



**dip**

Labor force solution company

**INTEGRATED REPORT 2022**

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. We will continue to carve out a new future with the dreams, ideas and passion that pour out of each and every one of our people, in our aim to realize a society in which everyone can experience the joy and happiness of work.



# dream idea passion



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 pinpoints 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.

## INTRODUCTION

05

- 11 CEO MESSAGE**  
Hideki Tomita, Representative Director,  
President and CEO  
To Realize a Society in Which Everyone  
Can Experience the Joy and Happiness  
of Work  
**dip's Philosophy**
- 13 Business Outline /  
Financial & Non-Financial Highlights**
- 15 History of Value Creation**

### Publication of the Integrated Report 2022

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.

In editing this first publication in 2022, we present dip's framework for creating value and its human capital strengths, and explain its medium- and long-term growth strategies and its initiatives for the sustainable improvement of corporate value.

We hope to further engage in dialogues with diverse stakeholders based on this report.

## dip's Value Creation Story

22

- 23 COO MESSAGE**  
Masatsugu Shidachi, Representative Director,  
Chief Operating Officer  
— Seeking to Raise Social Value and Economic  
Value Based on Our Philosophy —
- 27 Value Creation Process**
- 29 Materiality to Achieve Our Vision**
- 31 Materiality KPIs and Targets**
- 33 Value Creation System**  
Kazuhisa Iwata, Board Director, Chief  
Business Officer
- 37 Human Capital Connected with Our  
Philosophy**  
—CHO MESSAGE—
- 43 Business Overview/Strategy**  
43 Personnel Recruiting Services Business  
48 DX Business
- 51 Medium-Term Management Strategy  
dip2025**
- 59 Creation of Economic Value**  
—CFO MESSAGE—
- 63 Social Value to Be Created**

## Sustainability at dip

66

- 67 Sustainability Policy**
- 68 Environmental Initiatives**  
68 Response to the Climate Crisis
- 71 Contributions to Society**  
71 Ensuring the Diversity of Human  
Resources  
72 Human Rights Initiatives  
73 Promotion of DEI  
74 Initiatives for Health and Productivity  
Management  
75 Contributions to Regional Society
- 77 Strengthening Governance**  
77 Management and Executive Structure  
—Outside Board Directors MESSAGE—  
—Full-Time Corporate Auditor MESSAGE—  
85 Corporate Governance
- 95 Financial and Non-financial Data**
- 97 Company Profile**

# CONTENTS

### Reporting Period

March 1, 2021 to February 28, 2022

\* Certain information outside this period is also included.

### Scope of This Report

dip Corporation and group companies

### Reference Guidelines

IFRS International Integrated Reporting Framework  
Ministry of Economy, Trade and Industry's Guidance for  
Integrated Corporate Disclosure and Company-Investor  
Dialogue for Collaborative Value Creation  
GRI (Global Reporting Initiative) Standards

### Caution Regarding Forward-Looking Statements

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

## CEO MESSAGE

# We Work for People Who Work

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

Japan's birth rate is falling and its population aging more quickly than any other developed country. This means that our society will face an increasingly serious labor shortage due to the decline in the working population. On the other hand, the average wage\*<sup>1</sup> in Japan has been stagnating for a very long time, falling below that of the major developed countries and even failing to reach the OECD average. This is creating the problems of disparity and poverty.

In particular, although Japan's minimum wage has risen slightly, it is still lower than in the West. The minimum wage has a major impact on the wages of fixed-term workers, who account for around 40%\*<sup>2</sup> of Japan's workforce. The poor conditions faced by fixed-term workers in terms of compensation and welfare benefits compared with permanent employees and their lack of opportunities for career advancement are exacerbating that disparity and poverty.

The elimination of the labor shortage will require establishing an environment in which women, senior citizens, and foreign nationals find it easier to work, as well as the diversification of

employment and work styles. To increase wages, the elimination of employment mismatch, the strengthening of human resources by improving workers' skills and operational efficiency, and the enhancement of corporate productivity with the use of digital technologies and through digital transformation (DX) will be key.

Identifying these social issues as dip's key management themes, we have set "Creation of diverse employment opportunities/Elimination of employment mismatch," "Improvement of human resources and economic productivity/Creation of rewarding workplaces by companies", and "Promotion of DEI/respect for human rights" as the Company's business materiality (material issues). We are also working hard on our "response to the climate crisis," which is an urgent global issue that requires concrete action.

We believe that a sustainable society will enable diverse people to feel a sense of reward as they demonstrate their individual abilities to the fullest, work safely in good health and with peace of mind, and feel a sense of joy and happiness in helping to grow the economy. To contribute to the realization of such a sustainable society, we will continue to address a range of social issues.

⇒ P. 29 Materiality to Achieve Our Vision



## The Society We Want to Realize with Our Vision to Become a “Labor Force Solution Company”

In 2019, dip adopted the vision of becoming a “Labor force solution company” and launched our DX business\*<sup>3</sup>, as an addition to the personnel recruiting services business in which we have long been engaged. To eliminate structural labor shortages, support for the retention and active participation of personnel will become increasingly important. This will be achieved by promoting the creation and mobility of the labor force and striving for the best matches between workers and companies. In addition, there is a perceived need to promote the use of technologies and to improve business operations and work styles themselves through DX.

In Japan, however, compared with leading enterprises, mid-sized enterprises and SMEs are lagging far behind in terms of the adoption of DX. The reasons behind this include a lack of awareness of which operations can be streamlined due to a lack of specialists, the cost and trouble associated with introducing tools, and an inability to fully utilize the functions after deploying the tools.

To counter these issues, dip developed KOBOT, a packaged 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 10,000 companies. 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.

Leveraging personnel recruiting services and DX services together to solve various problems in the labor market, so that diverse people can demonstrate their individual capabilities and enrich their

work, with the aim of enhancing corporate competitiveness and realizing a society where everyone can feel the joy and happiness of work—this is the intention instilled in our vision of becoming a “Labor force solution company.”

⇒ P.51 Medium-Term Management Strategy, dip2025

## Pursuit of User First Policy

In our Management Policy, we have declared a “User First” policy that places top priority on the satisfaction of the users of our services.

With our insistence that our recruiting platforms offer only the freshest, most abundant job listings and provide unique services, such as workplace introduction videos, we have exceeded our users’ expectations. In doing so, we have significantly improved the brand power of the dip websites and generated high advertising benefits for our client companies. Even under the circumstances of the global COVID-19 pandemic in 2020, we launched a series of measures under this policy. In March 2020, when the number of COVID-19 cases rose sharply, we immediately announced an economic support measure for our users whereby users who had obtained employment through dip’s services would be provided with one half month’s income if they contracted COVID-19. Many users of dip’s services are fixed-term workers who do not have adequate absence allowances and other buffers. If they were to contract the virus, they would suffer the dual blows of illness and financial uncertainty due to a drop in their income. The idea of providing income support was born from our desire to help people in this kind of situation. To appeal for the necessity of better work conditions and to protect the employment of fixed-term workers, not only by dip but by society as a whole, we announced this support measure in a national newspaper with the message, “Protect casual workers.” In July 2021, we launched the “Vaccine Incentive Project” to promote vaccination against COVID-19, which was strongly recommended by the government.

We encouraged client companies to grant special leave for vaccination and to offer other incentives,



such as raising the hourly wage of vaccinated workers, and we have also posted these suggestions on our website. By encouraging vaccination, we have promoted the creation of safe and secure workplaces for both jobseekers and client companies.

These initiatives received significant attention from the media. We believe that addressing issues from the perspective of jobseekers will also help client companies and, eventually, extend to the solving of social issues.

## Efforts for Improvement of Conditions for Workers

One area in which we have made significant efforts is the improvement of conditions for fixed-term workers. 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 congratulatory payments upon employment, are posted on our website. There was initially some concern that client

companies would object to negotiations to raise wages. However, we were able to gain the support of many of our clients with the argument that it would strengthen their recruitment capabilities in anticipation of the serious labor shortage predicted after the pandemic ends. As of October 2022, the number of companies participating in the dip Incentive Project stands at 940,000\*<sup>4</sup>, with more than 420,000 cases of hourly wages being increased.

We also conducted similar initiatives in the past. In 2013, under the policies of ‘Abenomics’, the Japanese government urged business leaders to raise wages, with the aim of enabling Japan to break free from its deflationary spiral. However, the benefits of this campaign did not extend to fixed-term workers. After listening to the desperate voices of jobseekers, we launched a ‘Raise the Salary Campaign’ to encourage our client companies to raise hourly wages when recruiting new staff. We also placed an advocacy advertisement in the major national newspapers with the slogan, “Raise Wages. Raise Japan.”

Our desire to contribute to the revitalization of the Japanese economy by improving working

conditions for fixed-term workers was endorsed by many of our clients, and, among participating enterprises, the average hourly wages posted on Baitoru increased by 3.9% in just one year\*<sup>5</sup>.

The dip Incentive Project boosted the average hourly wage to a record high 1,222 yen, an increase of 9.1%\*<sup>6</sup> in one year.

In this way, every single one of dip's employees has put in incredible efforts for the sake of our users and client companies, enabling us to gather support from many users and client companies.

⇒ P.15 History of Value Creation

## Philosophy-Based Management

During the pandemic, our employees have taken on a variety of unprecedented challenges, responding with economic support measures for users and wage rise negotiations for the improvement of conditions for fixed-term workers. Our philosophy has supported those employees and been a consistent thread running through dip's administration, business operations, executive management, and corporate culture.

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. Nurtured by the history of dip's various challenges and born in the course of overcoming various hardships, this philosophy forms the foundation of our management and the "soul" of the Company. It also serves as the "axis" for all decisions that we make.

The value that we offer must continue to evolve in line with the times. However, without an "axis" that must never be changed, that evolution would be brittle and fragile. Our philosophy provides the starting point to which our board members and employees will return at all times. It is also the source of power that moves their hearts and sup-

ports them in their many challenges.

This philosophy enhances employee loyalty and is materialized through their day-to-day work in addressing social issues, generating loyalty in our many users and client companies as a result. It also leads to the creation of social value and high growth in our sales and profits.

⇒ P.11 dip's Philosophy

## The Belief That 'People Are Everything and People Are Assets'

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. In 2006, we recruited 200 new graduates, our first ever large-scale new-graduate recruitment. Given that we only had around 350 existing employees at the time, accepting such a large number of new graduates was quite difficult, but our decision to do so was based on the belief that, for a corporation to grow, it is vital to create a unique, strong corporate culture with new graduates, who offer a clean slate and unlimited potential. Since April 2015, we have recruited around 300 new graduates every year. In 2022, a record-high 414 new graduates joined us, and in 2023, we aim to increase that number to 600.

Nurturing new graduates from scratch is no easy task, but thanks to our unique training systems and the affection and passion of our many managers and senior employees, these new recruits have grown to become highly loyal employees who have demonstrated their abilities and driven the Company's rapid growth. We have also attracted a growing number of mid-career professionals, such as engineers, who have advanced knowledge and skills as well as abundant experience. In this way, a strong and diverse organization is being formed.

The single factor on which we place the most value when recruiting people is their empathy with dip's philosophy. While of course, candidates'

potential, skills, and experience are important, if they do not empathize with our philosophy and corporate culture, they will not be able to fully demonstrate their abilities, no matter how talented they may be. Even after joining the company, through a rich program of grade-based training, large-scale general meetings of employees, buttressed with various creative measures and communications such as internal social media, our employees develop a deeper understanding and awareness of the philosophy.

Precisely because our philosophy exists, the sense of unity in our organization has become stronger and the individuals within that organization are demonstrating their respective abilities. The combination of these two things has become a major driving force behind our rapid growth.

⇒ P.37 Human Capital Connected with Our Philosophy

## The Intentions Instilled in the Company Name and the Corporate Philosophy

On March 14, 2022, dip marked the 25th anniversary of its foundation. A reflection on our history over those years reveals that there has been a continuous stream of countless hardships. Nevertheless, we have never given up on our dream, no matter what the circumstances, and with our passion for ideas that turn crisis into opportunity, we have overcome difficult conditions. Since those very first days of the company, which we started with no money, completely from scratch, we have continued to hold onto our dream, ideas, and passion, never wavering. The Company's name "dip" comes from the first letters of these three concepts. If you have a dream that you really want to make come

true, an idea to achieve it will emerge, and your passion to give shape to that idea will overflow. I started dip on my own 25 years ago, and today, we have over 2,600\*<sup>7</sup> employees. Each and every one of those employees is a reassuring companion, brimming with dreams, ideas, and passion.

The Corporate Philosophy, "Here at dip, we want to tap into dreams, ideas and passion to create a better society" that connects these companions, and resonates deeply with the SDGs. With a strategy of 'Societal improvement through businesses based on SDGs,' we are working on the creation of new businesses with external partners, including investee companies. Going forward, we will continue to take on the challenge of solving social issues, identify changes in the new era without missing any, and transform those changes into our evolution.

We will strive to contribute to a sustainable society and to work for the enhancement of dip's medium-to long-term corporate value and sustained growth, by uniting all our employees as one under the philosophy and generating social and economic value. Here at dip, we work for people who work. I hope that our stakeholders will hold high expectations of dip into the future and continue to support our endeavors.

November, 2022

富田英揮

\*1: OECD survey

\*2: Labour Force Survey (Basic Tabulation), Statistics Bureau, Ministry of Internal Affairs and Communications.

\*3: The DX Business was launched in April 2019 as the AI/RPA Business. It was renamed in April 2021.

\*4: dip incentives include increases in hourly wages, retention bonuses, congratulatory payments upon employment, vaccination incentives, etc.

\*5: Average hourly wage for job placements posted in dip's job advertisements (May 2014, year-on-year comparison)

\*6: Average hourly wage for job placements posted in dip's job advertisements (May 2022, year-on-year comparison)

\*7: Total of full-time, contract, temporary, and casual employees

# dip's Philosophy

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.

## Corporate Philosophy

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

## 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'

## 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.

## 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.

## 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.

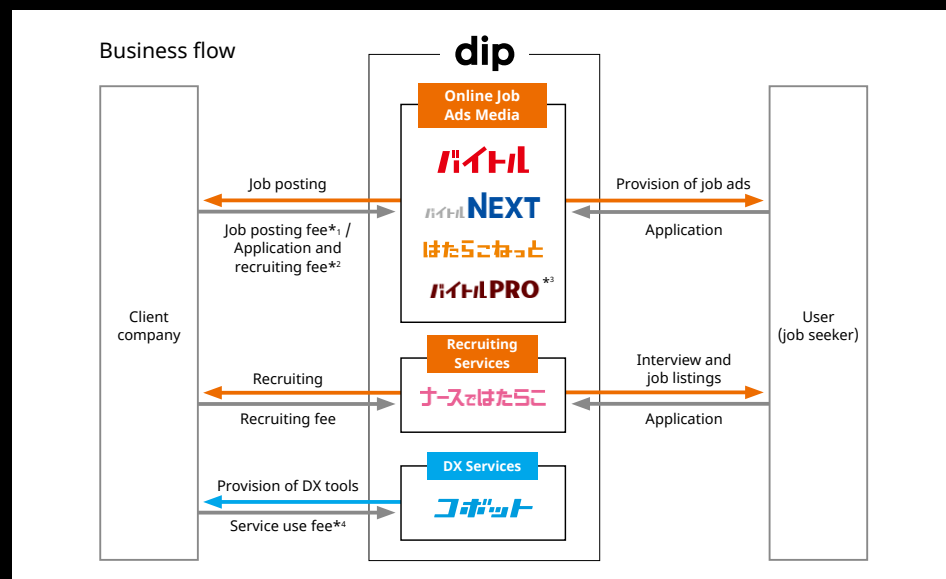
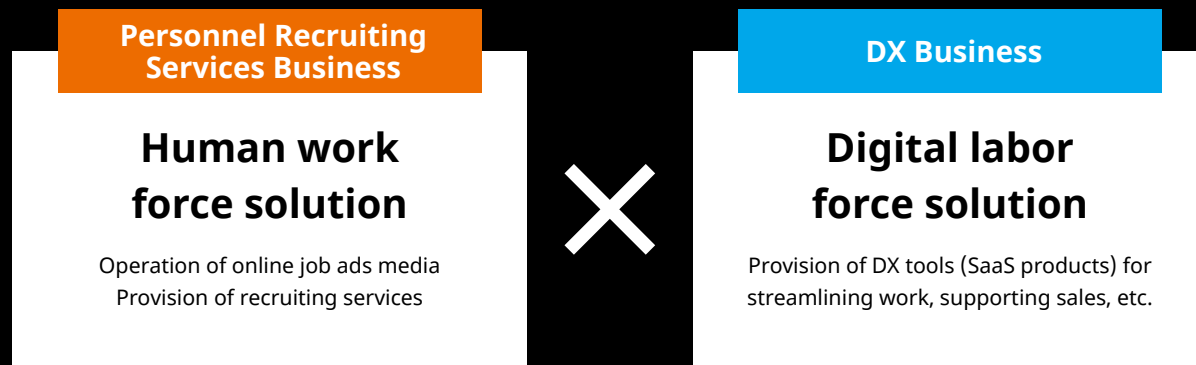
Cultivate your individuality in the philosophy we share. Make your mark in building our future.

# Business Outline / Financial & Non-Financial Highlights

Vision

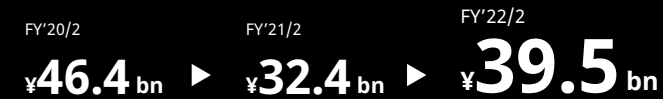
## “Labor force solution company”

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.



\*1 Job posting fee: Fees are collected based on a specified period of time during which job ads are posted.  
 \*2 Application and recruiting fee: Jobs ads are posted free of charge, and fees are collected based on application/recruiting.  
 \*3 Baitoru PRO offers service plans for ads posting fee, application fee, and recruiting fee.  
 \*4 The service use fees for DX tools are collected based on subscription or a contract period.

Sales



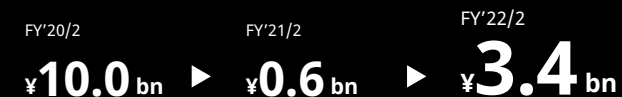
Operating Income



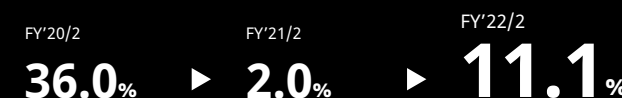
Ordinary Income



Net Income / Net Income Attributable to Owners of Parent



ROE



Equity ratio



Employees (including temporary and part time employees)

2,631

Sales Employees

1,598 (as of August 2022)

Female Employee Ratio (full-time employees)

47.8%

Number of Offices

36

Assessment of ESG Management

Included in all five indexes adopted by 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.

### Foundation

1997.3-

## Starting a Challenge to Make Our Dream Come True

In the beginning there was no money, no office, and no colleagues. Hideki Tomita started the business from scratch with just a 'dreams, ideas and passion'. For two and a half years he battled to raise funds, and finally was able to create the recruiting industry's first portal site despite the fact that only 18% of Japanese households had an Internet connection at the time.

### Overcoming Difficulties in Raising Funds

#### 1997 dip Corporation founded

After happening to see a program on TV on Japan Incubation Capital, a fund established by Mr. Nambu from Pasona Group and Mr. Son from Softbank 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.



### Creating a Society in Which Everyone Has Access to the Same Information

#### 2000.10 Official launch of Hatarako.net

At this stage dip's business was struggling so Tomita went to Silicon Valley to try to raise funds. The effort was unsuccessful, but instead of feeling down, he became even more determined to realize his vision and immediately took on a new challenge. In an era when only 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.



### Responding Quickly to Client and User Needs

#### 2001.2 Started to provide information on part-time and contracted jobs

At a time when most job information was paper-based, dip began offering information services via the Internet, and added part-time job information to Hatarako.net which made it possible to deliver a sufficient amount of the necessary information to job seekers in a timely fashion. This greatly advanced job searching.



## Development

2001.11-

## Turning Difficulties into Opportunities through a Change in Mindset

Overcoming the sudden cancellation of the partnership with Yahoo Japan Corporation, dip was listed on the TSE Mothers. With the aim of further business expansion and increasing corporate value, dip commenced large scale recruiting of new graduates and made a bold investment in advertising. The strategy proved successful as dip achieved the top growth rate in the industry.

### Gaining a Foothold on the Track toward Becoming a Listed Company

#### 2001.11 Established partnership with

#### Yahoo Japan Corporation

Efforts begun in 1998 finally came to fruition and dip began providing part-time, contract and dispatch job information under the 'jobs' tab on the top page of Yahoo! JAPAN. By partnering with a major portal site, dip saw a sharp increase in the number of users and customers. Yet a feeling of uneasiness started to grow that it would be impossible to depend indefinitely on Yahoo! JAPAN.

### Realizing the Necessity of an Independent Business Model

#### 2003.12 Received notification of cancellation of partnership with Yahoo Japan Corporation

Three days before the scheduled listing on TSE Mothers, Yahoo Japan Corporation abruptly informed dip of the termination of their partnership. Although becoming a listed company had been a long-cherished goal since its foundation, given the circumstances, dip decided to postpone the IPO. dip had originally planned to hold a party onboard a yacht to celebrate the IPO. Instead the event was held as a party to celebrate graduation from Yahoo! JAPAN, and together all the employees renewed their determination to grow the business without further assistance from Yahoo! JAPAN.

### Early Recognition of the Importance of Mobile Networks

#### 2004.4 Achieved featured status for dip websites on the official sites of the three major mobile phone carriers



After preparing carefully to depart from the business model dependent on Yahoo! JAPAN, dip's job listing websites Baitoru and Hatarako.net quickly achieved featured status on the official sites of mobile phone carriers.

### Turning Difficulties into Opportunities

#### 2004.5 Listed on TSE Mothers

The decision to postpone the IPO in order to protect existing investors bolstered their confidence, and 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.



### Offering the First Search Engine in the Industry to Find and Display the Internal Job Postings of Various Corporate Websites

#### 2004.10 Launched Job Engine service

dip launched a service that enabled people to view job ads automatically pooled from corporate websites.

### Creating a Unique Corporate Culture

#### 2006.4 Started large scale recruiting of new graduates

In the ten 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 approximately 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.

