



# INTEGRATED REPORT 2024



Open Up Group Inc.





## Our Purpose / The Spirit Expressed by Our Purpose

A variety of doors for  
each individual

Doors are opportunities



New job



Training



Counseling

### OUR PURPOSE

## Open Up Individual Potential through Rewarding Work

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

Our role is to create many doors to open up possibilities and to set milestones toward achieving rewarding work for each employee.

We support workers in their efforts to open doors.

- For some people, it's the challenge of a new job.
- For some people, it's about improving skills through training and education.
- For some people, it's a time to discuss future careers.

We believe that people will always grow and drive society forward when they open the next door.

We will increase the number of people who open the next door to make society more diverse and prosperous.

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



# OpenUpper

The Open Up Group aims to achieve  
Our Purpose by pursuing the satisfaction of  
those who work, unlocking their potential,  
and creating opportunities for rewarding work.



## What is an Open Upper?

An “Open Upper” is someone who started with no experience, “opened up” the door to their own potential while establishing their career as an engineer.

### Mechanical Design Engineer

From having zero knowledge in mechanical and electrical engineering, I became an independent technical staff member by my second year with the company.

Manami Mori



### Infrastructure Engineer

Everyone starts with no experience. I was able to grow because I had my colleagues by my side.

Mika Nakata



### Semiconductor Manufacturing Engineer

I challenged myself as an engineer in the world of *monozukuri* (manufacturing), which I've always loved. By increasing the number of things I can do, I can expand my future opportunities.

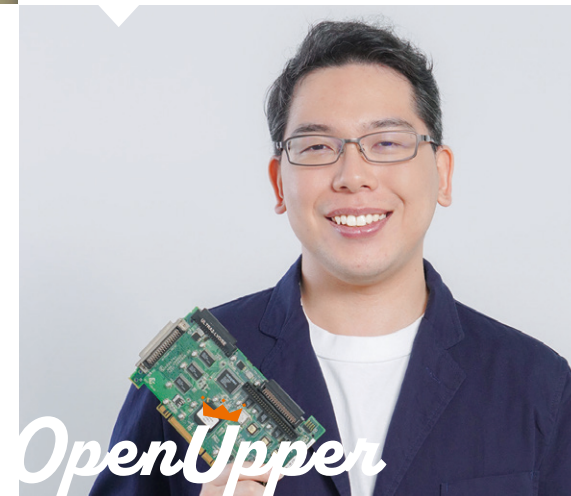
Nobuaki Kanke



### Network Engineer

The key is to try everything first. It's important to have fun and stay curious.

Yosuke Nishikawa







## IT Engineer

I transitioned from the retail industry and grew into an expert in the cloud field.

Maiko Kida

Water Treatment Equipment  
Management and Maintenance

If I'm going to change jobs, I want to challenge myself with something I've never done before. When my efforts are properly recognized, it motivates me all the more.

Akira Sato

## Construction Management Technical Staff

It was because of the version of myself that boldly opened the door at that time that I am where I am now.

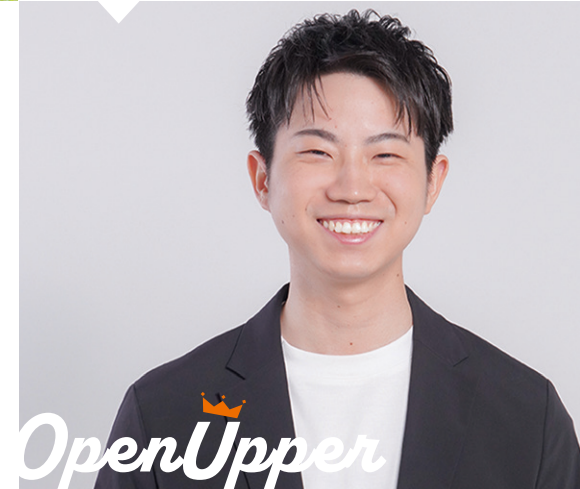
Yasuyuki Kawai



## Construction Management Technical Staff

I obtained multiple construction management certifications to broaden the scope of work I could do.

Hiroyuki Nakamura



## Construction Management Technical Staff

An environment and experience that allow for limitless growth become powerful assets on the job site.

Momoe Toyoshima

We will increase the number of people who open the next door to make society more diverse and prosperous.

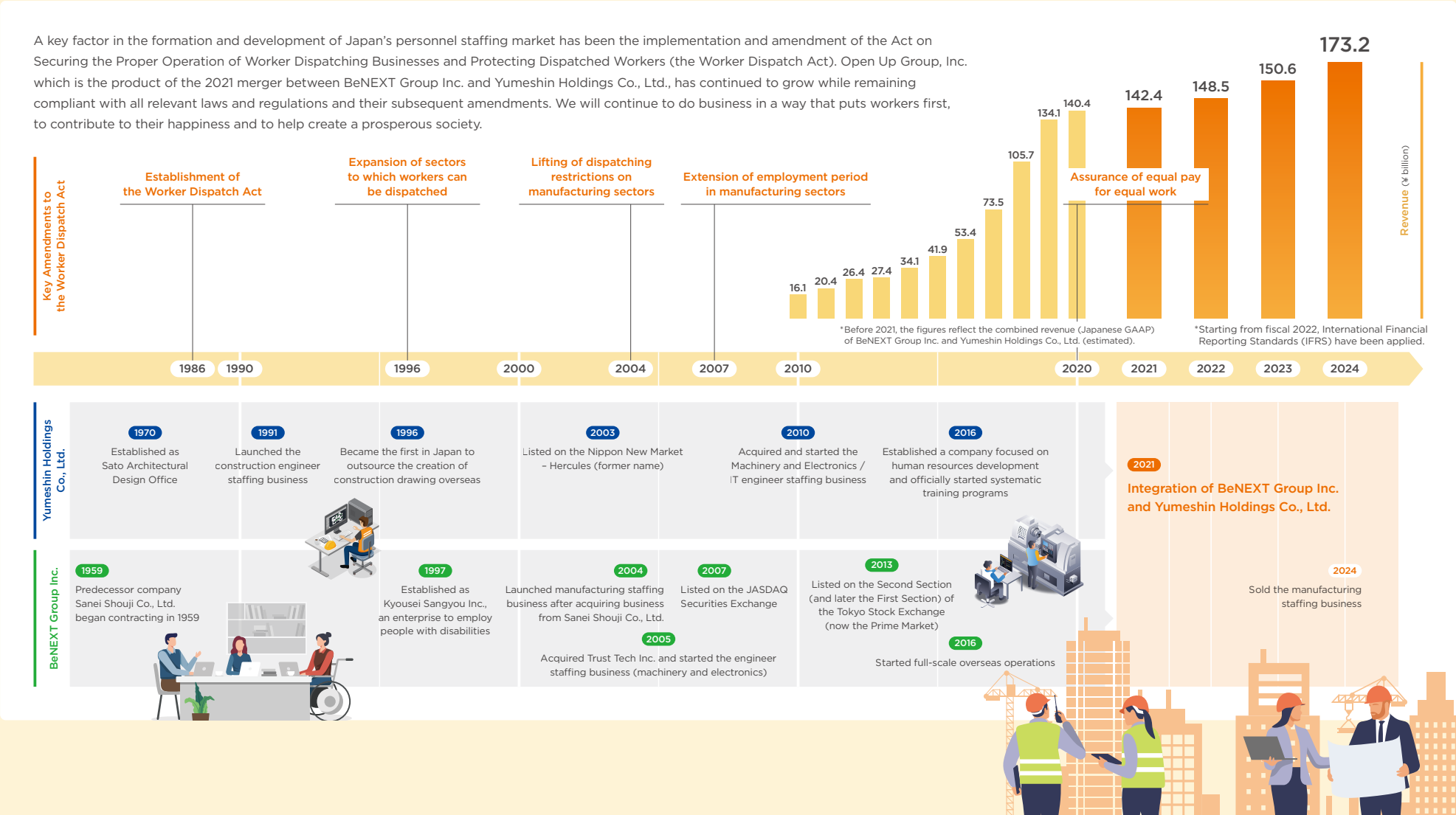
We, the Open Up Group, exist to create such a future.



History

The Journey of Value Creation at the Open Up Group

The Development of Japan’s Personnel Staffing Market and the History of the Open Up Group



# At a Glance

## Open Up Group in Numbers

FY2024 Results

### Open Up Group Characteristics

#### Non-Financial



Number of engineers

**22,690** persons

Number of  
qualification acquisitions

**1,332**



Total number of training hours

Approximately

**1.79** million hours



Transfer to  
customer companies

**504** persons

Number of client companies

Approximately

**3,100**

client companies



Total number of trainees

**43,096** persons



#### Financial

Net sales

YoY  
+14.9%

**¥173.2** billion

Operating profit

YoY  
+17.5%

**¥14.2** billion

Net income

YoY  
+23.4%

**¥11.7** billion

ROE/CAPM

**16.1% / 6.0%**

ROIC/WACC

**15.7% / 6.0%**

# Open Up

## Efforts toward Realizing Our Purpose

The Open Up Group aims to create a society where everyone can open the door to new possibilities through fulfilling work, by becoming “Open Uppers” who challenge themselves. By taking on challenges, each in-house employee and technical staff member is able to expand their career outlook and deepen their confidence. We believe that generating a large number of “Open Uppers” is the key to realizing the Purpose of the Open Up Group.





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### Reporting Period

Fiscal 2024 (July 1, 2023 to June 30, 2024)

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

### Scope of This Report

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

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

### Referenced Guidelines

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

### Information Disclosure System

	Financial Information	Non-financial Information
Dialogue	<ul style="list-style-type: none"> <li>Earnings Briefing</li> <li>Individual Investor Briefing</li> <li>Business Briefing</li> <li>Analyst and Institutional Investor Individual Meetings</li> <li>General Meeting of Shareholders</li> </ul>	
Reports	<ul style="list-style-type: none"> <li>Integrated Report</li> <li>Securities Report</li> <li>Earnings Presentation Materials</li> <li>Interim Report</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Governance Report</li> </ul>
Website	<ul style="list-style-type: none"> <li>IR Website</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability Website</li> </ul>

## Message from the CEO

We aim to realize Our Purpose and help as many people as possible find rewarding work as we increase their lifetime value and reform our business structure.

### The Aim of the Open Up Group

We want to realize a more diverse and prosperous society by empowering each individual to pursue rewarding work. That is the idea behind the Open Up Group's Purpose—our reason for being—to “open up individual potential through rewarding work.” On a superficial level, the statement in Our Purpose may appear obvious and overly general, applicable to any personnel staffing company, but this goal has still not been achieved in today's society. We simply want to create a future where this simple goal has become the norm.



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

## Message from the CEO

The Open Up Group's main business is dispatching engineers to manufacturers, general contractors and IT companies, and the essential value we provide is support for individual growth. We are strongly committed to providing this value, and believe it sets us apart from other personnel staffing companies. Just as each person's attributes and values are different, so is the work they find rewarding. What constitutes rewarding work is also likely to change for each person in line with changes in society and their stage in life. Opening up one's own potential through rewarding work by changing jobs and building a new career is a wonderful thing. Furthermore, working hard at something is a reward in itself. You may also find it rewarding to uncover your hidden potential, to discover new ways to feel rewarded, to be praised by your co-workers, or to delight your customers. In that instant, a job transforms from mere labor into meaningful work. The value we are committed to providing is to enable as many people as possible to find work they consider rewarding. It is our fervent hope that by providing this value, we can help to create a diverse and prosperous society.

Being able to choose the profession you want to pursue and the jobs you want to undertake can be very rewarding, but it is by no means easy. I think that only a handful of people have experienced the rewarding feeling of finding the job they want and then getting the opportunity to do it. Some people give up looking right away, thinking that it is impossible to get the job they want, while others try but don't succeed and end up settling for a job. I think that everyone feels a gap between their ideal and reality in their work, as well as in their lives. Unfortunately, we cannot totally fill that gap. However, we can offer many new job possibilities. In other words, we provide doors that can lead to filling that gap. There are various kinds of doors—heavy and lightweight and thick and thin—and these doors can represent challenges and opportunities. We work tirelessly to draw on our knowledge to ensure that more and more people can open these doors and move forward successively through each of them.

### Evolution from a Personnel Staffing Business into a Developer of Human Resources

I think that many people consider the Open Up Group to be a personnel staffing company for engineers. Undoubtedly, this is true in the sense that we carry out the function of filling the supply and demand gap for human resources through staffing. The human resources market has been brisk over the past few years as labor supply and demand has tightened, and securing suitable staff has become difficult. In times like these, in addition to traditional personnel staffing companies that simply connect human resources and organizations, there is also a need for a business that provides training to personnel with little experience and that supports them in finding jobs where no experience is required. Many of these human resources further hone their experience and skills in a new workplace for use in their next job, which creates an opportunity for us to support them once again. The Group's business currently centers on this kind of individualized support. As the human resources market expands, we want to support individuals in changing and building their career and to provide them with rewarding work.

This is the kind of business we operate, so I think we already fall outside the traditional framework of a personnel staffing company. As the number of people who use the services we offer to build their careers increases and Open Up comes to be known as a career-building brand, you could say that we are not so much in the personnel staffing business but rather involved in human resources development.



### Difficulties and Challenges in Instilling Our Purpose

The merger of BeNEXT Group Inc. and Yumeshin Holdings Co., Ltd. in April 2021 marked the effective beginning of the Open Up Group, and we formulated our current Purpose in August 2021. Since then, we have been working to instill Our Purpose throughout the Group. In addition to communicating the concept behind Our Purpose through events and other methods, we are working to raise awareness among the management team, and have transferred some activities to our operating companies. Due in part to these efforts, awareness of Our Purpose itself has improved both inside



## Message from the CEO

and outside the Group over the past three years. However, we are still only halfway there, particularly inside the Group, in terms of instilling the essential meaning of the words and promoting business activities informed by an understanding of that essence. Even in reports received from operating companies and business sites, I feel that although there has been progress in understanding the meaning of Our Purpose, a sense of real-world application is still lacking. Looking at the Group overall, there are people who do not think about Our Purpose and people who do not attempt to closely examine their work or lives. These indifferent, unenthusiastic people exist not only in the Group, but also to a certain extent in society in general. This is a major issue facing modern society, and I think the topic also relates to the issue of how to upgrade Japan's workforce

(human capital) of approximately 70 million people.

Going forward, for Our Purpose to garner strong interest and support both inside and outside the Group, we will need to produce results. No matter how lofty Our Purpose may be, it is nothing more than wishful thinking if it is not backed up by results. To garner support inside and outside the Group, it is essential to continue to communicate the true meaning of Our Purpose and to increase our corporate value by promoting business growth through efforts to realize Our Purpose. Increasing the satisfaction of each employee will be key to achieving these objectives. Because satisfaction is different for each person, it is important to think about rolling out services and businesses that will increase individual satisfaction. We also need to conscientiously conduct business that is attuned to working people in line with the management policies we have established. In doing so, I believe that individuals will find their work rewarding, which will lead to customer satisfaction and ultimately to the growth of our business and increased corporate value. It would be gratifying if that rewarding work also leads to the happiness of the workers' families and others close to them. Even if an employee of the Group finds different work they prefer, and changes jobs, we hope we were able to give them experience that will be useful and appreciated in their next workplace. That is the kind of company we want to be.

### Toward the Future Growth of the Open Up Group

We are now implementing BY25, our medium-term management plan. Regarding the targets we committed to in it of - ¥16 billion in operating profit and an 8% operating profit margin - we expect to achieve the target operating profit in fiscal 2025, and we achieved the target operating profit margin in the fiscal year under review. In addition, in August 2024 we set forth a new medium-term management policy that lays out our medium- to long-term direction and sets KPIs for profit, growth and returns. We will

continue working to achieve results that exceed industry standards. For our strategic direction, we will continue to pursue speed and quantity. However, it is important to be attuned to each individual's way of working and approach to their careers, so we will also focus on the length of each individual's tenure at work and earning power—factors that constitute LTV.\* We will also implement business structure reforms to increase LTV.

To increase LTV, we emphasize improving each employee's satisfaction. Although this phrase may be very hard to define, it entails taking on the challenge of finding rewarding work, as set forth in Our Purpose, quantifying the relevant factors for doing so, and then improving each factor to increase LTV. In more concrete terms, if we increase each employee's satisfaction, their motivation for professional growth will increase. The resulting improvement in their skills will allow us to increase the staffing rates we charge our customers as well as raise the employee's salary, leading to greater satisfaction. We intend to increase LTV by promoting this virtuous cycle. The key will be not simply to generate more profit by extending employee tenure, but to enhance the value employees create by increasing their satisfaction. If we can do that, we believe that the staffing rates we can charge our customers will rise in due course. Based on this approach, we will implement a variety of measures to improve the satisfaction of our engineers. We will also enhance human capital management for our own employees, including rewarding the efforts of the in-house employees who provide side-by-side support for engineers. We expect this to be a cycle of about five years. From a short-term perspective, we believe that empowering our in-house employees is important, so we will begin by focusing on them.

\* LTV: Lifetime value



## Message from the CEO

### Strengthening Corporate Governance

Oversight of whether the Group's Purpose and other ideas and values we hold dear are consistent with our everyday business activities is an important role of directors, myself included, and the Board of Directors as a whole. I recognize that effectively communicating the true corporate value of the Open Up Group to the capital market is one of my core responsibilities as CEO.

In addition, strengthening corporate governance is something we constantly consider and have worked to accomplish. In September 2023, we transitioned from a Company with an Audit and Supervisory Board structure to a Company with an Audit and Supervisory Committee structure to strengthen the auditing function of the Board of Directors and further enhance monitoring. Moreover, to strengthen monitoring of management, seven of our ten directors are now outside directors. To realize Our Purpose, the Board of Directors is conscious of realizing future-oriented management, and engages in discussions toward this goal.

We share a high level of awareness of compliance throughout the Group, and have established compliance meetings at the main Group companies. Promoting sustainability management is another important role for me as CEO. I address the topic as chair of the Sustainability Committee, which also deals with related issues such as human rights and the environment.

### Our Path Forward and My Mission as CEO

I became personally acquainted with the dignity and importance of work through my own experience. When I was in fifth grade, my father made the bold decision to open a small factory. The image of my father working his fingers to the bone is still burned into my memory. I realized that work is hard, but I also learned that when others recognize your work, your income increases and your life becomes better. Having more leeway in your lifestyle impacts your

attitude and approach to work, leading you to put in even more effort. I also saw firsthand how this chain of events changes the value being created. Even in the personnel staffing business, the satisfaction I gain from my work gives me motivation for my next task, and I think that these experiences have formed the basis of my current way of thinking about business.

Our employees are the stakeholders that the Group should consider first, both in terms of realizing Our Purpose and in recognition of the importance of increasing employee satisfaction. We are also grateful to our shareholders and investors who support and keep an eye on us as we increase the satisfaction of our engineers and in-house employees, and thus increase our corporate value. We aim to pursue management that earns the deep understanding of all our stakeholders, including those mentioned above, and to make them feel they are supporting a worthwhile company.

To realize Our Purpose, we will increase employee satisfaction and open up the potential of individuals to help as many people as possible find rewarding work. We appreciate your confidence in us and your expectations for our success.



## Message from the COO

Under the newly launched medium-term management policy, we will drive LTV improvement and business structure transformation while striving to cultivate Open Upper talent.

**Daio Sato**

President and Representative Director, COO

### Changes in Management Structure and Challenges Faced

It has been three and a half years since the Open Up Group began actual operations. Through our efforts over this period, we believe the Open Up Group has been steadily establishing a cohesive management structure as a unified corporate group. Specifically, we actively streamlined our Group companies through mergers and consolidations as part of our business portfolio restructuring while also reorganizing operations to focus on our core businesses. In April 2024, we sold all shares of BeNEXT Partners Inc., which operates a manufacturing staffing business, to UT Group Co., Ltd. At the same time, we acquired all shares of UT Technology Co., Ltd. (Open Up Technology Co., Ltd.\*), which operates a staffing business in

\* It was dissolved in October 2024 through a demerger and merger.



Message from the COO

the machinery, electronics, and IT sectors, and UT Construction Co., Ltd. (now Open Up Construction Co., Ltd.), which operates a staffing business in the construction sector, from UT Group Co., Ltd., making them subsidiaries. The successful consolidation of multiple Group companies resulted largely from a deeper mutual understanding of each subsidiary's strengths and unique characteristics. We recognize that incorporating the best aspects of each business and integrating them effectively played a key role in this success.

On the other hand, the number of active and enrolled employees fell short of the targets set for fiscal 2024. We recognize that this remains a challenge and acknowledge the need for improvement. Additionally, the Open Up Group is advancing its four-year medium-term management plan, BY25, which concludes in fiscal 2025. Over the past three and a half years, we have been making steady progress on the plan. As of fiscal 2024, we achieved our committed target of an 8% operating profit margin as outlined in the plan. However, we view the decline in retention rate—one of the key metrics within the Open Up Purpose Index (OPI), which measures progress toward realizing Our purpose—as a significant challenge.

The supply-demand balance in the job market remains tight amid an increasingly severe labor shortage, and recruitment costs continue to rise. We believe this trend is not temporary but will persist in the long term. While the Open Up Group continues to make constant efforts to reduce recruitment costs, we recognize that it is difficult to fully counter the growing upward pressure on these expenses.

The aforementioned retention rate has declined across all business segments. Given that the Open Up Group employs engineers as technical staff for client dispatch, we must acknowledge that we may have taken the stability of their employment for granted in our business operations. Our technical staff may leave the Open Up Group if unfavorable conditions persist. It is crucial to take proactive measures to prevent this from happening. Moving forward, rather than focusing solely on efficiency and handling volume, engaging

more closely with our technical staff, addressing their individual needs, and enhancing their overall satisfaction will be increasingly important. This may apply to all industries, but it is especially crucial for us to address these challenges effectively within our own industry.

Key Priorities of the Open Up Group

Our Purpose—"Open Up Individual Potential through Rewarding Work"—reflects the Open Up Group's strong commitment and philosophy toward business. In the engineer staffing industry, some companies prioritize supporting their clients' technological



Pursuing Purpose-Driven Management

Purpose	Open Up Individual Potential through Rewarding Work
Business definition	Transition from a matching business to a work-life experience business
Business value	Transform inexperienced workers into "Open Uppers"

## Message from the COO

competitiveness by focusing exclusively on recruiting highly skilled engineers. While this perspective is undoubtedly important, and we must remain committed to supporting our clients, the Open Up Group's top priority is the growth of each individual. Other companies may also recognize this importance, but we can confidently say that we have a strong commitment to making talent development our unique and defining strength. Where we place our focus shapes everything—from our business model and expansion strategy to how we engage with our engineers. By refining this approach, we can ultimately increase the value we create.

Frankly speaking, rather than implementing support measures specifically designed to foster the growth of our engineers (technical staff), the Open Up Group has primarily focused on removing obstacles or bottlenecks that hinder their development. Over the past three and a half years, we have largely eliminated the obstacles and bottlenecks that impede the growth of our technical staff. In the next phase, we will focus on ensuring that each engineer can truly experience and recognize the growth they have achieved



as part of the Open Up Group. We will not rely solely on individual skills or experience to accomplish this. Instead, we will focus on enhancing reproducibility across the entire Group by collecting and leveraging various data to develop rational measures.

### Future Development Based on the Medium-Term Management Policy

As mentioned earlier, with the current medium-term management plan on track to achieve its initial targets, we formulated a new medium-term management policy in August 2024. This policy outlines the Group's medium- to long-term direction by backcasting from the ultimate goals of Our Purpose-driven management. Furthermore, we updated the Open Up Purpose Index (OPI) to align with the goals outlined in our medium-term management policy, specifically focusing on enhancing the LTV of technical staff and improving their work-life experience (Page 25).

For revenue targets, we set a goal of more than 10% annual growth in both revenue and operating profit, with an early achievement of an operating profit margin of over 10%. The growth indicators include an increase of more than 10% annually in the number of domestic engineers, investment in employee development, and the execution of M&As. As for return indicators, we set a dividend payout ratio of over 50%, along with progressive dividends and share buybacks.

#### (1) Market environment of the Group

First, I will discuss the market environment that forms the basis for the formulation of our medium-term management policy.

The changes in the staffing market environment are remarkable. Due to tightening labor supply and demand, the overall trend has been upward, and the engineer staffing market continues to thrive. However, the manufacturing staffing market has shown signs of

decline since the COVID-19 pandemic. With the long-term decline in population reducing the labor force, the engineer staffing industry is now facing a situation where it must move away from its previous approach of focusing on volume growth, as market expansion can no longer be relied upon in the same way.

The greatest risk in this situation is undoubtedly the shortage of talent. The decline in the domestic labor force is inevitable, and addressing this issue has become an urgent priority. Even in the engineer staffing market, which is expected to remain strong in the short term, the Open Up Group is focusing on the significant business opportunity of becoming a “people growth support business” that is dedicated to supporting the growth of individual engineers. We have already reached a point where we cannot meet market demand with experienced engineers alone. The need for us to actively provide training for inexperienced workers and develop engineers will become even more crucial in addressing the market's tightening. Our business is at the heart of these growing needs, and the opportunities are expanding rapidly. The demand for talent development is also growing among our clients, and we anticipate more opportunities to expand our business through collaboration with them in the future.

#### (2) Building a new business management policy and growth measures

The new medium-term management policy aims to maintain top-level growth in the industry. However, as the business environment becomes more challenging, we will work on establishing a new business management policy and growth measures to sustain high growth.

#### Improving LTV

Until now, we have been promoting a job matching model, focusing on increasing recruitment numbers to expand sales by boosting

Message from the COO

the number of active employees. Going forward, we will shift our focus to the LTV of technical staff. By improving their satisfaction, we aim to extend the length of time each technical staff member works within the Open Up Group, thereby increasing the value created per individual. This will evolve into a coaching model.

Reforming the business structure

To improve LTV, we will promote the development of systems to increase employee (both technical staff and in-house employees) satisfaction. For technical staff, in addition to providing education and work opportunities to transition from inexperienced workers to engineers, we will enhance touch points such as career counseling and coaching, acting as a career supporter for each individual. This will help improve the work-life experience of all technical staff. By implementing this measure, as each technical staff member gains experience, hones their skills, and grows, the trust from our clients will naturally increase. This will lead to more opportunities for transferring to client companies. We see the growing number of technical staff making this choice as a positive development, not only for the Open Up Group but also for the industries facing a shortage of engineers.

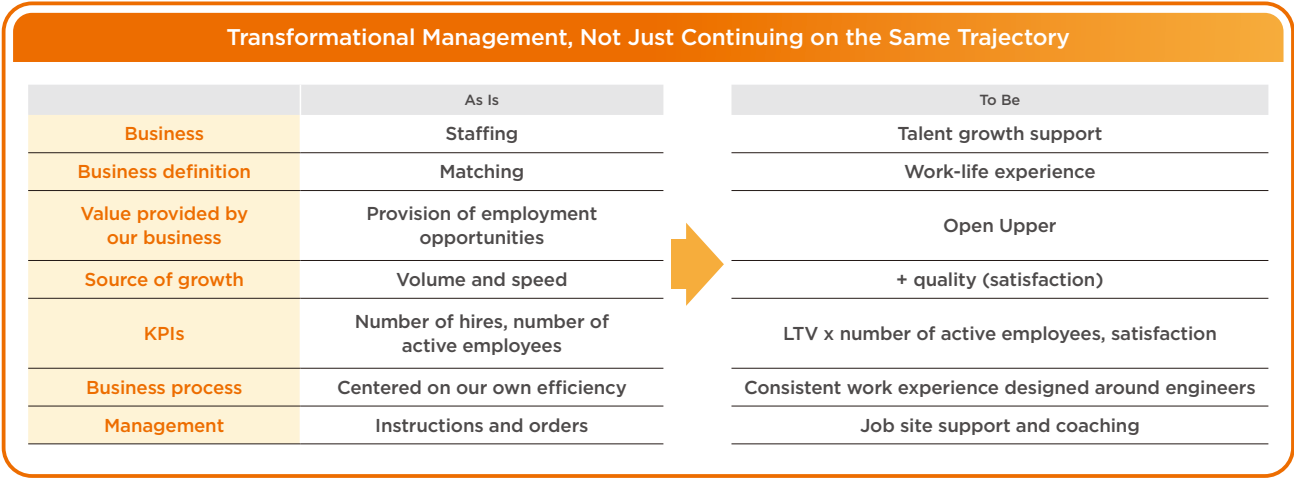
The core competencies necessary to achieve the Open Up Group's Purpose, i.e., recruitment capabilities, sales capabilities, matching capabilities, and efficient management, lie in the human capital of our in-house employees. To improve the satisfaction of our in-house employees, we will promote various initiatives such as revising the human resources system, expanding training programs, and introducing new leadership development programs.

By empowering in-house employees to be true partners in supporting the growth of technical staff, we aim to foster a culture that boosts their motivation.

Aiming to Become a Talent Development Support Company That Produces a Large Number of Open Uppers

By becoming an employee of the Open Up Group, individuals who have never experienced personal growth will encounter moments where they can truly feel the joy of their own development. We refer to those who achieve such growth and experience a sense of personal development as “Open Uppers,” and we celebrate them across the entire Group. Being an Open Upper transcends the distinction between technical staff and in-house employees. Anyone who takes on challenges and opens the door to new possibilities becomes an Open Upper. We believe that producing a large number of Open Uppers, who gain clarity in their careers and confidence in

themselves, will lead to realizing the Purpose of the Open Up Group. Amid the rapidly changing external environment, the Open Up Group has come upon a major turning point in its business. However, we are confident that Our Purpose, the new medium-term management policy we have set, and the business model we aim to achieve are the right path forward. However, initiatives to improve employee satisfaction are not something that produces short-term results. We hope our stakeholders understand this and will patiently support the Open Up Group's transformation and sustainable growth. Keep an eye on the future growth and development of the Open Up Group as we move forward with transformation and steadily seize business opportunities.





## Message from the CFO

Supporting the transformation of the business model from a financial perspective and maintaining industry-leading growth

**Hiroshi Sato**

Director, CFO



### My Role as CFO

I have been involved in financial activities for various companies throughout my career. I also have over ten years of experience in the United States, where I witnessed firsthand the differences between the roles of CFOs of U.S. companies and those of many Japanese companies. Thanks in part to this experience, I firmly believe that everything leading to long-term profits and future cash flow generation is part of my role as CFO. While the CEO passionately delivers messages to internal and external stakeholders, and the COO takes on the responsibility for executing the business, I, as CFO, recognize my role as one of standing in the middle and providing objective and level-headed advice and support.

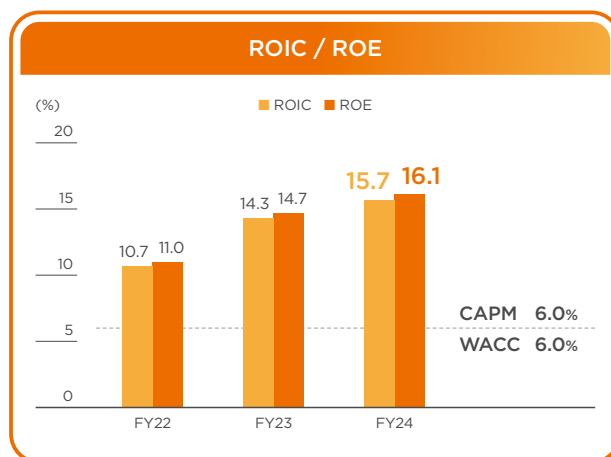
### Financial Characteristics and Strengths of the Open Up Group

The financial structure of the Open Up Group is exceptionally sound. As a company engaged in staffing, particularly in the engineer staffing sector, one of the key characteristics of our financial profile, compared to the average of other businesses, is our short cash conversion cycle and strong cash generation ability. In other words, as a growth-oriented company, it is easier for us to secure investment capital and take advantage of growth opportunities. On the other hand, if strategic investments are not aggressively pursued, there is a tendency for available cash to accumulate. As of the end of fiscal 2024, the Open Up Group's cash and cash equivalents amounted to

¥21.5 billion, ensuring sufficient liquidity. However, given that our business growth is generally higher than that of other companies in the same industry, our level of cash holdings is relatively low, which is one of our characteristics.

