



dip

Labor force solution company

INTEGRATED REPORT 2023

dip Corporation

<https://www.dip-net.co.jp/en/>

The three essences embodied in our company name — “dream, idea, and passion,” are what drive us.

With dreams, ideas, and passion as our driving force, we have overcome numerous hardships and achieved tremendous growth.

And now, with the labor market changing significantly due to advances in AI and robotics, dip has already begun working on initiatives with an eye to the future.

For the happiness of all people, we will use AI to enter a new era and aim to realize a society in which everyone can experience the joy and happiness of work.



The dip logo is an interactive design. When it is traced with a finger or mouse on smartphone or PC screen, sparkling lights dance around the screen before settling back into the original shape of the logo. The logo's white color is created by the blending together of blue, green, and red, which are the three primary colors used to produce light in digital media. Blue represents our dreams, green our ideas, and red our passion, and the multitudes of light particles and colors symbolize our abundantly diverse employees and their dynamism. The ability to move those pinpoint of light around and change them into different shapes signifies the strength of dip's adaptability to change. The logo was designed by world-famous ultra-technologist collective, teamLab.

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Publication of the Integrated Report 2023

dip’s integrated report summarizes the different types of value the Company has provided to the community to date through the strengths of its business model based on its philosophy and also the initiatives being taken to realize the society that it aims to achieve. Integrated Report 2023 sheds light on the impact of exponential advances in AI and other technologies in the labor market, our strength in human capital that forms the core of value creation, our pathway to further growth, and how we intend to achieve a sustainable increase in corporate value. We hope to further engage in dialogue with diverse stakeholders based on this integrated report.

● Reporting Period

March 1, 2022 to February 28, 2023
Note: Certain information outside this period is also included.

● Scope of This Report

dip Corporation and Group companies

● Reference Guidelines

IFRS Foundation, *International Integrated Reporting Framework*.
Ministry of Economy, Trade and Industry, *Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation*.
Global Reporting Initiative, *GRI Standards*.

● Caution Regarding Forward-Looking Statements

The results forecasts and forward-looking statements in this report represent our assumptions based on information available at the time of disclosure. Actual business performance may differ significantly from forecasts due to future social and economic conditions and other factors.

Introduction

This chapter begins with an explanation of our philosophy, which serves as the foundation for management and guides how every officer and employee makes decisions and acts. That is followed by our business outline and history.

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Philosophy-Based Management

Nurtured by the history of dip's various challenges and born in the course of overcoming various hardships, dip's philosophy forms the foundation of our management and the starting point to which our officers and employees will return at all times. The philosophy provides the driving force for dip's rapid growth and has been the impetus for a range of innovations.

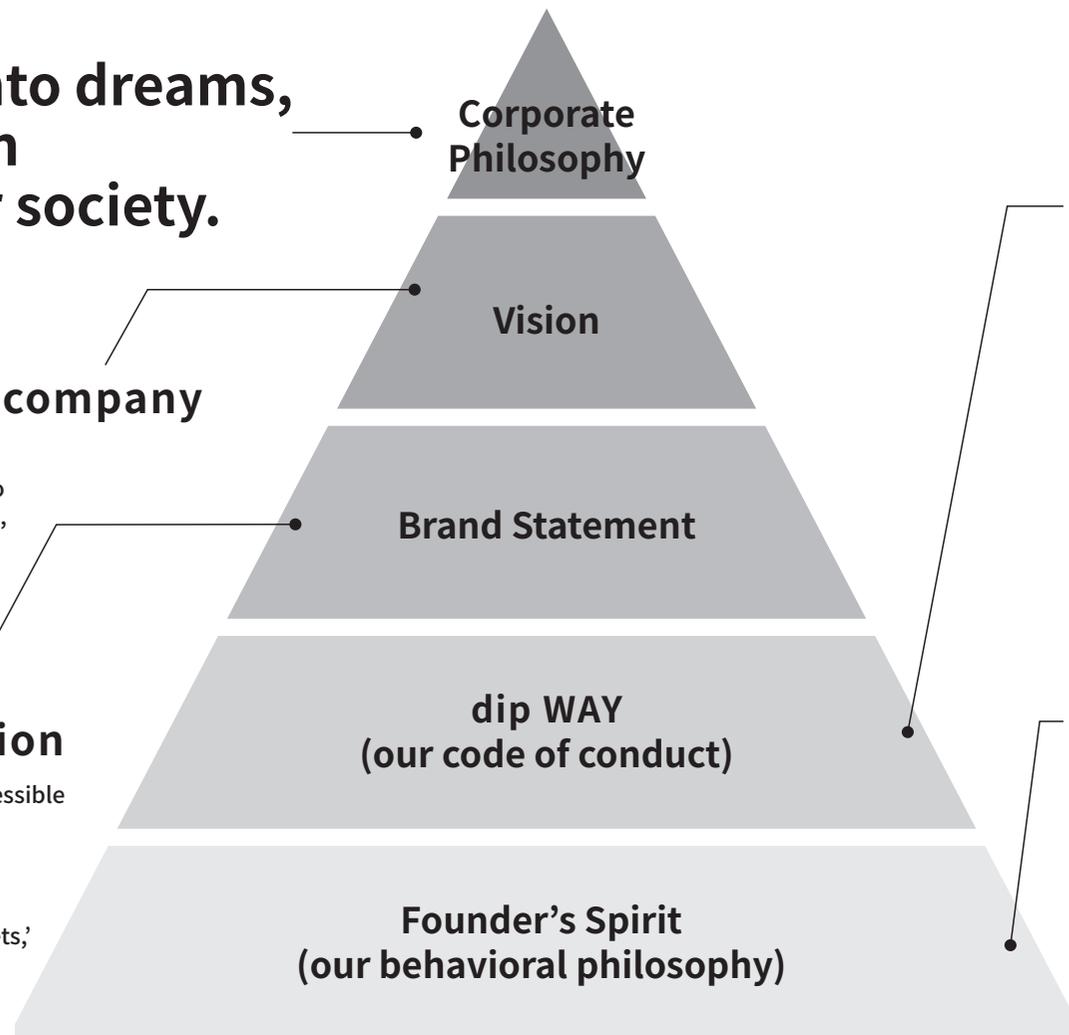
Here at dip, we want to tap into dreams, ideas and passion to create a better society.

Labor force solution company

Through the provision of human resource services and DX services, and by working to solve various problems in the labor market, we aim to realize a society in which everyone can experience the joy and happiness of work.

One to One Satisfaction

We pursue 'user-first' services that are accessible to each and every one of our customers. We will achieve 'No. 1 satisfaction' for everyone involved in our business. Based on the belief that 'people are everything and people are assets,' we aim to be 'No. 1 in employee well-being.'



dream

We have our own dreams. We talk about our dreams. We strive to make our dreams come true. We never give up along the way.

idea

Ideas are the source of growth and development. We will create a free and vigorous corporate culture overflowing with diversity and as innovators in the field, we will pursue the creation of valuable services.

passion

Being passionate about our work encourages the people around us to be passionate. Praise one another generously, celebrate joy, recognize worry, encourage each other and discuss everything. Maintaining unity, we continue to win the victory through our teamwork and leadership.

1. See tough situations as opportunities.

Turn difficulties into opportunities through a change in mindset. Under every circumstance, be vigilant; don't let your guard down. Take a bird's-eye view of things from every angle and then pioneer your own way.

2. Continue to take on new challenges.

No matter the situation, do not be afraid of failure; persevere boldly. Solve social issues as an innovator with the spirit of a pioneer.

3. Never give up.

With a strong will and dedicated action, keep going. Never give up. If you fail, learn. Complete greater achievements.

4. Go beyond expectations.

Do not just accept, "think" and drive value from your own ideas. Exceed expectations. Propel your own growth.

5. Enjoy your work, enjoy your life.

It is our goal that every employee enjoys both work and private life, and leads a happy life, fulfilled both physically and mentally.

6. Each employee has a role to play in creating dip.

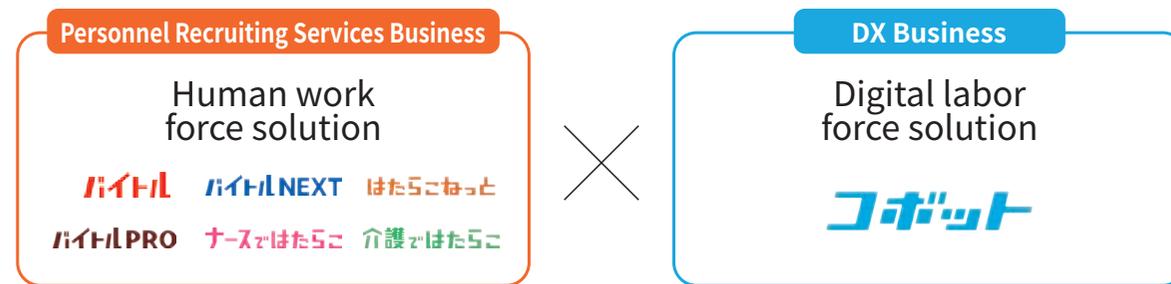
Cultivate your individuality in the philosophy we share. Make your mark in building our future.

Business Outline

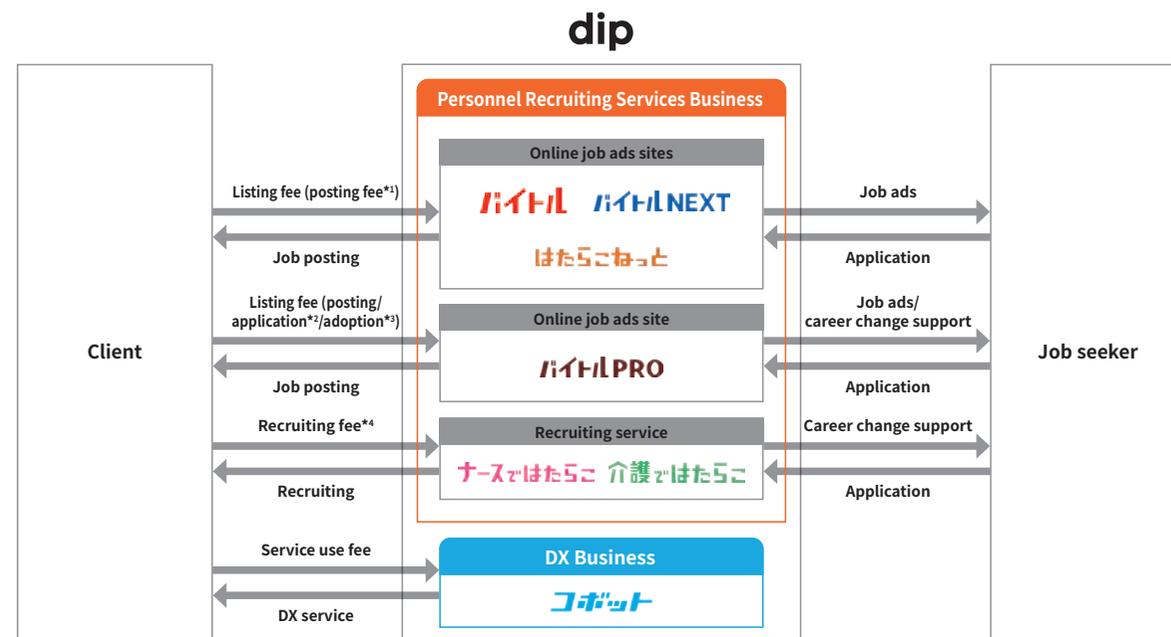
Vision

“Labor force solution company”

Through the provision of human resource services and DX services, and by working to solve various problems in the labor market, we aim to realize a society in which everyone can experience the joy and happiness of work.



Business flow



*1. Posting fee: A model in which a job posting fee is paid based on the length of time a position is posted on our website.
 *2. Application fee: A model in which job postings to our website are free and fees are paid when applications for the position are received.
 *3. Adoption fee: A model in which job postings to our website are free and fees are paid when a candidate is hired.
 *4. Recruiting fee: A model in which a commission is paid at the time of employment after the employment decision is made through our staffing service.

Financial & Non-Financial Highlights

Sales

FY'21/2 ¥32.4 bn ▶ FY'22/2 ¥39.5 bn ▶ FY'23/2 ¥49.3 bn

Operating Income

FY'21/2 ¥7.3 bn ▶ FY'22/2 ¥5.6 bn ▶ FY'23/2 ¥11.5 bn

Ordinary Income

FY'21/2 ¥6.5 bn ▶ FY'22/2 ¥5.3 bn ▶ FY'23/2 ¥11.5 bn

Net Income Attributable to Owners of Parent

FY'21/2 ¥0.6 bn ▶ FY'22/2 ¥3.4 bn ▶ FY'23/2 ¥7.9 bn

ROE

FY'21/2 2.0% ▶ FY'22/2 11.1% ▶ FY'23/2 22.7%

Equity Ratio

FY'21/2 84.4% ▶ FY'22/2 76.4% ▶ FY'23/2 75.0%

Employees

(including temporary and part-time employees)

3,210 (as of August 2023)

Sales Employees

1,995 (as of August 2023)

Engineers

178 (as of August 2023)

Female Employee Ratio (full-time employees)

47.1% (as of August 2023)

Number of Offices

36 (as of August 2023)

Assessment of ESG Management

Included in all six indexes adopted by the Government Pension Investment Fund (GPIF)



History of Value Creation

Dreams, ideas and passion. dip began with the desire to work for the benefit of workers and to make society a better place by harnessing these three driving forces. Since then, through the provision of job listings via the internet, dip has supported the recruitment and use of human resources by client companies, and engaged in business with the aim of creating a society where every job seeker can work with vitality. Now dip's business also supports corporate DX to enrich people's work.

Mar. 1997 dip Corporation founded

In the beginning there was no money, no office, and no colleagues. Hideki Tomita started the business from scratch with just "dreams, ideas and passion." After happening to see a TV program on Japan Incubation Capital, a fund established by Yasuyuki Nambu of Pasona Group and Masayoshi Son of Soft-Bank to assist young entrepreneurs, Tomita submitted his business plan. It was approved and he was able to secure funding and a workspace at Pasona's office from which, at last, he was able to establish dip Corporation.



Pasona Group CEO Yasuyuki Nambu (right) and dip CEO Hideki Tomita (left)

Oct. 2000 Launched Hatarako.net

In an era when only around 18% of Japanese households had an internet connection, dip negotiated with Lawson, Inc., which at that time had about 7,500 convenience stores across Japan. Utilizing Lawson's network of storefront terminals Loppi, dip was able to begin offering employment information services as a dispatch agency. By using the convenience store terminals in conjunction with the internet, dip was able to realize a society where everyone was able to find employment.



Oct. 2002 Launched Baitoru

As part of Hatarako.net, which enabled employment information to be speedily provided in just the right amount for job seekers via the internet, dip began providing part-time and contract job information in February 2001. That was subsequently spun off as an online job-listing site for part-time positions under the name of Baitoru.



May 2004 Listed on TSE Mothers

Three days before the listing that was scheduled for December 2003, Yahoo Japan Corporation abruptly informed dip of the termination of their partnership. Given the circumstances, dip decided to postpone the IPO. This decision, however, bolstered investors' confidence. As a result, dip was able to go ahead with the IPO just five months later, the fastest listing (after a postponement) ever at that time for a Japanese stock.

Oct. 2004 Launched Job Engine

dip embarked on the challenge of offering the first search engine in the industry to find and display the internal job postings of various corporate websites. dip launched a service that enabled people to view job postings automatically pooled from corporate websites.



Apr. 2006 Started large-scale recruiting of new graduates

In the 10 years since being established, dip had become a listed company and developed a sound and independent business model. During the period, dip had placed the focus on the development of sales know-how. But at this point, in order to recruit and nurture the human resources who would create dip's unique corporate culture, management decided to undertake a large-scale recruiting of new graduates. Although having only 350 employees at the time, approximately 200 new graduates were recruited to join the Company. These employees who would inherit the corporate DNA became the most critical assets that would drive the fantastic path of growth on which the Company was about to embark.

Jan. 2009 Launched Baitoru Employee (now, Baitoru NEXT)

dip launched an online job-listing site for full-time positions with a view to helping job seekers build on their part-time work experience and take their career to the next level.



Sep. 2009 Launched Nurse de Hatarako

Recognizing healthcare and nursing care as the sectors less susceptible to economic conditions and more needed by society going forward, dip launched a site specializing in job change information for nurses. This new business reflected the management stance of considering social good over the medium to long term.



May 2013 Launched Raise the Salary Campaign

dip conducted a large-scale campaign to encourage its client companies to raise hourly wages when recruiting new staff. dip conducted this campaign under the umbrella of Abenomics, aiming to make sure that the benefit of government policies to break through deflation would extend to fixed-term workers and allow all working people to contribute to the revitalization of the Japanese economy.

Foundation

Starting a challenge to make our dream come true

Development

Turning difficulties into opportunities through a change in mindset

Revolution

Overcoming a crisis based on the belief that "people are everything and people are assets"

Dec. 2013 | **Listed on the TSE First Section**

With the combined effort of all its staff members, dip was able to see off many difficult challenges, including the Subprime Crisis, and reach the long-cherished goal of listing on the TSE First Section. dip made a new start with a message from CEO Tomita: "I think this is a valuable stage on which we must aspire not only to generate large sales and profits but also to create a better society."

Jun. 2016 | **Launched AINOW**

Focusing on artificial intelligence (AI) as a key technology in tackling the falling birth rate and aging population, dip began operating a media platform specializing in AI.



Apr. 2019 | **Launched AI/RPA business**

By expanding its business domain centered on job advertisement media, dip started providing recruitment support through job advertisements, and also launched a new business to develop and provide services using AI and robotic process automation (RPA). Based on this, we established a new vision to be a "Labor force solution company" to solve various problems in the Japanese labor market.

Sep. 2019 | **Launched KOBOT**

Because traditional DX services were expensive and required specialists to operate, the new service was designed to be easy for small and medium-sized enterprises to introduce and continue to use. KOBOT was launched under the concept that it could be quickly and easily utilized by anyone.



Mar. 2020 | **Launched financial assistance for fixed-term workers during closures due to COVID-19**

dip provided half a month's income (the period necessary for isolation and recovery) to those who had obtained employment through dip's services if they contracted COVID-19. dip also advocated the need for society as a whole to improve the treatment of fixed-term workers and protect their employment.

May 2021 | **Launched Baitoru PRO**

We launched Baitoru PRO, a job information site for specialized jobs that connects companies with job seekers who have qualifications and experience or want to work as new professionals.



Jul. 2021 | **Formed dip BATTLES**

In a bold move that can be made only by a company whose name represents dream, idea, and passion, dip joined D.LEAGUE, Japan's professional dance league, by forming a professional dancing team that dazzles and captivates audiences.



Launched Vaccine Incentive Project

By encouraging vaccination, we promoted the creation of safe and secure workplaces for job seekers and client companies.

Nov. 2021 | **Launched dip Incentive Project**

We launched a project in which proposals from our sales staff to client companies, such as increases in hourly wages, are posted on our job-listing sites in order to improve working conditions for fixed-term workers.

Feb. 2023 | **Launched dip DEI* Project**

As a result of our efforts to lobby client companies, the percentage of companies not requiring job applicants to disclose their age jumped to 62% (as of September 2023).
*Diversity, Equity & Inclusion

Apr. 2023 | **Began developing an AI-Agent business**

We embarked on the new challenge of innovating job creation by shifting from the conventional search-based platform to an interactive one by harnessing generative AI.

Established dip Technology Institute

To commercialize the AI-Agent business as early as possible, we invited Professor Kazuto Ataka, a leading data strategy expert, as an advisor, and launched a joint research program with Matsuo Institute, Inc., an entity utilizing the results of the University of Tokyo's Yutaka Matsuo Laboratory that specializes in AI strategy.

Aug. 2023 | **Launched dip AI Force, a company-wide project team**

We kicked off a company-wide project team that works to raise productivity using AI.

Expansion

Committing to move forward as an entity that strives to create a better society

Evolution

Continuing to create value under a new vision

Top Message

What is our vision for the future that will enable us to become an agent for change in society? What are the challenges that accompany this vision, and what changes do we hope to make beyond that?

Here is a message from CEO Hideki Tomita.

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CEO MESSAGE

Ushering in a New Era with AI to Make People Happy

To Realize a Society in Which Everyone Can
Experience the Joy and Happiness of Work

Hideki Tomita

Representative Director, President and CEO

Social Issues dip Will Address

With a falling birth rate and a population that is aging more rapidly than virtually any other country in the developed world, Japan is facing a contraction in its working population that is causing a serious labor shortage. While labor shortages have traditionally been influenced primarily by economic fluctuations, Japan is presently facing a structural labor shortage caused by demographics that are not influenced by economic conditions. And the severity of the impact is expected to continue to intensify. Currently, there is a shortage of an estimated 130,000 workers. By 2030, however, that number is expected to climb to around three million, and by 2040 it may very well surpass ten million.

Resolving this structural labor shortage will require us to promote the creation of a mobile labor force as well

as take the steps required to maximize productivity. Achieving this means that employment mismatches must be eliminated, human resource capabilities must be enhanced through improvements in worker skills and operational efficiency, AI and other technologies must be fully leveraged, and DX must be implemented to heighten corporate productivity. It is also incumbent upon us to foster an environment where people of diverse ages, genders, nationalities, and backgrounds are able to work with vigor and enthusiasm.

Therefore, dip has set four issues as the Company's business materiality: "Creation of diverse employment opportunities/Elimination of employment mismatch," "Improvement of human resources and economic productivity/Creation of rewarding workplaces by companies," "Promotion of DEI*/Respect for human rights," and "Response to the climate crisis," which is an urgent global issue.



Moreover, since ChatGPT was released in November 2022, the number of users of generative AI has skyrocketed worldwide to a degree unrivaled by previous AI trends. The impact of the present wave of AI we are facing will surpass the social changes caused by the Internet. Furthermore, AI innovations will result in the dramatic evolution of work and how it is accomplished, bringing a profound transformation to the labor market. It is evident that jobs that require people with specialized knowledge in particular will be supplanted by AI processing.

We have arrived at a crossroads in this evolution. Our goal is not a future where people lose their jobs to AI, but one in which AI exists to support people's happiness. Rather than viewing the evolution of AI as a risk, we should regard it as an opportunity to resolve the issue of labor shortages. We must consider how to improve the quality of work while employing technologies such as AI. In the age of AI, maximizing the power of each individual through technology is essential if we are to bolster corporate competitiveness.

With this in mind, dip reviewed its materiality in light of the impact AI's evolution will have on its business. We will work to resolve social issues by rapidly evolving our business based on having accurately ascertained the evolution of AI and changes in the world.

Create a Better Society

Since its founding in 1997, dip has transformed social changes into evolution, generated unique value, and grown along with its stakeholders.

Around the time dip was established, the Internet was in a nascent stage. We were convinced, however, that the Internet would trigger a dramatic change in the nature of recruiting itself. Accordingly, we acted quickly, launching a job information website. At the time, job magazines in paper form were the mainstream, but they conveyed a relatively limited amount of information. The shift to the

Internet has greatly advanced the quantity, quality, and speed of information, bringing benefits to both job seekers (users) and client companies.

Since that time, we at dip have promoted management based on our philosophy, "Here at dip, we want to tap into dreams, ideas and passion to create a better society," and commensurate with this, we have developed user-first services. Our commitment to offering the freshest, richest job information available anywhere, and surpassing the expectations of our users with services such as videos that introduce workplaces and a barometer indicating application status—features not offered by any other company—has made dip's job site considerably more appealing and transformed it into a highly effective advertising platform for our clients.

In March 2020, following the simultaneous temporary closure of schools due to the declaration of a state of emergency associated with the COVID-19 pandemic, many companies were forced to react to sudden personnel vacancies. In response, dip offered advertising space to its clients at no cost to aid them in securing short-term staffing. Moreover, in light of the situation where part-time and other non-permanent workers infected with COVID-19 were faced with financial insecurity, we provided those employed through dip's services with financial assistance equivalent to a half month's income to cover the period during which they were recovering and unable to go to work.

Since December 2021, dip's recruitment consultants have been working on the dip Incentive Project. The aim of the project is to upgrade the treatment of fixed-term workers by proposing initiatives to client companies such as increasing hourly wages and providing incentive payments upon employment. There was initially some concern that client companies would object to negotiations concerning wage hikes. However, we were able to gain the support of many of our clients who felt that it would lead to improved recruiting and retention rates. The number of cases in which we achieved hourly wage increases and other improvements in compensation

exceeded 990,000*², and the average hourly wages posted on Baitoru were up 7.2%*³, a new high.

And now, we have launched the dip DEI Project as a means to encourage our clients to integrate diversity, equity, and inclusiveness into their corporate cultures and organizations. As Japan enters the era of the super-aging society, companies must create workplaces where people of various generations can play active roles if they are to remain viable. The ability to communicate with people of various ages provides workers with the opportunity to grow individually. Thanks to this project, the number of jobs that allow users to apply without providing their age exceeds 400,000. We will continue our efforts to eradicate biases related to age, gender, nationality, and other factors.

Applying the Power of People as well as AI and Other Technology to Solving the Labor Shortage Issue

To resolve the structural issue of labor shortages in Japan, it is vital to promote the creation of a mobile labor force while also increasing productivity. The application of AI and other technologies will serve as a powerful driver behind this movement.

In 2015, dip formed an AI-related project team, and in 2016 launched AINOW, one of Japan's largest AI media platforms. Furthermore, we have launched AI Accelerator as an incubation business, and have interviewed and supported more than 1,000 AI-related startup companies with this initiative.

And, in 2019, we launched a DX business in addition to our existing Personnel Recruiting Services Business. This was emblematic of the new vision we established of becoming a "Labor force solution company."

In Japan, mid-tier enterprises and SMEs are significantly lagging behind in the adoption of DX compared to their larger counterparts. The major reasons behind this include a lack of awareness of which operations can be

streamlined with DX, the cost and trouble associated with introducing DX tools, and concerns over the inability to fully utilize the functions after deploying the DX tools. In response, dip developed KOBOT, a package DX service specifically designed for mid-tier enterprises and SMEs. By offering products and price points that make it easier to introduce and continue to use this service, we have already delivered KOBOT to more than 12,000 companies*³. The adoption of DX will improve business operational efficiency and, in turn, make it possible to assign to individual employees the tasks that will enable them to demonstrate their respective abilities to the full. Employees will be able to work with more vitality, making the office environment a better place. When this happens, employee retention rates will improve, skill proficiency will be improved and productivity enhanced, which will lead to stronger corporate competitiveness.

We want to realize a society in which everyone can experience the joy and happiness of work by leveraging AI and other technologies to support diverse human resources in exercising their abilities and enjoying a richer work experience, thereby enhancing corporate competitiveness. This is incorporated in our vision of becoming a "Labor force solution company."

Ushering in a New Era with AI-Agent Business

We have recently formulated a medium-term management plan, dip30th, covering the period through the fiscal year ending February 2027, which marks the 30th anniversary of dip's founding. Under the theme "New Era," we have launched the AI-Agent Business, which represents a major evolution to our existing human resource services. To achieve this goal, we have established the dip Technology Institute and are developing state-of-the-art technologies in collaboration with Matsuo Institute, Inc., an entity that utilizes the results of the Yutaka Matsuo Laboratory at the University of Tokyo.

We offer two models of human resource services: job advertisements (media), such as Baitoru and Hatarako.net, which match job seekers with employers on the website, and recruiting services (agents), such as Nurse de Hatarako and Nursing Care de Hatarako, where career advisors are present to assist users in their job search. In general, recruitment services provide more detailed services than job advertisements alone, and there is a shift from job advertisements to recruitment services in the area of permanent employee job change. Meanwhile, when it comes to fixed-term workers such as part-timers, the low unit cost per hire had made it challenging to realize a human resource recruiting service. Using AI, however, to approach and interact with the user instead of a person, made it possible to create a recruiting service that proposes jobs matching the user's potential needs, dreams, special skills, personality, and other attributes.

Generally, a relatively small percentage of job seekers who access job ads web sites successfully find employment. The use of AI agents can improve matching accuracy and boost the employment rate, thereby creating a significant opportunity for revenue.

Data quantity and quality are vital in achieving highly accurate matching by AI. In addition to the history of job seeker and AI interaction and information concerning applications, another strength of the service is the accumulation of up-to-date, accurate, and unique job information gathered by approximately 2,000 sales personnel nationwide. Through this business, job selection will evolve from the traditional search-and-select model involving a large volume of job information to interaction using AI to find the most suitable job.

For employers, highly accurate matching based on AI can dramatically enhance recruitment and retention rates.

Through the realization of our AI-Agent Business, we hope to create a society in which everyone can find a job that suits their aptitude, and that they derive joy and happiness from their work. Technology that brings happiness to people and companies. That is exactly what AI should be.

The Philosophy Essential in the Age of AI

As AI-based services become increasingly available around us, in the process of interacting with AI to find the optimal information, we often wonder whether the information AI proposes is trustworthy. We also worry whether AI can safely be entrusted with our personal information. Therefore, I am convinced that the differentiating factors that will enable more people to trust the service and feel comfortable using it are the brand power, trust, and corporate stance that dip has cultivated over many years.

dip has been providing services with a sense of empathy for its users, including negotiation of wage hikes and promotion of DEI to improve the treatment of fixed-term workers. As a result, we have built strong relationships of trust with many users and companies and refined our corporate brand.

This is underpinned by a philosophy that is rooted in each individual employee. Our philosophy comprises our Corporate Philosophy of “Here at dip, we want to tap into dreams, ideas and passion to create a better society,” our Vision of becoming a “Labor force solution company,” our Brand Statement of “One to One Satisfaction,” the “dip WAY,” which is our code of conduct for all employees, and “the Founder’s Spirit,” which serves as our behavioral philosophy. This philosophy is the starting point to which executives and employees always return, and it has been a source of strength that has motivated and supported them through various challenges.

Our philosophy—embodied in the daily work of our employees to strengthen their loyalty and their ability to tackle social issues—has generated loyalty among numerous users and client companies, and has contributed to building high brand power and trust. On the strength of our philosophy—our single most significant differentiating factor in the age of AI—we will usher in a new era.

To Realize a Society in Which Everyone Can Experience the Joy and Happiness of Work



Ushering in a New Era with Dreams, Ideas, and Passion

Based on the belief that ‘people are everything and people are assets,’ dip has strived for an improvement in human capital by creating an environment that allows every single employee, each with their own diverse characteristics, to refine their abilities and demonstrate them to the full, thus enhancing their sense of happiness. dip’s history of value creation is characterized by all employees having worked as one based on our philosophy of using dreams, ideas, and passion to overcome difficulties, thereby paving the way for our path forward. We will pass this attitude on to the next generation as “the Founder’s Spirit,” and will continue to generate new value for the labor market of tomorrow.

We are convinced that the embodiment of our philosophy will lead to the realization of a sustainable society as well as dip’s sustainable business growth and enhancement of its corporate value, and we will take the lead in managing the company.

We at dip will continue working to rapidly grasp the changes of the times and usher in a new era with our dreams, ideas, and passion. I hope that our stakeholders will hold high expectations of dip into the future and continue to support our endeavors.

November 2023

富田英揮

*1: DEI (Diversity, Equity & Inclusion)

*2: As of March 2023

*3: As of August 2023



Tripartite Discussion with Our CEO, COO and Professor Yutaka Matsuo

The Future According to dip Utilizing AI Makes the World a Place Where Everyone Can Enjoy Working and Feel Happiness

Yutaka Matsuo

Professor, Research into Artifacts, Center for Engineering, Graduate School of Engineering, The University of Tokyo
Professor, Department of Technology Management for Innovation, Graduate School of Engineering, The University of Tokyo

Hideki Tomita

Representative Director, President and CEO

Masatsugu Shidachi

Representative Director, COO

How AI Impacts the Labor Market and Workers

Generative AI Will Facilitate Creation of New Jobs and Stimulate the Labor Market

Tomita: Since the November 2022 release of the Chat Generative Pre-trained Transformer (ChatGPT), the number of generative AI users has exploded worldwide, and the scope of its use is rapidly expanding in all areas. What kinds of changes do you think we can expect?

Matsuo: Although we have seen booms surrounding AI in the process of technological evolution, generative AI—the latest iteration—is clearly more impactful than past developments, and we view it as a potential catalyst for social change.

Going forward, generative AI will find its way into a wide range of industries and business sectors. Then, after a few years, it will become virtually unnoticeable despite being actively used all around us.

Tomita: Amidst the global spread of AI utilization, it is also true that people are becoming somewhat concerned that AI will take their jobs from them. We must be aware of the effect AI is actually having on the labor market.

Shidachi: Investors are also extremely interested in structural changes to the labor market as a result of AI and the possibility of contraction in the human resource services market. Professor Matsuo, what is your perspective on this?

Matsuo: We can't deny there will be an impact, but I don't see the human resource services market contracting. In the past, technological innovation has always acted toward increasing labor demand by creating many new jobs while also promoting automation. The nature of work will change, but the world will not become a place where everyone spends all of their time on enjoyable activities, leaving everything to AI. Especially in Japan—with the working population in decline—there is an urgent need to improve economic productivity, so we should actually use AI actively.

dip's Vision of the Direction of AI Use

AI Unleashes the Power of People and Opens up New Possibilities

Tomita: At dip, we believe that using AI to increase productivity and improve the working environment will make us more competitive. Given this, we began to clearly identify the tasks that can be entrusted to AI and those that must be done by human beings. As long as people continue to do those tasks that could be accomplished by AI, it will be difficult to maintain and enhance competitiveness in the future. In August 2023, we launched dip AI Force, a company-wide project team. We have assigned 250 ambassadors trained in the use of AI to all departments to serve as leaders, and we are working together with front-line employees to write ChatGPT prompts. Almost 60% of our approximately 3,000 total employees are already using AI as they perform their daily duties.

Matsuo: That's remarkable! Generative AI is still in its nascent stage, and in the business world, many domestic and international companies are just beginning to leverage this technology to streamline operations and develop related services. This tells me that dip's efforts are actually rather advanced.

It is difficult to forecast the direction in which generative AI use by companies will expand, but the technology is rapidly evolving and, for any company, presents a host of opportunities in all areas. Given the importance of speed, I believe that the key to a company's competitive advantage will be the early adoption of the evolution of generative AI and linking it to its own best practices through a high-speed trial and error process.

It will be of particular importance to clarify tasks and duties, which will facilitate the assignment of roles and personnel. The more tasks that can be entrusted to generative AI, the better the performance per employee will be, thereby positively affecting the creation of a rewarding workplace.

Shidachi: Generally speaking, when it comes to AI, the discussion usually centers on objectives and goals and how employees can make use of the

technology. At dip, however, we don't take a top-down approach; rather, we look at how we can utilize it to our advantage from the perspective of the workplace. A second-year sales employee, for instance, is now practicing business negotiations through role playing and other activities—previously conducted with other team members—with AI. This has resulted in growth at a faster rate than we have seen previously. This is true even for more experienced employees. As it becomes increasingly difficult to simply follow traditional success stories, we are seeing AI being used to help employees reskill and acquire new skills. In doing so, newcomers and veteran employees alike are not only becoming more efficient through the daily use of AI in their work, but there is an evolution in the work itself beyond what we have previously experienced.

Matsuo: I think dip is ahead of the curve in terms of anticipating the changes that are expected to take place at all companies. It is a foregone conclusion that, going forward, we will see a difference in the division of duties between AI and human beings from what we had in the past. Development is currently in progress in various industries and business domains, and we should see the results emerge in the form of various products in six to twelve months. When that happens, we will be in a situation where we are using AI without even realizing it. It is important that we get ahead of this trend. It is crucial to raise awareness companywide by, for instance, having someone in-house who is familiar with AI assume a leadership role in discussions.

Shidachi: Right. To this point, the approach to digital transformation or DX has been to adapt operations to the system with a focus on system updates. Having said that, the advent of generative AI has made it possible to blend DX into daily operations. It is now possible to move toward enhancing people's power, which we liken to controlling a mobile suit, a humanoid robot in a Japanese anime. Given this, how can we then leverage AI to unleash the power of people? DX has come to be regarded as human-centered, which to me seems like a significant change.

Matsuo: I couldn't agree more. Generative AI is affecting a major change in the paradigm. The key question is what kinds of changes human interaction with AI and automating advanced processes will create on a societal level. Many industries are expected to see numerous changes going forward. These changes are not only interesting; they represent opportunity. If we do not change the way we do things, we will gradually lose markets to global companies. Japan may, however, be able to take a leadership role in unique, niche areas in the global market. Achieving success requires a proactive stance.

Utilizing AI to Make People Happy

Creating Both Social and Economic Value Through Rapid Establishment of AI-Agent Business

Tomita: In response to these changes, we have launched the AI-Agent business and established the dip Technology Institute to develop this business in cooperation with Matsuo Institute, Inc.* Our goal for the AI-Agent business is to transform our business model.

Many years ago, job seekers thumbed through small ads in print media to determine where to apply. Nowadays, internet media such as ours use videos and other rich content to provide a large volume of easy-to-understand information for job seekers.

Furthermore, once the AI-Agent business is up and running, in addition to each job seeker's personality and attributes, AI will be able to extract from dialogue the latent needs of each individual, such as the kind of work they would like to do and their preference for workplace type. Companies will then be able to provide unique, rich, and factual information, and to convey messages that support the appeal of their workplace and the quality of the people who work there.

Achieving this would then facilitate the proposal of jobs that better match job seekers' needs, in turn reducing the risk of mismatches resulting in

quick job turnover. There would be fewer misconceptions about potential workplaces or unpleasant surprises, and this essential matching would result in higher retention rates. We hope to realize happy matching—in which both workers and companies are truly happy—through our AI-Agent business.

Shidachi: Crucial to the effective operation of AI are the quality and quantity of data used in training. dip has 1.3 million or more job offerings, the largest number in the industry. Its strength lies in the accurate, abundant company-side data accumulated by the company's 2,000 sales employees. We also possess a large volume of high-quality data on users who search for employment through dip's recruiting media. Moreover, our collaboration with Professor Matsuo, a leading AI researcher, has proven vital in the development of our services.

Matsuo: Thank you. I am very grateful to be working with you on this endeavor. The reason is that I believe human resource services will definitely change going forward. Looking at various industry domains, I believe that human resource services may be the area where generative AI affects the most significant change. Until now, quantification has been a challenge and there was a reliance on relatively subjective methods, so a very precise matching process was necessary. Given this, the impact of AI utilization is expected to be rather significant.

Moreover, it is important to note that the labor shortage issue is a structural one, not one caused by economic fluctuations. I am also participating in the Council of New Form of Capitalism Realization. We are now at a point where we are not talking about weak demand, but rather insufficient supply capacity. Increasing capacity, we should see more of an economic turnaround. That is why we must promote labor saving and the adoption of AI. At the same time, the ability to acquire strong human resources is directly correlated with a company's intrinsic competitive power, so companies must get serious about their human resources.

Tomita: My hope is that we turn this business into a solution to the structural labor shortage and significantly impact society in a positive way.

Matsuo: I believe that Japan's human resource service industry is at an extremely high level, yet heavily dependent on the skills of individual consultants. That is why I am convinced that this project will have a notable impact on society. I feel this service has the potential to be one of high societal value that brings happiness to people and makes great strides as a business that responds to changing needs. I find it extremely rewarding. Let's work together to be game changers!

*Matsuo Institute, Inc. is an entity that utilizes the results of the Yutaka Matsuo Laboratory of The University of Tokyo.



Sustainability

For the future of the labor market—which is undergoing change as AI and robotics continue evolving—how will dip transform its business, and what kinds of social and economic value will it create to realize sustainable growth? The message from our COO will provide a roadmap and explain the details of our materiality and initiatives.

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COO MESSAGE

Realizing Worker Happiness Through Strengths Cultivated Based on Our Philosophy and AI Pursuing Social Value and Economic Value Simultaneously

Masatsugu Shidachi Representative Director, Chief Operating Officer

Our goal is to realize a society where everyone can experience the joy and happiness of work. With this in mind, we have achieved business growth by solving social issues with our philosophy as the foundation. And with advances in AI and other technologies affecting major changes to the labor market, we have already begun to look forward with our new medium-term management plan, dip30th. Our objective is to achieve sustainable growth by pursuing both social and economic value by transforming our business in preparation for the era of new work styles ushered in by the advent of AI.

Materiality to Achieve Our Vision

In 2019, dip adopted its new vision of becoming a “Labor force solution company” as a part of its philosophy. By providing personnel recruiting services and DX services, we aim to solve various labor market issues and realize a society where everyone can experience the joy and happiness of work.

