Presentation Material for FY2025 Q1 Financial Results

February 10, 2025
ROXX, Inc.

Disclaimer

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- 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.

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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

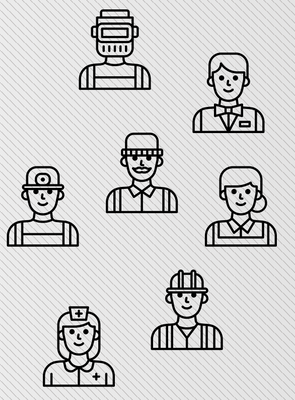
2020 : Founded a **Food-tech Company**（M&A Exit to Listed Company）

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

Business Overview

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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

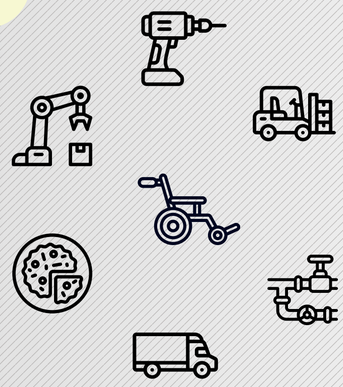
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Zキャリア　back check

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

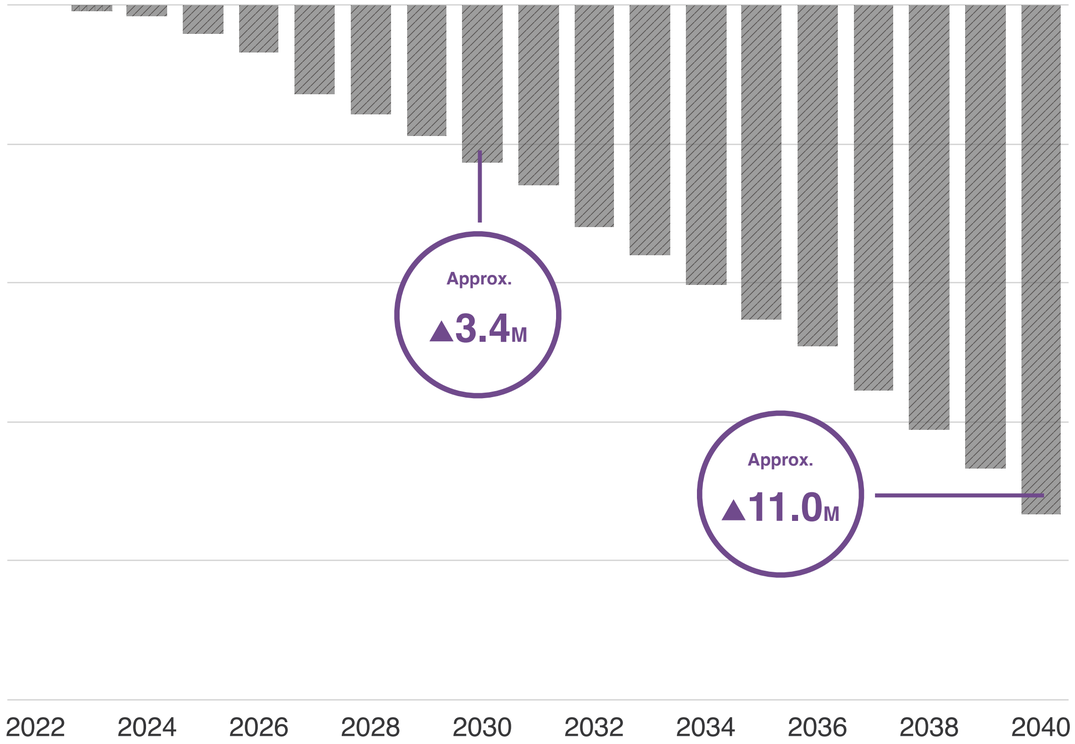
To enhance the earning power by resolving labor market issues

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

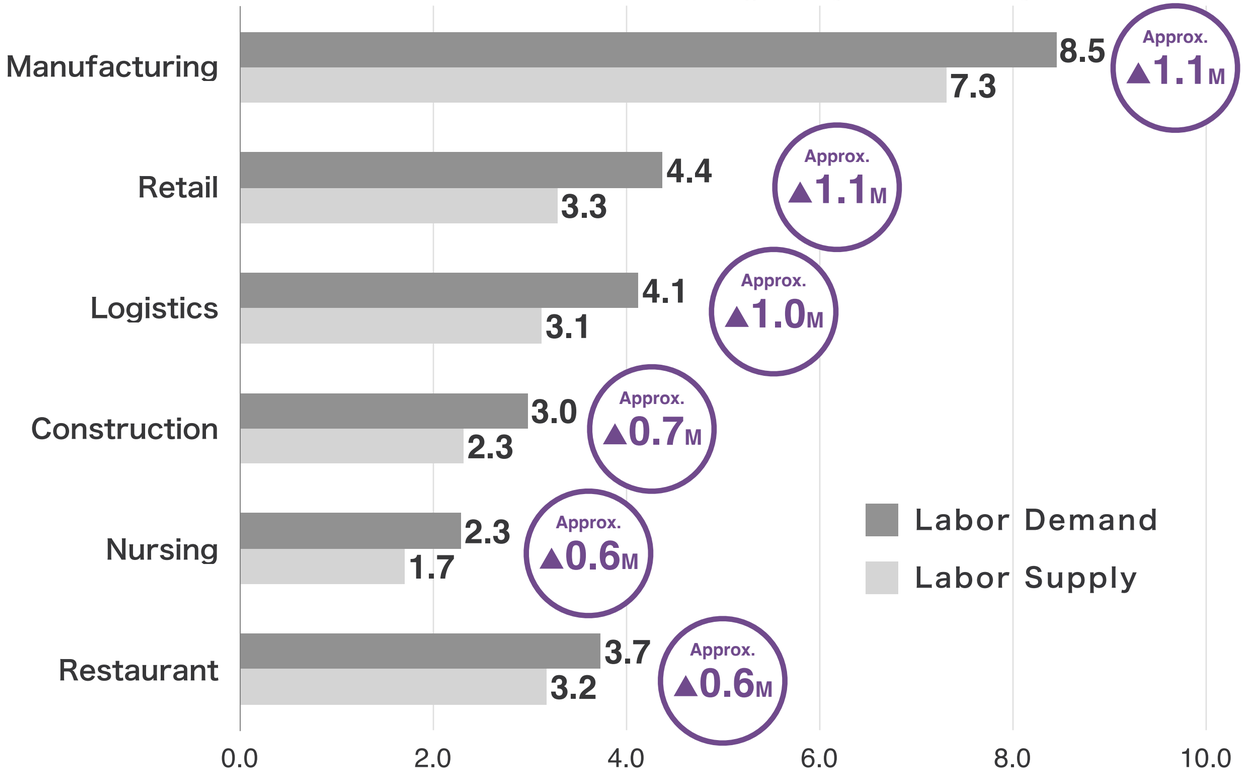
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Labor shortage is becoming a social problem as the workforce in Japan decreases, by 2040 non-desk workers segment is forecasted to suffer from a chronic labor shortage

Labor Demand & Supply Simulation (1)



Potential Labor Shortage by Industry (1)

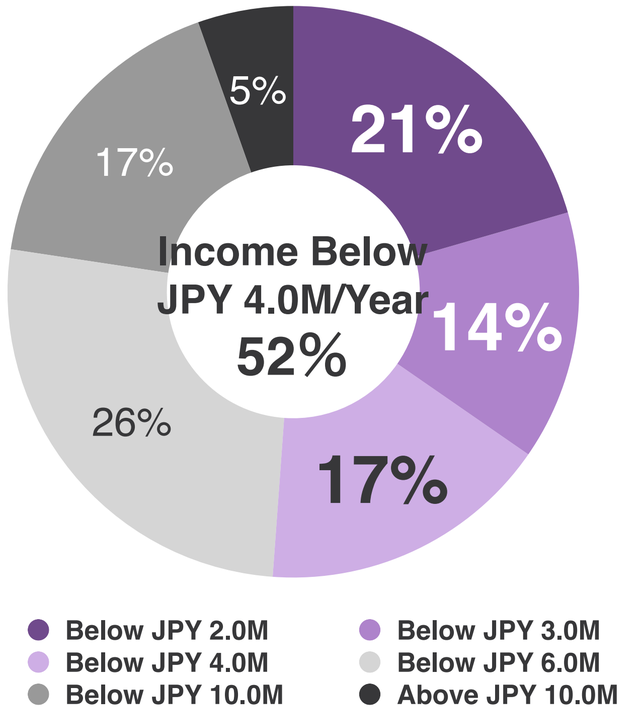


Source:
(1) Recruit Works Institute、”Future Predictions 2040”

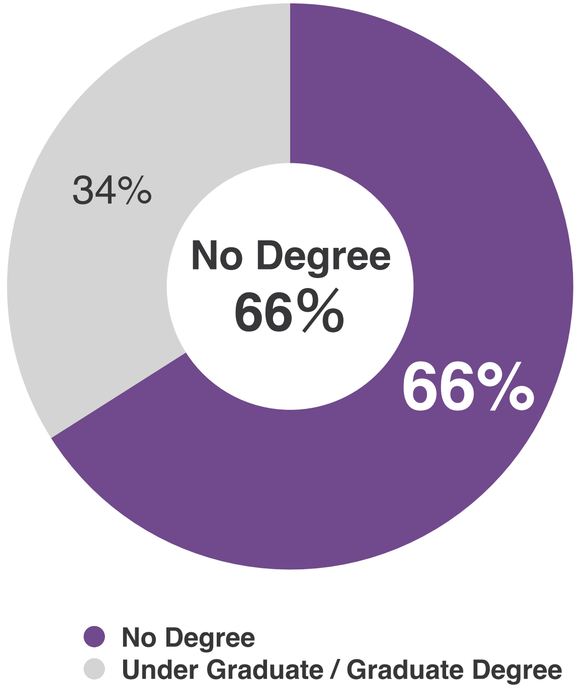
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Majority of the income earners (25.9M)[3] are below the income grade of JPY 4.0M/Year and remain non-core placements by the traditional recruitment agencies due to lack of work experience

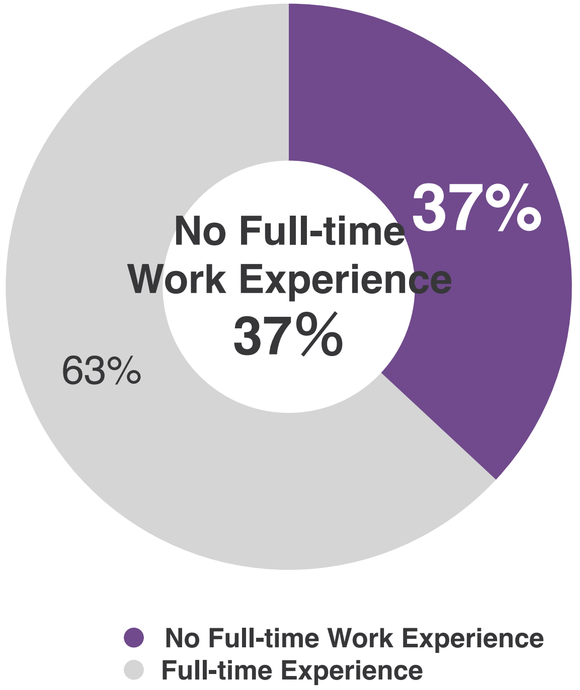
Income Earners by Income Grade[1]



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

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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. (1)
0.4M
(As of September. 2024)

Registration

Career Advisory

Z キャリア

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. (2)
89K
(As of September. 2024)

Job Listing Data Base

Placement



Partner Recruitment Agency

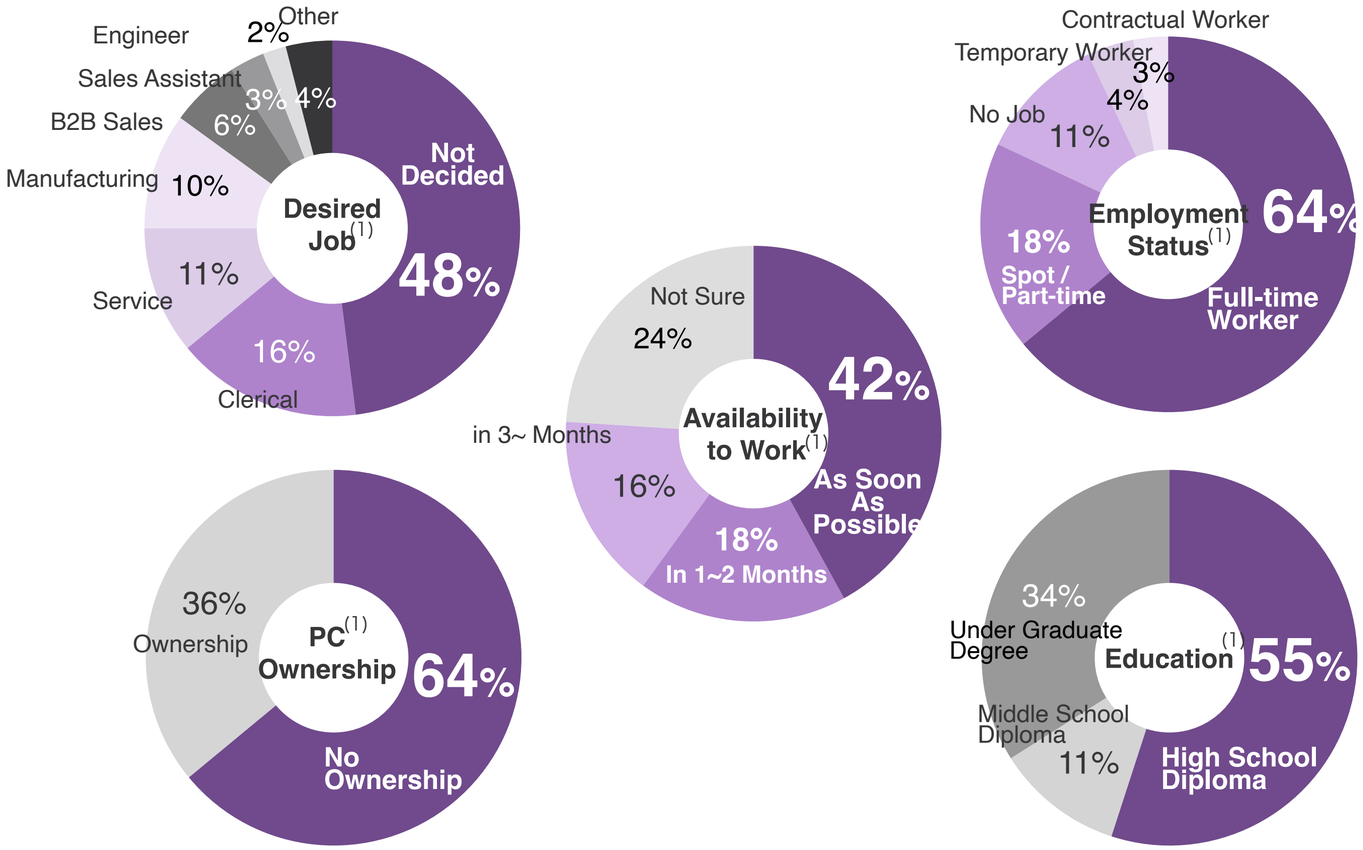
- SME Recruitment Agencies
- Seeking Job Listings to Place
- Recruitment Administration Fee paid to ROXX