The Open Up Group recognizes its long-term capital cost to be around 7%, with a medium-term target for ROE set at 20%. The level of ROE changed significantly around the April 2021 integration of BeNext Group Inc. and Yumeshin Holdings Co., Ltd. Both companies originally boasted an ROE of over 20%, but due to the fact that the share exchange took place when the stock price was high, ROE temporarily dropped to 4.7% in fiscal 2021 (under Japanese GAAP). However, thanks to subsequent business activities and efforts to improve capital efficiency, ROE has rebounded to 17.0% in fiscal

## Message from the CFO



2024 (under IFRS). That said, we recognize that the hurdles to overcome are quite high to further improve ROE from the current level and reach the 20% mark. Going forward, we aim to improve capital efficiency and continuously increase the levels of ROE and ROIC, thereby widening the spread between these metrics and the cost of capital.

### Current Performance, Changes in Business Structure, and Challenges Faced

In terms of performance, both revenue and profits have continued to grow. For fiscal 2024, revenue increased by 14.9% compared to the previous year, reaching ¥173.2 billion. Business profit\* rose by 25.0%, and operating profit increased by 17.5%. The increase in operating profit was mainly due to improvements in the number of engineers working and the utilization rate. Additionally, recruitment costs were significantly lower compared to the previous year, mainly due to recruitment adjustments made in anticipation of the integration of

Open Up Construction Co., Ltd. and Open Up Technology Co., Ltd. into the Group.

The Open Up Group is focusing on its engineer staffing business to enhance profitability as it works to optimize its business portfolio. One of the key outcomes of this effort was the business exchange with UT Group Co., Ltd. in April 2024. We transferred our non-core manufacturing staffing business to UT Group Co., Ltd. and acquired their engineer staffing business, which is our core business. This allowed us to transform our domestic operations into a structure solely focused on the engineer staffing business. However, since most of our overseas business revenue comes from low-profit, non-core operations, we recognize that it is time to consider new developments, including potential exits.

The Open Up Group has consistently communicated its commitment to both organic growth and inorganic growth through activities such as M&A. The recent swap deal with UT Group Co., Ltd., which involved withdrawing from a non-core business and acquiring a core business, is a prime example of how inorganic growth can be achieved. Additionally, in terms of organic growth, we are satisfied with the fact that we achieved high growth of over 10% compared to the previous year in this fiscal period.

Going forward, the first challenge is to realize the results of this swap deal in the form of improved performance and increased corporate value as quickly as possible. We will focus on carefully explaining our future growth strategy and its feasibility to our shareholders and investors, ensuring we earn a fair evaluation.

### Future Financial Strategy

The Open Up Group is currently advancing its four-year medium-term management plan BY25, aimed at addressing various challenges following the April 2021 integration of the two companies just mentioned. With a commitment to an operating profit of ¥16 billion and an operating profit margin of 8%, the operating profit is expected to be achieved in fiscal 2025, and the operating profit margin was already



achieved in the current period. As such, we have formulated a new medium-term management policy with the following targets:

#### Revenue indicators:

Achieve annual growth of more than 10% in sales and operating profit, with an operating profit margin of over 10%

#### Growth indicators:

Increase the number of domestic engineers by more than 10% annually, invest in employee development, and pursue M&A activities

#### Return indicators:

Maintain a payout ratio of over 50%, implement progressive dividends, and conduct share buybacks

To support the achievement of these goals from a financial perspective, we will implement three financial strategies: sustainable growth of profit and cash flow, maintenance and improvement of capital efficiency, and maintenance of financial soundness.

To achieve sustainable growth of profit and cash flow, we will pursue both organic and inorganic growth strategies. For organic growth, we will focus on human capital investment and recruitment investment for all employees (technical staff and in-house

## Message from the CFO

employees), as well as the steady execution of talent development investment (reskilling investment), which is at the core of our business model, to enhance profit, cash flow, and overall performance. For inorganic growth, we will focus on M&A investment as our core strategy, targeting synergy with and reinforcement of existing businesses, and will carry out steady investments. A key investment achievement for this period was the addition of IR Inc., a construction staffing company, to our Group in October 2024.

In terms of maintaining and improving capital efficiency, we will focus on optimizing the business portfolio in the short term, while in the medium to long term, we aim to continuously expand profit and cash flow through the improvement of lifetime value for employees. Additionally, by effectively utilizing leverage, we will work to expand the equity spread between ROE, ROIC, and the cost of capital, ultimately contributing to the enhancement of corporate value.

In terms of maintaining financial soundness, even in the event of new funding needs arising from M&A or other activities, we will

adopt a management policy that relies on borrowing and issuing corporate bonds rather than raising capital, in line with an optimal capital structure, leveraging the Group's ample cash reserves and healthy balance sheet as the foundation.

### Transformation of the business model based on the medium-term management strategy

The business environment in the engineer staffing industry is currently favorable, and we believe that by continuing with the current business model based on large-scale recruitment and deployment, we can sustain growth in the short term. However, in preparation for the anticipated long-term slowdown in growth due to the declining labor force, we have decided to embark on the transformation of our business model.

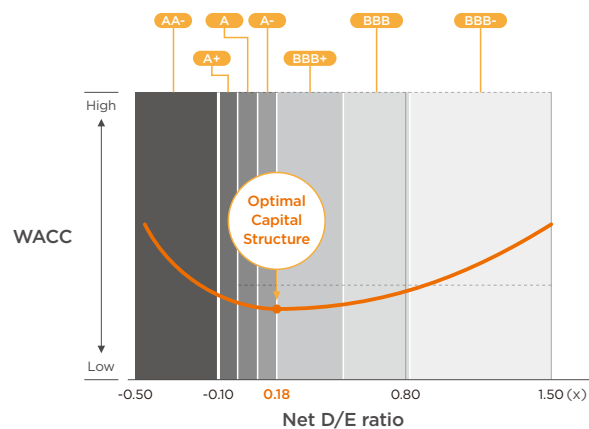
There are three key points to the transformation. The first is to focus on the skill development of our engineers and ensure they stay with us for the long term, thereby increasing their value (lifetime

value or LTV). We invest in human resources for that reason. The idea is that even if the average length of service for one engineer increases by just one month, gross profit will rise accordingly. To achieve this, we will implement strategies to enhance engineer satisfaction and provide financial backing for these efforts.

The second point is improving compensation. We aim to offer a level of remuneration that is at least comparable to, if not better than, our competitors in the industry.

The third point is strengthening communication. If engineers can envision the skill set they will acquire in one year or three years, their motivation will increase, ultimately leading to a decrease in turnover. Going forward, we will leverage digital tools to enhance communication and support the necessary information systems financially. We will actively invest in strategic initiatives to drive this transformation of our business model.

### Optimal Capital Structure



#### 1 Credit Rating Approach

- Financial balance focused on achieving the lowest possible cost of capital while considering the credit rating

Net D/E ratio: 0.18x  
D/E ratio: 0.45x

\* Timely review of KPIs for an optimal capital level is necessary.

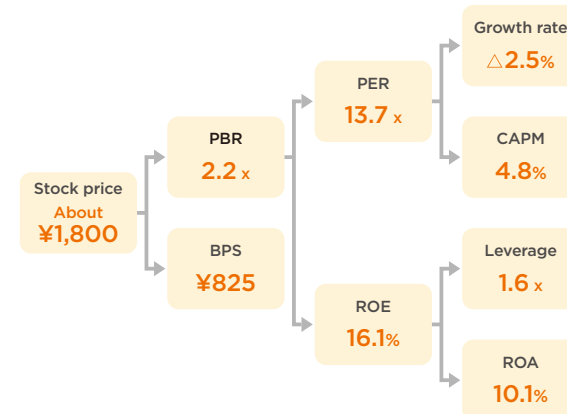
#### 2 Business Risk Approach

- Minimum capital required in times of crisis
- Capital exceeding goodwill value

The necessary amount is considered with a balance between business and financial soundness

Both aspects are considered when focusing on the optimal capital structure

### Breakdown of Stock Price Components (As of December 30, 2024)



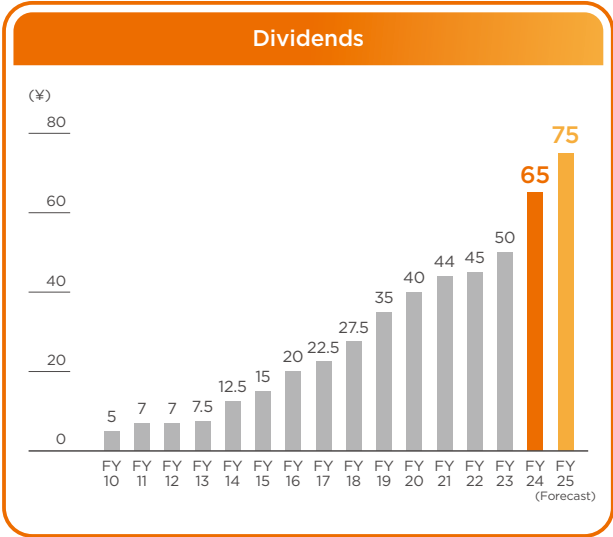
Message from the CFO

Cash allocation

Basically, we intend to allocate half of our profits to shareholder returns and the other half to growth investments. Specifically, this allocation will include bonuses for management and employees, investments in talent development, dividends for shareholders, and share buybacks, and M&A investments. We do not plan to retain earnings internally, so any shortfall will be addressed through the use of leverage.

Shareholder returns

The policy for shareholder returns is to aim for a dividend payout ratio of over 50%, with progressive dividends as the basic approach. The dividend for fiscal 2024 has been set at ¥65 per share, marking the 12th consecutive year of increased dividends. For fiscal 2025, we are planning an increase of ¥10, bringing the dividend to ¥75 per share. Additionally, we plan to resume discussions on share buybacks when the timing is right. The Open Up Group plans to continue its



high growth, and while we will pay high dividends, we expect shareholder equity to increase. However, we will aim to keep the increase in equity to as little as possible and focus on enhancing profitability to steadily achieve an increase in ROE.

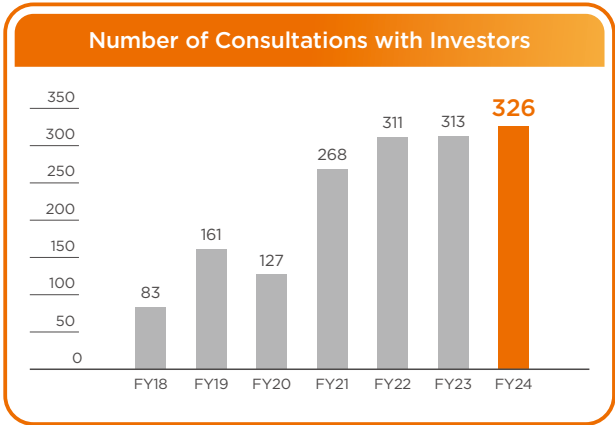
Approach to IR activities

Before the integration of the two aforementioned companies in April 2021, both companies had a high proportion of individual shareholders and a low proportion of institutional investors. Following the integration, we have actively engaged in IR activities, including domestic and international outreach to institutional investors. As a result, the stock price increased gradually over a two-year period, then plateaued, and now remains steady. We continue to hold regular meetings with our existing institutional investors and engage in ongoing dialogue. In recent years, new institutional investors have also started to visit us. This trend seems to reflect a growing expectation for Japanese stocks as a whole, as well as an increasing number of investors expressing interest in investing in the Open Up Group.

Recently, as the proportion of shares held by institutional investors has exceeded 40%, we have again started actively engaging with individual investors. To individual investors, we highlight the high growth potential of the staffing market, as well as the exceptional growth of the Open Up Group within the industry and our commitment to active shareholder returns.

Improvement of Corporate Value over the Long Term

2024 marked a turning point for the staffing industry, which had previously experienced high growth and profitability. With rising wages for employees and intensified competition for human resources, concerns have emerged regarding the industry's growth potential and profitability going forward. Despite this challenging environment, the Open Up Group was able to achieve high growth, and we have formulated a new management policy with a long-term perspective, looking ahead to the next 10 years.



In line with the aforementioned medium-term management policy, the prototype for the business model transformation is already in place. However, we anticipate that it will take some time before it truly bears fruit. The outlook on employment among young people is changing significantly, and with an increasing trend toward changing jobs (job hopping), mindsets may shift over the next two years. In this sense, fine adjustments based on changes in the business and management environment will be necessary. Of course, we will continue to actively disclose information regarding these changes, but we expect the results to materialize in three to five years.

We have come to a point where we can reach the number one position in the industry. Furthermore, by supporting engineers in realizing fulfilling work with strong growth potential, the Open Up Group is committed to steadily increasing its corporate value. We sincerely hope our shareholders and investors will take a long-term perspective and warmly support our growth.

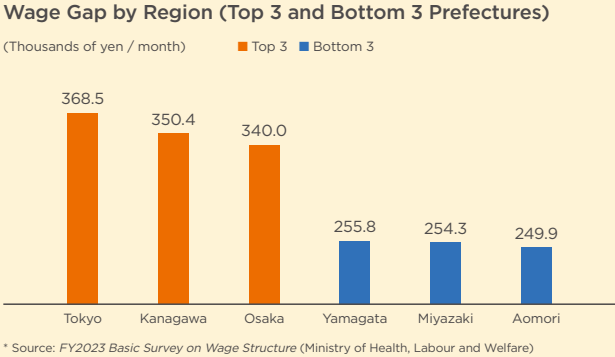
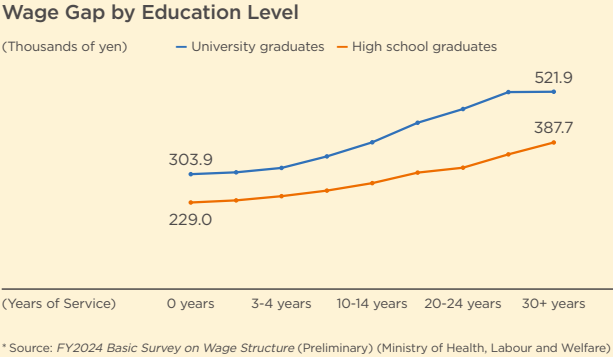


# The Open Up Group’s Business Environment

Market Environment

Inequalities

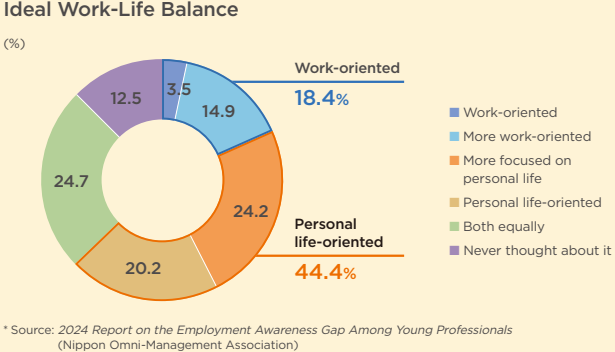
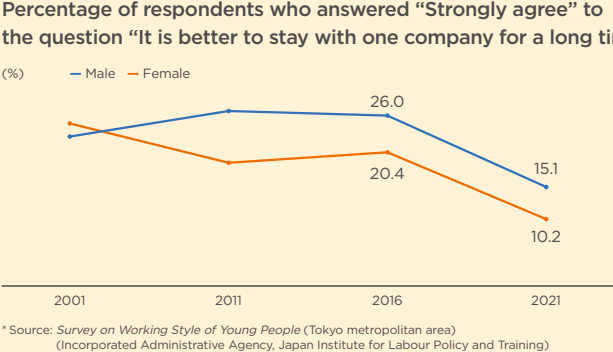
- A university degree makes it easier to advance to specialized or managerial positions, with greater potential for wage growth. On the other hand, high school graduates can expect wage increases if they work for a long time, but the gap widens over time, with lifetime earnings for university graduates significantly higher than those of high school graduates.
- Higher wages can be expected in the Tokyo metropolitan area and urban areas of the Chubu region, while low wages are still prevalent in rural areas. The wage gap between the top and bottom prefectures exceeds ¥100,000 per month, highlighting the severity of economic disparities between regions.



Market Environment

Changes in Attitudes toward Employment

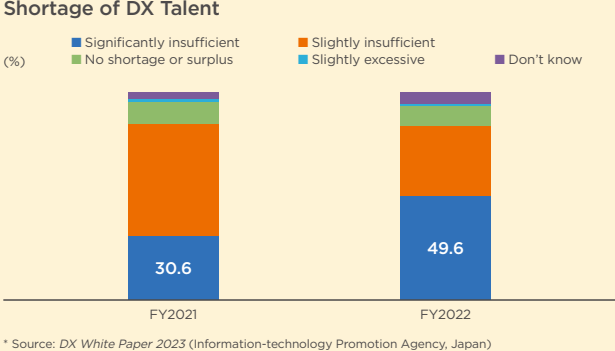
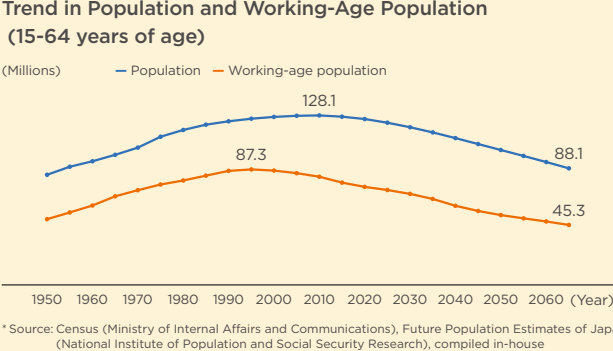
- The interest among young people in large cities toward staying with one company for a long time has been steadily declining, with an increasing spread of career perspectives based on job changes and greater diversity in work styles.
- The traditional work-first mentality is weakening, with many young professionals now prioritizing work-life balance and valuing their personal lives. This shift reflects the current era in which diverse work styles are increasingly in demand.



Market Environment

Engineer Shortage

- The decline in both the domestic population and the labor force is expected to continue, and to respond to the labor shortage it has become urgent to promote diverse work styles and drive technological innovation to improve productivity.
- The shortage of digital transformation (DX) talent remains a serious issue, and companies must urgently secure and develop talent to drive DX initiatives. In the competitive world of the digital future, securing DX talent will be a critical factor influencing a company’s growth.



The Open Up Group’s Business Environment

Changes in the Domestic Human Resources Services Market Environment

In the domestic human resources services market, labor shortages, work style reform, and the promotion of DX are key challenges. The Open Up Group analyzes these societal changes from both risk and opportunity perspectives and formulates business strategies accordingly. Going forward, we will continue to accurately grasp changes, assess their impact on long-term value delivery, and determine their influence on our management strategy.

Labor Shortage:

Chronic labor shortages have worsened due to declining birth rates, an aging population, and the decrease in the population.

Work Style Reform:

The widespread adoption of flexible working hours and telecommuting has led to an increase in the need for diverse human resources.

Advancement of DX:

The use of AI and robotic process automation (RPA) has changed the way human resources services are provided.

Impact of COVID-19:

The spread of remote work has accelerated the mobility of the workforce.

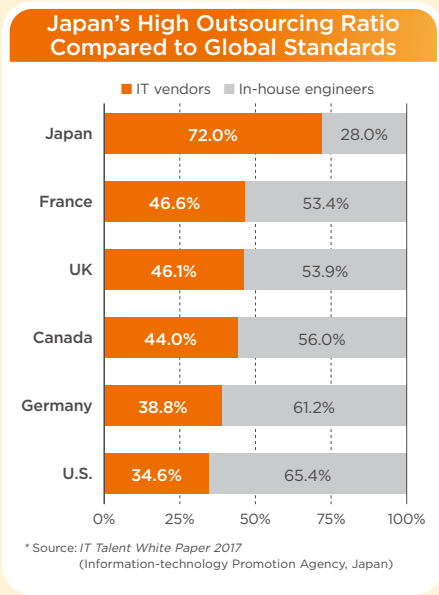
Trends in the Engineer Staffing Market

The Open Up Group’s business environment is rapidly changing along with these significant societal shifts. However, the primary business area of the Group remains the engineer staffing market within the domestic human resources services sector. Despite the economic downturn caused by the COVID-19 pandemic, the market has continued to grow, supported by the normalization of economic activities and the strong demand for human resources in the industrial sector.

In particular, the demand for engineers in Japan’s IT industry is rapidly increasing due to the aforementioned labor shortage, as well as

the rapid development of new IT technologies such as AI, IoT, and big data. The demand for engineers is polarized, and the current engineer staffing market is influenced by various factors, including political, economic, social, and technological (PEST) aspects.

Politically, inflation control and the intensification of the US-China conflict affect the cost management capabilities of companies, leading to fluctuations in staffing demand. Economically, fluctuations in exchange rates and interest rates, along with rising inflation, are impacting corporate investment sentiment, which in turn affects the demand for engineers. Socially, the promotion of reskilling and the declining birth rate/aging population are expanding the demand for skilled workers, while work styles are diversifying. However, the intensifying competition for engineers raises concerns about rising labor costs. Technologically, advancements in AI and DX are driving productivity improvements, while automation is progressing, leading to a change in the skills required in the workforce. Given these factors, engineer staffing companies are expected to focus on human resources development and adapt flexibly to market changes.



Market Environment for Engineer Staffing			
	Macro Environment	Opportunities	Risks
P	<ul style="list-style-type: none"><li>Western countries transitioning from inflation control to economic growth</li><li>Intensification of US-China conflict and expansion of geopolitical risks</li><li>Rise of protectionism</li></ul>	<ul style="list-style-type: none"><li>Increased demand due to economic expansion in Western countries</li><li>Japan reassessed as a manufacturing base due to economic security measures</li></ul>	<ul style="list-style-type: none"><li>Reignition of inflation concerns</li><li>Disruption of supply chains due to military conflict</li><li>Decreased trade volume and production cuts due to increased tariffs</li></ul>
E	<ul style="list-style-type: none"><li>Impact of exchange rate and interest rate fluctuations</li><li>Inflation economy and increase in minimum wage</li><li>Slowdown of the Chinese economy</li></ul>	<ul style="list-style-type: none"><li>Domestic investment becoming more active due to low financing costs</li><li>Expanded demand for talent and rising billing rates</li><li>Reevaluation of supply chains and reshoring of manufacturing bases</li></ul>	<ul style="list-style-type: none"><li>Acceleration of inflation due to excessive yen depreciation</li><li>Inability to pass on wage increases to prices, leading to reduced profit margins</li><li>Decrease in orders due to slowdown in the Chinese economy</li></ul>
S	<ul style="list-style-type: none"><li>National push for reskilling</li><li>Shift from membership-based to job-based employment</li><li>Declining birthrate, aging population, and shrinking labor force</li><li>Diversification of work styles</li></ul>	<ul style="list-style-type: none"><li>Leveraging the advantages of our talent development system</li><li>Skills being fairly evaluated, with increased recruitment of foreign engineers</li><li>Structurally high demand for talent</li><li>Expansion of acceptance for female and foreign engineers</li></ul>	<ul style="list-style-type: none"><li>Increased burden of training costs</li><li>Lack of progress in improving engagement, leading to talent attrition</li><li>Intensified competition for talent</li></ul>
T	<ul style="list-style-type: none"><li>Productivity improvements through the use of AI</li><li>Advancements in technological innovation, including DX</li><li>Promotion of automation</li></ul>	<ul style="list-style-type: none"><li>Increased demand for IT infrastructure and semiconductor engineers</li><li>Growing importance of engineers and a focus on developing inexperienced talent</li><li>Improvement in engineer productivity</li></ul>	<ul style="list-style-type: none"><li>Job replacement through AI</li><li>Difficulty in hiring experienced professionals due to increased demand for ready-to-contribute talent</li><li>Substitution of some tasks through automation</li></ul>

# Explanation of Management Strategy

## Review of the Medium-Term Management Plan BY25

The Open Up Group has set challenging commitment targets in BY25, our medium-term management plan covering the four years from fiscal 2022 to fiscal 2025. These targets include revenue of ¥200.0 billion, operating profit of ¥16.0 billion yen, operating profit margin of 8%, and 30,000 domestic employees, all aimed at accelerating growth.

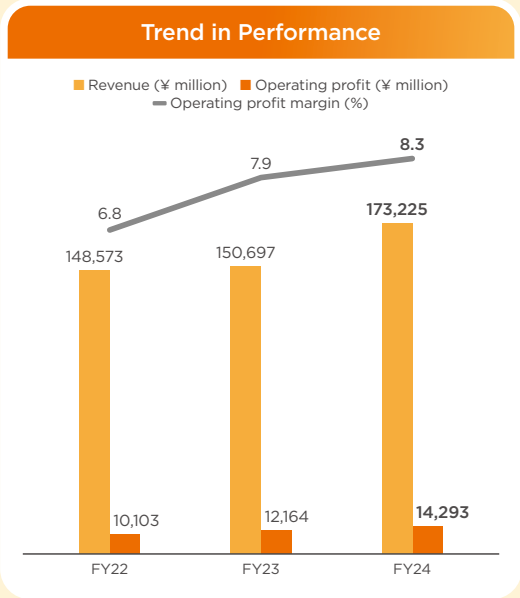
Through the April 2021 management integration, the Open Up Group has achieved an increase in business scale, a greater ability to generate cash stably, a sound financial base, and more robust management resources. Utilizing these management assets, the Group has targeted the low-end to middle-level markets (the volume zone of the engineer staffing market) where the Group has strengths, and has been advancing a business strategy to capture changes in these markets by

segment and area. As a result, by the second year of BY25 (fiscal 2023), we had become increasingly confident of achieving our commitment targets. Consequently, we decided to revise our goals and formulate a new medium-term management policy, which was developed during fiscal 2024 (announced in August 2024).

## New Medium-Term Management Policy

The new medium-term management policy that is the basis for the Open Up Group's medium- to long-term direction, continuing on from BY25, sets three key indicators—revenue indicators, growth indicators, and return indicators. These indicators include targets that will enable us to achieve challenging levels that exceed industry standards. The direction of the management strategy will continue to pursue speed and volume, as before. However, with a focus primarily on areas where the growth of

sales revenue and improvement in profitability from domestic engineer staffing can be expected, the Group will leverage its strengths in continuous recruitment of mid-career and new graduate engineers, as well as follow-up programs such as training to enhance skills and development programs for inexperienced individuals. This approach aims to increase the retention rate of engineers and emphasize the length of their working tenures and profitability, which will contribute to customer lifetime value (LTV). Additionally, the growth strategy is not to focus on diversifying or increasing business segments, but to focus on self-sustained growth through increased active employee numbers and improved profitability in current business segments. This will be supported by actively pursuing M&A and business integrations within the same segment, where synergies and complementary opportunities for growth are anticipated.



### OPI and Non-financial Information

OPI	Number of employees	Job placement opportunities	Career advancement	Retention rate	Engagement
FY25 Target	30,000	50,000	6,000 certified engineers	85%	1.2-fold increase
FY24 Result	22,690	46,751	4,591 certified engineers	81.8%	1.1-fold increase (FY2022-FY2024)

Employment Opportunities/Diversity	Internal group assignment	Internal group transfer	Transfer to client companies	Ratio of female employees	Ratio of foreign nationals	Ratio of employees with disabilities
FY24 Result	416 people	5 people	474 people	28.2%	2.2%	2.56%
FY22 Result	270 people	95 people	375 people	25.6%	3.5%	2.32%

### Key Indicators of the Medium-Term Management Policy

#### Revenue Indicators

Sales and operating profit  
Annual growth of 10% or more

Operating profit margin  
10% or more

#### Growth Indicators

Number of domestic engineers  
Annual growth of 10% or more

Investment in employee development

M&A

#### Return Indicators

Payout ratio  
50% or more

Progressive dividends  
13 consecutive years of dividend increases

Share buybacks

## Explanation of Management Strategy

### Business Portfolio Reform

Since the management integration in 2021, the Open Up Group has focused on strengthening the engineer staffing business, anticipating changes in the human resources services market. This includes transforming the business portfolio, which also involves driving M&A activities and integrating overseas operations.

To achieve sustainable business expansion, the Open Up Group considers the utilization of M&A, in addition to organic growth, as essential. M&A is also at the core of the business portfolio transformation. Currently, in the domestic engineer staffing market, investments in companies requiring IT software engineers are increasing, and there is a need to establish appropriate investment criteria and optimize operational policies.

The Company follows the principle of focusing on existing business areas in M&A and carefully evaluates the potential synergy with management practices, sales, recruitment, and the possibilities for enhancing engineers' skills and career growth. The goal is to secure profitability that exceeds the cost of capital. The decision to proceed with an investment is made after a thorough scenario analysis and deliberation at an investment review meeting. The decision to proceed with an investment is ultimately in the hands of the Board of Directors. Furthermore, the performance of past M&As is regularly reviewed, and by comparing and analyzing the PMI,\* we ensure the realization of solid results.

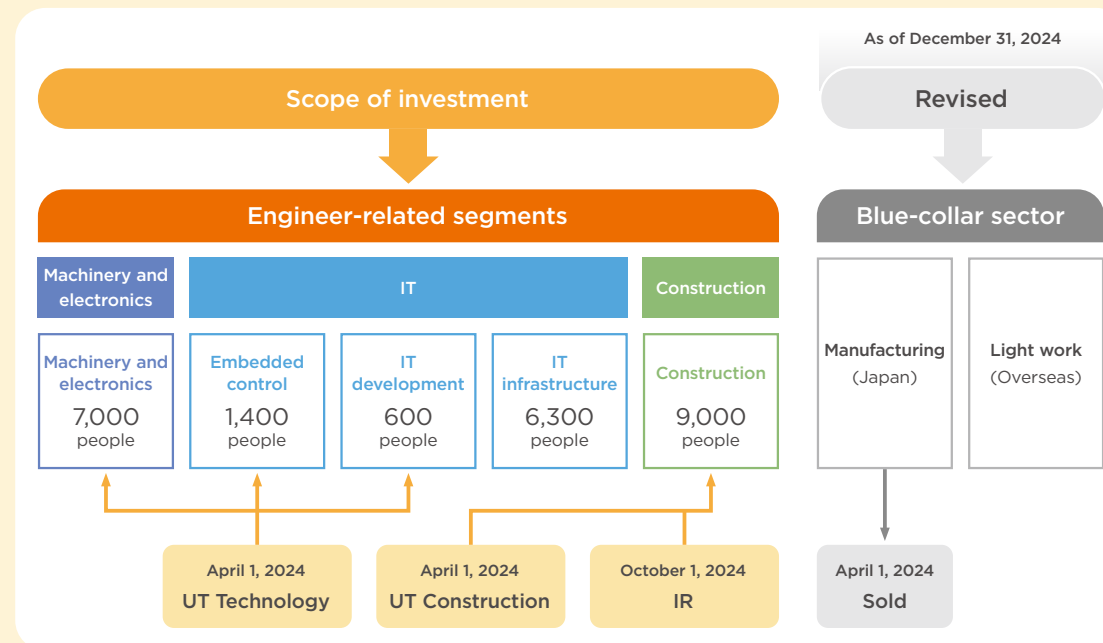
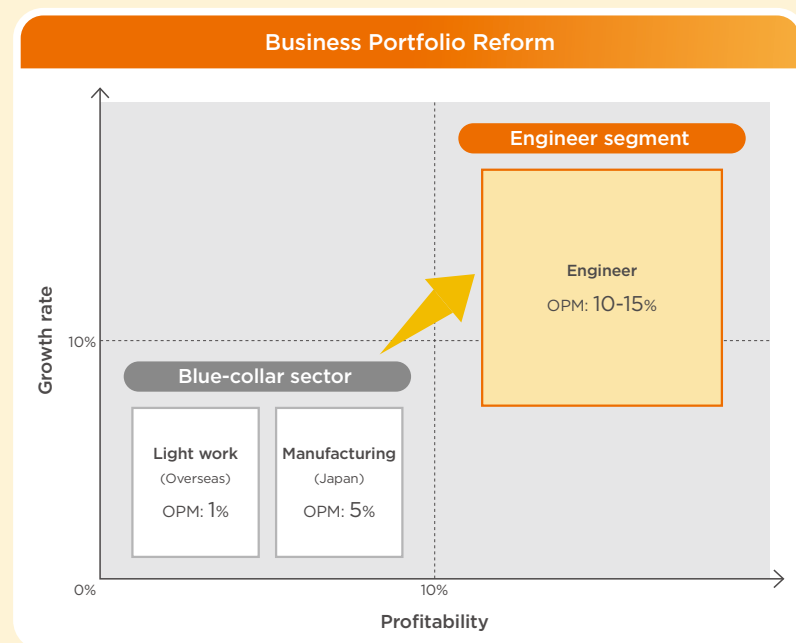
In 2024, the Open Up Group transferred all shares of its consolidated subsidiary, BeNEXT Partners Inc., to UT Group Co., Ltd. At the same time, the Group acquired all shares of UT Construction Co., Ltd. and

UT Technology Co., Ltd. from UT Group, making them subsidiaries.

