This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

[To whom it may concern]

November 18, 2024

Company Name: ROXX, Inc.
Representative: Nakajima Taro
Representative Director and Chief Executive Officer
(TSE Growth Code No. 241A)
Contact: Hiroki Yamada
Director and Senior Vice President of Corporate

TEL: +813-6777-7083

Notice Regarding Correction of
Presentation Material for FY2024 Financial Results

ROXX, Inc. (the Company) hereby announce the correction of its "Presentation Material for FY2024 Financial Results" announced on November 13, 2024.

1. Reason for Correction

   The Company has found an error in "Presentation Material for FY2024 Financial Results" and correction has been made.

2. Details of Correction

Corrected pages are as below. Corrected details have been framed in red.

① Page 20 Financials - Quarterly
② Page 39 Summary of FY2025 Full-year Forecast
③ Page 40 Assumptions for FY2025 Full-year Forecast

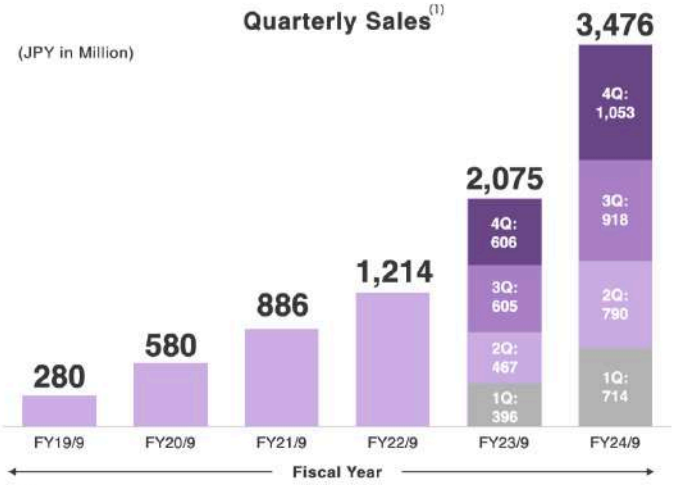
① Page 20 Financials - Quarterly

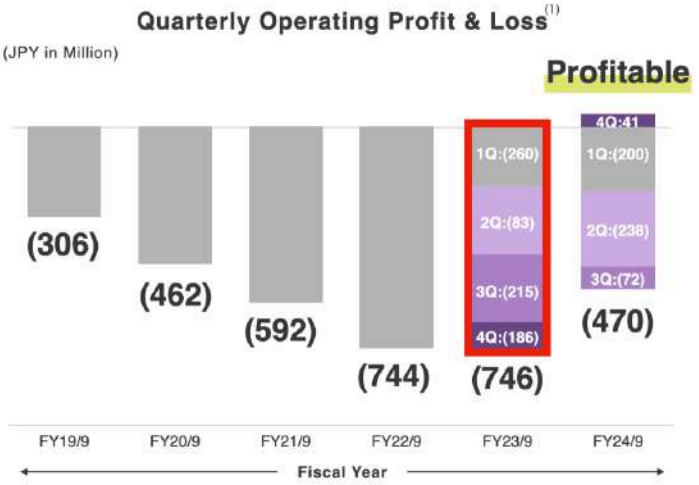
【Before Correction】

Financials - Quarterly

ROXX

FY2024 Q4 sales has maintained a high growth rate of +73.8% YoY and operating profit has turned "Positive", in line with our revised upward forecast. However, plan on continuing "Strategic Investments" for future sales growth





Note:
(1) Financial figures are rounded down and KPIs are rounded off

【After Correction】

Financials - Quarterly

ROXX

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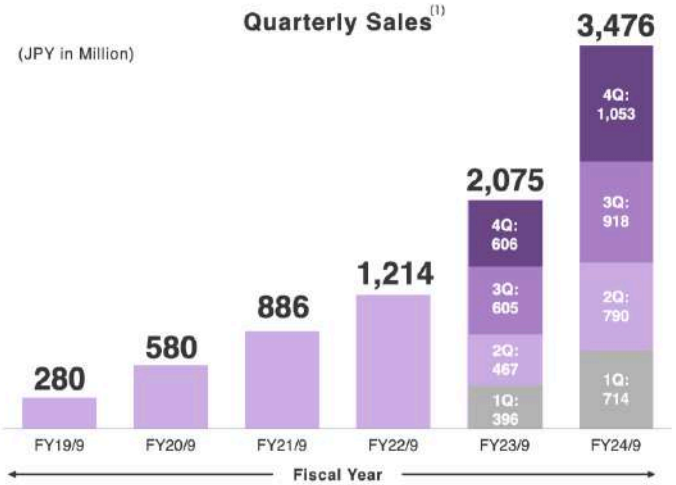

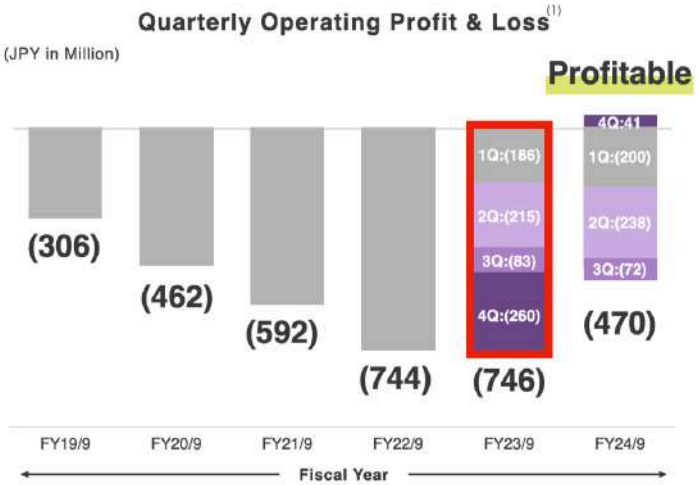

Note:
(1) Financial figures are rounded down and KPIs are rounded off

② Page 39 Summary of FY2025 Full-year Forecast

【Before Correction】

Summary of FY2025 Full-year Forecast

ROXX

(JPY in Million)	FY2024 Full-year	FY2025 Full-year Forecast	YoY
Sales	3,476	5,235	+50.6%
Sales Growth Rate	67.5%	51.4%	▲16.1pt
Cost of Sales	496	1,002	+102.0%
Cost of Sales Margin	14.3%	19.1%	+4.8pt
Gross Profit	2,980	4,232	+42.0%
Gross Profit Margin	85.7%	80.9%	▲4.8pt
Selling, General and Administration	3,450	4,428	+28.3%
Selling, General and Administration Margin	99.2%	84.6%	△14.6pt
Operating Profit & Loss	(470)	(195)	
Operating Profit & Loss Margin	(13.5)%	(3.7)%	+9.8pt
Ordinary Profit & Loss	(497)	(232)	
Net Profit & Loss Before Income Tax	(497)	(231)	
Net Profit & Loss	(499)	(236)	

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【After Correction】

Summary of FY2025 Full-year Forecast

ROXX

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③ Page 40 Assumptions for FY2025 Full-year Forecast

【Before Correction】

Assumptions for FY2025 Full-year Forecast

ROXX

Item	Forecast Assumptions
Sales	• Does not include sales contribution from mass-advertisement
Cost of Sales	• Mainly personnel and outsourcing cost, research outsourcing cost
Selling, General and Administration	• Mainly personnel and outsourcing cost, advertising and promotion cost and other cost • Production and broadcasting cost of Approx, JPY 0.5 Billion associated to mass-advertisement to be spent in the first half of FY2025
Non-operating Cost	• Mainly interest expense and credit card rewards
Corporate Tax, Resident Tax and Business Tax	• Deferred tax asset of Approx. JPY 1.1 Billion (As of Sept. 2024)

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【After Correction】

Assumptions for FY2025 Full-year Forecast

ROXX

Item	Forecast Assumptions
Sales	• Does not include sales contribution from mass-advertisement
Cost of Sales	• Mainly personnel and outsourcing cost, research outsourcing cost
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Non-operating Cost	• Mainly interest expense and credit card rewards
Corporate Tax, Resident Tax and Business Tax	• Carried-forward tax losses of Approx. JPY 2.2 Billion (As of Sept. 2024)

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Presentation Material for FY2024 Financial Results

November 13, 2024
ROXX, Inc.

Disclaimer

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- This material includes forward-looking statements. Forward-looking statements are predictions about the future that reflect management's judgment based on currently available information as of the draft date of this material. As such, these forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from those expressed in or suggested by the forward-looking statements.

- Changes in the domestic and international economic situation, and trends in the industries in which the Company operates (not limited to those expressed in) might cause actual results to differ materially from those expressed in or suggested by the forward-looking statements.

- The information contained herein on companies other than the Company is based on public information or sources. The Company has not independently verified the accuracy and appropriateness of such data and indicators used herein, nor assume any responsibility for the accuracy and appropriateness of such data and indicators presented in this document.

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Today's Presenter



Representative Director and Chief Executive Officer

Taro Nakajima

Prior to Founding : Inspired by hard rock from the 70s & 80s such as TheRollingStones, Led Zeppelin, Aerosmith, Guns N'Roses, MotleyCrue, but unsuccessful in debut as a rock star

2013 : Founded **ROXX** while in college

2015 : Dropped out of college



Vice President and Chief Financial Officer

George Yoshimoto, CPA

2013 : Joined **MUFG Bank**'s LBO Finance Team

2017 : Joined **Lazard Frères**'s M&A Advisory Team

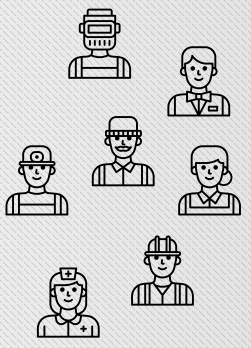
2020 : Founded a **Food-tech Company**（M&A Exit to Listed Company）

2023 : Joined **ROXX** as Chief Financial Officer

Business Overview

ROXX

ROXX aims to enhance the earning power of Japan's bottom of the pyramid through full-time employment of the non-desk workers



Job Seeker

Trying to become full-time

- Temporary Worker
- Spot/Part-time
- Middle/High School Graduates
- Contractual Worker

Seeking for better pay and environment

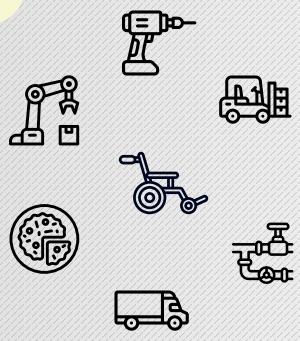
ROXX

Zキャリア　back check

Trying to hire full-time

- Construction
- Manufacturing
- Restaurant
- Nursing
- Logistics

No degree, skill and experience required



Hiring Company

- Hardship of living due to low income
- Lack of substantial support for full-time
- Insufficient information on full-time employment opportunities

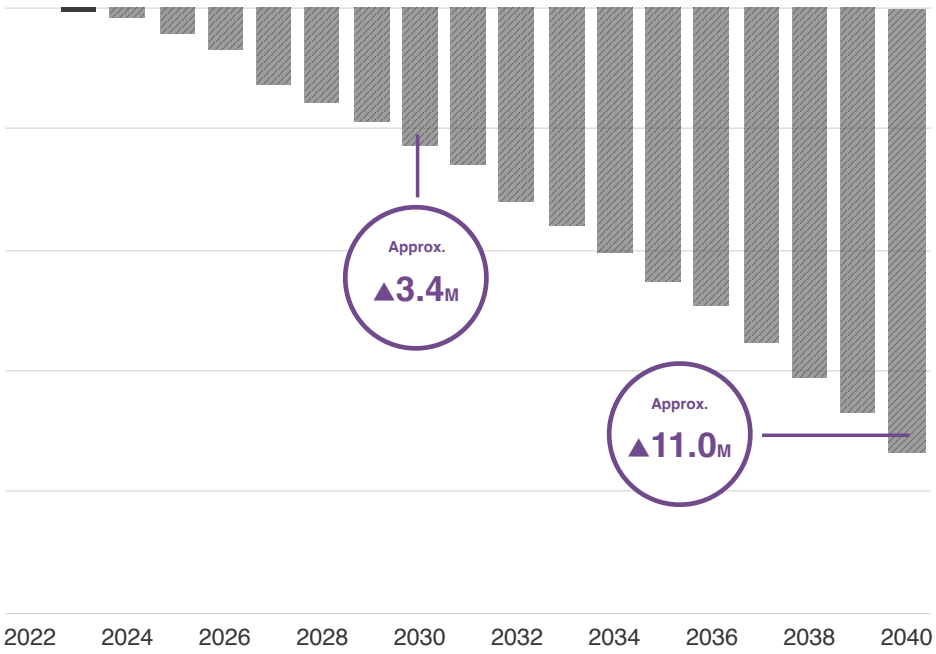
To enhance the earning power by resolving labor market issues

- Declining labor population
- Difficulty in digitizing non-desk work
- Rising compliance risks

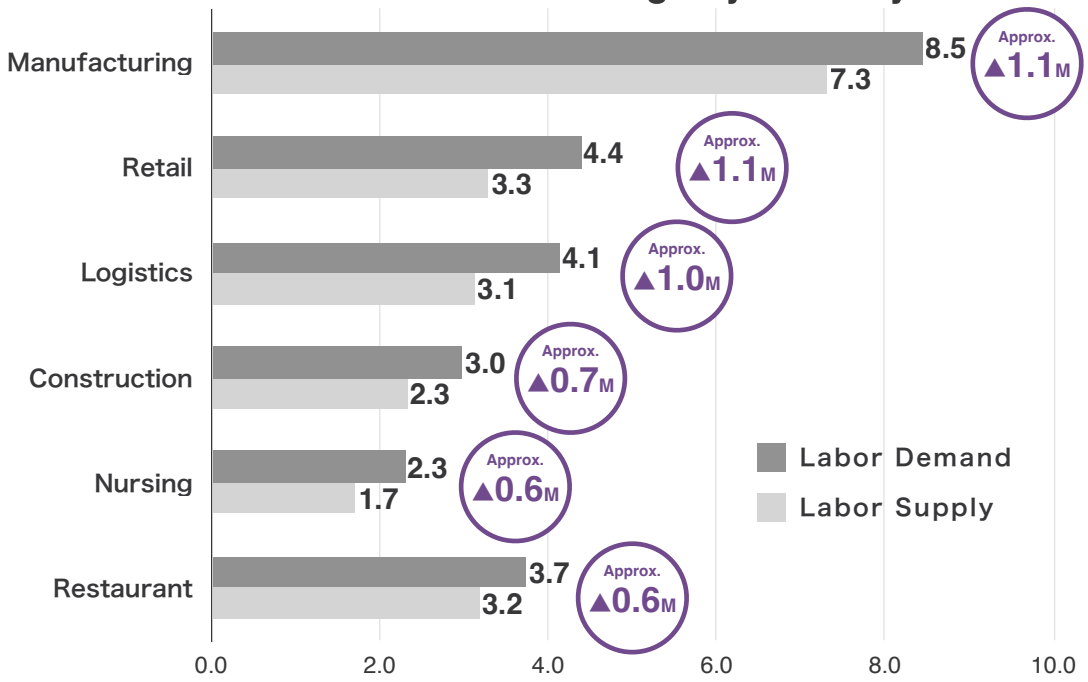
ROXX

Labor shortage is becoming a social problem as the workforce in Japan decreases, by 2040 non-desk workers segment is forecasted to suffer from a chronic labor shortage

Labor Demand & Supply Simulation (1)



Potential Labor Shortage by Industry (1)



Source:
(1) Recruit Works Institute、"Future Predictions 2040"