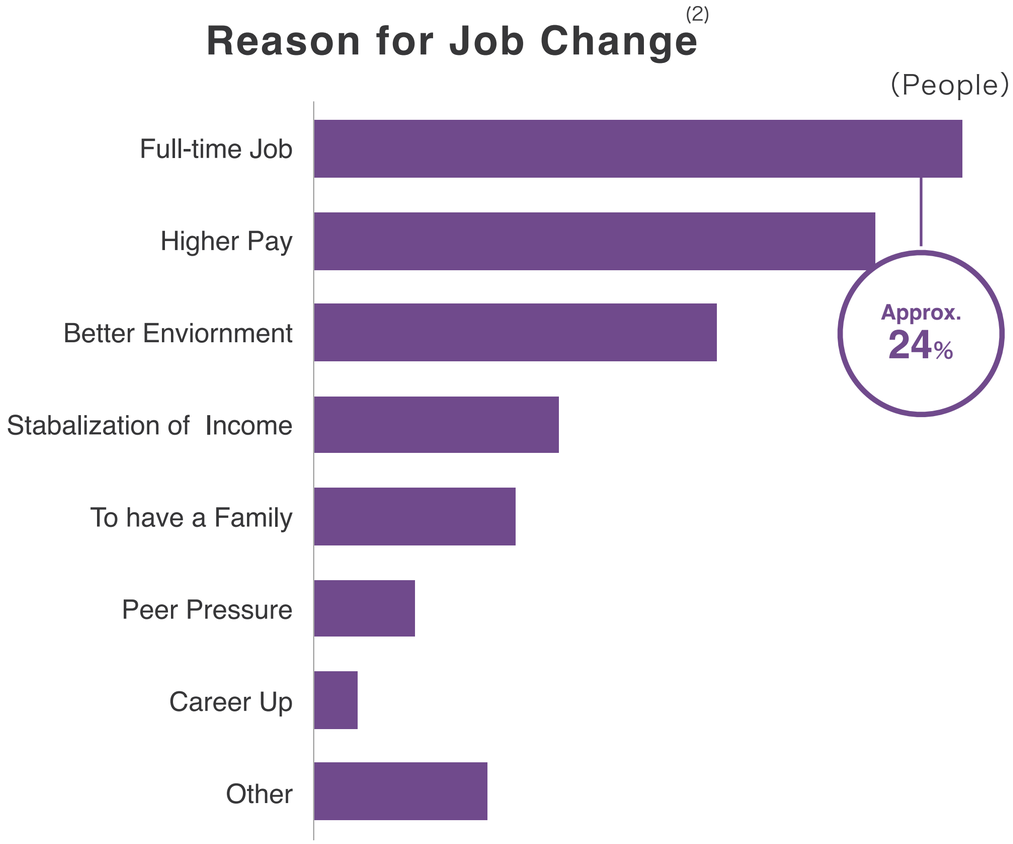
Partners
Approx.
400
(As of September. 2024)

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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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)

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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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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”

SNS Marketing

”Instagram” and ”TikTok” Marketing

Alliance

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Alliance with other services with our target job seekers

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

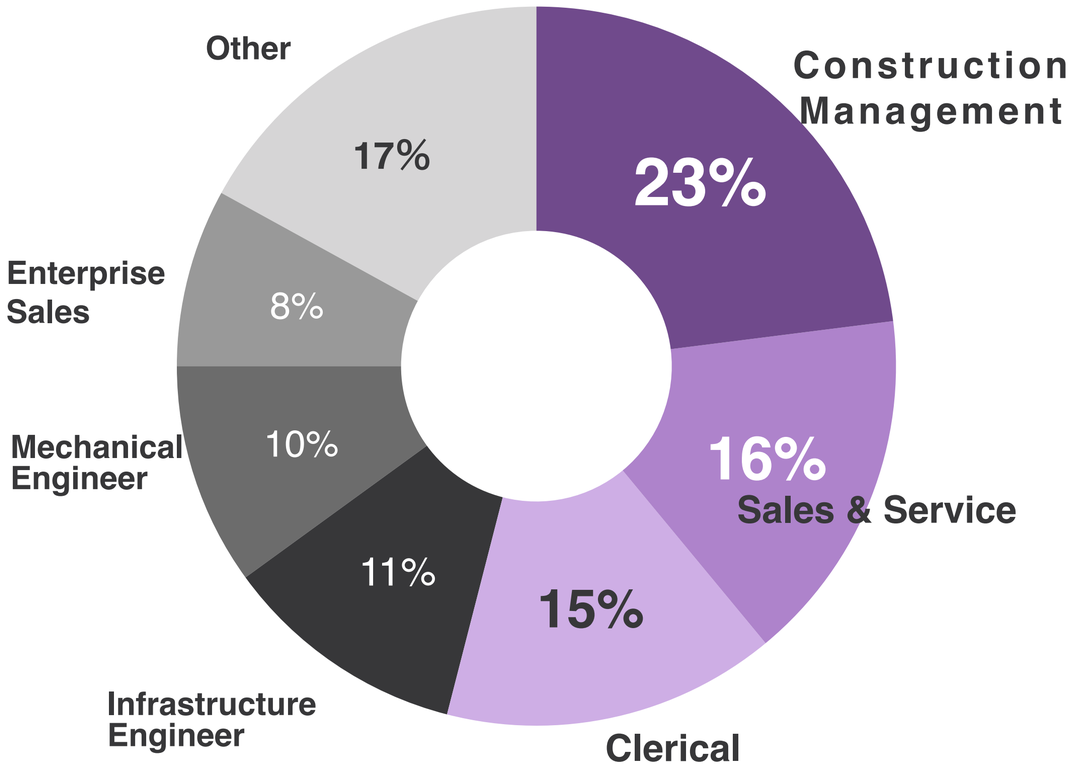


- Recommendation of Job Seeker to Hiring Company
- Interview of 1~2 times
- Lead time from application to job offer of 2 weeks
- Recruitment Commission & Recruitment Administration Fee to be billed to the hiring company on the month of hiring

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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)

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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

X10

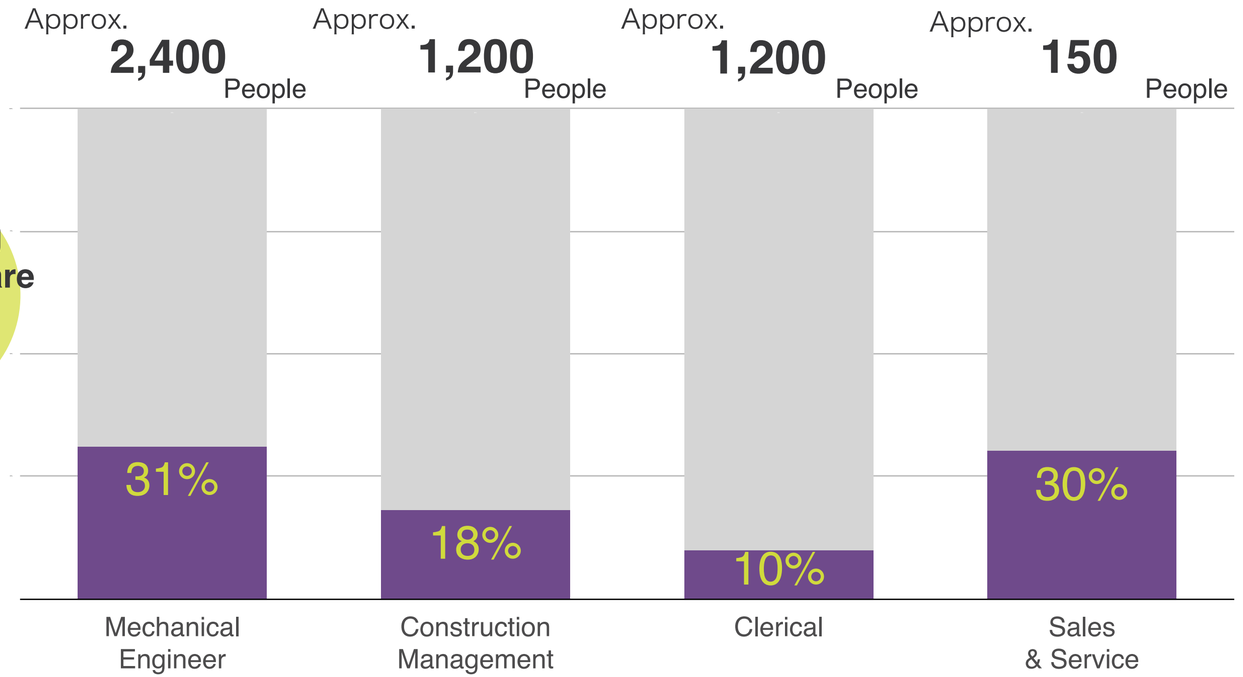
- No Education or Experience Required
- Hiring of 500 Employees
- Nationwide

Huge Hiring Volume & Share from Top Companies

Therefore

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

Hiring Volume and Share of Major Hiring Company



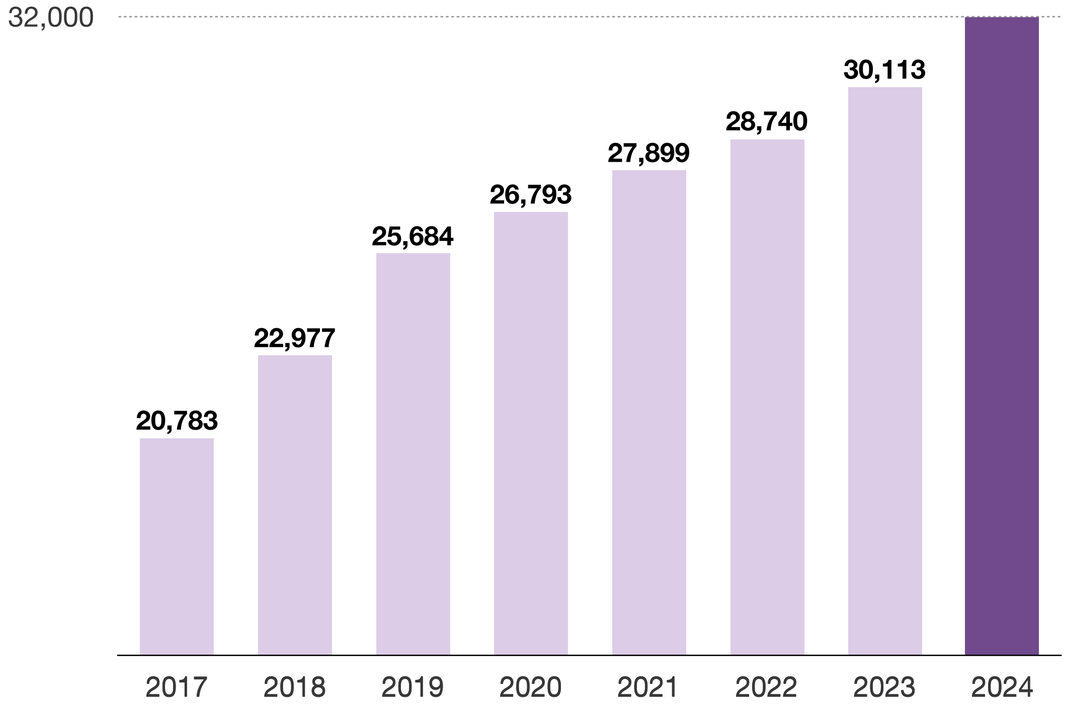
ビーネックステクノロジーズ　株式会社夢真　ManpowerGroup　串カツ田中ホールディングス KUSHIKATSU TANAKA HOLDINGS

Partner Recruitment Agency

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 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)

Financial Highlights

FY2025
Q1 Results

Q1 Sales rose +49.3% YoY, progressing in-line with previous fiscal years. Operating Loss narrows.
- Sales: JPY 1,066 Million (YoY:+49.3%)
- Operating Loss: JPY (172)Million
- Net Loss: JPY (179) 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

Both Sales and Operating Profit weigh heavily on H2. “Strategic Investment” and “Hiring” to result in wider Operating Loss for H1.
- Sales: JPY 5,235 Million (YoY: +50.6%)
- Operating Loss: JPY (195) Million
- Net Loss: JPY (236) Million

