

Enhancement of Corporate Value by Empowering People Who Create a New Era

Social
—Human Resources—

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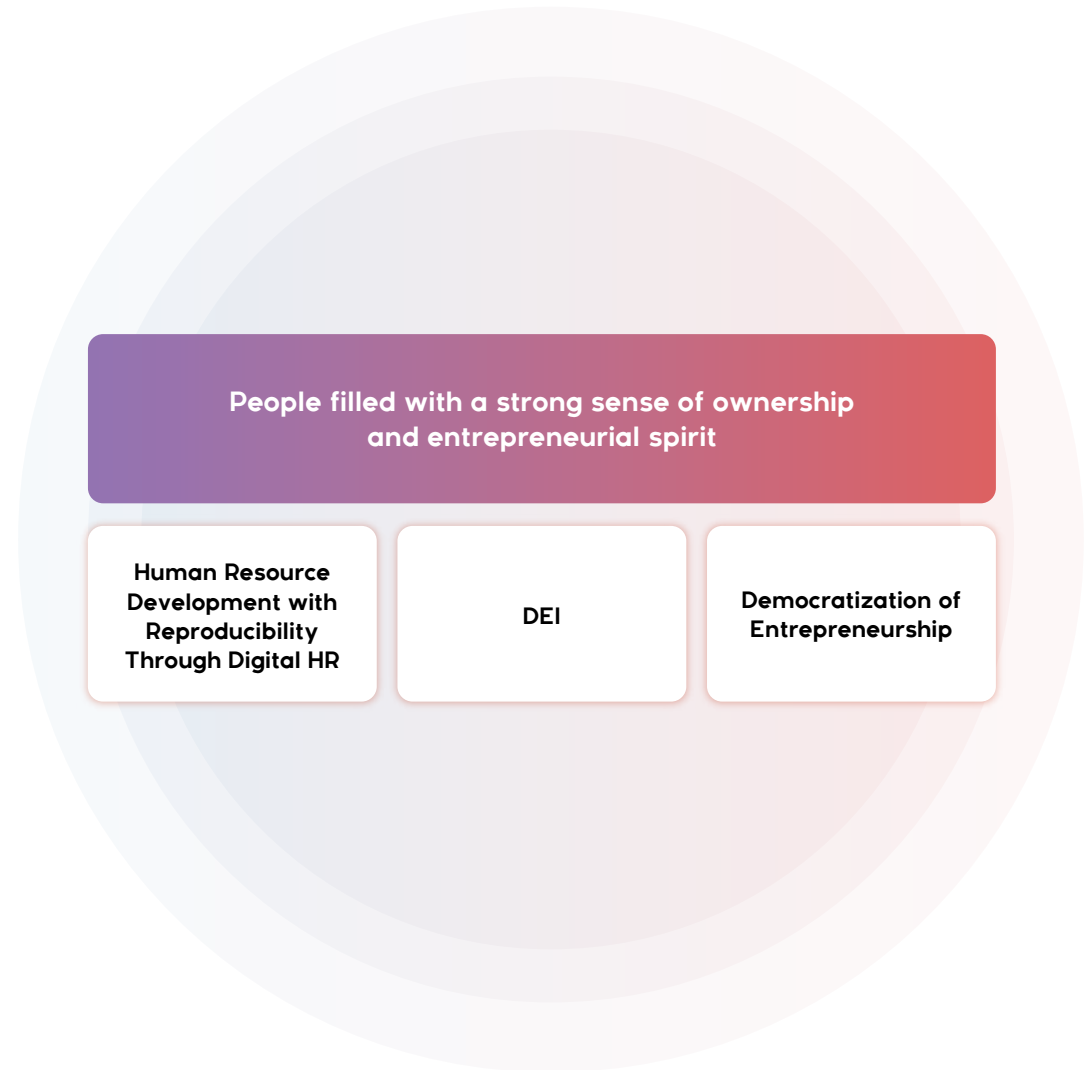
Concept of Human Capital Management

As stated in the first clause of our vision, "To be a place where people are empowered to create a new era," we at the Septeni Group regard people filled with a strong sense of ownership and entrepreneurial spirit as the most valuable asset and focus on their development.

