

Medium-term Management Plan 2023

ADVANTAGE Risk Management Co., Ltd.
May 28, 2021

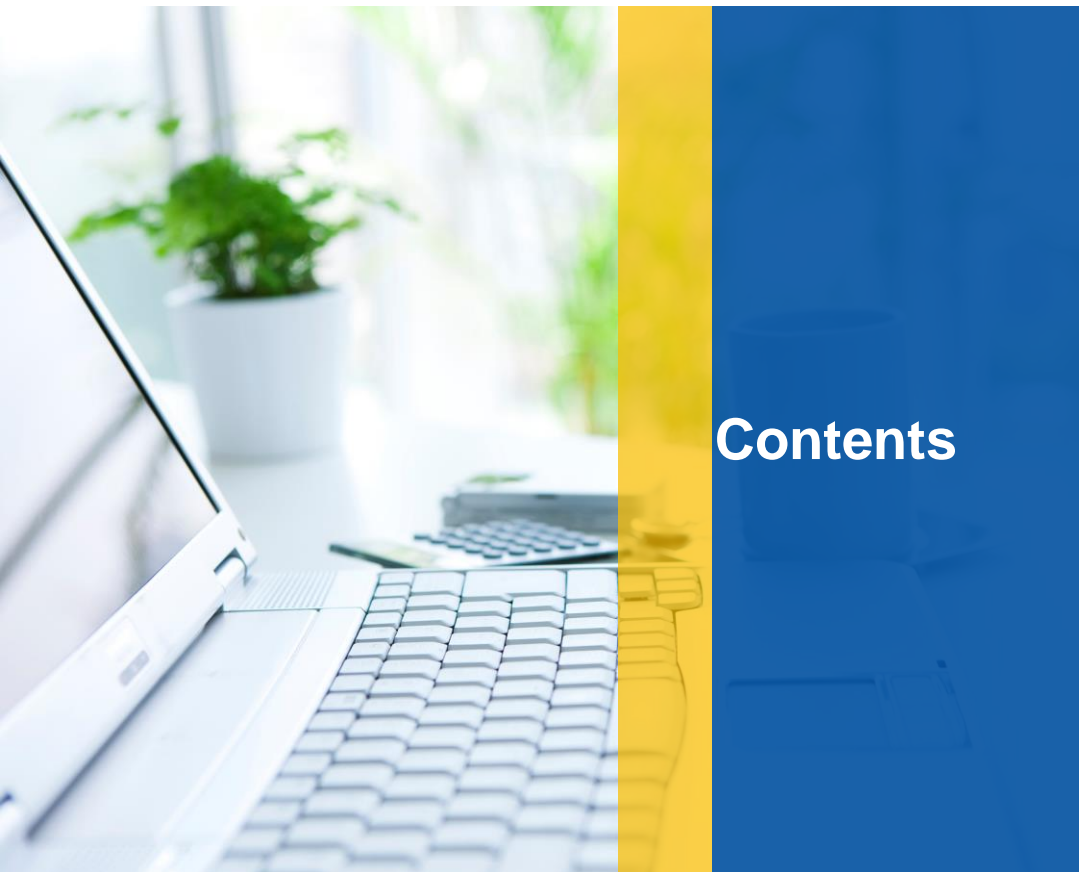


IS 675385 / ISO27001



企業に未来基準の元気を！





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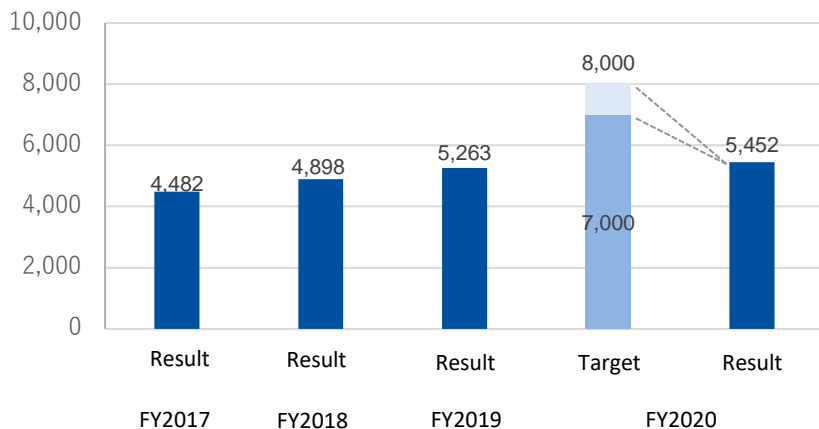
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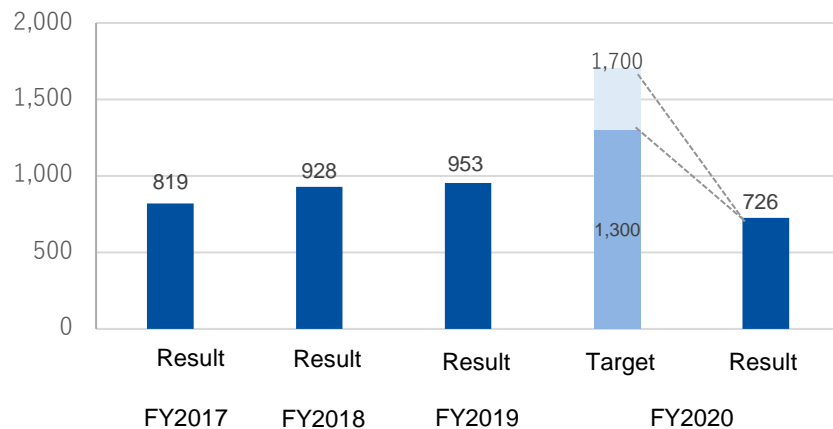
Medium-term Management Plan 2020 Review

Net sales



Progress on growth in users and average spend was not in line with plans in each business. Together with the impact of COVID-19 in FY2020, this meant net sales fell significantly short of the target.

Operating profit



Weak net sales compared with the target impacted performance, together with increased costs in FY2020 (+0.64 billion yen YoY), resulting in operating profit falling significantly short of the target.

Toward Medium-term Management Plan 2023

Growth fell short of the plan for the past three years, partly as a result of the impact of COVID-19 as well as the Company's inability to sufficiently implement specific measures. Looking toward 2023, the Company will continue actively investing, as in the previous fiscal year, and implement specific measures set forth in this MTP, in order to maintain stability while also targeting dramatic growth.

(1) Overview of the Company's Businesses – Corporate Message and Mission

Bringing a New Standard of Well-Being to the Future of Corporations!



MISSION

We will work with the community to create **“environments where people can work with peace of mind”** and companies where **“individuals and teams have vitality”**

The Group's mission is as follows: “We will work with the community to create “environments where people can work with peace of mind” and companies where “individuals and teams have vitality.” Under our corporate message of “bringing a new standard of well-being to the future of corporations!” we will provide solutions to the various risks and solutions surrounding companies and working people, and support corporate initiatives to promote health and productivity management.

(1) Overview of the Company's Businesses – The Advantage Way (Five Advantages)

We aim to always create new markets and reform existing markets, without being constrained by existing concepts. In all aspects of our business, we aim to become market leaders, and while continuing to engage in self-reform, share maximized value with society, partners, and employees.

1

Client Advantage

We will adopt a customer-centric perspective and provide true added value by dedicating ourselves to our customers.

2

Initiative Advantage

We will create results by always thinking with initiative in our actions.

3

Creative Advantage

In order to always remain at the cutting-edge and continue to create industry standards, we will aim to achieve the highest level of quality in all business activities, including products and services.

4

Fairness Advantage

We will maintain high ethical values, and act based on judgments from the perspective of equality and fairness.

5

Team Advantage

We will maintain a spirit of respect and gratitude toward partners within the Company and outside, and trust and cooperate with these partners as we engage in our work.

We believe that when employees are both mentally and physically healthy, and each employee can exercise his or her abilities to the maximum possible extent, corporate productivity increases significantly and companies are energized. Through this process, we aim to create well-being in companies and continuously support companies. As part of this aim, we execute our business operations in accordance with our code of conduct (The Advantage Way).

(1) Overview of the Company's Businesses – Health and Productivity Management at the Group



Health and Productivity Management Declaration

At ADVANTAGE Risk Management Co., Ltd. and our Group companies, we believe that employees continuing to live healthily and work with a sense of well-being is the most important foundation for the long-lasting happiness of employees and their families as well as increased energy within the company. We declare that we will focus all our efforts on making this a reality, and make continuous improvements as we aim for further heights. We also believe that enhancing employees' health and vitality will help us achieve our corporate mission to "create well-being at corporations," as well as our corporate message to "bring a new standard of well-being to the future of corporations!" and at the same time contribute to enhancing the value we offer to customers. Through the "well-being" of employees, we will work with the community to create "environments where people can work with peace of mind" and companies where "individuals and teams have vitality."

Health and Productivity Management Promotion Systems

The Company has appointed the Chief Executive Officer and Representative Director as the person responsible for health and productivity management. The Health Committee, which consists mainly of persons responsible for business sites, promoters, occupational physicians, and health nurses, as well as the Health and Productivity Management Office work together to promote initiatives to maintain and enhance the health of the Company's employees.

The Management Committee regularly shares information with managers and debates matters concerning health and productivity management issues, KPIs, the status of progress of initiatives, and other matters. Through the strong abilities of managers to promote these initiatives, the Company accelerates health and productivity management measures as a whole and encourages employees to independently implement initiatives promoting health and productivity.

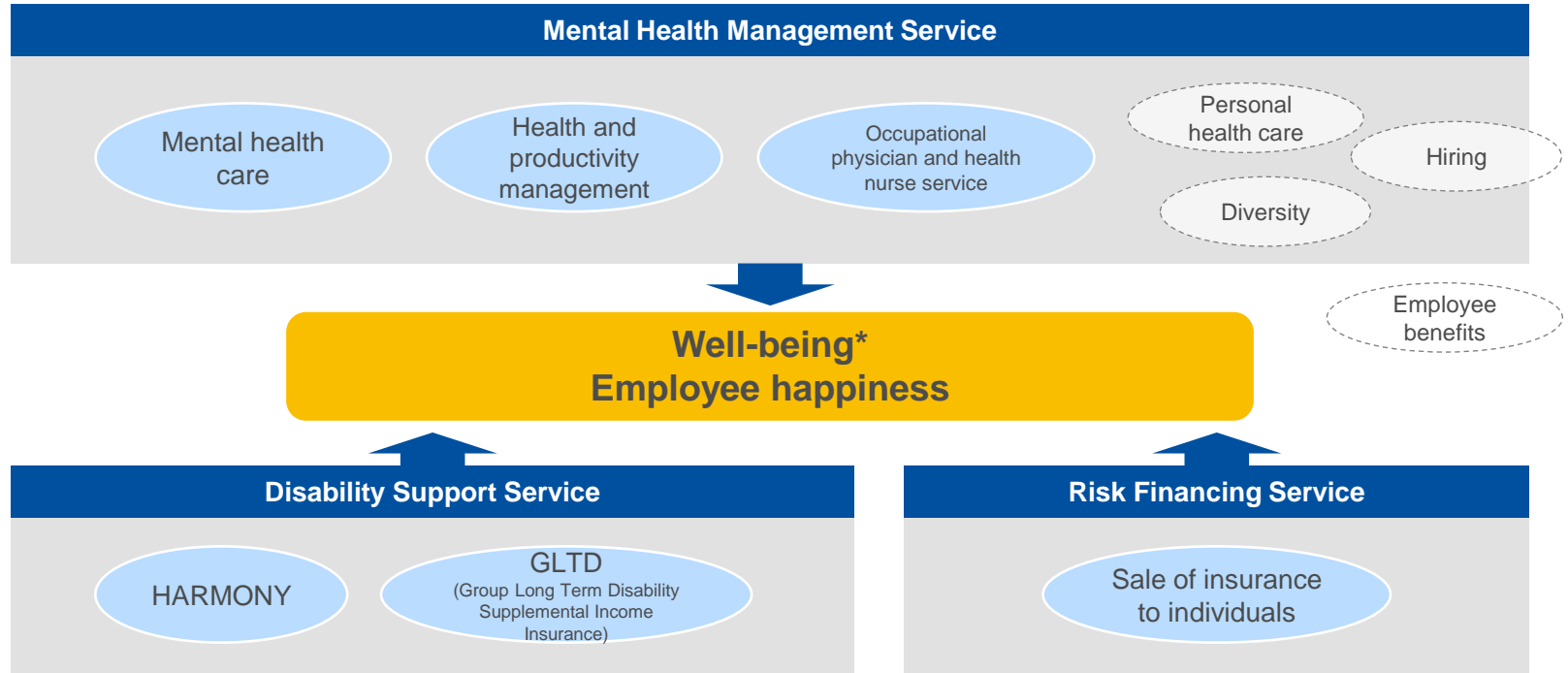
Overall Health and Productivity Management KPIs

In order to promote health and productivity management, the Company has established the "health checkup anomaly observance rate" and the "proportion of productivity lost owing to presenteeism" as KPIs. The Company implements a PDCA cycle with the aim of achieving the goals it has set forth by 2023.

| | FY2018 | FY2019 | FY2023 target |
|---|--------|--------|---------------|
| Health checkup anomaly observance rate | 42.9% | 41.0% | 40.0% |
| Proportion of productivity lost owing to presenteeism | 40.1% | 37.7% | 33.0% |

(1) Overview of the Company's Businesses – Previous Business Development

To date, the Company has developed various businesses, with the aim of ensuring well-being and the happiness of employees.