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

FY2024
Q4 Results

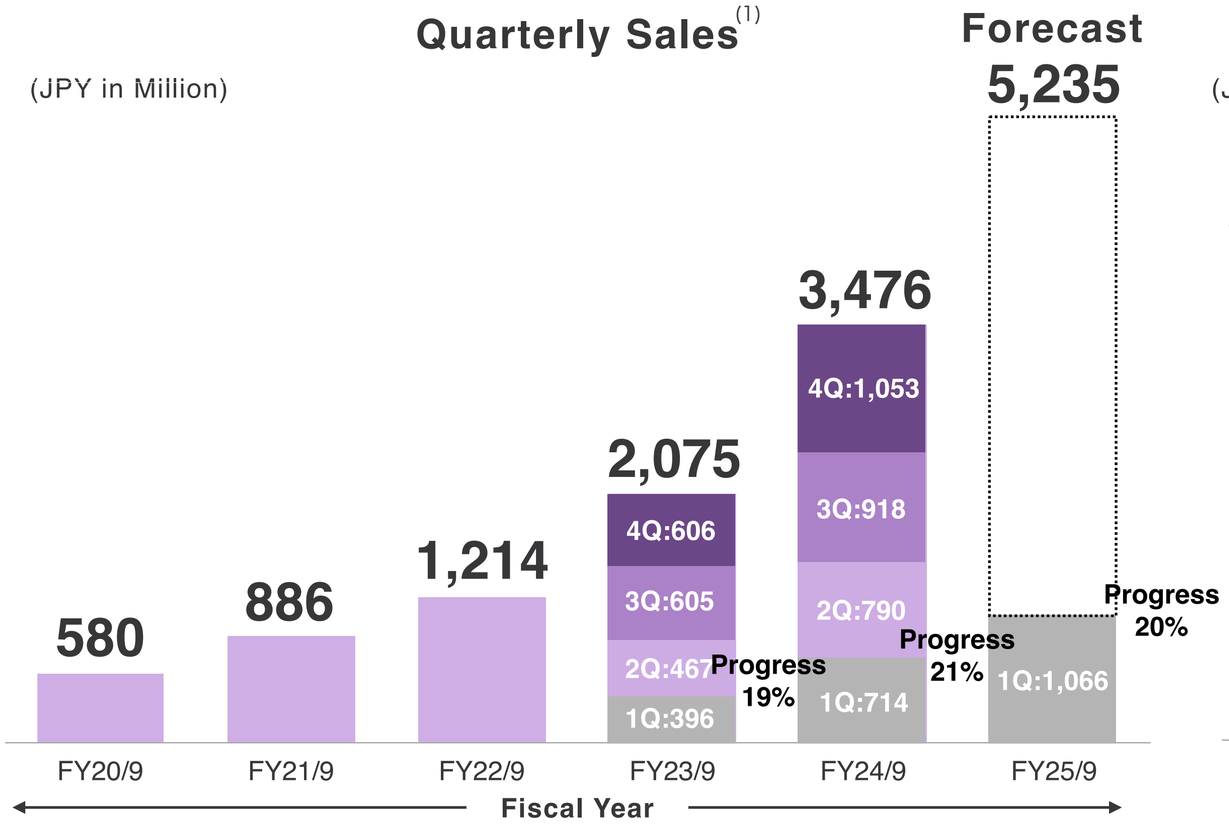
Summary of Q1 FY2025 Results

(JPY in Million)	FY2024 Q1	FY2025 Q1	YoY
Sales	714	1,066	+49.3%
Sales Growth Rate	80.2%	49.3%	▲30.9pt
Cost of Sales	96	189	+96.8%
Cost of Sales Margin	13.5%	17.8%	+4.3pt
Gross Profit	618	877	+42.0%
Gross Profit Margin	86.5%	82.2%	▲4.3pt
Selling, General and Administration	819	1,049	+22.8%
Selling, General and Administration Margin	114.7%	98.4%	△16.3pt
Operating Profit & Loss	(200)	(172)	
Operating Profit & Loss Margin	(28.1)%	(16.2)%	△12.0pt
Ordinary Profit & Loss	(196)	(179)	
Net Profit & Loss Before Income Tax	(196)	(179)	
Net Profit & Loss	(197)	(179)	

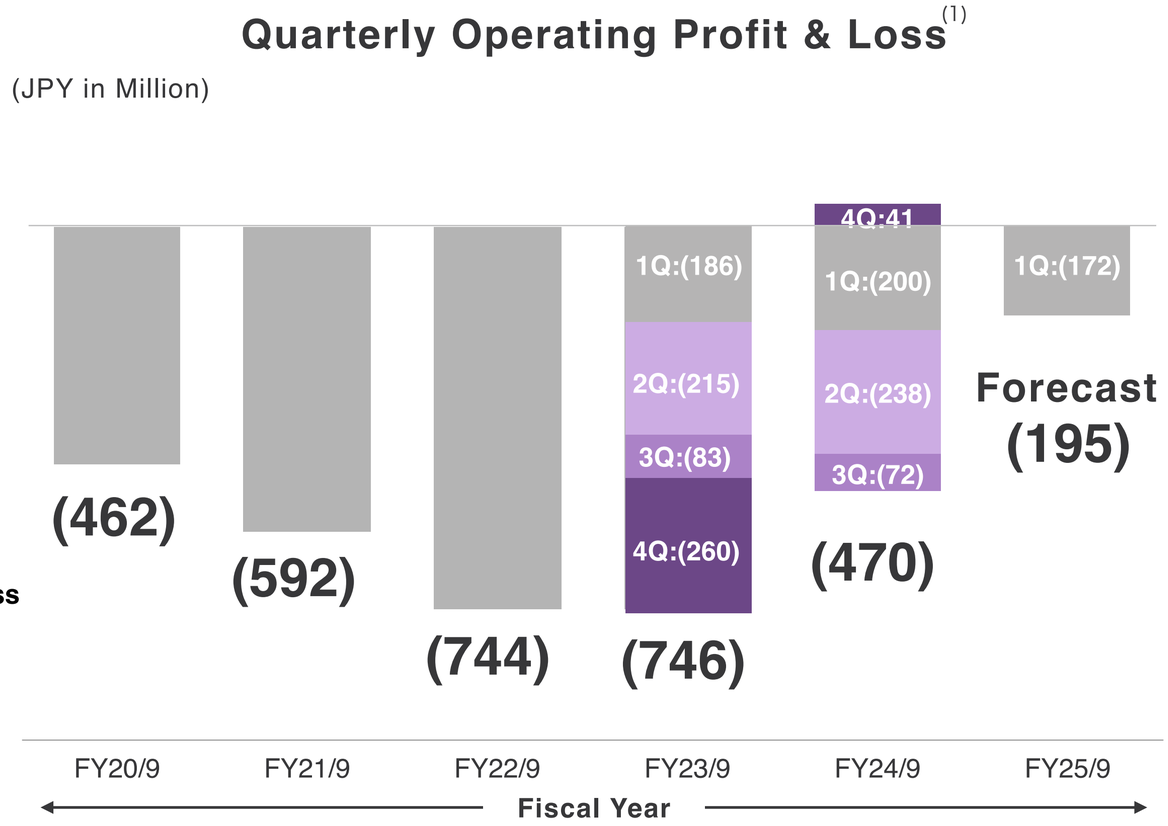
Note:
(1) Financial figures are rounded down and KPIs are rounded off

Sales has maintained a high growth rate of +49.3% YoY. However, due to the continuous “Strategic Investments” for future sales growth, remains loss making but narrowing by △12.0pt YoY

Quarterly Sales[1]



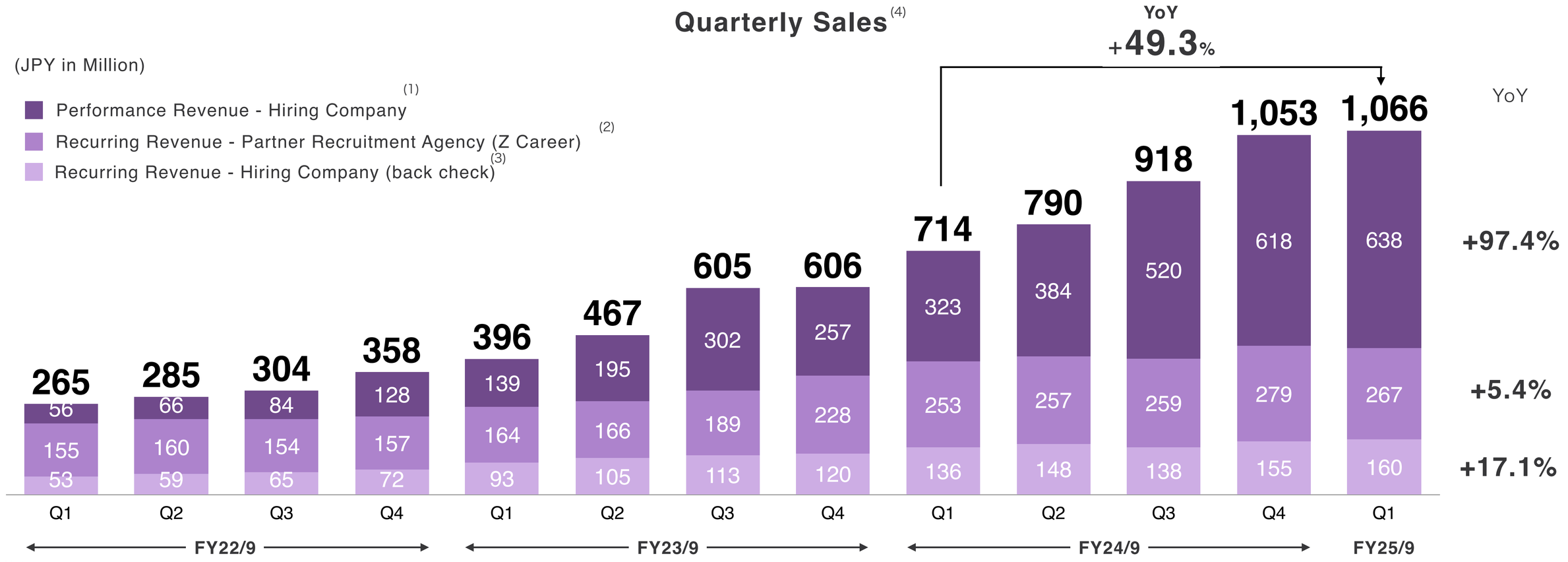
Quarterly Operating Profit & Loss[1]



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

Sales - Quarterly

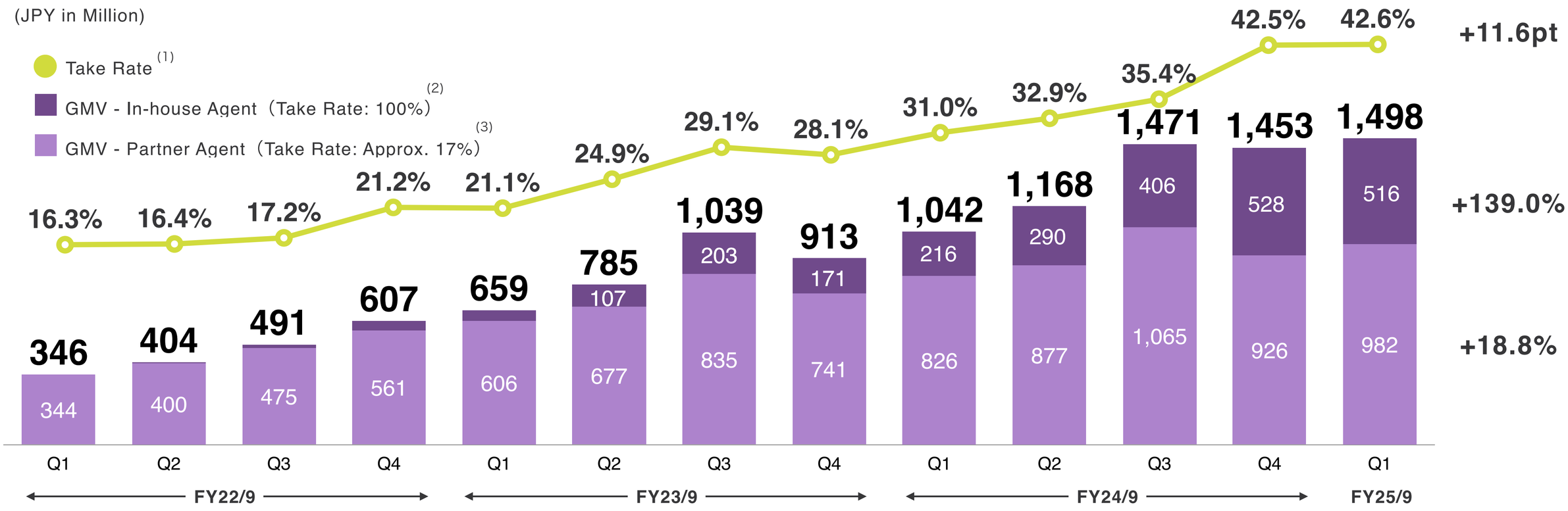
Performance revenue has leaped +97.4% YoY. Resulting in QoQ quarterly sales growth, despite the one-off spike in sales of FY2024 Q4



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

Steady growth of partner house agent and strong growth of in-house agent. Take rate has risen +11.6% YoY, with the share expansion of the in-house agent

