

Medium-term Management Plan 2026

ADVANTAGE Risk Management Co., Ltd.
May 17, 2024



企業に未来基準の元気を!





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(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 Group's Behavior Guidelines “The Advantage Way (Five Advantages)”

Create and reform markets without being constrained by common practices.

Always take leadership, lead by continuing to engage in self-reform, and share created value and happiness with society, partners, and employees.

1

Initiative Advantage

We will create results by proactively thinking, making decisions, and leading.

2

Client Advantage

We will adopt a customer-centric perspective and provide true added value by thinking and taking action more than our customers.

3

Creative Advantage

We will aim to be one step ahead of others at the cutting edge and 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 guide those around us based on judgments from the perspective of equality and fairness.

5

Team Advantage

We will create team synergy by combining our strengths without being afraid of individual conflicts.

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 management meeting members, 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.

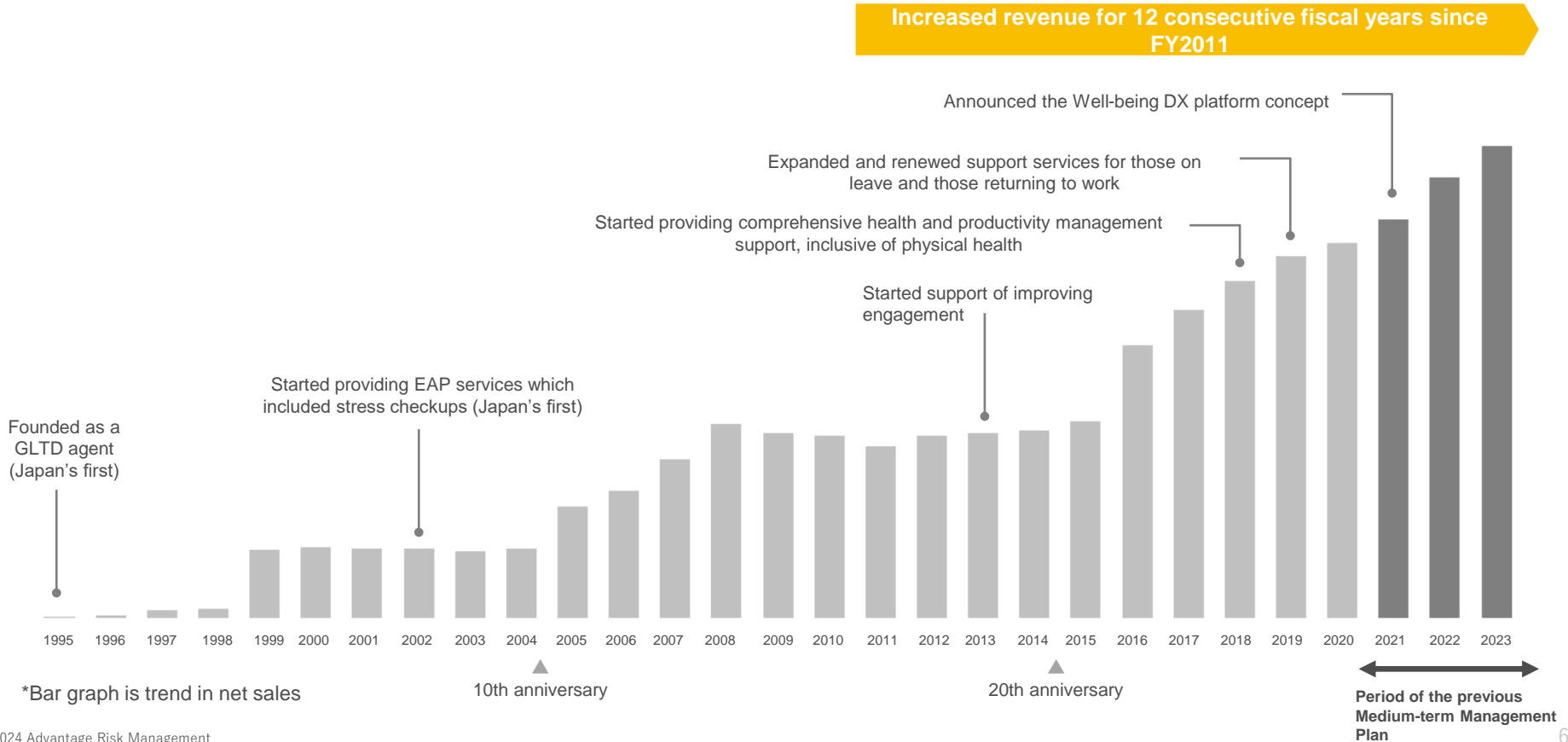
Overall Health and Productivity Management KPIs

In order to promote health and productivity management, the Company has established the numerical targets below as indicators, and implements a PDCA cycle towards achievement in FY2026.

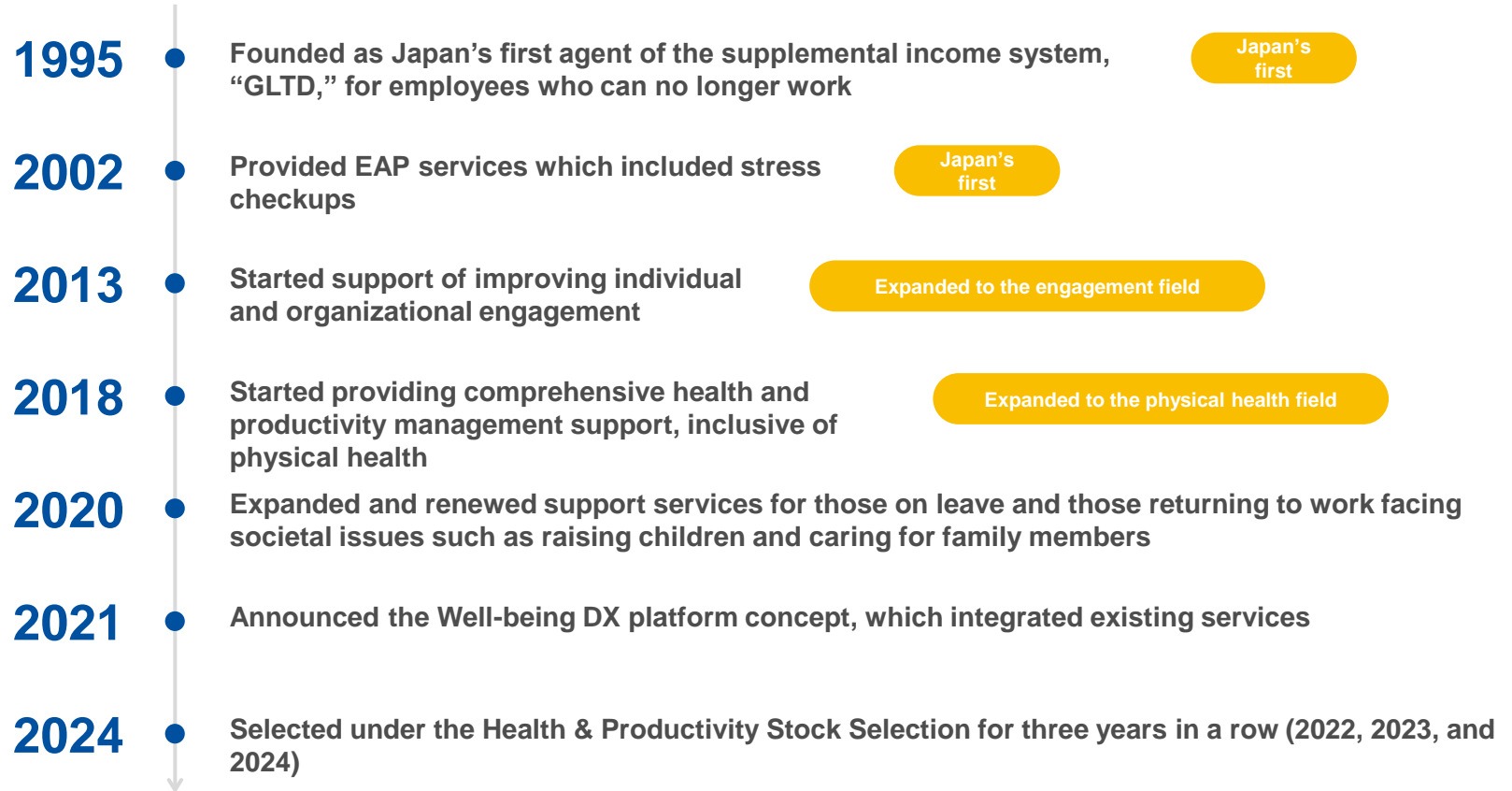
	FY2021	FY2022	FY2026 Target
Health checkup anomaly observance rate	45.2%	42.0%	40.0% or less
Proportion of productivity lost owing to presenteeism	33.6%	33.0%	29.0% or less
Absenteeism (Rate of leave)	0.82%	0.95%	Less than 1%
Work engagement	53.7	54.6	56 or more
Employee engagement	47.3	49.3	52 or more

(1) Overview of the Company's Businesses – Almost 30 years since founding in 1995

- After being founded as Japan's first GLTD agent, by gradually expanding the fields of business and achieving growth in business, revenue has increased for 12 consecutive fiscal years since FY2011



(1) Overview of the Company's Businesses – History



(1) Overview of the Company's Businesses – Fundamental Approach to Developing Business

- We develop business based on the belief 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”

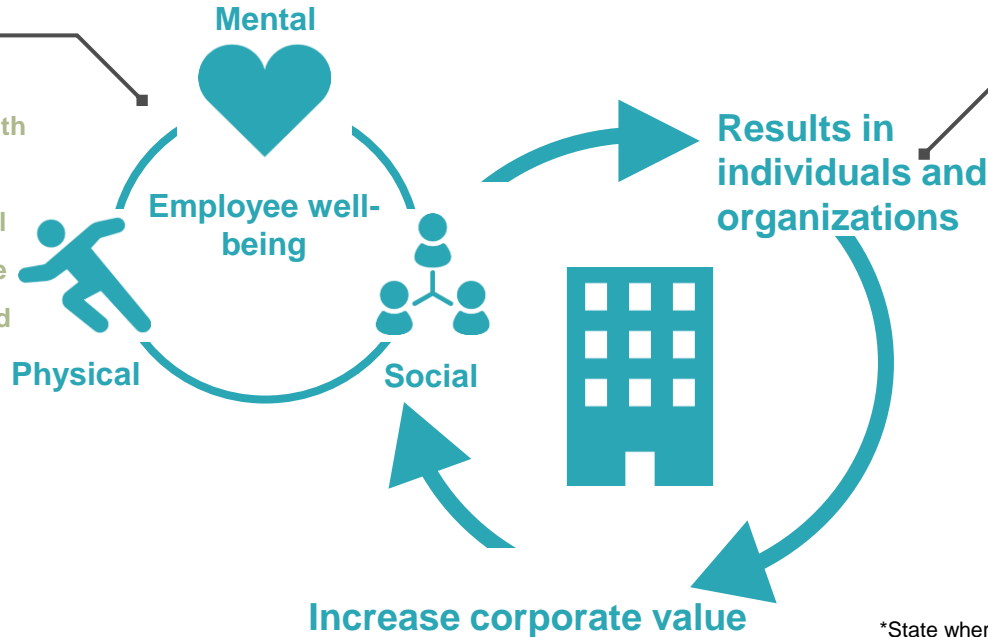
Employees are both mentally and physically healthy, and can exercise his or her abilities to the maximum possible extent



