

Presentation Material for FY2025 Q2 Financial Results

May 15, 2025
ROXX, Inc.

- This material includes forward-looking statements. Forward-looking statements are predictions about the future that reflect management's judgment based on currently available information as of the draft date of this material. As such, these forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from those expressed in or suggested by the forward-looking statements.
- Changes in the domestic and international economic situation, and trends in the industries in which the Company operates (not limited to those expressed in) might cause actual results to differ materially from those expressed in or suggested by the forward-looking statements.
- The information contained herein on companies other than the Company is based on public information or sources. The Company has not independently verified the accuracy and appropriateness of such data and indicators used herein, nor assume any responsibility for the accuracy and appropriateness of such data and indicators presented in this document.

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Representative Director and Chief Executive Officer

Taro Nakajima

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

2013 : Founded **ROXX** while in college

2015 : Dropped out of college



Vice President and Chief Financial Officer

George Yoshimoto, CPA

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

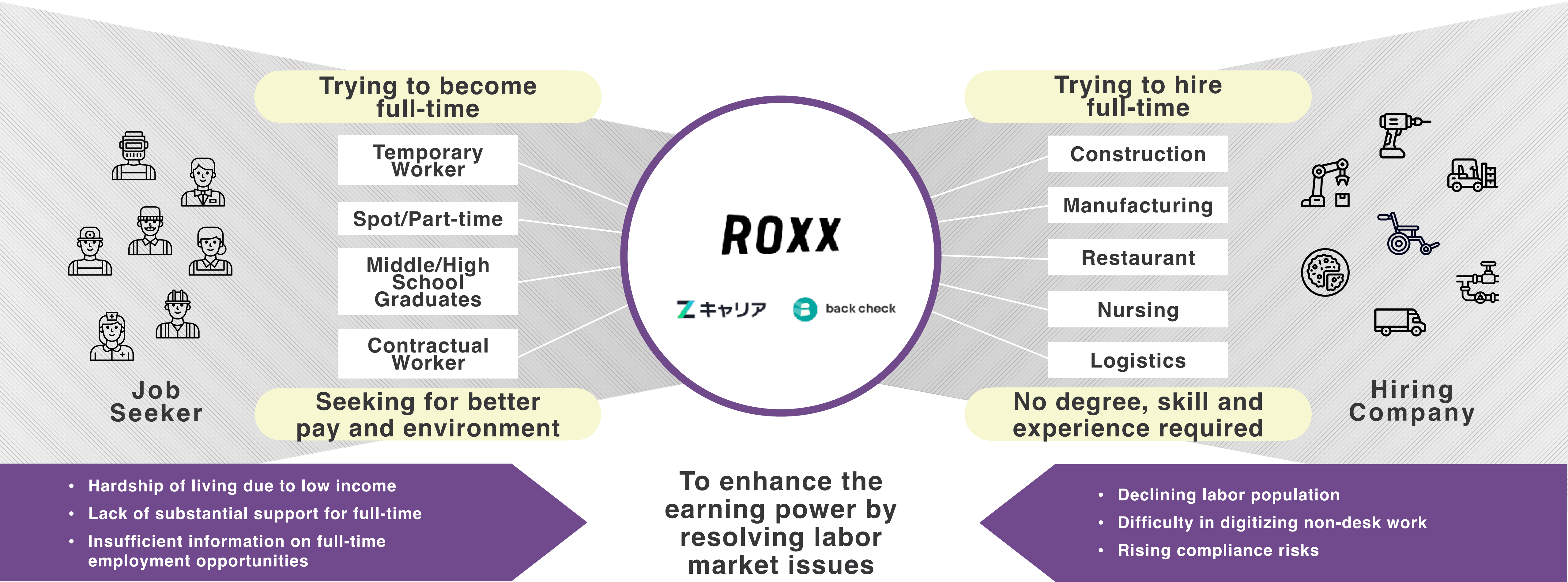
2017 : Joined **Lazard Frères's** M&A Advisory Team 

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

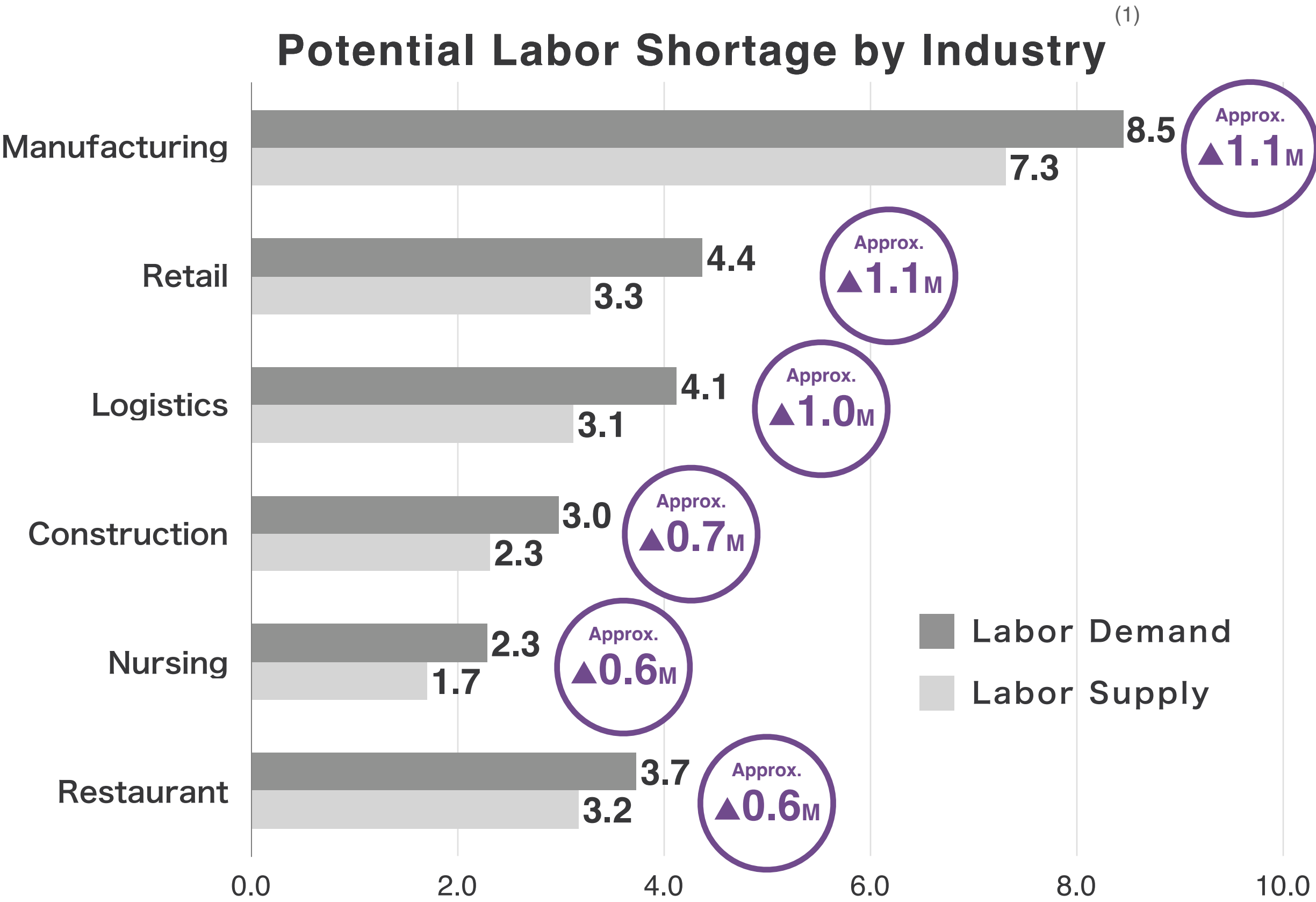
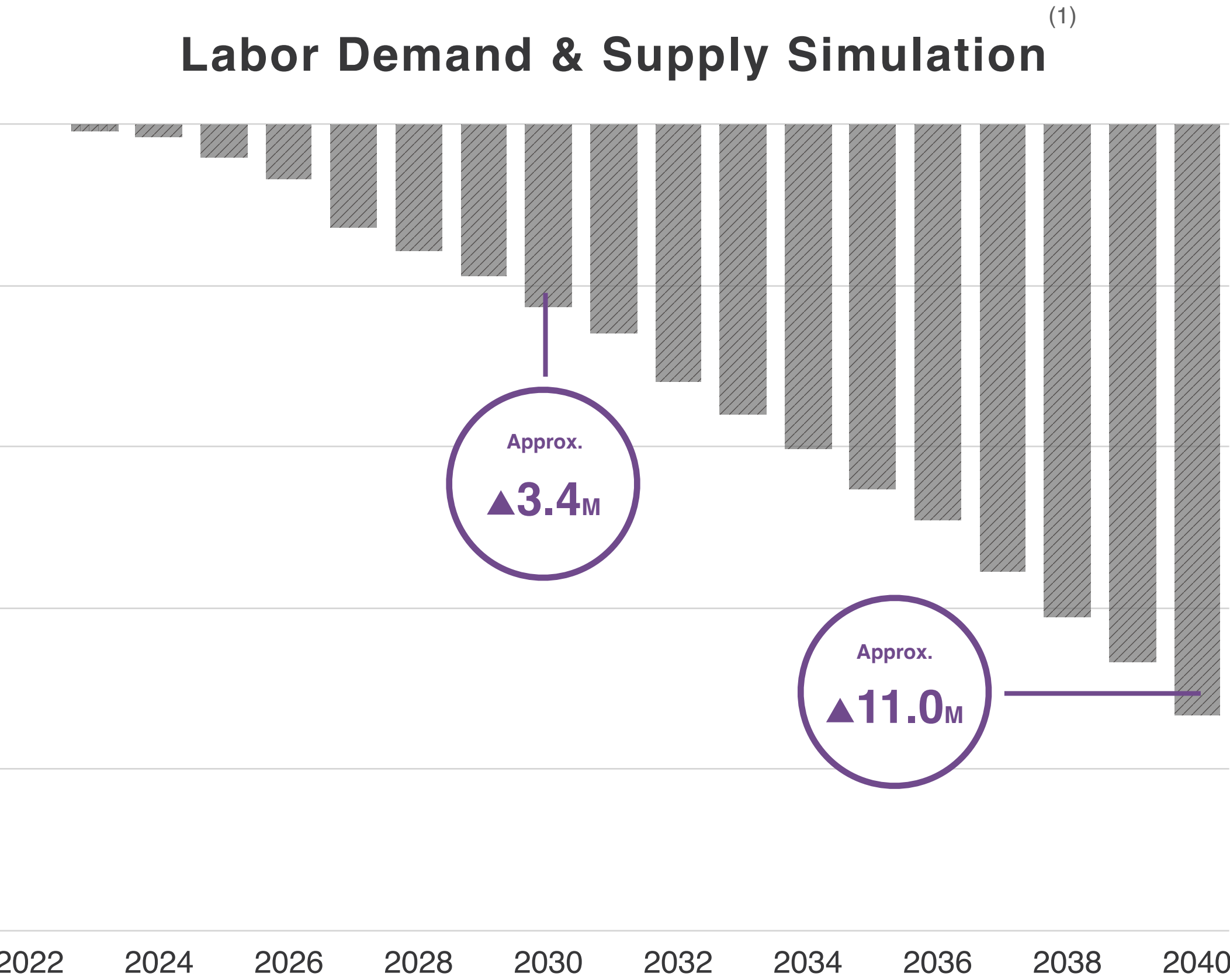
2023 : Joined **ROXX** as Chief Financial Officer

Business Overview

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



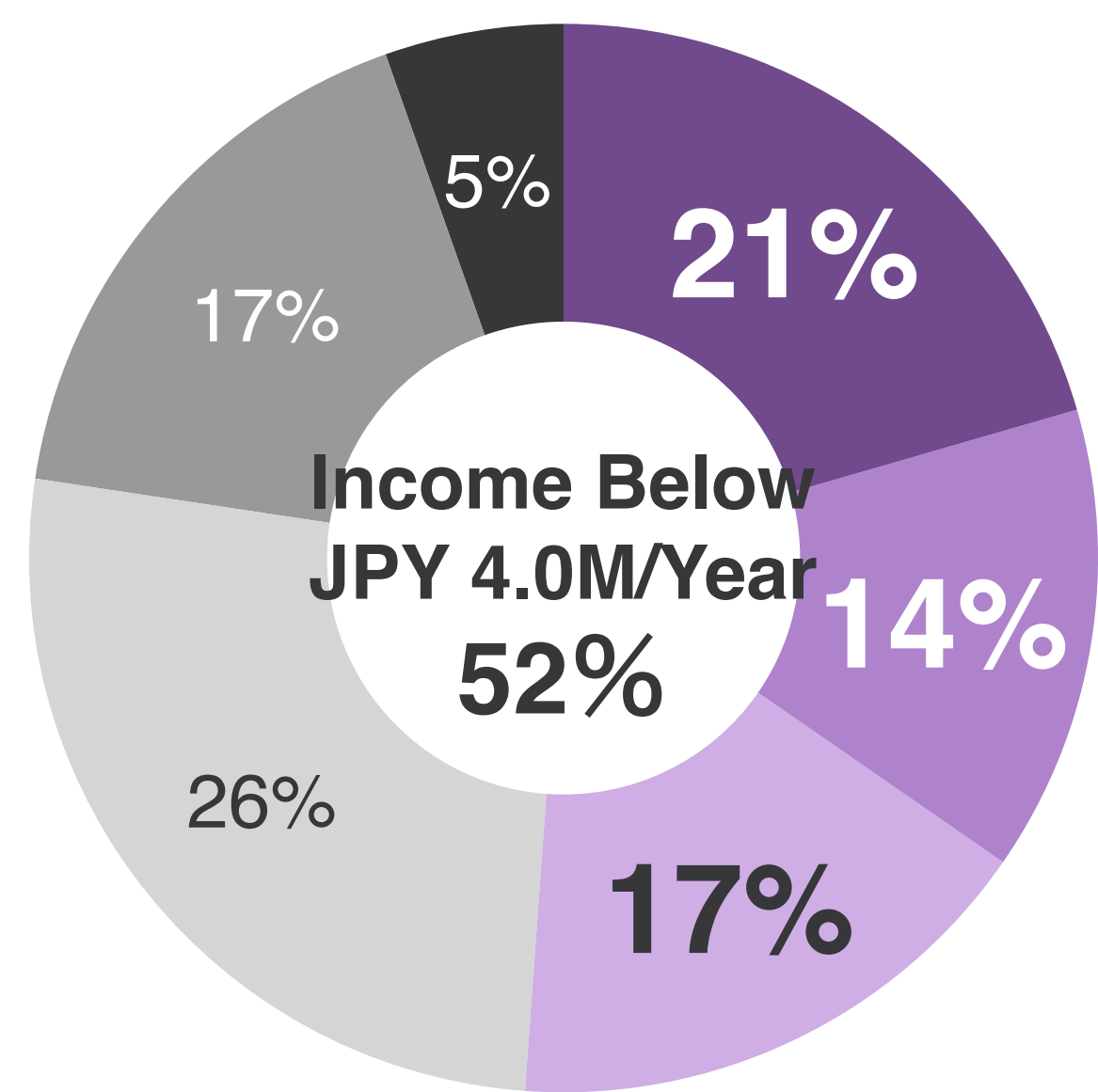
Labor shortage is becoming a social problem as the workforce in Japan decreases, by 2040 non-desk workers segment is forecasted to suffer from a chronic labor shortage