Since starting the Digital Marketing Business in 2000, we have continued to expand our business along with the development of the market. However, in growth industries like our business sector, the competition for acquiring skilled talent has been extremely fierce. In such an environment, we believe that how we recruit, develop, and retain high-potential human resources is a critical factor that significantly influences corporate competitiveness.

For this reason, we have been focusing on three key areas: **"Human Resource Development with Reproducibility Through Digital HR,"** which utilizes individual employee data to implement tailored initiatives, **"DEI"** promotion to create an environment where individuals can unleash their full potential, and **"Democratization of Entrepreneurship"** to nurture the entrepreneurial spirit in each individual. Through these efforts, we aim to sustainably improve human capital value.

In addition, we are actively involved as a Scholarship Partner of the Kamiyama Marugoto College of Design, Technology, and Entrepreneurship, a private technical college. By providing long-term support and investment to talented students, we aim to contribute to the realization of an innovative and sustainable society, while also working towards enhancing our corporate value.



Human Resource Development with Reproducibility Through Digital HR

Utilizing a human resource database accumulated over more than 20 years and HR technology, we have been working on achieving individual optimization in talent development.

Implementing science-backed HR Initiatives based on the HR Development Equation

We define the concept of human resources development not as a matter of “being developed” but rather as one of “developing through the accumulation of positive experiences in the workplace.” The idea is that mutual interaction between the individual characteristics people are born with and the environments surrounding them influences their growth. We express this in the form of our HR Development Equation ($G=P \times E$). Based on this concept, we established the Human Capital Lab within the Company to use AI and other techniques to research human resources data accumulated over 20 years, and we are developing and applying science-backed HR initiatives based on the results of that research.

HR Development Equation

The diagram shows five variables in rounded rectangular boxes: Growth, Personality, Environment, Team, and Work. Below them is the equation $G = P \times E (T + W)$ where G is Growth, P is Personality, E is Environment, T is Team, and W is Work.

An idea where the environment (E) in the workplace is defined as the team (T) plus the work (W), and it is believed that the higher the affinity between these two factors and the individual characteristics of the person (P), the higher the likelihood that it will lead to significant growth (G).

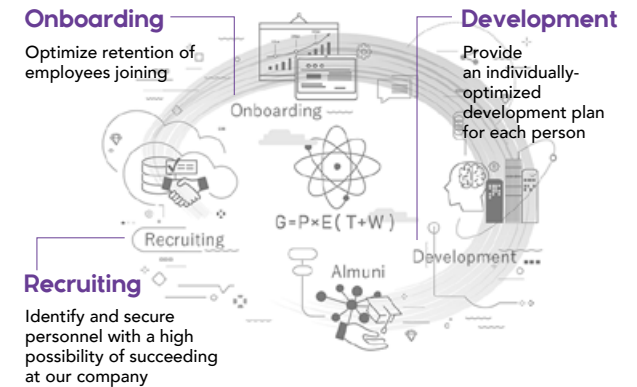
An HR value chain designed as an integrated service from recruitment to development

Leveraging the human resources databases we have accumulated over the years, we are building HR initiatives (an HR value chain) designed as an integrated service from recruitment to onboarding to development. The results of HR initiatives implemented are stored in the same database, and the system is designed to continuously improve the accuracy of initiatives and respond flexibly to changes in the environment surrounding our company by applying the PDCA cycle as operations continue.

By leveraging such technology to accumulate and utilize individual talent data and implementing tailored initiatives, we strive to realize “efficient and highly

reproducible human resource development” and maximize our human capital.

HR Value Chain



Efforts towards the appropriate utilization of human resource data

To ensure that human resource data is used in an appropriate manner, we have published “Digital HR Guidelines” containing principles for the utilization of human resource data. In the Group, when using the data for HR strategies, we operate in accordance with the principles of the Guidelines.

- ▶ Digital HR Guidelines <https://www.septeni-holdings.co.jp/dhrp/guideline/index.html> (Only available in Japanese)

Recruitment

Reproducible selection process and data utilization to support understanding of career formation after joining

In recruitment activities, we have developed a success prediction model that calculates the potential for post-hire success based on information such as the “personality” of candidates and “data at the time of selection.” This model is used as a reference in the selection process. By referring to data, we can make decisions based on quantitative information rather than relying solely on the subjective opinions or instincts of the hiring staff, which leads to increased accuracy in matching candidates with our company. Furthermore, we provide “career feedback” based on the data collected during the selection process, offering individual career plans to each candidate. This facilitates communication between the hiring staff and candidates, helping to deepen their understanding of career formation after joining the Company.