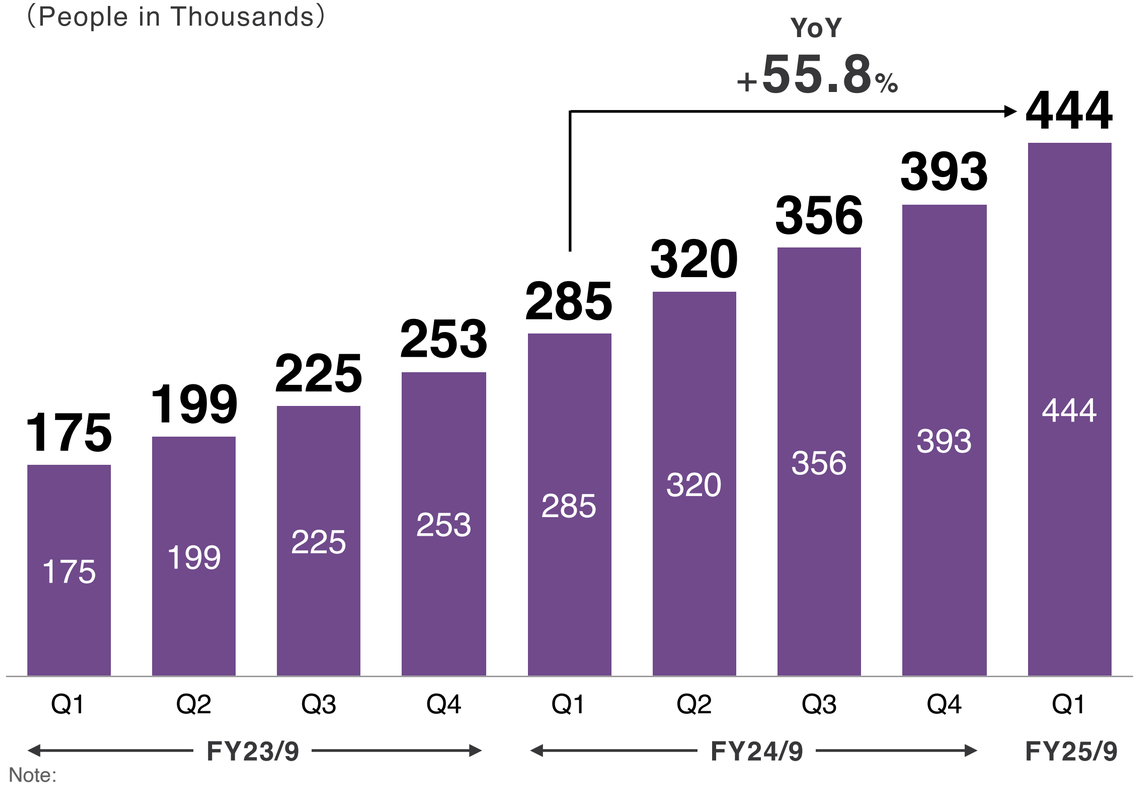
Quarterly GMV and Take Rate[4]



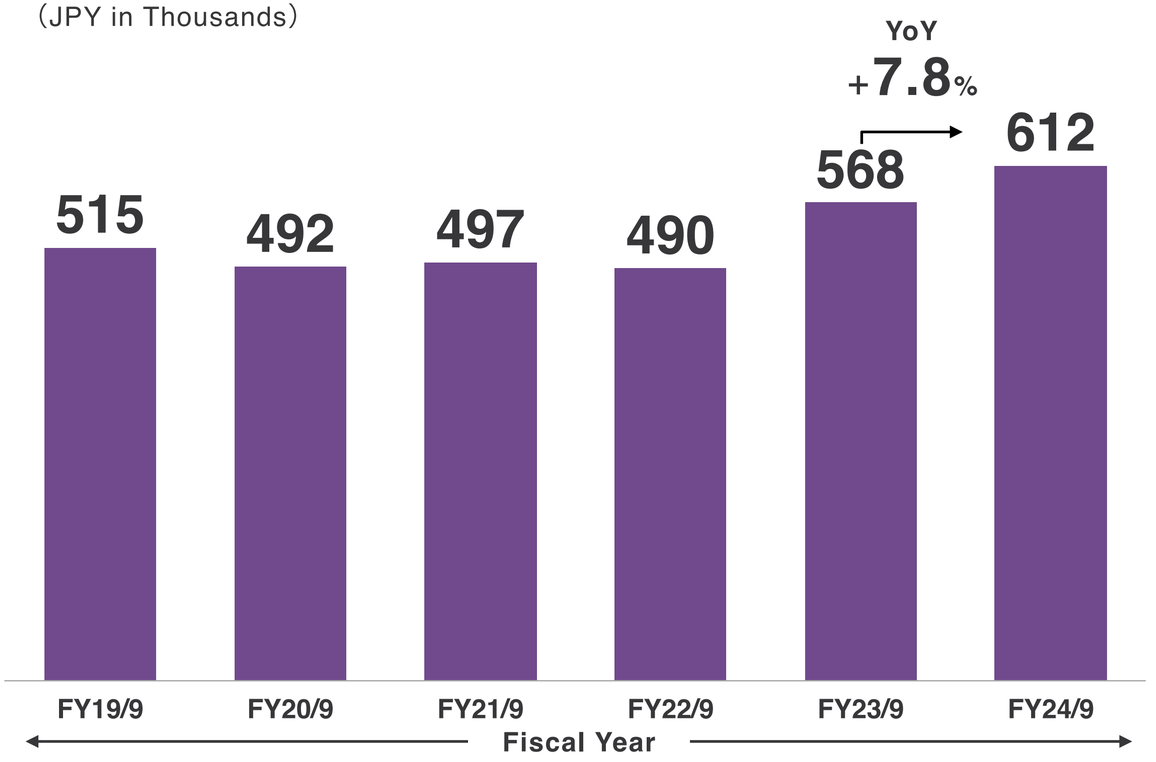
Note:
(1) Take Rate is calculated by dividing Performance Revenue (Recruitment Commission & Recruitment Administration Fee by In-house Agent and Recruitment Administration Fee by Partner Agent) by Gross Merchandise Value
(2) Gross Merchandise Value consists of Recruitment Commission & Recruitment Administration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

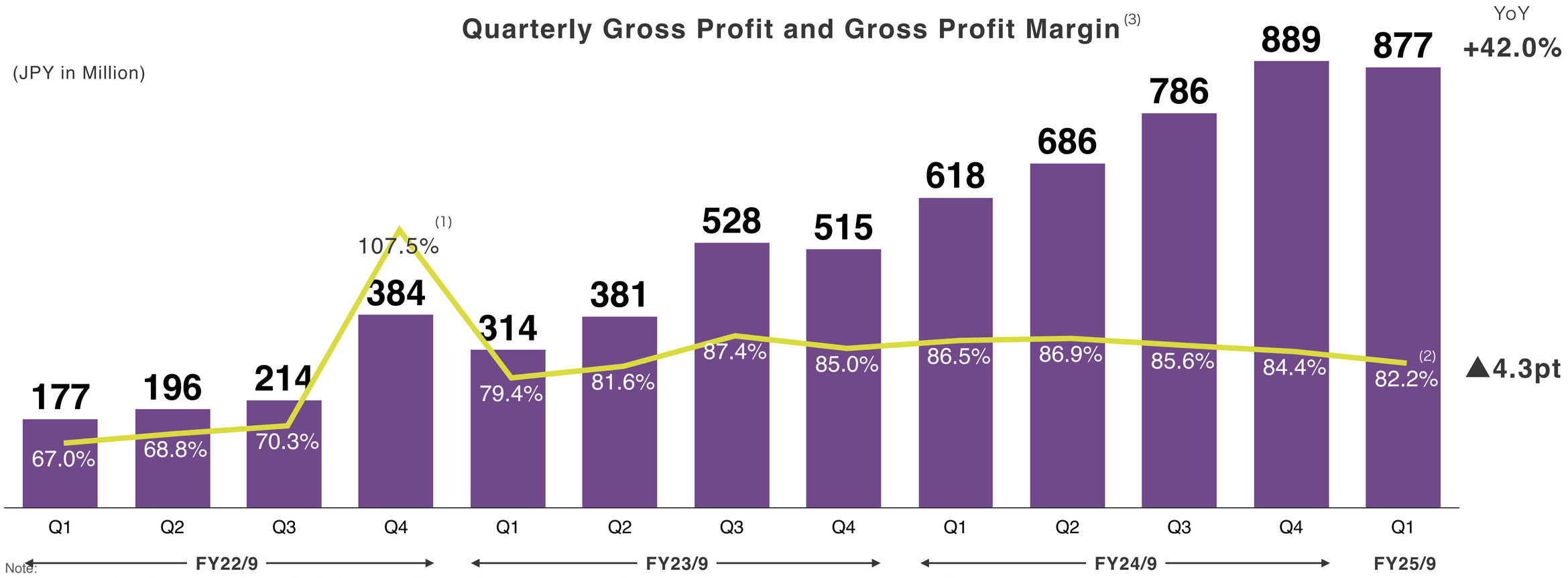


Note:
(1) Cumulative Total of Registered Job Seeker on Z Career (Includes Registered Job Seeker by Partner Recruitment Agency)
(2) Average of Recruitment Commission & Recruitment Administration Fee paid by Hiring Company Per Successful Placement
(3) Financial figures are rounded down and KPIs are rounded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

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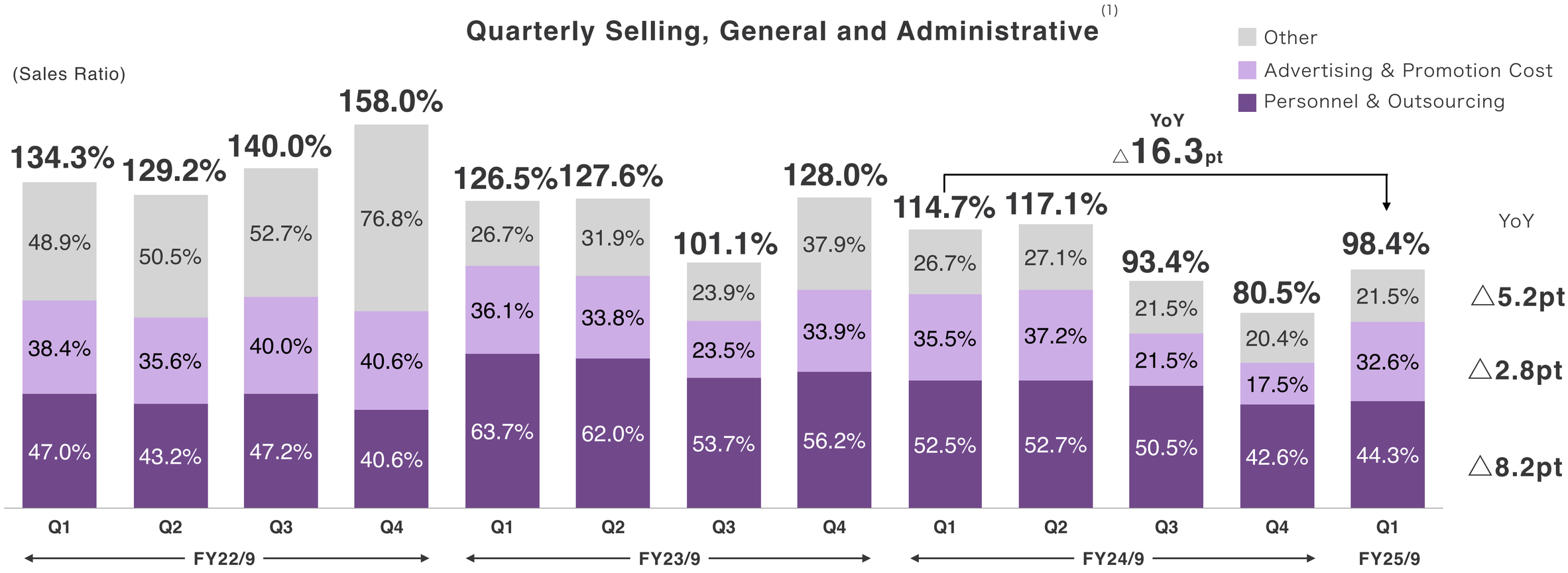
Launch a the trial service line RPO (Recruitment Process Outsourcing) and labour cost associated to this trial service line has been recorded as cost of sales

Quarterly Gross Profit and Gross Profit Margin[3]



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) Launched a trial service line RPO (Recruitment Process Outsourcing) with the purpose of strengthening the relationships with major partners. Due to accounting policy by Deloitte Touche Tohmatsu LLC, labour cost associated to this trial service line has been recorded as cost of sales
(3) Financial figures are rounded down and KPIs are rounded off