This enabled a revision of the business portfolio to strengthen the construction engineer staffing business and in-house contracting services.

As a result of this integration, the Open Up Group's business portfolio has been successfully transformed, focusing on the highly profitable engineer staffing business, achieving a balance of profitability and growth. Moving forward, the Group will continue to pursue the expansion and growth of a sustainable business foundation, working on the further evolution of its business portfolio.

\* PMI stands for post-merger integration.





Explanation of Management Strategy

Management Policy and Growth Strategies

The Open Up Group will maintain and continue to promote its business management policy and growth strategies, which focus on achieving high sales and operating profit growth. Additionally, as a company that strongly emphasizes hiring inexperienced individuals, we believe that continuing our growth strategy of large-scale recruitment and deployment will remain feasible for the time being, enabling us to achieve strong growth. However, considering the anticipated decline in the labor force population and the increasing competition for human resources, we recognize that this approach may not be sustainable over the next 10 to 20 years.

Therefore, while maintaining our current growth strategy, the Company aims to achieve double-digit growth in the medium to long term by strengthening initiatives focusing on the LTV of technical staff and working toward further profit generation. To improve LTV, we will promote a transformation in our business structure and reinforce measures that

support enhancing each technical staff member's value. This will enable us to balance the growth of our employees with the improvement of the Company's profitability, ensuring sustainable development.

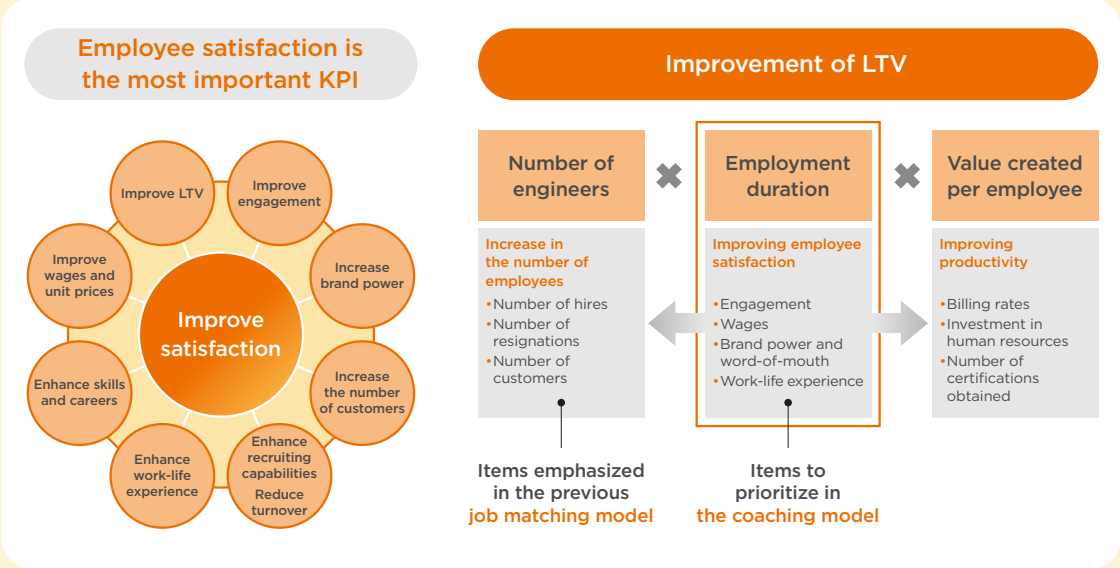
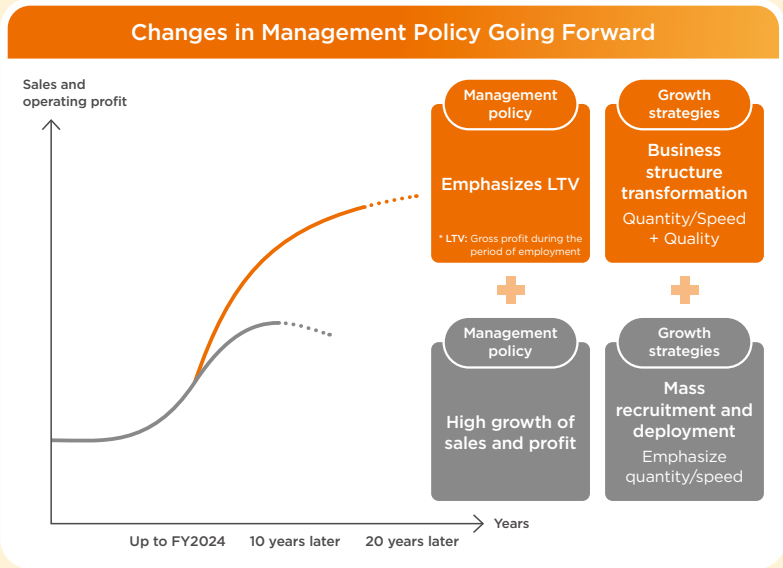
Improving LTV

Typically, staffing companies operate using the job matching model, which bridges the gap between the talent required by companies and the jobs desired by job seekers. While companies have been reducing their recruitment efforts, the high demand for skilled workers has worked in favor of companies that can hire many and deploy quickly, giving them a competitive advantage. However, with changes in the economic and labor environments, this competitive advantage is becoming less effective.

Therefore, to achieve medium- to long-term growth, we are transitioning our business model from simple job matching to a coaching model that closely supports engineers. In the coaching model, the top

priority is improving the satisfaction of technical staff, focusing on engagement, wages, brand value, word-of-mouth, and work-life experience. This approach aims to increase the retention rate of technical staff and continuously improve LTV. Additionally, we will focus on improving productivity to enhance the value created per technical staff member. Specifically, this includes increasing billing rates, strengthening talent investment, and promoting certification acquisition, all of which contribute to higher billing rates. Through these efforts, we will support the skill enhancement and market value improvement of technical staff, ultimately driving the Company's overall growth.

Under this policy, the engagement score multiplier for fiscal 2024 has already shown an improvement, rising from 1.0x in the previous period to 1.1x. By improving engagement, we aim to increase the utilization rate of technical staff, promote skill development, and achieve higher billing rates, all of which contribute to the long-term maximization of LTV.



# Open Up Purpose Index (OPI)

Our Group's Purpose, "Open up individual potential," is the guiding principle for ensuring that our technical staff can become "Open Uppers." To measure the focus areas and progress toward this goal, we have established the Open Up Purpose Index (OPI).

The OPI has been revised based on the medium-term management policy formulated in July 2024. The new OPI, which measures the results of training and career support based on surveys, aims for improvement

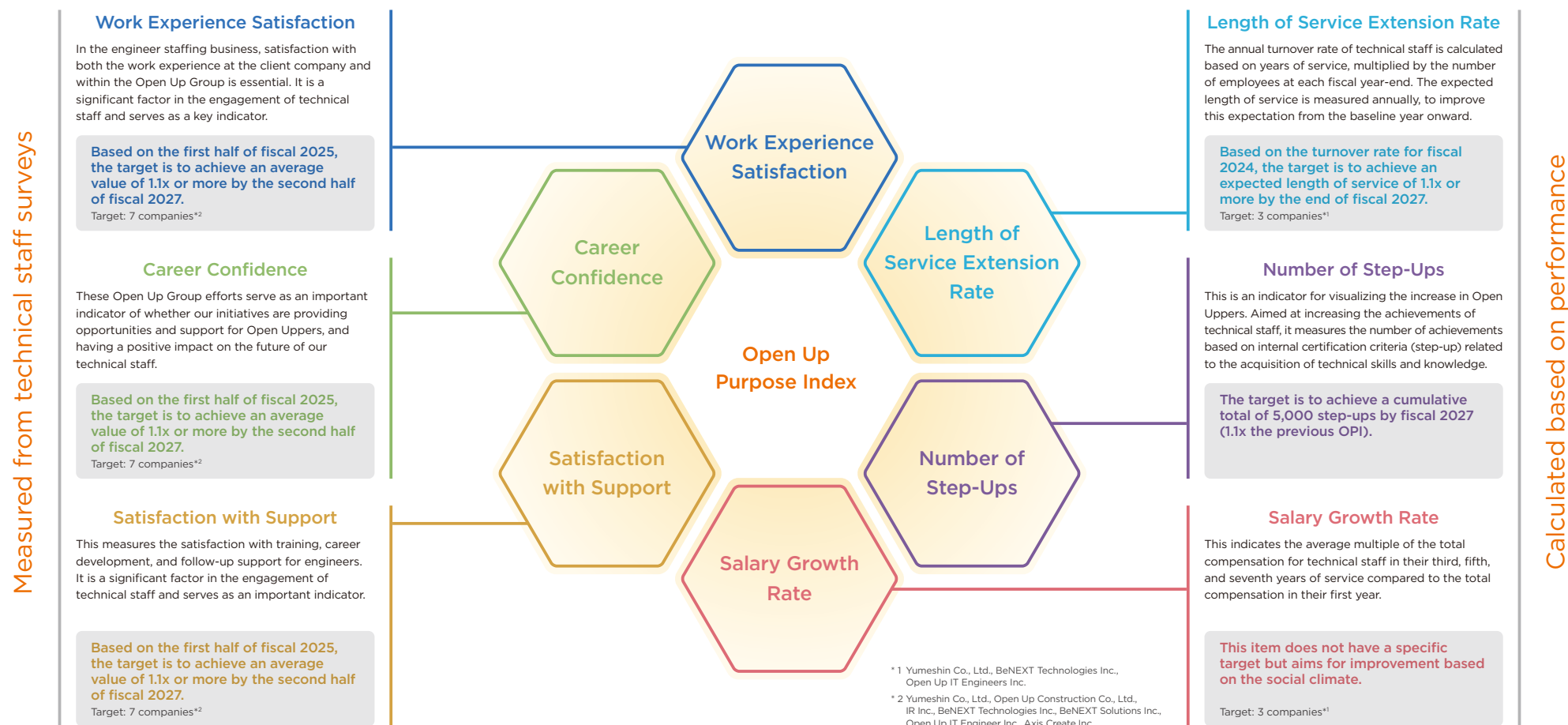
in the satisfaction of technical staff. To increase the number of Open Uppers, we have established indicators such as the number of achievements of internal certification standards and the expected duration of employment. Additionally, we will visualize the growth from the third year onward, using the first-year salary as a benchmark. Moving forward, we aim to improve these new OPI indicators.

Additionally, the rules for determining the remuneration of

directors and corporate officers include several items\* from the OPI. This allows management to focus on the OPI and, through measures that enhance the quality and significance of the technical staff's work experience, aim to expand the business.

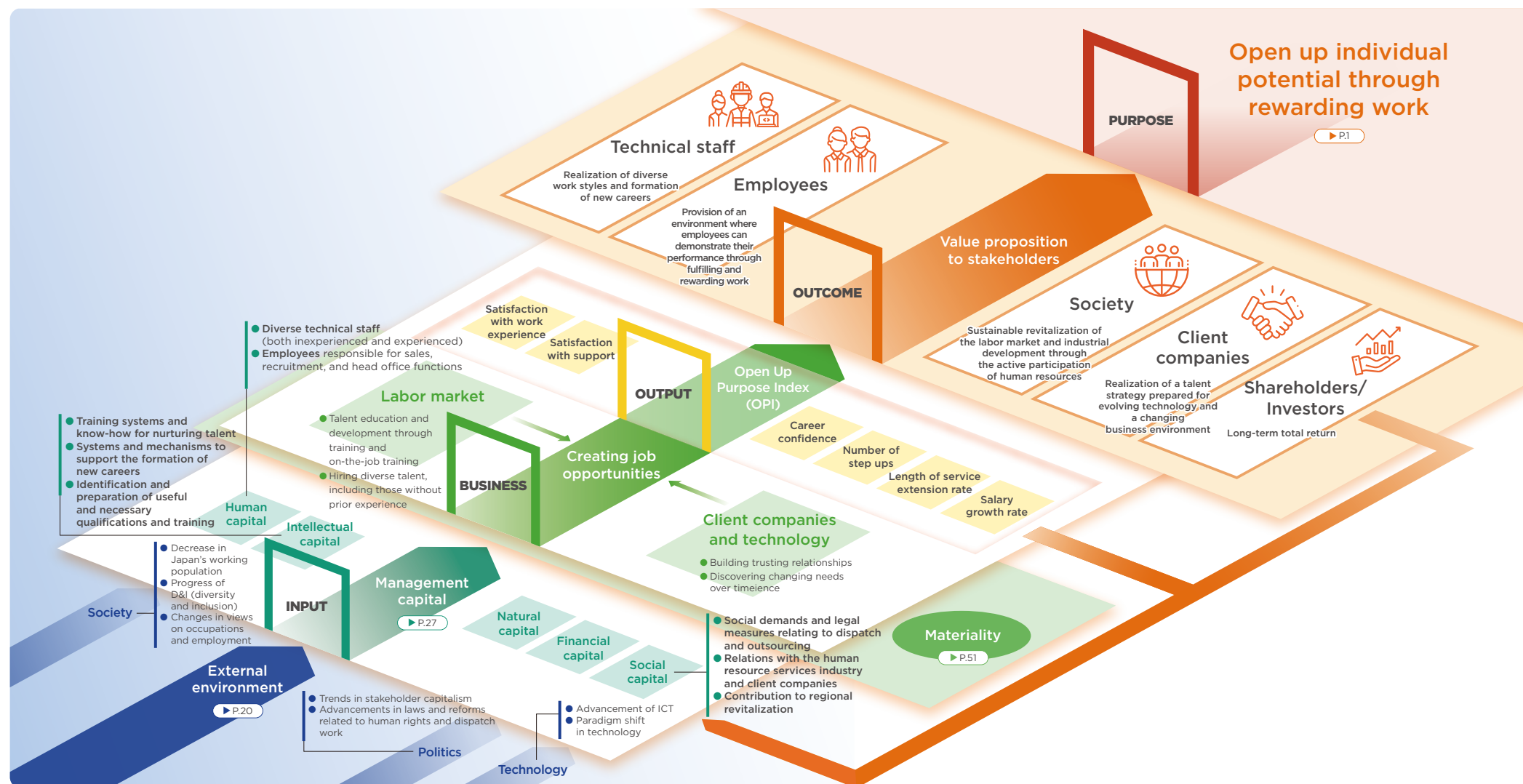
\* These are non-financial goal items, and they are incorporated as factors in determining the stock remuneration.

Please refer to "Director Remuneration" on pages 67–68 for details.



# The Open Up Group's Value Creation Model

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



# Management Capital of the Open Up Group Centered on Human Capital

## Approach to Management Capital

Since its founding, the Open Up Group has continued to pursue the thoughts and potential of each worker, building unique human and intellectual capital. In 2021, through a management integration, we further advanced the development of our human and intellectual capital, while strengthening our financial and social capital, focusing on value creation for workers, client companies, and society. Going forward, we will continue to enhance and expand our management capital, aiming for sustainable growth, increased corporate value, and the realization of Our Purpose.

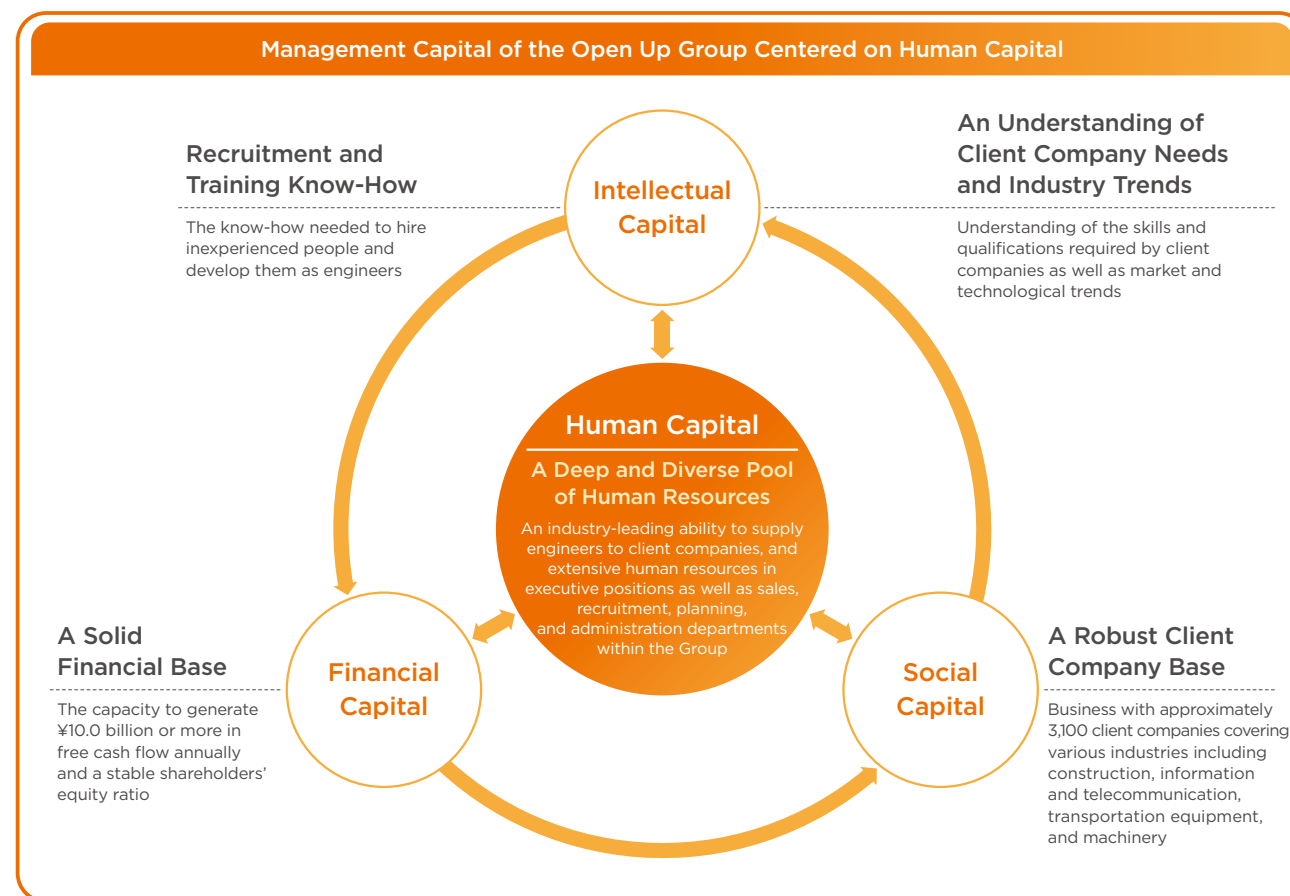
## Management Capital of the Open Up Group Centered on Human Capital

For the Open Up Group, who's business is centered on "opening up individual potential," intangible management capital holds immense significance. Among this management capital, human capital is the most crucial for the Group in terms of its ability to continuously create value toward realizing its Purpose. Within the Open Up Group, human capital is at the core of all management capital, closely connected to intellectual, social, and financial capital, and is at the heart of a complementary relationship among them. This integrated management capital framework strengthens the Group's overall competitive advantage and supports sustainable value creation.

For example, intellectual capital consists of essential know-how to open up individual potential, such as recruitment, planning and management of learning and training programs after hiring, and follow-up support to alleviate concerns and assist with career advancement after employment. This intellectual capital is a key source of the Open Up Group's competitive advantage. It is based on elements such as the skills, knowledge, experience, creativity, and motivation of both in-house employees and technical staff. The cycle in which human capital enhances intellectual capital, and intellectual capital, in turn, strengthens human capital, continuously boosts the

Group's overall competitiveness. Similarly, in social capital, human capital demonstrates advanced expertise and reliability, further strengthening relationships with client companies and work sites. Moreover, in financial capital, the results generated by

the enhancement of human capital, intellectual capital, and social capital contribute to the stability of the financial foundation, creating a virtuous cycle that encourages further investment in human and intellectual capital.





## Management Capital of the Open Up Group Centered on Human Capital

## Human Capital

## Current Human Capital of the Open Up Group

Number of technical staff

**22,690** persons

(As of June 30, 2024)

Number of Group employees

**32,739** persons

(As of June 30, 2024)

In addition to having among the largest number of outstanding technical staff in Japan's engineer staffing industry, the Group also takes pride in having executives who share its Purpose and values, as well as a diverse and well-rounded internal workforce. These employees are proactive in learning from each other and sharing best practices. This diversity and depth foster an organizational culture focused on achieving operational excellence and creating new value.

Elements to Acquire and Strengthen  
Human Capital Going Forward

- Strengthening diversity & inclusion
- Enhancing leadership and management abilities
- Visualization of human capital and utilization of data
- Improving engagement and cultivating company culture
- Development of in-house employees in their 20s and 30s

## Intellectual Capital

## Current Intellectual Capital of the Open Up Group

Total number of training hours

**Approx. 1.79** million hours

(As of June 30, 2024)

Total number of trainees

**43,096**

(As of June 30, 2024)

Since its founding, the Group has accumulated expertise in recruitment and training, as well as a wealth of knowledge related to customer needs and industry trends, which are the Group's key strengths and unique intellectual capital. We develop and nurture optimal training programs for technical staff who wish to build careers as engineers, considering the evolution of technology and trends in client companies.

Elements to Acquire and Strengthen  
Intellectual Capital Going Forward

- Exploration of initiatives to improve work-life experience
- Enhancement and diversification of training courses and e-learning
- Promotion of DX in training and improvement of learning efficiency through AI utilization

## Management Capital of the Open Up Group Centered on Human Capital

## Financial Capital

## Current Financial Capital of the Open Up Group

Solid financial foundation

**Issuer credit rating: A**  
(Japan Credit Rating Agency, Ltd. [JCR])

Debt-to-equity ratio

**0.07 times**

Free cash flow

**¥ 14.1 billion**

We continue to provide strong shareholder returns while securing profit opportunities that exceed the cost of capital, leveraging a sound balance sheet and the ability to generate stable cash flow. For growth, we invest cash into creating new value and strive to enhance sustainable corporate value. Additionally, by sharing, utilizing, and assessing benchmarks within the Group, we efficiently manage funds and ensure appropriate risk management, all of which contribute to optimizing overall Group management.

Elements to Acquire and Strengthen  
Financial Capital Going Forward

- Further improvement of capital efficiency
- Transformation of the business portfolio
- Promotion of M&A and business investments
- Strengthening shareholder returns

## Social Capital

## Current Social Capital of the Open Up Group

Number of client companies

**Approximately 3,100 companies**  
(As of June 30, 2024)

Transfer to customer companies

**1,173 persons**  
(Between July 2021 and June 30, 2024)

We have approximately 3,100 client companies across a wide range of industries, including construction, information and telecommunications, transportation equipment, and machinery. This customer base and the trust-based relationships we have with our clients form unique social capital for the Open Up Group, leading to the creation of opportunities for technical staff to thrive. By increasing the number of technical staff and expanding our client base, we will open up the potential of more workers and achieve growth.

Elements to Acquire and Strengthen  
Social Capital Going Forward

- Ability to propose solutions that meet evolving talent needs of clients
- Strengthening collaboration with business partners, such as recruitment agencies
- Increasing recognition of the Open Up Group brand
- Promoting collaborative projects with external organizations in the sustainability field

## Business Model

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

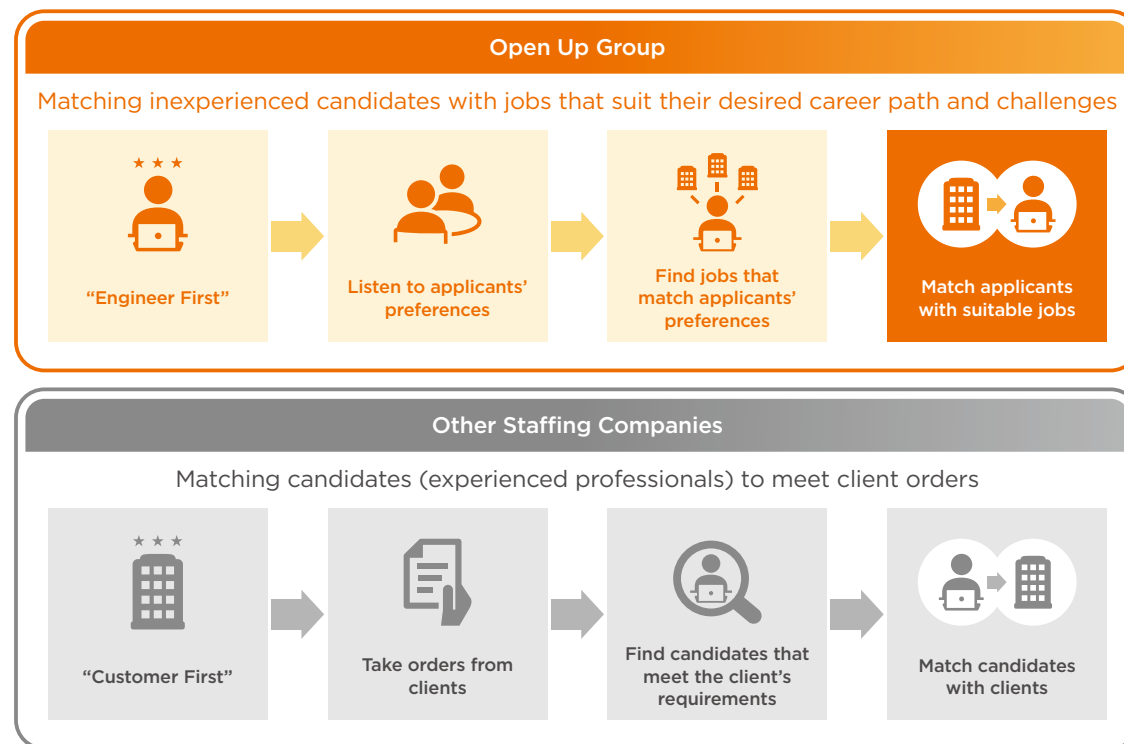
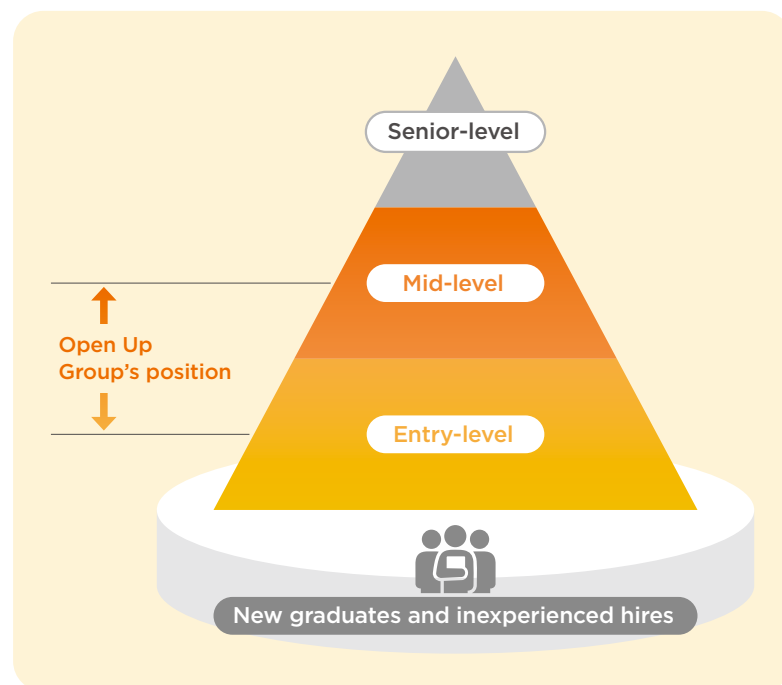
Our model for training engineers is our greatest strength. Under this model, we hire inexperienced people and help them gain practical knowledge and skills, ensuring that they are ready to start work at the companies they are dispatched to.

The number of people who study engineering at universities and other institutions and then go straight into the workplace constitutes only a handful of the engineers that companies actually need.

At the same time, there is a pool of potential candidates who are interested in positions with these companies but who feel that they have not had the chance to learn the necessary skills, or that they are unable to take the first step on their career path without any technical work experience. These are the candidates we are willing to hire—people who have the desire to work as engineers but who may not have experience. We give them the opportunity to gain the knowledge and skills they need to succeed through extensive training and follow-ups. In Japan, where the labor force is on the decline, there is already a shortage of engineers; this is particularly noticeable in IT fields.

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

### Our Target Areas



Business Model

Our System for Supporting Career Advancement for Engineers

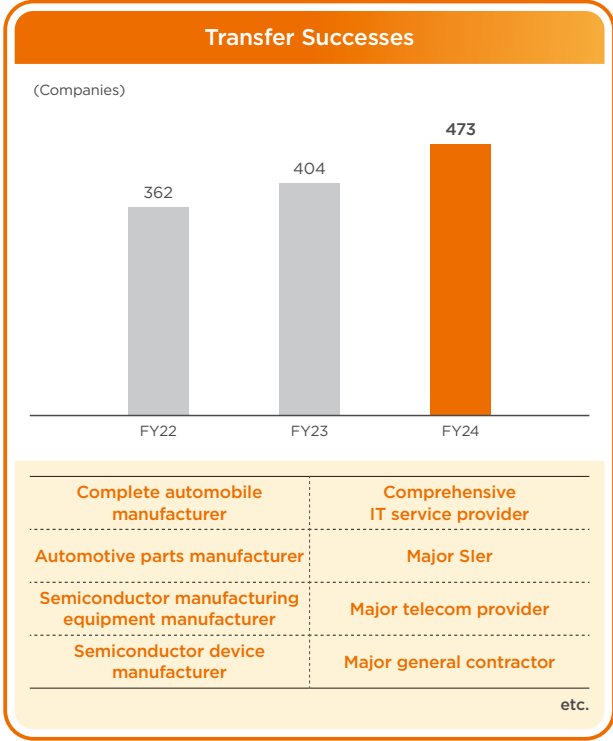
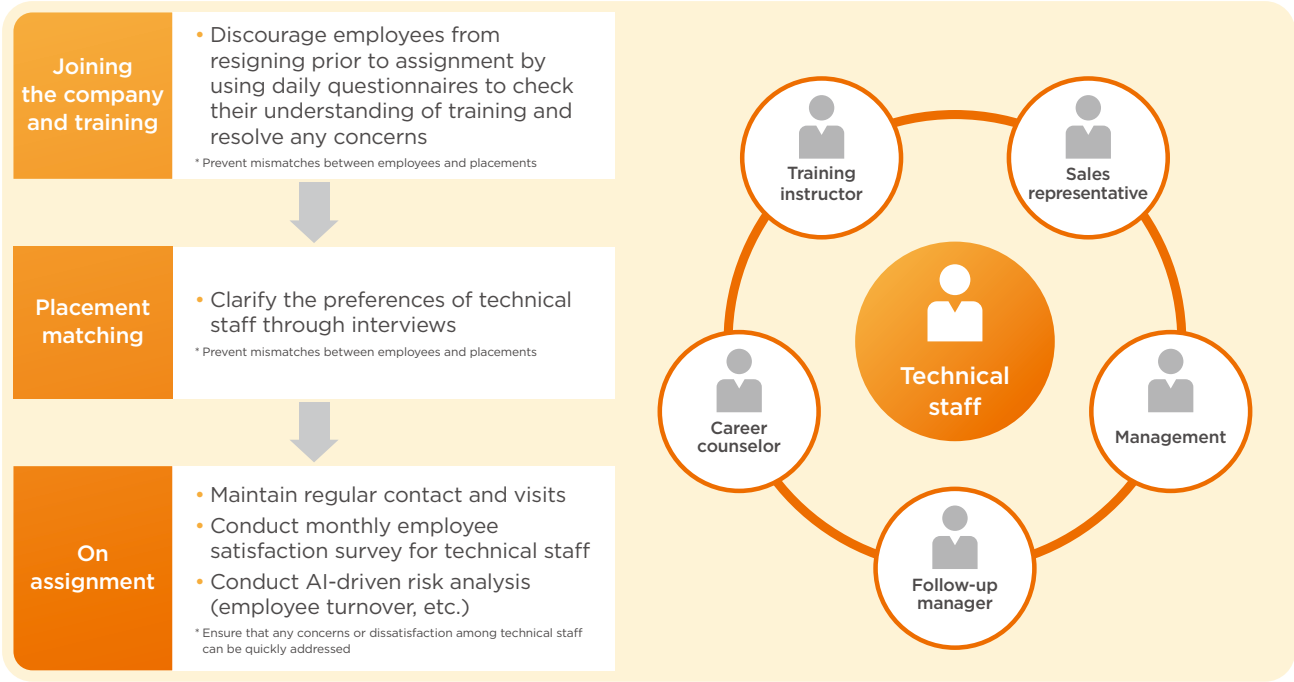
Our method of hiring inexperienced people and training them through our engineer training model is underpinned by comprehensive training programs and follow-up systems for our technical staff. The Open Up Group has operating companies working in segments that include machinery and electronics, IT, and construction. These companies have developed a thorough understanding of technology trends, market-recognized qualifications, and customer needs, as well as extensive expertise in

encouraging trainees in their pursuit of learning. By taking advantage of this understanding and expertise in developing and managing our training program, we can facilitate a smooth and efficient learning process.