Through the utilization of such data, we have been conducting recruitment activities that can be completed in a remote environment since 2017, without relying on in-person interviews. By implementing highly reproducible selection processes online, we are able to form diverse candidate pools without geographical constraints, enabling us to approach talented individuals nationwide.

Development

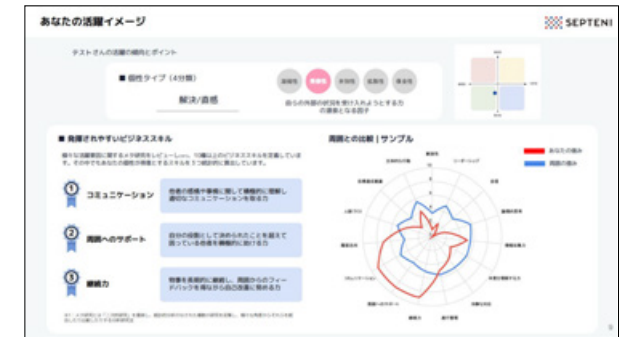
Development plan and compatibility placement based on personality data analysis

We have been implementing company-wide remote work since February 2020. We will continue flexible work styles while also focusing on initiatives that are suitable for employee development in a remote environment.

For employees after joining the Company, we implement “compatibility placement,” which quantitatively evaluates the environment that an individual is likely to adapt to easily, based on personality data from team members and supervisors, and use this as reference information for assignments. In addition, we support the individual growth of each employee by providing them and their supervisors with information regarding their “strengths and weaknesses, optimal learning styles, and methods of organizational adaptation.” Furthermore, we continue to conduct regular surveys and provide career counseling through our HRBP department, ensuring ongoing monitoring and support for development.

The aforementioned Human Capital Lab creates these data and development plans, and in collaboration with the HRBP department, promotes management support in a remote environment by providing them to employees.

Examples of Development Plan and Compatibility Placement Reports



社員No	氏名	部署1	部署2	部署3	部署4	部署5	部署6	部署7	部署8	部署9	部署10	部署11	部署12
1	社員1	59	41	63	65	65	35	42	85	49	49	37	64
2	社員2	34	67	52	51	48	60	54	54	67	32	76	42
3	社員3	60	77	54	68	59	31	85	44	85	48	66	59
4	社員4	46	34	30	61	48	75	56	32	83	83	52	48
5	社員5	73	48	32	71	75	70	57	63	35	53	33	77
6	社員6	74	41	75	53	71	53	83	86	63	80	56	62
7	社員7	55	77	69	56	67	67	84	59	33	47	37	76
8	社員8	46	51	88	62	63	75	35	34	70	55	66	34
9	社員9	51	44	38	46	76	38	64	72	35	49	57	78
10	社員10	82	79	69	68	42	47	44	74	78	77	73	36
11	社員11	51	56	88	48	75	53	85	74	47	56	82	79
12	社員12	59	69	76	35	56	49	44	72	63	80	34	86
13	社員13	50	34	32	74	36	81	50	56	74	72	46	52
14	社員14	70	60	77	34	65	83	39	49	36	33	39	85
15	社員15	47	85	42	72	45	63	45	76	67	61	31	32
16	社員16	47	49	70	75	41	30	53	47	80	80	42	43
17	社員17	80	85	87	66	65	67	84	69	56	80	77	46
18	社員18	67	73	38	39	40	57	43	74	53	49	66	88
19	社員19	47	96	85	68	37	63	71	50	38	67	67	57
20	社員20	44	61	55	61	42	60	65	89	87	45	67	85
21	社員21	47	31	34	86	89	43	75	48	60	81	41	87

DEI (Diversity, Equity & Inclusion)

We promote and support diverse work styles based on the belief that each employee of various backgrounds can contribute to the sustainable development of the Group through autonomous and valuable work.

Septeni Group and DEI

At the Septeni Group, we have adopted a DEI policy that “respects all human rights, acknowledges diversity, and realizes a way of working where each individual’s strengths are demonstrated.” We promote and support diverse work styles based on the belief that each employee of various backgrounds can contribute to the sustainable development of the Group through autonomous and valuable work.