Japan’s labor market faces numerous challenges, including a growing labor shortage and continued low productivity. Furthermore, the rapid evolution of AI, robotics, and other new technologies—represented by generative AI, which is increasing its presence daily—is forecast to impact the labor market in a variety of ways. Opportunities include significant improvements in productivity and operational efficiency, the creation of new professions and occupations, and heightened job satisfaction as employees engage in value-added work that is more suited for human beings to handle. Meanwhile, there are risks, including the disappearance of traditional professions and occupations and a widening economic gap owing to changes in employment structure.

We recently reviewed our materiality in light of the impact of advances in AI and other technologies on the labor market in Japan. Then, we have established the social value to be created and non-financial key performance indicators (KPIs) related to this value under the medium-term management plan, dip30th. The details of each material issue are as follows.

Creation of Diverse Employment Opportunities/ Elimination of Employment Mismatch

To eliminate labor shortages, there needs to be greater labor participation by diverse human resources, a higher degree of liquidity, and more choices in working styles by leveraging the power of technologies such as AI. Further, it is becoming necessary to allow the abilities of individual workers to be more fully demonstrated by eliminating mismatches upon hiring. In our medium-term management plan, we established new KPIs for our focus areas as follows: 450,000 job offerings that welcome senior citizens, 800,000 job offerings that allow people to work while raising children or caring for family members, 300,000 job offerings for foreigners and international students, 150,000 job offerings that welcome high school students, and 25,000 people employed in the medical and welfare fields in the final year of the plan.

Improvement of Human Resources and Economic Productivity/Creation of Rewarding Workplaces

It is becoming increasingly important to foster a rewarding workplace by enhancing worker engagement and skills, bolstering human resource capabilities by increasing operational efficiency, and raising productivity and innovative power through technology. By the final year of our medium-term management plan, we will raise the number of companies where we introduce and charge for DX in the areas such as recruitment, human resources, and sales promotion to 30,000 to contribute to the improvement of the labor productivity of our client companies. Moreover, we will support qualification acquisition by providing opportunities for reskilling, and promote regional vitality and the development of industry through labor mobility.

Promotion of DEI/Respect for Human Rights

If we are to realize a society where everyone can experience the joy and happiness of work, it is of utmost importance that we respect the human rights of all people and that we achieve mutual understanding and cooperation among people with diverse personalities. Amidst the dramatic spread of AI use, there is an urgent need to prevent the misuse of data and promote fair, equitable matching that respects diversity. In addition, efforts are already underway to increase the number of job offerings without age requirements at the time of hiring to 650,000 in the final year of our medium-term management plan. We will also expand employment opportunities for diverse human resources, including middle- and senior-aged workers.

Response to the Climate Crisis

We will also continue to focus on addressing the climate crisis, a serious global problem. We are currently working to reduce Scope 1 and Scope 2 GHG emissions generated through our business activities to zero by 2025. In the fiscal year ended February 2023, we reduced GHG emissions by 49% compared with the fiscal year ended February 2020, and we disclosed Scope 3 emissions for the first time. We are also discussing how we can achieve carbon neutrality, including Scope 3 emissions.

Strengthening Human Capital Connected with Philosophy

To pursue economic value by raising the social value of our businesses, it is essential that we strengthen “human capital connected with our philosophy.” Our growth to date has been the product of our philosophy which has created a

strong sense of organizational unity that raises individual engagement and loyalty and allows us to fully demonstrate our strengths. Going forward, we will continue working to maximize “human capital connected with our Philosophy” by strengthening the hiring of people that empathize with it, further polishing individual abilities, and increasing levels of employee happiness.

Strengthening Governance

For dip to grow by substantial margins, ensuring the transparency and soundness of management is a must, and it will also be increasingly important to expedite decision making and business execution. Moreover, it is necessary to enhance compliance and risk management by accurately identifying risks involved in using AI and other cutting-edge technologies in business operations. We will continue to strive for further strengthened governance.

We remain determined to take on the challenge of generating high levels of social and economic value by helping to solve social issues through our business activities centering on these material issues.

Value Creation System Evolving Through the Use of AI

Our strengths are our service development capability, promotions capability, and sales capability, and these are produced by human capital connected with our philosophy.

Since our founding, we have provided unique, highly competitive services through the passion of our employees united under the innovative ideas and outstanding leadership of CEO Tomita, earning the support of many users and client companies and producing high business growth.

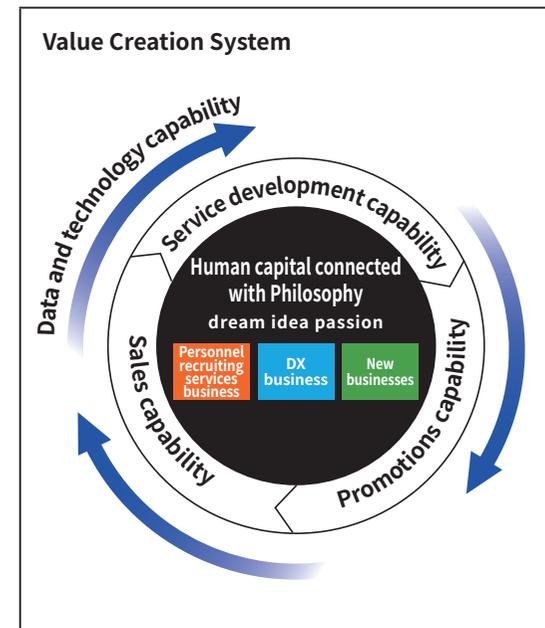
Our services are created and developed with ideas that come out of rigorous thinking about the needs of users, starting with job seekers, and based on the “User First” policy contained in our Philosophy Brand Statement. We have been striving to improve the brand power of these services by promoting them to a large number of people to heighten awareness, increase users, and maximize job advertisement effectiveness.

What determines the satisfaction level of users visiting the site is the quantity and quality of job information. Our site not only boasts the largest number of job listings in the industry but has also focused strongly on the quality of that

information. It is our sales capability that enables us to collect so many job listings, raise the quality of the information, and substantially increase advertising effectiveness and sales. We have over 2,000 sales representatives, who are largely recent graduates, and they not only sell job ads but also take the lead in ad production, provide expertise on successful hiring, and raise retention rates for those hired; they are required to be involved in everything relating to the hired personnel to ensure the growth of our client companies.

Moreover, dip’s sales representatives also provide DX-related services. Offering two services based on different business models requires different skill sets, which makes sales even more challenging. This was, however, made possible by our philosophy, which has fostered a strong commitment to workers and a strong sense of mission with respect to the growth of client companies. As a result of our efforts to solve our clients’ essential issues, we have deepened our relationships of trust with them and formulated a very sturdy customer base.

Employees involved in service development, promotions, and sales, as well as their colleagues in the corporate division who support them, refine and demonstrate their respective strengths to provide high value to users and client companies through collaboration beyond organizational demarcations.



The power of data and technology accelerates the speed at which we are able to create value through our combined capabilities of service development, promotions, and sales, as all our employees, strongly connected with our philosophy, unite to work cooperatively.

In April 2023, we launched our AI-Agent business using generative AI technology and established the dip Technology Institute with the aim of commercializing the business. In collaboration with Matsuo Institute Inc., a company that utilizes the research results of Yutaka Matsuo Laboratory of The University of Tokyo, we are developing the technology. We aim to enhance matching accuracy by utilizing the unique, up-to-date, accurate job information collected by our recruitment consultants to service the existing and potential needs of each job seeker—which our advanced AI engine ascertains through and extracts from natural dialogue—and to put this information into practical use by the end of 2023. Through the AI-Agent business, we will evolve job selection from the traditional model where job seekers search and select from a large volume of job information to one in which job seekers find the job that best suits them while interacting with AI.

We are also actively promoting the company-wide use of data and technology. In 2020, we launched the Kakezan Project, an internal DX project designed to transform company-wide communications and promote the use of data. We have enhanced communication quality and speed through the introduction of three tools—Slack, Box, and Zscaler—as well as the centralization of the interface by linking Box and Slack. In August 2023, we launched dip AI Force, a new company-wide project team. We have assigned 250 ambassadors trained in the use of AI to all departments, including sales, planning, and development, and we are working to write prompts for ChatGPT that can be used in the workplace. By creating a database of over 200 prompts and making it available to all employees, we will foster an environment where any employee can immediately utilize AI for any purpose.

The development of a “Labor force solution platform” is indispensable in utilizing and evolving data and technology. This platform will serve as a common, company-wide foundation that will facilitate the linking and secure provision of data. By using data from service development, promotion, and sales in an integrated fashion, we create an environment that maximizes the potential of technology, thereby dramatically increasing our competitiveness.

Formulation of New Medium-Term Management Plan dip30th, Which Charts a Course for the Future

In dip2025, the medium-term management strategy we announced in 2019, we laid out a roadmap to realize our vision of becoming a “Labor force solution company” and established targets of 100 billion yen for sales and operating income of 30 billion yen for the fiscal year ending February 2025. Through the steady implementation of the strategies and tactics under dip2025, we have transformed the crisis that was the pandemic into an opportunity, employed unique initiatives such as the dip Incentive Project to expand our user and customer base, and significantly grew our share of the part-time and temporary worker job advertising market. By accelerating product development and upselling through job ad sales, we have achieved high growth in the DX business we launched in 2019. Meanwhile, the impact of the pandemic has lasted longer than expected, and the job advertising market has not yet recovered to pre-pandemic levels, making it challenging to reach the sales and profit targets established. We recognize this as a serious issue and have come up with a new medium-term management plan, dip30th, which will end in the fiscal year ending February 2027, the 30th anniversary of our company’s founding. The plan takes into account factors such as the normalization of the pandemic, the impact of the rapid evolution of AI, and changes in the market and competitive environment.

Advances in AI and other new technologies are beginning to reveal solutions to issues that we previously found hard to solve. We are committed to serving as pioneers in the use of AI for workers’ happiness and in addressing the structural issue of the labor shortage head on. And, just as dip seized on the popularity of the Internet to greatly expand its business, we will strongly promote the strategy of dip30th to transform the dramatic evolution of AI into a business opportunity.

We will continue our pursuit of the simultaneous creation of social and economic value and do our utmost to contribute to the realization of a sustainable society. I want to thank all stakeholders for their continuing support.

Sustainability

dip has identified materiality for continuous improvement of corporate value. Based on our Philosophy, all employees work together to conduct business activities centered on this materiality, thereby creating high social and economic value, and aiming to achieve sustainable improvement of corporate value.

Sustainability Promotion System

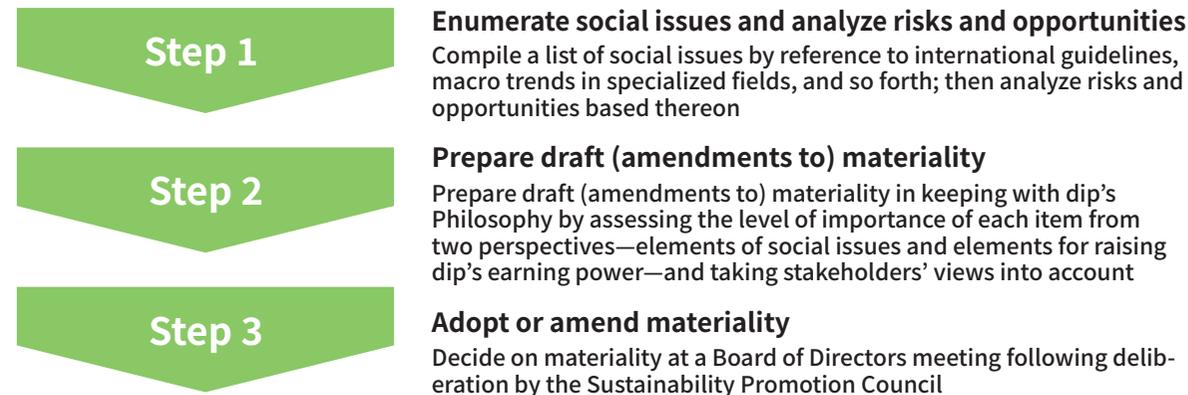
dip has established the Sustainability Promotion Council, chaired by the Representative Director and COO and consisting of all executive officers, to engage in efforts toward the realization of a sustainable society.

The Sustainability Promotion Council formulates strategies and measures based on the sustainability policy decided by the Board of Directors, and evaluates the progress once a quarter. In addition, the Board of Directors regularly receives reports from the Sustainability Promotion Council on the content of its discussions and the progress of measures and gives instructions as necessary.

In addition to proposals from the Sustainability Promotion Council, ideas from employees are also deliberated when formulating sustainability-related measures.



Process for Identifying and Reviewing Materiality

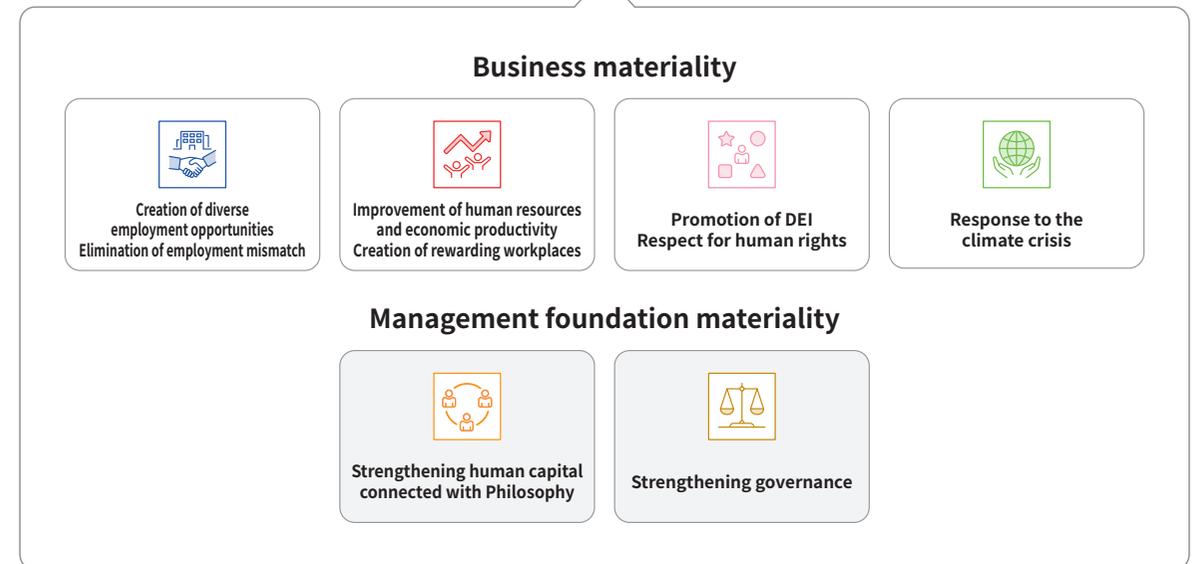


Materiality

We have identified four items of business materiality and two items of management foundation materiality to achieve our Vision. We will strive to create social and economic value and aim to continuously improve dip's corporate value with all employees working together under our Philosophy and contributing to resolving social issues based on materiality.

VISION

A society in which everyone can experience the joy and happiness of work
Labor force solution company



COLUMN

In January 2023, we held a training session for all managers across the Company. It was designed to deepen their understanding of dip's materiality presented in the integrated report. Toward that end, groups of participants discussed a variety of topics connected to materiality, exploring potential measures that would help the Company grow sustainably in the years to come. The one-day training provided a great opportunity for individual managers to weigh various ideas, inspire each other, and embark on new challenges for the future, with the renewed awareness that their day-to-day work can lead to societal impacts and economic value.



▲Manager training

Materiality	Description of materiality	Opportunities for dip	Risks for dip	Social value	Relevant Sustainable Development Goals (SDGs)
 <p>Creation of diverse employment opportunities Elimination of employment mismatch</p>	<p>Creating a diverse workforce and a variety of work styles by means of AI and other technologies, we will increase the mobility of human resources while eliminating mismatches in hiring. In this way, we will allow each individual to demonstrate their strengths to the fullest and enjoy better working conditions, thus increasing the number of employees who experience the joy and happiness of work.</p>	<ul style="list-style-type: none"> • An increase in the labor force participation rate (by helping create new occupations and job types, diversify work styles, etc.) • Improvement of matching • Career development and skill building by workers • Expansion of safety nets for workers • Creation of new services 	<ul style="list-style-type: none"> • Greater risks associated with data management owing to enormous amounts of personal information being gathered • Disruption of the existing business models 	<ul style="list-style-type: none"> • Increase options for jobs, workstyles, and career and expand employment opportunities for diverse people • Increase in the number of workers who demonstrate their abilities at work, work with a sense of fulfillment and high levels of happiness 	 
 <p>Improvement of human resources and economic productivity Creation of rewarding workplaces</p>	<p>Utilizing technology to increase the engagement and skills of hired personnel and raise their productivity and capacity for innovation, we will help companies increase their profitability, improve the compensation of their workers, and create a workplace that is full of job satisfaction.</p>	<ul style="list-style-type: none"> • Acceleration of companies' efforts to raise economic productivity • Increased need to improve compensation and working conditions for workers and ensure occupational health and safety • Increased job satisfaction thanks to AI and robotics 	<ul style="list-style-type: none"> • A deterioration in corporate competitiveness and profitability due to delayed efforts to improve human resources and productivity • Increased difficulty in personnel and organizational management and engagement • A widening gap in corporate competitiveness reflecting a varied degree of use of data and technology 	<ul style="list-style-type: none"> • Strengthen human resources through worker engagement and skill building • Improve working conditions of employees and create job satisfaction by improving corporate productivity • Raise operational efficiency and facilitate innovation through the use of AI and DX 	  
 <p>Promotion of DEI Respect for human rights</p>	<p>We will strive to create workplaces and environments where people with different personalities respect each other and work together, and conduct business activities where the human rights of all those involved, including users and client companies, are respected. We will prevent the misuse of data associated with the utilization of AI and promote matching that is fair and respects diversity.</p>	<ul style="list-style-type: none"> • Increase diverse employment opportunities • Create working environments where human rights are respected 	<ul style="list-style-type: none"> • A deterioration in corporate competitiveness and profitability due to delayed efforts • Lower productivity and higher staff turnover in workplaces where human rights are not respected 	<ul style="list-style-type: none"> • Promote gender equality and increase employment rates for people with disabilities and senior citizens • Reduce the number of workers whose human rights have been violated 	 
 <p>Response to the climate crisis</p>	<p>We will make efforts to reduce CO₂ emissions throughout our supply chain in order to curb the climate crisis. We will provide employment support for people who have been affected by disasters and accidents resulting from the climate crisis.</p>	<ul style="list-style-type: none"> • Contribute to the creation of a decarbonized society • Provide employment opportunities for people who have been affected by climate crisis 	<ul style="list-style-type: none"> • Physical damage from disasters and extreme weather events caused by climate change • Reputation harmed by not addressing climate crisis • Increased costs due to the implementation or change of government policies, laws, and regulations including the introduction of carbon taxes • Miss business opportunities owing to delay in addressing climate change 	<ul style="list-style-type: none"> • Contain the climate crisis and expand the share of renewable energy • Reduce the loss of employment opportunities for people who have been affected by the climate crisis 	 
 <p>Strengthening human capital connected with Philosophy</p>	<p>We will leverage technology to hire, train, and manage people who empathize with our Philosophy, and strive for each person's strengths to be fully demonstrated by increasing their engagement, loyalty, and level of happiness.</p>	<ul style="list-style-type: none"> • Enhance human capital by hiring and developing talent • Create new businesses and services • Raise labor productivity and motivation • Strengthen the ability to adapt to change and seize business opportunities 	<ul style="list-style-type: none"> • A loss of talent, stagnant or lower employee engagement, and diminished workforce productivity as a result of not taking sufficient measures • Lack of human resources capable of innovating 		
 <p>Strengthening governance</p>	<p>We will secure management transparency and soundness, while working to speed up decision-making and business execution in order to create social and economic value and continue sustained high growth. In particular, we will endeavor to enhance compliance and risk management by accurately identifying risks involved in using AI and other cutting-edge technologies in business operations.</p>	<ul style="list-style-type: none"> • Gain trust from the capital market and the wider society • Adapt appropriately to change and build a solid foundation for growth • Ensure sound and transparent decision-making • Speed up decision-making and business execution 	<ul style="list-style-type: none"> • Damage (lose) trust from the capital market and the wider society • Face business continuity risk due to dysfunctional corporate governance • Damage trust (reputation) by misusing AI 		

To Realize a Sustainable Society

dip supports people with diverse characteristics and abilities to find the best jobs where they can create unique value that only humans can do, follow their dreams, and work with passion while devising various ideas. Under our Corporate Philosophy of improving society to a place where everyone can experience the joy and happiness of work, we aim to achieve our vision of becoming a “Labor force solution company.”

1 Creation of diverse employment opportunities/ Elimination of employment mismatches

- ▶ Increase options for jobs, workstyles, and careers and expand employment opportunities for diverse people
- ▶ Increase the number of workers who can demonstrate their capabilities and work with a sense of reward and a high degree of well-being



Increase the number of high-quality job offerings that meet the needs of diverse human resources and workstyles

At dip, we have increased the number of job offerings with an abundance of fresh information, to give diverse people more options for a variety of workstyles. We also provide unique features and services such as workplace introduction videos and an application barometer to eliminate mismatches at the time of employment.

Workstyle values are becoming increasingly diverse. The kind of society that dip aims to realize is one in which everyone can do the work that they want to do whenever they want to. It is a society in which everyone can pursue the challenge of their desired career and, by fully demonstrating their own abilities and receiving better conditions, feel rewarded and experience the joy and happiness of work. We will continue to work on increasing the number of job listings, developing user-first features, and improving matching accuracy.

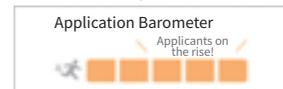
• Workplace Introduction Videos

These videos present, in an easy-to-understand way, the atmosphere of workplaces and the content of the work performed there, aspects that are difficult to convey with text or photos alone. Videos posted on job listings help to increase the accuracy of matching users with the right jobs.



• Application Barometer

Visualize the application status for listed jobs. This function is in response to user needs, such as a preference for applying for popular jobs or, alternatively, for jobs where there is less competition with other job seekers.



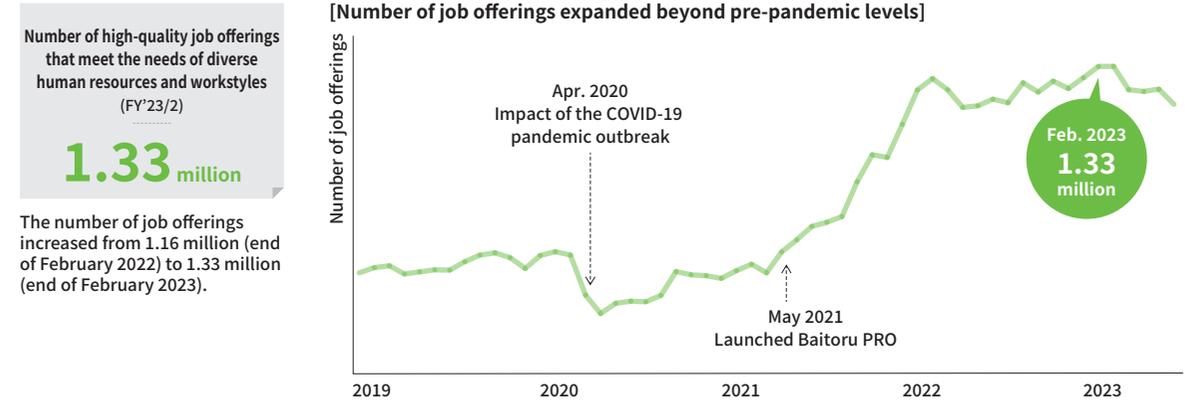
• Job Experience/Workplace Visit Application Function

Gives users a real sense of the workplace through hands-on job experience prior to application. This is effective in the prevention of mismatching.



• Uniform Search Function

Around 60% of users are interested in what the uniforms worn in part-time jobs are like. In addition to posting the images of uniforms, our uniform search function meets the needs of users who want to work part-time in their preferred uniforms.



● Began posting of “Message from dip-san”

In April 2022, we began posting messages from dip’s sales staff, which convey the appealing points and factual information about the job and workplace from an objective perspective. We promote efforts to help job seekers make better job selections, eliminate mismatches, and prevent early turnover.

Message Shuto Takeuchi | Media Sales Group



We want to eliminate employment mismatches by providing factual information from people working in the field

No small number of people leave their jobs early due to mismatches in conditions and environment after employment.

When we prepare job information postings for our client companies, including workplace introduction videos and “Message from dip-san,” we place great importance on hearing directly from people who work there and providing factual information about their jobs and workplaces. We hope that such information will allow users to get an idea of the work style and atmosphere of the workplace before they are hired, thus helping to eliminate mismatches upon hiring.

Message from dip-san



● Detailed employment support for medical and nursing care personnel

In the permanent placement (recruiting) services, our dedicated career advisors help job seekers find jobs and prepare for interviews, and even assist them when they leave the company, helping them make career transitions so that they can continue to work with vigor and enthusiasm. Furthermore, in collaboration with Baitoru and Hatarako.net, we offer new career options to first-time users of recruiting services, thereby addressing the structural shortage of medical and nursing care personnel in an aging society with a declining birthrate.

Number of job offerings in the medical, nursing care, and childcare fields (FY'23/2)

0.51 million

Message Masami Miura | Department Manager, Permanent Placement Business Group



Our day-to-day work leads to jobs that improve society.

A medical institution entrusted us with a large project for its new opening. We introduced nurses through Nurse de Hatarako and 40 of them were hired. A year later, the director of nursing at the medical institution told me, “Thanks to you and the people at dip who helped 40 people find employment, we were able to save the lives of 10,000 patients.” I still vividly remember how moved I was to know that my work had helped so many people.

We will continue to work closely with job seekers and client companies with the belief that our work delivers value not only to job seekers but also to the many people who receive medical and nursing care services from them.

Column

• Career education support for elementary school children

Utilizing the know-how on work gained through personnel recruiting services business, dip provides opportunities for the next generations to think about their future work and to learn the meaning and value of working. This career education support program called the “Baitoru Kids Program” will help elementary school children create a hopeful future and pursue the challenge of their desired career.



During the program, employees of dip and cooperating companies communicate the characteristics, social roles, and sense of fulfillment of their jobs. In doing so, we aim to give children opportunities to learn about different work styles and help them develop work-related attitudes and values.



Number of children participated (As of August 31, 2023)	Number of cooperating companies (As of August 31, 2023)
1,694	33

• Regional revitalization initiatives

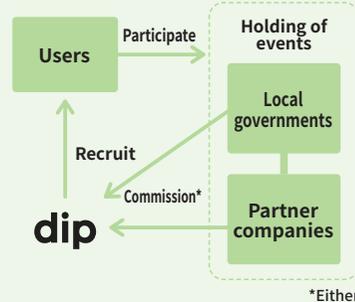
In recent years, interest in migrating to rural areas has increased due to changing lifestyles and diversifying work styles. This is particularly true among fixed-term workers, who make up the majority of our users. According to a user survey* conducted by Baitoru, approximately 55% of respondents said they were interested in migrating.



Since 2018, dip has hosted the Baitoru Migration Work Experience Event and online seminars for users interested in migration, providing them with opportunities to get an image of life and work in rural areas. We offer users a variety of work style and career options and are committed to resolving the labor shortage in rural areas.

To eliminate the labor shortage in the nursing care field, we will work with local governments to support the reskilling of inexperienced caregivers and match them with local operators, thereby expanding their job and career options.

*Conducted among 6,725 Baitoru members.

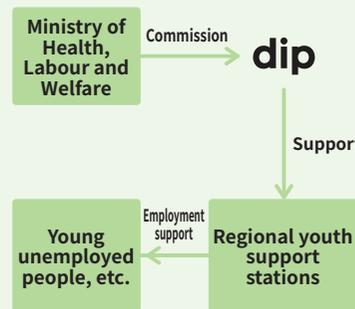


Number of events (As of August 31, 2023)	Attendance (As of August 31, 2023)
137	4,526

• Employment support for young unemployed people

People in the generation that had difficulty finding jobs during the “employment ice age” continue to have unstable employment situations and difficult lives. To improve their employment environment, dip has undertaken various initiatives including publicity support for the “Re-engagement Support Programs for Workers with Unstable Employment” implemented by labor bureaus.

Using this insight, dip has been commissioned by the Ministry of Health, Labour and Welfare for the Youth Independence Support Center Business since 2022. Through the implementation of a variety of training programs for counselors at regional youth support stations that provide a collection of good practices and other employment support to unemployed people between the ages of 15 and 49, we aim to realize a society in which young unemployed people can develop the ability to open up their future and choose a rewarding job.



2 Improvement of human resources and economic productivity/Creation of rewarding workplaces

- ▶ Strengthen human resources through worker engagement and skill building
- ▶ Improve working conditions of employees and create job satisfaction by improving corporate productivity
- ▶ Building a technological infrastructure for operational efficiency and innovation

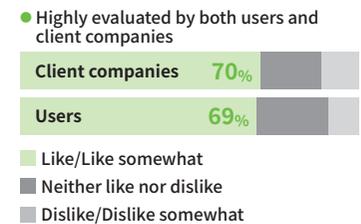
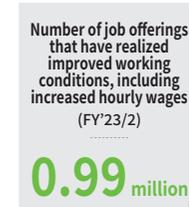


2-1 Improving working conditions for fixed-term workers

dip has implemented a number of measures, including offering financial assistance for users who were absent from work due to COVID-19 infection, and a project to encourage client companies to raise hourly wages and provide vaccine allowances for vaccinated users. We will continue to help companies increase their profitability through improved productivity, further improve the compensation of their workers, and create a workplace that is full of job satisfaction.

• dip Incentive Project

In December 2021, we launched the “dip Incentive Project,” in which proposals from our sales staff to client companies, such as increasing hourly wages and providing incentive payments upon employment, are posted on dip’s job site. The project has gained the support of many of our clients who felt that it would lead to strengthened recruitment capabilities and retention of personnel in the face of significant labor shortages due to the declining working population caused by the falling birthrate and aging population.



Message Yuya Inahara | Business Division Head of Media Sales Group and dip Incentive Project Leader

Each individual’s efforts will lead to solutions to social issues

This project is driven by our desire to see client companies grow further by enhancing their recruiting capability and promoting the retention and performance of their human resources, and to see more people working with vitality by creating an environment in which they can work with greater satisfaction.

Getting client companies to accept wage hikes is not easy. Our recruiting consultants, who share the idea of this project, have persistently reached out to client companies. This has led to improved working conditions for employees, especially fixed-term workers.

2-2 Contributing to DX of mid-tier enterprises and SMEs

By helping mid-tier enterprises and SMEs to improve productivity through the adoption of DX and enabling people who work to engage in jobs where they can demonstrate their respective capabilities, we aim to realize a society in which everyone can experience the joy and happiness of work. The time savings generated through operational efficiency improvements can then be put into the reskilling and other activities of workers. This will serve to strengthen human resources through the advancement of workers’ skills, and, in turn, create greater job satisfaction.

Message Ayumi Sato | Section Manager, Media Sales Group

Introduction of Interview Scheduling KOBOT helps improve employee engagement

A company with a low attendance rate at job interviews improved the rate threefold as a result of introducing Interview Scheduling KOBOT. In addition, the company enhanced engagement by allowing recruiters to spend about an hour per day interviewing and mentoring employees instead of spending that time setting up interviews.

KOBOT not only increases operational efficiency but also solves workplace problems and improves work.

3 Promotion of DEI/Respect for human rights

- Promote advancement of women in the workplace and increase employment rates for people with disabilities and senior citizens
- Reduce the number of workers whose human rights have been violated



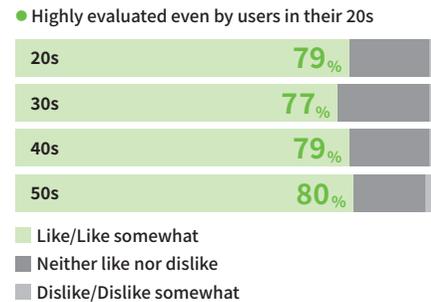
3-1 Realize a society in which people with diverse backgrounds can work and play an active role in their own way

To help create a society in which people with diverse backgrounds can work and play an active role in their own way, dip carries out dip DEI (Diversity, Equity & Inclusion) Project and other various initiatives. We work with client companies to establish workplaces where women, senior citizens, and people with disabilities can participate more actively. In doing so, we are aiming to promote stability and security in employment.



Elimination of age discrimination

To resolve labor shortages, in addition to reviewing compensation, it is also important to diversify employment and work styles by reviewing hiring conditions. In response, we are advancing efforts to eliminate age discrimination in recruiting and hiring and to promote hiring based on individual skills and aptitude.



As part of such efforts, we allow client companies to choose whether to make the entry of "age" (date of birth) at the time of application mandatory or optional when posting job information on dip's job site. This system has won the support of many of our clients; as of August 2023, more than 350,000 job offerings can be applied for without entering an age.

Message Yui Suzuki | Media Sales Group



As a partner of client companies, we eliminate bias in hiring and help create a society where everyone can do the work they want to do

Unconscious biases in hiring, including gender and age, lead to lost employment opportunities. Focusing on skills and experience is essential and can also help create employment opportunities for users.

As a partner of client companies, we identify unconscious biases and change them one by one. We hope to help create a society where everyone can do the work they want to do.

Client company recognition Ms. Suzuki's suggestions from different perspectives often lead me to new discoveries and clues about issues to address and actions to take. I look forward to continuing to work on new initiatives with Ms. Suzuki, who is looking in the same direction.

3-2 Human rights initiatives

Under its Corporate Philosophy of "Here at dip, we want to tap into dreams, ideas and passion to create a better society," dip remains committed to establishing working environments where people of diverse personalities and backgrounds respect each other and where there are no unreasonable differences in conditions or treatment based on age, gender, race, employment type, or other factors, nor any unconscious or implicit prejudice.

We have also established a human rights policy as a guideline for respecting the human rights of all people involved in our business and for fulfilling our responsibilities, making company-wide efforts to respect human rights.



Our human rights policy can be accessed via the QR code.

Human rights due diligence

Implementation process for human rights due diligence

We have begun human rights due diligence in partnership with human rights specialists in accordance with the United Nations Guiding Principles on Business and Human Rights. After identifying risks concerning human rights throughout dip's value chain, and analyzing and evaluating their impact and severity, we will continuously plan, implement, monitor, and make disclosures on prevention and correction measures.



Conducting a human rights survey

As part of our human rights due diligence process, we conducted a human rights survey in July 2023 for full-time, contract, and casual employees to identify human rights risks in our business activities and consider preventive and responsive measures. The survey was designed to understand any occurrences of privacy violations, discrimination and harassment, and intellectual property rights violations among others, and to identify human rights risks. Identified human rights risks will be mitigated through measures including ongoing training and education.

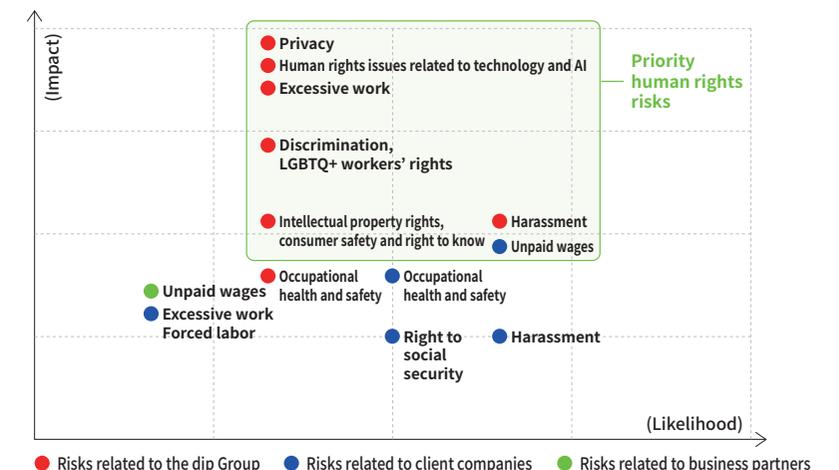
Human rights risk mapping

We identify human rights issues that may adversely affect our business activities and prioritize them based on their impact and likelihood of occurrence.

For high-priority human rights risks, we plan, implement, and monitor mitigation and prevention measures. The Board of Directors regularly receives reports from the Human Rights Promotion Council on the progress of these initiatives and gives instructions as necessary.

Mapping items will be reviewed on an ongoing basis.

*Developed based on our risk assessment criteria.



4 Response to the climate crisis

If climate change causes the frequency and intensity of natural disasters to continue to increase, it will not only threaten the safety and security of workers but also potentially take away their employment opportunities. dip considers addressing the climate crisis to be an important management issue and has been working to reduce the environmental impact of its business activities.

We have also established our environmental policy as a guideline for fulfilling our responsibilities toward the realization of a sustainable society.

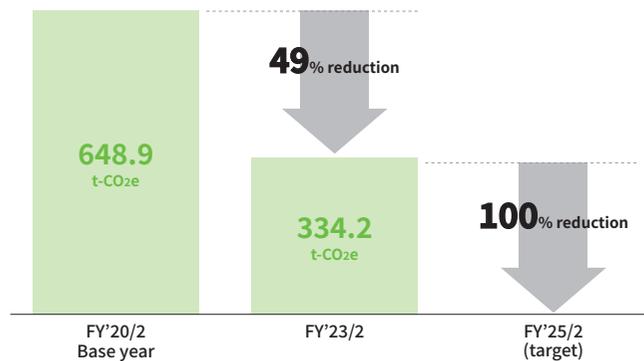


Our environmental policy can be accessed via the QR code.

4-1 Progress toward reduction targets

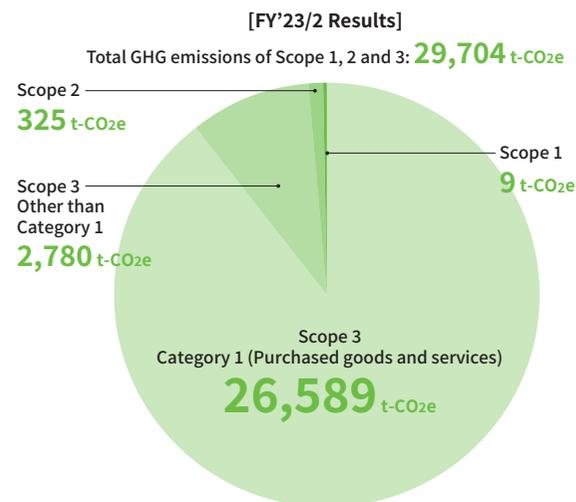
To further reduce GHG emissions from our business activities, dip has set a goal of reducing GHG emissions from all offices* and data centers by 100% by the fiscal year ending February 2025.

In the fiscal year ended February 2023, in addition to our head office, we started making a transition to renewable energy sources at 13 locations including data centers, which account for approximately 12% of the entire company's electricity usage. As a result, approximately 55% of the energy consumption* associated with dip's business activities has been converted to renewable energy.



*The calculation covers GHG emissions from business activities (Scope 1 + 2).

4-2 GHG emissions



To ensure the accuracy and reliability of the calculated emissions, we have received third-party verification from the Sustainability Accounting Co., Ltd.



Our environmental data can be accessed via the QR code.

4-3 Addressing the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)

In October 2021, dip expressed its support for the TCFD recommendations. In December of the same year, dip made disclosures in line with the disclosure framework recommended by TCFD (governance, strategy, risk management, metrics and targets related to climate change risks and opportunities). We will continue to consider expanding the content of our disclosures and aim to further strengthen our governance and business strategies related to climate change based on the results of our scenario analysis.



Governance

dip's Board of Directors deliberates and resolves on environmental policies and important related matters, including climate change issues.

The Sustainability Promotion Council, chaired by the Representative Director and COO and consisting of all Executive Officers, identifies risks and opportunities related to climate change, sets measures and targets, and evaluates the progress. In addition, the Sustainability Promotion Council is responsible for promoting measures related to climate change, and the Board of Directors oversees the implementation of these measures.

The Board of Directors receives regular reports on the risks and opportunities related to climate change and the progress of response measures, supervises the progress toward targets, and directs actions as appropriate. In formulating measures related to climate change, we consider not only proposals from the Sustainability Promotion Council, but also ideas from employees and others.