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

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

Our One-on-One Support System, with a Dedicated Follow-up Manager





# Human Capital Management at the Open Up Group

## Approach to Human Capital Management

To realize the Open Up Group’s Purpose of “Open up individual potential through rewarding work,” the most important management resource for generating sustainable value is human capital. For our Group, which is involved in the human resources services industry, the enhancement of human capital is a fundamental theme at the heart of our business. Since its founding, the Open Up Group has been improving corporate value and contributing to societal development by creating new value by resolving the mismatch between job seekers and industry, a significant social issue in the labor market. Moving forward, to continue responding flexibly to rapid changes in the environment and create value, we believe it is crucial to cultivate

human resources capable of responding to these changes and taking the next step, bringing out the potential of each individual.

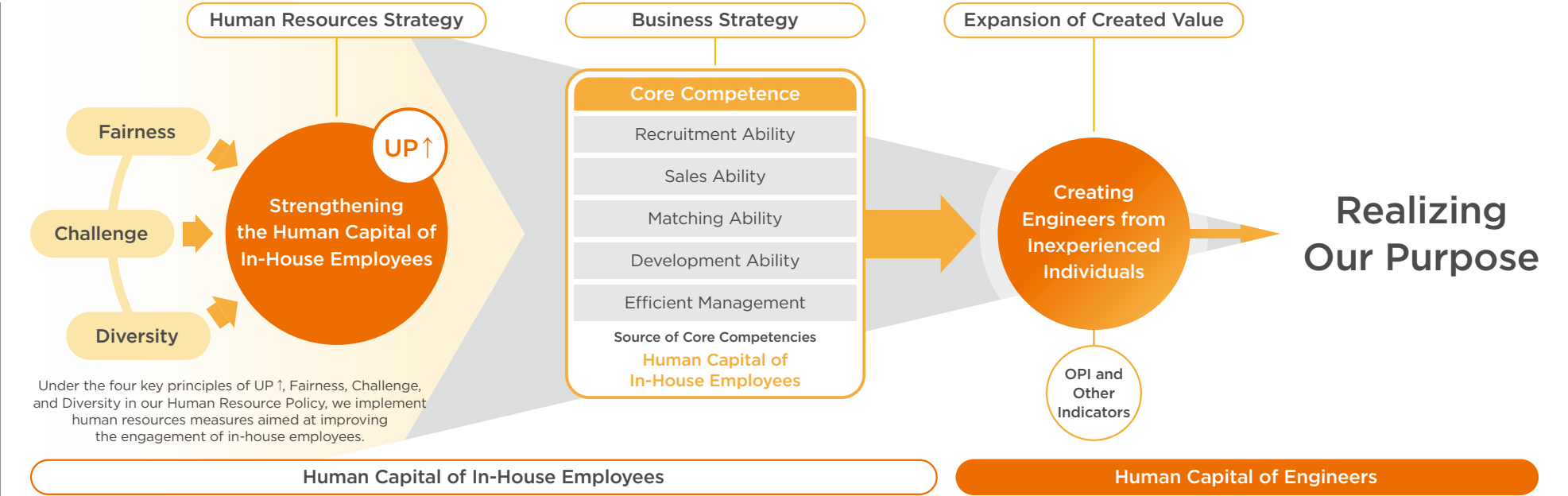
## Human Capital Management for Purpose Realization

In August 2024, the Open Up Group announced its new medium-term management policy, outlining the approach to human capital management for Purpose realization and the key initiatives to focus on moving forward.

The medium-term management policy outlines the Open Up Group’s focus on further unlocking the potential of each in-house employee and technical staff member. Key initiatives include

strengthening core competencies by enhancing human capital among in-house employees and creating technical staff (engineers) from inexperienced individuals by strengthening the coaching model. Additionally, the policy emphasizes improving the work-life experience of all employees through efforts such as promoting flexible work styles and providing opportunities for reskilling, all aimed at maximizing the potential of each individual and driving human capital enhancement initiatives.

The Open Up Group will continue to be a company that is chosen by each in-house employee and technical staff member. By creating more opportunities for employees to encounter more work opportunities and unlocking new possibilities, we will work toward realizing Our Purpose.



## Work-life experience

Unlike work-life balance, which refers to a better balance between work and life, work-life experience focuses on enhancing the value of the experience of working itself. In a time when diverse work styles and values are emphasized, companies need to create an environment where employees are satisfied and can fully utilize their abilities in order to sustain growth. Improving work-life experience is a crucial initiative that leads to higher employee retention, improved productivity, and the creation of innovation.

Human Capital Management at the Open Up Group

Strengthening the Human Capital of In-House Employees

Message from the Head of Human Resources

Increasing employee engagement to differentiate ourselves and be a highly competitive human resource company

Corporate Officer of Human Resources  
**Mitsuyoshi Matsumoto**



Making Full Use of Our Human Capital and Increasing Productivity through Growth and Retention

By definition, the basis of a human resource services business such as ours is its human capital. Accordingly, the strengthening of a company's human resources will lead to business growth. The Group's human resources are broadly divided into two categories: technical staff who work at dispatch locations, and in-house employees who are involved in activities such as recruiting and securing placements for these engineers and technicians. The technical staff that we employ have high mobility in the job market and thus it is necessary for us to deliver a high degree of satisfaction not only to client companies but also to our engineers themselves, making the enhancement of their job satisfaction and sense of growth essential. It is also important that we increase their engagement so that they share the Group's goals and seek to contribute at their own volition. I personally am responsible for overseeing the in-house employees who are working to improve such engagement across

the entire Group. In 2023, we enacted the Human Resource Policy, a Groupwide policy which aims to increase productivity through individual in-house employee growth and retention. An additional goal of the policy is to increase sales revenue and operating profit margin per employee—in other words, the productivity of our human capital—and then return this back to employees in the form of benefits.

Establishing a Human Resource Policy Roadmap; Quantifying and Visualizing Our Human Capital

We are currently working on utilizing the indicators presented by ISO 30414, an international standard for human capital, in order to quantify and visualize our human capital. On the qualitative side, we are reforming our personnel system to monitor organizations, management, and working environments, and are promoting activities in accordance with the Human Resource Policy. In addition, we have established a roadmap for 2025 and plan to review engagement survey results and wages. Furthermore, we plan to raise the ratio of female managers from the current 13.6% (as of the end of June 2024) to a target of 30% by 2030. In addition, going forward we will focus particularly on the development of next-generation human resources and strive to attract even more talented people by strengthening our corporate brand. The Group often appoints external human resources to key positions such as general managers and corporate officers. From December 2024, however, we are introducing a leadership development program, a Groupwide effort, to thoroughly train in-house employees in their the 20s and 30s and increase the internal appointment rate for the next generation of managerial positions. Further, from fiscal 2025 we are applying a medium- to long-term performance-linked stock remuneration system (performance share unit system) once every three years for officers' medium-term compensation. This is intended not only to increase sales and profit, but also to increase the satisfaction of technical staff and the degree of contribution to supporting the growth of in-house employees. It is my belief that the stakeholders that the Group should consider first are our employees. In order for our technical staff to enjoy good work experiences within our Group, it is necessary to increase the engagement of our in-house employees at the same time. I am convinced that by doing this we can differentiate ourselves and be a highly competitive human resource company.

Human Capital Initiatives

2021	<ul style="list-style-type: none"><li>Implementation of external assessment testing for corporate officers</li><li>Establishment of a succession system for the corporate officer level</li><li>Unification of remuneration and evaluation standards at the corporate officer level</li></ul>
2022	<ul style="list-style-type: none"><li>Establishment of Human Resource Committee</li><li>Implementation of employee surveys for human resource organizational issues</li></ul>
2023	<ul style="list-style-type: none"><li>Enactment of Human Resource Policy</li><li>Commencement of improvement measures based on previous year's surveys</li></ul>
2024	<ul style="list-style-type: none"><li>Revision of Group company personnel system based on the Human Resource Policy</li><li>Expansion of voluntary training program</li></ul>
2025 (Scheduled)	<ul style="list-style-type: none"><li>Investigation of establishing KPIs related to human capital</li><li>Establishment of new cross-Group Leadership Development Program (LDP)</li></ul>

Basic Stance on Human Resource Policy



Human Capital Management at the Open Up Group

Strengthening the Human Capital of In-House Employees

Employment and Human Resources Development

Approach to Recruitment and Employment

For the Open Up Group, which is centered on the human resources services industry, recruitment and employment are core themes of our business. Within Our Purpose, we aim to increase the number of people who open doors to new opportunities and contribute to society with the power to move toward fulfilling work. Utilizing our in-house job portal, referral recruitment\*, and web interviews, we are opening our doors widely to individuals who are motivated to work—whether they are new graduates or mid-career professionals—looking to leverage their expertise, aim for skill development, or realize their career vision.

\* Referral recruitment: A recruitment method where employees refer friends or acquaintances to the company.

Fair Employment and Evaluation Based on Roles

The Open Up Group adheres to laws and social customs to ensure fair employment and evaluation. We secure minimum wage and living wage levels, while achieving fair employment and equal pay for equal work, without discrimination based on nationality, gender, or other factors.

Additionally, for in-house employees, we clarify the expected roles and outcomes, striving for fair treatment regardless of attributes such as age or gender. Specifically, we conduct one-on-one meetings with direct supervisors to discuss work progress, achievement levels, performance, and future career visions. This allows for well-understood and satisfactory evaluations, while also aiming to enhance the motivation of each individual.

Approach to Human Resources Development

The Open Up Group's role is to continuously create many doors toward fulfilling work for each individual. We consider human resources development and various training opportunities to be one of those doors. In 2023, we established a Groupwide Human Resource Policy and are working on improving productivity by focusing on the individual growth and retention of in-house employees.

Human Resource Policy

- UP**  
Promote continuous growth of both individuals and organizations.
- Fairness**  
Reward roles and outcomes fairly, regardless of attributes such as age or gender.
- Challenge**  
Provide further growth support and opportunities for those who take action toward growth.
- Diversity**  
Support diverse work styles that contribute to improved performance.

We conduct an annual Employee Experience (EX) Survey, which consists of multiple monitoring items related to these four aspects. This survey helps analyze the effectiveness of training, human resources systems, and improvements in the working environment. By doing so, we visualize the penetration and progress of our Human Resource Policy and strategically advance talent development.

Promoting Human Capital Management Using DX

The Open Up Group aims to present diverse opportunities to each individual through work and to be a presence that can provide support when necessary. Furthermore, providing a platform that supports such work styles brings new possibilities to many

companies and organizations. In our DX initiatives, we aim not only for efficiency and cost reduction but also to enhance the experience of customers and employees, create new business models, and establish a competitive advantage. Achieving this requires not only the use of cutting-edge technologies but also ensuring that all employees understand the importance of transformation and fulfill their respective roles. The Open Up Group is advancing reforms utilizing digital technologies to achieve this goal.

Enhancing Human Capital Using Advanced Technology AI, including generative AI

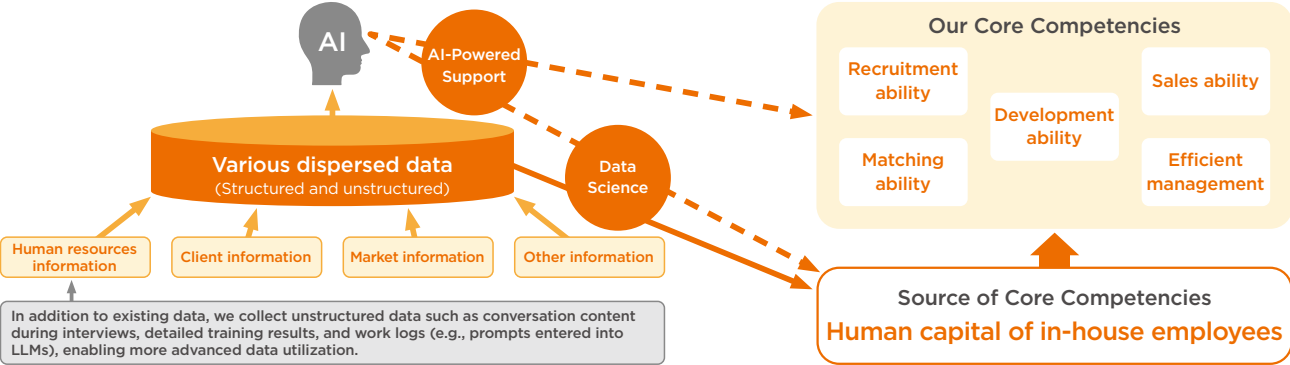
- We plan to improve operational efficiency through generative AI and enhance decision-making by utilizing AI analysis results.

Big Data

- In addition to structured data stored in business systems, we also analyze unstructured data such as videos, audio, images, and social media, and implement its effective use in business operations.

Remote Work

- By using collaboration tools in a secure environment, we enable work styles that suit employees' lifestyles.
- To reduce stress from remote work, we have strengthened online counseling and mental health care support.



## Human Capital Management at the Open Up Group

### Strengthening Human Capital of Technical Staff

The Open Up Group places a strong emphasis on improving the work-life experience of each technical staff member. We are committed to maximizing their abilities by promoting flexible work styles and providing opportunities for reskilling, all aimed at maximizing the potential of each individual and driving human capital enhancement initiatives.

### Training System and Follow-up Structure for Technical Staff

#### Machinery and Electronics Segment

The Machinery and Electronics Segment covers diverse industries such as automotive, energy, semiconductors, and home appliances, requiring knowledge in mechanical, electrical, and electronic engineering across various fields. The Open Up Group supports the skill enhancement and career development of each technical staff member, aiming for the sustainable improvement of their value by offering opportunities for growth and challenges.

BeNEXT Technologies Inc., one of our major operating companies,

has training centers in Tokyo and Osaka for mechanical and electrical engineers with no prior experience, offering over 2,000 diverse training programs, including e-learning.

#### Characteristics of the Training

BeNEXT Technologies Inc. offers two training programs: onboarding training for new hires and step-up training for existing employees, with a particular focus on onboarding training. The training is divided into three courses: Machinery and Electronics Engineering, Semiconductors, and C Language & Microcontrollers, combining practical exercises and classroom learning. The training facilities are located in Tokyo and Osaka, with semiconductor training taking place in a dedicated facility equipped with real equipment, and C language training utilizing the online program of BeNEXT Solutions Inc., a group company. The instructors are engineers with field experience, providing practical, on-the-job guidance.

Our training is not just about acquiring technical skills; it also serves as a reskilling opportunity and welcomes career changers from different industries. By introducing hands-on training, we help

alleviate the concerns of trainees who have joined to take on new careers, improving their technical understanding and readiness for the workplace. This approach has been well received by our clients. In particular, the semiconductor training program stands out because it combines theoretical classroom learning, which covers the entire semiconductor process—something difficult for client companies to implement—and hands-on practice using ashing equipment that integrates various technologies, encouraging systematic understanding. This approach is a key differentiator.

Going forward, we will continue to enhance or training programs and continue providing an environment where individuals aspiring to become engineers from a non-technical background can learn confidently. Specifically, we will strengthen hands-on training to create an environment where more specialized skills can be acquired, and we will also focus on career training aimed at improving human skills. By supporting inexperienced individuals in not only acquiring technical skills but also mapping out their career paths, we are committed to fully supporting the growth of each individual.

#### Onboarding Training Program

Training Type	Training Duration	Training Hours	Training Area
Machinery and Electronics Training (Tokyo)	2 weeks	80 hours	Machinery and Electronics
Machinery and Electronics Training (Osaka)	2 weeks	80 hours	Machinery and Electronics
Semiconductor Training (Odaiba)	1 month	160 hours	Semiconductor
C Language & Microcontroller Training	1 to 2 months	160 to 320 hours	Machinery and Electronics (Embedded)



Semiconductor training classroom



Hands-on semiconductor training

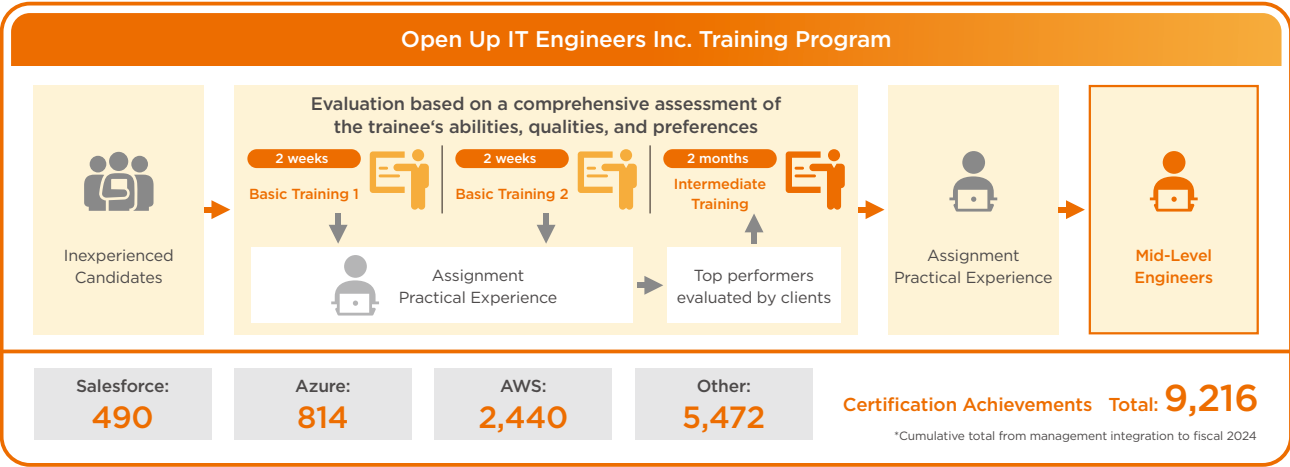


Human Capital Management at the Open Up Group

Strengthening Human Capital of Technical Staff

IT Segment

Currently, the IT industry is gaining attention as a growing market due to the expansion of digital transformation (DX) across various industries, but the shortage of IT engineers is a significant challenge. The Open Up Group is addressing this industry challenge by training IT engineers from inexperienced individuals and producing a large number of skilled workers for the front lines. Our infrastructure-related IT subsidiary, Open Up IT Engineers Inc., and our development-related IT subsidiary, Open Up Systems Co., Ltd., offer comprehensive training systems that allow inexperienced individuals to acquire technical skills and enhance their abilities. We provide basic training and advanced IT technical training for those with no prior experience. After training, employees are assigned based on their preferences and aptitudes, with support for both the development of IT talent and career formation.



Becoming an IT Engineer from No Prior Experience

Our strength lies in our ability to develop people.



When I joined Open Up IT Engineers Inc. in 2020, I initially felt that becoming an IT engineer from no prior experience would be difficult. However, the support system and, above all, the passionate instructors made me realize that it was possible. Our instructors are all engineers with technical expertise, and they are also professionals in talent development. Through the T3 (Teach the Teacher) training in particular, they enhance their leadership and skills in maintaining student motivation. The requirement for completing our training is obtaining certifications, but with the commitment to leave no one behind, our approach of providing individualized support has led to a high training completion rate of over 90%.

Our training programs are continuously evolving, and starting in November 2024, we fully implemented e-learning and a mentoring system, creating an environment where trainees can learn at their own pace. As a result, many trainees completed the program earlier than expected, while surprisingly, those with a slower learning pace reported higher satisfaction. This outcome is evidence that we are responding to the diversity of learning styles that a one-size-fits-all

curriculum could not accommodate, highlighting the importance of training tailored to each individual's pace.

Additionally, we provide both certification-focused training and practical skills-focused training, tailoring our engineer development programs to meet the needs of our clients. While certifications are effective as proof of technical expertise, acquiring the skills required in real-world applications is also essential. Therefore, our sales team and training department collaborate to continuously update the curriculum in line with market demands. Recently, we have expanded our training programs to include the latest fields such as cloud technologies, security, and AI, ensuring our training system is adaptable to current trends.

The path to becoming an engineer from no prior experience is certainly not easy, but with the right environment and support, it is entirely possible. The Open Up Group will continue to support the growth of each individual moving forward.

Human Capital Management at the Open Up Group

Strengthening Human Capital of Technical Staff

Construction Segment

The Open Up Group, centered on Yumeshin Co., Ltd., the largest staffing company for construction engineers, produces a large number of professionals to meet the needs of the construction industry, where aging and labor shortages are becoming increasingly severe. New graduates and inexperienced individuals receive training at the Yumeshin Training Center before being assigned to work sites. This training includes classroom lessons on safety and health management and material management, as well as PC skills, interpersonal skills, and hands-on practice, helping them grow into engineers who are ready to contribute immediately. Additionally, the company promotes the acquisition of approximately 200 types of construction-related qualifications, including architects and construction management certifications. It also supports engineers' growth by advancing tiered training programs, e-learning development, and actively assisting with career advancement.

Further Enhancement through Training

Yumeshin Co., Ltd. is working on further strengthening its training and e-learning programs. In 2024, various initiatives were implemented, including the opening of a new training venue and the customization of e-learning content. To enhance the training environment, a new training facility was opened in Nagoya in August 2024. This followed

the launch of the Yumeshin Training Center in Tokyo in 2019, which was established in response to employee feedback requesting more realistic construction site simulation. At the center, onboarding training is conducted with both classroom lessons and hands-on practice. The classroom training covers topics such as site knowledge and PC training for document preparation tasks. The practical training allows employees to experience basic construction site activities, including the daily workflow, wearing workwear and protective gear, understanding work processes, and handling construction materials.

When establishing training facilities in Osaka and Nagoya, we took into account feedback from trainees using the Tokyo venue, and implemented features such as mock booths to help trainees understand the entire construction process. E-learning has also been significantly strengthened. Previously utilizing external materials, the e-learning platform has been restructured with original content from Yumeshin, offering a more effective learning environment. Currently, courses for the 2nd class assistant construction management engineers and 2nd class construction management first-level certification in architecture, civil engineering, electrical, and plumbing are available. These e-learning courses are accessible to all Yumeshin employees, with two enrollment periods per year (spring and summer). In 2024, approximately 500 employees participated in these courses.

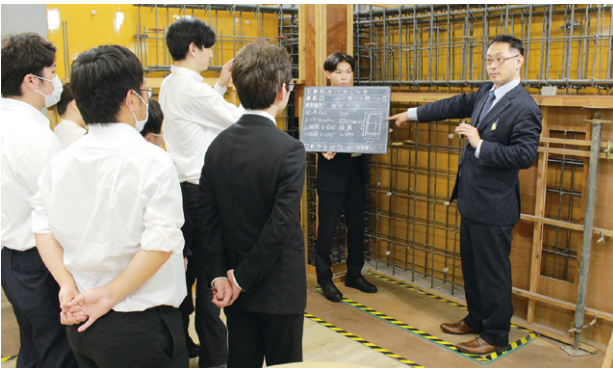
Additionally, to improve the quality of training, we have strengthened satisfaction surveys for trainees. After each training session, a trainee survey is conducted to measure satisfaction with the instructor, with evaluations given on a scale from 0 to 10. Over 90% of trainees rate their instructor with a score of 7 or higher. After the completion of the two-week training, a pulse survey is conducted to assess the overall satisfaction with the training program. A system has been established to monitor this feedback.

The follow-up system has also been strengthened. During the initial training, instructors take the lead, and a follow-up staff member provides support before the new employees are assigned. Additionally, in the step-up training aimed at certification, the training staff is responsible for managing e-learning, while the follow-up staff manages progress and provides support as needed.

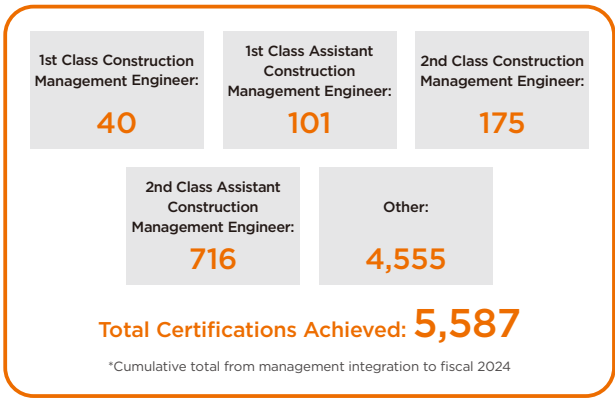
In 2024, we implemented various measures to support the growth of each employee and encourage career advancement through the review of training content, expansion of e-learning, promotion of certification acquisition, and improvements to the training environment. With the addition of Open Up Construction Co., Ltd. and IR Inc. as new Group companies, we will now work to share and learn from the know-how each company possesses, while building more effective training programs and systems. Our goal is to enhance employees' skills and strengthen engagement.



Practicing wearing a full harness required for high-altitude work



Learning how to take construction photos using a rebar model



# Challenges Recognized in Technical Staff Retention and the Open Up Group's Response

The Open Up Group is implementing continuous improvement activities aimed at preventing technical staff turnover. We conduct interviews with those who have left the company, carefully analyze their feedback, and thoroughly review the process from hiring to resignation in a detailed, chronological manner. On this page, we will explain the recognition of challenges at our key Group companies, BeNEXT Technologies Inc. and Yumeshin Co., Ltd., and the improvement measures we have initiated based on these insights.

## Recognition of Challenges and Response Measures for Retention at BeNEXT Technologies Inc.

### Challenges

#### 1. High Turnover Rate

- There is a noticeable turnover trend among young technical staff in their first to second year.
- A mismatch between the job expectations that inexperienced recruits had before joining and the actual work they perform has led to resignations.
- The increase in the job-to-job ratio, along with the rising number of career options and changes in work attitudes, may have contributed to increased mobility in the labor market overall.

#### 2. Challenges in Training and Career Support

- Unlike fields such as IT and semiconductors, machinery and electronics encompasses many different areas, making it prone to mismatches between the actual job and initial expectations. Can we address this gap during the training phase?
- It can be difficult to provide sufficient motivation when employees, whose career plans are not clearly defined, are shown potential career paths and growth directions.
- There is a need to encourage technical staff to take a more proactive approach and enhance their goal-setting awareness.

#### 3. Company-First Approach to Business Promotion

- While interdepartmental efficiency has improved, information sharing is inconsistent, leading to increased complexity in communication.
- There may be insufficient understanding of the conditions and needs of technical staff.
- With reduced decision-making authority on-site, there are concerns about whether appropriate responses can be made in situations requiring flexibility and quick judgment.
- The use of digital tools has led to a decrease in direct interaction with technical staff, likely increasing the psychological distance between them.

### Response Measures

**The fundamental issue is the sense of distance between technical staff and in-house employees due to a focus on efficiency. To address this, we will strengthen the coaching model.**

- To embody the "technical staff first" philosophy, we will establish a coaching-based system.
- Through career support and enhanced communication, we aim to improve employee satisfaction and retention rates.
- We will pursue a balanced management approach between on-site operations and data, aiming for flexible and efficient responses.

## Recognition of Challenges and Response Measures for Retention at Yumeshin Co., Ltd.

### Challenges

#### 1. High Turnover Rate

- A significant number of technical staff leave within their first to third year of employment.
- The main reasons for resignation include dissatisfaction with salary and benefits, unclear career paths, and difficulty adapting to the work environment.
- In particular, unproductive resignations within the first year after joining are notable, and it is believed that reality shock and lack of information may contribute to this.

#### 2. Lack of Technical Staff First Initiatives

- In some cases, assignments and changes in work sites are decided by the sales department, and during these decisions, the preferences and work comfort of technical staff may not be fully considered.

#### 3. Challenges in Work Environment and Matching

- The harsh working conditions at construction sites are believed to be a contributing factor to early resignations.
- There is room for improvement in ensuring that employees are assigned to sites that match their skills and suitability.

#### 4. Lack of Communication

- At various touchpoints from pre-employment to site assignment, there are cases where information is not adequately communicated.
- Due to communication being somewhat personal and inconsistent, there are instances where the responses vary.

### Response Measures

**Promoting "technical staff first." We are working on strengthening communication and systematizing processes to prioritize the preferences of technical staff during assignments and site changes, aiming to improve their satisfaction and retention rates.**

- Conducted 90-minute one-on-one career meetings with 500 technical staff.
- Increased transparency in salary and benefits. We carefully explain the compensation system and timing of salary increases during one-on-one meetings.
- Accurately communicated the realities of site environments before joining or starting work to prevent reality shock.
- Strengthened the support system for technical staff by improving the satisfaction of in-house employees.

# Creating Value through Human Capital Management: The Creation of Open Uppers



## Obtaining Three Certifications in My First Year of Employment

Previously, I worked in the securities industry, where the required skills were vastly different from those in the construction industry. During my job search, I realized that the construction industry, which involves not only desk work but also working on-site to move projects forward, was the best fit for me. After researching various companies, I found that Yumeshin Co., Ltd. offered well-structured training programs and facilities, along with a supportive system for employees to obtain certifications. This led to my decision to join the company.

I joined the company in February 2021, and upon learning that the assistant pipe construction management engineer certification exam would take place that summer, I immediately started studying. I made use of early mornings and my spare time after work. On weekends, I focused for two to three hours on solving past exam questions. Once I had made progress in studying for the pipe construction management exam, I decided to expand my scope by challenging myself to obtain certifications in architectural and civil engineering assistant construction management, and also preparing for those exams. Fortunately, I passed all of them, and as a result, I obtained three assistant construction management engineer certifications in my first year at the company.

Looking back on that time of preparation, I initially found

## 1 Obtaining multiple construction management certifications to expand the scope of operations

### Hiroyuki Nakamura

Construction Management Technical Staff  
Yumeshin Co., Ltd.

the technical management methods and regulations challenging. However, I believe that making a habit of studying a little bit every day was key to my success. Regardless of my mood or motivation on any given day, continuing to study consistently allowed me to gradually understand parts that once seemed difficult. The knowledge I gained through studying for these exams has been invaluable in my daily work on-site, particularly in creating construction plans, managing schedules, and ensuring quality control.

### True Sense That the Company Places Great Emphasis on Employee Growth

Two months after I joined, in April 2021, a new Engineer Follow-up Team was established to provide dedicated support (such as career counseling). This team is separate from the existing sales team that typically handles the regular duties of our technical staff. Additionally, regular feedback is collected on our opinions and the challenges we face, and improvements are being made to the support system accordingly. Looking back over the past four years, I feel the company has increasingly prioritized employee growth within the organizational framework. Moving forward, I aim to challenge myself further by obtaining electrical work and assistant construction management engineer certification, with the goal of becoming involved in a broader range of construction projects.

### Message from an In-House Employee

Mr. Nakamura is currently in his fourth year with the company and is very familiar with the worksite and construction management at his assigned company. He is also a highly regarded individual, admired by both junior employees and craftsmen.

What particularly stands out to me is his strong drive for self-improvement. The continuous growth in his role has been highly appreciated by his employer, to the extent that they have even suggested a transfer. However, Mr. Nakamura has a particular dream he wants to achieve, and he seems to be drawn to the staffing model, which allows him to gain experience across various worksites.

