various measures, such as management of working hours, promotion of the use of paid leave, prevention of workplace accidents, review of employment and contract terms and conditions, prevention of harassment, and health management, in cooperation with related departments in operating companies.

## Prevention of Bribery and Corruption

All officers and employees must comply with items related to the prevention of bribery and corruption within Corporate Ethics for Society, Human Rights, and the Environment.



For the full text of Corporate Ethics for Society, Human Rights, and the Environment, please refer to the Corporate Ethics section of the corporate website.

## Compliance Education and Training

**100%**  
Implementation rate of compliance education and training (Fiscal 2023)

The Group emphasizes training and education to maintain and promote compliance. Accordingly, the employees working in the Group's sales, recruiting, planning, and administration departments\* are given theme-based compliance-related materials and take its annual Compliance Confirmation Test. The content of the test ranges from questions that check understanding of the Group's Purpose to questions related to corporate ethics, general laws, and regulations.

The implementation rate of compliance education and training for employees in the sales, recruiting, and administration departments for fiscal 2023 was 100%. \* Including contract employees

### Major Themes

- Compliance and Group stance
- Environment and biodiversity
- Antisocial forces
- Prevention of bribery and corruption
- Human rights
- Harassment (including power harassment and sexual harassment)
- Appropriate hiring and work environments
- Management of confidential information
- Protection of privacy
- Insider trading
- Copyright
- In-house helpline

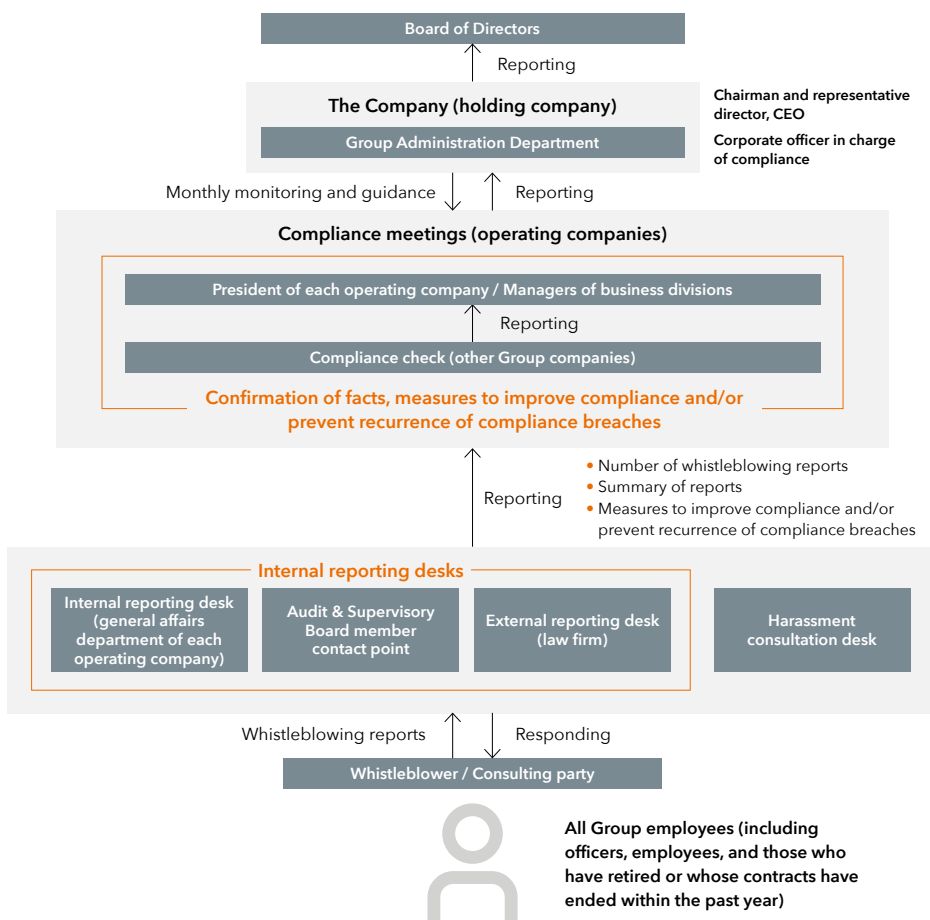
## Compliance

### Whistleblowing System

The Group has established a whistleblowing system for the prevention and early detection of and prompt response to any violations of laws and regulations and misconduct that occur as part of business execution.