Strategy

Assumptions in scenario analysis	Risk	Responses and opportunities
<p>Scenario in which temperature increases are unstoppable</p> <p><Assumption> An increase of about 4°C compared to preindustrial levels</p> <p><Scenario used for analysis> •RCP8.5 •SSP5</p> <p>The rise in average temperatures will not be halted, and natural disasters will become more frequent and more severe. Global warming will also increase the risks associated with infectious diseases.</p>	<p><Physical risks> Occurrence of natural disasters Occurrence of system failures Spread of infectious diseases</p>	<p><Countermeasures> Through our Business Continuity Plan (BCP), we have formulated a response in the event of a natural disaster.</p> <ol style="list-style-type: none"> Formulate guidelines for employee behavior during disasters Earthquake resistance measures for buildings, systems, etc. Data backup systems Implement a system to confirm the safety of employees Disaster prevention training Stockpiling of disaster supplies
<p>Scenario in which temperature increases are controlled</p> <p><Assumption> An increase of less than 2°C compared to preindustrial levels</p> <p><Scenario used for analysis> •RCP2.6 •SSP1 •IPCC "Special Report on Global Warming of 1.5°C"</p> <p>Policies and regulations will be strengthened to control the increase in average temperature. This will keep the average temperature from rising, and the frequency of natural disasters will not increase significantly from the current level.</p>	<p><Policy and legal risks> Strengthen policies to curb GHG emissions</p> <p><Market risks> Transition to a low-carbon society</p> <p><Reputational risks> Occurrence of reputational risks</p>	<p><Countermeasures> Our goal is to reduce GHG emissions from all offices and data centers by 100% by the fiscal year ending February 2025.</p> <p><Opportunities></p> <ol style="list-style-type: none"> Expanding opportunities to provide human resource services as a result of inter-industry labor migration related to the government's Green Growth Strategy Increase investment in venture companies related to the above growth strategies Expanding opportunities for the introduction of DX services in line with the promotion of a paperless society due to stricter GHG emission control policies In line with the strengthening of the above policies, the corporate value of venture companies in which dip has invested that solve environmental issues will be enhanced

● Risk management

At dip, the Sustainability Promotion Council reviews, evaluates and analyzes climate change risks and opportunities. This information is reflected in the annual review of the risk map and is integrated into the company-wide risk management. In addition, the Sustainability Promotion Council examines countermeasures for identified risks and reports to the Board of Directors.

● Metrics and targets

dip has set a goal of reducing GHG emissions from all offices (Scope 1+2) and data centers by 100% by the fiscal year ending February 2025. Scope 3 GHG emission reduction targets are under discussion and will be disclosed in the fiscal year ending February 2025.

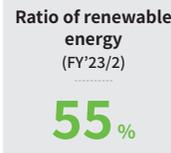
4-4 Main efforts toward reducing our environmental impact

● Reduction of GHG emissions

• Conversion to renewable energy

We proactively use electricity from renewable energy sources while promoting power and energy conservation in all of our offices.

In the fiscal year ended February 2023, in addition to our head office, we started making a transition to renewable energy sources at 13 locations including data centers, which account for approximately 12% of the entire company's electricity usage. As a result, approximately 55% of the energy consumption (Scope 1+2) associated with dip's business activities has been converted to renewable energy.



● Effective use of natural resources

• Reduction of paper resource consumption – Going paperless

By operating an online job information service, we promote services that do not use paper resources. We are also promoting the use of electronic applications, invoices, and contract documents, as well as sales activities using tablet PCs, in an effort to reduce paper consumption by promoting paperless operations.

Rate of digitization (FY'23/2)

Applications	Invoices	Order forms	Contract documents
90.2%	52.8%	100%	66.0%

• Conservation of water resources – Use of LIMEX

LIMEX, developed, manufactured, and marketed by TBM Co., Ltd., is a material that can substitute for plastic and paper products. dip made an investment in TBM and has used LIMEX for its business cards since 2019. Compared to paper business cards, one box (100 cards) of LIMEX business cards can save about 10 liters of water.

In addition, LIMEX business cards that are no longer necessary are collected and recycled at TBM to help create a zero-waste society.



Column

• dip-NPO Collaborative Program

In September 2023, dip launched the dip-NPO Collaborative Program to address social issues that cannot be solved by dip alone. dip has been working to solve various problems in the labor market through the provision of human resource services and DX services. By promoting new initiatives through collaboration with NPOs, dip aims to create diverse working styles and realize a society in which everyone can experience the joy and happiness of work.

We will provide NPOs that share our philosophy with appropriate funding for initiatives related to dip's material issues and the human resources to carry them out on a pro bono basis*. Mr. Daigo Sato, President of the Japan Center for NPO Evaluation, will serve as an advisor to screen participating NPOs, formulate specific activities, and review their efforts.

*Offering one's expertise for free from the perspective of sustainability

Stakeholder's Message



Daigo Sato

President of the Japan Center for NPO Evaluation (JCNE)

Everyone is a stakeholder in improving and resolving social issues. A common and necessary element of "when the world moves" is that someone calls for action and that many people agree and cooperate with that call. The voice and power of the first person who notices an issue may be small, but through continuous activities and calls for action, the support of many people will eventually grow into a chorus that can move the world and become a great power.

It is important for dip, stakeholders, and NPOs to work together to build partnerships that transcend sectors and thereby promote initiatives to create a better society.

• Operation of SDGs CONNECT to link society with SDGs

dip believes it is necessary for all companies and individuals to cooperate together and create a new economic and social framework in order to realize the sustainable society that SDGs aspire to. In February 2021, we launched SDGs CONNECT, a website that links society and SDGs by distributing information for corporate SDG managers, investors, students, and others to take the first step toward achieving the 2030 targets and put these into practice in their individual jobs and lives. This website distributes various information, covering efforts by more than 100 companies, more than 10,000 news articles, and other topics, themed on how companies are using their strengths to address SDGs. The website reaches approximately 100,000 unique users per month (as of February 2023). Through our operation of SDGs CONNECT, we will continue to contribute to the creation of the new society that SDGs aspire to.



Value Creation Process

This chapter will describe the mechanism of how human capital linked by philosophy plays a role as a source of value creation. In addition to issues and measures for human capital enhancement, the chapter presents a message from the CHO, which describes his thoughts on the evolution of human capital management in the era of AI.

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- 55 Human Capital Connected with Our Philosophy
- 70 CHO MESSAGE
—Bring Out the Maximum Potential of Employees through the Use of AI—



Value Creation Process

Corporate Philosophy | Here at dip, we want to tap into dreams, ideas and passion to create a better society.

Vision | Labor force solution company—to realize a society in which everyone can experience the joy and happiness of work

Materiality → P. 34

● Business Materiality



Creation of diverse employment opportunities
Elimination of employment mismatches



Improvement of human resources and economic productivity
Creation of rewarding workplaces



Promotion of DEI
Respect for human rights



Response to the climate crisis

● Management Foundation Materiality



Strengthening human capital connected with Philosophy



Strengthening governance

Source of Value Creation

Financial capital
Robust financial base

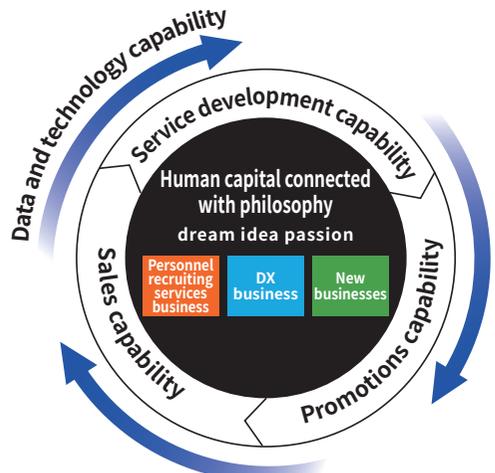
Human capital
Human capital connected with Philosophy

Social and related capital
Highly diverse user base
Customer base supported by strong relationships
External partners that make co-creation possible

Intellectual capital
Sales know-how
Know-how for developing original services and functions

Business Activities → P. 73

Value creation system



Value to Be Created → P. 79

Social value

- Increase options for jobs, workstyles, and career and expand employment opportunities for diverse people
- Increase the number of workers who can demonstrate their capabilities and work with a sense of reward and a high degree of well-being
- Strengthen human resources through worker engagement and skill building
- Improve working conditions of employees and create job satisfaction by improving corporate productivity
- Promote operational efficiency and facilitate innovation through the use of AI and DX
- Promote gender equality and increase employment rates for people with disabilities and senior citizens
- Reduce the number of workers whose human rights have been violated
- Contain the climate crisis and expand the share of renewable energy
- Reduce the loss of employment opportunities for people who have been affected by the climate crisis

Economic value

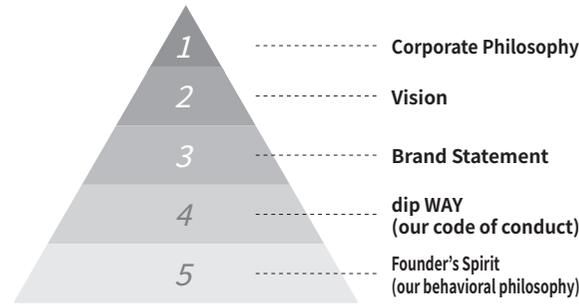
FY'27/2

Sales	¥78.0–85.0 bn
Op. income	¥20.0–25.0 bn
ROE	30%

Brand Statement | **dip WAY (our code of conduct)** | **Founder's Spirit (our behavioral philosophy)**

Value Creation Process by Embodiment of Philosophy

dip has adhered to a management approach that centers on its Philosophy and is based on the belief that “people are everything and people are assets.” Our Philosophy comprises multiple elements: the Corporate Philosophy, the Vision, the Brand Statement, dip WAY, and the Founder’s Spirit. Here we outline how dip’s Philosophy facilitates its value creation process.



1 Corporate Philosophy	<p>Here at dip, we want to tap into dreams, ideas and passion to create a better society.</p>
2 Vision	<p>Labor force solution company</p> <p>Through the provision of human resource services and DX services, and by working to solve various problems in the labor market, we aim to realize a society in which everyone can experience the joy and happiness of work.</p>

Society undergoes constant change as technology advances at a rapid pace. In such a dynamic business environment, if companies simply repeat what went well in the past following the plan-do-check-act cycle, they will have difficulty seizing future opportunities.

Swiftly responding to this change, dip has created businesses and services that transcend traditional boundaries. Our approach is to pursue new possibilities by tapping into dreams, ideas, and passion. For example, we entered the digital transformation (DX) business in 2019 by expanding the scope of the existing personnel recruiting services business. That was because we anticipated significant labor shortages in the near future. Thus, we set a new vision of being a “Labor force solution company,” and launched the new business to provide services that automate manual processes.

Our Corporate Philosophy begins with “Here at dip, we” rather than simply with “dip.” The strength of dip lies in the fact that individual employees channel their dreams, ideas, and passion into making our Vision a reality and achieving the ultimate goal of creating a better society. The vision inspires a sense of enthusiasm of employees and is the foundation for the creation of various new business and service ideas. Likewise, our willingness to tackle social issues head-on has earned us trust and support from our users and clients, creating the basis for long-term loyalty. In addition, our corporate culture that emphasizes social missions has attracted talent and raised our staff retention rate.

Here at dip, we will continue to provide businesses and services that are beneficial to society, remaining true to our Corporate Philosophy and Vision while adapting flexibly to changes in technology and society.

3 Brand Statement

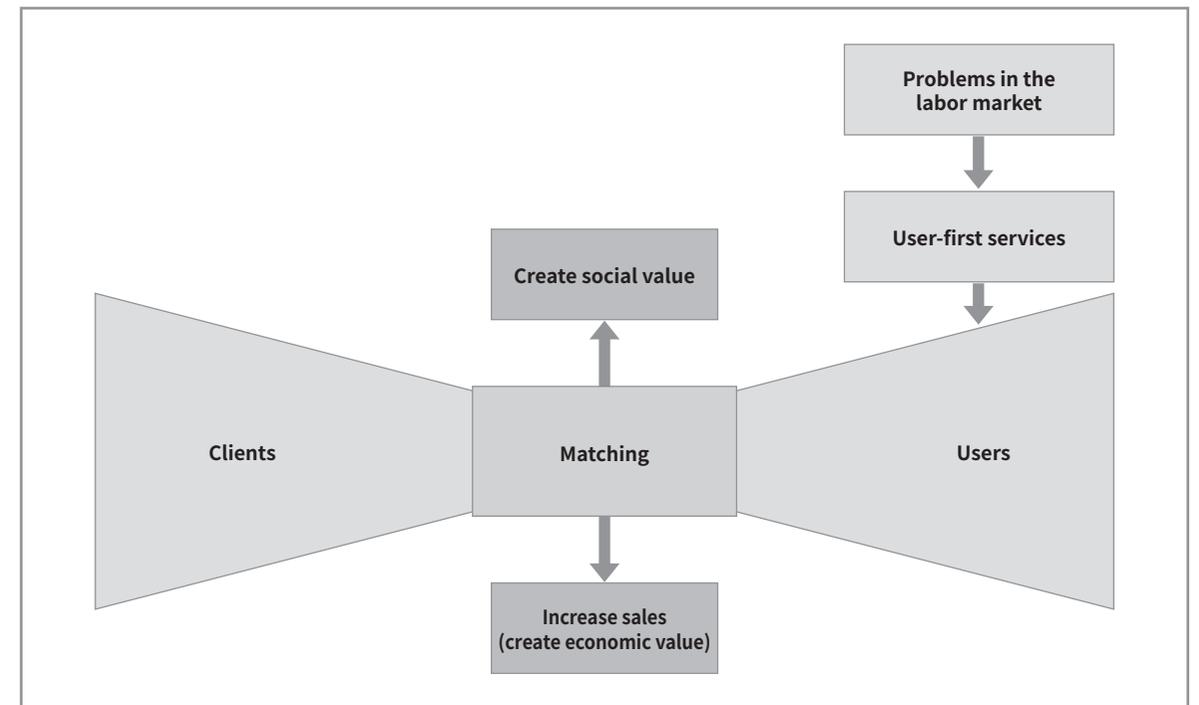
One to One Satisfaction

We pursue ‘user-first’ services that are accessible to each and every one of our customers. We will achieve ‘No. 1 satisfaction’ for everyone involved in our business. Based on the belief that ‘people are everything and people are assets,’ we aim to be ‘No. 1 in employee well-being.’

Our Brand Statement points to the essence of the value dip creates. Here we explain how the Brand Statement functions in our personnel recruiting services business. The business model of the recruiting services business requires that both users (job seekers) and clients (recruiting companies) be considered customers, and that the needs of each be met. Users seek quantity and quality of job postings, while clients seek quantity and quality of applications. Their values affect each other, creating a virtuous cycle. Our revenue

comes from the job posting fee and the recruiting fee contingent upon a successful placement paid by the client. Accordingly, providing greater value to the user and the client will increase our sales and profits.

At dip, we take on the challenge of creating value in a way that is different from typical recruitment service activities. We are taking on the challenge of creating new businesses and services in response to problems within the labor market.



The process begins with us detecting, and having a deep understanding of, problems in the labor market through conversations with users and sales meetings with clients, as dictated by our Brand Statement: One to One Satisfaction. The next step is to clarify the situation and identify important problems that need to be solved for society. With that firsthand knowledge, we then refine the concept of a new user-first business or service. Our strength lies in the fact that we work together with clients to develop businesses and services that are highly valuable to users. Providing user-first services attracts more users and clients, creating a virtuous cycle. This will result not only in the creation of economic value via increased sales

from fees paid by clients, but also in the creation of social value via solving social issues.

Such user-first businesses and services can be characterized as an embodiment of dip's Corporate Philosophy. Our personnel recruiting services business is aimed at providing value simultaneously to users, clients, and the wider society, thereby achieving "No. 1 satisfaction" for everyone involved.

This applies to employees as well: our Brand Statement declares that we aim to be No. 1 in employee well-being, guided by the belief that people are everything and people are assets.

That is exactly why dip has been achieving success.

4 dip WAY

dream

We have our own dreams. We talk about our dreams. We strive to make our dreams come true. We never give up along the way.

idea

Ideas are the source of growth and development. We will create a free and vigorous corporate culture overflowing with diversity and as innovators in the field, we will pursue the creation of valuable services.

passion

Being passionate about our work encourages the people around us to be passionate. Praise one another generously, celebrate joy, recognize worry, encourage each other and discuss everything. Maintaining unity, we continue to win the victory through our teamwork and leadership.

5 Founder's Spirit

1. See tough situations as opportunities.

Turn difficulties into opportunities through a change in mindset. Under every circumstance, be vigilant; don't let your guard down. Take a bird's-eye view of things from every angle and then pioneer your own way.

2. Continue to take on new challenges.

No matter the situation, do not be afraid of failure; persevere boldly. Solve social issues as an innovator with the spirit of a pioneer.

3. Never give up.

With a strong will and dedicated action, keep going. Never give up. If you fail, learn. Complete greater achievements.

4. Go beyond expectations.

Do not just accept, "think" and drive value from your own ideas. Exceed expectations. Propel your own growth.

5. Enjoy your work, enjoy your life.

It is our goal that every employee enjoys both work and private life, and leads a happy life, fulfilled both physically and mentally.

6. Each employee has a role to play in creating dip.

Cultivate your individuality in the philosophy we share. Make your mark in building our future.

Serving as our code of conduct and behavioral philosophy, the dip WAY and the Founder's Spirit were developed by dip founder Hideki Tomita as he overcame a number of difficulties with employees from the early days of the Company. To create and maintain valuable businesses and services, we must squarely face difficulties, small or large, and overcome them by repeatedly trying, failing, and reflecting.

Over the years, dip has successfully overcome many difficulties. What has made it possible is that

the dip WAY and the Founder's Spirit have firmly taken root throughout the Company.

These code of conduct and behavioral philosophy have been shared, helping not only individual employees but also the entire Company to evolve and grow. As such, they have played the essential role in dip's continued development.

The dip WAY and the Founder's Spirit have guided, and will continue to guide, employees to the next level as they take on new challenges every day.

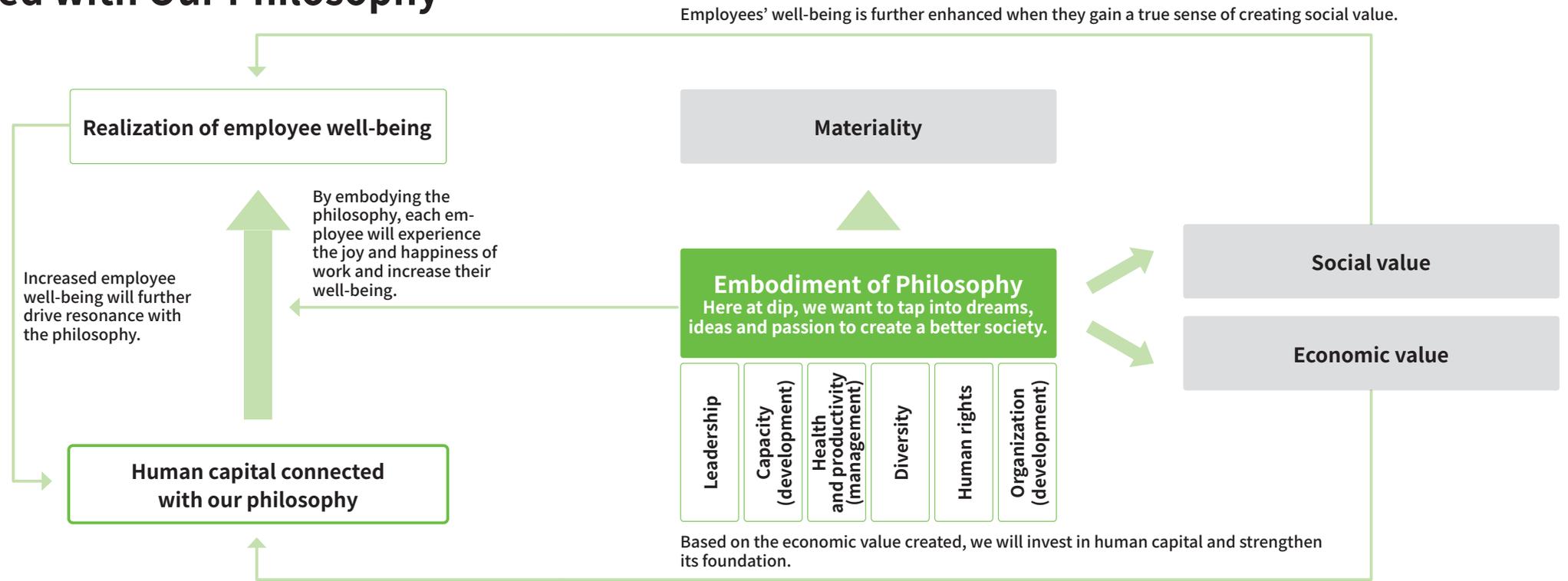
Human Capital Connected with Our Philosophy

Based on the belief that “people are everything and people are assets,” dip continues to focus firmly on and invest in human resources as the core of our management. This belief is grounded in the philosophy that our founder Tomita has developed over many years of overcoming difficulties and challenges together with his employees. This is a philosophy of management and a guiding principle for our employees.

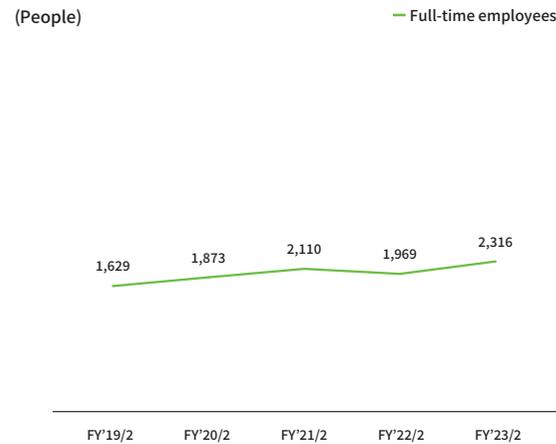
Each employee’s resonance with, action toward, and embodiment of the philosophy will help create social and economic value and, in turn, realize “No.1 in employee well-being.” This cycle is the backbone of dip’s human capital management.

Even though we are a large company of around 3,000 employees, we are able to adapt to changes in the market with the agility of a startup company with only several dozen people on staff. The reason is that this philosophy lives in the heart of every single employee.

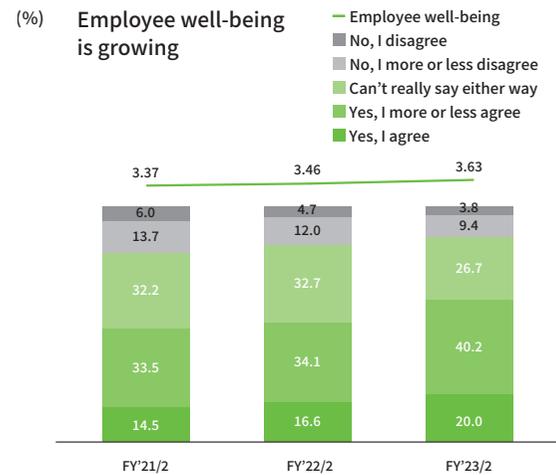
We will continue to hire and develop human resources who resonate with our philosophy and will enhance conditions and systems that allow each employee to fully demonstrate their abilities and experience the joy and happiness of work.



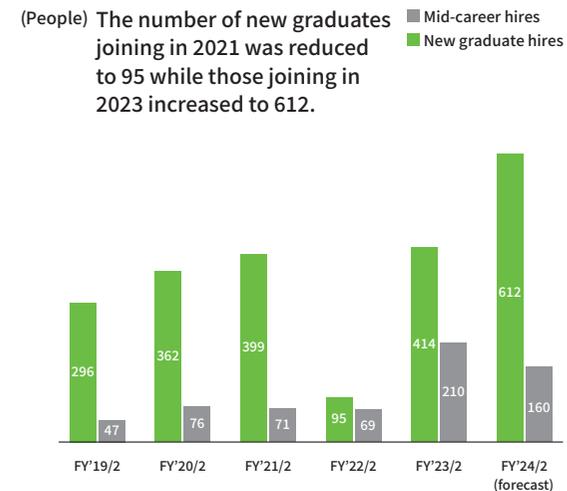
Number of Employees (Human Capital Connected with Our Philosophy) (Non-Consolidated)



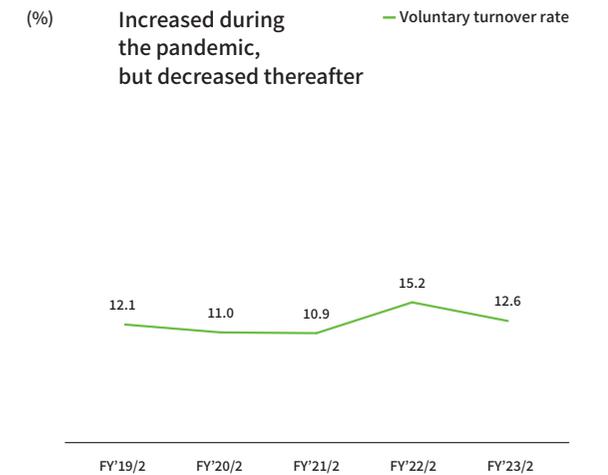
Trends in Employee Well-Being



Number of Hires



Voluntary Turnover Rate of Full-Time Employees



Realizing “No.1 in Employee Well-Being” Through the Embodiment of Philosophy

Reasons for Aiming to Be No.1 in Employee Well-Being

Aiming for No.1 in employee well-being not only fulfills our commitment to employee happiness, as expressed in our Brand Statement, but is also closely linked to the success of our business.

People perform best when they are happy. According to a study by Oxford University, happy employees are 13% more productive than unhappy employees. dip sees the same trend. Happy employees are more focused, more creative, and better at solving problems, which leads to increased productivity.

It is also evident that happier employees are less likely to leave the company. Turnover comes at a high cost to companies. The impact can be

manifold, including recruiting and training new employees, loss of knowledge and skills, and lower team morale. When employees are happy, they want to stay longer, resulting in lower turnover. Employee happiness also leads to recruitment success. This is because whether or not the interviewers themselves enjoy their work and feel happy will greatly influence their decisions in the hiring process. Not surprisingly, employees are increasingly referring talented friends and acquaintances to us. This naturally leads to a reduction in recruiting budgets and contributes significantly to the recruitment of hard-to-hire professionals.

Relationship Between Embodiment of Philosophy and Employee Well-Being

Cross-referencing the employee well-being levels with the ES survey* items reveals factors that increase their well-being. Sense of reward, sense of self-efficacy, sense of aptitude for a job, and sense of growth have the greatest impact on employee well-being.

Our employees identify with our philosophy and have decided to join us with a strong desire to

improve society with their dreams, ideas, and passion. For employees who have this strong motivation to contribute to society, feel fulfilled, and grow through their work, it is clear from the ES Survey results that being able to embody the philosophy in their work is the key to employee happiness.

*ES survey: Employee satisfaction survey

Issues and Initiatives

Issue: Overcome Barriers after Joining the Company

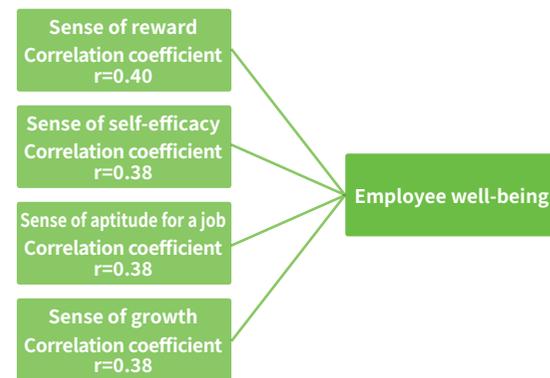
Employee well-being by grade shows that S2-level employees are in the lowest state of well-being. The S2 level corresponds to young employees who are in their second to fourth year of employment as new graduates.

Newly graduated employees must dedicate themselves to learning their jobs at the beginning of their careers. The well-being of S1-level employees is not low because they have a sense of growth and are generously mentored by many senior employees.

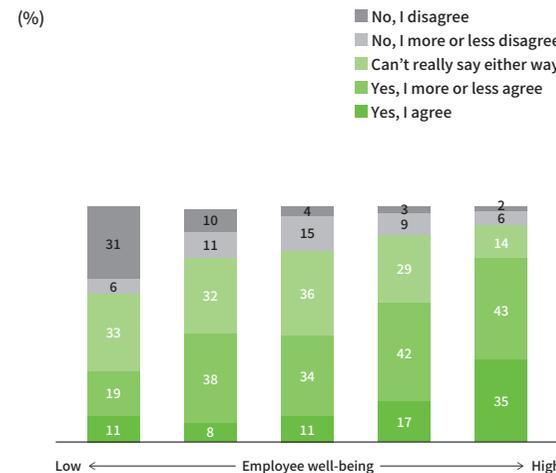
Around the time they are promoted from S1 to S2, their job responsibilities suddenly become much greater. Taking care of newly joined juniors is also an important task for them. In such a situation, S2-level employees face a difficult time as they are torn between their growth and the high expectations of the company.

They will think about what they are working for and how they can bring their dreams, ideas, and passion to life in their work. This is certainly a difficult time, but we believe it is necessary in order for them to realize significant growth in the future.

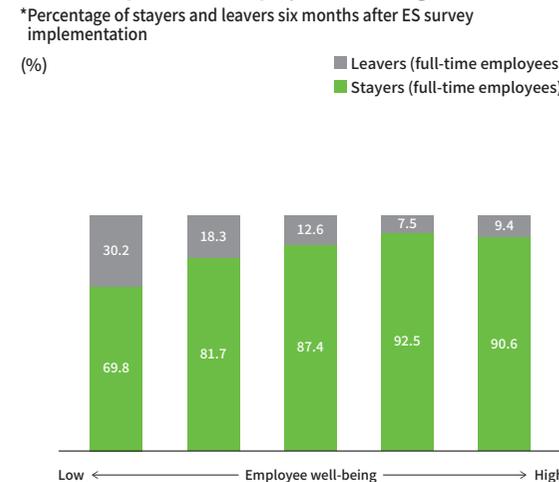
Factors That Increase Employee Well-Being



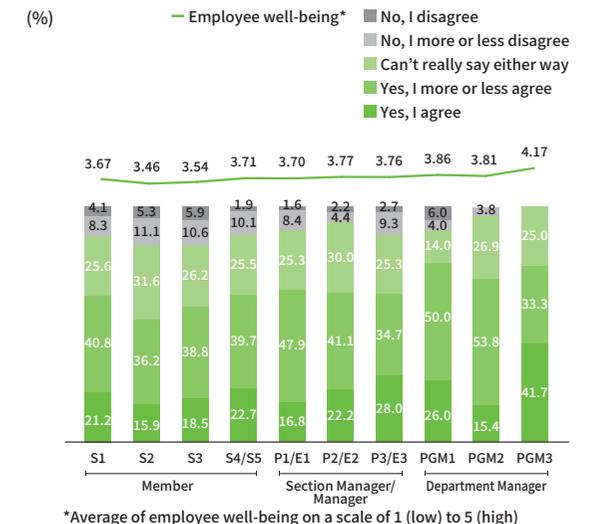
Employee Well-Being and Empathy with Philosophy



Relationship between Employee Well-Being and Turnover

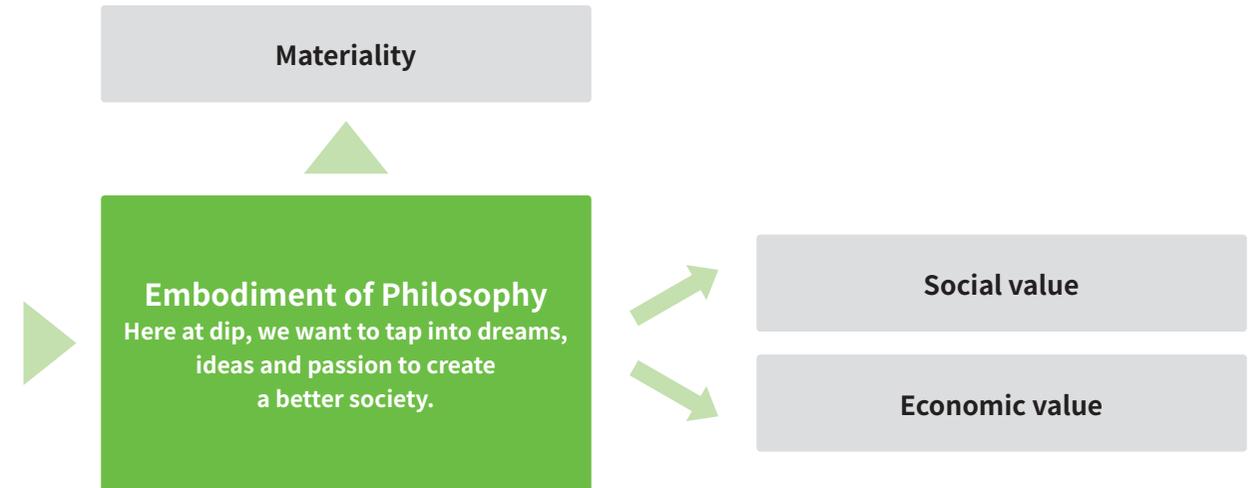


Employee Well-Being (by Level)



Initiatives to Promote the Embodiment of Philosophy

	Priority issues	Important measures	Metrics
Organization (development)	Penetration of Philosophy	Evolution of the General Meeting of Employees	<ul style="list-style-type: none"> Engagement score: 4.0 in FY'25/2 Turnover rate: less than 10% in FY'25/2
		Philosophy contests	
Human rights	Respect for Human Rights	Human rights surveys	
		Human rights risk mapping	
Diversity	Promotion of Diversity	Enhancement of the childcare support system	<ul style="list-style-type: none"> Percentage of women among new graduate employees promoted to managerial positions: 50% in FY'25/2 Percentage of female managers: 40% in FY'25/2 Percentage of women who take childcare leave and return to work: 100% in FY'25/2 Percentage of men who take childcare leave: 100% in FY'25/2 Percentage of people with disabilities employed: Statutory employment rate or higher in FY'25/2
		Telework employment for people with disabilities	
Health and productivity (management)	Promotion of Health and Productivity Management	Strengthening measures for health and productivity management	<ul style="list-style-type: none"> Percentage of paid holidays taken: 80% in FY'25/2 Average extra hours worked: Not more than 20 hours/month in FY'25/2
		Reducing overtime and promoting the use of paid holidays	
Capacity (development)	Reskilling in the Age of AI (Improving Problem-Solving Skills)	Promoting the use of generative AI	<ul style="list-style-type: none"> Training time: Continue to expand in FY'25/2 Attitude evaluation score in the personnel system Promotion rate
		Enhancing problem-solving training	
Leadership	Development of Executive Management Talent	Leadership Journey	<ul style="list-style-type: none"> Number of employees promoted to department managers Percentage of new graduate hires among department managers Age of promotion to department manager
		Targeted promotion system	



The key to human capital management is how to support employees who resonate with our philosophy and act and solve problems in their work in line with the philosophy. In the personnel division, specialists in various fields are working together to address these issues.

Promoting Personnel DX

Our workforce continues to grow, and the number of new hires is increasing accordingly. Under these circumstances, the headcount in the personnel division is also expected to grow naturally. Seizing this opportunity, we are actively promoting personnel DX.

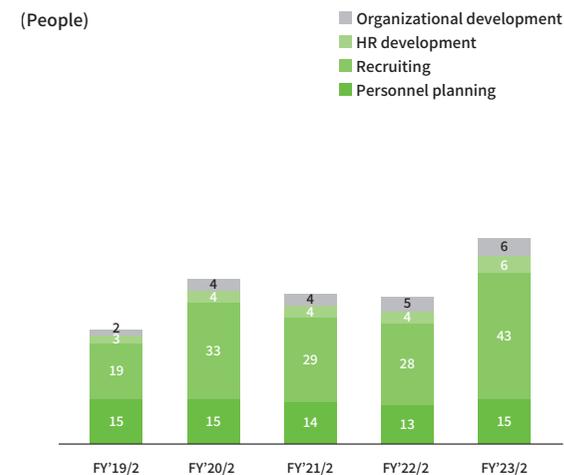
Efforts are underway to thoroughly automate routine tasks. For example, routine tasks such as data entry, attendance management, and payroll calculations have been systematized to improve efficiency. This has freed up members of the

personnel division from the simple tasks of the past, allowing them to focus on more strategic activities.

At the same time, there has been an accelerated shift toward work that can only be done by people and that increases value through human intervention. Specifically, we focus on roles that unlock the true potential of human resources, such as helping employees develop career plans, optimizing internal communications, and designing employee education and training programs.

The promotion of personnel DX has significantly increased the expertise in the personnel division. The division has evolved into a key strategic partner in supporting the company's growth through data-driven analysis of labor productivity, promotion of DEI (Diversity, Equity & Inclusion), and reform of employee benefits to improve employee satisfaction.

Trends in Personnel Division Headcount



Skills Matrix for Managers in the Personnel Division

	Entry route	Sales experience	System	Labor management	Recruiting	Organizational development	HR development
General Manager	Mid-career	●	●	●	●	●	●
Head of Personnel & General Affairs Group	Mid-career	●	●	●	●		●
Head of Recruiting Strategy Group	New graduate	●			●		
Head of Organizational Development Group	New graduate	●			●	●	●

Penetration of Philosophy

Embodiment of Philosophy

dip emphasizes the penetration and practice of our Corporate Philosophy and vision, in other words, the cultivation of philosophy. This is because all employees should share a common philosophy and vision and work together to realize them in order to solve society's problems and create a society in which people can experience the joy and happiness of work.

With the belief that "people are everything and people are assets," dip encourages each employee to have their own dreams, create ideas, and take on challenges with passion. To achieve this, it is important that they deeply understand our Corporate Philosophy and vision and use them as guiding principles.

Issue Connection with Company-Wide Strategies and Business Policies

The first important step in bringing our philosophy to life is to connect it to our business policies. Based on the philosophy, all employees must have a firm understanding of what issues the company will address and how it will grow its business, and must be in a position to always go back to the philosophy and think about it.

Initiative Evolution of the General Meeting of Employees

Employees from around the country gather for the General Meeting of Employees, where CEO Tomita goes over activities and results of the past year and announces goals and management policies for the new fiscal year based on the philosophy. At the meeting, which lasts approximately five hours, there are a variety of creative performances and passionate presentations.

Celebrities featured in our television commercials also make an appearance. Surprise bonuses may be announced as well. Our employees get highly excited and further motivated.

The theme announced at the general employee meeting is immediately incorporated into the strategies of each division and business unit and shared with all employees via video.



Satisfaction with General Meeting of Employees: Score of 4.6
*Anonymous survey; score out of 5

Issue Strengthening Recruitment and Onboarding

In creating an organization based on the philosophy, it is important to select people who have a strong sense of empathy with the philosophy and ensure that they deeply understand and identify with it before and after they join.

Initiative Philosophy-Based Recruitment

In order to select people who have a strong sense of empathy with the philosophy, we spare neither time nor effort. Many employees participate in the hiring process and vividly discuss their real work experiences with applicants. For senior employees, involvement in the hiring process is an opportunity to think about the meaning of their own work at the Company and to reexamine themselves in light of the philosophy, so the hiring process also helps retain existing employees.

Initiative Onboarding Program

Our philosophy is at the heart of new employee education. We are particularly focused on the onboarding program that takes place in the first week. This program is an important step in

helping new employees gain a deeper understanding of our organization and philosophy.

In the program, Board Directors and Executive Officers, starting with CEO Tomita, talk directly with the new employees.

They detail the history of dip and the future to which it aspires. Through these presentations, new employees will deepen their understanding of dip's vision, mission, and underlying philosophy.

Issue Connecting Day-to-Day Work with Philosophy

A company's philosophy should guide the way employees conduct themselves in their day-to-day work. However, some employees may find it difficult to relate it to their specific work because the company's Corporate Philosophy and vision are abstract. As a result, the philosophy tends to lose some of its substance among employees.

Initiative Philosophy Contest

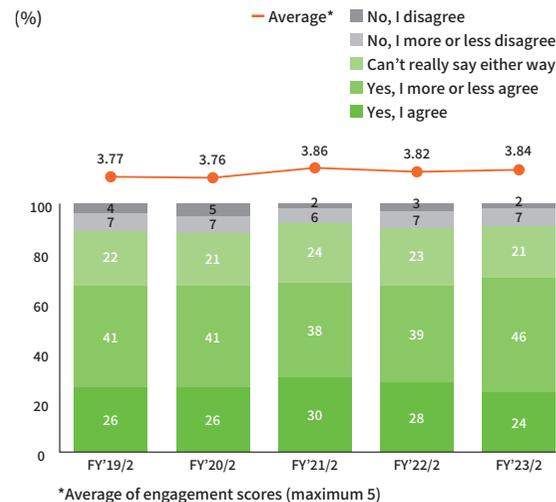
The philosophy contest was established as a stage for individual reflection, sharing, and mutual admiration of the work that embodies our philosophy. In the contest, each employee will present how their dreams, ideas, and passion have been specifically reflected in their work and how they have benefited users, customers, and society as a whole.

This contest is more than just an awards ceremony; it is an opportunity for each individual to speak proudly of their achievements and to celebrate the accomplishments of others. Top performers are rewarded with an incentive trip to Hawaii, and their achievements are recognized both internally and externally.

