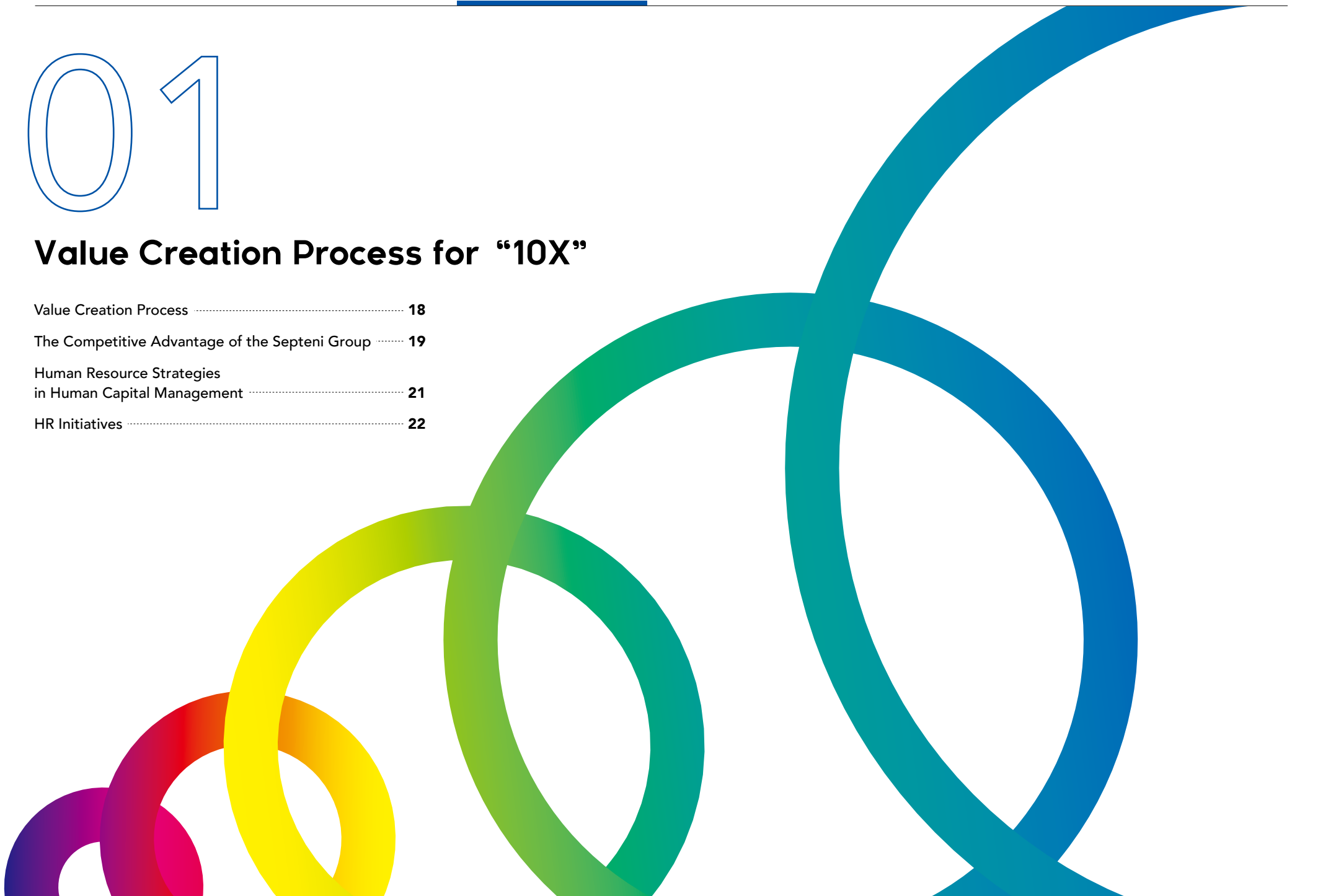


# 01

## Value Creation Process for "10X"

