ROXX

Business Plan And Growth Strategy Materials

December 17th, 2024
ROXX, Inc

Company Overview

Company Name	ROXX, Inc. (241A)
Address	Shinjuku East Side Square 8F, 6-27-30, Shinjuku, Shinjuku-ku, Tokyo
Representative	Taro Nakajima, Representative Director and Chief Executive Officer
Date Founded	November 1st, 2013
Fiscal Year-end	September
Number of Employees	285 People（As of End of September, 2024）
Business Overview	Z Career Service “Recruiting Platform for Non-desk Workers” back check Service “Online Reference/Compliance Check Platform”



Management



Representative Director
& 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



Senior Vice President
& Chief Operating Officer

Daisuke Ueki

CAREER DESIGN CENTER



Senior Vice President
& Chief Human Resource Officer

Hiroto Nisimura

GREE

Money Forward

accenture

Management

Vice President
& Chief Technology Officer

Kota Matsumoto

Vice President of
New Business

Kazuhito Owa

Vice President of
Corporate Consulting

Shun Fujimine

Vice President
& Chief Financial Officer

George Yoshimoto, CPA

Vice President
& Chief Administrative Officer

Toshiki Takase (1)

Vice President of
Engineering

Kazutaka Jokura

Note:
(1) To be officially appointed as of December 17th, 2024

Outside Director/Advisor/Auditor



Outside Director

Hiroshi Fukudome



Outside Director

Masanori Sugiyama



Advisor

Yo Nagami

Full-time Auditor

Tsuyoshi Kabaya



Part-time Auditor

Miki Amemiya



Part-time Auditor

Shigeru Omura

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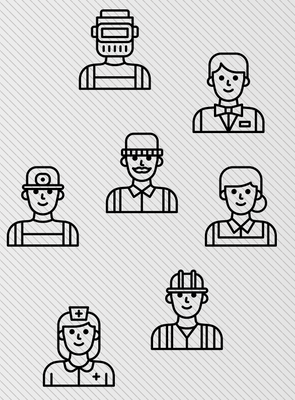
ROXX aims to enhance the earning power of Japan’s bottom of the pyramid through full-time employment of the non-desk workers



Job Seeker

Trying to become full-time

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

Seeking for better pay and environment

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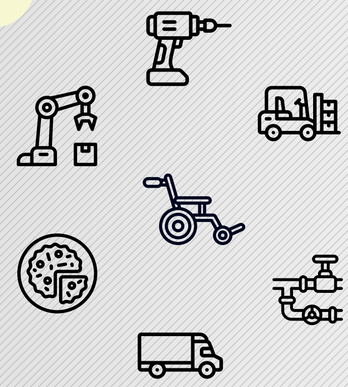
Zキャリア　back check

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 at a Glance

GMV[1]

Recruitment Commission & Recruitment Administration Fee through Z Career

Previously：Approx. JPY3.4B（As of FY23/9）

Approx. JPY5.1B（As of FY24/9）

Sales Growth

Previously：Approx. +71%（As of FY23/9）

Approx. +68%（As of FY24/9）

Recurring Revenue Ratio[3]

Approx. 47%（As of FY24/9）

Take Rate[2]

Ratio of Performance Revenue within the GMV of Z Career

Previously：26.3%（As of FY23/9）

36.0%（As of FY24/9）

Number of Registered Job Seekers[4]

Previously：Approx. 0.3M（As of September, 2023）

Approx. 0.4M（As of September, 2024）

Note:
(1) Gross Merchandise Value consists of Recruitment Commission & Recruitment Administration Fee paid by Hiring Company based on a successful placement through the Z Career
(2) 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
(3) Recurring Revenue Ratio is calculated by dividing Recurring Revenue (Z Career Platform Fee paid by Partner Recruitment Agency and back check Platform Fee paid by Hiring Company) by ROXX Sales
(4) Cumulative Total of Registered Job Seeker on Z Career (Includes Registered Job Seeker by Partner Recruitment Agency)

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1

Business Overview:

Recruitment platform for non-desk workers to enhance earning power

2

Market Opportunity:

Uniquely positioned in a huge and counter-cyclical non-desk worker recruitment market

3

Growth Strategy：

The three pillar for growth to achieve early acquisition of the market share

4

Financial Summary：

Continuous growth and profitability to reach JPY10B sales and 20% operating profit margin

5

Use of Funds and Risk Factors：

Listing proceeds to be used for enhancing market recognition through mass-marketing

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Business Overview

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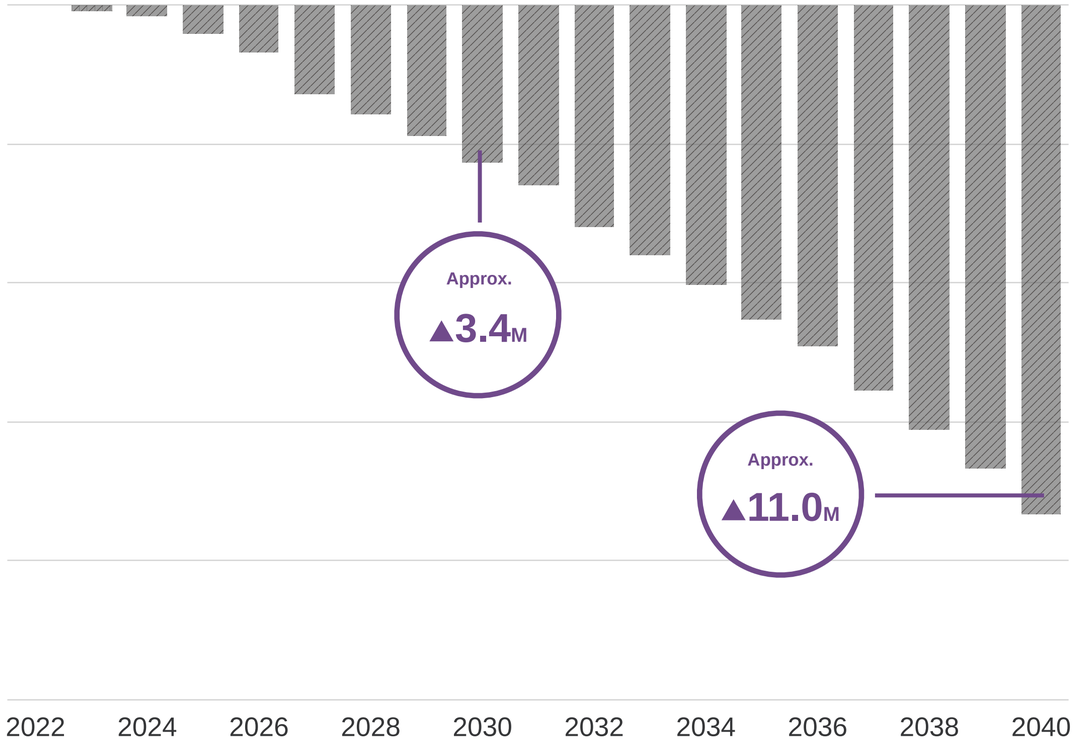
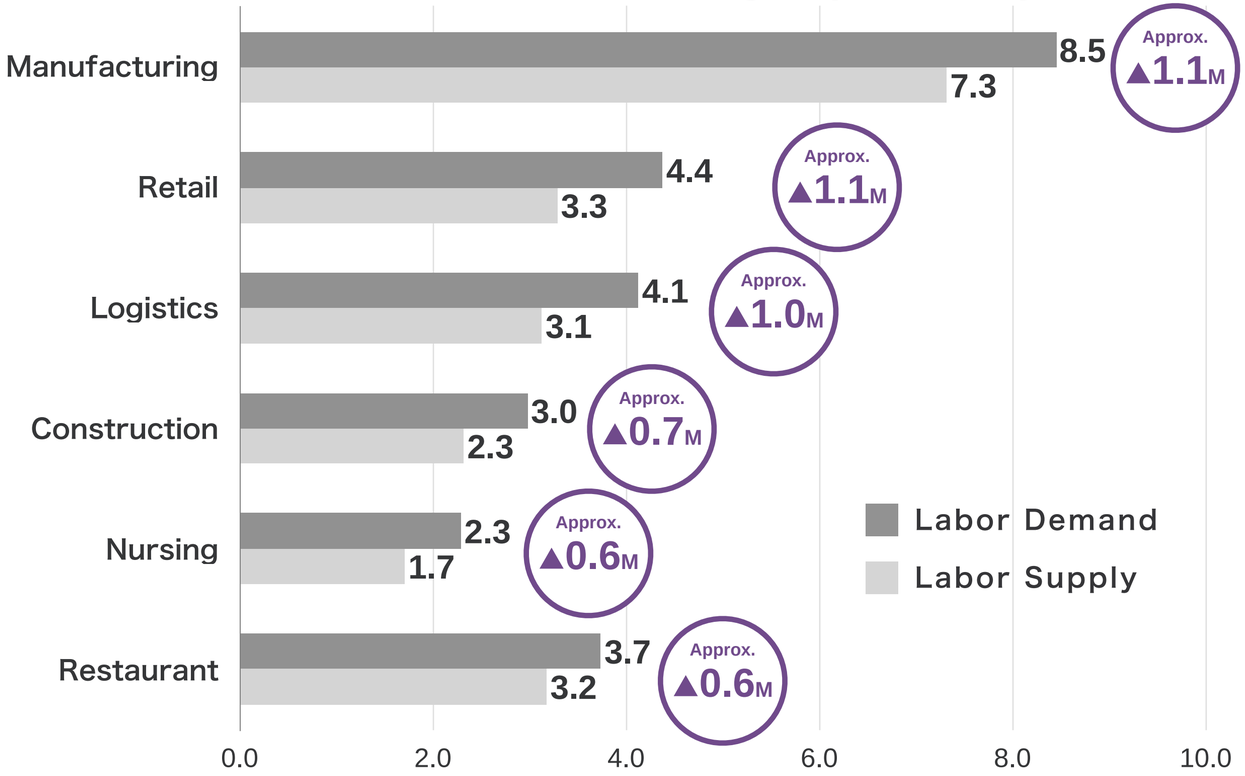
Labor shortage is becoming a social problem as the workforce in Japan decreases, by 2040 non-desk workers segment is forecasted to suffer from a chronic labor shortage

Labor Demand & Supply Simulation (1)



Potential Labor Shortage by Industry (1)



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

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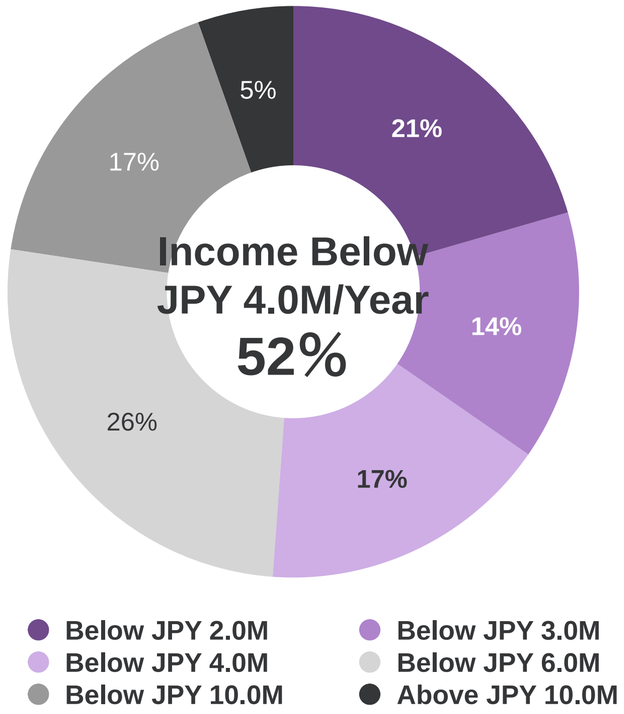
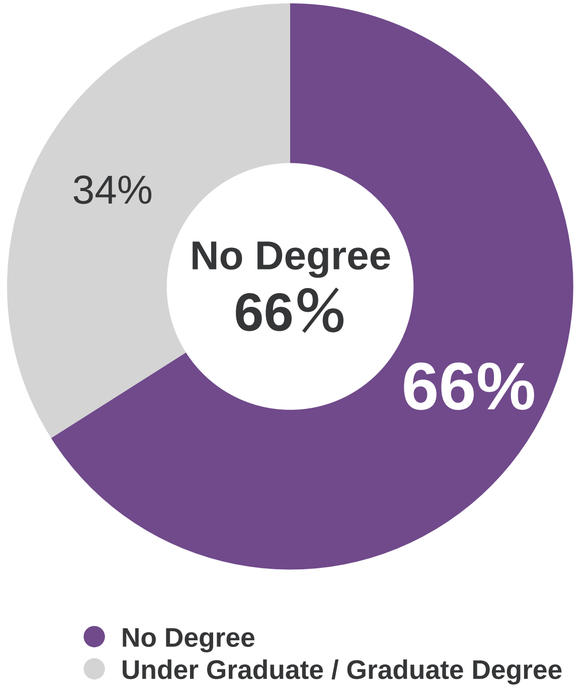
Majority of the income earners (25.9M)[3] are below the income grade of JPY 4.0M/Year and remain non-core placements by the traditional recruitment agencies due to lack of work experience

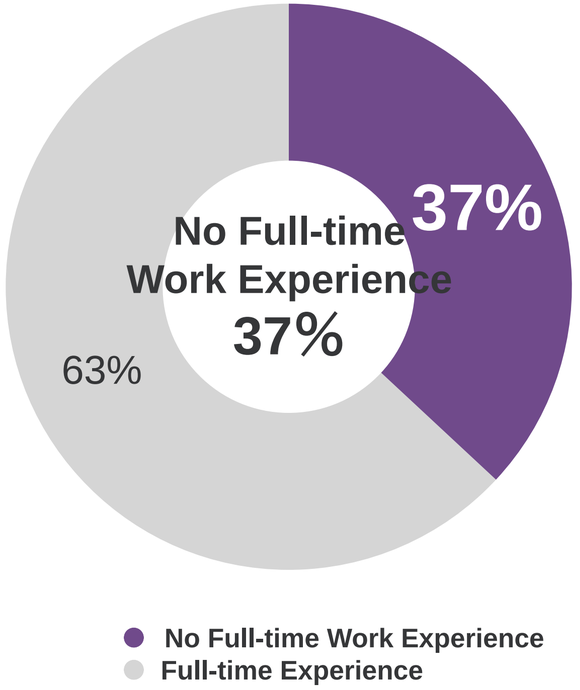
Income Earners by Income Grade[1]



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



Job Seeker

- Acquisition of Job Seeker by ROXX
- No Degree, Skill and Experience
- Seeking Full-time Employment

Registered Job Seekers
Approx. **0.4M**
(As of September. 2024)

Registration

Career Advisory

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Recruitment Platform for Non-desk Worker

Placement

Job Listing



Hiring Company

- Job Listing Free and Full Commission Based
- High Volume Hiring
- No Degree, Skill and Experience Required

Job Listings
Approx. **89K** (2)
(As of September. 2024)

Job Listing

Placement



Partner Recruitment Agency

- SME Recruitment Agencies
- Seeking Job Listings to Place
- Recruitment Administration Fee paid to ROXX

Partners
Approx. **400**
(As of September. 2024)