Usage history of the system and the content of whistleblowing reports are reported regularly to the Group Administration Department and the Board of Directors of the Company via reporting from the compliance meetings held at each major operating company. If an investigation reveals any illegality, fraud, misconduct, or human rights violation, the corporate officer or manager of the department involved in the violation will promptly take corrective measures and prevent its recurrence.

#### Overview of internal whistleblowing system



### Reporting Desks

**36**  
Number of reports/consultations made through the internal whistleblowing system (Fiscal 2023)

As part of our whistleblowing system, we have established reporting desks that employees and other users can access at any time. An internal reporting desk for whistleblowing and consultations as well as a dedicated desk for harassment consultation have been established within the General Affairs Departments of each operating company, with each desk staffed by at least one male operator and one female operator. Users may choose whether they communicate with either a man or woman when utilizing either desk. In addition,

the Company has established a contact point with the Audit & Supervisory Committee, which is operated by the director in charge of internal whistleblowing (an Audit and Supervisory Committee member), and an external reporting desk connected to a law firm. These services are available through a variety of channels, including telephone, e-mail, fax, pen and paper, and in-person contact.


These reporting desks are for anyone working for a Group company, as well as those who have retired or whose contracts have ended within the past year, including officers, employees, part-time workers, subcontractors, and the Group's business partners. In addition to providing access to these services to a wide range of people, the Company spreads awareness and understanding of this reporting system and how to use it as part of its compliance education.

In the fiscal year ending June 2023, 36 reports were logged through the whistleblowing system. None of these reports was significant enough to lead to serious recommendations that could affect permits or to lawsuits for large amounts of compensation.

### Whistleblower Protection

The Company has established regulations within its whistleblowing system to protect whistleblowers in line with the Whistleblowing Protection Act. These regulations ensure that whistleblowers are not penalized for making reports. The Company has also put in place a system that allows anonymous reporting and ensures confidentiality. Specifically, the Company has stipulated that it will not dismiss, claim compensation from, or penalize those who utilize the whistleblowing system in any other way for their consultation or reporting, including the cancellation of worker dispatch contracts and outsourcing contracts.

In addition, appropriate measures will be taken to ensure that people who utilize the reporting desks for whistleblowing or consulting purposes do not suffer retaliation in the form of negative work conditions. The Company also stipulates that disciplinary action may be taken in accordance with employment regulations if a person engages in unfavorable treatment or harassment of someone who utilizes the whistleblowing system.

 For more information about compliance, please refer to the Compliance section of the corporate website.

# Risk Management

## Basic Stance and Policy

The Company recognizes the increasingly important role of risk management amid the growing uncertainty in the business environment due to factors that include changes among client companies stemming from compromised economic security and diversifying work patterns and values in the wake of the COVID-19 pandemic. In addition to addressing risks that affect the business itself, the Company addresses risks related to environmental, social, and governance (ESG) factors. To do this more effectively, the Company has systematized the flow of management in line with the Group's organization and business, enabling appropriate monitoring and decision-making via the Management Meeting, the Sustainability Committee, the Internal Controls Committee, and the Board of Directors.

## System

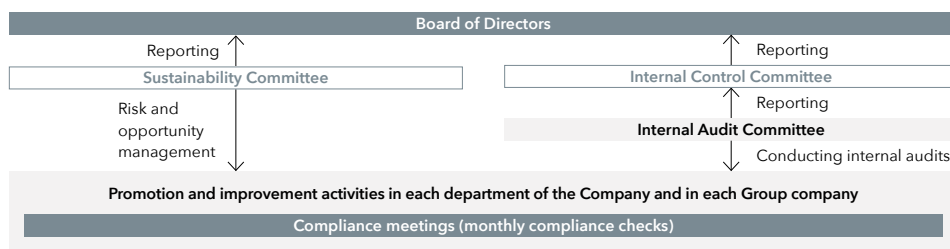
The Group takes a two-pronged approach to risk management. First, the holding company identifies risks, including medium- to long-term risks, on an annual, top-down basis; second, operating companies identify risks on a constant, bottom-up basis.

