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

[To whom it may concern]

February 12, 2025

Company Name: ROXX, Inc.
Representative: Nakajima Taro
Representative Director and Chief Executive Officer
(TSE Growth Code No. 241A)
Contact: Toshiki Takase
Vice President and Chief Administrative Officer

TEL: +813-6777-7083

Notice Regarding Transcript of
Q1 Financial Results Briefing for the Fiscal Year Ended September 30, 2025

ROXX, Inc. (the Company) hereby announce the transcript of Q1 Financial Results Briefing for the Fiscal Year Ended September 30, 2025.

Please kindly see attachment for details.

Transcript of Q1 Financial Results Briefing for the Fiscal Year Ended September 30, 2025

As we have reached our scheduled time, we would like to begin.

Welcome to ROXX Inc.'s Q1 financial results briefing for the fiscal year ended September 30, 2025. Thank you for taking time out of your busy schedule to join us today.

Our Representative Director and Chief Executive Officer, Taro Nakajima, and our Vice President and Chief Financial Officer, George Yoshimoto, will provide a detailed explanation of the Q1 financial results for the fiscal year ended September 30, 2025, which were released at 3:30 p.m. today.

Disclaimer

Important Notes

Before we begin the main part of today's event, I would like to share a few reminders.

We kindly ask all participants to remain muted during the presentation.

Zoom's Q&A feature

There will be a Q&A session in the second half of the briefing, and you are welcome to submit your questions using Zoom's Q&A feature.

Representative Director Nakajima will now explain the financial results. Mr. Nakajima, please take it from here.

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Thank you very much for attending our financial results briefing today despite your busy schedule. I am Taro Nakajima, Representative Director of ROXX Inc.

Today, I will first explain our business, followed by our Q1 results, future growth strategy, and FY2025 full-year forecast.

I appreciate your kind attention, and I hope you will stay with us until the end.

Today's Presenter

Let me begin with a brief self-introduction.

ROXX was established in 2013 when I was still in college, and we are currently in our 12th year of operation. Before starting my own business, I was pursuing a career as a musician in a band. However, I wasn't as successful as I had hoped and was facing difficulties. During my third year of college, I had the opportunity to

hear entrepreneurs speak in a lecture. Looking back now, more than half of those entrepreneurs had taken their companies public, and that moment was a turning point for me. I realized that I wanted to make a big impact, not through music, but through business. So, I gathered my classmates and started a company, which eventually became the foundation of our current business.

I'd like to talk about the early days of our company. We started by finding jobs for close friends. After that, we struggled for a long time and our business underwent several transformations. Through trial and error, we discovered a key growth area: a job search platform primarily for people with annual income in the range of 2 million yen. We have since grown significantly in this area over the past six years.

Business Overview

To give you an overview of our business domain, we operate Z Career, a recruitment platform designed for what we refer to as "non-desk workers," or field staff.

Job seekers in this context are non-regular workers with annual income in the 2 million yen range in part-time or temporary positions, who typically graduated from junior high school or high school. Many of these individuals are seeking opportunities to become full-time employees. Therefore, we are expanding our business by providing a service that matches them with companies that support our daily lives such as those in the construction, manufacturing, restaurant, logistics, and sales industries, which cannot possibly operate without manpower.

Social Problem

As the working population continues to decline, it is said that there will be a shortage of over 3 million workers by 2030 and over 10 million workers by 2040. While these numbers are expected to increase further in the future, the current situation is already critical. More specifically, in the non-desk sectors such as manufacturing, sales, logistics, construction, nursing, and restaurants, each industry alone is anticipated to face a shortage of 500,000 to 1 million workers.

Social Problem

Looking at the worker side, about half of income earners in Japan currently earn less than 4 million yen per year.

And about two-thirds of them do not have a college degree, and around 40% of them are non-regular employees. That's the reality in Japan.

There are many recruitment services available for individuals with established careers, but there are still relatively few such services for those who are just starting out or have yet to obtain a full-time position. Given this situation, Z Career is securing its position as a leading platform for such services.