Note:
(1)Cumulative Total of Registered Job Seeker on Z Career (Includes Registered Job Seeker by Partner Recruitment Agency)
(2)Number of Job Listings includes the Job Listings of “doda” through the Capital & Business Alliance with Persol Career

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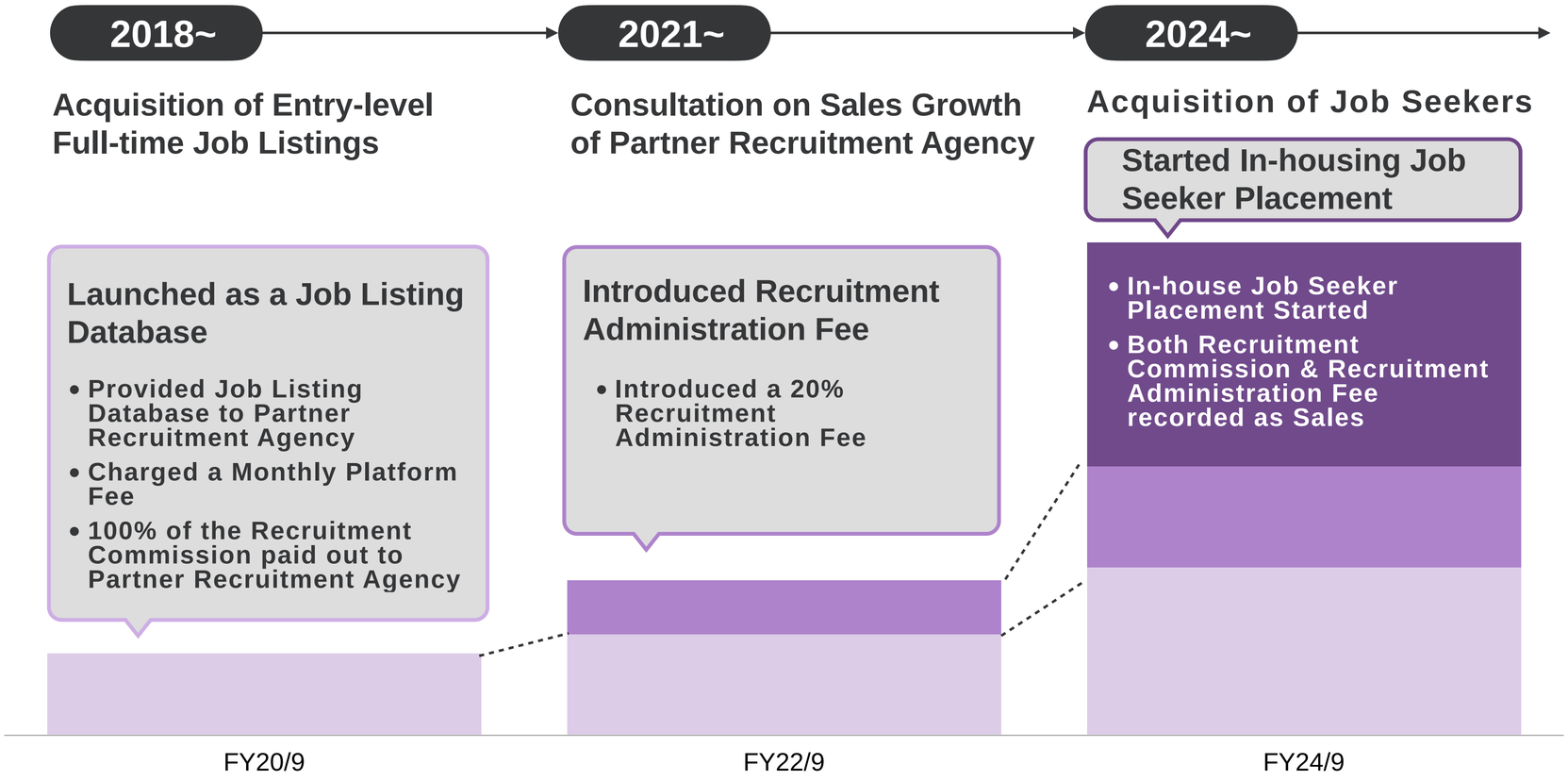
Originally launched as a SaaS for Partner Recruitment Agency and has slowly evolved into a Recruitment Platform for Non-desk Worker



The 3 Pillars of Revenue

① In-house Placement

GMV(1) (In-house Agent)(3) × Take Rate(2) 100%

② Partner Placement

GMV(1) (Partner Agent)(4) × Take Rate(2) Approx.17%

③ Platform Fee Paid by Partner

Partner Recruitment Agency × Monthly Platform Fee

Note:
(1) Gross Merchandise Value consists of Recruitment Commission & Recruitment Administration Fee paid by Hiring Company based on a successful placement through the Z Career
(2) 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
(3) Career Advisor hired by ROXX
(4) Career Advisor hired by Partner Recruitment Agent

Monetization Model

	Revenue Segment	Average Unit Price	Revenue Segment Discription	Growth Driver
Z キャリア	Performance Revenue (Hiring Company - In-house Agent)[1]	Approx. JPY612K[3] Per Placement	Recruitment Commission & Recruitment Administration Fee paid by Hiring Company based on a successful placement either through In-house Agent[1] or AI Scout (100% of Commission & Fee)	Job Seeker Acquisition, In-house Agent (Career Advisor is hired by ROXX), AI Scout
	Performance Revenue (Hiring Company - Partner Agent)[2]	Approx. JPY102K[3] Per Placement	Recruitment Administration Fee paid by Hiring Company based on a successful placement through Partner Agent[2] (Approx. 17% of Commission & Fee)	Partner Agent (Career Advisor is hired by Partner Recruitment Agent), Placement per Partner Agent (Through Know-how Consultation)
	Recurring Revenue (Partner Recruitment Agency)	Approx. JPY226K[3] Per Month	Monthly Platform Fee paid by Partner Recruitment Agency for the use of Z Career	Partner Recruitment Agency, ARPU per Partner Recruitment Agency (Through Job Seeker Acquisition Support)
back check	Recurring Revenue (Hiring Company)	Approx. JPY189K[3] Per Month	Monthly Platform Fee paid by Hiring Company for the use of back check (Based on a pay-as-you-go system)	Hiring Company, ARPU per Hiring Company (Through Additional Service Line)

Note:
(1) In-house Agent means that the Career Advisor is hired by ROXX
(2) Partner Agent means that the Career Advisor is hired by Partner Recruitment Agent
(3) Based on FY24/9 Actuals (Financial figures are rounded down and KPIs are rounded off)

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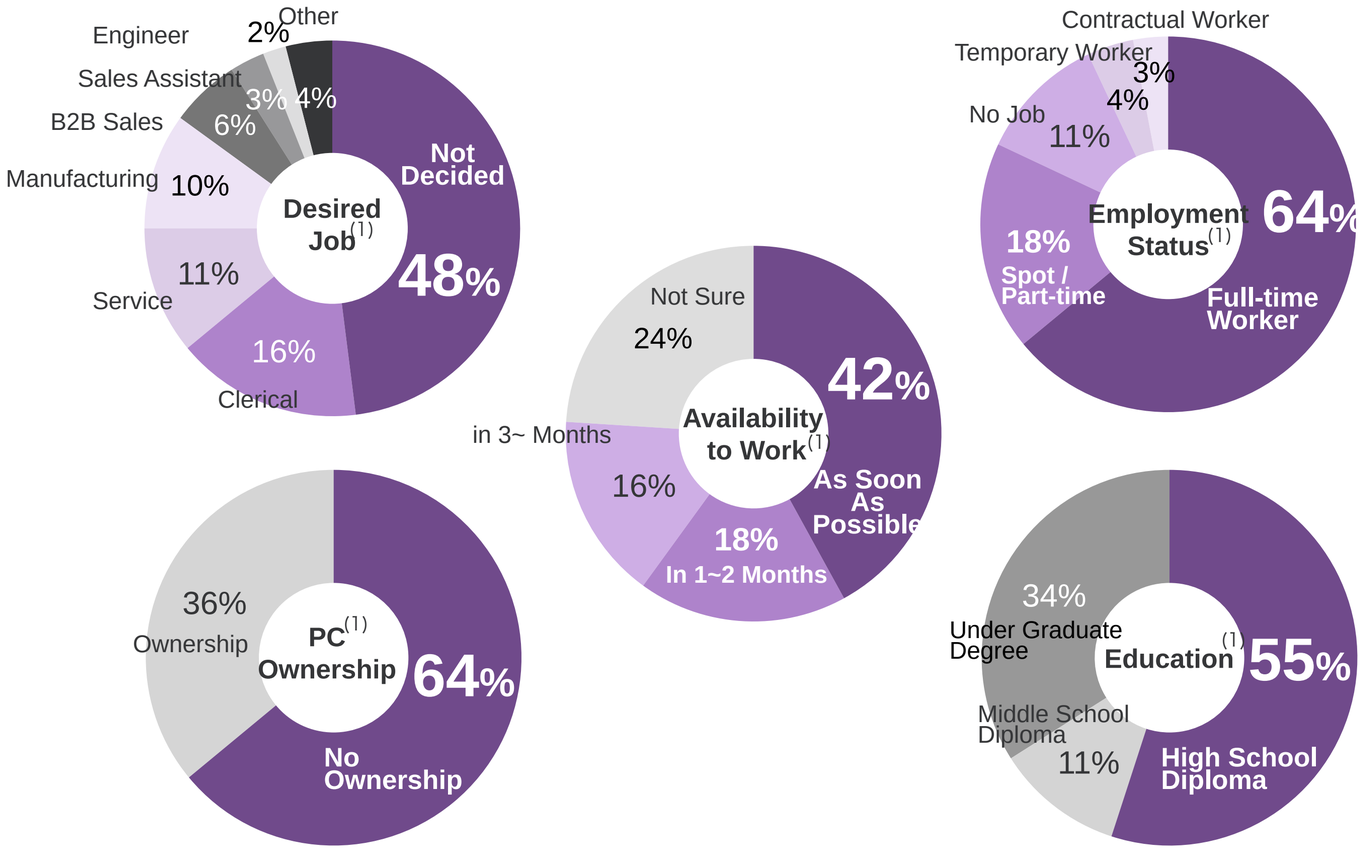
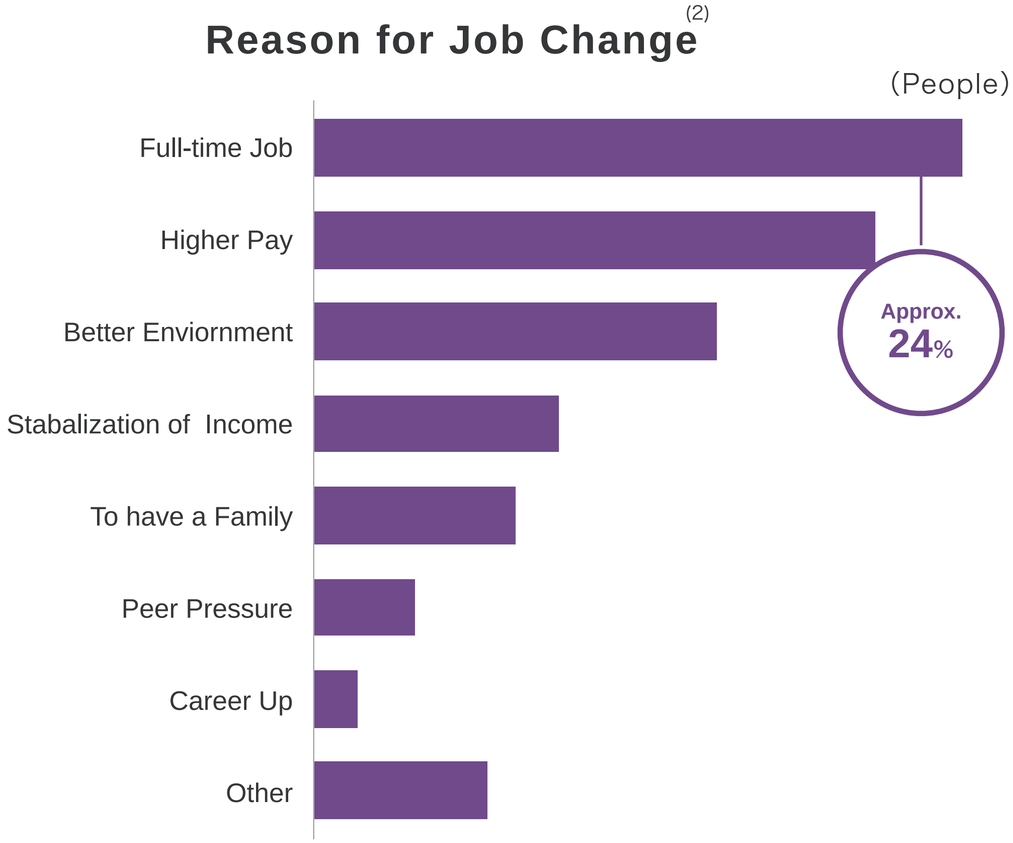
Job seekers are mainly in their teens with income grade of JPY2.0M/Year and has no degree or experience, seeking to land a stable full-time employment with better pay and schedules





Note:
(1) Based on Z Career Placement Data (April 2024 ~ September 2024, n= 42,156)
(2) Based on Z Career Questionnaire (April 2024 ~ September 2024, n=830)

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



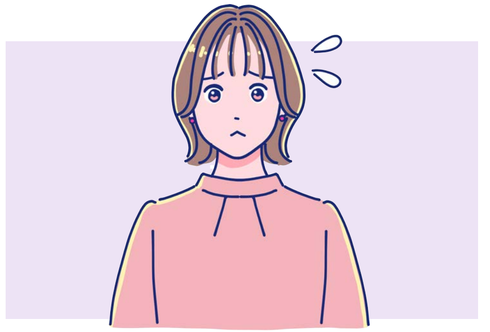
- No strong career aspirations
- Emphasis more on the life style (Days-off and Over-time) than career
- Cautious of unknown industries and work

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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Flow of job seeker through acquisition to placement on the Z Career Platform

Advertising

Awareness as a service for non-desk workers through TV and streaming service



Search Engine



Keywords such as “Entry-level” “Full-time”

Alliance

Z キャリア 失業保険 アイアル

Alliance with other services with our target job seekers

SNS Marketing

”Instagram” and ”TikTok” Marketing

Consultation

Job seekers to receive consultation through LINE or phone call

AI Scout



AI scout based on input of “Not What I’m looking for”

Job Search



Job search based on desired requirements

Application, Job Offer, Hiring



- Recommendation of Job Seeker to Hiring Company
- Interview of 1~2 times
- Lead time from application to job offer of 2 weeks
- Recruitment Commission & Recruitment Administration Fee to be billed to the hiring company on the month of hiring