As I fulfill my mission in sales and engage with technical staff, what I prioritize most is being someone those people can always rely on. Mid-level engineers like Mr. Nakamura in particular, as well as veteran employees who have been in the company longer, have accumulated diverse experiences. Because of this, they often face new challenges related to career development, mentoring, and training subordinates. As such, I always strive to create an environment where they can come to me anytime, and I try to foster a welcoming atmosphere where they feel comfortable talking to me.



Haruna Honma  
Sales Department  
Yumeshin Co., Ltd.



## Creating Value through Human Capital Management: The Creation of Open Uppers



### Assigned to the Design Department of a Major Automobile Manufacturer Right Off the Bat

I majored in humanities at university but also engaged in programming and website development. When it came to job hunting, I decided to pursue a career in the IT industry, considering its future potential. After comparing the educational systems and work environments of various companies, I decided to join BeNEXT Technologies Inc., which specializes in the dispatch of technical staff in the mechanical, electrical, and IT sectors.

After completing pre-employment training and studying at the training center, the job offer presented by the sales rep was with a major automobile manufacturer. The job involved designing exterior parts. Although it wasn't in the IT field as I had hoped, I was both surprised and excited, thinking how amazing it was that someone from a humanities background like me could be involved in design-related work for such a famous automobile brand.

### The Scope of Manageable Work Grew Before I Knew It

My current role involves designing the grille,\* front bumper, and other elements of the car's "face." My main duties include using CAD software to create drawings and 3D data for each part. I need to consider the design requirements for each component and ensure compatibility with connecting devices and materials while creating

## 2 Becoming a Capable Technical Staff Member in My Second Year Despite Initially Having No Mechanical or Electrical Engineering Knowledge

### Manami Mori

Technical Staff  
BeNEXT Technologies Inc.

the data. This requires knowledge of the overall structure of automobiles as well as precise manipulation of CAD software.

When I first started, I had zero knowledge about cars and no experience with CAD, so I struggled quite a bit. What I focused on was never leaving questions unanswered. Whenever I did not understand something, I immediately asked senior technical staff for help and applied what I learned through practice. I noticed my progress around the time I entered my second year. Before I knew it, the scope of work I could handle on my own had expanded, and I realized I was steadily growing.

Looking back on these three years, I realize how much I've learned from the senior technical staff, and I've also been greatly supported by the various systems in place to help employees advance their careers. The community that facilitates interaction with employees working at different sites and the online study sessions always provide fresh stimulation. Additionally, the career development training held every six months has been an excellent opportunity to envision my future self and set new goals. In the future, I would like to challenge myself by taking on tasks that involve coordination between the client company's representatives and our technical staff, managing project adjustments.

\* A mesh part that covers the opening between the headlights of a car, designed to cool the radiator

### Message from an In-House Employee

Ms. Mori has a background in the humanities and joined the company as a new graduate. She has grown by gradually acquiring the essential knowledge and skills required of engineers, earning solid trust from client companies. Her journey is highly regarded and recognized within our company as an ideal model for engineers. I also believe her success is a result of the effort she put into maintaining good communication with her team while working in an environment where she learned from those around her.

Recently, there has been an increasing number of engineers, including Ms. Mori, who place strong emphasis on work-life balance. As a company, we are actively promoting the creation of an environment where life events, such as childbirth and childcare, can be balanced with career development without difficulty. As a sales rep, I focus on presenting examples of employees who effectively utilize various internal systems and sharing stories of individuals who have successfully expanded their careers after returning from parental leave. By doing so, I aim to provide engineers with several options. I believe it is essential for them to mentally prepare and feel confident that balancing work with their first life event is entirely possible.



**Takahiro Kobayashi**  
Tokai Area Sales Department  
BeNEXT Technologies Inc.



## Creating Value through Human Capital Management: The Creation of Open Uppers



### Thriving at a Cloud Company after Practical Training

I was in a sales position in the retail industry with little exposure to IT. However, I wanted to acquire more advanced expertise and skills, so I decided to transition into the IT industry. Open Up IT Engineer Inc. actively hires individuals with no prior experience in IT and has a comprehensive training system that produces many employees with advanced IT certifications. I was drawn to this aspect and decided to join the company in 2022.

Having had an interest in cloud services for some time, I underwent a one-month basic training program and then, starting in my second month, took a high-end training program to become an Amazon Web Services (AWS) engineer. Through comprehensive lectures and materials provided by the instructors, I not only acquired the knowledge and skills required for the job but also tackled real-world challenges expected at the workplace. By building services myself to solve these challenges, I gained a deeper understanding of the knowledge I had acquired. I obtained AWS certifications for the beginner and intermediate levels and secured a position at a company that provides cloud-related technical consulting, development, and operational support. Currently, I am primarily responsible for pre-sales of SaaS<sup>\*1</sup> products. At this job, I have also participated in hands-on seminars and focused on self-learning related to SaaS.

## 3 Transitioning from Retail and Growing to Become a Cloud Expert

**Maiko Kida**

Technical Staff  
Open Up IT Engineer Inc.

### Becoming a Certified Mackerel Ambassador

In 2023, I was certified as a Mackerel Ambassador,<sup>\*2</sup> and the following year I was awarded the title of GitLab Champion,<sup>\*3</sup> a recognition bestowed on only 40 people worldwide, three of whom are in Japan. I still find it hard to believe that I achieved these feats through my own abilities. In situations like client negotiations and meetings, these achievements have boosted the confidence I have in my work.

Looking back over the past three years, the AWS training I received at Open Up IT Engineer has become the foundation of my career as a technical staff member. The knowledge I gained during that training has been incredibly useful in performing my current job tasks. Additionally, our company has a dedicated department for technical staff support, and the follow-up provided by my account manager has been very reassuring. During regular meetings, I am asked questions like, "What is your next goal?" which allows me to assess my current position and clarify the direction I need to take moving forward. I will continue to build my career while setting new challenges for myself.

<sup>\*1</sup> SaaS (Software as a Service): A service that allows software hosted on the cloud to be accessed over the internet.

<sup>\*2</sup> Mackerel Ambassador: An individual recognized as an ambassador by Hatena Co., Ltd., the provider of Mackerel (a SaaS-based server monitoring service), for their continuous contribution to sharing information about the service.

<sup>\*3</sup> GitLab Champion: A recognition awarded by GitLab Inc. to members who have delivered outstanding results to customers using Gitlab, an efficient software development product.

### Message from an In-House Employee

At our company, we offer advanced training programs that allow engineers to acquire the skills and knowledge required for upstream processes. This training is conducted by an internal team of instructors, including myself, and we provide comprehensive support for the growth of engineers. Many of the engineers who apply for the advanced training are highly motivated and eager to take on challenges. Among them, Ms. Kida stands out not only for her proactive attitude but also for her excellent communication and presentation skills. I am delighted to hear about the success she has had at her workplace, and I am personally inspired to see that she continues to maintain and further develop these qualities, constantly refining her skills.

As instructors, we are dedicated to ensuring no participant is left behind in our training. We focus on supporting each individual's problem-solving skills, following up on their certification progress, and providing the best possible learning opportunities. Personally, I transitioned from an unrelated industry with limited IT experience and have built my career from the ground up. Because of this, I always strive to provide clear and detailed explanations rather than assuming prior knowledge. Through this approach, I hope that more engineers will take part in the advanced training and, like Ms. Kida, have the chance to broaden their opportunities and succeed in their roles.

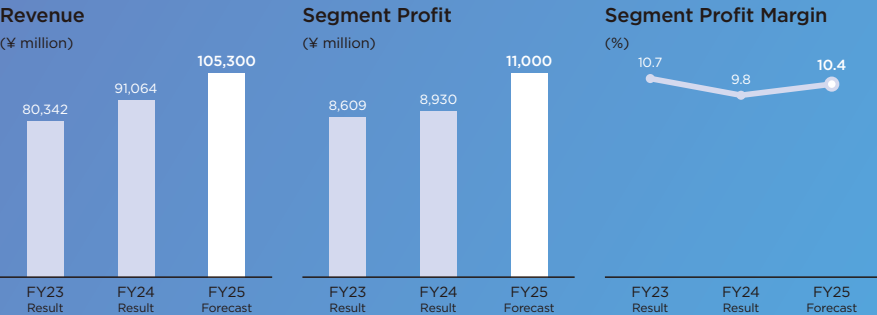


**Akinori Ibata**  
HR Development  
Open Up IT Engineer Inc.

Review of Operations: Business Results

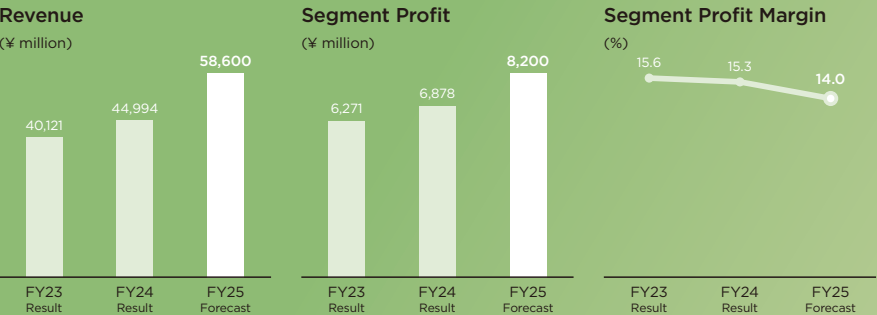
Machinery and Electronics / IT

For fiscal 2025, we expect 15% growth in revenue, considering the continued increase in the number of employees and the full contribution of the companies acquired in the previous fiscal year. Segment profit is expected to grow by 23%, with a forecast recovery in the profit margin to 10%.



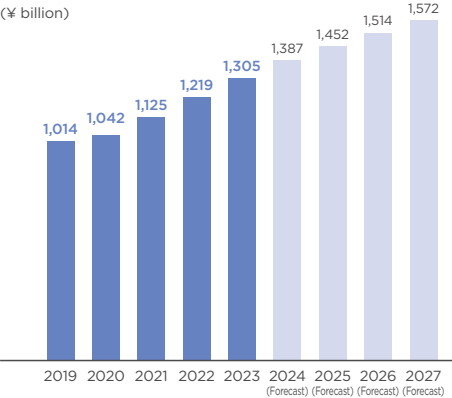
Construction

For fiscal 2025, in addition to strengthening recruitment, we expect 30% growth in revenue with the addition of the two acquired companies. However, due to integration-related costs, we forecast 19% growth in segment profit, with a decline in the profit margin to 14%.



Business Environment

Machinery and Electronics / IT Staffing Market Size\*



\*Source: Current Status and Outlook of the Human Resources Business (Yano Research Institute) In the original document, it is listed as "Engineer Staffing Market Size."

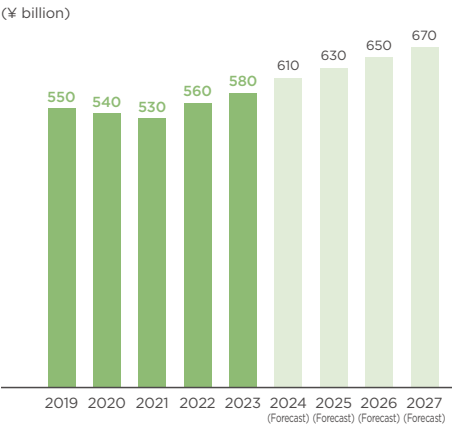
Revenue Ranking (2023 Edition)

1	TechnoPro Holdings, Inc.
2	OUTSOURCING Inc.
3	Meitec Group Holdings, Inc.
4	Open Up Group, Inc.
5	Alps Electric Engineering, Inc.

- There is increasing appetite to invest in technological development and research
  - The promotion of corporate DX and digital shifts are driving higher demand for engineers
  - The rise in staffing contract rates is contributing to market expansion
- Due to the intensifying recruitment environment, some staffing companies are struggling to recruit and secure engineers

Business Environment

Construction Staffing Market Size\*



\*Source: Current Status and Outlook of the Human Resources Business (Yano Research Institute)

Revenue Ranking (2023 Edition)

1	Open Up Group, Inc. (Yumeshin Co., Ltd.)
2	TechnoPro Construction, Inc.
3	Kyodo Engineering Corporation
4	COPRO-HOLDINGS. Co., Ltd.
5	Sinyo Corporation
⋮	
16	IR Inc.

- The market continues to expand due to increased demand for personnel as a result of work style reforms
  - The activation of new construction and plans for semiconductor-related factories is driving the expansion of demand for related facility construction
- The upward trend in staffing contract rates is a positive factor for the market

## Review of Operations

### Machinery and Electronics

Message from the Head of  
the Machinery and Electronics Unit

**We handle a variety of projects that support engineers in advancing their careers as they help raise our competitive advantage.**

**Shinichi Eirai**

Corporate Officer of Mechatronics unit



#### Overview

In the Machinery and Electronics Unit, we open our doors for engineers more widely than major personnel staffing companies that specialize in recruiting new university graduates and senior-level employees, and we even proactively recruit inexperienced mid-career human resources. Our training centers offer a curriculum that teaches manufacturing from the basics, and provide solid support for the reskilling and career advancement of mechanical and electrical engineers.

The operating companies that make up the Mechanical and Electronics Unit employ some 7,000 engineers with diverse skills. Our strength lies in our ability to leverage this economy of scale to swiftly propose human resources with compatible capabilities to meet the requirements of various projects at client companies.

Our most notable achievement in fiscal 2024 was our ability to exceed the plan for securing the human resources needed for business growth through the expansion of recruiting channels. The number of engineers dispatched has increased steadily, contributing to increased revenue. As a result, there has been a steady shift toward higher staffing rate tiers, with the average staffing rate for fiscal 2024 being in the 3,600-yen range, and a further rise to the 3,700-yen range most recently.

As a new initiative in collaboration between operating companies that has been producing results, BeNEXT Technologies Inc. started supplementing the sales functions of BeNEXT Solutions Inc.,\* a company without its own dedicated sales organization. BeNEXT

Solutions, which has been focusing on contract work, has achieved clear results showing growth in its business of dispatching engineers for embedded software development.

Due to factors including the trend in the manufacturing industry in recent years to relocate overseas factories back to Japan, demand for mechanical and electrical engineers is forecast to remain brisk. However, competition to acquire talent is intensifying in proportion to this expanding demand.

The major personnel staffing companies for engineers and personnel dispatch agencies for manufacturing I mentioned earlier have also begun adopting a business model of recruiting and training inexperienced applicants. As such, the kind of strategies we need to develop to acquire human resources will be an issue as competition intensifies going forward.

Therefore, in the current fiscal year we have begun initiatives aimed at reducing the turn over. The most common case in the Machinery and Electronics Unit is that employees resign shortly after being dispatched to a company. The main reason for this is because actual conditions at manufacturing facilities have not been fully communicated to the new employees, resulting in a significant gap in terms of their expectations of the workplace prior to the dispatch. We established an in-house team dedicated to preventing such resignations due to reality shock and began providing more attentive follow-up for inexperienced employees making their start as engineers. We have also overhauled our recruiting standards and are placing greater emphasis on enthusiasm

for manufacturing and willingness to take on challenges. In addition, we have started full-scale recruitment of experienced engineers and are developing a strategy for a hybrid model that also includes recruiting inexperienced applicants. Through these measures, in fiscal 2025 we plan to resolve the issues we are facing.

#### Outlook

For nearly 20 years in the technical staffing business for engineers, we have remained consistently mindful of promoting the growth of mechanical and electrical engineers by offering a variety of in-house education and training programs. Moreover, we have worked to provide ongoing support for career advancement by creating opportunities for employees to utilize newly acquired skills and take the next step as an engineer so that they can choose a workplace where their skills are most in demand. We will further refine these functions to fill the gap between the needs of companies and the needs of job seekers. We believe this is the value we provide to society. By doing so, we will further strengthen our business model—one in which we can satisfy engineers working as valuable human resources adapted to changes in the industrial structure—while continuing to receive a positive evaluation from client companies and grow.

\*In IR materials, BeNEXT Solutions (embedded control) profit and loss is classified as IT.

Review of Operations: Machinery and Electronics

Continuing to create opportunities for the next challenge

Business Activities

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

Many mid-level engineers play an active role in the Machinery and Electronics segment, which supports a wide range of sectors, such as transportation equipment, semiconductor-related equipment, electrical and electronic equipment, machinery, information and telecommunications, and chemicals. The Machinery and Electronics segment, which has built a client base of more than 1,000 client companies, also operates a contracting and consignment business engaged in the design and development of embedded software, the development of production technologies, testing and evaluation, information processing, and other activities.

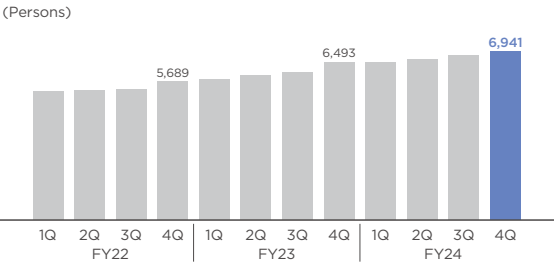
External Environment (Short-term / Medium-term)	Opportunities	<ul style="list-style-type: none"><li>Chronic human resources shortage leading to high demand for engineers</li><li>Reevaluation of Japan as a production base, driven by economic security concerns</li></ul>
	Risks	<ul style="list-style-type: none"><li>Not only companies in the same industry but also those in different industries strengthening their recruitment of inexperienced candidates</li><li>Expansion of job seekers' options accelerating mobility of human resources</li></ul>
Internal Environment (Short-term / Medium-term)	Strengths	<ul style="list-style-type: none"><li>Matching ability to accept and employ individuals who are motivated to work</li><li>A client base spanning multiple industries and processes that can offer opportunities for engineers</li><li>High-profitability business operations</li></ul>
	Challenges	<ul style="list-style-type: none"><li>Establishing a follow-up system that aligns with employees' preferences and careers</li><li>Improving employee retention rates</li></ul>



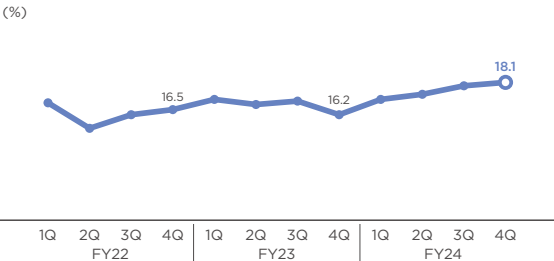
Specific Measures

- Increasing engineer satisfaction and expanding LTV
- Recruitment focused on engineer retention from the point of entry
- Maintaining recruitment of inexperienced candidates while strengthening the recruitment of experienced candidates

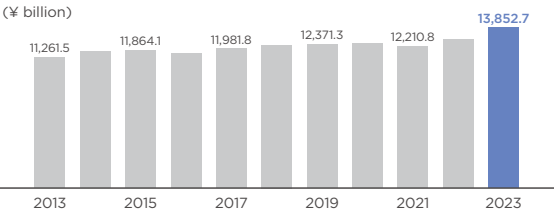
Number of Employees



Turnover Rate

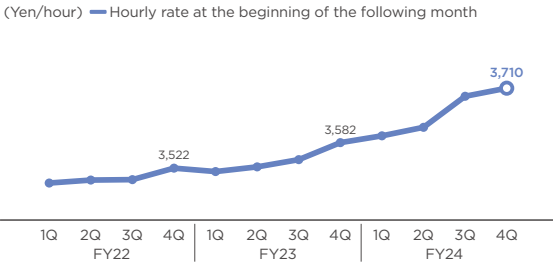


Research and Development Expenses in Manufacturing Industry

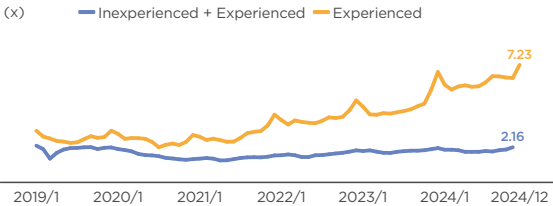


\*Source: Science and Technology Research Survey (Ministry of Internal Affairs and Communications)

Unit Price of Contracts



Job-to-ApPLICANT Ratio



\*Source: Based on General Employment Placement Situation (Ministry of Health, Labour and Welfare) and Job-to-ApPLICANT Ratio Report (doda), compiled in-house. In the General Employment Placement Situation, Inexperienced + Experienced is categorized as development engineers. In the Job-to-ApPLICANT Ratio Report, Experienced is categorized as machinery and electronics engineers.

New Semiconductor Plant Investments Since 2024

Year	Region	Company
2024	Kitakami City, Iwate Prefecture	KIOXIA Iwate Corporation
2024	Nomi City, Ishikawa Prefecture	Kaga Toshiba Electronics Corporation
2024	Kai City, Yamanashi Prefecture	Renesas Electronics Corporation
2024	Yokkaichi City, Mie Prefecture	Kioxia Corporation
2024	Kikuchi-gun, Kumamoto Prefecture	JASM (Taiwan TSMC)
2024	Higashimorokata-gun, Miyazaki Prefecture	LAPIS Semiconductor Co., Ltd.
2025	Higashihiroshima City, Hiroshima Prefecture	Micron Memory Japan, K.K.
2027 (Planned)	Chitose City, Hokkaido Prefecture	Rapidus Corporation
2027 (Planned)	Kurokawa-gun, Miyagi Prefecture	JSMC (SBI Holdings, Inc. & Taiwan PSMC)

- The number of employees increased by 448 compared to the same period last year.
- While contract rates have been steadily growing, a challenge remains as the turnover rate is worsening.
- The experienced engineer market has intensified, with a ratio of 7.23x, whereas the market for our main target, inexperienced candidates, has remained stable at 2.16x.
- High demand for machinery and electronics engineers is expected to continue in the future.

\*In the IR materials classification, the profit and loss for BNS (Embedded Control) is classified under IT.

# Review of Operations

## IT Infrastructure

Message from the Head of  
the IT Infrastructure Unit

**We will provide education, training, and employment opportunities to human resources with no IT experience while achieving further growth.**

**Junji Nakashima**

Corporate Officer of IT Infrastructure unit



### Overview

The competitive advantage of the IT Infrastructure Unit lies in its ability to create profit by recruiting people with no experience and providing them with training and job opportunities to become IT engineers. There is an overwhelming shortage of IT engineers in Japan today. Accordingly, the reality is that the number IT engineers needed simply exceeds the number of highly experienced IT engineers one can find in the human resources market. This is a social issue for Japan, and we are proud to be the first to have established a business model for hiring and training inexperienced people to become IT engineers. In addition, the skills of IT engineers can be visualized through means such as the qualifications they have acquired, a characteristic that makes it easy for them to establish their career five to 10 years hence on their own. The market is also an extremely emergent one, and in recent years there has been a rapid increase in the number of people who want to become IT engineers regardless of their previous occupations.

Another advantage of the IT Infrastructure Unit is its abundant human resources. In the IT infrastructure sector, we are the leading company, with a total of approximately 5,500 IT infrastructure engineers between our two operating companies. One of the factors that gives us a strong competitive edge is the depth of our human resources, enabling us to provide total solutions to client companies, combining temporary staffing, contracting, and outsourcing.

As a result, in fiscal 2024, revenue increased by 24% and operating profit grew by 41.9% compared with the previous fiscal

year. Open Up IT Engineers Inc. (OPE), our core company established in July 2023, restructured its personnel system, compensation system, and sales organization in its first year of operation to quickly solidify its management base. It was a year in which the company took on the challenge of achieving significant growth in both quality and quantity.

Of course, there are issues to address. For example, efforts to improve the human resource retention rate, or, in other words, to lower the turnover rate. As a measure to achieve this, we have set the improvement of engineer satisfaction as a key management issue for our technical staff. We will also enhance the working environment by taking measures to support careers and increase compensation and, in turn, increase job and company satisfaction. In January 2024, we introduced a more transparent compensation system for in-house employees, in which compensation is determined according to role, mission, and results.

Another important strategic issue for the IT Infrastructure Unit is to strengthen its existing competitive advantage. To do so, raising the level of technical staff through more effective education and training will be key. The creation of such a learning environment (infrastructure), as well as other initiatives related to comprehensive support for engineers, is the responsibility of the HR Development Department. With this department at its core, a company-wide project at OPE was initiated in 2023 called the Communication Platform (commonly referred to as CPF). We have established three pillars for this platform—"information," "learning," and "career"—which tie into the resolution of the issue at hand.

The first pillar, "information," is symbolized by the establishment of a new in-house support department that acts as a concierge, enabling technical staff to smoothly and easily send and receive (communicate) information when they want to know or convey various types of information, such as problems in the workplace or information on internal systems.

The second pillar is "learning." As part of it, we introduced a digital learning platform in November 2024 that allows users to learn anytime, anywhere, in a way that is hassle-free and enjoyable. Going forward, we will be evolving this platform by making it possible to analyze the learning history of technical staff and propose individually optimized learning methods.

The third pillar, "career," consists of a series of initiatives to compile a database of information on the career development of technical staff who have worked for OPE and provide easy-to-understand solutions for individual technical staff.

### Outlook

I believe that the IT infrastructure sector is one of the few remaining growth markets in Japan. With the advent of generative AI, there will naturally be fields that will be replaced by AI, but conversely, the importance of IT infrastructure will increase as technologies with generative AI at their core further spur DX. As the amount of data we handle increases, our business opportunities will continue to expand. I am confident that we can achieve further growth by implementing appropriate strategies and tactics with an eye to the market.



## Review of Operations: IT

# Open up the door to each individual's career and leading the way to a richer life

## Business Activities

### Infrastructure

Dispatch of IT engineers, outsourcing, and IT consulting

### Development

System planning, development, installation, upgrading, maintenance and operation, and IT consulting

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

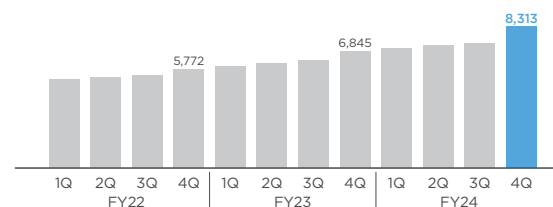
External Environment (Short-term / Medium-term)	Opportunities	<ul style="list-style-type: none"> <li>The extremely high demand for engineers expected in the future</li> <li>The expansion of infrastructure development utilizing the cloud due to the widespread adoption of AI and DX</li> </ul>
	Risks	<ul style="list-style-type: none"> <li>The increasing entry of competitors into the entry-level job segment, which is the foundation of our business</li> <li>Competitors following our business model of training inexperienced individuals to become engineers</li> </ul>
Internal Environment (Short-term / Medium-term)	Strengths	<ul style="list-style-type: none"> <li>Our proprietary training platform for developing inexperienced individuals into engineers</li> <li>The largest number of engineers in the IT infrastructure industry and a wide customer base</li> </ul>
	Challenges	<ul style="list-style-type: none"> <li>Strengthening the sales department with a focus on sustainable talent acquisition and development</li> <li>Developing engineers who can meet the increasing demands of clients</li> </ul>



Specific Measures	<ul style="list-style-type: none"> <li><b>Improving compensation and career benefits</b> Introducing a transparent compensation system Clarifying career paths</li> <li><b>Improving work environment and conditions</b> Expanding training capacity and enhancing offered programs Promoting CPF strategy</li> </ul>

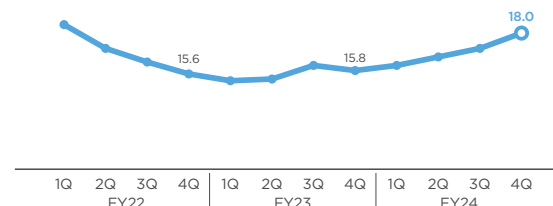
## Number of Employees

(Persons)



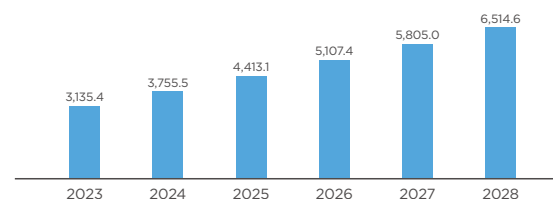
## Turnover Rate

(%)



## Domestic Public Cloud Service Market Forecast

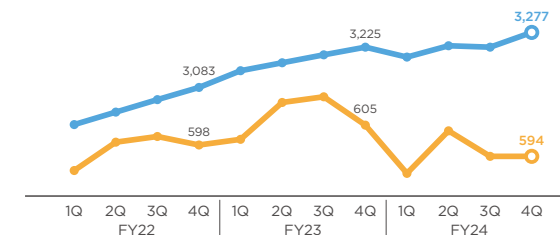
(¥ billion)



Source: Information and Communications in Japan WHITE PAPER 2023 (Ministry of Internal Affairs and Communications)

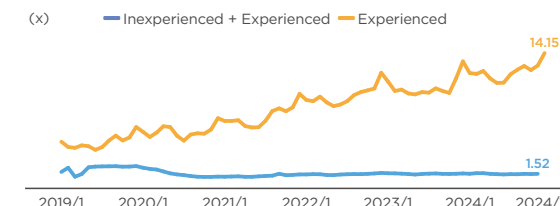
## Unit Price of Contracts

Hourly rate (¥/hour) Monthly billing amount (¥ thousand/month)



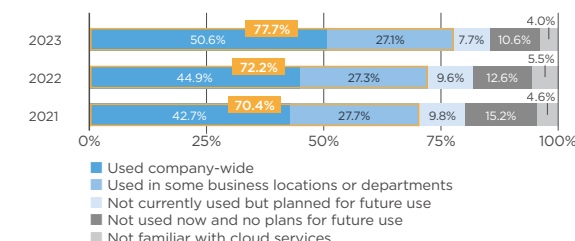
## Job-to-Applicant Ratio

(x)



\*Source: Based on General Employment Placement Situation (Ministry of Health, Labour and Welfare) and Job-to-Applicant Ratio Report (doda), compiled in-house.  
In the General Employment Placement Situation, Inexperienced + Experienced is categorized as information and communication technology engineers. In the Job-to-Applicant Ratio Report, Experienced is categorized as IT engineers.

## Domestic Cloud Service Usage



\*Source: Results of the 2023 Communications Usage Trend Survey (Ministry of Internal Affairs and Communications)

- The number of employees significantly increased due to the Group integration of UT Technology, with an increase of 1,468 compared to the same period last year.
- While contract unit prices have been steadily rising, the monthly billing amount has remained flat due to the impact of reduced overtime hours.
- The increase in the turnover rate is a challenge.

\*In the IR materials classification, the profit and loss for BNS (Embedded Control) is classified under IT.

# Review of Operations

## Construction

Message from the Head of  
the Construction Unit

**We will not let ourselves be content with our top position in the industry, but will continue to both support the career development of construction engineers and achieve business growth.**

**Einobu Yoshii**

Corporate Officer of Construction unit



### Overview

The Construction Unit's economy of scale, boasting the top position in the industry in terms of the number of construction engineers and client companies, is a major strength for it. For our technical staff, who possess expertise and extensive experience, there are many opportunities to acquire more advanced skills and to participate in construction projects of great social significance. Our ability to train many inexperienced human resources through our unique training system and secure an abundance of companies and offices that take them on is also a strength for the Construction Unit.

In recent years, we have particularly strengthened our system for following up on technical staff and the sites to which they are dispatched. In 2021, we established a team dedicated to this follow-up, separate from the existing Sales Department. The role of this team is to respond to consultations from technical staff and promptly take measures to resolve any work-related problems they may have. The nature of their concerns, such as compatibility with the company they have been dispatched to, interpersonal relationships, and the direction of their career development, vary widely, so we are constantly seeking the best way to support each individual technical staff member and to make improvements.

We are also focusing on strengthening our system to prioritize long-term business partnerships with our clients. We assign dedicated sales staff to major general contractors and other client companies with numerous construction sites and projects, while also giving priority to assigning technical staff in accordance with human resource

requests from clients with whom we expect to see long-term and continuous dispatch of personnel.

