

INTEGRATED REPORT 2022

The company name will be Open Up Group Inc.
in January 2023.



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BeNext-Yumeshin Group upholds the purpose (raison d'être) of "Open up individual potential through rewarding work."

This purpose is "the North Star," which clarifies our corporate group's ideal state for improving our corporate value and is aimed for by all of us.

In our corporate group's business, if individual employees perform well in client companies, the client satisfaction level, our consolidated

sales and profit will improve. We make every possible effort to provide individual employees, who would determine results, with a working environment in which they can work with pride.

This integrated report is intended for deepening your understanding of our value creation model and reporting the progress and results of our initiatives, including the medium-term management plan "BY25."

Editorial policy

This integrated report comprehensively describes the policies, strategies, etc. for creating the value of our business, including the medium-term management plan "BY25," as well as the results of our corporate group's activities.

■ Reporting period

FY 06/22 (July 2021 to June 2022)

*Please note that this report also mentions the activities and outcomes outside the above reporting period.

■ Reported range

Regarding financial information, we use consolidated figures, but for qualitative information on our initiatives for sustainability and quantitative information that supplements the qualitative information, we basically use the data of BeNext-Yumeshin Group Co. 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 respective companies.

*Regarding the scope of our corporate group: In this report, "our corporate group" basically means our group companies inside Japan, as mentioned above.

 For the list of group companies, click [here \(EN\)](#). >

■ Guidelines for reference

"International Integrated Reporting Framework" of International Integrated Reporting Council (IIRC)

■ Date of issuance

December 22, 2022

■ Issuer

Noriyuki Murai, Director, Sustainability

■ Reference information

 [Website on IR information \(EN\)](#) >

 [Website on sustainability \(EN\)](#) >

The former Yumeshin Holdings Co., Ltd. and the former BeNEXT Group, Inc. merged in April 2021, to make a new start as BeNext-Yumeshin Group Co. In January 2023, it will be renamed Open Up Group Inc. and forge ahead to achieve further sustainable growth.

January 2023  **Open Up Group Inc.**

April 2021: BeNext-Yumeshin Group

- 2019**
- Transformed Yumeshin Holdings into a pure holding company.
 - Transferred the construction business to Yumeshin.
 - Reorganized Yume Technology as a wholly-owned subsidiary.

- 2020**
- Renamed to BeNEXT Group.
 - Transferred its business to BeNext Technologies, to adopt a holding company system.

- 2016**
- Acquired MTrec as a subsidiary, and started overseas business in the U.K. In the following year, we acquired Gap Personnel and others as subsidiaries.

- 2013**
- In August, changed the stock market, and got listed on the Second Section of Tokyo Stock Exchange.
 - In December, got listed on the First Section of Tokyo Stock Exchange.

- 2011**
- Acquired Fullcast Technology (present Yume Technology) as a subsidiary.

- 2007**
- Acquired Yumeshin.

- 2008**
- Renamed to Trust Tech, and started expanding the engineer dispatching business.

- 2005**
- Renamed to Yumeshin Holdings
 - The construction business was handed over to Yumeshin.

- 2007**
- Got listed on the JASDAQ Securities Exchange, after changing its name to Trust Works in 2006.

- 2003**
- Got listed on Nippon New Market Hercules.

- 2004**
- Renamed to Trust Works Sanei, and started the worker dispatching business.

- 1990**
- Renamed to Yumeshin.

- 1997**
- Established as an enterprise that hires disabled people.



The former Yumeshin Holdings

BeNEXT The former BeNEXT Group

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Machinery, electronics, and IT software domain

Dispatch of engineers for development and design, and undertaking of tasks

<Business description>

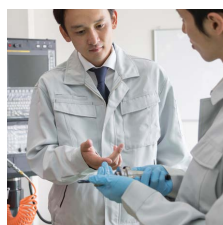
We dispatch engineers specializing in mechanical, electrical, and electronic engineering for development, design, manufacturing technologies, etc. to Japanese makers, and IT engineers for establishment, development, and operation of networks, servers, software, etc. to IT enterprises, etc. and undertake related tasks.

Revenue: **70.6 billion yen**

Operating profit: **7.1 billion yen**

▶ Group companies

- BeNEXT Technologies Inc.
- YUME TECHNOLOGY Co., Ltd.
- BeNEXT Solutions Inc.
- Open Up System Co., Ltd.
- AXIS CREATE Inc.
- Arrow Trust Systems Co., Ltd.
- and other four companies



Manufacturing domain

Undertaking of tasks and dispatch of workers for the manufacturing of client companies

<Business description>

We dispatch workers and undertake tasks mainly in the manufacturing processes of Japanese makers.

Revenue: **9.6 billion yen**

Operating profit: **500 million yen**

▶ Group companies BeNEXT Partners Inc.

Revenue: **148.5 billion yen**

Operating profit: **10.1 billion yen**

No. of employees: **19,448**

Others/Adjustment

Revenue: **900 million yen**

- ▶ Group companies SAMURAI, Inc.
- BeNEXT With Inc.

Construction management domain

Dispatch of construction management staff, engineers, and CAD operators to the construction sector

<Business description>

We mainly dispatch construction management staff and CAD engineers to enterprises in the Japanese construction industry.

Revenue: **36.9 billion yen**

Operating profit: **5.3 billion yen**

▶ Group companies

- YUMESHIN Co., Ltd.
- YUMESHIN EXPERT Co., Ltd.



Overseas domain

Dispatch of workers, undertaking of tasks, and introduction of personnel in the fields of engineering and manufacturing outside Japan

<Business description>

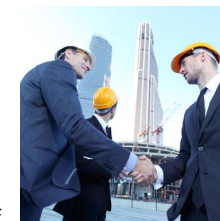
Our corporate group operates business also outside Japan. Our overseas domain includes the dispatch of workers and the undertaking of tasks in the technological and manufacturing fields, and the HR service business, such as fee-charging job placement services, outside Japan.

Revenue: **30.0 billion yen**

Operating profit: **-400 million yen**

▶ Group companies

- Gap Personnel Holdings Limited (U.K.)
- Several other companies



* Excluding revenue from internal transactions

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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 BeNext-Yumeshin Group, exist to create such a future.



Message from CEO

We will make contributions through our business to realize the happiness of “workers” and prosperity of the society.


To realize the happiness of “workers”

“Open up individual potential through rewarding work.” This is the purpose set by the BeNext-Yumeshin Group. It was born by bringing together the fundamental management philosophy of the BeNEXT Group Inc., the predecessor of our corporate group, and Yumeshin Holdings Co., Ltd. when the two companies were merged in April 2021.

We think that the society is formed by workers. And it is our role to make this society more prosperous through our business which allows for realizing the happiness of these workers. There is no goal to a prosperous society, but we would like to increase the “happiness” within the society even if just a little in terms of economy as well as the environment, and also in a spiritual way.

Of course, the meanings of “happiness” vary among people. What people seek in a job, too, varies. We just want each people to feel their respective forms of “happiness.” And we think that it is our job to support everyone so that they can encounter the work they want to do and the work which can satisfy them.

Like this, we want to focus on the feelings and potential of “every individual” concerned in our business, while we also strive for economic growth and the elevation of customer satisfaction. Such philosophy is contained in the words of “every individual.”



Yutaka Nishida

Chairman and
Representative Director, CEO

Message from CEO

To make our purpose known and understood

The experience I had soon after starting to work in the society made me have this kind of philosophy.

The first work I was in charge of after joining the workforce was a job offer advertisement for recruiting new graduates for a company. Back then, I focused on satisfying the demand of the client company which was recruiting; "Looking for such-and-such candidates." However, after that, I transferred to a personnel staffing business division and by acquiring the opportunity to talk with people working as temporary employees, I came to think that it might be more important to satisfy the feelings of workers.

It is the temporary workers, not me, who actually work at the site. If every individual feels that their work is rewarding and fulfilling, it will eventually lead to the satisfaction of the client company as well. I realized that focusing on each working individual also leads to acknowledgment and profit in the end.

There is still a long way to go, regarding the initiatives to diffuse this kind of purpose in the company, but I feel that we are proceeding little by little. For example, on the other day, employees in charge of sales were discussing what kind of work a certain engineer should do next. The criterion and theme at that time were not "which work will lead to sales," but "which work is suitable for that engineer's career." I am thinking that witnessing this kind of scene of pursuing exactly "individual potential" on a daily basis means that our purpose is becoming known and understood.

From now on, we shall further promote the internal activity named "P Activity" for making our purpose known within the company and accelerate the understanding thereof within the whole group.

Power of "continuous growth" as our strength

Moreover, in order to realize our purpose, we considered our "value creation model."

With regard to "value provided to stakeholders," we mention stakeholders to which we provide an outcome. On the first place are the people who work at our client companies as engineers and technicians, and our office employees who support them. We believe that elevating the satisfaction of these working people will bring significant value to the client companies, their shareholders and investors, and the whole society.

What we put in the center of our business activities is "new jobs." We will produce the value of new jobs by connecting both client companies who are looking for personnel and people who need a job. That is the starting point of everything.

In order to meet the expectations of all stakeholders through these activities, it is important for both a company and respective working people to keep growing together. The results of human resources development cannot be seen in a day and there is a need for initiatives from a medium/long-term perspective. We firmly believe that this kind of "power of "continuous growth" is what will become the company's strength, and keep up our endeavors.

"Purpose Index," a signpost leading to growth

The condition for creating such value is to become a company "chosen" by client companies and more than anything, by workers. For this, it is necessary to thoroughly elevate the level of what is "obvious," starting with the working environment. Human capital is the most important in our corporate group, but there is no definite method to secure it. I think that we cannot do anything but build up what needs to be done every day, soberly and honestly.

This time, we newly set four material items, including "the support for career development and well-being," and all of them are important themes whose superiority cannot be ranked. We think that it is vital to raise the level of all of these themes, and not miss important elements around their foundations, as it does not mean that it is enough to just look at that part.

Moreover, the "Purpose Index" output or a result of our business activities, has been set as a signpost toward realizing our purpose. It is a quantitative target visualizing our accomplishments until now, but the achievement of these targets itself is not the goal. Quantities and results are not "something that is made," but "something that comes out" as a result. We would like to emphasize the reasons for and meanings of promoting the particular initiative and the process thereof rather than results.

For further changes and progress

Lastly, our corporate group will change its name to "Open Up Group Inc." on January 1, 2023. Our corporate group was born as a result of management integration, but we are thinking that the integration is meaningless, if we just stick to "1 + 1 = 2" instead of making something new, different from the original companies. This corporate name change can also be viewed as a declaration of further changes and progress.

The new corporate name is based on the English version of our corporate group purpose (Open up individual potential through rewarding work). This newly reflects our will to express and implement our purpose with the whole corporate group. Please do keep your expectations high for our corporate group, which continues to further evolve, from now on as well.

BeNext-Yumeshin Group's value creation model

The development and growth of human resources, which makes the most of human capital to the maximum extent possible, is the engine for creating new value.

Our corporate group has formulated a value creation model based on the belief that achieving the purpose will create value over the medium to long term and contribute to the sustainable development of society.

Our value creation model was developed according to the trends of "changes in external environment," "inputs," "business activities," "outputs," and "outcomes," and we believe that **the purpose will be realized through outputs, outcomes, and their positive impacts.**



Changes in External Environment | Inputs → Business Activities → Outputs → Outcomes → Purpose

■ Changes in External Environment

We have focused our review on changes in the external environment that we believe will have a significant impact on our corporate group.

In a trend where it is becoming increasingly important for companies to assess the impact on a wide variety of stakeholders, we believe that the group's human resource services business is closely related to changes in the external environment, mainly related to personnel, such as the declining working population in Japan and changes in the skills required for human resources due to technological innovation.

Politics

- ▶ Trend of "stakeholder capitalism"
- ▶ Development of laws and policies regarding human rights, dispatching, etc.

Society

- ▶ Decline in Japan's working population
- ▶ Progress in diversity and inclusion of human resources
- ▶ Changes in views on occupations and work (impact of the COVID-19 pandemic, as well as changes regarding safety and other issues)

Technology

- ▶ Business model changes in human resource services brought about by the development of ICT
- ▶ Paradigm shift in technology required for engineers and technicians

■ Inputs

Our corporate group combines **human capital and intellectual capital to dispatch engineers and technicians who possess skills suited for the current times and the industry in order to meet the needs of our clients.**

We have the know-how and environment to provide practical career-building reskilling opportunities and promote the acquisition of qualifications (i.e., intellectual capital) for a diverse range of engineers and technicians, including those with no experience (i.e., human capital).



Human capital

- ▶ A diverse range of engineers and technicians
- ▶ Employees (sales and recruiting, head office functions)



Intellectual capital

- ▶ Systems and know-how to develop human resources
- ▶ Systems to support new career development
- ▶ Identification of qualifications and training required to meet changes in work



Social and relational capital

- ▶ Social demands and requests for temporary staffing and outsourcing
- ▶ Relationships with the government and client companies that encourage appropriate employment (improvement of labor force)



Financial capital

- ▶ Stable financial base that allows for a multilayered strategy



Natural capital

- ▶ Climate change action through activities and purchases

Changes in External Environment | Inputs → **Business Activities** → Outputs → Outcomes → Purpose

■ **Business activities**

Our business is **based on hiring experienced and inexperienced workers and developing them to their full potential and ability.**

Our business model is also based on creating employment opportunities by matching the labor market, human resources, and customers, and thus we sustain rewarding employment.

In addition, we have defined material issues in conducting our business activities, which are classified into two categories: opportunities that contribute to increasing the value of our business (value creation) and risks due to failure to fulfill the goal (business foundation).



Changes in External Environment | Inputs ➡ Business Activities ➡ **Outputs** ➡ Outcomes ➡ Purpose

Outputs

Since our business model is to provide human resource services, we define our output as our engineers and technicians, who are the human capital that is demonstrated through the company's business activities.

We have established five "Purpose Index" as unique indicators of the expansion and progress of the activities of our engineers and technicians. We believe that the Purpose Index show the status of our outputs and the degree to which we have achieved our purpose.

**Purpose Index 1:
Number of employees**

We consider an increase in the number of employees who are active in the company's business as one of the "Purpose Index," as it is a sign that the significance of the company's existence in society is being recognized and expanded, both for those who work for the company and for our corporate clients.

In our medium-term management plan "BY25," we aim to have 30,000 employees (in Japan) by the end of the period (end of June 2025).

At the end of June 2022, there are 19,448 employees.