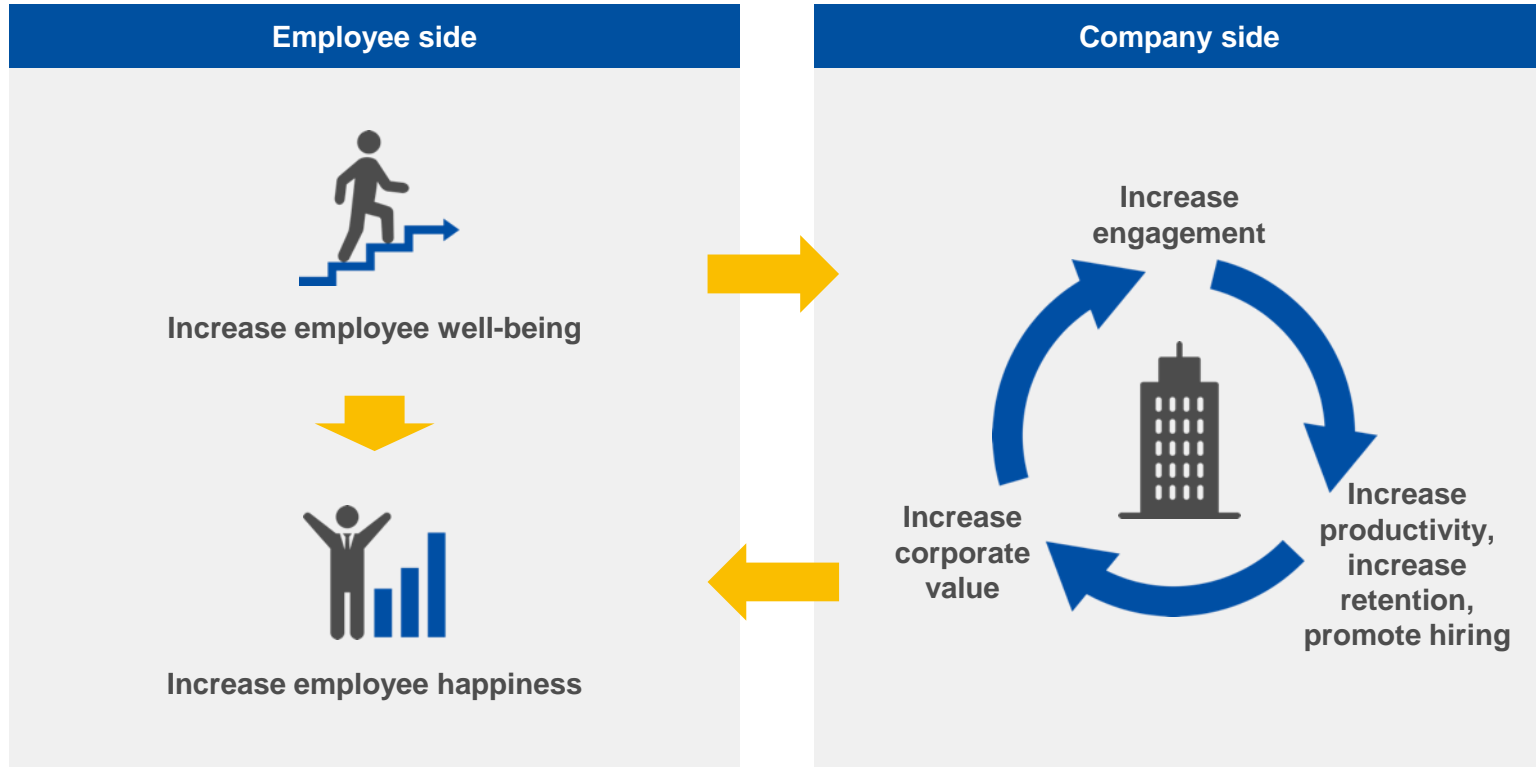


* Definition of well-being

Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity
= happiness (WHO definition)

(1) Overview of the Company's Businesses – Effects of Enhancing Employee Well-being

Enhancing employee well-being benefits both employees and companies.



(1) Overview of the Company's Businesses – Medium-term Management Plan 2023 Main Goal

Main Goal of the Plan

To be the number one platform provider in the Well-being field

Continue further development and expand our domains in the field related to well-being*, which includes our current business ones

Become the leading solution provider in this field by offering effective ways to solve various issues through the SaaS model

* Components of well-being at the Company include physical and mental health, employee development, prevention of risks and support when risks materialize, support for work-life balance, employee benefits and welfare, support for leisure activities, and creation of a sense of unity with companies

(1) Overview of the Company's Businesses – Management and HR Issues and Relationship with Well-being

Improving employee well-being covers all themes that are issues in modern management and HR.

[Examples of Issues]

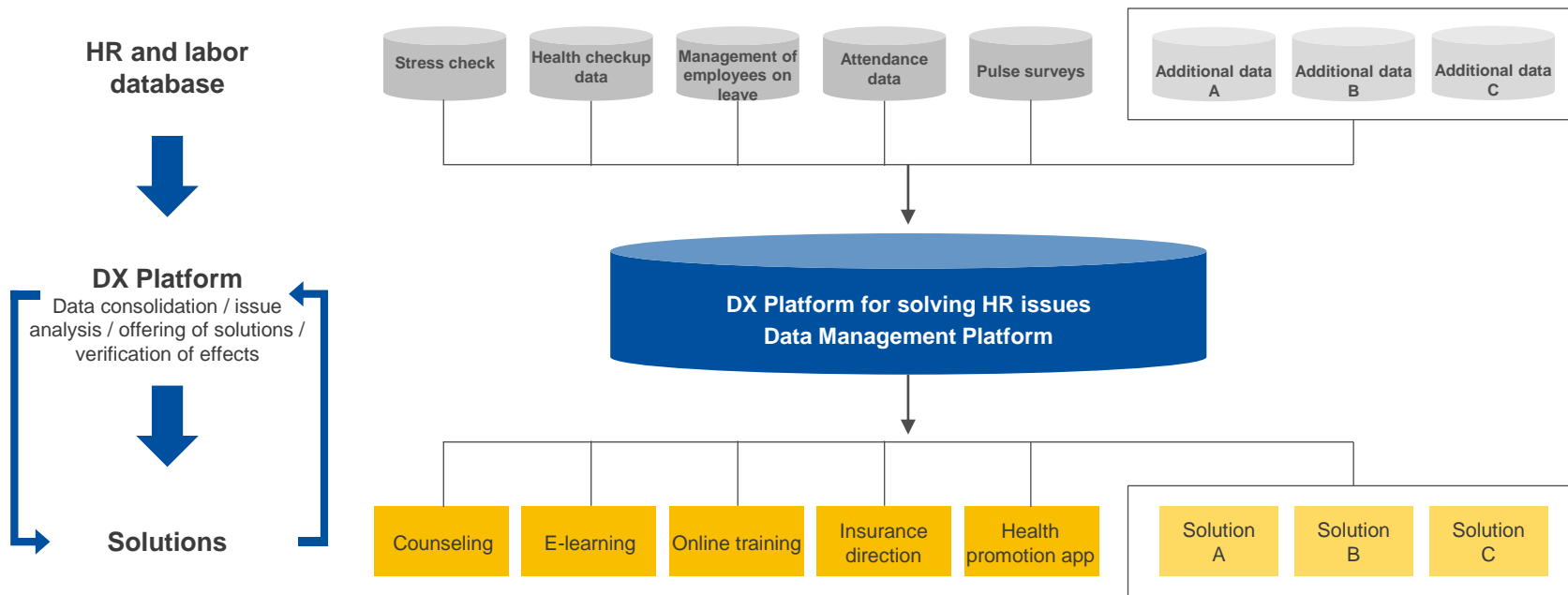
- Health and productivity management
- Stress checks
- Mental health care
- Employee benefits
- Workstyle reform
- Supporting women's active participation / diversity
- Support for work-life balance
- Human resources development
- Organizational improvements
- Increase in engagement
- Retain employees
- Promote hiring
- SDGs



Well-being
Good physical, mental, and social state

(1) Overview of the Company's Businesses – Platform-based Solutions to all Management and HR Issues

The Company's platform comprehensively covers all aspects of data and solutions related to well-being, and is compatible with all processes for making management and HR themes a reality (grasping the overall picture from data ~ executing the optimal measures ~ identifying and analyzing the results of measures).



(2) Understanding of Business Environment – Social Issues and Corporate Trends in Japan

With Japan's social issues as the backdrop, companies' interests are expanding from "workstyle reform" and "health and productivity management" to also cover "well-being."

Social issues in Japan



**Decline in working population
in line with falling birthrate and
aging society**



**Increasingly diverse employee
needs, such as balancing work
with raising children and caring
for family members**



**Increase in medical expenses amid
aging population (the "2025
problem")**

Workstyle reform and health and productivity management acceleration

1

Under the leadership of the national government, companies have been promoting workstyle reform and health and productivity management. Presently, there is increasing focus on using the PDCA cycle to "verify the effects of initiatives" and "make improvements at the level of frontline operations"

2

Growing interest in well-being

In international surveys on well-being, Japan generally comes last among the G7 nations. As people in Japan become more aware of the SDGs and ESG, initiatives related to corporate well-being are progressing

3

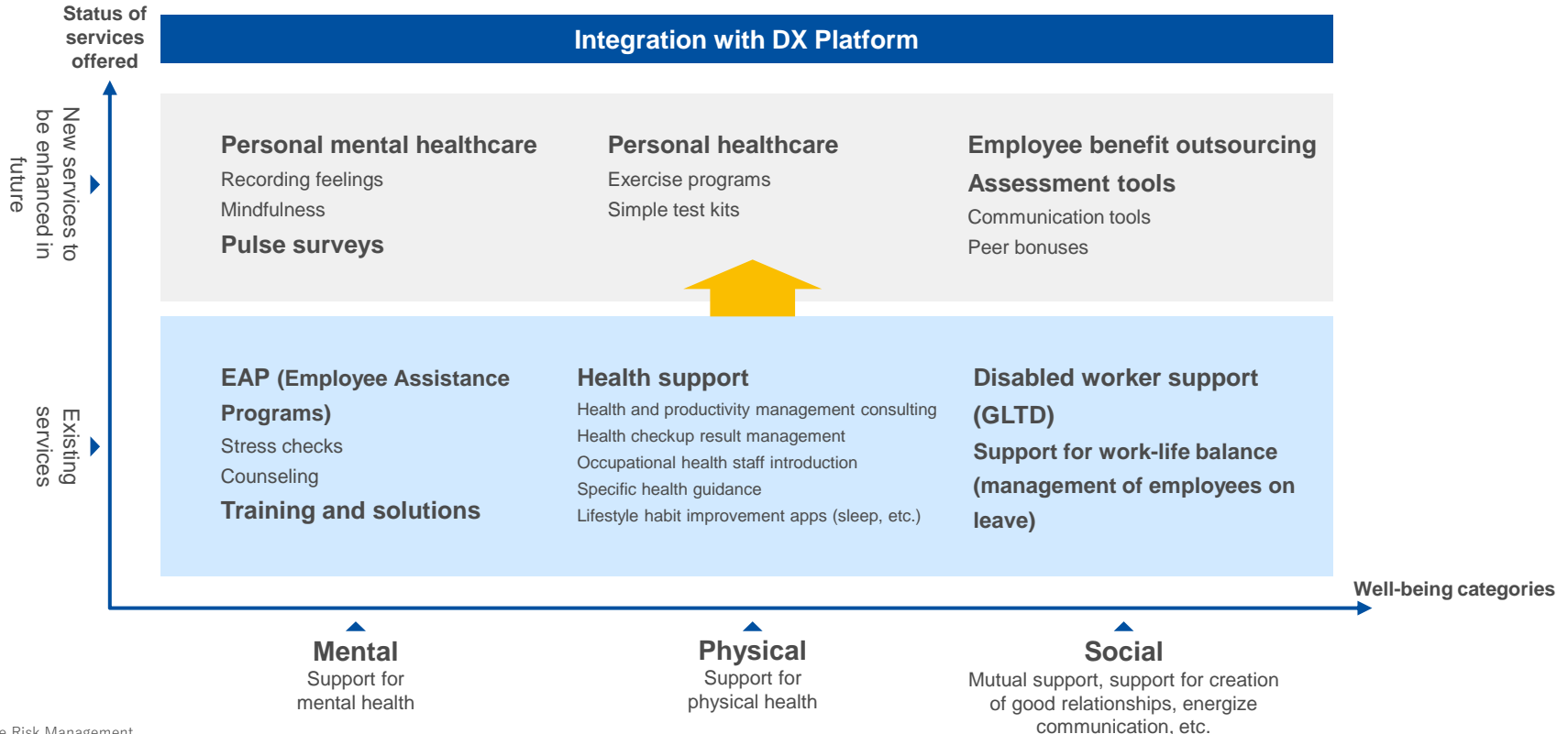
Redefinition of employee benefits at companies

In the age of excess information, existing employee benefit services centered on leisure are undergoing reform as enhancing employee well-being is expected to contribute to companies' businesses (increase productivity, increase employee retention, enhance brand image, limit medical expenses, etc.)