Policy for gender equality

In initiatives toward gender equality, a part of our DEI promotion, we believe it is necessary to recognize that women potentially face unique career challenges due to gender-specific life events such as childbirth. We are committed to creating an environment where these obstacles are minimized, and growth and evaluation are fair beyond gender.

The implementation of measures and the establishment of systems to empower women, who are the majority among minorities, and the insights gained

in the process, we believe, will contribute to the respect for diversity of people with various attributes and lead to support for their active participation.

Goals for gender equality

We have been working on various measures with the goal of “achieving a 25% female manager ratio by October 2023” among major domestic companies. As a result, we achieved 26.6% as of October 2023.

Currently, we are promoting activities with a new goal for gender equality, “achieving a 30% female manager ratio by December 2030,” expanding the scope of our target to include all domestic Group companies.

DEI Initiatives

Initiatives to achieve gender equality

We are promoting initiatives to achieve gender equality primarily through the Gender Equality Subcommittee under the Sustainability Committee.

LGBT initiatives

We have established the group-wide LGBT & Allies network “SEPALLY RAINBOW” and are promoting LGBT initiatives with them.

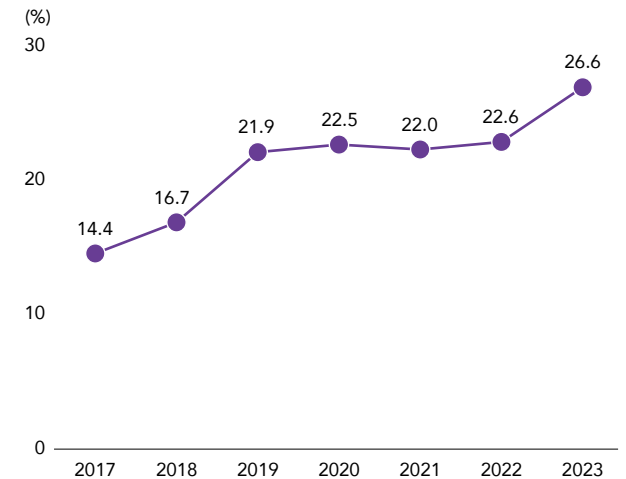


Raising awareness of unconscious bias

We conduct mandatory training for executive officers and managers, as well as e-learning and surveys to assess understanding of unconscious bias for all employees.

Ratio of Women in Managerial Positions

(as of October 1 of each year)



DEI (Diversity, Equity & Inclusion)

Analysis of the current state for gender gap improvement: DEI Growth Metrics

In closing the gender gap, we have analyzed HR data at the Human Capital Lab and derived current issues from the result: "DEI Growth Metrics." Based on the content of the "DEI Growth Metrics," we are implementing measures for improvement.

Initiatives based on DEI Growth Metrics

Early career awareness for early success

From the DEI Growth Metrics, it was observed that employees, both men and women, who excel early (within four years of joining) tend to be working in higher positions and this also leads to success after promotion or returning from parental leave.

Based on these results, we will conduct two training sessions to promote early success: "awareness training for young female employees" and "awareness training for supervisors"

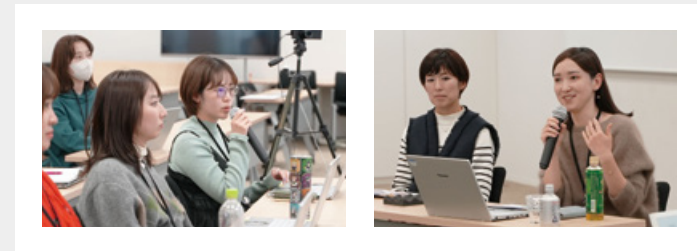
Support for diverse ways of working

Based on DEI Growth Metrics analyses, we have learned that it is important to reduce situations in which employees are unwillingly limited in their work, such as when they are forced to choose shortened working hours for childcare reasons. We have been aiming to achieve a state where everyone is working autonomously and actively in valuable jobs regardless of time and place, which means being a globally competitive company. Recognizing that achieving this goal also contributes to the success of each individual, we will further support diverse work styles.