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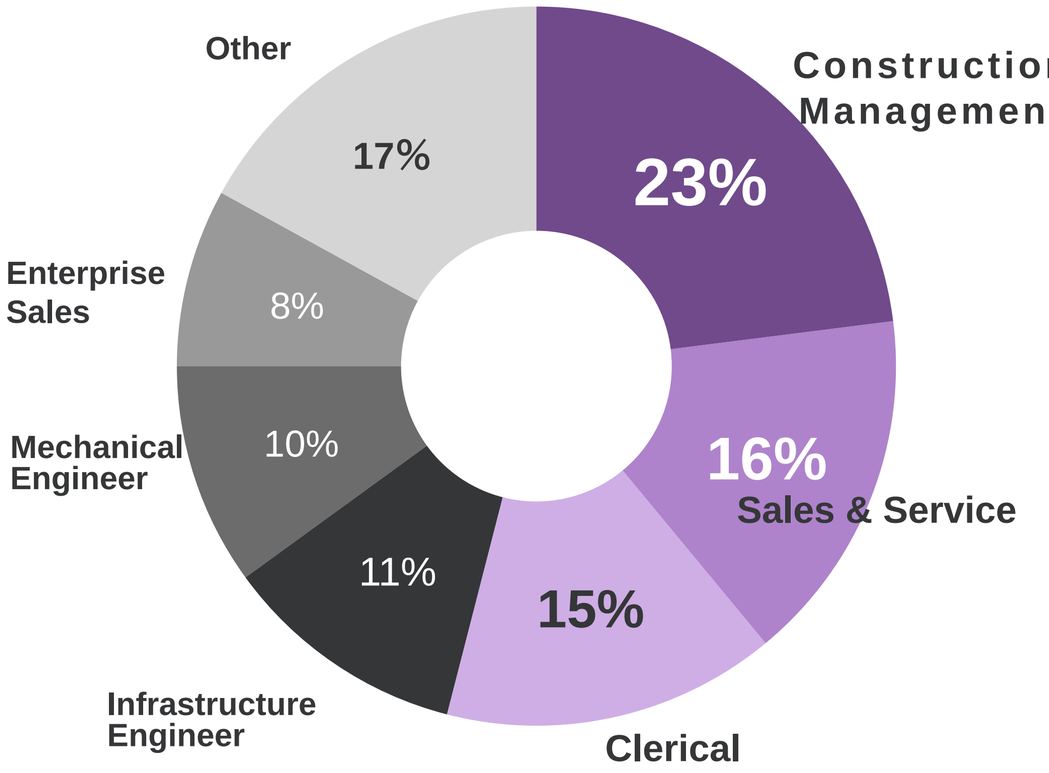
Diverse placement portfolio with “Construction Management”, “Sales & Service” and “Clerical” being top three and occupation with a clear path for continuous progression though skill acquisition tend to be popular

Placement Share by Occupation (1)



Major Occupation

Construction Management



Sales & Service



Clerical



Enterprise Sales



Infrastructure Engineer



Mechanical Engineer



Note:
(1) Based on Z Career Placement Data (October 2023 ~ September 2024)

Hiring Company - Key Characteristics

Target hiring companies hire over 100~1,000 full-time employees each year. Therefore, Z Career does not require as many job listings and competition between Internal/Partner Agent is unlikely to occur

Normal Job Listings

- Enterprise Sales Experience of 3 Years
- Hiring of 3 Employees
- Tokyo

Z Career Job Listings



- No Education or Experience Required
- Hiring of 500 Employees
- Nationwide

Huge Hiring Volume from just the Top 5

Therefore

1. **No Need for a Huge Sales Team to Acquire Job Listings**
2. **No Competition between Internal Agent and Partner Agent**

Top 5 Occupation by Hiring Volume on Z Career	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

Customers:

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

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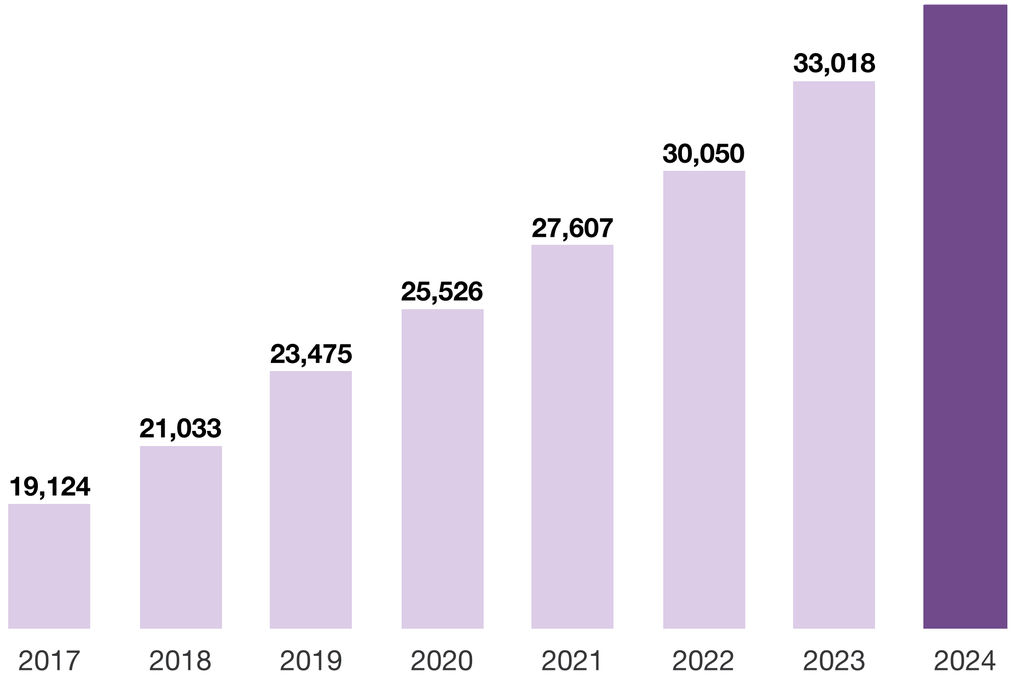
More than 30 thousand Recruitment Agencies have a government permit. However, most of them are SMEs and struggle to gather both Job Seekers and Job Listings of Large Enterprises

Number of Recruitment Agency Office

As of September, 2024
35,547 Offices (1)



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



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

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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)

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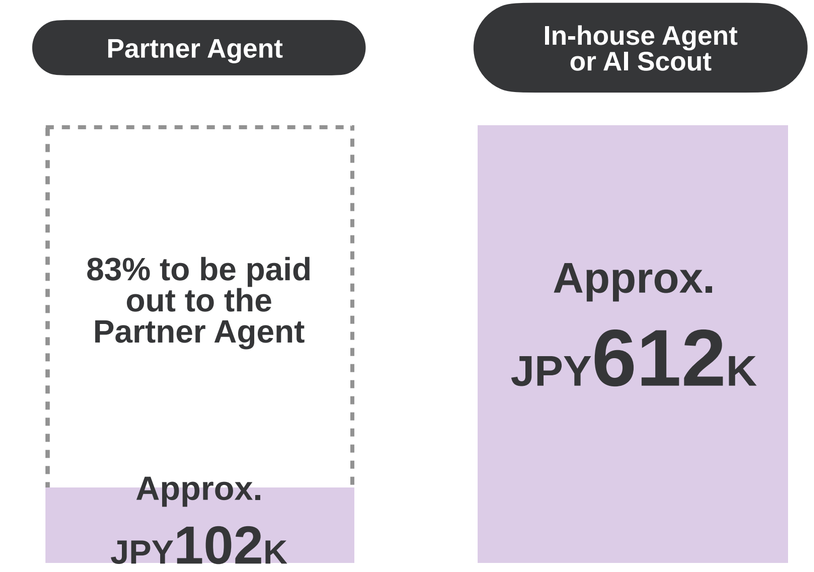
With chronic labor shortage, we have recently focused our resource on in-house placement and performance revenue has been the driver for the accelerated sales growth



Note:
(1) CAGR(Compound Average Growth Rate) based on FY19/9-FY24/9
(2) Recruitment Commission & Recruitment Administration Fee paid by Hiring Company on a successful placement
(3) Monthly Platform Fee paid by Partner Recruitment Agency
(4) Financial figures are rounded down and KPIs are rounded off

Placement portion of in-house agent and AI Scout to enhance going forward and take rate, profitability to improve directly proportionally

Mechanism of Take Rate[1]



1 Increase in In-house Agent

Increase in the number of the In-house Agent to surpass that of the Partner Agent and result in higher portion of take rate 100%, therefore take rate to enhance

2 Expansion of AI Scout

Expansion of AI Scout platform function without agent intervention and result in higher portion of take rate 100%, therefore take rate to enhance

Note:
(1) Based on FY24/9 Actuals (Financial figures are rounded down and KPIs are rounded off)
(2) Calculated by dividing Recruitment Administration Fee (which is 20% of Recruitment Commission) by Gross Merchandise Value (which is 100% of Recruitment Commission and Recruitment Administration Fee (= 20% of Recruitment Commission))

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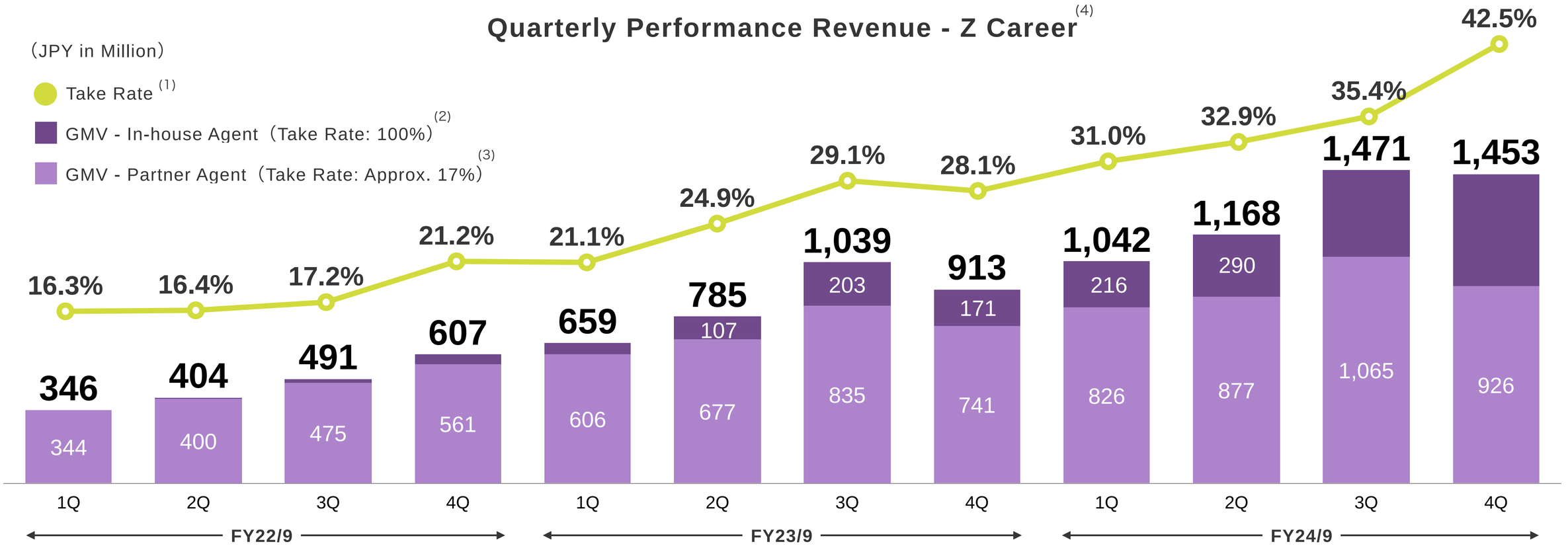
Take rate consists of partner agent take rate of approx. 17% and in-house agent take rate of 100%. As placement through in-house agent or AI scout with a take rate of 100% enhances, take rate to enhance proportionally

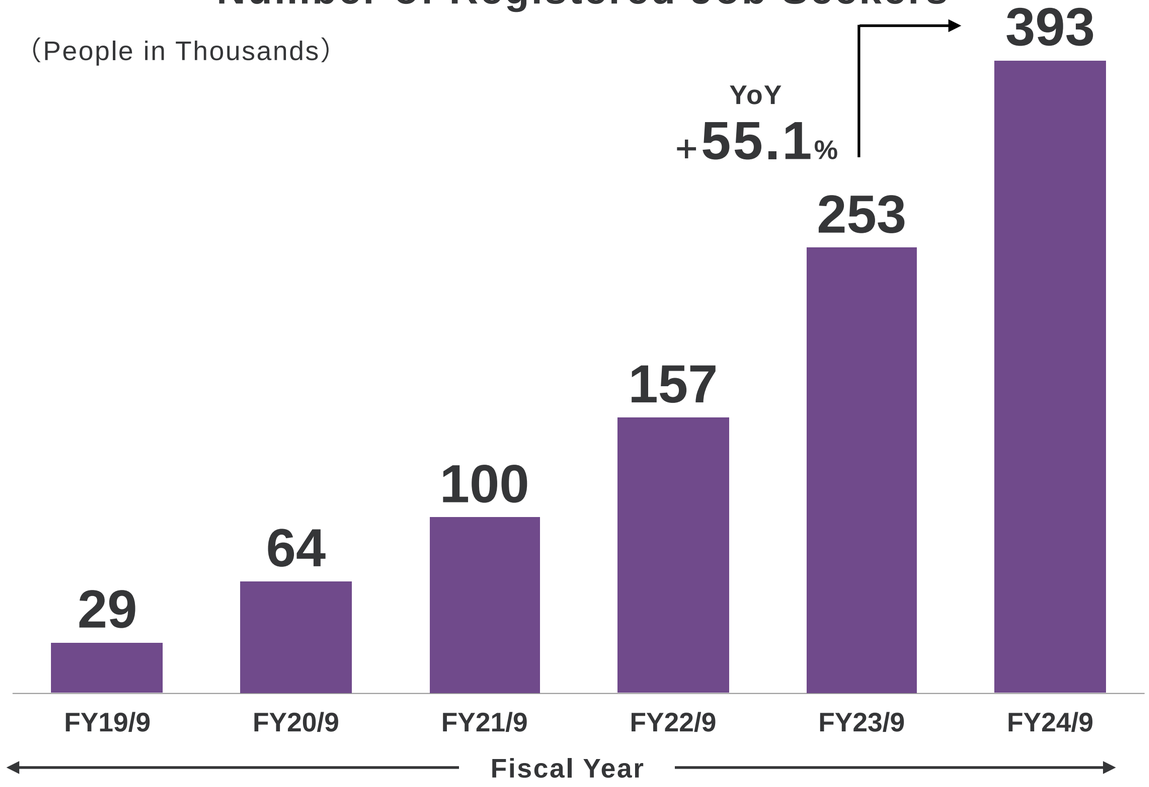
Quarterly Performance Revenue - Z Career[4]