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

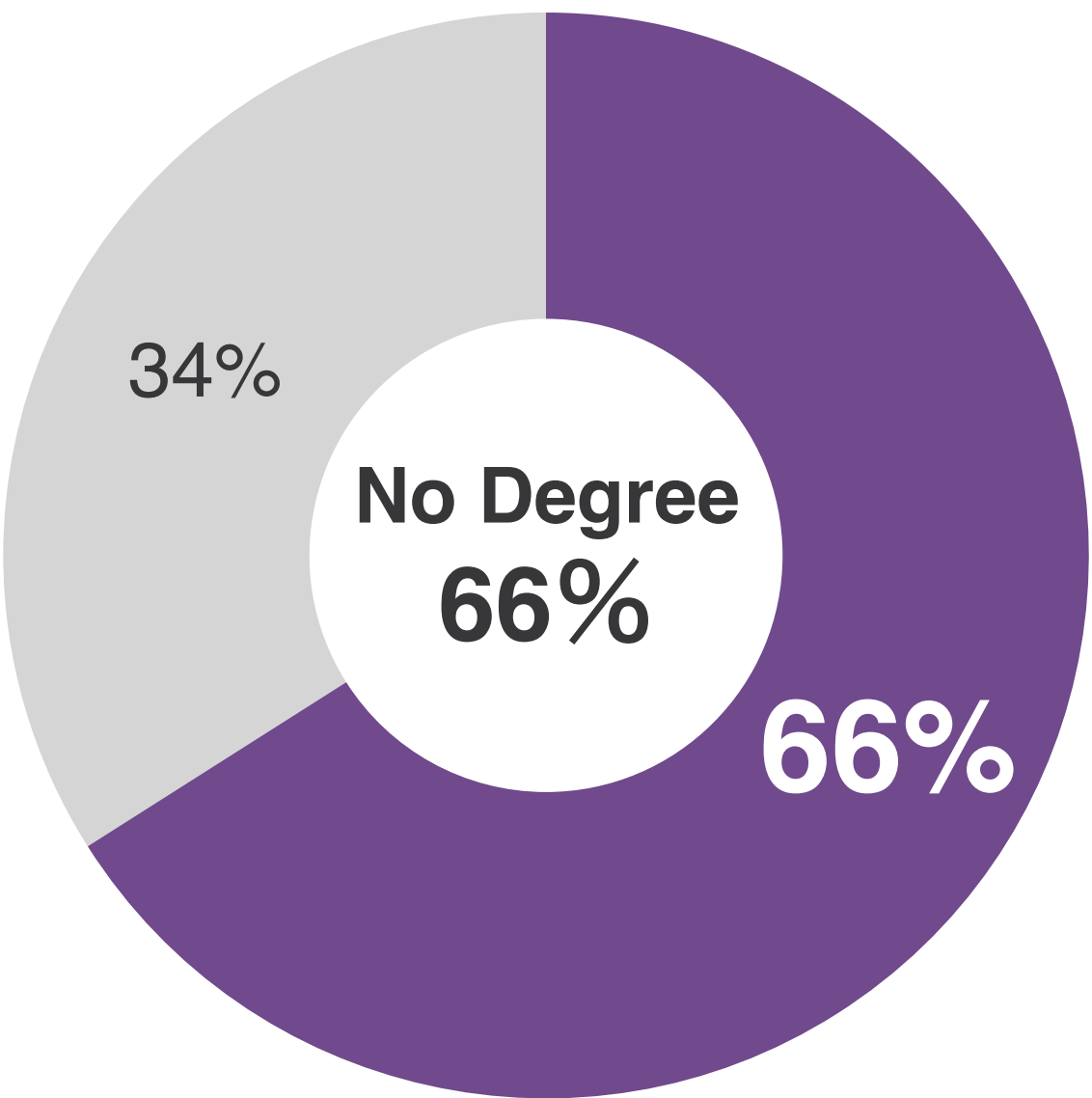
Majority of the income earners (25.9M)⁽³⁾ are below the income grade of JPY 4.0M/Year and remain non-core placements by the traditional recruitment agencies due to lack of work experience

Income Earners by Income Grade⁽¹⁾



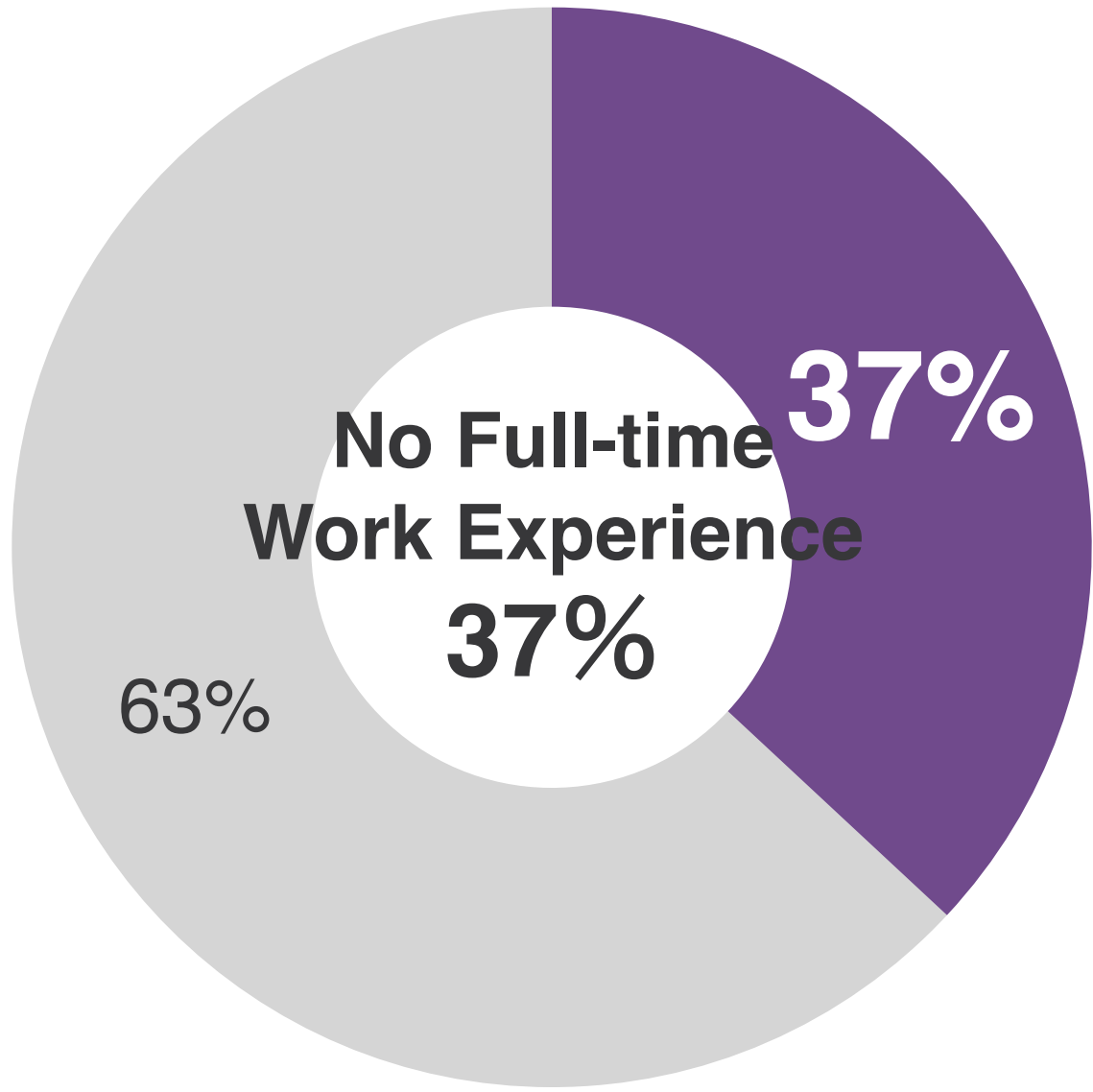
- Below JPY 2.0M
- Below JPY 3.0M
- Below JPY 4.0M
- Below JPY 6.0M
- Above JPY 10.0M

Workforce by Education⁽²⁾



- No Degree
- Under Graduate / Graduate Degree

Workforce by Experience⁽²⁾



- No Full-time Work Experience
- Full-time Experience

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



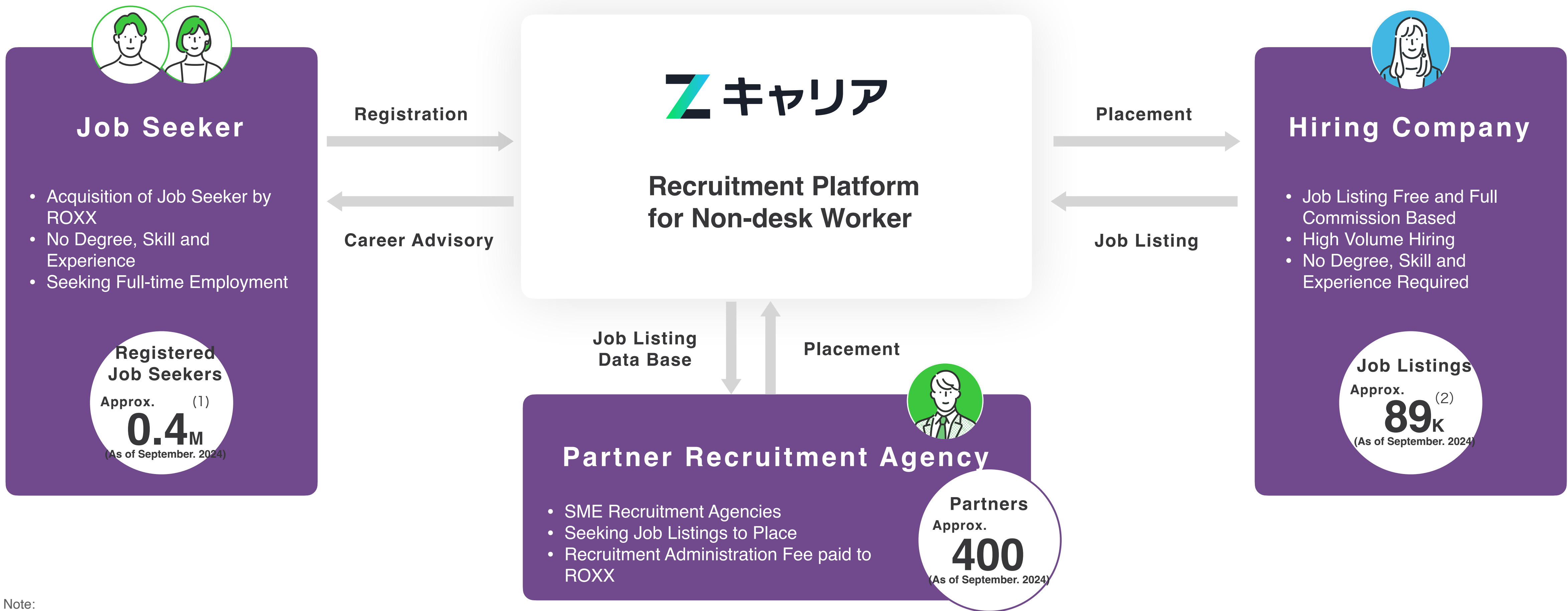
Recruiting Platform for Non-desk Workers