Awareness training for young female employees

At the awareness training for young female employees conducted in January 2024, the training instructor gave a lecture on how to develop a career taking into account that women potentially face unique challenges associated with gender-specific life events such as childbirth.

Senior female employees also took the stage to reflect on their careers and answer questions from the participants. The training provided an opportunity for participants to learn about diverse career paths, expand their options, and contemplate work-life balance on an individual level.



► For more details about our initiatives, please visit the Sustainability page on our corporate website. <https://www.septeni-holdings.co.jp/en/csr/activity/new-era/diversity/gender.html>

A Place where a Diverse Range of Personnel can Play an Active Role

Promoting age diversity

In order to adapt to change, the Septeni Group is working to build an organization in which members of all generations can play an active role.

The Group's regular employees consist mainly of those in their 20s and 30s, and by utilizing the "HR Development Equation" and "Success Prediction Model" we are able to quickly develop them into effective personnel.

We also provide a variety of opportunities to take on challenges regardless of age, such as the "gen-ten" new business contest and other "events nurturing each person's entrepreneurship," and many young employees, including those in their first year with the company, participate in these events.

▶ See pp. 28–29 for more information on "events nurturing each person's entrepreneurship"

Main Initiatives for Building an Organization in which Various Generations can Play an Active Role

Essay contest	Each year, a theme related to the "future of the company" is chosen, and employees are invited to submit what they can and should do in the form of essays, with awards given to the best entries.
BLP (Business Leadership Program)	A specialized management development program in the domain of management, aimed at cultivating future executive candidates. Selection is conducted through an open application process, and chosen candidates may receive a grant from the company to attend an outside business school for two years, free of charge.
Personal development system	This program provides subsidies of 70% of the total amount (up to 70,000 yen) for attendance at outside seminars, business schools, etc. The program has been introduced to create opportunities for skill development outside the company.

Selected as one of Japan's "Best Workplaces" for the 13th consecutive year

In 2024, for the 13th consecutive year, the Septeni Group was selected in the "Best Workplaces in Japan" rankings, a survey and analysis conducted by the Great Place To Work® Institute Japan. The percentage of employees who responded "Overall, I would say this is a great company to work for"* averaged over 80% over the past 13 years.

In terms of individual evaluation items, high scores were recorded for such questions as "Management and supervisory staff understand that failure is an inevitable part of the work process" and "In this company, people who try new methods and improvements are admired, regardless of the consequences," clearly indicating that the spirit of "Hinerankai," the creed that has been passed down for more than 30 years since the founding, is being put into practice.

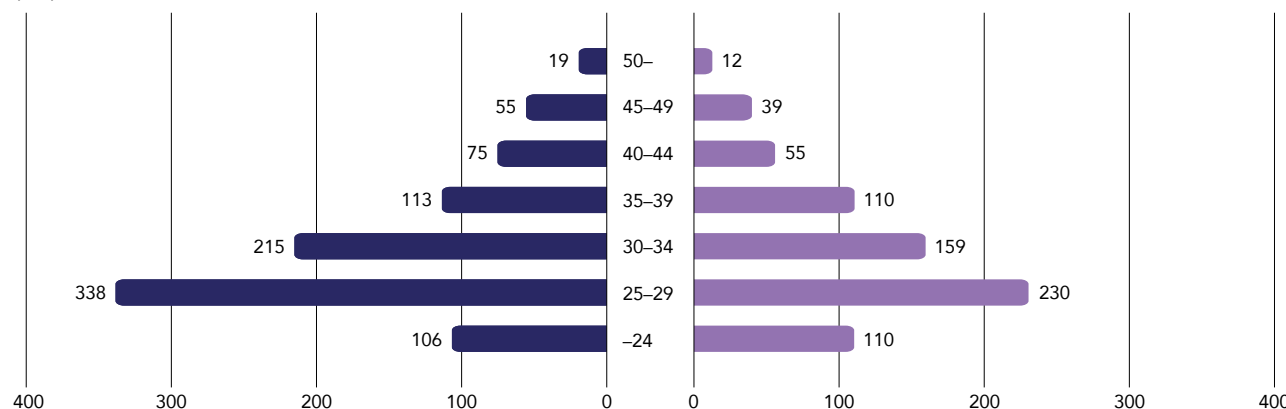
The average for the respective questions about being treated fairly regardless of age, race, gender and sexual orientation was 89% in the 2024 survey, indicating an environment in which employees can thrive regardless of their personal attributes.