(2) Understanding of Business Environment – Relationship Between Well-being Market and the Company's Businesses

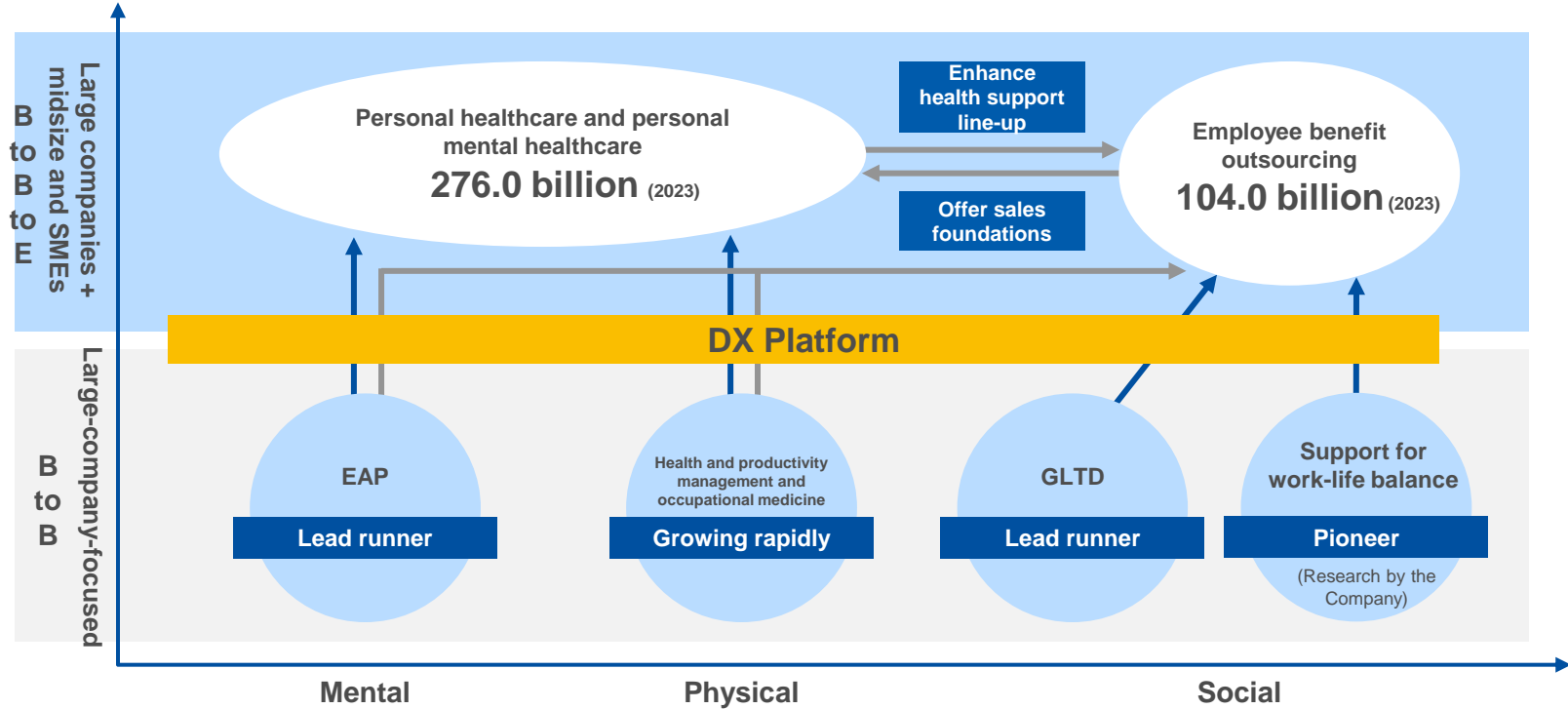
In addition to existing support for mental and physical health and support for disabled workers, we are also expanding the scope of our businesses to cover employee benefit outsourcing, tools for energizing organizations, etc., through new businesses and well-being related businesses.

Image of business development based on well-being



(2) Understanding of Business Environment – Growth Potential Based on Market Size

Based on businesses where the Company has strengths, we will move from our existing “BtoB” and “large-company-focused” model to enter the “BtoBtoE” market (offering services to individual employees through companies) as a new business, leveraging our DX Platform. In doing so, we will use our employee benefit outsourcing business to expand our target to “midsize companies and SMEs.”



Source: "Human Resources/General Affairs Outsourcing Market" and "Personal Health Care Service Market," Yano Research Institute; estimates based on Russell Mindfulness Entertainment Japan Inc. research

(2) Understanding of Business Environment – Contribution to Achieving SDGs

We will contribute to solving a diverse range of social issues through “comprehensive support for companies in relation to well-being” and “enhancement of internal systems and the working environment.”



(2) Understanding of Business Environment – Promotion of ESG Activities

Environment

1. From March 2020, we switched to remote work as our basic workstyle, and enhanced existing efforts to eliminate paper-based work and improve energy efficiency
2. We have limited our increase in office space compared with our increase in employees, thus reducing environmental burden

Social

1. We are contributing to society by promoting the mental and physical health of all employees and supporting higher engagement, particularly through our Mental Health Management Service
2. With women making up 57% of our employees and 35% of our managers, we have created an environment where women can utilize their abilities to the maximum possible extent. In addition to women, male employees also actively take childcare leave, thus achieving an environment that is comfortable to work in and have a long career

Governance

1. In addition to clarifying management and executive responsibilities, we have also introduced an Executive Officer system, with the aim of speeding up business execution through the transfer of authority. Of five Directors, three are Outside Directors (three independent officers), and we have three Audit & Supervisory Board Members (one independent Audit & Supervisory Board Member)
2. Regarding Group internal control systems, the Board of Directors determines systems to ensure the appropriateness of operations, which is the Company's basic policy on internal control systems. In addition, internal audit departments assess the status of the development and operation of these systems, provide instructions and guidance for improvement, and confirm the status of improvements. If legal judgments are required, the Company receives advice and guidance from its legal counsel in a timely manner.

The Company's basic management policy is to increase corporate value for shareholders, customers, business partners, local communities, employees, and all other stakeholders. To achieve this aim, we take steps to further improve and enhance internal control systems and risk management systems, while striving to enhance corporate governance. At the same time, we will strive for the prompt and accurate disclosure of information through internal systems related to the timely disclosure of corporate information, and thereby enhance the transparency of management.

2

02 Company-wide Focus Themes

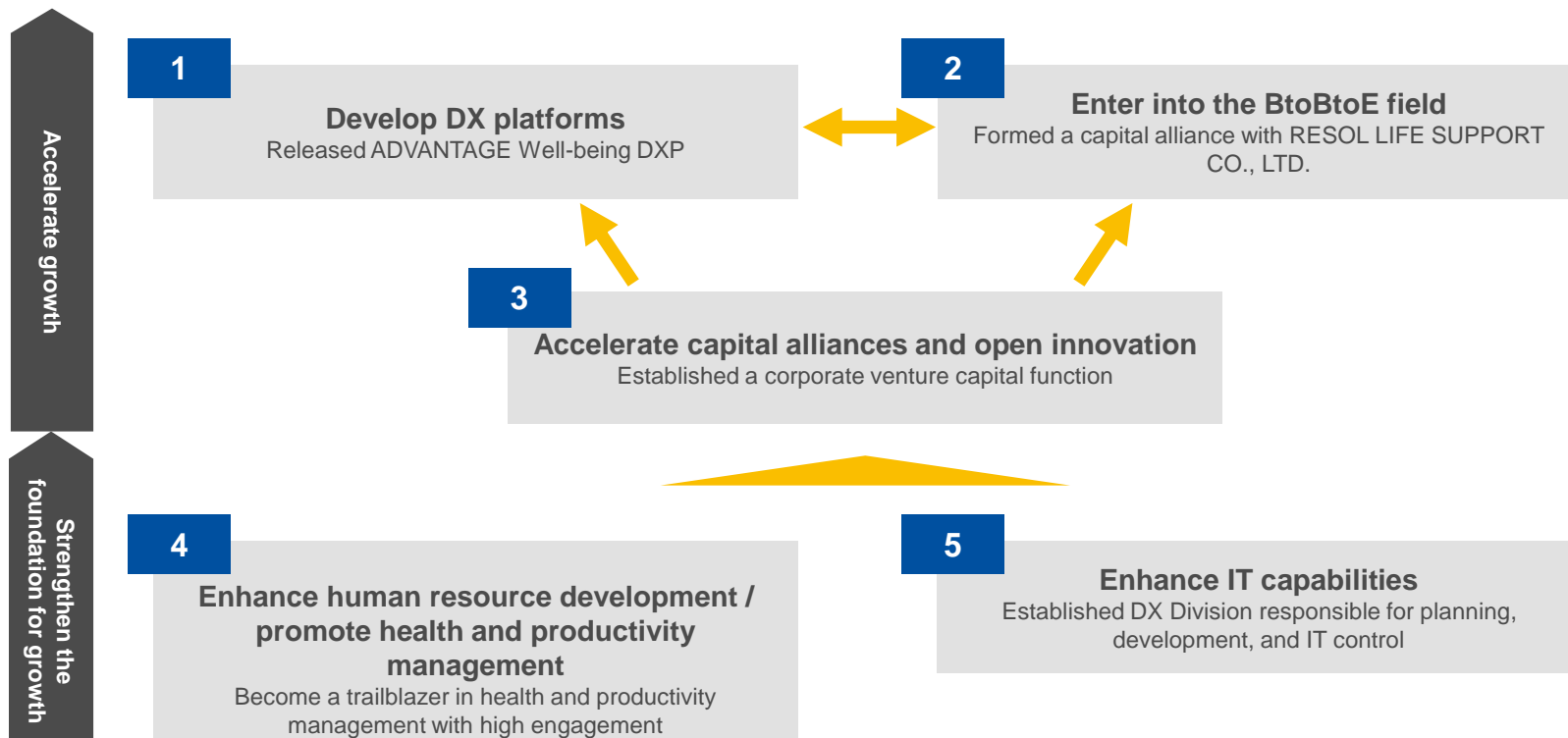
Overall Image and Business Development Scheme

- (1) DX Platform Development
- (2) Entry to BtoBtoE Sector
- (3) Capital Partnerships and Open Innovation Acceleration
- (4) Strengthening of Human Resource Development and Promotion of Health and Productivity Management
- (5) Strengthening of IT Capability



Company-wide Focus Themes – Overall Image

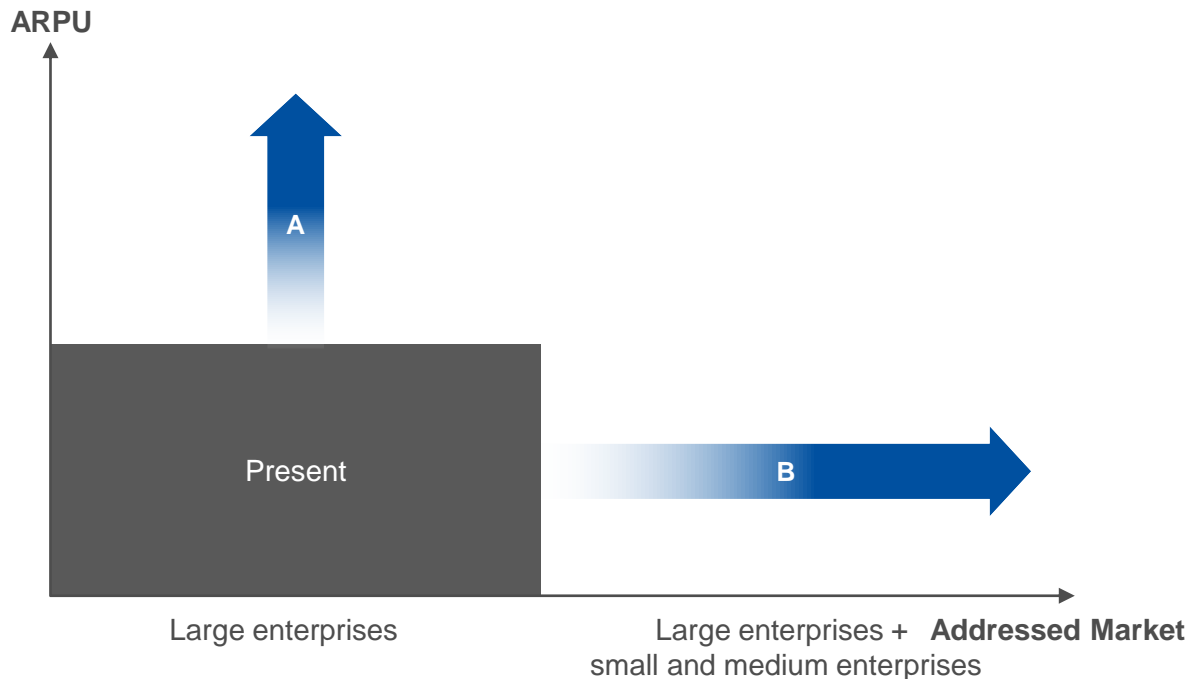
Aim to “**become the number one platform provider in the well-being market**” with the company-wide focus themes that we have previously worked on as the foundation



Company-wide Focus Themes – Business Development Scheme

By advancing the focus themes, accelerate the acquisition of new corporate customers by the expansion of addressed market as well as improvement of average revenue per user (ARPU)

Scheme of Business Development Through Focus Themes



A

Leverage the DX platform to improve average revenue per user (ARPU)

Accelerate bundled sales of products and services as well as improvement of solution add-on rate by leveraging the development of the DX platform.