## Revolution

### Overcoming a Crisis Based on the Belief That “People Are Everything and People Are Assets”

**dip Overcame a Worldwide Financial Crisis with the Combined Effort of All Employees**

**2008-9 Faced the most critical challenge in the**

**Subprime Crisis**

As one by one our competitors underwent massive restructuring, dip continued to hold fast to the belief that the best way to overcome difficulties was through the combined effort of our most important asset, the employees. Cost cutting measures - such as turning off the lights during break times - were implemented, and with great reluctance, dip also reduced the salaries of managers and transferred some employees. The remaining employees made innovative proposals such as the “Application Guarantee Service” to support clients who were struggling with large-scale reductions in recruiting budgets. dip also broadcast TV commercials to encourage the dispatch agencies and dispatch employee community that had been painted in a negative light due to extreme media coverage of the “Haken Mura” (a public assistance facility built by the Ministry of Health, Labor and Welfare and the Tokyo metropolitan government in Hibiya Park in Tokyo). Our market share increased, and through the concerted effort of all of our staff, dip was able to turn difficulties into opportunities.

**Supporting Employees in Career Advancement**

**2009.1 Launched the Baitoru NEXT website for**

**full-time employee job listings**



## 2008.9-

dip overcame its most severe challenge to date facing down the Subprime Crisis through the combined efforts of all employees and turned the difficulty into an opportunity to grow even stronger. dip updated its Corporate Philosophy and started to promote unique initiatives aimed at making a positive contribution to society more than ever.

**Recognizing the responsibility to make a social contribution and to protect dip employees**

**2009.9 Launched Nurse de Hatarako**

Medicine and nursing are two fields that are not adversely affected by fluctuations in the economy and are in fact expected to expand as society grows. With this in mind, dip launched a site specializing in job change information for nurses, as a reflection of the management stance of considering social good over the mid- to long-term.

**Continuing to Offer Our Users the Most Innovative Functions**

**2010 Added Video Service and Application**

**Barometer features to job postings**

dip on-line recruiting services, created in response to the needs of the job seeker, were completely different from job postings run by competitors that were still mainly paper based at the time. Posting video clips in conjunction with the job ads was highly innovative in the era of the flip-phone, and although the technical hurdles were high, as a pioneer in providing Internet services, dip was able to apply our unique skill set to the challenge.

**Improving Working Conditions for Fixed-Term Workers and Making a Contribution toward Economic Revitalization**

**2013.5 Launched Raise the Salary Campaign**

dip conducted a large-scale campaign to encourage its client companies to raise salaries 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. dip received cooperation from many clients.

## Expansion

### Committing to Move Forward as an Entity That Strives to Create a Better Society

dip achieved new standing as a public institution with its long-cherished listing on the TSE First Section, determined to continue to take on challenges, to advance into new business fields and create a better society.

**Committing to Move Forward as an Entity That Strives to Create a Better Society**

**2013.12 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 President 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.”



**Covering All Types of Employment and Supporting the Diversification of Work Styles for Women**

**2014.9 Launched Hatarako index**

**Focusing on Artificial Intelligence (AI) as a Key Technology in Tackling Falling Birth Rate and Aging Population**

**2016.6 Launched AINOW, AI specialized media**



**Releasing New and Unique Features One after Another**

**2018.3 Launched Job Experience/Workplace Visit**

Job Experience/Workplace Visit feature created to allow job seekers to get a firsthand understanding of a company before committing to contracted employment



## Evolution

2019.4-

### Continuing to Create Value under a New Vision

By establishing a new vision to be a “Labor force solution company” to solve various problems in the Japanese labor market, we aim to realize a society in which everyone can experience the joy and happiness of work.

#### Solving Various Problems in the Labor Market through Personnel Recruiting Services and DX Services

##### 2019.4 Launched AI/RPA business

dip took the decision to expand beyond our internet-based job advertisement media business, and in addition to the traditional human resources recruiting services we were well known for, we launched a business to develop and provide services using AI/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.

#### Launching New Services in DX Business

##### 2019.9 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.



#### Creation of Corporate Logo Symbolizing dip's Evolution

##### 2019.10 Renewed corporate logo

As a symbol of our evolution and the expansion of our business domain beyond the existing human resources services into the development and provision of DX services, dip renewed its corporate logo and website.



#### Interview Scheduling via Chatbot 24 Hours a Day, 365 Days a Year

##### 2020.4 Launched Interview KOBOT

We launched Interview KOBOT, a service which specializes in automatically adjusting interview schedules for part-time jobs in all industries and company sizes.

Interview KOBOT



#### Support for Professionals and People Aspiring to Be Professionals

##### 2021.5 Launched Baitoru PRO job information site for specialized jobs

site for specialized jobs

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.



#### Consideration for Users during the COVID-19 Pandemic

##### 2020.3 Launched financial assistance for fixed-term workers during closures due to COVID-19

workers during closures due to COVID-19

Because many fixed-term workers do not have adequate paid holidays, absence allowances, and other buffers, if they were to contract the virus, they would suffer the dual blows of illness and financial uncertainty. In order to solve this problem, 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 appeared in national newspapers about the need for society as a whole to improve the treatment of fixed-term workers and protect their employment.



#### Providing Information on Companies That Have Vaccine Incentives and Strive to Create a Safe and Secure Environment

##### 2021.7 Launched Vaccine Incentive Project

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



#### Efforts for Improvement of Conditions for Workers

##### 2021.11 Launched dip Incentive Project

We launched the dip Incentive Project, in which proposals from our sales staff to client companies, such as increases in hourly wages, are posted on our website in order to improve working conditions for fixed-term workers.





# dip's Value Creation Story

23	<b>COO MESSAGE</b> Masatsugu Shidachi, Representative Director, Chief Operating Officer —Seeking to Raise Social Value and Economic Value Based on Our Philosophy —
27	<b>Value Creation Process</b>
29	<b>Materiality to Achieve Our Vision</b>
31	<b>Materiality KPIs and Targets</b>
33	<b>Value Creation System</b> Kazuhisa Iwata, Board Director, Chief Business Officer
37	<b>Human Capital Connected with Our Philosophy</b> — CHO MESSAGE —
43	<b>Business Overview/Strategy</b> 43 Personnel Recruiting Services Business 48 DX Business
51	<b>Medium-Term Management Strategy dip2025</b>
59	<b>Creation of Economic Value</b> — CFO MESSAGE —
63	<b>Social Value to Be Created</b>



**Masatsugu Shidachi**  
Representative Director, Chief Operating  
Officer, Chief Information Officer and  
Head of Service Development Group

## COO MESSAGE

# Seeking to Raise Social Value and Economic Value Based on Our Philosophy

**Based on our Corporate Philosophy of “Here at dip, we want to tap into dreams, ideas and passion to create a better society,” we conduct business activities that address social issues in the labor market.**

**Working to solve these issues, we have generated high sales and profit growth by offering unique services born of innovative ideas based on our philosophy.**

**Going forward, we will draw on the power of technology to further increase the speed at which ideas to “create a better society” come to fruition, and through the pursuit of social value and economic value, we at dip will strive for sustained growth.**

## Materiality to Achieve Our Vision

In 2019, dip adopted a new vision of becoming a “Labor force solution company” as a part of our philosophy. By providing DX services along with personnel recruiting services, we are working to solve issues in the labor market and realize a society where everyone can feel the joy and happiness of work. Toward the realization of this vision, we defined four material issues related to business activities and two material issues for strengthening our management foundation.

Japan’s labor market faces a host of issues, including rapidly worsening labor shortages caused by the declining birthrate and aging population and a decrease in labor productivity as a result of being slow to utilize digital technologies.

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. Further, it is becoming necessary to allow the abilities of individual workers to be more fully demonstrated by eliminating mismatches upon hiring.

In addition, it is becoming increasingly important to create workplaces brimming with a sense of satisfaction and reward by strengthening human resources through the enhancement of worker engagement and skills for increased business efficiency and by utilizing DX to increase productivity and innovation potential.

To solve these challenges through our business activities, we have defined the following material issues, “Creation of diverse employment opportunities/Elimination of employment mismatch” and “Improvement of human resources and economic productivity/Creation of rewarding workplaces.”

In addition, in order to achieve a society in which everyone can experience the joy and happiness of work, what is most important is that everyone’s human rights are respected and that human resources with diverse characteristics positively

accept one another and work together. Based on this belief, we have also put forth “Promotion of DEI/Respect for human rights.”

We will also focus on “response to the climate crisis,” which is an urgent global issue.

Many natural disasters occur in Japan, so many it has been called a “disaster superpower.” If climate change causes the frequency and intensity of heavy rains to continue to increase, for example, it will not only threaten the safety and security of workers but also potentially take away their employment opportunities.

We are carrying out initiatives to entirely eliminate greenhouse gas emissions given off by offices and data centers, the foundation of our business activities, by fiscal year ending February 28, 2025. To tackle these four material issues and pursue economic value by raising the social value of our businesses, it is essential that we have “human capital connected with our philosophy.”

Our growth so far 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.

Moreover, 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. 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, and in this way we will sustainably increase dip’s corporate value.

## COO MESSAGE

## dip's Value Creation System

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 Representative Director, President and CEO Tomita, earning the support of many site users and customers 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.

Our workplace introduction videos were developed because we were able to quickly grasp changes in user needs and the market, starting with advanced services and DX products. The same is the case with the conception and development of the dip Incentive Project and other initiatives.

We have been dynamically developing measures to increase awareness of our services, to increase the number of users, to maximize the effectiveness of job advertisements, and to improve the brand power of the site, based on unique ideas from a "user-first" perspective.

The bold promotional investments that have produced great results to date have been made by realizing creative ideas, repeatedly selecting appropriate media and brand characters, and verifying the return on investment.

What determines the satisfaction level of users who see the promotions and visit the site is the quantity and quality of the job information they find there. 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 1,600 sales representatives, who are largely recent graduates, and they not only sell job advertising but also take charge of ad production, provide expertise on successful hiring, and raise retention rates for the people who are hired; they are required to be involved in everything up through the growth of the client company.

For this reason, our sales reps are given the title "recruiting consultants."

The reason they are able to generate results with proposals that have a high level of difficulty, such as the dip Incentive Project, and provide client companies with not only personnel recruiting services but also DX services is that a strong commitment to workers and a strong sense of mission with respect to the growth of client companies have been cultivated in them by our philosophy. This has created a very sturdy customer base.

Employees involved in service development, promotions, and sales, and their colleagues in personnel and management divisions who support them refine and demonstrate their respective strengths and collaborate beyond organizational demarcations to provide high value to users and client companies in accordance with the philosophy of action and code of conduct in the dip WAY and Founder's Spirit sections of our philosophy.

By continuing to invest in human capital connected with our philosophy, we will further polish our strengths in service development capability, promotions capability, and sales capability, further evolve through the power of data and technology, and accelerate sales and profit growth.

## Initiatives for Solutions to Social Issues

To realize our Vision of being a "Labor force solution company," we have initiated a new strategy, Medium-Term Management Strategy dip2025.

In the personnel recruiting services business, we will work to further increase fresh and informative job listings in order to eliminate labor shortages through creation of diverse employment opportunities.

In addition, to provide high-quality job listings toward the goal of elimination of employment mismatch, we provide unique services that include videos that introduce the workplace atmosphere and job in an easy-to-understand manner, a work experience/workplace tour function that offers a realistic experience of the workplace prior to applying, and "Message from dip-san," which conveys the appealing points of the job and workplace from an objective perspective.

Going forward, we will utilize the latest technology to greatly increase matching precision and speed for job seekers and client companies and raise the efficiency of sales activities and promotional investment in order to provide higher value to job seekers and client companies with various needs.

Further, our DX business brings about substantial value with respect to strengthening human resources at client companies. Its development started with a customer base of 150,000 companies and utilizing sales resources of over 1,600 sales reps who provide personnel recruiting services.

Our SaaS services are uniquely designed for mid-tier enterprises and SMEs, where DX has generally lagged behind, and are provided inexpensively with strong customer success. The services can be deployed regardless of industry or sector and immediately improve the business efficiency of client companies.

When a company can primarily assign its limited human resources to processes that only humans can perform, it further strengthens human resources and raises the company's productivity. Around 70% of mid-tier enterprises and SMEs have not conducted DX initiatives, and given this, we believe that progressive implementation of these services will contribute greatly to the improvement of economic productivity.

Improving corporate productivity not only leads to higher wages and other improvements in the treatment of workers, but by promoting DX, people will be able to take on jobs that allow them to fully demonstrate their abilities, thereby creating a more rewarding workplace.

We will continue to enhance our lineup of DX products with the power of the latest data and technology and further expand sales channels to work toward realizing "DX for anyone, anywhere" as stated in our Medium-Term Management Strategy.

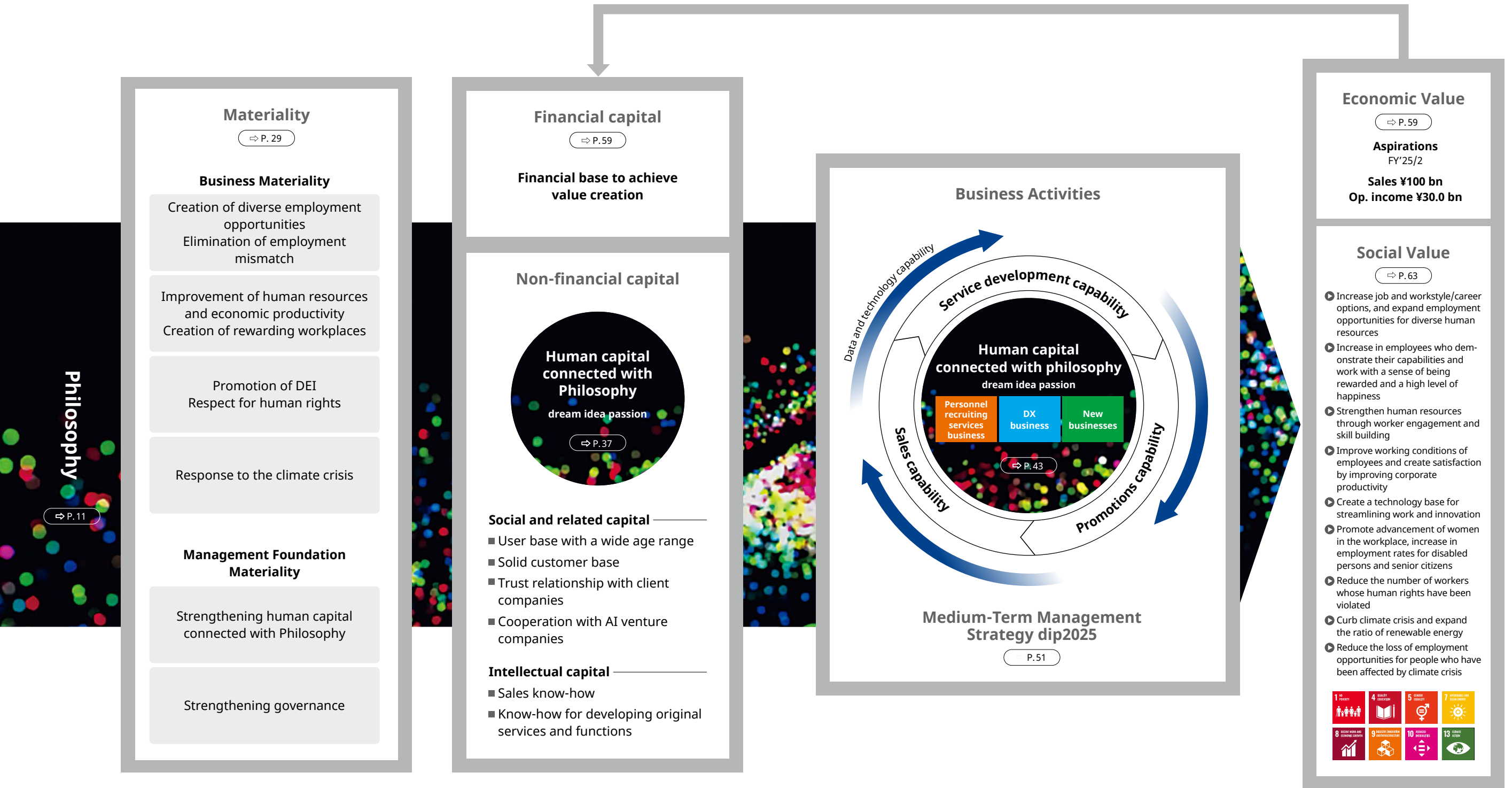
In addition, we are launching initiatives in the area of new businesses as well based on a policy of "Societal improvement through businesses based on SDGs," starting with bold investment in the new site Baitoru PRO. We have a program internally called dip Accelerator that grows new businesses from employee ideas, and we will work to generate new businesses through this program.

In addition, in 2020, we started a ¥9.0 billion CVC fund, DIP Labor Force Solution Fund, and are conducting active investment in startup companies to create new growth businesses.

In this tumultuous era, when change is incessant, uncertainty and complexity are increasing, and unforeseeable situations occur in succession, decision-making needs to be even quicker and responses more flexible. To solve social issues, going forward, we will further expedite strategy execution, and by pursuing both social and economic value, we will work to sustainably increase dip's corporate value.

To all our stakeholders, I want to thank you for your continuing support.

# Value Creation Process



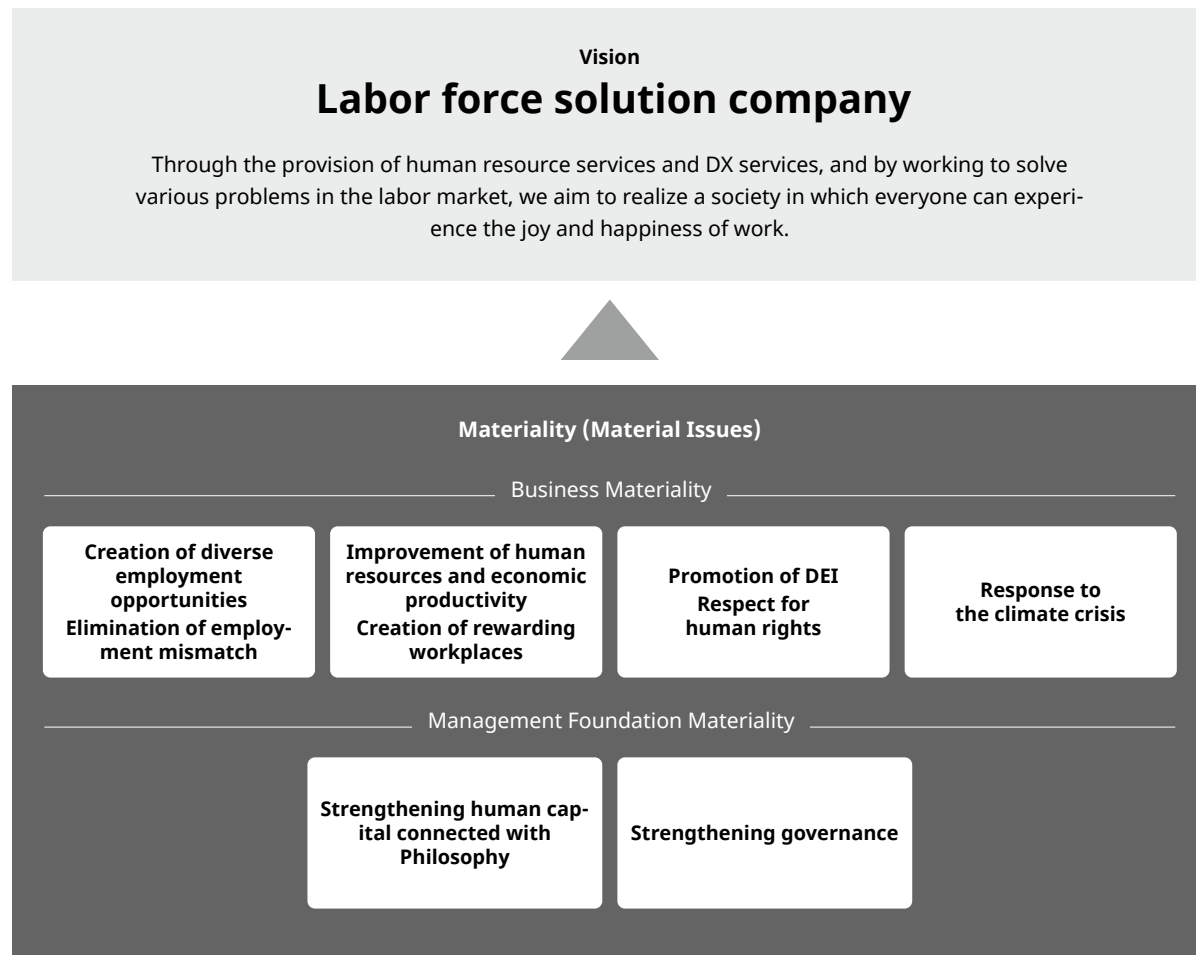
# Materiality to Achieve Our Vision

## Identification Process

To identify materiality (material issues), a comprehensive list of social issues was compiled by referring to international guidelines and macro trends in various specialized fields. To achieve our vision, we reviewed the level of importance of these issues from the two perspectives of 'elements of social issues' and 'elements for raising dip's earning power', taking into account dip's Philosophy, and then decided on materiality through discussion of these among senior management and a resolution by the Board of Directors.

## Identified Materiality

We 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.



## Materiality (Details)

Business Materiality	Creation of diverse employment opportunities Elimination of employment mismatch	By creating a diverse workforce and a variety of work styles, we will increase the mobility of human resources while eliminating mismatches in hiring. In this way we allow the strength of each individual to be demonstrated to the fullest and improve their working conditions, thus increasing the number of employees who experience the joy and happiness of work.
	Improvement of human resources and economic productivity Creation of rewarding workplaces	By increasing the engagement and skills of hired personnel and raising their productivity and capacity for innovation, we help companies increase their profitability, improve the compensation of their workers, and create a workplace that is full of job satisfaction.
	Promotion of DEI Respect for human rights	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.
	Response to the climate crisis	We will make efforts to reduce CO <sub>2</sub> 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.
Management Foundation Materiality	Strengthening human capital connected with Philosophy	We will hire and train 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.
	Strengthening governance	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.



# Materiality KPIs and Targets

At dip, the Sustainability Promotion Council is proceeding with discussions on the formulation of KPIs to measure the targets and progress toward each theme of materiality.

Currently, the following non-financial KPI targets have been established, and efforts are being made to achieve the targets.