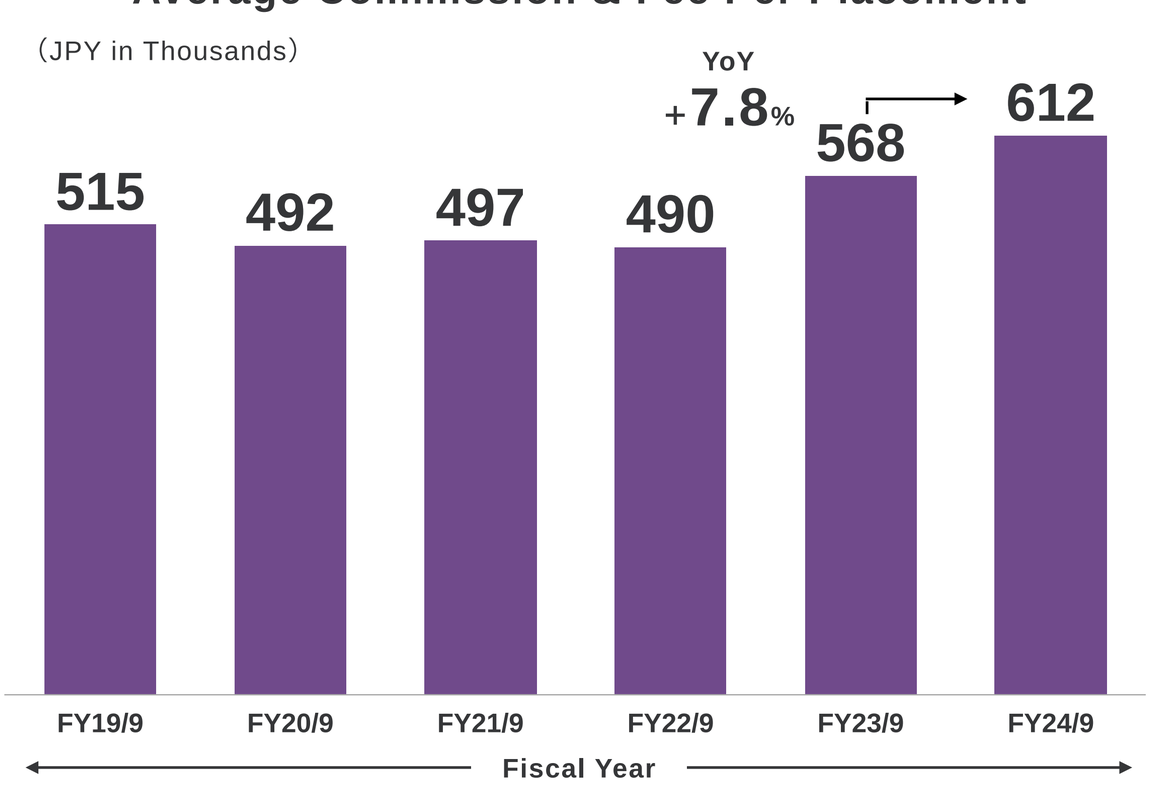
Note:
(1) Take Rate is calculated by dividing Performance Revenue (Recruitment Commission & Recruitment Administration Fee by In-house Agent and Recruitment Administration Fee by Partner Agent) by Gross Merchandise Value
(2) Gross Merchandise Value consists of Recruitment Commission & Recruitment Administration 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

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)



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



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

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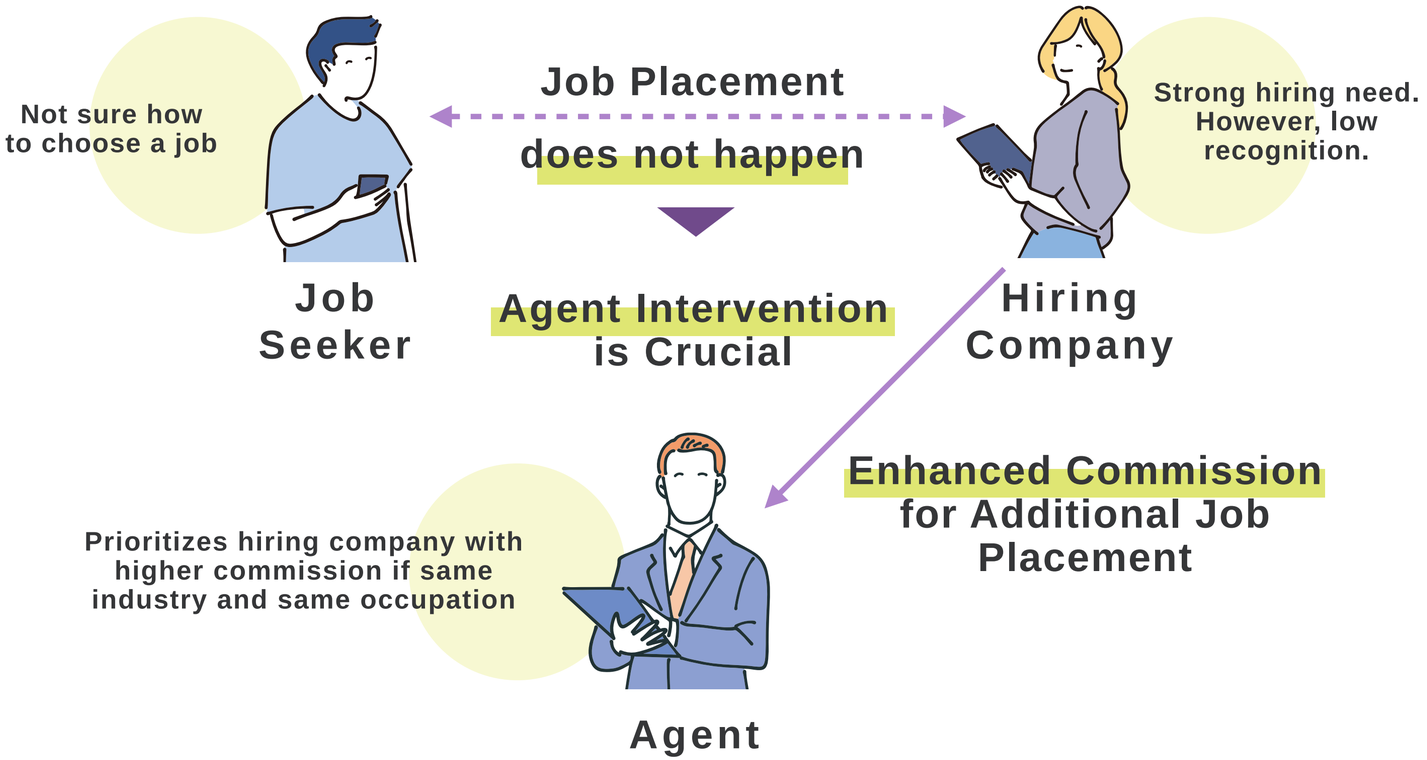
A natural competitive environment is formed within Z Career due to chronic labor shortage, with hiring companies enhancing commission for additional job placement



Due to shrinking workforce, hiring companies are in chronic labor shortage

▼

Multiple hiring companies in the non-desk worker segment list jobs on Z Career

▼

Agencies prioritize hiring companies with higher commission if same industry and same occupation

▼

Competitive environment where hiring companies enhance commission for additional job placement

back check

Online Reference/ Compliance Check Platform



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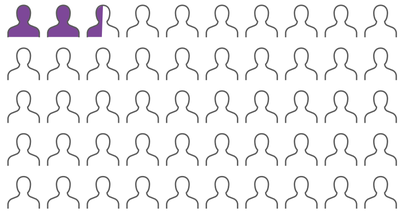
One-stop reference and compliance check platform to fence-off job seekers with risk through the recruitment process

Recruitment Market Trends

Approx. **4%**[1] **with Compliance Risk Concern**



Example

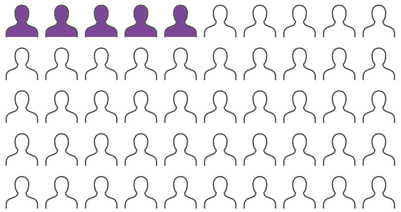


A

Sales

Criminal History Detected

Approx. **10%**[1] **Negative Review from Boss & Co-worker**



Example



B

Engineer

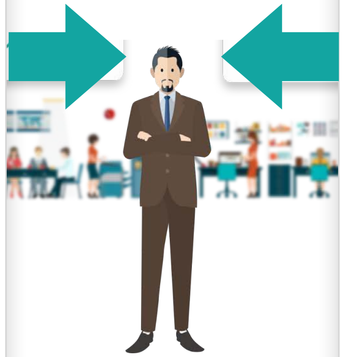
Boss & Co-worker do not wish to work together

Service Overview

Compliance Check

Candidate screening against PEP, Sanctions, Adverse Media, Web Check and others

- **Involvement with anti-social forces**
- **Criminal, bankruptcy history**
- **Inappropriate posts on SNS**



Reference Check

Third-party reference from former boss and co-workers on the candidates performance

- **Key strengths and weakness**
- **Mental resilience**
- **Harassment issues**

Note:
(1) Based on back check Data (October 2023 ~ September 2024)

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Market Opportunity

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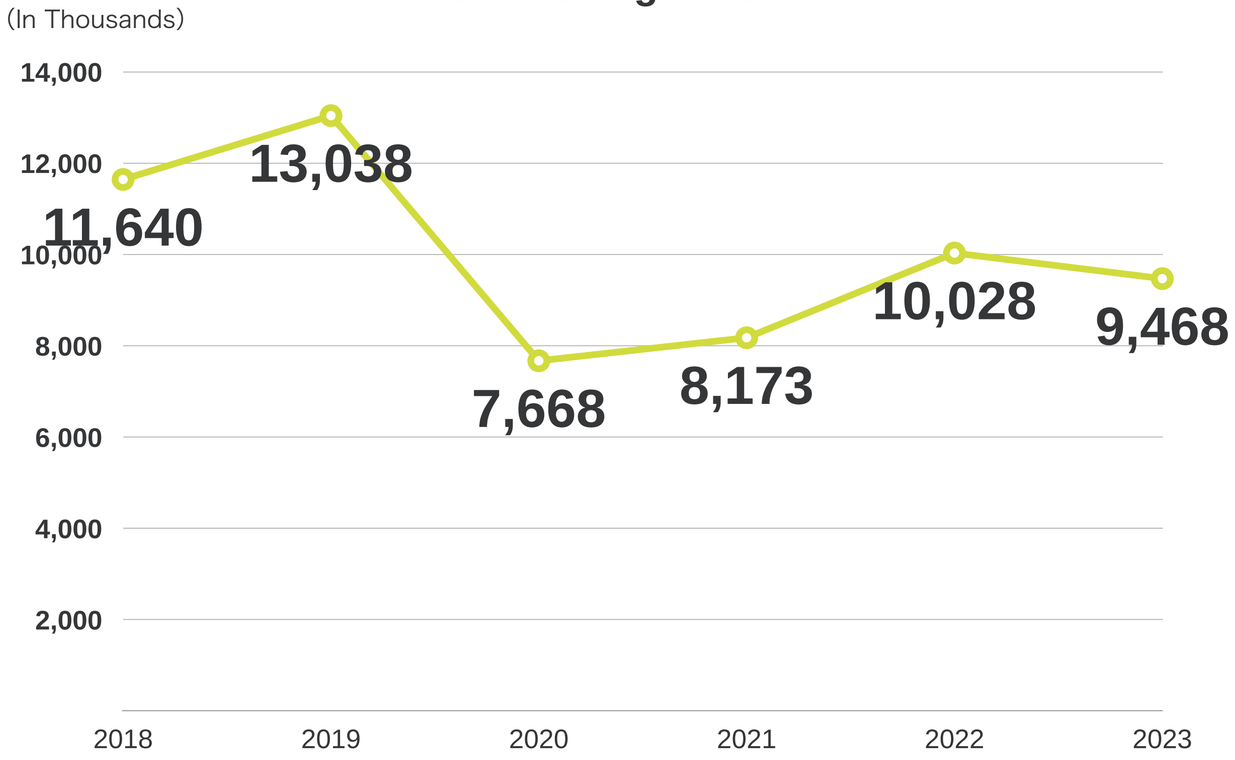
Macro environment of shrinking workforce has shifted the recruitment budget from job boards to full commission based Z Career

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

Market Size of the Non-desk Worker Segment

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

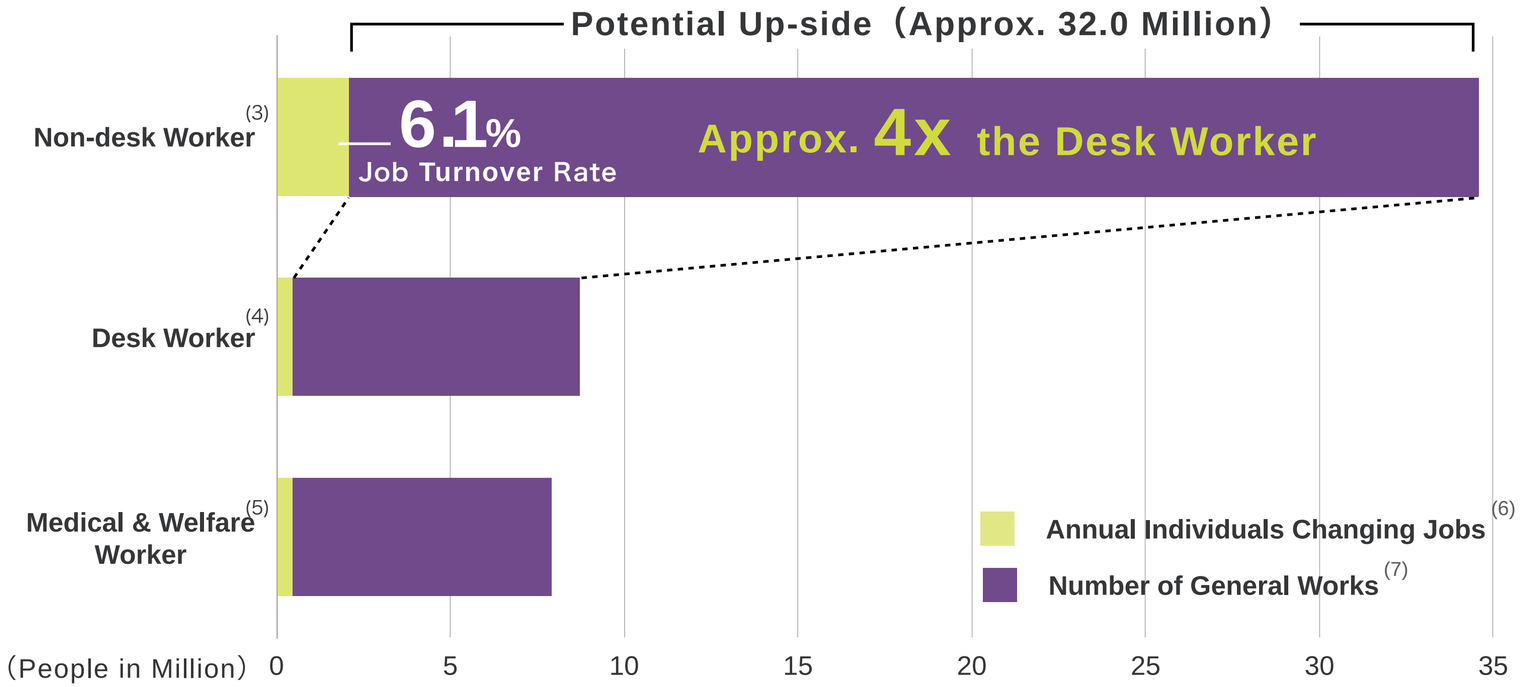
Approx.

JPY 650 Billion [2][8]

Current Z Career Sales (FY24/9)

Approx.