Organizational productivity increases and companies are energized

Employees are in a state of well-being*

- Positive emotions
- High level of satisfaction with work and the Company
- Mentally and physically well
- Environments where people can work with peace of mind



List of expected results due to organizational improvements

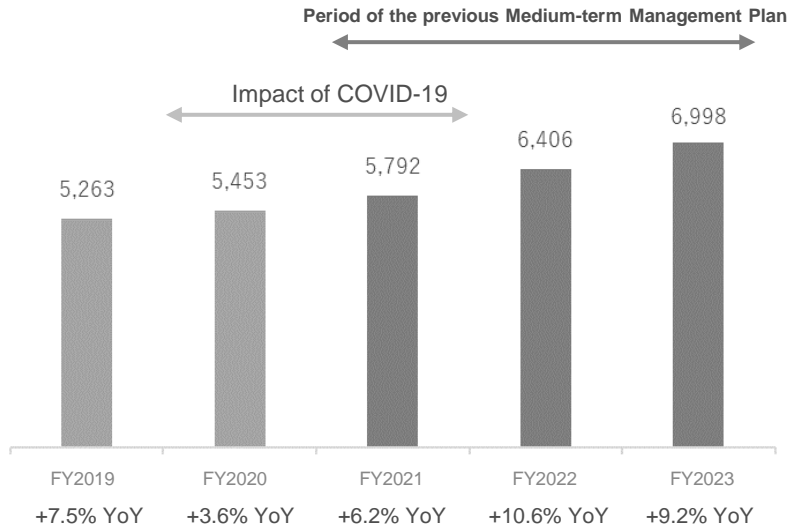
- Improved health
- Better social relationships
- Promotion of creativity
- Increased engagement
- Increased productivity/improved self-motivation
- Increased retention

*State where physical, mental, and social needs are fulfilled

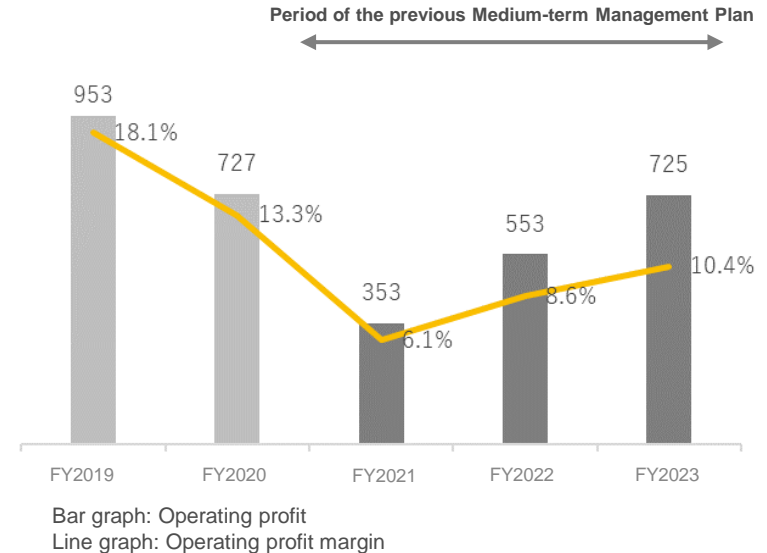
(2) Review of the Previous Medium-term Management Plan

- Made progress in “building a foundation towards the next stage of growth” and “comprehensive proposals centered on large-scale companies” with the release of new services such as ADVANTAGE Well-being DXP. Although a certain level of growth in net sales was realized even with the impact of COVID-19, the speed of growth was slower than forecast and a full-scale investment recovery phase is yet to come
- Profit levels are also in the process of improving, and we aim for a lean corporate structure through growing net sales alongside increasing productivity and seeking high profitability

Trend in net sales (Millions of yen)



Trend in operating profit (Millions of yen)



(2) Review of the Previous Medium-term Management Plan

- While we progressed in building a foundation towards growth in the period of the previous Medium-term Management Plan, seeing results originally in the plan is the next step

What was achieved

- **Progressed in building a foundation towards the next stage of growth with sequential releases of new services centered on ADVANTAGE Well-being DXP**
- **Progressed in strengthening the foundation towards business growth (strengthened human resources development, progressed in health and productivity management, and strengthened IT capabilities)**



Issues of the previous Medium-term Management Plan

Speed of growth was slower than forecast

- Issues facing usability of services (DXP and when providing multiple services)
- Issues concerning appeal of value (DXP and products related to Mental Health Management)
- Issues facing optimizing sales resources and managing sales activity processes (all businesses)

Slow recovery of profit margin

- Delay in recovery on system investments and seeing profitability due to the delay in sales growth
- Revenue pressure due to significant increase in personnel costs

2

02 Understanding the Business Environment

- (1) Market Potential
- (2) Adapting to the Business Environment

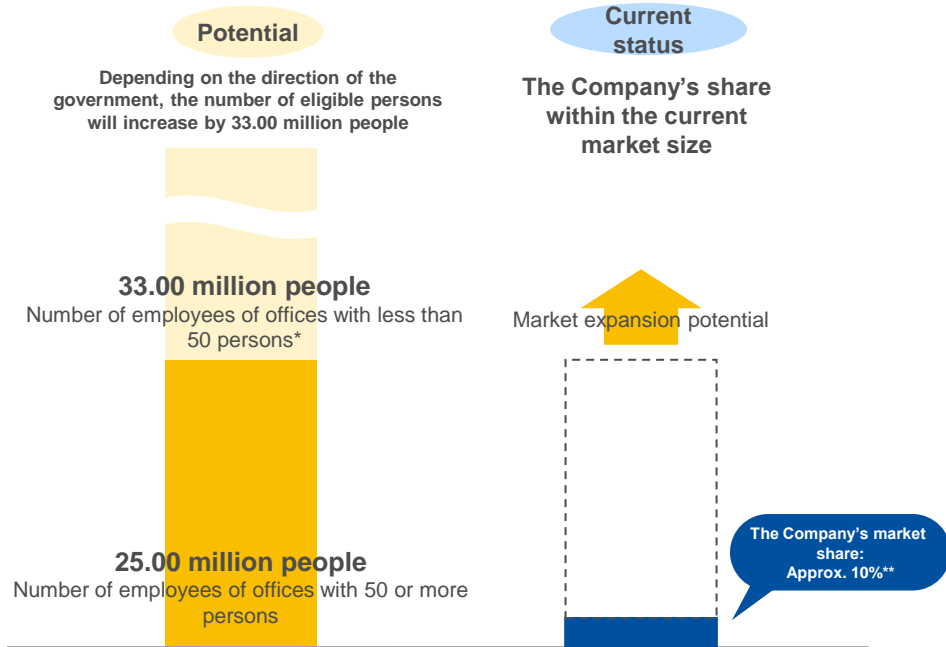


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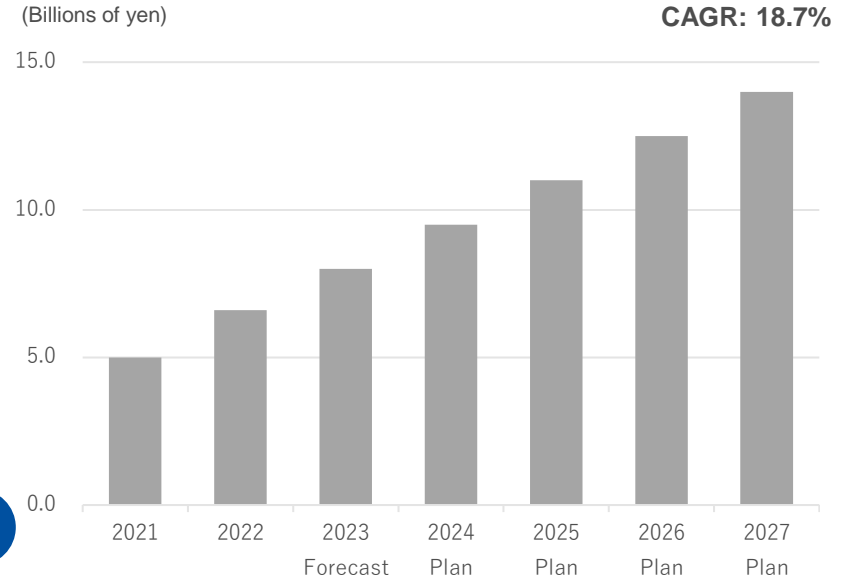
(1) Market Potential – Mental Health Management Service

- ❑ Currently, “expanding implementation of stress checkups” and “making group analysis and workplace environment improvements mandatory” are being discussed by the government, and the market size is forecasted to expand further
- ❑ The market size of the engagement field is expanding faster than forecasted

Stress checkup market



Trends in employee engagement checkups and survey cloud market size***

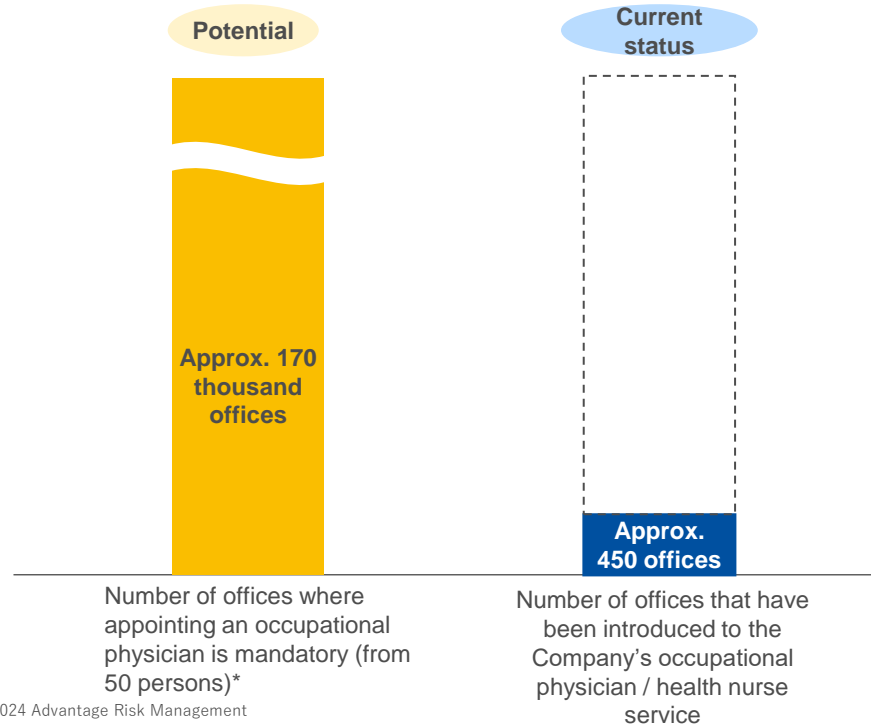


*Number of employees in domestic offices in “2021 Economic Census - Activity Survey Results” by the Ministry of Internal Affairs and Communications and the Ministry of Economy, Trade and Industry
 **From “2021 Data Health Plan, Health Management, and PHR-Related Market and Advanced Health Insurance Trends” by FUJII KEIZAI GROUP CO.,LTD.
 ***Estimated by the Company based on survey results of Yano Research Institute Ltd.