Creation of diverse employment opportunities Elimination of employment mismatch	Number of high-quality (*) job offerings that meet the needs of diverse human resources and workstyles (* ) Videos, work experience functions, posting of "Message from dip-san." Measures will be taken to further increase quality in the future FY'22/2 <b>1.16 million offerings*<sup>1</sup></b> (No. 1 in the industry) ▶ FY'25/2 <b>Remain No. 1 in the industry</b>
	Number of job offerings in the medical, nursing care, and childcare fields that support the social infrastructure FY'22/2 <b>0.5 million*<sup>1</sup></b> (No. 1 in the industry) ▶ FY'25/2 <b>Remain No. 1 in the industry</b>
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 (* ) * Increased hourly wages, bonus for continued service, gift payment for joining company, etc. FY'22/2 <b>0.85 million*<sup>1</sup></b> ▶ FY'25/2 <b>1 million*<sup>1</sup></b>
Promotion of DEI Respect for human rights	Enhancement of "Campaign to Support the Employment of People with Disabilities" FY'22/2 <b>One-time activity</b> ▶ FY'25/2 <b>Year round activity</b>
	Increase in the number of job offerings that welcome senior citizens (age 60+) FY'22/2 <b>0.21 million*<sup>1</sup></b> ▶ FY'25/2 <b>0.4 million*<sup>1</sup></b>
	Certificate of Good Recruitment/Candidate Information Provider FY'22/2 <b>Prior to the start of the system</b> ▶ FY'25/2 <b>Certificate received/maintained</b>
	Number of incidents violating labor laws and regulations FY'22/2 <b>0</b> ▶ FY'25/2 <b>Maintain 0</b>
	Prohibition of the posting of offerings that are thought to be violating human rights FY'22/2 <b>Implemented</b> ▶ FY'25/2 <b>Continue implementation</b>
Response to the climate crisis	GHG emissions of all offices and data centers FY'22/2* <sup>2</sup> <b>567.7t-CO<sub>2</sub>e/year*<sup>2</sup></b> ▶ FY'25/2 <b>Effectively 0</b>

Strengthening human capital connected with Philosophy	Engagement score (* ) (* ) Score in our ES (Employee Satisfaction) survey FY'22/2 <b>3.82 (maximum 5)</b> ▶ FY'25/2 <b>4.0 (maximum 5)</b>
	Percentage of women among new graduate employees promoted to managerial positions FY'22/2 <b>41.3%</b> ▶ FY'25/2 <b>50%</b>
	Percentage of female managers FY'22/2 <b>33.2%</b> ▶ FY'25/2 <b>40%</b>
	Percentage of women who take childcare leave and return to work FY'22/2 <b>100%</b> ▶ FY'25/2 <b>100%</b>
	Percentage of men who take childcare leave FY'22/2 <b>10.7%</b> ▶ FY'25/2 <b>100%</b>
	Percentage of people with disabilities employed FY'22/2 <b>2.6%</b> ▶ FY'25/2 <b>Statutory employment rate*<sup>3</sup> or higher</b>
	Percentage of paid holidays taken FY'22/2 <b>56.6%</b> ▶ FY'25/2 <b>80%</b>
	Average extra hours worked FY'22/2 <b>25.4 hours/month</b> ▶ FY'25/2 <b>Not more than 20 hours/month</b>
	Turnover rate FY'22/2 <b>15.2%</b> ▶ FY'25/2 <b>10.0%</b>
	Training time FY'22/2 New graduate training: <b>326 hours</b> New manager training: <b>36 hours</b> Next generation leaders development training: <b>143 hours</b> ▶ FY'25/2 <b>Continue to expand</b>
Strengthening governance	Percentage of independent directors on the Board of Directors As of May 31, 2022 <b>50%</b> ▶ May 31, 2025 <b>Not less than 2/3</b>
	Percentage of women on the Board of Directors As of May 31, 2022 <b>1/3</b> ▶ May 31, 2025 <b>50%</b>
	Number of serious violation of laws and regulations FY'22/2 <b>0</b> ▶ FY'25/2 <b>Maintain 0</b>
	Percentage of employees who completed compliance training and testing FY'22/2 <b>100%</b> ▶ FY'25/2 <b>Maintain 100%</b>
	Number of investor interviews FY'22/2 <b>245/year</b> ▶ FY'25/2 <b>500/year</b>

# Value Creation System

## Creating Value by Our Philosophy by Uniting Capabilities in Service Development, Promotions, and Sales

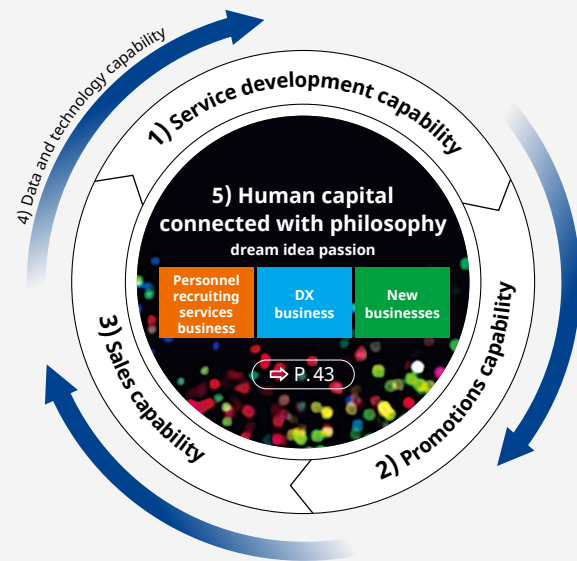
Kazuhisa Iwata  
Board Director, Chief Business Officer



The continued evolution of dip through the creation of innovative businesses and services has been the result of all our employees, strongly connected with our philosophy, working together so that our capabilities in service development, promotions, and sales are united to create a sum larger than their parts.

Our Corporate Philosophy of “Here at dip, we want to tap into dreams, ideas and passion to create a better society” is actualized by 1) Designing and developing services, 2) Promoting their value to users, 3) Implementing a cycle of proposals and sales to client companies, 4) Further bolstering and expediting that cycle through data and technology, and 5) Drawing on the strengths of employees for co-creation with society.

### Value Creation System



## Creating Social Value by Uniting the Service Development Capability, Promotions Capability and Sales Capability

The dip Incentive Project involves proposing to client companies that they raise the wage levels of workers, fixed-term workers in particular, with the economy beginning to return to form following the COVID-19 pandemic. Raising wages increases a company's recruiting capability and promotes the retention and performance of its human resources, which in turn promotes the further growth of the client company and allows it to pay even higher wages. We started the project with the aim of being the flagbearer for this positive cycle.

Many client companies had been voicing major concerns, saying that they were putting out job listings but were receiving fewer applicants than in the past and even suggesting that they may have to close if they are not able to hire anyone. However, in some cases, the wages that were being advertised were not at the levels desired by workers. We responded by investigating and analyzing wage levels, compensation, and the recruiting results of job listings with high numbers of user applications, and then our sales representatives made detailed proposals to client companies on the necessity of increasing wages, the expected response in terms of applications, and the benefits that would come with successful hirings.

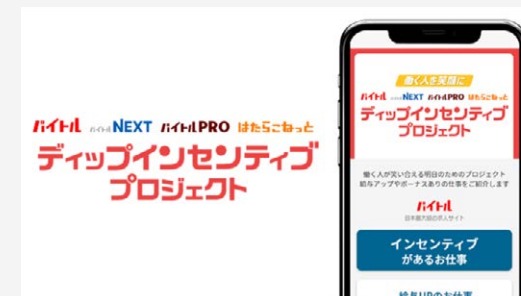
Initially, most companies were hesitant to raise wage levels with the economic outlook far from

clear. However, through persistent negotiations, they gradually came to understand the advantages of doing so, and the number of companies agreeing with the intent of our project and deciding to raise their wages increased. As a result, we were able to post over 420,000 job listings with higher hourly wages and better benefits. If dip's sales representatives had simply made the rounds trying to peddle products, they would not have been able to make such high-degree-of-difficulty proposals. They truly performed in a way befitting their “recruiting consultant” title.

On the other hand, our straightforward promotional ad copy sent a message that really hit home with users: “Manager, raise my hourly wage!” This message was conveyed in large-scale promotions that included television commercials. Speaking on behalf of job seekers, the story had a dip sales rep played by the celebrity Daigo ask a company to raise its hourly wage. This captured the hearts of users and led to a large increase in the number of applications. It also served as a powerful measure for helping eliminate personnel shortages at client companies that had struggled to make hires.

Amid public calls for a wage increase to create a positive economic cycle, the average hourly wage of job listings posted through this campaign increased 9.1% for the year, well above the level in society. I believe our success in this had a major impact on society as a whole.

In this way, as a presence making society better based on our philosophy, dip's businesses create user-first services, capture the hearts of users through promotions, and help solve issues faced by



dip Incentive Project



## Value Creation System

client companies related to personnel shortages and utilization through our over 1,600 sales representatives. In this way, we create social value.

### Unifying Three Capabilities through Our Philosophy to Realize Highly Innovative Ideas

There are many cases of highly innovative business and service ideas being reduced to ordinary policies through the process of implementation due to facing a variety of restrictions or from organizational circumstances. At dip, employees involved in service development, promotions, and sales are closely connected with our philosophy; they bounce constructive opinions off one another beyond organizational boundaries and work together as a single team. This has successfully brought bold ideas to fruition. Each individual employee works to embody the Founder's Spirit, which means they "Continue to take on new challenges," "Go beyond expectations," "Never give up," and "Each employee has a role to play in creating dip," and in doing so they have worked uncompromisingly and with a strong determination to bring new businesses and services to life.

Our workplace introduction videos, a unique job information service, were started in 2011, and as of today, there have been 690,000 postings, but making this service a reality was an extremely difficult endeavor at a time when YouTube and other video services were just getting started.



Choose a way to search that works for you

There were of course technical hurdles to the stable transmission and reception of video using pre-smartphone-era cell phones with limited transmission capacities. There was also the question of how to convey to users the value of an unprecedented service and get them to understand its benefits. Additionally, there was the matter of how to convince client companies reluctant to film their workplaces and employees and get them to take part. Employees involved in service development, promotions, and sales truly came together as one under our philosophy and worked to make the service a reality.

The goal for system development was achieved relatively quickly thanks to the substantial efforts of the engineers, but the videos themselves started at ground zero; they had to be shot and edited and then linked to each individual job listing. Filming know-how was passed on to sales representatives from employees in charge of video production. Sales representatives had to carefully explain the benefits to client companies—stronger recruiting, fewer mismatches, less early separation—and gain permission to film the videos. Once the company's permission had been obtained and filming actually began, it was done by sales representatives on cell phones with much creative ingenuity because smartphones were not yet in widespread use. One month before the service was launched, sales activities were stopped, and all employees, including staff from general affairs and other administrative divisions, dedicated their time to filming the videos, and thanks to this, we were able to post videos for 90% of job listings. A major promotional campaign was then run, and user numbers immediately increased.

Our competitors tried to emulate us with a similar service, but they were unable to post videos for the vast majority of their listings. The workplace introduction video service has been creating and offering high value unique in the industry to users and client companies.

### Making Society Better Through the Power of People and the Power of Data and Technology

Sales at dip is not a matter of setting sales KPIs, giving instructions to take predetermined actions, and implementing a PDCA cycle. The reason is that the labor-related issues of client companies are highly diverse and solutions are needed that match the client's circumstances. It is not possible to solve these issues with standardized, uniform businesses and services alone. For this reason, we not only instruct the employees we hire in the knowledge and skills required of recruiting consultants, we also teach them in detail how to embody our philosophy in order to demonstrate these strengths. Knowledge for solving issues that has been accumulated within the company, an organizational culture of sparing no effort in developing junior employees, and the example of senior employees with extensive track records and sterling successes all support the growth of recent graduates and other young employees.

Along with these training and development initiatives, we are promoting sales DX to utilize data and technology in solving the issues of client companies and robustly promoting the development of services that provide the optimal job matches for users.

What types of job listings do users peruse on job sites and decide to act on? Which companies are putting out job listings in each region and what conditions do they offer? At dip, an enormous amount of digital data related to applications and hiring is accumulated on a daily basis. By bringing AI and other technologies to bear on this data, we can further evolve our businesses and services at a high speed.

For example, for users that have visited job sites, we recommend the best job on their browsing trends. For client companies, we are using the power of data and technology to provide higher



precision proposals for how to succeed at recruiting based on the timing of listings, what information to include, and what level of wages to offer.

We will enhance our sales capability, evolve our service development capability, polish our ability to efficiently develop promotions in the most effective way possible, and fully demonstrate these capabilities, all based on our philosophy. Personnel with these three capabilities who are strongly connected through our philosophy will generate substantial value on a united basis. The speed and scale of this value creation will be further accelerated and enlarged through the power of data and technology.

Another major strength for value creation is users and client companies. The dip Incentive Project and our workplace introduction video service would not have come about without feedback from users. Nor would they have been possible without the understanding and cooperation of client companies.

Our services were developed through co-creation with users and client companies. Social value through solving social issues and creating a better society as stated in our Corporate Philosophy is generated with the help of society and the capabilities of many people, including users, client companies, and our many partner companies.

# Human Capital Connected with Our Philosophy

Based on the belief that “people are everything and people are assets,” dip focuses intently on human resources—it is among the most important themes of management—and makes active investments in it. Our philosophy is at the core of our human capital management. It is at once our philosophy of management and our code of conduct, and it was cultivated as CEO Tomita and his employees overcame a variety of challenges following the company’s founding.

Even though we are a company of over 2,000 employees, we are able to flexibly and sensitively adapt to change and evolve as if we were a startup company with only several dozen people on staff. The reason is that our employees deeply understand and sincerely embody our philosophy.

We will continue to hire and develop human resources connected with our philosophy and will enhance conditions and systems that allow their abilities to be fully demonstrated.

## Organizational Culture-Building



### General Meeting of Employees Satisfaction

Score of **4.3**

\* Anonymous survey; score out of 5

### General Meeting of Employees Per-Person Expenses

**53,000 yen**

\* Includes transportation costs



### Employees Awarded Trip to Hawaii

**134** (in FY2021)

### General Meeting for Instilling Our Philosophy

In order to build an organization permeated by our philosophy, we are particularly focused on the General Meeting of Employees, which is held in March, the start of the fiscal year. Employees assemble from around the country, CEO Tomita goes over initiatives and results from the previous fiscal year and announces the new fiscal year’s theme and management policies based on the philosophy.

At the meeting, which is a fairly lengthy five hours, there are passionate, creative presentations with various types of performances. Celebrities featured in our television commercials also make an appearance. Surprise end-of-the-year bonuses may be announced as well. Our employees have a lot of fun, and it raises motivation.

The theme for each new fiscal year that is announced at the meeting is concretely integrated into the strategies of headquarters, business divisions, and departments. The theme is presented internally via a video presentation and thoroughly communicated to all employees.

### Reward Trips to Hawaii a Continuing Program

At the General Meeting of Employees, employees who performed in the top 10% for the full year are lavishly honored. And those honored are rewarded with a trip to Hawaii. These high-performing employees get together in Hawaii to discuss their work actualizing our philosophy and celebrate one another’s efforts. The reward trip is an opportunity for participants to strengthen their resolve to take on new challenges. The next trip will take place in December 2022, and 318 employees\* are scheduled to take part.

\* The trip was postponed in 2020 and 2021 due to the COVID-19 pandemic, so the total includes employees from these years as well.



TUNAG Posts from Employees  
**35/month** (February 2022)



Tsunaguba! Participants  
**1,034/year** (total)



ES Survey Response Rate  
**97.2%** (June 2022)

\* Anonymous survey

### Work Engagement



### TUNAG In-House Social Media

We administer an in-house social media site called TUNAG to continue to raise awareness of our Philosophy. On TUNAG, Board Directors and Executive Officers share their thoughts on the philosophy. Examples of how the philosophy has been embodied by employees are also introduced, along with scenes from training and other employee interactions. The site is an important tool for enlivening internal communication.

In October 2020, we introduced a new communication tool, Slack, which promotes open communication and raises the effectiveness of collaborations.

### Tsunaguba! Strengthens Employee Bonds

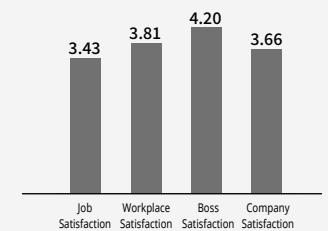
Tsunaguba! is a mechanism that generates connections between employees beyond organization and age demarcations.

It provides the opportunity for employees to come together across the organization, and gatherings are held on a variety of themes. There are groups directly connected to work in which participants think about organizational issues and share their opinions with one another, and there are others like a fishing group in which the participants get together around a shared pastime. These opportunities for internal communication are utilized by many employees, and allows them the platform to raise each other’s motivation.

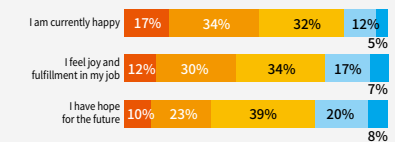
### Employee Satisfaction Survey to Raise Engagement

We conduct employee satisfaction (ES) surveys twice a year in June and December. The response rate is nearly 100%. After the surveys, the tabulated results are announced the same day by department and section, and all employees are allowed to see them. Thereafter, based on the survey results, meetings are held at each workplace to increase employee engagement and better actualize our philosophy.

### Satisfaction Level

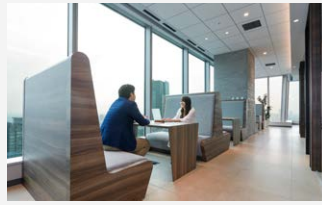


### Level of Happiness



Major Factors Influencing Happiness  
 (1) I feel my current job is rewarding (r=0.55)  
 (2) I feel I will be able to continue to grow at this company (r=0.50)  
 (3) My current job suits me (r=0.49)  
 (4) I feel pride in working at this company (r=0.48)

## New Graduate and Mid-Career Hires



**Average Interview Time Per Person until Hiring**

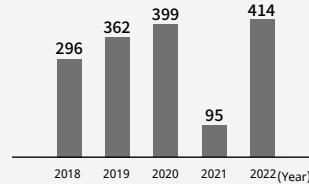
**6.2 hours** (FY2022/2)

### Philosophy-Based Recruitment

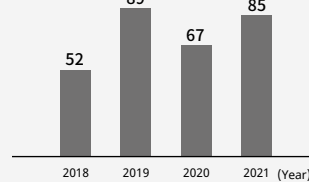
In creating an organization based on our philosophy, it is important to closely examine whether candidates are in sympathy with our philosophy during the hiring process. In order to do this, we spare neither time nor effort. Many employees participate in the hiring process and vividly discuss their real work experiences with applicants. All employees are involved in hiring because they understand that “each employee has a role to play in creating dip.”

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 in the further development of existing employees.

### New Graduate Hires (People)



### Mid-Career Hires (People)



### Main Training Programs

**Training by Level (participation required)**

- Third-year philosophy training
- Philosophy leadership training
- Philosophy practice/critical reflection training

**Elective Training (participation is voluntary)**

- Problem-solving training (basic, applied)
- Document preparation training
- Presentation training
- Mentor training
- Training to improve arrangement-making ability
- Writing training
- Practical IT training

## Member Development



**New Graduate Training Time**

**326 hours** (FY2022/2)

### New Graduate Training for Deep Thinking on Our Philosophy

In training new graduates based on our philosophy, we are particularly focused on new employee training that takes place in the first week. Board Directors and Executive Officers, starting with CEO Tomita, talk directly with the participants, who learn about the history of dip and gain an understanding of the future to which it aspires. New graduate employees listen to the talks and then hold multiple discussions with their colleagues based on the content and further deepen their understanding of the philosophy.

### Philosophy Coaching for Deeper Job Engagement

We began providing coaching in 2020 to cultivate in new graduate employees the ability to draw on our philosophy to overcome the various difficulties that are experienced upon starting their jobs.

During philosophy coaching, new employees from the same year reflect on events they experienced on the job while asking each other questions and thinking deeply about how to embody the philosophy in their own work.

### Training for new employees

(Explaining their dreams, ideas and passion to senior employees)



**Average Times Coaching Received Per Person**

**8 times** (FY2022/2)



## Leader Development



**Total New Manager Training Time**

**36 hours** (FY2022/2)

### Training for Managers

**New Manager Training (participation required)**

- Management principles
- Labor and compliance training
- MBO training
- Coaching training
- Case handling training
- Critical reflection training

**Elective Training (participation voluntary)**

- Process management training
- Training to enhance self-initiative
- Training on motivation techniques
- Training on formulating strategy
- Practical labor-related training
- Training on how to praise and criticize
- Training to enhance self-efficacy

### Philosophy Training by Level and Problem-Solving Training

We have a variety of training programs by level designed to strength human capital based on our philosophy, including third-year philosophy training, philosophy leadership training, and philosophy practice/critical reflection training.

For employees to “create a better society” as stated in our Corporate Philosophy, it is important to cultivate in them theoretical problem-solving ability as they gain work experience. From their third year, all employees take part in problem-solving training in which they take up problems related to their respective jobs and workplaces and propose solutions to them.

### New Manager Training to Enhance Managerial Ability Based on Our Philosophy

The presence of managers is what supports a strong organization united by philosophy. In developing managers, we are particularly focused on educating new managers through a full slate of programs.

The average age of dip's managers is 36.1, but we also have many young managers who are promoted to managerial positions as quickly as three and a half years after joining the company. New managers take time to think about management techniques based on our philosophy and learn the skills needed to put them into practice.

### Elective Training for Managers

In order to further enhance the skills needed to grow as a manager, we also offer a variety of elective training programs (participation is voluntary). Each elective training program draws around 50 participants per session. Employees think critically about real concerns at their respective workplaces and initiatives to make improvements. By discussing issues and other matters in this way, they help enhance one another's skills.

### Trust in Managers



## Human Capital Connected with Our Philosophy



### Total "Leadership Journey" Training Time

**143 hours** (February 2022)

### ◉ "Leadership Journey": Elective Training for Aspiring Executives

An elective training program called Leadership Journey is held to train executive candidates to be the next generation of dip leaders.

The training involves groups of around ten managers gathering at the company's recreational facility in Zushi, Kanagawa Prefecture once a month for eight months. There they work to increase their ability to embody our philosophy as leaders by first setting a theme related to transformation at the workplace and then learning and polishing together the skills required for such a transformation. After completing the training, a leadership conference is held where they present the results of their efforts. They give their presentations in front of CEO Tomita and other executives. In FY2022/2, 15 people were selected as executive candidates and received the training, and for FY'23/3, 21 people have been selected.

### Numbers of Department Managers (People)



### Regular meeting



## CHO MESSAGE



### Nobuaki Kitou

Executive Officer, CHO (Chief Human Officer)  
Head of Personnel & General Affairs Group

### Evolve Businesses and Services by Creating an Environment in Which People Can Demonstrate Their Individuality

dip's Philosophy puts into words the way of life of dip founder, Hideki Tomita, culminating in the "dream, idea, and passion," from which the Company derives its name. It represents our cherished approach to survival in a drastically changing society, namely, to overcome hardships with dreams, ideas, and passion.