The first approach is implemented by the Company's Sustainability Committee and Internal Controls Committee, and the results of their investigations and assessments are reported to the Board of Directors. Both of these committees are chaired by the person serving as representative director, chairman and CEO, and comprise the person serving as representative director, president and COO, the CFO, full-time directors, and Group executives and employees designated by the chair.

The Sustainability Committee manages risks through general management and the deliberation of opportunities and risks related to the realization of a sustainable society, taking into consideration human rights, environmental issues, and coexistence with society. The Internal Control Committee receives reports on the implementation of internal audits of overall business activities for each operating company, and it uses a general risk catalog to assess the impact and possibility of changes in the external environment and identify risks.

For the second approach, which is conducted at an operating company level, operating companies identify potential risks at their respective monthly compliance meetings, and implement and monitor individualized response measures on a continual basis. Investigations and assessments resulting from these meetings must be reported to or approved by the Company based on the Group Company Management Regulations and the Reporting Regulations. Through this process, the Company gains an understanding of matters that may pose a risk to the Group, issues suitable instructions as appropriate, and promotes risk management.

## Risk management system



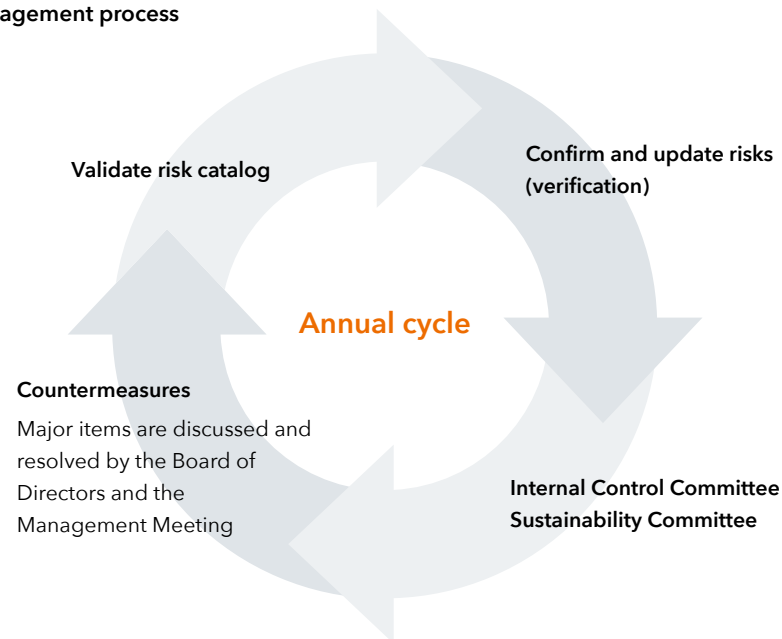
## Risk Identification and Management

The Group has developed a risk catalog which serves as a fundamental database for identifying risks. The catalog is a comprehensive list of 207 specific risks derived from the full range of factors that could affect the Group, including internal and external conditions. Every year the risk catalog for internal control is reviewed and business risks are identified. Important matters that require countermeasures are discussed and resolved by the Management Meeting and by the Board of Directors of the Company.

The first step when identifying risks is to review Group companies covered by the Group's risk management system and apply a dual approach based on the Basic Procedures for Internal Control over Financial Reporting. The first involves selecting consolidated Group companies and affiliates that cover 95% of consolidated sales; the second involves selecting important consolidated Group companies that cover two thirds of consolidated sales. Next, a risk assessment is conducted, looking at each of the 207 specific risks in terms of the likelihood of occurrence and financial impact and classifying the risks into three levels: high, medium, and low.

Following the risk assessment conducted for fiscal 2023, it was determined that the following items require further optimization: 1) Compliance with laws and regulations, 2) Client information management and personal information management, and 3) Prevention of workplace accidents. Based on these results, risk owners in each department of the Company have taken the lead in considering and promoting measures to address risks.