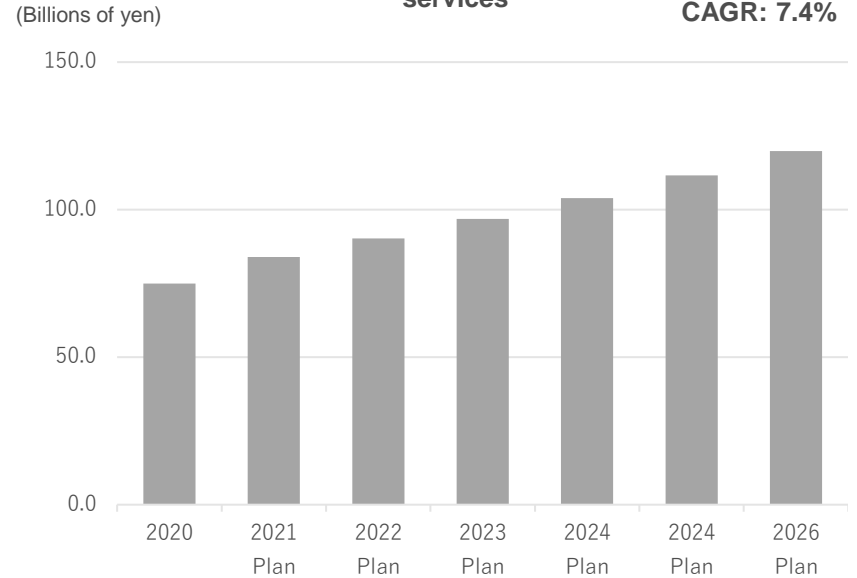
(1) Market Potential – Health and Productivity Management Service

- Approximately 170 thousand offices need to appoint a contract occupational physician, and approximately 1,800 offices need to appoint a dedicated occupational physician, making for a large market size
- Companies working on health and productivity management and improving employees' health have increased in response to impacts of workstyle reform, in addition to increased demands of services that range from energizing organizations toward increasing productivity to establishing company branding

Occupational physician / health nurse introduction service market



Trend in market size for health checkup and health and productivity management support services**

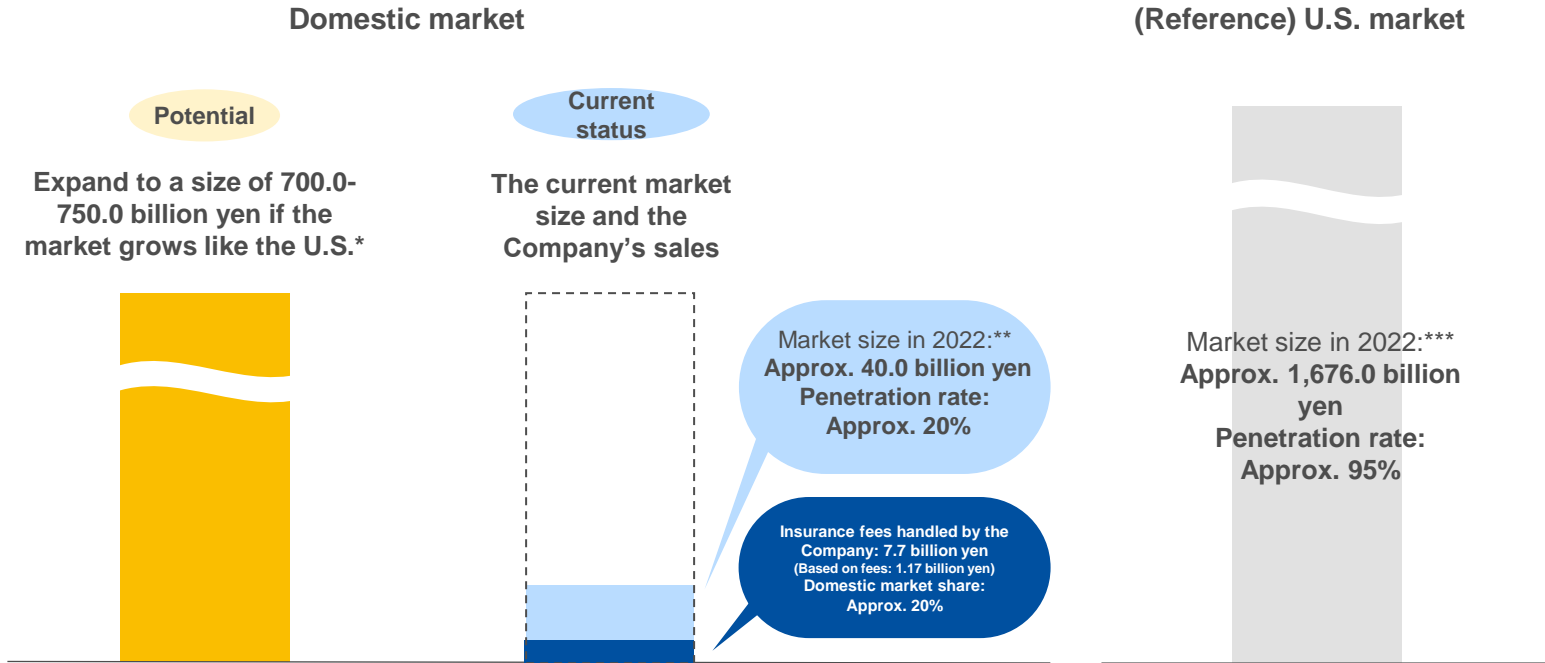


**Reference Materials: Overview of the Current Occupational Physician System, etc." by Ministry of Health, Labour and Welfare, and "2021 Economic Census - Activity Survey Results" by the Ministry of Internal Affairs and Communications and the Ministry of Economy, Trade and Industry

**Estimated by the Company based on survey results of Yano Research Institute Ltd.

(1) Market Potential – LTD Service

- In the U.S., GLTD has a high penetration rate and a large market size, and considering the situation in the U.S., the market size in Japan can be expected to grow and expand



*Estimated using "2023 International Labor Comparison Data Book" by The Japan Institute for Labour Policy and Training

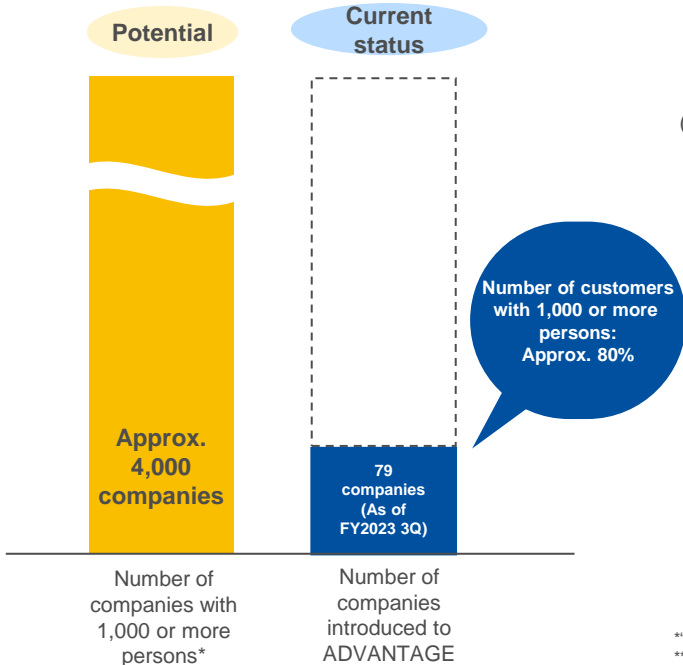
**Interviews with insurance companies and summary of "Employee Benefits and Welfare Questionnaire Survey" report by Nissay

***Estimated using 2023 U.S. Group Disability Market Survey (Milliman) with 132 yen per 1 dollar

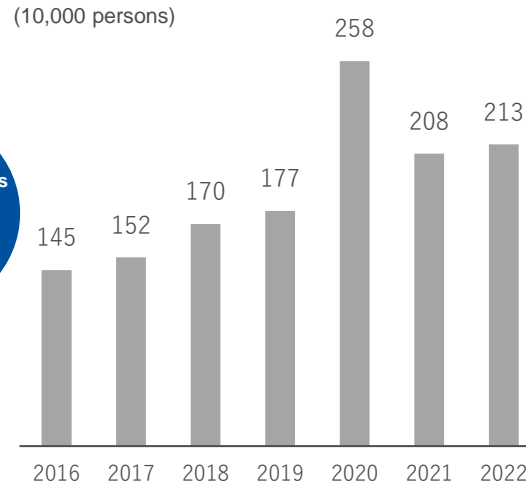
(1) Market Potential – Work-Life Balance Support Service

- ❑ The overall number of employees on leave is on an increasing trend. In particular, the percentage of offices where employees take leave due to mental health disorders is increasing each year.
- ❑ The number of companies with 1,000 or more employees, ADVANTAGE HARMONY’s main target, is approximately 4,000 companies, and there is ample room for market expansion

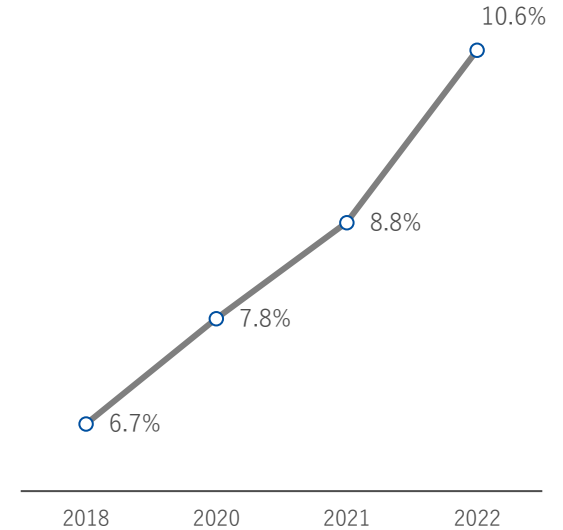
Room for market expansion*



(Reference) Trend in number of employees on leave**



(Reference) Trend in percentage of offices where workers have taken consecutive leave of one month or more due to mental health disorders***



**2021 Economic Census - Activity Survey Results" by the Ministry of Internal Affairs and Communications and the Ministry of Economy, Trade and Industry

***2022 Labor Force Survey Average Results" by Statistics Bureau of Japan

****Occupational Safety and Health Survey (Fact-Finding Survey)" by Ministry of Health, Labour and Welfare *No data for FY2019

(2) Adapting to the Business Environment – Issues We Face

- With Japan's social issues as the backdrop, midsize companies and SMEs' interests have grown in "workstyle reform" and "health and productivity," and large-scale companies' initiatives are expanding to "well-being management" and "human capital management." Through these initiatives, increasing productivity in companies have become an important theme to consider.

Social issues in Japan



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



Increasingly diverse workstyles, such as balancing work with raising children and caring for family members, and awareness of remote work



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

1

Workstyle reform and health and productivity management awareness

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 management and human capital management

As people in Japan become more aware of the SDGs and ESG, initiatives related to corporate well-being are progressing. By considering human resources as "capital" and maximizing this value, efforts are being promoted to realize "human capital management," which leads to increased corporate value over the medium- to long-term.

3

Increasing productivity in companies is an issue once again

In an age of labor shortages, increasing productivity of each employee is indispensable to increasing corporate value and achieving wage increases. In addition to human resources investments such as training, it will become even more important to protect the mental and physical well-being of employees and support flexible workstyles.

(2) Adapting to the Business Environment – Business Environment Surrounding the Company

- Although we face threats from competitors' actions, we are in a state where there are many opportunities to expand in each business of the Company

Competition environment

Increased competition

Competition is intensifying with the increase in companies offering services such as increasing engagement in each field, health and productivity management promotion, and well-being promotion.