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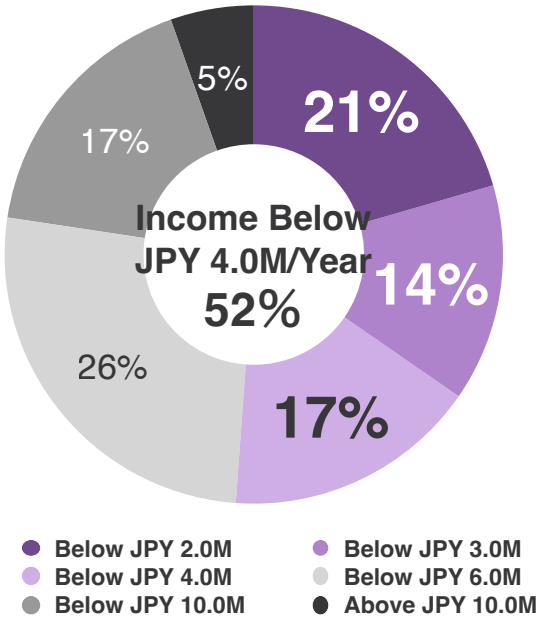
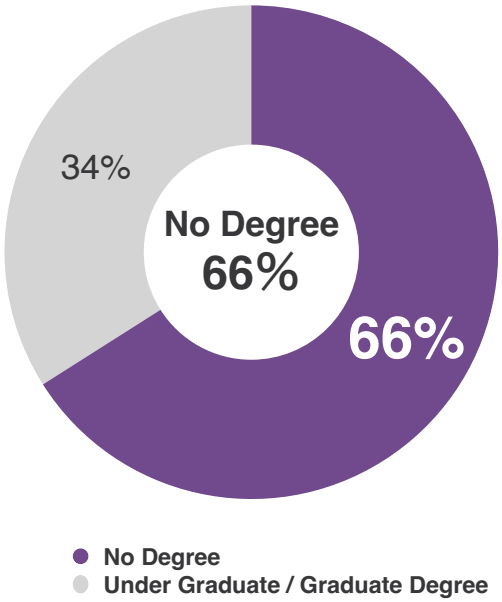
Majority of the income earners (25.9M)[3] are below the income grade of JPY 4.0M/Year and remain non-core placements by the traditional recruitment agencies due to lack of work experience

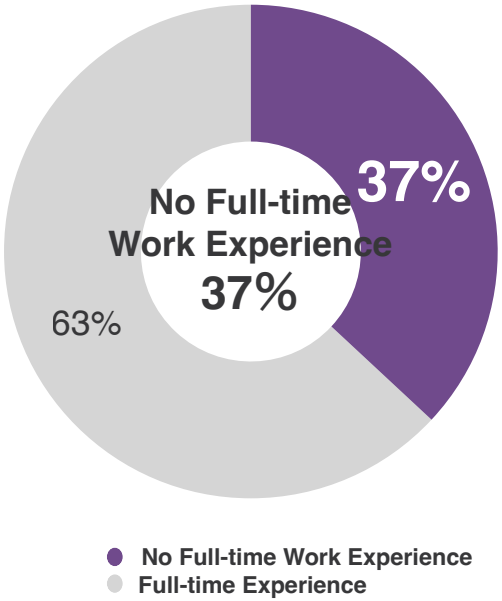
Income Earners by Income Grade[1]



Workforce by Education[2]



Workforce by Experience[2]



Source:
(1) National Tax Agency, "Statistical Survey of Actual Status for Salary in the Private Sector 2022"
(2) Ministry of Internal Affairs and Communications, "Annual Report on the Labour Force Survey 2022"
Note:
(3) Aggregation of the Number of Income Earners of Salary and Pension below the Income Grade of JPY4.0M/Year

Zキャリア

Recruiting Platform for Non-desk Workers



※ Product Image for Illustration Purposes Only

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Z Career provides non-desk workers with a recruitment platform and unique in opening up the platform to partner recruitment agencies



Note:
(1) Number of Job Listings includes the Job Listings of “doda” through the Capital & Business Alliance with Persol Career

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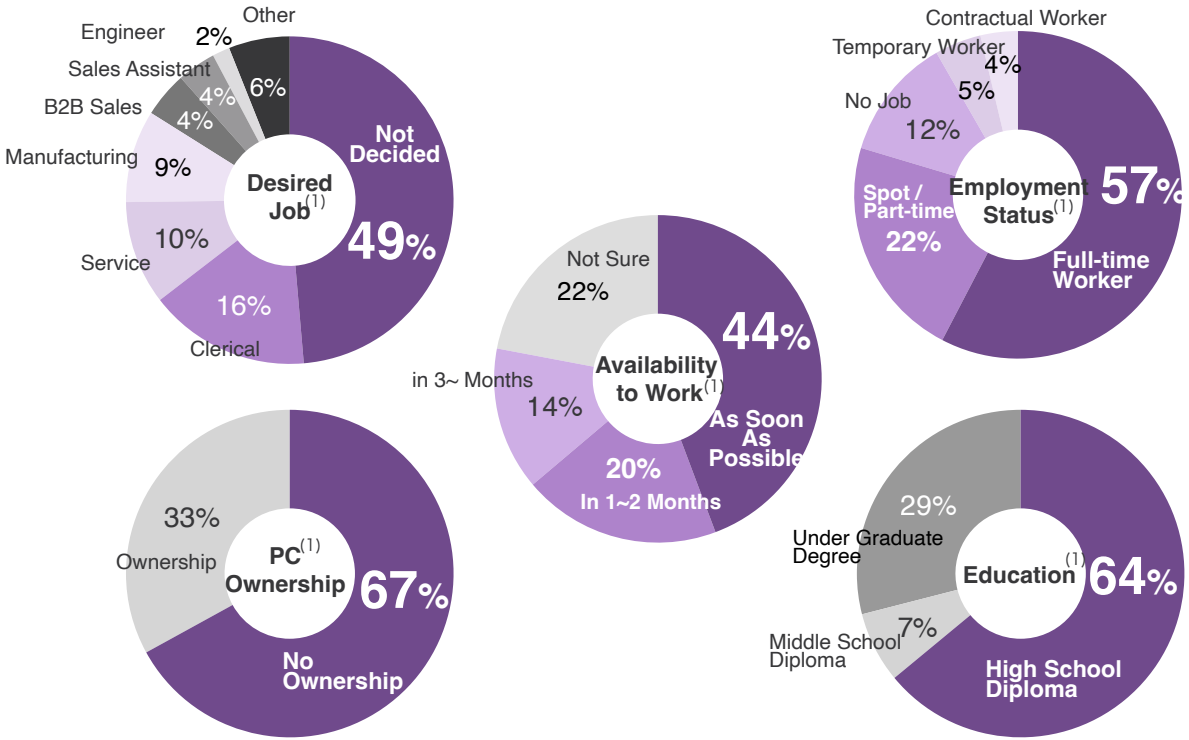
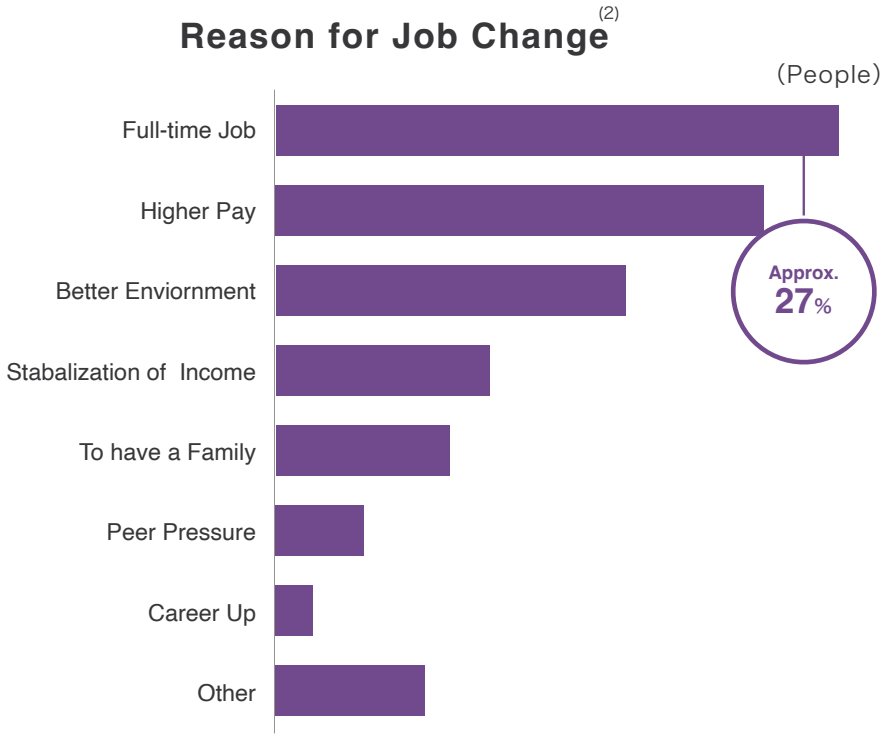
Job seekers are mainly in their teens with income grade of JPY2.0M/Year and has no degree or experience, seeking to land a stable full-time employment with better pay and schedules





Note:
(1) Based on Z Career Placement Data (August 2024, n= 94,548)
(2) Based on Z Career Questionnaire (October 2023 ~ March 2024, n=920)

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Job Seekers struggle to decide on the industry and job to pursue on their own and find the hurdle of submitting a CV/ Resume and successfully passing a job interview to be high

Not Sure How to Choose a Job



- No strong career aspirations
- Emphasis more on the life style (Days-off and Over-time) than career
- Cautious of unknown industries and work

Unsuccessful at Screening/Interview



- Struggle to understand the job through the job descriptions
- Does not own a personal computer and have difficulties preparing a CV/Resume
- Never taken a job interview

No Luxury in Time and Cash



- Have difficulties scheduling an interview due to irregular days-off
- Unable to pay for the transportation
- Mentally and financially full living day-to-day

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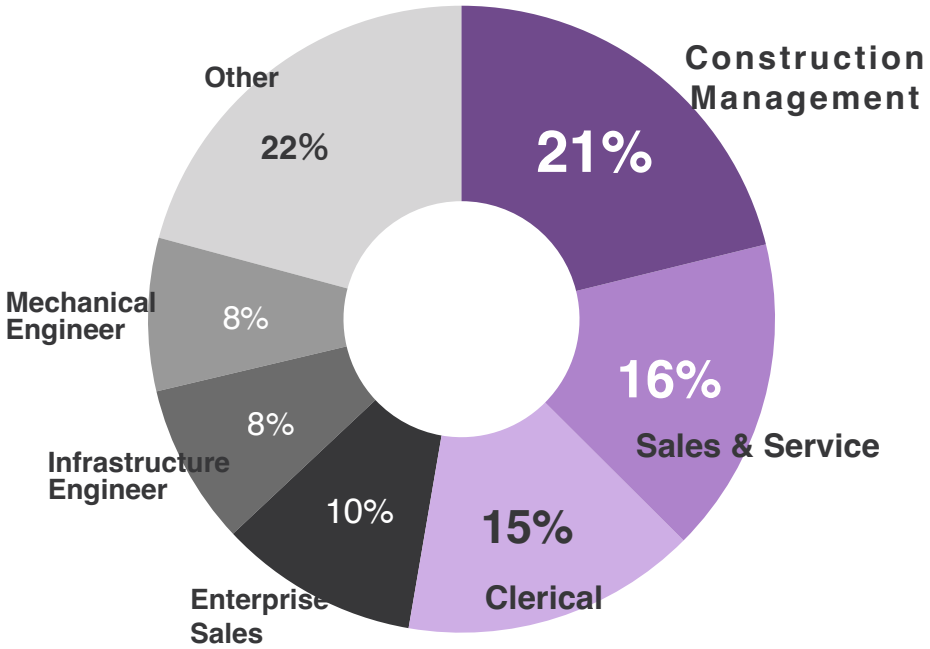
Diverse placement portfolio with “Construction Management”, “Sales & Service” and “Clerical” being top three and occupation with a clear path for continuous progression though skill acquisition tend to be popular

Placement Share by Occupation[(1)]



Top 5 Occupation by Hiring Volume	Annual Hiring Volume of Top Company
❶ Mechanical Engineer	Approx. 2,400 People
❷ Infrastructure Engineer	Approx. 2,200 People
❸ Construction Management	Approx. 2,000 People
❹ Security Service	Approx. 1,200 People
❺ Sales & Service	Approx. 1,000 People

Top Clients :

OPEN UP　株式会社ハイデイ日高　ManpowerGroup　SBS ゼンツウ For Your Dreams.

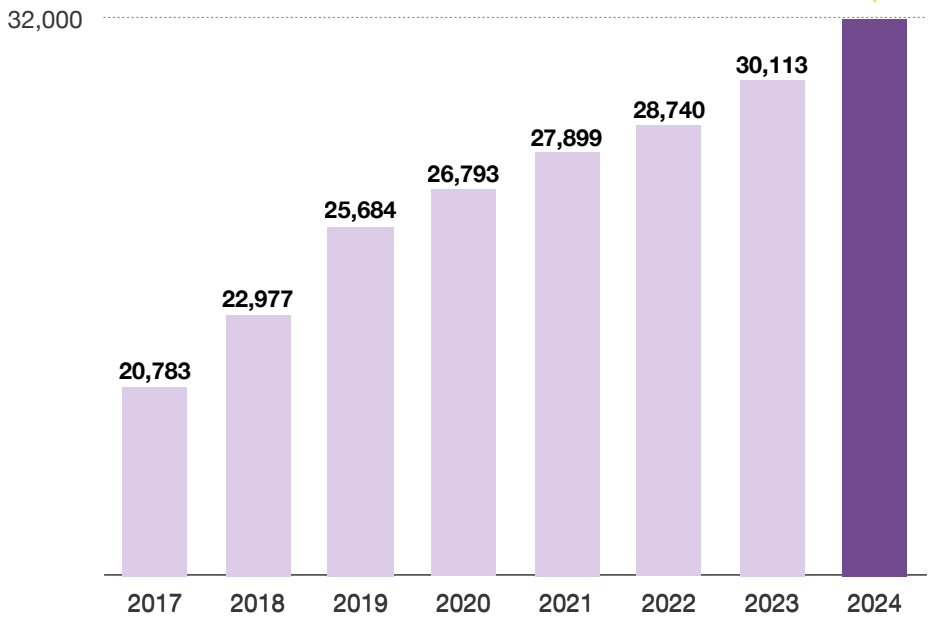
Note:
(1) Based on Z Career Placement Data (April 2023 ~ March 2024)

ROXX

More than 30 thousand Recruitment Agencies have a government permit. However, most of them are SMEs and struggle to gather both Job Seekers and Job Listings of Large Enterprises

Number of Recruitment Agency Office

As of September, 2024
31,986 (1) Offices



Source:
(1) Ministry of Health, Labor and Welfare "Human Resources Service General Site"

Mostly Newly Established SMEs (1~5 Employees)

Pain

1. No Know-how of Recruitment Agency
2. No Job Listings of Large Enterprises
3. No Job Seekers

Solution

1. Support Strategic Planning
2. Provide Job Listing Database
3. Supply Job Seekers



Track Record of Z Career

ROXX

Solid track record of enhancing the earning power of the non-desk workers through full-time employment. The dollar amount may not be as big but the change it brings to the non-desk workers life is significant

Average Wage[1] Improvement of Z Career Users

Approx.

JPY2.5M

Approx.

JPY3.1M

User Case Study



Age	23（Female）	
Occupation	Service (Part-time)	Sales (Full-time)
Wage	JPY 2.1M	JPY 3.2M

Dropped out of college for family reasons. Working part-time at a Izakaya but barely making day to day. Seeking for a full-time job within the interest to move out of the parents house.



Age	26（Male）	
Occupation	Mechanical Engineer (Contractual Worker)	Construction Management (Full-time)
Wage	JPY 2.5M	JPY 2.9M

After high school worked as a contractual worker. With the contract coming to an end, seeking for a full-time job. Considering marriage and seeking job with continuous progression.