## Risk management process



Risk Management

Major risks and the status of countermeasures

Major risks and description	Major countermeasures and implementation status
<p><b>Climate change and natural disasters</b></p> <ul style="list-style-type: none"> <li>➤ Suspension of business activities in some areas due to natural disasters including earthquakes, tsunamis, and typhoons</li> <li>➤ Negative impact on work capacity caused by damage to client companies</li> <li>➤ Requests from client companies that their business partners adopt carbon neutrality initiatives</li> </ul>	<ul style="list-style-type: none"> <li>➤ Conduct risk assessments related to climate change and natural disasters led by the Sustainability Committee and systematize the flow of investigations into changes in risk situations and responses to them.</li> <li>➤ Establish a resilient system and IT infrastructure capable of maintaining operations via other regional sites even after a certain level of impact.</li> <li>➤ Use environmental performance of products and promotional materials as selection criteria and promote initiatives to reduce CO<sub>2</sub> emissions, such as reducing the number of company vehicles and reusing materials.</li> </ul>
<p><b>Legal restrictions</b></p> <ul style="list-style-type: none"> <li>➤ Violation of laws and regulations* related to temporary staffing and job placement services</li> <li>➤ Stricter guidance policies from supervisory authorities and Group initiatives not adequately reflected in the client companies</li> <li>➤ Decline in demand as client companies re-evaluate their use of temporary staffing and outsourced contractors in light of revisions to related laws and regulations and stricter guidance principles from supervisory authorities</li> </ul> <p><small>* In Japan, these include the Labor Standards Act, the Act on Securing the Proper Operation of Worker Dispatching Businesses and Protecting Dispatched Workers, and the Employment Security Act.</small></p>	<ul style="list-style-type: none"> <li>➤ Implement reviews and checks in the workflow to prevent violations from occurring, carry out regular monitoring, and implement prevention efforts through compliance meetings.</li> </ul>
<p><b>Client information management</b></p> <ul style="list-style-type: none"> <li>➤ Information leaks and unauthorized use of confidential information of the client companies</li> </ul>	<ul style="list-style-type: none"> <li>➤ Provide all employees in the sales, recruiting, planning, and administration departments with guidance and education on the handling of confidential information when they join the Group and on a regular basis.</li> <li>➤ Monitor and inspect the status of information management through operational audits and compliance meetings.</li> <li>➤ Restrict access to IT devices that process client information and implement measures to prevent data leaks.</li> </ul>
<p><b>Personal information management</b></p> <ul style="list-style-type: none"> <li>➤ Information leaks and unauthorized use of private information</li> </ul>	<ul style="list-style-type: none"> <li>➤ Properly manage personal information, establish related rules and regulations, acquire the PrivacyMark, and conduct employee education when employees join the Group and on a regular basis.</li> <li>➤ Monitor and inspect the status of information management through operational audits and compliance meetings.</li> <li>➤ Restrict access to IT devices that process personal information and implement measures to prevent data leaks.</li> </ul>
<p><b>Workplace accidents</b></p> <ul style="list-style-type: none"> <li>➤ Serious workplace accidents that have life-changing impacts on people and suspend business transactions</li> </ul>	<ul style="list-style-type: none"> <li>➤ Prevent workplace accidents by conducting safety and health education and training in cooperation with client companies at the time of assignment and on other occasions.</li> </ul>
<p><b>Business contracting (contracted services, etc.)</b></p> <ul style="list-style-type: none"> <li>➤ Termination of a contract with a client company or a claim for compensation for damages due to poor quality, late delivery, defects in deliverables, etc., in the provision of services based on a contract agreement</li> </ul>	<ul style="list-style-type: none"> <li>➤ Investigate and prepare in advance for risks that may arise from contract work that differs from temporary staffing in that the Company gives instructions for business execution and is responsible for the management and supervision of tasks.</li> </ul>
<p><b>Acquisitions, business alliances, etc.</b></p> <ul style="list-style-type: none"> <li>➤ Negative impact on performance due to an acquisition or business alliance failing to produce expected results</li> </ul>	<ul style="list-style-type: none"> <li>➤ Follow procedures for careful and multifaceted verification and assessment of confirmation items at investment review meetings when considering M&amp;As and other transactions.</li> <li>➤ Focus on post-merger integration (PMI), confirming sufficient resources for PMI and discussing post-merger management methods, starting from initial considerations into a possible M&amp;A.</li> <li>➤ Continue to measure and assess the effectiveness of an investment post M&amp;A.</li> </ul>