**Purpose Index 2:
Job placement opportunities**

It is important for employees to have opportunities to work in new jobs (the doorway to the career path as envisioned in our purpose), and to have a platform to expand their career possibilities. In order to show this situation, we have set the cumulative number of new projects and other opportunities for employees as one of the "Purpose Index."

In our medium-term management plan "BY25," our target is to have a cumulative total of 50,000 projects (in Japan) by the end of the period (end of June 2025).

At the end of June 2022, there are 13,172 projects.



Related indicators: Page 13

**Purpose Index 3:
Career advancement**

Our corporate group values the opportunities for our employees to grow through their work and through the acquisition of qualifications, and in particular, the ability to move up from entry-level positions is one of the company's unique characteristics. We consider the cumulative number of employees certified as middle-level engineers at our domestic engineering companies as one of the "Purpose Index."

In our medium-term management plan "BY25," we aim to achieve a cumulative total of 6,000 employees by the end of the period (end of June 2025).

At the end of June 2022, there are 1,617 employees.



Related indicators: Page 13

Changes in External Environment | Inputs → Business Activities → Outputs → Outcomes → Purpose



Purpose Index 2: Employees' Voices
Job placement opportunities



Taiga Sato (joined in April 2021)
 Construction Management Engineer
 Yumeshin Co., Ltd.

Q Were there any conditions that were important to you in your job search?

I myself had the feeling that I did not want to be "tied down by work." Therefore, I placed importance on being able to take holidays and balance work and private life.
 At my current workplace, even if I have to work on a holiday, I am given a compensatory day off, so I think the work environment offers a good balance between work and private life.

Q How is Yumeshin's training useful?

The first site I was assigned to was a new construction site for a refrigerated warehouse, where we had to work at very high elevations of over 20 meters, so the special training I received was very useful.
 I was able to use the full-harness safety belt without difficulty, and I was able to perform my duties without being rushed when I went up to high places.

Q Was there any other training that was useful for your work in the field?

I received special training on oxygen deficiency and hydrogen sulfide hazardous work, and occupational health training for organic solvent workers. I think such knowledge is very useful because you never know what kind of hazardous work you will be involved in in the future.

Q What other efforts did you make?

I just tried to keep a cheerful smile on my face. There are many male workers at the site, and some of them have harsh personalities or a scary vibe, but if you just smile, you can quickly get along with them, and I think this is common no matter where you go.

Q What kind of follow-up staff does Yumeshin have?

The person in charge of follow-up is looking out for me on a monthly basis. My follow-up person is very helpful as a strong ally, especially since I am the only young person at this site and we are close in age.

Beyond reporting on my current situation, they are also concerned about my relationships with others, how often I work overtime, and whether or not I am having a hard time. Sometimes we communicate by phone, but more often they come to the site.



Q What is the most rewarding aspect of your job?

I am currently engaged in estimating, designing, and preparing slips in addition to supervising work. I like going out into the field and giving instructions through physical work because it is very rewarding, but I also like designing. For example, I think it is worthwhile when a construction project I designed is approved. The general manager of the company where I am dispatched is very considerate and allows me to experience various types of work, saying, "It is good to experience a variety of things before settling on what you want to do for a long time."

Q What qualifications did you obtain?

The qualifications that are directly related to my actual work are "Hazardous Materials Handler" and "Second Class Assistant Plumbing Construction Management Engineer."
 In the future, I would like to become a "first-class plumbing construction management engineer" and a "person in charge of refrigeration equipment." My work is mainly related to refrigeration equipment, and I am stationed at the refrigeration equipment warehouse and try to respond immediately to any problems that arise. The work of a person in charge of refrigeration equipment is to perform safety duties at facilities that produce high-pressure gases for refrigeration, which I believe will be useful for my career in the future.

Changes in External Environment | Inputs → Business Activities → **Outputs** → Outcomes → Purpose



Purpose Index 3:
Career advancement

Employees' Voices



Yu Kumanomido (joined in April 2020)
IT Engineer
BeNEXT Solutions Inc.

Q Did you have any knowledge of IT before you joined the company as a new graduate?

No, I had no knowledge at all. I originally intended to become a childcare worker and attended a childcare course at university.

However, when I was hunting a job, I happened to see a news report that said, "Inconvenience in the countryside can be solved by the power of IT." In Oita Prefecture, where my grandmother lives, it was impossible to go shopping without a car, and there were many inconveniences in the countryside. I decided to become a system engineer because I thought that if I acquired IT knowledge, I might be able to help my grandmother.

Q What kind of work did you do after joining the company?

I had no IT experience, and due to the COVID-19 pandemic, it was difficult to find a job in the beginning. There was a period of time when I had to work in jobs unrelated to IT. After that, I was involved in operation and maintenance at the data center and clerical work, but my desire to work in upstream processes such as design as a system engineer was strong, and I repeatedly said to my sales representative, "I want to work in more upstream processes. I am making this much progress in my studies."

Q What did you actually study?

Within a year of joining the company, I obtained three IT-related certifications, including the IT Passport.

Q How did you get involved in the upstream process?

My sales representative approached the client company, which led me to

my current project. "Would you like to try your hand at system design?" I was asked by my division manager. Since system design is an upstream process, I was able to find exactly the job I wanted. It was my second year.

Q I have since obtained my AWS certification.

AWS certification certifies that you have the necessary knowledge for your job in Amazon Web Service, a cloud service provided by Amazon. There are 12 different types (as of October 2022) in terms of difficulty and field of study.

Not long after I was involved in the system design process, my sales representative suggested that I take the "AWS Certification Training" as part of the company's internal group training*. This training course is a two-month intensive curriculum designed to prepare participants to pass two types of certifications. Therefore, it is not possible to balance the training with my regular work.

*The AWS certification training is an internal training program of Yume Technology, and we are training IT engineers in cooperation with other companies in our corporate group.

Q Were you able to take a break from your work?

I was not sure, but the client said, "You can take a break if it's for two months," so I was able to take the course away from my work.

Q Were you able to return to your former workplace afterwards?

Yes, I did. I was able to return to my former job and continue working on system design project I was in charge of before I left. Everyone at my workplace said, "We are glad you came back," which made me happy.

Q What are your future career plans?

First, I want to take my current project to the finish line. After that, I hope to be able to use my knowledge of AWS certification and work in the upstream process again. Career-wise, I am closer to being an infrastructure engineer than a developer, so I would like to become a full-fledged person in that field.



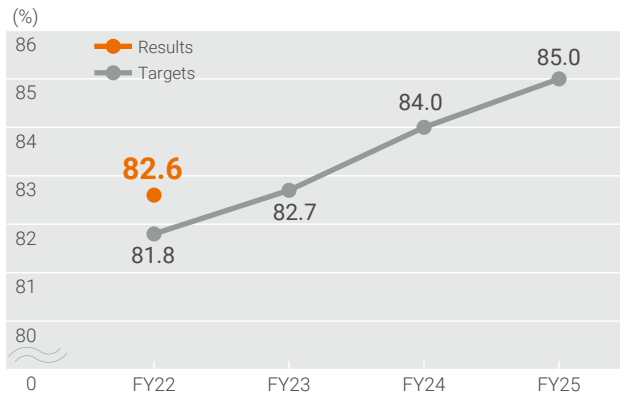
Changes in External Environment | Inputs → Business Activities → **Outputs** → Outcomes → Purpose

Purpose Index 4: Retention rate

For continuous employment, we believe it is necessary to improve retention rate (100 - resignation rate) from the initial 80% or less at the beginning of the BY25 and have it as one of the "Purpose Index."

On the other hand, our company's value in Purpose is that it is one of the possibilities to move on to the next career after resigning, and we especially encourage temporary workers to work for a company to which they are assigned. Based on these ideas, the medium-term management plan "BY25" aims to achieve a retention rate of 85% of regular employees (in Japan) by the final year of the plan (FY 06/25), while striving to improve the retention rate every year as a balance not to force retention too much.

In FY 06/22, retention rate was 82.6%.



Related indicator (retention rate)

- Number of job transfers to client companies in FY 06/22 **319 people**
- Voluntary resignation rate in FY 06/22 **98%**

Purpose Index 5: Engagement

Our corporate group believes that employees who are motivated to work, not by loyalty to the company or a strong sense of belonging, will lead to their own growth, and will be more active and highly regarded by client companies.

Therefore, we will analyze changes in the NPS® over the four years of BY25 based on the worker NPS® for engineers and technicians, and take action accordingly.

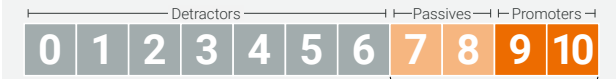
As a "Purpose Index," we have set a target of increasing the ratio of passives (7 and 8 points) and promoters (9 and 10 points) in the NPS® from 0 to 10 points by 1.2 times in FY 06/25, three years after the results of FY 06/22.

Since this is an indicator of rate of change, the announcement will be based on results for FY 06/23.

We surveyed the degree of recommendation for working at our corporate group with a range from 0 to 11*. Then, NPS® was used to indicate the value (percentage) which was obtained by deducting "9 to 10 (promoters)" from "0 to 6 (detractors)."

In the first fiscal year, NPS® of our group companies was from 0 to -82.8. The ratio of promoters and passives was 29.1% in total.

* Each company conducted the survey with a range from 0 to 10.



Each company analyzed the Purpose Index, and continually promoted Pe activities, which implement measures to attain the purpose through their businesses, and initiatives on material issues.

We will increase the ratio of promoters and passives **1.2-fold by FY 06/25.**

NPS® (Net Promoter Score) is a registered trademark of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc. (current NICE Systems, Inc.).

Other output-related indicators (engineers and technicians)

Related indicator (career opportunities)

- Number of employees transferred between group companies*2 **55 people**

Related indicator (career advancement)

- Total training hours*2 **842,769 hours**
- Total number of trainees*2 **22,406 people**
- Total training investment*2 **1,419 million yen**
- Number of new IT-related certifications acquired by employees*2 **2,564 cases**
- Number of new construction-related certifications acquired by employees*2 **2,004 cases**

- Percentage of women*1 **25.6%**
- Percentage of foreign nationals*1 **3.5%**
- Percentage of seniors*1 **2.6%**
- Ratio of employees with disabilities*1 **2.32%**
- Paid leave utilization rate*2 **71.76%**
- Number of serious occupational accidents*3 **30 cases**
- Number of use of helpline and other consultation services*2 **45 cases**

*1. Domestic: End of June 2022

*2. Domestic: FY 06/22 (annual)

*3. Domestic: Cases resulting in four or more days of absence from work or residual disability in FY 06/22 (annual)

Changes in External Environment | Inputs ➡ Business Activities ➡ Outputs ➡ **Outcomes** ➡ **Purpose**

■ **Outcomes**

We will provide new value to various stakeholders through our business activities and outputs.

We will provide new value to realize happiness of each and every one of our diverse stakeholders.

Engineers and technicians

- ▶ Encounter with a wide variety of jobs
- ▶ Provision of many career opportunities to acquire new skills
- ▶ Support of new career development

Employees

- ▶ Rewarding work
- ▶ Environment which enables employees to flourish in diverse working environments and according to their ages
- ▶ Personnel who can support career development

Society

Expansion of possibilities of industry development, etc. through the sustainable revitalization of the labor market and active participation of human capital

Clients

- ▶ To meet the needs of human resources by providing clients required personnel
- ▶ Contribution to the human resource strategies of clients

Shareholders and investors

- ▶ Provision of return over a long period



■ **Purpose**

BeNext-Yumeshin Group's purpose

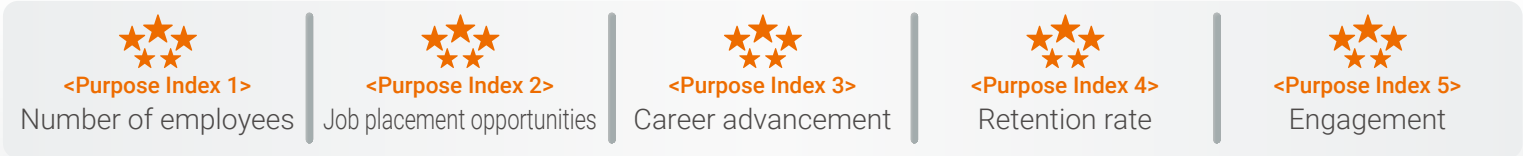


Open up individual potential through rewarding work

Material issues

Improvement of outcomes/attainment of purpose

Improvement in output (statuses of Purpose Index and human capital)
 -We will achieve each desirable figure of "Purpose Index" by attaining the "goals" through initiatives on the four material issues.



1 Support for career development and well-being

- Personnel development through training and education
- Provision of rewarding work
- Promotion of the work-life balance

2 Contribution to the sustainable development of the labor market

- Promotion of diversity & inclusion
- Coexistence with society

Creation of value

3 Business foundations protecting security and safety

- Pursuit of occupational safety and health
- Securing of information security and protection of privacy

4 Highly transparent organizational foundations

- Tightening of governance
- Compliance with laws and regulations
- Thoroughgoing risk management

Foundation for business

For the creation of the mid/long-term value of our corporate group, our material issues are related to mainly human capital, which is the most important for input, and we will address the material issues through business activities based on human capital. We believe that the initiatives for addressing material issues will help attain our purpose and solve social issues.

As material issues, we have identified "support for career development and well-being," "contribution to the sustainable development of the labor market," "business foundations protecting security and safety" and "highly transparent organizational foundations." We have also classified

them into "opportunities," which would improve the value of our business (value creation), and "risks," which would arise due to failure (business foundation).

Opportunities (value creation) are "support for career development and well-being" and "contribution to the sustainable development of the labor market," and risks (business foundation) are "business foundations protecting security and safety," and "highly transparent organizational foundations." We put importance on the efforts to seize the opportunities and avoid the risks as material issues.

Identification process

In regard to identification, we placed importance on the viewpoint of our stakeholders, not only our corporate group. In the process of STEPs 1-3 as outlined below, we narrowed down our challenges through the selection of potential challenges referring to frameworks in Japan and overseas, interviews of the management, dialogue with specialists, surveys among our staff, etc.

STEP 1: Selection of themes for potential challenges

Considering elements which could possibly pose a challenge and should be addressed when thinking of sustainable growth (potential themes), we took into consideration investigation items of major ESG evaluation institutions as well as our company's purpose, etc., to select 17 potential themes based on international frameworks (GRI Standard, SASB, and SDGs).