※ Product Image for Illustration Purposes Only



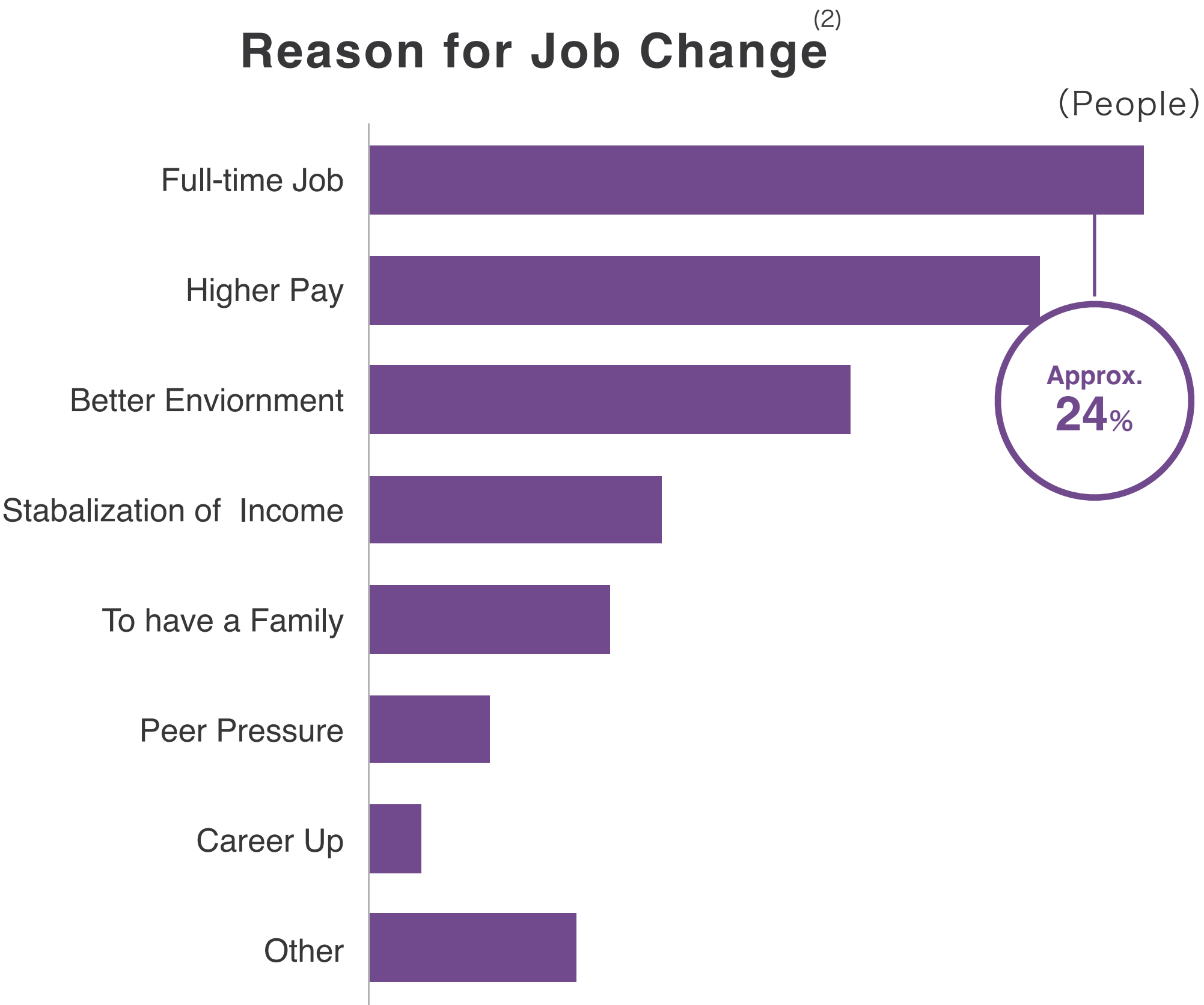
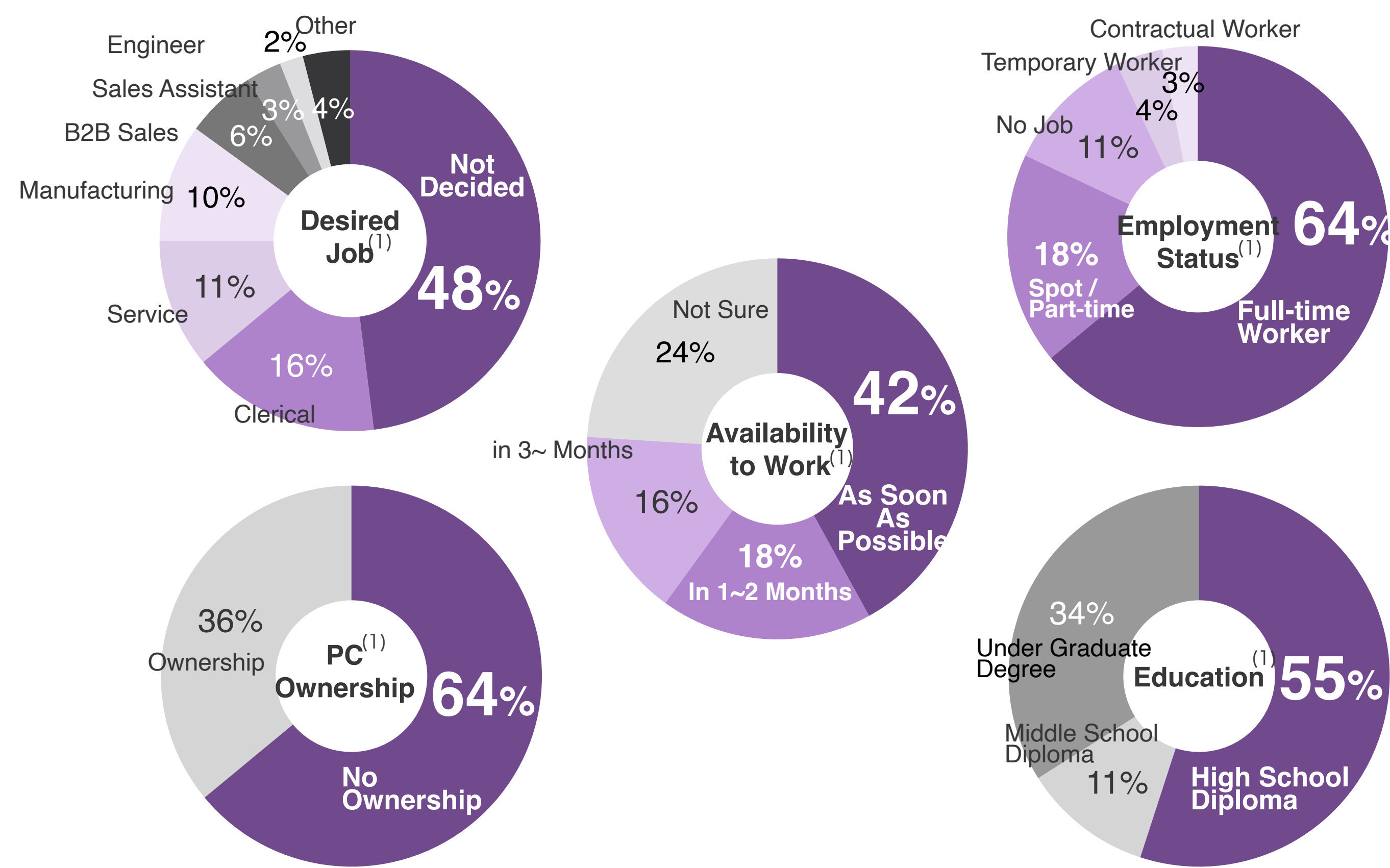
**Zキャリアなら
学歴や経験がなくても
あなたにあった
正社員の仕事が見つかる。**

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



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

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



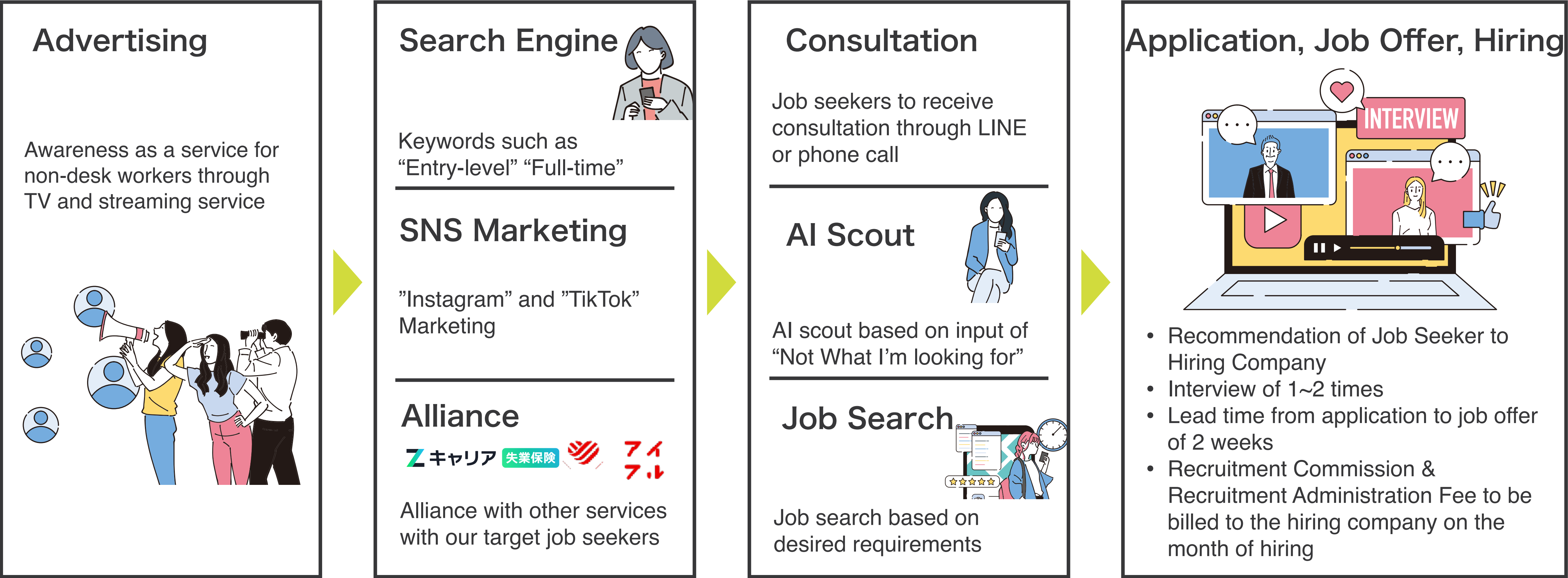
- Struggle to understand the job through the job descriptions
- Does not own a personal computer and have difficulties preparing a CV/Resume
- Never taken a job interview

No Luxury in Time and Cash

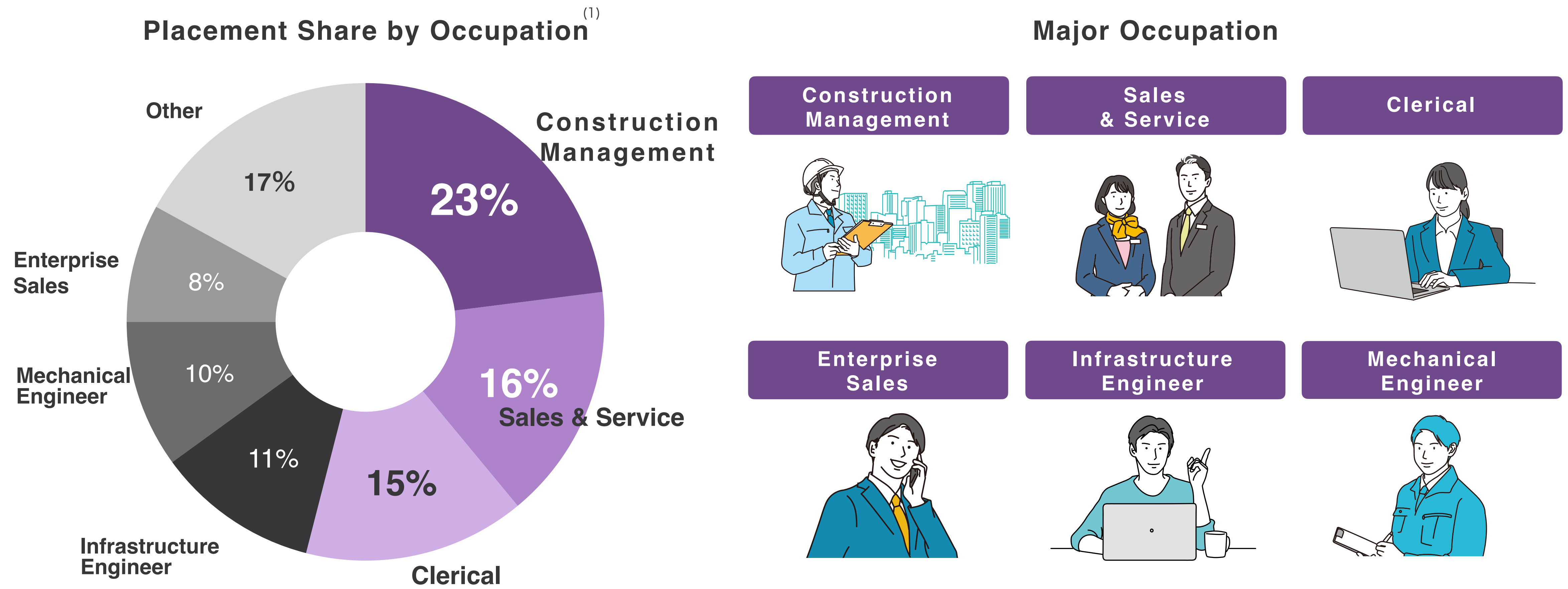


- Have difficulties scheduling an interview due to irregular days-off
- Unable to pay for the transportation
- Mentally and financially full living day-to-day

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

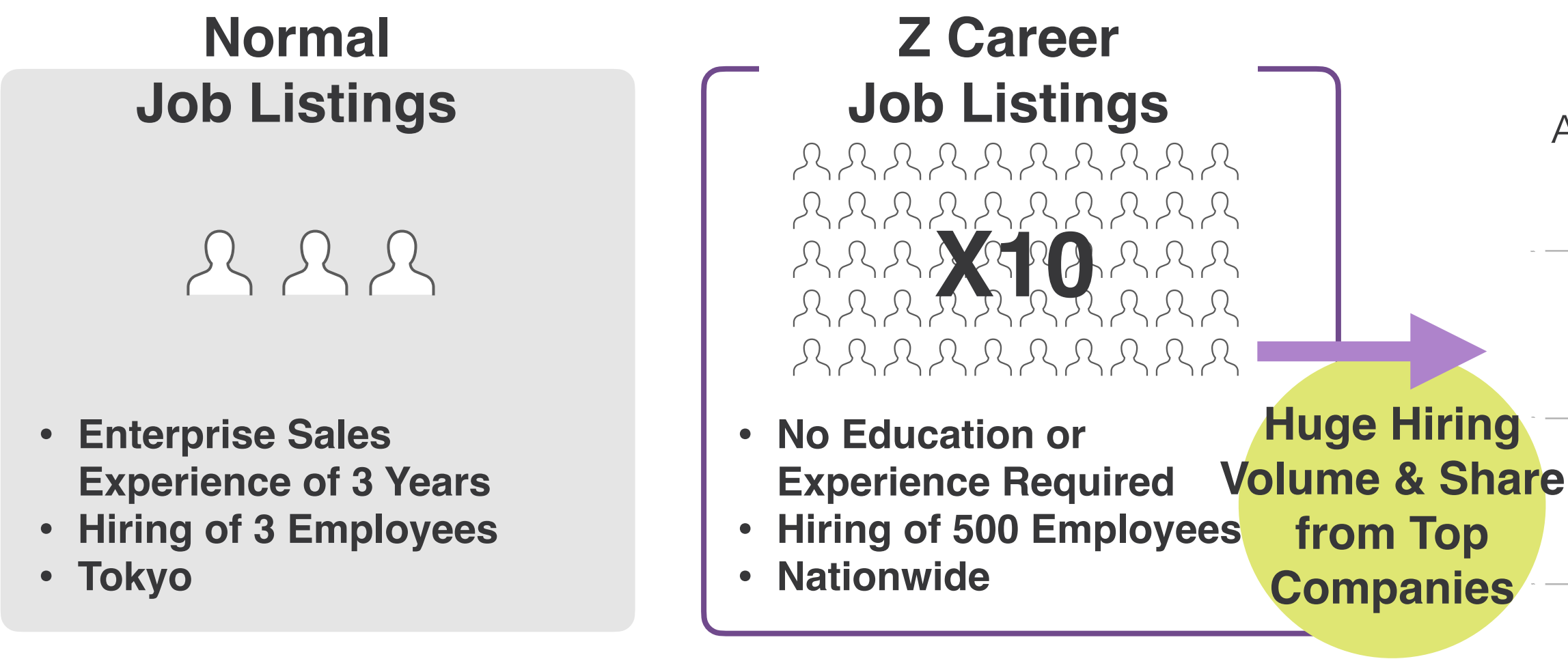


Diverse placement portfolio with “Construction Management”, “Sales & Service” and “Clerical” being top three and occupation with a clear path for continuous progression though skill acquisition tend to be popular