Business Model Overview - Z Career

The Z Carrier business model consists of two matching routes. The first route is through us, where we gather job seekers and refer them to hiring companies in exchange for a matching fee.

The second route involves some 400 small and medium-sized recruitment agencies that partner with us. These agencies use our Z Career platform to refer the job seekers they have on file to hiring companies. In return, we receive a portion of the commission fee paid by the hiring companies for each successful placement.

In addition, we receive an average monthly fee of 200,000 yen from about 400 partner recruitment agencies. Our client hiring companies utilize our service because it allows them to access candidates from a variety of placement agencies through a single platform, which has contributed to the growth of this service.

Job Seeker

Most job seekers using Z Career earn an annual income in the 2 million yen range and are in their 20s.

Approximately half of these Z Career users do not have a particular vision in mind, and about 70% do not own a personal computer.

Recently, we have been hearing news about “shady part-time jobs.” I believe this is because people are in urgent need of a livelihood, leading them to pursue opportunities that seem like easy ways to make money. Unsurprisingly, with a take-home pay in the 100,000 yen range, it is difficult to make ends meet. Many people want to stabilize their lives and consider changing jobs. However, they often don’t know what they want to do, and without a clear goal in mind, it is hard to conduct a job search. In addition, creating a resume can be challenging without access to a computer. These barriers become significant obstacles, causing them to falter in the early stages of their job-seeking efforts.

In general, career changers typically look for their next career opportunity based on the type of work they are currently doing or the industry they are in. However, for those without a solid background, it is quite difficult to find a new job.

Job Seekers - Key Characteristics

Job seekers using Z Career lack interview experience and thus repeatedly fail in interviews. They cannot afford travel expenses for interviews. They cannot go to an interview unless they take time off work. They cannot have the time for an interview. These challenges are shared among them.

Reference: Flow of Job Seeker

In order to gather job seekers, we have started advertising on January 4th of this year, including TV commercials and VOD web commercials.

Inflow from commercials and SNS advertisements such as TikTok and X. Alternatively, we acquire targets through inflows from alliances that are used by many of our target groups.

Most job seekers registered with Z Career will have a telephone interview with our career advisors and consult on which job openings they should apply for/selection strategies, and then we recommend them to hiring companies and proceed to the interview process, job offer, and employment.

In addition to consultation from career advisors, we are leveraging the direct matching channels by using a function that allows hiring companies to send scouts directly to job seekers. However, as of now most placements with career advisors.

The next slide shows the industry and job types of specific customers.

Hiring Company

This graph illustrates the distribution of industries where our job seekers have successfully secured new positions. We place candidates across a variety of industries and roles, including “Construction Management,” “Sales & Service,” “Clerical,” “Enterprise Sales,” and “Infrastructure Engineer,” listed here in order of placement share.

A distinctive feature of the hiring companies is that they are primarily large enterprises, hiring several hundred to several thousand full-time employees annually, irrespective of academic or professional background.

Hiring Company - Key Characteristics

In contrast to typical recruitment practices, where most positions—whether for career-track or part-time roles—are limited to one to three openings per job posting, our platform has built a strong track record by partnering with large-scale employers. These companies actively hire significant numbers of inexperienced workers across various industries, driving the growth of our matching services.

On the right side of the page we have the top companies by industry. As for mechanical engineering we have BeNEXT Technologies with approximately 2,400 openings annually. In construction management we have Yumeshin with approximately 1,200 openings annually. In clerical we have Manpower Group with approximately 1,200 openings annually. And in Sales & Service we have Kushikatsu Tanaka Holdings with approximately 150 openings annually and as the purple represents we have a very high share.

Partner Recruitment Agency

Track Record of Z Career

In fact, individuals who have changed jobs through Z Career have experienced a significant increase in their annual income. On average, their annual income before changing jobs was approximately 2.58 million yen, which translates to a take-home pay of 150,000 or 160,000 yen per month. After changing jobs through Z Career, their annual income typically exceeds 3 million yen, with an increase of roughly 40,000 yen in their monthly take-home pay. This improvement alone can have a profound impact on their quality of life.