Note:
(1) Based on Z Career Placement Data (May 2024 ~ August 2024, n=605)

Financial Highlights

ROXX

FY2024 Q4 Results

High sales growth maintained and “Profitable” as forecasted
- Sales: JPY 1,053 Million (YoY:+73.8%)
- Operating Profit: JPY 41Million
- Net Profit: JPY 16 Million

FY2024 Full-year Results

“In-line” with revised upward forecast as of FY2024 Q3
- Sales: JPY 3,476 Million
- Operating Loss: JPY (470) Million
- Net Loss: JPY (499) Million

Mid-term Target

Mid-term target ”To Be Met” no matter the strategic investment outcome
- Sales (FY27/9): Approx. JPY 10.0 Billion
- Operating Profit Margin (FY27/9): Approx. 20%

FY2025 Full-year Forecast

Strategic investment to be carried out as pillars for ”Future Growth”
- Sales: JPY 5,235 Million (YoY: +50.6%)
- Operating Loss: JPY (195) Million
- Net Loss: JPY (236) Million

FY2024
Q4 Results

Summary of FY2024 Q4 Results

ROXX

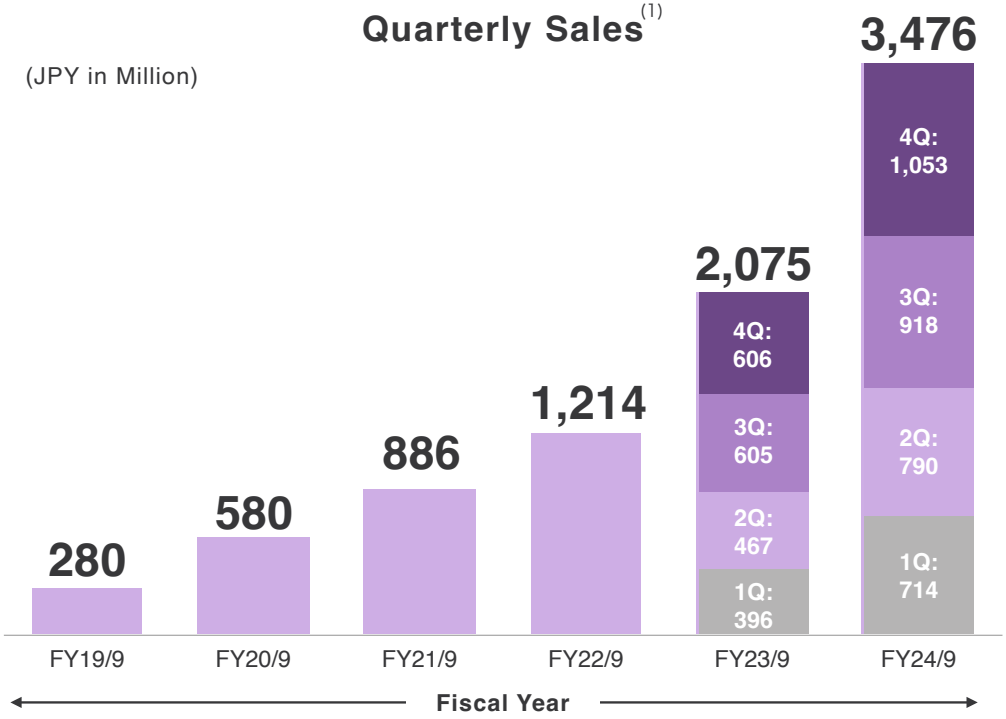
(JPY in Million)	FY2023 4Q	FY2024 4Q	YoY
Sales	606	1,053	+73.8%
Sales Growth Rate	69.3%	73.8%	+4.5pt
Cost of Sales	91	163	+79.1%
Cost of Sales Margin	15.0%	15.6%	+0.6pt
Gross Profit	515	889	+72.6%
Gross Profit Margin	85.0%	84.4%	▲0.6pt
Selling, General and Administration	776	847	+9.1%
Selling, General and Administration Margin	128.0%	80.5%	△47.5pt
Operating Profit & Loss	(260)	41	
Operating Profit & Loss Margin	(43.0)%	4.0%	+47.0pt
Ordinary Profit & Loss	(259)	16	
Net Profit & Loss Before Income Tax	(259)	16	
Net Profit & Loss	(260)	16	

ROXX

FY2024 Q4 sales has maintained a high growth rate of +73.8% YoY and operating profit has turned "Positive", in line with our revised upward forecast. However, plan on continuing "Strategic Investments" for future sales growth

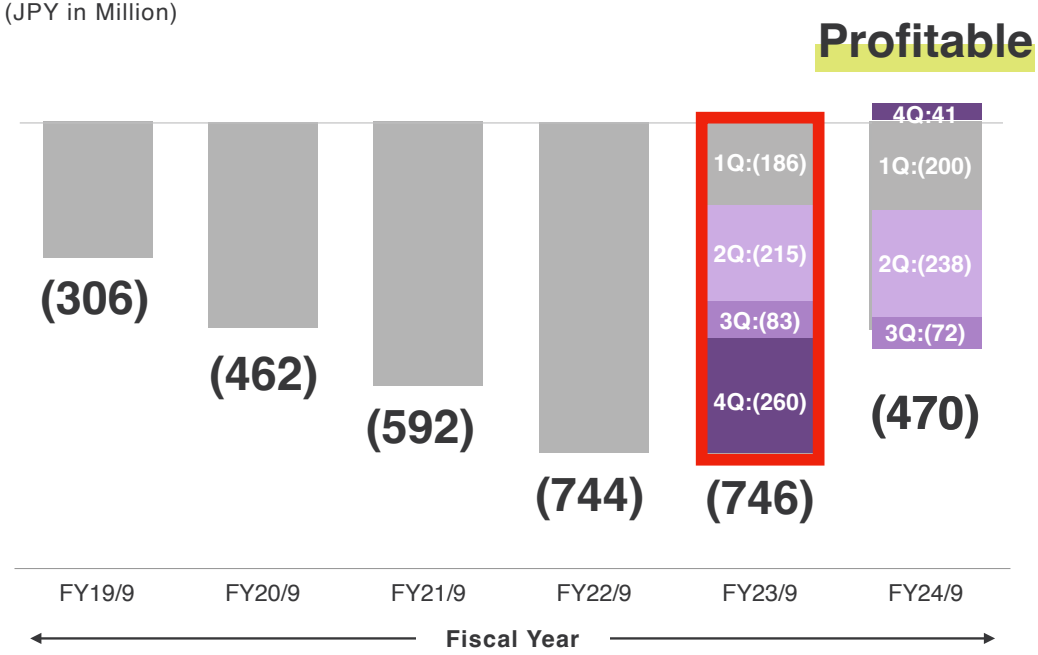
Quarterly Sales[1]

(JPY in Million)



Quarterly Operating Profit & Loss[1]

(JPY in Million)



Note:
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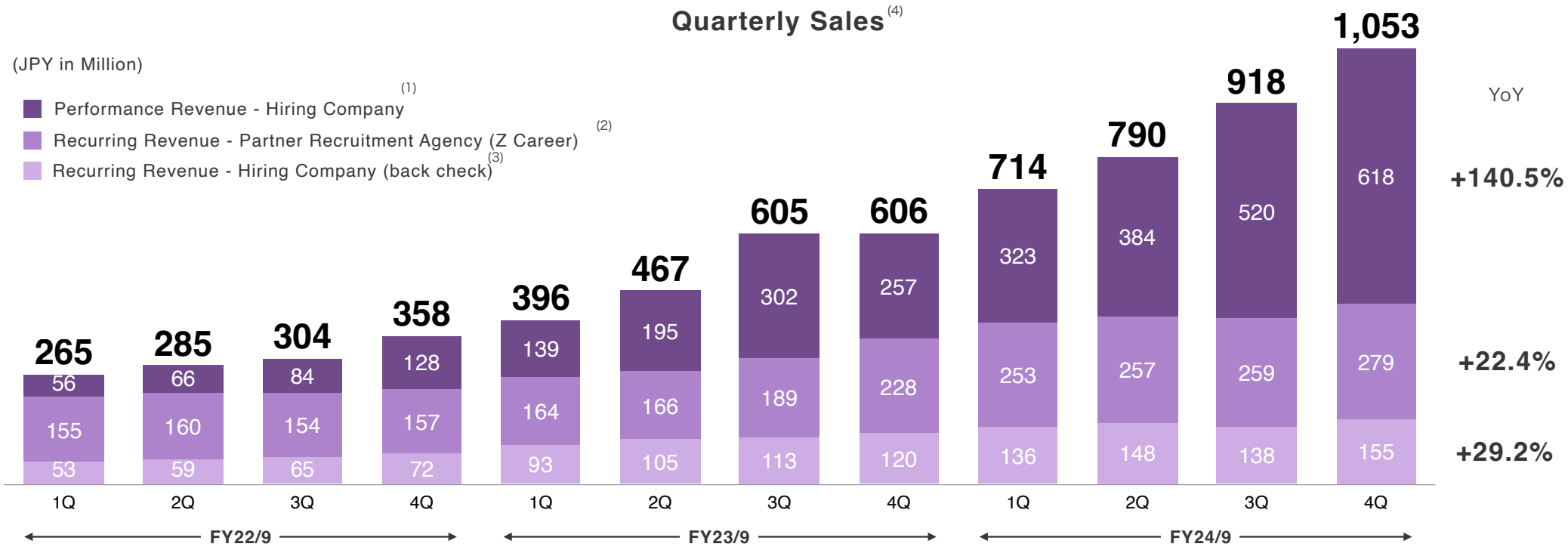
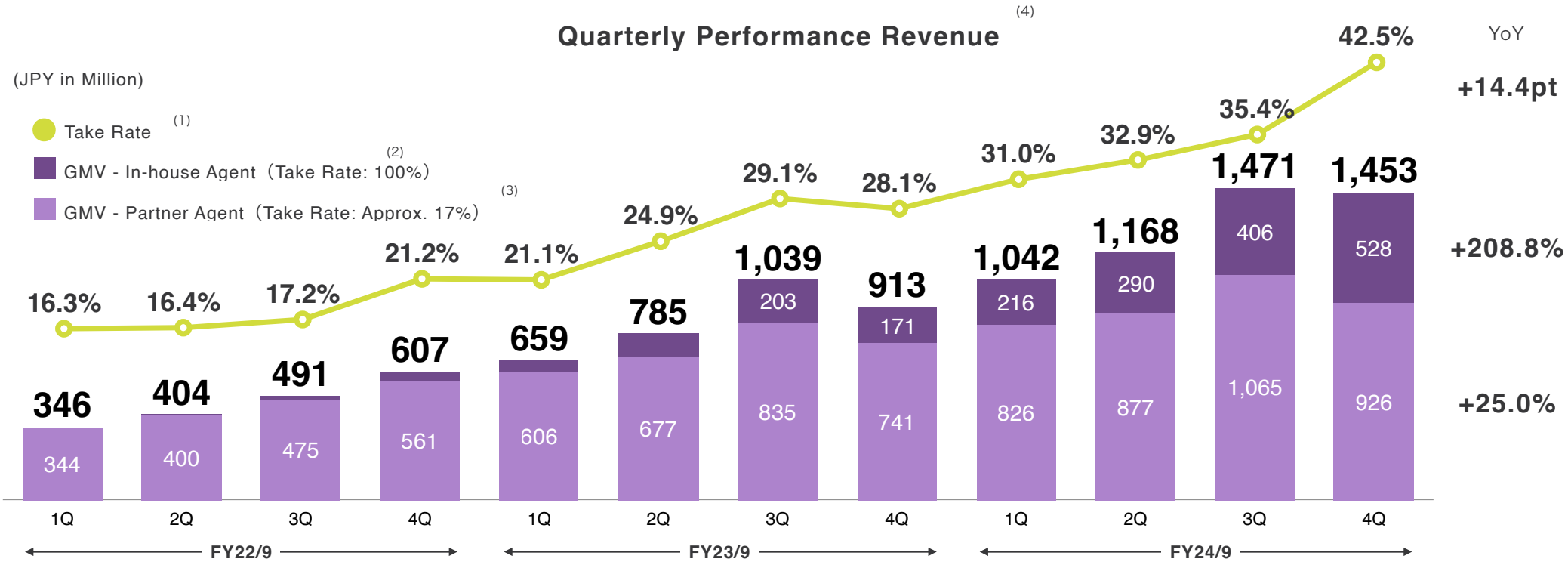
As a key driver for sales growth, performance revenue has leaped approximately 2.4x YoY and in the same period recurring revenue has steadily grown approximately 1.3x YoY



Note:
(1) Recruitment Commission (In-house Agent Only) & Recruitment Administration Fee paid by Hiring Company
(2) Platform Fee（Z Career Platform）paid by Partner Recruitment Agency
(3) Platform Fee（back check）paid by Hiring Company
(4) Financial figures are rounded down and KPIs are rounded off

Performance Revenue - Quarterly

FY2024 Q4 has been a strong quarter despite the seasonality adverse. Take rate has risen +14.4% YoY and GMV has more than doubled in the past two fiscal year, with the expansion of sales from the in-house agent



Note:
(1) Take Rate is calculated by dividing Performance Revenue (Recruitment Commission & Recruitment Administration Fee by In-house Agent and Recruitment Administration Fee by Partner Agent) by Gross Merchandise Value
(2) Gross Merchandise Value consists of Recruitment Commission & Recruitment Administration Fee by In-house Agent
(3) Gross Merchandise Value consists of Recruitment Administration Fee by Partner Agent
(4) Financial figures are rounded down and KPIs are rounded off

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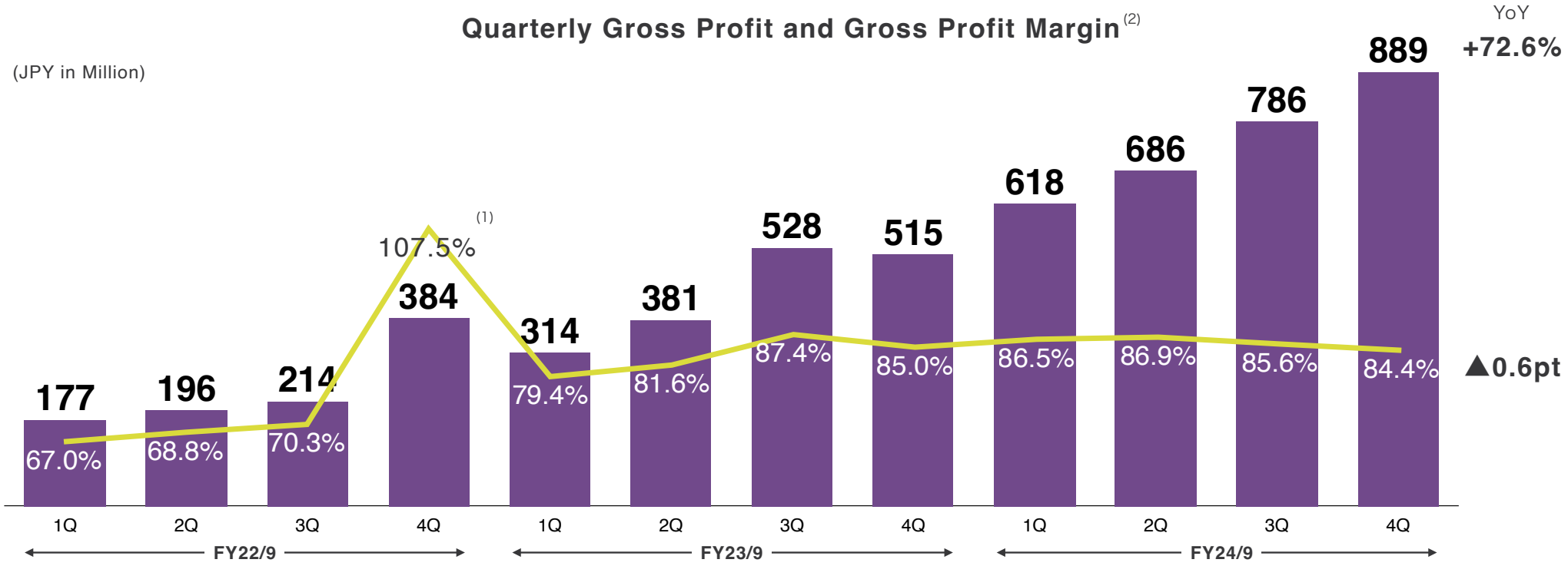
Stable high gross profit margin of roughly 85% as a result of a recruitment platform, unlike traditional recruitment agencies