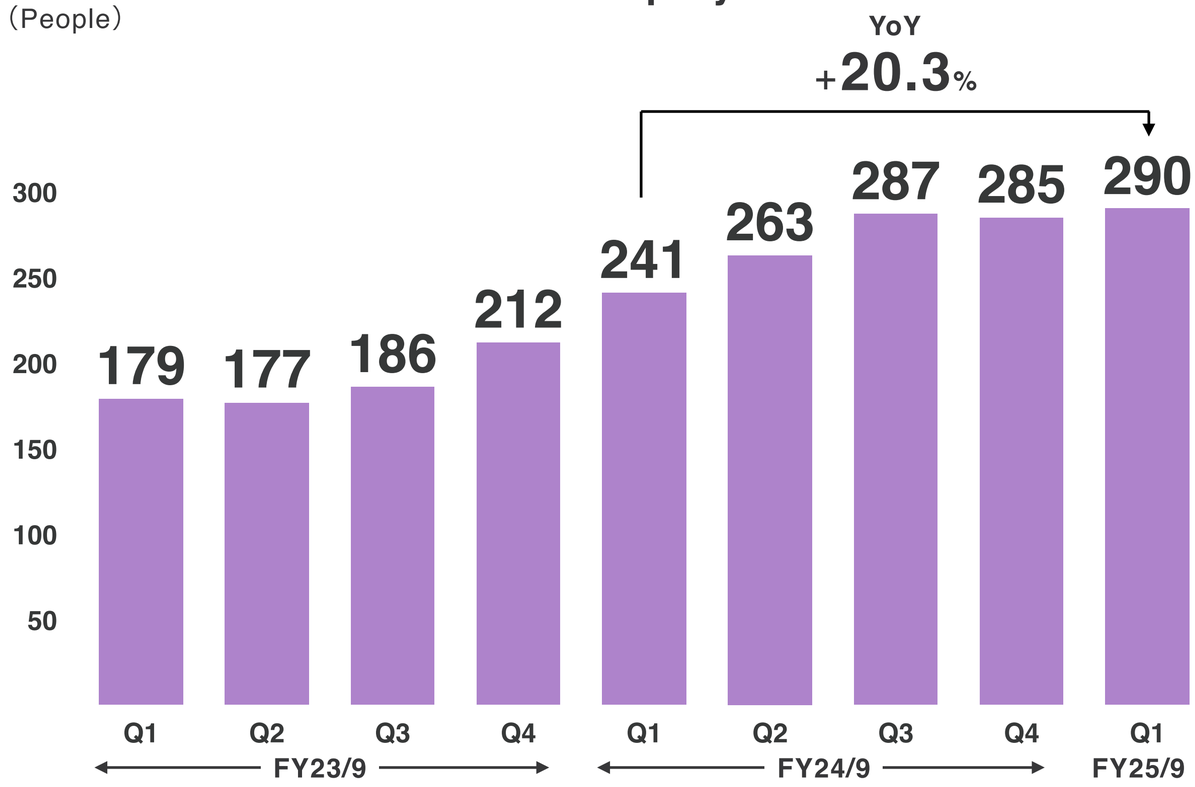
Selling, general and administrative has been managed well within sales growth and resulted in sales ratio of selling, general and administrative to improve △16.3pt YoY



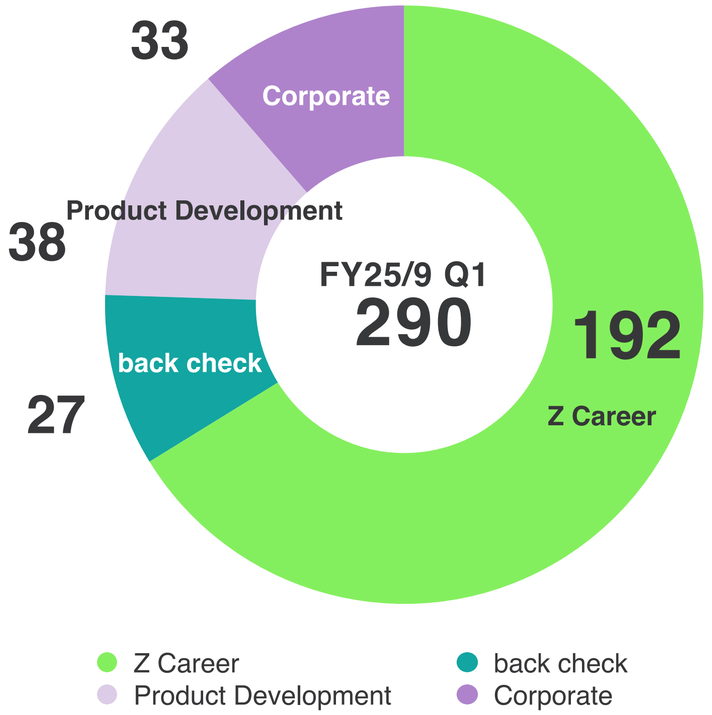
Note:
(1) Financial figures are rounded down and KPIs are rounded off

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]



Breakdown of Employees by Segment



Note:
(1) Excludes temporary workers

Mid-term Target

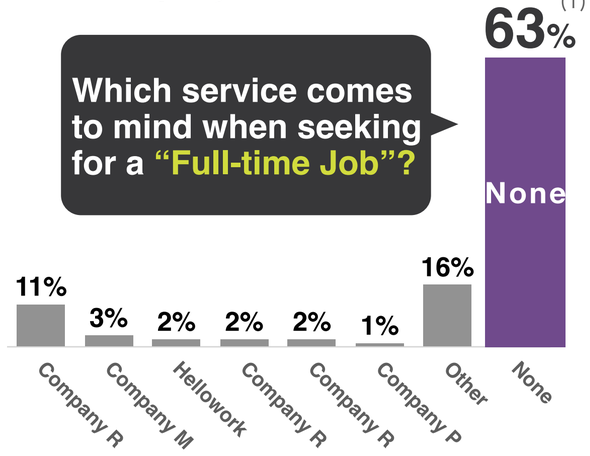
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“Mass-advertisement” to act as the core strategic investment to enhance awareness

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

Jan. 4th, 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)



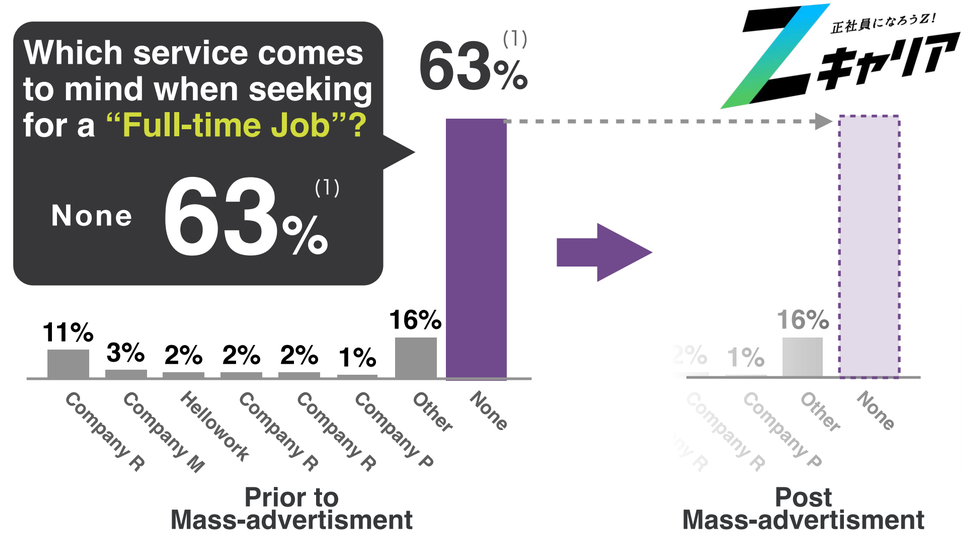
Due to Copy Right/Portrait Right reasons, please kindly access below.
[Commercial Image] https://roxx.co.jp/news/newsrelease/1m93uj_3bw7/
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Casting Fuma Kikuchi, a popular male idol, since Jan. 4th, 2025 for the mass-advertisement with the purpose of enhancing the recognition of “Full-time Job”＝“Z Career”

Purpose of Mass-advertisement

Recognition of “Full-time Job”＝“Z Career”



Overview of Mass-advertisement

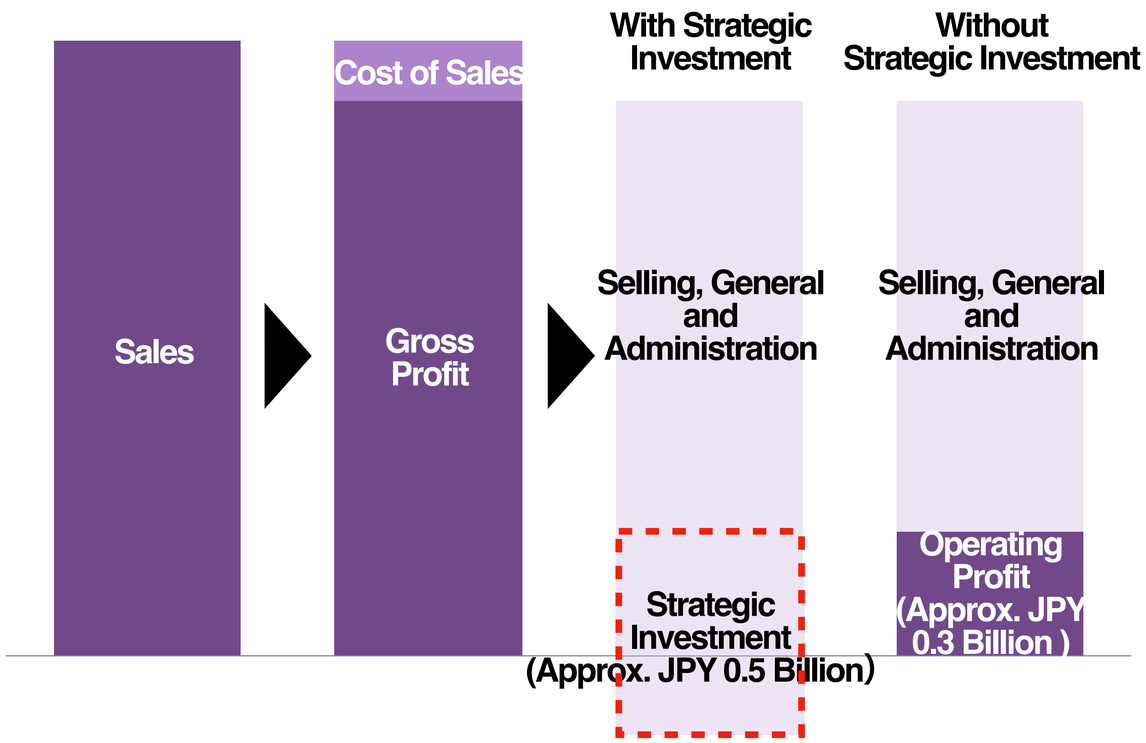
Overview	• Since Jan. 4th, 2025, casting Fuma Kikuchi, a popular male idol, on TV and streaming service
Reason For Casting	• Has a sophisticated look and familiarity, well-liked and well-known among a wide range of people, regardless of age or gender • Has high appearances in variety shows and dramas, has a strong influential power on social media and the internet
Timing of Cost Recognition	• Partial cost of the production recognized in Q1 and most of the production and broadcasting cost to be recognized in Q2

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)

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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

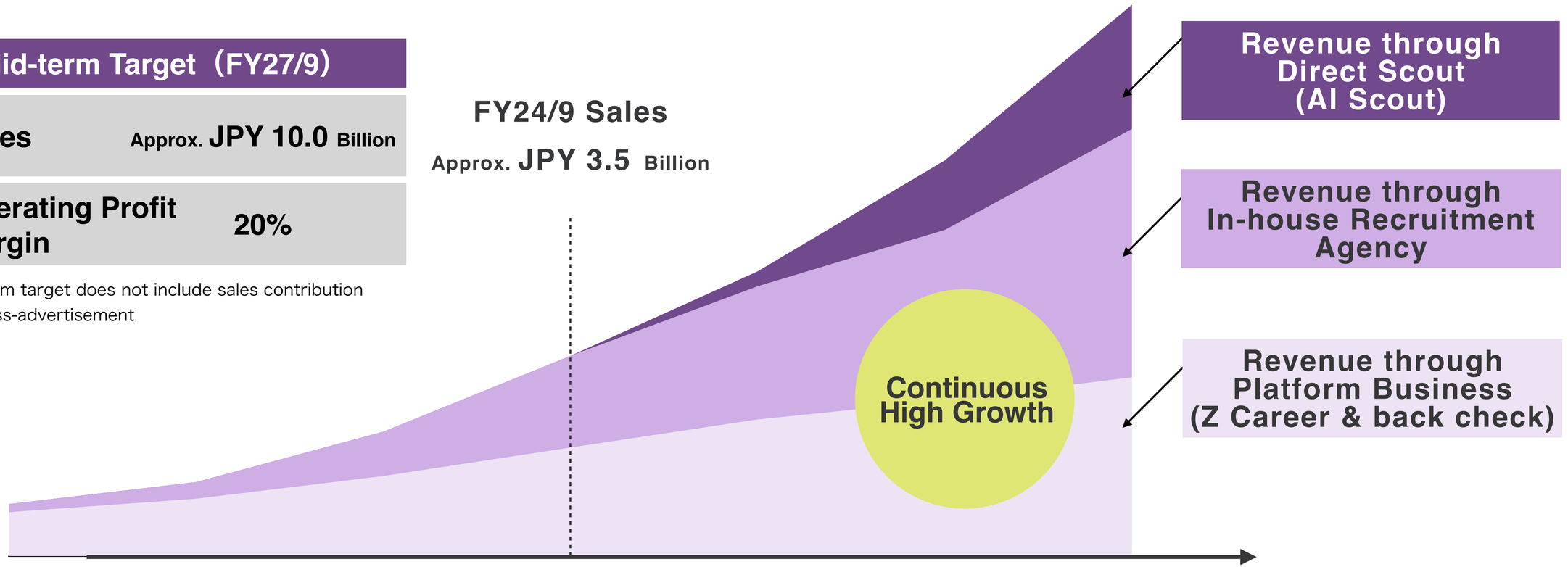
Item	Nature of Cost
Cost of Sales	• Cost required to provide the service (Personnel and outsourcing cost, research outsourcing cost) • Cost required for “Current” sale • Cost “Uncontrollable” by management
Selling, General and Administration	• Cost required to spread the service (Personnel and outsourcing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

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

(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)	