STEP 2: Narrowing down challenges with a significant impact on the company

We evaluated the potential themes selected in STEP 1 based on the opinions of our stakeholders inside and outside the company and narrowed them down to challenges with a significant impact on our company. We conducted interviews with the management and surveys among the staff inside the company and engaged in dialogue with outside specialists outside the company.

As for the interviews of the management, we included executive officers of holding companies and presidents of major group companies in addition to full-time directors including the Representative Director and interviewed them on the priority of the potential themes prepared by the secretariat.

Furthermore, we conducted dialogue with outside specialists on the priority of the potential themes, in the same way as interviews with the management.

Moreover, as for surveys among our staff, we implemented an investigation of items considered important in the personnel service business during a staff survey by the HR department.

We narrowed down matters which could possibly pose a significant challenge out of these results.

STEP 3: Identification of material issues

We created a final draft of material issues based on the last version of the extracted potential themes with a high priority and identified them following a discussion and formulation at a workshop of the management meetings and confirmation by the Board of Directors.

Priority matrix of potential material issues

Out of the 17 material issues, five challenges (**Tier 1**) were recognized as having high priority both inside and outside the company and other three (**Tier 2**) were acknowledged as having high priority either inside or outside the company.

<Priority matrix of in-house management executives and stakeholders>



We extracted the last version of the potential themes with a high priority through the aforementioned process (please see below).

We classified the last version of the potential themes as follows.

Tier 1: Recognized as having an especially high priority by "both" the management and staff (inside the company) and specialists (outside the company): Five themes

Tier 2: Recognized as having an especially high priority by "either" the management and staff (inside the company) and specialists (outside the company): Three themes

<Last version of potential themes for material issues with a high priority>

Tier 1	No. 3	Pursuit of occupational safety and health	No. 5	Promotion of the work-life balance
	No. 7	Provision of rewarding work	No. 8	Personnel development through training and education
	No. 14	Achieving thorough governance, risk management and compliance in group management		
Tier 2	No. 6	Promotion of diversity & inclusion		
	No. 10	Securing of information security and protection of privacy	No. 11	Coexistence with society

Message from COO

To open up the potential of workers, build a virtuous cycle for the elevation of customer satisfaction, recruitment and retention, and realize our purpose

"The year of integration" ended favorably.

It has been over a year since the establishment of the BeNext-Yumeshin Group in April 2021 and we reported our financial results in June 2022.

While the social and economic circumstances remain unstable due to the novel coronavirus and the situation on Ukraine in addition to the rapid depreciation of the yen, we recognize that there has not been a considerable impact on the business of our corporate group. However, we think that it is necessary to keep an eye on how the global inflation and downturn of economic growth are going to influence the situation in Japan.

We recognize that the current challenge of our corporate group business is the fact that our supply is not keeping up with the demand of our client companies. Personnel staffing business like ours used to be called "the control valve of economic situation" and has been considered as extremely vulnerable to recession, but this kind of role has shrunk in recent years and the chronic labor shortage is now continuing even if the economic situation worsens. While we recognize that our business will not be significantly impacted by economic trends, we surmise that we will continue to face hardships when it comes to recruiting sufficient personnel.

Nonetheless, the term ended June 2022 (hereinafter referred to as "FY 2022"), which was the "year of integration" for our corporate group, ended favorably in terms of performance as well. Revenue were 101.7% of our forecast. We made upward revisions to the earnings forecast



Daio Sato

President and
Representative Director, COO

for all types of profit during the term, and all profits exceeded this forecast, reaching 106.3% for Operating profit (110.8% of the forecast at the beginning of the term), 111.3% for ordinary income (136.3% of the forecast at the beginning of the term) and 132.3% for profit attributable to owners of parent (225.7% of the forecast at the beginning of the term), respectively. Moreover, as we expanded our investments in recruitment during the second half of the term, the number of our engineers and technicians also increased more than we expected.

I think that one of the major causes of this positive performance is the fact that the management integration progressed relatively smoothly. Of course, this does not mean that we did not encounter any obstacles, but we managed to make a favorable progress especially in the development of management divisions. In addition, it was significant in terms of business that we managed to properly build the relationship of mutual support at an early stage through the cross-sectoral exchange of information.

Message from COO

Formulation of the medium-term management plan "BY25"

Our corporate group holds up the purpose of "Open up individual potential through rewarding work."

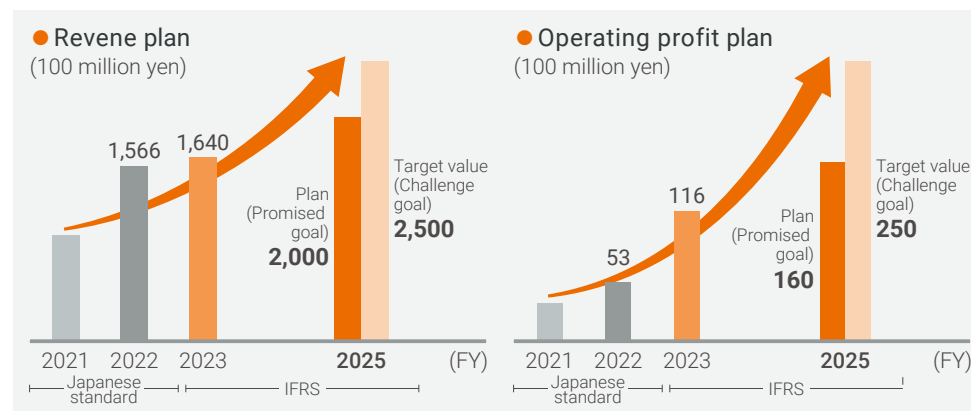
It is sometimes said that "there will be less work for people as AI evolves" in the future outlook, but in my opinion, work which can be done only by people will remain in the end and "workers" will continue to be needed. On the other hand, the level of work sought by client companies will be even higher, while the value of "working" diversifies. I believe that we also need to keep growing in step with the changing times so that we can meet such kind of demand.

In order to realize this growth, we formulated the medium-term management plan "BY25," for the four business years from the term ended June 2022 to the term ending June 2025.

The aim of BY25 is to achieve "the growth of profit for realizing a sustainable society," and work toward the confirmation and accomplishment of the above-mentioned purpose as something for which everybody in the group aims.

While there are many competitors, our corporate group is expanding shares targeting low-end and middle-end clients, who are dominant in the technical personnel staffing market in Japan. Based on this condition, we stated becoming "a leading company in the technical personnel staffing industry" as our goal in BY25.

In order to proactively forge ahead with new challenges and accelerate our growth speed, we have set the quantitative goals of 200 billion yen in Revenue and 16 billion yen in Operating profit as our promised goal, and Revenue of 250 billion yen and Operating profit of 25 billion yen as a challenge goal, so as to aim even higher.



To raise the comprehensive strength of the group and bring about a virtuous cycle

Several months have already passed since the start of the second year of BY25 and I feel that as for now, we are performing favorably, almost according to the plan.

What is the most important in order not to stop this growth speed is how we conduct recruitment and how we train the recruited personnel. I believe that what is necessary for the recruitment of many personnel is raising the comprehensive strength of the whole group.

What kind of company attracts people? It is a company where workers can properly acquire skills, based on which their wages grow as well and they can do the work they want to. When workers feel meaningfulness in their work and engage in their jobs, personnel will remain and people will gather there naturally. Furthermore, as these human resources demonstrate their abilities at client companies, it will also lead to elevating the satisfaction of client companies. I think that a company where this virtuous cycle is properly functioning is a company where people gather, and consequently will become a company with high comprehensive strength. I am certain that if this kind of virtuous cycle is created and functions properly, we will get closer to achieving the quantitative goals stated in BY25. For this sake, our corporate group will primarily focus on the recruitment and development of human resources.

While challenges toward this goal differ depending on the segments and business fields, I think that it is important to keep raising the overall standard while we smooth out the unbalances between them. For this, we need to properly maintain and elevate the strengths of our corporate group in each field.

In the machinery, electronics and IT software field, we have attracted diverse human resources by handling diverse projects, and our biggest strength lies in our capability to introduce human resources who can meet the needs of each client company. We also assume that having the know-how for training inexperienced personnel and introducing them in the IT field, where the labor shortage is grave, is also connected to the acknowledgment from our client companies.

As for the construction management field, we assign follow-up staff to each and every dispatched employee and provide a strong support system. By engaging in close communication with both engineers and technicians and the client company, we not only bring about a reassuring atmosphere, but have also succeeded in maintaining a low turnover rate compared to other companies.

Moreover, in the manufacturing field, our significant strength lies in the fact that we can immediately introduce human resources in any area as we have engaged in marketing tailored for each area.

The staffing business in the UK accounts for the majority of the overseas field and it is a market where the needs for human resources are rapidly growing due to the decrease in foreign

Message from COO

workers brought about by Brexit and the stimulation of economic activities following the COVID-19 pandemic. As we have the opportunity to expand our shares and operation areas, we will forge ahead with the development of our business portfolio, including highly specialized and highly profitable operations.

In addition, I think that when considering the group as a whole, our primary strength lies in our ability to increase capable human resources instead of merely matching up human resources and jobs.

In other words, it is to produce new capable human resources by training the inexperienced from scratch and having them acquire sufficient skills through the training programs prepared by our company, etc., and to provide meticulous follow-up and support afterward. This approach of developing "personnel" and treasuring them above everything else is characteristic of our corporate group, which is highly regarded by our client companies.

In order to achieve BY25, we are naturally going to recruit and develop even more human resources and elevate their satisfaction from now on as well, and we would like to make endeavors to secure diverse human resources by proactively forging ahead with M&A at the same time. Nevertheless, we are not considering the expansion of our business portfolio through M&A. As we think that there is still room for addressing the needs of our client companies even better in our current portfolio, we intend to enrich that part as our priority.

What we place the greatest importance on when it comes to considering our partners for M&A is whether they agree with our corporate group's purpose. If we can encounter a company which shares our thoughts on this point and has a strength which we do not, we would be very pleased to team up with them.

To make the term ending June 2023 "the year of growth"

I said before that the term ended June 2022 was "the year of integration." In contrast to that, my current intention is to make the term ending June 2023 "the year of growth."

We will aim for the growth of each group company and focus on establishing the foundations for expanding the range of that growth.

We believe that it will be an extremely important year also when it comes to implementing BY25. As for concrete goals, we are planning to reach Revenue of 164 billion yen and an EBITDA of 11.6 billion yen, and increase the total number of engineers and technicians to 22,200.

In order to keep improving our performance, it is absolutely vital to become a "company where people gather" or a "company chosen by workers." As the labor shortage is lingering, we suppose that the way in which job seekers evaluate companies will become even stricter. We recognize that implementing the "support for career development and well-being," "contribution to the sustainable



development of the labor market," "business foundations protecting security and safety" and "highly transparent organizational foundations," stated as our material issues, is the basic requirement for being a "company that will be chosen."

Treasuring "workers" above everything else

We are currently operating the personnel staffing business, while recruiting personnel even if they are inexperienced and having them acquire proper skills through a training program, do a job they want to in the market and actively work. We continue to place importance on "broadening the range of recruitment" and "developing human resources" as I myself have received the opportunity to have a variety of experiences as a fresh working adult and I feel that I am where I am now because I was able to grow through those experiences. I believe that receiving the opportunity to grow in various ways will become considerable motivation when it comes to working and will enrich the person's life. Workers grow through work and experience a great feeling of accomplishment by working at our corporate group. I would like to give this experience to as many people as possible.

If we treasure "individual workers" with this kind of mindset, the corporate value will improve and people will gather as a result, while elevating the customer satisfaction and realizing the purpose. In order to realize this virtuous cycle and treasure "workers," we shall increase employees and client companies who share this kind of value and go on to grow.

-Open up individual potential through rewarding work

Our corporate group will continue its progress toward realizing this purpose without wavering. We would appreciate your kind support and encouragement.

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Using the opportunity of management integration to set high management goals in order to work on new challenges and further accelerate growth speed

On April 1, 2021, we took a new step forward as BeNext-Yumeshin Group, following the management integration of BeNEXT Group Inc. and Yumeshin Holdings Co., Ltd. Using the opportunity of management integration to work on new challenges and further accelerate growth speed, we formulated the "BeNext-Yumeshin Group medium-term management plan BY25." BY25 was formulated based on the three following points, and covers the four years from the term ended June 2022 until the term ending June 2025.

■ Surrounding environment

1. Significant changes were brought to the working environment such as workstyles and workplaces by the novel coronavirus.
2. Changes in the working environment prompt workers to review what they work for and how they want to work.
3. On the other hand, the interest in SDGs has grown and promotion of the "8. Decent Work and Economic Growth" in SDGs is expected.

■ Situation of BeNext-Yumeshin Group

1. Becoming a staffing company that has the largest number of engineers in Japan due to management integration
2. Operating business in diverse industries, including machinery, electronics, IT and construction management in Japan
3. Values, social significance and code of conduct which can be shared by all group employees is required as we operate diverse businesses.

■ What kind of vision do we have and what kind of reform do we aim for?

1. Considering the growth of profit for the realization of a sustainable society as a primary condition
2. Resetting and reconfirming the purpose of all group employees in response to changes in the society and integration

BY25

Promised goals Revenue: **200** billion yen Operating profit: **16** billion yen

(Unit: million yen)

	FY06/22 actual	FY06/23 forecast	FY06/25 plan	FY25-FY22 inc.	FY06/25 Challenge goal
	IFRS	IFRS	IFRS		
Revenue	148,573	164,000	200,000	51,427	250,000
Gross margin	34,432	39,000	46,800	12,368	60,000
Ratio to sales	23.2%	23.8%	23.4%	0.2 pt	24.0%
SG&A expenses	24,871	27,700	30,800	5,929	35,000
Ratio to sales	16.7%	16.9%	15.4%	-1.3 pt	14.0%
Operating profit	10,103	11,600	16,000	5,897	25,000
Ratio to sales	6.8%	7.1%	8.0%	1.2 pt	10.0%
No. of employees	19,448	22,200			

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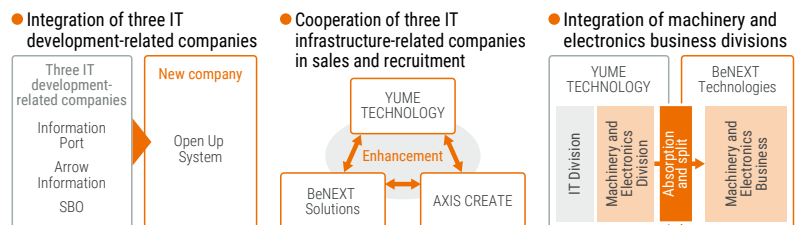
Business results

Revenue in the consolidated fiscal year (ended June 2022, hereinafter referred to as "FY 2022") stood at 148,573 million yen (up 50.2% year on year). The main causes for this increase in revenue were the contribution made by the performance of the former Yumeshin Holdings Co., Ltd., which joined our corporate group as a result of management integration on April 1, 2021, in the machinery, electronics, IT and construction management fields throughout the term, and the growth of performance in the manufacturing field brought about by the recovery of the economic situation. In terms of profit, while growth caused by increase in Revenue and growth in profit due to overall improvement of operating rate in each field have been observed and there was a revenue of approximately 1.1 billion yen in employment adjustment subsidy, etc., we have recorded the amortization expenses for intangible assets caused by PPA stemming from management integration especially in the construction management field, and impairment losses on goodwill and intangible assets caused by PPA in the overseas field. As a result, Operating profit stood at 10,103 million yen (an operating loss of 25,220 million yen in the same period of the previous year), income before taxes was 10,238 million yen (a loss before taxes of 25,063 million yen in the same period of the previous year) and profit was 7,046 million yen (a loss of 27,096 million yen in the same period of the previous year).

