modis

PRESS RELEASE

Modis to Reform HR System in Its Transformation Into Consulting Firm

Promoting Transformation Into an Organization that Encourages Innovation Through Job-Focused Employment, Promotion of Flexible Workstyles, etc.

January 20, 2022

Modis Ltd. (Headquarters: Minato-ku, Tokyo; President and CEO: Kenichiro Kawasaki; hereinafter "Modis"), a technology solution provider and group company of the Adecco Group, the global leader in human resource services, will reform its HR system in order to encourage individual employees to take on challenges and personal development for the realization of their life/career vision, and thereby transform into a company that promotes innovation.

On April 1, 2023, Modis will change its company name to AKKODiS Consulting and the name of its service brand to AKKODiS, and be reborn as a consulting firm that provides end-to-end consulting services to support company innovation.

Modis will also be implementing a new HR system on April 1, in accordance with the start of the new business plan, in order to realize this transformation into an organization that encourages innovation. The HR system reforms, which will be implemented for all employees*, will support the autonomous workstyles and personal development of employees through the following, including the implementation of job-focused employment and changes to the salary/compensation system.

Main Changes to HR System

• Implementation of job-focused employment:

Modis will implement an evaluation/compensation system based on job performance for all employees*, in order to support further personal development amongst employees. The compensation system will also be changed to one that reflects employee achievements, with incentive bonuses conferred to employees who helped drive business transformation, value enhancement, etc., in client companies.

• Allowing remote work from remote locations:

While remote work has already been implemented in Modis, with approximately 80% of employees* working remotely at this time, it has thus far been limited to within the commuting distance established by the company. From April 1 onwards, however, Modis will allow remote work from remote locations beyond commuting distance, thereby encouraging flexible and autonomous workstyles amongst employees.

• Expansion of career development support:

Modis will strengthen personnel development in order to have consultants learn consulting skills in upstream areas, and train engineers with the skills to develop high-level, cutting-edge technologies, while expanding opportunities for reskilling/upskilling in employees other than consultants and engineers, and thereby accelerating growth as an organization.

• Average base salary increases of 7.3% for new graduate starting salaries:

Modis will implement an average base salary increase of 7.3% as part of this new HR system, in order to strengthen the company's competitiveness in acquiring personnel in the market. The starting salary for new graduates entering the company in April 2023 will be increased by 18% a month, and a new salary scale will be implemented that will offer new graduates entering as high-level professionals 8-10 million yen annually, equivalent to a managerial position.

Modis aims to contribute to the development of society as a whole through the development of engineering abilities, under its philosophy to "Pursue the maximization of human and societal happiness and potential through the creation and development of personnel."

*Excludes employees working at client companies.

About Modis Ltd.

Modis Ltd. is a member of the Adecco Group, a global leader in human resource services, and is one of Japan's largest technology solution providers with over 9,000 engineers and consultants. The combined IT and engineering expertise brings a unique end-to-end solution offering, with four service lines: Consulting, Solutions, Talent, and Academy. Modis contributes to the development of smart industries with its technologies and problem-solving capabilities and strives to realize a society where individuals and organizations can thrive. As of April 1, 2023, Modis will change its company name to AKKODiS Consulting Ltd. and its business brand name to AKKODiS.

<Modis website> <u>https://www.modis.co.jp</u>

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