Looking back at my own experiences and those of my friends in the band, I’d say one of the greatest advantages is being able to work with a high degree of freedom while doing what you love to do. These days, people can use on-demand job platforms or similar services. However, salaries don’t increase easily, and as you get older, the insecurity about the future becomes more pronounced. I completely understand how our users feel in that situation, and this empathy is at the core of our business. Furthermore, I want to emphasize

that we are working to help more people transition into full-time employment, increase their income, improve their lives, and think a little ahead.

Financial Results Highlights

Now I move on to the results for Q1 of the fiscal year ending September 30, 2025 (“FY2025” or the “current fiscal year”).

I will explain details later on by showing individual slides. First of all, for the first quarter, we achieved sales of approximately 1,066 million yen, up 49.3% year on year. Growth was generally in line with the growth rate of the full-year performance forecast. In addition, we have managed to reduce the amount of operating loss. It has been a relatively good start.

Over the medium term, we aim for sales of approximately 10 billion yen and an operating profit margin of approximately 20% in the fiscal year ending September 30, 2027. We believe that this target can be achieved even without counting on the effect of strategic investment we began at the beginning of the year to gain brand awareness for Z-Career.

With that target in mind, we project our full-year results for FY2025 as follows. Sales will be approximately 5,235 million yen. Operating loss will be approximately 195 million yen, roughly halved year on year.

Especially in the first half of FY2025, in addition to the strategic investments I previously mentioned, we are also focusing on new hiring, so there will be a heavy cost burden in light of the required training period. On the other hand, the key message here is that, while making solid investments over the medium to long term, we will reduce the loss significantly and, if we set aside the strategic investments, we will turn profitable on a full-year basis.

Summary of Q1 FY2025 Results

Here is a summary of the results for the first quarter alone. Sales increased 49.3% year on year to approximately 1,066 million yen. Although an operating loss of approximately 172 million yen was recorded, we were able to improve the operating profit margin by 12.0 percentage points year on year.

Financials - Quarterly

The progress of sales for the first quarter against the full-year forecast was approximately 21% and 19% for the last two fiscal years, and 20% for the current fiscal year, which is on track with previous fiscal years. We are off to a good start compared to our full-year performance forecast. First, progress in sales has been in line with the full-year performance forecast.

We are off to a smooth start. In terms of costs, in contrast with sales growing year on year, costs have shown a decline year on year.

Sales - Quarterly

Let’s look into the percentage of total sales by segment. Performance revenue for Z-Career, shown in dark purple, grew significantly by 97.4% year on year. This revenue is the total of commissions from the in-house agents and the partner agents.

Although there was only a slight increase compared to the fourth quarter of the previous fiscal year, the fourth quarter of the previous year saw a temporary surge in contracts exceeding seasonality. However, Z-Carrier’s business is typically seasonal in that sales are highest in the third quarter, which includes April. Therefore, a year-on-year comparison would give a more accurate understanding.

GMV and Take Rate - Quarterly

The bar graph shows GMV from the in-house agents, indicated in dark purple, and GMV from the partner agents, indicated in light purple.

The yellow line graph on the slide shows the take rate. The take rate from the in-house agents is 100%, meaning the entire average commission & fee per placement of approximately 610 thousand yen is recorded as revenue for the Company. On the other hand, in the case of sales from a partner agent, the take rate is about 17% of 610 thousand yen, so our sales are about 100 thousand yen.

In other words, the greater number of placements through the in-house agents, the higher the take rate. In this way, the take rate has increased by 11.6 percentage points year on year. We believe that the number of placements through the in-house agents will continue to grow significantly down the road, and that the take rate will gradually increase accordingly.

Although GMV from the in-house agents has declined compared to the fourth quarter of the previous fiscal year, as explained earlier regarding the full-year results for FY2024, there was an unexpected surge in placements through the in-house agents in the fourth quarter of FY2024, resulting in a temporary jump in placements.