Looking back at the first fiscal year of "BY25"

In FY 2022, we set the purpose of "Open up individual potential through rewarding work" in order to confirm the direction in which our corporate group is heading as it was the first fiscal year of the medium-term management plan "BY25." In addition, we launched "P Activity" to facilitate the understanding, diffusion, and action toward the realization of the purpose. Moreover, we implemented the following measures for achieving our goals.

- ▶ Streamlining management by changing and building the organizational structure
- ▶ Integrating and relocating our offices to facilitate business streamlining
- ▶ Expanding new business fields in the machinery and electronics segment through M&A



● Integration and relocation of offices

- IT-related group companies:
Integrating Tokyo branches in Akihabara
- Construction group companies:
Relocation from Marunouchi to Toranomom

● M&A with Nihon Axis

(Unit: million yen)

Recent performance	FY12/19	FY12/20	FY12/21
Net sales	606	688	729
Operating income Ratio to sales	46 (7.6%)	58 (8.4%)	51 (7.0%)

About the forecast for "BY25"

■ External environment

We recognize the following as the current external environment for achieving "BY25."

- ▶ **Invasion of Ukraine by Russia:** Stagnation of production activities stemming from the lack of materials, and standstill of logistics
- ▶ **Inflation and rising interest rates:** Who will bear the increase in costs (the side of supply or demand?)
- ▶ **Concerns about worldwide recession:** Decline in revenues of enterprises, concerns about production adjustment

Nevertheless, as for the environment surrounding the business of dispatching technical and manufacturing workers, the market will not be as weak as the unclear macroeconomy, and healthy demand is projected to continue.

- ▶ **Structural labor shortage:** Demand for human resources did not decline even during the COVID-19 pandemic and is not prone to economic trends.
- ▶ **Japanese-style employment system and acceleration of technological innovation:** Companies will incorporate outsourcing in the development process to maintain employment and achieve rapid technological innovation.

➔ **Continuous growth is projected thanks to high demand.**

■ Business environment and initiatives in each field in the term ending June 2023

	Business environment	Initiatives
Machinery and Electronics	<ul style="list-style-type: none"> • Almost no requests for cost reduction in development from our clients. • Demand for human resources remains high. 	<ul style="list-style-type: none"> • Elevation of skills and average spending per customer based on the establishment of the EV (Engineer Value) model.
IT	<ul style="list-style-type: none"> • Booming regardless of the external environment. • Demand for human resources remains high. 	<ul style="list-style-type: none"> • Developing the inexperienced into mid-level engineers.
Construction management	<ul style="list-style-type: none"> • Structural labor shortage due to the aging population, regardless of the business environment. • Demand for human resources remains high. 	<ul style="list-style-type: none"> • Pursuing the LTV (Life Time Value) for engineers through career support in acquiring qualifications and reinforcement of the follow-up structure. • Cementing long-term relationships with our clients.
Manufacturing	<ul style="list-style-type: none"> • Suppression of production occurring in some industries. • Demand for human resources varies among industries. 	<ul style="list-style-type: none"> • Acquiring key clients in local areas, and promoting retail sales. • Reinforcing our recruitment.
Overseas	<ul style="list-style-type: none"> • Worsening of revenues of enterprises due to the inflation. • On the other hand, we suffer from labor shortage, which makes it difficult to recruit personnel. 	<ul style="list-style-type: none"> • Raising profitability by expanding the specialized work sectors.

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Overview of business results

The performance of several companies such as Yume Technology Co., Ltd., which joined the segment as a result of the management integration on April 1, 2021, made a contribution throughout FY 2022. As for profit, while profit margin slightly declined as we are making proactive investments in recruitment and training of the inexperienced as well as marketing activities with the scheme for further increasing the number of assigned employees, operating rate has shown an improving trend since the beginning of the term and there has also been a steady progress in maintaining and improving average spending per customer amid the growing demand for engineers.

As a result, Revenue of the segment in FY 2022 stood at 70,677 million yen (up 42.2% year on year) and segment profit was 7,118 million yen (up 58.8% year on year).

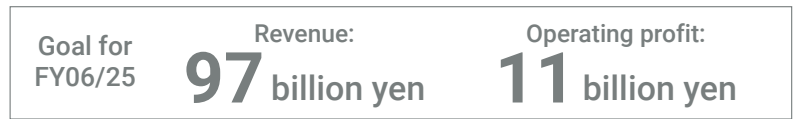
Future outlook

In the machinery, electronics and IT field, we will forge ahead with expanding the number of recruits based on proactive recruitment in machinery and electronics as well as cost optimization, and work toward increasing the number of working employees and improving average spending per customer by raising the number of assigned staff based on expansion into new areas and continuously recruiting the inexperienced and focusing on developing their skills and career after they join the company in IT, in addition to deepening the relations with our existing clients, while maintaining high operating rate and high operation efficiency.

Strategies in BY25

[IT field] **Training of inexperienced workers to develop (middle-level) IT engineers**

[Machinery and electronics field] **Establishment of an EV (Engineering Value) model to increase skills and average spending per customer**



Strategies in the IT field

The environment surrounding the IT industry has changed considerably.

Further shortage of IT engineers

- There is great demand for experienced IT professionals who can work immediately.

From now on

- ▶ A rapid increase in development needs accelerates the shortage of human re-sources. Experienced workers are in short supply and cannot meet the demand alone.
- ▶ New technologies are emerging rapidly and cannot be handled by experienced staff alone.

Lowering of the hurdle of IT technology

- Medium-term period required to achieve business proficiency = High hurdle to becoming an IT engineer

From now on

- ▶ General-purpose packages have become the mainstream due to the evolution of IT technology.
- ▶ Shorter training periods possible in the low-code era for both development and infrastructure

In-house IT development at user companies

- End-user companies fully outsourcing IT development to system integrators
- IT engineers are now concentrated in system integrators and orders have become multi-tiered.

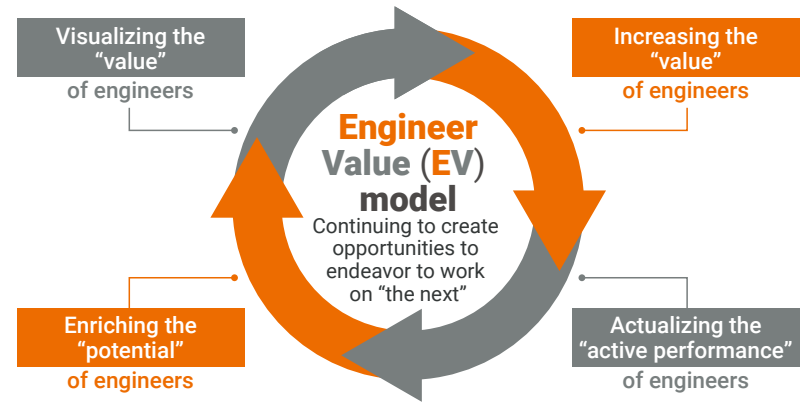
From now on

- ▶ IT has become a key strategic business issue for business companies.
- ▶ End-user companies are hiring IT engineers by themselves.
- ➔ Promoting the in-house development of IT.

➔ **The industry is changing in a beneficial fashion for training-based IT engineer staffing firms.**

Strategies in the machinery and electronics field

By upgrading, enriching, and thoroughly pursuing the elements of the Engineer Value (EV) model, we will further promote improvement in the skills and careers of engineers as well as average spending per customer.



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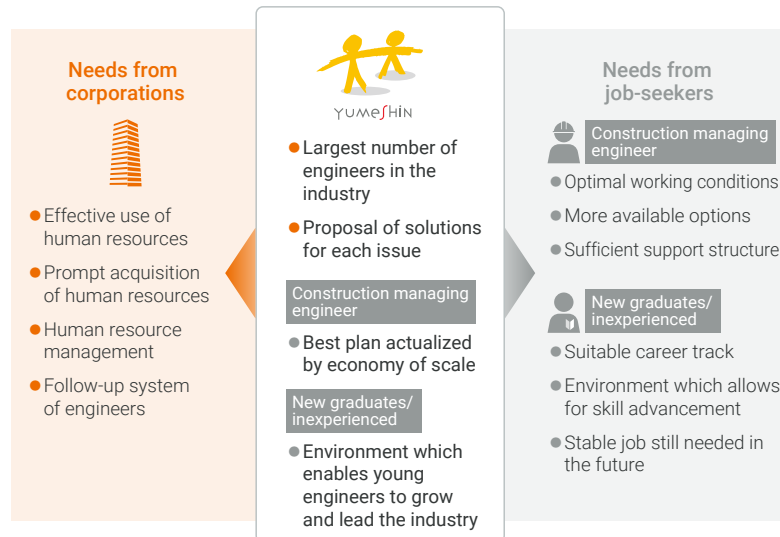
Overview of business results

In FY 2022, profit increased due to the increase of employees in service and a relatively high operating rate compared to the end of the previous fiscal year, in addition to the inclusion of full-year results of Yumeshin Co., Ltd., which was taken into account in this segment through the management integration on April 1, 2021.

As a result, Revenue in this segment amounted to 36,921 million yen (up 323.4% year on year) and segment profit was 5,327 million yen (a loss of 28,295 million yen in the same period of the previous year) in FY 2022.

Future outlook

In the construction management field, to further fortify and expand our position as an industry leader in Japan, we will work to increase the number of experienced workers in service through the diffusion of our corporate appeal in recruitment activities, and promote the LTV of our engineers through the strengthening of our business structure with major clients to stabilize long-term employment.

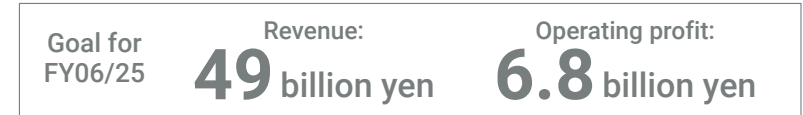


*Surveyed by our company based on the IR materials of three major competing companies which engage in construction managing engineer dispatch business (as of June 2022)

Strategies in BY25

In order to further stabilize our position as an industry leader, we will maximize the LTV (Life Time Value)* of our engineers and cement long-term relationships with our clients.

* Life Time Value: Total profit contribution during an employment period.

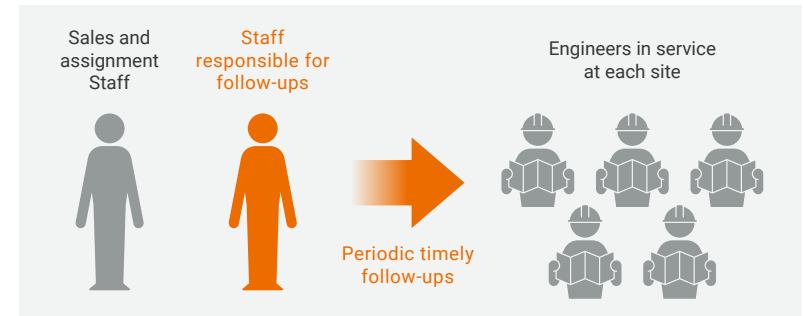


■ **Strategies in the construction management field**

To further fortify and expand our position as a leading provider of temporary staffing services to the construction industry in Japan, we are aiming for stable employment and stable transactions for both engineers and clients.

- **Maximizing the LTV of engineers**

- ▶ Establishment of a dedicated team to provide timely follow-up services to engineers on assignment
- ▶ Prioritization of projects for assignment with emphasis on a high retention rate



- **Provision of systems and services that prioritize long-term transactions with clients.**

- ▶ Dedicated sales staff will be assigned to major general contractors and other clients with multiple job sites and projects.
- ▶ Prioritized assignment of engineers to clients with long-term, continuous staffing requirements.
- ▶ Measures such as web-based services will be implemented to improve business operations jointly with clients, to generate benefits of continued business with our company.

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Manufacturing field



Overview of business results

In FY 2022, while demand for human resources was sluggish in some industries due to supply limitations for parts and semiconductors, production recovered in the field of raw materials, etc. due to a recovery in consumption accompanying the easing of restrictions on activities, and other factors. Although there were some variations among domains and clients, we continued to secure orders through meticulous sales activities and maintained profitability in the subcontracting business by continuing to focus on controlling cost ratio.

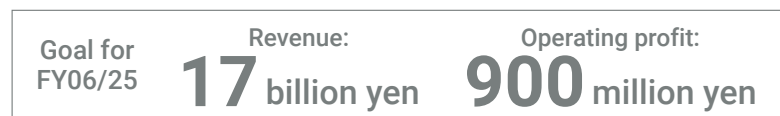
As a result, Revenue in this segment amounted to 9,682 million yen (up 11.8% year on year) and segment profit was 561 million yen (up 11.8% year on year) in FY 2022.

Future outlook

In the manufacturing field, we aim to improve profitability by increasing sales while maintaining and improving gross profit margin, thereby absorbing increased recruitment and personnel costs.

Strategies in BY25

The acquisition of key clients in respective areas, promotion of retail sales and the strengthening of our unique recruitment for stable growth while maintaining the highest level of profitability in the temporary staffing industry for manufacturing.



Strategies in the manufacturing field

We are committed to operating our business with an emphasis on efficiency rather than business scale, and have achieved one of the highest levels of profitability in the temporary staffing industry for manufacturing. Going forward, we will promote area strategies and strengthen our unique recruiting activities with the aim of achieving stable growth while maintaining even higher profit margins.