*The total number of surveyed Group company employees was more than 60% of the total number of employees. Percentages are calculated based on responses from a randomly selected subset of employees.

Age Structure of Septeni Group Employees (as of December 31, 2023)

■ Men ■ Women

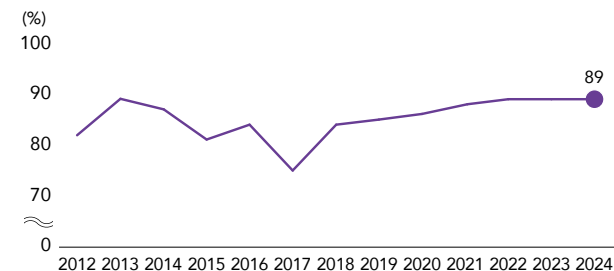
(people)



(Note) Total: Regular employees and limited regular employees

(Note) Both age and gender were calculated on the basis of employees who gave a clear response.

Percentage of Employees who Responded, "This company treats employees fairly regardless of age/race/gender/sexual orientation" Averaged Across Responses for Each Item, by Year



Democratization of Entrepreneurship

We aim for a state where each person identifies and practices entrepreneurship in each form on a daily basis and recognizes its diversity.

Basic concept

The Septeni Group's mission is "To inspire the world with entrepreneurship."

The term entrepreneurship is generally translated as "entrepreneurial spirit," but at our company, it is notable that each individual is encouraged to interpret the term in their own way, in addition to its general meaning. One of the common interpretations within the Company is to "pursue opportunities beyond controllable resources." Human resources with such qualities and attitudes are the "people who create a new era," as described at the beginning of our vision, and are the source of the Septeni Group's strengths.

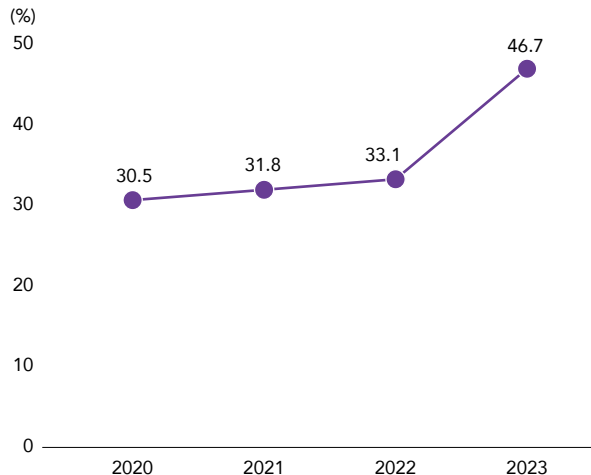
That is why entrepreneurship in the Septeni Group is not limited to managers and leaders. The situation in which each person identifies and implements entrepreneurship in each form on a daily basis and recognizes its diversity, in other words, "democratization of entrepreneurship" is our ideal. Through the "democratization of entrepreneurship," we are promoting a variety of initiatives that embody "Resilient, Caring, and Exciting" values, with the aim of becoming a place where people who will create a new era are empowered and inspiring the world.

Employee stock ownership plan

We have introduced an Employee Stock Ownership Plan (ESOP) with the aim of fostering long-term asset building and cultivating a sense of ownership among our employees.

In April 2023, the incentive rate for the ESOP was raised to 20% from 10% with the aim of strengthening human capital investment, resulting in a significant increase in the membership rate. We aim to increase the Group's corporate value over the medium to long term by continuously increasing the participation rate in the ESOP, fostering an awareness of ownership among individual employees, and raising their motivation for work.

Membership Rate of Employee Stock Ownership Plan



(relative to the full-time employees of the target company)



Highlight of participants at "Diversity Month," an event nurturing entrepreneurship

Democratization of Entrepreneurship

Events nurturing each person's entrepreneurship

"To be a place where people are empowered to create a new era," we hold events and initiatives that foster and leverage the entrepreneurship of each individual.

We also continue to measure and evaluate the number of participants and satisfaction levels at these events, and strive to continuously increase the value of initiatives.