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

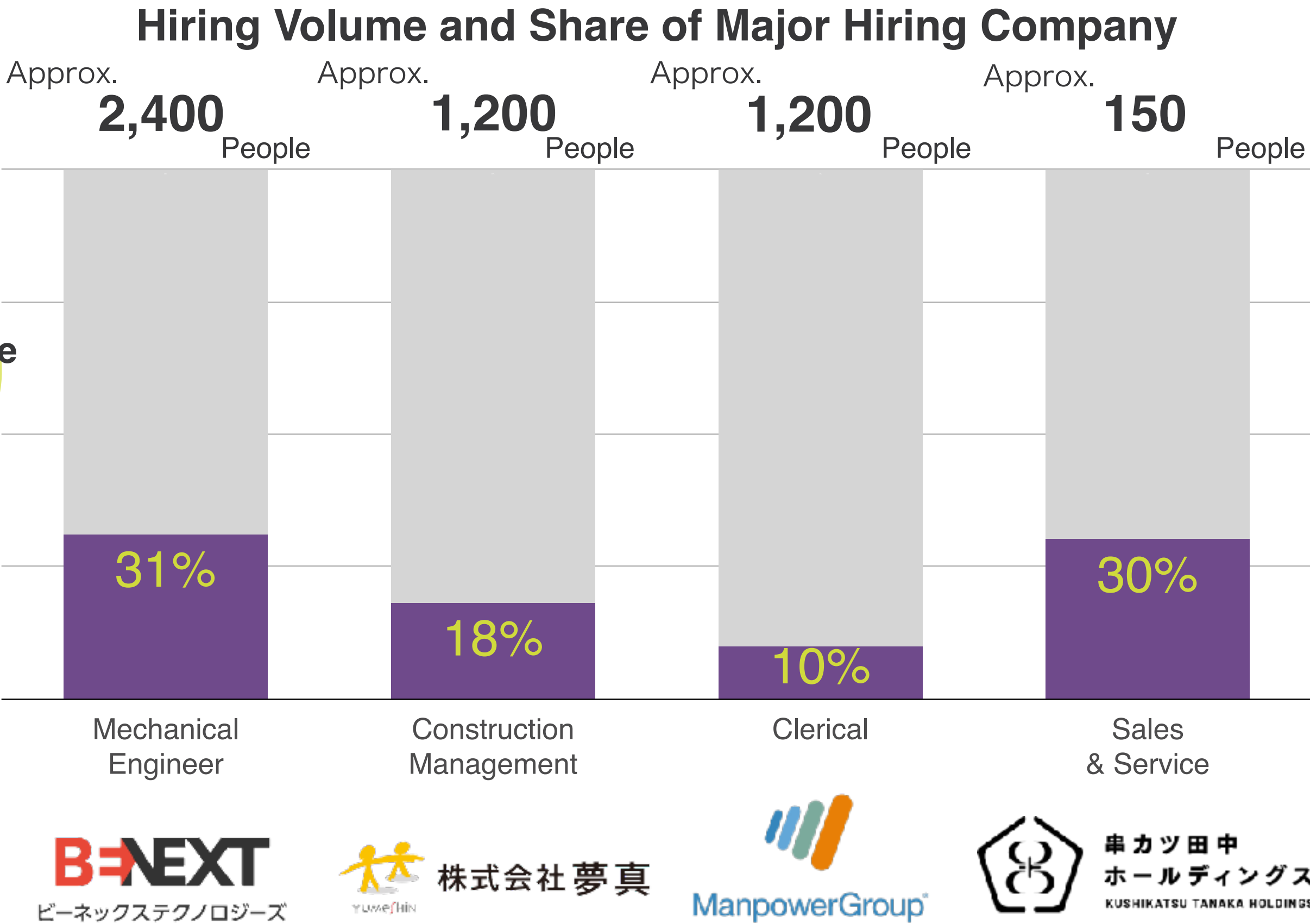
Target hiring companies hire over 100~1,000 full-time employees each year. Therefore, Z Career does not require as many job listings and competition between Internal/Partner Agent is unlikely to occur



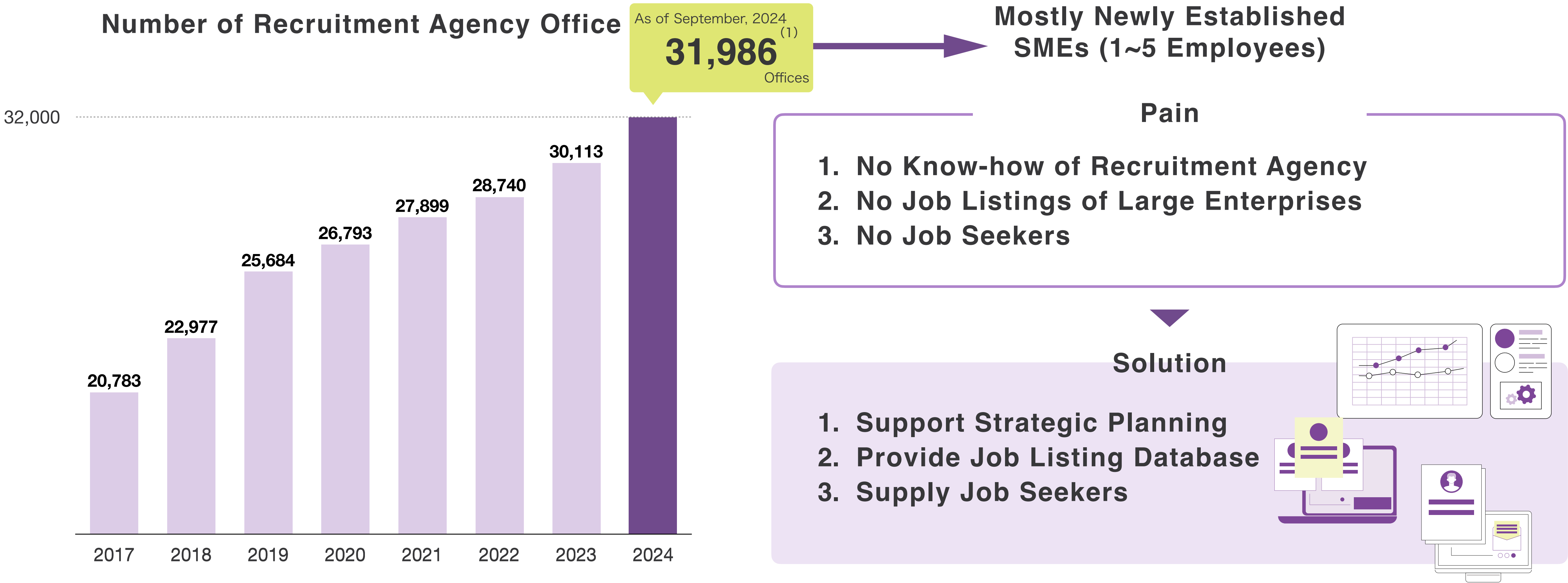
Therefore

1. No Need for a Huge Sales Team to Acquire Job Listings

2. No Competition between Internal Agent and Partner Agent



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



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

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
Q2 Results**

As per Guidance, Sales are up but Operating Profit are down, due to “Relocation & Team Expansion” and “Mass-advertisement”

- Sales: JPY 913Million (YoY:+15.5%)
- Operating Loss: JPY (611)Million
- Net Loss: JPY (620) Million

Reflection

- **Although the Market remains strong, Productivity of the In-house Agent plunged in Q2 with the “Relocation & Team Expansion”**
- **Productivity has bottomed out and expect profitability on a quarterly basis but remain slightly short of the Full-year Forecast**

**FY2025
Full-year Forecast**

The full-scale Launch of RPO is expected to cover some of the shortfall and the Full-year Forecast remains unchanged

- Sales: JPY 5,235 Million (YoY: +50.6%)
- Operating Loss: JPY (195) Million
- Net Loss: JPY (236) Million

Note:

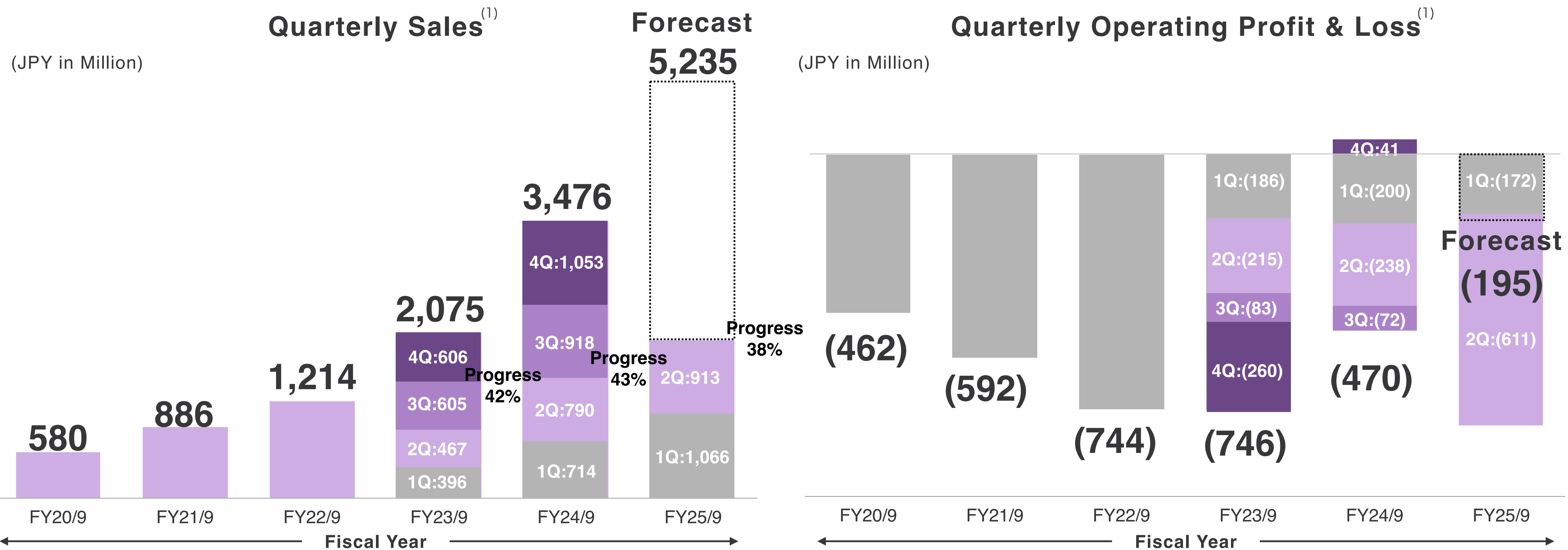
(1) Financial figures are rounded down and KPIs are rounded off

FY2025 Q2 Results

(JPY in Million)	FY2024 Q2	FY2025 Q2	YoY
Sales	790	913	+15.5%
Sales Growth Rate	68.9%	15.5%	▲53.4pt
Cost of Sales	103	197	+89.9%
Cost of Sales Margin	13.1%	21.6%	+8.5pt
Gross Profit	686	716	+4.3%
Gross Profit Margin	86.9%	78.4%	▲8.5pt
Selling, General and Administration	925	1,327	+43.4%
Selling, General and Administration Margin	117.1%	145.3%	+28.3pt
Operating Profit & Loss	(238)	(611)	
Operating Profit & Loss Margin	(30.2)%	(66.9)%	▲36.7pt
Ordinary Profit & Loss	(239)	(620)	
Net Profit & Loss Before Income Tax	(239)	(620)	
Net Profit & Loss	(239)	(620)	

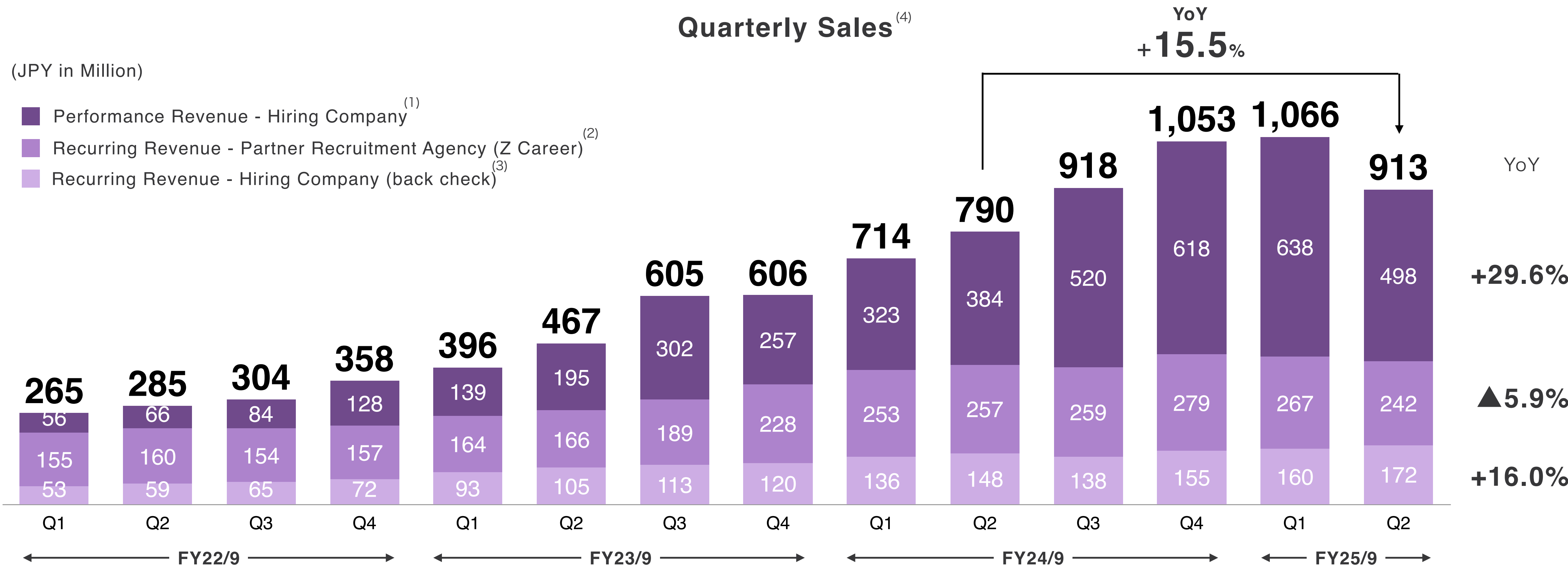
Note:
(1) Financial figures are rounded down and KPIs are rounded off

Sales has slowed down with YoY +15.5% and loss making expanding YoY 36.7pt with “Relocation & Team Expansion” and “Mass-advertisement”



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

Performance revenue has fallen QoQ JPY 140M. However, the drop in performance revenue has bottomed out and back to a growth trajectory



Note:

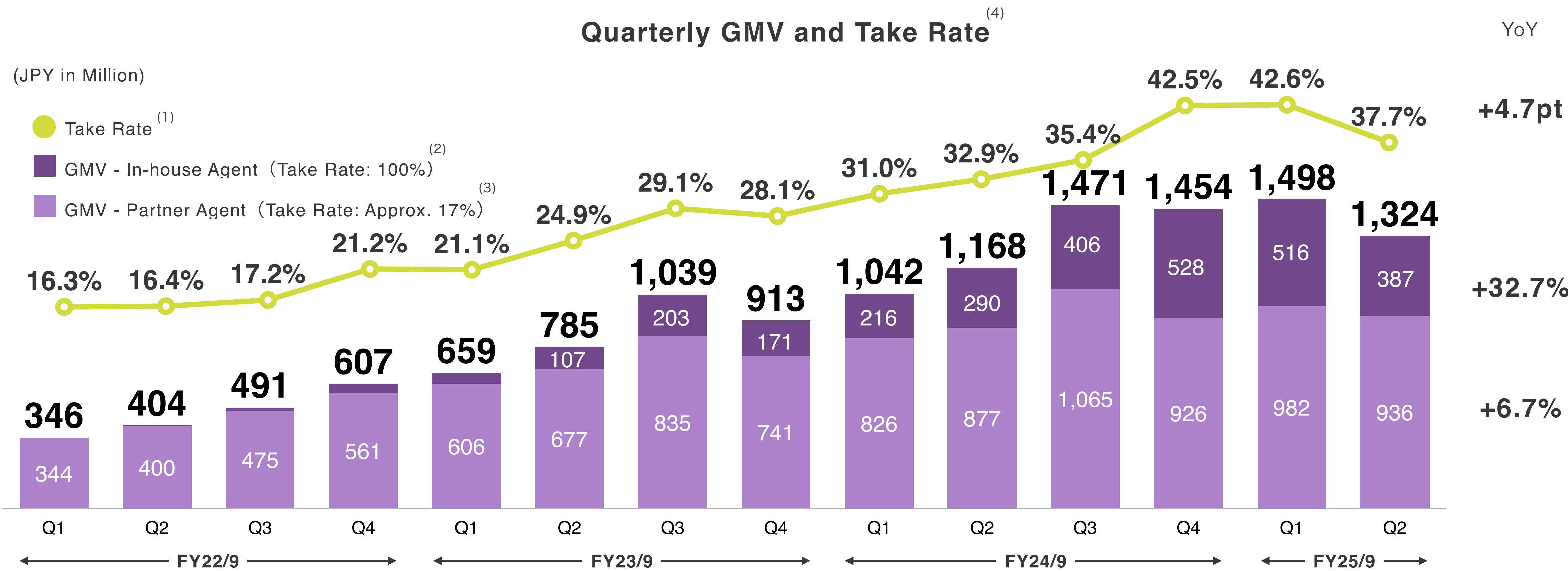
(1) Recruitment Commission (In-house Agent Only) & Recruitment Administration Fee paid by Hiring Company

(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

Along with the drop in GMV of the in-house agent, take rate has temporarily dropped. However, see both GMV of the in-house agent and take rate to be back up from Q3 onwards



Note:

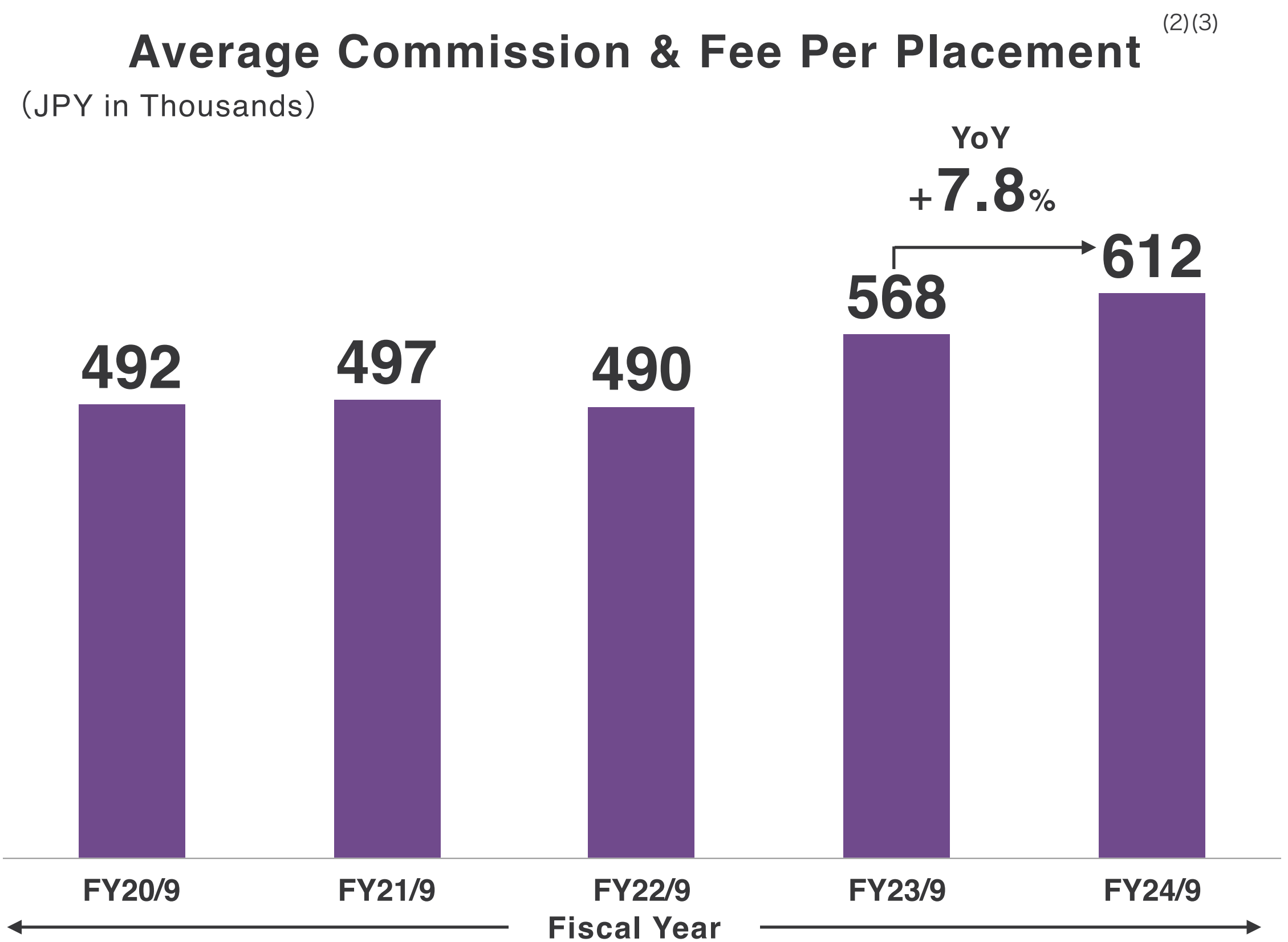
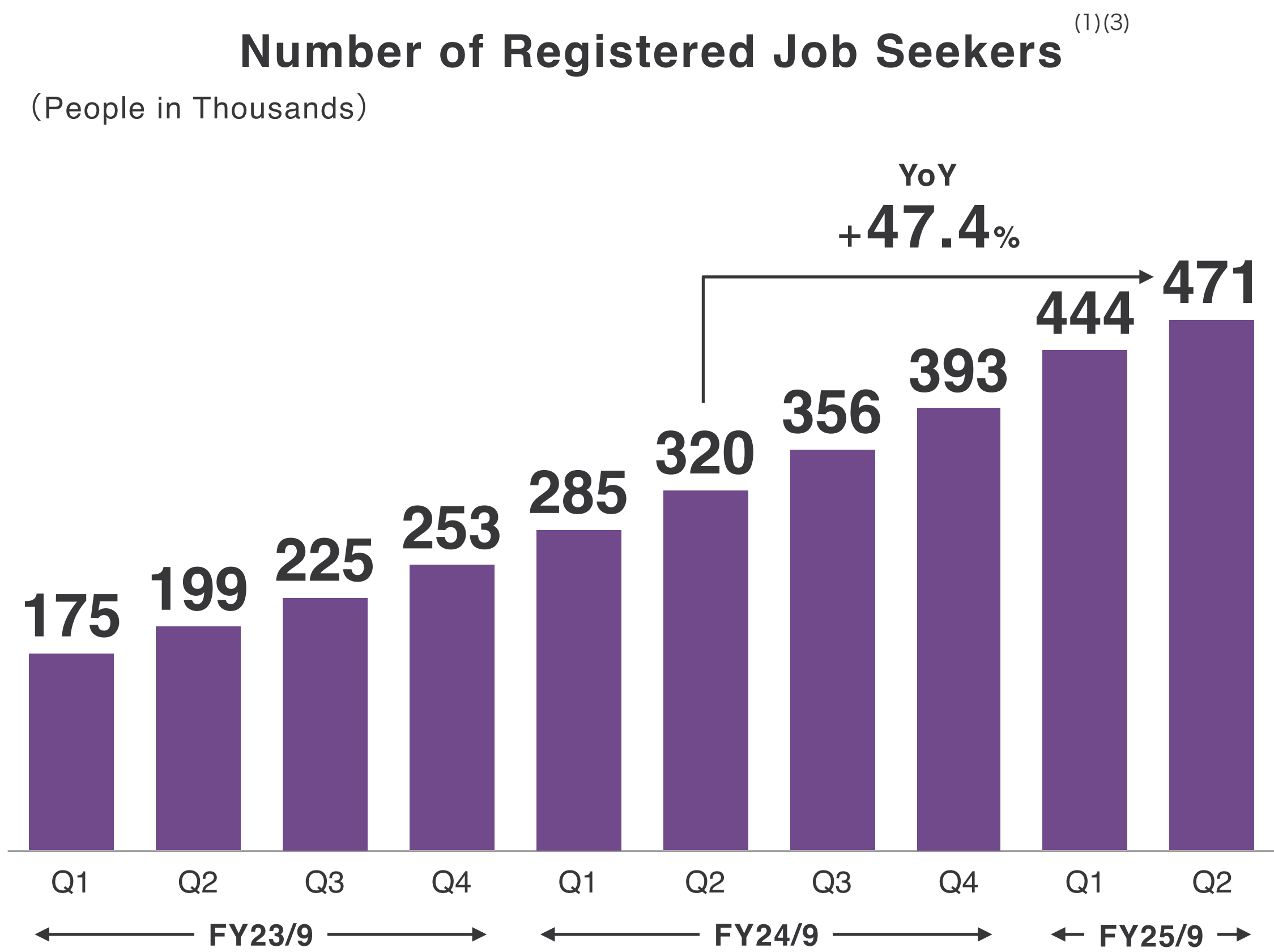
(1) Take Rate is calculated by dividing Performance Revenue (Recruitment Commission & Recruitment Administration Fee by In-house Agent and Recruitment Administration Fee by Partner Agent) by Gross Merchandise Value

(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

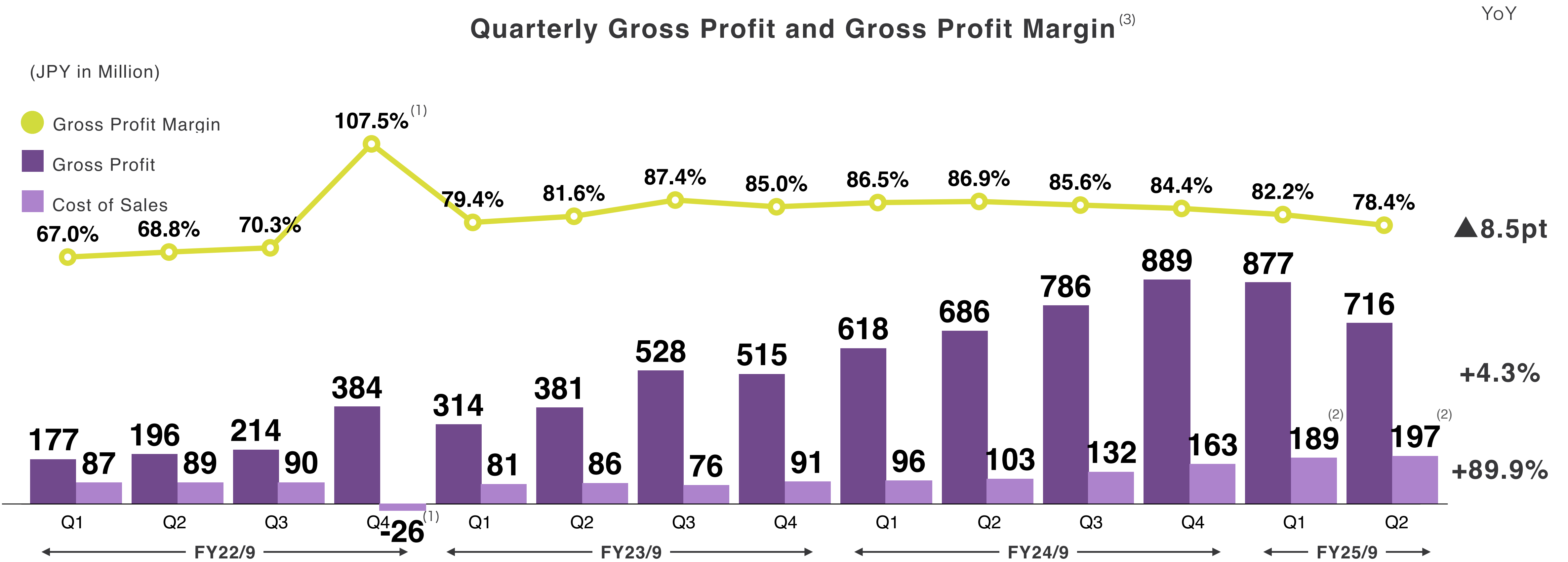
(4) Financial figures are rounded down and KPIs are rounded off

The number of registered job seeker has successfully accumulated with “Mass-advertisement”. Also, an improvement in acquisition cost has been evident



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

Temporary sales drop has resulted in a Gross Profit Margin squeeze but no major change in the absolute amount of the cost of sales. Anticipate a Gross Profit Margin of roughly 80% going forwards