Quarterly Gross Profit and Gross Profit Margin[2]

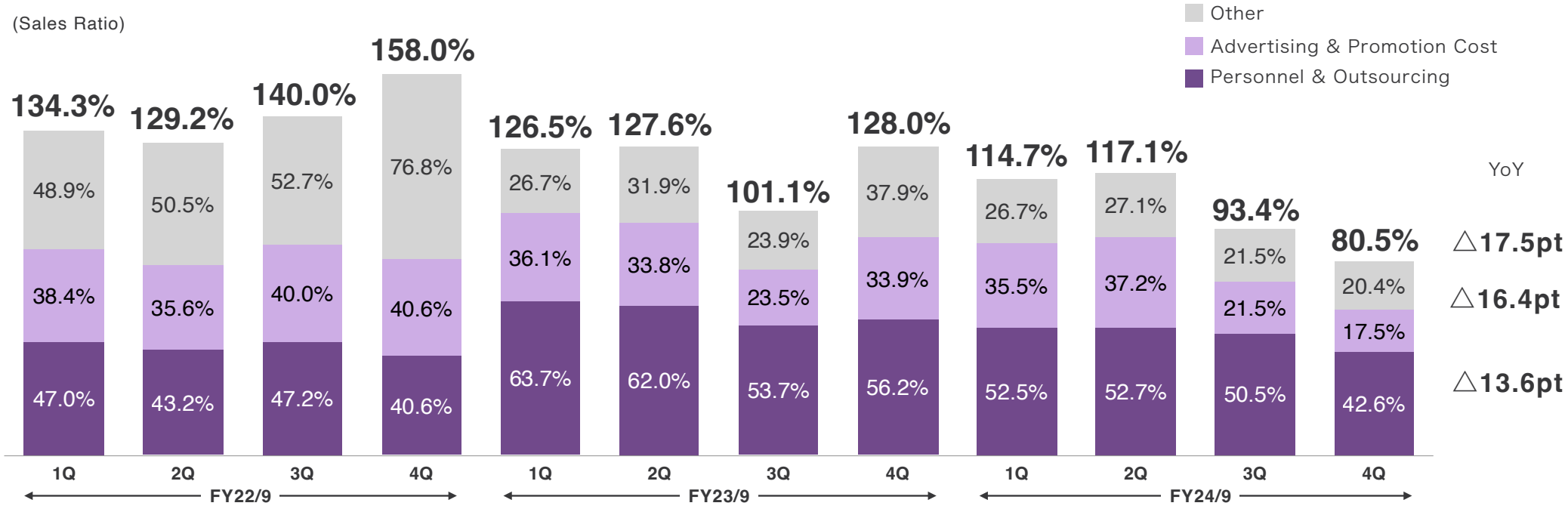


Note:
(1) Due to accounting policy change by Deloitte Touche Tohmatsu LLC, advertising & promotion cost of Q1 to Q4 has been transferred from cost of sales to selling, general and administration
(2) Financial figures are rounded down and KPIs are rounded off

ROXX

Sales ratio of selling, general and administration has steadily improved, shifting towards profit-making phase

Quarterly Selling, General and Administration[(1)]



Note:
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FY2024
Full-year Results

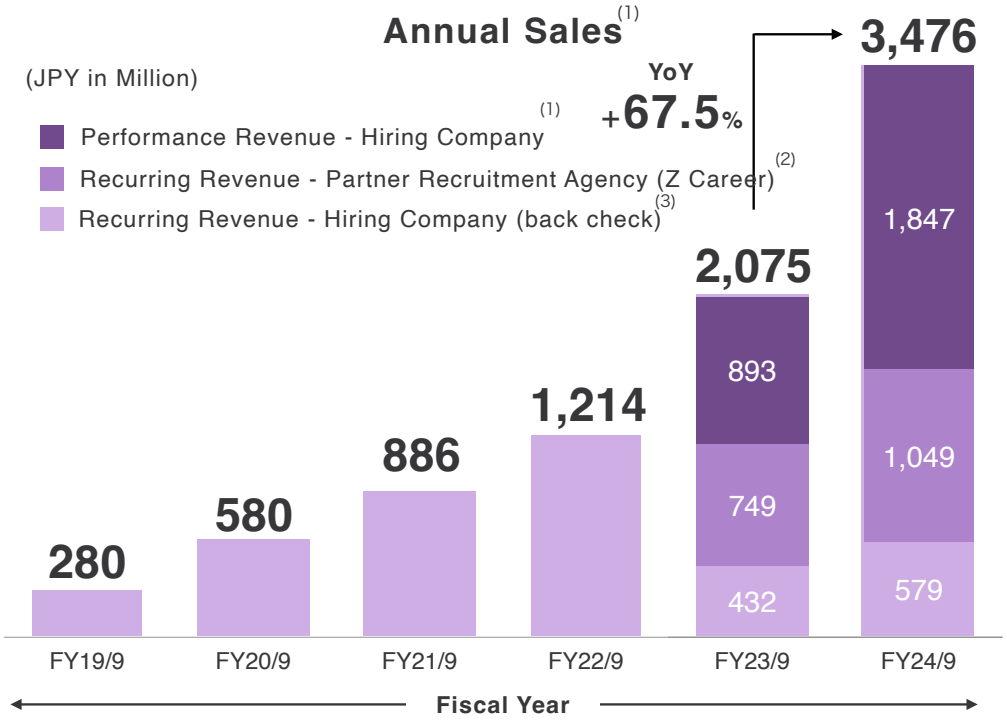
Summary of FY2024 Full-year Results

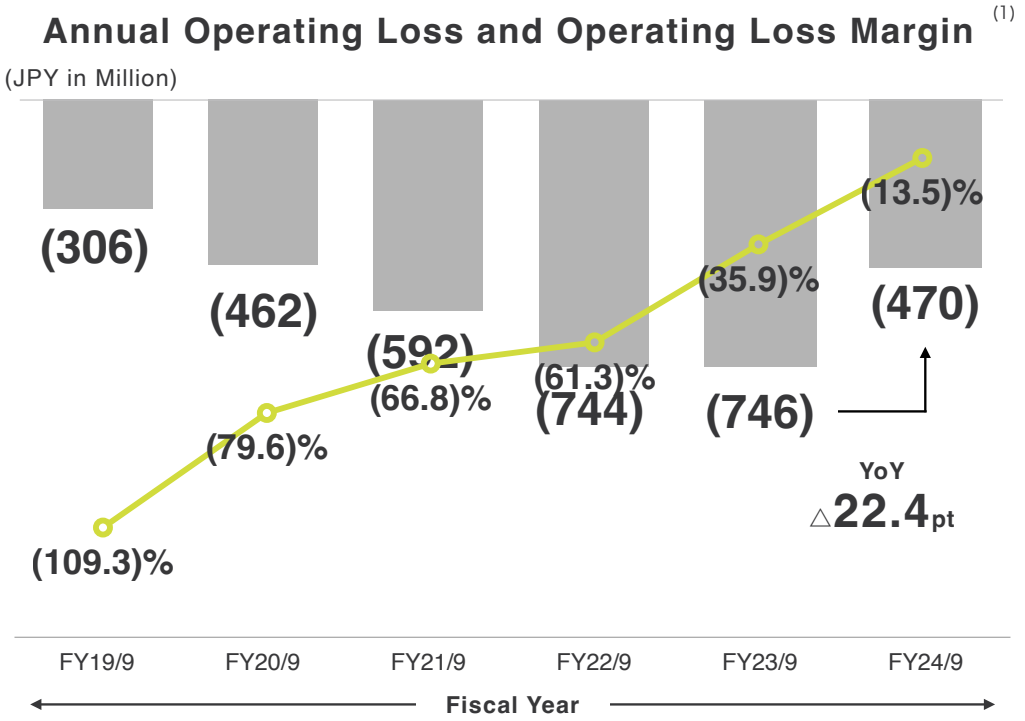
ROXX

(JPY in Million)	FY2023 Full-year	FY2024 Full-year	YoY	Forecast (As of Sept. 2024)	Forecast Progress
Sales	2,075	3,476	+67.5%	3,525	98.6%
Sales Growth Rate	71.0%	67.5%	▲3.5pt		
Cost of Sales	335	496	+48.1%	450	110.2%
Cost of Sales Margin	16.1%	14.3%	△1.8pt		
Gross Profit	1,740	2,980	+71.3%		
Gross Profit Margin	83.9%	85.7%	+1.8pt		
Selling, General and Administration	2,486	3,450	+38.8%		
Selling, General and Administration Margin	119.8%	99.2%	△20.6pt		
Operating Profit & Loss	(746)	(470)		(450)	95.7%
Operating Profit & Loss Margin	(35.9)%	(13.5)%	+22.4pt		
Ordinary Profit & Loss	(742)	(497)		(469)	94.4%
Net Profit & Loss Before Income Tax	(742)	(497)			
Net Profit & Loss	(746)	(499)		(487)	97.6%

ROXX

Sales has grown YoY +67.5% with a progress rate of 98.6%, in-line with our revised upward forecast. In the same period operating loss margin has improved △22.4pt





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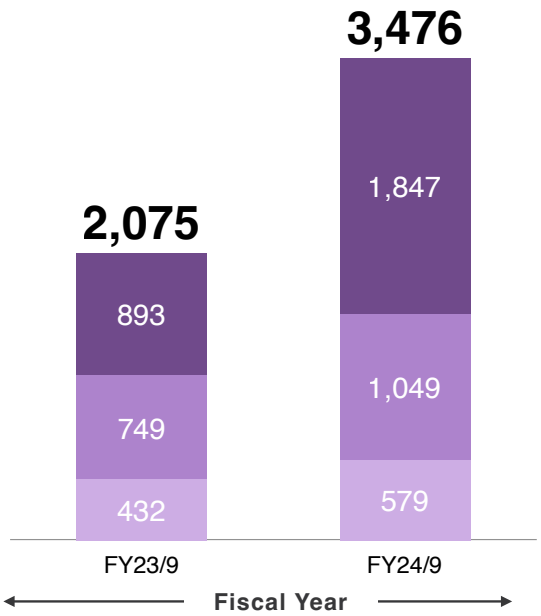
(1) Financial figures are rounded down and KPIs are rounded off

ROXX

Accelerated sales growth from performance revenue with sales growth rate spiking up to +106.8% YoY and at the same time recurring revenue rising +37.8% YoY maintaining the steady growth.

Annual Sales

(JPY in Million)



Main Factors for Change in Annual Sales

Segment	FY23/9	FY24/9	YoY	Main Factors for Change
Performance Revenue - Hiring Company	893	1,847	106.8%	• Aggressive hiring resulting in enhanced sales from in-house agent
Recurring Revenue - Partner Recruitment Agency (Z Career)	749	1,049	40.1%	• Improved number of customer and ARPU
Recurring Revenue - Hiring Company (back check)	432	579	34.0%	• Shift in target customer from SMB to Enterprise, resulting in enhanced ARPU

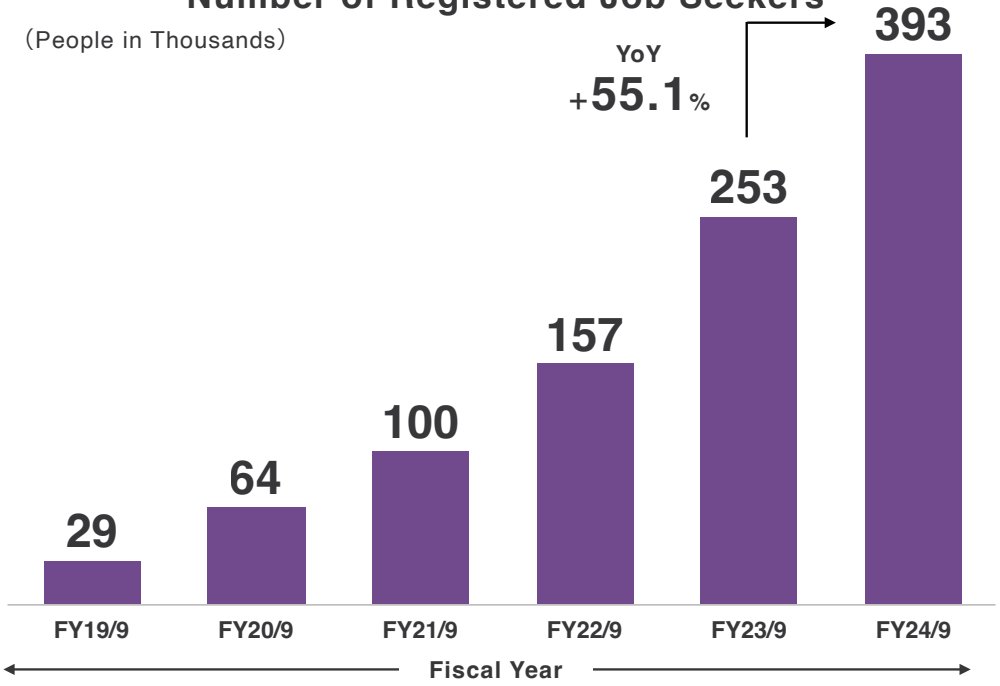
Note:
(1) Recruitment Commission (In-house Agent Only) & Recruitment Administration Fee paid by Hiring Company
(2) Platform Fee（Z Career Platform）paid by Partner Recruitment Agency
(3) Platform Fee（back check）paid by Hiring Company
(4) Financial figures are rounded down and KPIs are rounded off

ROXX

The number of registered job seeker continues to develop and as the market suffers from a chronic shortage of labor, we see gradual growth in the average commission & fee per placement

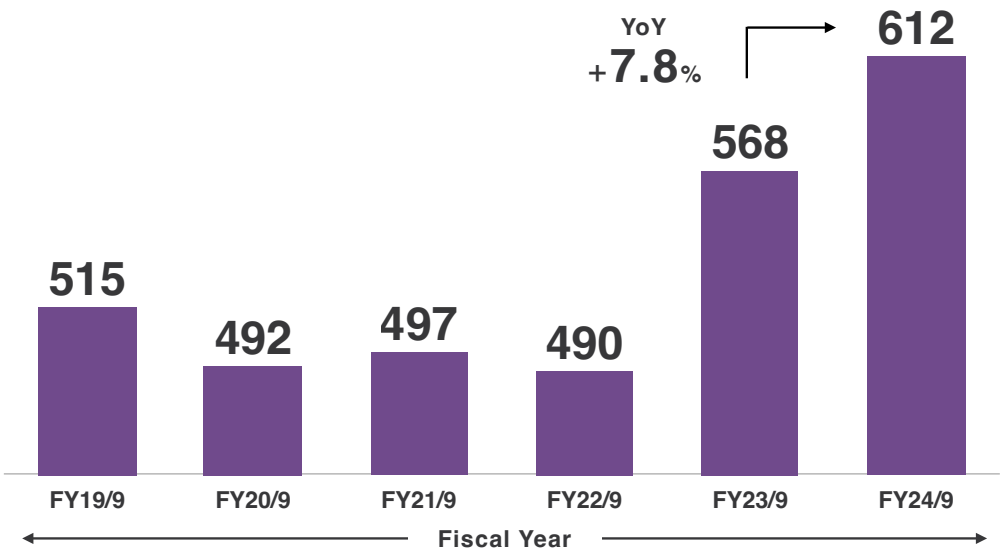
Number of Registered Job Seekers (1)(3)

(People in Thousands)



Average Commission & Fee Per Placement (2)(3)

(JPY in Thousands)

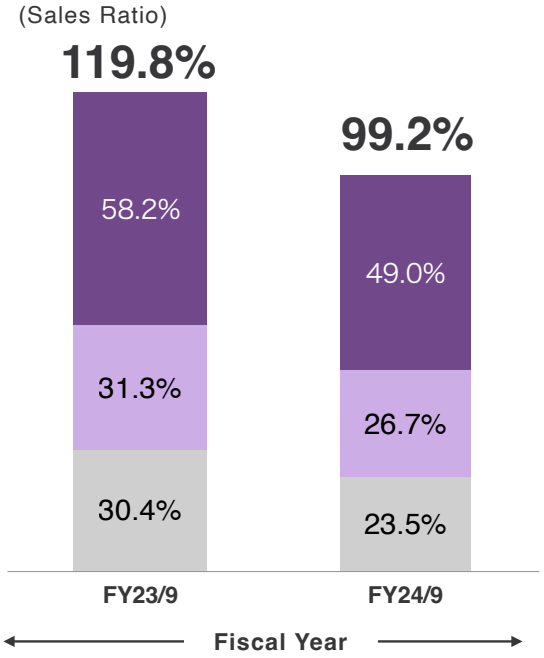


Note:
(1) Cumulative Total of Registered Job Seeker on Z Career (Includes Registered Job Seeker by Partner Recruitment Agency)
(2) Average of Recruitment Commission & Recruitment Administration Fee paid by Hiring Company Per Successful Placement
(3) Financial figures are rounded down and KPIs are rounded off

ROXX

Enhanced labor cost, advertisement cost and rent with business expansion. However, reduced sales ratio as a result of enhanced productivity.