As our conviction that "people are everything and people are assets" suggests, dip's business value is derived from the power of our employees. The job of the personnel recruiting services business is to enrich the lives of people who work. It is a business that would not be viable unless the employees involved in it found it rewarding and believed in their own career potential. It is for this very reason that, compared with other companies, we are more unstinting in the time and money that we devote to strengthening our human capital.

There is an approach to recruitment called "job-based recruitment," which first clarifies the job description and then assigns a person to that job. At dip, however, our organizational culture has a strong "people-first" approach. We identify people's potential, create environments and work that will allow them to demonstrate their individuality to the fullest, and in doing so generate synergies. This is how we evolve our businesses and services, and it is one of dip's strengths.

### Improve Work Engagement through Jobs That Allow Diverse Individuality to Shine

While we have long cherished the Philosophy, people tend to focus only on achieving short-term goals as we get busy with day-to-day operations. To turn dip into an organization that leverages the Philosophy even further and that is able to set itself apart from other companies, it is important that we create time and space to discuss the Philosophy across the boundaries of organizations and hierarchies.

While we cherish this "people-first" approach in our business, we must also evolve our work and organization through digital transformation (DX). However, this does not mean making work boring and insubstantial through DX. Rather, it means increasing the percentage of work that can only be done by people and that will allow people to demonstrate their individuality. This is how we will improve company-wide productivity and work engagement.

### To Be a Company That Enables Individual Employees to Feel a True Sense of Contributing to Society

Going forward, we will not be able to survive as a company unless we can give our employees a sense of meaning in their work. As well as establishing the fact 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. As a "Labor force solution company," we aim to realize a society in which everyone can experience the joy and happiness of work. To this end, we will work on realizing this vision within our own company first.

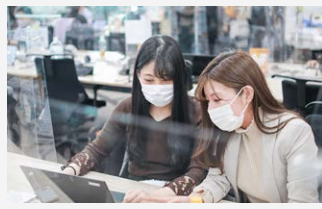
At dip, we manage the company with the belief that 'people are everything and people are assets' as our HR policy. The environment surrounding us is changing rapidly and significantly. It is precisely in such an environment that we must encourage the growth of our employees, who are the Company's assets, and support them from long-term perspectives.

## Promoting Women's Active Participation



### Percentage of Female Employees

**45.6%** (FY2022/2)



### Percentage of Female Managers

**33.2%** (FY2022/2)

### ◉ "F Pro" Project for Self-Directed Career Development by Female Employees

The Full of Work Project (F Pro) was started at dip in 2015 to help women take a more active role at the company. The project promotes initiatives in support of self-directed career development by women employees. In its third term, 100 people participated.

We also hold the "BOSS F Pro" project to enhance the ability of male managers to develop the career skills of female employees. The efforts of our many women employees are published in the Career Share Book, and the "F Café" is also held for women to talk with one another in a casual atmosphere. In this way, dip is actively working in a variety of ways to help women take an even more active role at the company.



### ◉ Management Training with Awareness of the Gender Gap

We have conducted joint surveys and research with Akiko Kokubo, an assistant professor at the University of Shizuoka, since September 2020 on promoting women's active participation at the workplace. Based on the results, it has been found that self-esteem is one of the factors that gives rise to a gender gap in promotion motivation and other areas.

Based on this research, we developed training for managers and are conducting management skill training for raising self-esteem among female employees.





## Personnel Recruiting Services Business

Human work force solution

### 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

 <p>ディップのバイト情報 <b>バイトル</b></p>	<p>Quickly connects jobseekers and client companies with the kind of freshness of information and rich variety of content that only the internet can offer. <b>Japan's largest portal websites for part-time employees</b> Marked its 20th anniversary in October 2022</p>
 <p>dip 社員の求人サイト <b>バイトルNEXT</b></p>	<p>Assists jobseekers in advancing to the next stage in their careers by helping them maximize experience gained in part-time jobs <b>Job site for full-time and contract workers seeking a career change</b></p>
 <p>dip 自分らしくはたらく <b>はたらこねっと</b></p>	<p>Connects client companies with jobseekers who are looking for full-time, temporary and part-time work <b>Japan's largest comprehensive job information platforms</b> Already No.1 in the dispatch worker job information market</p>
 <p>dip ディップの看護師転職サービス <b>ナースではたらこ</b></p>	<p>Our dedicated career advisers assist jobseekers with career moves and changes by providing them with job information that matches their individual preferences. <b>Recruiting services specialized in nurses</b> No.1 career change support service for nurses in Oricon CS Ranking Survey® for 2022</p>
 <p>dip 資格・経験を活かして働く <b>バイトルPRO</b></p>	<p>Leverage qualifications and experience or aspire to be professionals in fields such as healthcare, nursing care, beauty care, childcare, WEB/IT, distribution, and sales services <b>Comprehensive job information site for specialized jobs</b></p>

## Services That Address Jobseekers' Needs

### 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 jobseekers.



### 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 answers the wishes of users who want to wear a uniform that they like for their part-time job.



## MESSAGE

### Our Style of Pursuing “User-First” Services Is an Approach That We Will Steadfastly Retain as a Strength of dip.

A recent trend across the industry is to reduce the burden on client companies looking for workers and to dispense with the hassles involved in recruiting.

Here at dip, our sales reps shoot and edit videos, explain our industry-first hands-on experience/workplace visit functions to each of our client companies, and negotiate with them to raise hourly wages. I believe that the effort that our people expend on each client is more than double that of competing platforms. All of that effort is essential to help users make their lives better through work. This approach makes our client companies happy because it makes jobseekers happy. “User-first” is dip’s code of conduct.

Even though these services require a great deal of effort and run counter to industry trends, we have achieved high growth in productivity per sales rep. Our style of pursuing “user-first” services is an approach that we will steadfastly retain as a strength of dip.



**Takatsune Inoue**  
Executive Officer, Service Officer  
(Baitoru, Baitoru NEXT)  
Head of Regional Sales Group

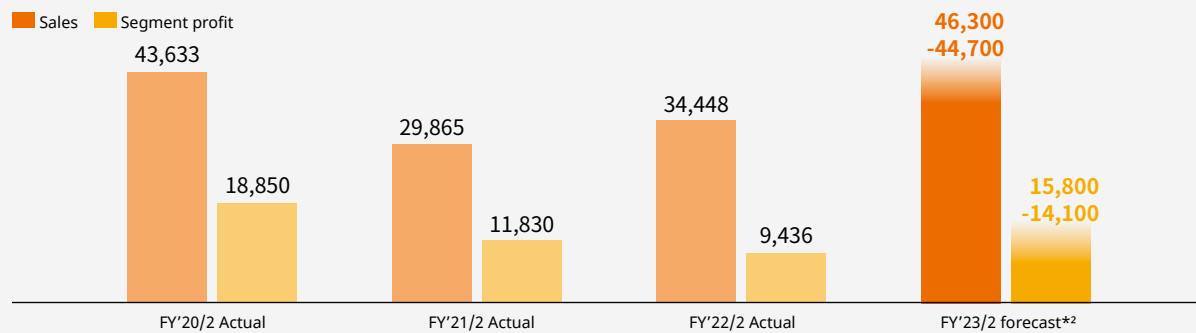
**▶ Past Performance and Future Outlook**

The macroeconomic environment for the fiscal year ending February 2023 shows factors of uncertainty related to the unstable international situation and associated trends in the supply and prices of resources. On the other hand, due to progress made in vaccination and other factors, it is expected that the COVID-19 pandemic will be brought under control.

While the labor market has not returned to pre-pandemic levels, net sales of the Personnel Recruiting Services Business recovered significantly in April 2022.

In anticipation of the recovery in the job advertisement market, we expect to increase sales and profits this fiscal year by increasing the number of job applications through active promotion and by reinforcing our sales efforts to further expand our market share.

**Sales and Segment Profit of the Personnel Recruiting Services Business\*1**  
(Million yen)



Note: The new revenue recognition standards have been applied to both actual performances and forecast figures.

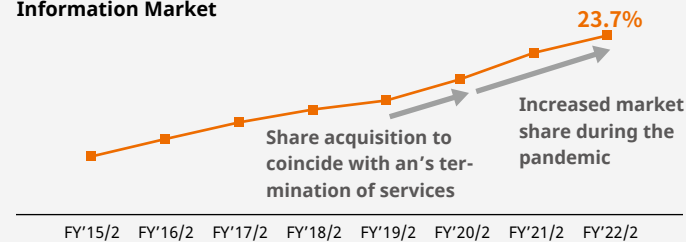
\*1: Baitoru, Baitoru NEXT, Baitoru PRO, Hatarako.net, and Nurse de Hatarako

\*2: Performance forecasts were revised on October 13, 2022.

**Market Share**

According to calculations based on the results of the latest independent market survey, our share of the part-time and temporary worker job information market increased from 21.4% in the fiscal year ended February 2021 to 23.7% in the fiscal year ended February 2022. In this way, we have steadily increased our market share even under pandemic conditions, and the gap with the No. 1 competitor in the industry has narrowed significantly. We will aim for the No.1 position by implementing a range of initiatives, including strengthening new graduate recruitment, promoting digital transformation (DX) in sales, and implementing unique promotional strategies.

**Trends in Our Share of the Part-Time and Temporary Worker Job Information Market**



\* Prepared by dip based on independent market size survey

**▶ dip's Sales Strategy through Agents**

Empathizing with dip's Philosophy as "partner companies," our agents actively engage in the sale of dip's products. In the "dip Incentive Project" as well, they work together with direct marketing sales reps to win more hourly wage increases and expand sales in order to improve conditions for workers. As colleagues who share the same Philosophy, we will continue to deepen our cooperation for the betterment of society.

**MESSAGE**

**We Will Continue to Deepen Our Collaboration with Agencies Who Empathize with the Philosophy in Our Effort to Enhance Both the Quality and Quantity of Job Listings.**

The more than 1,000 salespeople at our agencies who share our Philosophy are able to fill a large number of job openings, providing users with the opportunity to select jobs that meet their needs, even in areas where we do not have a sales office.

In April 2022, the sales division that handles the accounts of major client companies that operate business nationwide such as restaurant chains and the division responsible for liaising with agencies were merged into the Business Solutions Sales Group. This move has facilitated more in-depth sharing of information and know-how to allow sales reps to engage with the head office of the chain and their affiliated individual stores simultaneously, enabling us to promote more sophisticated solution proposals. Our direct marketing sales reps and the sales staff of our agencies nationwide will unite in their efforts to deliver information on diverse job openings to jobseekers in wider areas and to meet their various needs.



**Jun Sagano**  
Executive Officer, Head of Business Solutions Sales Group

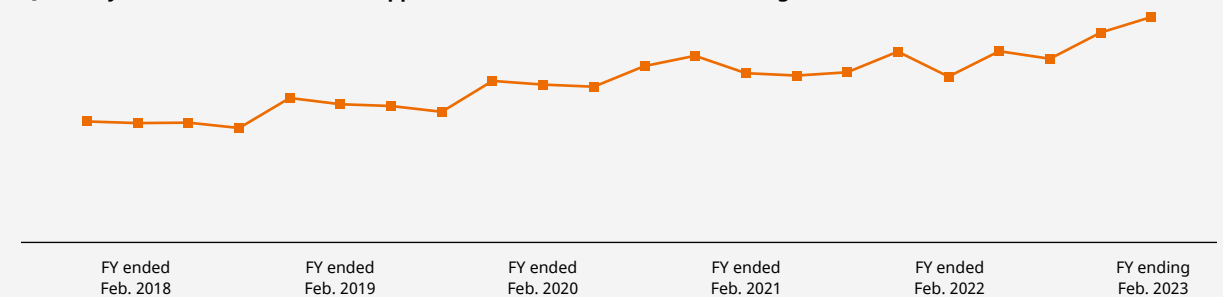
**▶ FY'23/2 Strategy**

With our unique functions and services based on "user-first" ideas, such as the "dip Incentive Project" and other promotions and posting "Message from dip-san," we will enhance the value provided to users and client companies. We will also work to improve sales productivity by expanding the functions of sales efficiency tools developed in-house and strengthening cross-selling of our four main media and DX products. In addition, we will conduct promotions that are optimized by area and job type, including launching concentrated advertising in priority areas.

**Record-High Number of Applications**

Thanks to our active promotions in anticipation of further labor shortages, the number of applications in the Personnel Recruiting Services Business has reached a new record high. By improving recruitment effectiveness, we will connect this success to further expansion of net sales.

**Quarterly Trends in the Number of Applications in the Personnel Recruiting Services Business\***



\* Baitoru, Baitoru NEXT, Hatarako.net



▶ **New Service, Baitoru PRO**

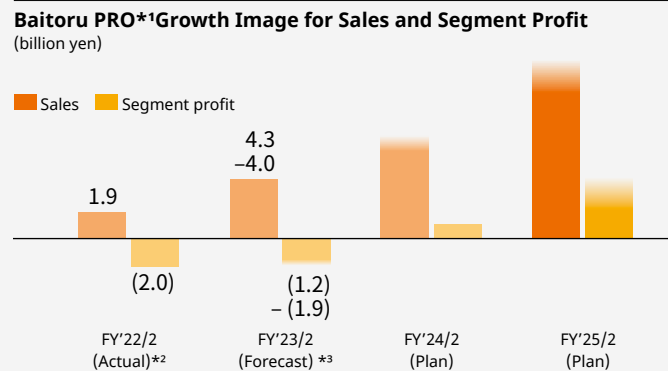
**Aims of the service**

This is a comprehensive job information site for specialized jobs focused on industries that face serious labor shortages. The service encourages movement in the labor force by supporting professionals as well as individuals aiming to become professionals. By leveraging our strengths, including our approximately 1,500 sales staff and unique promotions that combine digital and mass media, we aim to expand sales in the professional field, which is estimated at 380 billion yen\*. Baitoru PRO has grown steadily in the ten months since its launch in May 2021, reaching the No. 1 position in terms of the number of job postings in all of the healthcare, nursing care, childcare, and beauty care sectors.

\* Data provided by dip

**Future Strategy**

While continuing to be 'No.1' in the number of postings for the healthcare, nursing care, childcare, and beauty care fields, we will put efforts into obtaining job postings in the food & beverage, office, manufacturing, and logistics/light-duty fields. As we strive to set ourselves apart from our competitors with our unique services and functions, we will accelerate our user expansion efforts through promotions, and by using social media to increase awareness. In addition, we will work toward optimal combinations of job advertisements and recruiting services by broadening the target of our recruiting services beyond nursing positions to include pharmacists, care workers and other medical and long-term nursing care positions.



\*1 In March 2022, the agency business (Nurse de Hatarako) and the Baitoru PRO business were integrated. This is reflected retroactively in the figures for the fiscal year ended February 2022 in the graph above.

\*2 The new revenue recognition standard has been applied to actual performance figures.

\*3 Performance forecasts were revised on October 13, 2022.

**MESSAGE**

**Baitoru PRO Will Continue to Take on the Challenge of Solving Issues in Japan's Labor Market**

In the first year since it launched, Baitoru PRO delivered over 500,000 job postings, and it reached the No. 1 position in terms of the number of job postings in the healthcare, nursing care, childcare, and beauty care fields.

With the birthrate falling and the population aging at an accelerated pace, the highest priority challenges for Japan's labor market are eliminating labor shortages in healthcare and long-term nursing care positions and securing childcare workers. To create a society in which people can work in a way that is true to themselves, there is a need in these fields to generate value that only humans can offer.

To solve these social issues, we will improve the working environment through the implementation of DX. This will help reduce staff turnover, make it easier for people to return to employment, and increase the number of jobseekers who want to take on new challenges in these fields. Through these efforts, we will strive to promote greater labor mobility.



**Tomohiro Kitazato**  
Executive Officer, Service Officer  
(Hatarako.net, Baitoru PRO)  
Head of HR Sales Group

**DX business**

Digital labor force solution

▶ **Business Description**

To contribute to the greater adoption of DX among mid-tier enterprises and SMEs, in September 2019, we launched "KOBOT," a package of 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. In April 2021, we changed the name of the AI/RPA Business to the DX Business.

In 2021, dip was certified as a "DX Certified Operator" by the Ministry of Economy, Trade and Industry (METI) for its efforts to promote the adoption of DX among client companies, in addition to the promotion of DX within dip itself.



**KOBOT Series Product Lineup**

Streamlining of recruiting and personnel administration

採用ページロボット

Stock Product

No need to create recruiting webpages in-house. Quickly create original pages featuring Baitoru's unique functions, such as workplace introduction videos.

Launched in Jun. 2021 From ¥20,000/month

面接ロボット

Stock Product

Flow product

Automatically schedules recruitment interviews with applicants (automatic response by chatbots).

Launched in Nov. 2019 From ¥30,000/month

人事労務ロボット

Stock Product

Provides paperless solutions for part-time worker onboarding and labor management.

Launched in Jul. 2021 From ¥20,000/month

Sales support

HRロボット

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 Sep. 2019 From ¥40,000/month

Marketing support

常連ロボット for LINE

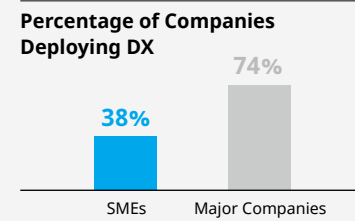
Stock Product

Issues membership certificates on LINE app, offers store visit reward points and coupons. Supports marketing activities by restaurants and retailers.

Launched in Dec. 2021 From ¥9,800/month

► Business Overview

In Japan, mid-tier enterprises and SMEs are lagging behind in the adoption of DX. 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 the inability to fully utilize the functions after deploying the DX tools. dip provides easy-to-introduce DX tools at reasonable prices, as well as maintenance and operation support with extensive customer success support, providing unique customer value in a one-stop service.



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

### Characteristics of KOBOT Series

**Easy to introduce**

Simple functions and cloud format enable use on same day as installment

**Reasonable prices**

Fees start at ¥20,000/month, with no development or introduction costs

Conventional DX services | dip's DX service

**Extensive customer success support**

The monthly fee covers maintenance and operation

Support by sales reps | Remote support by customer success team

**One-stop service including installation, operation, and maintenance**

► Strengths of the DX Business

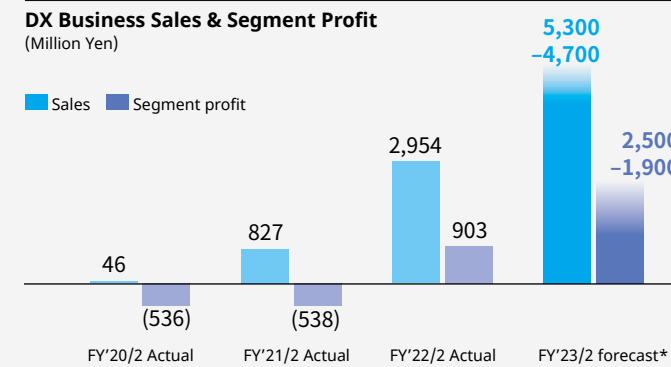
Our 1,600 direct marketing sales reps engage in consulting sales of DX products to our customer base of approximately 150,000 companies. We also provide implementation and operation support with our 70 in-house customer success team members. Making use of these strengths, we are creating a DX market for mid-tier enterprises and SMEs.

Product development	Marketing, sales	Customer success (CS) support
<p><b>Products designed specifically for mid-tier enterprises and SMEs</b></p> <p>Packaged products developed in-house and with partner companies (e.g., start-ups) are provided at low cost with excellent UI/UX.</p>	<p><b>Over 1,600 direct marketing sales reps</b></p> <p>1,500 personnel recruiting services sales reps + over 100 dedicated sales reps*</p> <p><b>Customer base of 150,000 companies</b></p>	<p><b>Extensive in-house CS team</b></p> <p>Approx. 70* CS personnel provide implementation support</p>
Single-function / multifunctional	Inbound marketing	Inadequate support
Characteristics of Startup SaaS Company		

\* As of April 2022

► Past Performance and Future Outlook

In the fiscal year ended February 2022, sales of our Interview Scheduling KOBOT, which automatically schedules recruitment interviews with applicants, and Temp Agency KOBOT have grown thanks to the reinforcement of our sales promotion system. Sales of stock products also increased. The products include the Corporate Recruiting Page KOBOT, which creates recruiting webpages on behalf of clients, featuring Baitoru's unique functions such as workplace introduction videos. In the fiscal year ending February 2023, sales and operating profit are expected to increase significantly due to an increase in the number of companies charged monthly payments and the improvement of ARPU.



Note: The new revenue recognition standards applied at the beginning of the fiscal year ending February 2023 have been applied to both actual performances and forecast figures.  
\*Performance forecasts were revised on October 13, 2022.

	Feb. 2022 (Actual) (New Standard)	Feb. 2023 (Forecast) (New Standard)
Monthly sales	¥320 mn*1	¥610 mn - ¥430 mn
No. of companies charged monthly payment	9,300	16,200 -11,800
ARPU*2	¥34,000	¥37,000
Stock Sales Ratio*3	46%	73 -71%

\*1 This is a provisional figure based on the application of the new standard for revenue recognition.  
\*2 ARPU: Monthly sales divided by the number of paid client companies  
\*3 Stock sales ratio: Stock product sales (automatic renewal or long-term contract) divided by total sales  
From FY'23/2, "Temp Agency KOBOT for Interview Scheduling" and "Interview Scheduling KOBOT" being sold with a contract term of one year or longer are included in the "stock sales" category since the churn rate has improved.

► FY'23/2 Strategy

We will strive to improve product quality to a level that exceeds the standards of other companies, improve sales efficiency by strengthening bundled sales, and implement sales enhancement measures by recruitment advertising agencies. We will also work on the reinforcement of the CS team to curb churn rate and promote up-selling by streamlining CS operations with DX.

MESSAGE

**dip Will Provide Full Support for the Adoption of DX by Mid-Tier Enterprises and SMEs, Which Are the Key to the Advancement of DX in Japan.**

It has long been pointed out that Japan trails the rest of the world in terms of the promotion of DX. The major reason for this is the slow adoption of DX among mid-tier enterprises and SMEs, which account for about 99% of all companies. To achieve "DX for anyone, anywhere," dip supports the adoption of DX by mid-tier enterprises and SMEs, which will play an essential role for the advancement of DX in Japan. Such support takes the form of introducing easy-to-use DX tools at reasonable prices with extensive customer success support. By automating tasks that do not require human hands such as simple paper-work tasks, we will create an environment in which people can focus on tasks that can only be performed by people. In doing so, we will contribute to the creation of workplaces that are brimming with a sense of reward.