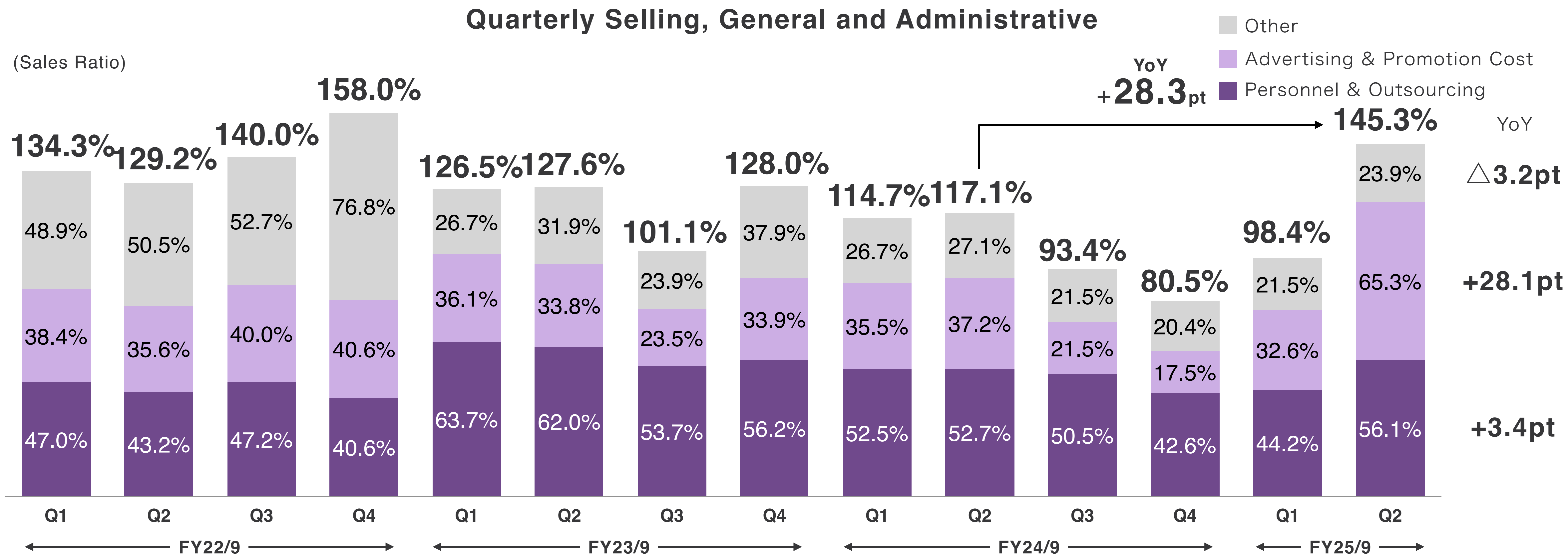
Note:

(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

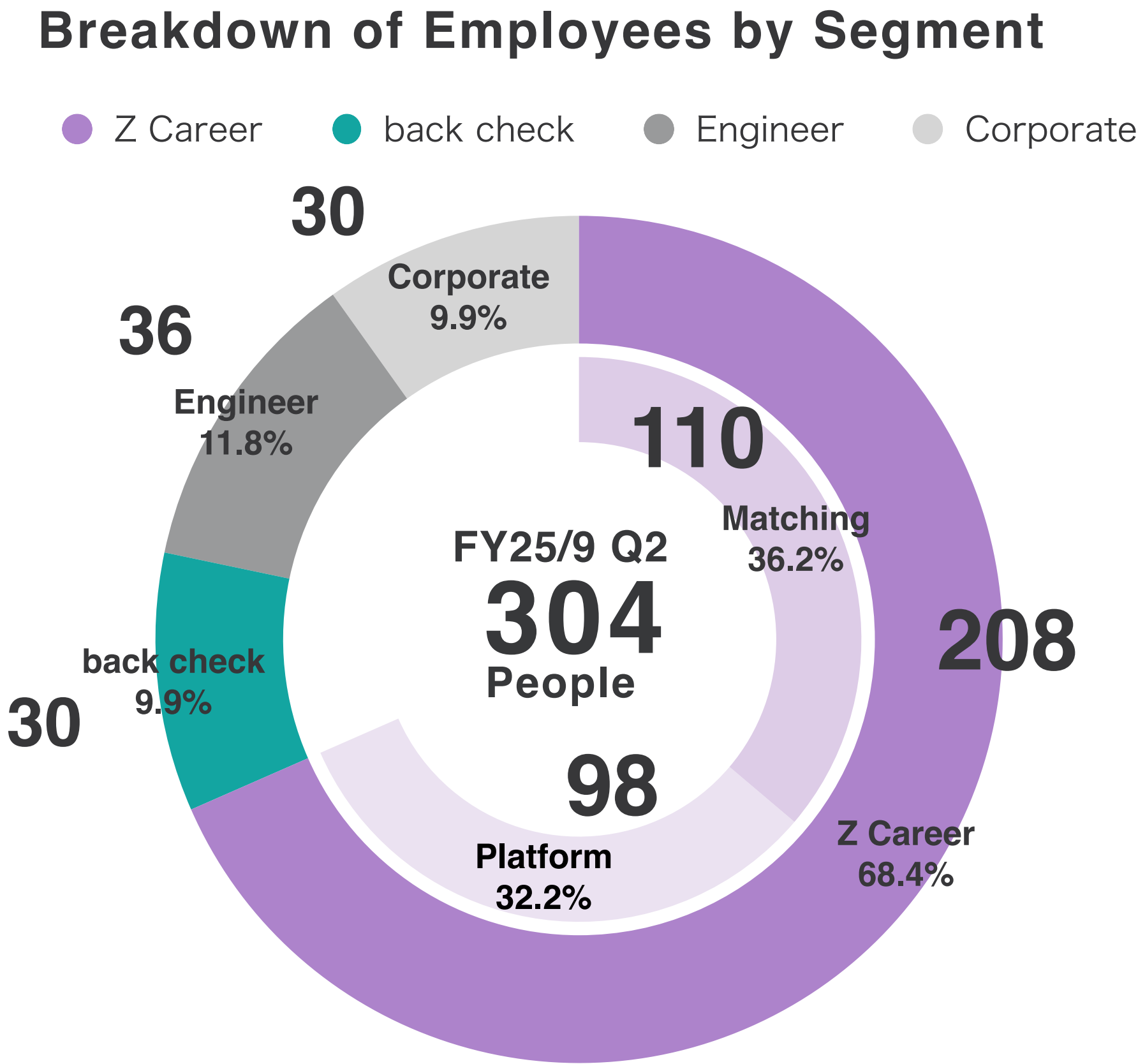
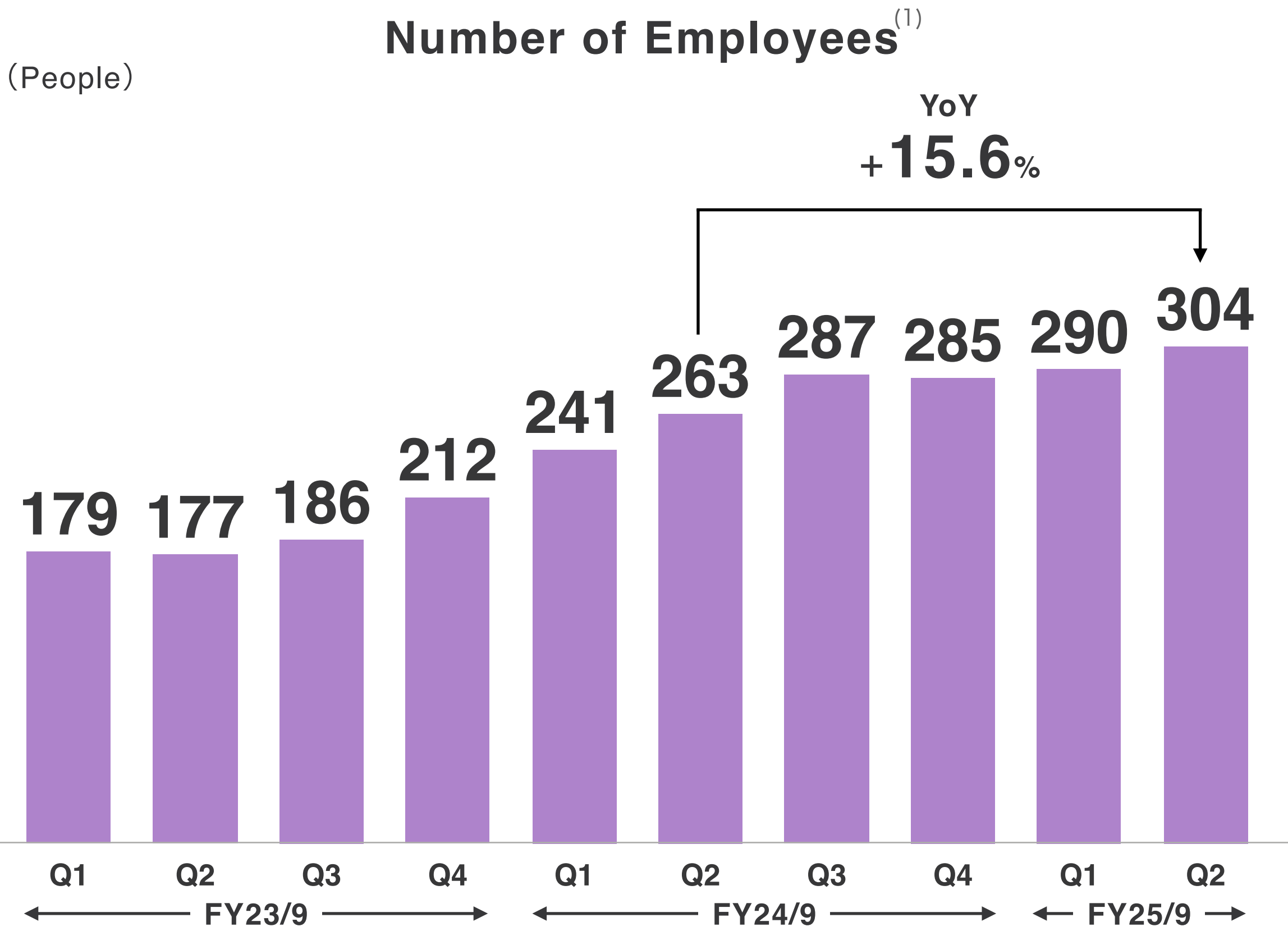
(3) Financial figures are rounded down and KPIs are rounded off

Sales ratio of Selling, General and Administrative has temporarily increased due to “Mass-advertisement”



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

Number of employee has enhanced especially within the Matching Division of the Z Career Business and hiring well above target.

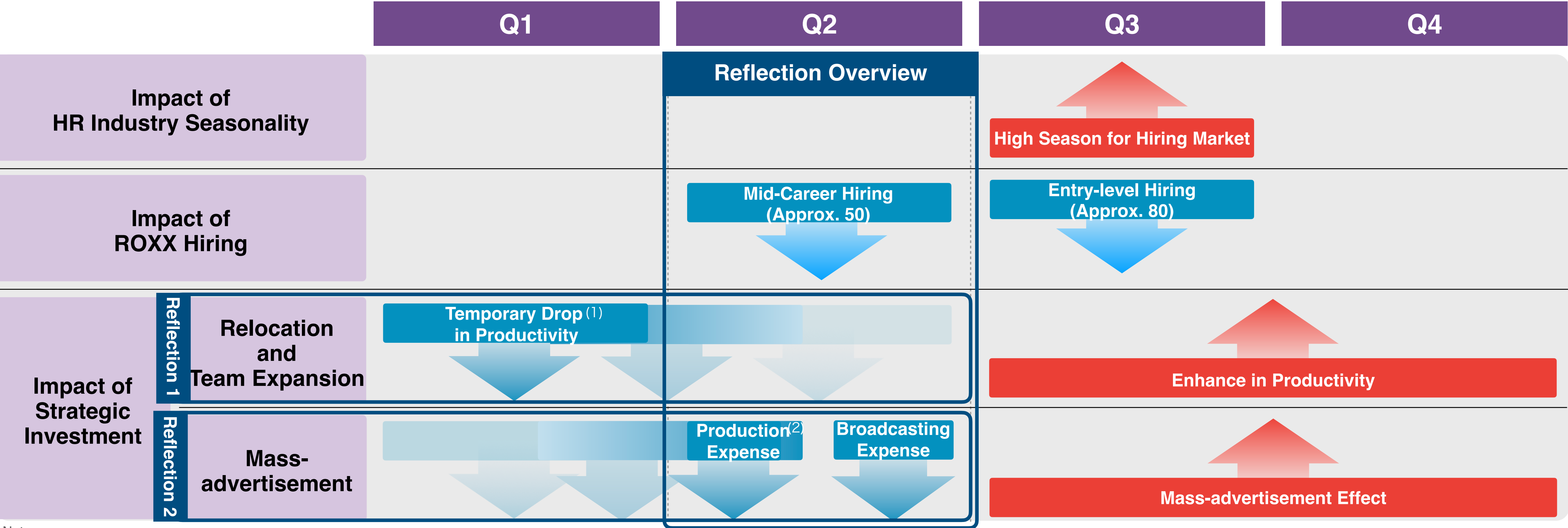


Note:
(1) Excludes Temporary Workers

Reflection

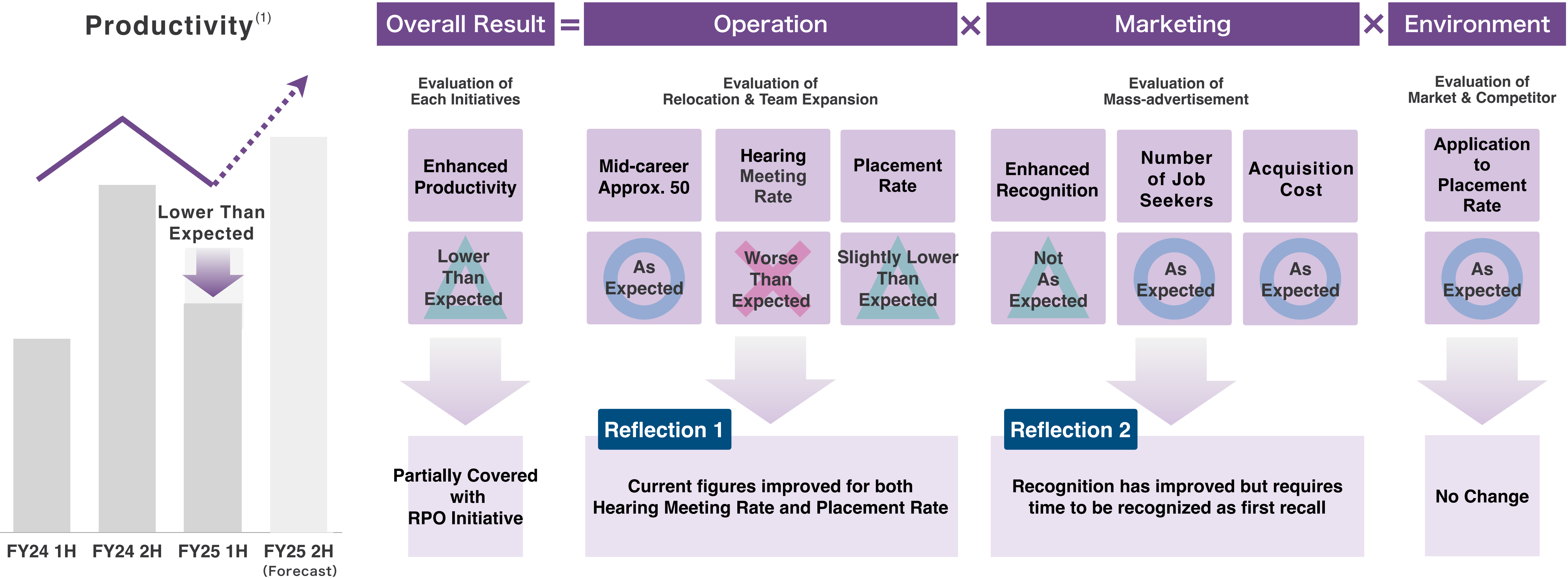
In addition to HR industry seasonality, impact of “Strategic Investment” and “Hiring” is anticipated to result in a comparatively larger loss in the 1H (Q1 and Q2) of the fiscal year ending September 2025