Successively launch new products (HARMONY, pulse surveys)

B

Broaden the large enterprise segment and expand into the small and medium enterprise segment

Particularly in the small and medium enterprise segment, develop a comprehensive well-being package that fits small and medium enterprises to increase the market share

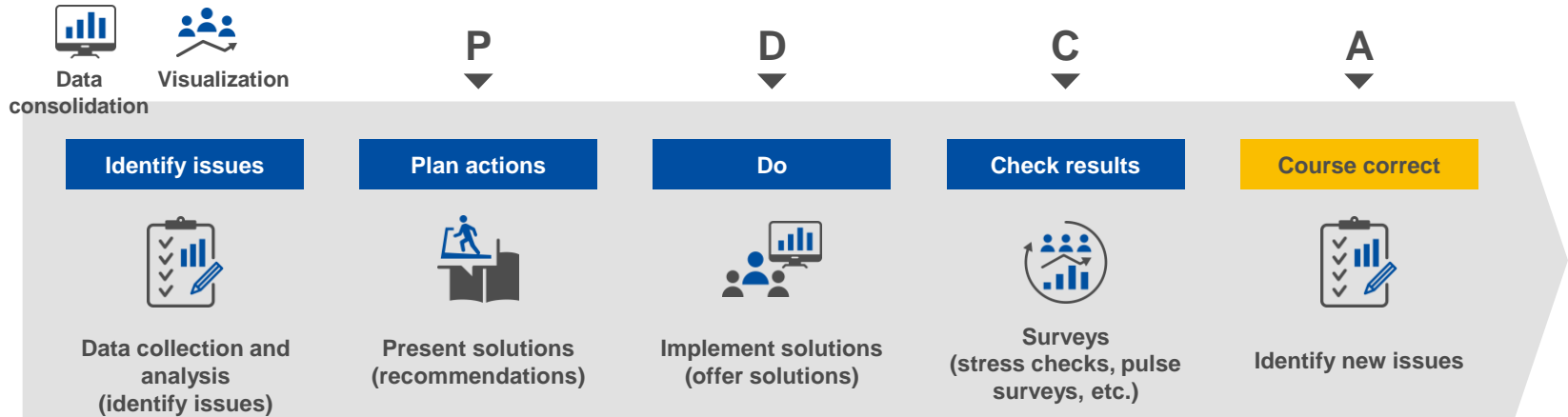
(1) DX Platform Development – Overview

The introduction of the DX Platform enables the aggregation and visualization of various types of data, as well as the implementation of PDCA cycles.

Issues

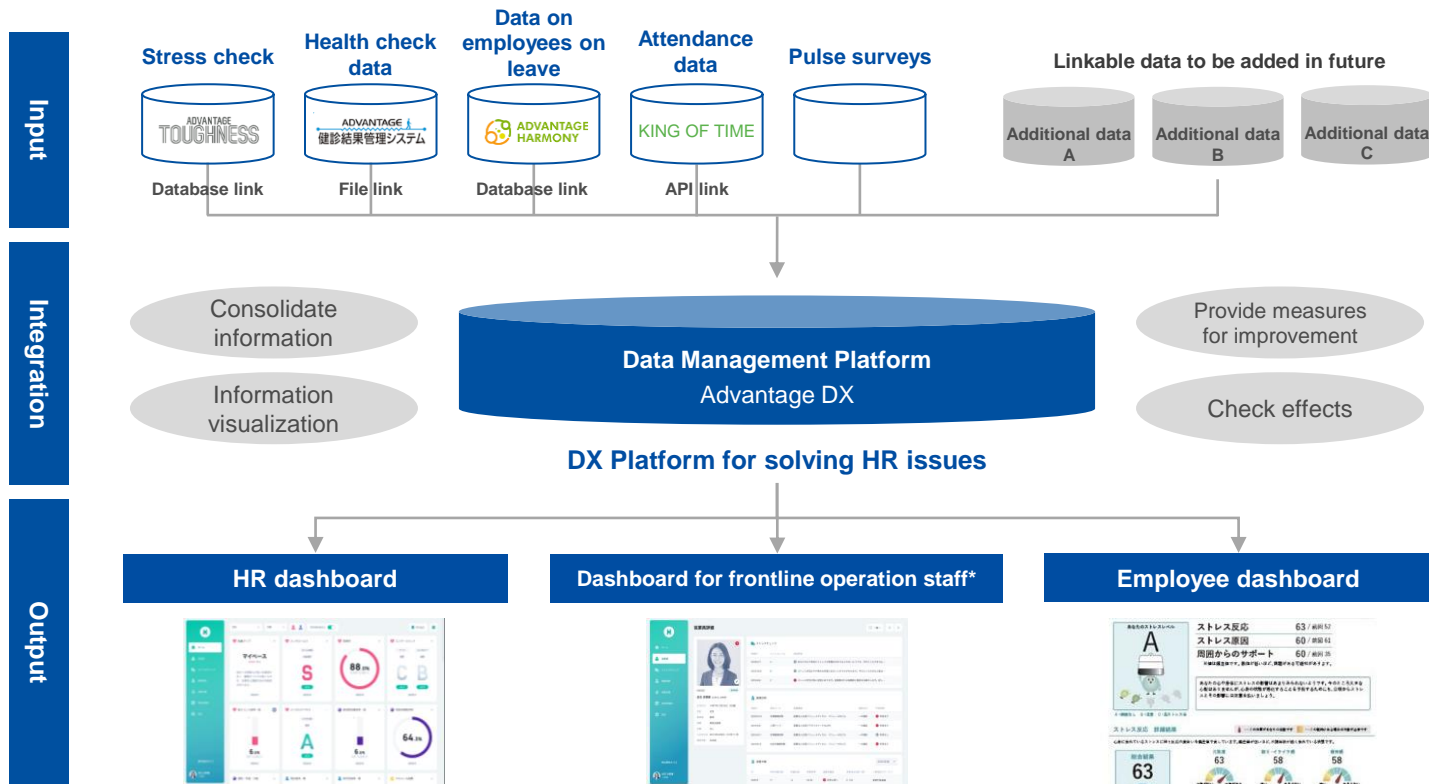
Data is managed with various tools, so it's not all visible at once
Each department has different data, and there is no collaboration between departments
Health checkup data is managed on paper, and it is difficult to analyze trends

Introduction of DX Platform



(1) DX Platform Development – Overall Image




A specific image of the DX Platform, from data input to output on dashboards, is as follows.



* Line managers, occupational health staff, etc.

(1) DX Platform Development – Merits of Introduction

We contribute to enhancing employee well-being through the integrated management and visualization of employee data using the DX Platform.

| Target | Existing issue | Effect of Introduction |
|--|---|---|
|  HR staff | Each member of staff had different information upon which they based their measures, meaning no one knew what measures were really necessary, and making it impossible to verify effects. | Visualize overall image of employee well-being and various HR issues! By utilizing DX, HR staff can get an overall view of the consistency and balance of operations as a whole, enabling staff to coordinate, and integrate everything from planning to verifying effects. With recommendation functions, staff can see effective measures at a glance. |
|  Frontline operation staff (line managers, occupational health staff, etc.) | Stress checks, engagement surveys, pulse surveys, health checkup data, and other data related to the status of employees was scattered, making operations complicated. | Visualize employee engagement and physical and mental health! By utilizing DX, on-site operators can enhance operational efficiency and track individual metrics in more detail. With cross-analysis functions, they can identify trends and correlations in different types of health data, which can be utilized in determining the current status of employees, formulating action plans, etc. |
|  Employees | Employees could not see data about their own status, leading to them not continuing efforts to solve issues and make improvements toward a better status | Visualize your own well-being and issues! With DX, employees can use recommendation functions to see which measures they should take. They understand changes in their own data, leading to higher motivation. |

(2) Enter into the BtoBtoE Field – Efforts Thus Far

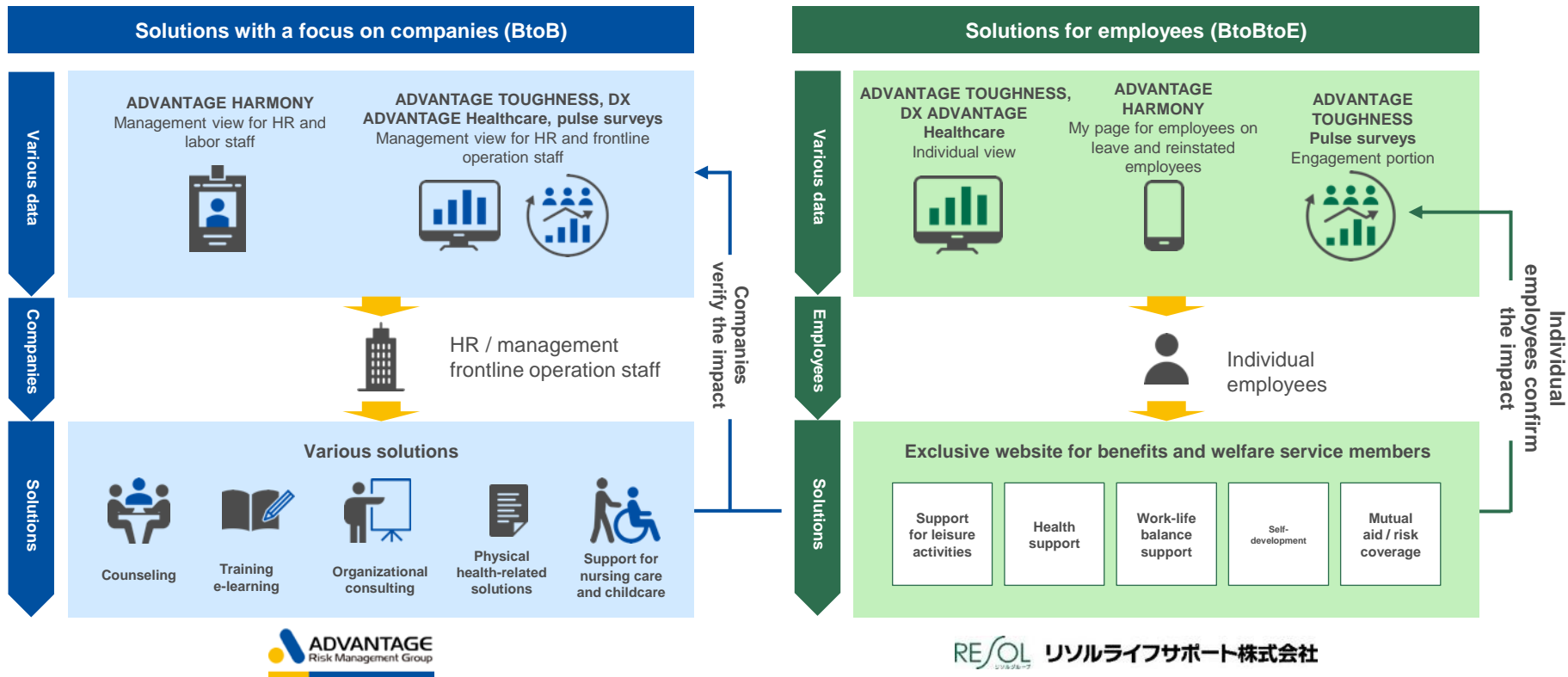
Previous efforts have been limited to “measures based on analysis of the organization” and “measures with merits from the company’s point of view.”



Limited contact points with employees because contracts are with companies and organizations

(2) Enter into the BtoBtoE Field – Future Initiatives

Through the alliance with RESOL LIFE SUPPORT CO., LTD., we will provide support for individual employees to solve identified issues. We will enter the BtoBtoE sector, including the midsize and SME market.



(2) Enter into the BtoBtoE Field – Partnership with RESOL LIFE SUPPORT CO., LTD.