Low pricing and inclusive services

Competitors are moving towards including stress checkups at a low price (or free of charge) to their services.

Using business alliances and M&A

Trend of increasing business alliances and M&A in health checkup related companies and insurance agencies.

Customer environment

Expectations and demands for generating results

Trend of client companies demanding real results, such as increased productivity or human resources retention, and not just efforts taken at face value.

Growing interest in engagement

Continued trend of growing interest with the fast-paced market size expansion of the engagement field.

Growing interest of SMEs

Even SMEs are becoming aware of “health and productivity management” and “well-being.”

Social situation

Progress of government-led health and productivity management and human capital management

Movements requesting effective government-led health promotion initiatives, alongside progress in human capital disclosures.

Movement to optimize insurance premiums by reducing insurance premiums

Movements toward optimizing insurance premiums due to impacts of increased cases of reviewing insurance due to the progress of penetration, and occurrences of inappropriate events in the insurance industry.

Increase in the number of men taking childcare leave and nursing care leave

In addition to the increase in men taking childcare leave due to the amended Childcare and Caregiver Leave Act, the number of people taking nursing care leave is expected to increase due to the increase in the number of people requiring care.

3

03 Focus Themes for the Medium-term Management Plan 2026

Medium-term Management Plan 2026 Main Goal, Overall Image, etc.

- (1) Strengthen Comprehensive Sales
- (2) Grow Existing Businesses
- (3) Promote New Initiatives
- (4) Promote Sales Channels
- (5) Promote System and Work Reform



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Main Goal of the Plan

Aim for an overwhelming position in the Well-being field by providing platforms and solutions leading to results to many companies

Support well-being management as a true partner to our customers by providing a wide variety of effective, high-quality services in one stop.

Aim to be the number one in all businesses we promote by realizing accelerated growth speed, including the discontinuous evolution of each business. At the same time, realize increased profitability by transforming into a lean management structure.

* 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

Medium-term Management Plan 2026 Positioning

To FY2023
Building foundations for growth

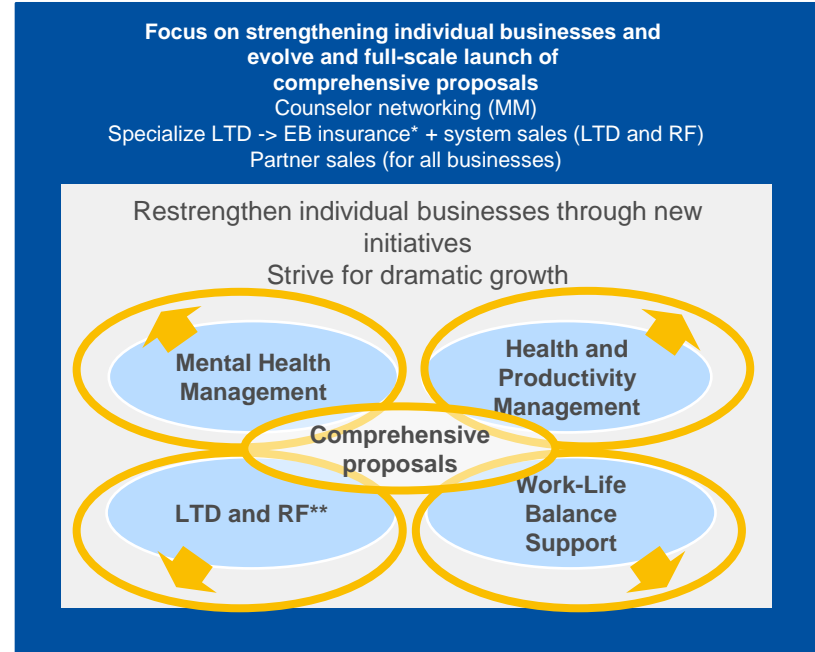
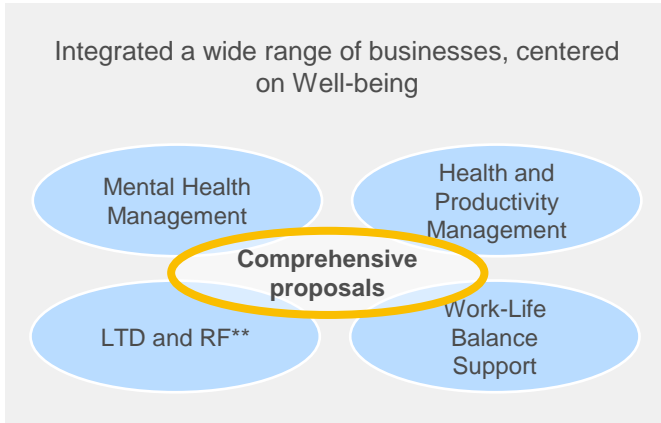
To FY2026
Generating results and accelerating growth

Main themes

Focused on launching comprehensive proposals
Interfacing with each service through DXP resources, conducted effectiveness verification through integrating information, analyzation, and pulse surveys (pdCa)

Focus on strengthening individual businesses and evolve and full-scale launch of comprehensive proposals
Counselor networking (MM)
Specialize LTD -> EB insurance* + system sales (LTD and RF)
Partner sales (for all businesses)

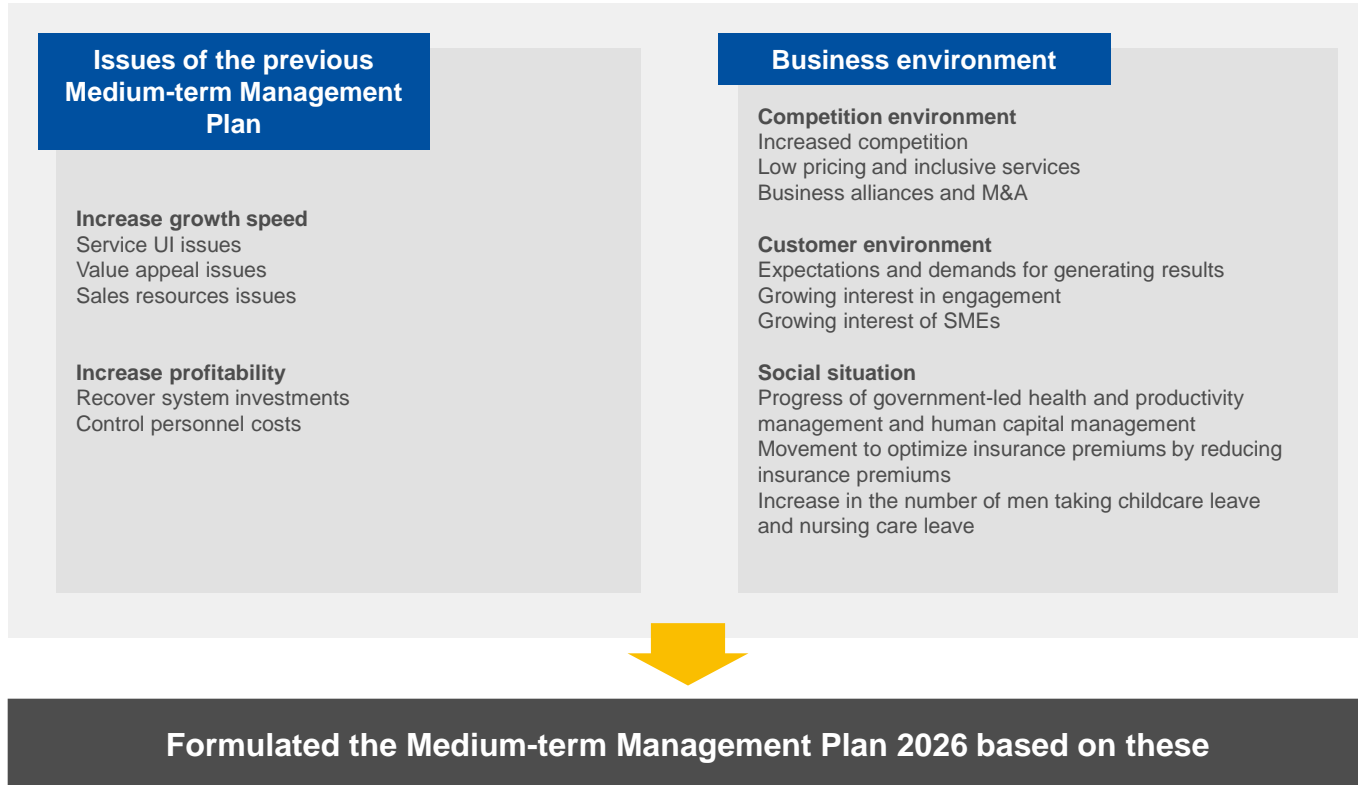
Illustrative diagram



*EB is an abbreviation of Employee Benefits, and EB insurance is insurance towards multiple occupations
**RF is an abbreviation of Risk Financing, and sells various types of insurance, such as cancer insurance, to individuals

Medium-term Management Plan 2026 Formulation Process

- ❑ Considered the Medium-term Management Plan 2026 sufficiently taking into consideration the issues of the previous Medium-term Management Plan and business environment



Medium-term Management Plan 2026 Focus Themes – Overall Image

- Realize accelerated expansion and growth by realizing steady growth through continuing with existing initiatives alongside promoting new initiatives

Steady growth through continuing with existing initiatives

1. Strengthen comprehensive sales

Continue and progress comprehensive sales with DXP as the foundation

- Mutually reinforcing cycle of comprehensive sales and individual sales
- Organic combination of services and UI improvements
- Improve added value through promoting data utilization and AI
- Building BtoBtoE foundations

2. Grow existing businesses

Strengthen organic closing of existing businesses

Mental Health Management Service

Promote engagement plus, pdCa, counseling, and DXP, generate solution results, and increase profitability

Health and Productivity Management Service

Services from management perspective, support needs of occupational health, and promote solutions

LTD Service and RF Service

Work-life balance support / utilization of online insurance claims and comprehensive proposals to reduce insurance premiums

Work-Life Balance Support Service

Realize top market share, expand support for those on leave and other services, and utilize data

5. Promote system and work reform

Reform systems and work that support expansion and increase profitability

Promote efficiency and reduction of personnel operations

Reduce costs and increase development speed by developing systems internally

Accelerate growth through new initiatives

3. Promote new initiatives

Promote new initiatives for dramatic growth

- Expand MM business through counselor networking
- Evolve LTD specialization into an EB player*
- Develop new business models for midsize companies and SMEs