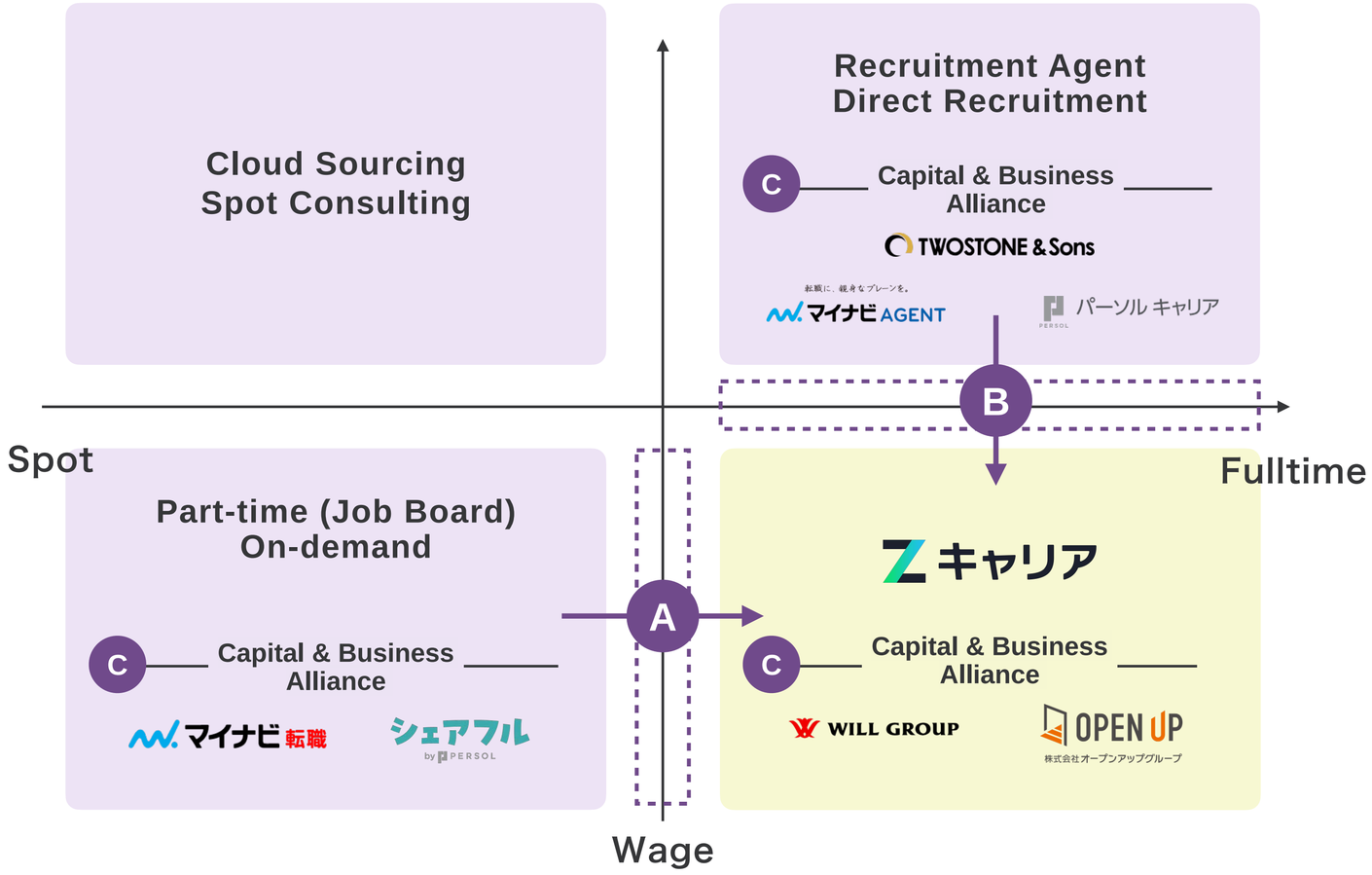
JPY 3 Billion



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
(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 (52.6%) multiplied by Z Career Average Commission JPY 0.6M

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

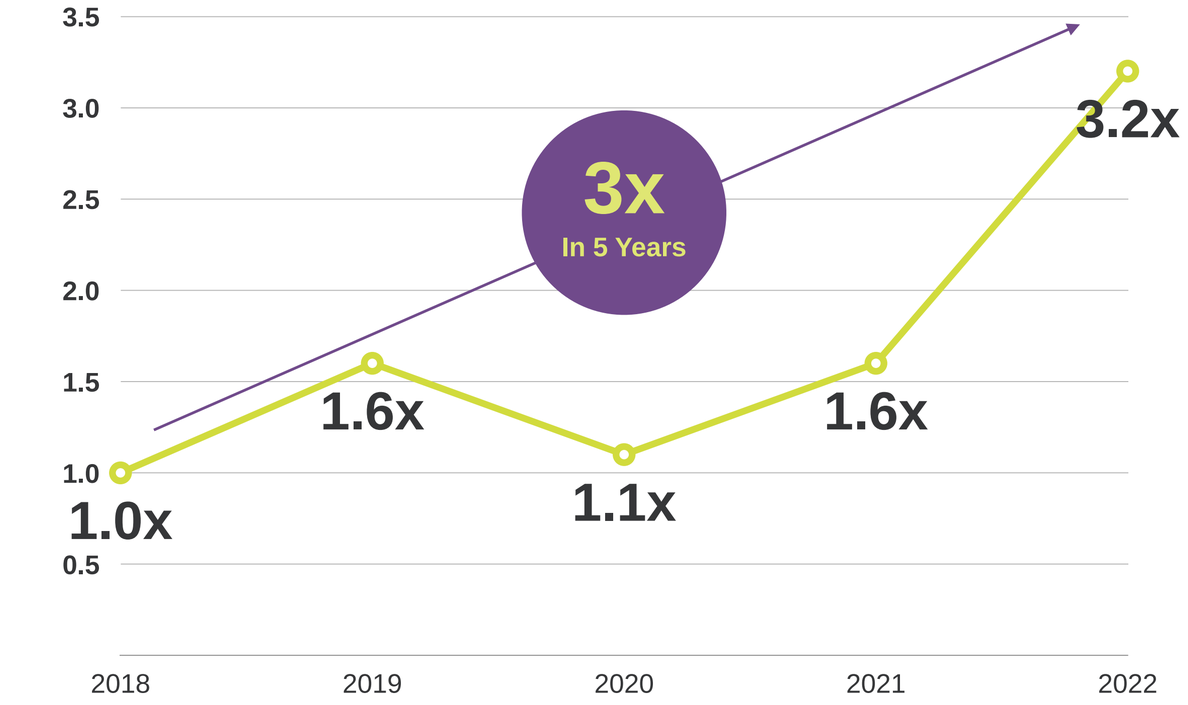
Note:
(1) Based on Research by ROXX

Difference between Part-time Segment

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

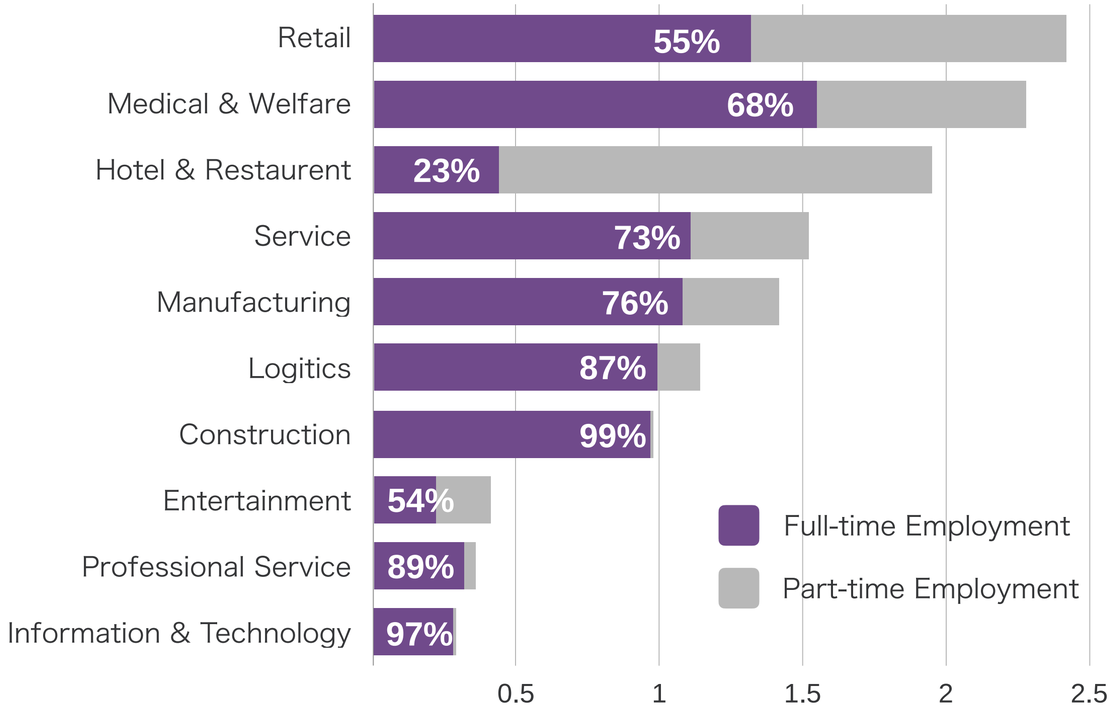
Number of Entry-level Full-time Job Listings (1)

(2018 as 1.0x)



Workforce Shortage by Industry (2)

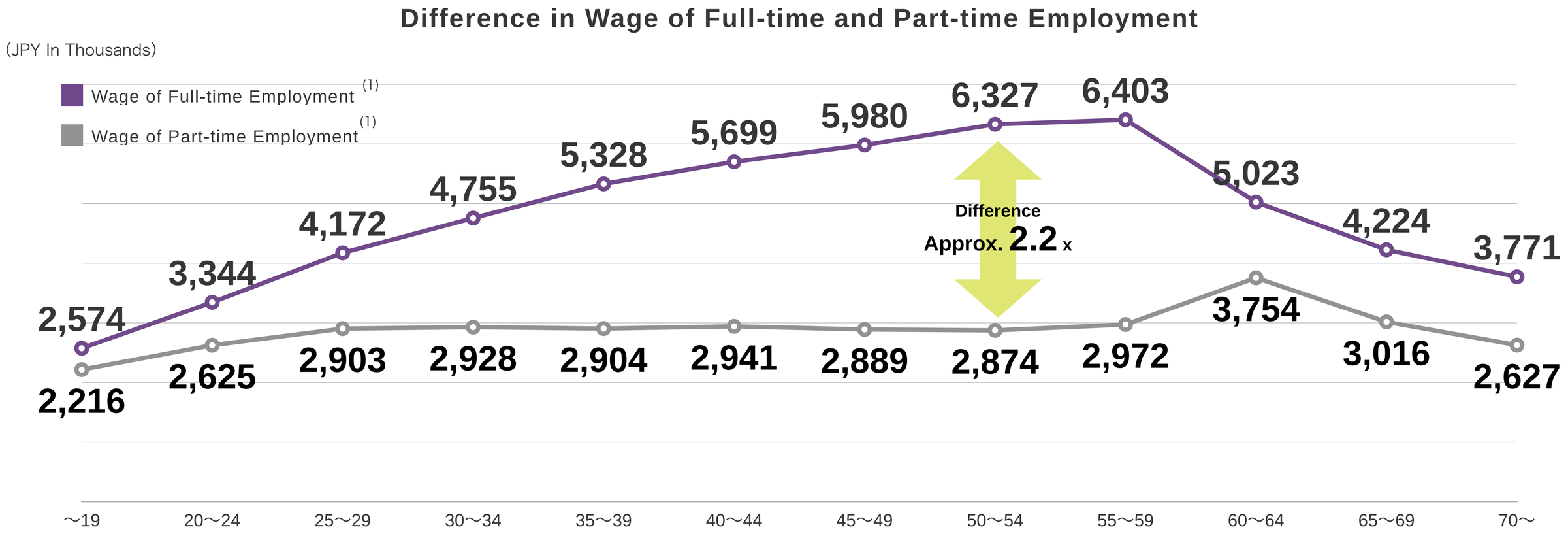
(People in Million)



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”,

Difference in Wage of Full-time and Part-time Employment

Wage gap of Full-time and Part-time Employment to widen as you age. Strong desire to become Full-time Employment considering the future

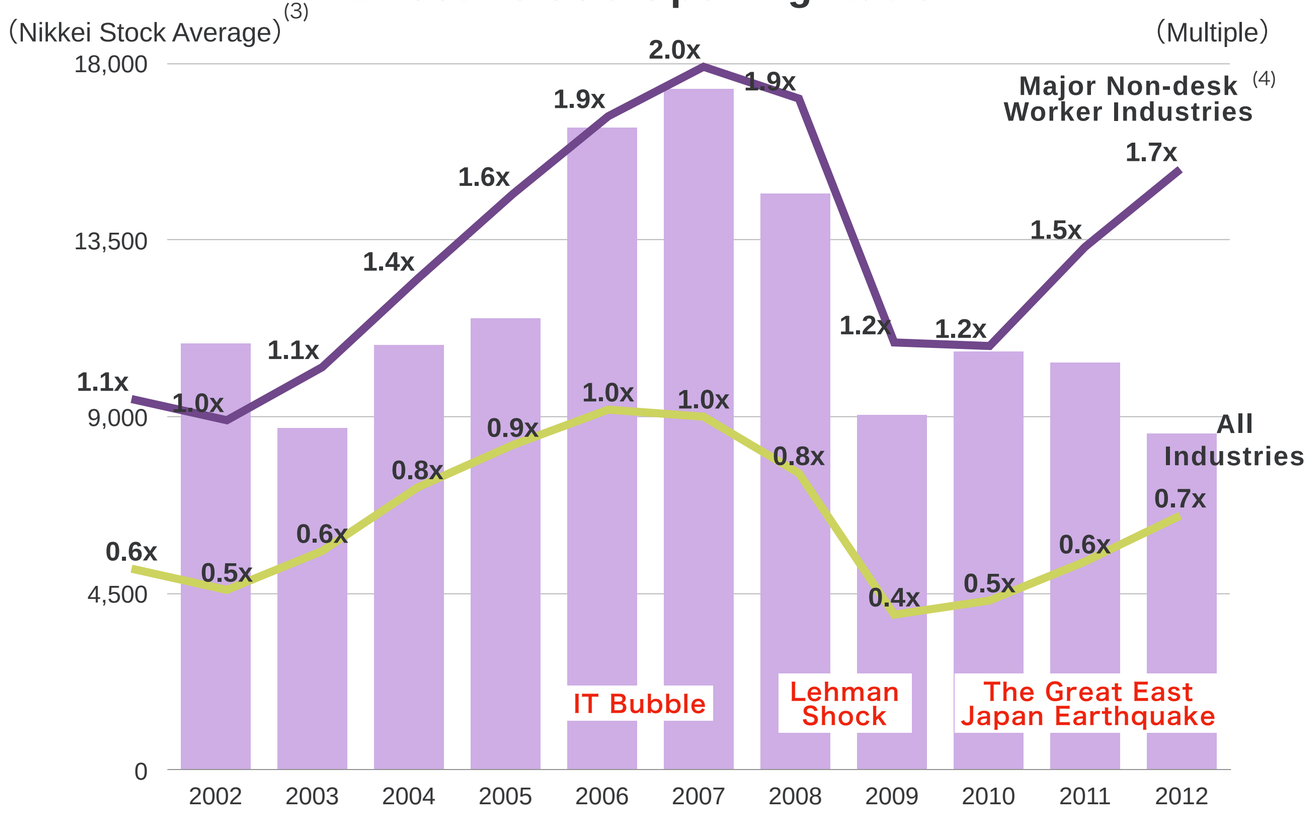


Source:
(1) Ministry of Health, Labour and Welfare, “Basic Survey of Wage Structure Survey 2022”,