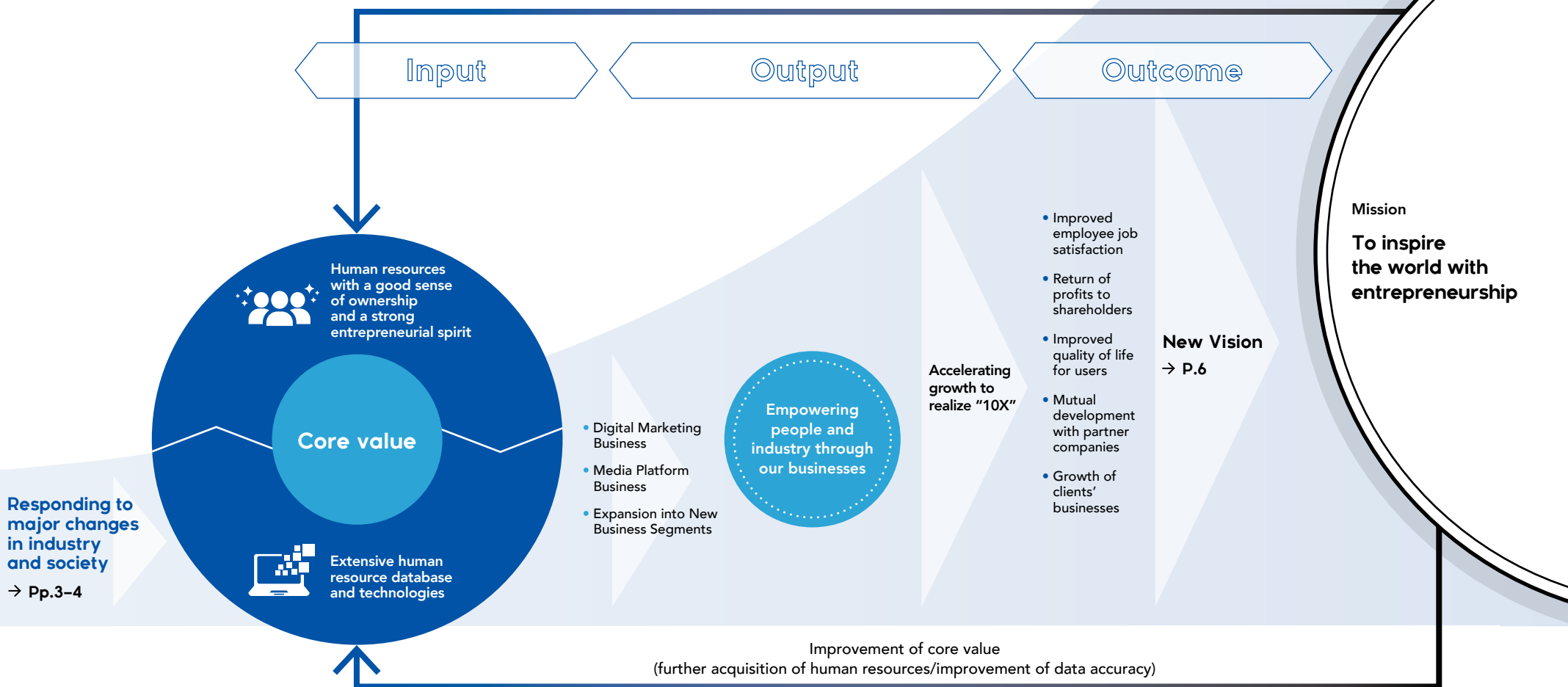
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## Value Creation Process