**Hideki Miura**  
Executive Officer, Head of DX Business Group

# Medium-Term Management Strategy dip2025

## To Become a "Labor Force Solution Company"

With the vision of becoming a "Labor force solution company," as it declared in March 2019, dip aims to tackle various issues in the labor market through the provision of personnel recruiting services and DX services, and realize a society in which everyone can experience the joy and happiness of work. The path to achieving that goal is outlined in the Medium-Term Management Strategy dip2025.

### Formulation Process Involving All Employees

dip2025 is filled with the "dreams, ideas and passion" of all our employees.

To formulate the vision of becoming a "Labor force solution company", we first solicited ideas from all employees. In order for every employee to understand the management and business policies and work together to realize the vision, it was necessary for each individual to be involved in the formulation of the mid-term management strategy as if it were their own, in the essence of the founders' spirit, "Create your own dip". The competition attracted 1,194 entries that were filled with the passionate intentions of the individual employees. The employees who came up with the best ideas created and distributed presentation videos. Particularly outstanding ideas were then selected in a company-wide vote, and after a presentation event, the winners were decided.

Those winners, together with the executive management team, formed the dip2025 taskforce to refine the ideas that had emerged from the competition, and prepare a draft of the Strategy. After discussions in four meetings of the Management Council, the Strategy was finally approved by the Board of Directors.

### Growth Strategy and Aspirations

As our aspirations for the year ending February 2025, we have set targets of sales of 100 billion yen and operating income of 30 billion yen, with the DX Business to account for 45 billion yen of total sales and 10.8 billion yen of total operating income.



## Three Business Strategies and Six Business Foundations

We aim to make the DX Business a growth driver by expanding revenue from stock products to complement continued progress in the Personnel recruiting Services Business. We will also work to enhance corporate value by establishing new businesses based on the SDGs.

**Business Strategies**

- 1 Human work force**  
 Matching jobs quicker than anywhere else  
**Personnel Recruiting Services Business**  
 In addition to collecting large numbers of high-quality job postings through direct marketing sales, we will leverage our high brand recognition to accelerate the acquisition of job-seekers (users) to meet existing and potential needs. In doing so, we will create value in the form of "matching jobs quicker than anywhere else" by significantly improving the accuracy and speed at which jobseekers and client companies are matched, leveraging the power of cutting-edge technology.
- 2 Digital labor force**  
 DX for anyone, anywhere  
**DX Business**  
 To contribute to the greater adoption of DX among mid-tier enterprises and SMEs, we launched "KOBOT," a packaged DX service designed with selected functions that make it easier to introduce and continue to use the service. We continue to provide operational support after implementation with our extensive customer success team, with the aim of promoting "DX for anyone, anywhere."
- 3 New business**  
 Social improvement as a business based in SDGs  
**New Business**  
 Societal improvement as a business based on SDGs New Business Under the strategy of "societal improvement as a business based on SDGs," we will launch new businesses to achieve continuous growth and contribute to realizing a sustainable society.

**Business Foundations**

- 4 Sales**  
 Hybrid sales  
**Sales**  
 To improve sales productivity, we will strive to offer optimal proposals by leveraging the power of data and technology to identify customers' needs more quickly.
- 5 Media + Marketing**  
 No.1 web recognition  
**Promotion**  
 By strengthening awareness acquisition measures and increasing the first recall rate, we aim to be No. 1 in online recognition.
- 6 Development**  
 Ongoing development of products by a team of 200 people  
**Development**  
 We will build a development structure that allows us to more quickly realize ideas for improving society.
- 7 Personnel**  
 Firm philosophy, flexible people and work  
**Personnel**  
 We will create an innovative organization that is full of diversity, while being firmly connected under the Philosophy.
- 8 Dialogue with the market**  
 Plain explanations, correct understanding  
**Dialogue with the market**  
 We will work to help the stock market understand the strengths, growth potential, business risks, etc. that support our high sales growth and profit margins.
- 9 Implementation**  
 A medium-team strategy requiring all employees to learn, implement, and change  
**Implementation**  
 We will think and act together to flexibly respond to changes in the external environment, and thereby evolve.



**Personnel Recruiting Services Business**

**“Matching jobs quicker than anywhere else”**

Positioning “matching jobs quicker than anywhere else” at the heart of the value that we deliver, we will offer optimal matching between high-quality job postings collected by direct marketing sales, which are dip’s strength, and the existing and potential needs of jobseekers, using the power of technology.

To support each user in the process of selecting jobs suited to them, in the fiscal year ended February, 2022, the first fiscal year of dip2025, we focused our efforts on increasing the number of job postings and expanding the types of industries and jobs offered. In so doing, we have strengthened both the quality and quantity of job advertisements.

Going forward, we will work on building a proposal-based information provision system using AI technology. Such a system will help job-seekers to find jobs and workplaces that are more suited to them.

- High-quality job postings supported by direct marketing sales**
- Fresh, accurate and high-quality job postings
  - Appealing job information postings leveraging production and editing skills

- Jobseekers (users) with existing and potential needs**
- High brand recognition
  - Websites and apps with user-friendly UI/UX that makes it easy to search for jobs

Offers optimal matching using the power of technology

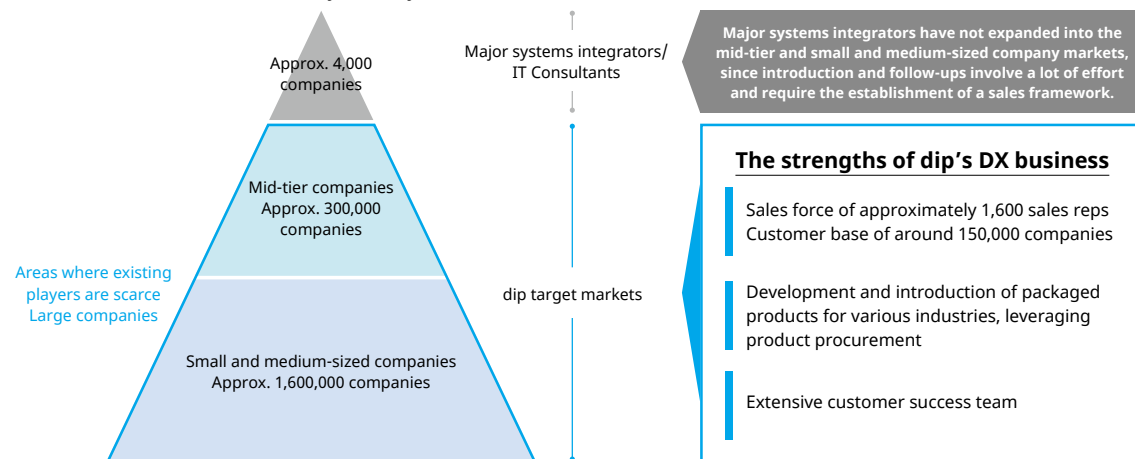


**DX Business**

**“DX for anyone, anywhere”**

We will change the current situation where small and midsize companies are unable to promote DX even though they may want to. By helping companies to eliminate labor shortages 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.

In the fiscal year ended February 2022, we largely completed the development of our business foundations, such as establishing sales methods and building our product planning process. Going forward, we will work on improving sales productivity and reinforcing our customer success support while improving product quality. In doing so, we will expand our business to realize “DX for anyone, anywhere.”



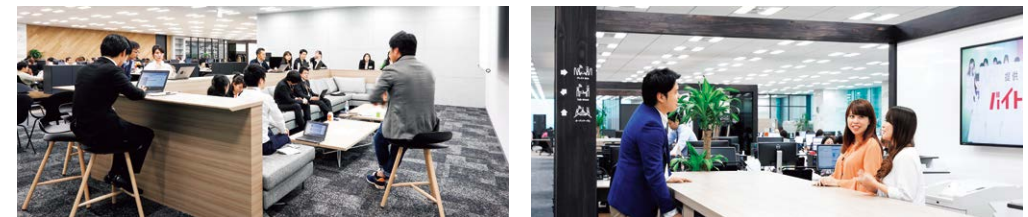
**New Business**

**“Societal improvement as a business based on SDGs”**

dip’s corporate philosophy “Here at dip, we want to tap into dreams, ideas and passion to create a better society” is in line with the SDGs. Under our strategy of ‘societal improvement as a business based on SDGs,’ we will launch new businesses to achieve continuous growth and contribute to realizing a sustainable society.

The “dip Accelerator,” which grows new businesses from employee ideas, is part of this endeavor. Under this initiative, we are proceeding with the deliberation of new businesses based on ideas that have been refined through multiple selection processes.

In 2020, we established the CVC fund, “DIP Labor Force Solution Fund” (9 billion yen in total) to explore and discover seeds for new businesses. Through this fund, we consider alliances with start-ups and make investments in them. Going forward, we will continue to contribute to the solution of social issues through the creation of innovation.



**MESSAGE**

**In addition to our knowledge in the human resources field, we will promote activities that leverage the management support, marketing knowledge and experience of our employees, who have extensive experience in launching new businesses.**

We consider new business development to be the creation of future core businesses for our sustainable growth. We are drawing up investment strategies that put into words the business opportunities of ten years into the future.

When considering a new business, we consider both investment by CVC (Corporate Venture Capital) and in-house start-ups, and operate the entire new business process as one team. In addition to our knowledge of human resources, at which we have always excelled, we utilize the management support and marketing knowledge and experience of newly hired employees with extensive experience in launching businesses.

We will build a system that can support our portfolio companies, and in new business development, we will create future core businesses by focusing not only on vertical launch but also on business management and producing results.



**Shoji Fujiwara**  
Executive Officer  
Head of COO Office and Deputy Head of Service Development Group

4 Sales

Sales

“Hybrid sales”

In addition to pursuing optimal combinations of in-person and online meetings with client companies, we will promote inbound sales through BtoB marketing and other means. In our efforts to improve sales productivity, we will also use data and technology to swiftly identify the emergence of recruitment needs and make optimal proposals.

PICK UP

Here at dip, we have developed our own Customer Relationship Management (CRM) system that gives sales reps recommendations for target clients. These recommendations are based on analysis of a variety of data, including sales action histories and details of business meetings, as well as the status of ad placements in competing media. Going forward, we will further evolve data-driven sales activities of this nature.



MESSAGE

We Will Refine Sales Processes through Optimal Collaboration between Humans and Technology

To achieve our vision of becoming a “Labor force solution company,” we believe that, if we are to improve the economic productivity of our client companies, it is vital that we first improve our own sales productivity. As a company with around 1,600 sales reps, dip must take the lead in adopting DX in our own sales processes, to build a lean and highly productive organization. We must also be able to provide that knowledge to client companies.

In advertisement production, which can be described as the heart of recruiting media, we are streamlining our operations by dividing them into core elements – those which have an impact on hiring and therefore need to be created with human thought and consideration, and other elements that would not be any different if they were to be produced by AI. Through the optimal collaboration between humans and technology, we will refine the series of processes from proposal to receipt of order, ad production, and posting, and propagate the advancement of DX ourselves.



Goryu Hada

Executive Officer,  
Head of Business Promotion Group,  
Head of Business Planning Division for the Group

5 Media - Marketing

Promotion

“No.1 web recognition”

By strengthening measures to increase awareness through the use of hybrid promotions, we aim to increase the natural inflow of job applicants to our sites. Reinvesting the application acquisition cost savings into promotional measures, we will create a virtuous circle of enhancing recognition even further. In the fiscal year ended February 2022, we reinforced our social media measures and promotions by area and job type. We will continue to deepen the collaboration between the product development, marketing, and sales divisions in an effort to achieve No.1 web recognition.

PICK UP

In March 2022, we stepped up our unique social media promotions by establishing the “Pep Squad for Companies Raising Wages” together with Hajime Shacho, a video creator whose YouTube channel has more than 10 million subscribers, and other video creators.



MESSAGE

We Will Achieve No.1 Recognition on the Internet through User-First Product Improvements and Effective Investments in Hybrid Promotions.

To date we have been aggressively investing in marketing and improving our app, web search, and product experience. One year later, Baitoru is now the first or second ranked product on the Appstore for “part-time job” searches, and we are continuing to catch up to our major competitors in web search. The product experience value has also improved, achieving the No. 1 position in mybest’s list of most recommended popular part-time job search website ranking\*. With the natural increase in job applications and the growth of habitual users of the service, the efficiency of advertising investment is improving. Going forward, as we work to improve product experience by leveraging saved costs and conduct hybrid investment in TV commercials and internet recognition advertising, such as YouTube and other social media videos, we hope to achieve No.1 recognition on the internet.

\* mybest “18 most recommended popular part-time job search website ranking [Thorough comparison in August 2022]”: <https://my-best.com/4924>



Kei Shinto

Executive Officer  
Deputy Head of Service Development Group,  
Head of Media Production Division for the Group

**6 Development**  
Ongoing development of products by a team of 200 people

**Development**

**“Ongoing development of products by a team of 200 people”**

We will build a team that will develop ideas for the improvement of society more quickly and in greater numbers. To achieve a team of 200 people, we hired around 40 engineers in the fiscal year ended February 2022, and steady progress is being made in the transition to in-house development. We will also accelerate investment in data and technology.

**PICK UP**

In May 2022, a delegation led by dip's CTO Toyohama gave a presentation on our “Data Center Graduation Project” at the AWS Summit Online 2022 held by Amazon Web Services Japan Inc.



**MESSAGE**

**To Further Accelerate the Development Capabilities of Both the Personnel Recruiting Services Business and the DX Business, We Will Strengthen Our System Design and Architecture Development.**

For the two years or so since I joined dip, I have been working from an engineer's perspective on the establishment of the necessary environments, reviewing our system design, and strengthening our organizations, including the recruitment and development of employees, so we can give shape to various ideas more quickly based on our user-first approach. Going forward, as CTO, focusing more on system design and architecture development, I will work to make major improvements in our development capabilities in both the Personnel Recruiting Services Business and the DX Business and in the speed of such development, while also proceeding with the delegation of authority.

If we are to keep launching services and functions for users as a presence that improves society, it is important that our engineers and other employees enjoy their work as they put their respective creativity to use. I will continue to work hard myself to build those kinds of environments and system foundations.



**Yoshinobu Toyohama**

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

**7 Personnel**  
Firm philosophy, flexible people and work

**Personnel**

**“Firm philosophy, flexible people and work”**

We will work to strengthen the connection between our employees through dip's Philosophy and to recruit more new and diverse colleagues who empathize with the Philosophy. We will also strive to evolve into an organization that generates innovation through more flexible workstyles. We started building our new personnel system in April 2022, and it is scheduled to be implemented in March 2023.



**8 Dialogue with the market**  
Plain explanations, correct understanding

**Dialogue with the Market**

**“Plain explanations, correct understanding”**

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. By enhancing information disclosure and conducting dialogues with stakeholders, we feed the views of our stakeholders back into the company. These efforts are leading to the improvement of management quality.

**Promote Correct Understanding to Enhance Corporate Value**



**9 Implementation**  
A medium-term strategy requiring all employees to learn, implement, and change

**Implementation**

**“A medium-term strategy requiring all employees to learn, implement, and change”**

dip2025 represents the state to which we aim for the realization of our Vision. Given the vast changes in the external environment related to dip's business, we will review and change our strategy and tactics in a flexible manner. In the fiscal year ended February 2022, we were able to implement 80% of the measures. Going forward, all of us at dip will unite in our efforts to work on the measures contained in dip2025.



# Creation of Economic Value

## Toward the Sustained Enhancement of Corporate Value through the Creation of Economic Value

Here at dip, through efforts to solve social issues based on our Philosophy, we are expanding our user base and customer base, as well as our non-financial capital that strengthens these bases, namely our human capital that generates service development, promotional, and sales capabilities.

In doing so, we will enhance corporate value in a sustained manner by increasing our capacity to grow our net sales and profits, strengthening our financial capital, and creating economic value.

### Enhance Corporate Value in a Sustained Manner by Solving Social Issues Based on dip's Philosophy

Under our Corporate Philosophy, "Here at dip, we want to tap into dreams, ideas and passion to create a better society," our employees, who empathize with the Philosophy, are addressing social issues in the labor market and embodying the Philosophy in their day-to-day work. Over the years, they have worked to create employment opportunities for many and diverse jobseekers and to eliminate the problem of employment mismatch. In doing so, they have enhanced the recruitment and human resource capabilities of our client companies and supported 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.

The development and effective promotion of "user-first" services attract more users to our website, and those users apply for the many quality job ads that we have gathered through our sales capabilities. This generates high advertising effects for our client companies, and in turn, leads to repeated requests for listings. Developing new client companies results in even more listings, leading to increased media appeal, which brings more new users to the site and more job ad requests from client companies, all of which ultimately result in the expansion of sales.

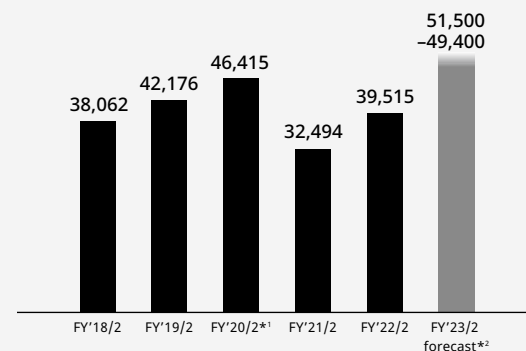
The repetition of this virtuous cycle has allowed us to build user and customer bases that are highly loyal to dip. These bases, along with our non-financial capital, namely, our human capital that supports them, are the very strengths of dip, and they are contributing to the creation of economic value, that is, the sustained enhancement of corporate value.

### Improve Capacity for Sustained Growth in Our Sales and Profits by Enhancing Financial and Non-financial Capital

To build our user base, which is an important form of non-financial capital, we have invested a total of ¥20 billion in systems development for services and ¥70 billion in promotional activities to attract users and increase their loyalty. Over the more than 20 years since the service was launched, we have

#### Sales

(Million yen)



expanded our user base by repeatedly reinvesting the cash flow generated from sales and profit growth as financial capital.

The larger the user base, the more recognition and brand power are heightened, enhancing the efficiency of our investments in promotions. Social media-based promotions and other efforts create a network effect, in which existing users attract even more new users, reducing the percentage of advertising expenses spent on promotions. This results in higher profit margins and improved cash generating capability, further enhancing economic value.

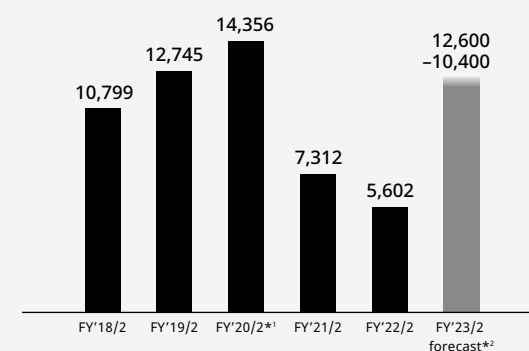
To strengthen our sales capabilities for the expansion of our customer base, we have increased the number of sales staff through large-scale recruitment of new graduates and taken other initiatives, such as enhancing our training systems and promoting digital transformation (DX) in sales activities. These efforts have helped improve sales productivity (sales per sales staff). While annual average sales of first-year new graduate employees is ¥3.5 million, this figure jumps to ¥25 million by their 3rd year.

Currently, 1,600 sales staff engage in day-to-day consulting sales for client companies, and their efforts have built a customer base of more than 150,000 companies.

In addition to sales positions, we also actively recruit mid-career employees in a variety of fields, including engineers who enhance service development and promotional capabilities, as well as highly specialized planning staff.

#### Operating Income

(Million yen)



In such ways, we will be more aggressive in investing in systems, promotions, and human resources to expand our non-financial capital and establish a business operation structure, with the aim of enhancing sales and improving profit margin.

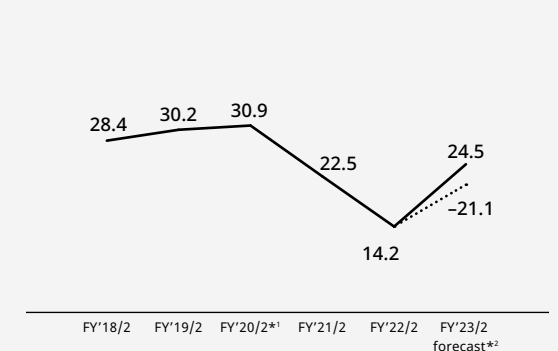
### Review of Financial Results for Fiscal Year Ended February 2022

As a result of high growth in the DX business and steady recovery in the personnel recruiting services business, sales increased by 21.6% YoY to ¥39,515 million, while operating income decreased by 23.4% YoY to ¥5,602 million. This was due to the implementation of large-scale advertising as an upfront investment to realize further growth in market share in the part-time job and dispatch recruiting segment, and to increase recognition of Baitoru PRO.

Amid slow recovery in the job advertisement market, we rolled out large-scale promotion of the dip Incentive Project. This resulted in an increase in the number of job advertisements with higher hourly wages and the number of applications increased steadily. Sales in the personnel recruiting services business achieved an early recovery to pre-pandemic levels. As a result, our share of the part-time and temporary worker job information market increased from 21.4% in the fiscal year ended February 2021 to 23.7% in the fiscal year ended February 2022, and the gap with the industry's No. 1 competitor in the industry narrowed significantly.

#### Operating Income Margin

(%)



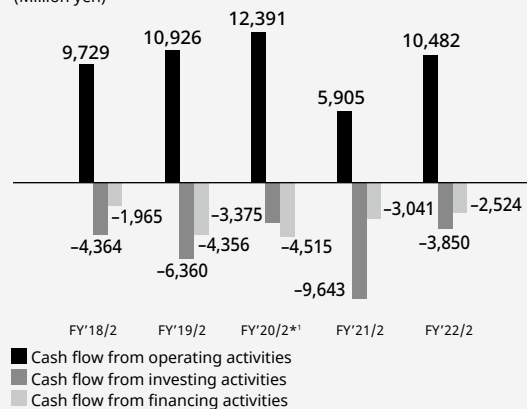
\*1: As consolidated accounting was not performed for the fiscal year ended February 2020, the figures for that fiscal year are from non-consolidated accounting. \*2: Performance forecasts were revised on October 13, 2022.

## Creation of Economic Value

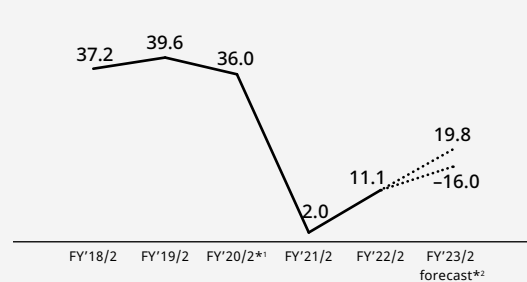
In May 2021, we launched a new service called "Baitoru PRO," a comprehensive job information site for specialized jobs. This service has grown rapidly, achieving the No. 1 position in terms of number of job postings in the healthcare, nursing care, childcare, beauty care sectors in March 2022.