Annual SG&A



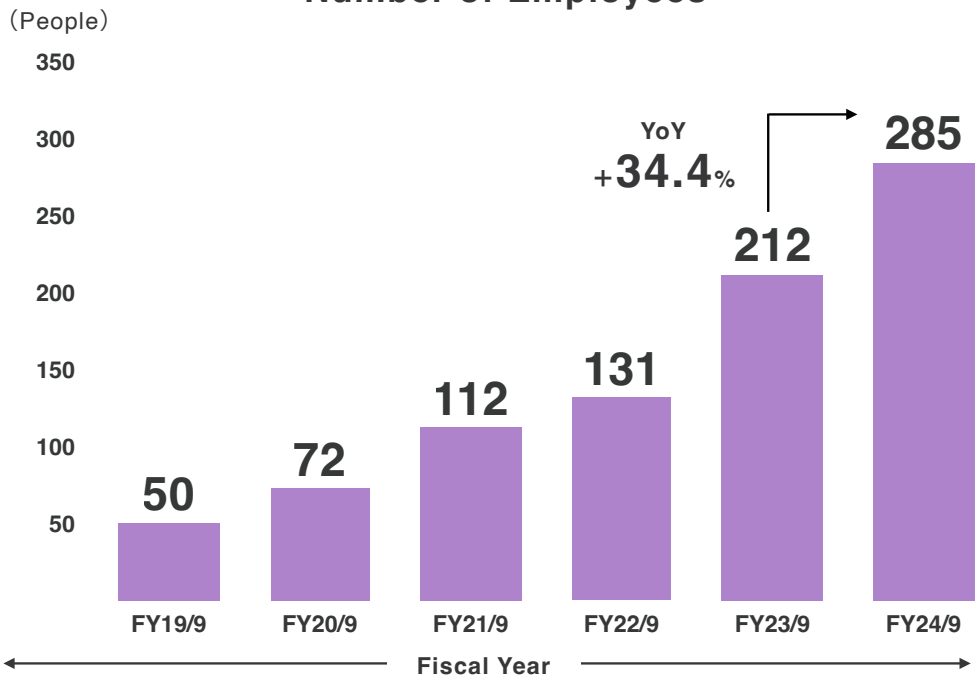
Main Factors for Change in Annual SG&A

Segment	FY23/9	FY24/9	YoY	Main Factors for Change
Personnel & Outsourcing Cost	1,207	1,704	+41.2%	• Increase in headcount with solid hiring progress • Enhanced productivity resulting in less cost growth than sales growth
Advertising & Promotion Cost	648	928	+43.2%	• Increase in advertising & promotion cost with sales growth
Other	630	817	+29.7%	• Increase in rent with office space expansion

Note:
(1) Financial figures are rounded down and KPIs are rounded off

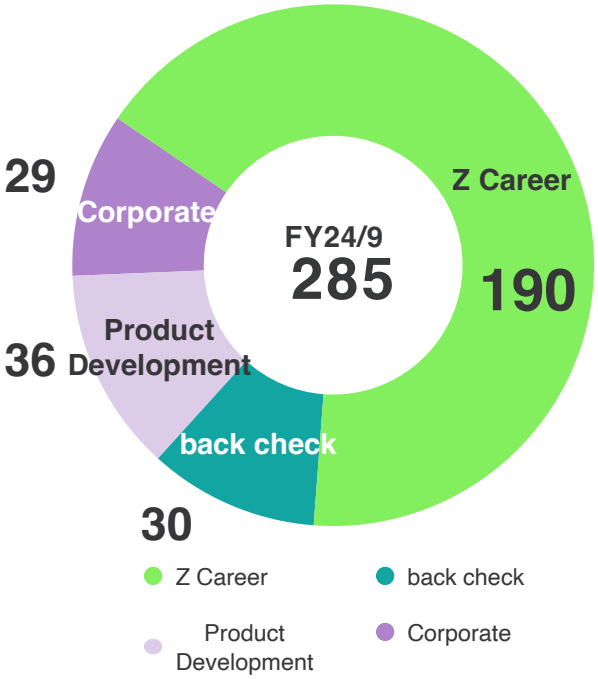
Number of employee has drastically enhanced as a result of expansion in business operation. Corporate and product development team has also been reinforced to support scalability.

Number of Employees[1]



Note:
(1) Excludes temporary workers

Breakdown of Employees by Segment

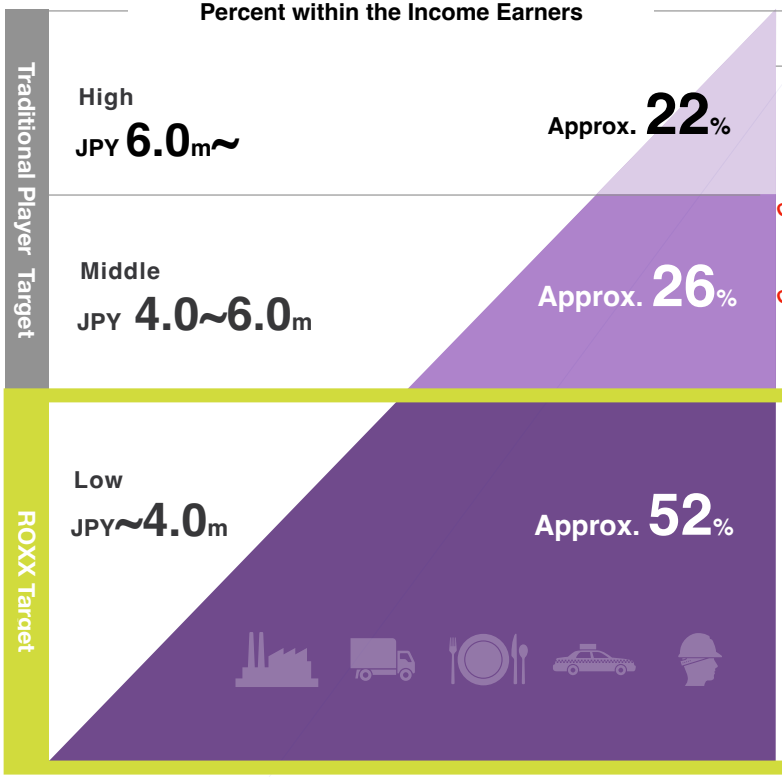


Mid-term Target

Positioning of Z Career

ROXX

Due to the difference in target hiring companies, job requirements and commissions, the emerging non-desk worker market segment is currently not served by the traditional recruitment agencies



Traditional Players	Platformer	Hiring Company Quota	Job Requirements	Commission & Fee
Compay R Capital Alliance パーソル キャリア Capital Alliance マイナビ AGENT	Compay V	1~5 People Per Job Offer	Degree, Skill and Experience Required	30~35% of Job Seekers Wage
Public Employment Service	Zキャリア	More Than 100~ People Per Job Offer	No Degree, Skill and Experience Necessary	Fixed at Approx. JPY 0.6m (1)

Source: National Tax Agency, "Statistical Survey of Actual Status for Salary in the Private Sector 2022"
Note:
(1) Based on FY24/9 Z Career Average Commission actuals

ROXX

Non-desk worker segment of the recruitment market has more than four-times the market size of other segments and is currently under-penetrated with significant potential upside

Recruitment Platform (Non-desk Worker)

Recruitment Agency + Direct Recruiting

Approx.

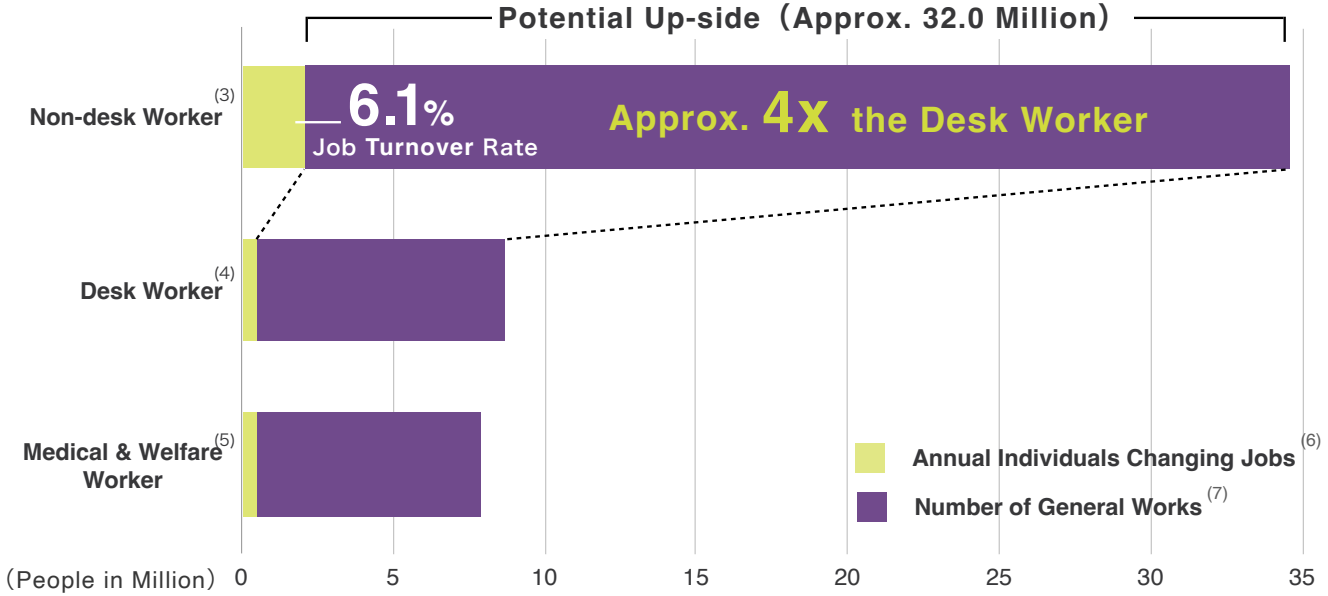
JPY 650 Billion (2)(8)

Current Z Career Sales (FY24/9)

Approx.

JPY 3 Billion

Job Turnover Rate & Potential Upside by Market Segment (2)



Source:
(1) Ministry of Health, Labour and Welfare, “Annual Report on the Labour Force Survey 2022”,
(2) National Tax Agency, ”Statistical Survey of Actual Status for Salary in the Private Sector 2022”
Note:
(3) Other than Telecommunication, Finance, Insurance, Real Estate, Lease, Academic Research, Professional/Technical Service, Learning Support, Medical & Welfare
(4) Telecommunication, Finance, Insurance, Real Estate, Lease, Academic Research, Professional/Technical Service, Learning Support
(5) Medical & Welfare
(6) Job Change to General Workers excluding Part-time Workers
(7) Permanent Workers excluding Part-time Workers
(8) Annual Individuals Changing Jobs (2.1M) multiplied by Income Earners with Less than JPY 4.0M (52.0%) multiplied by Z Career Average Commission JPY 0.6M

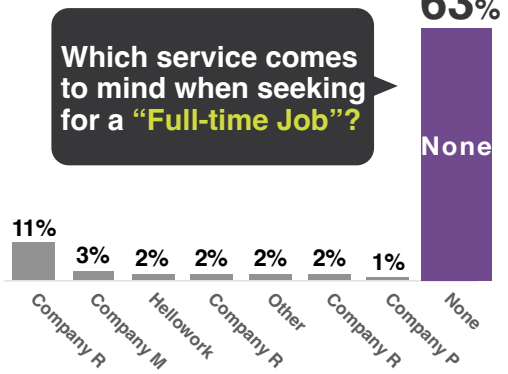
ROXX

Sufficient demand for placement is evident and job seeker acquisition is the key driver for growth. “Mass-advertisement” to as the core strategic investment to enhance awareness

Market Environment

Service for non-desk workers to seek full time employment does not exist[1]

Which service comes to mind when seeking for a “Full-time Job”?



Strategic Investment of Approx. JPY 0.5 Billion

New Year of 2025 Launch of TV CM

Mass-advertisement through TV and streaming service to enhance awareness

TV and Streaming Service

正社員だZ!
Zキャリア

Outdoor advertising and novelty



- Investing in brand awareness of “Z Career for a full-time job”
- To establish the first service position for a full-time job by non-desk worker

Result

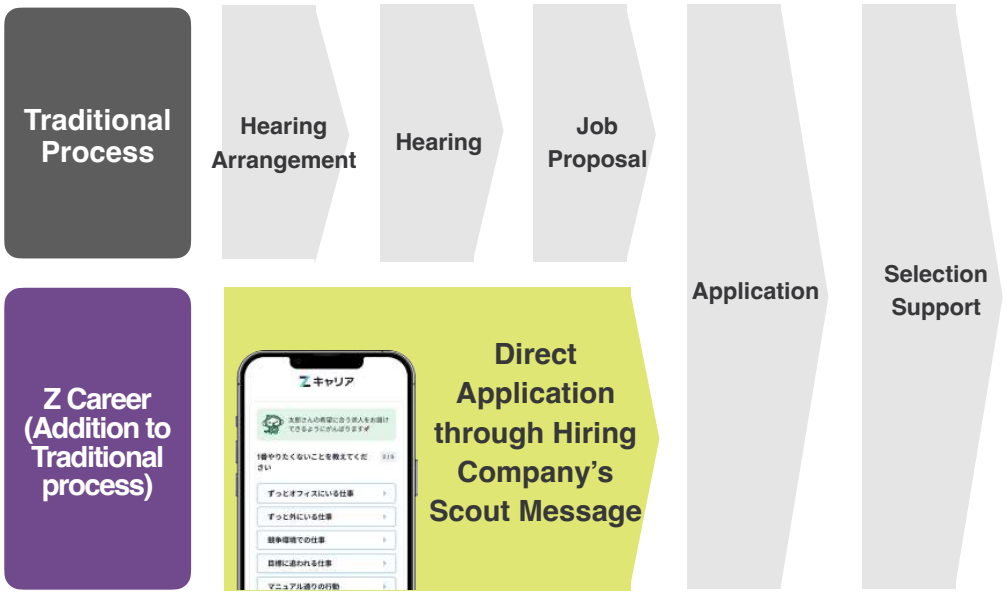
- **Enhanced Customer Acquisition with Awareness**
- **Reduced Customer Acquisition Cost through Branded Search**
- **Brand Recognition as a Competitive Advantage**

Note:
(1) Based on Novasell Inc.’s Questionnaire (Nationwide Male/Female age between 20 to 29 currently unemployed, temporary worker or part-time worker, n=305)