In fiscal 2024, backed by strong demand for human resources in the construction industry, we achieved steady growth, with revenue up approximately 12% and operating profit up approximately 10%. In addition, we sought to increase the number of technical staff through aggressive recruiting activities. Occupying the position of industry leader in Japan and able to demonstrate, in the field, the expertise we have cultivated as a pioneer in the industry, our value is widely recognized by our clients. Because of this, our requests to revise staffing rates have generally met with smooth approval. Legal restrictions on overtime work in the construction industry came into effect in April 2024, but the reduction in overtime hours was compensated for by increases in staffing rates. Going forward, we will also begin negotiations to bring the staffing rates of Open Up Construction Co., Ltd. (OPC) and IR Inc., which joined our Group in 2024, closer to those of Yumeshin Co., Ltd. I believe that these efforts will help us achieve the goals of our newly updated medium-term management policy, which calls for annual growth of 10% or more in revenue and operating profit, as well as in the number of engineers in Japan.

To strengthen our human resources development capabilities, we opened new training facilities in Osaka and Nagoya, and together with the Shiomi training facility in Tokyo, we now have a total of three locations. In addition, we are also working on achieving Group synergies in the domain of human resources development, such as employing VR (virtual reality) training, with which OPC has accumulated know-how, at Yumeshin and IR.

The market environment continues to be favorable with strong demand for engineers, but current challenges are that competition for hiring is becoming tougher and the number of resignees is slightly on the rise. How we can promote the attractiveness of the construction industry to the new graduate, mid-career, and inexperienced worker recruiting markets, and our ability to tie this into increasing the number of people who enter these markets and join our Group, will be key to solving this issue.

### Outlook

The number of human resources who hone their skills as technical staff after joining our Group, become highly regarded at the sites they are dispatched to, and get hired by the client company, is gradually increasing. We do not see this as an issue; rather, we actively support our employees as they embark on a new chapter in their lives. The reason is because we see our value as being able to support the career development of the person in question. I would also like to see us aim to create a corporate organization in which technical staff who have been hired by the construction company they were dispatched to later support our Group as the place where they got their start. We will not let ourselves be content with our position as the leading company in the industry, but will continue to grow our business by coming up with and implementing new ideas that tie directly into the recruitment and training of construction personnel.

Review of Operations: Construction

Contributing to the construction industry and supporting Japan’s infrastructure by supporting the growth of engineers

Business Activities

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

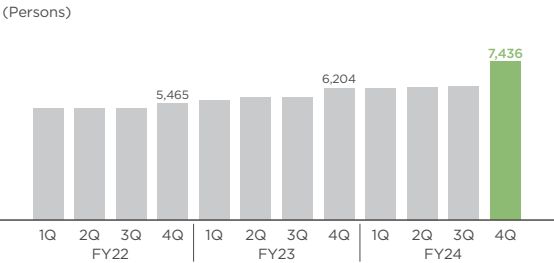
Economies of scale afforded by its position as the industry leader in terms of number of construction engineers constitute a major strength of the Construction Unit. Together with nurturing many inexperienced human resources through our unique training system, we are focused on strengthening our system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

External Environment (Short-term / Medium-term)	Opportunities	<ul style="list-style-type: none"><li>• High demand for engineers due to the structural labor shortage, with a large proportion of elderly workers</li><li>• Short-term expansion of construction investments</li></ul>
	Risks	<ul style="list-style-type: none"><li>• Strengthening recruitment of inexperienced candidates not only by competitors in the same industry but also by companies in other industries</li><li>• Impact of natural disasters on construction projects</li></ul>
Internal Environment (Short-term / Medium-term)	Strengths	<ul style="list-style-type: none"><li>• The largest number of engineers in the construction staffing industry, with a significant proportion of young workers, and a strong client base</li><li>• Our own training platform for developing inexperienced individuals into engineers</li></ul>
	Challenges	<ul style="list-style-type: none"><li>• Strengthening the follow-up system that supports improving engineer retention rates</li><li>• Rising recruitment costs due to the active hiring market</li></ul>

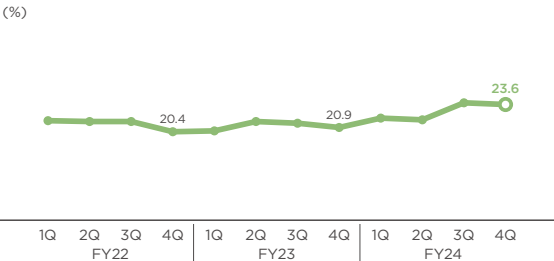


Specific Measures	<ul style="list-style-type: none"><li>• Setting engineer satisfaction improvement as an important KPI</li><li>• Expanding recruitment channels to address the intensifying recruitment environment</li><li>• Strengthening the recruitment of foreign talent</li></ul>
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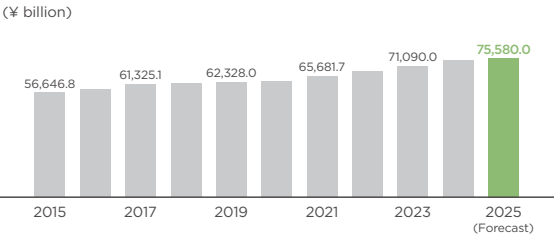
Number of Employees



Turnover Rate

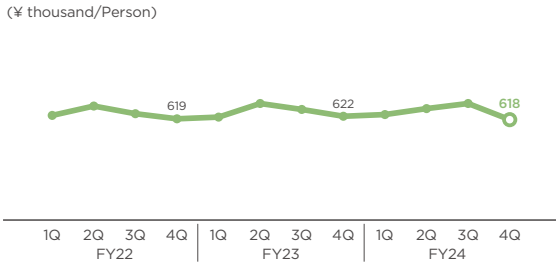


Construction Investment Amount

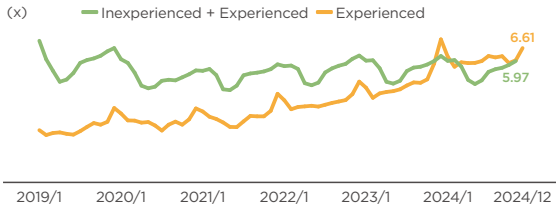


\*Source: Construction Investment Outlook Based on Construction Economics Model (Research Institute of Construction and Economy)

Monthly Billing Amount

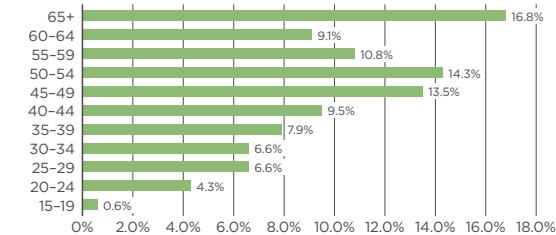


Job-to-Applicant Ratio



\*Source: Based on General Employment Placement Situation (Ministry of Health, Labour and Welfare) and Job-to-Applicant Ratio Report (doda), compiled in-house.  
In the General Employment Placement Situation, Inexperienced + Experienced is categorized as information and communication technology engineers. In the Job-to-Applicant Ratio Report, Experienced is categorized as IT engineers.

Construction Workers Age Composition Ratio (2023)



\*Source: Based on the Labor Force Survey Annual Report (Statistics Bureau of Japan, Ministry of Internal Affairs and Communications), compiled in-house

- The number of employees increased by 1,232 compared to the same period last year due to the integration of OPC into the Group.
- In addition to the impact of overtime regulations, the Group integration of OPC, which had lower rates compared to our Company, led to a decrease in the monthly billing amount.
- The turnover rate remains a challenge.

# Review of Operations: Overseas

## Business Activities

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

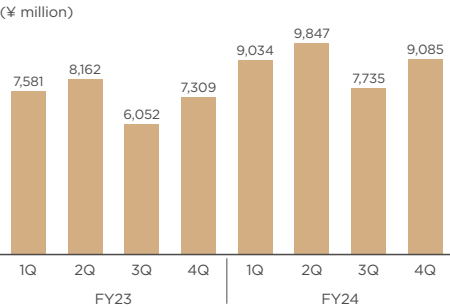
Our overseas operations center on the United Kingdom, where we dispatch workers to a wide range of companies under our corporate umbrella, primarily Gap Personnel Holdings Limited, to engage in a variety of duties.

### Staffing Adoption Ranking

2018			2022		
1	England	3.4%	1	Netherlands	3.3%
2	Netherlands	3.3%	2	Ireland	3.0%
3	France	2.9%	3	England	3.0%
4	Australia	2.7%	4	France	2.9%
5	Belgium	2.5%	5	China	2.7%
6	Germany	2.4%	6	Japan	2.5%
7	Ireland	2.2%	7	Switzerland	2.5%
8	USA	2.0%	8	Belgium	2.4%
9	Japan	2.0%	9	Austria	2.3%
10	Switzerland	2.0%	10	Finland	2.2%

\*Source: Prepared by the IR Department based on "Economic Report 2023" by the World Employment Confederation

### Trend in Overseas Segment Revenue



### Overseas Business Operating Companies

UK	Gap Personnel Limited and Driving Force
China	Shandong Lianxin Zhida Human Resources Co., Ltd. and Guangzhou Dianmi Xinke Human Resources Co., Ltd.
Vietnam	L&A Corporation (Le&Associates) and Ban Vien Corporation
Indonesia	PT. TRUST TECH ENGINEERING SERVICE INDONESIA



# Review of Operations: Others

## Business Activities

Disability inclusion employment promotion, online programming education, job placement services, and corporate training

### Education

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

### Disability Inclusion Employment Promotion

Through this program, we promote the social independence of staff with disabilities while also advancing efforts toward achieving the SDGs.

### Programming Education

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

### Job Placement Business

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

### Corporate Training Business

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

### Stationery Business

The stationery business involves the handmade production of calendars, business cards, and various other stationery products for Group companies, primarily using recycled paper.

### Flower Arrangement Business

This business involves planning and creating flower arrangement works using artificial flowers and other materials. It is carried out consistently from the original design to production.

### Outsourcing Business

The main business is outsourcing administrative tasks. This includes document storage and digitization, storage, shipping, and inventory management of company brochures and envelopes, as well as the mailing of publications to employees.

# Sustainability Management

## Basic Stance

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

### Basic Sustainability Policy

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

## Sustainability Governance

The Open Up Group has established a framework centered around the Sustainability Committee to promote sustainable development by continuously expanding its business operations and addressing social issues.

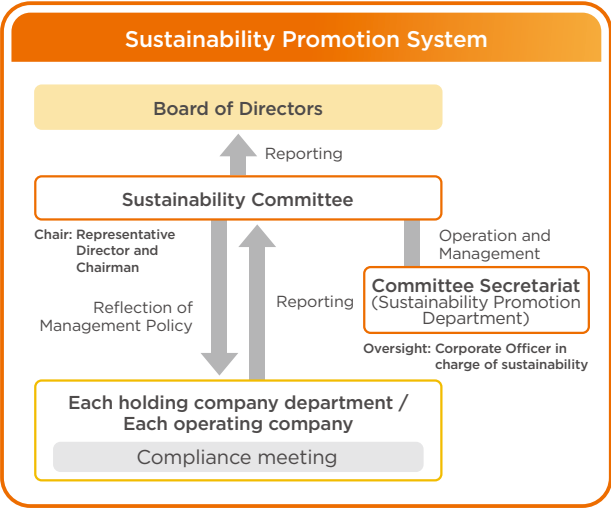
The Sustainability Committee serves as one of the executive bodies, with the Chairman and CEO as the chair, and is composed of the Representative Director, President and COO, the Director and CFO, corporate officers (including the CEOs of major operating companies), and Group officers and employees designated by the chair. Additionally, the activities of the Sustainability Committee are reported to the Board of Directors.

The Sustainability Committee manages the value creation process and the examination and updating of material issues while also discussing risk management related to sustainability over the medium and long term. This includes risks associated with human capital, human rights, and climate change. Additionally, regarding risk management issues related to sustainability that arise in the monthly compliance meetings (reports) held by each operating company, the committee oversees not only the monthly management by each company but also manages these issues as a regular agenda item at the Sustainability Committee, ensuring Company-wide oversight.

As a result, the policies and key points discussed at the Sustainability Committee are reflected in the business strategies and the themes of the compliance meetings of each operating company, establishing a governance framework to promote sustainability.

### Sustainability Committee Meetings

The Sustainability Committee meets at least twice a fiscal year. The committee aggregates risk management status updates highlighted during the monthly compliance meetings at each operating company. The following are the key agenda items from the most recent Sustainability Committee meeting.



Overview of Sustainability Committee Meetings		
Date of meeting	Main items	
Third meeting May 11, 2023	<ul style="list-style-type: none"><li>&gt; Discussed progress of ongoing activities at the time and considered next steps<ul style="list-style-type: none"><li>• Publishing value creation model and material issues on corporate website</li><li>• Sharing schedule for development of the material issues action plan</li><li>• Preparing to endorse the TCFD recommendations</li></ul></li></ul>	<ul style="list-style-type: none"><li>&gt; Reviewed the status of sustainability items<ul style="list-style-type: none"><li>• Human rights: Confirmed Human Rights Policy, joined the UN Global Compact</li><li>• CSR: Established and approved Social Contribution Policy</li></ul></li></ul>
Fourth meeting December 21, 2023	<ul style="list-style-type: none"><li>&gt; Discussed progress of ongoing activities at the time and considered next steps<ul style="list-style-type: none"><li>• Issued the <i>Integrated Report 2023</i></li><li>• Performed final confirmation of external communication on material issues</li><li>• Future schedule for actions on material issues</li><li>• Consideration of TCFD carbon offsetting</li></ul></li></ul>	<ul style="list-style-type: none"><li>&gt; Reviewed the status of sustainability items<ul style="list-style-type: none"><li>• Risk Management: Approach for setting themes</li><li>• BCP: Approach for formulation</li></ul></li></ul>
Fifth meeting August 8, 2024	<ul style="list-style-type: none"><li>&gt; Discussed progress of ongoing activities at the time and considered next steps<ul style="list-style-type: none"><li>• Feedback from ESG ratings</li><li>• Progress check on the material issues action plan</li><li>• Analysis and evaluation of OPI engagement</li></ul></li></ul>	<ul style="list-style-type: none"><li>&gt; Reviewed the status of sustainability items<ul style="list-style-type: none"><li>• TCFD: Response to Scope 3 greenhouse gas calculation</li><li>• Risk Management: Risk analysis results, future policies, and BCP</li></ul></li></ul>

For more information on the Sustainability Committee, please visit the "Sustainability Committee Meetings" page on our website.



# Material Issues

## The Group's Approach to Material Issues

The material issues of the Open Up Group consist of 10 key items: five issues for creating value, which are medium- to long-term critical issues to address in order to achieve Our Purpose of "Open up individual potential through rewarding work," and five issues for protecting our business foundation. These are the essential issues that contribute to creating both corporate and social value.

Out of these 10 material issues, issues 1 to 5 fall into the category of material issues for creating value. They create opportunities for business growth by supporting the career development and well-being of each individual worker, while also contributing to the sustainable development of the labor market. On the other hand,

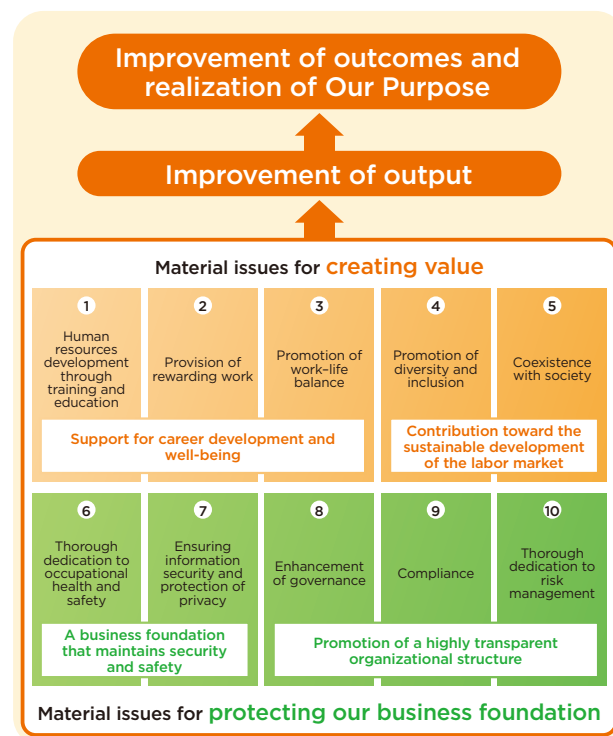
issues 6 to 10 fall under the category of protecting our business foundation. If not properly addressed, these issues could lead to the materialization of management risks that negatively impact our business foundation for ensuring a safe and secure business structure and a highly transparent organizational structure. Therefore, a systematic approach to addressing these material issues is directly related to the Group's ability to both take advantage of business opportunities and enhance its risk management.

Our goal is to leverage our business activities to address material issues and improve output by doing so, specifically in terms of the indicators listed in the Open Up Purpose Index and other aspects of human capital. We believe that compounding these inputs one upon the other will improve outcomes, including sustainable improvement

of corporate value, provision of new value to a wide range of stakeholders, resolution of social issues, and ultimately realization of Our Purpose.

## Analysis of Opportunities and Risks Related to Material Issues

The Open Up Group analyzes how the 10 material issues, considering domestic and international circumstances, as well as the expectations from society and stakeholders, could significantly impact our management. Based on this analysis, we have identified the key opportunities and risks below.

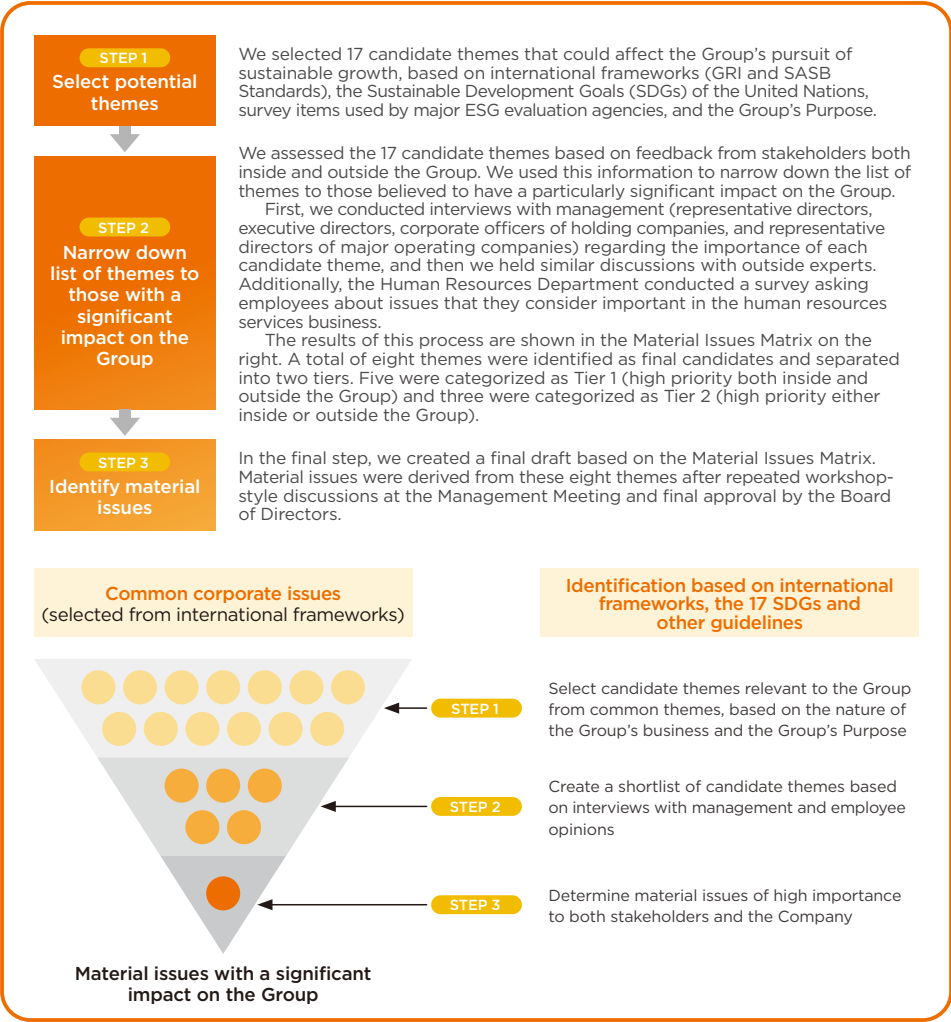


	Material Issues	Opportunities gained from addressing issues	Risks presented by not addressing issues	SDGs
Material issues for creating value	Support for career development and well-being	Human resources development through training and education	Helping employees update their skills allows them to stay with the Group for longer, expand their career options, and gain opportunities to increase their compensation.	
		Provision of rewarding work	By providing work that is rewarding to employees, the Group can help improve their performance and growth while increasing client company satisfaction.	
		Promotion of work-life balance	By creating a positive working environment, the Group enables employees to work with peace of mind, which can reduce turnover and enhance the Group's reputation.	
	Contribution toward the sustainable development of the labor market	Promotion of diversity and inclusion	By making it possible to attract a diverse range of employees in terms of age, gender, nationality, sexual orientation, and other characteristics, the Group will be able to provide value to a wider range of client companies.	
		Coexistence with society	As an industry leader, the Group can simultaneously contribute to the labor market and personnel staffing industry while continuing to work with client companies and securing human resources.	
Material issues for protecting our business foundation	A business foundation that maintains security and safety	Thorough dedication to occupational health and safety	Ensuring of health and safety gives employees peace of mind while they work, which can contribute to better performance and productivity.	
		Ensuring information security and protection of privacy	Information security and protection of privacy are the foundation for trust building for potential job seekers, employees, and client companies.	
	Promotion of a highly transparent organizational structure	Enhancement of governance	Effective supervision of management can help create corporate value over the medium to long term and contribute to the realization of the Group's Purpose.	—
		Compliance	Information security and protection of privacy are the foundation for trust building for potential job seekers, employees, and client companies.	
		Thorough dedication to risk management	Risk management is the foundation for trust-building for potential job seekers, employees, and client companies, and it is key to fulfilling responsibility to shareholders.	

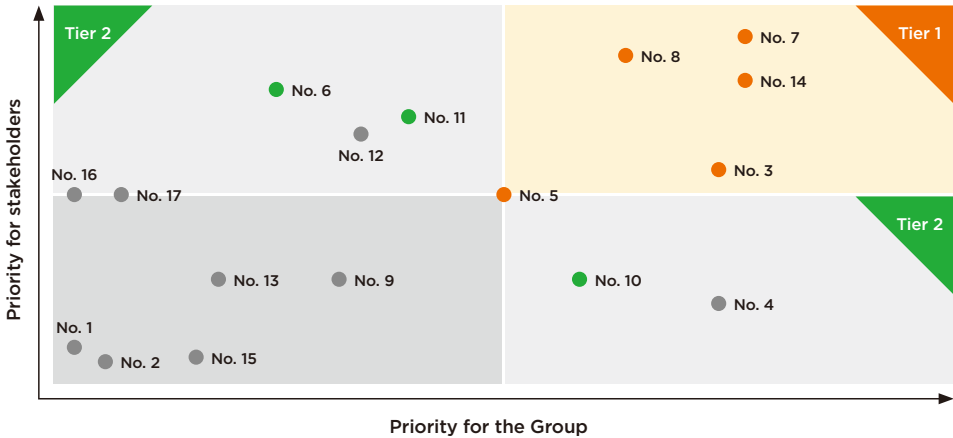
# Material Issues Identification Process

## Material Issues Identification Process

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



Material Issues Matrix



Final list of Candidate Themes for Determining High-Priority Material Issues






Tier 1	No. 3	Thorough dedication to occupational health and safety
	No. 5	Promotion of work-life balance
	No. 7	Provision of rewarding work
	No. 8	Human resources development through training and education
	No. 14	Thorough governance, risk management, and compliance as part of Group management
Tier 2	No. 6	Promotion of diversity and inclusion
	No. 10	Ensuring information security and protection of privacy
	No. 11	Coexistence with society
Tier 1	Recognized as having particularly high priority both within the Group and with stakeholders outside the Group: Five themes	
Tier 2	Recognized as having particularly high priority either within the Group or with stakeholders outside the Group: Three themes	

## Material Issues Action Plan

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

	Material issues	Our vision (2030 targets)	Current progress	Main initiatives in fiscal 2024
<div>Material issues for creating value</div> <div>Support for career development and well-being</div> <div>Contribution toward the sustainable development of the labor market</div>	<b>Human resources development through training and education</b>	We will help employees develop a career plan by providing the following: <ul style="list-style-type: none"> <li>Sufficient career education and counseling</li> <li>Continuous training to enhance skills to complement employees' career aspirations</li> <li>Support and provide opportunities for each employee to achieve further growth</li> </ul>	 Promotion	<ul style="list-style-type: none"> <li>In-house Employees / Human Resources Development Committee meetings and policy discussions (Held twice in fiscal 2024)</li> <li>Board of Directors / Incorporated into the new medium- to long-term performance-linked stock remuneration evaluation criteria (Goal: Set a 1.2x increase by fiscal 2027, based on fiscal 2024)</li> <li>Technical Staff / Set "Support Satisfaction" in the new OPI (Goal: Achieve an average of 1.1x or more in the second half of fiscal 2027, based on the first half of fiscal 2025)</li> </ul>
	<b>Provision of rewarding work</b>	<ul style="list-style-type: none"> <li>We will offer each employee job options across several types of work that fit the employee's desired career path, based on a shared understanding of the employee's ambitions.</li> <li>We will utilize an appropriate evaluation system, provide constructive feedback, and offer benefits in keeping with the labor market.</li> </ul>	 Promotion	<ul style="list-style-type: none"> <li>In-house Employees / Revision of human resources systems for each company based on the Group Human Resource Policy formulated in fiscal 2023</li> <li>Technical Staff / Set "Work Experience Satisfaction" and "Career Confidence" in the new OPI (Goal: Achieve an average of 1.1x or more in the second half of fiscal 2027, based on the first half of fiscal 2025)</li> </ul>
	<b>Promotion of work-life balance</b>	<ul style="list-style-type: none"> <li>Optimal employee performance will be possible thanks to a work environment and systems that facilitate flexible work styles, as well as an appropriate corporate culture.</li> <li>We will provide many jobs options, enabling employees achieve their desired work-life balance.</li> </ul>	 Promotion	<ul style="list-style-type: none"> <li>In-house Employees / Achieving work styles that suit employees' lifestyles through collaboration tools in a secure environment</li> <li>Overall / Paid leave usage rate: 70.3% (down 5.1 percentage points compared to the previous period) Number of employees taking childcare or nursing care leave: 478 (up 238 from the previous period)</li> </ul>
	<b>Promotion of diversity and inclusion</b>	<ul style="list-style-type: none"> <li>We will maintain a corporate culture that is conscious and considerate of diversity in terms of gender, age, nationality, ability or disability, and sexual orientation and provide an accommodating workplace environment. No matter what, every employee will receive fair evaluation and treatment, ensuring our highly diverse workforce is able to thrive.</li> <li>We will continue to influence and expand the labor market where diverse technical staff can succeed.</li> </ul> <p><b>Quantitative target: Ratio of female managers of 30% by fiscal 2030 (consolidated)</b></p>	 Promotion	<ul style="list-style-type: none"> <li>Overall / Female ratio: 28.2% (up 1.3 percentage points compared to the previous period) Foreign national ratio: 2.2% (down 0.5 percentage points compared to the previous period) Ratio of employees aged 60 and above: 2.3% (up 0.1 percentage points compared to the previous period) Disability employment rate: 2.56% (up 0.26 percentage points compared to the previous period)</li> <li>In-house Employees / Female management ratio: 13.6% (up 2.7 percentage points compared to the previous period)</li> </ul>
	<b>Coexistence with society</b>	<ul style="list-style-type: none"> <li>We will be able to leverage our business and social contribution activities to fulfill Our Purpose in terms of coexistence with society, leveraging collaboration within the Group, as well as collaboration with external organizations and companies (Open Up 1% Action).</li> </ul> <p><b>Quantitative target: Achievement of carbon neutrality by fiscal 2030</b></p>	 Promotion	<ul style="list-style-type: none"> <li>Started measuring and disclosing Scope 3 greenhouse gas emissions</li> <li>Expenditure related to community and social contributions: ¥42 million (up ¥3 million compared to the previous period)</li> </ul>

## Material Issues Action Plan

		Material issues	Our vision (2030 targets)	Current progress	Main initiatives in fiscal 2024
Material issues for protecting our business foundation	A business foundation that maintains security and safety	Thorough dedication to occupational health and safety	<ul style="list-style-type: none"> <li>We will actively promote health management and work to obtain and maintain status as a Certified Health &amp; Productivity Management Outstanding Organization.</li> <li>We will make even stronger efforts to protect personal information and ensure that individuals have a stronger understanding of the protection of personal information, which they incorporate into their work.</li> <li>We will have an established information security management system.</li> </ul>	 Favorably maintained	<ul style="list-style-type: none"> <li>Domestic / Initiatives for maintaining the Health &amp; Productivity Management Outstanding Organization certification 2 companies certified</li> <li>Number of serious workplace accidents (4 or more days off): 35 cases (down by 2 cases compared to the previous period)</li> </ul>
		Ensuring information security and protection of privacy		 Favorably maintained	<ul style="list-style-type: none"> <li>Domestic / Initiatives for acquiring and maintaining P-Mark certification 9 companies certified</li> <li>Number of major data breaches: 0 cases (same as the previous period)</li> <li>Domestic / Personal information management training completion rate: 94% (up by 1 percentage point compared to the previous period)</li> </ul>
	Promotion of a highly transparent organizational structure	Enhancement of governance	<ul style="list-style-type: none"> <li>We will continue to maintain an outside director majority on the Board of Directors, Remuneration Committee, Nominating Committee, and Audit &amp; Supervisory Committee of the Company.</li> <li>By maintaining a proper governance system we will be able to get an accurate understanding of the rapidly changing business environment, speed up decision-making and business execution, and ensure fair and transparent management.</li> </ul>	 Promotion	<ul style="list-style-type: none"> <li>Initiatives for obtaining and maintaining certification as an Excellent Dispatch Company Strengthen internal maintenance with plans to apply for certification starting in fiscal 2025</li> <li>Ratio of female directors: 30% (Achieved; continue to maintain)</li> <li>Ratio of outside directors: 70% (up by 20 percentage points compared to the previous period)</li> </ul>
		Compliance	<ul style="list-style-type: none"> <li>We will continue to obtain and maintain certification as an Excellent Dispatch Company.</li> <li>We will continue to enhance our efforts to respect human rights, individuals will have a stronger understanding of human rights, and the Group will maintain a system to ensure due diligence.</li> <li>Appropriate risk management will continue to be conducted Groupwide.</li> </ul>	 Favorably maintained	<ul style="list-style-type: none"> <li>Number of grievances filed: 0 (same as previous period)</li> <li>Number of uses of helpline and internal consultation: 32 (down 4 from the previous period)</li> <li>Number of serious whistleblowing cases and serious human rights violations: 0 (same as previous period)</li> <li>Number of cases that could lead to serious permit-related sanctions: 0 (same as previous period)</li> <li>Number of bribery charges, criminal charges, and large compensation lawsuits: 0 (same as previous period)</li> <li>Compliance education and training implementation rate: 100% (same as previous period)</li> <li>Expenditure related to political contribution and lobbying: ¥0 (none; same as previous period)</li> <li>Cases of bribery or corruption identified: None</li> <li>Requests or usage by antisocial forces identified: None</li> <li>Cases of insider trading identified: None</li> </ul>
		Thorough dedication to risk management	<p><b>Quantitative target: Ratio of female directors of 30% or higher (Achieved; continue to maintain)</b></p>	 Favorably maintained	

For details about our material issues and material issue identification process, please refer to the “Material Issues Identification Process” section of this report (Page 52).



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

# Respect for Human Rights

## Basic Stance

The Open Up Group has set the Purpose of “open up individual potential through rewarding work,” and the source of our value creation lies in each individual (the working person). We believe that respecting human rights is a fundamental foundation for opening up the potential of each individual to society. We strive to ensure that everyone working within the Open Up Group understands the significance of respecting human rights and can maintain and promote it. As a group of companies engaged in the human resources services industry, we recognize our social responsibility to comply with the Group action guidelines titled Corporate Ethics for Society, Human Rights, and the Environment and relevant laws and regulations, and to respect the human rights of all individuals impacted by our business activities.