Market Nature of the Non-desk Worker Segment

Non-desk workers segment of the recruitment market is counter-cyclical with high effective job opening ratio and labor mobility within industries

Effective Job Opening Ratio [1]



Major Non-desk Worker Industries [1][2]



Source:
(1) Ministry of Internal Affairs and Communications, “Annual Report on the Labour Force Survey 2022”
(2) Persol Research and Consulting, ”Labor Market Future Predictions 2030”
Note:
(3) Opening price of every year used as Nikkei Stock Average
(4) Major Non-desk Worker Industries include “Logistics”, “Construction”, “Welfare” , “Service” and “Public Health”

ROXX

Growth Strategy

ROXX

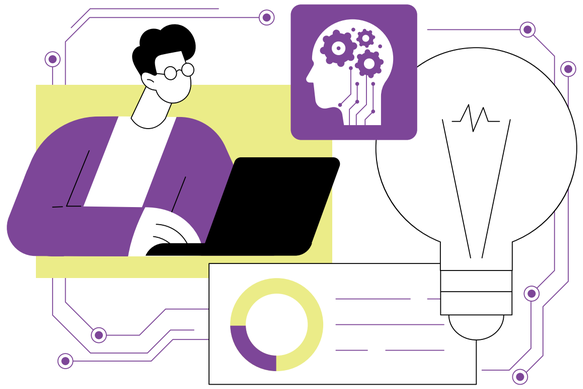
The three pillar for growth to establish “Sales Growth”, “Profit Growth” and “Barriers to Entry”

1 Growth



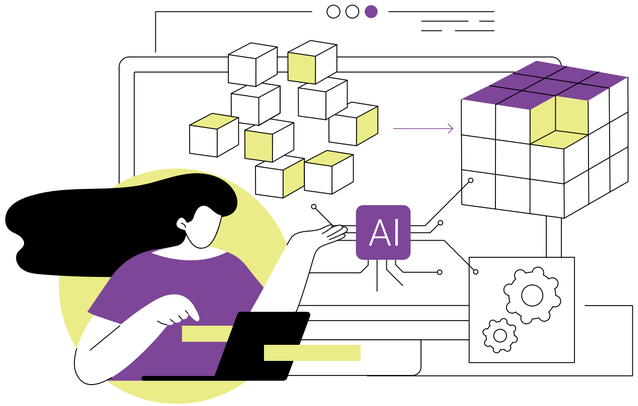
Mass advertising, product expansion, and alliance expansion to increase the number of registered job seekers

2 Profitability



AI Scout to significantly reduce the time required for job proposal and improves profitability

3 Competitiveness



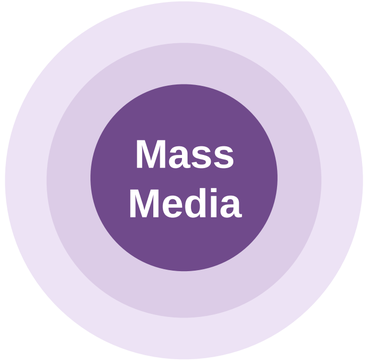
AI Interview to utilize platform data and generative AI to build competitiveness

ROXX

Sufficient demand for placement is evident and job seeker acquisition through mass-advertisement, product development and alliance expansion is the key driver for growth

Enhancing Recognition

Recognition through Mass-advertisement



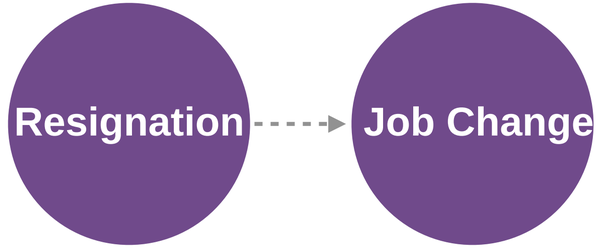
Example:

正社員だZ! Zキャリア

- 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

Covering Job Seeking Process

Product development Throughout Job Seeking Process

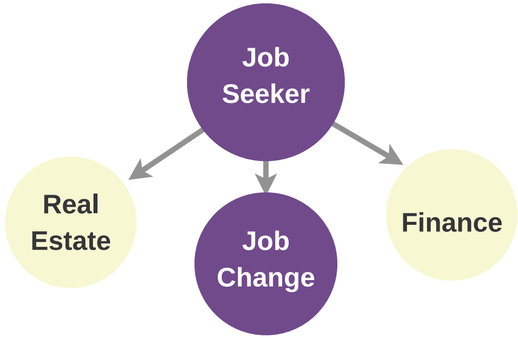


Example: Zキャリア 失業保険

- One-stop application tool for unemployment benefit
- Registration with Z Career helps one to comply with the necessary condition, of actively seeking for a job, to receive the unemployment benefit

Expanding to Adjacent Spaces

Alliance strategy to expand with adjacent area



Example:

アイフル

- Capital & business alliance with leading consumer finance company Aiful (Ticker: 8515)
- Registration flow with Z Career set-up in the email newsletter to borrowers

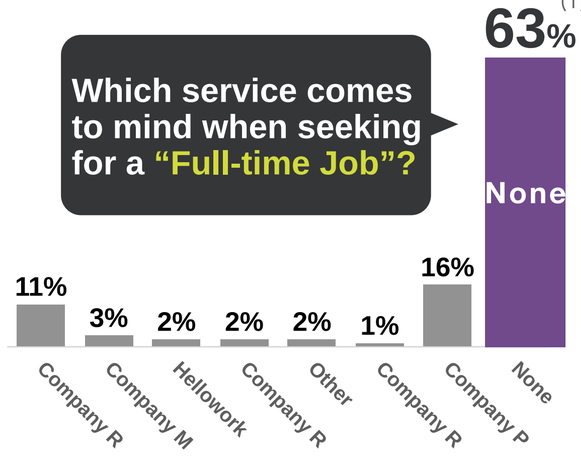
ROXX

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

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

Application Phase

Selection Phase

	Preparing Job Description	Targeting	Preparing Scout Message	Distribution	Application	Paperwork Screening	Interview Arrangement	Interview	Final Interview	Placement
Traditional Process										
Z Career			AI Scout				AI Interview			



- Scout process is fully automated utilizing AI technology
- Scout message is fully customized to the job seeker preference
- A good portion of the recruitment agent process is replaced by AI Scout



- Physical interview of the selection process is replaced by AI Interview
- Job seekers have the flexibility to take the interview whenever, wherever they want
- Reduced HR man-hours and shortened interview lead-time

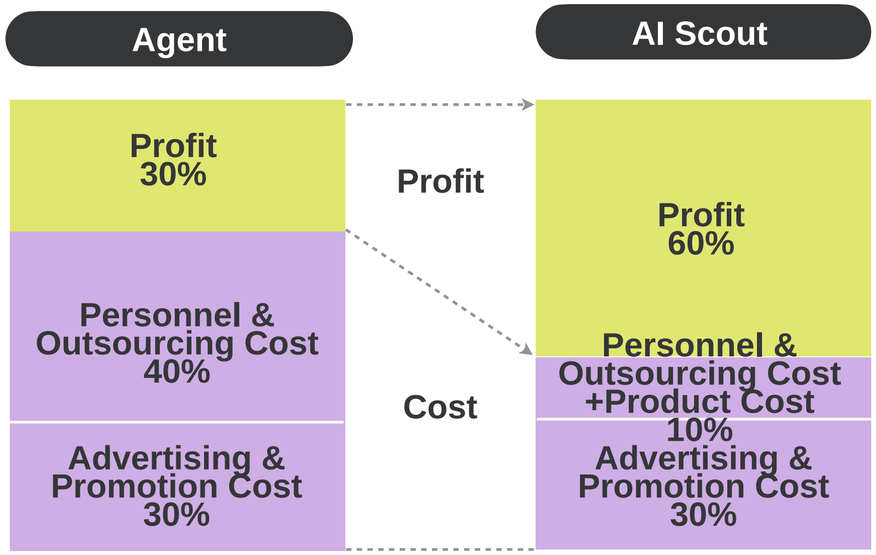
Traditional process to be replaced by AI Scout, to enhance recruitment agents capacity and improve profitability

Replacement by AI Scout



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

Profit Structure (1)



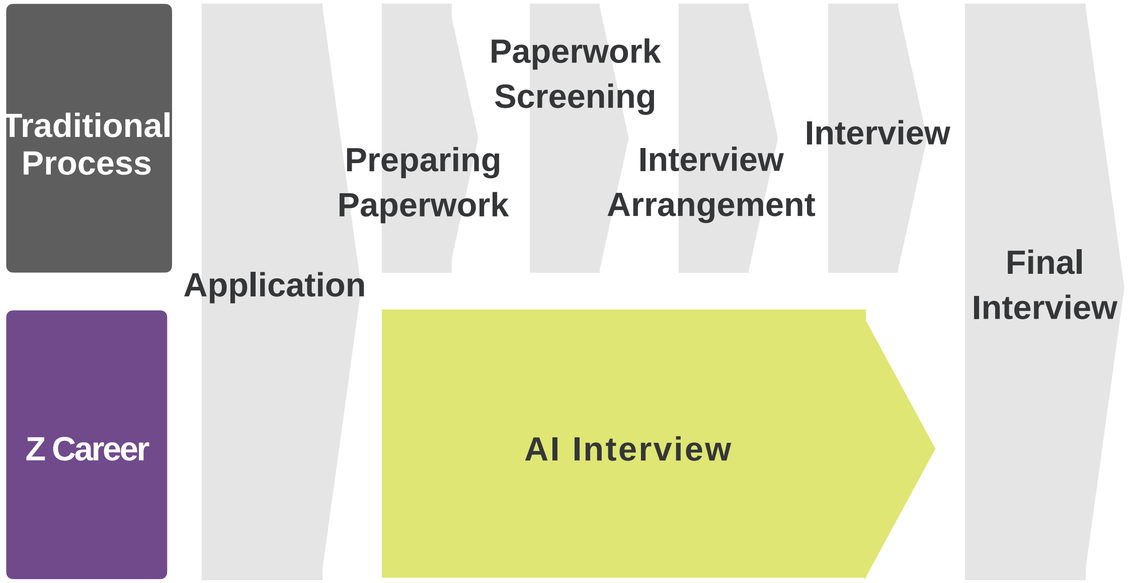
Placement rate and profitability to be optimized through hybrid solution of AI Scout and recruitment agent support

Note：
(1) For Illustration Purpose Only

ROXX

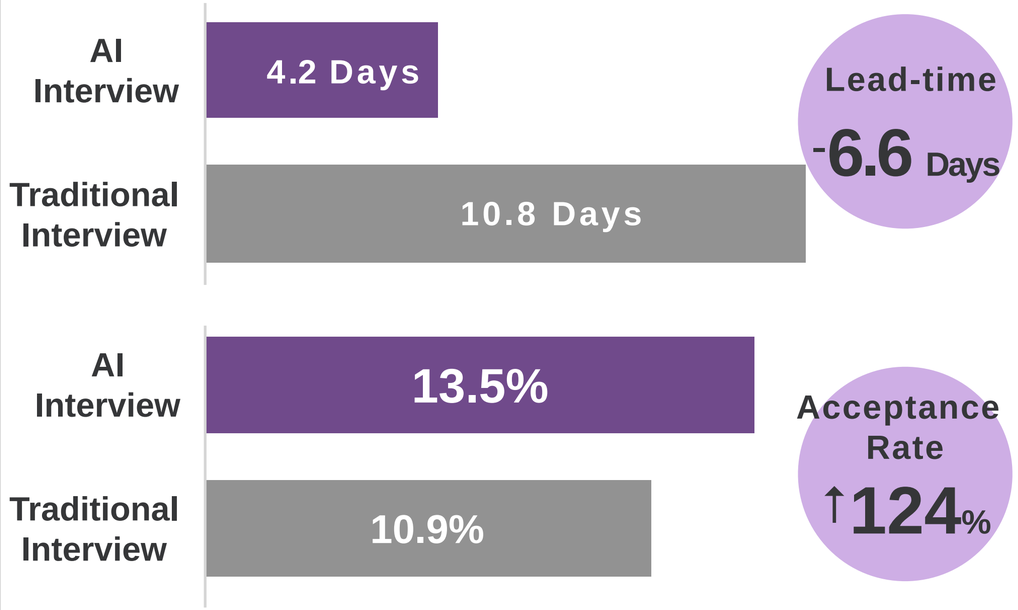
AI Interview to be utilized any time, any where and statistically proven to improve lead-time and acceptance rate in comparison to traditional interview

Replacement by AI Interview



In the non-desk worker segment, lead-time is closely correlated with acceptance rate and the benefit of AI Interview is high

Result of AI Interview (1)



In comparison with traditional interview, statistically proven of lead-time and acceptance rate to improve

Note:
(1) Based on 5 major user “Average of Traditional Interview Lead-time and Acceptance Rate Actuals” “Average of AI Interview Lead-time and Acceptance Rate Actuals” between Mar, 2024~ May, 2024 on Z Career Platform

ROXX

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

Placement Rate

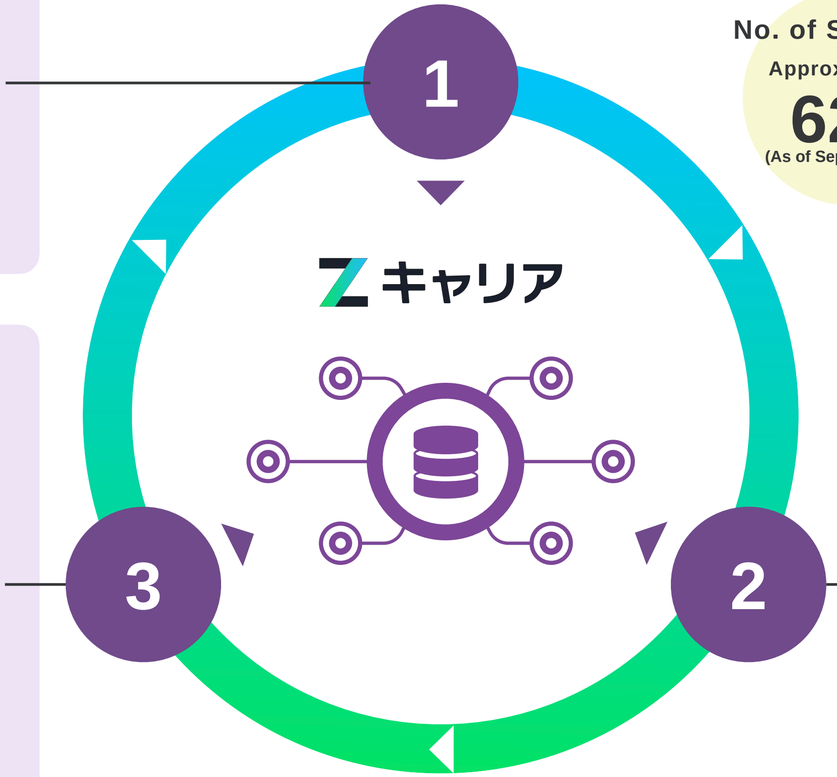
Improve Lead-time and Acceptance Rate

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

No. of Screening

Approx. 624K (1)