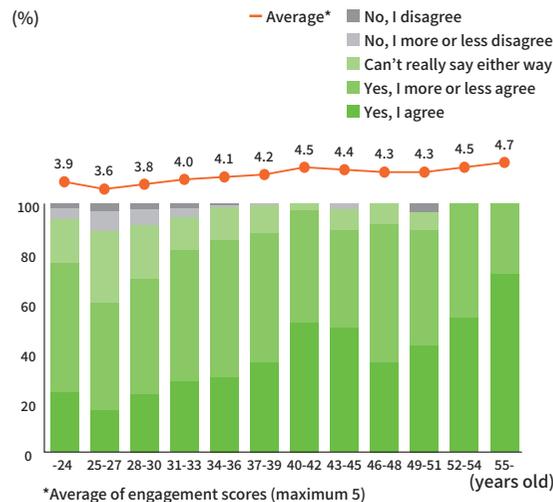


Number of entries to the philosophy contest: 1,249

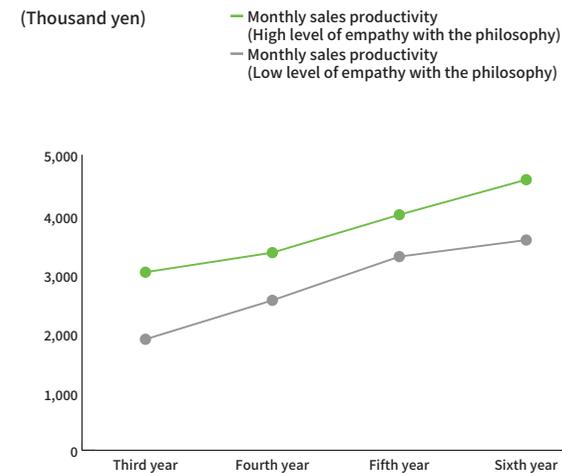
Engagement Score



Engagement Score (by Age Bracket)



Philosophy and Productivity



Promotion of Diversity

Embodiment of Philosophy

By promoting diversity, the opinions and ideas of employees with different perspectives and experiences create new value that will enhance the company's competitiveness. As we aim to be No.1 in employee well-being in our Brand Statement, it is essential to create an environment that allows all employees to demonstrate their abilities to the fullest.

Issue An Environment Where Female Employees Feel Comfortable and Thrive

We are working to expand our childcare support system to help female employees balance work and family life. This will create an environment where female employees feel comfortable and play an active role over the long term without having to give up their careers due to childbirth or childcare.

Initiative "F Pro" Project for Self-Directed Career Development

The Full of Work Project (F Pro) was launched at dip in 2015 as an initiative to support self-directed career development by women employees. In its third term, 100 people participated. We also hold

a program called "BOSS F Pro" to enhance the ability of male managers to develop female employees. The activities of our many women employees are introduced in the Career Share Book. The "F Café" is also held regularly for women to interact with one another in a casual atmosphere. In this way, dip is actively working to develop an environment where female employees take an even more active role at the Company.

Initiative Childcare Leave System

As a general rule, employees are eligible to use this system until a baby turns one year old. It may be extended until the baby turns two years old in certain circumstances, such as no vacancy being available at a day care center when the baby turns one year old. In July 2022, dip expressed its support for the "Declaration on 100% Childcare Leave Acquisition by Male Employees" promoted by Work-Life Balance Co., Ltd., and makes efforts to create an environment in which it is easy to take childcare leave. Such efforts include promoting diverse working styles for men and allowing men to take childcare leave even if they have been employed for less than one year.

Initiative Spousal Maternity Leave System

Up to seven days of leave may be taken at any time during the 30 days before and after the expected date of birth.

Initiative Short Working Hours for Childcare

Only those with children under three years of age are granted statutory eligibility to use this system. However, at dip, employees can use the system for an unlimited period by taking advantage of in-house flexible working programs.

Initiative Child Nursing Care Leave System

We have established a child nursing care leave system to allow employees to take up to ten days of leave annually in case of unexpected illness of a child or doctor's appointments for a medical check-up or vaccination. At dip, the first five days taken are treated as paid holidays, with the salary paid as usual. Employees remain eligible to use this system until their children have completed the third grade of elementary school.

Initiative Mentoring System for Female Managers

dip places great importance on the development of female managers and has introduced a

mentoring system. This system is designed to ensure that experienced senior managers support younger female employees and encourage their career development.

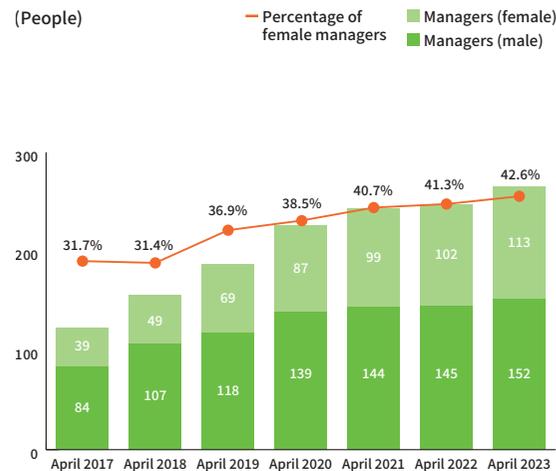
Issue Creating a Comfortable Work Environment for People with Disabilities

We strive to provide an environment that allows all employees, including those with disabilities, to demonstrate their abilities to the fullest. Specifically, we employ people with disabilities in a teleworking style. This removes barriers in the work environment and allows them to work according to their abilities.

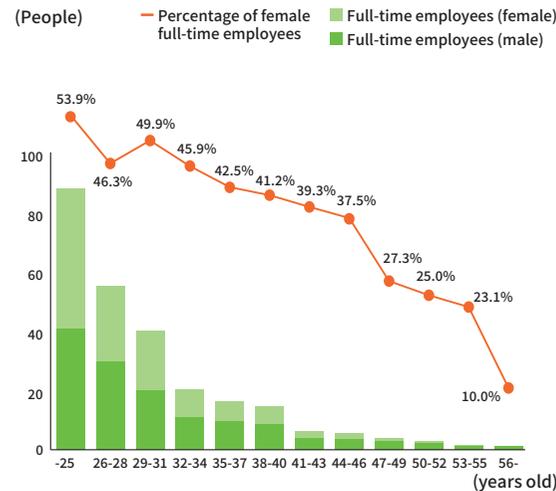
Initiative Telework Employment for People with Disabilities

We promote the employment of people with disabilities who can telework if it is difficult for them to commute or come to work. For those with disabilities who work in the teleworking style, dedicated employees act as supporters, talking to them on a daily basis, managing their work progress, and providing consultation on their concerns as needed, to ensure that they can work comfortably.

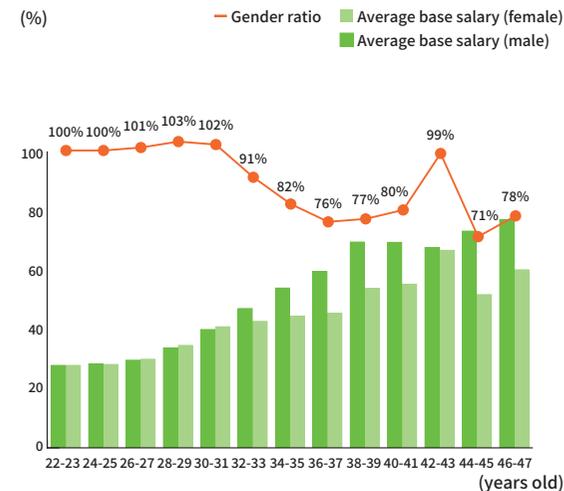
Number of Female Managers (New Graduate Hires)



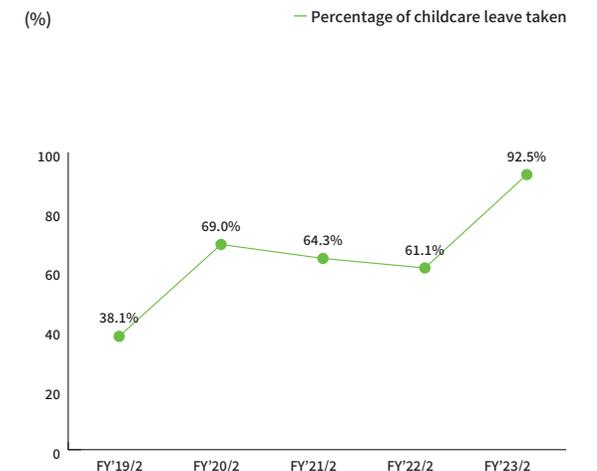
Number of Male and Female Employees by Age Bracket



Gender Wage Gap



Percentage of Men Who Take Childcare Leave



Promotion of Health and Productivity Management

Embodiment of Philosophy

Based on the belief that “people are everything and people are assets,” dip considers the health management of our employees as an important theme that directly leads to greater work productivity and employee well-being. This is not only about preventing illness, but also about acquiring greater vitality and well-being. With this in mind, dip promotes health and productivity management based on the concept of “conditioning the mind and body.”

In March 2022, our initiatives for health and productivity management were recognized, and dip was certified as a “2022 Certified Health & Productivity Management Outstanding Organization (large enterprise category)” jointly selected by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi. This certification is a testament to dip’s commitment to and success in health and productivity management.

In March 2023, dip was recognized for the first time as a “2023 Certified Health & Productivity Management Outstanding Organization in the large enterprise category (White 500).” This demonstrates our continued excellence in health and productivity management and sustainable

performance. By enhancing and effectively implementing measures to improve the health of our employees, we are one step ahead in the field of health and productivity management.

Issue Chronic Long Working Hours of Some Employees

One of the issues at dip is that some employees are chronically working long hours.

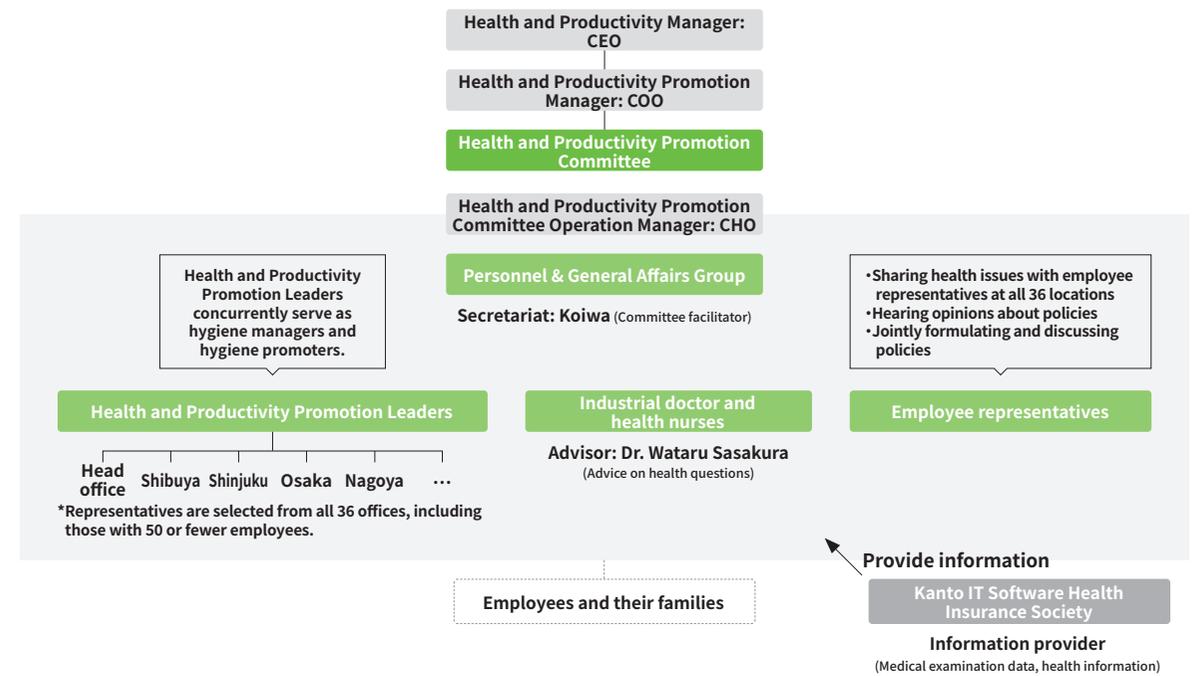
Initiative Reducing Overtime and Promoting the Use of Paid Holidays

Each business division sets targets and strategies for reducing overtime and promoting the use of paid holidays to address its own issues. As a heads-up, a sheet is distributed every month to highlight employees who have worked long hours or who have taken fewer paid holidays. Each organization proactively reviews its members’ work styles, assigns tasks appropriately, and builds efficient business processes.

Framework for Health and Productivity Management Promotion

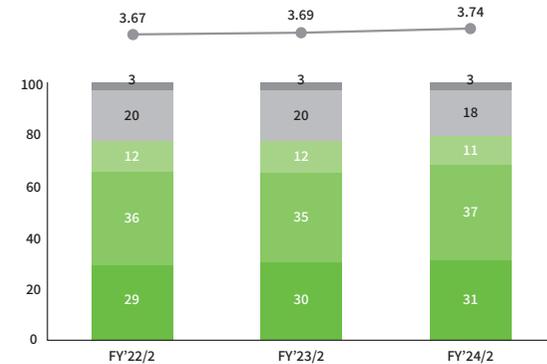
We have established the Health and Productivity Promotion Committee (Operation Manager: Executive Officer and CHO) to promote health and productivity management initiatives, directly under our Representative Director, President, and CEO as the Health and Productivity Manager and our

Representative Director and COO as the Health and Productivity Promotion Manager. The Board of Directors, Executive Officers Meeting, and other meeting bodies receive reports regularly from this Committee on the content of its discussions. Each office appoints a Health and Productivity Promotion Leader as a member of this Committee to ensure that health and productivity management initiatives reflect opinions from employees.



Trends in the Overall Health Score

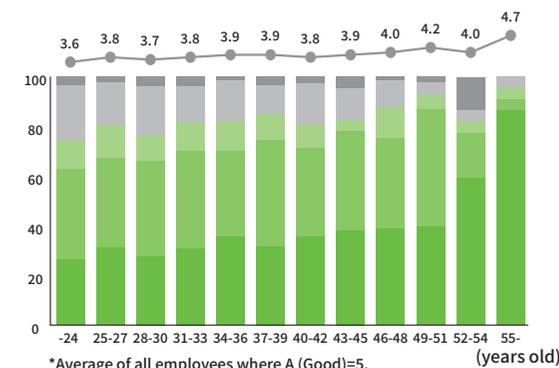
(%) — Average* — E (Needs immediate action) — B (Above average) — D (Needs action) — A (Good) — C (Below average)



*Average of all employees where A (Good)=5, B (Above average)=4, C (Below average)=3, D (Needs action)=2, and E (Needs immediate action)=1

Overall Health Risks (by Age Bracket)

(%) — Average* — Respondents answering (E) — Respondents answering (B) — Respondents answering (D) — Respondents answering (A) — Respondents answering (C)



*Average of all employees where A (Good)=5, B (Above average)=4, C (Below average)=3, D (Needs action)=2, and E (Needs immediate action)=1

Message from CEO

‘Health’ to realize dreams and ideas with passion.

What inspires us at dip are the “dreams, ideas and passion” embodied in our company name. When you have a dream that you want to achieve with all your heart, ideas will naturally come to you, and you will be filled with the passion to give shape to those ideas. Health is an essential factor in maintaining dreams, ideas and passion.

At our company, which is based on the principle that “people are everything and people are assets,” we not only aim to prevent illness, but also to optimize our physical and mental condition so that we can create and provide better services that will inspire dreams, ideas, and passion. In this way, we will realize the happiness of all of our employees and their families.

Hideki Tomita, Representative Director, President and CEO, dip Corporation

Reskilling in the Age of AI

Embodiment of Philosophy

Amid the rapid changes fueled by AI and digital transformation (DX), we are evolving our capacity building efforts by considering the perspective from which we should approach human resource development.

Issue Improving Problem-Solving Skills

As AI technology advances and automates many tasks, the ability to solve problems is one of the most important skills that only humans can possess. dip's Corporate Philosophy "Here at dip, we want to tap into dreams, ideas and passion to create a better society" expresses our commitment to identifying, addressing and improving social issues through the dreams, ideas and passion that are unique to human beings. Of course, AI will be used to collect and analyze data to solve problems, but only humans can creatively set agendas and develop solutions. We believe that the accumulation of such human-specific agenda setting and solution development will make companies more competitive.

Initiative Problem-Solving Training and PT* Training

It is important to acquire problem-solving skills for the age of AI, and participation in problem-solving training lays the foundation for this. The program is available to employees who have been with dip for at least one year, subject to the recommendation of the supervisor and the individual's willingness to participate.

In the training, participants learn the basics of logical thinking, set specific work-related agendas, structure the problem, identify the root problem, formulate and select solutions, and develop an implementation system. We place particular emphasis on problem-solving based on our philosophy, asking each participant about the dream: what you want to achieve, the idea: what kind of idea you will use to achieve it, and the passion: what kind of passion you will have for the task.

The PT training is designed as a three-month problem-solving project for manager candidates.

Several Executive Officers will advise on details of the initiatives and provide leadership throughout the process to help the candidates develop the problem-solving and leadership skills required for managers.

Issue Strengthening Basic Skills to Support the Embodiment of Philosophy

Our new personnel system, with dip's philosophy at its core, identifies 15 skills necessary to embody the philosophy and improve society, and defines the level of skills required at each position level.

Initiative 15 Skills Training

To help employees acquire and improve these skills, we offer a variety of elective training programs. We offer these programs on an elective basis because we understand that there is no one-size-fits-all training program as everyone has different ways of practicing the philosophy and different abilities. Through goal-setting interviews, assessment interviews, and one-on-one meetings, each training program plays a part in identifying skills that need to be improved and supporting the development of those skills.

Issue Enhancing Managers' Managerial Ability

The presence of managers is what supports a strong organization that embodies our philosophy. We are particularly focused on developing new managers.

dip grows its workforce every year, and some employees are promoted to managerial positions as quickly as three and half years after joining the Company. We invest sufficient time and resources to help these young managers acquire the skills necessary to lead and develop their teams based on dip's philosophy.

Initiative New Manager Training

New managers begin with a program to learn management principles, and then take time to learn the basics, such as labor and compliance

training, MBO training, and coaching training. In the first few months after their appointment, they receive critical reflection training, in which they reflect on practical issues and consider how to address them. After one year, they participate in leadership development training based on a 360-degree survey. These step-by-step and ongoing training programs provide new managers with an important foundation for effective leadership in achieving organizational goals and building teams.

Issue Fostering a Learning Culture

It is important to have a sense that "each employee has a role to play in creating dip." What drives employee growth is a learning culture in which employees not only participate in the learning opportunities offered to them, but also voluntarily learn and continue to learn.



Total New Manager Training Time 36 hours (FY'22/2)

Initiative Manabiba!

Manabiba! is a company-wide initiative that provides a forum for employees to learn about specific topics on a voluntary basis. By creating an environment where employees can interact and learn from one another beyond organizational and age demarcations, we increase opportunities for internal communication.

Training System

		Required/Elective				Self-education support			
		Onboarding	Problem-solving training	Knowledge and skill development	Role and behavioral development				
Managerial position	Business division head			15 skills training		Learning support	GLOBIS	SCHOO	Manabiba!
	Department manager	New department manager training	Leadership Journey						
	Section manager	New manager training			Critical reflection training (section managers)				
General position	S4/S5		PT training	Critical reflection training (S4)					
	S3		Problem-solving training	Critical reflection training (S3)					
	S2								
	S1	Introductory training for new graduates/mid-career hires		Introductory practical training					

*Promotion Target

Development of Executive Management Talent

Embodiment of Philosophy

dip focuses on developing executive management talent because we believe that in order to realize our vision of becoming a “Labor force solution company,” we need leaders who are full of dreams, ideas, and passion and who can strongly drive the vision forward.

Issue Busy Leaders

As dip continues to grow, leaders’ responsibilities are increasing both in terms of quality and quantity. They often find themselves buried in the daily grind and unable to fully exercise their leadership.

Initiative Leadership Journey

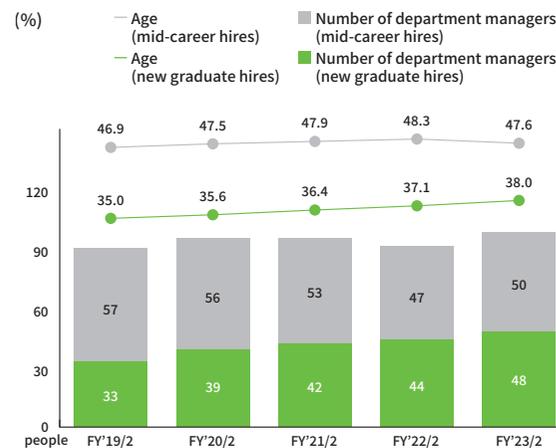
An elective training program called Leadership Journey is held to develop the next generation of executives. This program selects future management talent from across the Company to participate in an eight-month leadership development program. In FY’21/2, 15 people were selected as executive candidates, and in FY’22/2 and FY’23/2, 21 and 30 people were selected respectively.

Participants use their own dreams, ideas and passion to set a theme related to transformation, and work with their colleagues on that theme. In a

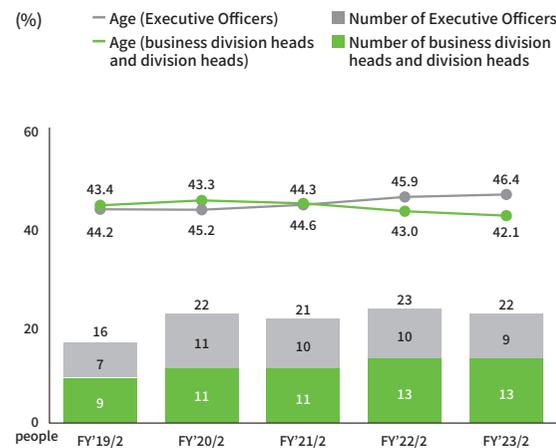
monthly full-day training session, they share progress on leadership skills learning and transformation themes, and discuss how to solve problems.

Each learning class of approximately 10 members is assigned an Executive Officer as a facilitator who provides training and holds regular one-on-one meetings to support the participants. Past participants also join the training and offer practical advice to younger participants. The program culminates in a leadership conference where they present the results of their efforts. They give their presentations in front of CEO Tomita and other executives.

Number and Age of Department Managers and Office Heads



Number and Age of Business Division Heads, Division Heads, and Executive Officers



CHO MESSAGE



Nobuaki Kitou
Executive Officer, CHO (Chief Human Officer)
Head of Personnel & General Affairs Group and
Head of dip Research Institute

we aim to use AI not only as a tool to improve business efficiency, but also as a partner to build a better society. With the introduction of AI, we are already seeing how employees have been freed from routine tasks and are now able to focus on more advanced and creative work. We are working to solve a broader range of social issues by making full use of AI in areas from personnel recruitment to marketing. We believe that the true powers of AI lie in these changes.

With the arrival of the era of AI, it has also become necessary to update our personnel system. We are increasing employee satisfaction and motivation by shifting from relativism to a new evaluation method and compensation system that focuses on the potential of each individual.

dip’s vision is to realize a society in which everyone can experience the joy and happiness of work. To achieve this, we must, first and foremost, give the employees working at dip a strong sense of meaning in their work. As well as establishing the fact that we are relevant to the times and that our employees are making a contribution to society, this also requires that we be a company that enables employees to gain a true sense of that contribution in their day-to-day work. Our newly established philosophy contest received over 1,000 applications, and work that embodies our philosophy was announced. At the contest, we saw employees who truly embodied dip’s philosophy and found joy in working under said philosophy.

We are riding the new wave brought about by the evolution of AI, and in doing so, maximizing the true value of our employees and pursuing sustainable growth. Together with its employees, dip is taking a new step towards the future.

Maximizing Employee Potential through AI

The emergence and rapid development of generative AI is significantly transforming our work environment. With the rise of technologies such as OpenAI’s ChatGPT, there are concerns that AI will take away human jobs. However, our goal is to realize our vision by making maximum use of the power of AI and bringing out the maximum potential of employees.

Just as the internet brought major changes to our daily lives and businesses, AI is also creating new value. What is important to note is that AI will not eliminate jobs, but rather enhance expectations regarding jobs and services.

As dip employees work, they always keep in mind our Corporate Philosophy, which states that “we want to tap into dreams, ideas and passion to create a better society.” Based on this philosophy,

Growth Strategy

We will explain the Company's targets for social and economic value creation and the management and business strategies to achieve them under dip30th, the medium-term management plan, which was formulated to realize a society in which everyone can experience the joy and happiness of work. The CFO Message will explain financial strategies to achieve the enhancement of corporate value with a comprehensive view of economic and social value.

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Business Overview

Personnel Recruiting Services Business

Business Description

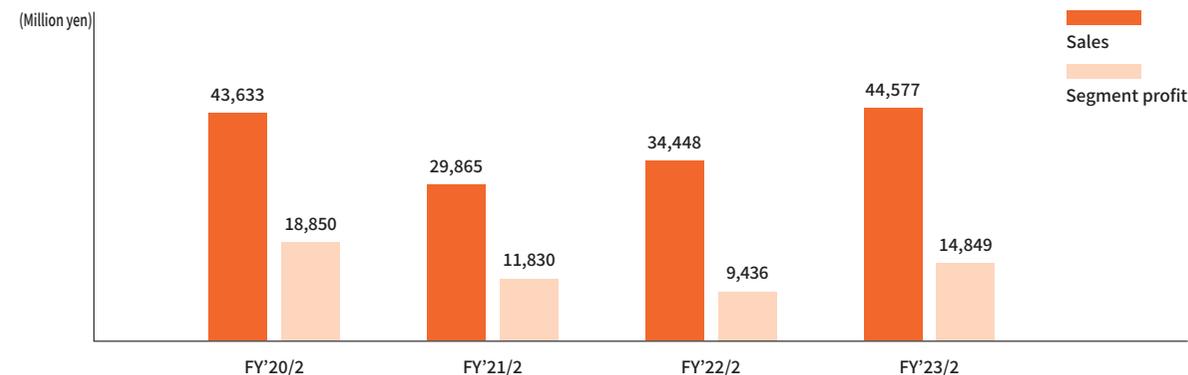
In the personnel recruiting services business, we support the recruitment and utilization of human resources that underpin core corporate activities through the provision of job advertisements and recruiting services. Based on our “user-first” management policy, we have developed a variety of unique, industry-first functions to respond to the job selection needs of job seekers, and we help client companies to match with potential employees in view of ensuring the retention and active participation of those new employees after they are hired. In this way, we are pursuing solutions to the labor shortage issues that companies face and contributing to the creation of an environment in which each and every employee can work with vitality.

Services		
Media Service		
	Launched in October 2002	Quickly connects job seekers and client companies with the kind of freshness of information and rich variety of content that only the internet can offer. Japan's largest portal websites for part-time employees
	Launched in January 2009	Assists job seekers in advancing to the next stage in their careers by helping them maximize experience gained in part-time jobs. Job site for full-time and contract workers seeking a career change
	Launched in October 2000	Connects client companies with job seekers who are looking for full-time, temporary and part-time work. Japan's largest comprehensive job information platforms
	Launched in May 2021	Leverage qualifications and experience or aspire to be professionals in fields such as healthcare, nursing care, beauty care, and childcare. Comprehensive job information site for specialized jobs
Permanent Placement Service		
	Launched in September 2009	Career advisors assist job seekers with career moves and changes by providing them with job information that matches their individual preferences. Recruiting services specialized in nurses
	Launched in September 2022	Recruiting services specialized in nursing care workers

Business Progress

In the fiscal year ended February 2023, sales rose by 29.4% YoY to ¥44,577 million as the personnel recruiting services business grew steadily, outpacing market recovery and increasing the Company's market share. Moreover, we invested in human resources, such as new graduate hiring in 2022, and also invested aggressively in advertising. Segment profit totaled ¥14,849 million—up 57.4% YoY—as increased sales productivity and more efficient advertising operations led to improvement in profit margins.

Sales and Segment Profit of the Personnel Recruiting Services Business*



*Baitoru, Baitoru NEXT, Baitoru PRO, Hatarako.net, and Nurse de Hatarako

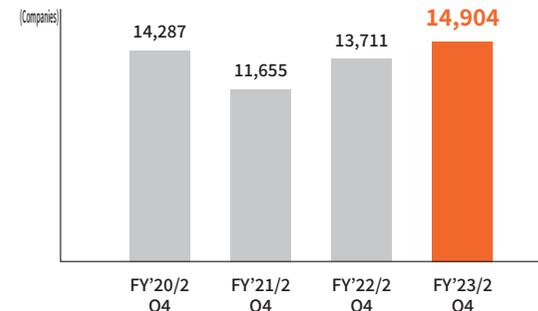
Note: The figures for FY'22/2 and prior are estimates based on the revenue recognition standard.

Key KPI Progress

Trends in Number of Contracted Companies

As a result of efforts to expand the customer base by increasing the number of contracted companies during the pandemic, the number of such companies in the fourth quarter of the fiscal year ended February 2023 was 14,904—a YoY gain of 8.7%—and exceeded pre-pandemic levels.

Trends in Media Service Number of Contracted Companies (Unique*)

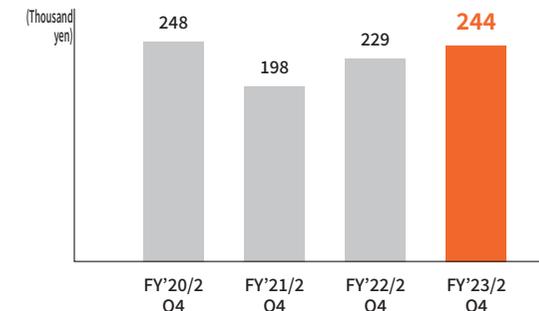


*Companies subscribing to multiple media (Baitoru, Baitoru NEXT, Baitoru PRO and Hatarako.net) are counted only once.

Trends in Unit Price per Contract per Company (Unique*)

Through efforts to improve the unit price—including the promotion of cross-selling of our four main media—the unit price per contract in the fourth quarter of the fiscal year ended February 2023 recovered to the pre-pandemic level of ¥244,000, a YoY rise of 6.6%.

Trends in Unit Price per Contract per Media Service Subscribing Company (Unique*)

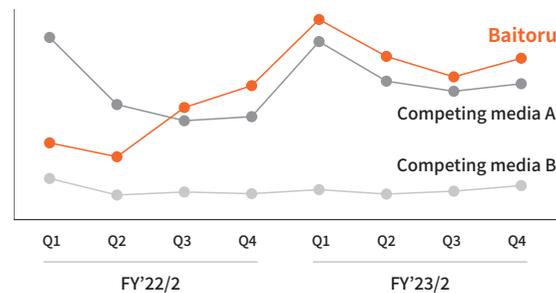


*Companies subscribing to multiple media (Baitoru, Baitoru NEXT, Baitoru PRO and Hatarako.net) are counted only once.

Trends in Number of App Downloads

Thanks to the success of unique promotions relating to the dip Incentive Project, dip held onto the top spot in the industry in the number of app downloads. Applications via the app are growing steadily.

Trends in Number of App Downloads*



*Baitoru, Baitoru NEXT, Baitoru PRO, and Hatarako.net

Trends in Number of Applications

Even though the human resources supply-demand gap widened as the COVID-19 pandemic subsided, the number of applications received was approximately 1.3 times that received prior to the pandemic. We made steady progress in expanding our user base.

Quarterly trends in the Number of Applications in the Media (Job Information) Service*



*Baitoru, Baitoru NEXT, Baitoru PRO, and Hatarako.net

FY'24/2 Strategy

In Media Service, we implemented hybrid promotions related to the dip DEI Project in addition to the dip Incentive Project. We aim to further expand our market share by leveraging AI to improve sales productivity and optimize advertising operations, among other efforts. In the Permanent Placement Service, we aim to realize high medium-term profitability by training 87 new graduates in 2023, quickly launching the new Nursing Care de Hatarako service, and controlling customer acquisition costs by sending customers from existing media.

Media Service		
<p>1 Plan and develop proprietary functions and services based on ideas from a user-first perspective</p> <p>Increase the value provided to users and client companies through measures such as promoting hourly wage hikes and elimination of age bias, as well as using the "Message from dip-san" function.</p>	<p>2 Improve sales productivity with data-driven sales and cross-selling</p> <p>Promote sales efficiency through utilization of AI-based drafting of manuscripts and tools developed in-house. Facilitate cross-selling of our four media* in line with customer needs.</p> <p>*Baitoru, Baitoru NEXT, Baitoru PRO, and Hatarako.net</p>	<p>3 Continue to expand our market share through optimal promotion according to areas and job types</p> <p>Significant room for market share expansion exists in urban, suburban, and regional areas. Advertise efficiently through a hybrid integration of in-person meetings and digital media.</p>
Permanent Placement Service		
<p>1 Significantly increase the number of career advisors</p> <p>Allocate 87 new graduate hires, increase the number of career advisors by 1.7 times. Conduct training rapidly and improve productivity of new graduates through a specialized educational organization.</p>	<p>2 Bolster customer acquisition via existing media in the healthcare and nursing care areas</p> <p>Launch the new website Nursing Care de Hatarako service. Increase registrations by leveraging the customer acquisition power of all existing media.</p>	<p>3 Improve service quality</p> <p>Earned the No. 1 position in Oricon CS Ranking for 2022. Maintain close relationships with job seekers to further refine service skills.</p>

DX Business

Business Description

To contribute to the greater adoption of DX among mid-tier enterprises and SMEs, in September 2019, we launched "KOBOT," packaged DX services designed with selected functions that make it easier to introduce and continue to use the service. The automation of tasks that do not require human hands will help our clients to improve their productivity and enhance employees' sense of reward in their work by assigning tasks that will allow them to demonstrate their abilities. This is part of our aim to realize a society in which everyone can experience the joy and happiness of work.

Product Lineup

Streamlining of recruiting and personnel administration



Stock Product

No need to create recruiting webpages in-house. Quickly creates original pages featuring Baitoru's unique functions, such as workplace introduction videos. Launched in June 2021, from ¥20,000/month



Stock Product

Flow Product

Automatically schedules recruitment interviews with applicants (automatic response by chatbots). Launched in November 2019, from ¥30,000/month



Stock Product

Provides paperless solutions for part-time worker onboarding and labor management. Launched in July 2021, from ¥20,000/month

Sales support



Stock Product

Automatically creates a list of target companies for sales activities of temp agencies. Calls companies on sales list on behalf of temp agencies. Launched in September 2019, from ¥40,000/month

Marketing support



Stock Product

Issues membership certificates on LINE app, offers store visit reward points and coupons. Supports sales activities by restaurants and retailers. Launched in December 2021, from ¥9,800/month



Stock Product

Provides map engine optimization (MEO) services to boost ranking in map searches, supporting customer acquisition. Launched in March 2023, from ¥30,000/month



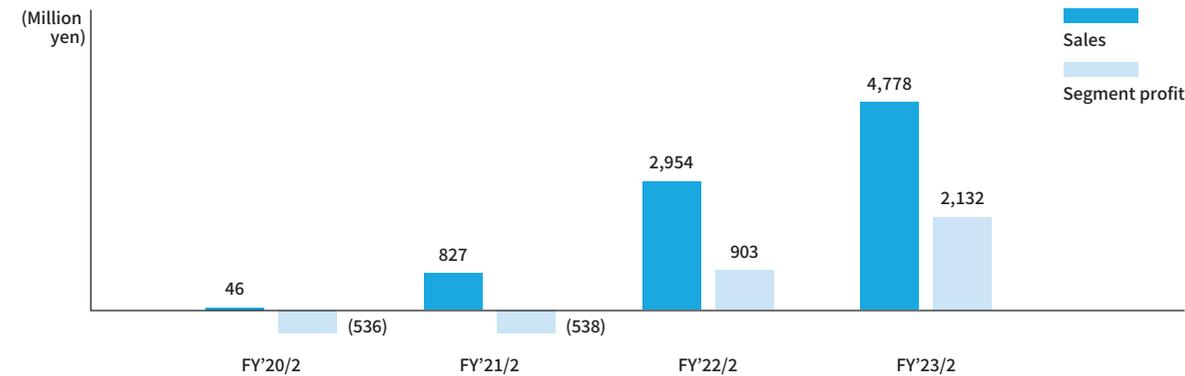
Stock Product

Reservations can be made from social media accounts. A reservation log function helps restaurants manage their bookings. Launched in October 2023, from ¥20,000/month

Business Progress

In the fiscal year ended February 2023, sales of products in the areas of recruiting and personnel administration grew as personnel recruiting services sales staff expanded sales of DX products, resulting in sales of ¥4,778 million, a YoY increase of 61.7%. Moreover, the above sales structure requires minimal investment in promotion, resulting in a high segment profit margin of 45%, and segment profit of ¥2,132 million, a 136.1% YoY increase.

DX Business Sales & Segment Profit



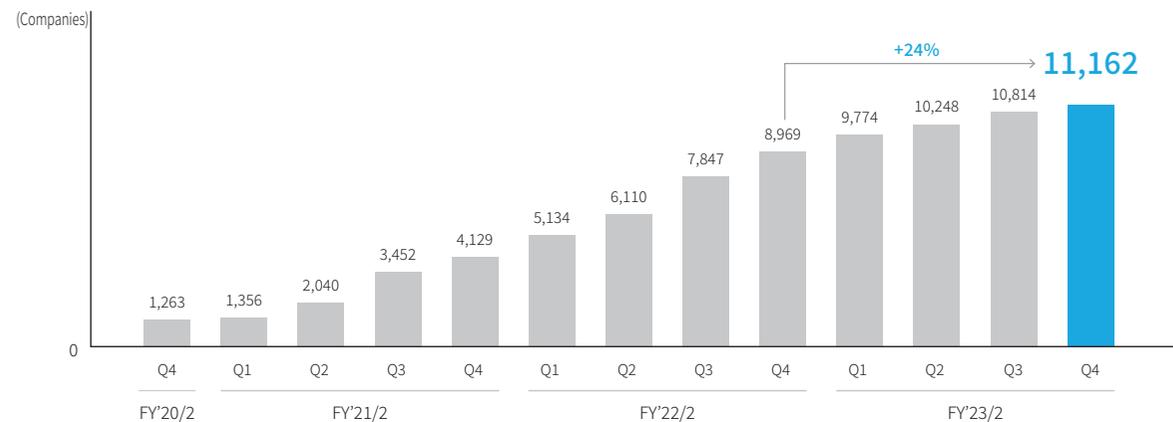
Note: The figures for FY'22/2 and prior are estimates based on the revenue recognition standard.

Key KPI Progress

Number of Companies Charged Monthly Payments

The number of companies charged monthly payments increased to 11,162—a 24% increase YoY—in the fourth quarter of the fiscal year ended February 2023 as we expanded sales to our 150,000-strong personnel recruiting services customer base.

Trends in Number of Companies Charged Monthly Payments* (Quarterly Average)



*Number of companies using paid services (Number of unique counted companies)

FY'24/2 Strategy

We will facilitate churn rate reduction and up-selling through quality enhancement and function expansion for existing products, and launch new products in the area of marketing toward building a sales expansion structure. Moreover, simplifying installation and setup support operations lightens the sales staff workload and makes sales more efficient.

- 1 Improve quality, expand functions of existing products**
 Reinforce the CS structure and conduct product planning that satisfies customer needs to curb churn rate and promote up-selling.
- 2 Bolster product lineup**
 Launch new products in marketing domain. Step up development of products for new industries.
- 3 Improve sales efficiency**
 Simplify installation and setup support operations to reduce sales workload, while augmenting combined sales with job advertisements.

Key KPI Targets for the Fiscal Year Ending February 2024

In July 2023, we revised the planned KPI targets upward in light of recent strong progress. Going forward, while raising ARPU, we will continue to strive for robust sales growth by increasing the number of companies charged monthly payments.

	FY'23/2 Q4 Actual	FY'24/2 Q4 Initial Plan	FY'24/2 Q4 Revised Plan
Monthly sales (Quarterly average)	¥420 million	¥520 million	¥580 million
No. of companies charged monthly payments (Quarterly average)	11,162	13,400	14,000
Quarterly average* ¹ ARPU	¥38,000	¥38,000	¥42,000
Stock sales ratio* ²	70%	(Year round) Maintain about 65%	(Year round) Maintain about 65%

*1: Quarterly average sales divided by the quarterly average number of companies charged payments.

*2: Stock product sales (automatic renewal or long-term contract) divided by total sales.

Overview of the Medium-Term Management Plan “dip30th”

FY’25/2–FY’27/2

To realize our vision of becoming a “Labor force solution company,” we have formulated our medium-term management plan dip30th, which will end in February 2027, the 30th anniversary of our founding. Based on the materiality addressed by dip and the social value it creates—formulated by backcasting from the desired vision and society—we have defined the social and economic value we wish to realize during the period of this medium-term management plan, and formulated business and functional strategies to achieve the value. By steadily putting these strategies into practice, we aim to drive our business growth forward and realize a society in which everyone can experience the joy and happiness of work.