In the DX business, in addition to the Interview Scheduling KOBOT and Temp Agency KOBOT, sales of stock products increased significantly, particularly the Recruiting Page KOBOT, etc. Going forward, we will strive to increase sales and profit and to contribute to the improvement of economic productivity for our client companies by strengthening product quality, curbing the churn rate, promoting up-selling, and improving sales efficiency by expanding bundled sales.

**Cash Flow**  
(Million yen)



**ROE**  
(%)



\*1: As consolidated accounting was not performed for the fiscal year ended February 2020, the figures for that fiscal year are from non-consolidated accounting.  
\*2: Performance forecasts were revised on October 13, 2022.

### Evolving to a Profit Structure That Is Less Susceptible to Economic Fluctuations by Expanding the Business Foundation

The part-time and temporary worker job advertisement market feels the effects of economic conditions to no small extent. For this reason, building a resilient profit structure has been an issue for the Company.

Under such circumstances, dip has succeeded in launching one new business and one new service in the past three years. As both of them are less susceptible to economic fluctuations, steady progress has been made in strengthening 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. In the three years since its launch in September 2019, the DX business has grown into a business with annual sales of ¥5 billion (projected). The adoption of a monthly billing model has made this business less susceptible to economic fluctuations, which has helped to strengthen our profit structure. Also, because the sales staff responsible for job advertisement sales also engages in the marketing of DX business products and services, the business has not required a large investment in promotion, allowing for a high profit margin.

The other new launch is "Baitoru PRO," a comprehensive job information site for specialized jobs. Since its launch in May 2021, Baitoru PRO has grown rapidly, recording sales of more than ¥900 million in the second quarter of the fiscal year ending February 2023.

The size of the job advertisement and placement market that Baitoru PRO targets is around ¥380 billion. Of this, the healthcare, nursing care, childcare, beauty 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.

Going forward, we will work aggressively to create more new businesses and services and press further ahead with building a business portfolio that is less susceptible to economic fluctuations.

## CFO MESSAGE



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

### Optimal Capital Allocation for a Balance of Growth Investment and Shareholder Returns

To achieve the sustained enhancement of corporate value, we optimally allocate cash flow generated from economic value creation to growth investment and shareholder returns. We also work on the expansion of future cash flow through growth investments with objectives such as launching new businesses, developing services, and recruiting and developing human resources. Further, we have strengthened the return of profits to our shareholders by raising the payout ratio from 30% to 50% from the fiscal year ended February 2021.

In terms of shareholder returns, while we believe that nothing is more important than improving our share price in the medium to long term by enhancing corporate value, we also emphasize continued increases in dividends by improving business performance and expanding profit. In addition, we will consider extra shareholder return measures such as the repurchase of company shares, while taking into comprehensive consideration factors such as the state of the balance sheet, including cash and deposit levels, and share price.

In terms of return on asset (ROA) and equity (ROE), dip has achieved a ROA of 13.6%, which is higher than the TSE average of 4.2%. Despite a temporary decline due to the impact of COVID-19, prior to the pandemic, ROE stood at 36%, which is much higher than the cost of shareholders' equity. In anticipation of the end of the COVID-19 pandemic, we will work on the recovery of ROE to 25% as early as possible, and on achieving 30% in the medium term.

### Aim for Further Evolution by Strengthening Efforts toward ESG Management

In the Environment area, dip announced our endorsement of the TCFD recommendations in October 2021 and, after setting medium-term targets, disclosed a variety of KPIs. In the Society area, we enhanced our disclosures of human capital-related data and implemented other initiatives, including setting targets for the percentage of female managers, and announcing our endorsement of the Declaration on 100% Childcare Leave Acquisition by Male Employees.

In Governance, in addition to having women account for one-third of the Board of Directors, we also disclosed changes to the methods for determining individual remuneration amounts for Directors by the Nomination and Compensation Committee and those remuneration amounts. Further, we are undertaking measures to raise the effectiveness of the Board of Directors and for the enhancement of various policies, including the Basic Policy on Compliance.

As a result of these efforts, dip has been selected for all five of the ESG indexes adopted by GPIF, and our MSCI ESG rating has been upgraded to "AA," the highest in the industry.

Going forward, we will further promote and evolve our ESG management, including the setting of KPIs for the creation of social value.

### Improve Management Quality through Dialogue with Stakeholders

For the enhancement of corporate value, we believe that it is important to give the stock market a better understanding of the sustainable strengths and growth potential of our businesses, which support high growth and profitability, as well as of the business risks. To this end, in the fiscal year ended February 2022, we held 245 interviews with investors.

Opinions, requests, and ideas from investors are reported in detail to the Board of Directors and the Meeting of Executive Officer on a quarterly basis, and this feedback is put to use in management and business operations. We also communicate the stock market's evaluations and expectations to our employees and encourage them to study management perspectives and put them to use in their work.

Taking the publication of the Integrated Report 2022 as an opportunity, we will strive to improve management quality by further deepening our dialogues with stakeholders.



# Social Value to Be Created

## We Will Realize a Sustainable Society with the “Dream, Idea and Passion” to Carve Out the Future

Until now, dip's economic value has been generated through the creation of social value that attracted many users and client companies and enhanced their loyalty.

**Creating working environments in which diverse people can work safely, healthily and with peace of mind, while feeling a sense of reward from a variety of working styles, and experience the joy and happiness of work, we help companies to grow and develop the economy. This is the kind of sustainable society that we will seek to realize, and to that end, we continue our efforts to create social value.**

### Creation of diverse employment opportunities/Elimination of employment mismatch

- 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



In recent years, advances in the creation of comfortable working environments for women and seniors have encouraged the employment of these two groups, resulting in an increase, albeit slight, in the working population. However, the decline in the working population caused by the falling birthrate and aging population has exceeded that increase, and with the growth in demand for staff after the pandemic, serious labor shortages are predicted going forward.

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. Through Baitoru NEXT and Baitoru PRO, we also provide employment opportunities that help users take on the challenge of forging new careers.

In addition, we provide job information that is enriched in both quality and quantity through our unique functions and services, and work to eliminate mismatches at the time of employment so that each individual can fully demonstrate his or her abilities in a rewarding way.

In times of drastic change, 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 with a sense of reward and receiving better conditions, experience the joy and happiness of work.

### 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



There is currently a growing need for companies to engage in human capital-focused management for the enhancement of corporate value over the medium to long term, by viewing their people as important “capital” and drawing on the strengths of their workforce to the full. This approach is something that all companies are being called on to do, regardless of the size of their business or industry.

Here at dip, through the provision of personnel services and DX tools, we help client companies to establish an environment in which they can strengthen their recruitment capabilities, retain the people hired and help them flourish in their work. We also support mid-tier enterprises and SMEs, who are lagging far behind in terms of the adoption of DX compared with large enterprises, and in doing so,

contribute to the building of the technological foundations for innovation.

Promoting DX improves not only productivity but also employees' sense of reward. The time savings generated through operational efficiency improvements can then be put into the reskilling of workers. This will serve to enhance the engagement of each and every worker, and, in turn, strengthen the human resources through the advancement of workers' skills.

The value created by companies through the improvement of economic productivity and the creation of innovation will increase significantly, resulting in a society with improved conditions for workers and higher job satisfaction.

### 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



For companies to generate higher value and realize a sustainable society, it is important that they increase their productivity and create innovation by utilizing employees of diverse backgrounds and giving them opportunities to fully demonstrate their respective capabilities.

In this regard, it is important to establish working environments of mutual respect among workers where their psychological safety is ensured 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. The human rights of all workers must be respected.

Here at dip, we carry out DEI (Diversity, Equity & Inclusion) projects and work with client companies to establish workplaces where women, senior citizens, and people with disabilities can participate more actively in the workplace. In doing so, we are aiming to promote stability and security in employment.

Under our Human Rights Policy, we conduct human rights due diligence and work to reduce risks so that the human rights of all people associated with our business, including users and client companies, are respected, with the aim of realizing a society where the human rights of all people are respected.

### Response to the climate crisis

- 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



Humanity is at an important crossroads as to whether it will be able to curb the climate crisis to realize a sustainable society for future generations. Sufficient countermeasures must be taken without delay in order to curb such an emergent climate crisis. In the face of potential climate crises of the future, action is needed now to avoid and mitigate damage.

At dip, we have developed concrete plans to reduce CO2 emissions across our entire supply chain and commenced efforts to contain the climate crisis. When disasters occur, we will work to provide support so that people who have been affected by those disasters are able to keep working.

Our goal is to protect the safety and security of people's lives for future generations, and to create a society where disaster victims do not have to worry about losing their jobs due to the effects of the climate crisis.

### To Realize a Sustainable Society

A society in which people with diverse characteristics and abilities can engage in work that only humans can perform and that are the most suited to the individual, and in which people can dream and work with passion while devising various ideas, and, in turn, support economic growth. This is the society in which everyone can experience the joy and happiness of work. We, at dip, have set forth our goal to realize such a society as our Corporate Philosophy, and aim to realize dip's vision of becoming a “Labor force solution company.”

We at dip will continue to take on the challenge of creating new social value in the labor market, enhancing economic value, and continuously increasing corporate value for the sake of a sustainable society.



# Sustainability at dip

<b>67</b>	<b>Sustainability Policy</b>
<b>68</b>	<b>Environmental Initiatives</b>
68	Response to the Climate Crisis
<b>71</b>	<b>Contributions to Society</b>
71	Ensuring the Diversity of Human Resources
72	Human Rights Initiatives
73	Promotion of DEI
74	Initiatives for Health and Productivity Management
75	Contributions to Regional Society
<b>77</b>	<b>Strengthening Governance</b>
77	Management and Executive Structure
	— Outside Board Directors MESSAGE —
	— Full-Time Corporate Auditor MESSAGE —
85	Corporate Governance
<b>95</b>	<b>Financial and Non-financial Data</b>
<b>97</b>	<b>Company Profile</b>

# Sustainability Policy

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 value and economic value, and aiming to achieve sustainable improvement of corporate value.

## Sustainability Policy

Under our Corporate Philosophy of “Here at dip, we want to tap into dreams, ideas and passion to create a better society,” we aim to improve our corporate value over the medium to long term and achieve continuous growth, as we contribute to a sustainable society.

We will promote business activities to achieve our vision of becoming a “Labor force solution company,” and realize a society in which everyone can experience the joy and happiness of work.

## System for the Promotion of Sustainability Activities

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.



# Environmental Initiatives

## Environment Response to the Climate Crisis

dip considers the issue of climate crisis to be an important management issue and established its environmental policy in December 2020 as a guideline to fulfill its responsibilities toward the realization of a sustainable society. To reduce our environmental impact, we actively educate our employees about the environment in addition to reinforcing our system for protecting the environment and disclosing information such as CO<sub>2</sub> emissions from our business activities.

## Environmental Policy

Based on its management philosophy, “Here at dip, we want to tap into dreams, ideas and passion to create a better society,” dip has established the following environmental policy as a guideline to engage in efforts to reduce the environmental impact from its business activities and to fulfill its responsibilities toward the realization of a sustainable society.

### Basic Approach

With society as a whole facing serious global environmental problems, and with the Paris Agreement, a new international accord to combat global warming, coming into effect in November 2016, companies are now being called on to engage in environmental conservation activities as a management issue and contribute to solving environmental problems.

dip strives to create an effective framework for environmental conservation activities and to make continuous improvements so that we can realize a sustainable global environment and pass it on to future generations.

### Contributing to the Resolution of Global Environmental Issues through Our Business Activities

Since its foundation, dip has operated online job information sites that do not use any paper resources. In addition, through the provision of DX services, we are working to solve environmental issues by reducing the environmental impact of our client companies’ business activities and improving their environmental efficiency.

In order to realize a sustainable society, we will continue to develop environmentally friendly businesses while correctly recognizing and assessing the impact of our business activities on the environment, while also proactively promoting energy and resource conservation, waste reduction, and other activities to reduce our environmental impact. In addition, we will strive to recycle resources, maintain biodiversity, and prevent pollution.

### Observance of Environmental Compliance

We will comply with environmental laws, ordinances, and other regulations, as well as domestic and international laws and regulations related to the environment. We will also strive for proactive communication on the environment with internal and external stakeholders.

### Efforts to Address Climate Change

The issue of climate change is an important challenge that needs to be addressed by the entire world, as it not only affects the entire fabric of human life, but also poses a major threat to equitable economic growth, poverty reduction, and human security. In recent years, phenomena that are considered to be adverse effects of climate change have been reported in various places, and it is predicted that they will become more serious in a wider range of regions and fields in the future. We consider the issue of climate change to be an important management issue, and will strive to build a system to manage the impact and risks of climate change.

### Promotion of Awareness-Raising Activities for Employees

dip will ensure that all employees are fully aware of this policy and will foster a foundation for each employee to act consciously toward the environment through environmental education and awareness-raising activities.

Sustainability Policy

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.



1. 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.

2. Strategy

Assumptions in scenario analysis	Risk	Responses and Opportunities
Scenario in which temperature increases are unstoppable <b>&lt;Assumption&gt;</b> An increase of about 4°C compared to pre-industrial levels <b>&lt;Scenario used for analysis&gt;</b> • RCP8.5 • SSP5	Physical risks Occurrence of natural disasters Occurrence of system failures Spread of infectious diseases	<b>&lt;Countermeasures&gt;</b> Through our Business Continuity Plan (BCP), we have formulated a response in the event of a natural disaster. 1. Formulate guidelines for employee behavior during disasters. 2. Earthquake resistance measures for buildings, systems, etc. 3. Data backup systems 4. Implement a system to confirm the safety of employees 5. Disaster prevention training 6. Stockpiling of disaster supplies
Scenario in which temperature increases are controlled <b>&lt;Assumption&gt;</b> An increase of less than 2°C compared to pre-industrial levels <b>&lt;Scenario used for analysis&gt;</b> • RCP2.6 • SSP1 • IPCC "Special Report on Global Warming of 1.5°C"	Policy and legal risks Strengthen policies to curb GHG emissions	<b>&lt;Countermeasures&gt;</b> Our goal is to reduce GHG emissions from all offices and data centers by 100% by the fiscal year ending February 28, 2025.  <b>&lt;Opportunities&gt;</b> 1. Expanding opportunities to provide human resource services as a result of inter-industry labor migration related to the government's Green Growth Strategy 2. Increase investment in venture companies related to the above growth strategies 3. Expanding opportunities for the introduction of DX services in line with the promotion of a paperless society due to stricter GHG emission control policies 4. 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
	Market risks Transition to a low-carbon society	
	Reputational risks Occurrence of reputational risks	

3. 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.

4. 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 28, 2025.

Main Efforts toward Reducing Our Environmental Impact

Efforts at Head Office

From September 2021, we started making a transition to renewable energy sources at our head office, which accounts for approximately 25% of the entire company's electricity usage.

Effective Use of Natural Resources

▶ Going Paperless

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



▶ Promotion of 3Rs in Office

Trash boxes beside desks have been removed, and instead, garbage segregation zones have been put in place in accordance with segregation rules of the regions in which our local offices are located. dip takes thorough steps to raise employee awareness about waste reduction and strives to promote the 3Rs (Reduce, Reuse, and Recycle).



# Contributions to Society

## Society Ensuring the Diversity of Human Resources

Based on the belief that 'people are everything and people are assets,' dip has conducted employee training and enhanced the working environment with the aim of creating an environment that allows every employee, each with their own diverse individuality, to demonstrate their abilities to the full, thus increasing their sense of happiness. In order to further strengthen these efforts, we formulated the Human Resource Development Policy and the Policy to Enhance the Working Environment.

### Human Resource Development Policy

dip considers its employees to be its most important management capital, and we believe that dip's growth is only possible through employee growth and improving employee well-being. Human resource development for this purpose is based on our Corporate Philosophy.

dip's education system is structured by defining the stance, knowledge, and skills for each role and level that are necessary for our employees to embody our Corporate Philosophy and to "create a better society" as stated in our Corporate Philosophy. Based on this system, we develop and implement a unique training program summarizing our know-how.

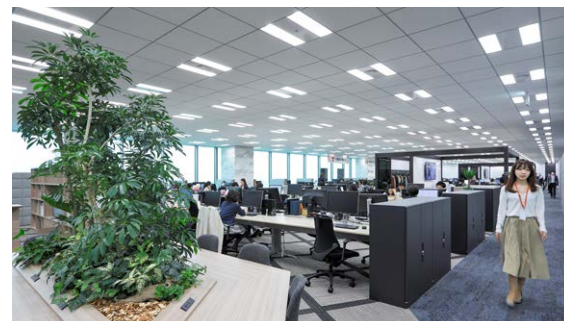
Employee development is positioned as the most important responsibility for managers. In OJT, it is important for supervisors to teach employees the knowledge and skills necessary for work, and communicate the joy of working with enthusiasm.

### Policy to Enhance the Working Environment

dip will ensure safety and hygiene in the workplace and protect the mental and physical health of employees so that every single employee can demonstrate their independence and creativity in order to develop an innovative organization full of diversity and strongly connected with our Philosophy.

Through our personnel hiring/development, safety and hygiene management system, and health and productivity management initiatives that respect diversity, we will work to create a workplace environment where employees are healthy and feel comfortable and motivated to work.

Through the promotion of women's advancement and diverse working styles, and optimization of working hours, we will promote the establishment of an internal environment in which employees can demonstrate their abilities to the fullest, raise work productivity, and increase work-life balance.



## Society Human Rights Initiatives

In accordance with its management philosophy, "Here at dip, we want to tap into dreams, ideas and passion to create a better society," dip has established a human rights policy as a guideline for respecting the human rights of all people affected by its business activities and also for fulfilling its responsibilities, making company-wide efforts to respect human rights.

### Human Rights Policy

dip understands all human rights as expressed in the International Bill of Human Rights and the ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work. We support and respect international norms such as the rights to freedom of association and collective bargaining, prohibition of all forms of forced labor, effective abolition of child labor, elimination of human trafficking, and elimination of discrimination in employment and occupation. In addition, we conduct our business activities in accordance with the United Nations Guiding Principles on Business and Human Rights. We also comply with laws and regulations relevant to our business in all countries and regions related to our business activities. If there is a conflict between internationally recognized human rights norms and the laws and regulations in each country or region, we strive to respect international human rights principles to the maximum extent possible.

#### Scope of Application

This policy covers all dip executives and employees, dip's business partners such as clients, suppliers and contractors involved with dip's business, as well as all users of dip's job information and recruiting services, including fixed-term workers. We aim to ensure that this policy is understood and that human rights violations are prevented or will not be encouraged throughout dip's value chain.

### Human Rights Promotion System

dip 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 dip's 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.

### 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.

Contributions to Society

**Society** Promotion of DEI

dip is pursuing various efforts toward work style reform, the promotion of diversity, equity, and inclusion, and work-life balance so that employees can maintain/improve their health, choose from diverse working styles, and demonstrate their job performance to the fullest.

**Initiatives for the Promotion of Women’s Active Participation**

dip offers a comfortable workplace for female employees following their maternity leave and provides support to those with parenting responsibilities.

**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.



**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.

**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.

**Child nursing care leave system**

We have established a child care leave system to allow employees to take up to ten days of childcare 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.

	Percentage of employees who take maternity or childcare leave / Percentage of employees who return to work after taking leave (fiscal year ending February)	
2018	96.6%	100%
2019	100%	100%
2020	100%	100%
2021	100%	87.2%
2022	100%	100%

**Promoting employment of people with disabilities —Telework employment for people with disabilities—**

dip actively hires people with disabilities and strives to gain the understanding and support of its employees to make the workplace comfortable and attractive for people with disabilities.

**Support for the promotion of employment of people with disabilities**

Our job information sites, Baitoru and Hatarako.net both support the “Campaign to Support the Employment of People with Disabilities” implemented by the Association of Job Information in Japan, and dip engages in campaign activities by posting free recruitment ads for the employment of people with disabilities. From this fiscal year, we will establish a special feature on the employment of people with disabilities throughout the year, and will promote the support for employment of people with disabilities through our businesses.

	Percentage of people with disabilities employed at dip (as of June 1)	
2017	1.9%	
2018	1.9%	
2019	1.9%	
2020	1.7%	
2021	2.6%	

**Hiring and work support for people with disabilities**

We promote the employment of people with disabilities who can work remotely if it is difficult for them to commute or come to work. A dedicated staff member is assigned to a person with disabilities who works remotely, and the staff member contacts the person on a daily basis for support, monitors work progress, and responds to consultation on troubles when necessary. In doing so, we make an arrangement so that they can work without feeling anxious.

**Society** Initiatives for Health and Productivity Management

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.”

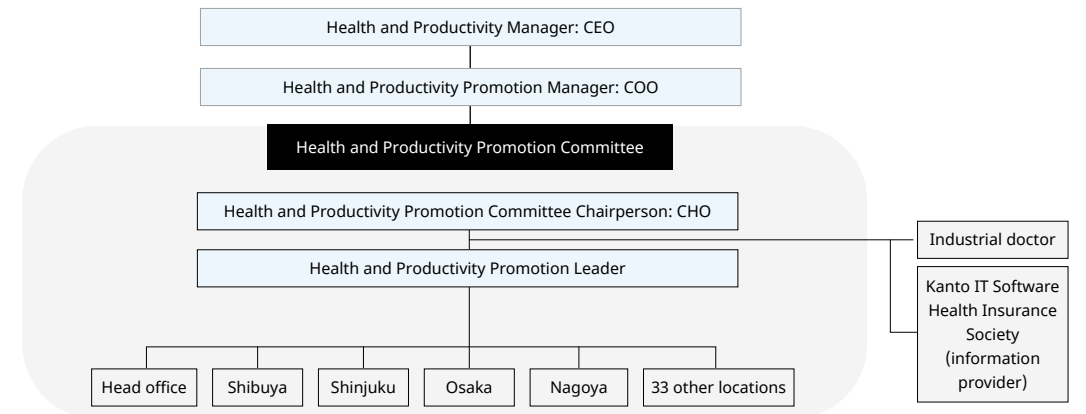
In March 2022, our initiatives for health and productivity management were recognized, and dip was certified as “2022 Certified Health and Productivity Management Organization (Large Enterprise Category)” jointly selected by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.

**Framework for Health and Productivity Management Promotion**

We have established the Health and Productivity Promotion Committee (Operation Manager: 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.