4. Promote sales channels

Promote sales collaboration for increased growth speed

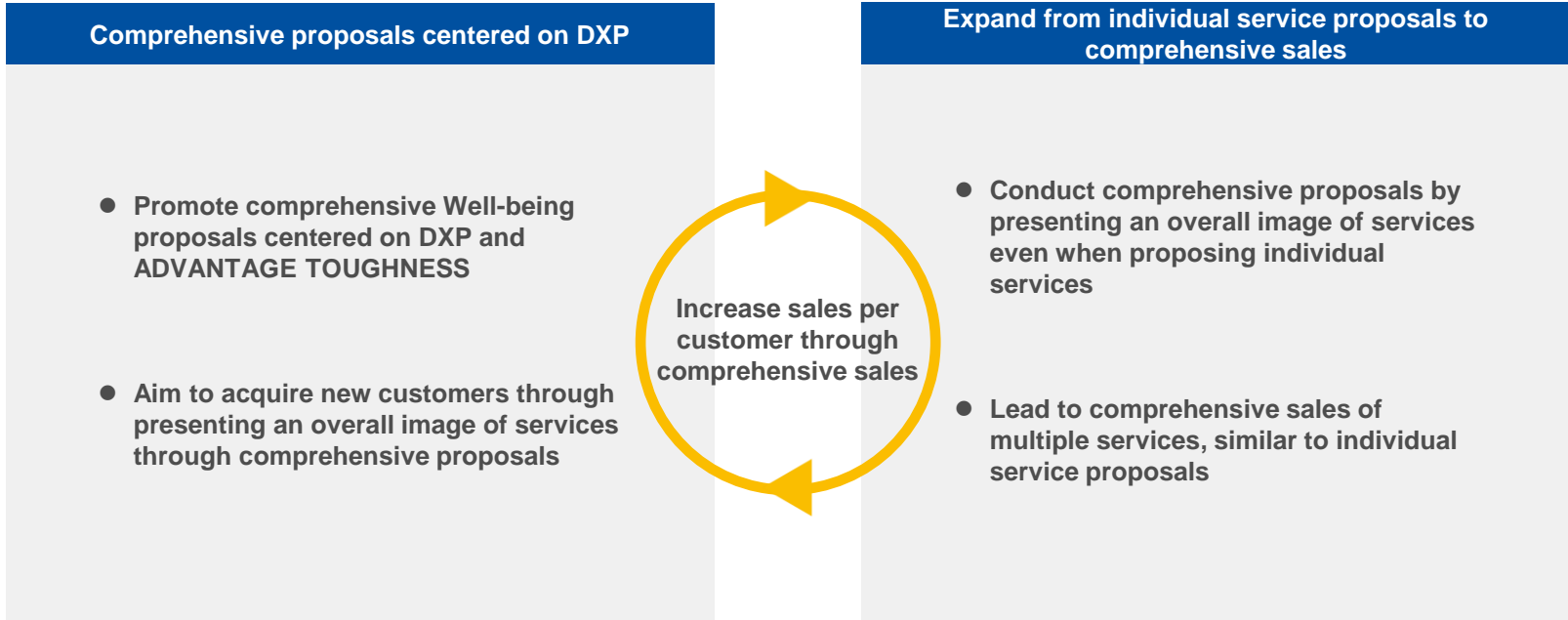
- Collaborate with specialists in each service area
- Collaborate with companies that have many customers in a target market

Medium-term Management Plan 2026 Focus Themes – Link Between “Issues of the Previous Medium-term Management Plan” and “Business Environment”

Focus Themes	Issues of the previous Medium-term Management Plan					Business environment								
	Increase growth speed		Increase profitability			Competition environment			Customer environment			Social situation		
	Service UI issues	Value appeal issues	Sales resources issues	Recover system investments	Control personnel costs	Increased competition	Low pricing and inclusive services	Business alliances and M&A	Expectations and demands for generating results	Growing interest in engagement	Growing interest of SMEs	Progress of health and productivity management and human capital management	Optimizing insurance premiums by reducing insurance premiums	Increase in the number of men taking childcare leave and nursing care leave
1. Continue and progress comprehensive sales with DXP as the foundation														
Mutually reinforcing cycle of comprehensive sales and individual sales			✓											
Organic combination of services and UI improvements	✓	✓												
Improve added value through promoting data utilization and AI		✓												
Building BtoBtoE foundations						✓			✓			✓		
2. Grow existing businesses														
<Mental Health Management Service>														
Promote engagement plus, pdCa, counseling, and DXP						✓	✓		✓	✓		✓		
Generate solution results		✓							✓			✓		
Increase profitability				✓	✓									
<Health and Productivity Management Service>														
Provide services from management perspective		✓				✓	✓		✓			✓		
Establish system to support needs of occupational health		✓				✓	✓		✓			✓		
Promote solutions		✓				✓	✓		✓	✓		✓		
<LTD Service and RF Service>														
Work-life balance support / utilization of online insurance invoices		✓				✓	✓						✓	
Comprehensive proposals to reduce insurance premiums			✓		✓	✓							✓	
<Work-Life Balance Support Service>														
Realize top market share						✓								✓
Expand support for those on leave and other services						✓								✓
Consider new revenue models through utilizing data						✓			✓			✓		
3. Promote new initiatives														
Counselor networking						✓		✓						
Progress to an EB player						✓	✓	✓						
Develop business models for midsize companies and SMEs										✓				
4. Promote sales channels														
Specialist channels			✓			✓								
Collaborate with businesses who have markets			✓			✓								
5. Promote system and work reform														
Promote efficiency and reduction of personnel operations					✓									
Reduce costs, etc. by developing systems internally				✓										

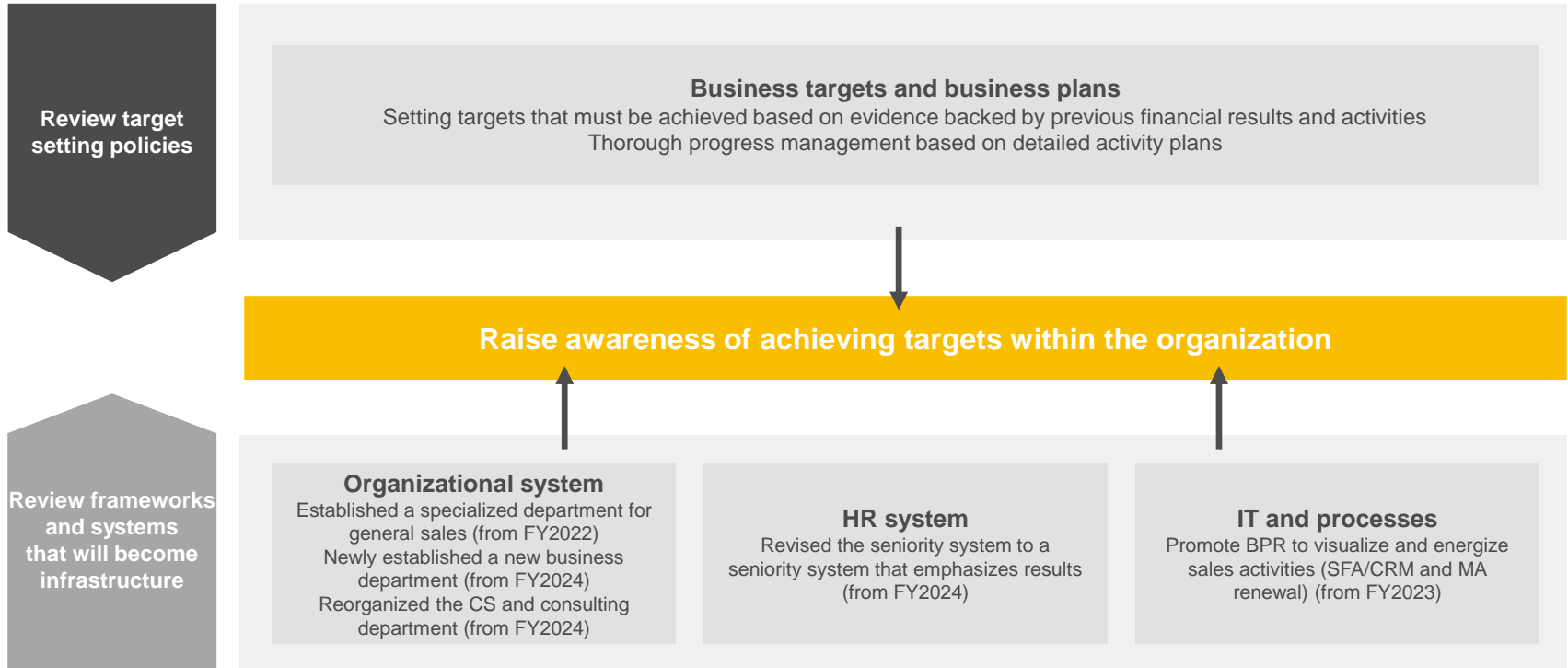
(1) Continue and Progress Comprehensive Sales with DXP as the Foundation – Mutually Reinforcing Cycle of Comprehensive Sales and Individual Sales

- Promote comprehensive proposals centered on DXP for a wide variety of services aiming to increase sales per customer



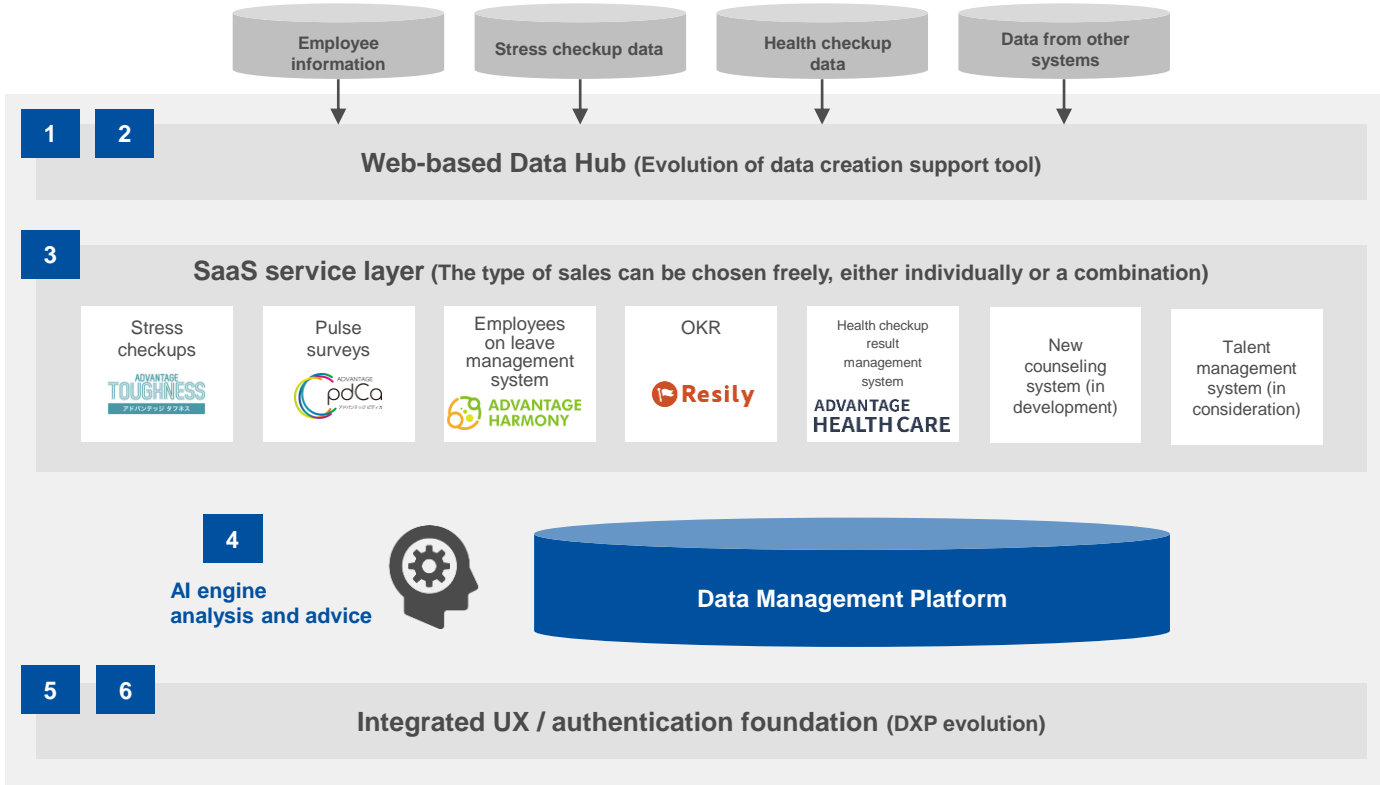
(1) Continue and Progress Comprehensive Sales with DXP as the Foundation – Mutually Reinforcing Cycle of Comprehensive Sales and Individual Sales