Materiality to Achieve Our Vision		 Creation of diverse employment opportunities Elimination of employment mismatch	 Improvement of human resources and economic productivity Creation of rewarding workplaces	 Promotion of DEI Respect for human rights	 Response to the climate crisis	
Value to Be Created	Social Value	<ul style="list-style-type: none"> 1.68 million high-quality job offerings that meet the needs of diverse occupations, job types, and work styles. Create more hiring in the area of fixed-term employment than anyone in the industry through optimal matching. (Focus Areas) 450,000 job offerings that welcome senior citizens 800,000 job offerings that allow flexibility for childcare/nursing care 300,000 job offerings available to foreign workers/foreign students 150,000 job offerings accepting high school students Eliminate mismatches in hiring and address the shortage of human resources in the healthcare and social welfare areas, at a time when these issues are becoming more serious due to the declining birthrate and aging population. (Jobs Created) Healthcare/nursing care/welfare workers: 25,000 per year 	<ul style="list-style-type: none"> Raise the number of companies where we introduce and charge for DX in the areas of recruitment, human resources, and sales promotion to 30,000, contributing to improved labor productivity in mid-tier enterprises and SMEs. Support workers to obtain qualifications by providing reskilling opportunities and promote regional revitalization and industrial stimulation through labor mobility. Promote the improvement of working conditions by posting 1.25 million job offerings with improved compensation, including higher hourly wages. Introduce dip Workplace Diagnostics* to improve the workplace environment. Support to ensure the retention and active participation of new employees after employment. * Service that identifies workplace attractions and challenges and provides proposals for improvement 	<ul style="list-style-type: none"> Increase the number of job openings without age bias at the time of hiring to 650,000. Expand employment opportunities for a diverse workforce, including middle-aged and senior workers. Support the employment of people with disabilities through a year-round campaign (sponsored by the Ministry of Health, Labour and Welfare) to help people with disabilities take on the challenge of employment. Promote a workplace environment that respects diversity by posting LGBTQ+ friendly job offerings. Prohibit the posting of job offerings that may violate laws and regulations or infringe human rights. Educate client companies on how to create a workplace environment free of human rights violations. 	<ul style="list-style-type: none"> Contribute to the realization of a carbon neutral society by reducing Scope 1 and Scope 2 GHG emissions to net zero by FY2025 through measures such as the introduction of renewable energy. Utilize our nationwide network of sales offices to collaborate with local governments immediately after any major disaster. Set up a special page for recruiting disaster relief volunteers on the Company’s website to provide prompt and effective support for hard hit areas. Collect and post job information on each site to meet the diverse employment needs of those who have lost their jobs due to disasters caused by the climate crisis. Provide job opportunities to help workers overcome economic hardship. Contribute to the economic recovery of affected areas. 	
	Economic Value	Company-wide sales: ¥78.0 billion–¥85.0 billion, operating income: ¥20.0 billion–¥25.0 billion, ROE: 30%				
Management Strategies	Business Strategies	Personnel Recruiting Services Business First choice•Best result	High-quality, unique job information collected by direct marketing sales staff and cutting-edge technology to ensure optimal job matches.	DX Business “DX for everyone, all the time”	Support for improved labor productivity with high-quality solutions utilizing data obtained from recruitment, human resources, and sales promotion services	
	Functional Strategies	Sales Capability Promoting hybrid sales to accelerate improved productivity Leverage the latest technology and data Strengthen the customer base by efficiently implementing optimal proposals	Service Development Capability Establishing an elite 400-person scrum team to maximize the value provided Realize high productivity and augment added value through a cross-sectoral, in-house-centered development system	Promotions Capability Establishing a No. 1 user-first brand Develop unique, large-scale hybrid promotions to improve advertising effectiveness and investment efficiency	Data and Technology Capability Develop a data platform that supports all aspects of strategy implementation Establish a “Labor force solution platform,” a data platform shared by all businesses, to accelerate business speed	Business Development Capability Strengthen mechanisms for generating innovation Create new social and economic value with the “dip Innovation Engines” that generate new businesses and services
	Strengthening the Management Foundation	Human Capital Connected with Our Philosophy Developing measures to maximize the potential of human resources	Achieve No. 1 in employee well-being by utilizing people analytics to develop and leverage the diverse talents of employees	Governance Improving management capability through dialogue with stakeholders	Maximize corporate value by expanding communication with shareholders and other stakeholders—including dialogue with the stock market—and utilizing it in management	

Non-Financial KPIs related to Social Value to Be Created under dip30th

Materiality	Non-financial KPIs	Actual	Targets	
		FY'23/2	FY'25/2	FY'27/2
Creation of diverse employment opportunities Elimination of employment mismatch	Number of high-quality job offerings that meet the needs of diverse occupations, job types, and work styles ^{*1}	1.33 million ^{*1}	Remain No. 1 in the industry	1.68 million ^{*1}
	Number of job offerings that welcome senior citizens	0.31 million ^{*1}	0.4 million ^{*1}	0.45 million ^{*1}
	Number of job offerings that allow flexibility for childcare/nursing care	0.51 million ^{*1}	-	0.8 million ^{*1}
	Number of job offerings available to foreign workers/foreign students	0.14 million ^{*1}	-	0.3 million ^{*1}
	Number of job offerings accepting high school students	0.15 million ^{*1}	-	0.15 million ^{*1}
	Number of workers in the healthcare and welfare industry ^{*2}	10,000	-	25,000
Improvement of human resources and economic productivity Creation of rewarding workplaces	Number of companies where we introduce and charge for DX in the areas of recruitment, human resources, and sales promotion	12,000 ^{*1}	-	30,000 ^{*1}
	Number of job offerings that have realized improved working conditions, including increased hourly wages ^{*3}	0.99 million ^{*1}	1 million ^{*1}	1.25 million ^{*1}
Promotion of DEI Respect for human rights	Number of job offerings without age bias in hiring (number of job offerings with optional age input)	0.13 ^{*1}	-	0.65 ^{*1}
	Employment opportunities for people with disabilities	One-off campaign	Year-round campaign	Year-round campaign
	Certificate of Good Recruitment/Candidate Information Provider	Certificate received	Certificate received/maintained	Certificate received/maintained
	Number of incidents violating labor laws and regulations	0	Maintain 0	Maintain 0
	Prohibition of the posting of offerings that are thought to be violating human rights	Implemented	Continue implementation	Continue implementation
Response to the climate crisis	GHG emissions of all offices and data centers	Scope 1+2 49% reduction (Compared with FY'20/2)	Scope 1+2 and data centers Effectively 0 ^{*2}	Scope 1+2 and data centers Effectively 0 ^{*2}

 : Non-financial KPI items expanded in FY'24/2

For each materiality item, we have defined the social value to be created during the period of this medium-term management plan as well as non-financial KPI targets based on the defined value. The number of materiality KPIs presented in dip Integrated Report 2022 has been expanded this year to a total of 32. We will report on our progress toward these targets to stakeholders annually. Please refer to the CFO MESSAGE (P. 101) for details on progress made in the fiscal year ended February 2023 toward the targets for the fiscal year ending February 2025 we announced last fiscal year.

Materiality	Non-financial KPIs	Actual	Targets	
		FY'23/2	FY'25/2	FY'27/2
Strengthening human capital connected with philosophy	Engagement indexes ^{*4}	3.84	4.0 (maximum 5)	4.2 (maximum 5)
	Percentage of women among employees hired as new graduates and promoted to managerial positions later	43.5%	50%	50%
	Percentage of female managers	34.4%	40%	40%
	Percentage of women who take childcare leave	98.3%	100%	100%
	Percentage of women who return to work after childcare leave	100%	100%	100%
	Percentage of men who take childcare leave	92.5% ^{*3}	100%	100%
	Percentage of people with disabilities employed	3.0% ^{*4}	Statutory employment rate ^{*4} or higher	Statutory employment rate ^{*4} or higher
	Percentage of paid holidays taken	59.4%	80%	80%
	Average extra hours worked	23.0 hours/month	Not more than 20 hours/month	Not more than 20 hours/month
	Turnover rate	12.6%	10.0%	10.0%
	New graduate training	326 hours	Continue to expand	Continue to expand
	New manager training	52 hours		
	Next generation leaders development training	143 hours		
Strengthening governance	Percentage of independent officers	2/3 ^{*5}	Not less than 2/3	Not less than 2/3
	Percentage of female Board Directors	55.6% ^{*5}	50%	50%
	Number of serious violation of laws and regulations	0	Maintain 0	Maintain 0
	Percentage of employees who completed compliance training and testing	100%	Maintain 100%	Maintain 100%
	Number of investor interviews	367	500	550

^{*1}: Videos, work experience functions, posting of "Message from dip-san," etc. Measures will be taken to further increase quality
^{*2}: Total number of workers who obtained a job by Permanent Placement Service and the number of workers by Media Service (in-house estimate)
^{*3}: Increased hourly wages, bonus for continued service, incentive payments upon employment
^{*4}: Indexes in our ES (Employee Satisfaction) surveys
^{*5}: As of end of February
^{*2}: Scope 1 and Scope 2 (city gas and electricity in all offices. Recreation facilities and data centers are included in the scope of calculation for Scope 1 and 2 from the FY'23/2.)
^{*3}: Based on the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members, the percentage of employees taking childcare leave, etc. and leave for childcare purposes as stipulated in Article 71-4, Item 2 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members is calculated.
^{*4}: As of June 1 (as of the Ministry of Health, Labour and Welfare's report on the status of employment of people with disabilities), the statutory employment rate for private companies is 2.3% (revised in March 2021)
^{*5}: As of May 31, 2023

Economic Value to Be Created by dip30th

We set our economic value targets for the fiscal year ending February 2027 as sales of ¥78.0 billion–¥85.0 billion, operating income of ¥20.0 billion–¥25.0 billion, and return on equity (ROE) of 30%. By working to achieve these targets in tandem with non-financial KPIs related to social value, we will bring to life our vision of becoming a “Labor force solution company” and improve society.

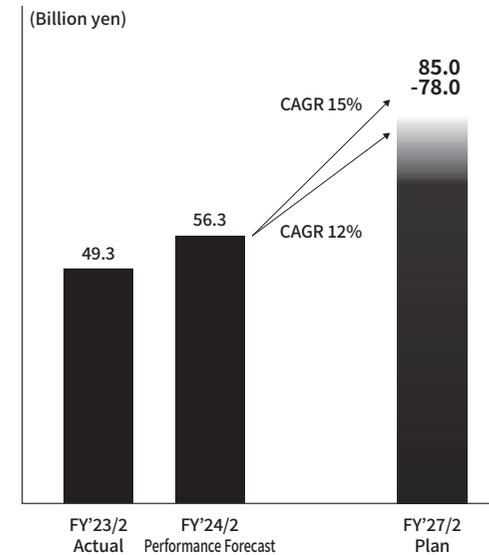
Pillars of Management Strategies based on dip30th Theme “New Era”

- ❶ **Transforming the business structure with AI-Agent**
 - Expand functions of existing businesses to accelerate growth
 - Expand business into new areas
- ❷ **Improving sales productivity**
 - Use AI technology and data to establish sales structure and infrastructure
 - Promote cross-selling of media (job advertisements) and DX products
- ❸ **Introducing new services to expand business (announcement planned for FY’25/2)**

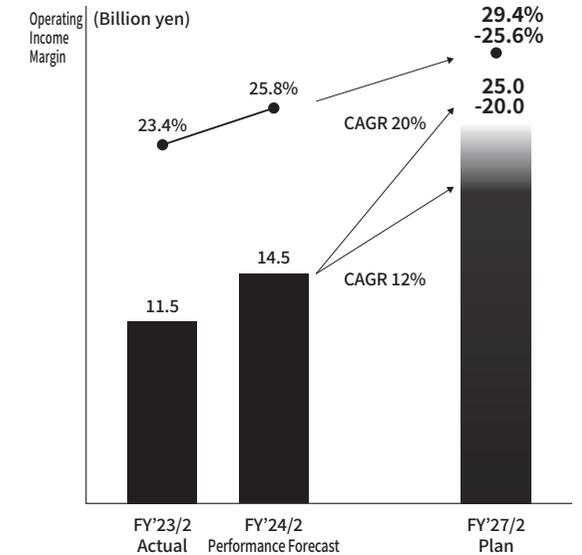


Financial Targets

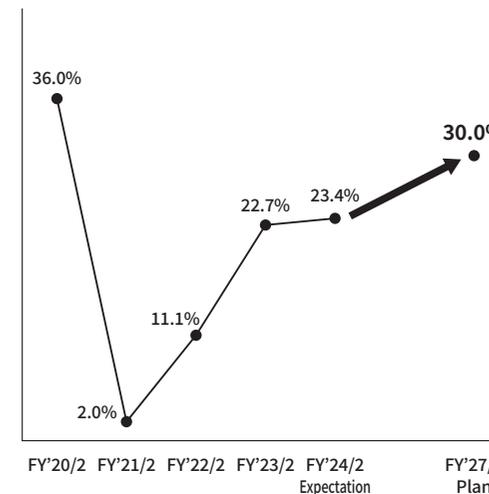
Planned Sales



Planned Operating Income



ROE



Assumptions about Plans

Market Assumption

Assumption of continued moderate economic expansion

Staffing Plans

- Recruitment of new graduates: 300 in FY'25/2, 340 in FY'26/2, 400 in FY'27/2 (Breakdown)
 - Media: 215 in FY'25/2, 215 in FY'26/2, 215 in FY'27/2
 - Permanent Placement: 50 in FY'25/2, 15 in FY'26/2, 40 in FY'27/2
 - DX: 20 in FY'25/2, 90 in FY'26/2, 120 in FY'27/2
- Mid-career recruitment: 150 in FY'25/2, 130 in FY'26/2, 155 in FY'27/2
 - *70 each year in engineering, planning, etc.; 30-50 each year in Permanent Placement and DX; corporate divisions only replacing retirements

Investment Plans

- Software investment in existing services grows by about 15% annually
- Separately, AI-related investments are expected to total approximately ¥2.0 billion over three years
- Assume that capitalization rate will remain at current level

(Note) These are current assumptions and are subject to change.

CBO MESSAGE



Promoting Our Growth Strategy based on the Theme of dip30th —“New Era”—to Realize the Vision of Becoming a “Labor Force Solution Company”

Kazuhisa Iwata
Senior Managing Executive Officer, Chief Business Officer

With the vision of becoming a “Labor force solution company,” dip aims to tackle various issues in the labor market through the provision of personnel recruiting services and DX services, toward a society in which everyone can experience the joy and happiness of work. To realize this vision, we have formulated dip30th, our new medium-term management plan which runs through the fiscal year ending February 2027, which marks the Company’s 30th anniversary.

The theme of dip30th is “New Era,” and with our AI-Agent business, we will greatly evolve our personnel recruiting services business to accelerate growth in sales and profit and expand our business into new areas. By shifting from the conventional “search-based” to an “interactive” job selection process, we believe we can significantly change the current situation in which only a few percent of job seekers generally find employment after accessing the site, thereby increasing the employment rate and subsequently creating significant revenue opportunities. We further hope to create new personnel recruiting services businesses in a variety of areas such as fixed-term employment.

In anticipation of this change in our business structure, we have adopted the slogan, “abundant choices, matching jobs quicker than anywhere else” for our personnel recruiting services business. We leverage our strengths in direct marketing sales to gather a considerable volume of unique information only available through us. Job information rich in both quality and quantity and the power of AI technology enhance matching

accuracy. We are also committed to supporting users and client companies so that diverse individuals can maximize their strengths and enhance their engagement and skills even after they are employed, and thereby bringing our slogan, “abundant choices, matching jobs quicker than anywhere else,” to fruition.

We have adopted the slogan, “DX for everyone, all the time” for our DX business. Mid-tier enterprises and SMEs have not made as much progress with DX-related initiatives as has been made at large companies due to the widespread perceptions that they are unable to identify the operations where efficiency can be enhanced, that implementation is costly and time-consuming, and that they cannot make full use of the improved functionality after implementation. As a result, economic productivity of mid-tier enterprises and SMEs has not improved so much. In the interest of contributing to digital transformation at mid-tier enterprises and SMEs, dip offers KOBOT, a DX service that is easy to introduce and then use on an ongoing basis, to promote DX for daily business operations. Moreover, through high-quality solutions leveraging data obtained from recruitment, human resources, and sales promotion services, we will realize “DX for everyone, all the time.” This will enhance labor productivity and bolster the Company’s competitive position.

As we move toward the 30th year of our existence, we will aim for further growth by transforming AI’s dramatic evolution into a business opportunity and pressing forward with our medium-term management plan.

Personnel Recruiting Services Business Strategies

Media Service

Create Diverse Employment Opportunities through Optimal Matching using AI

Service Officer MESSAGE

Utilizing AI and Pursuing User First to Resolve Labor Shortages

In addition to the application of AI technology, a key aspect of resolving labor shortages—the severity of which is continuing to rise—is the pursuit of a “user-first” approach that places top priority on the satisfaction of service users. While encouraging client companies to create an environment in which a diverse workforce can thrive, as a medium dealing in employment opportunities, we believe we also play a key role in clearly conveying to our users the fact that such an environment exists. We will continue to work together with client companies to change society for the better and bring “abundant choices, matching jobs quicker than anywhere else” to fruition.



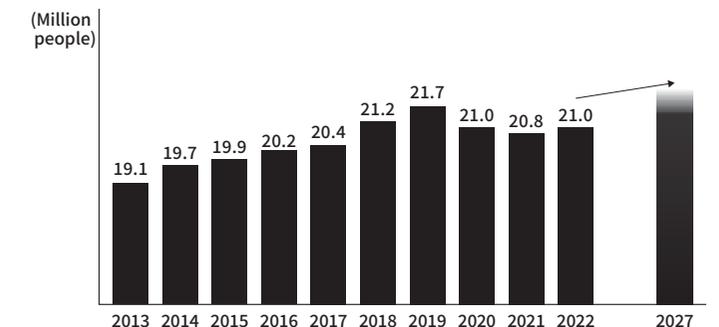
Takatsune Inoue
Executive Officer, Media Business Service Officer
Head of Media Sales Group

Market Environment

The number of part-time and temporary workers temporarily declined due to the pandemic but is now once again trending upward. With the declining birthrate, aging population, and the decrease in working population continuing to accelerate and, accordingly, a continued widening of the gap between supply-demand in human resources, it is assumed that the employment of fixed-term workers—particularly women, senior citizens, and foreign workers—will continue to accelerate.

Moreover, the spread of side jobs and multiple jobs is also expected to serve as a tailwind supporting the steady growth of the market for fixed-term worker job advertisements.

Yearly Changes in Number of Fixed-Term Employees



Source: “Labour Force Survey” by the Ministry of Internal Affairs and Communications (until FY2022)

Personnel Recruiting Services Business Strategies

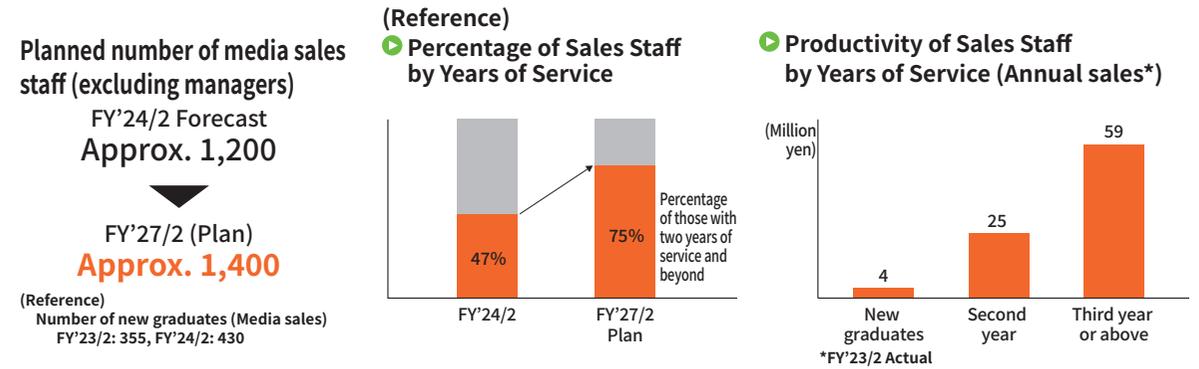
Competitive Advantages

- Broad user base due to high brand recognition
- Unique services and promotions based on “user first”
- Consulting and sales capabilities of direct sales force connected by philosophy
- Service development capability in tune with the voices of workers gathered through direct marketing sales
- Customer base of 150,000 companies and a unique repository of customer information

Business Strategies

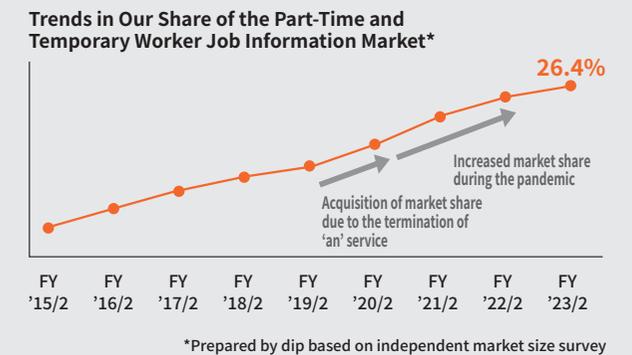
- 1 Improve matching accuracy using AI**
Improve the accuracy of AI based on dip’s proprietary data on client companies and users (employees and job seekers) to significantly improve application and hiring rates and increase the capability to attract users.
- 2 Strengthen consulting sales with a user-first focus**
In addition to improving the treatment of job seekers, eliminating employer biases related to age, gender, and nationality will increase job opportunities for users and enhance client companies’ recruiting capability.
- 3 Increase sales staff (direct marketing sales and agents) and improve productivity through the use of AI**
Improve sales efficiency and closing rates by utilizing AI in sales activities such as creating job ads, listing sales targets, and making proposals to customers.
- 4 Unique services based on “user first” x promotions**
Quickly incorporate user needs into services and promote them in a hybrid manner. Further deepen coordination with sales strategies to implement promotions tailored to each focused customer segment and achieve a high return on investment.

Key KPI Targets

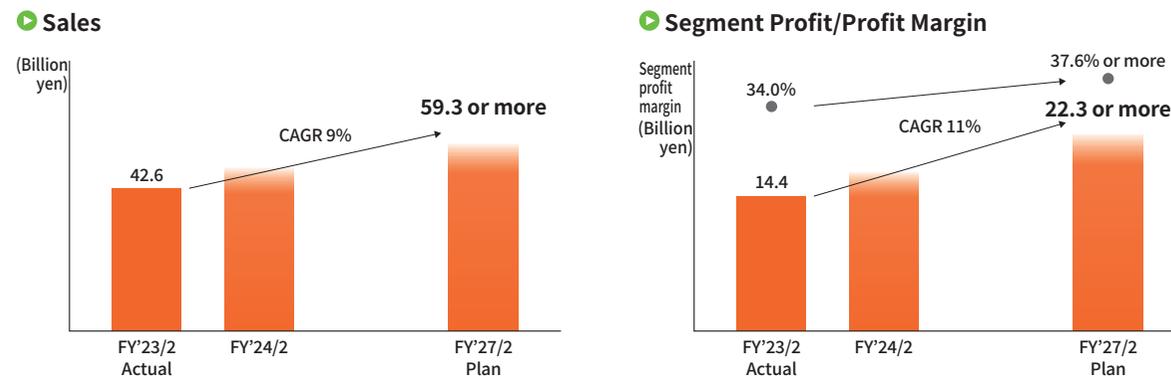


Market share: Steadily expanding

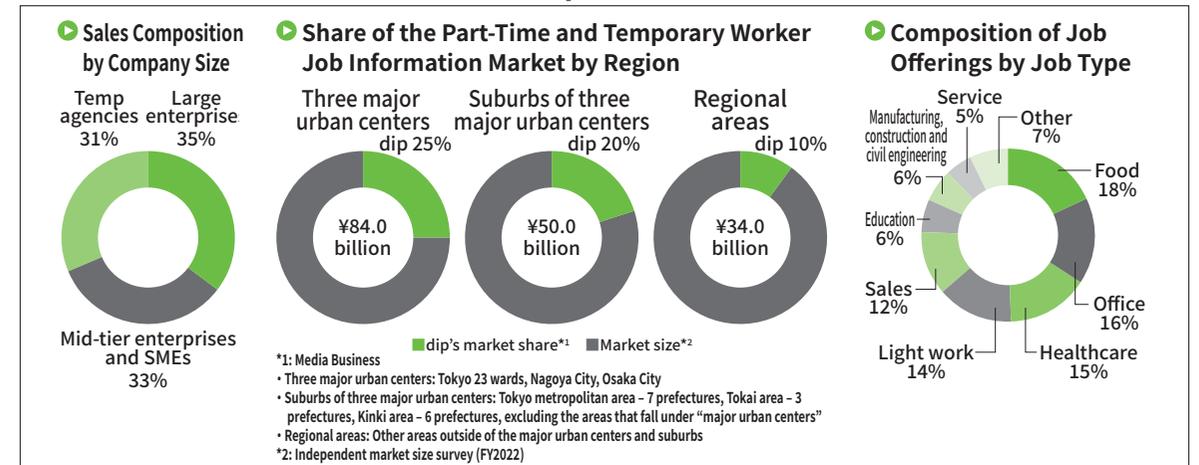
As a result of efforts to improve society by providing services and conducting promotions tailored to users and client companies, such as the dip Incentive Project during the COVID-19 pandemic, the expansion of our market share has accelerated. Our market share in the fiscal year ended February 2023 was 26.4%. This represents a steady expansion from the figure of 23.7% for the fiscal year ended February 2022. (Prepared by dip based on the latest independent market survey results)



Sales and Segment Profit Targets



Reference Data related to Client Companies



Personnel Recruiting Services Business Strategies

Permanent Placement Service

Create Diverse Employment Opportunities through Optimal Matching using AI

Service Officer MESSAGE

Create Diverse Employment Opportunities through Optimal Matching using AI

We will strategically increase the number of job offerings and fortify relationships with the aim of building a more well-rounded customer base. Furthermore, by coordinating closely with existing media such as Baitoru and Hatarako.net, we will maximize our company-wide marketing capability and bolster our customer acquisition capability. In this process, we have introduced an advanced AI-based matching system using information acquired by career advisors (in charge of users) and recruiting advisors (in charge of client companies). The optimal integration of this information will enhance productivity and create new employment opportunities. Through these efforts, while responding quickly to market changes and bolstering our competitiveness, we aim to secure a leading position in the industry.

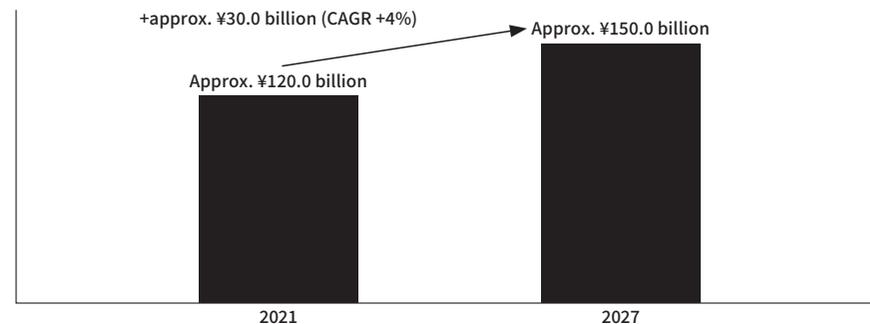


Tomohiro Kitazato
Executive Officer, Permanent Placement Business Service Officer
Head of Permanent Placement Business Group

Market Environment

The job opening-to-application ratios in the healthcare and welfare areas are high relative to other industries, and the structural labor shortage is ongoing. Assuming that the human resources supply-demand gap will widen further, and that the need for recruiting services in these areas will grow, we estimate a market CAGR of 4%.

Recruiting Services Market Size for Healthcare and Welfare Fields*



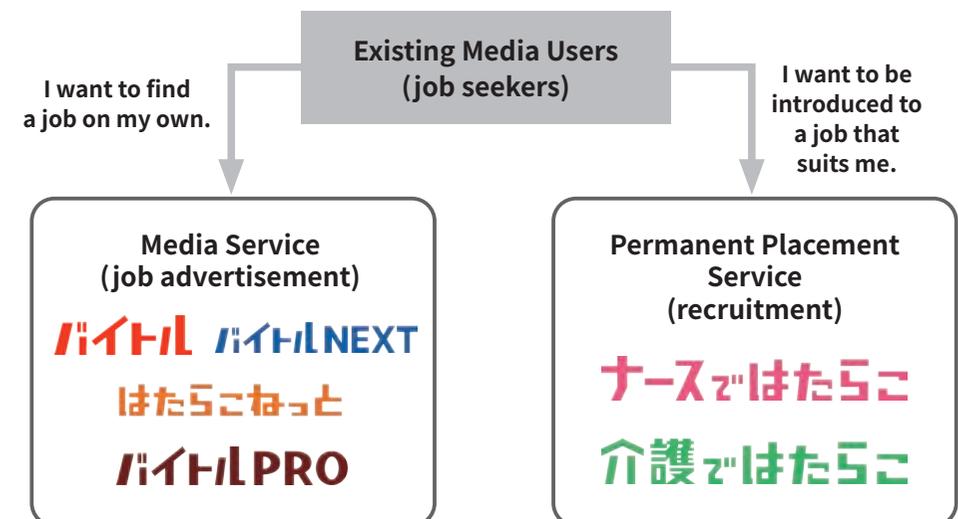
*Prepared by dip based on independent market size survey

Competitive Advantages

- User base (both actual and potential) for existing media in the healthcare and nursing care areas
- Customer base of healthcare and nursing care facilities cultivated through Media Service
- Customer development capability through Media Service sales staff
- Optimal matching using cutting-edge AI and other technologies

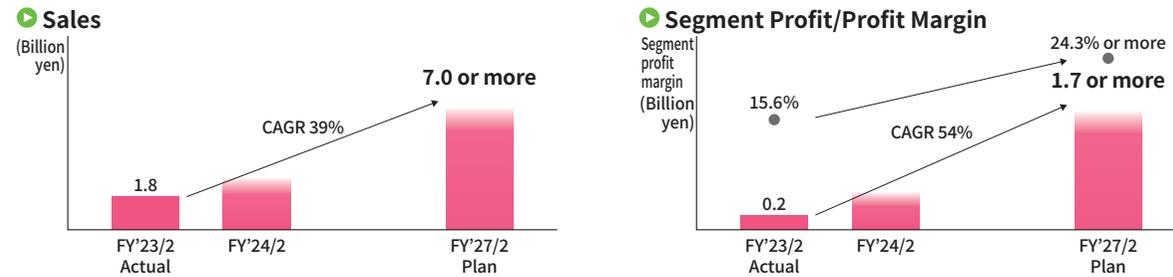
Business Strategies

- 1 Create diverse employment opportunities through optimal matching using “people (career advisors)” + “AI”**
In line with the needs of job seekers, we propose diverse work styles with people + AI. Utilize AI-Agent services to improve matching accuracy, boost employment rates, and reduce short-term turnover rates.
 - 2 Increase the number of registered candidates for recruitment by referring customers from existing media**
Expand the number of full-time registrants by rebranding existing media. Promote employment for inexperienced workers through qualification support services.
 - 3 Expand customer base and strengthen relationships with healthcare and nursing care facilities**
Develop customers through sales that combine Media and Permanent Placement Services. Expand sales of DX products for healthcare and nursing care to increase the number of recruiting establishments and strengthen relationships. Promote the development of sales offices.
 - 4 Expand career advisor (CA) structure and increase productivity**
Improve productivity by strengthening CA hiring, controlling the turnover rate (continued to be about 12%), and continuously improving the workflow through the use of AI/DX.
- ▶ Propose an optimal combination of job advertisement and recruiting services to site users



Personnel Recruiting Services Business Strategies

Sales and Segment Profit Targets



Key KPI Targets

Planned number of staff FY'24/2 Forecast **Approx. 140** ▶ FY'27/2 Plan **Approx. 240 or more**

MESSAGE

Construct a Business Foundation and Achieve Significant Growth with the Aim of Resolving the Shortage of Nursing Caregivers, a Serious Social Issue

The nursing caregiver shortage is forecast to peak in the year 2040 when baby boomers' children will reach the age of 75. In September 2022, dip began offering recruiting services in the nursing care area. In October 2023, we launched the Nursing Care Business Division to reinforce our business foundation. We will strive to strengthen sales and expand our service areas to reach as many customers as possible. Moreover, as we understand the rewarding and specialized nature of the nursing care profession, we will improve service quality and upgrade information systems to evolve to optimal matching, thereby realizing "abundant choices, matching jobs quicker than anywhere else." This will allow us to grow our business markedly by the final fiscal year of our medium-term management plan and to make further improvements with regard to addressing social issues.

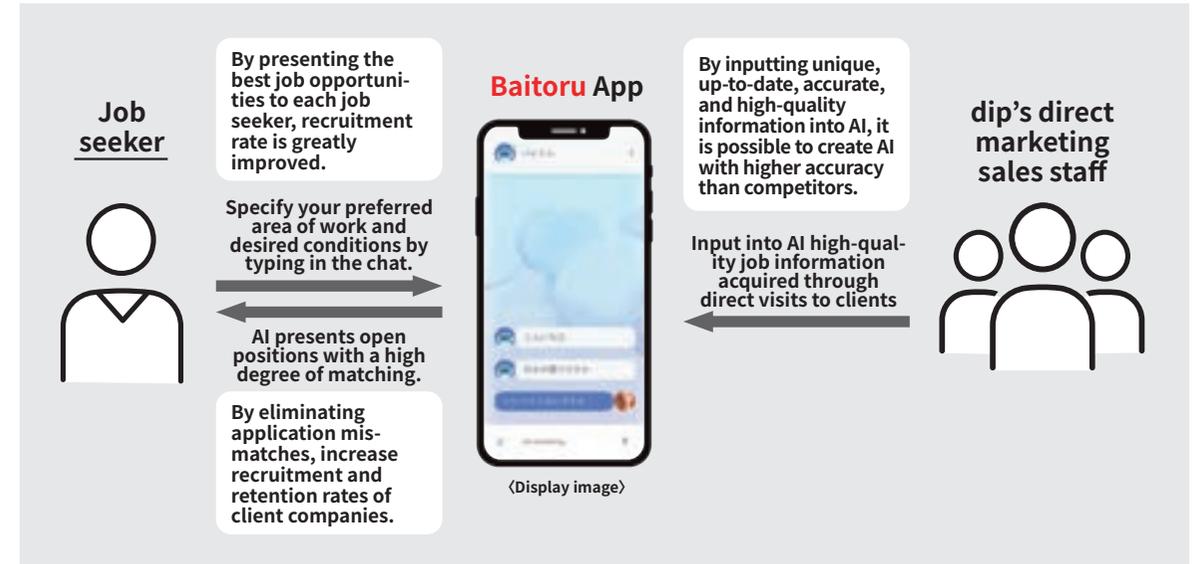


Masanori Kawabe
Executive Officer, Deputy Head of Permanent Placement Business Group

AI-Agent Services Business Model

We aim to enhance matching accuracy by utilizing the unique, up-to-date, accurate job information collected by our recruitment consultants to service the existing and potential needs of each job seeker—which our advanced AI engine ascertains through and extracts from natural dialogue—and to put this information into practical use by the end of 2023.

AI-Agent Services Business Model



Competitive Advantages

- Broad and diverse user base
- Wealth of proprietary information collected by direct marketing sales staff in close contact with customers
- Strong technological capability and AI development system through collaboration with Matsuo Institute, Inc.
- Superior development capability of a 400-person scrum team
- Deep insight into the AI domain cultivated through the operation of AINOW, one of Japan's largest AI information websites

Direction of Business Development

We will evolve both Media and Permanent Placement Services through AI-Agent services. The flow of the business development process is as shown below.

- Install AI-Agent services as one of the functions of the existing site to improve the recruitment and employment rates of job seekers. By increasing the number of applications, we will achieve an increase in sales and a reduction in the cost of acquiring applications.
- After fully improving matching accuracy, we will introduce a recruiting fee model. By introducing highly matched personnel, the recruitment and employment rates are increased, and the retention rate is also improved.
- Expand the implementation area.

AI-Agent Services

Background of AI-Agent Business Launch

- While there has been a shift from job advertisements to the personnel recruiting business—primarily with regard to permanent employees—this trend has not spread to fixed-term workers. We believe that the use of AI can create a new personnel recruiting business in the fixed-term employment domain, and as such have begun the commercialization of AI-Agent. With the advent of ChatGPT, we hope to accelerate the launch of the business and create new employment opportunities by shifting from the conventional "search-based" to an "interactive" job selection process.
- Generally, only a few percent of job seekers who access the site successfully find employment. The use of AI-Agent can improve matching accuracy and boost the employment rate, thereby creating a significant opportunity for revenue.
- dip's strengths are the latest, accurate, and high-quality job information gathered by our sales staff and our extensive user base. We believe that we can leverage these strengths, which none of our competitors have, to create a highly accurate AI engine, and in April 2023, we began development of an AI-Agent business utilizing cutting-edge AI technology.
- We will turn the dramatic evolution of AI into business opportunities, just as we have greatly expanded our business by capturing the spread of the internet.

DX Business Strategies

“DX for Everyone, All the Time”—Realizing On-Time, Data-Driven Digital Transformation of Daily Operations

Service Officer MESSAGE

Supporting Enhanced Labor Productivity with High-Quality Solutions Utilizing Data Obtained from Recruitment, Human Resources, and Sales Promotion Services

In the interest of contributing to the improvement of labor productivity in Japan, we are promoting the development of a DX service. KOBOT is a DX service easy to introduce and to use on an ongoing basis—not only for larger companies that have made progress with their digital transformation efforts, but also for mid-tier enterprises and SMEs. In our medium-term management plan, we aim to increase the number of client companies charged monthly payments to 30,000—approximately twice the current number—by providing high-quality solutions leveraging data obtained from sales expansion of products in the areas of recruitment, human resources, and sales promotion, as well as from expansion of product lineups in new areas such as business communication and nursing care services. Aiding in the digital transformation of daily operations will bring to fruition “DX for everyone, all the time” and support new work styles.



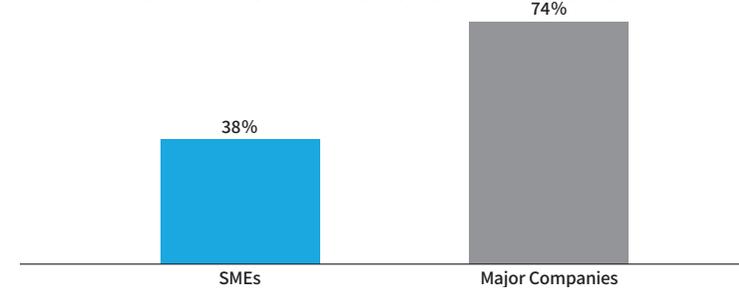
Shoji Fujiwara

Executive Officer, DX Business Service Officer
Head of DX Business Group and Head of Product Planning Division

Market Environment

Mid-tier enterprises and SMEs have not made as much progress with DX-related initiatives as has been made at large companies due to the widespread perceptions that they are unable to identify the operations where efficiency can be enhanced, that implementation is costly and time-consuming, and that they cannot make full use of the improved functionality after implementation. As a result, economic productivity of mid-tier enterprises and SMEs has not improved so much, which indicates there is much room for them to implement DX.

Percentage of Companies Deploying DX by Company Size



Source: dip, based on “Annual Report on the Japanese Economy and Public Finance 2021” by the Ministry of Economy, Trade and Industry

Competitive Advantages

- Simple, easy-to-implement product designed specifically for mid-tier enterprises and SMEs
- Packaged products developed in-house and with partner companies (e.g., start-ups) are provided at low cost with excellent UI/UX.
- A customer base of 150,000 companies built up through more than 20 years of media operations
- Sales structure with 2,000* media sales staff (for job advertisements)

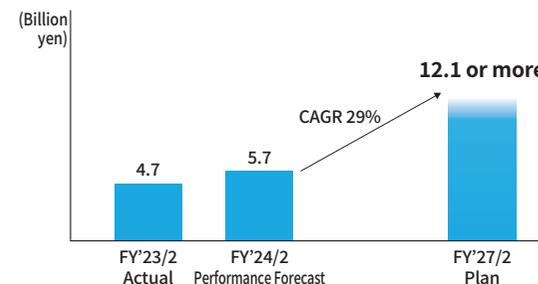
*Total sales staff of personnel recruiting services and DX businesses

Business Strategies

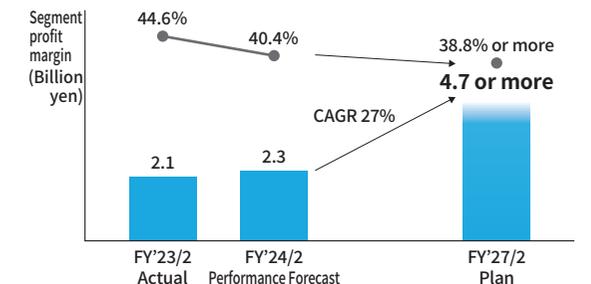
- Accelerate service development in the areas of recruiting, human resources, and sales promotion**
Improve quality of existing products and develop new products in each area
- Promote product development in new areas**
Expand product lineup to include business communications, nursing care DX, robotics, and other areas
- Strengthen collaboration with media sales and expand DX-dedicated sales force**
Increase the rate of orders received and reduce the churn rate by improving media sales proposal capability. Also focus on developing new customers.
- Provide optimal solutions with acquired data and AI technology**
Provide the best solutions in a timely manner based on data collected by AI-embedded products. Contribute to expanding sales of personnel recruiting services by constantly connecting with customers.