The alliance with RESOL LIFE SUPPORT CO., LTD. enables us to enter into the BtoBtoE field.



| | | |
|----------------------------------|--|---|
| Overview | In April 2021, we acquired shares in RESOL LIFE SUPPORT CO., LTD. (RLS) by way of capital increase through third-party allotment, increasing our stake to 49%. Through this alliance, we will accelerate the expansion of our businesses to the BtoBtoE field, targeting the two companies' existing client bases as well as new clients, by utilizing RLS' resources for comprehensive benefits and welfare services. | |
| Outline of the investment | Amount invested | 624,500,000 yen |
| | Date of execution | April 9, 2021 |
| Outline of RLS | Company name | RESOL LIFE SUPPORT CO., LTD. |
| | Location | 1-11-8 Tsukuda, Chuo-ku, Tokyo |
| | Description of business | ICT development business for providing the following services <ul style="list-style-type: none"> • Benefits and welfare service business • Health support service business • CRM (Customer Relationship Management) business |
| | Capital | 100 million yen |
| | Date of establishment | February 1, 2007 |
| | Fiscal year-end | March |
| | Major shareholder | RESOL HOLDINGS Co., Ltd. (100%) |

(3) Capital Partnerships and Open Innovation Acceleration – Background and Objectives

We will utilize CVC functions to carefully select a range of advanced services for employees, based on our expertise. For the companies we invest in, we will also support “product and service improvement” and the “expansion of sales channels utilizing our customer base.”

Background and objectives

Objectives

“Collaboration and open innovation”
“Growth in existing businesses and
creation of new businesses”

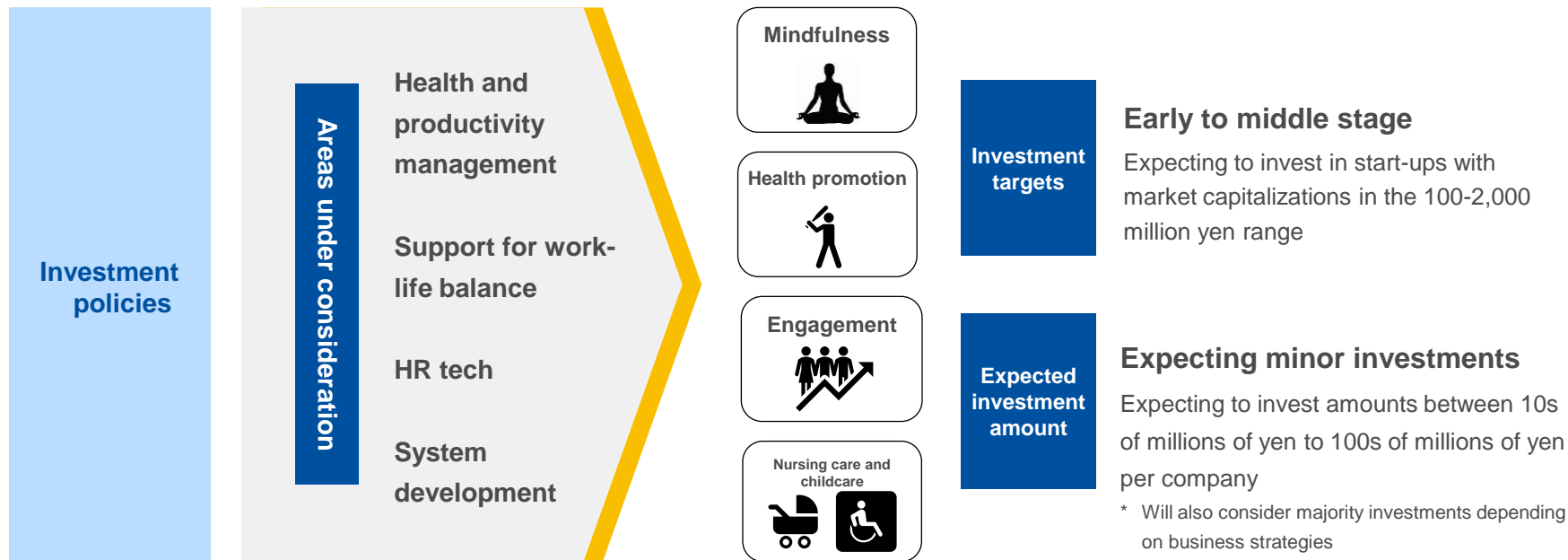
Promotion format

Establishment of CVC functions and
management functions in Corporate
Planning Departments
Identification and valuation of
investment targets, post-investment
valuation and monitoring, accelerate
value increases

We aim to leverage synergies with
promising start-ups to create
businesses that make significant
contributions to society, in accordance
with our corporate mission to **“bring a
new standard of well-being to the
future of corporations!”**

(3) Capital Partnerships and Open Innovation Acceleration – Investment Policies

We will utilize CVC functions to carefully select a range of advanced services for employees, based on our expertise. For the companies we invest in, we will also support “product and service improvement” and the “expansion of sales channels utilizing our customer base.”



(4) Enhance Human Resource Development / Promote Health and Productivity Management

■ Enhance human resource development / promote health and productivity management



Becoming a health and productivity management trailblazer

Continuously implement the PDCA cycle to enhance employee health.

Encourage independent action from employees and create methods to establish better habits.

Examples of measures: Increase health literacy (workshops, seminars, etc.), better exercise habits (walking events, distribution of activity monitors, etc.), and improvements to diet habits (Calomeal, utilization of specified health guidance services, etc.)



Further enhancement of high engagement

In order to create meaningful work, strengthen human resource development and reform HR systems

Examples of measures: Strengthen management capabilities (1on1 training, better feedback skills, etc.), career development (internal recruitment, career experience training, self-career dock, etc.), increasing skills (training per career type, IT skill training, etc.), HR training (introduction of ESOP, addressing a diverse range of workstyles, etc.)



DX promotion (data analysis and utilization)

Combine and analyze insight, EQI, lifestyle habits, attendance, evaluations, and other types of data, and utilize the results in human resource strategies.

(5) Enhance IT capabilities

■ Enhance IT capabilities



DX Mission

Through DX, we will offer our added value to a broader range of customers, more easily, and at lower prices. In this way, we will contribute to enhancing corporate value and contribute to employee well-being.



Promote in-house creation

We will move development in-house, to enable us to respond promptly to changes in markets, customers, and competition. By deploying young engineers alongside mid-level engineers with abundant development experience and knowledge, we will accumulate knowledge and strengthen our development capabilities from a medium-term perspective. We aim to increase our current team of 10 developers to 30 or more in three years' time, and move development in-house, particularly for DX services.



Hiring

We will plan and create software based on attractive services as an industry leader, which will also contribute to hiring, including experienced candidates and new graduates.



Contribution to earnings

We have budgeted approximately 3.0 billion yen for investment in DX over three years, but we plan for SaaS and other system-related businesses to drive an increase in annual revenues of around 4.0 billion yen in three years' time.

3

03 Numerical Targets (Net Sales and Operating Profit)



Medium-term Management Plan 2023 – Company-wide Numerical Targets

In our Medium-term Management Plan, we are targeting net sales of 9.0-11.0 billion yen and operating profit of 1.6-2.2 billion yen in FY2023.

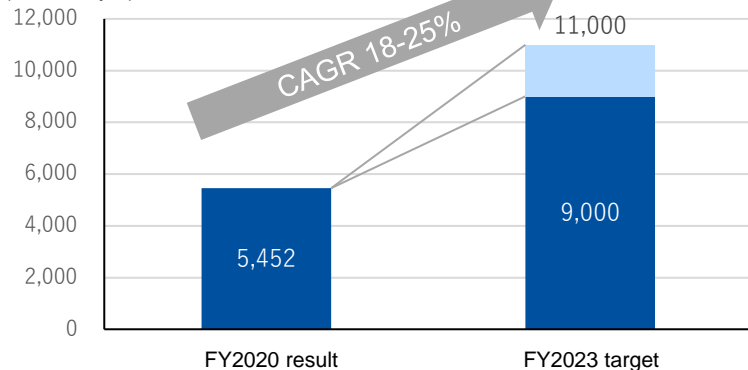
(Millions of yen)

| | FY2020 results | FY2023 targets |
|-------------------------|----------------|----------------|
| Net sales | 5,452 | 9,000-11,000 |
| Operating profit | 726 | 1,600-2,200 |
| Operating profit margin | 13.3% | 17.8%-20.0% |

Main targets

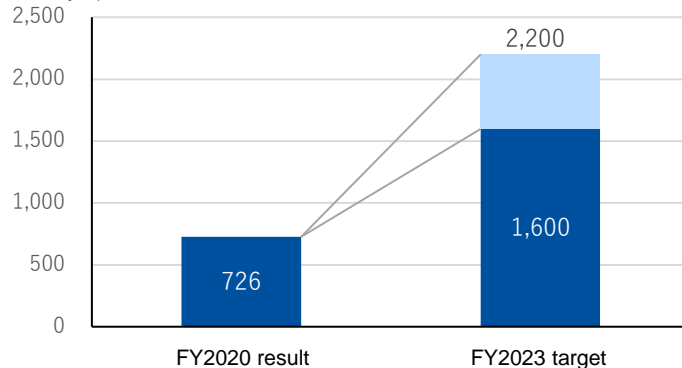
Net sales

(Millions of yen)



Operating profit

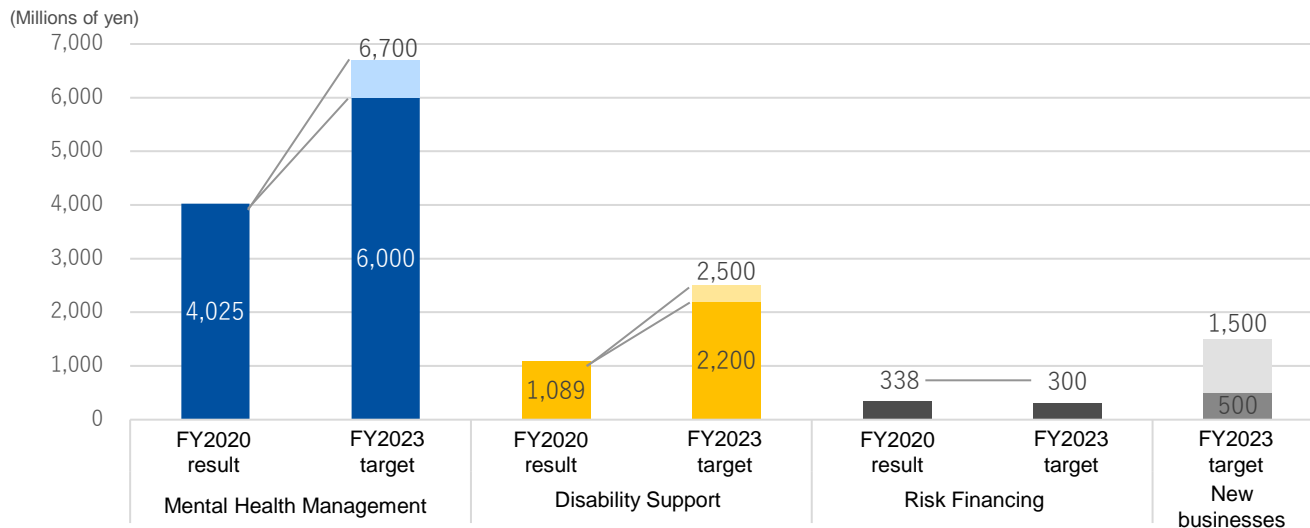
(Millions of yen)



Medium-term Management Plan 2023 – Net Sales Targets by Segment

(Millions of yen)

| Segment | FY2020 results | FY2023 targets |
|--------------------------|----------------|----------------|
| Mental Health Management | 4,025 | 6,000-6,700 |
| Disability Support | 1,089 | 2,200-2,500 |
| Risk Financing | 338 | 300 |
| New businesses | - | 500-1,500 |
| Total | 5,452 | 9,000-11,000 |

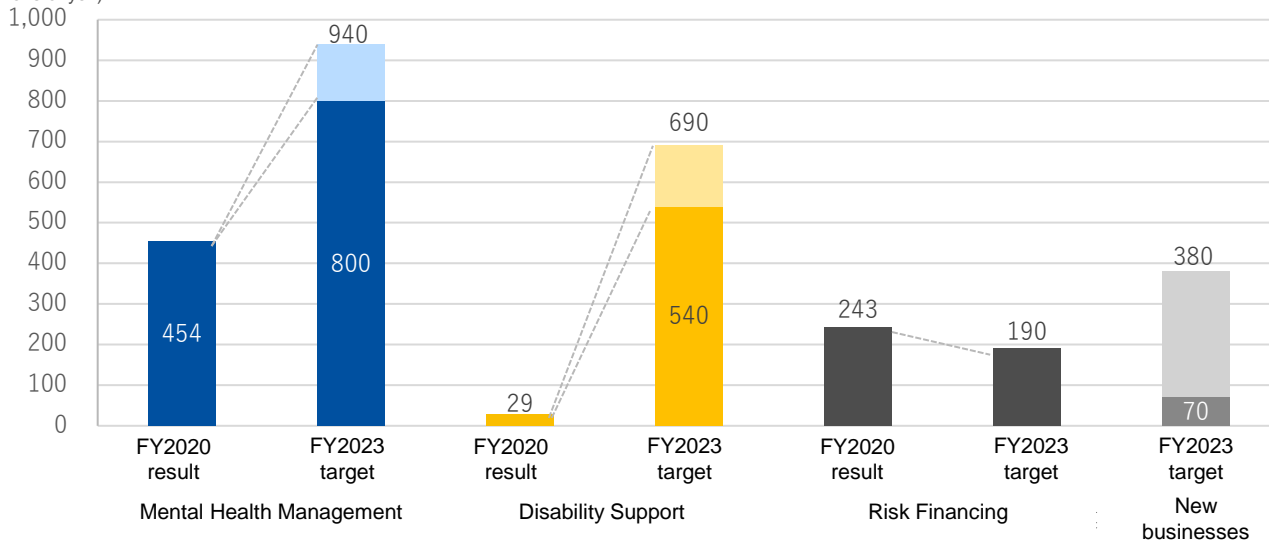


Medium-term Management Plan 2023 – Operating Profit Targets by Segment

(Millions of yen)

| Segment | FY2020 results | FY2023 targets |
|--------------------------|----------------|----------------|
| Mental Health Management | 454 | 800-940 |
| Disability Support | 29 | 540-690 |
| Risk Financing | 243 | 190 |
| New businesses | - | 70-380 |
| Total | 726 | 1,600-2,200 |