## Information Security Management in IT

### Basic Stance and Policy

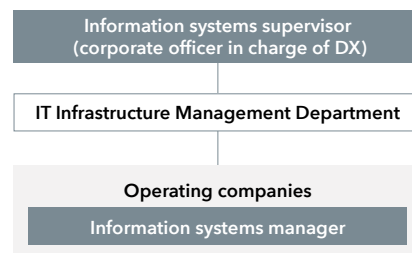
The Group has established a comprehensive Group Information Systems Policy that aims to ensure business continuity and protect the information assets of the Group as well as the information of clients, applicants, employees, and other stakeholders through the proper handling and security of information systems.

### System and Internal Audit Committee

The Group has established the DX Planning Department and the IT Infrastructure Management Department within the DX Promotion Division, which is under direct control of an corporate officer of the Company, in order to promote digital transformation (DX) aimed at management and overall optimization of Group business. In addition, an information system manager has been appointed at each operating company, who works with the Company's DX Promotion Division to control information security management.

Moreover, the information systems of major Group companies are audited as part of internal control assessments. These efforts to gain a comprehensive understanding of the Group's IT environment and to identify and evaluate risks are aimed at the early detection and resolution of any problems that may occur. The Internal Audit Department evaluates the development and operational status of security-related controls as part of its internal control evaluations, and any concerns that become apparent are reported to the Board of Directors and the Audit & Supervisory Committee.

### Overview of confidential information management system



### Initiatives

**0**  
Number of serious information leaks  
(Fiscal 2023)

In keeping with the Group Information Systems Policy, the Group strives to ensure data security by implementing controls in six areas: compliance, development and modification, operation, security, IT audits, and management. In addition, ongoing education and training on confidential information management is provided to all officers and employees. It also conducts semi-annual targeted attack e-mail training for employees who have frequent contact with confidential information, followed by security training based on the results of the attack e-mail training.

For details about the Group Information Systems Policy, please refer to the Information Security Management in IT section of the corporate website.

## Protection of Personal Information

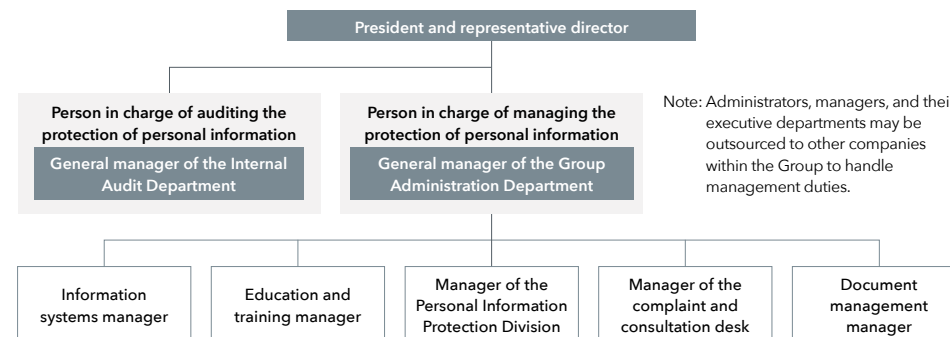
### Basic Stance and Policy

As a human resource service provider that relies on recruitment and employment, the Group takes responsibility for and places the utmost importance on the management and protection of personal information. The Group has therefore set clear guidelines for protecting personal information in its Corporate Ethics for Society, Human Rights, and the Environment and has established its Personal Information Protection Policy. To promote understanding of these policies and ensure compliance, the Group provides training on the protection of personal information to employees when they join its companies, as well as ongoing training for officers and employees.