Sales and Segment Profit Targets

Sales

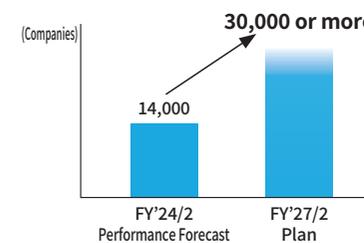


Segment Profit/Profit Margin

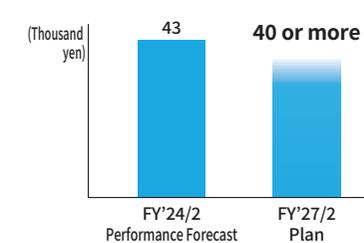


Key KPI Targets

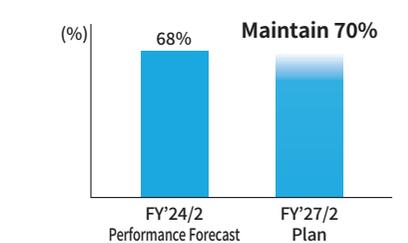
Plan for No. of Companies Charged Payments



ARPU Plan



Stock Ratio Plan



Functional Strategies

Sales Capability

Promoting Hybrid Sales to Accelerate Improved Productivity

MESSAGE

Strengthening our Customer Base by Making Optimal and Efficient Proposals Using the Latest Technology and Data

We are aiming for a new sales approach that allows customers and users to have more comfortable and satisfying experiences. By quickly identifying customer needs and making optimal proposals, we will improve sales productivity and promote sales that use BtoB marketing at both online and in-person contact points. Moreover, we aim to improve long-term customer satisfaction by leveraging data and technology to provide tailored customer experiences and build trusting relationships with customers.



Jun Nobuyama
Head of Business Promotion Division,
Media Sales Group

Strategy Outline

Improve Sales Productivity through the Use of AI

We will make full use of AI in a series of sales activities, including drafting manuscripts for media sales, listing sales targets, making proposals to customers, picking out job offers and providing role-playing practice opportunities for registered career advisors of agent services. Core system replacement and CRM system construction will also be implemented to improve sales efficiency and closing rates.

Develop New Sales Techniques Using Technology and Data

In addition to promoting inbound sales using BtoB marketing, we have established a lead acquisition model that can efficiently approach customers with a high probability of placing orders



Takatomo Suzuki
Chief Information Officer

Promote Utilization of AI by Front Line Staff to Realize Improved Productivity

One great thing about dip is the attitude of our employees, who all take on new challenges with a sense of responsibility. Concerning AI utilization, all of our employees think about and experiment with how to use AI to achieve results in their own work. As a result, we have not only improved efficiency by reducing the time taken to create materials and hold meetings, but also increased sales by improving our appointment acquisition rate. Going forward, we will realize a society where humans and AI collaborate in order for workers to feel more satisfaction and joy in their work.

Service Development Capability

Establishing an Elite 400-Person Scrum Team to Maximize the Value Provided

MESSAGE

Achieving High Productivity and High Value-Added Services with an Employee-Centered, Cross- Departmental Scrum Development System

In order to quickly realize user-first ideas, we have hired 178 people to build a system with 200 engineers based on our medium-term management strategy dip2025. On the technical side, we are also embarking on high-quality, rapid development with AI development tools such as GitHub Copilot, which we have already implemented.

Under the new medium-term management plan “dip30th”, we will achieve high productivity and high value-added services using a scrum development system with 400 employees from a wide range of professions, including not only engineering but also planning, design, CRM, data, marketing, and more.



Kei Shinto
Executive Officer,
Head of Service Development Group,
Head of Media Production Division

Strategy Outline

Establish a Scrum Development System Consisting of 400 Employees

We will have a development system with seamless cooperation among a team of 400 employees from various professions including engineering, planning, design, CRM, data, marketing, and more.

Hire 200 Engineers during the Period of the Medium-Term Management Plan

We will strengthen recruitment for engineers and hire 200 people during the period of the medium-term management plan. We will constantly innovate our services and continue to provide the highest quality.

Increase the Ratio of In-House Production to 50% or More

We aim to efficiently develop products by building a development system with external partners and assigning the right people to the right projects through an optimal combination of in-house and out-sourced production.

Significantly Shorten the Development Process through AI/Automation

Through the use of already introduced AI development tools such as GitHub Copilot, we have significantly streamlined the development process. This makes rapid development of high quality systems possible.

Update the Development Infrastructure

We have renewed our legacy development infrastructure and built a new infrastructure to increase development efficiency. We have significantly improved QCD: enhanced development quality, reduced cost, and shortened delivery time.

Functional Strategies

Promotions Capability

Establishing a No. 1 User-First Brand

Developing Unique Hybrid Promotions to Improve Advertising Effectiveness and Investment Efficiency

Over the course of the medium-term management plan “dip30th”, we will continue to develop unique hybrid promotions that integrate large-scale mass media, digital, and social media for each user-first measure, including the dip Incentive Project and the dip DEI Project. Moreover, by using a data platform and AI, we will realize efficient distribution of advertising and the optimization of advertising investment. Through this, we aim to have the No. 1 usage rate in Japan for our job information services.



Kazuomi Hori
Head of Marketing Division,
Service Development Group

Strategy Outline

- Unique Hybrid Promotions that Create User-First Services**
 By developing hybrid promotions that integrate mass media, digital, and social media, we are developing user-first projects and contributing to the creation of services.
- AI/Automation for Improved Effectiveness**
 We have already introduced AI tools for creating advertising content and forecasting effectiveness. We will provide high quality and immediate value by significantly streamlining the marketing process.
- Data-Driven Marketing**
 We will use marketing mix modeling to build a model that can predict and learn tactics and budget allocation to match the strategy. We will strive to improve quality of awareness and sales efficiency.
- Improve Customer Satisfaction through Effective Management of Our Job Advertisement Website**
 We analyze the factors that affect customer lifetime value and operate a job advertisement website that accurately matches users with job advertisements. We will improve customer satisfaction and reduce advertising expenses.

Data and Technology Capability

Developing a Data Platform that Supports All Aspects of Strategy Implementation

Accelerating the Speed of Business by Using AI and Building the “Labor force solution platform,” a Data Platform Shared by All Businesses

The use of AI and the construction of the “Labor force solution platform,” a data platform that connects the entire company, are essential for the achievement of each of the targets set forth in the medium-term management plan “dip30th”. The data platform will be shared by all business divisions and link all data obtained from our service development capability, promotions capability, and sales capability in order to utilize it for all services including AI-Agent in an environment that ensures information security.

By building this data platform and using AI in a company-wide effort, we will improve the speed of decision-making and realize user-first services.



Yoshinobu Toyohama
Executive Officer,
CTO (Chief Technology Officer)
Head of System Development Division,
Service Development Group

Strategy Outline

- Build a Data Platform that Connects the Entire Company**
 We will build a “Labor force solution platform” to connect company-wide data in an environment that ensures information security. We will shorten lead time, reduce costs, and improve service quality.
- Proactively Introduce AI/Automation Tools**
 Through the activities of the company-wide AI utilization project team “dip AI Force,” we are actively introducing AI/automation tools. We are also significantly streamlining our business processes.
- Automate Portions of Business Operations**
 AI has already been introduced throughout the Company. AI has replaced and automated some of the clerical work of the sales team. This contributes to reducing sales man-hours and improving productivity.
- Increase the Number of Job Advertisement Applications through AI-Agent**
 We will develop AI-Agent to improve the accuracy of matching users with job advertisements. We will increase the number of applications to job advertisements, thereby boosting sales and reducing costs.

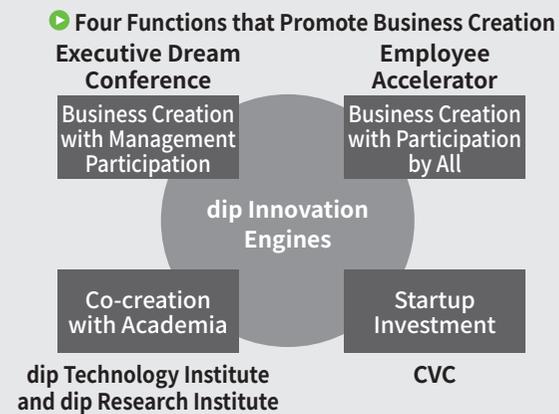
Functional Strategies

Business Development Capability

Strengthening Mechanisms for Generating Innovation

Creating New Social and Economic Value with the “dip Innovation Engines” that Generate New Businesses and Services

We will develop a mechanism for innovation that creates businesses. Internally, the Dream Conference was newly established with the participation of all internal Board Directors and Executive Officers. We are also working to create new businesses through the dip Accelerator, which allows any employee to propose a business idea. In collaboration with external parties, we are investing in startup companies through CVC to search for new businesses and technologies, and we are also promoting collaborative creation with academia at the dip Technology Institute and the dip Research Institute. These four functions are positioned as the “dip Innovation Engines” and are designed to enhance our innovation capability and build the foundation for business creation.



Overview of the “dip Technology Institute”

Mr. Kazuto Ataka, a leading expert on data strategy, has been appointed as an advisor for the early practical application of the “AI-Agent business.” In addition, we are conducting joint research in collaboration with Matsuo Institute, Inc., a company that utilizes the results of the Yutaka Matsuo Laboratory of the University of Tokyo, which specializes in AI strategy.

Overview of the “dip Research Institute”

Using our experience and know-how in personnel recruiting services that we have cultivated for over 20 years through job information services such as Baitoru, we conduct multifaceted research and share research results and survey information with the aim of creating a society where all workers can realize better ways of working.

MESSAGE

Solving Issues in the Labor Market with Technology

The dip Technology Institute is working on issues such as resolving labor shortages through in-house technology development and service innovation through external collaboration. For example, the AI-Agent currently under development uses the latest AI to draw out the needs of job seekers through natural dialogue and proposes carefully selected job listings based on learning data, along with reasons for the recommendations. In doing so, we aim to create a society where many people can work for long periods of time in jobs that are compatible with them.



Chikashi Okamoto
General Manager of dip Technology Institute and General Manager of CTO Office

Strengthening the Management Foundation

Human Capital Connected with Our Philosophy

Developing Measures to Maximize the Potential of Human Resources

Aiming to be No. 1 in Employee Well-Being by Developing and Utilizing the Diverse Talents of Employees

For the success of the medium-term management plan “dip30th”, it is essential that we respect, develop and utilize the diverse talents of all employees. Our philosophy is at the core of promoting the development of these talents, and by collecting and analyzing people’s data and providing support based on that data, we will maximize the potential of each and every employee.

Governance

Improving Management Capability through Dialogue with Stakeholders

Maximizing Corporate Value by Expanding Communication with Shareholders and Other Stakeholders, Including Dialogue with the Market, and Utilizing it in Management

For the enhancement of corporate value, we believe that it is important to give the stock market a better understanding of our sustainable strengths that support high sales growth and profit margins, as well as our growth potential, business risks and others. We aim to realize sustainable management by developing the following three areas: strengthening of monitoring and execution functions; disclosure of non-financial information; and dialogue with stakeholders.

MESSAGE

Balancing Value Creation and Governance

In order for dip to create value over the long term and grow sustainably, we need to improve management efficiency and conduct highly transparent business operations, which will enable us to fulfill our responsibilities to our many stakeholders. Without reducing the speed of value creation, we will strengthen risk management, adhere to compliance requirements, develop corporate governance, and promote sustainability initiatives.



Toshikazu Yamaguchi
Executive Officer, Deputy Head of Corporate Management Group

CFO MESSAGE



Aiming for the Sustained Enhancement of Corporate Value with a Comprehensive View of Economic and Social Value

Haruhiko Arai
Executive Officer, CFO (Chief Financial Officer)
Head of Corporate Management Group

As CFO, I Am Working Towards the Sustained Creation of Economic and Social Value

In order to improve corporate value over the medium to long term, we believe that it is extremely important to increase both economic and social value and meet the expectations of our stakeholders. As CFO, I will work to achieve sales, operating income, and return on equity (ROE) targets to improve economic value, while contributing to the resolution of social issues based on materiality (material issues) to create sustainable social value.

Enhancing Economic Value and Improving Corporate Value through Philosophy Management

Under our Corporate Philosophy “Here at dip, we want to tap into dreams, ideas and passion to create a better society,” employees who sympathize with our philosophy have worked to create employment opportunities for many and diverse job seekers and to eliminate employment mismatches by taking on social issues in the labor market, thereby enhancing the recruiting and human resources capabilities of client companies and supporting their growth.

The social value thus created is helping dip to expand its economic value, that is, to achieve high growth in sales and profits and generate ample

cash flow. By reinvesting this in the development of “user-first” services and unique promotions, we are able to greatly enhance the appeal of media, attract many new users, increase the number of job advertisements from client companies, and as a result, increase sales. The repetition of this virtuous cycle has allowed us to build user and customer bases that are highly loyal to dip. These bases, along with our non-financial capital, namely, our human capital that supports them, are the very strengths of dip, and they are contributing to the creation of economic value, that is, the sustained enhancement of corporate value.

Review of the Fiscal Year Ended February 2023

Sales in the personnel recruiting services business grew steadily, outpacing the rate of market recovery, while the DX business saw high growth YoY. As a result, sales increased by 24.9% YoY to ¥49,355 million.

In addition, we are investing in human resources, including hiring new graduates in 2022, and actively investing in advertising to further strengthen our sales capability. Both the ratios of personnel costs and advertising expenses decreased due to improved productivity of sales staff and efficient management of advertising investments, and as a result, operating income increased by 106.0% YoY to ¥11,538 million, achieving profit growth that far exceeded the sales growth rate.

While the personnel recruiting services business continues to see gradual market recovery, the market has not returned to pre-pandemic levels. Under these circumstances, the number of contracted companies steadily increased due to the expansion of our customer base, and the unit price per company also increased due to the promotion of cross-selling of our four main media: Baitoru, Baitoru NEXT, Baitoru PRO, and Hatarako.net. The sales growth rate of our personnel recruiting services business was 21.5%, exceeding the market growth rate of 14.2% (*), and we steadily gained market share.

Due to large-scale hybrid promotion of the dip Incentive Project, the number of job offers with higher hourly wages, etc. has increased, and while labor shortages are increasing as the COVID-19 pandemic subsides, applications via the app are particularly strong. Our growth has reached a point where we have surpassed competing media in terms of app downloads and monthly active users (MAU), and as a result, the number of applications has increased by more than 1.3 times compared to pre-pandemic times.

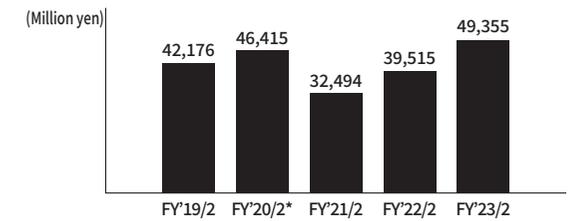
In the DX business, sales of our Interview Scheduling KOBOT, Recruiting Page KOBOT, and Temp Agency KOBOT were strong. Moreover, the number of companies charged monthly payments and ARPU both increased, leading to significant growth in sales.

As personnel recruiting services sales staff sell these DX products, there was no need for much investment in promotions, and we achieved a high segment profit of 44.6%.

While ROE in the fiscal year ended February 2020 stood at 36.0%, it fell to 2.0% in the fiscal year ended February 2021 on the impact of the COVID-19 pandemic. Due to subsequent expansion of business performance, ROE recovered to 22.7% in the fiscal year ended February 2023. As I will explain later, we are aiming for an ROE of 30% by the fiscal year ending February 2027, the final year of the medium-term management plan, by implementing the medium-term management plan “dip30th” and promoting various financial strategies.

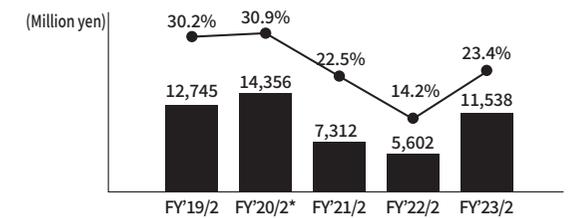
I will now explain the achievement status of our non-financial KPIs. Progress towards our targets for the fiscal year ending February 2025 set forth in last year’s integrated report has generally been steady. In particular, we were able to achieve the

Sales



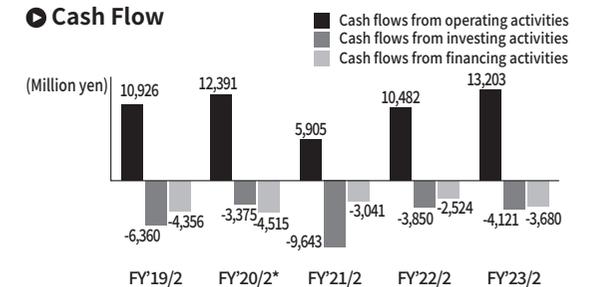
*As consolidated accounting was not performed for the fiscal year ended February 2020, the figures for that fiscal year are from non-consolidated accounting.

Operating Income/Operating Income Margin



*As consolidated accounting was not performed for the fiscal year ended February 2020, the figures for that fiscal year are from non-consolidated accounting.

Cash Flow



*As consolidated accounting was not performed for the fiscal year ended February 2020, the figures for that fiscal year are from non-consolidated accounting.

targets for the number of job offerings that have realized improved working conditions, including increased hourly wages, as well as for the percentages of independent directors and women on the Board of Directors, ahead of schedule. On the other hand, progress towards achieving our targets for the percentage of female managers and percentage of paid holidays taken has been slow, but we will make sure that we achieve these targets by strengthening our efforts this fiscal year.

(* dip's estimate based on the calculation results by a third-party organization)

Materiality	KPI	FY'22/2 Actual	FY'23/2 Actual	FY'25/2 Target	
Creation of diverse employment opportunities Elimination of employment mismatch	Number of high-quality* ¹ job offerings that meet the needs of diverse human resources and workstyles	1.16 million offerings ¹ (No. 1 in the industry)	1.33 million offerings¹	Remain No. 1 in the industry	
	Number of job offerings in the medical, nursing care, and childcare fields that support the social infrastructure	0.5 million ¹ (No. 1 in the industry)	0.51 million¹	Remain No. 1 in the industry	
Improvement of human resources and economic productivity Creation of rewarding workplaces	Number of job offerings that have realized improved working conditions, including increased hourly wages ²	0.85 million ¹	0.99 million¹	1 million ¹	
Promotion of DEI Respect for human rights	Enhancement of "Campaign to Support the Employment of People with Disabilities"	One-time activity	One-time activity	Year-round activity	
	Increase in the number of job offerings that welcome senior citizens (age 60+)	0.21 million ¹	0.31 million¹	0.4 million	
	Certificate of Good Recruitment/Candidate Information Provider	Prior to the start of the system	Certificate received	Certificate received/maintained	
	Number of incidents violating labor laws and regulations	0	0	Maintain 0	
	Prohibition of the posting of offerings that are thought to be in violation of human rights	Implemented	Implemented	Continue implementation	
Response to the climate crisis	GHG emissions of all offices and data centers	567.7 t-CO ₂ e/year ²	334.2 t-CO₂e/year²	Effectively 0	
Strengthening human capital connected with philosophy	Engagement indexes* ³	3.82	3.84	4.0 (maximum 5)	
	Percentage of women among employees hired as new graduates and later promoted to managerial positions	41.3%	43.5%	50%	
	Percentage of female managers	33.2%	34.4%	40%	
	Percentage of women who take childcare leave	100%	98.3%	100%	
	Percentage of women who return to work after childcare leave	100%	100%	100%	
	Percentage of men who take childcare leave	-	92.5%³	100%	
	Percentage of people with disabilities employed	2.6% ⁴	3.0%⁴	Statutory employment rate ⁴ or higher	
	Percentage of paid holidays taken	56.6%	59.4%	80%	
	Average extra hours worked	25.4 hours/month	23.0 hours/month	Not more than 20 hours/month	
	Turnover rate	15.2%	12.6%	10.0%	
	Training time	New graduate training	326 hours	326 hours	Continue to expand
		New manager training	36 hours	52 hours	
Development Training for next generation leaders		143 hours	143 hours		
Strengthening governance	Percentage of independent officers	50% ⁵	2/3⁶	Not less than 2/3	
	Percentage of female Board Directors	1/3 ⁵	55.6%⁶	50%	
	Number of serious violation of laws and regulations	0	0	Maintain 0	
	Percentage of employees who completed compliance training and testing	100%	100%	Maintain 100%	
	Number of investor interviews	245	367	500	

*1: Videos, work experience functions, posting of "Message from dip-san." Measures will be taken to further increase quality in the future
 *2: Increased hourly wages, bonus for continued service, gift payment for joining company *3: Indexes in our ES surveys
 *1: As of end of February *2: Scope 1 and Scope 2 (city gas and electricity in all offices. Recreation facilities and data centers are included in the scope of calculation for Scope 1 and 2 from the FY'23/2.) *3: Based on the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members, the percentage of employees taking childcare leave, etc. and leave for childcare purposes as stipulated in Article 71-4, Item 2 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members is calculated.
 *4: As of June 1 (time of the Ministry of Health, Labour and Welfare's report on the status of employment of people with disabilities), the statutory employment rate for private companies is 2.3% (revised in March 2021) *5: As of May 31, 2022 *6: As of May 31, 2023

Moreover, after updating our value creation story and conducting an annual review of materiality, we redefined the social value we would like to create in "dip30th" and significantly expanded our non-financial KPI items in accordance with this.

We will comprehensively consider economic and social value, work to achieve financial and non-financial KPI targets, and share our progress with stakeholders.

Performance Outlook for the Fiscal Year Ending February 2024

For the fiscal year ending February 2024, we plan for record-high sales of ¥56.3 billion and operating income of ¥14.5 billion, under the assumption of a moderate recovery in the labor market and job advertising market.

In the personnel recruiting services business, sales are expected to increase by 13.5% YoY to ¥50.6 billion and segment profit is expected to increase by 21.9% YoY to ¥18.1 billion due to market recovery as well as an increase in our

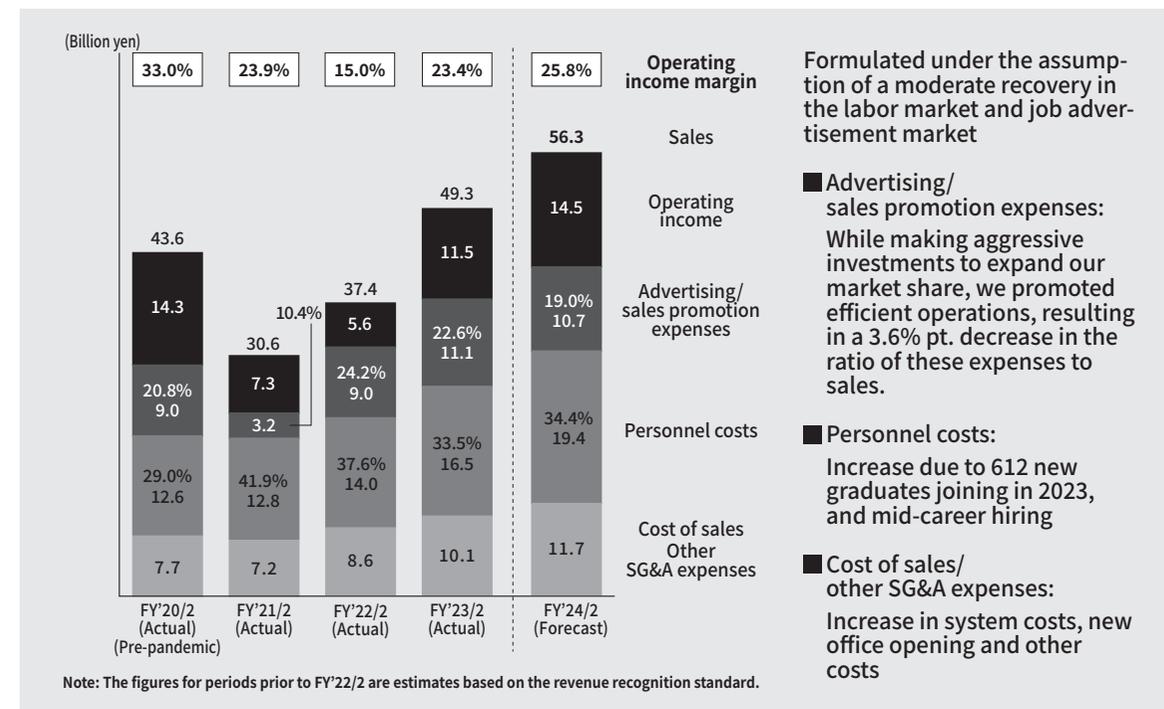
share in the industry caused by unique promotions and improved sales productivity.

In the DX business, we are aiming to increase sales by 19.3% YoY to ¥5.7 billion and increase segment profit by 7.9% YoY to ¥2.3 billion by expanding sales of DX products in the areas of personnel and recruitment and by starting sales of "MEO KOBOT" and "Social Media Booster KOBOT" in the area of sales promotion.

During the COVID-19 pandemic, we steadily worked to improve society by providing services that are accessible to users and client companies. As a result, we were able to significantly increase our share in the job advertising market for part-time and temporary workers. In addition, we have been implementing new initiatives such as expanding sales of DX products, increasing sales at Baitoru PRO, and strengthening agent services.

In the fiscal year ending February 2024, we will significantly expand human capital by welcoming 612 new graduates who sympathize with our philosophy. We will also accelerate business growth by promoting unique initiatives such as our dip DEI Project and making full use of rapidly evolving AI technologies such as ChatGPT.

Approach to Performance Forecasts



Formulation of New Financial Strategies in the Medium-Term Management Plan “dip30th”

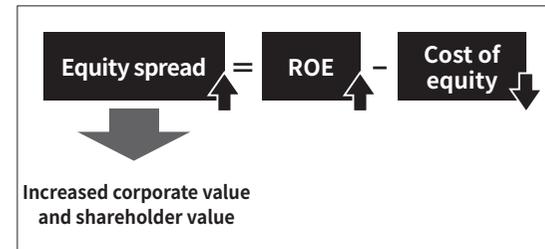
● Holding Discussions regarding Financial Strategies with Investors

In last year’s integrated report, we announced the following concerning ROE: “we will work on the recovery of ROE to 25% as early as possible, and on achieving 30% in the medium term.” However, we did not provide the basic financial approach behind this target, nor the specific timing and path to achievement of this target. Moreover, as stated in our medium-term management plan “dip30th”, we expect continued profit growth from next fiscal year onward, and therefore believe that there is an increased need to work on balance sheet management. Accordingly, we have formulated new financial strategies. Since the announcement of the medium-term ROE target last year, we have held discussions regarding financial strategies with many investors and refined the content of said strategies. We appreciate your understanding and hope you look forward to further improvements in corporate value and shareholder value going forward.

● Maximizing Equity Spread to Increase Corporate Value and Shareholder Value

In order to increase corporate value and shareholder value, it is extremely important to continue to generate a return on the capital entrusted to us by our shareholders that exceeds the cost of equity. Therefore, we aim to maximize equity

spread by improving ROE and reducing the cost of shareholders’ equity.



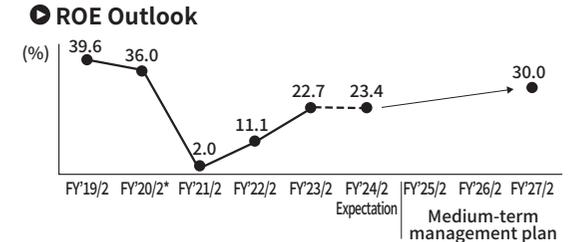
Initiatives towards Improving ROE

● Aiming to Achieve ROE of 30% in the Final Year of the Medium-Term Management Plan by Increasing Profits and Improving Capital Efficiency

Prior to the COVID-19 pandemic, ROE stood at 36.0%, but it fell to 2.0% in the fiscal year ended February 2021 due to the impact of the COVID-19 pandemic. Subsequently, profits expanded due to such factors as the end of the pandemic, our increased share in the media services market, and high growth in the DX business, and as a result, ROE is expected to increase to 23.4% in the fiscal year ending February 2024. While this is already well above the average of 9.24% (FY2022) for companies listed on the Prime Market of the Tokyo Stock Exchange, and well above dip’s cost of equity of approximately 10%–11%, we have set an ROE target of 30% for the fiscal year ending February 2027, the final year of the medium-term management plan, in order to maximize equity spread

and further improve corporate value and shareholder value.

While striving for profit growth to achieve the operating income target for the fiscal year ending February 2027 in the medium-term management plan “dip30th”, we are aiming to achieve our ROE target by working on balance sheet management and increasing capital efficiency based on the cash allocation policy below.



*As consolidated accounting was not performed for the fiscal year ended February 2020, the figures for that fiscal year are from non-consolidated accounting.

Cash Allocation Policy

“Cash allocation with an emphasis on growth investment and shareholder returns”

Growth investments

- Investments for the growth of existing businesses and the creation of new businesses (human resource investments, system investments, promotional investments, etc.)
- Investments in research and development related to AI and other advanced technologies and their use in business
- M&A and other investments to accelerate business growth

Shareholder returns

- In principle, the Company will maintain a payout ratio of 50%, with the dividend paid in the previous fiscal year as the lower limit. Dividends are paid twice a year. Aim for a total payout ratio of 65% (newly established this time).
- Consider additional shareholder return measures, taking into account cash position and other BS conditions, prospects for achieving financial targets, stock price levels, and other factors.
 - ▶ The funds necessary for business operations are called Maximum Cash (*), and in principle, excessive cash and deposits beyond that limit are not held. However, we do not make decisions based on a single fiscal year, but carefully assess medium-term investment opportunities, and if there are any excess cash and deposits, we return them to shareholders.
 - ▶ In a situation where it may be difficult to achieve the medium-term profit target, we will consider additional shareholder returns to bring ROE closer to the target, taking into account the BS situation, stock price levels, and other factors.

(*) Maximum Cash Concept

To avoid financial difficulties even in the event of an unprecedented disaster or epidemic that reduces sales to zero, it is necessary to hold a certain amount of cash and deposits. Assuming that the period required for borrowing from financial institutions or issuing bonds is approximately three months, Maximum Cash is the sum of three months of payments, plus tax and dividend payments. Based on the above concept, Maximum Cash for the fiscal year ending February 2024 is ¥18.0 billion. (Reference) March 2023–May 2023 payments ¥12.0 bn + taxes ¥4.0 bn + dividend payment ¥2.0 bn = ¥18.0 bn

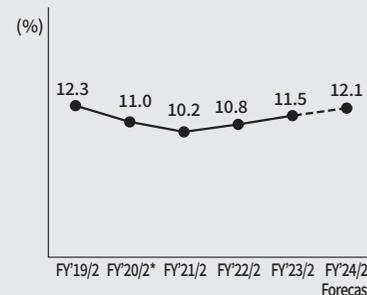
● Continuing to Actively Invest in Growth and Accelerate Business Growth

To date, we have worked to expand human capital by increasing our sales staff through large-scale recruitment of new graduates and improving sales productivity through the enhancement of training systems, the use of AI, and the promotion of DX. We also actively recruit employees in a variety of fields, including engineers who enhance service development and promotions capabilities, as well as highly specialized planning staff. Moreover, we have invested a total of ¥24.0 billion in systems development for

services and ¥80.0 billion in promotional activities to attract users and increase their loyalty. In order to further accelerate business growth, we will actively invest in the development and promotion of unique services and functions, as well as continuously strengthening human capital. In addition to AI-related systems development and research and development investments of ¥2.0 billion (total for the period of the medium-term management plan), we are expecting investments in systems development for existing services to grow at an annual rate of approximately 15%.

● Whether or Not to Introduce a Dividend on Equity Ratio (DOE) Target is a Matter for Future Consideration

Prior to the COVID-19 pandemic, ROE was over 35%, payout ratio was 30%, and DOE remained over 10%. Moreover, by setting our dividend policy as “a payout ratio of 50% with the dividend paid in the previous fiscal year as the lower limit” in FY2020, DOE remained above 10% even in fiscal years when profits decreased due to the COVID-19 pandemic, and this fiscal year’s DOE is expected to be 12.1%. Generally, once a payout ratio target has been raised, it is difficult to lower it, but in the case of DOE, the payout ratio automatically increases if ROE is lower than expected, which has the advantage of making the payout ratio variable. In addition, this avoids a decline in liquidity associated with the repurchase of company shares. Meanwhile, we also listen to the opinions of investors who are concerned about tax burdens associated with dividends. While adhering to our policy of setting the dividend paid in the previous fiscal year as the lower limit, we will carefully consider the advantages and disadvantages of introducing a DOE target.



*As consolidated accounting was not performed for the fiscal year ended February 2020, the figures for that fiscal year are from non-consolidated accounting.

Initiatives to Reduce Cost of Equity

● Due to Growing Structural Labor Shortages Caused by Japan’s Declining Birthrate and Aging Population, the Job Market Itself Has Become Less Susceptible to Economic Fluctuations

The job advertisement market for fixed-term workers such as part-time and temporary workers is often considered to be susceptible to economic cycles. In the future, however, as structural labor shortages are expected to become increasingly serious due to a continuing decline in the working-age population, we believe that the structure of the market will shift into one that is less susceptible to economic fluctuations.

Even if demand for employment in industries that are highly sensitive to the economy decreases, demand will increase in industries with structural labor shortages (such as healthcare and nursing care), which will reduce the impact of economic fluctuations on the market as a whole.

In this way, as the market itself becomes more resilient to the effects of economic conditions, we expect that beta (risk), which constitutes the cost of equity, will decline over the medium to long term.

● Further Expanding Equity Spread by Strengthening Initiatives to Reduce Cost of Equity

Assuming that the current cost of equity is around 10%–11% (*), we will lower beta (risk) and reduce the cost of shareholders’ equity over the medium term through the initiatives listed below.

(*) Cost of Equity Assumptions
 Cost of equity (approximately 10%–11%) = risk-free rate (0.8%) + beta (1.5) x risk premium (6%–7%)
 Risk-free rate = October 2023 average of the 10-year new issue JGB rate
 Beta: Calculated on a five-year monthly basis based on the rate of change between TOPIX and our stock price
 Market risk premium: Based on the long-term expected market yield calculated by the Company, we assume a market risk premium of 6%–7%.

① Building a Business Portfolio That Is Less Susceptible to Economic Fluctuations

Over the past four years, we have successfully launched and expanded businesses and services

that are less susceptible to economic fluctuations, which has steadily strengthened our profit structure.

One of these new launches, the DX business, had a successful early start by leveraging our existing customer base and by the bundled marketing of job advertisements and products to clients by our sales staff. The adoption of a monthly billing model has made this business less susceptible to economic fluctuations.

Some of our other launches include Nurse de Hatarako and Nursing Care de Hatarako, which are recruiting services in the healthcare and nursing care sectors, as well as Baitoru PRO, which is a comprehensive job information site for specialized jobs. The targeted healthcare and nursing care sectors are expected to see a further rise in job advertisement needs, due to extremely high job opening-to-application ratios and structural labor shortages in these sectors, and their lower susceptibility to economic fluctuations. We will continue to work aggressively to create more new businesses and services and press ahead with building a business portfolio that is less susceptible to economic fluctuations.

② Promotion of ESG-Related Initiatives

We are working to reduce the cost of equity through various measures to advance ESG management.

In the Environment area, we announced our endorsement of the TCFD recommendations in October 2021, and since then, we have been transitioning to renewable energy at our head office, sales offices, and data centers. Moreover, we have completed calculation and disclosure of Scope 3 emissions and are currently considering setting targets that include Scope 3 during 2024.

In the Social area, as mentioned above, we have been strengthening our efforts to achieve the materiality KPI targets related to strengthening human capital.

In addition, dip strongly promotes health and productivity management and was certified as a “Tokyo Sports Promotion Company” (Tokyo Metropolitan Government) in December 2022 and as a “Sports Yell Company” (Japan Sports Agency) in February 2023. In March of the same year, dip was certified as a “2023 Certified Health & Productivity Management Outstanding Organization in the large enterprise category (White 500)” under the Certified Health & Productivity Management Outstanding Organizations Recognition Program of the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.

Regarding Governance, dip transitioned to a company with an audit and supervisory committee in May 2023, increasing the ratio of independent Outside Board Directors to two-thirds of the Board of Directors, creating a highly independent board composition, and ensuring gender diversity by having women account for over half of the Board of Directors. In addition, as a measure to strengthen governance based on the evaluation of Board effectiveness, we have set an upper limit on the term of office of Outside Board Directors (eight years) and plan to disclose the individual remuneration of Board Directors this fiscal year.

As a result of these efforts, dip has been selected for all six of the ESG indexes adopted by GPIF, including the “Morningstar Japan ex-REIT Gender Diversity Tilt Index,” which was newly adopted by GPIF in April 2023.

We will continue to work towards reducing the cost of equity by further developing ESG management to achieve financial and non-financial KPIs.

Assessment of ESG Management

③ Strengthening Engagement with Stakeholders through IR Activities

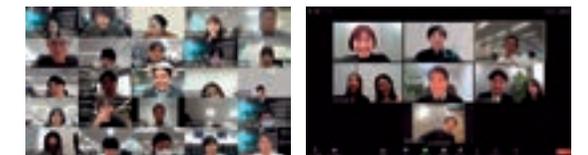
For the enhancement of corporate value, we believe that it is extremely important to give the stock market a better understanding of the

sustainable strengths and growth potential, which support high growth and profitability, as well as of the business risks.

In the fiscal year ended February 2023, we held 367 interviews with investors, and opinions, requests, and ideas from investors were reported in detail to the Board of Directors and the Meeting of Executive Officer on a quarterly basis. This feedback was put to use in management and business operations.

In addition to the contents of financial results, we also broadcast videos to employees on a quarterly basis, explaining expectations, requests, and evaluations from the stock market. Moreover, we held roundtable discussions and other similar meetings with employees at each sales office, engaged in interactive dialogue with employees, and provided opportunities for front-line employees to learn management perspectives by creating opportunities for them to attend interviews with investors and interact directly with investors.

Going forward, we will continue to strengthen engagement by further deepening our dialogues with stakeholders.



▲“Manabiba,” where CFO Arai shares information on quarterly financial results and evaluations from investors with employees
 ▲Front-line sales staff attending an IR meeting with investors

④ Introduction of an Investment Decision-Making Process Based on Hurdle Rates

⑤ Introduction of a Business Management System That Uses ROIC by Business
 (Both Under Consideration This Fiscal Year)

To date, in the process of considering investments, we have been working to improve the quality of due diligence and speed up decision-making using CVC funds. In line with the recent establishment of a medium-term ROE target, we would like to aim for a hurdle rate of 30% when making future investment decisions. Moreover, after calculating ROIC by business, we will work alongside front-line workers to consider a system that manages and promotes business.

Initiatives to Reduce Cost of Equity

- ① Building a Business Portfolio That Is Less Susceptible to Economic Fluctuations
- ② Promotion of ESG-Related Initiatives
- ③ Strengthening Engagement with Stakeholders through IR Activities
- ④ Introduction of an Investment Decision-Making Process Based on Hurdle Rates
- ⑤ Introduction of a Business Management System That Uses ROIC by Business

Governance

Our governance system and initiatives to achieve highly transparent management are centered on our philosophy and aim for sustainable improvement in corporate value. This section will provide messages from Outside Board Directors regarding their perspectives on current issues, solutions to said issues, and the roles they intend to play.