Overseas field



Overview of business results

In FY 2022, demand for temporary staffing and fee-based job placement services in the U.K. showed a recovery trend as the impact of the COVID-19 disappeared. Profit dropped due to a decrease in the number of workers from outside the U.K. following Brexit and the resulting higher costs of recruitment. The public subsidies which ended last year also diminished profit, in addition to impairment losses on goodwill and intangible assets from PPA.

As a result, Revenue in this segment amounted to 30,076 million yen (down 4.3% year on year) and segment profit was -417 million yen (a profit of 422 million yen in the same period of the previous year) in FY 2022.

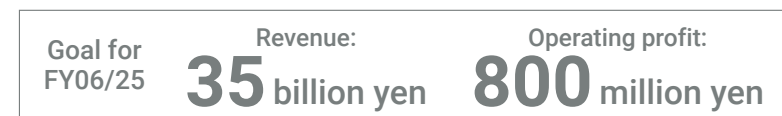
Future outlook

In the overseas field, we will improve profitability in the manufacturing sector and shift to expanding our business portfolio in the specialized work sector in the medium term, as we begin to see signs of a lull in the job change market in the wake of uncertainty of the economy due to concerns over fuel price hikes and inflation associated with the situation in Ukraine.

Strategies in BY25

[Europe] **Increase profitability by expanding the specialized work sector**

[Asia] **Maintain the status quo and look for opportunities to expand**



Strategies in the overseas field

Large-scale investments and new regional business development have reached a milestone, and profitability has been secured. We will consider reconfiguring our business portfolio and new approaches in each of the countries.

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Philosophy/policy

Based on our purpose of “Open up individual potential through rewarding work,” we consider the continuous and stable elevation of corporate value to be the mission of corporate management and promote efficient and profitable management while ensuring the soundness of management.

Furthermore, we treat the reinforcement of the corporate governance system as one of the most important management challenges in order to maintain the transparency of management and form favorable relationships with our business partners, employees, stakeholders in the region, society, etc. in addition to shareholders and investors based on accurate and timely disclosure of management information, and engage in corporate activities which place sufficient importance on social responsibility in striving for the improvement of corporate governance.

Our corporate group has set up its meeting bodies and reporting lines flexibly so that they can be adapted to expansion in business operations and changes in the environment to make sure that control over labor and human rights, which is vital for personnel service business, reaches everybody, while having the holding company supervise appropriate business execution of the operating company by adopting a holding company structure. Moreover, the transparency and objectivity of our management are ensured through our system of the Board of Directors, the Board of Auditors, etc.

Addressing the principles of the corporate governance code

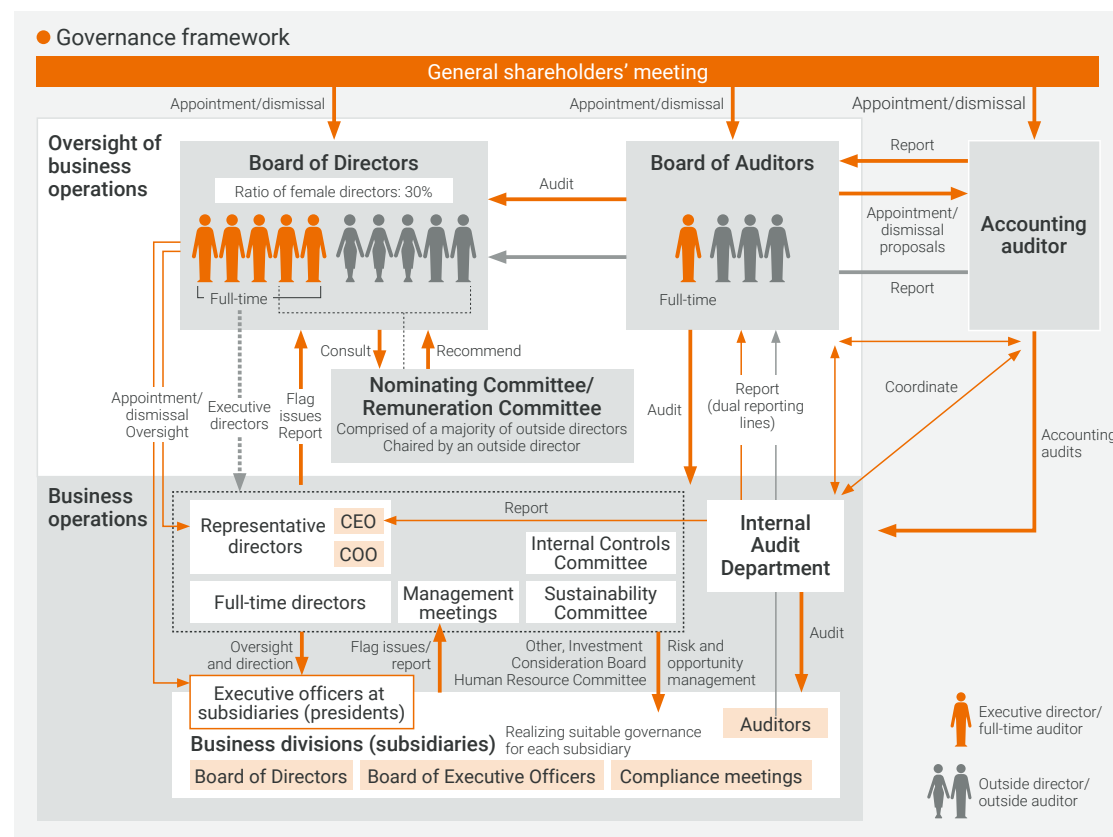
We implement all principles of the corporate governance code. Please see [the corporate governance report \(EN\)](#) for the latest situation regarding each principle.

Structure

Our directors, who are elected through general shareholders’ meetings, are responsible for making decisions on important matters concerning the management of the Group and for overseeing management with a view to making the soundness of management more transparent and ensuring that operations are implemented in an appropriate manner. Additionally, we established a Board of Auditors based on the thinking that non-executive auditors who are not involve in business operations are most suitable for auditing the execution of duties by directors to ensure sound management.

Also, in addition to holding management meetings with the aim of realizing swifter and more efficient decision making and operational execution, we have also appointed five outside directors among our 10 directors in order to reinforce management oversight, which includes supervising the appropriateness of the execution of duties by directors. In order to ensure audit effectiveness, three out of four auditors are independent outside auditors, and these auditors strive to regularly collaborate with the accounting auditor and the Internal Audit Department.

As for other meeting bodies, we have set up the Internal Controls Committee and the Sustainability Committee under the jurisdiction of executive directors, arranged the management structure for operating companies and are reporting the situation thereof to the Board of Directors in a timely manner.



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■ **Directors/Board of Directors**

Our Board of Directors is composed of ten directors (including five outside directors). As a general rule, ordinary Board meetings are held once a month and extraordinary Board meetings are held as needed. The Board decides matters stipulated by law and other important management matters, and also monitors director performance. We appoint two representative directors and in July 2021, we gave them the titles CEO and COO, distributing the roles of each director to arrange the system for mutual monitoring.

Position	Name	Number of meetings attended	Attendance rate
Chairman and Representative Director, CEO	Yutaka Nishida	17/17	100%
President and Representative Director, COO	Daio Sato	17/17	100%
Director	Kenjiro Ogawa	17/17	100%
Director	Hiroshi Sato	17/17	100%
Director	Noriyuki Murai	17/17	100%
Outside Director	Mari Oshima	Newly appointed on Sep. 2022	—
Outside Director	Tomoko Kawakami	Newly appointed on Sep. 2022	—
Outside Director	Rieko Zamma	15/17	88%
Outside Director	Arata Shimizu	17/17	100%
Outside Director	Yoichi Wada	12/13	92%

* Information regarding the name, number of meetings attended and attendance rate is for the term ended June 2022.

■ **Auditors/Board of Auditors**

We are a company with a Board of Auditors. The Board of Auditors consists of four members (three of whom are outside auditors) and meetings are held once a month as a general rule. Each member audits the performance of the directors based on the audit policies, audit plans, and division of duties decided at Board of Auditors meetings.

Position	Name	Board of Directors		Board of Auditors	
		Number of meetings attended	Attendance rate	Number of meetings attended	Attendance rate
Full-time Outside Auditor	Fujio Shimokawa	17/17	100%	16/16	100%
Outside Auditor	Toshio Nago	16/17	94%	15/16	94%
Auditor	Hajime Mita	17/17	100%	Newly appointed on Sep. 2022	—
Outside Auditor	Hiroaki Rokugawa	17/17	100%	16/16	100%

* Information regarding the name, number of meetings attended and attendance rate is for the term ended June 2022.

■ **Nominating Committee/Remuneration Committee**

Although we are not a company with committees as stipulated in Japan's Companies Act, we have set up the Remuneration Committee and Nominating Committee with the aim of ensuring management transparency and objectivity. Members of both committees are appointed through resolutions 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.

Position	Name	Nominating Committee		Remuneration Committee	
		Number of meetings attended	Attendance rate	Number of meetings attended	Attendance rate
Outside Director	Mari Oshima	Newly appointed on Sep. 2022	—	Newly appointed on Sep. 2022	—
Outside Director	Tomoko Kawakami	Newly appointed on Sep. 2022	—	Newly appointed on Sep. 2022	—
Outside Director (Chair of the Remuneration Committee)	Rieko Zamma	1	100%	3	100%
Outside Director	Arata Shimizu	1	100%	3	100%
Outside Director (Chair of the Nominating Committee)	Yoichi Wada	1	100%	3	100%
Chairman and Representative Director, CEO	Yutaka Nishida	1	100%	3	100%
President and Representative Director, COO	Daio Sato	1	100%	3	100%

* Information regarding the name, number of meetings attended and attendance rate is for the term ended June 2022.

■ **Accounting auditor**

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

■ **Management meetings**

We have set up management meetings as a meeting body that determines important matters concerning business execution in the extent defined by the Board of Directors in a flexible manner while maintaining transparency and objectivity. As of the end of September 2022, it is composed of representative directors, full-time directors and executive officers (13 in total). Important matters concerning business execution consulted with the management meetings are deliberated among the members and a resolution is passed by the approval of the majority of representative directors and full-time directors (5 in total). Management meetings are held weekly as a general rule, working toward swifter decision-making.

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Executives

Please see [the list of executives \(EN\)](#) on our website for the biography of each executive.

■ Directors (in-house)



Yutaka Nishida, Chairman and Representative Director, CEO
Daio Sato, President and Representative Director, COO
Kenjiro Ogawa, Director
Hiroshi Sato, Director
Noriyuki Murai, Director

■ Directors (outside)



Mari Oshima, Outside Director
Tomoko Kawakami, Outside Director
Rieko Zamma, Outside Director
Arata Shimizu, Outside Director
Yoichi Wada, Outside Director

■ Auditor



Fujio Shimokawa, Full-time Outside Auditor
Toshio Nago, Outside Auditor
Hajime Mita, Auditor
Hiroaki Rokugawa, Outside Auditor

▶ Policy and procedure for appointment, dismissal and nomination

The policy and procedure for the appointment and dismissal of management executives including the CEO and COO and the nomination of director and auditor candidates are defined as follows.

<Nomination of director candidates> Director candidates are selected by the Nominating Committee, whose majority is composed of outside directors appointed through the resolution of the Board of Directors, from the viewpoint of having a high level of professional ethics and being able to continuously elevate the corporate value of our corporate group in the medium/long term while respecting the rights and position of our stakeholders. A resolution is then passed by the Board of Directors following deliberations and discussed at general shareholders' meetings.

<Nomination of auditor candidates> As for auditor candidates, we strive for selecting individuals from the viewpoint of having the knowledge, experience and ability to perform accurate and fair audits of the execution of directors' duties as well as necessary knowledge regarding financial matters and accounting. After acquiring approval from the Board of Auditors, a resolution is passed by the Board of Directors following deliberations and discussed at general shareholders' meetings.

<Dismissal of management executives including the CEO and COO (representative directors)> Dismissal of management executives including the CEO and COO (representative directors) is determined by the Board of Directors following sufficient inquiry, debate and recommendation by the Nominating Committee in case a lack of suitability has been recognized, for example, when the situation and quality of their business execution failed to meet the required level. Moreover, the Nominating Committee discusses the education and training of candidates for the CEO and COO (representative directors) successors, or the possibility of inviting successors from outside the company.

▶ Criteria for the judgment of independence of independent outside directors and the quality thereof

Criteria for the judgment of independence of independent outside directors and the quality thereof are defined as follows.

Our company selects individuals who have not been executive directors or business executors at our company in the past and who meet the requirements for an outside director as defined in the Companies Act as well as the requirement of being an individual who presents no concern in having a conflict of interest with general shareholders as defined in the Tokyo Stock Exchange criteria for independence. Moreover, we invite individuals with abundant experience and extensive expertise in their respective fields with the objective of elevating the transparency and soundness of decision-making concerning management, such as advice and checking from an independent position.

Furthermore, the majority of our directors are outside directors with the objective of providing management appropriate advice and suggestions based on an outside perspective from an objective standpoint as well as reinforcing supervisory functions of the Board of Directors. Moreover, by having outside directors serve as chair of the Nominating Committee and Remuneration Committee, which are advisory bodies to the Board of Directors, we ensure the appropriateness and transparency concerning the appointment and compensation of directors.

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■ Director skills matrix

Combinations of skill categories according to the management environment and business nature of our company and each director's career are as follows.