- Promote initiatives to raise awareness of achieving targets through the two sides of targets and frameworks / systems towards realizing future business growth



(1) Continue and Progress Comprehensive Sales with DXP as the Foundation – Organic Combination of Services and UI Improvements

□ Aim to improve usability of DXP and maximize value through proceeding with One Platform

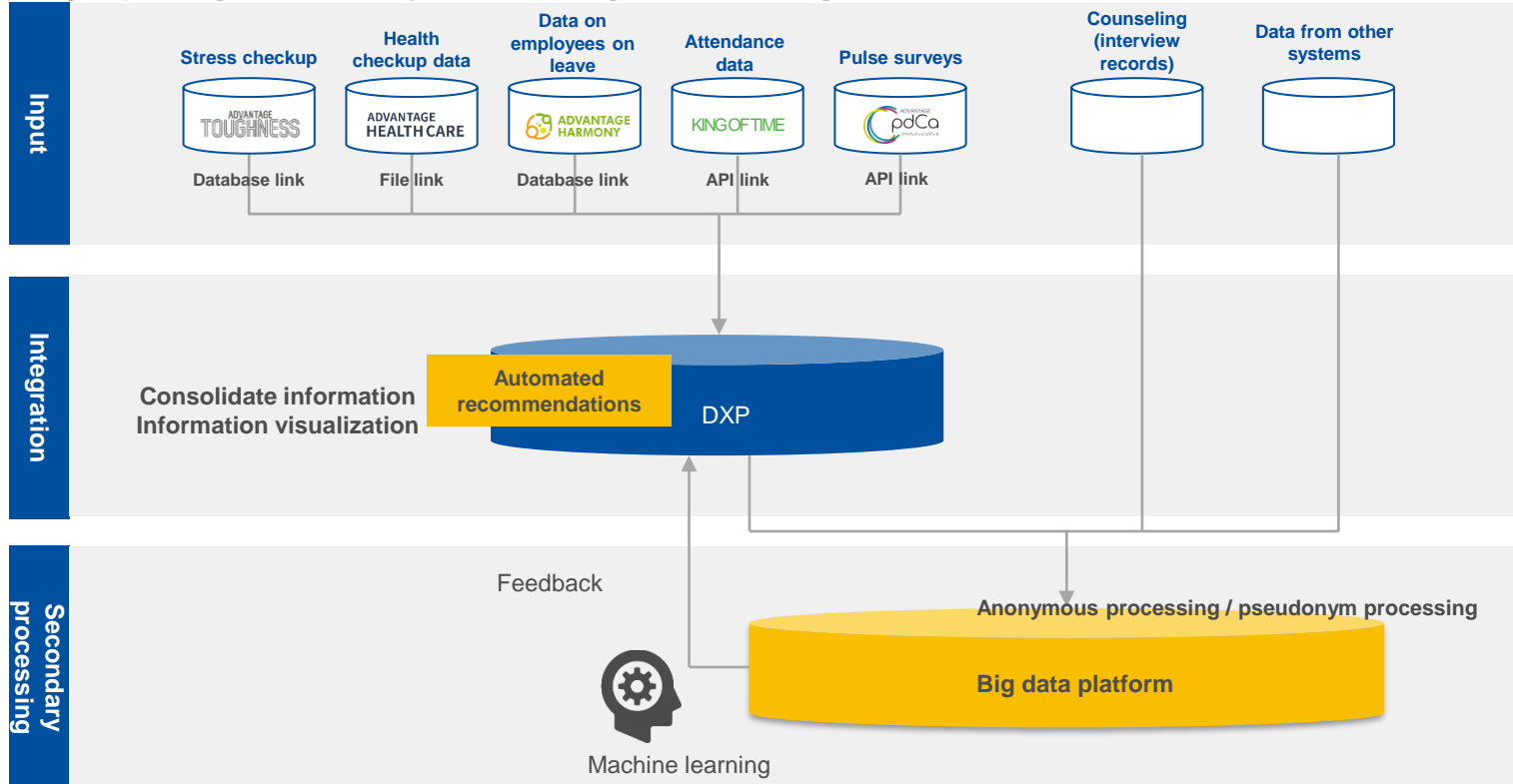


Issues solved by One Platform

- 1 Consolidation of work to introduce services from an HR perspective (HR data import and user registration)
- 2 Consolidation of employee information and access management for services (integrated management of licenses for each service)
- 3 Integrated management of contracts for services
- 4 Equipped with automated recommendation function for solutions using AI
- 5 Eliminate duplicate functions between DXP and services and integrated UI
- 6 Standardization of login authentication between services

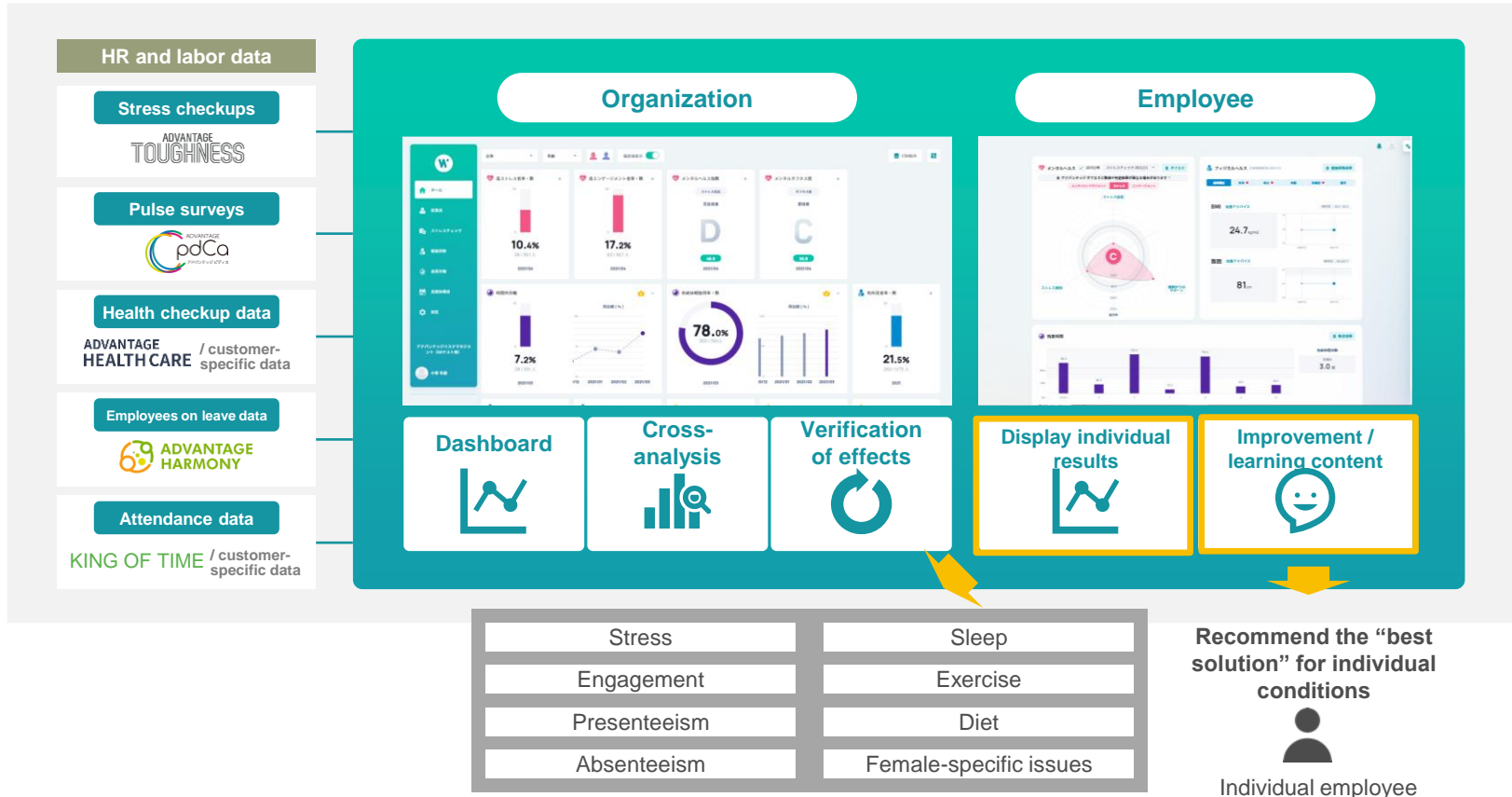
(1) Continue and Progress Comprehensive Sales with DXP as the Foundation – Improve Added Value Through Promoting Data Utilization and AI

- AI utilization initiatives will be carried out at the same time in order to improve added value of DXP. We are in the process of considering improving the efficiency of counseling duties utilizing AI



(1) Continue and Progress Comprehensive Sales with DXP as the Foundation – Building BtoBtoE Foundations

□ Continue progress of building foundations in the BtoBtoE field, such as expanding attractive services that employees use on a regular basis



(2) Grow Existing Businesses – Focus Themes for Each Business

Mental Health Management Service

(1) Promote engagement plus, pdCa, counseling, and DXP

- Use as a tool to differentiate when seizing the opportunity to review stress checkups
- Expand into the engagement and health and productivity management fields from mental health care for existing customers

(2) Generate and maximize solution results

- Improve added service ratios and develop and improve products based on accumulated pdCa measurement of effects data
- Conduct solution database marketing* utilizing checkup results, etc.

(3) Dramatically improve profitability by improving operational efficiency and internal system development

Health and Productivity Management Service

(1) Clarify customer needs and propose appropriate health checkup systems and health checkup appointment services

- Promote balance between occupational health staff needs and value from a company perspective
- Expanded product lineup, high-priced, highly functional services vs. lower-priced services with limited functionality

(2) Expand services in the occupational health field based on needs

- Expand occupational health staff introduction business, and temporary and introduction + matching
- Maximize synergies between Sampo LAB and other businesses (generate sales opportunities)

(3) Develop and promote solutions related to physical health

- Develop and promote physical health solutions for employees towards promoting health and productivity management and increasing productivity

LTD Service and RF Service

(1) Acquire net customers through differentiation and improve and prevent a decline in added value for existing customers

- Develop as a comprehensive support service for employees on leave in combination with HARMONY
- Improve operational efficiency of client companies and convenience of employees by utilizing online insurance claims

(2) Maximize existing customer value and switch from other companies through using products from other departments of ARM

- Comprehensive proposals combining other services of ARM for existing LTD introductions and client companies not using ARM services
- Thorough proposals of appropriate insurance premiums to existing customers and risk reduction proposals through other ARM services

(3) Strengthen existing RF support system

- Establish a multi-category sales system (third division general insurance)
- Efficient sales using the EB platform** (collaborate with new initiatives)

Work-Life Balance Support Service

(1) Improve penetration rate, acquire overwhelming market share, and establish a system to support these efforts

- In addition to direct sales, expand sales channels (social and labor consultants, insurance companies, etc.)