Repost: 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

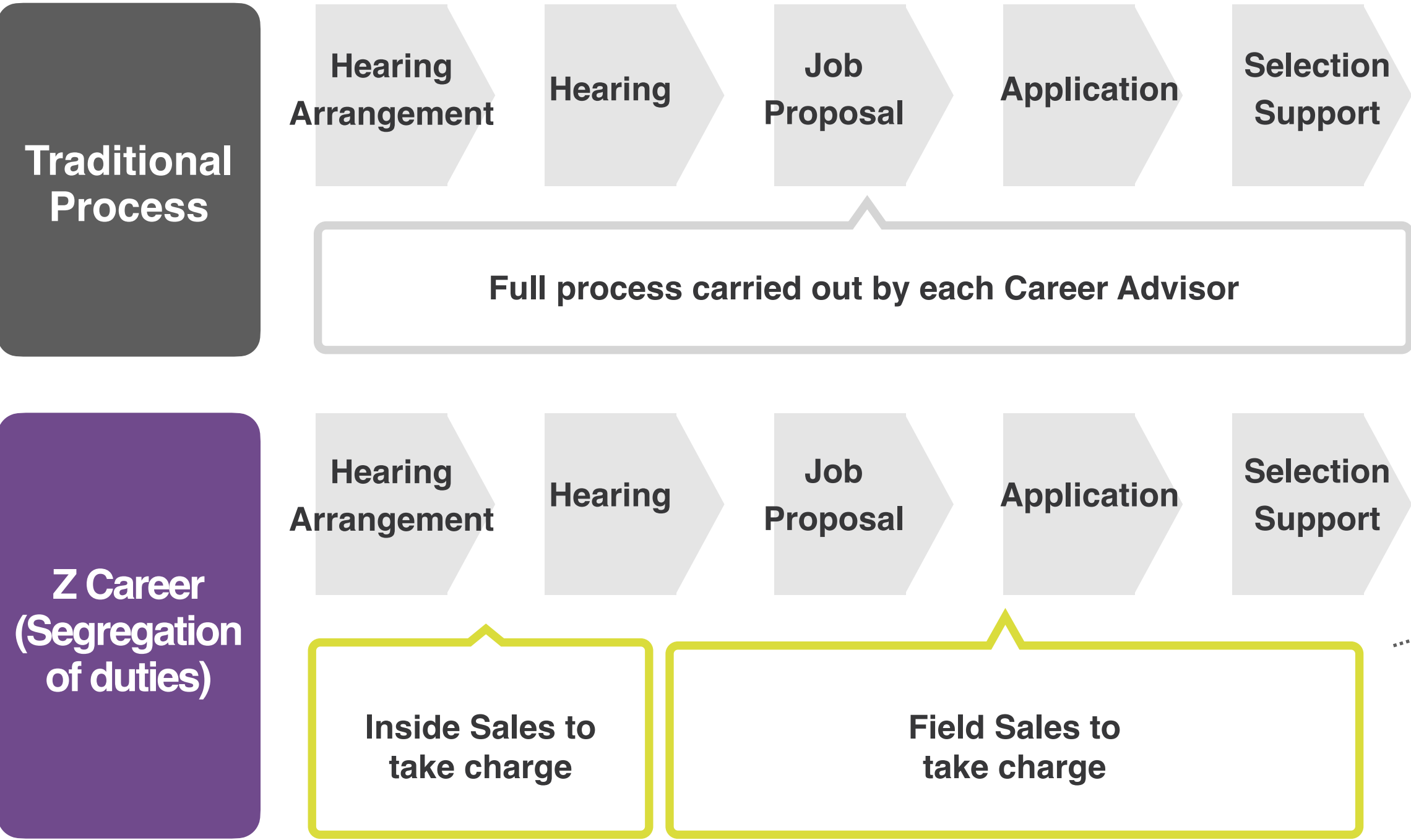
The overall productivity of Q2 has been lower than expected. However, productivity has bottomed out with the continuous improvements and anticipate to be back up from Q3 onwards



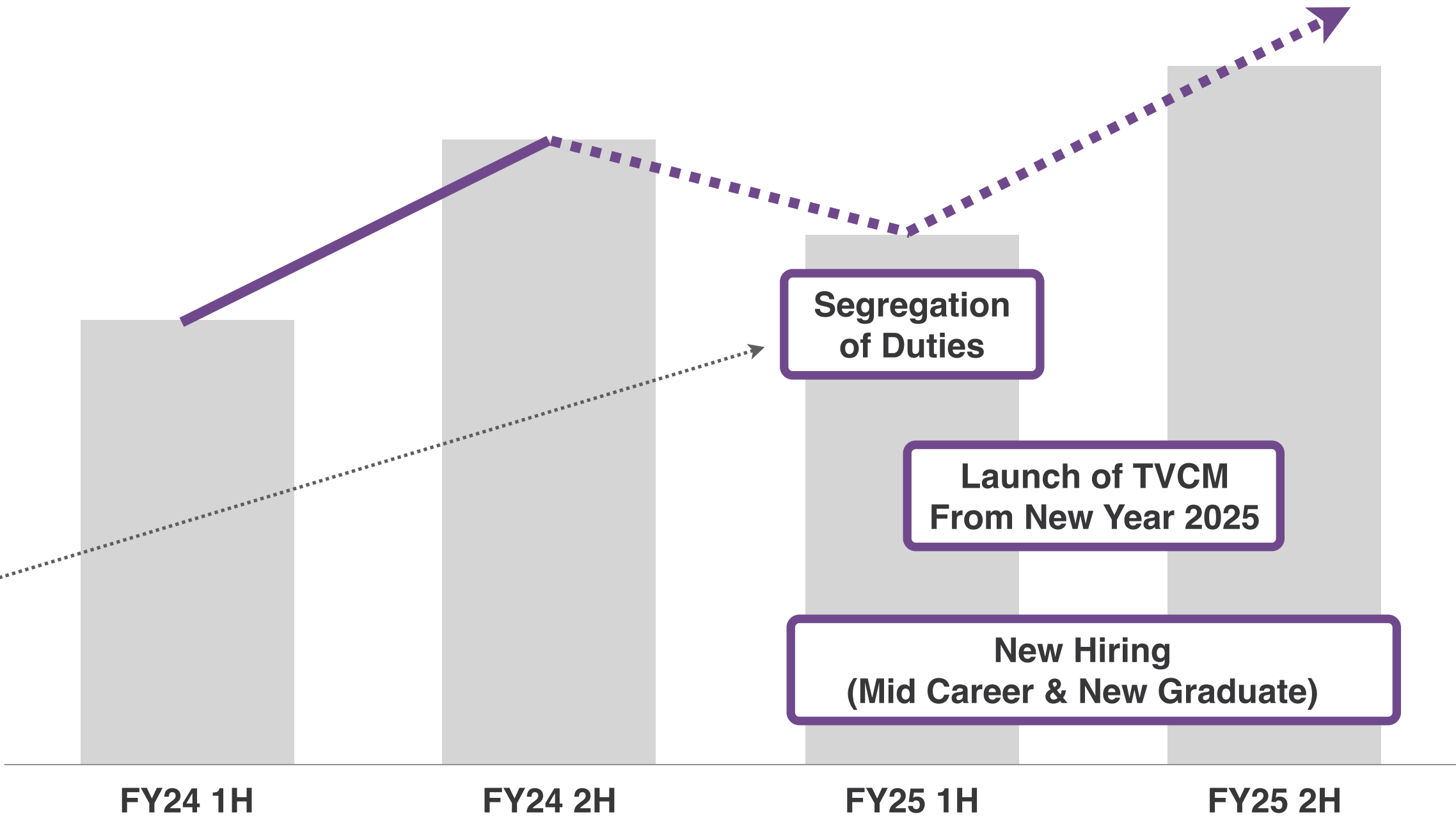
Note:
(1) Productivity calculated using the quarterly end number of employee from the Field Sales team and the Inside Sales team dedicated for the in-house agents

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

Repost: Overview of Relocation & Team Expansion



Repost: Illustrative Image of Productivity



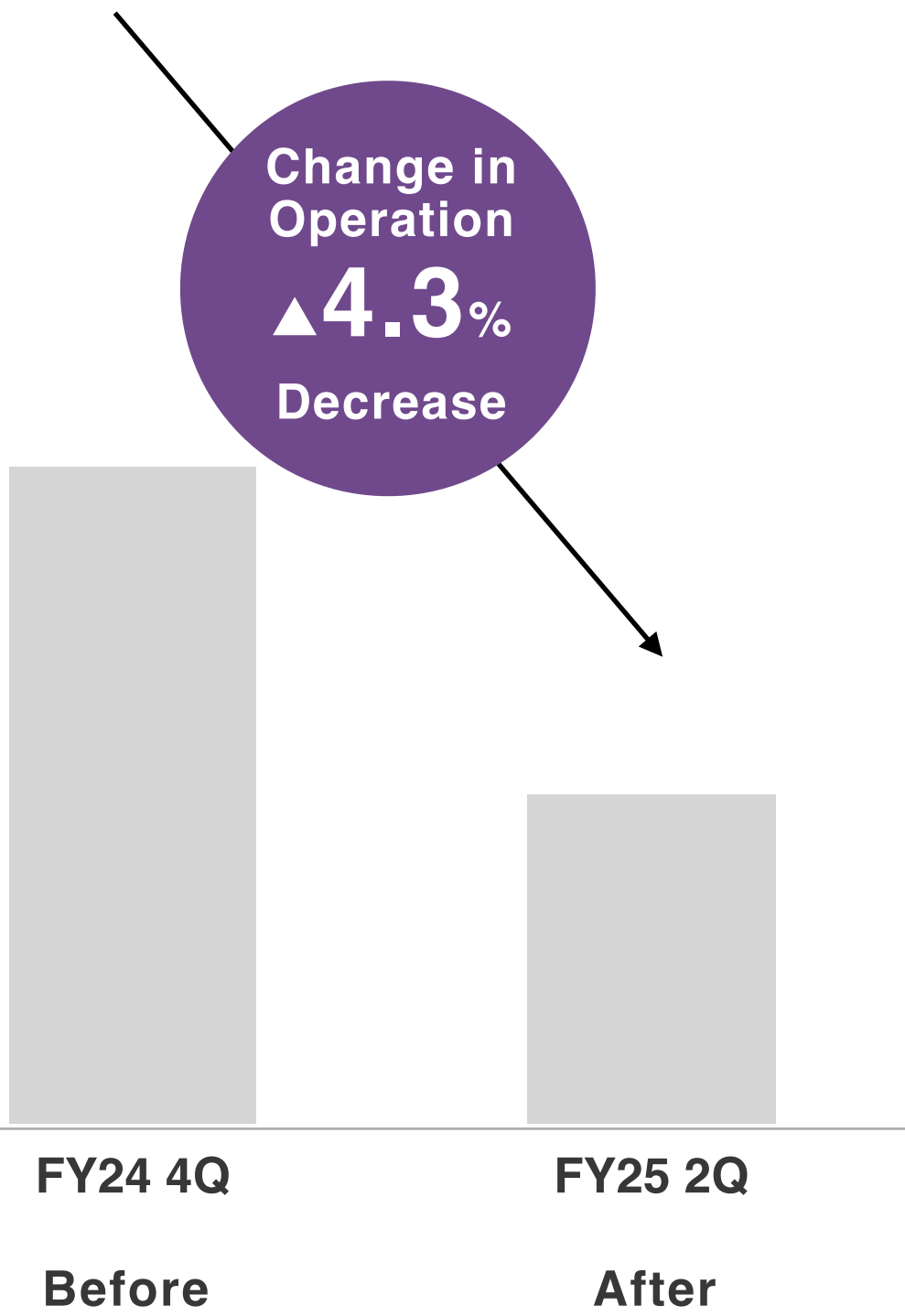
Traditionally, Career Advisors were in charge from arranging hearing meetings to selection support of the jobseekers. However, duties to be segregated by function with the implementation of Inside Sales and Field Sales to enhance quality and quantity of placements.

Both hearing meeting rate due to segregation of duty and placement rate due to enhanced consultation quantity have decreased. As with the most recent statistics, optimization through operational efficiency has been seen.