GMV - Key Profit Indicators

The number of registered job seekers has expanded to approximately 444 thousand people, up 55.8% year on year, growing steadily without a sharp rise in the cost to attract a job seeker. For the first quarter, the figures are before the start of commercials, and the inflow from traditional job seeker acquisition channels has increased.

The commission & fee per placement is disclosed once a year. The reason is that we consider the commission & fee per placement when viewed in terms of a fiscal year to be important, as the commission & fee per placement may rise or fall depending on short-term projects and seasonality. The same is true for Recruit Holdings Co., Ltd., and although there may be some short-term fluctuations, it is important to see what the commission & fee per placement is like on a fiscal year basis.

As I mentioned in the previous briefing, although there is nothing wrong with increasing the commission & fee per placement, the closing rate would decline. If the commission & fee per placement increases but contracts become harder to close, the GMV would decline, so please refer to this only as a reference.

Gross Profit - Quarterly

This chart shows gross profit and the gross profit margin. Unlike traditional recruitment agencies, we operate in the form of a recruitment platform, and as I mentioned earlier, in addition to ROXX, we have approximately 400 other recruitment agencies engaged in recruitment matching through our platform.

From each partner recruitment agency, we receive approximately 200 thousand yen per month as a monthly usage fee and also receive approximately 100 thousand yen per placement. As most of these sales are generated without depending on resources that give rise to fixed costs, the gross profit margin remained relatively quite high at around 85%.

Meanwhile, from the first half of FY2025, we have been providing Recruitment Process Outsourcing, or RPO, services for select major clients on a trial basis. We have only introduced job seekers in the past, but by taking on RPO on behalf of our clients, we hope to strengthen relationships and stabilize performance by engaging more deeply with the operations of our major clients, such as redefining job requirements, designing selection processes, and providing support to successful candidates.

As a result, personnel costs have been recorded as RPO cost of sales, resulting in a temporary decline of the gross profit margin by 4.3 percentage points to below 85%. The increase in RPO is still on a trial basis, and there will be no major change in strategy.

Selling, General and Administration - Quarterly

The next slide covers the changes in selling, general and administration expenses. Overall SG&A expenses improved by 16.3 percentage points while sales increased by 49.3% year on year.

In the first quarter of FY2025, advertising expenses increased slightly above the bull mark 30.0%, partly in reaction to the lower-than-normal spending in the previous fiscal year.

Number of Employees

Now, let me talk about attracting talents. The number of employees was 290 people as of the end of the first quarter of FY2025, up 20.3% year on year. In addition to recruiting mainly for Z Career employees, we are also recruiting employees engaging in Z Career's product development or working for our corporate division.

With sales growing by 49.3% year on year compared to a 20.3% increase in the number of employees, sales per employee has increased. This improvement is the result of efficiency gains through the use of AI and the increasing maturity of our business.

On the other hand, because an increase in the number of Z Career employees is also a growth driver for sales, the pace of mid-career hiring has also increased significantly in this second quarter. Because the first three months of employment is a training period, we expect to see the results of these hires in the second half of the fiscal year.

In addition, we have switched our hiring policy from mid-career hires to new graduates starting from the current fiscal year, and we plan to hire 78 new graduates for the class of 2025.

Reference:**Importance of Mass-advertisement**

I would like to reiterate that the importance of our advertising efforts is to increase top-of-mind awareness. In a survey on job search services for non-regular employees, when asked which service comes to mind when you hear the phrase “seeking a full-time job,” approximately 63% answered “None in particular.”

Reference：Creative of Mass-advertisement

We cast Fuma Kikuchi, a popular male idol, for the TV commercial. The catchphrase is “Let's become a full-time employee Z” and Fuma Kikuchi wears a rabbit costume and tells job seekers that they should become a full-time employee.

Reference：Purpose and Overview of Mass-advertisement

We aim to establish top-of-mind awareness that Z Career is the go-to brand for seeking a full-time job and to secure our market positioning in the non-desk worker segment through mass advertisement at an early stage as a strategic investment.