### System

The general manager of the Group Administration Department is the person responsible for managing the protection of personal information. This person implements initiatives to protect personal information in collaboration with those responsible for information systems, education and training, document management, and the managers of the Personal Information Protection Division and the complaint and consultation desk. These initiatives are audited by the general manager of the Internal Audit Committee.

### Overview of the personal information management system



### Initiatives

Operating companies comply with domestic and overseas laws and regulations pertaining to the protection of personal information and, in principle, manage and enforce their own rules pertaining to personal information, which are on par with the PrivacyMark system and other accreditation systems. Specific initiatives include efforts to enhance information security measures, prevent unauthorized access to, leakage of, loss of, or damage to personal information; control access in and out of our offices; supervise contractors; and ensure safe management of information. If any concerns arise, they will be reported as monitoring items at the company's monthly compliance meeting.

Regular internal audits are conducted to continuously maintain and improve the management system for personal information. In addition, offices that have acquired PrivacyMark or similar certifications are monitored regularly according to a PDCA cycle. Any causes for concern revealed by these audits or as a result of monitoring are reported to the Board of Directors and the Audit & Supervisory Committee.

# Financial Highlights

## Major Items of Consolidated Statements of Financial Position

(¥ million)

IFRS	As of June 30, 2022	As of June 30, 2023
Current assets	36,609	43,338
Non-current assets	59,912	58,152
Current liabilities	27,793	31,596
Non-current liabilities	5,382	4,878
Total equity attributable to owners of parent	63,309	64,956
Total equity	63,345	65,016
Total assets	96,521	101,491

## Major Items of Consolidated Statements of Income

(¥ million)

IFRS	Year ended June 30, 2022	Year ended June 30, 2023
Revenue	148,573	161,689
Cost of sales	114,141	122,889
Gross profit	34,432	38,800
Selling, general and administrative expenses	24,876	26,786
Operating profit	10,103	12,760
Profit before tax	10,238	13,103
Net income	7,046	9,544
Profit attributable to owners of parent	6,975	9,533

## Major Items of Consolidated Statements of Cash Flows

(¥ million)

IFRS	Year ended June 30, 2022	Year ended June 30, 2023
Cash flows from operating activities	15,501	15,598
Cash flows from investing activities	(2,161)	611
Cash flows from financing activities	(22,046)	(12,667)
Cash and cash equivalents at end of period	12,404	16,077

## Major Financial Indicators

IFRS	Year ended June 30, 2022	Year ended June 30, 2023
Operating profit margin	6.8%	7.9%
SG&A cost ratio	16.7%	16.6%
Net income margin	4.7%	5.9%
Return on equity attributable to owners of parent (ROE)	10.9%	14.9%
Return on total assets (ROA)	10.1%	13.2%
Ratio of equity attributable to owners of parent to total assets	65.6%	64.0%
Debt-to-equity ratio (net of goodwill)	0.10 times	0.08 times
Price earnings ratio (PER)	19.14 times	19.22 times
Equity attributable to owners of parent per share (BPS)	¥716.32	¥750.50
Basic earnings per share (EPS)	¥78.30	¥109.13
Dividend per share	¥45	¥50

## Non-Financial Highlights

### Distribution of Human Resources

(%)

Item	Year ended June 30, 2022	Year ended June 30, 2023
Composition ratio of human resources	Engineers and technicians: 91.6	Engineers and technicians: 92.3
	Internal managers: 1.3	Internal managers: 1.1
	Internal general employees: 7.1	Internal general employees: 6.6
Ratio by age	Aged 29 and younger: 45.3	Aged 29 and younger: 49.5
	Aged 30 to 39: 29.1	Aged 30 to 39: 26.7
	Aged 40 to 49: 14.0	Aged 40 to 49: 12.3
	Aged 50 to 59: 9.1	Aged 50 to 59: 8.7
	Aged 60 and older: 2.6	Aged 60 and older: 2.8
Ratio of female employees	25.6	26.9
Ratio of foreign nationals	3.5	2.7
Ratio of employees aged 60 and over	2.6	2.2
Ratio of employees with disabilities	2.32	2.3