(2) Expand additions to the Work-Life Balance Support Service and improve added value through consolidation with services of other ARM businesses

- eRework / support services for those returning to work, Career & Baby, and others

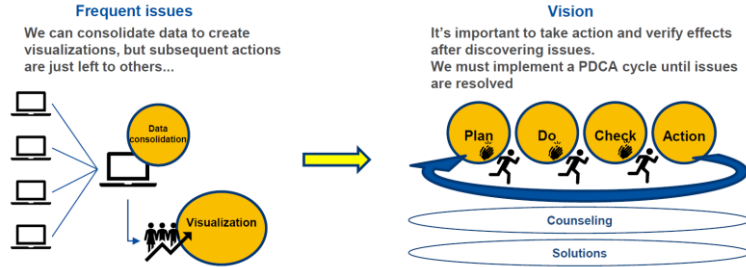
(3) Consider new revenue models utilizing data

*Methods to implement effective marketing measures using customer information

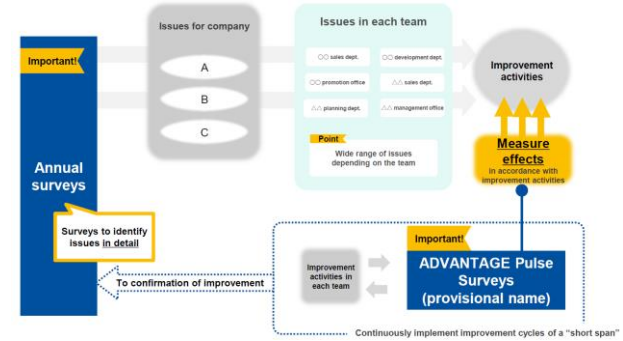
**Next-generation platform for insurance subscriptions in corporate workplaces

(2) Grow Existing Businesses – Mental Health Management Service Growth Strategy

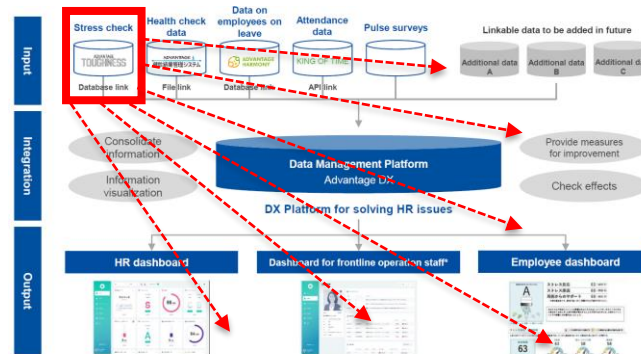
PDCA cycle for action and the verification of effects



Thorough implementation of verification of effects utilizing pdCa



Use DXP with TOUGHNESS front-facing



* Line managers, occupational health staff, etc.

(2) Grow Existing Businesses – Health and Productivity Management Service Growth Strategy

Concept

Develop solutions and conduct consulting sales that contribute to the promotion of well-being management

Develop new services

Develop and promote solutions related to physical health

- Develop and promote physical health solutions toward promoting health and productivity management and increasing productivity

Strengthen and expand existing services

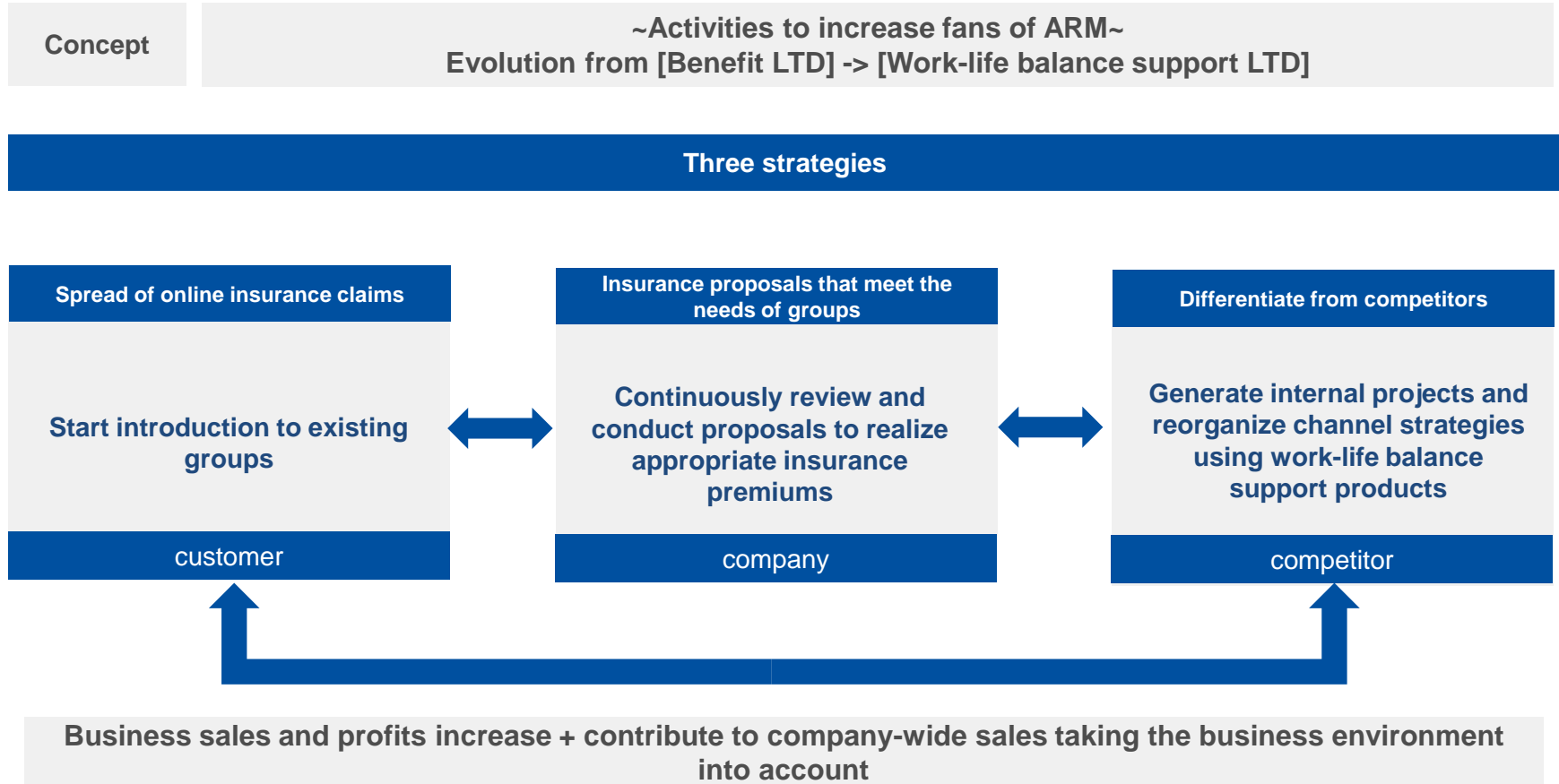
Clarify customer needs and propose appropriate health checkup systems and health checkup appointment services

- Appeal balance between occupational health staff and needs and value from a corporate perspective
- Expand product lineup, high-priced, highly functional services vs. lower-priced services with limited functionality

Expand services in the occupational health field based on needs

- Expand occupational health staff introduction business, and temporary and introduction + matching
- Maximize synergies between Sampo LAB and other businesses (generate sales opportunities)

(2) Grow Existing Businesses – LTD Service Growth Strategy



(2) Grow Existing Businesses – Work-Life Balance Support Service Growth Strategy

Concept

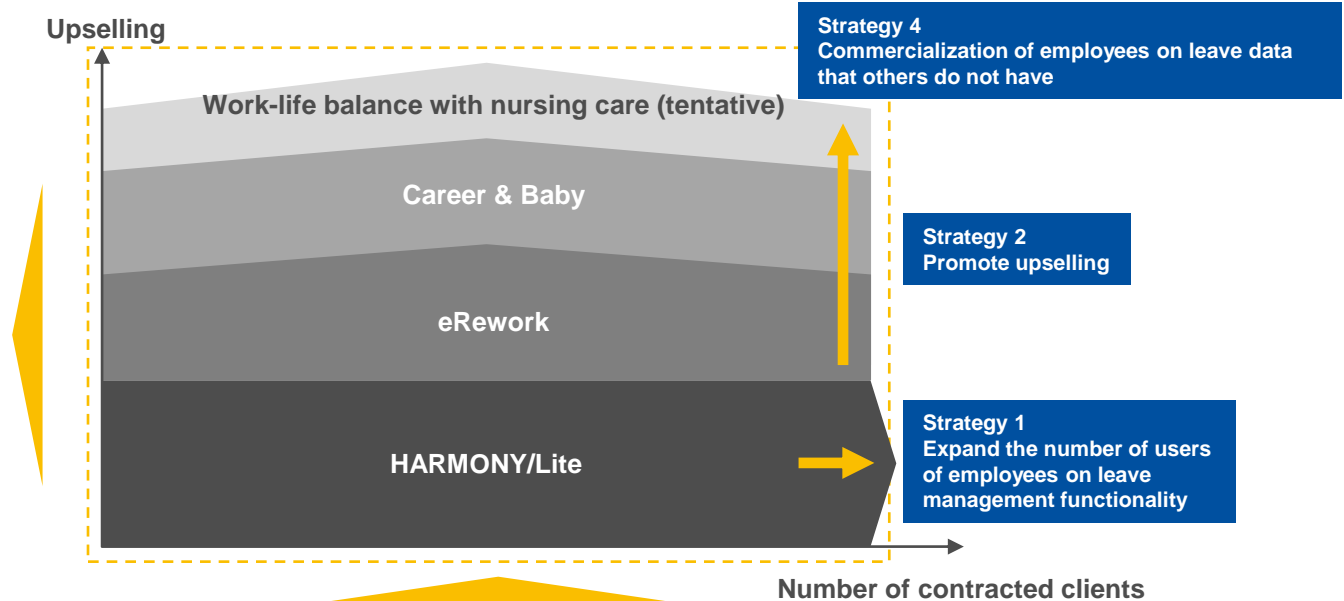
1. Acquire a stable market share of the employees on leave management market and establish market recognition (expand the number of employees on leave management users)
2. Develop an advantage over competitors by proposing integrated operations of employees on leave management and work-life balance support (promote upselling)
3. Realize frameworks that lead to company-wide growth by strengthening synergies with other businesses (expand functions that contribute to other businesses)
4. Promote consideration of new revenue models that utilize employees on leave management data and work-life balance support data (commercialization of employees on leave data that other companies do not have)
5. Promote development of services supporting business and improving stable operations (establish a system to support the Work-Life Balance Support Service)

Strategy 3 Expand functions that contribute to other businesses

MM
Counseling
Synergies with other
businesses, etc.