**Framework for Health and Productivity Management Promotion**



**Health and productivity management program**



Contributions to Society

**Society Contributions to Regional Society**

dip is committed to addressing issues faced by society and local communities, including regional revitalization. To accomplish this, we work with diverse stakeholders including companies, local communities, governments, universities, NGOs, and NPOs toward the goal of realizing a sustainable 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 80,000 unique users per month (as of February 2022). Through our operation of SDGs CONNECT, we will continue to contribute to the creation of the new society that SDGs aspire to.



**Baitoru Kids Program**

dip provides a career education support program in which its employees pass on to children their know-how on work gained through personnel recruiting services to facilitate an understanding of the meaning and value of working among future generations. This is a three-day program during which children learn about various types of jobs and their characteristics, then visit companies to interview employees themselves and present their ideas on what kind of work they would like to do and how they would like to work in the future. In FY'22/2, we expanded the number of participating elementary schools to five (approx. 700 children) and the number of cooperating companies to 19, and held the program online over a period of approximately three months. We will continue to play a part in helping children develop future careers and contribute to our local communities.



Image of Baitoru Kids Program

**Baitoru Migration Work Experience Event**

dip has conducted the “Baitoru Migration Work Experience Event” since 2018 as part of its efforts to increase regional populations and revitalize industry by promoting migration to rural areas outside of cities for employment. We have held 114 events, attended by approximately 3,600 people\*1, some of which have been held online after the outbreak of the COVID-19 pandemic. We will continue to contribute to resolving the problem of population concentration in urban areas and labor shortages in rural areas by creating matches between local companies and job seekers who are highly motivated to relocate, settle down, and work.

**Migration work experience tour in Fukushima Prefecture**

While reconstruction progresses after the Great East Japan Earthquake, the 12 cities, towns, and villages\*2 of Fukushima Prefecture are facing the issue of a declining population with the number of returning residents not increasing. Using Baitoru, dip has worked with multiple local governments to recruit people who are interested in migrating for employment and conducted migration work experience tours to those 12 municipalities in order to increase the number of people who migrate from other prefectures including the Tokyo metropolitan area.

We arrange opportunities for participants to hear directly from local revitalization cooperation teams and actual migrants regarding the reasons for and appeal of relocating to and working in Fukushima Prefecture. The tour program also allows participants to visit local farms, companies, and life convenience facilities to get an image of life and work there.



Company visits (smile farm Co., Ltd.)



Migrant networking meeting (Kawamata Town)

\*1. As of August 31, 2022

\*2. The 12 cities, towns, and villages refer to the municipalities directed to evacuate due to the TEPCO's Fukushima No. 1 Nuclear Plant accident (Tamura City, Minamisoma City, Kawamata Town, Hirono Town, Naraha Town, Tomioka Town, Kawauchi Village, Okuma Town, Futaba Town, Namie Town, Katsurao Village, and Iitate Village)

**Commissioned by the Ministry of Health, Labour and Welfare for “2022 Youth Independence Support Center Business”**

No small number of people in the generation that had difficulty finding jobs during the “employment ice age” in the second half of the 1990s through around 2000 still continue to have unstable employment situations and difficult lives. In response to this issue, dip has made efforts to improve the employment environment, such as implementing the Second Career Support Plan for Workers in Their Thirties and Forties\*1 on Baitoru NEXT and initiatives for cooperation\*2 with “Retry Support Programs for Workers with Unstable Employment” implemented by labor bureaus.

Using this insight to help create diverse employment opportunities, in June 2022, dip was commissioned by the Ministry of Health, Labour and Welfare for the 2022 Youth Independence Support Center Business.

In this business, we will smoothly operate local youth support stations that provide employment support to unemployed people between the ages of 15 and 49, including those in the “employment ice age” generation.

For details, see the following websites.  
 \*1 <https://www.dip-net.co.jp/news/109>  
 \*2 <https://www.dip-net.co.jp/news/1537>

# Strengthening Governance

## Governance Management and Executive Structure

### Board Directors



**Hideki Tomita**  
Representative Director,  
President and Chief Executive Officer



**Masatsugu Shidachi**  
Representative Director,  
Chief Operating Officer,  
Chief Information Officer and  
Head of Service Development Group



**Kazuhisa Iwata**  
Board Director, Chief Business  
Officer



**Eriko Tanabe**  
Outside Board Director



**Kuniyoshi Mabuchi**  
Outside Board Director



**Kanae Takeuchi**  
Outside Board Director

### Corporate Auditors



**Tsuneyo Otomo**  
Full-Time Corporate Auditor



**Koichi Kobayashi**  
Outside Corporate Auditor  
(Certified Public Accountant and  
Tax Accountant)



**Akihiko Mochizuki**  
Board Director  
(Certified Public Accountant)



**Yukiko Imazu**  
Outside Corporate Auditor  
(Lawyer)

### Executive Officers

**Takatsune Inoue**  
Service Officer (Baitoru/Baitoru NEXT)  
General Manager of Regional Business Division

**Tomohiro Kitazato**  
Service Officer (Hatarako/Baitoru PRO)  
General Manager of HR Business Division

**Jun Sagano**  
General Manager of Business Solutions Business Division

**Goryu Hada**  
Head of Business Promotion Group, General Manager of Business  
Planning Division for the Group

**Hideki Miura**  
General Manager of DX Business Division

**Kei Shinto**  
Deputy Head of Service Development Group, General Manager of  
Media Production Division for the Group

**Shoji Fujiwara**  
Executive Officer, Head of COO Office and Deputy Head of Service  
Development Group

**Yoshinobu Toyohama**  
CTO (Chief Technology Officer)  
General Manager of System Development Division, Service  
Development Group

**Nobuaki Kitou**  
CHO (Chief Human Officer)  
Head of Personnel & General Affairs Group

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



## Strengthening Governance

## Career Summary of Board Directors and Corporate Auditors

## Hideki Tomita (56 years old)

Representative Director, President and Chief Executive Officer

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)

## Masatsugu Shidachi (54 years old)

Representative Director, Chief Operating Officer, Chief Information Officer and Head of Service Development Group

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

\*<sup>1</sup> Currently Z Holdings Corporation\*<sup>2</sup> Currently HAPPY WOMAN Association

## Kazuhiwa Iwata (59 years old)

Board Director, Chief Business Officer

April 1986	Joined Sanpo Tsushin Co., Ltd.
May 2000	Joined the Company
June 2002	Board Director of the Company
May 2005	Managing Director of the Company
March 2006	Managing Director and Managing Executive Officer of the Company
May 2006	Board Director and Managing Executive Officer of the Company
March 2014	Board Director, Chief Operating Officer of the Company
July 2020	Board Director, Chief Business Officer of the Company (present)

## Eriko Tanabe (56 years old)

Outside Board Director

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	Board Director of the Company (present)

\* Currently PERSOL TEMPSTAFF CO., LTD.

## Kuniyoshi Mabuchi (57 years old)

Outside Board Director

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

\* Currently Geometry Ogilvy Japan GK

## Kanae Takeuchi (44 years old)

Outside Board Director

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

\* Currently Tokyo Broadcasting System Television, Inc.

## Tsuneyo Otomo (63 years old)

Full-Time Corporate Auditor

April 1983	Joined Sapporo Misawa Homes Co., Ltd.
October 1983	Joined Recruit Co., Ltd.*
October 1994	Manager of Direct Marketing Business Department of Recruit Co., Ltd.
April 2002	Executive Officer of Recruit Staffing Co., Ltd.
April 2004	Managing Director of Recruit From A Casting Co., Ltd.
October 2005	Joined the Company, Managing Executive Officer
May 2006	Board Director, Executive Officer and Vice President and Chief Operating Officer of the Company
May 2007	Executive Vice President and Chief Operating Officer of the Company
March 2014	Board Director, Chief Human Officer and General Manager of Personnel Division of the Company
May 2019	Full-Time Corporate Auditor of the Company (present)

\* Currently Recruit Holdings Co., Ltd.

## Koichi Kobayashi (61 years old)

Outside Corporate Auditor (Certified Public Accountant and Tax Accountant)

April 1983	Joined CHUO ACCOUNTING OFFICE
March 1986	Registered as Certified Public Accountant
August 1999	Registered as Certified Tax Accountant
September 1999	Director of Kobayashi Accounting Office (present)
May 2007	Corporate Auditor of the Company
May 2010	Full-Time Corporate Auditor of the Company
May 2019	Corporate Auditor of the Company (present)

## Akihiko Mochizuki (53 years old)

Corporate Auditor (Certified Public Accountant)

April 1992	Joined The Daiwa Bank, Limited* <sup>1</sup>
October 1995	Joined Tohmatsu Consulting LLC* <sup>2</sup>
April 2002	Joined GAGA Communications Inc.* <sup>3</sup>
January 2005	Joined the Company, General Manager of Corporate Management Department Representative of Mochizuki C.P.A. Office (present)
March 2010	Corporate Auditor of the Company (present)
May 2011	Corporate Auditor of IBC: Internetworking & Broadband Consulting Co., Ltd. (present)
September 2013	Director of Japan Society for Negotiation Studies (present)
February 2014	Director of MINORI Inc. (present)
August 2018	Corporate Auditor of Basic Capital Management (present)
December 2020	Representative Director of Office Mochizuki Inc. (present)

\*<sup>1</sup> Currently Resona Bank, Limited\*<sup>2</sup> Currently Deloitte Tohmatsu Consulting LLC\*<sup>3</sup> Currently GAGA Corporation

## Yukiko Imazu (54 years old)

Outside Corporate Auditor (Lawyer)

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

\* Currently Anderson Mori &amp; Tomotsune

## Executive Officers

## Takatsune Inoue (40 years old)

Service Officer (Baitoru/Baitoru NEXT) Head of Regional Sales Group Joined the Company as a new graduate in April 2006

## Tomohiro Kitazato (45 years old)

Service Officer (Hatarako/Baitoru PRO) Head of HR Sales Group Joined the Company in August 2005

## Jun Sagano (42 years old)

Head of Business Solutions Sales Group Joined the Company in July 2005

## Goryu Hada (46 years old)

Head of Business Promotion Group, Head of Business Planning Division for the Group Joined the Company in March 2006

## Hideki Miura (56 years old)

Head of DX Business Group Joined the Company in January 2019

## Kei Shinto (42 years old)

Deputy Head of Service Development Group, Head of Media Production Division for the Group Joined the Company as a new graduate in April 2006

## Shoji Fujiwara (38 years old)

Head of COO Office and Deputy Head of Service Development Group Joined the Company in May 2022

## Yoshinobu Toyohama (45 years old)

CTO (Chief Technology Officer) Head of System Development Division, Service Development Group Joined the Company in November 2020

## Nobuaki Kitou (49 years old)

CHO (Chief Human Officer) Head of Personnel &amp; General Affairs Group Joined the Company in November 2014

## Haruhiko Arai (43 years old)

CFO (Chief Financial Officer) Head of Corporate Management Group Joined the Company in March 2018

## Outside Board Directors Message



I will contribute to the enhancement of corporate value by improving management effectiveness and promoting diversity

**Eriko Tanabe**

Outside Board Director

**I**n the three years or so since my appointment as an Outside Board Director at dip, the Company has strengthened its governance even further. In March 2020, it established a Nomination and Compensation Committee. With the additional election of Board Director, Mr. Shidachi, as Representative Director in March 2022, the Company has established a structure for achieving faster decision making and execution of its business operations. Moreover, since May 2022, Outside Board Directors comprise the majority of the Board of Directors, and women now account for one-third of the Board Directors, increasing the diversity of the Board. In these ways, dip has been proceeding with the strengthening of its management structure at a rapid pace.

There are two key points to the further strengthening of governance. The first is the improvement of the Board of Directors' effectiveness. To evaluate effectiveness, the Board of Directors brings issues to light by conducting anonymous questionnaires and one-on-one interviews with the Board Directors and Corporate Auditors. Since the fiscal year ended February 2022, the Board has specified measures to improve its effectiveness, identified priority matters from the perspectives of importance and urgency, drawn up a roadmap, and is now undertaking initiatives. One important aspect in the improvement of effectiveness is to strengthen BCP in the face of natural disasters and pandemics. The formulation of the BCP itself has been completed, and we are now at the stage of deliberating how to further enhance its functionality. To minimize risks and continue business in the event of emergencies, we will strive to improve effectiveness so that measures can be implemented and each and every employee can take specific action.

The second key point is the promotion of diversity, in particular, the promotion of women's active participation in the workforce. There is a tendency in Japanese companies for the

percentage of female employees to decline at the higher levels. Here at dip, the ratio of male to female employees at the time of new graduate recruitment is almost equal, and the percentage of female employees among section managers who joined the Company as new graduates is 41.3%. The fact that new-graduate recruits, who account for approximately 80% of the Company's entire workforce, are highly evaluated and developed into managers regardless of their gender is one of dip's greatest strengths. On the other hand, the percentage of women in senior management, which includes the department manager level and above, is not as high as that of the section manager level. Going forward, we will step up our efforts in the development of female employees for senior management roles.

In the promotion of diversity, establishing an environment in which employees of diverse backgrounds can work comfortably and demonstrate their individual abilities will play a major role in dip's sustainable growth. The number of employees with disabilities has also increased significantly, as the establishment of a remote work environment during the pandemic opened doors for people who have been hesitant to go out for health reasons.

Going forward, one area of management that I want to pursue further is the realization of "No. 1 in employee well-being." As the Philosophy clearly states, each individual has a different sense of well-being and a different perspective on what he or she seeks in a job. I want employees at dip to achieve a sense of well-being which suits their own lifestyles at any given time. I also hope that they will recognize and respect each other's sense of well-being as they work together and convey the joy and happiness they feel in their work to users, clients, and society in general. In doing so, I hope that they will become a presence that will realize a society in which everyone can experience the joy and happiness of work.



I will support dip as it makes the leap to become a technology growth company, with "offensive" and "defensive" governance

**Kuniyoshi Mabuchi**

Outside Board Director

**A** balance between "offense" and "defense" is crucial in strengthening governance. In times of drastic changes, as seen in recent years, the questions of how we should achieve that balance and how we should seek out the optimal form of governance are of immense importance.

Masatsugu Shidachi has recently been elected as a Representative Director of the Company. There is great significance in the fact that a person with a background in technology now has the right to represent the company alongside the founder, Hideki Tomita. If he can embody the Philosophy and use the power of technology to increase the speed and scale at which the many and varied ideas that spring from Tomita and from the front lines are implemented, dip is sure to become a truly strong company. This appointment is the epitome of "offensive" governance, and I have very high expectations of it.

To make further leaps in the future, a combination of both continuous growth and discontinuous growth will be needed. This will require the accumulation and realization of wilder ideas, ideas that go one step or two steps beyond what has come before. We are working on various initiatives to nurture the leaders of the next generation who can make that happen, and if we place our efforts into the growth and development of such executive management talent, I believe that dip will become an even stronger company.

If we are to use technology to quickly and smoothly shape and spread the succession of ideas that emerge from that talent, we will need to make correct and timely decisions

from the perspectives of offense and defense. My role as an Outside Board Director is to provide advice and coaching in this regard from an objective perspective.

The management of a company is a very complicated task, and the approaches to that task will naturally change according to the external environment at the time. To realize the further evolution of dip, it will be crucial to consider what kind of ecosystem we should build, while looking at the overall balance. We need to achieve the sustainable growth of the Company as a whole by assessing properly what should be done now and taking relevant actions on those specific parts of the Company that need to be reinforced.

dip is viewed as a personnel services company, but what sets it apart from other companies is its pursuit of a better society, as stated in the Corporate Philosophy. I am referring to the fact that, while personnel services remain at the heart of what we do, we are pursuing new social reforms from a higher perspective. I believe that dip is a company like no other, with very few companies to which it could be compared. The new services that it generates all strike at the heart of social needs. Its approach has a precise sense of the current times and social issues, and it is constantly evolving.

One of dip's strengths lies in creating social value by offering new services before anyone else, using its ability to come up with ideas to solve social issues, bringing to bear the technology to make those ideas a reality, and generating economic value as a result.

I hope that our investors will focus their attention on those strengths.



## I will pursue dip's true essence and grow it into a company that is loved by society

**Kanae Takekuchi**  
Outside Board Director

**I** newly assumed the position of Outside Board Director this fiscal year. In addition to the perspectives on social issues and the active participation of women that I have addressed through my work in the mass media industry and elsewhere, I hope to leverage my extensive overseas experience to contribute to the further strengthening of dip's governance. As indicated in the role of Independent Outside Directors set forth in the Corporate Governance Code, I will also leverage my perspectives as an Outside Director of another company in my efforts to reflect the opinions of minority shareholders and stakeholders in the Board of Directors.

I first encountered dip's Philosophy-based management during the process of my election as an Outside Board Director, and was deeply impressed. In my communications with employees as well, I am constantly surprised by how much the Philosophy has permeated every corner of the organization.

In the future, there will be an even greater demand on companies to consider how they can solve social issues through their business activities. Delving deeply into issues that have previously been considered impossible to change or difficult to mention, posing questions, and offering services are what enables a company to create social value.

I believe that dip is a company that is firmly committed to solving social issues through its business activities and communicating its message based on the philosophy.

One of dip's strengths is the fact that its "user-first" management policy has permeated throughout the whole company. dip has communicated its impactful message of

changing society through its business activities, and become an ally to people who work. The dip Incentive Project has won the approval of both users and client companies, and, along with the strong message imparted through the television commercials, had an impact on the social conversation. Going forward, the key to dip's sustainable growth will be what kind of questions it poses, what kind of messages it communicates, and what kind of services it will be able to offer for the solution of social issues.

dip's recently formulated materiality emphasizes "people who work" for the realization of a society in which everyone can experience the joy and happiness of work. Precisely because it is a company that has, for many years, seriously addressed jobseekers, particularly fixed-term workers, it has put forth "Promotion of DEI/respect for human rights" as a key issue that affects the core of humanity. I see this as the very essence of dip.

The society of the future will become even more diverse in terms of work styles, lifestyles, and values. dip's Philosophy contains the words "Enjoy your work, enjoy your life." This expresses the concept of well-being, of seeking to enjoy both work and private life and leading a happy and rich life in both body and mind. Taking maximum advantage of its high brand recognition and capability to communicate its messages of comprehensive solutions to the various issues in the labor market from both the personnel services and DX perspectives, and putting those messages into practice, before anyone else, to become a company that is loved by society—that is the growth of dip that I hope you will be looking forward to.

## Full-Time Corporate Auditor Message



## I will strive to strengthen governance of the Philosophy-based management

**Tsuneyo Otomo**  
Full-Time Corporate Auditor

**S**ince joining the Company, I have supported CEO Tomita's Philosophy-based management as Board Director, COO and CHO. I was appointed as the first internal Full-Time Corporate Auditor in May 2019, coinciding with the launch of dip's endeavor to reach for a higher stage with a new vision. Leveraging my experience, I am working to strengthen the Company's governance in the course of its sustainable enhancement of corporate value by promoting ESG management based on the Philosophy.

dip's Board of Directors welcomed highly independent Outside Board Directors to its membership from an early stage, and since May 2022, Outside Board Directors comprise the majority of the Board of Directors as a means of strengthening its structure. Furthermore, the diversity of the Board has been assured, with women now accounting for one-third of the Board Directors.

The Board of Corporate Auditors is composed of highly specialized members, including Koichi Kobayashi, a certified public accountant, who is responsible for auditing investees, Akihiko Mochizuki, a certified public accountant and former General Manager of the Corporate Planning Department, who is responsible for accounting audits, and Yukiko Imazu, an attorney well-versed in the field of corporate legal affairs, as well as human resources and labor, who is responsible for compliance auditing of management execution and business.

I attend all important meetings, including meetings of the Executive Officers, and conduct effective operational audits by gathering information through dialogue with employees, taking advantage of the network that I have built over the course of my career. I pay particular attention to whether management is being executed appropriately and whether there are any signs of potential risks. I also examine whether management is executed in a manner that embodies the Philosophy, which forms the foundation of dip's management, and whether the company's personnel strengths are being demonstrated to the full, and give advice in this regard.

In this way, I engage in audit operations, with repeated consultation and collaboration with the audit firm, the Internal Audit Office, and the department responsible for internal control, with the individual Corporate Auditors leveraging their respective expertise in the pursuit of their duties.

At Board of Directors meetings, Board Directors responsible for execution fulfil their responsibility to explain the individual agenda items to the Outside Board Directors and Corporate Auditors, and lively discussions ensue. Each Outside Officer conducts appropriate checks of the decision-making processes of the Board of Directors, using their respective expert knowledge from an external viewpoint.

As a result of these efforts to strengthen governance, we have been able to obtain high ratings from ESG rating agencies.

The scale of dip's management is growing with increasing speed. Accounting and operational audits need to be performed from more multifaceted perspectives than ever, with the increasingly diverse services offered in the personnel recruiting services business, the rapid growth of the DX business, active investments to create new businesses, and investment in human resources.

Given the dramatic changes in the management environment, unforeseeable events are expected to occur. As we work on our newly identified material issues under such circumstances, the Board of Corporate Auditors' responsibilities have become even more crucial to reduce risks in our businesses and to prevent the occurrence of compliance risks.

While it is a matter of course that each Corporate Auditor will continue to ensure the soundness of management and the appropriateness of business operations, we will conduct auditing that contributes to strengthening compliance and governance. At the same time, we will also conduct audits and offer advice regarding whether investments and initiatives aimed at maximizing human capital connected with our Philosophy, which is the most important issue to dip's management, are being implemented properly.



## Strengthening Governance

### ▶ Board of Directors

dip specifies in its Board of Directors Regulations which matters must be decided by a resolution of the Board of Directors, and these are decided by a resolution of the Board of Directors.

The main items on the agenda at Board of Directors meetings are as follows.	(vi) Matters concerning human resources and the organization
(i) Matters concerning the General Meeting of Shareholders	(vii) Matters concerning assets and funds, such as the disposal or succession of important properties beyond a certain amount and significant investments and loans
(ii) Matters concerning financial results	(viii) Matters concerning subsidiaries
(iii) Matters concerning Board Directors	(ix) Other matters stipulated by law such as the Companies Act or any equivalent important matters
(iv) Matters concerning shares, bonds and share acquisition rights	
(v) Matters concerning budgets and business plans	

### ▶ Board of Corporate Auditors

Corporate Auditors hold meetings with the Accounting Auditor or the Internal Audit and Control Office on a timely basis to exchange opinions and share information as well as request a report from the Accounting Auditor or the Internal Audit and Control Office where necessary. During the process of and after the completion of an audit by the Accounting Auditor, the Corporate Auditors receive a report on the findings of the audit, and check and verify the validity of the audit by the Accounting Auditor.