Since 2020, we have measured the number of participants in events that foster entrepreneurship. The number of participants increased from 2020 to 2022 due to an increase in the number of employees, the active operation of events, and an improvement in the awareness of the ownership of employees.

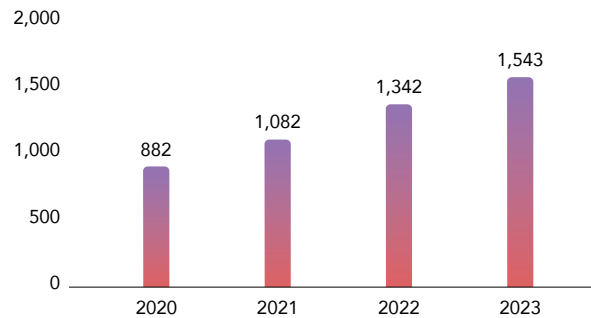
We will continue to measure the number and strive to increase the value of our initiatives and develop the entrepreneurship of each employee.

Events nurturing entrepreneurship

- New business planning contest "gen-ten"
- Slogan ideas submission
- Group Sharing Meeting
- Essay contest
- Diversity Month
- Group philosophy-related event
- Hinerankai Award
- Diversity Award
- Cross-sectional committee

etc.

Number of Participants in Events Nurturing Entrepreneurship



Group philosophy-related event

We hold a variety of events on a regular basis for employees to deepen understanding and sympathy for our corporate philosophy and to face the philosophy of themselves and their colleagues. Awareness of the linkage of each philosophy provides an opportunity for employees to become aware of their entrepreneurship, and also contributes to raising awareness of ownership in the Septeni Group.



New business planning contest "gen-ten"

The gen-ten is an in-house new business planning contest that has been held annually since 2012. There are no limitations on the year of joining the Company or the department to which employees belong, and any Group employee can take on the challenge any number of times.

Employees who are full of enthusiasm as business managers and highly appreciated for their business plans can transfer to Septeni Incubate, Inc., a group company that develop and nurture new businesses, to take on the challenge of realizing a business and establishing a new company.

Comments from a gen-ten participant



Huong Nguyen Thi Lan
FLINTERS VIETNAM

I work at FLINTERS VIETNAM, where I handle tasks such as legal, internal tax, labor consulting, and investment consulting (support for companies expanding into Vietnam).

By developing services related to the legal field, which is the most passionate area in life, I took part in gen-ten with the hope of enhancing the effectiveness of my own and my colleagues' work and contributing to the development of Vietnam. After participating in gen-ten and winning the prize, I am determined to work with a higher viewpoint and a broader perspective than before and create new value both inside and outside the company as a professional.

COLUMN Belonging at Septeni Group

“Belonging” means feeling a sense of acceptance as a part or member of something. To help every employee feel a sense of belonging and flourish in a state where their psychological safety is assured, we place great importance on connections between individuals and the Group.

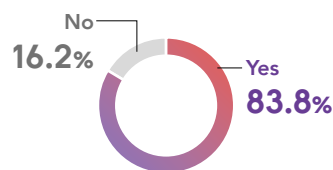
By strengthening the link between the Group’s philosophy and the values, such as philosophies and policies, that individuals hold dear, we aim to help each person display entrepreneurship in their own way, leading to continuous growth for the Group. We administered an anonymous in-house survey to find out whether employees currently felt a sense of belonging to the Group.

Over 80% of employees responded that they had personal policies and philosophies, that they felt a link between the Group’s philosophy and those held by them personally or by their company, and that they believed that the Group’s philosophy encouraged them to display entrepreneurship in their own unique ways.

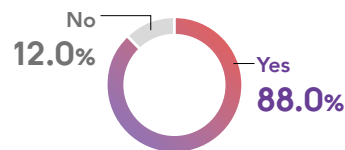
Furthermore, 47.9% of employees answered “Yes” in response to the question, “Are you taking specific actions to realize the Group’s philosophy?” and 40% of those respondents also provided details of those specific actions. On the other hand, over half of the employees answered that they were not taking specific actions yet. Based on these results, we have set “the democratization of entrepreneurship” as a materiality and are working on initiatives to that end so that every one of our employees can take action and display entrepreneurship.