### Investment in Human Resources and Well-Being

Item	Year ended June 30, 2022	Year ended June 30, 2023
Total number of training hours	842,769	1,246,611
Total number of trainees	22,406	34,025
Total investment in education and training (¥ million)	1,419	2,131
Total number of job transfers to client companies	319	350
Voluntary resignation rate (%)	98	99.2
Ratio of employees taking paid leave (%)	71.76	75.4
Total number of employees taking childcare leave and nursing care leave	225	240
Male employees	19	18
Number of serious workplace accidents (accidents that require four or more days leave or result in physical impairments post-accident)	30	37
Number of uses of helpline and internal consultation, etc.	45	36
(Number of serious whistleblowing cases: Serious cases are those that could lead to serious permit-related sanctions or lawsuits for large amounts of compensation, etc.)	0	0

### Governance

Item	Year ended June 30, 2022	Year ended June 30, 2023
Ratio of female directors (% as of the end of September)	10	30
Ratio of outside directors (% as of the end of September)	50	50
Ratio of foreign directors (%)	0	0
Number of meetings of outside directors	3	1
Ratio of mid-career managers (domestic) (%)	83.2	94.1
Ratio of female managers (domestic) (%)	10.5	10.9
Number of serious permit-related sanctions	0	0
Number of bribery charges, criminal charges, and large compensation lawsuits	0	0
Number of major information leaks	0	0
Compliance training and education implementation rate (%)	93	100
Implementation rate for education on personal information management, etc. (%)	82	93
Expenditure related to political contribution and lobbying (¥)	0	0

### Environmental Protection and Social Contribution Activities

Item	Year ended June 30, 2022	Year ended June 30, 2023
Expenditure related to regional and social contributions (¥ thousand)	38,513	39,093
Amount of paper purchased (weight equivalent)	23.1 t	22.4 t
Amount of paper collected (weight equivalent of paper recycled within the Group)	3.83 t	9.8 t
Greenhouse gas emissions (Scope 1)	5 t-CO <sub>2</sub>	2 t-CO <sub>2</sub>
Greenhouse gas emissions (Scope 2): market-based	727 t-CO <sub>2</sub>	858 t-CO <sub>2</sub>



For more details of the Group's non-financial data, please refer to the Non-Financial Information section of the corporate website.



# About this Report

## The Creation of Integrated Report 2023

The publication of *Integrated Report 2023* coincides with the midpoint of BY25, our medium-term management plan, which covers the four-year period from fiscal 2022, the fiscal year ended June 30, 2022, through fiscal 2025.

Revenue and profit growth are ways to indicate progress under this plan; we have created this report to give readers an understanding of the efforts and ideas that drive this growth.

Over the past two years, we have discussed the value creation process and material issues, made efforts to enhance our governance system that include transitioning to a Company with an Audit & Supervisory Committee, and established the Open Up Purpose Index, as series of material issues-based KPIs that align with the time frame of BY25. These are just a few examples of our continued efforts to fulfill our Purpose of opening up individual potential through rewarding work. I also believe that this report effectively describes the businesses the Group operates, the economic and social value they create, and how this economic and social value increases corporate value in turn. The latest non-financial information and other information not included in this report can be found on our corporate website, which is updated as necessary.

We intend to use this report to stimulate constructive dialogue with all of our stakeholders and utilize it as a tool for future management.

**Noriyuki Murai**

Senior Executive Officer

## Information Disclosure for Open Up Group



For more information regarding Open Up Group, please refer to the corporate website.

## Endorsed Initiatives



### UN Global Compact

In June 2023, the Group became a participant in the UN Global Compact. We support the 10 principles of the UN Global Compact in the four areas of human rights, labor, environment, and anti-corruption, and will continue to conduct sustainable activities with the goal of realizing a sustainable society and achieving Group growth.