ROXX

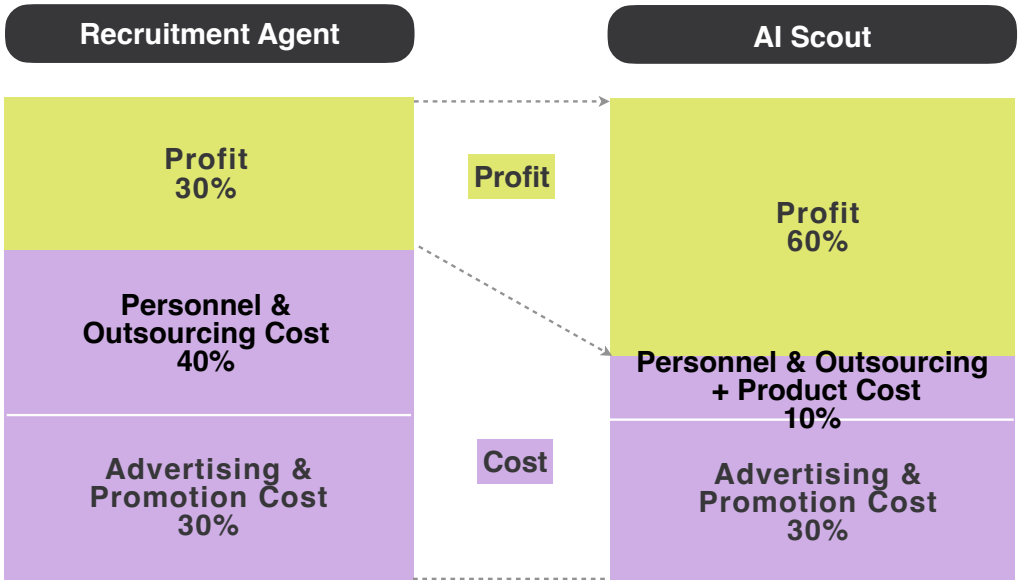
From November 2024, AI Scout has been launched as an addition to the traditional process and aim to enhance employee productivity along with profitability

Overview of AI Scout



Job proposal to application process supplemented by AI Scout, enhancing recruitment agents capacity to serve job seekers

Profit Structure (1)



Placement rate and profitability to be optimized through hybrid solution of AI Scout and recruitment agent support

注記：(1) 割合についてはイメージ

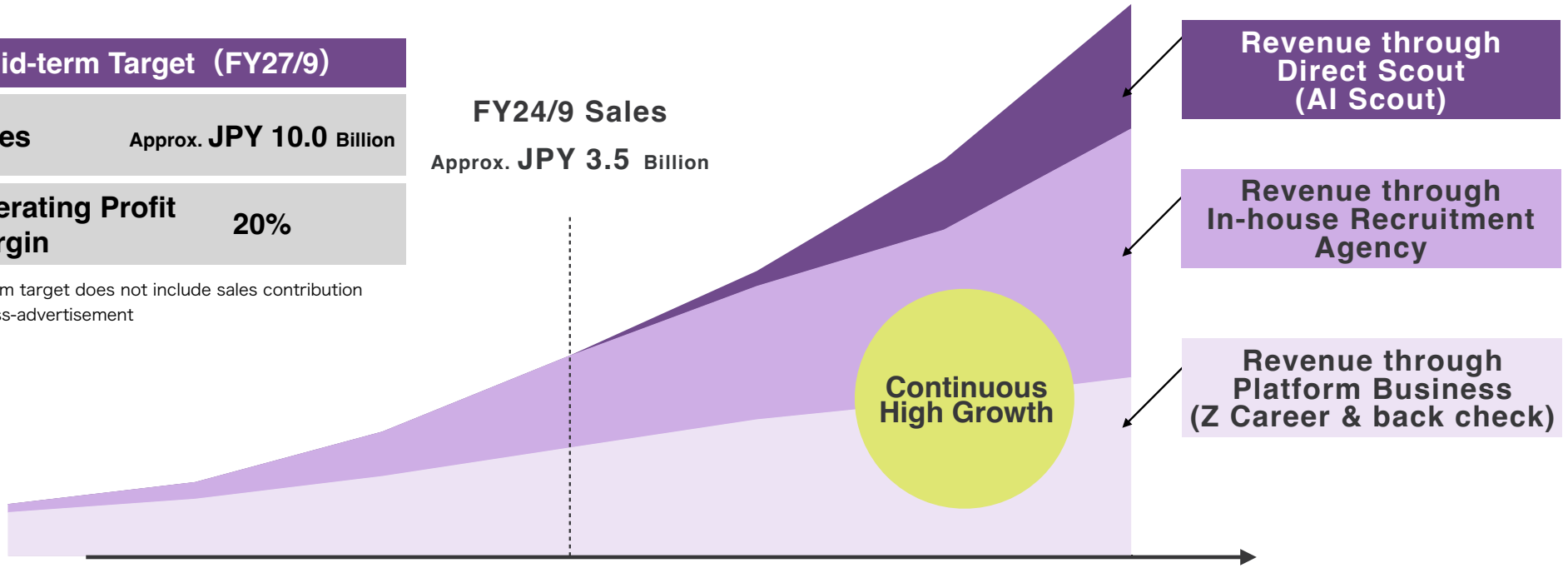
ROXX

Non-desk worker segment of the recruitment market is a huge opportunity and mid-term target within range excluding sales contribution from mass-advertisement

Illustrative Image of Future Revenue Growth of ROXX

Mid-term Target（FY27/9）	
Sales	Approx. JPY 10.0 Billion
Operating Profit Margin	20%

※Mid-term target does not include sales contribution from mass-advertisement



FY2024
Full-year Forecast

Summary of FY2025 Full-year Forecast

ROXX

(JPY in Million)	FY2024 Full-year	FY2025 Full-year Forecast	YoY
Sales	3,476	5,235	+50.6%
Sales Growth Rate	67.5%	50.6%	▲16.9pt
Cost of Sales	496	1,002	+102.0%
Cost of Sales Margin	14.3%	19.1%	+4.8pt
Gross Profit	2,980	4,232	+42.0%
Gross Profit Margin	85.7%	80.9%	▲4.8pt
Selling, General and Administration	3,450	4,428	+28.3%
Selling, General and Administration Margin	99.2%	84.6%	△14.6pt
Operating Profit & Loss	(470)	(195)	
Operating Profit & Loss Margin	(13.5)%	(3.7)%	+9.8pt
Ordinary Profit & Loss	(497)	(232)	
Net Profit & Loss Before Income Tax	(497)	(231)	
Net Profit & Loss	(499)	(236)	

Assumptions for FY2025 Full-year Forecast

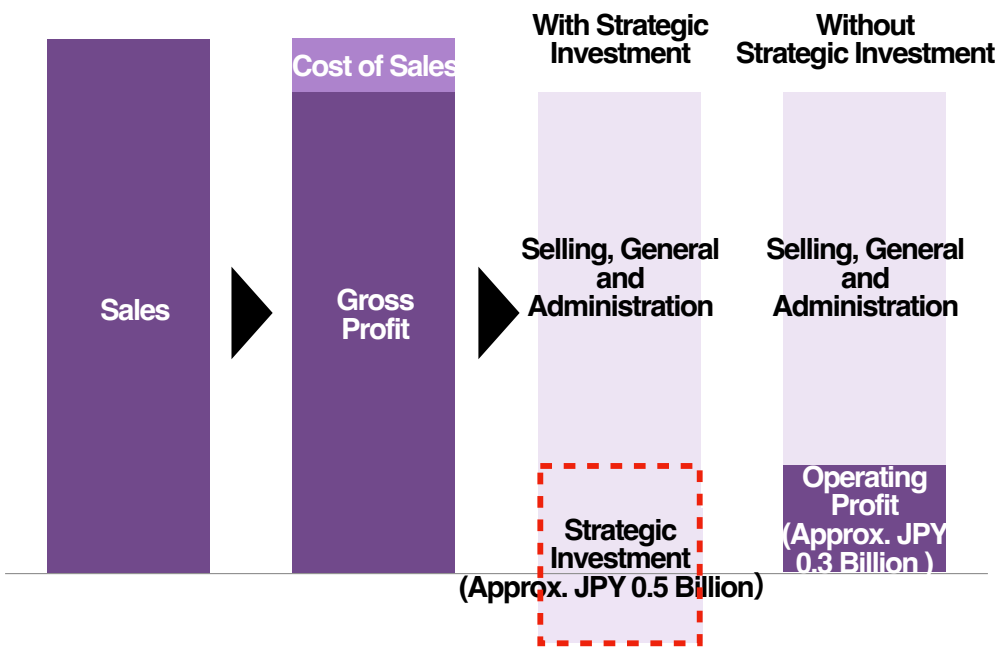
ROXX

Item	Forecast Assumptions
Sales	• Does not include sales contribution from mass-advertisement
Cost of Sales	• Mainly personnel and outsourcing cost, research outsourcing cost
Selling, General and Administration	• Mainly personnel and outsourcing cost, advertising and promotion cost and other cost • Production and broadcasting cost of Approx, JPY 0.5 Billion associated to mass-advertisement to be spent in the first half of FY2025
Non-operating Cost	• Mainly interest expense and credit card rewards
Corporate Tax, Resident Tax and Business Tax	• Carried-forward tax losses of Approx. JPY 2.2 Billion (As of Sept. 2024)

ROXX

Strategic Investment to be carried out to raise awareness of Z Career under our discipline and positioned as a temporary measure

Illustrative Image of Operating Profit

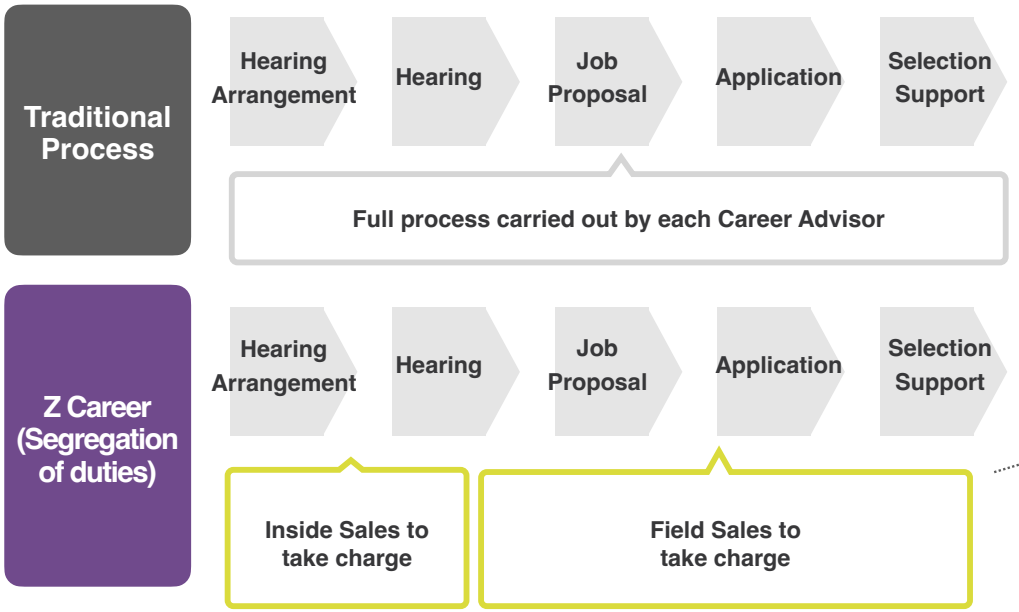


Difference between COS and SG&A

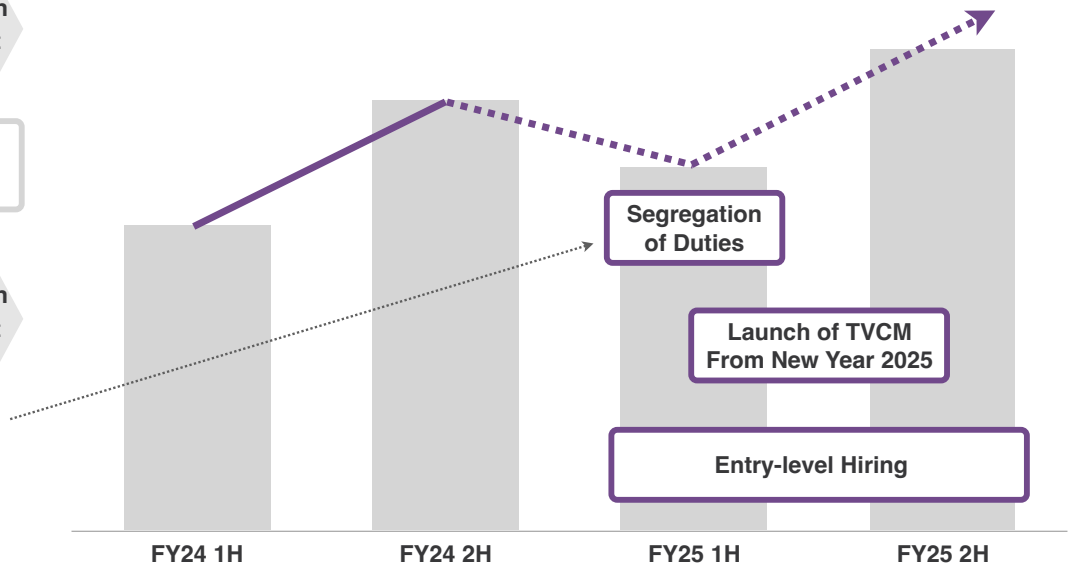
Item	Nature of Cost
Cost of Sales	• Cost required to provide the service (Personnel and outsourcing cost, research outsourcing cost) • Cost required for “Current” sale • Cost “Uncontrollable” by management
Selling, General and Administration	• Cost required to spread the service (Personnel and outsourcing cost, advertising and promotion cost, other cost) • Cost required for “Current” and “**Future (Strategic Investment**)” sale • Cost “Controllable” by management

As a side effect of the relocation and team expansion to increase capacity for the mass-advertisement, temporary drop in employee productivity to be anticipated in the first half of FY2025 but anticipated to recover promptly

Overview of Relocation & Team Expansion



Illustrative Image of Productivity

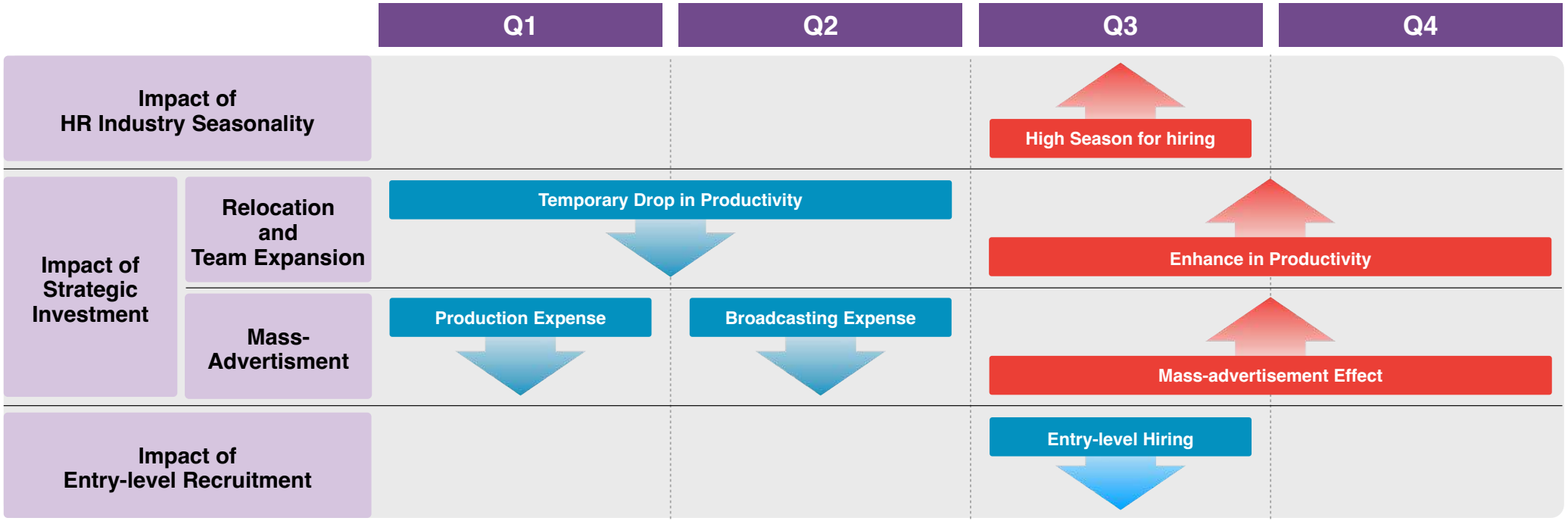


Traditionally, Career Advisors were in charge from arranging hearing meetings to selection support of the jobseekers. However, duties to be segregated by function with the implementation of Inside Sales and Field Sales to enhance quality and quantity of placements.