Position at the company	Name	Age	Type		Knowledge and experience that are 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	Finance and financial strategy	Governance, social responsibility, and sustainability	Digital technology and cyber security	Technology/education in science and technology	
Chairman and Representative Director, CEO	Yutaka Nishida	59			◎	○						○		
President and Representative Director, COO	Daio Sato	38			○	◎				○				
Director	Kenjiro Ogawa	49			○	○						○		
Director	Hiroshi Sato	65						○	○		○			
Director	Noriyuki Murai	50			○						○	○		
Director	Rieko Zamma	72	■	■		○	○					○		
Director	Arata Shimizu	50	■	■			○	○					○	
Director	Yoichi Wada	63	■	■			○	○		○				
Director	Mari Oshima	60	■	■				○					○	○
Director	Tomoko Kawakami	57	■	■			○	○				○		

* The matrix shows the top three skills each director is particularly expected to demonstrate for the group. For representative directors, the skill each director is particularly expected to demonstrate for the company is represented by a ◎ mark.
 * Age as of Sept. 2022

▶ Combination of skill categories according to management environment and business nature
 Reason for selecting the skill category

Industry experience	The group puts an emphasis on growth potential so we need directors who can make management judgements based on actual experience of the changes, challenges, opportunities, and other aspects of industry.
Management experience	As a group comprising multiple business companies, we need directors with comprehensive experience of managers, including business promotion and risk management.
Executive of a listed company/economics, business administration, etc.	We need directors who have experience of business promotion and risk management in a variety of industries or extensive knowledge on business administration which enables them to contribute to enhancing the objectivity and transparency of the group's management.
International experience	The group conducts business in the U.K. and many other countries around the world, so we need directors who have international management experience and an understanding of overseas environment.
M&As, investment, and PMI	We have positioned M&As as a key strategy in our medium-term management plan, so we need directors who have diverse experience in regard to M&As.
Finance and financial strategy	The group is looking to invest in growth (M&As) and to stably enhance shareholder return, so we need directors with wide-ranging knowledge and experience of finance and other related matters.
Governance, social responsibility, and sustainability	We aim to realize sustainable growth while staying in harmony with society, so we need directors with experience in fields such as governance, risk management, and social contribution.
Digital technology and cyber security	The group is advancing a digital transformation, so we need directors with knowledge and experience of making appropriate judgements in this field and of the new risks associated with IT.
Technology/education in science and technology	We need directors with expertise regarding the changes and trends in technology concerning manufacturers who are our clients, as well as the education of human resources who have to adapt.

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Analysis and assessment of the overall effectiveness of the Board of Directors

Once each fiscal year, we carry out an assessment of the effectiveness of the Board of Directors in order to verify that the Board is properly fulfilling the functions expected of it and to improve its performance. An overview of the analysis and assessment of the effectiveness of the Board of Directors in the fiscal year ended June 2022 is as follows.

■ The method and process of the analysis and assessment

We assessed the effectiveness of the Board of Directors through the following process.

- **Targets:** All directors and auditors (14 people in total)
- **Assessment method:** A self-administered questionnaire survey was carried out and an assessment was made at the Board of Directors based on the aggregation and analysis of the survey answers.

■ Overview of the analysis and assessment results

It was recognized that the Board of Directors appropriately fulfills its expected role of supervising the management, making decisions concerning important matters, etc. and that it does not exist as a mere form, but its effectiveness is sufficiently ensured as follows.

- The composition of the Board of Directors is both diverse and of an appropriate size.
- All members are provided with the information needed to deliberate and exchange opinions.
- Board meeting agendas include appropriate discussion items and reports based on an annual plan and members are able to speak freely and exchange frank opinions.
- An operational structure that enables the above is being maintained.
- The Board is fulfilling its functions in areas such as processes for deciding remuneration and nominations.

Furthermore, following challenges were extracted from this term’s assessment.

- Include a schedule for sustainability-related matters in the annual plan and strengthen frameworks for providing the Board with required information and enabling decision-making.
- Include a schedule for exchanges of opinion with independent outside officers in the annual plan and strengthen frameworks such as directions for reporting matters to executives when necessary.
- Clarify appointment standards and processes connected to succession planning and education.
- Enhance the advance provision of materials and administration of Board meetings in order to further improve deliberation on agenda items and discussion of management matters by the Board of Directors.

Please see [the corporate governance \(EN\)](#) report for details of the effectiveness assessment.

Officer remuneration

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

■ Policy for determining officer remuneration, etc.

(Executive directors)

The remuneration for our representative directors and full-time directors comprises fixed remuneration, performance-linked remuneration, and restricted stock remuneration.

Fixed remuneration is a monetary amount paid on a monthly basis. Performance-linked remuneration is a monetary amount paid determined based on the group’s business performance over each fiscal year. It is paid as a short-term incentive with the aim of strengthening the executive directors’ commitment to enhancing business performance. Moreover, it is designed as a fluctuating sum multiplied by 0-150% including cancellation of the payment according to the extent to which the announced performance forecast of ordinary income was achieved.

Restricted stock remuneration is an allotment of shares in the company awarded each year with the aim of encouraging commitment to enhancing corporate value in the medium to long term and strengthening management from a shareholder perspective. These shares come with conditions such as a restriction period and an option for the company to reacquire the shares without compensation.

(Outside directors)

Remuneration comprises fixed remuneration only in order to preserve a standpoint independent of business operations. The amount paid to each director is determined based on professional expertise and other factors.

(Auditors)

Remuneration comprises fixed remuneration only in order to preserve a standpoint independent of business operations. The amount paid to each auditor is determined based on discussions with said auditor.

■ Resolutions regarding the sum of officer remuneration, etc.

Based on the resolution passed at the extraordinary general shareholders’ meeting held on March 26, 2021, the sum of the remuneration for our company directors shall be up to 600 million yen per year (out of this sum, the portion for outside directors shall be up to 100 million yen per year).

Moreover, a resolution to adopt the restricted stock remuneration was made at the 14th general shareholders’ meeting held on September 21, 2018, with the objective of having directors (excluding outside directors) stably hold our company shares in a long term, giving them the incentive to work toward

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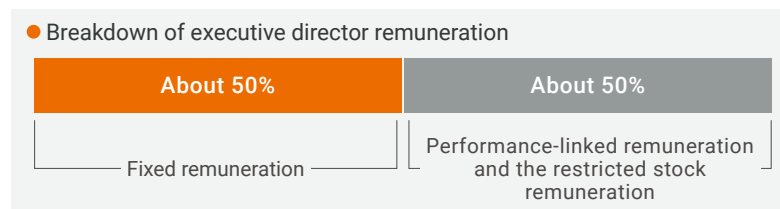
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continuous improvement of our corporate value and promoting further sharing of value with our shareholders. Remuneration based on this system is the sum of monetary compensation claims provided as remuneration related to restricted stocks, etc. to the respective director apart from the aforementioned remuneration for directors, and based on the resolution passed at the extraordinary general shareholders' meeting held on March 26, 2021, it shall be up to 400 million yen per year. As for the sum of remuneration for auditors, it shall be up to 100 million yen per year based on the resolution passed at the extraordinary general shareholders' meeting held on March 26, 2021.

■ **Processes for determining officer remuneration, etc.**

Regarding remuneration for directors, we ensure the transparency and objectivity of the entire remuneration system, including remuneration levels and processes for determining remuneration, by having it considered by the Remuneration Committee, which is comprised of a majority of outside directors who are appointed through the resolution of the Board of Directors, and reported to the Board of Directors. Therefore, in order to determine the fixed remuneration and performance-linked remuneration, the Remuneration Committee first considers the remuneration details for each individual and describes them in a report for the Board of Directors. After this, representative directors are fully entrusted with the final decision to pass a resolution following the discussion of the report by the Board of Directors. Furthermore, in order to determine the restricted stock remuneration, the Remuneration Committee first considers the remuneration details for each individual and describes them in a report for the Board of Directors. After this, a resolution is passed by the Board of Directors.

The policy regarding the decision on the ratio of the payment of respective remuneration is considered every fiscal year by the Remuneration Committee and fixed remuneration generally accounts for 50%, while the sum of the reference value of the performance-linked remuneration and the restricted stock remuneration makes up 50%.



With regard to fixed remuneration and performance-linked remuneration for the term ended June 2022, following a prior consideration by the Remuneration Committee, the Board of Directors approved that representative directors will be fully entrusted with the report of the Remuneration Committee on September 28, 2021, when the 17th ordinary general shareholders' meeting was

held, and the remuneration was determined through the deliberation of both representative directors on the same day. As for restricted stock remuneration, following a prior consideration by the Remuneration Committee, it was also determined by the Board of Directors on September 28, 2021, when the 17th ordinary general shareholders' meeting was held.

▶ **Sum of remuneration, etc. in the term ended June 2022**

Type of Officer	Total remuneration, etc. (millions of yen)	Total of each type of remuneration (millions of yen)			Number of eligible officers
		Fixed remuneration	Performance-linked remuneration	Restricted stock remuneration	
Directors (outside directors)	313 (41)	195 (41)	45 (—)	72 (—)	11 (5)
Auditors (outside auditors)	23 (23)	23 (23)	— (—)	— (—)	4 (4)
Total (outside officers)	337 (64)	218 (64)	45 (—)	72 (—)	15 (9)

- Notes:
- The table above includes one director who retired as of the conclusion of the 17th ordinary general shareholders' meeting held on September 28, 2021.
 - Officers eligible for restricted stock remuneration are directors, excluding outside directors, and allotted shares are awarded with a restriction period spanning from 3 years to 30 years which were determined by the Board of Directors and an option for the company to reacquire the shares without compensation.
 - Officers eligible for performance-linked remuneration are directors excluding outside directors and the compensation paid in the term ended June 2022 depends on the extent of achievement in the term ended June 2021, which is the previous term. Ordinary income in the relevant term reached 4,935 million yen, while the goal set at the beginning of the term was 4,800 million yen, and the reference value of the performance-linked remuneration was multiplied by 130% according to the extent of achievement, following a discussion of the Remuneration Committee.
 - Out of the four auditors in the term ended June 2022, four are outside auditors.

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Philosophy/policy

Executives and employees of our corporate group are required to act with rigorous professional ethics, profound insight, and self-discipline, and we regard compliance as following not only laws and regulations but also corporate ethics and social norms. “Corporate Ethics for Society, Human Rights, and the Environment” has been established as the action guidelines, and we follow it as our basic philosophy and policy.

📄 For more information about “Corporate Ethics for Society, Human Rights, and the Environment,” click [here \(EN\)](#). >

System

The compliance promotion system of our corporate group is based on the supervision and instruction of our company as a holding company, with a monthly compliance meeting set up for each major company in our business (responsible persons: presidents of operating companies), and other companies also carry out equivalent compliance-related checks on a monthly basis, to assess their situation in detail, so that all operating companies can agilely respond accordingly.

The holding company fulfills functions of monitoring the effectiveness and control of the compliance meetings established at each operating company, and our company’s Board of Directors receives monthly reports on the status of these activities and encourages them to make improvements. In addition, a full-time director who oversees compliance under the supervision of an executive officer of the General Affairs and Legal Department is in charge of compliance for the entire group.

As it is important that compliance related to our business is handled autonomously by the system within each operating company, the compliance meetings (or checks covering control details) are held monthly as an opportunity for operating companies to constantly check and rectify their compliance status. At these meetings, we share the status of guidance from the Labor Bureau and the Labor Standards Inspection Office, and properly identify issues to be addressed as well as efforts on reduction of working hours and related to laws and regulations, to provide instructions and carry them forward. Furthermore, we monitor items related to human rights, the environment, information management, misconduct, whistleblowing, etc., and quickly assess the situation and take countermeasures if a serious incident should occur.

Response to amendments to related laws and regulations, and review of appropriate operations

Human Resources Services, our main business, are regulated by laws and regulations such as the Labor Standards Act, the Act on Securing the Proper Operation of Worker Dispatching Businesses and Protecting Dispatched Workers, and the Employment Security Act, and we consider compliance

efforts to be extremely important.

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

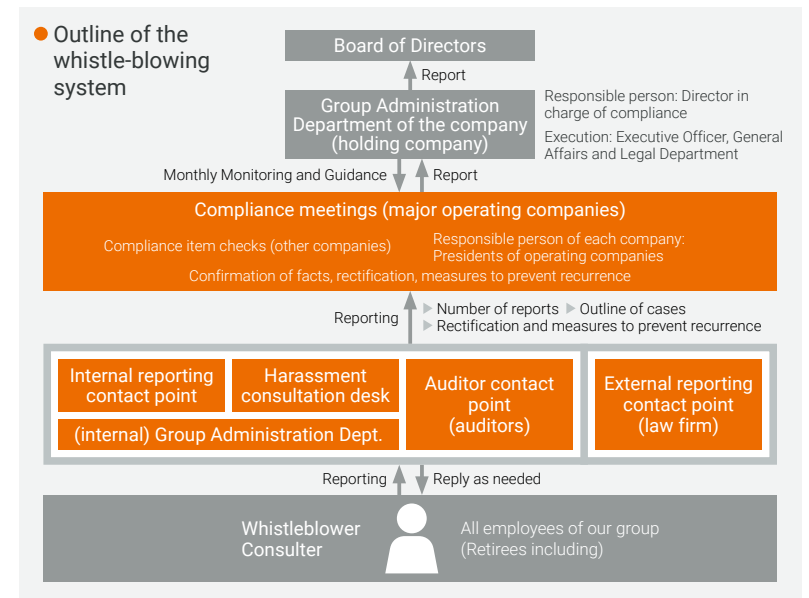
Moreover, we have established policies on the prevention of bribery and corruption, the elimination of antisocial forces, and prevention of insider trading in the “Corporate Ethics for Society, Human Rights, and the Environment,” with which all executives and employees must comply, and provide employee education on these matters.

Education and training on compliance

Our corporate group considers that education and training are our important initiatives in maintaining and promoting compliance, and conducts an annual “Compliance Confirmation Test” for all in-house employees* for all group companies. The test consists of questions on the understanding of the purpose, questions on business ethics, and questions on general laws and regulations. In addition, materials with easy-to-understand explanations on each topic are distributed with the aim of deepening their understanding of compliance.

* In-house employees: Employees working in the sales, recruitment, administration, and other departments (including contract employees)

Whistle-blowing system



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Philosophy/policy

We recognize that the role of risk management is becoming increasingly critical as uncertainty surrounding the business environment, such as trends in client companies caused by economic security, the diversified working patterns and values in the wake of the COVID-19 pandemic, has been growing. In order to enhance the effectiveness of measures against risks in the environmental, social and governance aspects, management processes have been systematized in accordance with our corporate group's organization and business, so that monitoring and decisions can be made at the management meetings, the Sustainability Committee, the Internal Controls Committee, and the Board of Directors.

System

Our system for risk management was set up in two aspects. One is for our company (holding company) to confirm risks including the medium/long-term risks on an annual basis, and the other is for operating companies to confirm risks on a constant, bottom-up basis.

The approach on an annual basis is done through the Sustainability Committee and the Internal Controls Committee. The Sustainability Committee manages risks through general management and deliberations of opportunities and risks, etc. for the realization of a sustainable society, while taking into consideration human rights, the environmental issues and coexistence with society. The Internal Controls Committee evaluates and identifies impacts and possibilities according to changes in the external environment, using a general risk catalog in addition to the categories related to financial reporting.