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

WE SUPPORT



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



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

## Promotion System

At the Open Up Group, the responsibility for promoting human rights initiatives falls on the Chairman and CEO, as well as the corporate officer in charge of compliance, under the supervision of the Board of Directors. Each operating company identifies human rights issues specific to its operations through compliance meetings and has established systems to monitor corrective actions and controls. Additionally, the Board of Directors receives monthly reports on the status of each operating company through the Group Administration Department and, as necessary, encourages improvements, promoting the strengthening of efforts to respect human rights and enhance information disclosure.

## Education and Awareness

The Open Up Group conducts compliance training for its employees. The training covers topics related to compliance and corporate ethics, as well as more immediate human rights risks such as harassment and proper employment and working conditions. It also includes awareness of the helpline system and addresses broader human rights themes, including the Guiding Principles on Business and Human Rights. Additionally, to deepen understanding of the training content, compliance tests are conducted to assess the employees’ level of awareness.

Compliance education and training implementation rate

100%  
(Fiscal 2024)

\*Scope: All employees subject to training (regardless of whether they are permanent or fixed-term employees)

## Grievance Mechanism (System for Remediating Human Rights Violations)

The Open Up Group has established a publicly accessible contact point on its corporate website for inquiries and reports related to human rights, including consultations on human rights issues. This contact point is available not only to the Group’s executives and employees but also to all stakeholders, including client companies, suppliers, and outsourcers involved in the Group’s operations. It is a system that is open for anyone to use.

When reports or consultations are received, we strictly maintain anonymity and confidentiality, fully protecting the privacy of the person reporting or seeking advice. If any negative impact is confirmed, we will promptly take appropriate remedial actions and make necessary corrections. In particular, regarding harassment at client sites, all information is monitored by the division in charge of labor affairs, ensuring quick and effective resolution of the issue. The usage of this system and the content of the consultations are regularly reported to the Board of Directors through the compliance meeting, and we are committed to continuously improving our efforts to respect human rights.

Number of cases with serious human rights violations


0  
(Fiscal 2024)



# Promoting the Successful Advancement of a Diverse Workforce

The Open Up Group believes that each individual, as the source of the human resources services business, contributes to the improvement of their own work satisfaction and the quality of services provided to client companies by thriving in a diverse, respectful, and understanding work environment. This, in turn, links to the value of the business. To achieve this, under Group action guidelines titled Corporate Ethics for Society, Human Rights, and the Environment, we are committed to creating a working environment where everyone, regardless of gender, nationality, age, or disability, can fulfill decent work\* and work-life balance. We are promoting diversity and inclusion through the recruitment, development, and advancement of diverse human resources.

\*Decent work: Fulfilling human work

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

## Promoting the Success of Women

The Open Up Group aims to create an environment where each employee, including women who require diverse work style options due to life events, can fully utilize their abilities and thrive through their work.

As part of our initiatives to promote the active participation of women, we have introduced flexible working arrangements to help employees align their work with life events. These include maternity and childcare leave systems, consideration for workplace assignments, and shortened working hours for people providing childcare. Additionally, we encourage the use of childcare and nursing care leave for all employees, not just women, and are dedicated to creating an environment that supports a good work-life balance.

The percentage of female employees has been steadily increasing year by year, and we recognize that improving the proportion of female managers in relation to this is an ongoing challenge.



## Promoting the Employment of People with Disabilities

The Open Up Group is committed to promoting the employment of people with disabilities and creating a work environment that supports them, in alignment with the goals of the Act to Facilitate the Employment of Persons with Disabilities, which focuses on self-reliance for people with disabilities and the realization of an inclusive society. We employ a number of employees with disabilities that exceed the statutory employment ratio and actively provide support.

At Open Up With Inc., a special subsidiary for the employment of people with disabilities, we provide training tailored to individual abilities and offer guidance and support from staff during work to assist in skill development. We are also expanding initiatives such as the stationery business that contributes to paper resource recycling and the production of artificial flowers for office decoration, all while focusing on creating meaningful work opportunities for employees with disabilities, with careful consideration for the environment.



## Recruiting Foreign Nationals

The Open Up Group has established strict standards for hiring foreign human resources in Japan, limiting recruitment to new graduates with valid work visas or those who can obtain them, as well as hiring through partners who comply with legal regulations. After employment, we thoroughly confirm the alignment and validity of job roles with work visas, and we provide support for creating a conducive working environment through Japanese language education and life assistance. There are no differences in human resources systems or evaluations based on race, and many foreign engineers have been selected for annual awards recognizing outstanding achievements among technical staff in the operating companies. Additionally, in our overseas operating companies in countries such as the UK and China, we carry out recruitment and employment practices in accordance with local laws, regulations, and administrations.



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

As the decrease in population creates an increasingly dire shortage of young workers, the Group has opted to use its business to create job opportunities for human resources aged 60 or older.

We have implemented a re-employment system that offers employment to all applicants until the age of 65, even after retirement, to support their continued contribution. In particular, in the construction industry, labor shortages due to aging and lack of younger workers are significant challenges. At Yumeshin Expert Co., Ltd., which provides staffing services for construction engineers, we actively provide opportunities for experienced senior engineers. The job roles include positions such as site supervisors, construction management engineers, and computer-aided design (CAD) professionals, primarily targeting individuals aged 65 or over. In addition to retirees from general contractors, we also recruit through job sites, ensuring broad access to these opportunities.



# The Environment

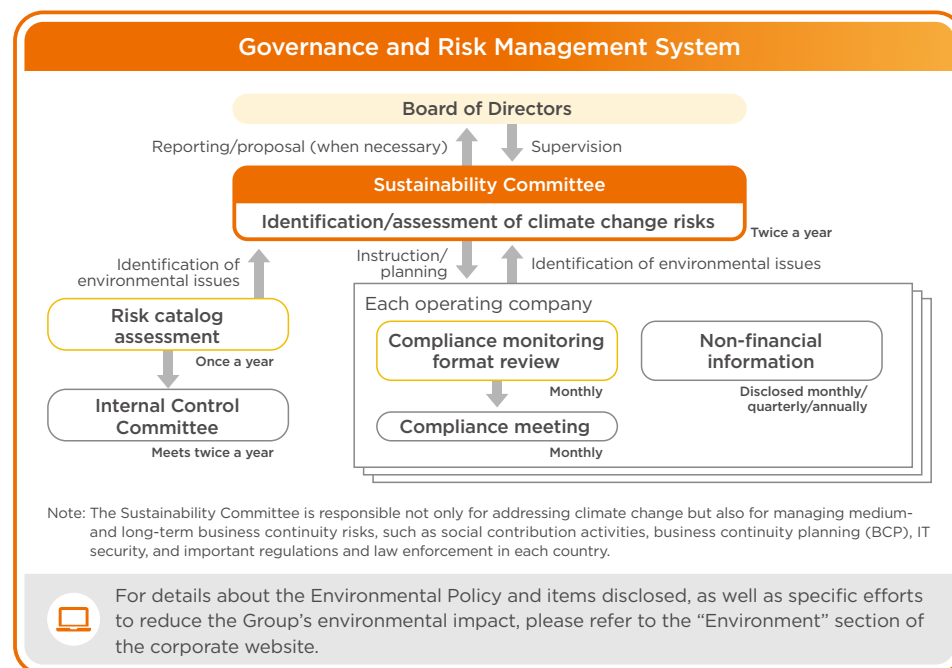
## Environmental Policy

We have developed an Environmental Policy to help ensure that all business activities of the Group are geared toward a sustainable society and global conservation. We are hard at work to spread awareness of this basic policy, which all officers and employees must comply with in their duties. We will continue to actively work on reducing environmental impact and preserving biodiversity while also ensuring timely and appropriate disclosure of information.

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

### Governance / Risk Management

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



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

### Strategy

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

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

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

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

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

\* Representative Concentration Pathways

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

### Indicators and Targets

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

# Social Contribution Activities

## Basic Stance / Policy

The Open Up Group, under the spirit of Our Purpose, which is to “Open up individual potential through rewarding work,” considers it our social responsibility to continuously engage in not only business activities but also social and cultural contribution activities as a member of both local and international communities. In our social and cultural contribution activities, we set action guidelines, emphasize collaboration and cooperation with external entities, and work toward solving social issues to support the realization of a sustainable society.

Policy	Key Focus Areas	Implementation Decision Criteria
To ensure stable and continuous efforts, we will promote operations in line with key focus areas, implementation decision criteria, and disclosure and review processes.	<p>(1) <b>Children, Students, and Those Seeking Employment Opportunities</b> Supporting education and a healthy development environment and opportunities</p> <p>(2) <b>The Elderly and Successor Issues</b> Supporting the transfer of skills and knowledge</p> <p>(3) <b>Social Issues Related to Employment Constraints</b> Supporting the active participation and awareness activities for working parents, people with disabilities, sexual minorities, etc.</p> <p>(4) <b>Environmental Conservation, Disaster Support, and Reconstruction</b> Employee volunteer and pro bono activities, as well as support for stakeholders and improvement of activity environments</p>	<ul style="list-style-type: none"> <li>• Must have high social relevance and public benefit, gaining understanding from society</li> <li>• Should promote the society envisioned by Our Purpose from a non-business perspective</li> <li>• Should be an initiative that expects continuous efforts as well as collaboration and cooperation with stakeholders</li> </ul>



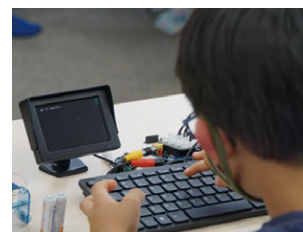
For details on the Social Contribution Activities Policy, please refer to the “Social Contribution Activities Policy” page on our corporate website.

## Efforts to Broaden Human Resources Development and Opportunities

The Open Up Group is promoting the planning and operation of the Kids' Tech Caravan, an experiential program that combines programming and DIY robotics with experiences in local nature. This event offers learning opportunities that incorporate both digital and analog engineering elements, fostering children's creativity and initiative. In collaboration with NPOs addressing social issues, the program also integrates opportunities for families to learn about and practice the SDGs together. The program started in Hiroshima Prefecture in 2022 and was held in Tokyo, Chiba, and Kanagawa in 2024, with plans for nationwide expansion. Additionally, this initiative employs a collective impact approach\* through co-creation with companies, NPOs, and university students, aiming to realize the “society that opens up potential” outlined in our Group's Purpose.

\*An approach in which diverse sectors, including companies, NPOs, government agencies, educational institutions, and citizens, collaborate to address specific social issues, sharing strengths and expertise to work toward solutions

### Kids' Tech Caravan — Programming × Experiential Learning



Learn the basics of robot creation and programming



Learn about biodiversity and the conservation of rivers



Study coexistence with nature and sustainable agriculture



Control robots using programming



Learn how to protect the ocean and engage with it safely



Learn the value and effective use of unused flowers

## Local Development and Regional Revitalization

The Open Up Group is collaborating with Isumi City in Chiba Prefecture on a regional revitalization project aimed at expanding organic rice production and enhancing its brand value. We are opening the land and buildings of Yumeshin Village in the city for community use. Additionally, in partnership with a local agricultural cooperative, we are promoting the Isumi Rice Owner System model, with many people participating in pesticide-free rice planting and harvesting. Moving forward, Yumeshin Village will continue to engage in community and environmental coexistence, as well as CO<sub>2</sub> reduction efforts through the preservation and revitalization of the local satoyama (mountain and forest areas).



Rice planting by Isumi Rice paddy owners



Rice cultivated organically with a focus on sun-drying



## Management (As of December, 2024)



### 1 Yutaka Nishida

Chairman and Representative  
Director, CEO

### 2 Daio Sato

President and Representative  
Director, COO

### 3 Hiroshi Sato

Director, CFO

### 4 Mari Oshima

Outside Director

### 5 Tomoko Kawakami

Outside Director

### 6 Arata Shimizu

Outside Director

### 7 Yoichi Wada

Outside Director

### 8 Rieko Zamma

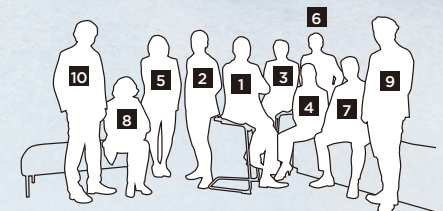
Outside Director (Audit &  
Supervisory Committee Member)

### 9 Shintaro Takahashi

Outside Director (Audit &  
Supervisory Committee Member)

### 10 Hiroaki Rokugawa

Outside Director (Audit &  
Supervisory Committee Member)



Management (As of December, 2024)

Directors

<div><b>Yutaka Nishida</b></div> <div>Chairman and Representative Director, CEO</div> <div>July 2021    Chairman and Representative Director, CEO, the Company (current position)</div>
<div><b>Hiroshi Sato</b></div> <div>Director, CFO</div> <div>June 2023    Director, CFO, the Company (current position)</div>
<div><b>Tomoko Kawakami</b></div> <div>Outside Director</div> <div>Sept. 2022    Outside Director, the Company (current position)</div>
<div><b>Yoichi Wada</b></div> <div>Outside Director</div> <div>Sept. 2021    Outside Director, the Company (current position)</div>
<div><b>Shintaro Takahashi</b></div> <div>Outside Director (Audit &amp; Supervisory Committee Member)</div> <div>Sept. 2023    Outside Director (Audit &amp; Supervisory Committee Member), the Company (current position)</div>

<div><b>Daio Sato</b></div> <div>President and Representative Director, COO</div> <div>July 2021    President and Representative Director, COO, the Company (current position)</div>
<div><b>Mari Oshima</b></div> <div>Outside Director</div> <div>Sept. 2022    Director, steAm BAND (current position)</div>
<div><b>Arata Shimizu</b></div> <div>Outside Director</div> <div>Sept. 2017    Outside Director, the Company (current position)</div>
<div><b>Rieko Zamma</b></div> <div>Outside Director (Audit &amp; Supervisory Committee Member)</div> <div>Sept. 2023    Outside Director (Audit &amp; Supervisory Committee Member), the Company (current position)</div>
<div><b>Hiroaki Rokugawa</b></div> <div>Outside Director (Audit &amp; Supervisory Committee Member)</div> <div>Sept. 2023    Outside Director (Audit &amp; Supervisory Committee Member), the Company (current position)</div>

Officers

<div><b>Einobu Yoshii</b></div> <div>Corporate Officer of Construction Unit</div>
<div><b>Shinichi Eirai</b></div> <div>Corporate Officer of Mechatronics Unit</div>
<div><b>Junji Nakashima</b></div> <div>Corporate Officer of IT Infrastructure Unit</div>
<div><b>Kenjiro Ogawa</b></div> <div>Corporate Officer of Yumeshin</div>
<div><b>Noriyuki Murai</b></div> <div>Corporate Officer of Internal Audit &amp; Sustainability</div>
<div><b>Yuichi Kamata</b></div> <div>Corporate Officer of Corporate Planning</div>
<div><b>Mitsuyoshi Matsumoto</b></div> <div>Corporate Officer of Human Resources</div>
<div><b>Akihito Kato</b></div> <div>Corporate Officer of DX Promotion</div>
<div><b>Akio Takeya</b></div> <div>Corporate Officer of Finance</div>
<div><b>Noriyuki Sasano</b></div> <div>Corporate Officer of Group Management</div>



# Corporate Governance

## Governance at a Glance



## Basic Stance and Policy

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

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

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

We implement every principle of Japan's Corporate Governance Code.

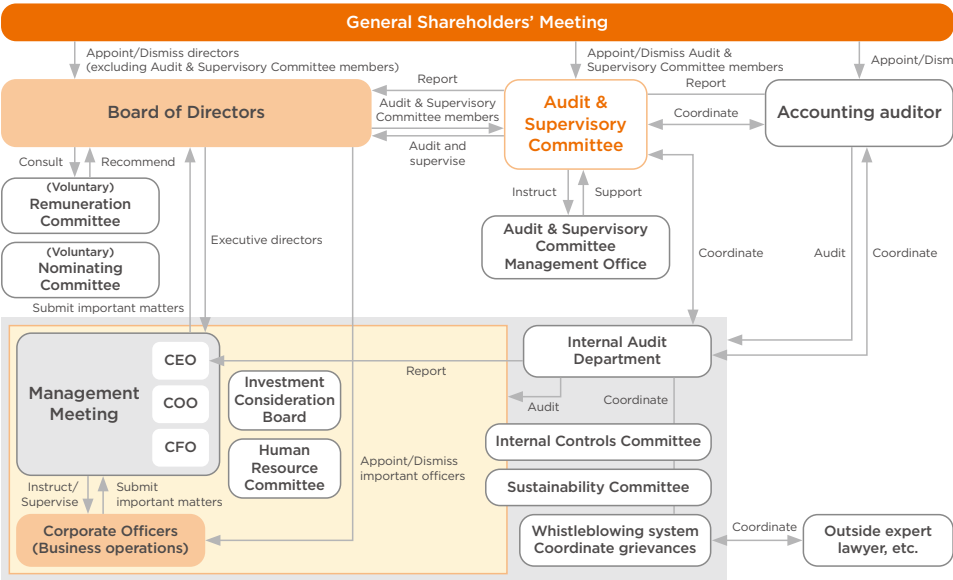
Please refer to the Company's Corporate Governance Report for the latest disclosure in relation to each principle.

## Structure

The Audit & Supervisory Committee members, who are responsible for auditing and supervising the execution of duties by directors, are also included as members of the Board of Directors. This enhances the supervisory function of the Board and enhances corporate governance. In addition, as the Board of Directors of a

Company with an Audit & Supervisory Committee, the Board will appropriately delegate decision-making on business execution to executive directors, separating business execution and supervision to speed up management decision-making. The Company believes that this approach, as well as the further expansion of its business operations, will lead to increased corporate value. Furthermore, to strengthen the management oversight system, including the supervision of the appropriateness of executive duties performed by directors, seven out of ten directors are outside directors.

## Corporate Governance Structure



## Corporate Governance



### Message from the Chair of the Remuneration Committee

Introducing a new remuneration system to enhance value sharing with shareholders

**Arata Shimizu**  
Outside Director

#### The Open Up Group's Unique Approach to Corporate Governance

For the Open Up Group, which excels at nurturing inexperienced individuals into outstanding engineers and matching them to roles that align with their aspirations and careers, the source of value creation lies in its human resources. Strengthening the corporate governance structure, including labor and human rights management, is one of the most critical issues in management.

The Open Up Group's Board of Directors, which is central to governance, comprises seven outside directors out of a total of ten. This structure has been designed to strengthen the supervisory function and ensure appropriate advice and oversight from external perspectives. As outside directors, we, with our diverse areas of expertise and backgrounds, strive to provide independent advice and checks to maintain a transparent corporate governance system.

#### The Policy behind the Remuneration Committee and Key Activities

At the Remuneration Committee, I, as an outside director, serve as the chair and work to ensure the transparency and appropriateness of director remuneration.

At the Ordinary General Meeting of Shareholders held in September 2024, the introduction of the Medium- to Long-Term Performance-Linked Stock Remuneration System was approved to strengthen the link between director remuneration, company performance, and stock value, further advancing value sharing with shareholders. In revising this system, we focused not only on achieving numerical targets related to revenue KPIs but also on how to adapt and evolve these KPIs to ensure that dividends and remuneration are aligned with business outcomes. Specifically, we have incorporated unique non-financial indicators based on sustainability, such as progress toward realizing the Open Up Group's Purpose and engagement indices, into the incentives, in addition to financial metrics.

The sustainable growth of the Open Up Group depends on the development of managerial talent. The introduction of this new remuneration system is aimed at ensuring alignment between performance, shareholder returns, and executive compensation, while also securing outstanding management talent with market-level competitive remuneration.



### Message from the Chair of the Nominating Committee

Developing a succession plan based on bold personnel appointments

**Yoichi Wada**  
Outside Director

#### Activities of the Nominating Committee and Efforts to Enhance Effectiveness

The Open Up Group's Nominating Committee is responsible for reviewing the criteria and processes for appointing and dismissing directors and formulating succession plans for the CEO and other key leadership positions. When considering director candidates, the committee deliberates from the perspective of identifying individuals with high professional ethics who respect the rights and positions of stakeholders, while having the ability to enhance corporate value sustainably over the medium to long term. The committee then submits its recommendations to the Board of Directors, which then deliberates and makes decisions before submitting the final proposal to the shareholders' meeting.

In the operation of the committee, we have implemented several strategies to ensure that communication with next-generation executive candidates goes beyond superficial exchanges. Specifically, we use a combination of detailed presentations and Q&A sessions from each candidate regarding their respective business areas, candid discussions at informal meetings with outside directors, and discussions focused on the development of candidates conducted exclusively by directors. This combination has enabled us to operate in a way that is both substantial and effective.

#### Discussing Support for Personal Growth from Diverse Perspectives

The Company's core business is staffing services, and since the effectiveness of its talent strategy directly impacts its performance, the responsibilities of the Nominating Committee are crucial. Furthermore, the engineer staffing market is undergoing a significant transformation. Predicting when and how drastic changes (that have the capacity to significantly disrupt industry norms) will occur is extremely difficult. This is why it is important for the Company to envision the future beyond these changes, and deep discussions on supporting the growth of people are essential. I believe engaging in candid exchanges of ideas from diverse perspectives, considering bold personnel appointments, and providing effective recommendations is the committee's mission.

## Corporate Governance

### Directors and Board of Directors

As a general rule, regular 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 in addition to monitoring directors' execution of duties. The Company appoints two representative directors, and in July 2021 we gave these positions the titles of CEO and COO and divided responsibilities between the two roles in order to establish a system of checks and balances.

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

<b>Composition</b>	Directors 10 (7 of whom are outside directors)
<b>Number of meetings</b>	17
<b>Chairman</b>	Yutaka Nishida (Chairman and Representative Director, CEO)
<b>Main agenda items for fiscal 2024</b>	<ul style="list-style-type: none"> <li>• <b>Management Strategy</b> Progress on medium-term management plan, M&amp;A policy, Overseas expansion policy, Business strategy, Human Resource Policy, IR strategy, and Sustainability-related issues</li> <li>• <b>Investment Projects</b> Sale of shares in Absolute Recruitment Limited and three other companies, sale of shares in BeNEXT Partners Inc., acquisition of shares in Open Up Construction Co., Ltd. and Open Up Technology Co., Ltd., demerger of the business related to network equipment rental and sales from Neplus Inc., acquisition of shares in Ophiuchus Invesco Co., Ltd., which owns IR Inc., and capital and business alliance with Ban Vien Corporation</li> <li>• <b>Governance and Compliance</b> Review of governance structure (establishment of a Company with an Audit &amp; Supervisory Committee), effectiveness evaluation of the Board of Directors, director appointments, executive officer appointments, executive compensation matters, regulations, financial results, general meeting of shareholders, compliance matters, D&amp;O (Directors and Officers) liability insurance, and internal audit activity reports</li> </ul>

### Audit & Supervisory Committee

The Company transitioned from a Company with an Audit & Supervisory Board to a Company with an Audit & Supervisory Committee by resolution at the 19th Ordinary General Shareholders' Meeting held on September 26, 2023. The committee is composed of three highly independent outside directors and works in continual cooperation with the accounting auditor and the Internal Audit Department.

<b>Composition</b>	Directors 10 (3 of whom are outside directors)
<b>Number of meetings</b>	10
<b>Chairman</b>	Hiroaki Rokugawa (Outside Director)
<b>Main agenda items for fiscal 2024</b>	Formulation of audit policies and audit plans, establishment of Audit & Supervisory Committee and audit-related regulations, preparation of audit reports, reappointment of the accounting auditor, approval of the accounting auditor's audit fees, proposals for director candidates (excluding those who are members of the Audit & Supervisory Committee) and related compensation, appointment of the chairperson of the Audit & Supervisory Committee, and other matters as prescribed by laws and regulations

Priority Audit Items	Key Audit Items
<b>Audit of initiatives to strengthen Group governance</b>	Degree of Purpose integration within Group companies Quality of discussions at the Board of Directors Efforts to enhance autonomous governance within Group companies
<b>Establishment of internal control systems and audit of operations</b>	Status of system development for ensuring the reliability of Group financial statements Compliance and ethical conduct framework and status regarding legal adherence across the Group Efforts to enhance the effectiveness of Company-wide controls
<b>Audit of medium-term management plan initiatives</b>	Status of the Group's risk management system and operations Status of delegation of authority and the development and implementation of management systems reflecting business operations Status of long-term talent strategy initiatives, such as employee development and engagement

### Nominating Committee

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

<b>Composition</b>	Directors 6 (4 of whom are outside directors)
<b>Number of meetings</b>	3
<b>Chairman</b>	Yoichi Wada (Outside Director)
<b>Main agenda items for fiscal 2024</b>	Review of the criteria and process for the appointment and dismissal of directors, and the formulation of succession plans for key executives such as the Chief Executive Officer (CEO)

Corporate Governance

Remuneration Committee

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

Composition	Directors 6 (4 of whom are outside directors)
Number of meetings	4
Chairman	Arata Shimizu (Outside Director)
Main agenda items for fiscal 2024	Review of the policy for determining executive compensation and evaluation of the director compensation proposal

Other Meeting Bodies

Meeting Body	Composition	Number of Meetings
<b>Management Meeting</b> The Management Meeting has been established as a body to enable swift and flexible decision-making for the entire Group, including on important matters regarding business execution that have been approved by the Board of Directors.	Comprised of the person serving as Chairman and representative director, CEO, the person serving as president and representative director, COO, Director, CFO, and corporate officers (13 as of September 30, 2024)	Twice a month
<b>Internal Controls Committee</b> The Internal Controls Committee tracks, manages, and controls the risks that pertain to the Group's financial reporting. The committee works across related departments throughout the Group to ensure the efficiency of any work related to financial reporting.	Comprised of the CEO, who serves as chair, the COO, the CFO, and other Group executives and employees as designated by the committee chair (11 as of September 30, 2024)	Twice per fiscal year
<b>Sustainability Committee</b> The Sustainability Committee ensures that the Company's business is sustainable, taking into account human rights, environmental issues, coexistence with society, and other relevant factors. The committee is tasked with managing opportunities and risks comprehensively and from a sustainability perspective, reflecting them in management.	Comprised of the CEO, who serves as chair, the COO, the CFO, the presidents of the main operating companies, and other Group executives and employees as designated by the committee chair (13 as of September 30, 2024)	Twice per fiscal year

Directors

Policy and Procedure for Appointment, Dismissal, and Nomination

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

Nomination of Director Candidates

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

Executive Director

- (a) Possesses sufficient experience and expertise to understand the Open Up Group's Purpose and contribute to the Group's sustainable growth and long-term enhancement of corporate value.
- (b) Exhibits excellent character, judgment, and appropriate ethical standards, and is in good physical and mental health.
- (c) Does not have any conflicts of interest or business relationships that could affect the execution of director duties.

Outside Director

- (a) Meets the requirements outlined in (a) through (c) at left.
- (b) Has extensive experience and high-level insight in his/her respective field of expertise.
- (c) Can secure sufficient time to perform his/her duties as a director of the Company.
- (d) Possesses the ability to provide advice and recommendations to ensure the appropriateness and fairness of Board decisions from an independent standpoint.

Dismissal of Representative Directors

Dismissal of representative directors is determined by the Board of Directors following sufficient inquiry, debate, and recommendation by the Nominating Committee in cases where an inadequacy has been recognized, such as when they are deemed to lack the qualifications set out in the dismissal policy below. Moreover, the Nominating Committee discusses the education and training of candidates for successors to the representative director positions and the possibility of inviting successors from outside the Company.

- (a) A violation of laws, the Articles of Incorporation, or other regulations of the Open Up Group, causing significant loss or operational disruption to the Group
- (b) There is significant impairment in the execution of duties.
- (c) The performance fails to meet the following performance criteria: operating profit margin/amount, growth rate, and other medium-term management indicators are significantly worse than industry standards, with no prospect of recovery.
- (d) It becomes clear that, considering changes in external conditions and performance, the director no longer meets the criteria for appointment.

Criteria for Assessing the Independence and Efficacy of Outside Directors

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

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

Corporate Governance

Directors’ Skills Matrix (As of September 30, 2024)

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

Position at the Company	Name	Age	Type		Knowledge and Experience Important for Group Management (Skill Categories)									
			Outside	Independent	Industry experience	Management experience	Executive of a listed company / Economics, business administration, etc.	International experience	M&As, investment, and PMI	Law	Finance and financial strategy	Governance, risk management, and sustainability	Digital technology and cybersecurity	Technology / Education in science and technology
Chairman and Representative Director, CEO	Yutaka Nishida	61			◎	○						○		
President and Representative Director, COO	Daio Sato	40			○	◎			○					
Director, CFO	Hiroshi Sato	67					○	○			○			
Outside Director	Mari Oshima	62	■	■				○					○	○
Outside Director	Tomoko Kawakami	59	■	■			○	○				○		
Outside Director	Arata Shimizu	52	■	■			○	○					○	
Outside Director	Yoichi Wada	65	■	■		○	○		○					
Outside Director (Audit & Supervisory Committee Member)	Rieko Zamma	74	■	■		○	○					○		
Outside Director (Audit & Supervisory Committee Member)	Shintaro Takahashi	59	■	■		○	○						○	
Outside Director (Audit & Supervisory Committee Member)	Hiroaki Rokugawa	61	■	■					○	○		○		

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

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

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



Corporate Governance

Reasons for the Appointment of Outside Directors

The reasons for appointing each outside director are as follows.

Position	Name	Reasons for Appointment
Outside Director	Mari Oshima	Mari Oshima has a wealth of experience and a strong academic background, mainly in digital technology, cybersecurity, technology, and science and technology education, and she is capable of providing advice and recommendations from a professional perspective to the Company's Board of Directors in its decision-making.
Outside Director	Tomoko Kawakami	Tomoko Kawakami has a wealth of experience and a strong academic background, mainly in the fields of business administration and marketing, and she is capable of providing advice and recommendations from a professional perspective to the Company's Board of Directors in its decision-making.
Outside Director	Arata Shimizu	Arata Shimizu has a wealth of consulting experience and insights, along with extensive knowledge as a business executive. He is capable of providing advice and recommendations to the Company's Board of Directors to ensure objectivity in its decision-making. Additionally, as he meets the independence requirements set by the Tokyo Stock Exchange, we have determined that there is no risk of a conflict of interest with general shareholders, and therefore have appointed him as an independent director.
Outside Director	Yoichi Wada	Yoichi Wada has a wealth of experience and broad insight as a manager across different industries and business sectors, and he is capable of continuing to provide advice and recommendations to the Company's Board of Directors to ensure objectivity in its decision-making.
Outside Director	Rieko Zamma	Rieko Zamma has a wealth of management experience in different industries and possesses a high-level academic background, and she is capable of providing supervision and advice to directors on the execution of their duties from an objective and neutral standpoint, particularly in the area of sustainability.
Outside Director	Shintaro Takahashi	Shintaro Takahashi has a wealth of management experience in different industries and possesses a high level of academic knowledge, and he is capable of providing supervision and advice to directors on the execution of their duties from an objective and neutral standpoint, particularly with respect to Group governance.
Outside Director	Hiroaki Rokugawa	Hiroaki Rokugawa has a wealth of experience as a lawyer and a high level of insight based on his wide range of knowledge, and he is capable of providing supervision and advice to directors on the execution of their duties from an objective and neutral standpoint, particularly with respect to compliance.

Analysis and Assessment of the Effectiveness of the Board of Directors

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

Methods and Processes Used in the Fiscal 2024 Assessment and Analysis of the Effectiveness of the Board of Directors

The Company assessed the effectiveness of the Board of Directors using the following process.

- **Persons subject to assessment:** Directors (10 in total)
- **Assessment method:** An in-house registered survey was conducted, the results of which were tabulated and analyzed and then assessed by the Board of Directors.
- **Assessment items:** 1) Items related to the composition of the Board of Directors; 2) Items concerning the operation of the Board of Directors; 3) Items concerning the agenda of the Board of Directors; 4) Items related to the support system for the Board of Directors; 5) Matters concerning nomination and remuneration

Overview of Analysis and Assessment in Fiscal 2023

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

Policy for initiatives:

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

Corporate Governance

Overview of Analysis and Assessment in Fiscal 2024

1. Results of Effectiveness Evaluation

In the evaluation of effectiveness of the Board of Directors for the current fiscal year, it was confirmed that the Board of Directors has a system in place to ensure appropriate management oversight functions in terms of its size, composition, operational status, and other factors. Additionally, it was recognized that the Board maintains an atmosphere in which all members, including outside directors, can speak freely, and lively discussions take place, thereby ensuring the overall effectiveness of the Board.