ROXX

In addition to HR industry seasonality, impact of “Strategic Investment” is anticipated to result in a comparatively larger loss in the first half (first and second quarters) of the fiscal year ending September 2025

Seasonality of Performance



Business Plan FAQs from the Road Show

Do you expect to turn into profitability for the fiscal year ending September 2025?

For the fiscal year ending September 2025, ROXX, inc. (the “Company”) plans to launch mass advertisements to increase awareness of Z Career, its recruitment platform for non-desk workers, as a strategic growth investment. Additionally, to maximize the impact of the mass advertisements and increase profitability over the medium to long term, the Company plans to (1) strengthen the organizational structure to handle the increase in registrants due to the mass advertisements and relocate personnel, and (2) enhance its direct recruiting function to improve contract closure rates. Therefore, we expect our business results for the fiscal year ending September 2025, to remain in the red. In particular, (1) may temporarily reduce productivity, leading the Company to post a comparatively larger loss in the first half (first and second quarters) of the fiscal year ending September 2025.

The purpose of the strategic growth investment is to maximize our mid- to long-term growth potential by establishing a unique position in the non-desk work segment at an early stage, so that people recognize the Company as “Z Career for a full-time job” and think of us first in this segment. This approach is supported by the following factors: (1) the future worsening of the human resource shortage in the non-desk work segment, (2) sufficient existing demand from companies using Z Career for recruitment, and (3) the current absence of direct competitors.

The Company aims to achieve highly sustainable growth by securing a dominant position early in the non-desk work segment, which has a market size of 650.0 billion yen*1, through rapid growth driven by mass advertisements, rather than pursuing steady growth without incurring the costs of mass advertisements.

Please note that the Company will release its business result forecast for the fiscal year ending September 2025 in the announcement and briefing of business results on November 13, 2024.

*1 Calculated by multiplying the annual number of individuals changing jobs (2.09 million persons) by the percentage of income earners earning less than JPY 4.0 million (52.0%), according to the “Statistical Survey of Actual Status for Salary in the Private Sector” by the National Tax Agency, and the average commission at Z Career (JPY 0.6 million).

Do you expect to achieve profitability excluding the impact of mass advertisements for the fiscal year ending September 2025?

The Company forecasts achieving profitability excluding the costs of mass advertisements for the fiscal year ending September 2025.

However, as mentioned in the answer to Q1, strengthening the organizational structure to manage the impact of mass advertisements and relocating personnel may lead to a temporary drop in productivity. Therefore, we forecast being in the red, even excluding the costs of mass advertisements, for the first half (first and second quarters) of the fiscal year ending September 2025. On the other hand, we expect to be in the black in the second half (third and fourth quarters) and to achieve profitability for the full fiscal year, excluding the costs of mass advertisements.

Business Plan FAQs from the Road Show

When do you expect the effect of the investment in mass advertisements to arise?

We expect the impact of our investment in mass advertisements to begin contributing to our business performance in the second half (third and fourth quarters) of the fiscal year ending September 2025, at the earliest. On a full scale, we anticipate seeing a return on investment in the fiscal year ending September 2026 or later.

Please note that we have not, in any way, incorporated the contribution from mass advertisements into the business results forecast for the fiscal year ending September 2025, nor in our mid-term targets. We expect to achieve our mid-term targets of “net sales of JPY 10.0 billion” and “operating profit of 20%” regardless of the impact of mass advertisements. However, we believe that the investment is crucial for establishing our mid- to long-term position in the non-desk work market segment and for realizing sustainable growth, as mentioned in the answer to Q1.

On the other hand, the actual loss may be lower than expected if the number of registrants increases successfully, leading to higher sales and a reduction in conventional advertising and promotion costs for reaching job seekers.

Does your management policy include continuous investments in the fiscal year ending September 2026 and beyond?

We currently do not have a defined plan for the strategic growth investment in mass advertisements for the fiscal year ending September 2026 and beyond, as we are positioning it as a temporary measure limited to the fiscal year ending September 2025. Under our discipline for mass advertisements, we would consider continuous investment in the fiscal year ending September 2026 and beyond if there are clear impacts on the growth of net sales and profits that exceed the invested advertising costs.

FAQs (October, 2024)

Please provide the context behind “Change Report (Transfers of a Large Number of Share Certificates, etc. in a Short Period).” filed by Mizuho Securities Co., Ltd. on October 29?

Mizuho Securities Co., Ltd. (“Mizuho Securities”), the lead underwriter for the initial public offering of ROXX, inc. (the “Company”), offers an over-allotment by borrowing 438,400 shares from the Company’s shareholders—GB-VII Growth Fund Investment Limited Partnership, One Capital No. 1 Investment Limited Liability Partnership, One Capital DX No. 1 Investment Limited Liability Partnership, and GB-VI & GB-VII Follow-on Growth Fund Investment Limited Partnership (collectively the “Stock Lenders”). This over-allotment is intended to facilitate sales based on supply and demand trends during the initial public offering and to help stabilize supply and demand in the secondary market.

In connection with the transaction, Mizuho Securities, the lead underwriter, acquired shares through a syndicate cover transaction and returned the shares borrowed from the Stock Lenders. As a result, the holding ratio of Mizuho Securities decreased, as reported in the “Change Report (Transfers of a Large Number of Share Certificates, etc. in a Short Period)” filed on October 29.

The shares returned to the Stock Lenders are subject to a lockup agreement, under which the Stock Lenders have agreed not to sell common stock of the Company or conduct related transactions without the prior consent of the lead underwriter during the period from the closing date of the wholesale underwriting contract to September 19, 2025, which is the 360th day after the listing (start trading) date.

In addition, Asset Management One Co., Ltd. (“Asset Management One”), a joint holder with Mizuho Securities, disclosed its policy to hold the Company’s shares long term, as mentioned in the “Amendment to Prospectus for Filing a Notice of Issuance and Offer of New Stock (First Amendment in September 2024)” and “Amendment to Prospectus for Filing a Notice of Issuance and Offer of New Stock (Second Amendment in September 2024).” Asset Management One acquired 236,900 shares of the Company in the form of a sale to an entity designated by the issuer.

APPENDIX

Repost: Market Size of the Non-desk Worker Segment

ROXX

Non-desk worker segment of the recruitment market has more than four-times the market size of other segments and is currently under-penetrated with significant potential upside

Job Turnover Rate & Potential Upside by Market Segment[2]

Recruitment Platform (Non-desk Worker)

Recruitment Agency + Direct Recruiting

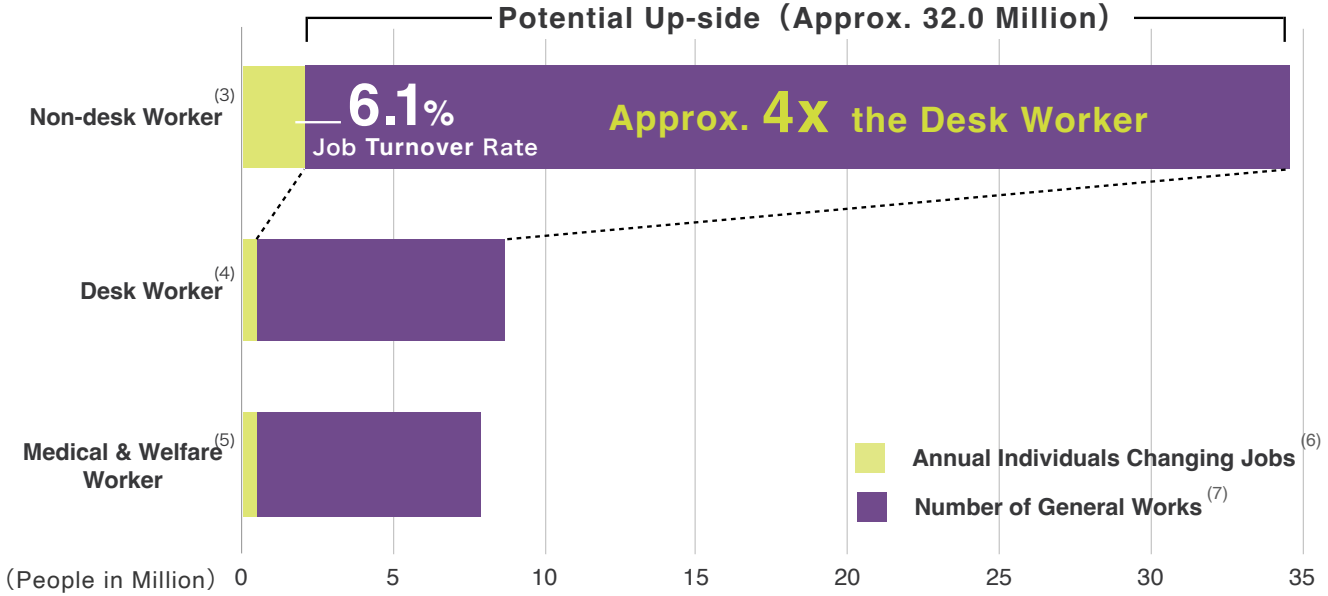
Approx.

JPY 650 Billion[2][8]

Current Z Career Sales (FY24/9)

Approx.

JPY 3 Billion



Source:
(1) Ministry of Health, Labour and Welfare, “Annual Report on the Labour Force Survey 2022”,
(2) National Tax Agency, ”Statistical Survey of Actual Status for Salary in the Private Sector 2022”
Note:
(3) Other than Telecommunication, Finance, Insurance, Real Estate, Lease, Academic Research, Professional/Technical Service, Learning Support, Medical & Welfare
(4) Telecommunication, Finance, Insurance, Real Estate, Lease, Academic Research, Professional/Technical Service, Learning Support
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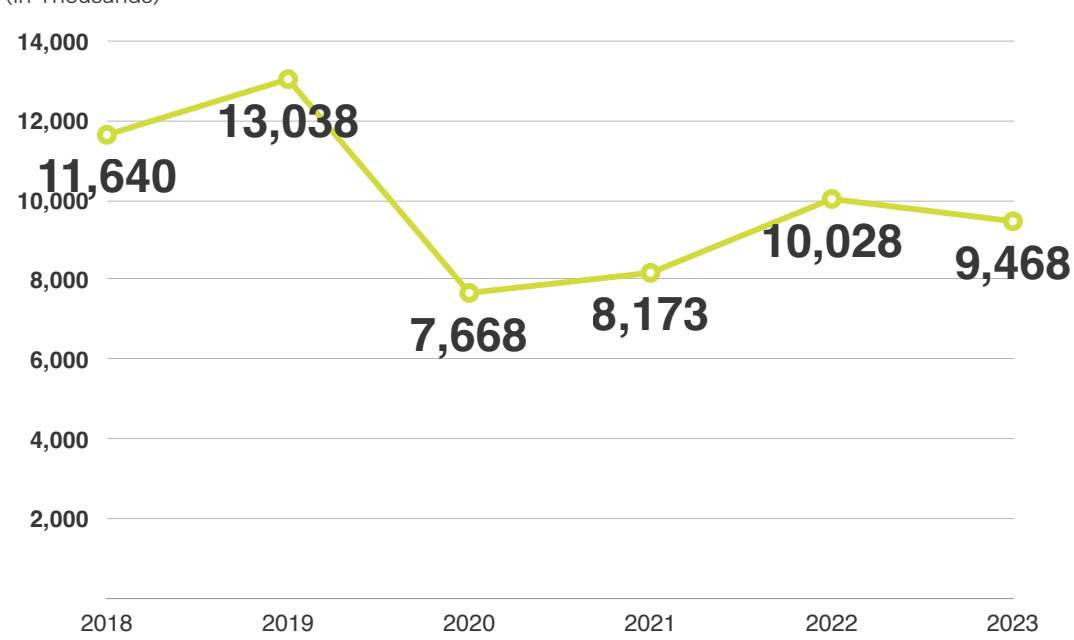
(6) Job Change to General Workers excluding Part-time Workers
(7) Permanent Workers excluding Part-time Workers
(8) Annual Individuals Changing Jobs (2.1M) multiplied by Income Earners with Less than JPY 4.0M (52.0%) multiplied by Z Career Average Commission JPY 0.6M

ROXX

Macro environment of shrinking workforce has shifted the recruitment budget from job boards to full commission based Z Career

Full-time Job Listing on Job Boards (1) (2)



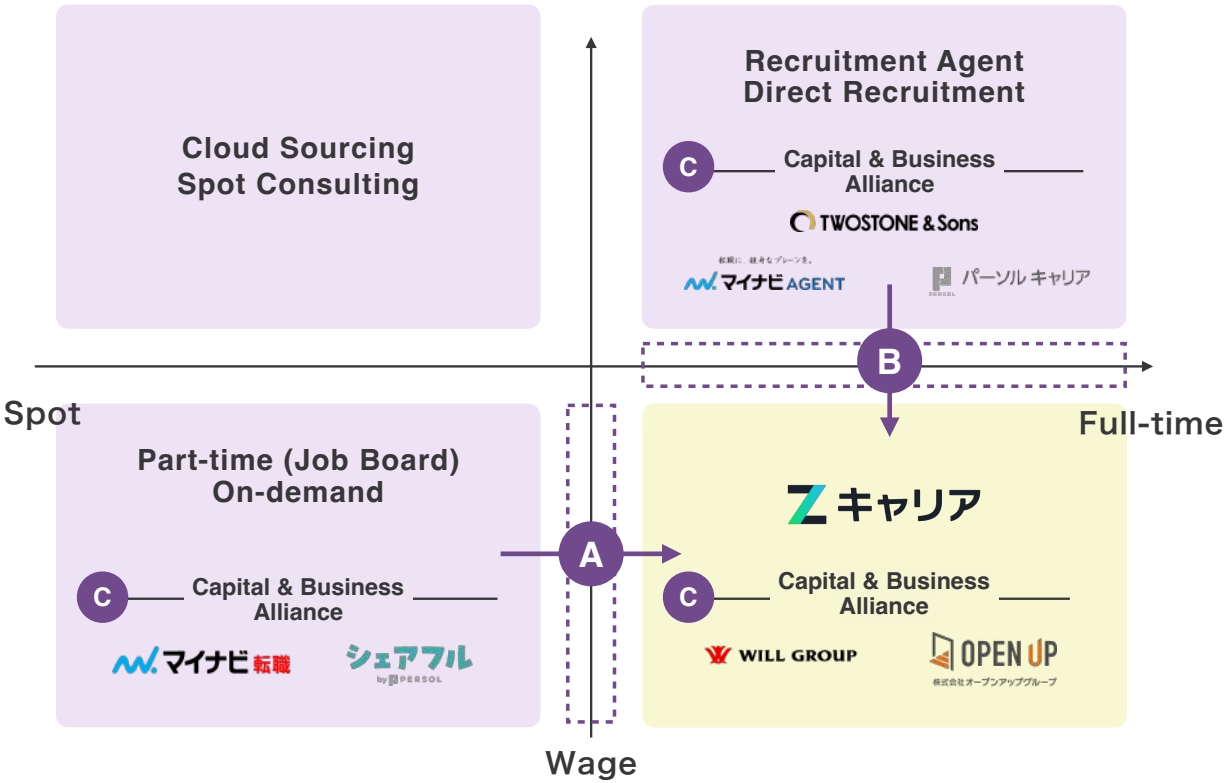
Transition from Job Boards to Z Career

1. Due to shrinking workforce, marketing power of the major job boards has dropped
2. Job seeker application and placement through job boards has dropped
3. Hiring companies are shifting recruiting budgets towards full commission based Z Career