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Structure of the Board

List of Board Directors (as of May 24, 2023)

Board Directors



Hideki Tomita

Representative Director, President and Chief Executive Officer

Years served as a Board Director: 26 years

Attendance at the Board of Directors' meetings in FY'23/2: 100% (13/13)

April 1990 Joined Chisan Co., Ltd.
 May 1992 Joined Forum Corporation
 March 1997 Established the Company, Representative Director, President
 March 2006 Representative Director, President and Chief Executive Officer of the Company (present)
 May 2018 President of DIP America, Inc. (present)

Areas in which the person has a high level of expertise



Hideki Tomita, as founder of the Company, has been involved in the establishment and operation of every facet of the businesses in which the Company is engaged. As the person most familiar with the Company's business, Tomita has extensive experience in business execution at the Company. Tomita specifically focuses on ways to obtain job information that is both fresh and uniquely abundant and develops original services such as workplace introduction videos to achieve measures that will exceed the expectations of users. In particular, since December 2021, Tomita has proposed and strongly promoted the "dip Incentive Project" in which sales employees suggest measures to client companies such as raising hourly wages and paying sign on bonuses and such measures are posted on our website. In this way, as Representative Director, President and Chief Executive Officer of the Company, Tomita has led its growth and demonstrated strong leadership.

The Company has judged that Tomita is appropriately qualified for our aim of continuing to sustainably increase corporate value and has therefore appointed him as a Board Director of the Company.



Masatsugu Shidachi

Representative Director, Chief Operating Officer

Years served as a Board Director: 4 years

Attendance at the Board of Directors' meetings in FY'23/2: 100% (13/13)

April 1991 Joined TOPPAN PRINTING CO., LTD.
 November 1998 Joined Yahoo Japan Corporation*1
 April 2012 Corporate Officer of Yahoo Japan Corporation*1
 April 2017 President and Representative Director of IDC Frontier Inc.
 April 2019 Corporate Group CIO of Yahoo Japan Corporation*1
 May 2019 Advisor to woman innovation association*2 (present)
 May 2019 Outside Board Director of the Company
 October 2019 Advisor to Adaptive, Inc. (present)
 July 2020 Advisor to RadarLab Inc. (present)
 Board Director, COO of the Company
 March 2022 Representative Director, COO, CIO (Chief Information Officer) and Head of Service Development Group of the Company
 February 2023 Representative Director, COO, CIO, Head of Service Development Group, and Head of DX Business Group of the Company
 April 2023 Representative Director, COO, and CIO of the Company
 May 2023 Representative Director, COO of the Company (present)

*1 LY Corporation (former trade name: Z Holdings Corporation)
 *2 Currently HAPPY WOMAN Association

Areas in which the person has a high level of expertise



Having been in charge of multiple digital business divisions centered around online advertising and other marketing fields at Yahoo Japan Corporation (LY Corporation (former trade name: Z Holdings Corporation)), which develops its business multilaterally, Masatsugu Shidachi has extensive knowledge related to the internet, which is critical for the Company's business development. The Japanese labor market faces issues such as declining labor productivity due to delays in the utilization of digital technology, but Shidachi has made use of this extensive knowledge to leverage the latest technology, thereby significantly enhancing the accuracy and speed of matching job seekers and client companies as well as promoting more efficiency in sales activities and promotional investment. Shidachi also provided timely and appropriate advice as Outside Board Director of the Company beginning in May 2019, and since being appointed Board Director and Chief Operating Officer in July 2020, has demonstrated strong leadership while engaging in general oversight of management.

The Company has judged that Shidachi is appropriately qualified for our aim of continuing to sustainably increase corporate value and has therefore appointed him as a Board Director of the Company.



Outside Independent

Kuniyoshi Mabuchi

Outside Board Director

Years served as a Board Director: 2 years

Attendance at the Board of Directors' meetings in FY'23/2: 100% (13/13)

April 1995 Joined Sapient Corporation
 June 1998 Representative Director and President of DOE Co., Ltd.
 February 2009 Director of DDB Japan
 March 2012 Representative Director and President of OgilvyOne Japan*
 Representative Director and President of neo@Ogilvy*
 February 2016 Joined FleishmanHillard Japan K.K.
 July 2018 Director of Facebook Japan K.K.
 September 2018 Outside Director of PORT INC.
 December 2019 Outside Director of Makuake, Inc. (present)
 May 2021 Outside Board Director of the Company (present)
 March 2022 Co-Representative Director of Metaverse Japan (present)
 June 2022 Outside Director (Audit and Supervisory Committee Member) of PORT INC. (present)

*Currently Geometry Ogilvy Japan GK

Areas in which the person has a high level of expertise



Kuniyoshi Mabuchi has promoted the strengthening of the corporate governance system based on a wealth of management experience and extensive knowledge gleaned as a manager of several businesses, including global companies. Mabuchi also has abundant experience in and extensive knowledge of digital marketing and the latest technologies such as AI, the metaverse, and Web3. In addition to the oversight and supervisory roles exercised as an Outside Board Director, it is anticipated that Mabuchi will continue to utilize his wealth of corporate management experience to ensure the transparency of management systems, and provide advice and suggestions related to the fields of marketing and technology.

The Company has judged that Mabuchi is appropriately qualified for our aim of continuing to sustainably increase corporate value and has therefore appointed him as an Outside Board Director of the Company.

Board Directors



Outside Independent

Kanae Takeuchi

Outside Board Director
 Years served as a Board Director: 1 year
 Attendance at the Board of Directors' meetings in FY'23/2: 100% (10/10)

April 2001 Joined Tokyo Broadcasting System, Inc.*
 November 2012 Became freelance announcer
 June 2020 Outside Director of SBI Holdings, Inc. (present)
 May 2022 Outside Board Director of the Company (present)
 *Currently Tokyo Broadcasting System Television, Inc.

Areas in which the person has a high level of expertise

Corporate management	HR development/promotion of women's active participation	Sales	Service development	Marketing/promotion	Technology	Risk management	Risk management	Sustainability/ESG
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Kanae Takeuchi has extensive knowledge in a broad range of social issues, including the promotion of women's active participation in the workplace, gained through considerable experience in serving as announcer for news programs and interviewing business executives. At meetings of the Board of Directors, Takeuchi provides guidance and suggestions related to compliance and risk management from an objective perspective cultivated through considerable experience, thereby contributing to stimulating discussion at meetings of the Board of Directors. In addition to the oversight and supervisory functions of an Outside Board Director, Takeuchi is also expected to continue to utilize an abundant knowledge related to social issues to provide effective advice related to the social issues that we strive to address, and provide advice and suggestions aimed at strengthening compliance and risk management.

The Company has judged that Takeuchi is appropriately qualified for our aim of continuing to sustainably increase corporate value and has therefore appointed her as an Outside Board Director of the Company.

As Takeuchi was newly elected as a Board Director at the 25th Annual General Meeting of Shareholders held on May 24, 2022, and assumed office on that day, her attendance at Board of Directors' meetings during the fiscal year from that day onward is stated.



Outside Independent

Yuka Shimada

Outside Board Director
 Years served as a Board Director: — years
 Attendance at the Board of Directors' meetings in FY'23/2: —%

April 1996 Joined Pasona Inc.
 June 2002 Joined GE Japan Holdings Limited*1
 August 2008 Joined Unilever Japan K.K.*2
 April 2014 Director and General Manager of HR & General Affairs Division of Unilever Japan Holdings K.K.
 February 2017 Jointly established YeeY Inc., Representative Director (present)
 November 2020 Established dialogue, Inc., Representative Director (present)
 October 2021 General Manager of HR & General Affairs Division of Unilever Japan Holdings G.K.
 April 2022 Representative Partner of NOTONO G.K. (present)
 July 2022 CWO (Chief Well-being Officer) of Asteria Corporation (present)
 November 2022 Representative Director of Promotion Council for Well-being in Japan (present)
 May 2023 Outside Board Director of the Company (present)

*1 Currently General Electric Japan Holdings Limited
 *2 Currently Unilever Japan Holdings G.K.

Areas in which the person has a high level of expertise

Corporate management	HR development/promotion of women's active participation	Sales	Service development	Marketing/promotion	Technology	Finance/accounting	Risk management	Sustainability/ESG
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Yuka Shimada has promoted support for establishing organizational culture as the head of human resources and general affairs at a global company. In addition, as a manager, Shimada has been involved in promoting the spread of well-being (a state of healthy and sound mind and body) to Japanese companies and society and has a wealth of experience and extensive knowledge in the field of well-being. In addition to oversight and supervisory functions as an Outside Board Director, Shimada is expected to provide effective advice and recommendations regarding health management and the Company's efforts to enhance employee wellbeing in order to recruit more people and continue sustainable growth now and in the future.

The Company has judged that Shimada is appropriately qualified for our aim of continuing to sustainably increase corporate value and has therefore appointed her as an Outside Board Director of the Company.

Board Directors



Outside Independent

Eriko Tanabe

Outside Board Director (Audit and Supervisory Committee Member)

Years served as a Board Director: 4 years

Attendance at the Board of Directors' meetings in FY'23/2: 100% (13/13)

Attendance at the Board of Corporate Auditors' meetings in FY'23/2: —%

April 1988 Joined Nihon Takuken Co., Ltd.
 November 1991 Joined TEMPSTAFF CO., LTD.*
 April 2011 General Manager of Internet Planning Office, IT Head Office of TEMPSTAFF CO., LTD.
 May 2019 Outside Board Director of the Company
 May 2023 Outside Board Director (Audit and Supervisory Committee Member) of the Company (present)

*Currently PERSOL TEMPSTAFF CO., LTD.

Areas in which the person has a high level of expertise



Having engaged in multiple projects centering on the IT field at TEMPSTAFF CO., LTD. (currently PERSOL TEMPSTAFF CO., LTD.), including the construction of websites and online systems provided by the said company, Eriko Tanabe has extensive experience related to management and risk management. Since May 2019, as Outside Board Director of the Company, Tanabe has provided advice and suggestions concerning all aspects of corporate management, including technology, risk management, and the promotion of women's active participation in the workplace, in addition to exercising oversight and supervisory functions. It is expected that Tanabe will continue to utilize the broad range of knowledge developed through the experience gained in various roles to date to supervise the management of the Company from an independent standpoint, while also strengthening the decision-making function of the Board of Directors, and audit and supervisory functions.

The Company has judged that Tanabe is appropriately qualified for our aim of continuing to sustainably increase corporate value and has therefore appointed her as an Outside Board Director who is an Audit and Supervisory Committee Member.



Outside Independent

Yukiko Imazu

Outside Board Director (Audit and Supervisory Committee Member)

Years served as a Corporate Auditor: 1 year

Attendance at the Board of Directors' meetings in FY'23/2: 100% (10/10)

Attendance at the Board of Corporate Auditors' meetings in FY'23/2: 100% (10/10)

April 1996 Joined Anderson Mori*
 January 2005 Partner at Anderson Mori & Tomotsune (present)
 April 2007 Associate Professor of Keio University Graduate School of Law
 March 2014 Director of Ishibashi Foundation (present)
 June 2018 Outside Audit & Supervisory Board Member of DAIICHI SANKYO COMPANY, LIMITED (present)
 May 2022 Outside Corporate Auditor of the Company
 June 2022 Outside Director of ALCONIX CORPORATION (present)
 May 2023 Outside Board Director (Audit and Supervisory Committee Member) of the Company (present)

*Currently Anderson Mori & Tomotsune

Areas in which the person has a high level of expertise



As a lawyer, Yukiko Imazu has abundant experience and extensive knowledge in corporate legal affairs and risk management, including the personnel, labor, and governance areas. As a partner at a law firm, Imazu is also involved in the promotion of women's active participation in the workplace. Since May 2022, as Outside Corporate Auditor of the Company, Imazu has exercised oversight and supervisory functions in relation to all aspects of corporate management, based on accumulated experience and extensive knowledge. It is expected that Imazu will continue to provide advice and suggestions related to corporate governance, risk management, and the promotion of women's active participation in the workplace from an independent standpoint and strengthen audit and supervisory functions.

The Company has judged that Imazu is appropriately qualified for our aim of continuing to sustainably increase corporate value and has therefore appointed her as an Outside Board Director who is an Audit and Supervisory Committee Member.

As Imazu was newly elected as a Corporate Auditor at the 25th Annual General Meeting of Shareholders held on May 24, 2022, and assumed office on that day, her attendance at Board of Directors' meetings and Board of Corporate Auditors' meetings during the fiscal year from that day onward is stated.



Outside Independent

Misae Maruyama

Outside Board Director (Audit and Supervisory Committee Member)

Years served as a Corporate Auditor: — years

Attendance at the Board of Directors' meetings in FY'23/2: —%

October 1993 Joined Tohmatsu & Co.*
 December 2011 Established Maruyama CPA Office (present)
 August 2021 Outside Corporate Auditor of 3-shake Inc. External Full-Time Auditor of Yappli, Inc. (present)
 March 2022 Outside Board Director (Audit and Supervisory Committee Member) of the Company (present)
 May 2023 Outside Board Director (Audit and Supervisory Committee Member) of the Company (present)

*Currently Deloitte Touche Tohmatsu LLC

Areas in which the person has a high level of expertise



Misae Maruyama always maintains a fair and unbiased stance as a certified public accountant and has a high level of expertise and practical experience. In addition, Maruyama possesses a deep familiarity with corporate finance, accounting, and taxation obtained through auditing experience at an auditing firm and while serving as an outside corporate auditor at other companies. Maruyama is expected to utilize the broad range of knowledge developed through the experience gained in various roles to date to provide advice and suggestions related to corporate finance, accounting, and taxation, and to supervise the management of the Company, while also strengthening the decision-making function of the Board of Directors, and audit and supervisory functions.

The Company has judged that Maruyama is appropriately qualified for our aim of continuing to sustainably increase corporate value and has therefore appointed her as an Outside Board Director who is an Audit and Supervisory Committee Member.

*Board Director and Full-Time Audit and Supervisory Committee Member Tsuneyo Otomo resigned as Board Director and Full-time Audit and Supervisory Committee Member as of October 30, 2023 for personal reasons.

Criteria for selecting each item in the skill matrix

Name	Positions	Outside Officer	Independent Officer	Nomination and Compensation Committee	Diversity (female/internationality)	Areas in which the person has a high level of expertise										
						Corporate management	HR development/promotion of women's active participation	Sales	Service development	Marketing/promotion	Technology	Finance/accounting	Risk management	Sustainability/ESG		
Hideki Tomita	Representative Director, President and Chief Executive Officer			●		●	●	●	●	●						●
Masatsugu Shidachi	Representative Director and Chief Operating Officer					●	●		●	●	●	●				●
Kuniyoshi Mabuchi	Outside Board Director	●	●	●		●			●	●	●					
Kanae Takeuchi	Outside Board Director	●	●	●	●		●								●	●
Yuka Shimada	Outside Board Director	●	●	●	●	●	●									●
Eriko Tanabe	Outside Board Director (Audit and Supervisory Committee Member)	●	●	●	●	●	●				●				●	●
Yukiko Imazu	Outside Board Director (Audit and Supervisory Committee Member)	●	●	●	●		●								●	●
Misae Maruyama	Outside Board Director (Audit and Supervisory Committee Member)	●	●	●	●		●					●				

Skill Item	Selection Reasons
Corporate Management	In possession of a wealth of experience and knowledge related to all aspects of corporate management in order to achieve innovation towards the vision set forth in our philosophy and medium-term management plan, even as the business environment undergoes major changes such as structural changes in the labor market and rapid technological advances.
HR Development/Promotion of Women's Active Participation	In possession of experience and knowledge in the fields of HR development/promotion of women's active participation because in order to achieve our medium- to long-term vision based on the belief that "people are everything and people are assets," it is important to have strategies that support the securing, training, and utilization of executive management, managers, and members based on our philosophy, as well as strategies that support female employees' ability to autonomously develop their careers.
Sales	In possession of experience and knowledge in the sales field, including the ability to develop and execute strategic sales plans based on an understanding of market trends and competitive analysis, understand customer needs, negotiate, and build long-term customer relationships.
Service Development	In possession of the experience and knowledge to develop innovative services that stand out from competitors, based on deep customer understanding and creativity, even as the business environment undergoes major changes such as rapid technological advances.
Marketing/Promotion	In possession of the experience and knowledge to utilize their extensive experience and expertise in marketing, understand the evolution of digital marketing and measures including promotions, and implement personalization strategies that make full use of data analysis, even as the business environment undergoes major changes such as structural changes in the labor market and rapid technological advances.
Technology	In possession of the ability to understand and utilize digital marketing and the latest technologies such as AI, the metaverse, and Web3, as well as promote innovation to improve operational efficiency and create new businesses. Moreover, in possession of experience and knowledge to formulate appropriate technology strategies while ensuring information security, based on experience in system development and IT infrastructure construction.
Finance/Accounting	In possession of the experience and knowledge necessary to formulate and execute financial strategies in order to build a solid financial foundation that supports sustainable increases in corporate value, promote aggressive growth investments such as CVC investments and M&As, and realize appropriate shareholder returns, etc.
Risk Management	In possession of experience and knowledge in fields that can accurately address risk factors in a rapidly changing business environment, specifically law, compliance, and risk management, in order to continuously increase corporate value.
Sustainability/ESG	In possession of experience and knowledge related to long-term business continuity and social contribution through management from a sustainability/ESG perspective in order to increase corporate value and achieve sustainable growth over the medium to long term, based on our sustainability policy and environmental policy.

Outside Board Directors Messages

Realizing Both Speed and Fairness of Management in the Era of AI

Kuniyoshi Mabuchi

Outside Board Director



Looking back on the past year, dip has definitely succeeded in strengthening its governance. As of March 2022, in addition to the founder, CEO Tomita, COO Shidachi, who has a high level of knowledge concerning technology, is also in possession of representative rights, creating a structure in which they both play important roles. As a result of this, dip has further strengthened its system for promoting business transformation using AI and technology, and the speed of strategy implementation has increased over the past year.

Moreover, on the business side, dip has begun development of an “AI-Agent business” that uses generative AI to improve matching accuracy. Internally, the Company is also promoting the use of generative AI to improve employee productivity. At the same time, dip is working to strengthen the core systems that support these efforts, and I highly commend the steady progress of these concrete initiatives.

In order for dip, which has pioneered a variety of personnel recruiting services businesses based on a user-first philosophy, to aim for further growth going forward, it must achieve discontinuous growth that is not a mere extension of what it has done thus far. To achieve this, it is essential to develop new businesses that incorporate AI. With the advent of generative AI, which is said to be a once-in-decades technology, there is no doubt that significant work style changes will occur, and it is likely that everyone will be forced to reconsider the way they work as well as the way they communicate. While some jobs will be affected, productivity will increase dramatically, just like when the

internet came about. As the work process itself changes, there is also a high possibility that new jobs and new business types will arise. Amidst these significant changes, dip must consider in what ways employees can make full use of AI to change their jobs and advance their careers, as well as pioneer new ways of working in the era of AI and use AI to make people happy.

The most important challenge going forward is ensuring that dip does not miss out on this wave of change. The extent of dip’s success will depend on whether the Company is capable of quickly developing systems and making investments to take the lead in competition on new platforms. Of course, it is also necessary to balance this with addressing new risks that arise from the spread of AI, such as data governance and security. However, unlike in the past, it is now easier to build systems on the cloud, so even though various discussions are underway both domestically and internationally, it is quite possible to flexibly implement this into the systems in accordance with the rules. I believe that the key is to find a balance between speed and flexibility.

In addition, I will be serving as Chairperson of the Nomination and Compensation Committee as of this fiscal year, and I will work even more responsibly to ensure that management’s philosophy is implemented fairly and accurately, leading to non-continuous growth. The speed of strategy implementation is accelerating now that dip has a two-person structure with CEO Tomita and COO Shidachi, and my role is to support this from an objective and fair perspective.

Aiming to Be “No. 1 in Employee Well-Being,” We Will Contribute to the Realization of Diverse Working Styles

Kanae Takeuchi

Outside Board Director



In the one year since I was appointed as an Outside Board Director, I have strived to actively communicate and gather information in order to maintain objectivity and deepen my understanding of dip. During regular meetings with COO Shidachi and Executive Officers, I have repeatedly shared my opinions about the Company’s business. Moreover, I value opportunities to interact directly with employees, and have participated in informal job offer ceremonies and induction ceremonies, as well as general meetings of employees and executive training presentations, deepening my interactions with people from a wide range of levels, from young employees to executives.

The Board of Directors receives excellent support from the secretariat, and has a system in place that allows members to thoroughly understand the outline of the proposed agenda, including explanations on background information, and this leads to lively discussions every time. I myself have endeavored to make proactive suggestions based on social trends concerning themes that I have been interested in for many years, including the promotion of women’s active participation, the formation of diverse careers, and balance between work and life events. In terms of member composition, women account for more than half of the Board Directors, and since there are a variety of members with different backgrounds and areas of expertise, we are able to ensure diversity in the decision-making process, which I believe leads to an open and comfortable environment.

Of course, this idea is not limited to top management. dip has set “Promotion of DEI/respect for human rights” as a materiality, and in addition to focusing on the development of female managers and women in top management, we are working to realize flexible and

diverse working styles for all employees, including men, by expanding the short working hours system and encouraging men to take childcare leave. On the business side, dip will provide job listings to accommodate a variety of working styles and improve the accuracy of matches between users and jobs. Through this, I believe that dip contributes to the promotion of diversity and the active participation of women.

Based on my experiences in the United States, Brazil, and Argentina, I have found that there are a variety of working styles and employment styles that work around the ability to balance family life and work. In Japan, there is still a deep-rooted gender bias in which housework and childcare are considered women’s roles. Therefore, going forward, it is important that we create a system in which people, regardless of gender, can choose a working style that allows for their individual circumstances, such as childcare, nursing care, or medical treatment, as well as foster a culture in which we support each other. dip actively promotes initiatives for diverse working styles, and I believe that, going forward, the Company must take on the challenge of further developing an environment that makes it easier for employees to balance work with childcare. dip has a very young workforce as well as many young managers, therefore we must create and manage an environment that allows employees to work to the best of their ability with energy and purpose no matter what life choices they make, be it to get married or stay single, to have children or remain childless.

Based on the belief that “people are everything and people are assets,” dip is aiming to be “No. 1 in employee well-being.” I have also renewed my desire to do my very best to contribute to the realization of this goal.

Outside Board Directors Messages

Accelerating a Positive Cycle in which the Happiness of Each and Every Employee Leads to dip's Growth

Yuka Shimada

Outside Board Director



While engaging in personnel work at multiple companies for many years and striving to create a society where each person can be themselves and demonstrate their full potential, I have been focusing on three themes. These themes are: "Working Styles," "Regional Revitalization," and "Well-Being." I believe that these three themes are interconnected and closely related to dip's business.

With this background in mind, I was approached about serving as an Outside Board Director at dip, and by speaking directly with CEO Tomita, I realized that the Company's Corporate Philosophy of wanting to "tap into dreams, ideas and passion to create a better society," a philosophy from which the Company derives its name, resonated with me. Therefore, I accepted the offer with the hope that my experience would benefit the Company.

I am still in the process of deepening my understanding of dip, but my impression thus far is that it is a company where everyone works together to move things forward without fear of failure. I have been involved in purpose-driven management for over 20 years, and the reason why companies that practice purpose-driven management are strong is because, based on the vision set forth by top management, all employees are able to understand why they are there, so even when they are unsure of a decision or need to make changes, they are able to support each other and move forward. At dip, the vision rooted in CEO Tomita's philosophy is expressed in words and actions, and front-line leaders who understand this vision put it into practice in their own unique ways, which

then leads to the vision being spread to team members through daily interactions. I believe that this is what gives dip unwavering strength as an organization. I truly feel that at dip a philosophy connects individuals and organizations in a flexible way.

Based on the belief that "people are everything and people are assets," dip has aimed to improve human capital by increasing the level of happiness of every single employee. I believe that the improvement of employee well-being links directly to improved creativity and productivity and has a positive impact on human relationships, and that individual happiness leads to the growth of the organization. When everyone feels psychologically safe and secure in saying what's on their mind, engagement levels increase and employees feel more committed to their missions, not just for their own sake, but for the sake of everyone else as well.

However, what makes a person happy varies depending on the situation and the individual. In order to clarify what "well-being" is for the employees of dip, I would like to help individuals go back to their roots and think about what they work for and why they chose this company. I would like to work alongside employees in order to promote their motivation and brighten the workplace.

Corporate Governance

Ensuring and improving effective corporate governance is essential to sustainably increase corporate value and realize dip's vision of becoming a "Labor force solution company." Under an appropriate corporate governance system, we aim to increase corporate value over the medium to long term while fulfilling our responsibilities to all stakeholders by enhancing management efficiency and conducting transparent business operations.

Basic Governance Policy

Through the provision of human resource services and DX services, and by working to solve various problems in the labor market, dip aims to realize a society in which everyone can experience the joy and happiness of work, based on our vision of becoming a "Labor force solution company" under the Corporate Philosophy of "tapping into dreams, ideas and passion to create a better

society." Ensuring and improving effective corporate governance is essential to realize this vision. Under an appropriate corporate governance system, we aim to increase corporate value over the medium to long term while fulfilling our responsibilities to all stakeholders by enhancing management transparency and conducting efficient business operations.

Overview and Characteristics of the Governance System

Upon resolution by the 26th Annual General Meeting of Shareholders held on May 24, 2023, dip transitioned from a company with a board of corporate auditors to a company with an audit and supervisory committee. The aim was to strengthen the audit and supervision of Executive Board Directors and make the corporate governance system even more effective by including, as members of the Board of Directors, Audit and Supervisory Committee Members who are primarily tasked with auditing the execution of duties by Board Directors. Also, dip has created a support system for Outside Board Directors and for Outside Board Directors who are Audit and Supervisory Committee Members. The system is designed to enable them to fully play their role of auditing or supervising management, for example through extensive prior briefings on agenda items for Board of Directors meetings.

By promoting DX in operations, dip has built a framework that enables Board Directors to keep abreast of the information necessary for real time decision-making at meetings of the Board of Directors and promotes livelier discussions.

The Audit and Supervisory Committee conducts effective audits by cooperating with the Accounting Auditor, the Internal Audit and Control Office, and the department responsible for internal control to enhance audit functions.

dip has also established the voluntary Nomination and Compensation Committee comprised of independent Outside Board Directors in the majority to increase impartiality and transparency in the process of selecting Board Director candidates and deciding individual compensation.

In addition, dip has introduced an executive officer system to expedite decision-making and ensure smooth execution. Executive Officers Meetings are held weekly to share and discuss important matters relating to the execution of operations delegated by the Board of Directors to Executive Officers. As a framework for supporting swift management decision-making, dip has also established the Strategy Promotion Council, a body that conducts preliminary reviews of Executive Officers Meeting agenda items. Outside Board Directors who are Audit and Supervisory Committee Members attend Executive Officers Meetings and Strategy Promotion Council meetings as observers.

The Board of Directors obtains and reports opinions from lawyers and other outside professionals as appropriate when deliberating and making important business execution decisions in order to ensure lawful and sound management judgment.

History of Governance Enhancements

2004	Separation of decision-making and supervision from execution The executive officer system introduced ▶ Invigorate the Board of Directors	2018	Japan's Corporate Governance Code revised
	Listing on TSE Mothers		Disclosure pursuant to the revised Japan's Corporate Governance Code
	Creation of a personal information protection system The right to display the PrivacyMark obtained		2019
2005	Strengthening of the information management system Basic Policy for Information Security established and ISMS certification obtained	2020	Enhancement of the corporate governance system Nomination and Compensation Committee created ▶ Enhance the fairness, transparency, and objectivity of the Board of Directors' decision-making process
	2006		The Companies Act comes into force
Division of functions in the executive structure The CEO and COO system adopted ▶ Create efficient decision-making and executive structures by dividing functions		Japan's Corporate Governance Code revised	
Establishment of councils The Management Council and Executive Officers Meeting launched ▶ Ensure prudent yet agile decision-making		Establishment of a policy for ensuring the diversity of managers	
2013	Listing market change to the TSE First Section	2022	Appointment of another Representative Director Speed up decision-making and business execution
			Listing market change to the TSE Prime Market
2014	Japan's Stewardship Code laid down	2023	Selection as a constituent of major ESG indexes for the first time Selected as a constituent of the MSCI Japan ESG Select Leaders Index, and the MSCI Japan Empowering Women Index (WIN), for the first time
			Issuance of the first integrated report
2015	Japan's Corporate Governance Code comes into effect	2023	Setting of the maximum term of office for Outside Board Directors at eight years ▶ Ensure the independence of Outside Board Directors
	Increase in the number of Outside Board Directors ▶ Ensure transparent management and stronger corporate governance		Transition to a company with an audit and supervisory committee ▶ Strengthen the Board of Directors' audit and supervisory functions
2016	Establishment of Standards on Independence of Outside Officers ▶ Ensure outside officers' independence	2023	Female Board Directors accounting for the majority, and independent Outside Board Directors more than two-thirds, of the Board Directors The eight-member Board comprises five female Board Directors and six independent Outside Board Directors (as of October 31, 2023) ▶ Ensure diversity and transparency in the Board of Directors
	Adoption of and disclosure pursuant to Japan's Corporate Governance Code		
2018	The first female officer appointed; and independent Outside Board Directors accounting for more than one-third of the Board Directors Ensure diversity and transparency in the Board of Directors		

Roles Played by Outside Board Directors

Outside Board Directors' Actions

Name	Actions and suggestions
Kuniyoshi Mabuchi Outside Board Director	Kuniyoshi Mabuchi possesses a wealth of management experience and insights developed through years of experience as a corporate executive, as well as abundant experience in and knowledge of digital marketing and the latest technologies such as AI. Drawing on these assets, he has performed his supervisory duties, for example by posing objective questions and making recommendations regarding the positions of the outsourced entities and other matters when the Board of Directors discussed the proposed establishment of the dip Technology Institute.
Kanae Takeuchi Outside Board Director	Kanae Takeuchi possesses a wealth of experience in serving as a newscaster and interviewing business executives. Drawing on these assets, she has performed her supervisory duties, for example by providing advice and recommendations on agenda items pertaining to compliance and risk management from the perspective of promoting diverse work styles and women's active participation in the workplace at Board of Directors meetings and by actively participating in informal job offer ceremonies and other internal events.
Yuka Shimada Outside Board Director	Yuka Shimada possesses a wealth of experience and knowledge in the field of well-being as a senior executive of multiple corporations where she has worked to deliver well-being to society. Drawing on these assets, she has performed her supervisory duties, for example by providing advice and recommendations on well-being and other matters at Board of Directors meetings, and by actively participating in philosophy contests.
Eriko Tanabe Outside Board Director who is an Audit and Supervisory Committee Member	Eriko Tanabe possesses a wealth of experience in corporate and risk management that she has developed through numerous IT and other projects at a human resources service company. Drawing on these assets, she has performed her audit and supervisory duties, for example by providing advice and recommendations at Board of Directors meetings on the need for the AI-Agent business to ensure data security measures and personal information protection from the perspective of technology and risk management.
Yukiko Imazu Outside Board Director who is an Audit and Supervisory Committee Member	Yukiko Imazu possesses a wealth of experience and knowledge in corporate legal affairs and risk management, including the personnel, labor, and governance areas, that she has developed through years of experience as a lawyer. Drawing on these assets, she has performed her audit and supervisory duties, for example by providing advice and recommendations on corporate governance and risk management at Board of Directors meetings. In addition, she has helped our officers and employees raise compliance awareness by serving as a lecturer at harassment and LGBTQ training sessions.
Misae Maruyama Outside Board Director who is an Audit and Supervisory Committee Member	Misae Maruyama possesses a wealth of experience and knowledge in corporate finance, accounting, and tax affairs that she has developed through years of experience as a certified public accountant. Drawing on these assets, she has performed her audit and supervisory duties, for example by providing advice and recommendations on finance and accounting when the Board of Directors receives reports on or resolves investments.

Support for Outside Board Directors

Each year, the Company arranges meetings between Outside Board Directors and Executive Officers in the months of June and July subsequent to the Annual General Meeting of Shareholders. During the meetings, Outside Board Directors are briefed about each Group's direction so that they can discuss business strategies, service development, and other matters based on a good understanding of the relevant business operations.

Sharing information with Outside Board Directors is the responsibility of the secretariat of the Board of Directors. When convening a Board of Directors meeting, the secretariat briefs Outside Board Directors around two business days prior to the meeting. The briefing is designed to explain the background

and past development of each agenda item, thereby increasing their understanding of respective items and invigorating discussion at the meeting. Newly elected Board Directors are separately briefed prior to a meeting where business performance is to be reported or budget-related agenda items discussed. In addition, a system is in place that allows Outside Board Directors to gather information using an internal communication tool.

Outside Board Directors are also provided with opportunities to participate in the Company's internal training sessions (harassment training in FY'23/2) and external seminars on corporate governance so that they can gain new knowledge and refine the existing one to help the Company grow sustainably.

Evaluation of Board of Directors' Effectiveness

The Company conducts an annual evaluation of the Board of Directors with the objective of improving the effectiveness.

In FY'23/2, based on individual interviews conducted with all Board Directors and Corporate Auditors, we analyzed the current issues regarding Board effectiveness, considered actions to take, and worked primarily on the issues listed below. In FY'24/2, we will expand these actions further to make the Board of Directors even more effective.

	Issue	Action
FY'23/2	Corporate governance for sustainable growth	<ul style="list-style-type: none"> Transitioned to a company with an audit and supervisory committee to further enhance the corporate governance system Increased the percentages of independent Outside Board Directors and female Board Directors; set the maximum term of office for Outside Board Directors; and raised the percentage of independent Outside Board Directors in the Nomination and Compensation Committee
	Approach to, and support to invigorate, discussions at Board of Directors meetings	<ul style="list-style-type: none"> Increased the depth and breadth of agenda items
	Effective operation of succession plans	<ul style="list-style-type: none"> Nurtured candidates for future executive officer positions through Leadership Journey, an elective training program designed to develop leadership capable of innovating businesses and services and to implement organizational transformation



	Issue	Action
FY'24/2	Approach to corporate governance to achieve sustainable growth	<ul style="list-style-type: none"> Discuss sustainability more deeply; formulate and announce a policy on diversity; strengthen collaboration between Outside Board Directors and Outside Board Members who are Audit and Supervisory Committee Members by launching a council; review the authority of the Board of Directors; and increase the depth and breadth of matters examined by the Nomination and Compensation Committee
	Approach to, and support to invigorate, discussions at Board of Directors meetings	<ul style="list-style-type: none"> Encourage Outside Board Directors to propose agenda items, and review how Outside Board Directors are briefed on agenda items prior to Board of Directors meetings
	Development of a sound compensation system toward sustainable growth	<ul style="list-style-type: none"> Disclose compensation for individual Board Directors and systematize policies for officer compensation
	Creation of an environment conducive to internal control and risk-taking	<ul style="list-style-type: none"> Enhance the disclosure of the whistleblowing system and change the contact points for whistleblowers
	Effective operation of succession plans	<ul style="list-style-type: none"> Consider a medium- to long-term succession plan
Dialogue with investors and shareholders	<ul style="list-style-type: none"> Arrange meetings between Outside Board Directors and investors 	

2 Nomination and Compensation Committee's Initiatives

In order to strengthen the functional independence, objectivity, and accountability of the Board of Directors, the Company has established the Nomination and Compensation Committee as a voluntary advisory body to the Board of Directors.

The Committee consists of the Representative Director, President and CEO, and independent Outside Board Directors. To ensure independence, the Committee comprises independent Outside Board Directors in the majority and is chaired by an independent Outside Board Director.

Matters concerning Nomination

Delegated by the Board of Directors, the Nomination and Compensation Committee deliberates and reports on matters related to the nomination of candidates for Board Director in response to consultation from the Board.

- ① Determination of appointment and dismissal policy for Board Directors
- ② Determination of appointment and dismissal procedures for Board Directors
- ③ Determination of draft proposals to the General Meeting of Shareholders for appointment and dismissal of Board Directors
- ④ Determination of draft proposals for appointment and dismissal of Representative Directors
- ⑤ Matters concerning succession plans
- ⑥ Other inquiries from the Board of Directors concerning nomination of Board Directors

Actions and discussions made in FY'23/2

- Appointment of Board Director Masatsugu Shidachi as Representative Director and COO
- Maximum term of office for Outside Board Directors
- Composition of the Board of Directors for FY'24/2
- Determination of the draft proposal for the appointment of Board Directors to be submitted to the 26th Annual General Meeting of Shareholders

● Appointment

Candidates for Board Director or for Board Director who is an Audit and Supervisory Committee Member are decided by a resolution of the Board of Directors, after the Representative Director, President and CEO or another Board Director refers the candidates for the Board of Directors following confirmation that the candidates meet the basic policy for appointment outlined on page 126. The candidates are then appointed by a resolution of a General Meeting of Shareholders. The selection of candidates for Board Director takes into account recommendations from the Nomination and Compensation Committee.

Proposals for the appointment of Audit and Supervisory Committee Members are submitted to a General Meeting of Shareholders after consultation and consent of the Audit and Supervisory Committee.

● Succession Plan

When selecting a successor to the Representative Director, President and CEO, the incumbent recommends candidates, after which the Board of Directors selects from the candidates a suitable person as a potential successor, and inquires to the Nomination and Compensation Committee. After deliberation and reporting back, the Board of Directors decides on the successor. Based on the succession plan established by the Company in advance, the incumbent recommends individuals who meet certain objective criteria for recommendation, such as management ability, aptitude, and character, and who can realize the Corporate Philosophy of "Here at dip, we want to tap into dreams, ideas and passion to create a better society."

Matters concerning Compensation

Delegated by the Board of Directors, the Nomination and Compensation Committee determines compensation (base amount and coefficient for each position) for individual Board Directors, and deliberates and reports on matters related to Board Director compensation in response to consultation from the Board of Directors.

- ① Determination of Board Director compensation policy
- ② Determination of procedures for deciding Board Director compensation
- ③ Determination of draft proposals to the General Meeting of Shareholders for Board Director compensation
- ④ Determination of individual Board Director compensation amounts (including calculation method)
- ⑤ Other inquiries from the Board of Directors concerning Board Director compensation

Actions and discussions made in FY'23/2

- Determination of individual Board Director compensation for FY'23/2
- Determination of the draft proposal for Board Director compensation to be submitted to the 26th Annual General Meeting of Shareholders
- Determination of the draft proposal for Board Director compensation policy

● Officer Compensation System

• Basic Policy

In regard to the compensation system for management and Board Directors (excluding Outside Board Directors and Outside Board Directors who are Audit and Supervisory Committee Members, as they are expected to fulfill their audit and supervisory duties from an independent perspective), the Company's basic policy is to create a mechanism that helps share value with shareholders, allows for objectivity and transparency ensuring full accountability, considers a sufficient level for employing and retaining talent, encourages sound entrepreneurship, and thereby enables the Company to grow sustainably and increase corporate value over the medium to long term.

The policy for determining individual Board Director compensation, etc. has been set based on the above basic policy as summarized below. This determination policy has been decided by a resolution of the Board of Directors based on recommendations from the Nomination and Compensation Committee, an advisory body to the Board of Directors which comprises independent Outside Board Directors in the majority and is chaired by an independent Outside Board Director.

Furthermore, the Board of Directors has confirmed that the method of determining individual Board Director compensation, etc. for FY'23/2 and the content of the determined compensation, etc. conform to the determination policy, and has judged that these are in line with the determination policy.

• Executive Board Directors

The compensation system for Executive Board Directors consists of cash compensation as the base compensation and performance-linked compensation, which is aimed at emphasizing the link with dip's share value and bolstering Executive Board Directors' awareness toward contributing to medium- and long-term performance and corporate value improvement.

Base compensation for the different managerial positions is derived by multiplying the base amount, which is the base compensation for the Representative Director, President and CEO, by a coefficient for each managerial position as prescribed by internal rules.

• Outside Board Directors and Outside Board Directors who are Audit and Supervisory Committee Members

Compensation for Outside Board Directors and Outside Board Directors who are Audit and Supervisory Committee Members consists solely of cash compensation as the base compensation, in principle, to ensure the effectiveness and independence of audits and supervision.

• Policy for Each Managerial Position

Compensation for the different managerial positions is derived by multiplying the base amount, which is the base compensation for the Representative Director, President and CEO, by a coefficient for each managerial position as prescribed by internal rules. The Board of Directors delegates the determination of the base amount and the coefficient for each managerial position to the Nomination and Compensation Committee.

• **Policy on Performance-Linked (Non-Cash) Compensation, and Its Percentage Relative to Base Compensation**

The Company has established a Board Incentive Plan (BIP) trust for Executive Board Directors as performance-linked compensation and also grants restricted shares to Executive Board Directors.

Decisions regarding the levels of performance-linked compensation, and its percentage relative to base compensation, are taken based on a comprehensive review of the medium- to long-term ratio of performance-linked compensation to annual compensation and the difficulty of achieving performance targets, after conducting an objective benchmark comparison that takes into account the scale of dip's business, etc. and utilizes a remuneration database aggregated and analyzed by an external specialist institution.