The main items on the agenda at Board of Corporate Auditors meetings are as follows.	(vii) Matters to be included in Corporate Auditor reports
(i) Matters concerning audit policy	(viii) Consent to the proposal concerning Board Directors' exemption from liability and the proposal to amend the Articles of Incorporation such that Board Directors are exempt from liability
(ii) Matters concerning the appointment, dismissal, and non-reappointment of the Accounting Auditor	(ix) Consent to auxiliary intervention in shareholder derivative lawsuits
(iii) Matters concerning the appointment of Corporate Auditors	(x) Matters concerning audit reports
(iv) Matters concerning the mutual election of Full-Time Corporate Auditors	(xi) Amendment, abolition, etc. of the Board of Corporate Auditors Regulations, etc.
(v) Matters concerning compensation and bonuses for Corporate Auditors	
(vi) Matters concerning retirement benefits for Corporate Auditors	

### ▶ Nomination and Compensation Committee

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 determines individual director compensation (base amount and coefficient for each position) based on the discretion of the Board of Directors, and also deliberates and reports on matters related to the nomination of director candidates and director compensation in response to consultations from the Board of Directors.

To ensure independence, the Committee comprises independent Outside Board Directors in the majority and is chaired by an independent Outside Board Director.

The Nomination and Compensation Committee deliberates and reports to the Board of Directors on the following agenda items in response to inquiries from the Board of Directors.

#### Matters concerning nomination

- (i) Determination of appointment and dismissal policy for Board Directors
- (ii) Determination of appointment and dismissal procedures for Board Directors
- (iii) Determination of draft proposals to the General Meeting of Shareholders for appointment and dismissal of Board Directors
- (iv) Determination of draft proposals for appointment and dismissal of Representative Directors
- (v) Matters concerning succession plans
- (vi) Other inquiries from the Board of Directors concerning nomination of Board Directors

#### Matters concerning compensation

- (i) Determination of Board Director compensation policy
- (ii) Determination of procedures for determining Board Director compensation
- (iii) Determination of draft proposals to the General Meeting of Shareholders for Board Director compensation
- (iv) Determination of individual Board Director compensation amounts (including calculation method)
- (v) Other inquiries from the Board of Directors concerning Board Director compensation

### ▶ Appointment Standards

Board Director and Corporate Auditor candidates are decided by a resolution of the Board of Directors, after the Representative Director, President and Chief Executive Officer or another Board Director refers the candidates for the Board of Directors following confirmation that the candidates meet the basic policy for appointment stated below. The candidates are then appointed by a resolution of the General Meeting of Shareholders. The appointment of Board Director candidates takes into account inquiries from the Nomination and Compensation Committee, a voluntary advisory body to the Board of Directors where independent Outside Board Directors account for a majority of the members.

Proposals for the appointment of corporate auditors are submitted to the General Meeting of Shareholders after consultation and consent of the Board of Corporate Auditors. The basic policy for the appointment of corporate auditors is described below.

#### Board Director

dip's basic policy for appointing Executive Board Directors requires the candidates to, among others, possess the broad knowledge and experience necessary for making corporate managerial decisions. In appointing Outside Board Directors, the candidates are required to be able to oversee and supervise business management of the Company through important decision-making at the Board of Directors meetings, oversee whether there is any conflict of interest between the Company management and controlling shareholders, and actively make recommendations concerning management policies and management improvements in order to advance medium- and long-term corporate value. In addition, the basic policy is to determine the candidates after considering the appropriate balance of diverse knowledge and experience expected of such Board Directors and appoint independent Outside Board Directors so that they account for at least a third of the members of the Board of Directors. As of May 25, 2022, independent Outside Board Directors account for half of the members of the Board of Directors, with Board Directors Ms. Eriko Tanabe, Mr. Kuniyoshi Mabuchi, and Ms. Kanae Takeuchi appointed as Outside Board Directors.

The dismissal of Board Directors is decided by a resolution of the General Meeting of Shareholders after timely and appropriate deliberation by the Board of Directors in view of the basic policy on the appointment of Board Directors.

#### Corporate Auditor

With the aim of reinforcing oversight and supervisory functions, dip's basic policy for appointing Corporate Auditors is to appoint individuals with experience in corporate management, individuals with knowledge and experience in corporate finance, accounting and legal affairs as a certified public accountant, tax accountant or lawyer, or individuals with considerable knowledge and experience in risk management.

The dismissal of Corporate Auditors is also decided by a resolution of the General Meeting of Shareholders after timely and appropriate deliberation by the Board of Directors in view of the basic policy on the appointment of Corporate Auditors.

### ▶ Reasons for Appointment of Outside Board Directors

Name	Reason for appointment
Eriko Tanabe	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, she has extensive business experience. In addition, she can utilize her unique perspective as a woman on businesses related to personnel recruiting services and the Internet for the Company's management, product development, and promotion of the active participation of women. We have appointed her because we believe that she is suited to give effective advice and perform oversight and supervisory functions for the Company.
Kuniyoshi Mabuchi	He has a wealth of experience in management as a manager of several businesses, including global companies. In addition, he has abundant experience and extensive knowledge related to digital marketing and the latest technologies such as AI, blockchain, etc. We have appointed him because we believe that he is suited to give effective advice and perform oversight and supervisory functions for the Company.
Kanae Takeuchi	She has extensive knowledge in a broad range of social issues gained through her considerable experience in serving as announcer for news programs and interviewing business executives. She also has an international perspective after lengthy experience overseas and is well versed in the promotion of active participation for women. We have appointed her because we believe that she is suited to give effective advice on social issues that the Company is addressing and perform oversight and supervisory functions for the Company.

## Strengthening Governance

### Skills Matrix of the Board of Directors and the Board of Corporate Auditors

Composition of the Board of Directors and the Board of Corporate Auditors, and areas in which the person has a high level of expertise are as follows:

	Name	Current Positions within the Company	Outside Officer	Independent Officer	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
Board of Directors	Hideki Tomita	Representative Director, President and Chief Executive Officer				●	●	●	●	●				●
	Masatsugu Shidachi	Representative Director, Chief Operating Officer, Chief Information Officer and Head of Service Development Group				●	●		●	●	●	●		●
	Kazuhiro Iwata	Board Director, Chief Business Officer				●	●	●	●				●	
	Eriko Tanabe	Outside Board Director	●	●	●	●	●				●		●	●
	Kuniyoshi Mabuchi	Outside Board Director	●	●		●			●	●	●			
	Kanae Takeuchi	Outside Board Director	●	●	●		●						●	●
Board of Corporate Auditors	Tsuneyo Otomo	Full-Time Corporate Auditor				●	●	●					●	
	Koichi Kobayashi	Outside Corporate Auditor (Certified Public Accountant and Tax Accountant)	●	●								●		
	Akihiko Mochizuki	Corporate Auditor (Certified Public Accountant)										●		
	Yukiko Imazu	Outside Corporate Auditor (Lawyer)	●	●	●		●						●	●

\* Ms. Eriko Tanabe, Ms. Kanae Takeuchi, and Ms. Yukiko Imazu, are female directors. Ms. Kanae Takeuchi possesses lengthy experience from residing overseas, and combined with her considerable experience in serving as announcer for news programs and interviewing business executives, she has international experience and expertise.

\* The above list does not necessarily a representation of all the relevant experience and expertise held by each officer.

### Succession Plan

When selecting a successor for the Representative Director, President and Chief Executive Officer, the incumbent recommends candidates, after which dip's 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 a 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."

### Evaluation of Board Effectiveness

dip evaluates the performance of its Board of Directors to improve its effectiveness.

In April 2021, a survey of, and interviews with, all Board Directors and Corporate Auditors was conducted to analyze issues surrounding the current effectiveness of dip's Board of Directors and consider measures that should be implemented. Going forward, dip will further expand these measures in an attempt to enhance the effectiveness of the Board.

## Officer Compensation

### Basic Policy

The basic policy of the compensation system for Board Directors is to share value with shareholders, taking into consideration a sufficient level for employing and retaining competent personnel while maintaining objectivity and transparency that enable full accountability and promote continuous growth of the Company as well as a medium- and long-term increase in its corporate value through a sound entrepreneurial spirit.

The policy for determining individual Board Director compensation is determined based on the above basic policy and summarized below. This determination policy is 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 the current fiscal year and the content of the determined compensation, etc. conforms 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.

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

The Board of Directors entrusts the determination of the base amount and the coefficient for each managerial position to the Nomination and Compensation Committee.

### Outside Board Directors and Corporate Auditors

Compensation for Outside Board Directors and Corporate Auditors consists solely of cash compensation as the base compensation, in principle, to ensure the effectiveness and independence of supervision and audit. Compensation for Corporate Auditors is resolved by the Board of Corporate Auditors.

### 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 Chief Executive Officer, by a coefficient for each managerial position as prescribed by internal rules. The Board of Directors entrusts 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

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

Decisions regarding the levels of performance-linked compensation, and its percentage relative to base compensation, are taken after a comprehensive review of the medium- and 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, and utilizes a remuneration database aggregated and analyzed by a specialist external 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 restricted share compensation adopts sales and operating income, which are dip's key managerial

## Strengthening Governance

indicators, as performance indicators. The restrictions will be lifted in accordance with the achievement of performance targets, which will be disclosed in the financial results report for the fiscal year ending February 28, 2025. The planned target figures are 100 billion yen for sales and 30 billion yen for operating income.

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

The timing for payment of compensation is as stated below.

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

In the case of the BIP trust, officers who meet the 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.

Restricted stock compensation will be subject to conditions of tenure and performance-linked conditions until the time of termination of the restrictions on transfers.

#### Procedure for Determining Officer Compensation

##### Dates and Details of Resolutions by the General Meeting of Shareholders regarding Officer Compensation

The dates and details of resolutions by the General Meeting of Shareholders regarding officer compensation are as follows.

Type of compensation	Date of resolution	Eligible persons	Amount, etc.	Number of persons eligible at time of resolution
Base compensation	May 23, 2015	Board Directors	700,000 thousand yen per year (including up to 100,000 thousand yen per year for Outside Board Directors)	7
Performance-linked compensation (BIP trust)	May 28, 2016	Board Directors (excluding Outside Board Directors)	Up to 400,000 thousand yen and up to 40,000 shares every five fiscal years	5
Performance-linked compensation (restricted share compensation)	May 26, 2021	Board Directors (excluding Outside Board Directors)	Up to 900,000 thousand yen and up to 350,000 shares every four fiscal years	4
Base compensation	May 29, 2019	Corporate Auditors	Up to 100,000 thousand yen per year	4

#### Matters concerning the Delegation of the Determination of Compensation, etc.

##### Determination of Officer Compensation Policy

dip's officer compensation policy is determined by the Company's Board of Directors based on responses to inquiries by the Nomination and Compensation Committee.

##### Determination of Base Compensation

Base compensation is determined by the Nomination and Compensation Committee entrusted by dip's Board of Directors, taking into full 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. The Committee comprises Representative Director, President and Chief Executive Officer Hideki Tomita, Outside Board Director Eriko Tanabe, Outside Board Director Kuniyoshi Mabuchi, and Outside Board Director Kanae Takeuchi.

##### 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.

#### Activities of the Board of Directors and the Nomination and Compensation Committee

The activities of the Board of Directors and the Nomination and Compensation Committee relating to officer compensation are as stated below.

Date	Convener	Details
March 31, 2020	Nomination and Compensation Committee	Determination of Board Director compensation policy Determination of procedures for deciding Board Director compensation
March 2, 2021	Nomination and Compensation Committee	Determination of draft proposals for officer compensation policy
March 10, 2021	Board of Directors	Determination of officer compensation policy
February 15, 2022	Nomination and Compensation Committee	- Response to inquiries on the decision to entrust the determination of individual Board Director compensation to the Nomination and Compensation Committee - Determination of individual Board Director compensation for the year ended February 2022 is subject to the delegation of the determination of individual Board Director compensation to the Nomination and Compensation Committee by the Board of Directors
February 21, 2022	Board of Directors	Decision to entrust the determination of individual Board Director compensation for the year ended February 2022 to the Nomination and Compensation Committee
April 14, 2022	Board of Directors	Decision to entrust the determination of individual Board Director compensation for the year ending February 2023 to the Nomination and Compensation Committee
May 16, 2022	Nomination and Compensation Committee	Determination of individual Board Director compensation for the year ending February 2023 * Including Board Director candidates planned to be appointed at the Annual General Meeting of Shareholders

#### Content of Officer Compensation

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

Officer compensation for dip's Board Directors and Corporate Auditors in the current fiscal year is as follows.

Officer category	Total amount of compensation (w)	Total amount by compensation type (Thousand yen)						Number of officers eligible (People)
		Base compensation	Stock options	Bonuses	Retirement benefits	BIP trust	Restricted share compensation*	
Board Directors (excluding Outside Board Directors)	375,128	255,200	—	—	—	35,679	84,248	4
Corporate Auditors (excluding Outside Corporate Auditors)	38,250	38,250	—	—	—	—	—	2
Outside Officers	23,000	23,000	—	—	—	—	—	5

\* The above restricted stock compensation to directors is the amount of stock compensation expense recorded in the financial statements for the current fiscal year. A total of 541,600 thousand yen in monetary compensation claims were paid as compensation in the current fiscal year for the allocation of restricted transferable shares, but this amount was paid in a lump sum as compensation for the execution of duties over the four fiscal years following the current fiscal year.

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

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	102,936	76,450	—	—	—	10,690	15,796
	Masatsugu Shidachi	141,744	80,000	—	—	—	9,088	52,655

\* The above restricted stock compensation to directors is the amount of stock compensation expense recorded in the financial statements for the current fiscal year. For the allocation of restricted transferable shares, monetary compensation claims totaling 440,050 thousand yen were paid as compensation in the current fiscal year, but this amount was paid in a lump sum as compensation for the execution of duties over the four fiscal years following the current fiscal year.

## Strengthening Governance

## Risk Management

In accordance with the Management Risk Control Regulations, dip's Board of Directors recognizes major management risks in business activities, establishes appropriate systems, and corrects operations.

In recognizing company-wide risks, we review the risk map each fiscal year and continue monitoring risks

under resolutions made by the Board of Directors. We have put a framework in place by which employees who obtain information on management risks report that information accurately and quickly so that risks can be detected without delay.

## Information Security

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 this 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 cyber-attack 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.

## Promotion of Compliance

dip has posted the Basic Policy on Compliance on its internal bulletin board and familiarized employees with this policy through training.

dip also conducts training through e-learning five times per year for all employees regarding information management, labor legislation, and other compliance matters, as well as in-house lectures for Directors and Corporate Auditors and compliance training for new employees and new managers, in order to raise awareness of compliance according to the attributes of the attendees. We have a whistleblowing system in which all employees are given a card containing contact

information for reporting and are thoroughly informed of the process. The Board of Corporate Auditors receives regular reports on the status of whistleblowing and consultations, and after reporting to the CEO, COO, CBO, or General Manager, steps are taken to confirm the facts and improve the situation, while ensuring that the whistleblower does not suffer any disadvantageous treatment.

The Corporate Auditors and Internal Audit and Control Office work together to audit the status of the compliance system based on the annual plan and report to the Board of Directors quarterly.

## Strengthening the Internal Control System

In response to the Internal Control Reporting System based on the Financial Instruments and Exchange Law, the Company establishes 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 consolidated fiscal year in which the internal control over financial reporting was deemed effective, the auditor has expressed an opinion that the report fairly presents the following important points.

- System for ensuring that Directors and employees execute their duties in accordance with laws and regulations and the Articles of Incorporation
- System for saving and managing information relating to Directors' execution of duties
- Rules and other systems for managing risk of loss
- System for ensuring that 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
- Matters concerning employees who assist Corporate Auditors in their duties when they request such employees, matters concerning the independence of these employees from Directors, and matters concerning ensuring the effectiveness of instructions given to these employees
- System for reporting to Corporate Auditors by Directors and employees, and other systems for reporting to Corporate Auditors
- System for ensuring that those who make the above-mentioned reports do not suffer disadvantageous treatment for reason of making these reports
- Matters concerning policies for the procedures of prepaying or reimbursing expenses that arise in connection with Corporate Auditors' execution of duties, or otherwise for the processing of expenses or debts that arise in relation to the execution of these duties
- Other systems for ensuring that Corporate Auditors perform audits effectively



# Financial and Non-financial Data

## Financial Data

		Non-consolidated	Non-consolidated	Non-consolidated	Consolidated	Consolidated	Non-consolidated	Consolidated	Consolidated
		18th fiscal year* <sup>1</sup>	19th fiscal year* <sup>1</sup>	20th fiscal year* <sup>1</sup>	21st fiscal year	22nd fiscal year	23rd fiscal year* <sup>1</sup>	24th fiscal year	25th 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
Sales	Million Yen	19,530	26,798	33,178	38,062	42,176	46,415	32,494	39,515
Gross profit	Million Yen	17,677	24,669	30,886	35,883	39,468	43,378	29,191	34,969
Gross profit margin	%	90.5	92.1	93.1	94.3	93.6	93.5	89.8	88.5
Operating income	Million Yen	4,806	7,162	9,119	10,799	12,745	14,356	7,312	5,602
Operating income margin	%	24.6	26.7	27.5	28.4	30.2	30.9	22.5	14.2
Ordinary income	Million Yen	4,817	7,170	9,141	10,794	12,577	14,393	6,501	5,320
Ordinary income margin	%	24.7	26.8	27.6	28.4	29.8	31.0	20.0	13.5
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
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
Net assets	Million Yen	6,643	10,384	15,193	20,990	25,701	31,512	31,178	32,989
Total assets	Million Yen	11,021	15,326	21,139	28,016	33,510	41,114	35,869	42,454
Return on assets (ROA)	%	51.4	54.4	50.1	38.5	40.9	38.5	18.1	13.6
Return on equity (ROE)	%	52.3	55.7	49.6	37.2	39.6	36.0	2.0	11.1
Equity ratio	%	60.0	66.4	69.6	72.4	74.0	74.3	84.4	76.4
Cash flows from operating activities	Million Yen	3,877	4,991	8,105	9,729	10,926	12,391	5,905	10,482
Cash flows from investing activities	Million Yen	(1,347)	(802)	(2,307)	(4,364)	(6,360)	(3,375)	(9,643)	(3,850)
Cash flows from financing activities	Million Yen	(1,358)	(1,109)	(1,700)	(1,965)	(4,356)	(4,515)	(3,041)	(2,524)
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
Net assets per share	Yen	119.41* <sup>2</sup>	183.76	264.76	363.47	448.83	563.13	547.13	581.26
Net income per share	Yen	51.59	84.44	111.16	135.40	160.86	183.80	11.09	62.77
Payout ratio	%	30.2	30.8	32.4	31.8	31.1	30.5	505.0	97.2

\*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 As of June 1 (Report on the status of employment of people with disabilities)

## Non-Financial Data

	18th fiscal year	19th fiscal year	20th fiscal year	21st fiscal year	22nd fiscal year	23rd fiscal year	24th fiscal year	25th 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
Total energy consumption (Scope 1) (MWh)	—	—	43.3	50.6	51.4	57.0	45.6	48.0
Total energy consumption (Scope 2) (MWh)	—	—	1,269.4	1,586.4	1,641.6	1,467.3	1,393.9	1,474.3
Total GHG emissions (Scope 1) (t-CO <sub>2</sub> e)	—	—	7.8	9.1	9.2	10.2	8.2	8.6
Total GHG emissions (Scope 2) (t-CO <sub>2</sub> e)	—	—	608.6	723.6	704.8	638.7	590.4	559.1
* Scope 2: Market based								
Emission intensity (Scope 1+2/Sales) (t-CO <sub>2</sub> e/Million Yen)	—	—	0.0186	0.0193	0.0169	0.010	0.0184	0.0144
* Scope 2: Market based								
Emission intensity (Scope 1+2/Sales) (MWh/Million Yen)	—	—	0.0396	0.0430	0.0401	0.0328	0.0443	0.0385
* Scope 2: Market based								
Total GHG emissions (Scope 2) (t-CO <sub>2</sub> e)	—	—	657.6	786.8	758.4	876.1	620.3	638.4
* Scope 2: Location based								
Employees (persons)	836	1,097	1,338	1,480	1,635	1,873	2,110	1,969
New graduates (persons)	134	300	352	307	296	362	399	95
Percentage of paid holidays taken (%)	43.1	43.3	49.7	50.2	56.9	51.8	44.9	56.6
Percentage of people with disabilities employed (%)* <sup>3</sup>	1.0	0.9	1.7	1.9	1.9	1.9	1.7	2.6
Percentage of female employees (%)	49.3	52.0	51.2	49.7	50.0	49.6	48.8	49.8
* Including temporary and part time employees								
Voluntary turnover rate of full-time employees (%)	12.9	9.1	10.9	13.4	12.1	11.0	10.9	15.2
Extra hours worked (Average overtime hours) (hour/month)	33.5 hours	32.5 hours	30.1 hours	26.3 hours	25.0 hours	23.1 hours	24.1 hours	25.4 hours
Donations (Million Yen)	1.0	1.0	1.0	1.5	1.5	1.5	—	1.3
Percentage of employees who take childcare leave (%)	34.3	30.6	36.7	46.0	38.0	44.3	50.6	54.1
Percentage of men who take childcare leave (%)	0.0	0.0	0.0	2.9	0.0	3.9	6.7	10.7
Percentage of women who take childcare leave (%)	92.3	100.0	100.0	96.6	100.0	100.0	100.0	100.0
Board Directors (persons)	6	7	7	7	8	6	6	6
Percentage of Independent Outside Board Directors (%)	17	29	29	29	38	50	33	33
Female Board Directors (persons)	0	0	0	0	1	2	2	1
Percentage of female Board Directors (persons)	0	0	0	0	13	33	33	17

# 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 2022)
Sales	¥39,515 million (For the fiscal year ended February 2022)
Employees	2,276 (Full-time employees as of August 31, 2022)
Main Business	Online job information provision services Provision of DX services
Listed market	Prime Market of the Tokyo Stock Exchange (code: 2379)
URL:	<a href="https://www.dip-net.co.jp/en">https://www.dip-net.co.jp/en</a>

## Offices and Group Companies

Number of offices	36
Consolidated subsidiaries	DIP Labor Force Solution Limited Partnership
Equity-method affiliates	hachidori 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	1-1 Nikko-cho, Fuchu-shi, Tokyo Destination of the institution
Stock Transfer Agency	Department, Mitsubishi UFJ Trust and Banking Corporation 0120-232-711 (toll free) P.O. Box No.29, Shin-Tokyo Post Office, 137-8081 Stock Transfer Agency Department, Mitsubishi UFJ Trust and Banking Corporation

## Stock Price Data