2. Response to the Issues Identified in the Effectiveness Evaluation of the Board of Directors for the Previous Fiscal Year (Fiscal 2023)

- **Deepening Discussions on Sustainability Issues**  
Regular reports on sustainability activities were presented at the Board of Directors meetings. Compared to previous years, more specific details of the Group's initiatives were shared. We will continue to address this as an ongoing issue.
- **Further Enhancement of Board Meeting Operations, Information and Opinion Exchange Among Independent Outside Directors, and Opportunities for Shared Understanding**  
Expected resolutions and topics for discussions were scheduled in advance throughout the year. Additionally, through meetings with outside directors, we facilitated prior exchanges of opinions on themes to be discussed, which were reflected in operations, further improving the meeting's effectiveness.
- **Appropriate Involvement and Supervision of Successor/Executive Development Plans**  
The Company will continue to discuss and review the criteria and processes for appointments in committees such as the Nomination Committee.

3. Issues Identified in the Effectiveness Evaluation of the Board of Directors for Fiscal 2024 and Corresponding Actions

- **Deepening Monitoring and Discussions on Medium- to Long-Term Strategies**  
Regular monitoring of progress toward achieving the medium- to long-term strategy (OP30) will be implemented, along with further strengthening of strategic discussions.
- **Risk Management and Compliance for Strengthening Group Governance**  
The Board of Directors and the Audit & Supervisory Committee will further enhance the sharing and discussion of key business risks and overall corporate compliance, aiming to strengthen governance and compliance.
- **Appropriate Involvement and Supervision of Successor/Executive Development Plans**  
In line with the importance of human resources strategy for long-term corporate value growth, discussions on internal development plans and the appropriateness of appointment and dismissal processes will continue to be reviewed in committees such as the Nomination Committee.

Director Remuneration

In August 2024, the Company announced its new medium-term management policy and, following the appointment of directors at the 20th Ordinary General Meeting of Shareholders, decided to introduce a medium- to long-term performance-linked stock remuneration system based on performance achievements and other factors. As a result, the policy and procedures for determining director remuneration have been revised as outlined below.

Policy for Determining Director Remuneration

Executive Directors

Monetary remuneration consists of fixed remuneration, bonuses, and two types of stock remuneration.

Fixed remuneration (monetary remuneration) will be paid in monthly installments in fixed amounts determined for each year of the term of service. The amount for each director will be determined based on their position in consideration of the nature of the director's duties and responsibilities, etc., at a level appropriate to the director's responsibilities.

Bonuses (monetary remuneration) are short-term performance-linked remuneration intended as short-term incentives to achieve targets for a single fiscal year. Operating profit is used as the Company's performance-linked indicator, and the bonuses are paid according to the achievement rate of the target operating profit for the fiscal year. A standard bonus amount for each director is determined for each position, taking into consideration the content of each job, role, responsibility, and remuneration composition ratio. This amount is adjusted according to the achievement rate, set at 100% of the standard amount for reaching the target and fluctuating from 0% to 200%.

The purpose of the restricted stock remuneration is to provide an incentive to improve the medium- to long-term Company performance and corporate value while promoting a shared interest and awareness with the shareholders. The number of shares allocated to each individual is determined for each position based on factors such as the content of each job, role, responsibility, and remuneration composition ratio.

The transfer restriction period is until the time of retirement or 30 years, with allowances for the Company to acquire restricted stock without charge (it includes a malus clause).

Medium- to Long-Term Performance-Linked Stock Remuneration

This is a medium-term incentive with a 3-fiscal-year evaluation period. The number of shares allocated after the evaluation period is determined based on the achievement of performance indicators during that period. The number of shares allocated to each individual is determined for each position based on factors such as the content of each job, role, responsibility, and remuneration composition ratio. The performance indicators include not only financial goals but also non-financial goals related to sustainability.

The goals for the evaluation period from fiscal 2025 to fiscal 2027 are structured around the following three items, with a weighting of 50% for Evaluation Indicator A, 35% for Evaluation Indicator B, and 15% for Evaluation Indicator C, setting multi-dimensional targets that include non-financial elements.

Corporate Governance

Evaluation Indicator A: As a financial indicator, the average annual growth rate of operating profit (CAGR) is linked to the percentage of operating profit growth compared to the operating profit for fiscal 2024. The performance will be evaluated with a multiplier ranging from 0% to 200% (e.g., a CAGR of less than 10% results in a 0% multiplier, 15% results in a 100% multiplier, and 20% or more results in a 200% multiplier).

Evaluation Indicator B: As a non-financial indicator, the achievement level of the six goals in the Open Up Purpose Index (OPI) for the period from fiscal 2025 to fiscal 2027 will be evaluated with a multiplier ranging from 0% to 200% based on the average achievement level (e.g., less than 50% achievement results in a 0% multiplier, 100% results in a 100% multiplier, and 150% or more results in a 200% multiplier).

Evaluation Indicator C: As a non-financial indicator, the score measuring in-house employee engagement will be evaluated based on how much it improves compared to the score for fiscal 2024. The multiplier will range from 0% to 200% (e.g., less than a 1x change results in a 0% multiplier, a 1.2x change results in a 100% multiplier, and a 1.4x or greater change results in a 200% multiplier).

Additionally, there are provisions for the Company’s free acquisition of shares (it includes a malus clause).

Outside Directors (Excluding Directors Who Are Members of the Audit & Supervisory Committee)

Remuneration of outside directors is limited to fixed remuneration to ensure their perspective remains independent of business operations. The amount is determined annually and paid monthly. The amount paid to each director is determined at a level appropriate to their responsibilities.

Directors Who Are Members of the Audit & Supervisory Committee

Remuneration of directors who are members of the Audit & Supervisory Committee is limited to fixed remuneration to ensure their perspective remains independent of business operations. The amount is determined annually and paid monthly. The amount paid to each director is determined at a level appropriate to their responsibilities.

Resolution on the Amount of Remuneration for Directors

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

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

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

The total amount of such remuneration provided under the restricted stock remuneration system was set at no more than ¥400 million per year at the 19th Ordinary General Meeting of Shareholders held on September 26, 2023, with the total number of shares allocated annually capped at 300,000 shares.

The medium- to long-term performance-linked stock remuneration system was approved at the 20th Ordinary General Meeting of Shareholders held on September 25, 2024. For the directors subject to this system, the total amount per evaluation period (3 fiscal years) is capped at ¥1 billion, with a maximum of 350,000 shares in total.

Procedures for Determining Remuneration

The remuneration for directors (excluding directors who are members of the Audit & Supervisory Committee) is reviewed by an independent Remuneration Committee, whose members are appointed by the Board of Directors and whose majority consists of outside directors (excluding directors who are members of the Audit & Supervisory Committee). The committee submits recommendations to the Board of Directors, ensuring transparency and objectivity in the overall remuneration system, including the remuneration level and decision-making process.

For this reason, when determining fixed remuneration, bonuses, and stock remuneration, the Remuneration Committee first examines and reports to the Board of Directors regarding remuneration for each director. The Board of Directors then makes a resolution on remuneration based on this report.

The policy for determining the distribution ratio of each type of remuneration is decided by the Remuneration Committee. The fixed remuneration is approximately 30-40%, the bonus is approximately 10-20%, the restricted stock remuneration is approximately 15-20%, and the medium- to long-term performance-linked stock remuneration (calculated on an annual basis) is approximately 30-40%.

In determining the amounts for each type of remuneration, responsibility based on individual roles is taken into account, and different benchmark amounts are set accordingly.

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

Overview of Remuneration for Executives

	Fixed remuneration	Bonus	Restricted stock remuneration	Medium- to long-term performance-linked stock remuneration
	30%-40%	10%-20%	15%-20%	30%-40%
Fixed	Monetary	—	Stock	—
Performance linked	—	Monetary	—	Stock
Non-financial indicators	—	—	—	Yes
Merits	Fixed remuneration divided into 12 monthly payments	Variability of 0-200% within a single fiscal year	Transfer restriction lifted upon retirement or after 30 years	Variability of 0-200% every 3 fiscal years
Reviewed by the Remuneration Committee and submitted as recommendations to the Board of Directors				

# Compliance

## Basic Stance and Policy

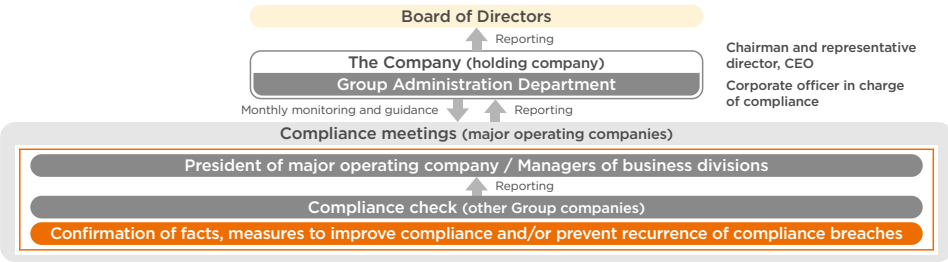
The Group’s officers and employees must act in accordance with the Group’s action guidelines, titled Corporate Ethics for Society, Human Rights, and the Environment, which call for rigorous professional ethics, profound insight, and self-discipline, under the belief that compliance is not limited to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

## System

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

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

### Overview of Compliance System



specific business to confirm that any commands given to maintain compliance with the law have been implemented and that legally mandated safety and health standards are being enforced.

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

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

## Labor-Related Laws and Regulations

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

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

## Prevention of Bribery and Corruption

All officers and employees must comply with items related to the prevention of bribery and corruption based on the Group’s action guidelines titled Corporate Ethics for Society, Human Rights, and the Environment.

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

## Compliance Education and Training

The Group emphasizes training and education to maintain and promote compliance. Accordingly, the in-house employees working in the Group are given theme-based compliance-related materials and take its

Implementation rate of compliance education and training

100%

(Fiscal 2023)

Compliance

annual Compliance Confirmation Test. The content of the test ranges from questions that check understanding of the Group’s Purpose to questions related to corporate ethics, general laws, and regulations.

The implementation rate of compliance education and training for employees in the sales, recruiting, and administration departments for fiscal 2024 was 100%. \* Including contract employees

Major Themes

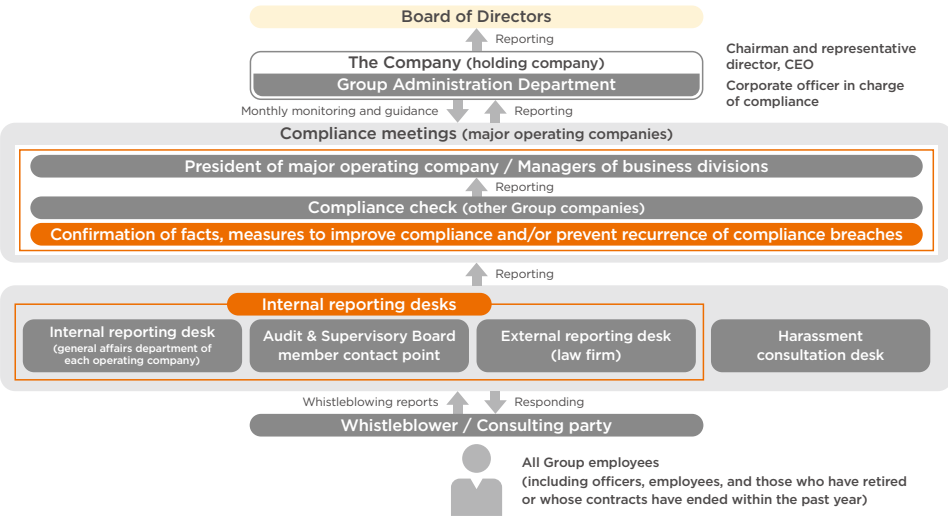
- Compliance and Group stance • Environment and biodiversity • Antisocial forces • Prevention of bribery and corruption
- Human rights • Harassment (including power harassment and sexual harassment) • Appropriate hiring and work environments
- Management of confidential information • Protection of privacy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

Whistleblowing System

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

Usage history of the system and the content of whistleblowing reports are reported regularly to the Group Administration Department and the Board of Directors of the Company based on reporting from the compliance meetings held at each major operating company. If an investigation reveals any illegality, fraud,

Overview of Internal Whistleblowing System



misconduct, or human rights violation, the corporate officer or manager of the department involved in the violation will promptly take corrective measures and prevent its recurrence.

Reporting Desks

As part of our whistleblowing system, we have established reporting desks that employees and other users can access at any time. An internal reporting desk for whistleblowing and consultations as well as a dedicated desk for harassment consultation have been established within the General Affairs Departments of each operating company, with each desk staffed by at least one male operator and one female operator. Users may choose whether they communicate with either a man or woman when utilizing either desk. In addition, the Company has established a contact point with the Audit & Supervisory Committee, which is operated by the director in charge of internal whistleblowing (an Audit and Supervisory Committee member), and an external reporting desk connected to a law firm. These services are available through a variety of channels, including telephone, e-mail, fax, pen and paper, and in-person contact.

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

In the fiscal year ended June 2024, 32 reports were logged through the whistleblowing system. None of these reports was significant enough to lead to serious recommendations that could affect permits or to lawsuits for large amounts of compensation.

Number of reports/consultations made through the internal whistleblowing system

32

(Fiscal 2023)

Whistleblower Protection

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

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

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



# Risk Management

## Basic Stance and Policy

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

## System

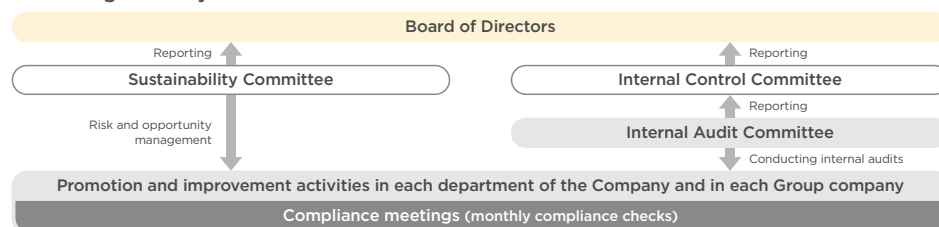
The Group takes a two-pronged approach to risk management. First, the holding company identifies risks, including medium- to long-term risks, on an annual, top-down basis; second, operating companies identify risks on a constant, bottom-up basis.

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

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

For the second approach, which is conducted at an operating company level, operating companies identify potential risks at their respective monthly compliance meetings, and implement and monitor individual

### Risk Management System



response measures on a continual basis. Investigations and assessments resulting from these meetings must be reported to or approved by the Company based on the Group Company Management Regulations and the Reporting Regulations. Through this process, the Company gains an understanding of matters that may pose a risk to the Group, issues suitable instructions as appropriate, and promotes risk management.

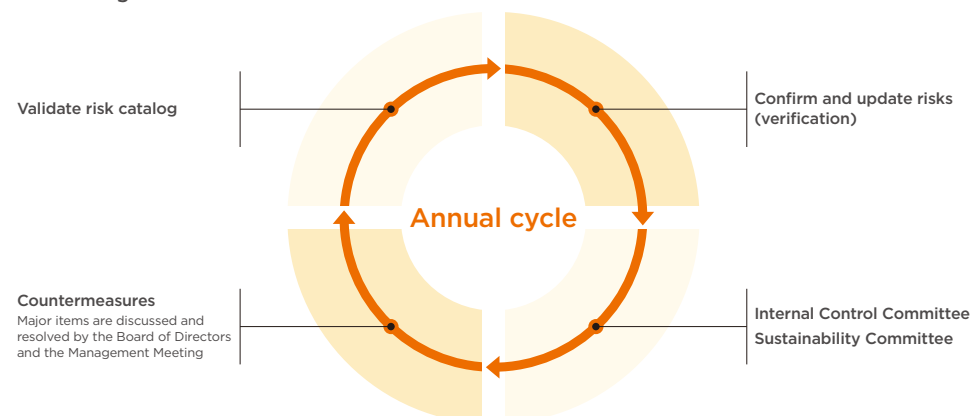
## Risk Identification and Management

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

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

As a result of the risk assessment review for fiscal 2024, we (1) analyzed methods for controlling risks, and (2) integrated and linked risk items, reducing the total from 207 to 100, based on new perspectives. Based on these results, risk owners in each department of the Company have taken the lead in considering and promoting measures to address risks.

### Risk Management Process



## Risk Management

### Major Risks and the Status of Countermeasures

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

# Information Security Management in IT

## Basic Stance and Policy

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

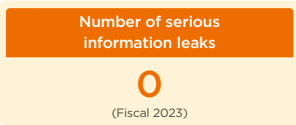
## System and Internal Audit Committee

The Open Up Group has established an organization to manage information systems and promote digital transformation (DX) with a focus on overall optimization. In addition to promoting DX, we implement Company-wide IT security measures. As part of our information systems management structure, we have established the IT Infrastructure Management Department under the dedicated executive officer in charge of information systems. The IT Infrastructure Management Department oversees the information security management measures of each Group company through the appointed information systems managers at each company.

Furthermore, the monitoring of IT security, approval of measures, progress, and key issues are reported and presented to the Management Meeting and the Board of Directors, which are the key decision-making bodies for business execution. These bodies ensure that IT security controls are applied across the entire Group. Moreover, the information systems of major Group companies are audited as part of internal control assessments. These efforts to gain a comprehensive understanding of the Group's IT environment and to identify and evaluate risks are aimed at the early detection and resolution of any problems that may occur. The Internal Audit Department evaluates the development and operational status of security-related controls as part of its internal control evaluations, and any concerns that become apparent are reported to the Board of Directors and the Audit & Supervisory Committee.

## Initiatives

In keeping with the Group Information Systems Policy, the Group strives to ensure data security by implementing controls in six areas: compliance, development and modification, operation, security, IT audits, and management. It continuously conducts education and training on confidential information management for all officers and employees. Additionally, in response to cyberattacks, the Group has introduced training and evaluations for targeted attack emails, and it adapts its response based on the current security landscape (two sessions were held in fiscal 2024).



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

# Protection of Personal Information

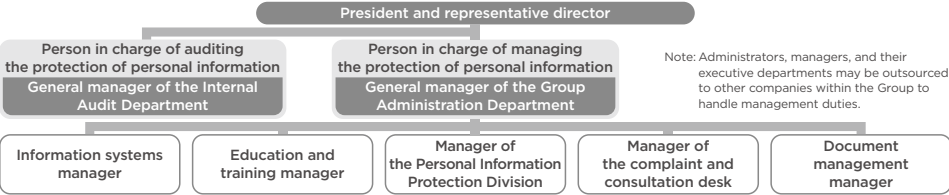
## Basic Stance and Policy

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

## System

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

### Overview of the Personal Information Management System



## Initiatives

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

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

# Financial Highlights

## Major Items of Consolidated Statements of Financial Position

(¥ million)

IFRS	As of June 30, 2022	As of June 30, 2023	As of June 30, 2024
<b>Current assets</b>	36,609	43,338	50,780
Cash and cash equivalents	12,404	16,077	21,506
Trade receivables and other current assets	24,205	27,261	29,274
<b>Non-current assets</b>	59,912	58,152	65,785
Goodwill	45,362	45,253	51,075
<b>Current liabilities</b>	27,793	31,596	38,720
Interest-bearing debt	1,848	1,535	1,636
Trade payables and other current liabilities	31,328	34,940	41,582
<b>Non-current liabilities</b>	5,382	4,878	4,497
<b>Total equity attributable to owners of parent</b>	63,309	64,956	73,198
<b>Total equity</b>	63,345	65,016	73,347
Treasury shares	(4,306)	(8,269)	(8,176)
<b>Total assets</b>	96,521	101,491	116,566

## Major Items of Consolidated Statements of Income

(¥ million)

IFRS	Year ended June 30, 2022	Year ended June 30, 2023	Year ended June 30, 2024
<b>Revenue</b>	148,573	161,689	173,225
<b>Cost of sales</b>	114,141	122,889	131,224
<b>Gross profit</b>	34,432	38,800	42,001
<b>Selling, general and administrative expenses</b>	24,876	26,786	27,703
<b>Operating profit</b>	10,103	12,164	14,293
<b>Profit before tax</b>	10,238	13,103	14,555
<b>Net income</b>	7,046	9,544	11,811
<b>Profit attributable to owners of parent</b>	6,975	9,533	11,768

## Major Items of Consolidated Statements of Cash Flows

(¥ million)

IFRS	Year ended June 30, 2022	Year ended June 30, 2023	Year ended June 30, 2024
<b>Cash flows from operating activities</b>	15,501	15,598	19,177
<b>Cash flows from investing activities</b>	(2,161)	611	(5,029)
<b>Cash flows from financing activities</b>	(22,046)	(12,667)	(8,889)

## Major Financial Indicators

IFRS	Year ended June 30, 2022	Year ended June 30, 2023	Year ended June 30, 2024
<b>Gross profit margin</b>	23.2%	24.0%	24.2%
<b>SG&amp;A cost ratio</b>	16.7%	16.6%	16.0%
<b>Operating profit margin</b>	6.8%	7.9%	8.3%
<b>Net income margin</b>	4.7%	5.9%	6.8%
<b>Basic earnings per share (EPS)</b>	78.30	109.13	135.76
<b>Equity attributable to owners of parent per share (BPS)</b>	716.32	750.50	843.15
<b>Dividend per share</b>	45	50	65
<b>Price-to-book ratio (PBR)</b>	2.09	2.79	2.36
<b>Price-earnings ratio (PER)</b>	19.14	19.22	14.63
<b>Return on equity attributable to owners of parent (ROE)/CAPM</b>	10.9%/5.9%	14.9%/6.8%	16.1%/6.0%
<b>ROIC/WACC</b>	10.7%/5.8%	14.3%/6.8%	15.7%/6.0%
<b>Return on total assets (ROA)</b>	10.1%	13.2%	13.3%
<b>Ratio of equity attributable to owners of parent to total assets</b>	65.6%	64.0%	62.8%
<b>Debt-to-equity ratio (net of goodwill)</b>	0.10	0.08	0.07
<b>Payout ratio</b>	115.7%	45.8%	47.9%
<b>Total shareholder return</b>	106.4%	148.8%	145.8%

\* International Financial Reporting Standards (IFRS) have been applied starting from fiscal 2022.

\* The figures for fiscal 2023 include the business performance of BeNEXT Partners Inc., which was sold in April 2024.

## Non-Financial Highlights

### Distribution of Human Resources

	Item	Year ended June 30, 2023	Year ended June 30, 2024
Composition ratio of human resources	Technical staff	92.3%	92.4%
	In-house employees (managerial)	1.1%	1.1%
	In-house employees (general)	6.6%	6.5%
Ratio by age	Aged 29 and younger	49.5%	54.9%
	Aged 30 to 39	26.7%	26.8%
	Aged 40 to 49	12.3%	9.4%
	Aged 50 to 59	8.7%	6.5%
	Aged 60 and older	2.8%	2.4%
Ratio of female employees		26.9%	28.2%
Ratio of foreign nationals		2.7%	2.2%
Ratio of employees aged 60 and over		2.2%	2.3%
Ratio of employees with disabilities		2.30%	2.56%

### Investment in Human Resources and Well-Being

	Item	Year ended June 30, 2023	Year ended June 30, 2024
Total number of training hours		1,246,611	1,794,642
Total number of trainees		34,025	43,096
Total investment in education and training (¥ million)		2,131	3,259
Total number of job transfers to client companies		350	504
Voluntary turn over (%)		99.2%	97.6%
Ratio of employees taking paid leave (%)		75.4%	70.3%
Total number of employees taking childcare leave and nursing care leave		240	478
Male employees		18	150
Number of serious workplace accidents (accidents that require four or more days leave or result in physical impairments post-accident)		37	35
Number of uses of helpline and internal consultation, etc.		36	32
Number of serious whistleblowing cases (Serious cases are those that could lead to serious permit-related sanctions or lawsuits for large amounts of compensation, etc.)		0	0
Number of serious whistleblowing cases related to human rights and other issues from external parties		0	0

### Governance

	Item	Year ended June 30, 2023	Year ended June 30, 2024
Ratio of female directors (% as of the end of September)		30%	30%
Ratio of outside directors (% as of the end of September)		50%	70%
Ratio of foreign directors (%)		0%	0%
Number of meetings of outside directors		1	1
Ratio of mid-career managers (domestic) (%)		94.1%	90.5%
Ratio of female managers (domestic) (%)		10.9%	13.6%
Number of serious permit-related sanctions		0	0
Number of bribery charges, criminal charges, and large compensation lawsuits		0	0
Number of major information leaks		0	0
Compliance training and education implementation rate (%)		100%	100%
Implementation rate for education on personal information management, etc. (%)		93%	94%
Expenditure related to political contribution and lobbying (¥)		0	0

### Environmental Protection and Social Contribution Activities

	Item	Year ended June 30, 2023	Year ended June 30, 2024
Expenditure related to regional and social contributions (¥ thousand)		39,093	42,024
Amount of paper purchased (weight equivalent)		22.4t	21.3t
Amount of paper collected (weight equivalent of paper recycled within the Group)		9.8t	11.0t
Greenhouse gas emissions (Scope 1)		2.00t-CO <sub>2</sub>	1.88t-CO <sub>2</sub>
Greenhouse gas emissions (Scope 2): market-based		858t-CO <sub>2</sub>	808t-CO <sub>2</sub>
Greenhouse gas emissions (Scope 3)		Unmeasured	7,273t-CO <sub>2</sub>



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



## Glossary

Term	Definition
Open Upper	At the Open Up Group, we refer to technical staff who have unlocked their potential through our coaching model and established their careers as engineers as “Open Uppers,” and we celebrate them across the Group.
Open Up Purpose Index	The Open Up Purpose Index (OPI) measures what is prioritized and how progress is being made to help technical staff become “Open Uppers,” based on the Group’s purpose of “opening up individual potential.”
LTV	Lifetime Value (LTV) represents the added value created by a single technical staff member during their tenure. The Open Up Group uses gross profit as a management indicator to measure the total of this added value.
In-house employees	Refers to those within the Open Up Group who are responsible for supporting the skill development and career progression of technical staff, providing work support, and handling management tasks.
Technical staff	Refers to employees within the Open Up Group who work as engineers.
Coaching model	The coaching model is a unique initiative of the Open Up Group that provides comprehensive support to maximize the potential of each technical staff member, from recruitment and retention support to career counseling and advice.
Work-life experience	Refers to the experience where employees grow through their work, realize their self-fulfillment, and open up their potential.
Touchpoint	Refers to key moments, events, encounters, or experiences in an individual’s career that our coaching model can influence. The accumulation of experiences at these touchpoints is believed to create a meaningful work-life experience.
Matching (model)	A system that matches clients who have human resources needs with technical staff who have employment needs. In the staffing industry, “matching” is a key point in providing employment opportunities for technical staff. However, we create new value by combining it with our coaching model.
Utilization rate	Refers to the proportion of Open Up Group technical staff who are engaged in work-related tasks.
Contract billing rate / Monthly billing amount	The contract billing rate refers to the hourly, daily, or monthly rate. It is the price per technical staff member established during the contract with the client, set in units such as hours, days, or months. Overtime pay, etc., is not included in the contract billing rate. The monthly billing amount refers to the monthly revenue per technical staff member, which includes overtime pay and other additional charges.

## Stakeholder Engagement









## Endorsed Initiatives

## UN Global Compact

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



## External Awards and Recognition

<p>BeNEXT Technologies Inc. and Yumeshin Co., Ltd.</p>  <p>Recognized as a Certified Health &amp; Productivity Management Outstanding Organization in 2024</p>	<p>Open Up Group Inc.</p>  <p>Certified under the Digital Transformation (DX) Certified Companies initiative of the Ministry of Economy, Trade and Industry</p>  <p>FTSE Blossom Japan Sector Relative Index</p>  <p>FTSE Blossom Japan Index</p> <p>Listed on the FTSE Blossom Japan Sector Relative Index</p>
 <p>Monisu certification, provided by the Ministry of Health, Labour and Welfare</p>	<p>Open Up With Inc.</p>  <p>Kanagawa SDGs Partner</p>  <p>Sagamihara SDGs Partner</p>  <p>Eruboshi certification mark</p>

# Company Overview / Shareholder Data

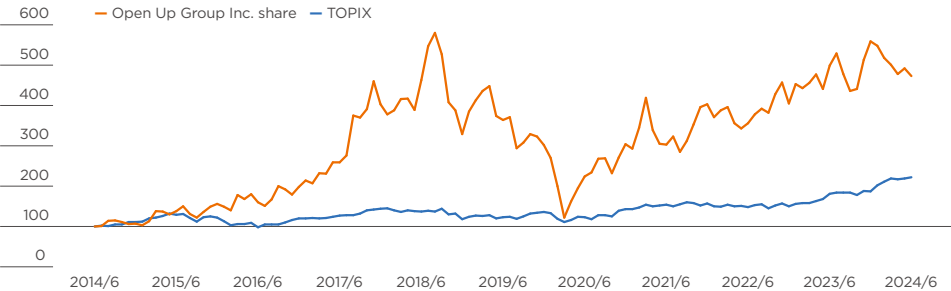
## Company Overview

Name	Open Up Group Inc.
Representative directors	Yutaka Nishida, Chairman and Representative Director, CEO Daio Sato, President and Representative Director, COO
Established	August 1997
Capital	¥4,795 million (As of June 30, 2024)
Head office	16F Tokyo Toranomon Global Square, 1-3-1 Toranomon, Minato-ku, Tokyo 105-0001

## TSR by Holding Period

	Past 1 year	Past 3 years		Past 5 years		Past 10 years	
	TSR	TSR	CAGR	TSR	CAGR	TSR	CAGR
Open Up Group	(2.1%)	68.4%	19.0%	45.8%	7.8%	455.8%	18.7%
TOPIX (including dividends)	25.1%	53.9%	15.4%	100.6%	14.9%	169.5%	10.4%

## Share Price



Note: The graph displays the relative value of the stock price at the end of each month, taking the closing value at the end of the fiscal year ended June 30, 2014, as one hundred.

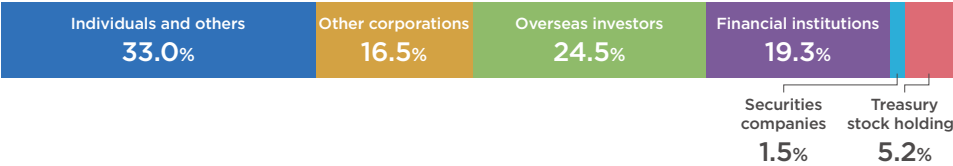
## Disclaimer

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

## Basic Information and Status of Shares (As of June 30, 2024)

Securities code	2154
Stock listing	Prime Market, Tokyo Stock Exchange
Authorized shares	360,000,000
Shares outstanding	91,778,775
Share trading unit	100 shares
Number of shareholders	16,497

## Equity Shareholdings by Type of Shareholder



## Major Shareholders (Top 10; as of June 30, 2024)

Name of Shareholder	Shares Held	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	9,889,600	11.4
Hayao Nakayama	8,378,000	9.6
Custody Bank of Japan, Ltd. (Trust Account)	6,488,305	7.5
Amuse Capital, Inc.	6,240,000	7.2
Kokoro Co., Ltd.	5,785,256	6.6
STATE STREET LONDON CARE OF STATE STREET BANK AND TRUST	4,445,500	5.1
Daio Sato	2,848,278	3.3
Yoshiko Sato	2,749,054	3.2
STATE STREET BANK AND TRUST COMPANY FOR STATE STREET BANK INTERNATIONAL GMBH	1,394,737	1.6
FCP SEXTANT AUTOUR DU MONDE	1,250,000	1.4

\*1 The Open Up Group holds 4,741,919 shares of treasury stock, but these are excluded from the major shareholders listed above.  
\*2 The shareholding ratio is calculated excluding treasury stock (4,741,919 shares).