The BIP trust adopts sales and operating income, which are dip's key managerial indicators, at a 1:1 ratio as performance indicators. The number of shares granted ranges between 0% and 150% based on the achievement of performance targets.

The restrictions will be lifted upon the expiry of the restriction period for all or part of the shares allotted in accordance with the performance conditions that the Board of Directors set forth based on consolidated sales, consolidated operating income, and other indicators.

• **Policy on the Timing and Conditions of Paying Compensation, etc.**

Timing for Payment of Compensation, etc.

Type of compensation		Timing of payment
Base compensation		Annual salary (paid monthly)
Performance-linked compensation	BIP trust	Upon retirement
	Restricted share compensation	When restrictions are lifted

Conditions for Compensation, etc.

(BIP trust)

In regard to the BIP trust, eligible persons who have met the prescribed requirements receive the Company's shares equivalent to 50% of the share delivery points as the performance-linked share compensation. The remaining 50% of the share delivery points are converted within the trust and paid in cash in an amount equivalent to the conversion value.

The trust agreement includes a malus provision, which stipulates that an eligible person who commits a serious breach of duties, internal rules, and other regulations while in office forfeit their right to receive performance-linked share compensation, etc. It also contains a clawback provision that allows the Company to demand the return of the performance-linked share compensation granted if it turns out after the granting thereof that the eligible person committed such a serious breach.

(Restricted share compensation)

Restricted share compensation is subject to tenure and performance-linked conditions until the lifting of the restrictions.

The agreement contains a clawback provision that allows the Company to demand the return of the restricted share compensation granted if the eligible person committed a serious breach of duties, internal rules, and other regulations while in office.

• **Matters concerning the Delegation of the Determination of Compensation, etc.**

Determination of Officer Compensation Policy

The Company's officer compensation policy is determined by the Board of Directors based on recommendations from the Nomination and Compensation Committee.

Determination of Base Compensation

Base compensation is determined by the Nomination and Compensation Committee upon delegation from the Board of Directors, comprehensively taking into consideration the officer's managerial position (including the coefficient for each managerial position prescribed by internal rules), responsibilities, and contribution to financial results, within a range of compensation approved by a resolution of a General Meeting of Shareholders from the perspective of increasing objectivity and transparency.

Determination of Performance-Linked Compensation

The BIP trust is determined separately from base compensation by a resolution of the Board of Directors within a range approved by a resolution of a General Meeting of Shareholders.

Restricted share compensation is determined separately from base compensation by a resolution of the Board of Directors within a range approved by a resolution of a General Meeting of Shareholders.

• **Procedure for Determining Officer Compensation**

Dates and Details of Resolutions by General Meetings of Shareholders regarding Officer Compensation

The dates and details of resolutions by General Meetings of Shareholders regarding officer compensation, etc. are as follows:

Type of compensation	Date of resolution	Eligible persons	Amount, etc.	Number of persons eligible at time of resolution
Base compensation	May 24, 2023	Board Directors (excluding Audit and Supervisory Committee Members)	675,000 thousand yen per year (including up to 100,000 thousand yen per year for Outside Board Directors)	5
Base compensation	May 24, 2023	Audit and Supervisory Committee Members	Up to 125,000 thousand yen per year	4
Performance-linked compensation (BIP trust)	May 24, 2023	Board Directors (excluding Outside Board Directors and Audit and Supervisory Committee Members)	Up to 400,000 thousand yen every five fiscal years and up to 40,000 shares per year	2
Performance-linked compensation (Restricted share compensation)	May 24, 2023	Board Directors (excluding Outside Board Directors and Audit and Supervisory Committee Members)	Up to 900,000 thousand yen and up to 350,000 shares every six fiscal years	2

• **Content of Officer Compensation**

Total Amount of Compensation for Each Officer Category, Total Amount by Compensation Type, and Number of Eligible Officers

Officer compensation for dip's Board Directors and Corporate Auditors in FY'23/2 was as follows:

Officer category	Total amount of compensation (thousand yen)	Total amount by compensation type (thousand yen)						Number of eligible officers
		Base compensation	Stock options	Bonuses	Retirement benefits	BIP trust	Restricted share compensation*	
Board Directors (excluding Outside Board Directors)	399,010	223,800	-	-	-	30,784	144,426	4
Corporate Auditors (excluding Outside Corporate Auditors)	34,500	34,500	-	-	-	-	-	2
Outside officers	25,500	25,500	-	-	-	-	-	6

* The above restricted share compensation for Board Directors is the amount of stock compensation expense recorded in the financial statements for FY'23/2. For the allocation of restricted shares, monetary compensation claims totaling 541,600 thousand yen were paid as compensation in FY'22/2, but this amount was paid in a lump sum as compensation for the execution of duties over the four fiscal years starting in FY'22/2.

Total Amount of Compensation, etc. for Officers Whose Compensation Totals 100 Million Yen or More

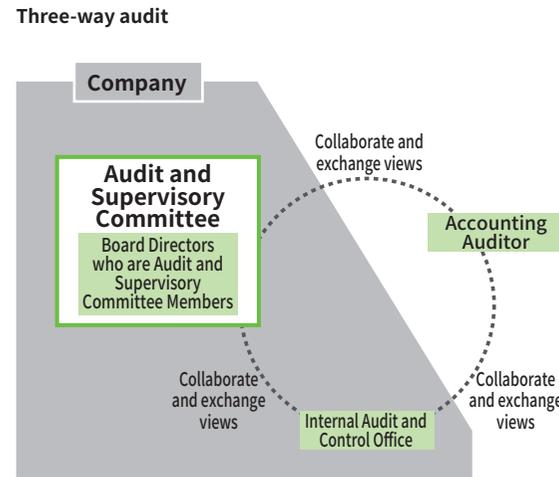
Officer category	Name	Total amount of compensation (thousand yen)	Total amount by compensation type (thousand yen)					
			Base compensation	Stock options	Bonuses	Retirement benefits	BIP trust	Restricted share compensation*
Board Directors	Hideki Tomita	116,721	78,800	-	-	-	10,841	27,079
	Masatsugu Shidachi	185,540	83,750	-	-	-	11,523	90,266

* The above restricted share compensation for Board Directors is the amount of stock compensation expense recorded in the financial statements for FY'23/2. For the allocation of restricted shares, monetary compensation claims totaling 440,050 thousand yen were paid as compensation in FY'22/2, but this amount was paid in a lump sum as compensation for the execution of duties over the four fiscal years starting in FY'22/2.

3 Three-Way Audit Initiatives

The Company has adopted a three-way audit system in which the Audit and Supervisory Committee, the Accounting Auditor, and the Internal Audit and Control Office collaborate to achieve their respective audit purposes following their respective protocols. The three-way audit system is designed to allow for more efficient auditing through deeper collaboration between Board Directors who are Audit and Supervisory Committee Members, the Accounting Auditor, and internal auditors.

The three parties meet regularly to exchange views on audit plans and results. This helps them proceed with their respective tasks effectively. In addition, they attend other party's audits as observers to see how they are conducted firsthand. This initiative has enabled each party to avoid overlap among, and share information outside, their respective audit scopes, thereby gaining even more insights.



● Status of Audits by the Audit and Supervisory Committee

The Audit and Supervisory Committee consists of three Outside Board Directors who possess specialized expertise and extensive knowledge backed by a wealth of experience. The Committee meets monthly in principle, and convenes extraordinary meetings as necessary. In accordance with the audit policy it has adopted, the Committee deliberates on matters prescribed by laws, regulations, and the Articles of Incorporation and on important audit work while endeavoring to enhance the audit and supervisory system. Board Directors who are Audit and Supervisory Committee Members attend Board of Directors meetings and other important councils, audit the legality of business execution by Board Directors, and supervise its validity.

Board Directors who are Audit and Supervisory Committee Members hold meetings with the Accounting Auditor or the Internal Audit and Control Office on a timely basis to exchange views and share information, as well as request a report from the Accounting Auditor or the Internal Audit and Control Office where necessary. During and after an audit by the Accounting Auditor, Board Directors who are Audit and Supervisory Committee Members receive reports on the audit results. They also audit and verify the validity of the Accounting Auditor's audit.

The main agenda items for Audit and Supervisory Committee meetings are as follows:

- ① Appointing or removing the chairperson of the Audit and Supervisory Committee
- ② Appointing or removing Full-Time Audit and Supervisory Committee Members
- ③ Appointing selected Audit and Supervisory Committee Members
- ④ Formulating a code of Audit and Supervisory Committee auditing and supervising standards
- ⑤ Matters concerning audit policies, audit plans, audit and investigation methods, sharing of audit affairs, and the like; and preparing audit reports
- ⑥ Formulating policies for deciding the dismissal or non-reappointment of the Accounting Auditor
- ⑦ Deciding the appropriateness of reappointing the Accounting Auditor
- ⑧ Deciding the contents of a proposal regarding the dismissal or non-reappointment of the Accounting Auditor that will be submitted to a General Meeting of Shareholders
- ⑨ Deciding the contents of a proposal regarding the appointment of the Accounting Auditor that will be submitted to a General Meeting of Shareholders

- ⑩ Deciding the opinion of the Audit and Supervisory Committee regarding the appointment, dismissal, or resignation of Board Directors (excluding Audit and Supervisory Committee Members)
- ⑪ Deciding the opinion of the Audit and Supervisory Committee regarding compensation, etc. for Board Directors (excluding Audit and Supervisory Committee Members)
- ⑫ Deciding to request that the appointment of Audit and Supervisory Committee Members (including substitute Audit and Supervisory Committee Members) be included in the agenda of a General Meeting of Shareholders
- ⑬ Other matters found necessary by the Audit and Supervisory Committee in relation to the performance of the Committee's duties

● Status of Internal Audits

Internal audits are the responsibility of the Internal Audit and Control Office, which directly reports to the Representative Director, President and CEO. Staffed by four employees, the Office conducts internal audits on a regular basis in accordance with the Internal Audit Regulations and the annual internal audit plan, with the aim of ascertaining whether business is properly conducted and providing necessary advice. The Office actively exchanges views regarding these audit results, and otherwise cooperates, with Audit and Supervisory Committee Members and the Accounting Auditor.

Its internal audit reports are submitted from the Head of the Internal Audit and Control Office to the Representative Director, President and CEO. Moreover, the Office reports its summarized internal audit results to the Audit and Supervisory Committee every month and to the Board of Directors on a quarterly basis.

● Status of Accounting Audits

The Company is subject to accounting audits by KPMG AZSA LLC in compliance with the Companies Act and the Financial Instruments and Exchange Act. KPMG AZSA LLC has expressed that, in its opinion, the Company's financial disclosure documents, including balance sheets and statements of income, were prepared in accordance with corporate accounting principles generally accepted in Japan and present fairly the business performance and financial position of the Company.

● Strengthening the Internal Control System

In line with the Internal Control Reporting System based on the Financial Instruments and Exchange Act, the Company has established and operates internal control over financial reporting in accordance with the basic framework for internal control indicated in the standards and regulations of the Financial Services Agency, and assesses and improves the effectiveness of such control. With respect to the internal control report prepared in accordance with the said system for the most recent fiscal year in which the internal control over financial reporting was deemed effective, the auditor has expressed an opinion that the report fairly presents important points including the following:

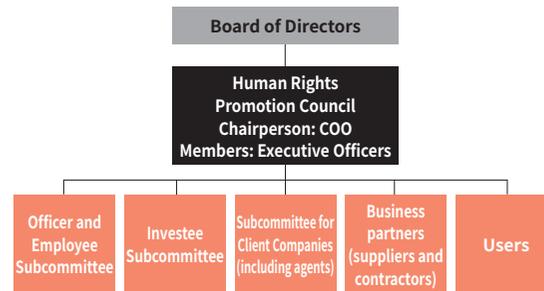
- System for ensuring that Board Directors and employees execute their duties in accordance with laws, regulations, and the Articles of Incorporation
- System for saving and managing information relating to Board Directors' execution of duties
- Rules and other systems for managing risk of loss
- System for ensuring that Board Directors execute their duties efficiently
- System for ensuring the appropriateness of operations in the corporate group comprising dip and its subsidiaries
- System for ensuring the appropriateness of financial reporting

4 Sustainability Promotion Initiatives

The Company has established the Sustainability Promotion Council, chaired by the Representative Director and COO and consisting of all Executive Officers, to engage in efforts toward the realization of a sustainable society. The details and system are presented on page 33.

5 Human Rights Initiatives

The Company has established the Human Rights Promotion Council, chaired by the Representative Director and COO, to deliberate and decide on initiatives relating to human rights in line with its human rights policy. In addition, the Board of Directors regularly receives reports from this Council on the content of its discussions and the progress of initiatives, and gives instructions as necessary. Regarding human rights initiatives, in addition to proposals from the Council, ideas from employees are also deliberated.



6 Compliance and Risk Management Initiatives

Compliance and Risk Management System

To enhance compliance and risk management, the Company has newly created a Compliance and Risk Management Promotion Council, which is chaired by the Representative Director and COO and consists of all Executive Officers. The Council meets four times a year to present and discuss matters related to compliance and risk management, and reports the results to the Board of Directors.

Based on reports from the Council, the Board of Directors obtains and examines an overview of compliance violations and company-wide risks, and decides what actions to take to prevent recurrence.

In April 2023, we created a Compliance Section, a unit specializing in compliance and risk management, within the Sustainability Promotion Department of the Corporate Management Group to reinforce our compliance and risk management system. The Section has built and operates a system whereby, if a compliance or risk management

problem arises, Executive Board Directors and Executive Officers are swiftly informed. It also serves as the secretariat of the Compliance and Risk Management Promotion Council.

In addition, the Company has a system in place where, should a serious incident affecting business activities occur, we set up an emergency response team headed by the CEO to quickly and accurately address the situation and keep losses and damage to a minimum.



Promoting Compliance

The Company has established the Basic Policy on Compliance to ensure that Board Directors and employees adhere to laws, regulations, and the Articles of Incorporation, fulfill their social responsibility, and respect corporate ethics in the execution of their duties. In an effort to instill the Basic Policy, we post it on the internal bulletin board and explain it during training sessions.

We also conduct a quarterly compliance verification test for all employees. The test covers issues related to general compliance, knowledge of

information security, our regulations and policies, reporting systems, etc., in order to raise compliance awareness. Other issues related to bribery prevention and human rights are incorporated as appropriate. Furthermore, we work to raise compliance awareness according to the attributes and grades of individual employees. To that end, we provide internal workshops for Board Directors and Audit and Supervisory Committee Members, compliance training for new employees and new managers, and thematic training for all employees (LGBTQ training in FY'24/2).

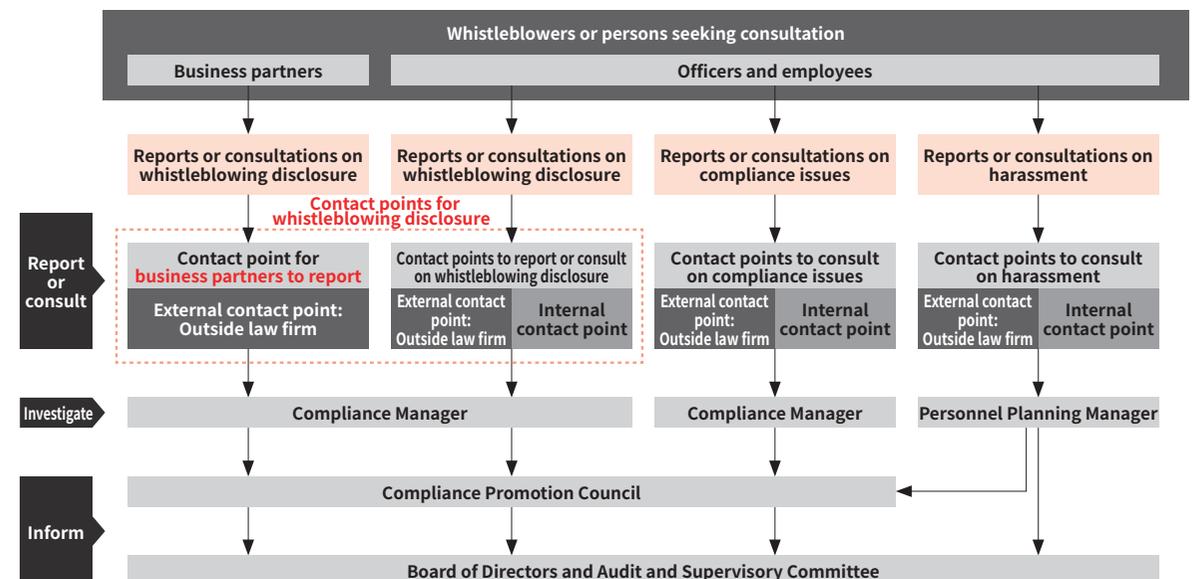
Percentage of employees who took compliance tests

	FY'21/2	FY'22/2	FY'23/2
Compliance verification test participation rate	100%	100%	100%

Whistleblowing System

We have a whistleblowing system in place. To familiarize employees with the system, we have provided every employee with a card that contains contact points and posted information about where to report on the corporate website. We encourage a broad range of stakeholders to consult with respective contact points, whether officers, employees, temporary staff, or business partners. In collaboration with an outside law firm, we take due care to protect whistleblowers from disadvantageous treatment while conducting thorough fact-checking and implementing remedial and other measures. In FY'23/2, we received seven consultation requests: five on harassment and two on labor issues.

Whistleblowing system



Strengthening Risk Management

With regard to business and other risks, the Company has established a system for managing such risks in accordance with its regulations. To keep track of the status of risks, each year we update the risk map that visualizes business and other risks, and report the results to the Board of Directors.

Primary risks and control measures

Of our business and other risks, the primary ones are as listed below. Recognizing the possibility that these risks may materialize, the Company makes every effort to prevent them from materializing and will take appropriate measures if they do.

(1) Commercial systems failure, virus infection, and cyberattacks

The Company's business relies on communications networks that link the computer systems providing online information sites with end-user devices. If these computer systems are down for unforeseeable reasons, etc., our business activities may be disrupted.

To prevent such an eventuality, we have been making consistent efforts to strengthen our backup systems and information security practices with the aim of avoiding grave incidents and mitigating the impact on business operations if they occur.

(2) Information leakage

The Company's website uses the Secure Sockets Layer (SSL) protocol to protect all connections against eavesdropping, tampering, and spoofing by third parties. We also continue to implement security measures to prevent unauthorized access and other unlawful online activity. Nevertheless, in the event of a serious problem such as the leakage of personal information in the course of business activities, we may be subject to legal liability, lose the trust of client companies and job applicants, and may deteriorate our brand image, which may affect our business performance and financial position.

As part of our efforts to ensure strict management of personal information, we have obtained and maintain the right to display the PrivacyMark, and have acquired and retain ISO 27001 (JIS Q 27001) certification for information security management system.

(3) Violations of applicable laws and regulations

(Applicable regulations)

The Company's business activities involve the provision of services that utilize the internet and digital technologies. At present, statutory regulation over these services is limited. However, in the event that the establishment or revision of laws and regulations impacts them or that costs to comply with laws and regulations increase, our business operations and performance may be affected.

The Company's business is governed by various laws: the Act on Equal Opportunity and Treatment between Men and Women in Employment, the Employment Security Act, and the Labor Standards Act, to name a few. We give due attention to these laws in the conduct of business activities. Still, in the event that a fact conflicting with these laws arises or that these laws are amended and statutory regulation tightened, there is a probability that our business activities may be restricted while costs may increase to comply with the new statutory regulation. In that event, our business performance and financial position may be affected. Moreover, as we offer services for nurses and other qualified professionals, amendments to the Act on Public Health Nurses, Midwives, and Nurses and other laws that govern these qualifications might affect our business operations and performance.

The Company is licensed as a provider of paid employment placement services by the Minister of Health, Labour and Welfare. Continuing these services requires the license. Thus, if the license is rescinded for some reason, our business operations and performance may be affected. To the best of our current knowledge, there is no fact that constitutes a reason for the rescission of the license.

(Intellectual property rights)

If an entity in the same business as the Company obtains a patent, utility model, or other intellectual property right that relates to our business, we may suffer from diminishing competitive advantage or be sued. In that event, our business performance and financial position may be affected.

Furthermore, whether in Japan or elsewhere, it is impossible to ignore the risk that a third party may have already obtained a patent, utility model, or other intellectual property right relating to part or all of our business operations and that we may incur expenses due to the infringement of that right; or to disregard the possibility that our own intellectual property rights may be infringed by a third party. At present, we are not aware of a specific case that fits these descriptions.

(4) Market shrinkage

The personnel recruiting services business, the mainstay of the Company, is susceptible to the hiring plans of companies that place job advertisements. Therefore, if the business environment changes significantly owing to, for example, economic trends, employment conditions, job market, and other economic factors, or the outbreak and spread of infectious diseases, our business operations and performance may be substantially affected.

In regard to the DX business, as people are increasingly working from home and otherwise changing the way they work, the need to automate business processes continues to grow among companies. Nonetheless, if the business environment changes significantly owing to economic trends and other factors, the DX business operations and performance may be substantially affected.

(5) Changes in the industry landscape

The Company's personnel recruiting services business has numerous competitors, whether those operating online job-listing sites for part-time jobs, temporary work, full-time positions, or specialized professionals, or providing placement services for nurses.

We make active efforts to build user loyalty, such as by introducing new services ahead of the competition and continuously adding new functionalities. Nevertheless, if we are unable to address more intensifying competition or the competition with new entrants in a timely, effective, and efficient manner, our business operations and performance may be affected.

Our DX business has been built on our unique strengths—namely, the extensive customer base and direct sales force that have been developed through job information services. However, in the event that there emerges a competitor with strengths similar to ours or ones we do not have and that we are unable to respond in a timely, effective, and efficient manner, our business operations and performance may be affected.

(6) Natural and other disasters

The Company has endorsed the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), and makes disclosures in accordance with the framework it recommends.

If the geographical regions in which we operate are impacted by the worsening of climate change, our business operations and performance may be affected. In preparation for such an eventuality, we have taken a number of measures, such as establishing guidelines on what employees should do in the event of a disaster, applying seismic retrofitting to buildings and systems, creating data backup systems, introducing a system to confirm the safety of employees, conducting disaster drills, and stockpiling emergency supplies.

(7) Reliance on the personnel recruiting services business

The personnel recruiting services business accounted for 90.3% of the Company's sales for FY'23/2, indicating our heavy reliance on the business. Thus, there is a possibility that fluctuations of sales caused by such factors as intensifying competition against other media in the job advertising market may substantially affect our business operations and performance. To address the situation, we have diversified our business portfolio with a view to building a stable earnings base. Specifically, by expanding the business domain centered on job advertisement media, we have launched recruiting services for the healthcare and nursing care sectors, which face a structural shortage of labor and are less susceptible to economic fluctuations, as well as the DX business that features a monthly subscription software-as-a-service (SaaS) model.

The DX business posted steady growth in sales for FY'23/2. However, if this business does not grow as originally projected, we may continue to rely on the personnel recruiting services business.

(8) Infectious disease outbreaks

The outbreak and spread of infectious diseases cannot be controlled by the Company’s risk management efforts alone. Still, we do our utmost to ensure employee safety, for example by allowing for telework, and thoroughly communicating what employees should do if they feel sick or think they may have been exposed to a virus.

In terms of communication with clients, too, we engage in sales activities with due care to prevent infectious diseases in the interest of business continuity.

Information Security Initiatives

At dip and its subsidiaries (“the dip Group”), personal information and other various information obtained from all stakeholders is recognized as one of the most important assets in business management. We have formulated a basic policy for information security with the aim of developing a system to continuously protect this information.

The dip Group complies with the basic policy for information security, and has developed an information security management system (ISMS) as

well as established various internal regulations and guidelines. We also work to enhance and raise awareness through efforts such as regular information security education and cyberattack training.

The dip Group is committed to the continuous maintenance and improvement of these information security management systems and to the realization of a healthy information society while preparing for changes in the environment and new threats that may emerge.

Basic Policy for Information Security

- I dip will comply with laws, regulations, standards, and other contracts and social norms regarding information security, formulate a compliance program to establish and thoroughly implement an information security management system, and make company-wide efforts to maintain and continuously improve this system.
- II Considering improvements in technology, changes in social environment, and other factors, dip will regularly perform a risk assessment of information assets and work to ensure their confidentiality, completeness, and availability.
- III dip will continuously educate all employees and raise awareness regarding information security.
- IV dip will regularly audit the handling of information assets and strive for early discovery of problems and timely improvements.
- V In order to achieve early resolution of various problems that arise in the course of operation of the information security management system, dip will regularly review operations and work to build a framework for continuous development of the system.

In keeping with this basic policy, the Company has obtained ISO 27001 (JIS Q 27001) certification for the development and operation of online job-listing sites, provision of job listings, planning of paid employment placement services and DX services, and sales services. We make proactive

efforts to ensure information security, which include setting rules to protect information assets, providing thorough education on information security, addressing cybersecurity risks, promptly responding to information security incidents, and conducting internal audits of information security.

Personal Information Protection Initiatives

The dip Group recognizes personal information (including individual numbers and other specific personal information) entrusted by all stakeholders as one of the most important assets in business management. To create a system whereby such information is consistently safeguarded, we have established a Privacy Policy and handle customers’ personal information strictly in compliance with

the Act on the Protection of Personal Information, and Guidelines for the Act on the Protection of Personal Information. We strive to make dip Group’s officers and employees familiar with, and to properly handle and manage personal information pursuant to, this policy. The Privacy Policy is available for your perusal on our website at https://www.dip-net.co.jp/en/privacy_policy.

Personal information protection management system

The Company makes a continuous effort to enhance its capability to protect the personal information it holds so that it can consistently protect such information to the best of its ability in tune with the social context, technological advancements, the changing business environment, and other factors. Toward that end, we have established, operate, maintain, and upgrade a personal information protection management system (PMS). We have also been granted the right to display the PrivacyMark. We have set internal rules for protection of personal information, and familiarize our Group officers and employees with them. By handling personal information pursuant to these rules while auditing and reviewing the handling process on a regular basis, we strive to continuously improve the way, and the precision with which, personal information is handled.

Initiatives for Stakeholders

The Company’s efforts to meet the needs of all stakeholders are guided by its Brand Statement that promises “One to One Satisfaction.” The Brand Statement is posted on our corporate website and elsewhere.

We believe that two-way communication with shareholders and investors—our important stakeholders—is indispensable to our sustainable growth and medium- to long-term increase in corporate value. Based on this belief, we have established an IR Policy and published it on our corporate website in hopes that it will facilitate constructive dialogue with shareholders and investors. We also work to increase their understanding by proactively disclosing information about our management strategy and business environment, and otherwise enhancing disclosures on our corporate website. In addition, we hold quarterly results briefings for and have one-on-one meetings with investors, where our businesses and strategies are explained by the Representative Director, President and CEO, the Representative Director and COO, and the Executive Officer and CFO. In FY’24/2, we plan to arrange meetings between Outside Board Directors and

institutional investors to foster mutual understanding from an objective perspective. The opinions and suggestions provided by shareholders and investors at these occasions are compiled and reported to management by the IR division on a regular basis while also being shared with employees.

We also have ongoing dialogue with shareholders and investors regarding the officer compensation system. A prime example was when we submitted a proposal for officer compensation to the Annual General Meeting of Shareholders in 2023. With regard to this proposal titled “Determination and Revision of Remuneration for the Allotment of Restricted Shares to Board Directors (excluding Board Directors who are Audit and Supervisory Committee Members and Outside Board Directors),” we engaged in prior dialogue with shareholders and investors to exchange views and gain their understanding. Moving forward, we will continue to have dialogue with shareholders and investors to understand their views and incorporate them into our decision-making process regarding officer compensation and other matters.

Financial and Non-Financial Data

Financial Data

		Non-consolidated	Non-consolidated	Non-consolidated	Consolidated	Consolidated	Non-consolidated	Consolidated	Consolidated	Consolidated
		18th fiscal year*1	19th fiscal year*1	20th fiscal year*1	21st fiscal year	22nd fiscal year	23rd fiscal year*1	24th fiscal year	25th fiscal year	26th fiscal year
		FY'15/2	FY'16/2	FY'17/2	FY'18/2	FY'19/2	FY'20/2	FY'21/2	FY'22/2	FY'23/2
Sales	Million Yen	19,530	26,798	33,178	38,062	42,176	46,415	32,494	39,515	49,355
Gross profit	Million Yen	17,677	24,669	30,886	35,883	39,468	43,378	29,191	34,969	44,082
Gross profit margin	%	90.5	92.1	93.1	94.3	93.6	93.5	89.8	88.5	89.3
Operating income	Million Yen	4,806	7,162	9,119	10,799	12,745	14,356	7,312	5,602	11,538
Operating income margin	%	24.6	26.7	27.5	28.4	30.2	30.9	22.5	14.2	23.4
Ordinary income	Million Yen	4,817	7,170	9,141	10,794	12,577	14,393	6,501	5,320	11,599
Ordinary income margin	%	24.7	26.8	27.6	28.4	29.8	31.0	20.0	13.5	23.5
Net income/Net income attributable to owners of parent	Million Yen	2,856	4,675	6,167	7,531	8,910	10,012	607	3,487	7,935
Net income margin/Margin of net income attributable to owners of parent	%	14.6	17.4	18.6	19.8	21.1	21.6	1.9	8.8	16.1
Net assets	Million Yen	6,643	10,384	15,193	20,990	25,701	31,512	31,178	32,989	38,242
Total assets	Million Yen	11,021	15,326	21,139	28,016	33,510	41,114	35,869	42,454	50,167
Return on assets (ROA)	%	51.4	54.4	50.1	38.5	40.9	38.5	18.1	13.6	25.0
Return on equity (ROE)	%	52.3	55.7	49.6	37.2	39.6	36.0	2.0	11.1	22.7
Equity ratio	%	60.0	66.4	69.6	72.4	74.0	74.3	84.4	76.4	75.0
Cash flows from operating activities	Million Yen	3,877	4,991	8,105	9,729	10,926	12,391	5,905	10,482	13,203
Cash flows from investing activities	Million Yen	(1,347)	(802)	(2,307)	(4,364)	(6,360)	(3,375)	(9,643)	(3,850)	(4,121)
Cash flows from financing activities	Million Yen	(1,358)	(1,109)	(1,700)	(1,965)	(4,356)	(4,515)	(3,041)	(2,524)	(3,680)
Cash and cash equivalents at end of period	Million Yen	4,141	7,219	11,317	14,717	14,927	19,241	12,462	16,569	21,974
Net assets per share	Yen	119.41*2	183.76	264.76	363.47	448.83	563.13	547.13	581.26	673.93
Net income per share	Yen	51.59	84.44	111.16	135.40	160.86	183.80	11.09	62.77	142.04
Payout ratio	%	30.2	30.8	32.4	31.8	31.1	30.5	505.0	97.2	50.7

*1 As consolidated accounting was not performed for the 18th, 19th, 20th and 23rd fiscal years, figures for these fiscal years are from non-consolidated accounting.
 *2 Effective September 1, 2015, the Company conducted a 5-for-1 stock split. Therefore, the amounts of net assets per share and net income per share were calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.
 *3 Regarding the percentage of men who take childcare leave, based on the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members, the percentage of employees taking childcare leave, etc. and leave for childcare purposes as stipulated in Article 71-4, Item 2 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members is calculated.
 *4 As of June 1, 2023 at the time of reporting the status of employment of people with disabilities to the Ministry of Health, Labour and Welfare.
 *5 No emissions under categories 8 through 15.

Non-Financial Data

		22nd fiscal year	23rd fiscal year	24th fiscal year	25th fiscal year	26th fiscal year		
		FY'19/2	FY'20/2	FY'21/2	FY'22/2	FY'23/2		
Total energy consumption	Scope 1	MWh	51.4	57.0	45.6	48.0	49.5	
	Scope 2	MWh	1,641.6	1,467.3	1,393.9	1,474.3	1,668.6	
	Ratio of renewable energy	%	-	-	-	12.9	54.8	
Total GHG emissions	Emission intensity (Scope 1+2/Sales) *Scope 2: Market based	MWh/ Million Yen	0.0401	0.0328	0.0443	0.0385	0.0348	
	Scope 1	t-CO ₂ e	9.2	10.2	8.2	8.6	8.9	
	Scope 2 *Market based	t-CO ₂ e	704.8	638.7	590.4	559.1	325.3	
Full-time employees	Number of hires	persons	1,635	1,873	2,110	1,969	2,316	
	New graduates	persons	296	362	399	95	414	
		Mid-career	persons	47	76	71	69	210
	Percentage of female employees	Including temporary and part time employees	%	50.0	49.6	48.8	49.8	50.4
	Percentage of female managers	Total full-time employees	%	29.6	31.1	32.4	33.2	34.4
		Percentage of women among new graduate employees promoted to managerial positions	%	36.8	38.4	40.6	41.3	43.5
	Voluntary turnover rate of full-time employees		%	12.1	11.0	10.9	15.2	12.6
	Average extra hours worked	hour/month	25.0	23.1	24.1	25.4	23.0	
	Percentage of paid holidays taken	%	56.9	51.8	44.9	56.6	59.4	
	Percentage of employees who take childcare leave*3	Total	%	62.3	83.5	81.7	80.4	95.4
Men		%	38.1	69.0	64.3	61.1	92.5	
Women		%	100.0	100.0	100.0	100.0	98.2	
Percentage of people with disabilities employed*4		%	1.9	1.9	1.7	2.6	3.0	
Gender wage gap	Total employees	%	-	-	-	-	80.4	
	Total full-time employees	%	-	-	-	-	85.4	
	Managers	%	-	-	-	-	83.4	
	Employees in general positions	%	-	-	-	-	97.9	
	Fixed-term employees	%	-	-	-	-	116.9	
Donations	Million Yen	1.5	1.5	-	1.3	-		
Board Directors	persons	8	6	6	6	6		
Percentage of independent Outside Board Directors	%	37.5	50.0	33.3	33.3	50.0		
Female Board Directors	persons	1	2	2	1	2		
Percentage of female Board Directors	%	12.5	33.3	33.3	16.7	33.3		

Evaluations from outside the Company

Incorporated into Stock Indexes: Included in All Six ESG Indexes Adopted by GPIF

 **FTSE Blossom Japan Index**
Selected for the FTSE Blossom Japan Index for the third year in a row. The ESG index is formulated by FTSE Russell, a global index provider, and designed to select Japanese companies that demonstrate strong ESG practices.

 **MSCI ESG Select Leaders Index**
Selected for the MSCI Japan ESG Select Leaders Index for the second year in a row. The ESG index is composed of selecting stocks of companies that have high ESG ratings relative to their peers in each sector among the top 700 Japanese stocks by market capitalization.

 **FTSE Blossom Japan Sector Relative Index**
Selected for the FTSE Blossom Japan Sector Relative Index for the second year in a row. The ESG index is designed to measure Japanese company performance demonstrating relatively strong ESG practices in each sector.

 **MSCI Japan Empowering Women Index (WIN)**
Selected for the MSCI Japan Empowering Women Index (WIN) for the second year in a row. The ESG index is composed of stocks of Japanese companies that are leading within sectors in terms of initiatives on gender diversity among the top 700 Japanese stocks by market capitalization.

 **S&P/JPX Carbon Efficient Index**
Selected for the S&P/JPX Carbon Efficient Index. The ESG index measures the performance of companies in the Tokyo Stock Price Index (TOPIX), while overweighting or underweighting the companies by looking at their disclosure status of environmental information and level of carbon efficiency (carbon emissions per unit of revenue).

 **Morningstar GenDi J**
Selected for the Group 1, the highest rating in the Morningstar Japan Equity Gender Diversity Tilt Index (excluding REITs). The ESG index is designed to emphasize companies in the Japanese market that have strong gender diversity policies embedded in their corporate culture and that ensure equal opportunities to employees, irrespective of their gender.

 **MSCI ESG Leaders Index**
Selected for the MSCI ESG Leaders Indexes. The indexes are comprehensive ESG indexes formulated by MSCI in US and composed of companies that have high ESG ratings relative to their peers in each sector.

 **JPX-NIKKEI 400**
Selected for JPX-Nikkei 400 for the eighth year in a row. This stock index is composed of companies with high appeal for investors, which meet requirements of global investment standards, such as efficient use of capital and investor-focused management perspectives.

 **The Nikkei 500 Stock Average**
Selected for the Nikkei 500 Stock Average for the fifth year in a row. This price-weighted equity index, comprised of 500 stocks in the Prime Market of the Tokyo Stock Exchange, is calculated with the method under the Dow Jones Industrial Average, the same method used for the Nikkei Stock Average.

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External Certificates Received and Participation in Initiatives

 **White 500**
Recognized as “White 500” in the large enterprise category of the 2023 Certified Health & Productivity Management Outstanding Organizations, which is granted to organizations particularly outstanding in conducting health and productivity management, under the large enterprise category of the Certified Health & Productivity Management Outstanding Organizations Recognition Program organized by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.

 **Eruboshi Certification**
Given the three star rating, the highest ranking under the certification system of “Eruboshi Certification” based on the Act on the Promotion of Women’s Active Engagement in Professional Life.

 **Sports Promotion Company**
Certified as a “Sports Promotion Company” by the Tokyo Metropolitan Government with its recognition of the Company’s activities such as a walking program to encourage moderate exercise for conditioning the body and mind as well as an on-line stretch program.

 **Kurumin certification**
Under the certification system based on the Act on Advancement of Measures to Support Raising Next-Generation Children, given a “Kurumin” certification as a child-rearing support company introducing various measures for child rearing, by the Minister of Health, Labour and Welfare.

 **DX Certified Operator**
Certified as a “DX Certified Operator” by the Ministry of Economy, Trade and Industry for its efforts to promote the adoption of DX among client companies, in addition to the promotion of DX within dip itself.

 **100% Childcare Leave**
Support expressed by dip in August 2022 for the “Declaration on 100% Childcare Leave Acquisition by Male Employees” promoted by Work-Life Balance Co., Ltd., in order to promote diverse working styles for men as well as further promote creating an environment in which it is easy to take childcare leave.

 **TCFD**
Support expressed by dip in October 2021 for the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), which was created by the Financial Stability Board. Joined the “TCFD Consortium,” a forum for discussions among supporting companies and financial institutions.

 **CDP**
CDP is an international project, asking companies to disclose information such as their strategy for climate change and greenhouse gas emissions, through coordination among institutional investors in the world. Response to the CDP questionnaire on climate change commenced from fiscal 2021.

External Evaluations

The 47th Keizai-kai Grand Awards Venture Management Award
Efforts under the dip Incentive Project, an initiative to increase hourly wages motivated by dip’s philosophy-based management recognized and awarded the Venture Management Award under the 47th Keizai-kai Grand Awards, which is granted to individuals and companies that demonstrate outstanding performance in the fields of economy and business.

2023 Oricon Customer Satisfaction® Survey No.1 in the Ranking of Temp Staffing Recruiting Sites
Hatarako.net, a comprehensive job posting website, ranked No. 1 in the ranking of temp staffing recruiting sites in the 2023 Oricon Customer Satisfaction® Survey, with all four assessment criteria ranked top: ease of use of app and website, ease of search, job postings, and ease of applying.

Corporate Information/Stock Information

Company Profile

Company name	dip Corporation
Founded	March 1997
Representative	TOMITA Hideki, Representative Director, President & CEO
Location	3-2-1 Roppongi, Minato-ku, Tokyo
Capital	¥1,085 million (As of end of February 2023)
Sales	¥49,355 million (For the fiscal year ended February 2023)
Employees	2,925 (Full-time employees as of April 1, 2023)
Main business	Online job information provision services Provision of DX services
Listed market	Prime Market of the Tokyo Stock Exchange (code: 2379)
URL:	https://www.dip-net.co.jp/en

Company Profile

Number of offices	36
Consolidated subsidiaries	DIP Labor Force Solution Limited Partnership
Equity-method affiliates	CAST Inc. xOperation Group TRUNK inc.

Stock Information

Business year	March 1 to the end of February of the following year
Annual General Meeting of Shareholders	May every year Record date: Last date of February
Method of public notice	Electronic public notices will be posted on the Company website. However, if electronic public notice is not possible due to unavoidable circumstances, the notice will be posted in the Nihon Keizai Shimbun.
Administrator of shareholder register Account management institution of special accounts	Mitsubishi UFJ Trust and Banking Corporation
Contact information of the institution	Stock Transfer Agency Department, Mitsubishi UFJ Trust and Banking Corporation 1-1 Nikko-cho, Fuchu-shi, Tokyo 0120-232-711 (toll free)
Destination of the institution	P.O. Box No. 29, Shin-Tokyo Post Office, 137-8081 Stock Transfer Agency Department, Mitsubishi UFJ Trust and Banking Corporation

Stock Price Data