Starting January 4, 2025, we launched TV commercials and video streaming service advertisements featuring Fuma Kikuchi.

Relevant costs are to be recorded in the first quarter for part of the production costs and in the second quarter for most of the production costs and broadcasting costs.

Reference: Nature of Strategic Investment

In this fiscal year, we expect an operating profit of about 300 million yen, excluding the strategic investment of approximately 500 million yen.

Mid-term Target

Over the medium term, we aim for sales of approximately 10 billion yen and an operating profit margin of approximately 20% in the fiscal year ending September 30, 2027.

Summary of FY2025 Full-year Forecast

Once again, I will explain the business results forecast for the fiscal year ending September 30, 2025 as the first step to achieve the target mentioned above.

Sales will be about 5,235 million yen, up 50.6% year on year, maintaining the high sales growth.

Operating loss will be about 195 million yen, which is half the previous fiscal year, while operating profit and loss margin will improve by about 9.8 percentage points.

Assumptions for FY2025 Full-year Forecast

Please refer to the slide for details

Relocation and Team Expansion

As we reported in our previous FY2024 financial results briefing, we implemented a major structural change in the first quarter in our Z Career recruitment business for the purpose of improving productivity over the medium to long term.

Specifically, we separated the entire job support process into two parts, before and after the interview with a job seeker, and divided operations into a team focused on increasing the number of interviews and another team focused on increasing the number of placements. We believe this approach could help to improve both efficiency and quality, and it was implemented as planned in the first quarter of FY2025.

Because this in itself is quite a major structural change, we were prepared for a situation in which a temporary impact on productivity would be unavoidable. However, we have started to see results that are close to our initial expectations as of the beginning of this year.

We have shown the development in productivity in the image on the right side of this slide. One point to note is that the decline in productivity during the first quarter will be reflected in sales in the second quarter. I would like to give you more details on the next page.

Reference: Seasonality of Performance

First of all, as in the human resources business in general, the high season for hiring is April. Therefore, our sales tend to be higher in the third quarter, which includes the month of April. Accordingly, in the fourth quarter of FY2024, the number of placements exceeded the usual seasonality of performance.

Next, regarding the correlation between hiring and sales, we generally consider the training period to be approximately three months for mid-career hires and about six months for new graduates. For the first quarter of FY2025, although there were not many mid-career hires, recently there were approximately 50 mid-career hires in the second quarter and approximately 80 new graduates are expected to join us in the third quarter. Because hiring costs and personnel costs occur first, the impact on sales is expected to be reflected from the second half of the fiscal year. Although the increase in new graduate hires all at once makes projections somewhat uncertain, this is an important strategy for achieving stable medium to long-term growth, and we will focus on training them together so they can truly contribute to the company as soon as possible.

Finally, there are two points that are unique to the current fiscal year.

First, as we reported in our previous FY2024 financial results briefing, we implemented a major structural change in the first quarter in our Z Career recruitment business for the purpose of improving productivity. The structural change itself has been completed at this point, and we believe the results have been favorable. Meanwhile, as I previously mentioned, the structural change implemented in the first quarter temporarily lowered productivity, and this will have an impact on performance in the second quarter. I would like to ask for your understanding of this temporary downtime.

In addition, the production costs for mass advertisement, which began in January, were initially expected to be recorded in the first quarter. However, due to a decision to record them as a lump sum during the second quarter instead of allocating the costs, they will now be accounted for in the second quarter. Because costs including the production cost of the commercial itself and the broadcasting cost are as previously planned,

there is no change in the full-year forecast. However, multiple factors mentioned above are expected to coincide in the second quarter.

Repost of Dec. 5th, 2024: Frequently Asked FAQs (Impact of Policies etc. on the Business)

The following pages are the reposts of Frequently Asked FAQs. We intend to respond to questions received actively and have disclosed all FAQs separately. We will continue to provide accurate information as soon as possible.

This is the end of the Q1 FY2025 financial results briefing. Thank you very much for your participation.

Appendix

Disclaimers

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