LTD
Synergies with
insurance business

Upselling



Strategy 4
Commercialization of employees on leave data
that others do not have

Strategy 2
Promote upselling

Strategy 1
Expand the number of users
of employees on leave
management functionality

Number of contracted clients

Strategy 5 Establish a system to support the Work-Life Balance Support Service

- (1) Develop services (2) Operational efficiency (3) Review organizational system

(3) Promote New Initiatives – Towards Accelerating Growth of Individual Businesses

- We are in the process of promoting new initiatives for the Mental Health Management Service, LTD Service, Risk Financing Service, and Middle Market Service as part of our initiatives to accelerate growth of individual businesses

Mental Health Management Service

Expand the Mental Health Management Service through counselor networking

- Operational support by providing stress checkups and counseling systems
- Increase sales per customer by providing original ARM solutions

LTD Service and RF Service

Evolve LTD specialization into an EB player* through EB insurance operations systems of multiple insurance companies

- Introduce EB products to existing LTD customers
- Provide EB platform** to corporate agencies



Middle Market Service

Develop new business models and services that meet the needs of midsize companies and SMEs

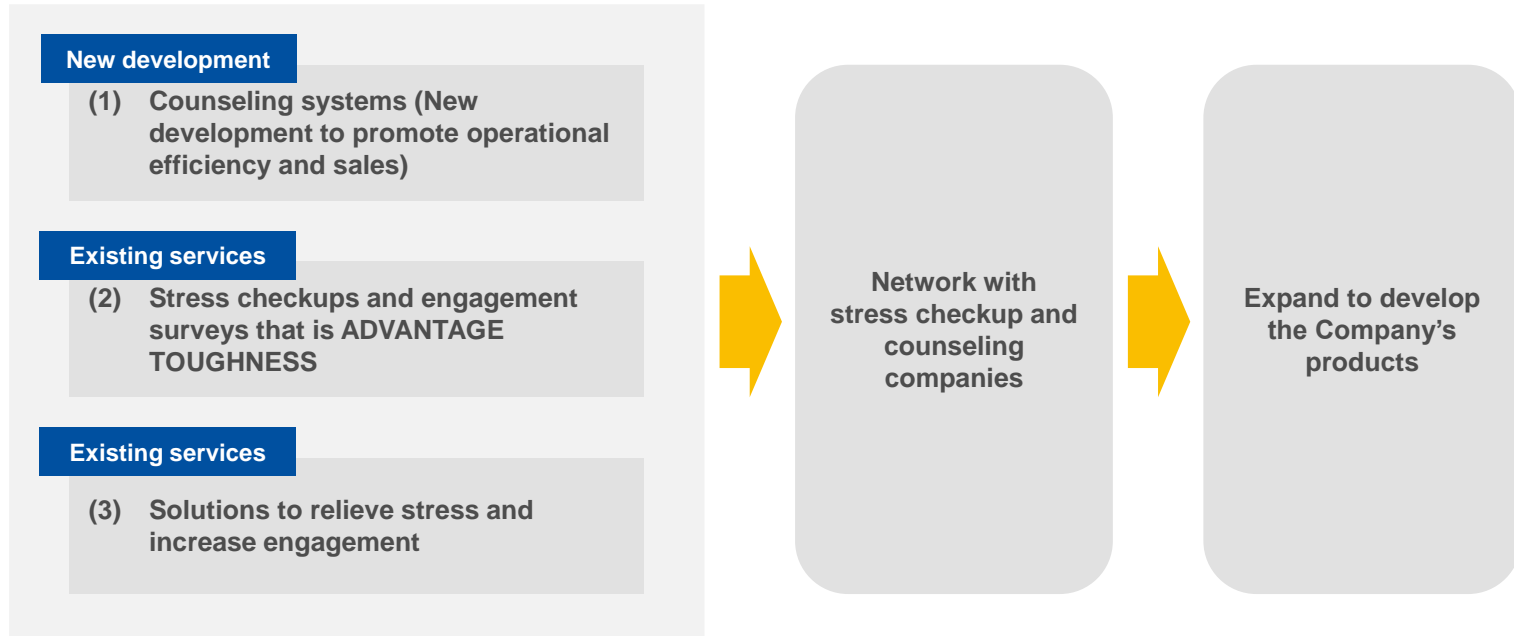
- Integration of employee disability support services and Mental Health Management Service
- Collaborate with companies that have products and customers within the midsize company and SME market

*EB is an abbreviation of Employee Benefits, and EB player refers to businesses that handle insurance towards multiple occupations

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(3) Promote New Initiatives – Expand MM Business Through Counselor Networking

- Expand by providing infrastructure and products to stress checkup companies and counseling companies, and by establishing a network through making the set of “stress checkups and engagement surveys that is **ADVANTAGE TOUGHNESS**” and “solutions to relieve stress and increase engagement” available in the counseling system to be developed



(3) Promote New Initiatives – Evolve LTD specialization into an EB player

Background and purpose of entering into EB insurance business

Issues of EB insurance*

- In EB insurance, when dealing with products from multiple insurance companies, there are multiple subscription websites depending on the insurance company, making it less convenient for both agents and users
- Virtually no progress has been made in transitioning subscription and enrollment procedures from paper to online, resulting in high costs

Issues solved by the EB Platform** and merits

- The EB platform is a support system to handle subscription and enrollment procedures of multiple insurance companies using the Web
- Using the system, subscription and enrollment procedures for EB insurance from multiple insurance companies are made possible on a single webpage, with the following merits
 - Improve user convenience and improve agency profit through rapid revisions to insurance details, enrolling at any time throughout the year, etc.
 - Low dropout rate when joining with users using a “single ID and password” and “single enrollment procedure”



Develop a system business using the SaaS model

Consider providing EB insurance operational systems externally as a next-generation insurance subscription platform

- Subscribe to multiple insurance companies at the same time
- Enhance quality of the insurance agency business
- Support efficiency of agency operations through the system

Generate new opportunities concerning insurance agency business through developing a system based on the Company's know-how

Develop services towards companies and employees related to employee risk coverage using insurance information

- For employees: Listing and comprehensive management service of risks and insurance compensation status
- For companies: Employee risk coverage status = incorporate financials and well-being into DXP

*EB is an abbreviation of Employee Benefits, and EB player refers to businesses that handle insurance towards multiple occupations

**Next-generation platform for insurance subscriptions in corporate workplaces

(4) Promote Sales Channels

Collaborate with specialists in each service area

Develop new customers for HARMONY

- Collaborate with social and labor consultants and insurance companies

Promote introducing DXP

- Collaborate with HR consulting companies



Collaborate with companies that have many customers in a target market

Develop for midsize companies and SMEs and promote regional strategies

- Use networking through collaboration with banks and securities companies

Collaborate with HR solutions companies

- Collaborate organically with HR solutions companies that will complement us

(5) Promote System and Work Reform

Promote personnel operational efficiency and working-hour reduction

Optimize and minimize business operation costs, and fundamentally transform to a model that provides services with maximum efficiency

- Increase organizational efficiency and realize transformation into a highly profitable structure through efficient and effective organizational operation by proceeding with reviewing personnel, costs, sales promotion methods, etc.



Reduce costs and increase development speed by developing systems internally

Control development expenses and strengthen speedy responses to the market through increasing the ratio of internal development

- Aim for engineering resources to perform one-stop development including production, testing, and delivery, and not just upstream development
- Realize using teams across projects

4

04 Numerical Targets

- (1) Company-wide Numerical Targets
- (2) Shareholder Returns



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(1) Company-wide Numerical Targets

□ In the Medium-term Management Plan, we will target net sales of 9.0-9.5 billion yen (CAGR 10%) and operating profit of 1.3-1.6 billion yen in FY2026

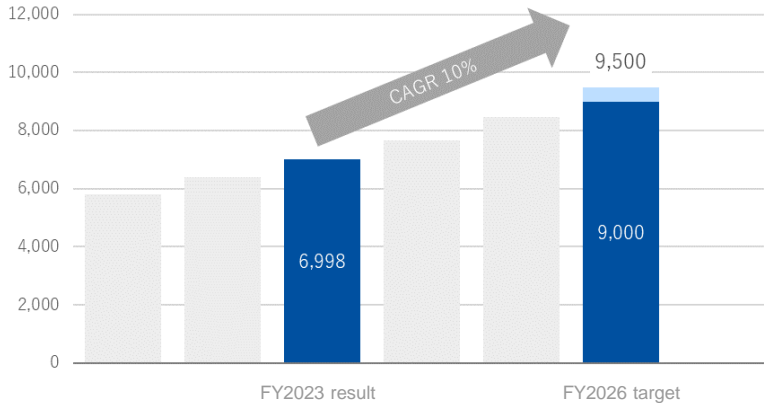
(Millions of yen)

	FY2023 results	FY2026 targets
Net sales	6,998	9,000-9,500
Operating profit	725	1,300-1,600
Operating profit margin	10.4%	14.4%-16.8%

Main targets

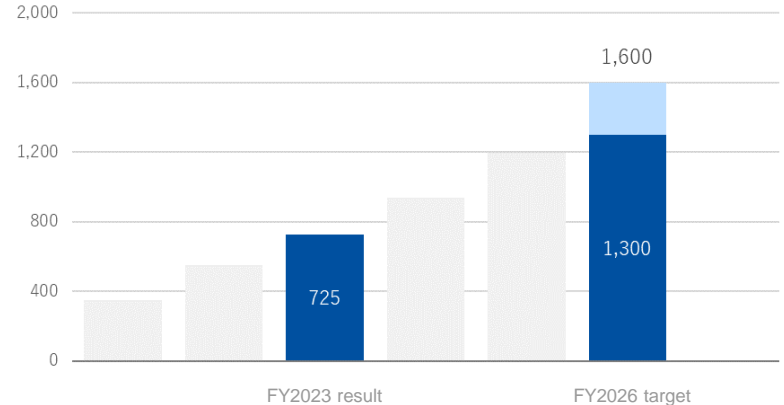
Net sales

(Millions of yen)



Operating profit

(Millions of yen)



(2) Shareholder Returns

- The Company considers returning profits to shareholders as one of the key management priorities, in addition to continuously increasing its corporate value. We still strengthen shareholder returns more than ever

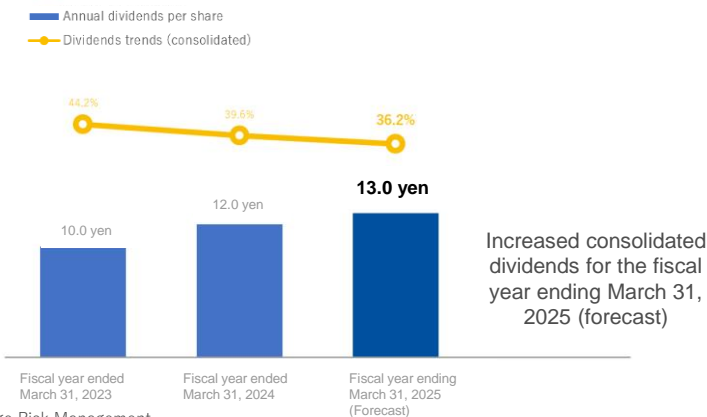
Change in dividend policy

- After reviewing the existing payment of consolidated dividends of 30-35%, **payment of consolidated dividends will be revised to 35% or more**
- The future basic policy is to stably and continuously pay dividends, comprehensively taking into consideration financial results for each fiscal year, financial position, and future business development

Acquisition of treasury shares

- We will acquire treasury shares with the aim of enhancing shareholder returns and improving capital efficiency

[Trend in dividends]



[Details of the current acquisition]

■ Details of matters regarding acquisition

- (1) Type of shares to be acquired
- (2) Total number of shares that can be acquired
- (3) Total acquisition price of shares
- (4) Acquisition period

Common shares of the Company
1,000,000 shares (maximum)*
600,000,000 yen (maximum)
May 20, 2024-December 30, 2024

■ Details of matters regarding cancellation

- (1) Type of shares to be cancelled
- (2) Number of shares to be cancelled
- (3) Scheduled date of cancellation

Common shares of the Company
Total number of treasury shares acquired**
January 31, 2025

* Percentage of total number of issued shares (excluding treasury shares): 5.88%

**The number of cancelled shares is planned to be announced again after the acquisition of treasury shares is completed

Disclaimer

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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.

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