Survey results

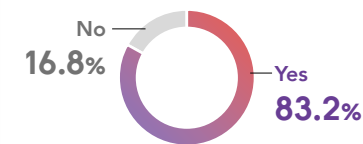
Do you have personal policies and philosophies?



Do you feel a link between the Group’s philosophy and that held by you personally or your company?



Does the Group’s philosophy encourage you to display entrepreneurship in your own unique way?



Are you taking specific actions distinct to you to realize your own and the Group’s philosophy?



Specific actions you are taking to realize the Group’s philosophy.



*Word cloud created from survey responses

COMMENT



Aya Yokota
Strategic Planning Department
Integration Marketing Division
Septeni Japan, Inc.

My main role is communication planning, and I handle proposal-related tasks.

I think of the Group’s philosophy as something that I can apply to myself to spark opportunities to think about my own behavioral indicators and philosophies. From the vision in particular, I feel a warmth and inclusiveness that accepts my desire to enjoy my work every day, challenge myself by trying new things and even want to make a difference somewhere, if I may be so bold as to say that.

I hope to continue searching for common points between the Group’s philosophy and my own while displaying entrepreneurship and enjoying my work in a simple and positive way.

Human Capital Investments for the Future

The Group is a Scholarship Partner of the Kamiyama Marugoto College of Design, Technology, and Entrepreneurship, a private technical college.

Investments in the Kamiyama Marugoto Scholarship Fund

The Kamiyama Marugoto College of Design, Technology, and Entrepreneurship is a five-year private technical college that opened in Kamiyama, Tokushima Prefecture in April 2023. As a Scholarship Partner, in 2023 the Group donated ¥1 billion to the Kamiyama Marugoto Scholarship Fund which was set up to make tuition free for all students enrolling in the college. With its motto of “Technology x Design x Entrepreneurial Spirit,” the school’s approach of cultivating “people who make things happen through the power to make things” to open new paths in society resonates with us, and we believe that providing long-term support and investing in talented young students will contribute to the realization of a sustainable and innovative society while also increasing the corporate value of the Group.

Moreover, the Group has focused on human capital management since its founding under the belief that the source of corporate value is the value of its people and organization. But, of course, a person cultivates their value before they come into the workforce. That is why we feel it is extremely meaningful to support and engage proactively with education businesses that cultivate human value. Behind this investment is our desire to spread these ideas and philosophies of ours widely beyond corporate lines, thereby increasing the number of people they resonate with.

▶ Please check the website below for more details about the Scholarship Fund.
<https://www.septeni-holdings.co.jp/en/news/release/2022/09013312.html>

Joint activities with scholarship students

Under the Scholarship Partner system, scholarship funds bearing the Group’s company name will be granted to four students at the Kamiyama Marugoto College of Design, Technology, and Entrepreneurship every year, and we will seek to create new businesses and conduct joint research in collaboration with those students. We have been working together with the first batch of four Septeni Group scholarship students since April 2023. Specifically, we have been using communication tools to share information with each other and holding regular online meetings in order to deepen their understanding of the Group. The scholarship students also visited the Company’s headquarters in November 2023. It was a good opportunity for them to experience the Septeni Group by touring the offices and interacting directly with various employees.



They participated in a workshop where they used LEGO® bricks to depict “myself in a society where the Group’s vision has been realized.” Learning more about our philosophy in this way deepened their understanding of the Group.



We held a lightening talk session where employees gave passionate three-minute presentations on the topic, “the best things about the Septeni Group/the company I work for.” This was a chance to communicate the Group’s attractions to the scholarship students directly, while also giving the participating employees the opportunity to consider the Group’s merits anew.

Comments from the scholarship students when they visited the headquarters



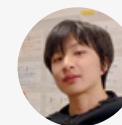
Isshin Nakatani

Everyone at the company was lively and energized. They explained their jobs enthusiastically, and I could really feel their passion.



Koyomi Manabe

Many of the people were extremely polite and spoke to students like us like equals. I previously had the impression that Septeni was a stuffy place, but seeing the employees expressing their individuality in ways such as their clothing changed my mind.



Soma Tochika

My impression is that this company as a whole really values people. I can tell that the culture of treating people well is deeply rooted in the company.



Noko Nakaya

I got to see people discussing issues thoroughly and cooperating as they worked. That made me understand that this is a company that values people, which made me want to learn more about it.