These committees are both chaired by the Chairman and Representative Director, CEO, and composed of the President and Representative Director, COO, full-time directors, and executives and employees of our corporate group appointed by the chair. The outcomes of these discussions and evaluations are reported to the Board of Directors.

For constant risk management in operating companies, potential risks are identified at their compliance meetings, which are held or conduct checks on a monthly basis, so that systematized control is in place to ensure that risks are controlled by continually implementing individualized measures and monitoring. In addition, we have established "Group Company Management Rules" and "Reporting Rules," which require reporting to or obtaining approval from the company, and carry out management by identifying matters that may pose risks and instructing how to respond to them.

Moreover, the company's Internal Audit Department conducts internal audits of the overall business activities of the group companies, and each group company reports to our auditors and the Internal Audit Department on the status of business execution including risk information.

Identification and management of risks

Our corporate group has developed the risk catalog as a fundamental database for risk identification. The risk catalog is a comprehensive list of 207 specific risks that can be assumed from all factors surrounding our corporate group, including the external and internal environment. On an annual basis, we review the risk catalog on internal control and identify risk items in the business. Important matters requiring countermeasures are discussed and resolved at the management meetings and the Board of Directors of the company.

Major risks and the status of countermeasures

Major risks and description	Major countermeasures and status of the implementation
Spread of COVID-19 <ul style="list-style-type: none"> • Decrease in demand from the client companies due to business closures and personnel cutbacks and adjustments (a decrease in the number of enrolled employees of the company and the lower operating ratio). • Impact of further spread of infection on client companies' activities. • Circumstances that may restrict the economic activities of employees. 	<ul style="list-style-type: none"> • To establish a business operation system that improves efficiency, while implementing infection control measures taking into consideration the individual business environment, such as further penetration of telecommuting and online meetings, using a follow-up system for employees in recruitment and sales, and engineers and technicians.
Climate change and natural disasters <ul style="list-style-type: none"> • Suspension of business activities in some areas due to natural disasters including earthquakes, tsunamis, and typhoons. • Possibility of disability to work due to damage to client companies. • Client companies request carbon neutrality initiatives in their business partners. 	<ul style="list-style-type: none"> • To conduct risk assessment related to climate change and natural disasters, led by the Sustainability Committee, and systematize the flow of studies on changes in risk situations and responses to them. • To establish a system and IT infrastructure capable of providing backup at other regional sites even if a certain level of impact occurs. • To apply environmental performance of products and promotional materials as the selection criteria, and promote initiatives to reduce CO2 emissions by reducing the number of company vehicles and reusing materials.
Legal restrictions <ul style="list-style-type: none"> • Violation of laws and regulations related to temporary staffing and job placement services (in Japan, they are the Labor Standards Act, the Act on Securing the Proper Operation of Worker Dispatching Businesses and Protecting Dispatched Workers, the Employment Security Act, etc.). • Tighter guidance policies of the supervisory authorities and implementation of our corporate group's efforts not adequately reflected in the client companies. • In addition, future revisions to related laws and regulations and tighter guidance principles of the supervisory authorities will cause the client companies to re-evaluate their use of temporary staffing and outsourced contractors, resulting in a decline in demand. 	<ul style="list-style-type: none"> • To implement reviews and checks in the work flow to prevent violations from occurring, and carry out monitoring on a regular basis and prevention efforts through the compliance meetings.
Client information management <ul style="list-style-type: none"> • Incidents of leaks and unauthorized use of confidential information of the client companies. 	<ul style="list-style-type: none"> • To provide all employees with guidance and education on the handling of confidential information when they join the company and on a regular basis. • To monitor and inspect the status of information management through operational audits and the compliance meetings. • To restrict access to IT devices that process client information and implement measures to prevent leaks.
Personal information management <ul style="list-style-type: none"> • Incidents of leaks and unauthorized use of personal information. 	<ul style="list-style-type: none"> • To properly manage personal information, establish related rules and regulations, acquire the Privacy Mark, and conduct employee education when they join the company and on a regular basis. • To monitor and inspect the status of information management through operational audits and the compliance meetings. • To restrict access to IT devices that process personal information and implement measures to prevent leaks.
Industrial accidents <ul style="list-style-type: none"> • Impact on lives and bodies as well as suspension of transactions due to serious industrial accidents. 	<ul style="list-style-type: none"> • To provide safety and health education and training in cooperation with client companies at the time of the assignment, etc. to prevent industrial accidents.
Business contracting (contracted services, etc.) <ul style="list-style-type: none"> • In the event of suspension of business 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. 	<ul style="list-style-type: none"> • Provide services after preliminary study and preparation for possible risks associated with business contract in the outsourcing contract different from the temporary staffing service, because we will be providing instructions for the execution of work and assuming management and supervisory responsibilities.
Acquisitions, business alliances, etc. <ul style="list-style-type: none"> • Impact of not achieving expected results on performance. 	<ul style="list-style-type: none"> • To follow the procedures for carefully conducting multifaceted verification and evaluation of confirmation items at investment review meetings when considering M&As and other transactions. • Focusing on PMI in M&As, we conduct checks of PMI resources, post-acquisition management, and measure and determine the ongoing return of investment, from the time of consideration.

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Purpose and basic sustainability policy

Our corporate group's basic perception in promoting sustainability activities is to continue our long-lasting business activities for the future through actions in harmony with human society and the natural environment. Based on this perception, we have established the following "Basic Sustainability Policy" based on the "Purpose," which is the most important approach of our corporate group.

Basic Sustainability Policy


The Group's purpose is to "open up individual potential through rewarding work." The Group aims to help build a sustainable world and achieve corporate growth by working closely with job seekers (the people we find work for), our corporate clients, and all stakeholders to promote solutions through our business for the issues human society faces.

Sustainability system

Our corporate group has established a system under the Sustainability Committee, which meets at least twice a year, designed to promote sustainable development by continuously expanding our corporate group's business and solving social issues.

The Sustainability Committee manages the review and update of the value creation process and material issues, while discussing risk management and countermeasures related to sustainability in the medium/long term. Risk management includes matters concerning human rights and the environment, as well as considerations of the framework of TCFD recommendations. The Sustainability Committee is one of the executive bodies and is chaired by the Chairman and Representative Director, CEO, which consists of the President and Representative Director, COO, full-time directors, presidents of the major operating companies, and executives and employees of our corporate group, appointed by the chair.

In addition, the Sustainability Committee oversees occurrence and response management of sustainability-related items in risk management at the monthly compliance meetings (reporting) in each operating company, and the Sustainability Committee and the compliance meetings are managed by the same administrative department (the Group Administration Department), thereby promoting management of the sustainability-related structure throughout the fiscal year.

 You can find more information [here \(JP\)](#). >

Dialogue with stakeholders

Our corporate group has established internal rules that respect the position of stakeholders involved in carrying out the business activities. We have established the "Corporate Ethics for Society, Human Rights, and the Environment," "Environmental Preservation Rules," "Health and Safety Rules," etc. to build sound relationship with customers, employees, local communities, society, shareholders and investors, to contribute to society, and to conduct our business with integrity.

▶ Primary responsibilities, main point of contact and methods for communication

Stakeholders	Communication	
	Point of contact	Methods (systems of respective Major operating companies)
Engineers and technicians (off-site employees)	<ul style="list-style-type: none"> • Human Resources Department of operating companies, etc. 	<ul style="list-style-type: none"> • Training, on-the-job training, backup and support • Career development support • Contact for reporting, etc. • Employee survey
Employees (in-house employees)	<ul style="list-style-type: none"> • Human Resources Department, etc. 	<ul style="list-style-type: none"> • Career development support • Contact for reporting, etc. • Employee survey
Customers	<ul style="list-style-type: none"> • Sales Department and Administrative Department of operating companies 	<ul style="list-style-type: none"> • Customer complaints and inquiries (extract and respond on a monthly basis) • Customer satisfaction survey • Contact for reporting, etc.
Shareholders	<ul style="list-style-type: none"> • IR Department 	<ul style="list-style-type: none"> • General shareholders' meeting • Announcement of financial results and financial results briefing sessions • Sending information through IR information (website), etc.
Society	<ul style="list-style-type: none"> • Group Planning Department 	<ul style="list-style-type: none"> • Community-level volunteer activities • Participation in local community events • Social contribution activities, etc.

External recognition, awards, etc.

▶ Our company



DX certification by the Ministry of Economy, Trade and Industry

▶ Yume Technology Co., Ltd.



Received the Rising Star of the Year at "AWS Japan Certification Award 2020"

▶ Specific subsidiary BeNEXT With Inc.



Kanagawa SDGs Partner



Sagamihara SDGs Partner



"Monisu certification (certification for small and medium-sized business operators excelling in the employment of persons with disabilities)" by the Ministry of Health, Labour and Welfare

Other (human resources, human rights, communities, and the environment)

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Human resources



For our corporate group, the source of value creation is “each individual (worker),” and we believe that maintaining and improving the environment in which all employees can work vigorously with confidence are the foundation for unlocking the potential of each individual. As a corporate group engaged in the human resources

service business, we strive to fulfill our social responsibilities through various efforts and to improve employee engagement.

Employment of human resources and human resources development

To promote activities of diverse human resources

To establish a good working environment

You can find more information [here \(JP\)](#). >

Communities



Our corporate group actively promotes activities that contribute to local communities and society, emphasizing the viewpoint of the Purpose “Open up individual potential through rewarding work,” in our involvement with communities, not only in our business activities, but also in our non-business activities. Particularly, we place

emphasis on support and cooperative activities related to expanding various possibilities and creating opportunities for people and organizations, and we work with local governments, NGOs, NPOs, and other diverse stakeholders, to realize a better society.

You can find more information [here \(JP\)](#). >

Human rights



The source of value creation of our corporate group with the Purpose “Open up individual potential through rewarding work” is “each individual (worker),” and we believe that the respect for human rights is the foundation for blooming the potential of “each individual (worker)” in society.

To ensure that everyone working for our corporate group understands how to respect human rights and that respect for human rights is maintained, the following items are set forth in the “Corporate Ethics for Society, Human Rights, and the Environment” as part of our policy on human rights. As a corporate group engaged in human resources services, we believe it is our responsibility to respect human rights of all people affected by our business activities and fulfill our social responsibilities in accordance with the “Corporate Ethics for Society, Human Rights, and the Environment” and related laws and regulations,

You can find more information [here \(JP\)](#). >

The environment/TCFD Recommendations



In order to realize a society that is capable of sustainable development and contribute to the conservation of the global environment in all of our business activities while taking into consideration the impact on the natural environment and biodiversity at all times, we have established a basic environmental policy.

Our review and disclosure of TCFD recommendations is updated on our website (in Japanese).

Environmental policy	1. Compliance with environmental laws and regulations	2. Reduction of environmental burdens	3. Conservation of biodiversity
	4. Conduct	5. Education	6. Continuous promotion

You can find more information [here \(JP\)](#). >

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For ESG data and non-financial information, click [here \(EN\)](#). >

We actively disclose non-financial data on our website, including “Purpose Index”, and updating it quarterly or annually by item. The following data is for FY 06/22 in Japan.

■ Information on the distribution of human resources

Item	Most recent data
Human resources composition	Engineers and technicians: 91.6% Employees (managers): 1.3% Employees (non-management employees): 7.1%
Age composition	29 or younger: 45.3% Age 30 to 39: 29.1% Age 40 to 49: 14.0% Age 50 to 59: 9.1% Age 60 and above: 2.6%
Ratio of female employees	25.6%
Ratio of non-Japanese employees	3.5%
Ratio of employees who are 60 and over	2.6%
Ratio of employees with disabilities	2.32%

■ Information on investing in human resources and well-being

Item	Most recent data
Total hours of training	842,769 hours
Total number of training participants	22,406
Total investment in education and training	1,419 million yen
Number of transfers to client companies	319
Voluntary turnover rate	98%
Paid leave utilization rate	71.8%
Employees taking childcare/nursing care leave (The parenthesis represents male employees)	225 (19)
Serious workplace accidents	30
Reports made through whistleblowing channels (Reports concerning highly serious matters)	45 (0)

■ Information on governance

Item	Most recent data
Ratio of female directors (As of Dec. 2022)	30%
Ratio of outside directors (As of Dec. 2022)	50%
Ratio of non-Japanese directors (As of Dec. 2022)	0%
Independent officers' meetings	3
Ratio of managers who are joined mid-career	83.2%
Ratio of female managers	10.5%
Serious advisories concerning licenses	0
Criminal or corruption claims or high-value legal actions	0
Number of serious information leak incidents	0
Ratio of employees who received compliance training	93%
Ratio of employees who received training on personal information management, etc.	82%
Amount spent on political donations and lobbying	0 yen

■ Information on environmental conservation and social contribution activities

Item	Most recent data
Amount spent on regional and social contribution activities	38,513,000 yen
Amount of paper purchased (by weight)	23.1 tons
Amount of paper recovered (by weight, materials that can be used to make recycled paper)	3.83 tons
CO ₂ emissions (amount generated by office electricity use and gasoline consumption during commutes)	732 tons

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Major financial indicators [Unit: Millions of yen]

	17 th Term FY ended June 2021
	Japanese standards
Net sales	95,110
Ordinary income	4,935
Profit attributable to owners of parent	2,611
Comprehensive income	2,992
Net assets	96,169
Total assets	129,374
Net assets per share [yen]	1,057.43
Net income per share [yen]	47.65
Diluted net income per share [yen]	47.49
Shareholders' equity ratio (%)	74.2
ROE [%]	4.7
Price-earnings ratio (times)	26.8
Cash flow from operating activities	3,510
Cash flow from investing activities	△1,350
Cash flow from financial activities	△5,155
Term-end balance of cash and cash equivalents	21,044
No. of employees [Average number of temporary workers]	30,067 [—]

Notes

- The parenthesis in the space for the number of employees represents the average number of temporary workers per year. Since the ratio of temporary workers to regular employees is insignificant, we omitted it.
- On July 1, 2019, we conducted a 2-for-1 stock split for common shares, but we calculated net assets per share, net income per share, and diluted net income per share, while assuming that said stock split was carried out at the beginning of the 14th term. The share price as of the end of the 15th term is the ex-rights price after said stock split. The price-earnings ratio in the 15th term was calculated by dividing the ex-rights share price by net income per share calculated while taking into account said stock split.
- "The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29; March 31, 2020)," etc. have been applied since the beginning of the consolidated fiscal year ended June 2022, and the major management indicators, etc. for the FY06/22 reflect said accounting standard, etc.