(Millions of yen)



4

04 Numerical Targets and Priority Measures by Business

Net Sales and Operating Profit Targets by Business

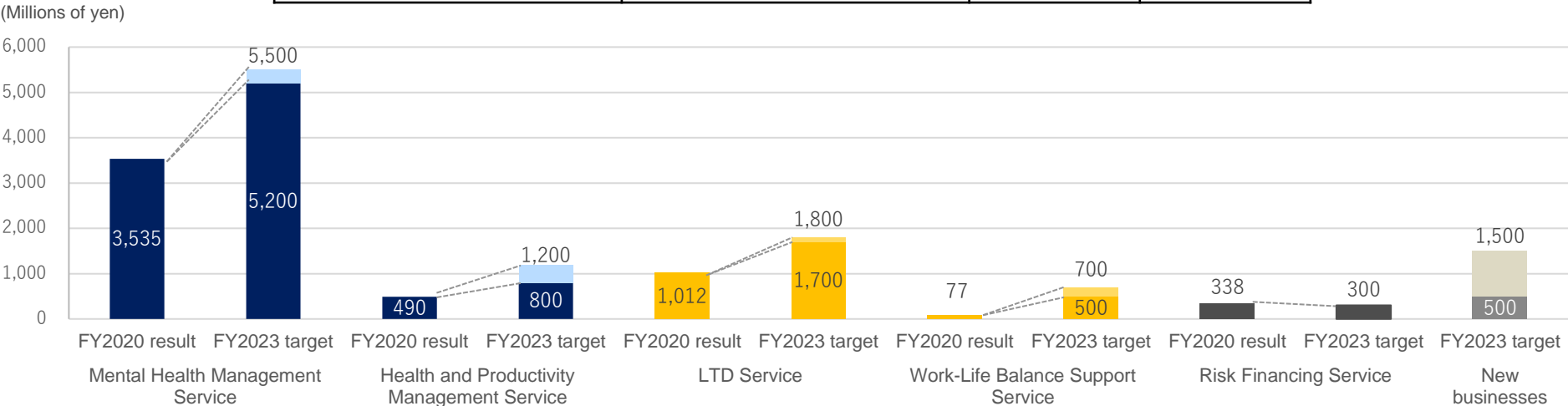
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- (5) New Businesses



Medium-term Management Plan 2023 – Net Sales Targets by Business

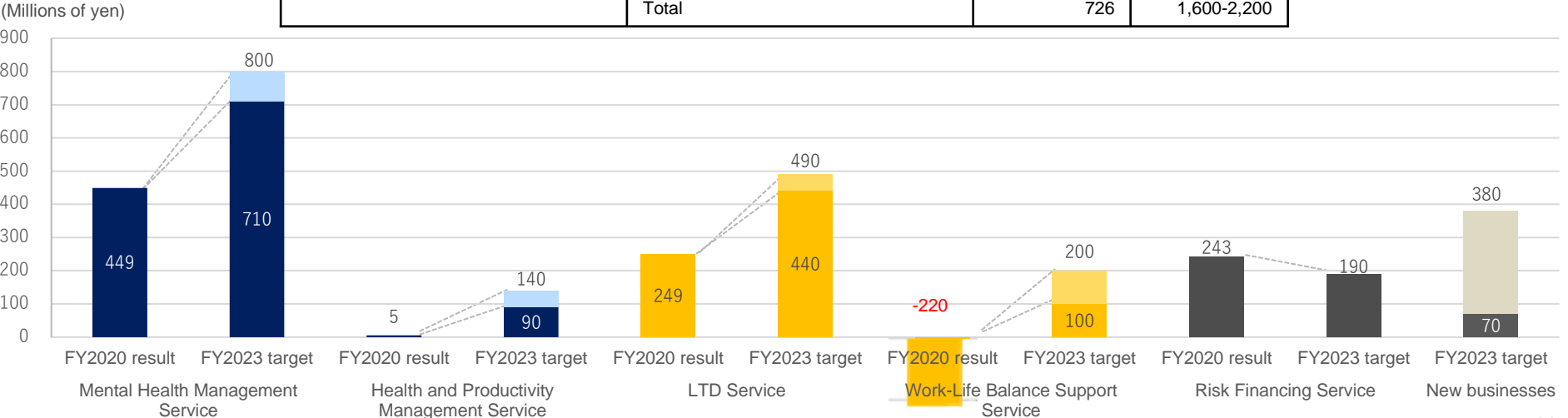
| Segment | Business | FY2020 results | FY2023 targets |
|----------------------------------|--|----------------|----------------|
| Mental Health Management Service | Mental Health Management Service | 3,535 | 5,200-5,500 |
| | Health and Productivity Management Service | 490 | 800-1,200 |
| Disability Support Service | LTD Service | 1,012 | 1,700-1,800 |
| | Work-Life Balance Support Service | 77 | 500-700 |
| Risk Financing Service | Risk Financing Service | 338 | 300 |
| New businesses | New businesses | - | 500-1,500 |
| | Total | 5,452 | 9,000-11,000 |

(Millions of yen)



Medium-term Management Plan 2023 – Operating Profit Targets by Business

| Segment | Business | FY2020 results | FY2023 targets | (Millions of yen) |
|----------------------------------|--|----------------|----------------|-------------------|
| Mental Health Management Service | Mental Health Management Service | 449 | 710-800 | |
| | Health and Productivity Management Service | 5 | 90-140 | |
| Disability Support Service | LTD Service | 249 | 440-490 | |
| | Work-Life Balance Support Service | -220 | 100-200 | |
| Risk Financing Service | Risk Financing Service | 243 | 190 | |
| New business | New businesses | - | 70-380 | |
| | Total | 726 | 1,600-2,200 | |



(1) Mental Health Management Service – Numerical Targets

We will target net sales of 5.2-5.5 billion yen and operating profit of 0.71-0.80 billion yen in FY2023.

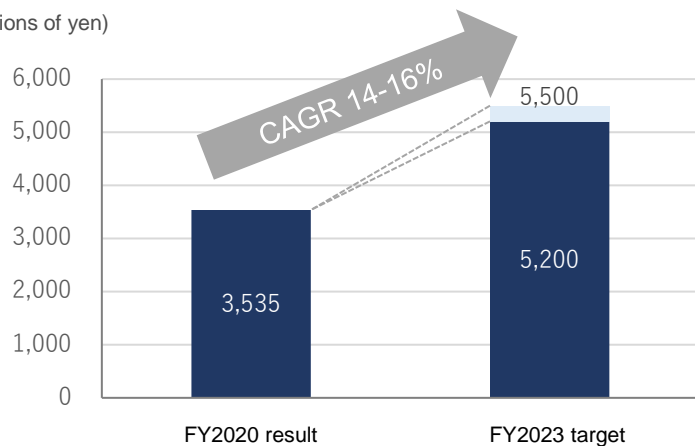
Main targets

(Millions of yen)

| | FY2020 results | FY2023 targets |
|-------------------------|----------------|----------------|
| Net sales | 3,535 | 5,200-5,500 |
| Operating profit | 449 | 710-800 |
| Operating profit margin | 12.7% | 13.7%-14.5% |

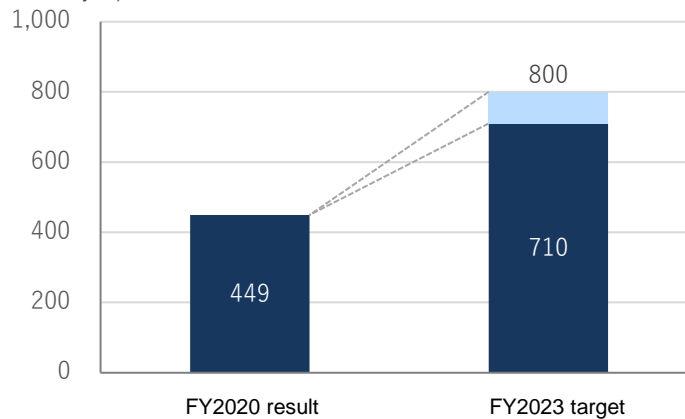
Net sales

(Millions of yen)



Operating profit

(Millions of yen)



(1) Mental Health Management Service – Priority Measures

Using new tools, we will capture trends in “engagement” and “health and productivity management,” and achieve renewed growth once legal systems are created in relation to stress checks.

1

We will promote our services as “systems that offer solutions to issues,” and achieve renewed growth in new customers through cost-competitive comprehensive proposals*

2

We will actively propose highly effective solutions, increase the solution add-on rate, and create recurring revenues

3

We will identify the status of well-being and clarify related issues, and promote cross-selling to support the promotion of related measures

KPIs (FY2023 targets)

**Number of new stress check IDs:
+700,000-800,000 IDs**

Solution add-on rate: 50%+

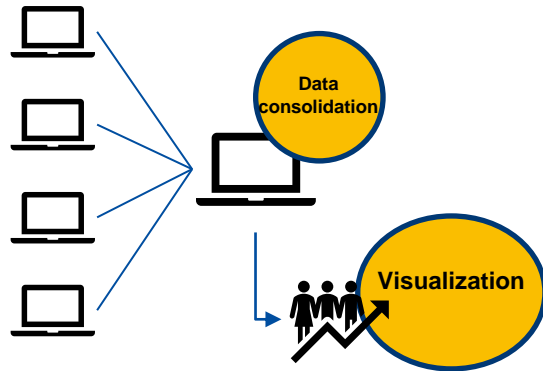
* New TOUGHNESS + pulse surveys + DX Platform

(1) Mental Health Management Service – Driving Improvement Activities from Consolidation to Utilization

Visualization is important, but what's more important is the PDCA cycle for action and the verification of effects

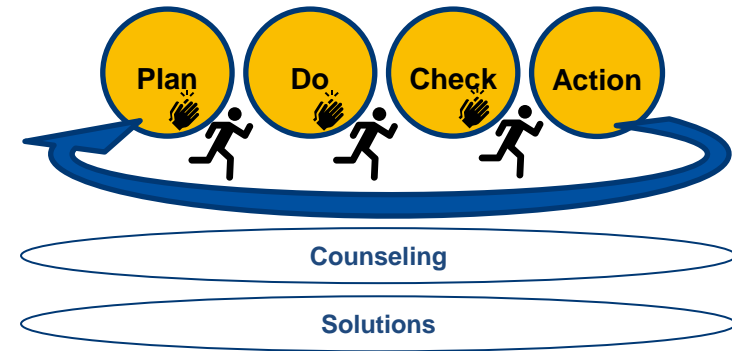
Frequent issues

We can consolidate data to create visualizations, but subsequent actions are just left to others...