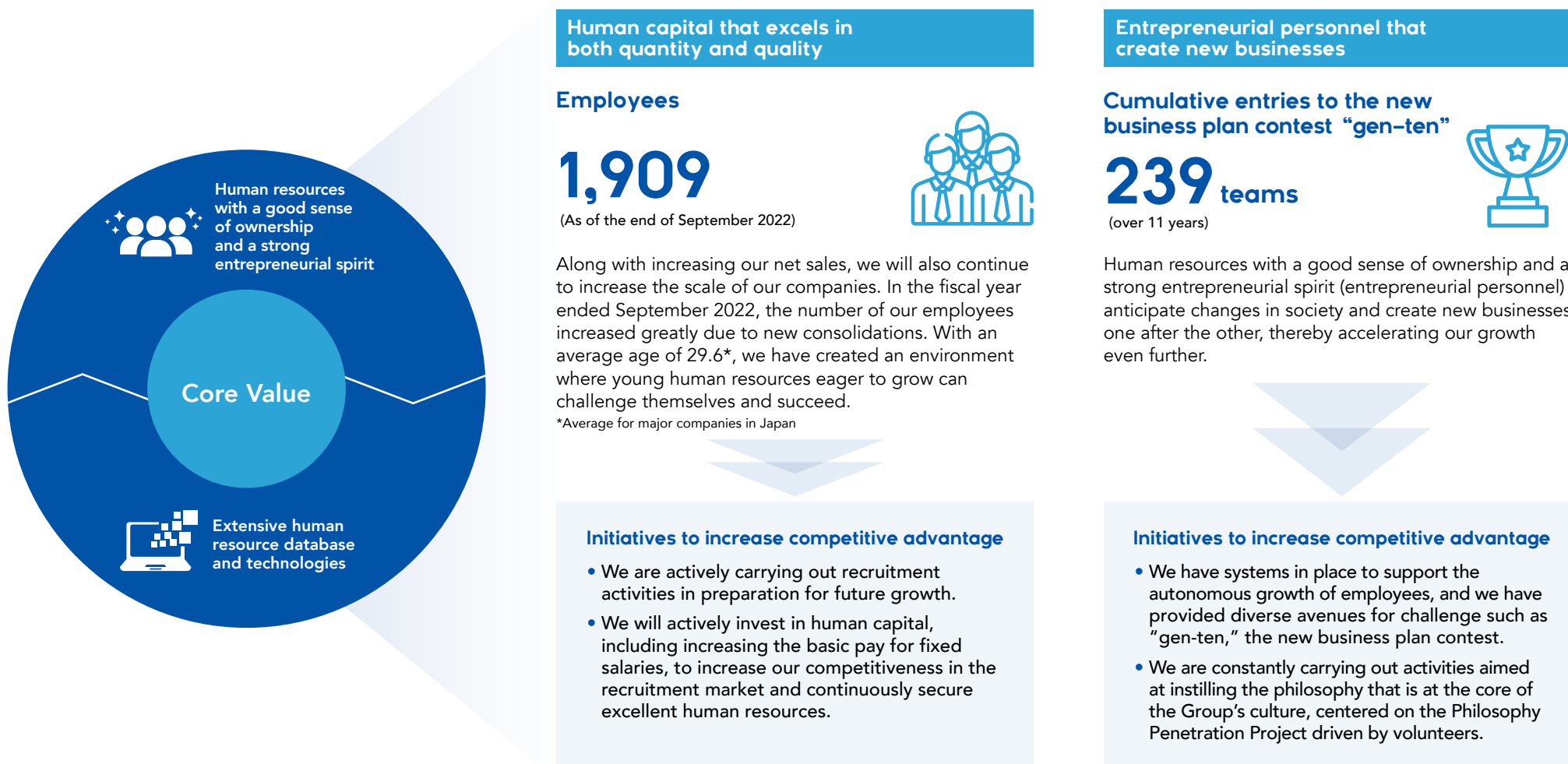
The Septeni Group's core value lies in human resources with a good sense of ownership and a strong entrepreneurial spirit and extensive human resource database and technologies.

By maximizing human capital, we will demonstrate high performance and empower stakeholders and industries through our business. We are striving to achieve our mission in anticipation of "10X."



## The Competitive Advantage of the Septeni Group

By enhancing our core value, which includes human resources with a good sense of ownership and a strong entrepreneurial spirit, and an extensive human resource database and technologies, we will strive to find further solutions to social issues.



## The Competitive Advantage of the Septeni Group

### Scientific HR Initiatives based on the HR Development Equation

#### HR Technology Awards

##### HR Systems Category

### Excellence Award



For our entrepreneurial personnel to be able to further display their abilities, we use systems based on a massive database that enable employees to quickly become contributors and to be optimally allocated.



#### Initiatives to increase competitive advantage

- Led by the Human Capital Lab, an organization that researches human resource data, we endeavor to publicize and disseminate the Group's in-house case studies and research results externally and spur further innovation through joint research with universities and other corporations.

### Human resource development focused on maximizing the performance of each individual

#### Best Workplaces in Asia 2022 rankings

##### Large company category

### Best company



Along with expanding systems to support diverse work styles, we hold events to celebrate challenges and successes and endeavor to increase motivation and maximize performance for every individual.



#### Initiatives to increase competitive advantage

- Our trial development program, CDP, hypothesizes new work styles based on remote working, visualizes the condition and growth status of individuals and supports their growth and management by managers while considering their health and safety.

### Involvement in the company as an owner

#### Employees with a strong sense of ownership volunteering for cross-divisional committees

**220** in total



The Group has a culture where all members see things with the eyes of executives, apply themselves diligently and cooperate with each other in order to create an even better corporate body. Cross-group volunteer projects in every area of ESG are actively under way.



#### Initiatives to increase competitive advantage

- Led by the Sustainability Committee established in 2022, we have set KPIs and put measures in place to disclose data for all our materiality (priority challenges) and are working to increase understanding and penetration both within and outside the company.

## Human Resource Strategies in Human Capital Management

At the Septeni Group, we carry out highly reproducible human resource development policies that use our extensive human resource database and technologies in order to help every one of our human resources with a good sense of ownership and a strong entrepreneurial spirit to maximize their values and abilities.

### Business environment and human resource strategy

Since the Group's founding in 1990, we have always regarded people (employees) as core capital, and we have grown steadily by investing actively in them. Since we began the Digital Marketing Business in 2000, we have continued to expand our business in line with market development. However, in a new market, competition for human resources that will be an immediate asset has been extremely fierce.