[Unit: Millions of yen]

	18 th Term FY ended June 2022
	IFRS
Revenue	148,573
Profit (loss) before income taxes	10,238
Profit (loss) attributable to owners of parent	6,975
Comprehensive income attributable to owners of parent	6,750
Equity attributable to owners of parent	63,309
Total assets	96,521
Equity attributable to owners of parent per share [yen]	716.32
Basic profit (loss) per share [yen]	78.30
Diluted profit (loss) per share [yen]	78.03
Ratio of equity attributable to owners of parent [%]	65.6
ROE [%]	10.9
Price-earnings ratio (times)	19.1
Cash flow from operating activities	15,501
Cash flow from investing activities	△2,161
Cash flow from financial activities	△22,046
Term-end balance of cash and cash equivalents	12,404
No. of employees [Average number of temporary workers]	29,084 [—]

Notes

- Since the 18th term, we have been producing consolidated financial statements in accordance with the International Financial Reporting Standards (hereinafter called "IFRS").
- The parenthesis in the space for the number of employees represents the average number of temporary workers per year. Since the ratio of temporary workers to regular employees is insignificant, we omitted it.
- Diluted profit (loss) per share in the 18th term was calculated without taking into account 584,577 shares, which are antidilutive, among share acquisition rights.

For performance and financial information, click [here \(EN\)](#).

For reference: The former BeNEXT Group, Inc. [Unit: Millions of yen]

	14 th Term FY ended June 2018	15 th Term FY ended June 2019	16 th Term FY ended June 2020
	Japanese standards		
Net sales	65,363	81,596	81,755
Ordinary income	4,228	5,606	4,771
Profit attributable to owners of parent	2,569	3,706	1,335
Comprehensive income	2,711	3,672	1,182
Net assets	13,715	15,802	14,765
Total assets	28,127	31,207	31,730
Net assets per share [yen]	320.65	364.26	341.89
Net income per share [yen]	64.31	87.47	31.34
Diluted net income per share [yen]	63.98	87.20	31.18
Shareholders' equity ratio (%)	48.3	49.5	46.2
ROE [%]	25.5	25.5	8.9
Price-earnings ratio (times)	30.3	17.5	30.0
Cash flow from operating activities	5,144	5,028	4,819
Cash flow from investing activities	△2,720	△1,430	△1,989
Cash flow from financial activities	2,415	△2,748	△1,830
Term-end balance of cash and cash equivalents	9,410	10,257	11,158
No. of employees [Average number of temporary workers]	17,552 [—]	20,329 [—]	18,125 [—]

For reference: The former Yumeshin Holdings Co., Ltd.

	[Unit: Millions of yen]			
	FY ended September 2018	FY ended September 2019	FY ended September 2020	Q2 (six months) of FY ended September 2021
	Japanese standards		IFRS	
Net sales/revenue	40,419	52,505	58,669	29,106
SG&A expenses	7,152	10,552	10,248	5,509
Operating income	5,186	4,719	5,306	1,905
Ordinary income	4,940	4,557	—	—
Net income/profit for the period	3,635	2,504	3,557	706
Total assets	23,571	28,863	36,399	31,728
Net assets	13,972	11,920	11,561	10,854

Consolidated financial statements, etc.

Consolidated statement of financial position (IFRS)

	Previous consolidated fiscal year (June 30, 2021)	Consolidated fiscal year under review (June 30, 2022)		Previous consolidated fiscal year (June 30, 2021)	Consolidated fiscal year under review (June 30, 2022)
[Unit: Millions of yen]			[Unit: Millions of yen]		
Assets			Liabilities and shareholders' equity		
Current assets			Liabilities		
Cash and cash equivalents	21,138	12,404	Current liabilities		
Operating receivables and other receivables	19,913	20,108	Operating payables and other payables	2,880	2,617
Other financial assets	1,100	1,239	Corporate bonds and debts	4,695	1,257
Other current assets	4,599	2,856	Income taxes payable	1,260	1,774
Total current assets	46,751	36,609	Other financial liabilities	4,439	4,490
Non-current assets			Reserves	1	68
Property, plant, and equipment	1,626	1,624	Other current liabilities	17,832	17,585
Right-of-use assets	2,613	3,304	Total current liabilities	31,110	27,793
Goodwill	45,605	45,362	Non-current liabilities		
Intangible assets	2,461	1,630	Corporate bonds and debts	6,307	591
Investment accounted for by equity method	455	661	Other financial liabilities	1,881	2,805
Other financial assets	3,129	4,002	Deferred tax liabilities	50	26
Deferred tax assets	2,691	2,789	Reserves	295	436
Other non-current assets	500	536	Other non-current liabilities	1,468	1,523
Total non-current assets	59,083	59,912	Total non-current liabilities	10,004	5,382
Total assets	105,835	96,521	Total liabilities	41,114	33,176
			Shareholders' equity		
			Capital stock	4,436	4,561
			Capital surplus	82,779	82,394
			Retained earnings	△ 22,646	△ 19,933
			Treasury shares	△ 329	△ 4,306
			Other components of capital	703	594
			Total equity attributable to owners of parent	64,943	63,309
			Non-controlling interest	△ 222	35
			Total shareholders' equity	64,720	63,345
			Total liabilities and shareholders' equity	105,835	96,521

Consolidated statement of changes in equity (IFRS)

	Equity attributable to owners of parent										Non-controlling interest	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other components of capital					Total		
					Share acquisition rights	Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income	Remeasurement of the defined benefit plan	Total			
Balance as of July 1, 2021	4,436	82,779	△22,646	△329	88	714	△99	—	703	64,943	△222	64,720
Net income (loss)	—	—	6,975	—	—	—	—	—	—	6,975	71	7,046
Other comprehensive income	—	—	—	—	—	△118	△104	△1	△224	△224	△0	△225
Total comprehensive income	—	—	6,975	—	—	△118	△104	△1	△224	6,750	70	6,821
Issuance of new shares	124	124	—	—	△184	—	—	—	△184	65	—	65
Changes due to business combination	—	—	—	—	—	—	—	—	—	—	—	—
Dividend of surplus	—	—	△3,962	—	—	—	—	—	—	△3,962	—	△3,962
Acquisition of treasury shares	—	△16	—	△4,050	—	—	—	—	—	△4,067	—	△4,067
Retirement of treasury shares	—	6	—	73	—	—	—	—	—	80	—	80
Change in the scope of consolidation	—	—	—	—	—	—	—	—	—	—	△75	△75
Stock-based remuneration transactions	—	36	—	—	—	313	—	—	313	349	—	349
Exercise of share acquisition rights	—	3	—	—	—	△3	—	—	△3	—	—	—
Change in short-position put option liabilities for non-controlling shareholders	—	0	△280	—	—	—	—	—	—	△280	—	△280
Increase/decrease in equity due to the acquisition of shares of consolidated subsidiaries	—	△568	—	—	—	—	—	—	—	△568	262	△305
Transfer from other components of capital to retained earnings	—	29	△18	—	—	—	△12	1	△10	—	—	—
Total amount of transactions with owners	124	△385	△4,262	△3,976	125	—	△12	1	114	△8,384	187	△8,196
Total change	124	△385	2,712	△3,976	125	△118	△116	—	△109	△1,634	258	△1,375
Balance as of June 30, 2022	4,561	82,394	△19,933	△4,306	213	596	△215	—	594	63,309	35	63,345

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Consolidated profit-and-loss statement (IFRS)

[Unit: Millions of yen]	Previous consolidated fiscal year (July 1, 2020 to June 30, 2021)	Consolidated fiscal year under review (July 1, 2021 to June 30, 2022)
Revenue	98,887	148,573
Cost of sales	79,525	114,141
Gross profit	19,361	34,432
SG&A expenses	14,519	24,876
Other revenue	1,471	1,664
Other expenses	31,533	1,116
Operating profit (loss)	△25,220	10,103
Finance profit	144	202
Financial expenses	104	183
Investment gain on equity method	115	115
Profit (loss) before income taxes	△25,063	10,238
Income taxes	2,032	3,192
Profit (loss)	△27,096	7,046
Profit (loss) attributable to		
Owners of parent	△27,122	6,975
Non-controlling interest	26	71
Profit (loss)	△27,096	7,046
Net income (loss) per share [yen]		
Basic profit (loss) per share [yen]	△494.85	78.30
Diluted profit (loss) per share [yen]	△494.85	78.03

Consolidated statement of comprehensive income (IFRS)

[Unit: Millions of yen]	Previous consolidated fiscal year (July 1, 2020 to June 30, 2021)	Consolidated fiscal year under review (July 1, 2021 to June 30, 2022)
Profit (loss)	△27,096	7,046
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	20	△104
Remeasurement of the defined benefit plan	4	△1
Total of items that will not be reclassified to profit or loss	24	△106
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	745	△231
Equity of other comprehensive income of affiliates accounted for by the equity method	26	113
Total of items that may be reclassified subsequently to profit or loss	771	△118
Other comprehensive income after income taxes	796	△225
Other comprehensive income	△26,300	6,821
Other comprehensive income attributable to		
Owners of parent	△26,383	6,750
Non-controlling interest	83	70
Other comprehensive income	△26,300	6,821

For performance and financial information, click [here \(EN\)](#).

Consolidated statement of cash flows (IFRS)

[Unit: Millions of yen]	Previous consolidated fiscal year (July 1, 2020 to June 30, 2021)	Consolidated fiscal year under review (July 1, 2021 to June 30, 2022)
Cash flow from operating activities		
Profit (loss) before income taxes	△25,063	10,238
Depreciation and amortization	1,883	3,008
Impairment loss (or reversal)	31,428	1,039
Interest received and dividends	△62	△73
Interest paid	95	160
Investment loss (gain) on equity method	△115	△115
Loss on retirement of fixed assets	69	13
Decrease (increase) in operating receivables and other receivables	△360	145
Increase (decrease) in operating payables and other payables	221	293
Other	1,701	2,673
Subtotal	9,797	17,383
Interest and dividends received	116	92
Interest paid	△88	△164
Income tax paid	△4,590	△1,809
Cash flow from operating activities	5,234	15,501
Cash flow from investing activities		
Purchase of property, plant and equipment	△193	△438
Purchase of intangible assets	△124	△127
Purchase of the shares of subsidiaries accompanied by the change in the scope of consolidation	△674	△647
Proceeds on sale of the shares of subsidiaries accompanied by the change in the scope of consolidation	-	△483
Payment of contingent compensation for shares of subsidiaries	△343	△365
Purchase of investment securities	△175	△82
Other	130	△17
Cash flow from investing activities	△1,381	△2,161
Cash flow from financial activities		
Net increase (decrease) in short-term borrowings	△416	△759
Repayments of long-term borrowings	△1,212	△8,485
Redemption of bonds	△196	△231
Repayments of lease liabilities	△2,220	△4,113
Payment of dividends	△1,786	△3,969
Purchase of treasury shares	△25	△4,050
Purchase of the shares of subsidiaries not accompanied by the change in the scope of consolidation	△731	△512
Other	8	74
Cash flow from financial activities	△6,581	△22,046
Effect of exchange rate changes on cash and cash equivalents	289	△26
Increase (decrease) in cash and cash equivalents	△2,438	△8,733
Initial balance of cash and cash equivalents	10,835	21,138
Increase in cash and cash equivalents due to merger	12,740	-
Term-end balance of cash and cash equivalents	21,138	12,404

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Basic information and status of shares

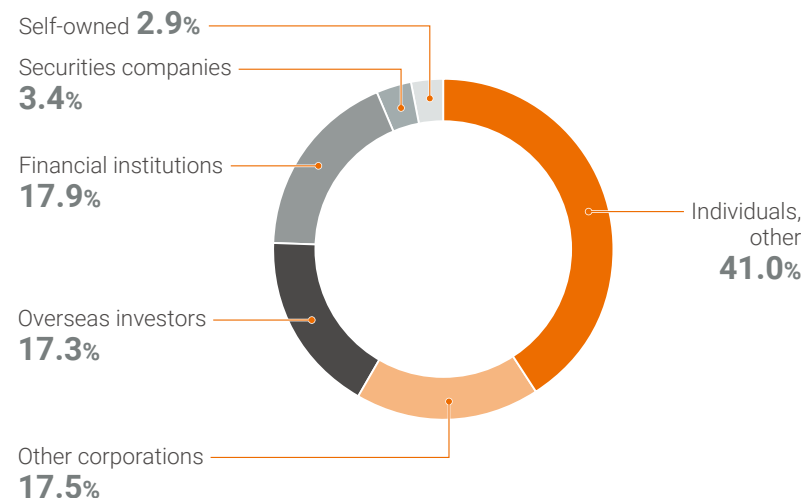
Securities code	2154
Stock listing	Prime Market, Tokyo Stock Exchange
Authorized shares	360,000,000
Shares outstanding	91,280,119
Share trading unit	100 shares
Shareholders	22,036

Major shareholders (as of June 30, 2022)

	Name of shareholders	Shares held	Shareholding ratio (%)
1	The Master Trust Bank of Japan, Ltd. (Trust Account)	8,993,300	9.9%
2	Hayao Nakayama	8,378,000	9.2%
3	Amuse Capital, Inc.	8,240,000	9.0%
4	Custody Bank of Japan, Ltd. (Trust Account)	6,491,305	7.1%
5	Yoshiko Sato	5,809,054	6.4%
6	Kokoro Co.,Ltd.	5,785,256	6.3%
7	Daio Sato	2,660,678	2.9%
8	BeNext-Yumeshin Group Co.	2,644,548	2.9%
9	STATE STREET LONDON CARE OF STATE STREET BANK AND TRUST	1,985,300	2.2%
10	Amuse Capital Investment Inc.	1,240,000	1.4%

For details, click [here \(EN\)](#). > [Stock information](#)

Breakdown of shareholders by type (as of June 30, 2022)



Name: BeNext-Yumeshin Group Co.
The company name will be Open Up Group Inc. in January 2023.

Head office: 2-14-1 Higashi-shimbashi, Minato-ku, Tokyo 105-0021, Japan

Representative directors:
Yutaka Nishida, Chairman and Representative Director, CEO
Daio Sato, President and Representative Director, COO

Established: August 1997

Capital: 4,561 million yen (as of June 30, 2022)

Employees (consolidated):
29,084 (as of June 30, 2022)

Business description:
Dispatch, outsourcing, subcontracting, and fee-charging employment placement of engineers

URL: <https://www.yumeshin-benext.co.jp/en/>
(URL from Jan. 2023) <https://www.openupgroup.cp.jp/en/>

Disclaimer

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