## External Awards and Recognition

### BeNEXT Technologies Inc. and YUMESHIN Co., Ltd.



Recognized as a Certified Health & Productivity Management Outstanding Organization in 2023

### Open Up Group Inc.



Certified under the Digital Transformation (DX) Certified Companies initiative of the Ministry of Economy, Trade and Industry

### BeNEXT Partners Inc.



Recognized as an Excellent Dispatch Company by the Ministry of Health, Labour and Welfare



FTSE Blossom Japan Sector Relative Index

Listed on the FTSE Blossom Japan Sector Relative Index

### Open Up With Inc.



Monisu certification, provided by the Ministry of Health, Labour and Welfare



Kanagawa SDGs Partner



Sagamihara SDGs Partner



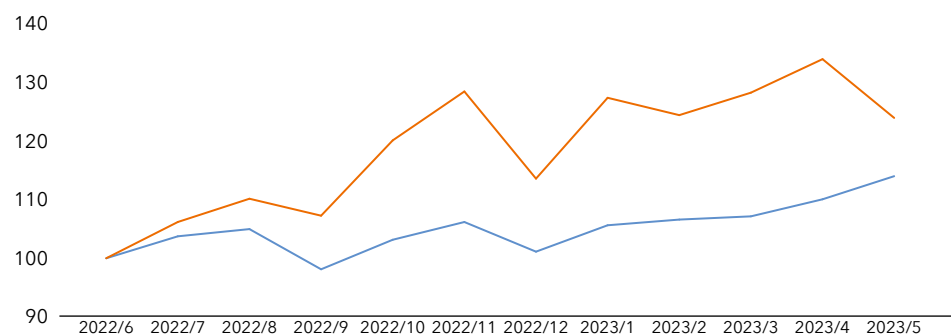
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# Company Overview / Shareholder Data

## Company Overview

Name	Open Up Group Inc.
Representative directors	Yutaka Nishida, Chairman and Representative Director, CEO Daio Sato, President and Representative Director, COO
Established	August 1997
Capital	¥4,695 million (As of June 30, 2023)
Head office	2-14-1 Higashi-Shimbashi, Minato-ku, Tokyo 105-0021, Japan

## Share price development



— Open Up Group Inc. share — TOPIX

Note: The graph displays the relative value of the stock price at the end of each month, taking the closing value at the end of the fiscal year ended June 30, 2022, as one hundred.

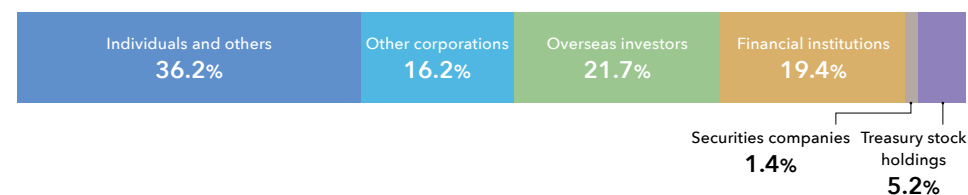
## Disclaimer

Statements in this integrated report, such as forecasts and estimates, are judgments based on the information available at the time of issuance and the complete accuracy of such statements cannot be guaranteed. Furthermore, they are subject to change without warning going forward. While every effort has been made to use the latest information in the formulation and issuance of this report, the Company and information providers will not be held liable in the unlikely event that said information causes loss or damage.

## Basic Information and Status of Shares (As of June 30, 2023)

Securities code	2154
Stock listing	Prime Market, Tokyo Stock Exchange
Authorized shares	360,000,000
Shares outstanding	91,575,411
Share trading unit	100 shares
Number of shareholders	17,613

## Equity shareholdings by type of shareholder



## Major Shareholders

Name of shareholder	Shares held	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	9,177,000	10.0
Hayao Nakayama	8,378,000	9.1
Custody Bank of Japan, Ltd. (Trust Account)	7,336,805	8.0
Amuse Capital, Inc.	7,240,000	7.9
Kokoro Co., Ltd.	5,785,256	6.3
Yoshiko Sato	4,809,054	5.3
Open Up Group Inc.	4,770,276	5.2
STATE STREET LONDON CARE OF STATE STREET BANK AND TRUST	3,421,000	3.7
Daio Sato	2,730,678	3.0
Amuse Capital Investment Inc.	1,240,000	1.4