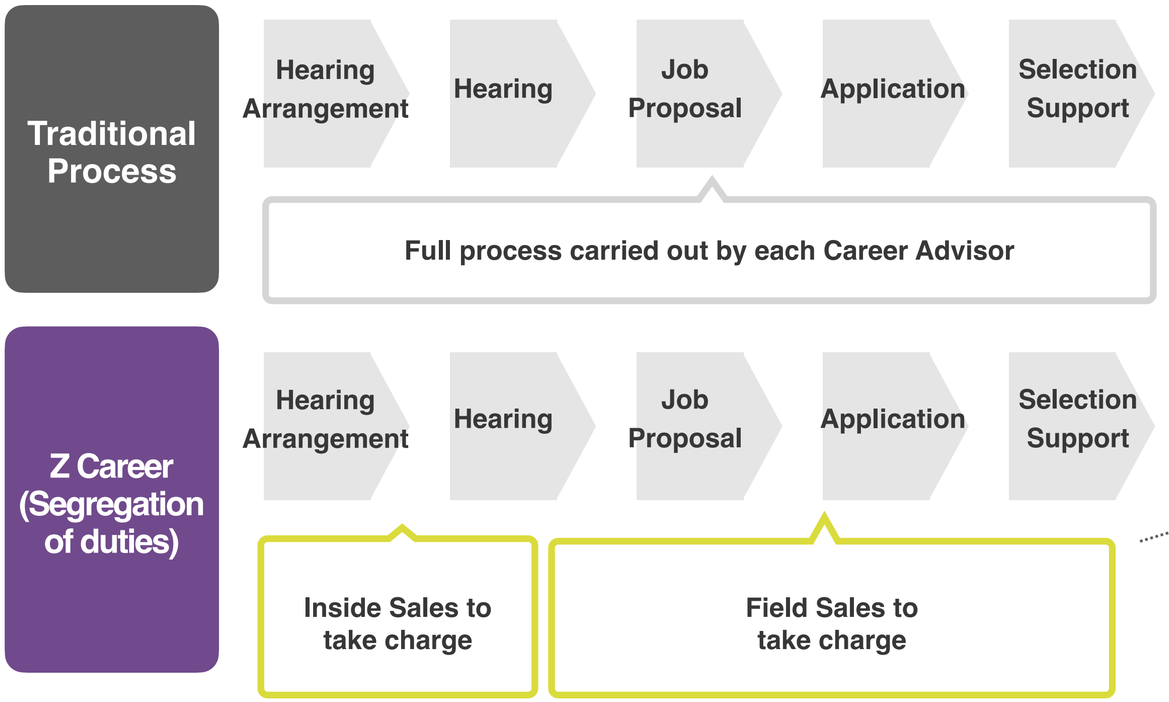
Note:
(1) Financial figures are rounded down and KPIs are rounded off

Assumptions for FY2025 Full-year Forecast

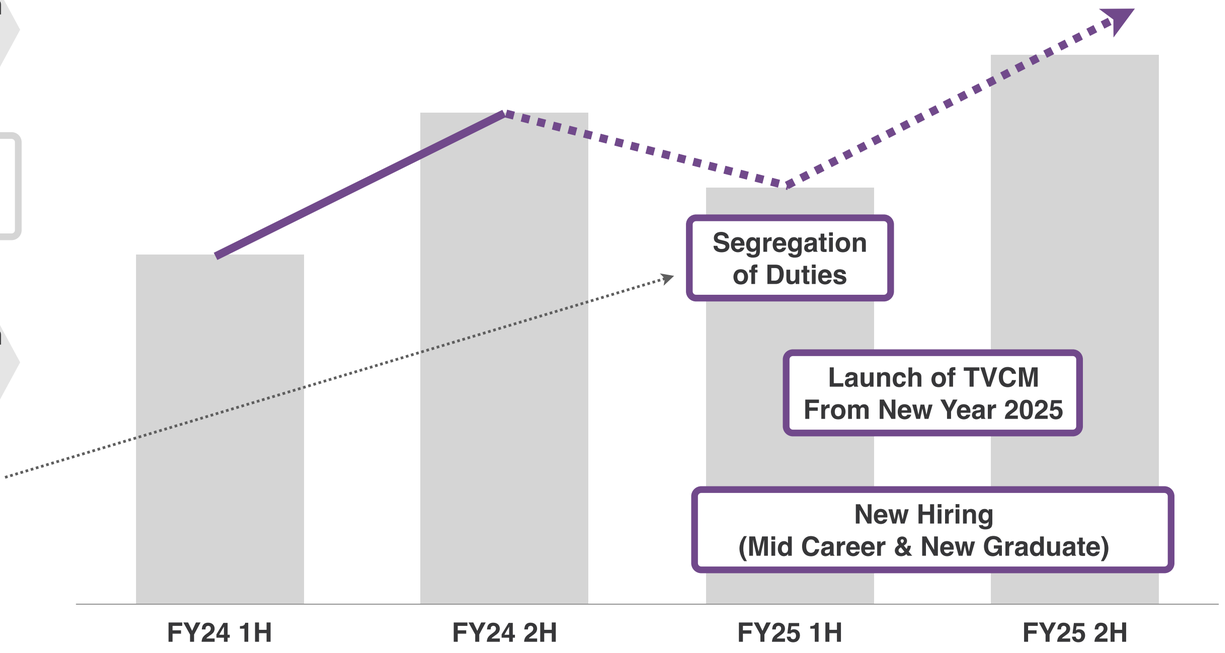
Item	Forecast Assumptions
Sales	• Does not include sales contribution from mass-advertisement
Cost of Sales	• Mainly personnel and outsourcing cost, research outsourcing cost
Selling, General and Administration	• Mainly personnel and outsourcing cost, advertising and promotion cost and other cost • Production and broadcasting cost of Approx, JPY 0.5 Billion associated to mass-advertisement 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)

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



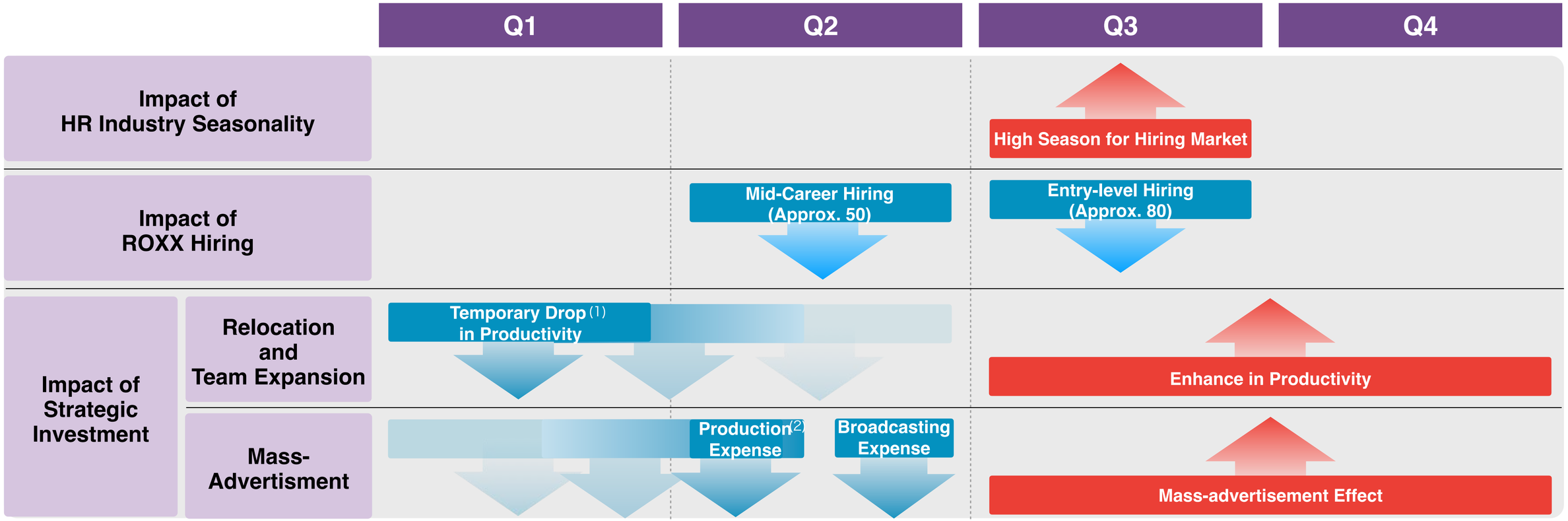
Illustrative Image of Productivity



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.

In addition to HR industry seasonality, impact of “Strategic Investment” and “Hiring” is anticipated to result in a comparatively larger loss in the 1H (Q1 and Q2) of the fiscal year ending September 2025

Seasonality of Performance



Note:
(1) Temporary drop in productivity due relocation and team expansion has completed in Q1 and its financial impact to be evident in Q2
(2) Production expense was expected to be recognized in Q1 but due to recognition timing delay, majority of the expense to be recognized in Q2

Frequently Asked FAQs

Do you see any instances of illicit part-time jobs (known as “Yami Baito” in Japan) ?

There has been no reports to date in association with illicit part-time jobs.

Our platform focuses on full-time employment opportunities for non-desk workers, specifically tailored to individuals with little or no prior experience, such as non-college graduates or those in irregular employment. This sets it apart from part-time or temporary job postings, where issues around illicit jobs are more prevalent.

Additionally, many of the companies we collaborate with are large enterprise companies that hire 50 or more employees annually on a nationwide scale and are actively engaged in recruiting inexperienced individuals for full-time positions.

To further ensure safety and reliability for job seekers, every job posting on Z Career is pre-screened by a dedicated management team before being published on the platform. On December 4, 2024, we released a detailed set of measures to address and prevent job postings related to illicit part-time jobs (*1, Only in Japanese).

*1: https://ssl4.eir-parts.net/doc/241A/tdnet/2537266/00.pdf

Do you see any impact from the much-discussed revision of the tax system regarding the “1.03 million yen income threshold?

We believe that the impact is limited.

The primary users of Z Career are inexperienced job seekers - mainly non-college graduates or those in irregular employment - who are actively seeking to transition into full-time positions. Their motivations for pursuing full-time employment often include anxiety about their future or current livelihood, a desire to acquire specialized skills for career advancement, and the lack of opportunities for pay increases in irregular employment.

While the revision will raise the income threshold for tax deductions, potentially resulting in higher annual earnings, the income gap between irregular and full-time employment tends to widen with age, with disparities reaching up to approximately 2.2 times. Although the revision may slightly narrow this gap in certain cases, we do not anticipate significant medium- to long-term effects. We believe the primary motivations for career changes among our users - such as the desire to transition from irregular employment to full-time positions - and the resulting job-seeking trends will remain largely unaffected.

Do you see any impact from the Ministry of Health, Labour and Welfare's tightening of regulations on “reward payments”?

We do not offer reward payments, therefore see no impact.

The non-desk workers targeted by Z Career - such as those in manufacturing, construction, transportation, and service industries - are estimated to constitute approximately four times the size of the white-collar workforce. According to our unit price calculations, this segment of the talent market is valued at approximately 650 billion yen. In light of this market environment, Z Career prioritizes and concentrates its efforts on attracting new job seekers.

APPENDIX

Company Overview

Company Name	ROXX, Inc. (Tokyo Stock Exchange: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	290 People（As of End of December, 2024）
Business Overview	Z Career Service “Recruiting Platform for Non-desk Workers” back check Service “Online Reference/Compliance Check Platform”



ROXX



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



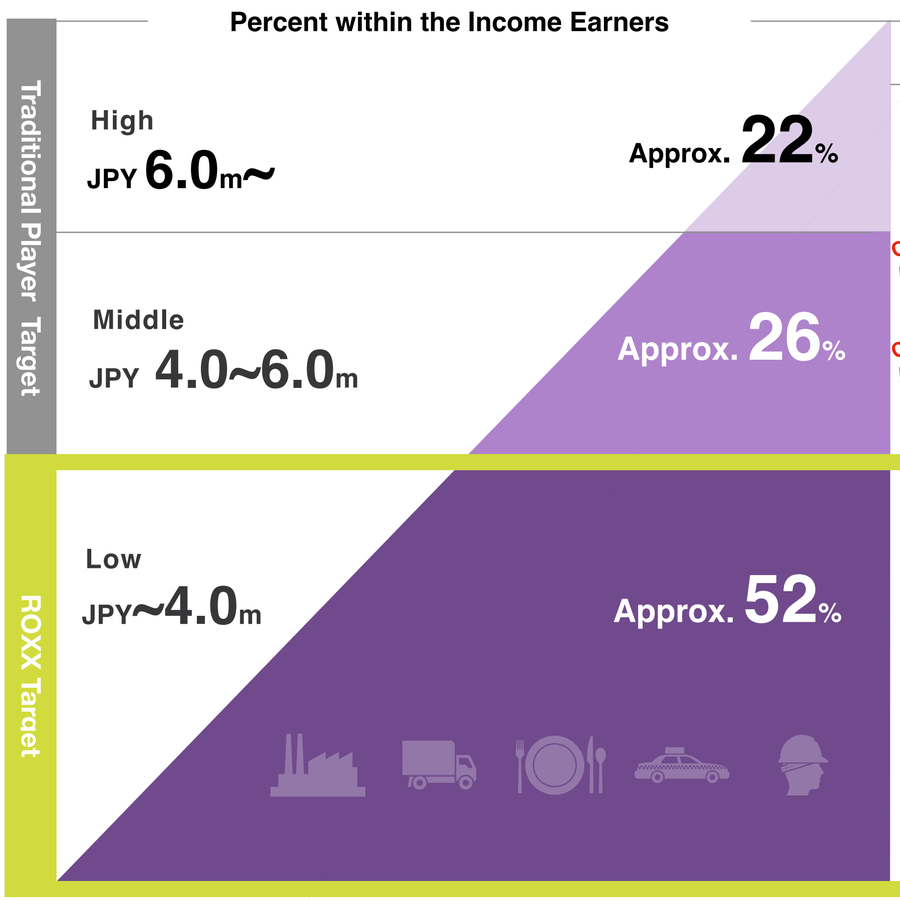
Part-time Auditor

Shigeru Omura

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	Compay V	1~5 People Per Job Offer	Degree, Skill and Experience Required	30~35% of Job Seekers Wage
Capital Alliance パーソル キャリア Capital Alliance マイナビ AGENT				
Public Employment Service	正社員になろうZ! 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

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

Recruitment Platform (Non-desk Worker)

Recruitment Agency + Direct Recruiting

Approx.