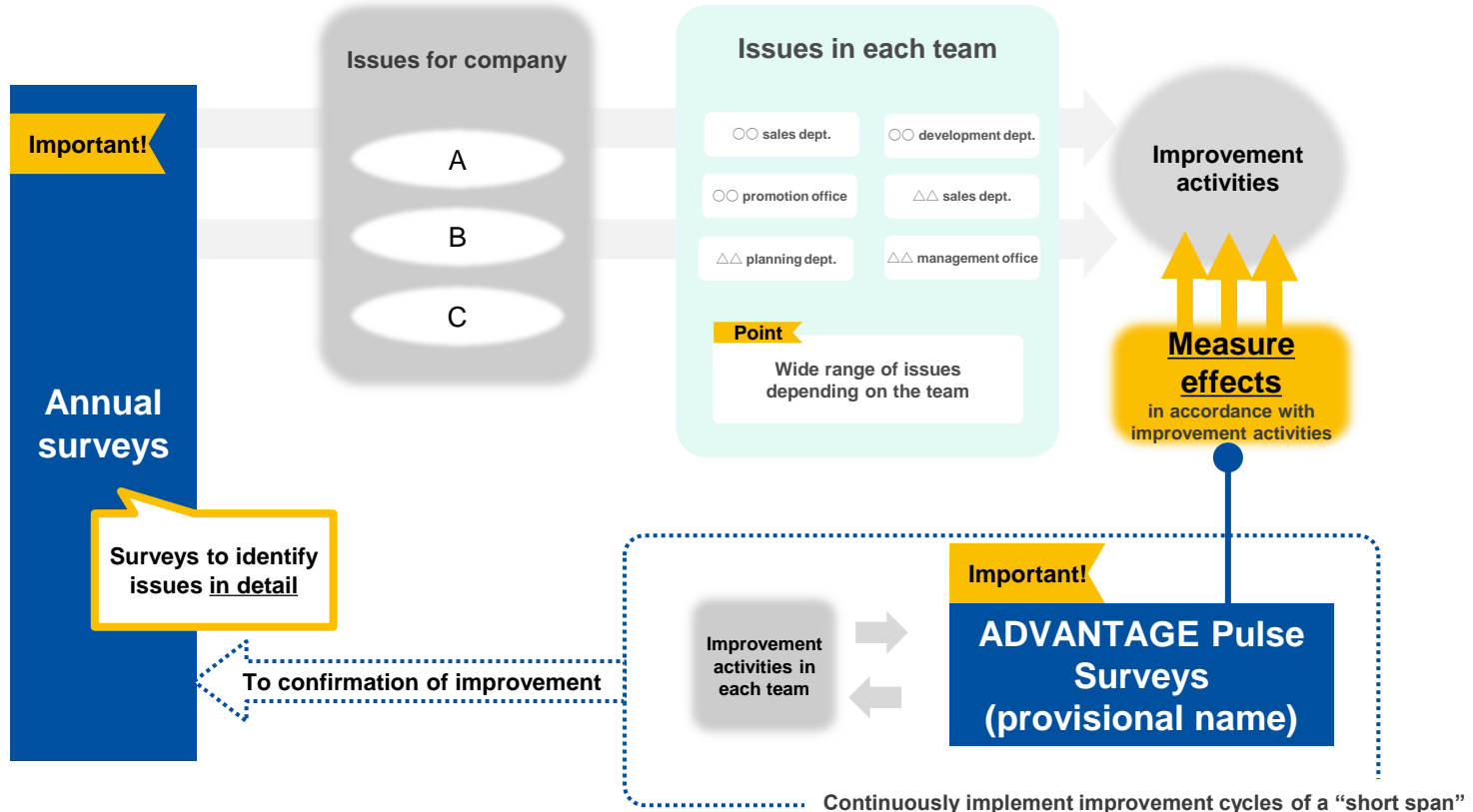
Vision

It's important to take action and verify effects after discovering issues.
We must implement a PDCA cycle until issues are resolved



(1) Mental Health Management Service – Supporting Improvement Activities with Pulse Surveys

We offer pulse surveys to measure the effects of improvement activities targeting issues identified in annual surveys (pulse surveys are conducted over short cycles of a few weeks to a few months).



(2) Health and Productivity Management Service – Numerical Targets

We will target net sales of 0.8-1.2 billion yen and operating profit of 0.09-0.14 billion yen in FY2023.

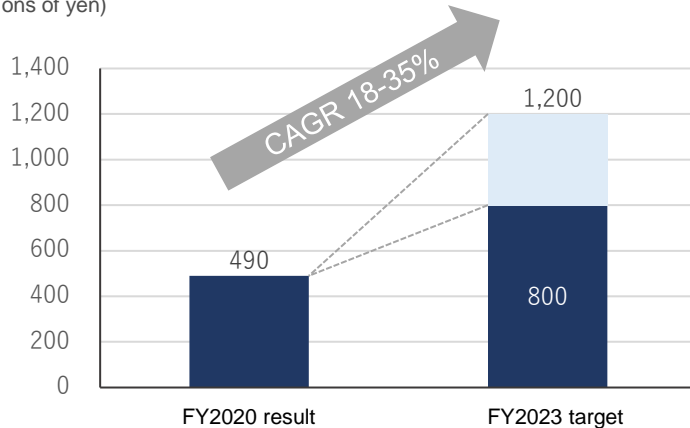
Main targets

(Millions of yen)

| | FY2020 results | FY2023 targets |
|-------------------------|----------------|----------------|
| Net sales | 490 | 800-1,200 |
| Operating profit | 5 | 90-140 |
| Operating profit margin | 1.0% | 11.3%-11.7% |

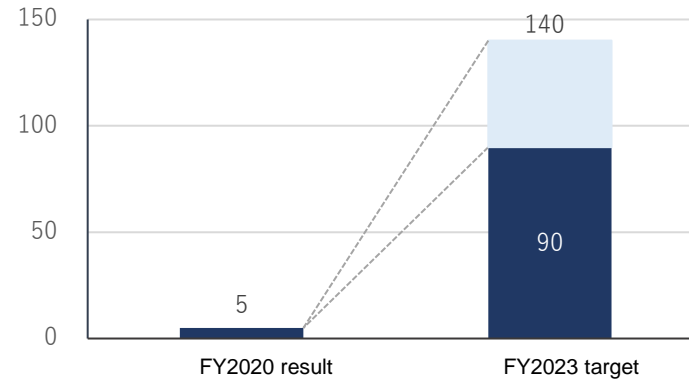
Net sales

(Millions of yen)



Operating profit

(Millions of yen)



(2) Health and Productivity Management Service – Priority Measures

We will establish business domains aimed at the creation of occupational health systems and support for physical health management and promotion.

1 Provision of infrastructure to transform health information into data, which will contribute to promoting corporate health and productivity management

2 Provision of effective solutions to improve lifestyle habits, which will contribute to promoting employee health

3 Create systems to verify the effects of solutions offered and visualize the effects of implementation

KPIs (FY2023 targets)

Occupational physician / health nurse service add-on rate*: 21% (2.2x)

Health checkup system add-on rate*: 4.4% (4.9x)

Specified health guidance program introduction rate**: 3.5%

Specified health guidance execution and achievement rates: 50% or more of participants

* Add-on rates among existing customers of the Company's stress checks
Figures in parentheses show increases in add-on rates (FY2020 → FY2023)

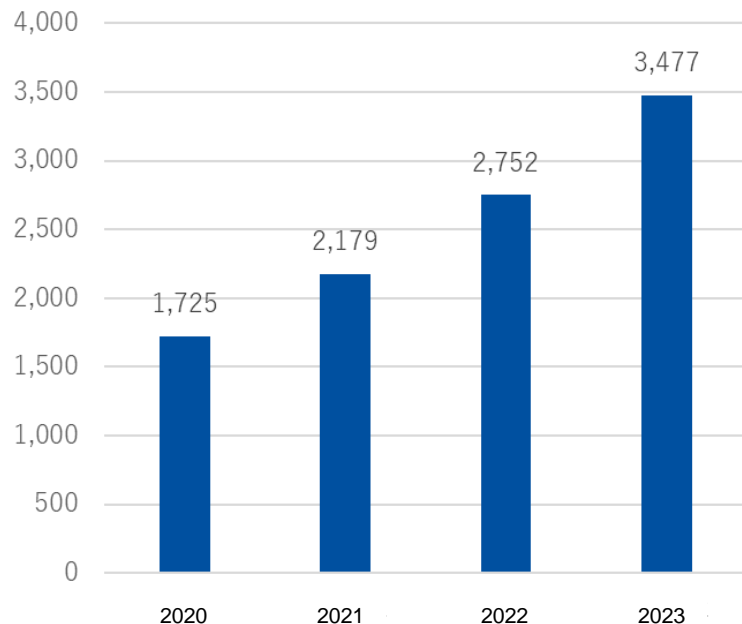
** Target introduction rate among all health insurance associations

(2) Health and Productivity Management Service – Market Size

We aim to achieve our targets for FY2023 by capturing growth in the market, while at the same time increasing health and productivity management-related service add-on rates among existing customers.

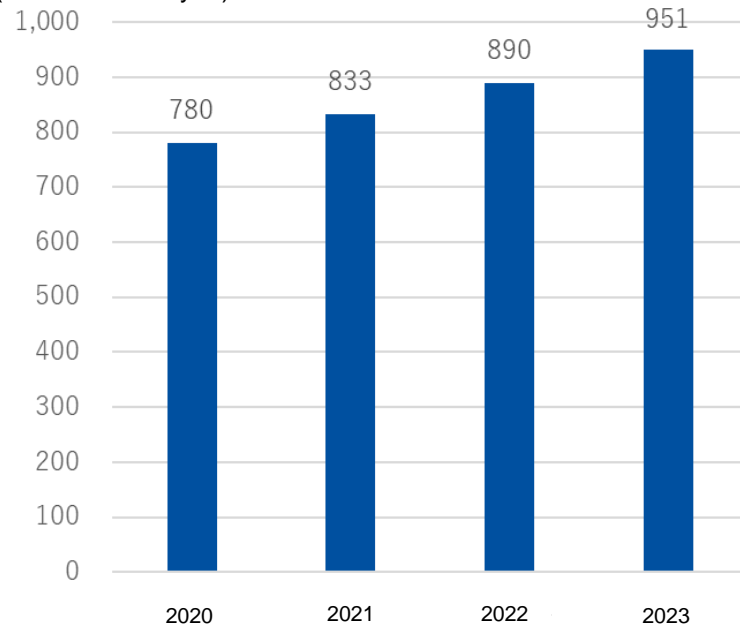
Occupational health-related business market size*

(100 millions of yen)



Health checkup and health support business market size**

(100 millions of yen)



* Estimated based on "Health and Productivity Management-related Market Trends Survey 2017," Seed Planning, Inc.

** Estimated based on "Human Resources/General Affairs Outsourcing Market 2021," Yano Research Institute

(3) LTD Service – Numerical Targets

We will target net sales of 1.7-1.8 billion yen and operating profit of 0.44-0.49 billion yen in FY2023.

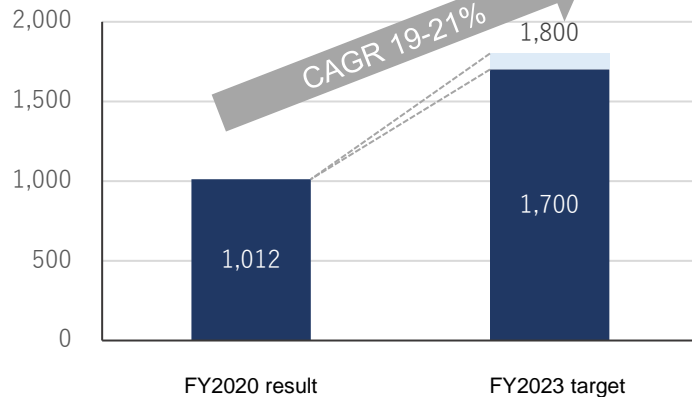
Main targets

(Millions of yen)

| | FY2020 results | FY2023 targets |
|-------------------------|----------------|----------------|
| Net sales | 1,012 | 1,700-1,800 |
| Operating profit | 249 | 440-490 |
| Operating profit margin | 24.6% | 25.9%-27.2% |

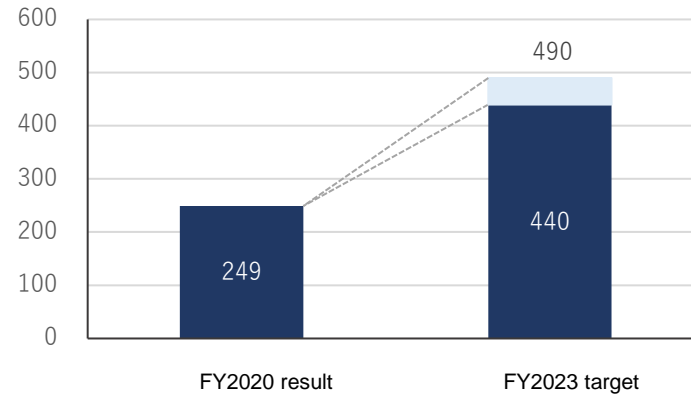
Net sales

(Millions of yen)



Operating profit

(Millions of yen)



(3) LTD Service – Priority Measures

We will build the foundations for long-term stable growth, through sales strategies that keep pace with market growth.