(As of September, 2024)

High quality data of Job Seeker and Placement Data

Job Seeker Data	+	Placement Data
• CV/Resume • Reason for Acceptance/ Rejection		• Job Description • Recommendation • Acceptance Rate • Placement Rate • Early Retirement Rate • Hiring Attributes



Job Seeker



Hiring Company



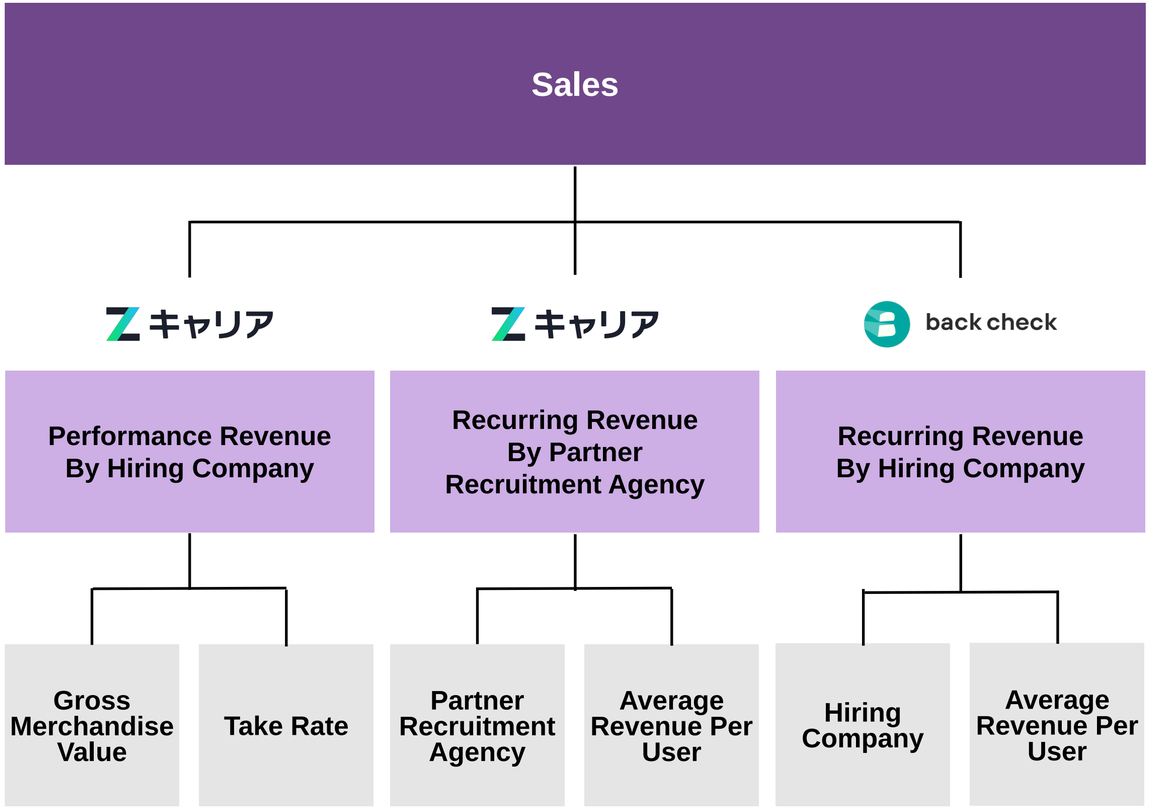
Agent

Note:
(1) Based on FY24/9 Q3 Actuals (Financial figures are rounded down and KPIs are rounded off)

Financial Summary

Profit & Loss Structure

Revenue Structure

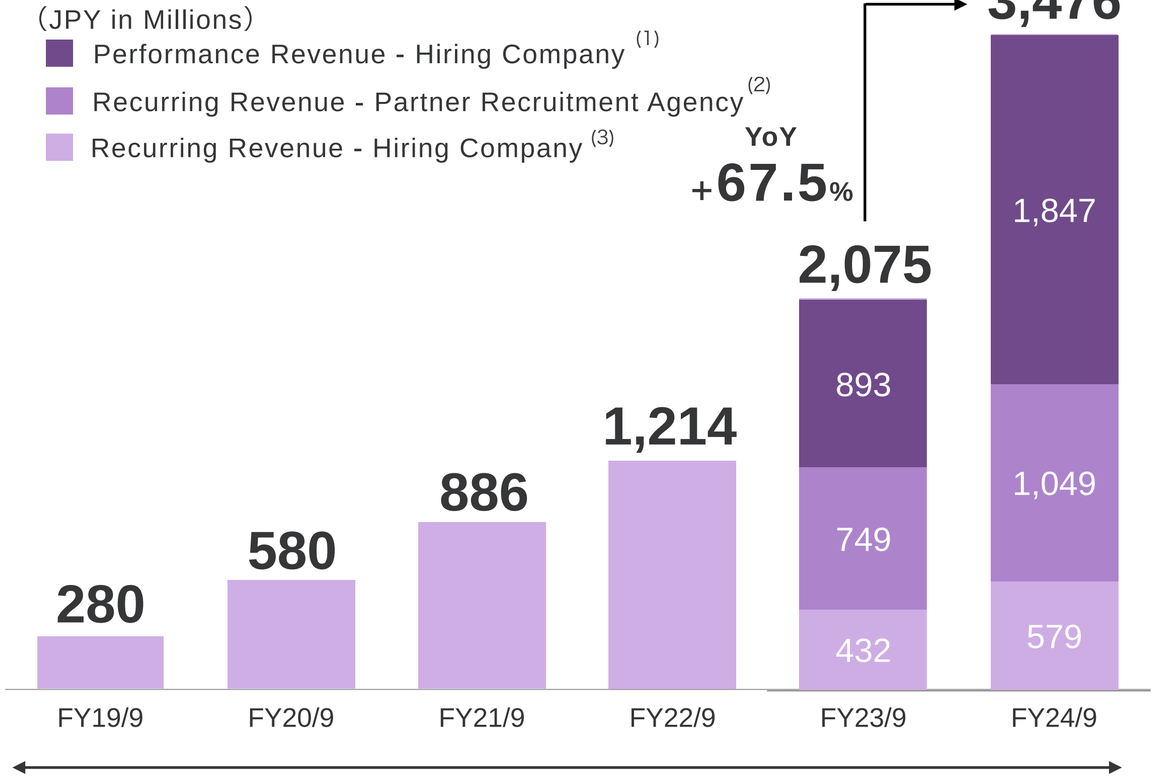


Profit & Loss Structure

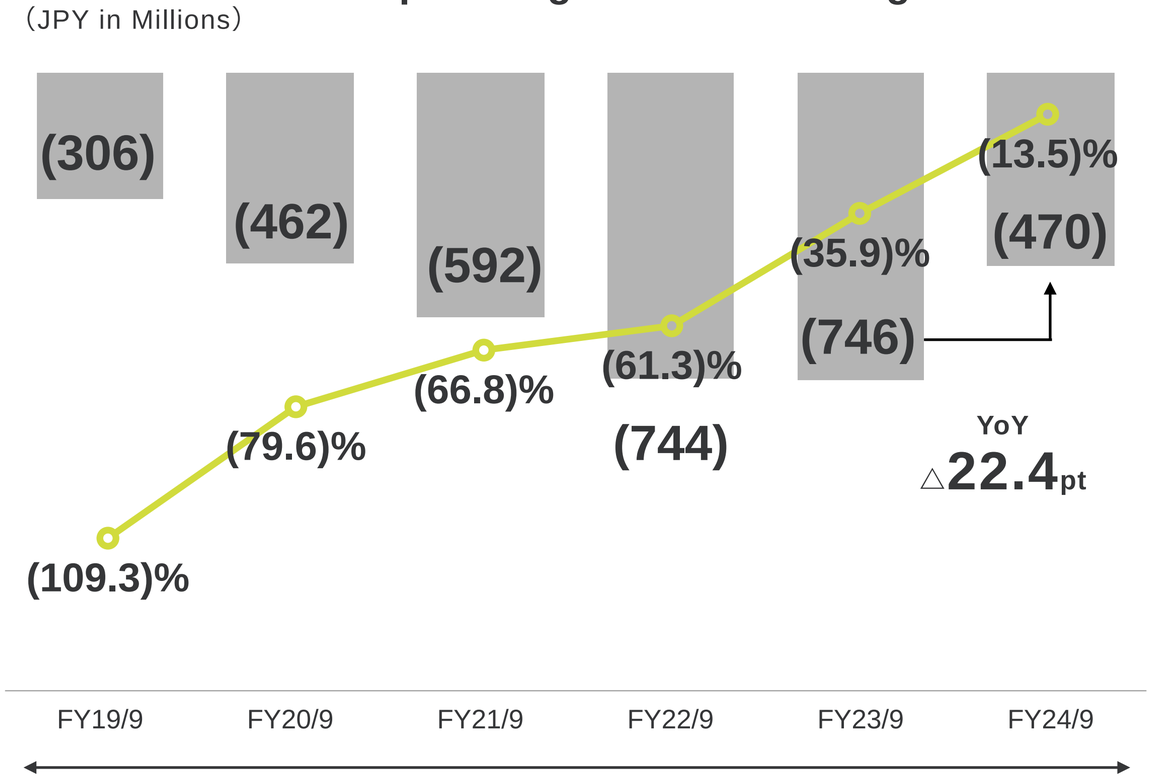
Sales	
Personnel & Outsourcing Cost	Career Advisor, Back Office and etc.
Advertising & Promotion Cost (Job Seeker Marketing)	Ad Cost for Job Seeker Acquisition (Mainly Digital Marketing)
Advertising & Promotion Cost (Mass Marketing)	Ad Cost for Job Seeker Recognition (Mainly TV Commercial)
Other	Office Rent and etc.
Operating Profit & Loss	

Sales CAGR of 65%[5] achieved since 2019 and aim to reach JPY 10.0B by FY27/9

Annual Sales[4]

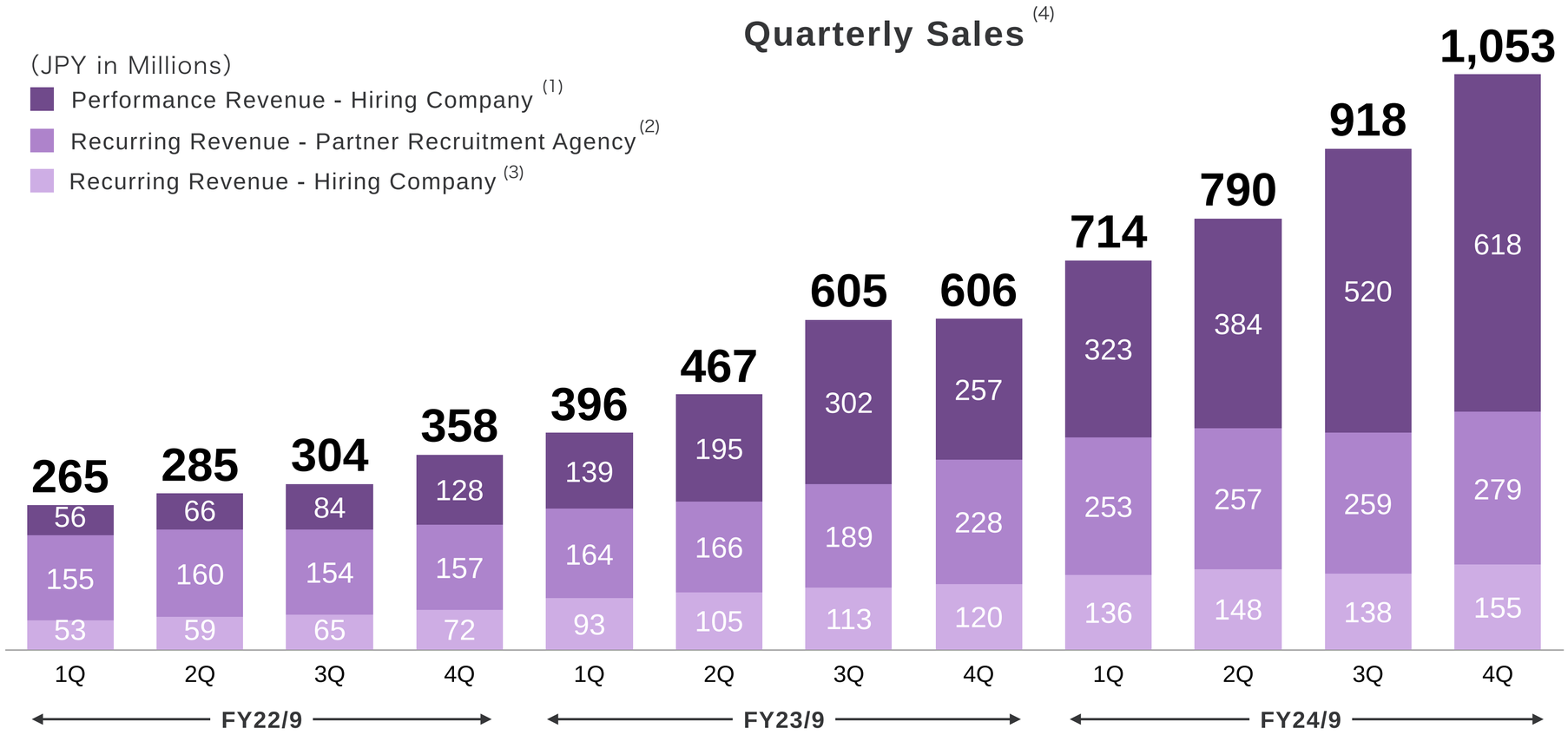


Annual Operating Profit and Margin[4]



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
(5) CAGR(Compound Average Growth Rate) based on FY19/9-FY24/9

Strategic investment in mass-advertisement planned in FY25/9 and performance revenue to remain as the driver for future sales growth



Performance Revenue

→GMV×Take Rate

- Both GMV and Take Rate to improve and will remain to be the driver for future sales growth

Recurring Revenue (Z Career)

→Partner Recruitment Agent×Monthly Platform Fee

- Stable basis of sales and to contribute to GMV growth with increase in the number of partner recruitment agent

Recurring Revenue (back check)