Source:
(1) National Employment Information Association "Aggregated Results of Job Advertisement Listing"
Note:
(2) Average weekly number of full-time job postings (On the assumption of 4 weeks in a month) compiled annually

ROXX

Leading recruitment platform for non-desk workers, tapping into the emerging market segment currently not served by the traditional recruitment agencies



A Barrier to entry from Part-time Segment

- Recruitment needs of full-time and part-time differ based on industries. ex) Construction, Enterprise Sales, Engineers and etc.
- For a successful job placement a certain amount of consultation is necessary and requires major organizational structure change

B Barrier to entry from High-class Segment

- Differ in terms of service line-up, brand and operation from the high-class segment and existing asset can not be leveraged
- Both the job seeker and the hiring company have clear requirements. Requirement matching model can not be rolled out to non-desk worker segment

C Capital & Business Alliance

- Capital & business alliance with leading HR platforms, Persol Career (Ticker: 2181), MyNavi and TWOSTONE&Sons (Ticker: 7352)
- Capital & business alliance with major clients of ROXX, Will Group (Ticker: 6089) and Open Up Group (Ticker: 2154)

ROXX

Job seeker behavior is completely different between the high-class segment and the non-desk worker segment making it difficult for a single service to rolled out cross segment

High-class Segment[1]		Non-desk Worker Segment[1]
To Build upon the Current Industry	**Stance**	To Exist from the Current Industry
For a Better Pay and Skill-up	**Motivation**	For a Better Environment
Multiple Services	**Recruitment Service**	Single Service
The Best Offer	**Decision Making**	The First Offer
2~3 Times + Assessment Test + Reference Check	**Job Interview Per Hiring Company**	1~2 Times
3~4 Months	**Average Lead Time**	1 Month

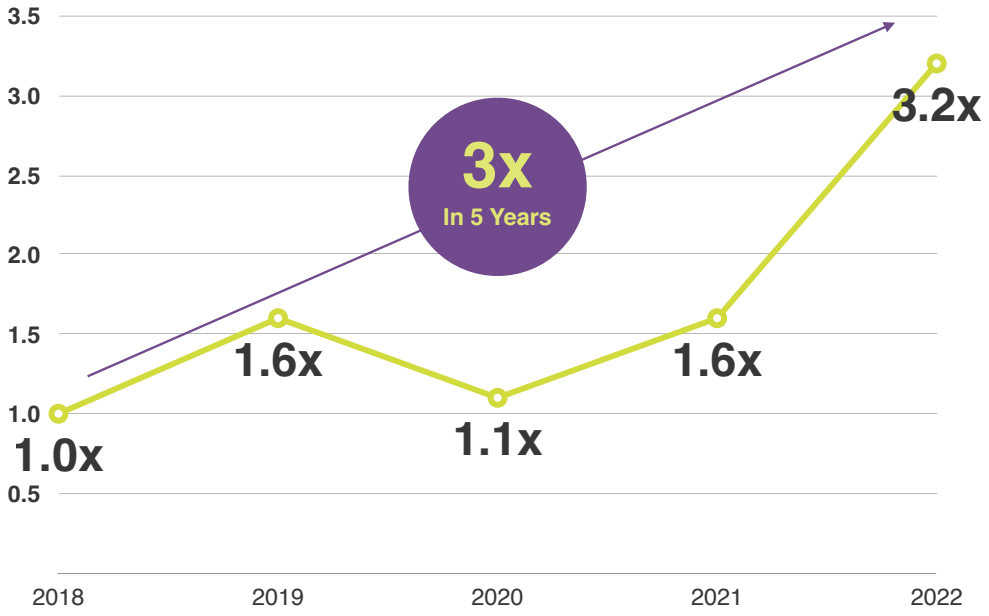
Note:
(1) Based on Research by ROXX

ROXX

Every industry has jobs with skill/legal requirements of a full-time worker and the workforce shortage outweighs that of a part-time worker

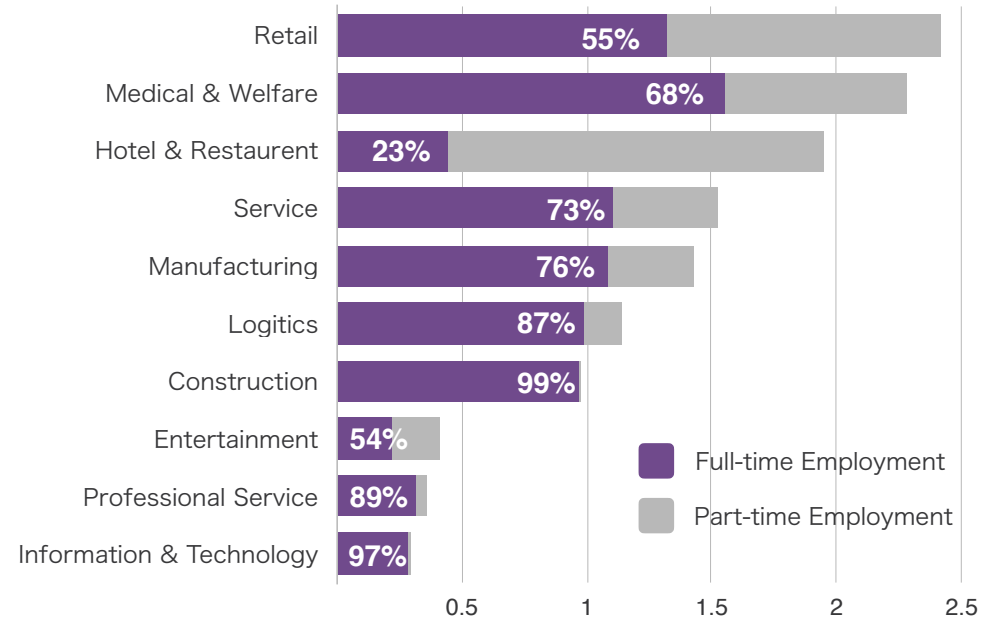
Number of Entry-level Full-time Job Listings (1)

(2018 as 1.0x)



Workforce Shortage by Industry (2)

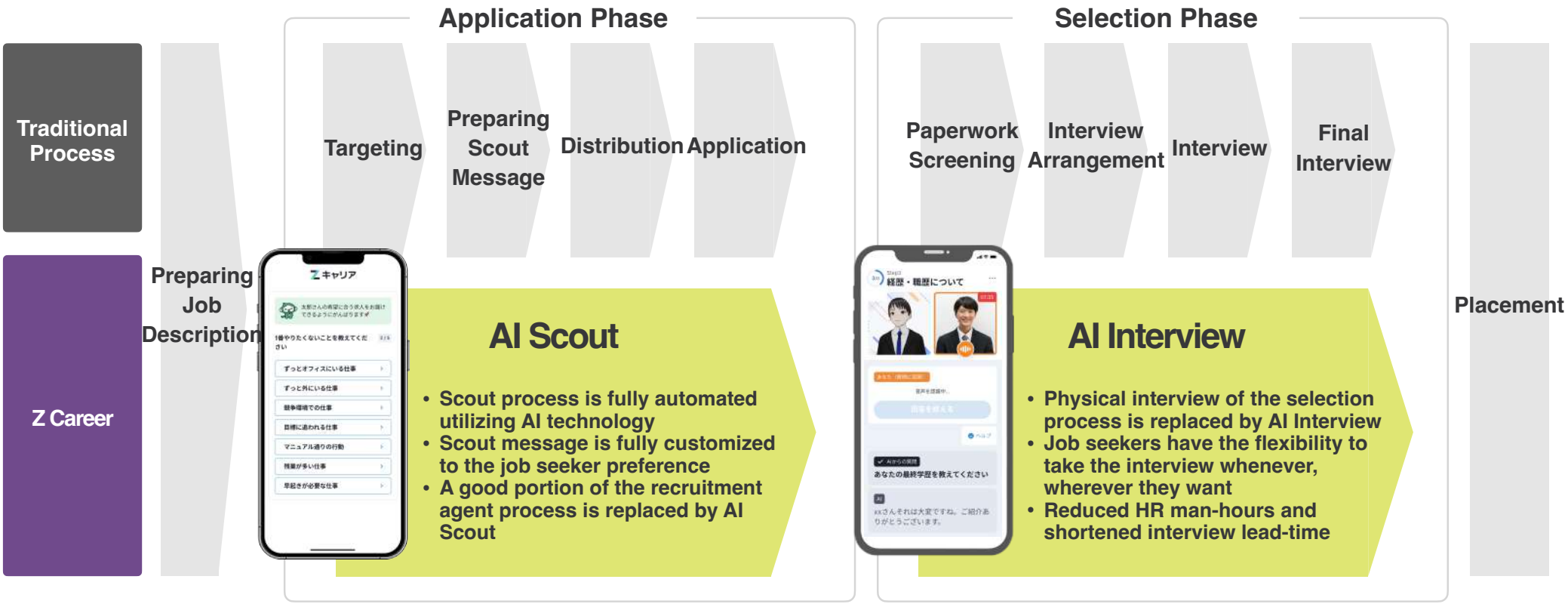
(People in Million)



Source:
(1) Press Release by Recruit “Entry-level Job Listing multiplying by 3.2x in comparison to 2018. In 2022, opportunity opens up for Job Seekers to get the foot in the door”
(2) Ministry of Internal Affairs and Communications, “Annual Report on the Labour Force Survey 2022”, ”Basic Survey on Wage Structure 2022”,

ROXX

Generative AI-based products to streamline the recruitment process, improving profitability and building new revenue source



ROXX

Platform data and generative AI utilized to streamline the recruitment process, for the job seeker, recruitment agent and hiring company

Placement Rate

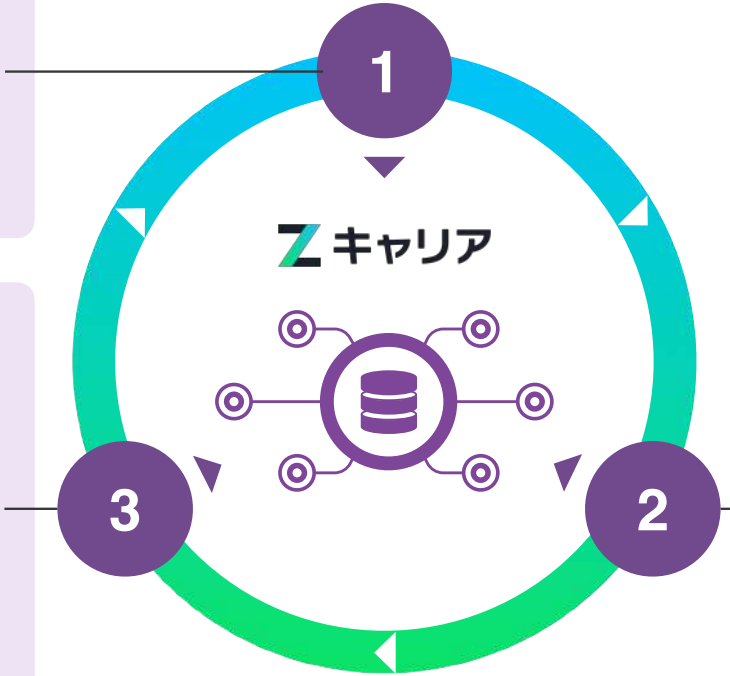
Improve Lead-time and Acceptance Rate

Recommendation

Better Performance, Accuracy and Reliability of the AI Model

PKSHA TECHNOLOGY

Capital & business alliance with PKSHA Technology (Ticker: 3993) on System Development



Data Accumulation

High quality data of Job Seeker and Placement Data

Job Seeker Data

- CV/Resume
- Reason for Acceptance/ Rejection

Placement Data

- Job Description
- Recommendation
- Acceptance Rate
- Placement Rate
- Early Retirement Rate
- Hiring Attributes



Job Seeker



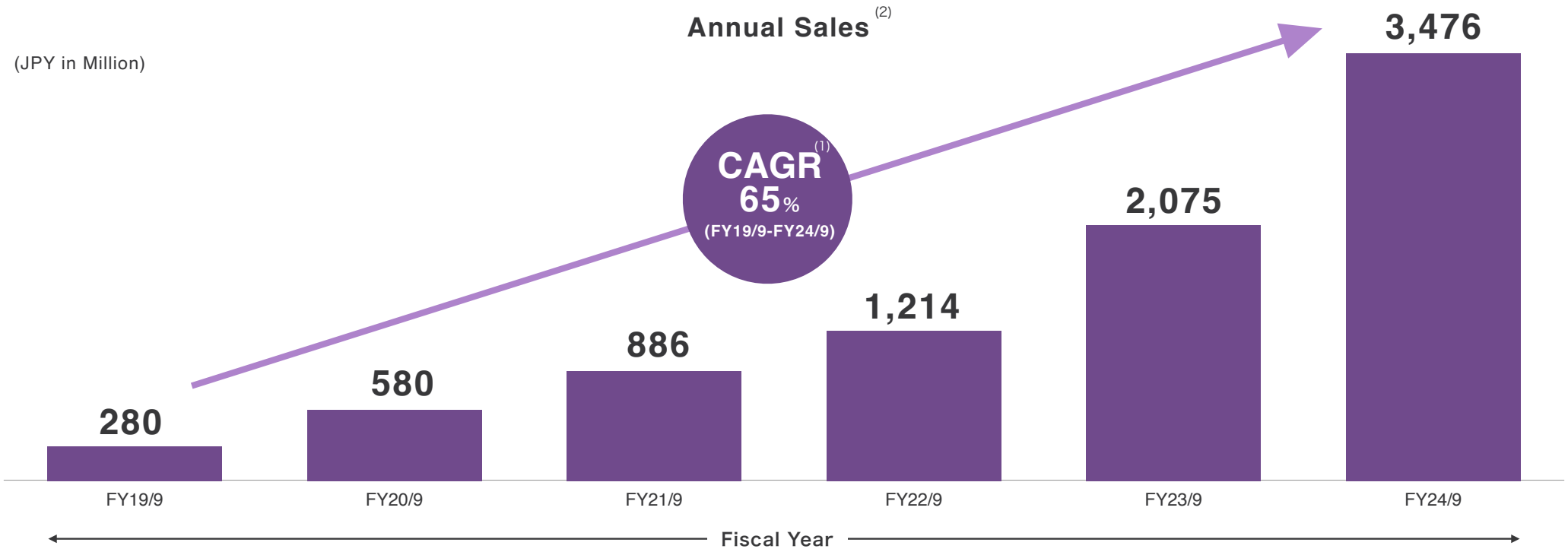
Hiring Company



Agent

ROXX

Disciplined investment through “Strategic Investment” to maintain high sales growth for the future



Note:
(1) CAGR(Compound Average Growth Rate) based on FY19/9-FY24/9
(2) Financial figures are rounded down and KPIs are rounded off

ROXX

Raising the standard of living of the non-desk worker has a direct social impact on the number of marriages and birth rates

Environmental, Social, and Governance

Environment
- Climate Actions
- Greenhouse Gas Emissions
- Waste Management

Society
- Fair Working Conditions
- Reduced Inequalities
- Gender Equality

Governance
- Anti-corruption
- Compliance
- Integral and Ethical Corporate Governance

Social Impact

Purpose
- Structural mismatch from declining birthrate, aging population and advancement in service industries
- To enhance the earning power of Japan through full-time employment



Social Impact
- Full-time employment of Non-desk Workers
- Through enhanced earning power to empower one to challenge and pursue their dream, such as getting married and giving birth