1

Promote the acquisition of new contracts by strengthening coordination with channels and expanding marketing measures

2

Strengthen sales measures in accordance with the characteristics of existing contracted organizations

3

Enhance services by strengthening customer support systems

KPIs (FY2023 targets)

Total number of customer companies from acquiring new customers and strengthening services for existing customers: +1.5x

(3) LTD Service – Spread of GLTD

Further growth can be expected in future, based on the high rate of introduction in the U.S., the spread of GLTD in Japan, and the trend toward “workstyle reform.”

| Era | Changes in social trends | GLTD utilization method |
|----------------------|--|--|
| 1980s to 1990s | <ul style="list-style-type: none"> Active introduction of benefits (public buildings) | <ul style="list-style-type: none"> Permission to sell in Japan was granted in 1994. <u>Introduction rate of approx. 95% in the U.S.*1</u> |
| | <ul style="list-style-type: none"> Decline and suspension of benefits owing to worsening business environment | <ul style="list-style-type: none"> Introduction at labor unions and mutual benefit associations became standard |
| 2000s | <ul style="list-style-type: none"> Mental support care in line with increase in people suffering from poor mental health | <ul style="list-style-type: none"> Companies introduce <u>measures to support mental health</u>. The introduction rate was 4.5% in 2010^{*2} |
| Present day | <ul style="list-style-type: none"> Workstyle reform and health and productivity management Revisions from perspective of equality and fairness Diversity response Support for balance between nursing care, childcare, illness, and work Addressing the principle of the same wages for the same work | <ul style="list-style-type: none"> Increase in companies introducing various <u>support tools to solve issues</u> Introduction by various organizations, including companies, labor unions, health insurance unions, and mutual benefit associations In 2018, the <u>rate of introduction increased to 18% at companies with over 1,000 employees</u>^{*2} Creation of new GLTD riders for nursing care and cancer |

*1 Companies with 500 or more employees

*2 From Rosei Jiho issue 3957

(4) Work-Life Balance Support Service – Numerical Targets

We will target net sales of 0.5-0.7 billion yen and operating profit of 0.1-0.2 billion yen in FY2023.

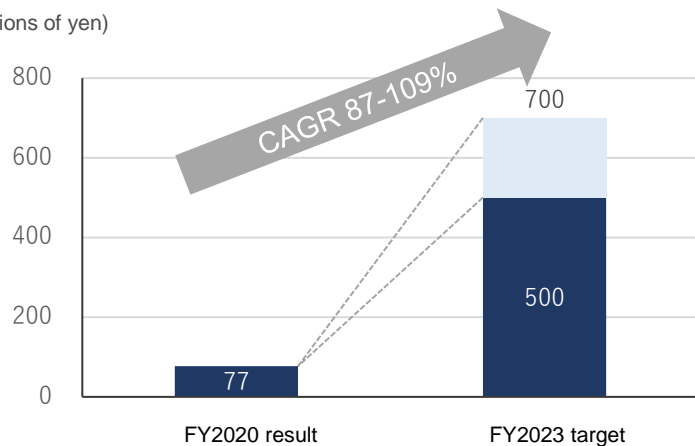
Main targets

(Millions of yen)

| | FY2020 results | FY2023 targets |
|-------------------------|----------------|----------------|
| Net sales | 77 | 500-700 |
| Operating profit | -220 | 100-200 |
| Operating profit margin | -285.7% | 20.0%-28.6% |

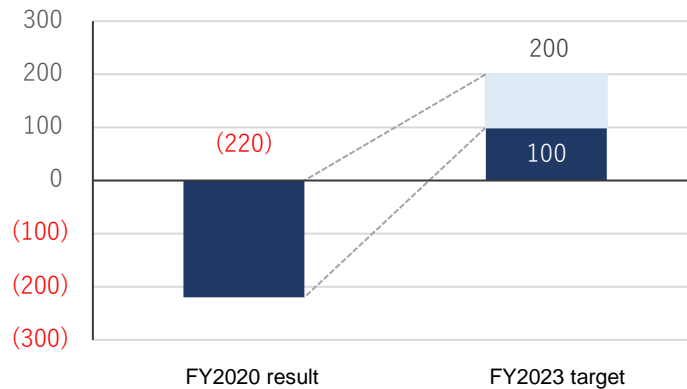
Net sales

(Millions of yen)



Operating profit

(Millions of yen)



(4) Work-Life Balance Support Service – Priority Measures

1

Increase in contracts by expanding target segments (non-work-related medical needs ⇒ maternity and childcare leave needs, etc.)

2

Increase in ARPU by upselling across a wide menu of support services (rework support: eRework®, etc.)

3

Product development targeting an increase in occasions when ADVANTAGE HARMONY is used (fulfillment of customer needs)

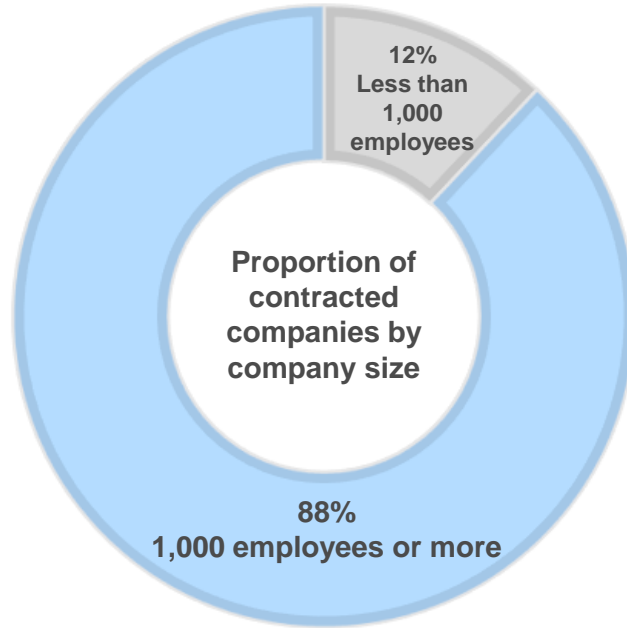
KPIs (FY2023 targets)

Number of contracted companies from new acquisitions: +8x

(4) Work-Life Balance Support Service – Contracts Completed as of FY2020

Contracts have mainly been completed with large companies with over 1,000 employees. The number of prospective customers is growing steadily, and we will target further development in the market in future.

Breakdown of contracted companies by company size



Trends in contracted companies

- Companies with 1,000 or more employees make up 88% of the total
- There is relatively strong demand at companies with many employees
- The following points can be observed in relation to trends and characteristics of contracted companies
 - Many people taking maternity and childcare leave
 - Utilized in managing seconded employees, etc.

(5) New Businesses – Numerical Targets

We will target net sales of 0.5-1.5 billion yen and operating profit of 0.07-0.38 billion yen in FY2023.

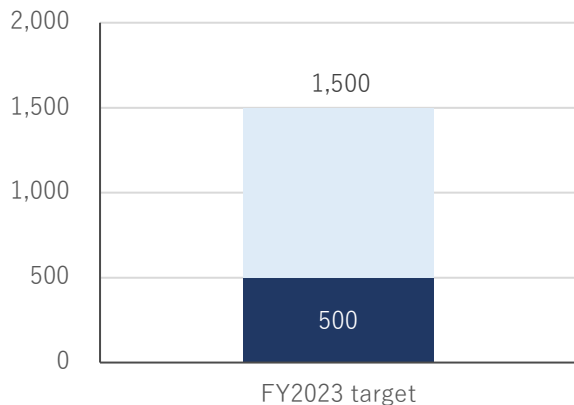
Main targets

(Millions of yen)

| | FY2023 targets |
|-------------------------|----------------|
| Net sales | 500-1,500 |
| Operating profit | 70-380 |
| Operating profit margin | 14.0%-25.3% |

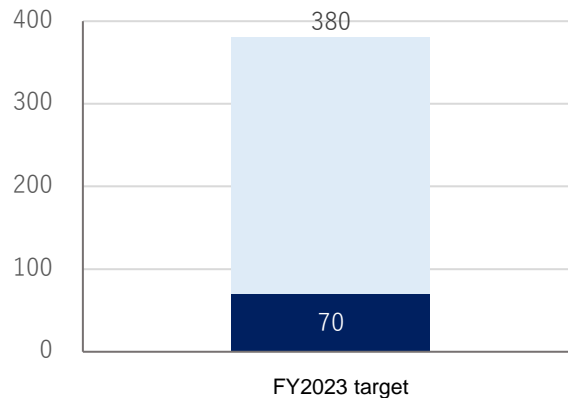
Net sales

(Millions of yen)



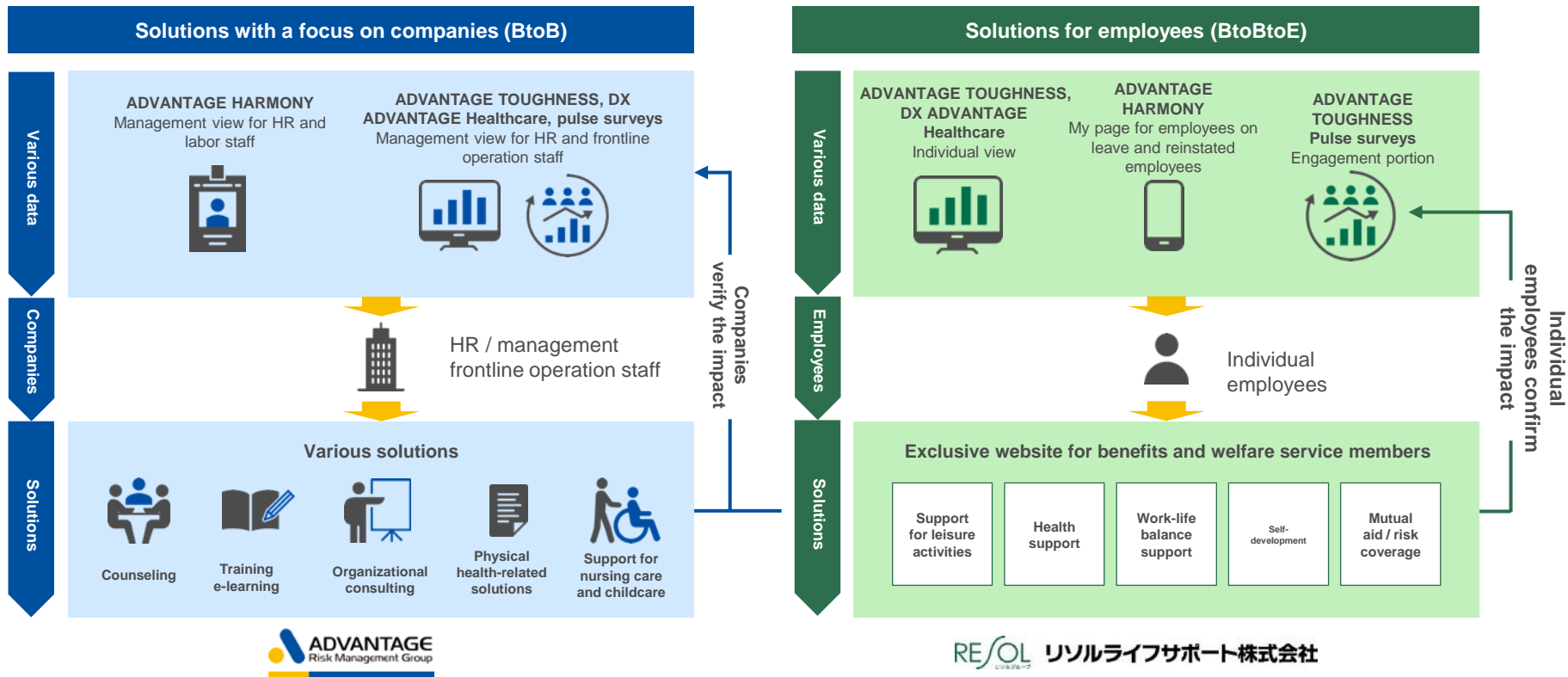
Operating profit

(Millions of yen)



(5) New Businesses – Enter the BtoBtoE Field

Through the alliance with RESOL LIFE SUPPORT CO., LTD., we will provide support for individual employees to solve identified issues. We will enter into the BtoBtoE sector, including the midsize and SME market.



(5) New Businesses – Partnership with RESOL LIFE SUPPORT CO., LTD.

The alliance with RESOL LIFE SUPPORT CO., LTD. enables us to enter into the BtoBtoE field.



| | | |
|----------------------------------|--|---|
| Overview | In April 2021, we acquired shares in RESOL LIFE SUPPORT CO., LTD. (RLS) by way of capital increase through third-party allotment, increasing our stake to 49%. Through this alliance, we will accelerate the expansion of our businesses to the BtoBtoE field, targeting the two companies' existing client bases as well as new clients, by utilizing RLS' resources for comprehensive benefits and welfare services. | |
| Outline of the investment | Amount invested | 624,500,000 yen |
| | Date of execution | April 9, 2021 |
| Outline of RLS | Company name | RESOL LIFE SUPPORT CO., LTD. |
| | Location | 1-11-8 Tsukuda, Chuo-ku, Tokyo |
| | Description of business | ICT development business for providing the following services <ul style="list-style-type: none"> • Benefits and welfare service business • Health support service business • CRM (Customer Relationship Management) business |
| | Capital | 100 million yen |
| | Date of establishment | February 1, 2007 |
| | Fiscal year-end | March |
| | Major shareholder | RESOL HOLDINGS Co., Ltd. (100%) |

企業に未来基準の元気を！



Plans, outlook, strategies, and other forward-looking statements included in this material are based on information available to the Company and assumptions deemed reasonable by the Company as of the date of preparation of this material, and they contain various risks and uncertainties.

Therefore, actual business results may differ significantly from these statements due to factors such as changes in the management environment, and there is no guarantee that the statements will be accurate.

Furthermore, information about entities other than the Company and its group companies stated in this material is generally based on public information, and the Company makes no guarantees on its accuracy.