In this kind of business environment, the ability to recruit human resources with high potential and develop them efficiently heavily affects a company's competitiveness. Using the high-quality human resource database we have accumulated for over 20 years and technologies to analyze it, such as AI, we have built a scientific human resource development model. Based on this, we identify human resources with a high probability of succeeding at our company during the hiring processes, and we endeavor to efficiently increase their human capital value by providing them with an individually-optimized development plan after they join.

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

The Group defines 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.

Based on this approach, we established the Human Capital Lab within the company to use AI and other techniques to research the vast quantities of human resource data we had accumulated to date, and we are developing and applying science-backed HR Initiatives based on the results of that research.

#### HR Development Equation

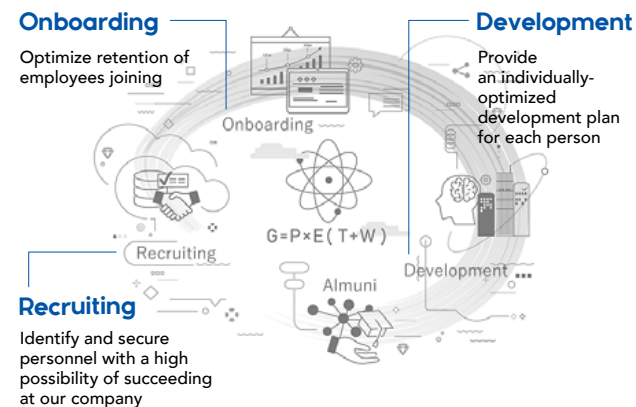
$$G = P \times E (T + W)$$

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 by applying the PDCA cycle as operations continue. By leveraging technology in this way, we strive to realize efficient and highly reproducible human resource development and maximize our human capital.

#### HR value chain



## HR Initiatives

We implement HR Initiatives based on the HR Development Equation approach in all domains from recruitment to development. Through the appropriate utilization of human resource data, we aim to increase human capital value to benefit both individuals and the company.

### Recruitment

#### Identification of successful human resources and individual feedback

In recruitment activities, we have developed a success prediction model that uses AI to calculate the likelihood of a person succeeding after joining the company, and we use it as reference information for selection and evaluation. The calculation is done based on information, mainly the potential recruit's personality and data available at the time of selection. Using data as a reference enables decision-making based on quantitative information instead of allowing it to depend entirely on the subjectivity and feelings of the person in charge of recruitment. It leads to a highly accurate identification of personnel who will succeed at our company.

We also use data when communicating with potential recruits and support them to make a decision on joining the company. We analyze the data above and provide each person with a tailor-made "career feedback" disclosure showing what kind of growth curve a potential recruit is likely to experience after joining the company, when and what kind of factors are likely to make them stumble and what the possible solutions are.

Disclosing an individually-optimized career plan to every potential recruit allows them to picture their growth path after joining the company, encouraging them to join the Group. Through these technologies and initiatives, we efficiently recruit personnel with a high chance of succeeding after joining us.

▶ Please visit the website below for detailed verification results in the domain of recruitment.  
[https://www.hc-lab.tech/media/practice\\_case/recruiting2/330/](https://www.hc-lab.tech/media/practice_case/recruiting2/330/)  
 (\*Only available in Japanese)

### Development

#### Optimal allocation and development plan

After employees join the company, we conduct job assignments by compatibility based on the personality data of their team members and supervisors in order to quantitatively assess the environment individuals will adapt to most easily and determine their placements. Additionally, based on that data, we provide individuals with a report stating their strengths, weaknesses, optimum learning style and methods for adapting to the organization. We also give their supervisors a report containing the optimum communication and training methods, which supports growth according to an individual's unique characteristics. As a result of these initiatives, we have confirmed that new employees are able to adapt and become contributors at an early stage.

▶ Please visit the website below for detailed verification results in the domain of development.  
[https://www.hc-lab.tech/media/practice\\_case/adaptation2/558/](https://www.hc-lab.tech/media/practice_case/adaptation2/558/)  
 (\*Only available in Japanese)

### Appropriate utilization of human resource data based on guidelines

To ensure that human resource data is used in an appropriate and sound manner, we have published Digital HR Guidelines containing principles for the utilization of human resource data. As stated above, the Group uses analyses of human resource data in various HR Initiatives, all of which are conducted according to the principles of the Guidelines. We will continue to aim to increase human capital value through the appropriate utilization of human resource data.

#### Digital HR Guidelines



▶ With the belief that "increases in corporate value are achieved through the growth of individuals," we intend to continue pursuing initiatives that will be beneficial to both individuals and the company.  
<https://www.septeni-holdings.co.jp/dhrp/guideline/threepinciple/>  
 (\*Only available in Japanese)