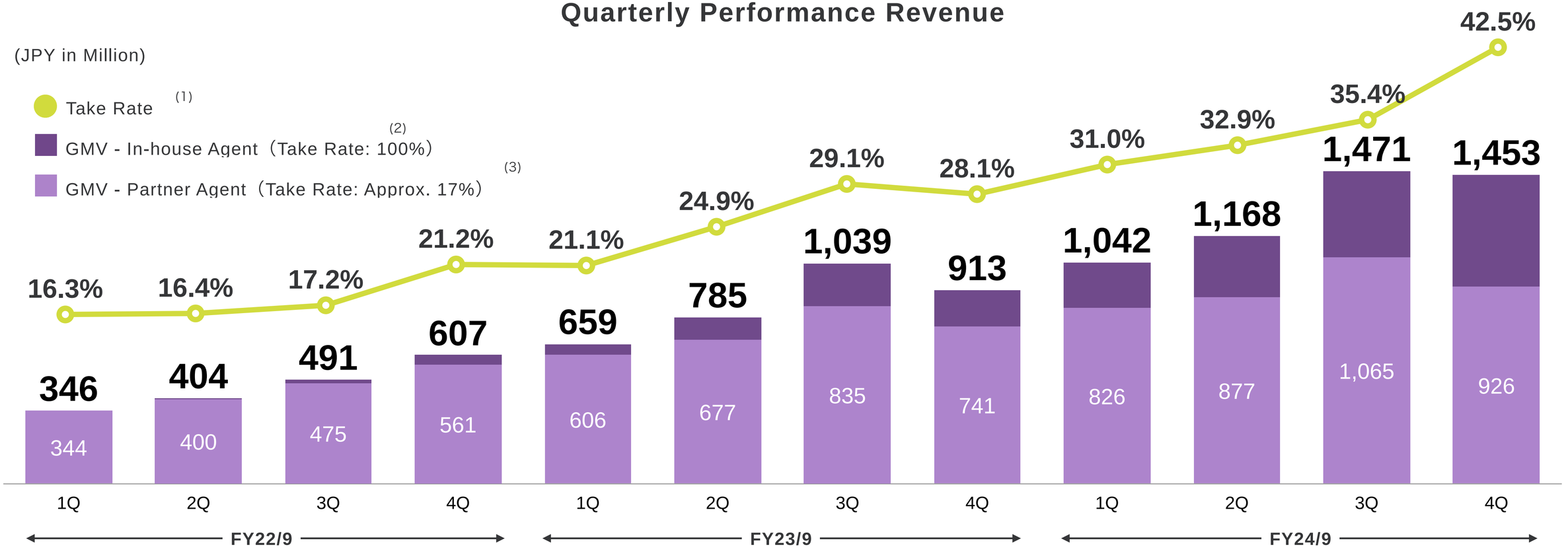
→Hiring Company×Monthly Platform Fee

- Stable basis of sales mostly consisting of enterprise companies with potential ARPU growth

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

Take rate consists of partner agent take rate of approx. 17% and in-house agent take rate of 100%. As placement through in-house agent or AI scout with a take rate of 100% enhances, take rate in FY26/9 is forecasted to be 50%

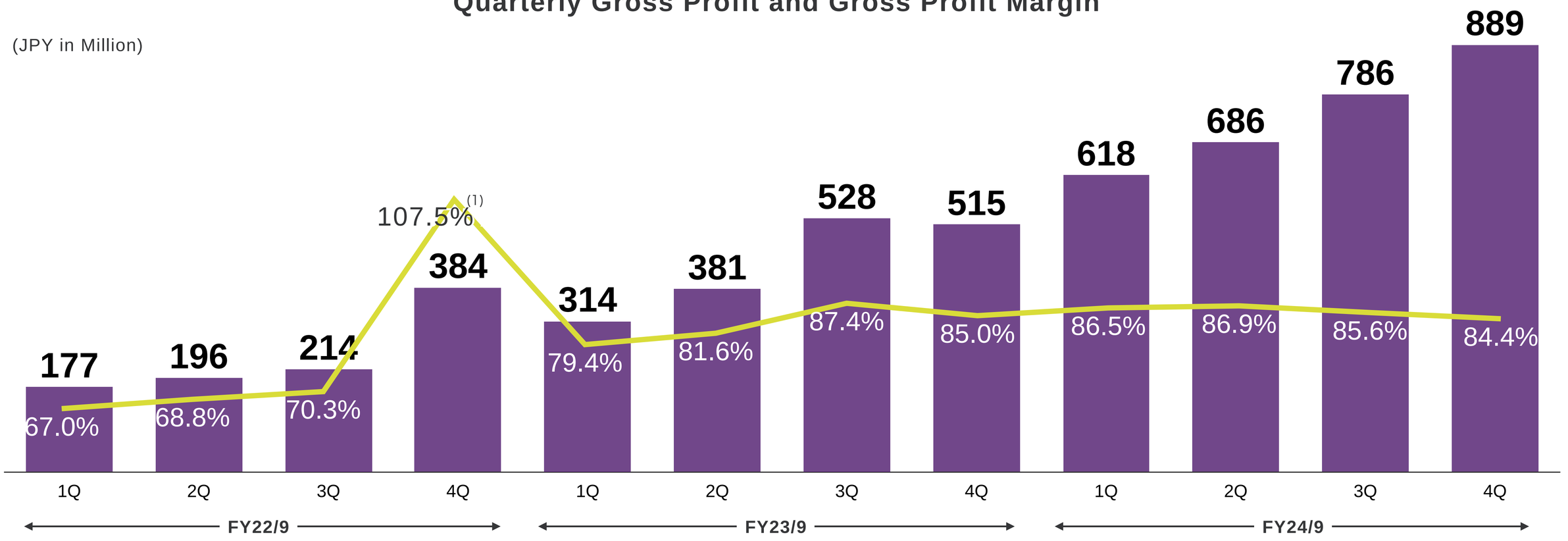
Quarterly Performance Revenue (4)



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

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

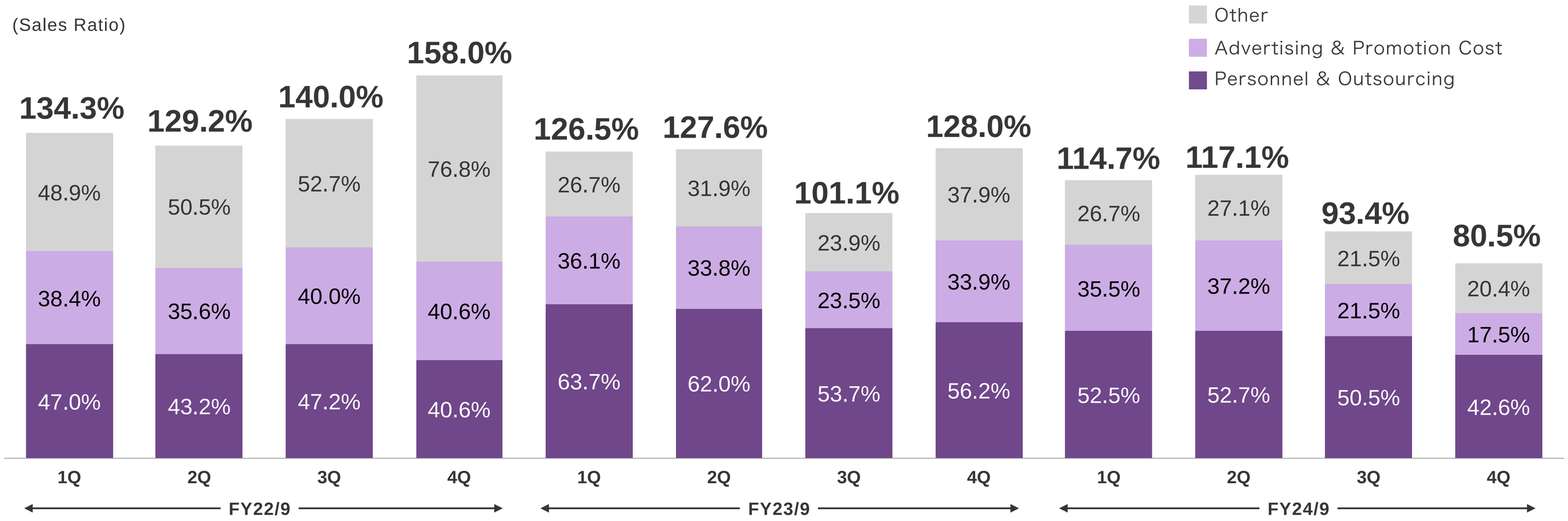
Quarterly Gross Profit and Gross Profit Margin[2]



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

Entered a stable profit phase and turning profitable in FY24/9 Q4. However, plan to remain loss making for FY25/9 with strategic investment in in mass-advertisement and aim to reach 20% operating profit margin in the mid-term

Quarterly Selling, General and Administration (1)



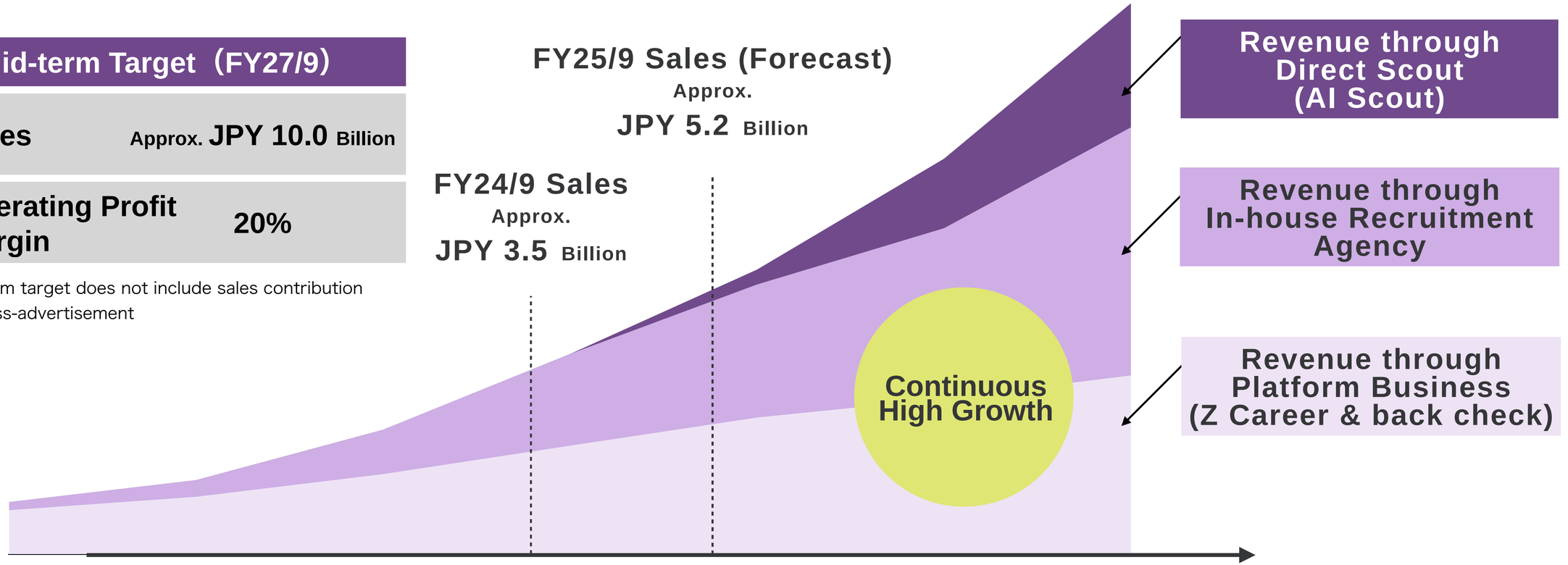
Note:
(1) Financial figures are rounded down and KPIs are rounded off

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



Summary of FY2025 Full-year Forecast

(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

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
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)

Use of Funds and Risk Factors

Use of Funds

(JPY in Millions)

	Estimated Value	Description
Advertising Expenses Related	**500**	We plan to allocate 500 million yen (500 million yen in FY25/9) to mass-media advertising for the purpose of gaining recognition as "Z Career"from non-desk workers
System Development Related	**110**	In FY25/9, we plan to allocate 40 million yen for hiring and personnel expenses of system development personnel and 70 million yen for outsourcing expenses as system development-related expenses necessary to improve future product development
Total	**610**	

Risks	Actions to Mitigate Riska	Likelihood of Occurrence	Time of Occurrence
Competition In the market for non-desk workers with an annual income of less than 4 million yen, which is our core area, we have established a certain competitive advantage. We have achieved this by building and providing a platform that includes partner introduction companies nationwide, in contrast to the traditional human resources recruitment market which has not focused on this niche. While we possess an advantage, there is still the potential for intensified competition. This could come from traditional recruitment agencies as well as new entrants such as domestic start-up recruitment agencies and job information service providers, particularly those targeting non-desk workers earning less than 4 million yen per year. Such competitive pressures may impact our business performance and financials.	To quickly establish a strong presence in the market for non-desk workers earning less than 4 million yen per year, it is essential to continue developing our services and increasing market awareness. By making continuous investments, we aim to become the first company that non-desk workers think of when seeking new employment opportunities. We will also engage in active promotions, including mass advertising, to achieve this goal.	Medium	No Specific Period
Licenses “Z Career”, our core business, operates in accordance with the Employment Security Act (Act No. 141 of 1947). Our company remains compliant with all relevant laws and regulations, and currently, there are no factors that hinder the continuation of our business. However, if we become disqualified as a fee-charging employment placement business operator under the Employment Security Act, or if we violate any laws or regulations, our business may be suspended, and our license as a worker dispatching business operator or fee-charging employment placement business operator may be revoked. Such events could prevent us from continuing our operations, significantly impacting our business performance and financials. In addition, if the company fails to respond promptly and appropriately to regulatory trends and revisions to existing laws and regulations, or if such trends adversely affect our operations, our business performance and financial position could be affected.	We have established a robust system for complying with laws and regulations through the implementation of an internal management system. Additionally, our terms of use clearly specify our commitment to legal compliance, and we actively encourage job seekers, hiring companies, and recruitment agencies using our services to comply with these laws and regulations. Furthermore, we are prepared to respond appropriately to trends in regulatory authorities and any revisions to existing laws and regulations.	Low	No Specific Period

Note:
(1) For Other Risks, please refer to “Business-related Risks, etc.” of the Securities Report

Risks	Actions to Mitigate Riska	Likelihood of Occurrence	Time of Occurrence
Information Security Through our business activities, we may obtain personal and confidential information from our customers and business partners, in addition to holding our own confidential business information. If this information is leaked, or if critical data is destroyed or tampered with, or if our systems are compromised due to cyber-attacks, unauthorised access, computer virus infiltration, or information security flaws, it could damage our company's credibility and adversely affect our business performance.	By obtaining certification under the ISMS (ISO/IEC 27001) and Privacy Mark systems, we are committed to implementing appropriate measures to protect personal and confidential information. We continuously strengthen our information security by enhancing our rules and regulations and ensuring that all employees are aware of and comply with these standards.	Low	No Specific Period
Recruitment and Training We believe that securing, training, and retaining talented individuals is crucial for continuous business expansion and promoting new ventures. If we are unable to secure and train the necessary human resources when needed, or if we experience a significant outflow of talent, it could hinder our day-to-day operations and the expansion of new businesses, ultimately impacting our business performance and financial position.	We are committed to ongoing recruitment and human resources development, while also focusing on creating socially significant businesses and developing attractive personnel systems. Our goal is to ensure that our employees can work with ease and satisfaction.	Medium	No Specific Period
Continuous Investment and Losses In order to achieve continuous growth, we have been focusing on increasing our company's recognition among job seekers, expanding our customer base, and acquiring talented human resources. In recent years, we have recorded operating losses due to prioritizing the acquisition of market share for non-desk workers. Considering the market and competitive environment, we may continue to incur losses by prioritizing the early acquisition of market share in the non-desk worker segment and investing in enhancing our recognition among job seekers.	In order to consistently generate operating profit, we will focus on acquiring new customers and improving operational efficiency. Our aim is to continuously enhance our operating profit ratio.	High	Within the Next Year

Note:
(1) For Other Risks, please refer to "Business-related Risks, etc." of the Securities Report

Disclaimer

- 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.

- We plan to publish this material in November 2025 or thereabouts.

Note:
(1) For Other Risks, please refer to “Business-related Risks, etc.” of the Securities Report