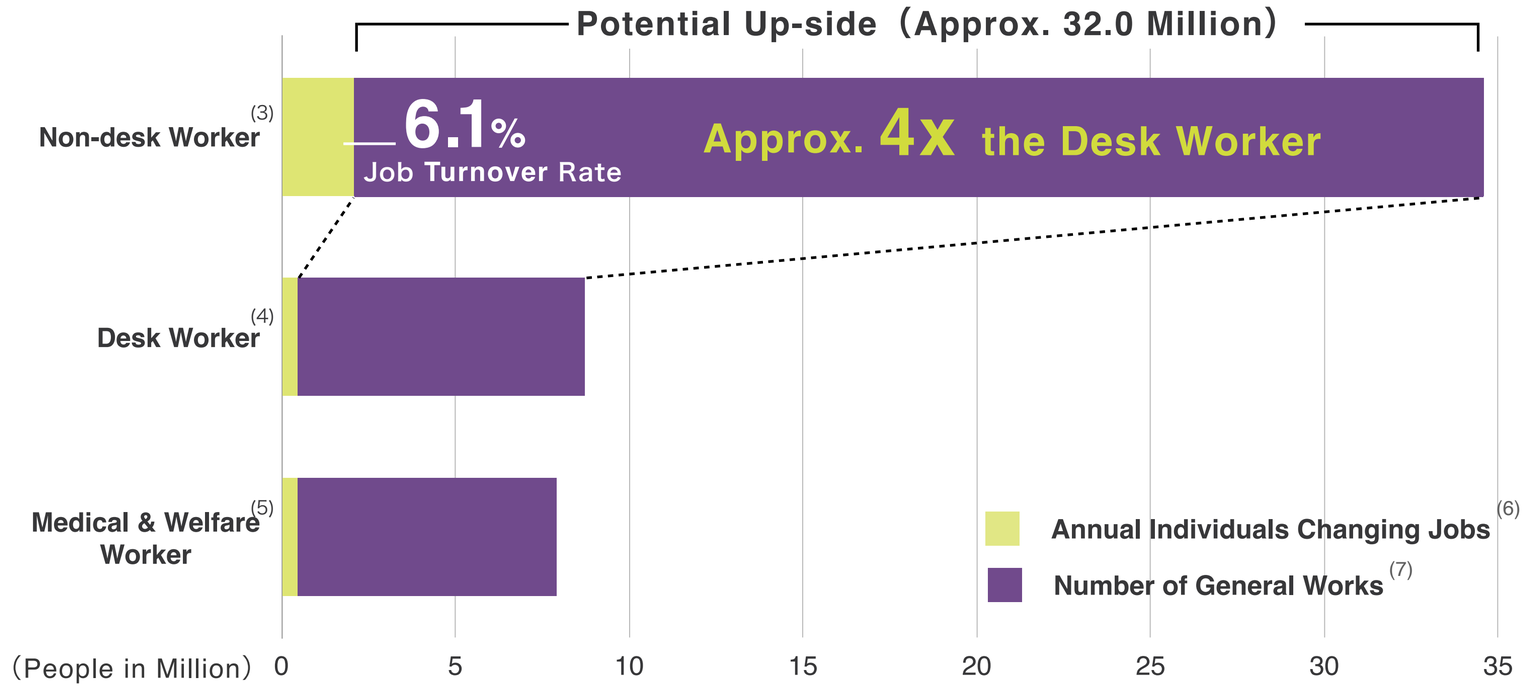
JPY 650 Billion (2)(8)

Current Z Career Sales (FY24/9)

Approx.

JPY 3 Billion

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



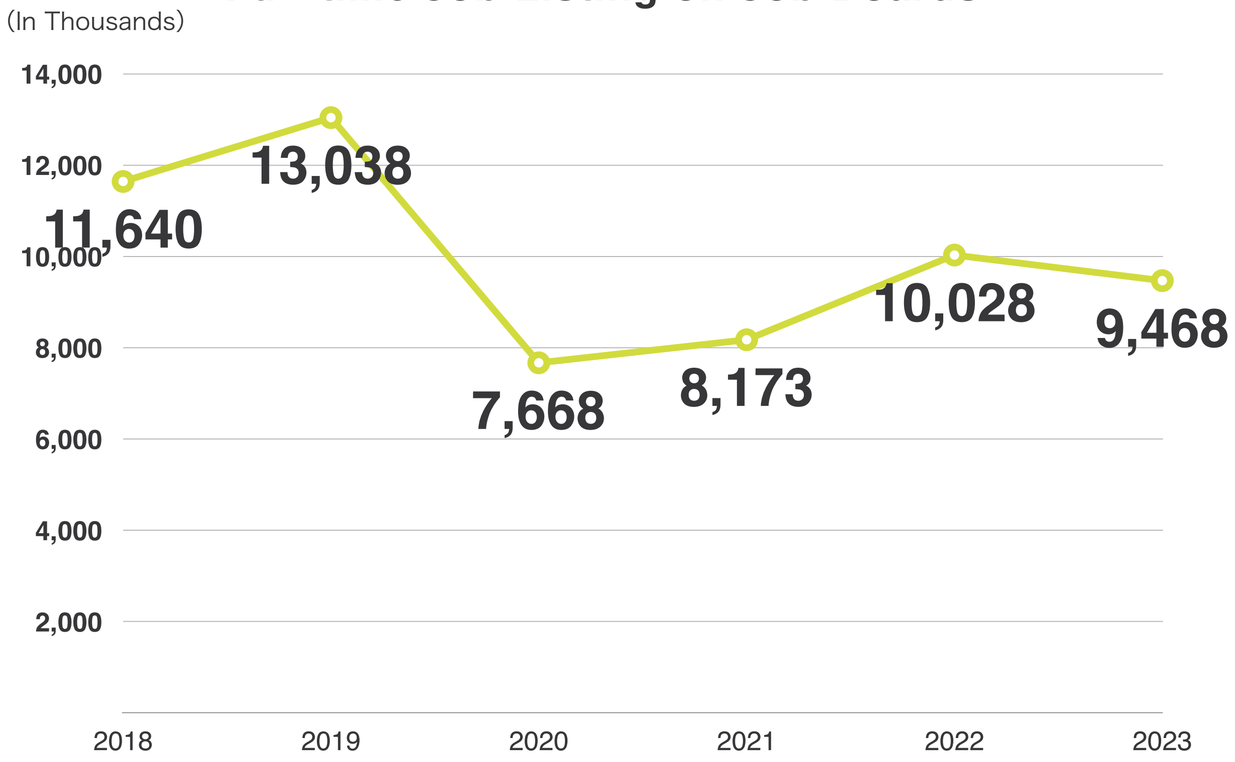
Source:
(1) Ministry of Health, Labour and Welfare, “Annual Report on the Labour Force Survey 2022”,
(2) National Tax Agency, ”Statistical Survey of Actual Status for Salary in the Private Sector 2022”
Note:
(3) Other than Telecommunication, Finance, Insurance, Real Estate, Lease, Academic Research, 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

Reference: Recruitment Market Transition

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)



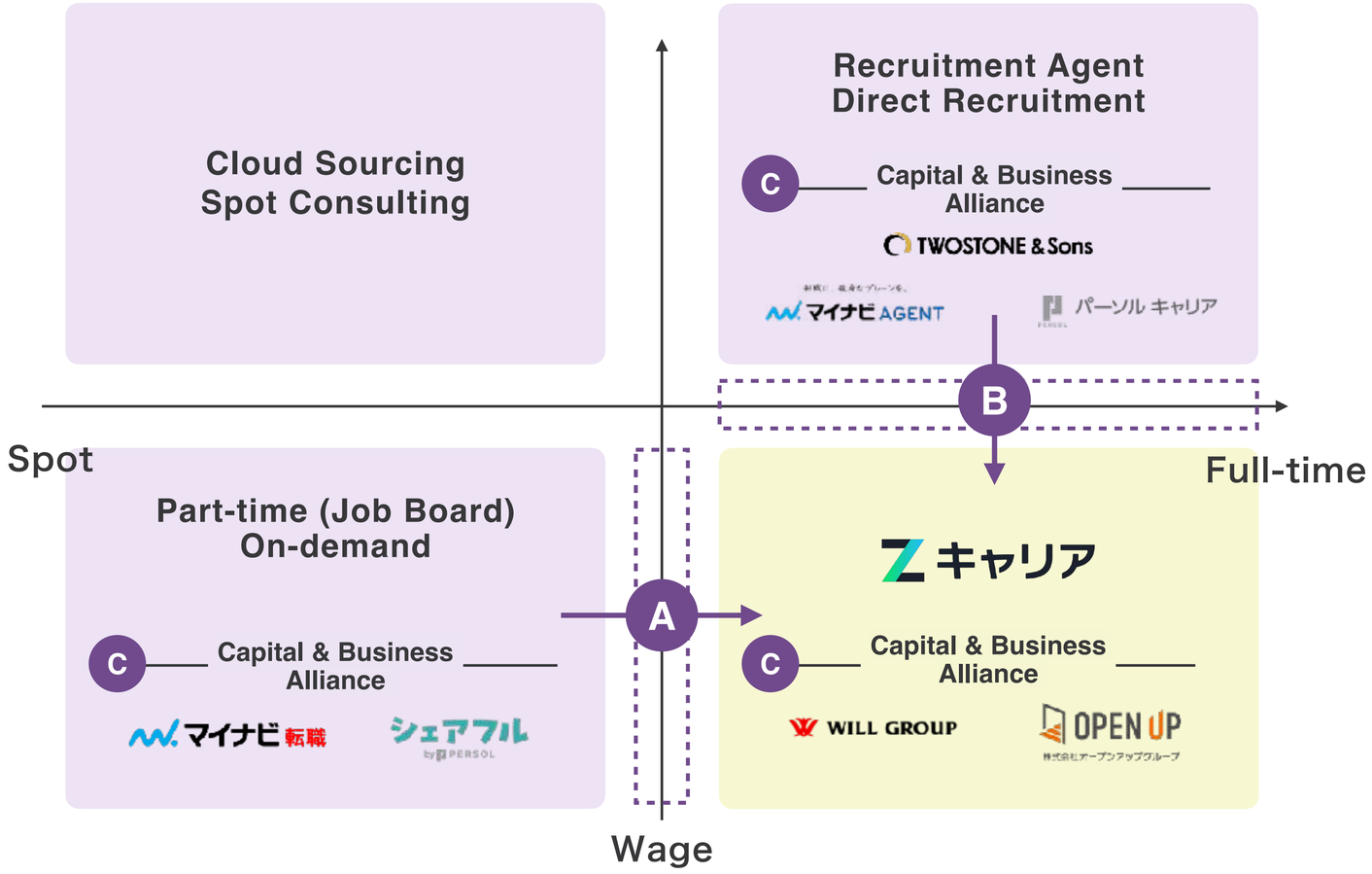
Transition from Job Boards to Z Career

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

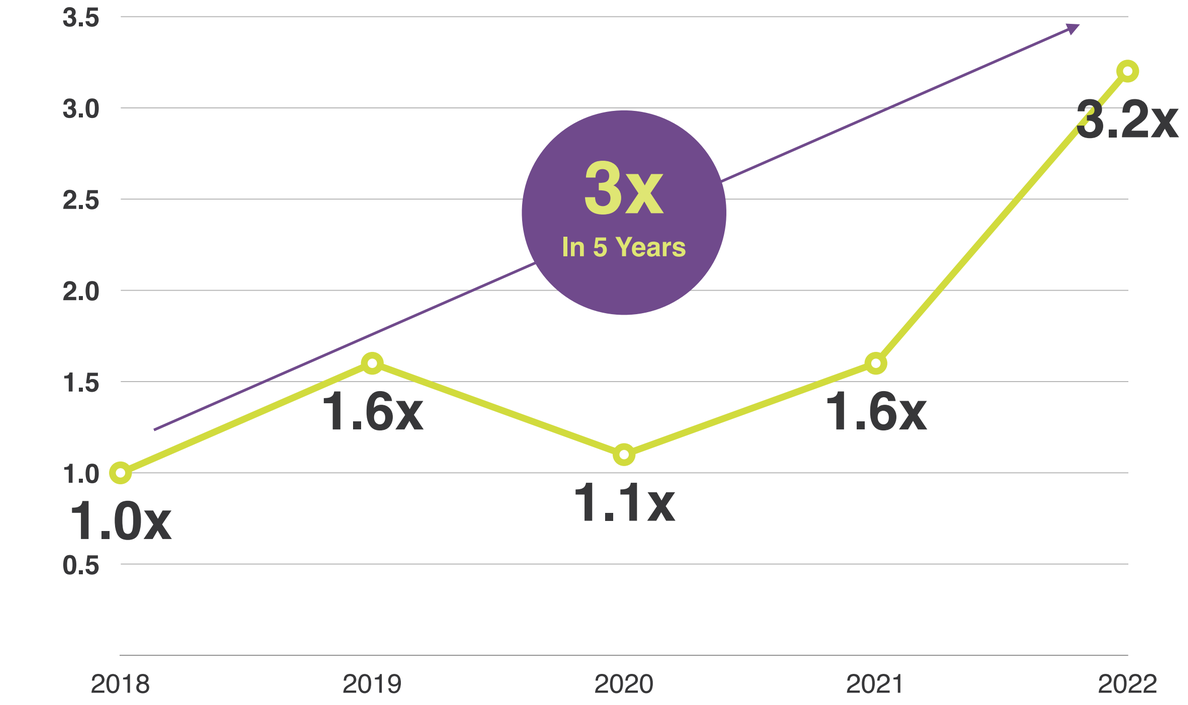
High-class Segment[1]		Non-desk Worker Segment[1]
To Build upon the Current Industry	**Stance**	To Exist from the Current Industry
For a Better Pay and Skill-up	**Motivation**	For a Better Environment
Multiple Services	**Recruitment Service**	Single Service
The Best Offer	**Decision Making**	The First 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

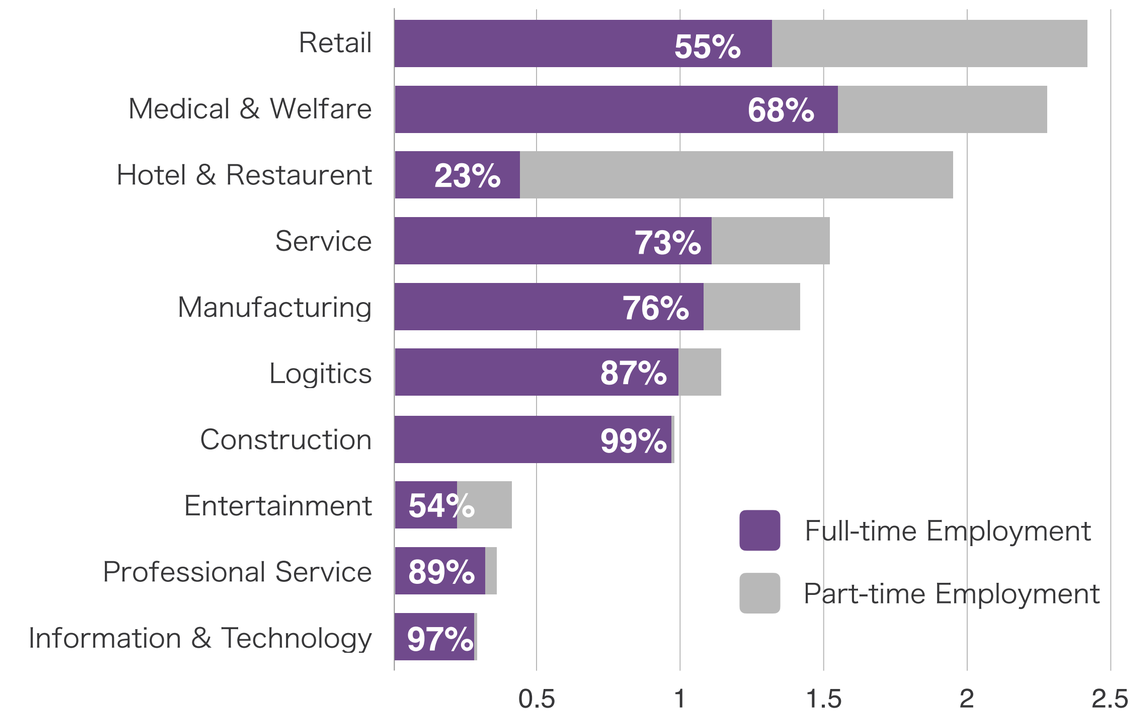
Reference: Difference between Part-time Segment

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)



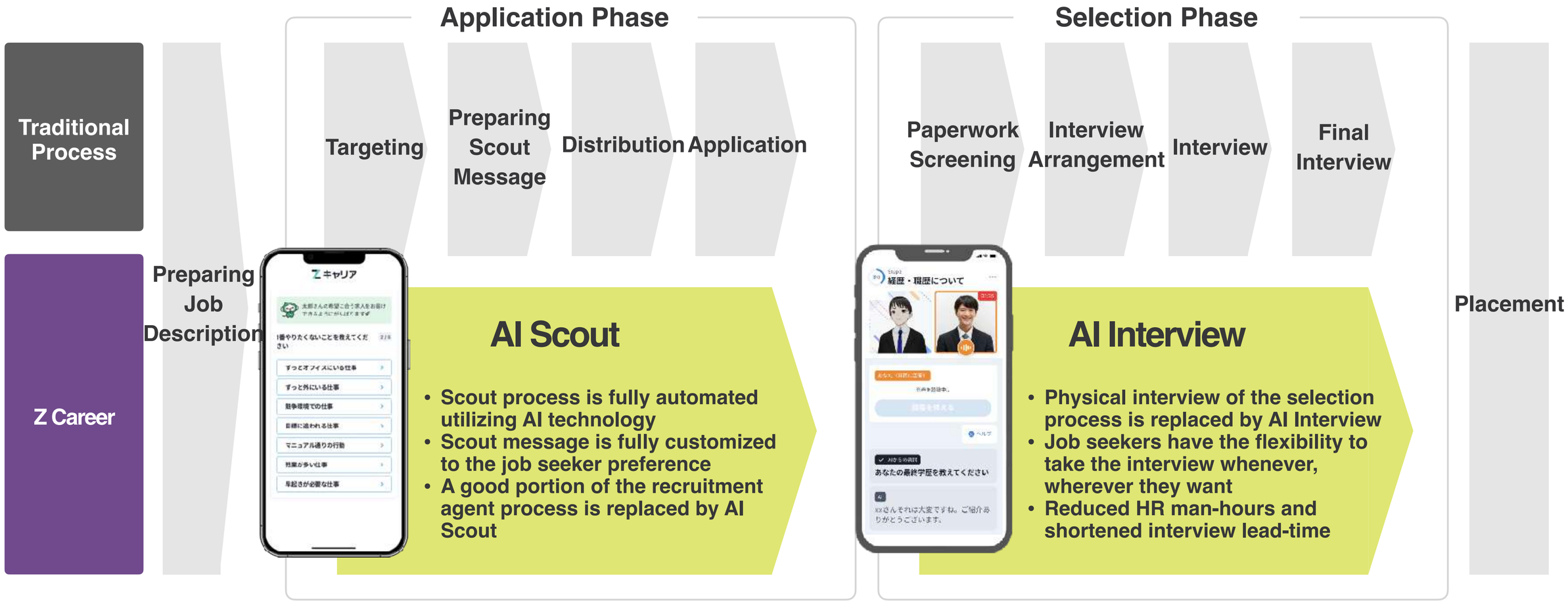
Workforce Shortage by Industry (2)



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

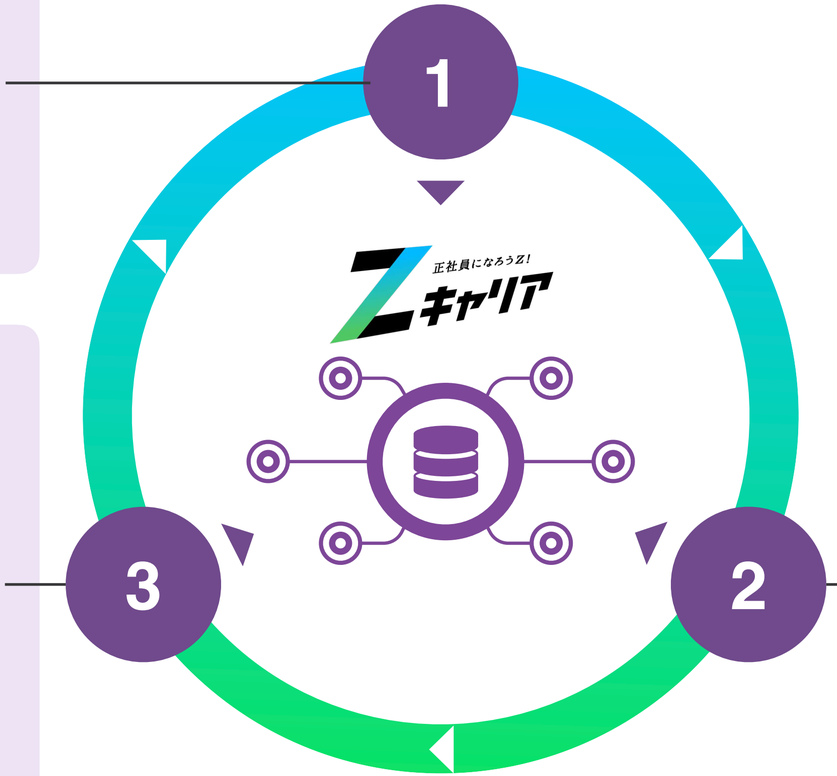
Improve Lead-time and Acceptance Rate

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



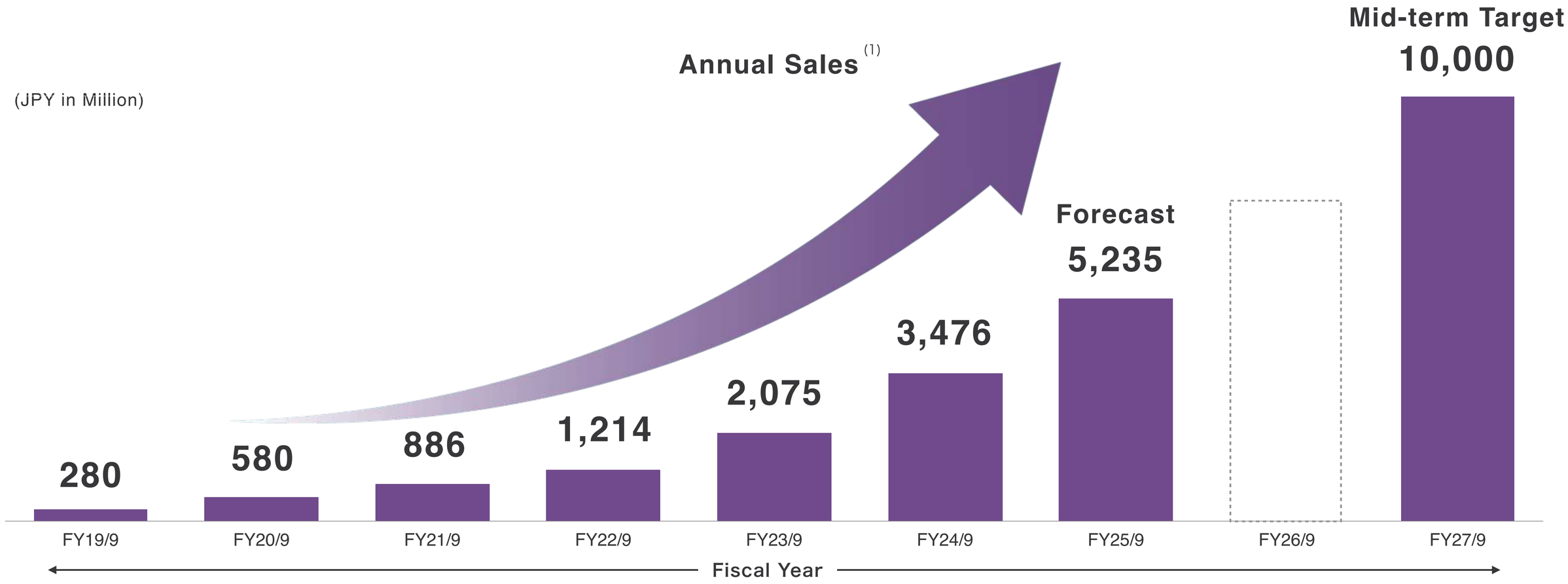
Hiring Company



Agent

Maintaining High Sales Growth

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



Note:
(1) 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

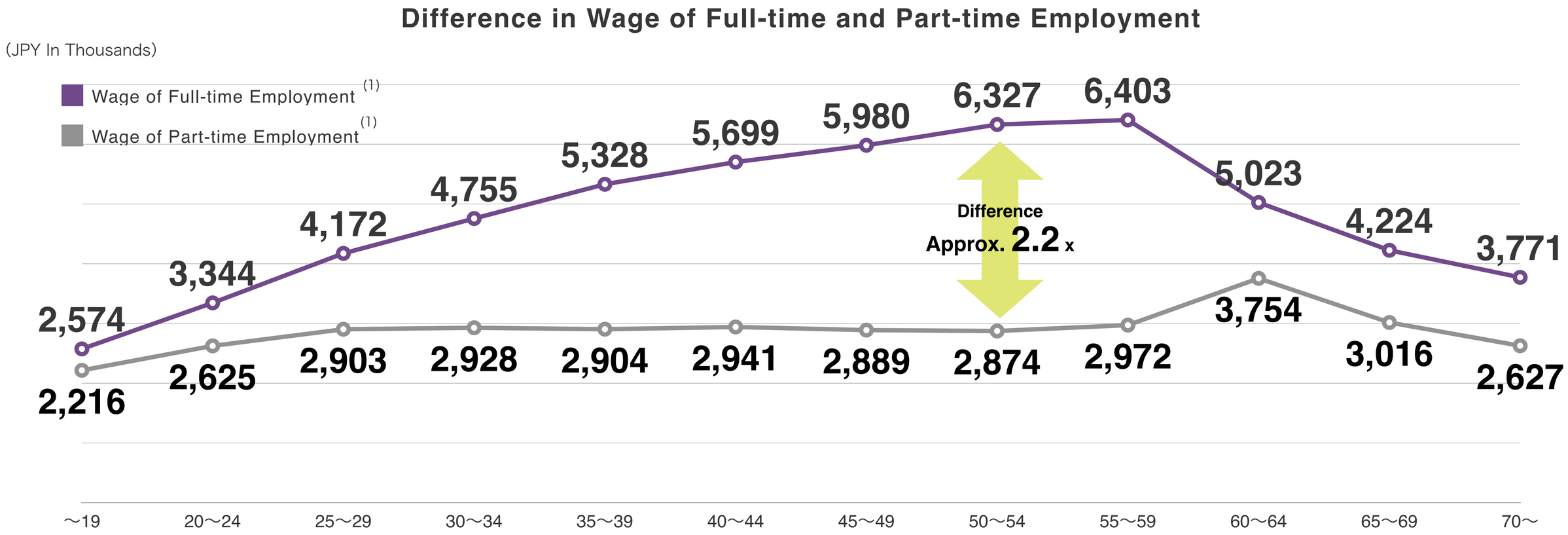


Social Impact
- Full-time employment of Non-desk Workers
- Through enhanced earning power to empower one to challenge and pursue their dream, such as getting married and giving birth

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

ROXX

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”,