Hearing Meeting Rate



Placement Rate



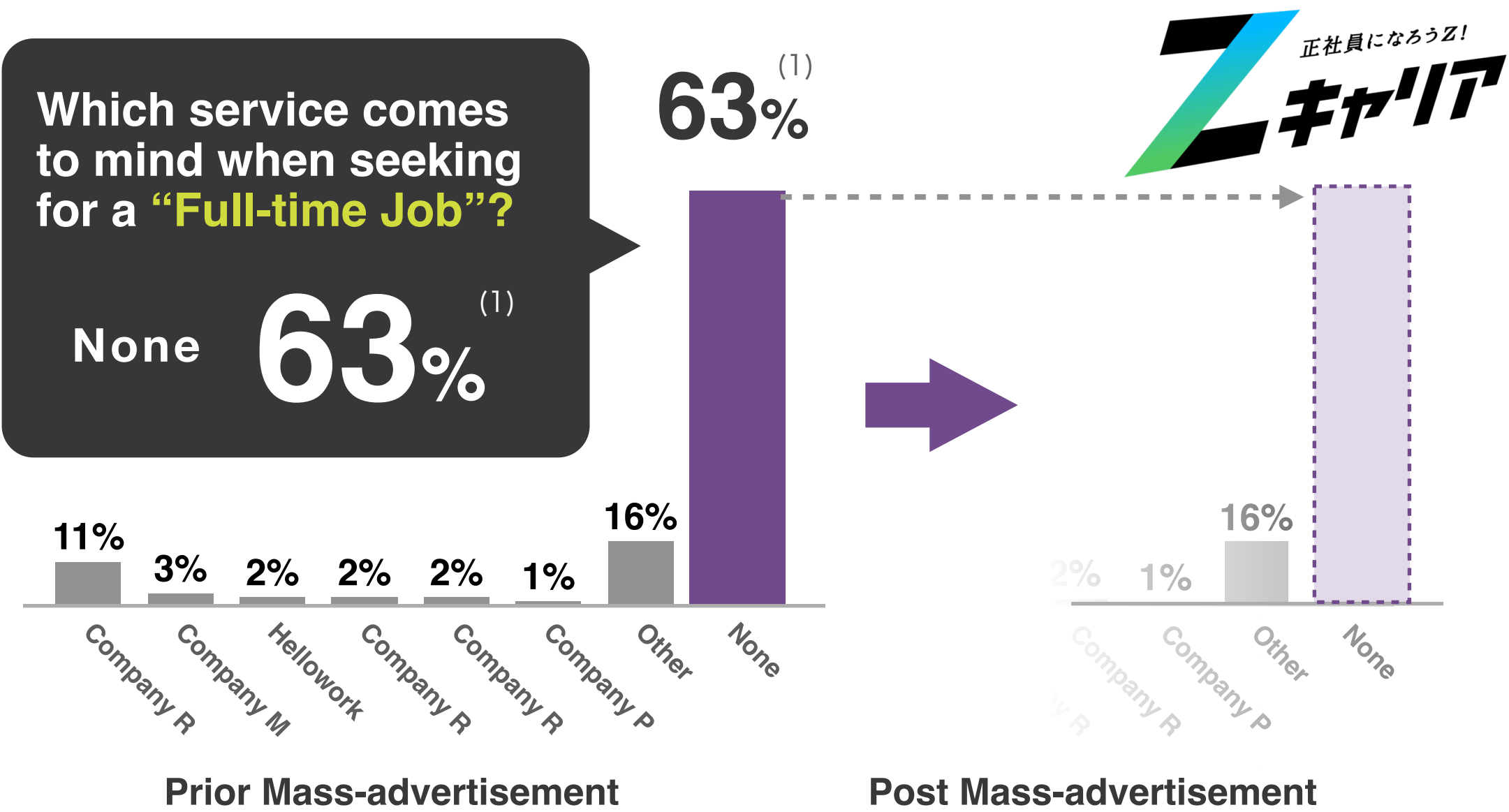
Initiative Results

	Mid-career Approx. 50	As Expected	Mid-career recruitment target met with 51 and operational installment on track
Issue	Hearing Meeting Rate	Worse Than Expected	Enhanced job seeker drop rate due to segregation of duty
Issue	Placement Rate	Slightly Lower Than Expected	Drop in consulting quality with doubled quantity

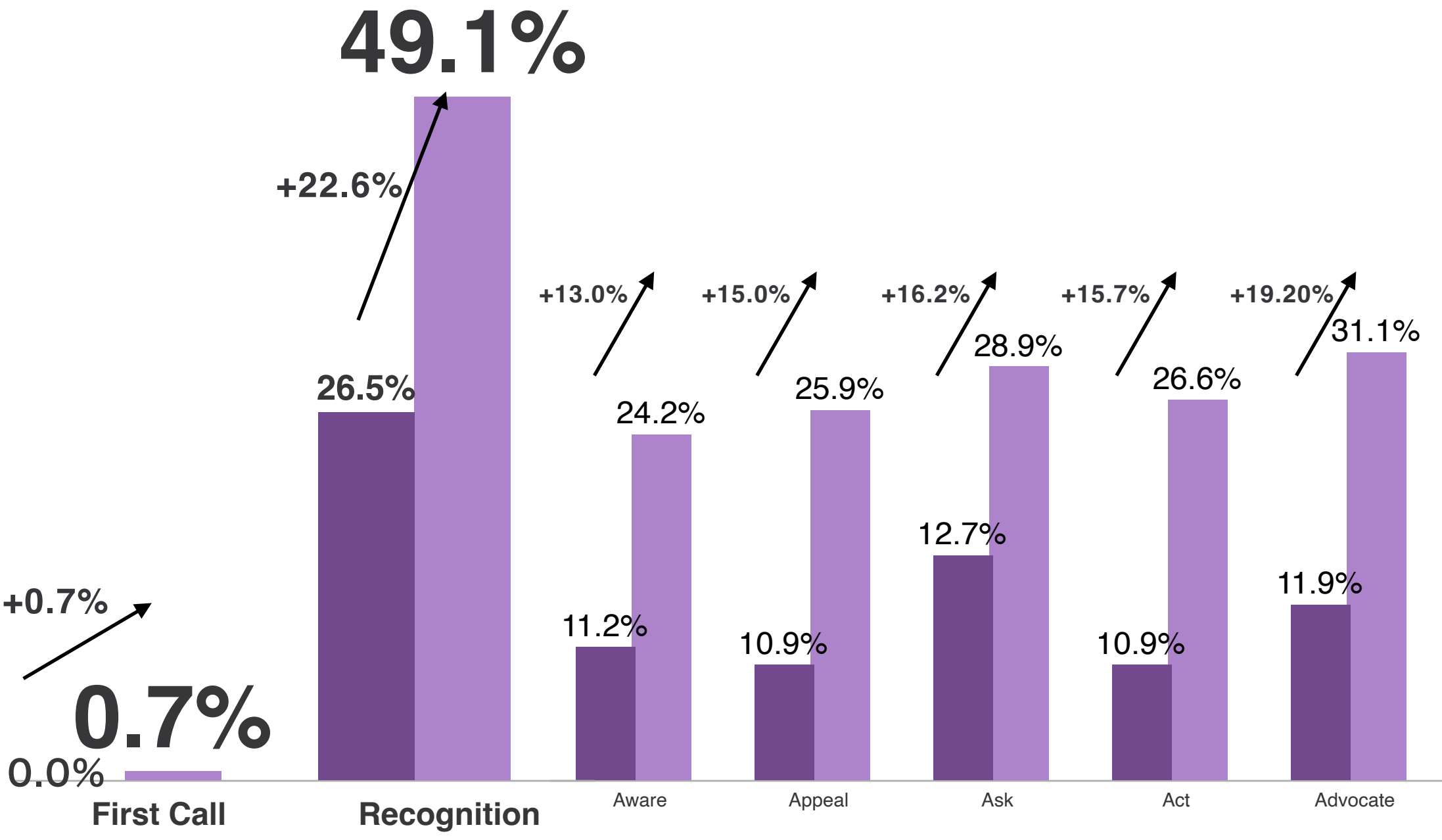
Although mass-advertisement was not sufficient to become the “First Call Agent”, a huge lift-up in recognition was evident

Repost: Purpose of Mass-advertisement

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

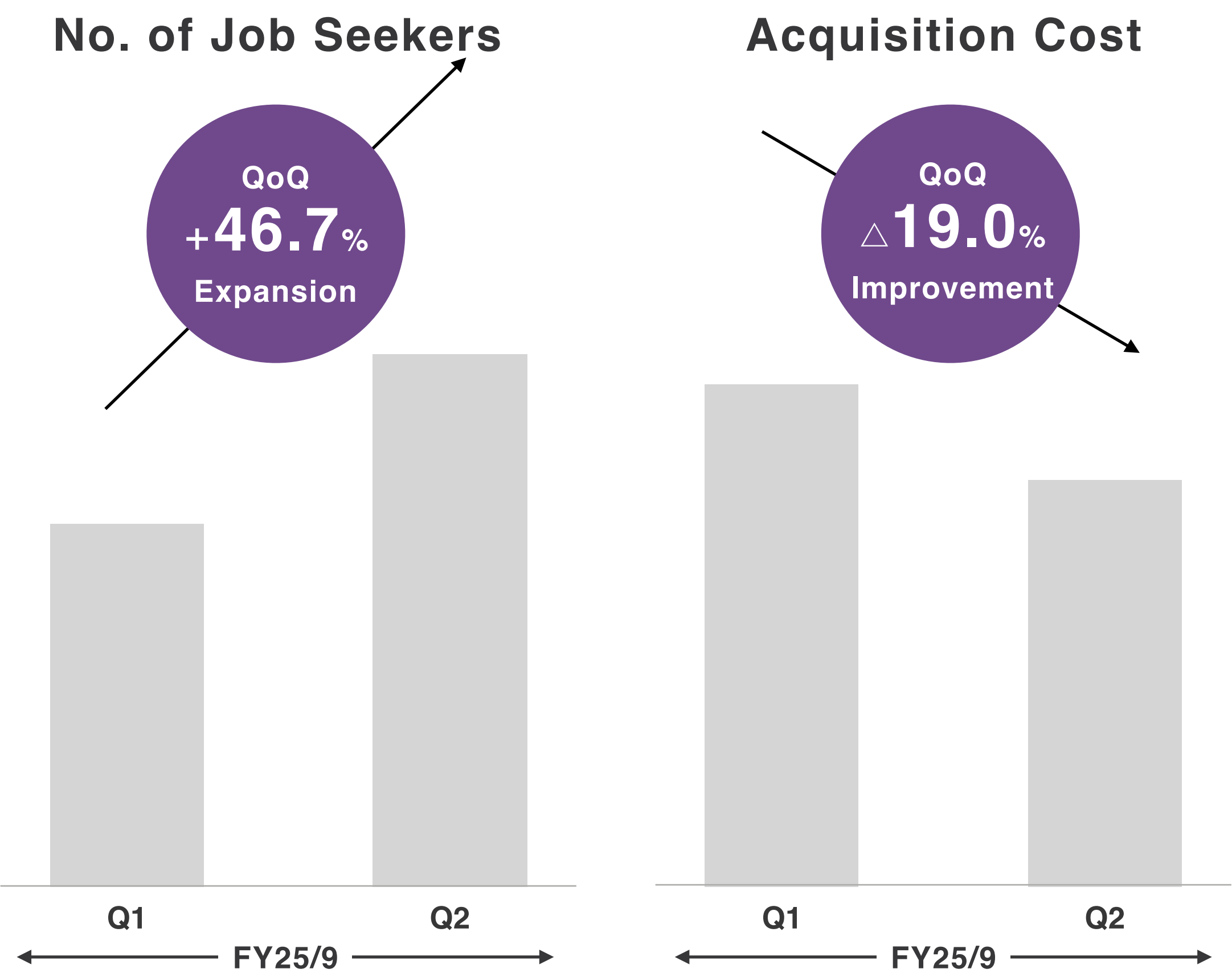


Enhanced Recognition



Source:
(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)
(2) Based on Macromill Inc.’s Questionnaire (Male/Female age between 18 to 34 in Tokyo, Saitama, Chiba, Kanagawa, Osaka and Hyogo, n=496)

Further operational efficiency is required with a wider job seeker persona, expansion in the number of job seekers and improvement in acquisition cost can be seen

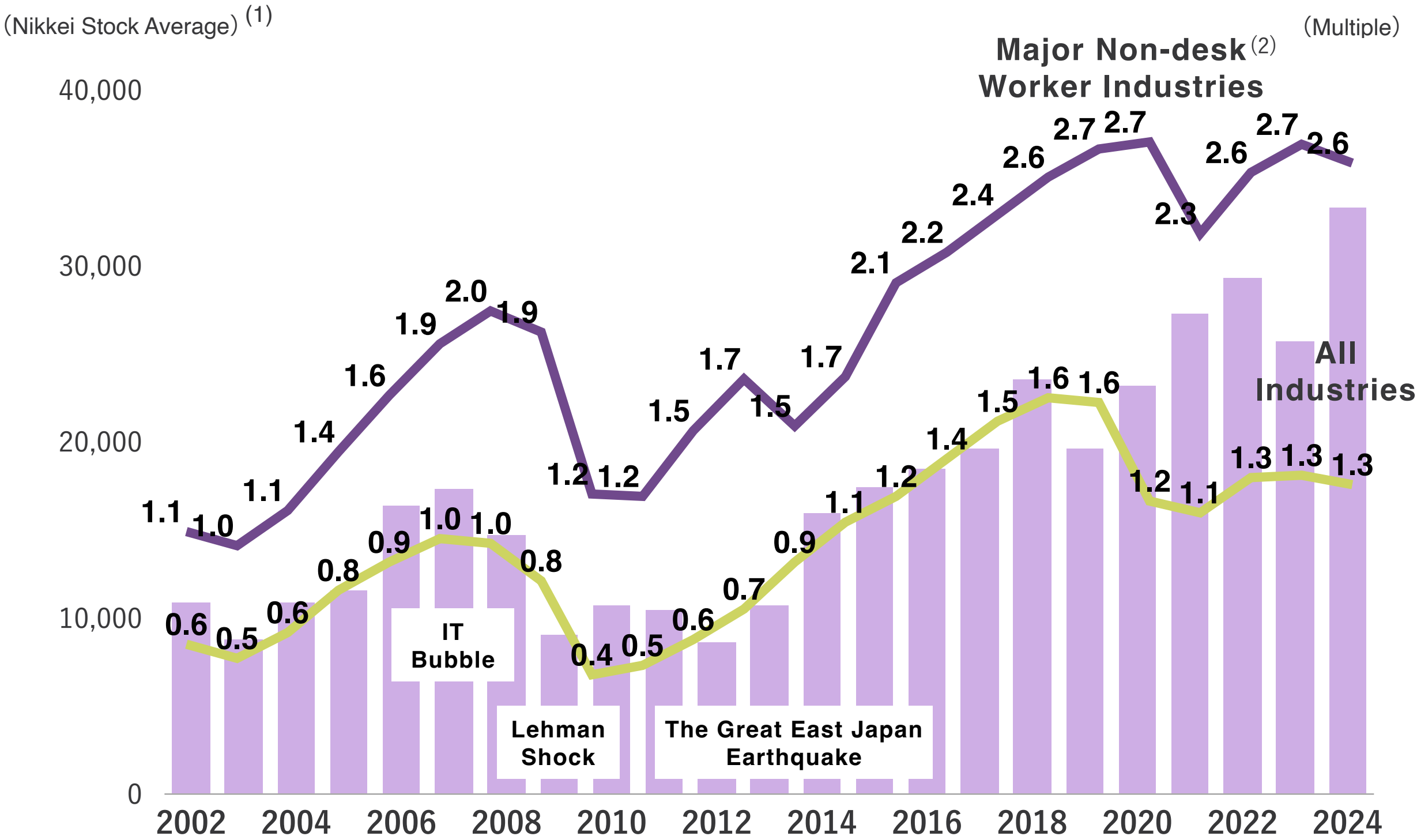


Initiative Results		
Issue	Enhanced Recognition	Not As Expected Recognition has improved but requires time to be recognized as “First Call Agent”
	Number of Job Seekers	As Expected Development of new acquisition channel and diversification of acquisition channel
	Acquisition Cost	As Expected Acquisition cost of Job Seeker Improved as expectation

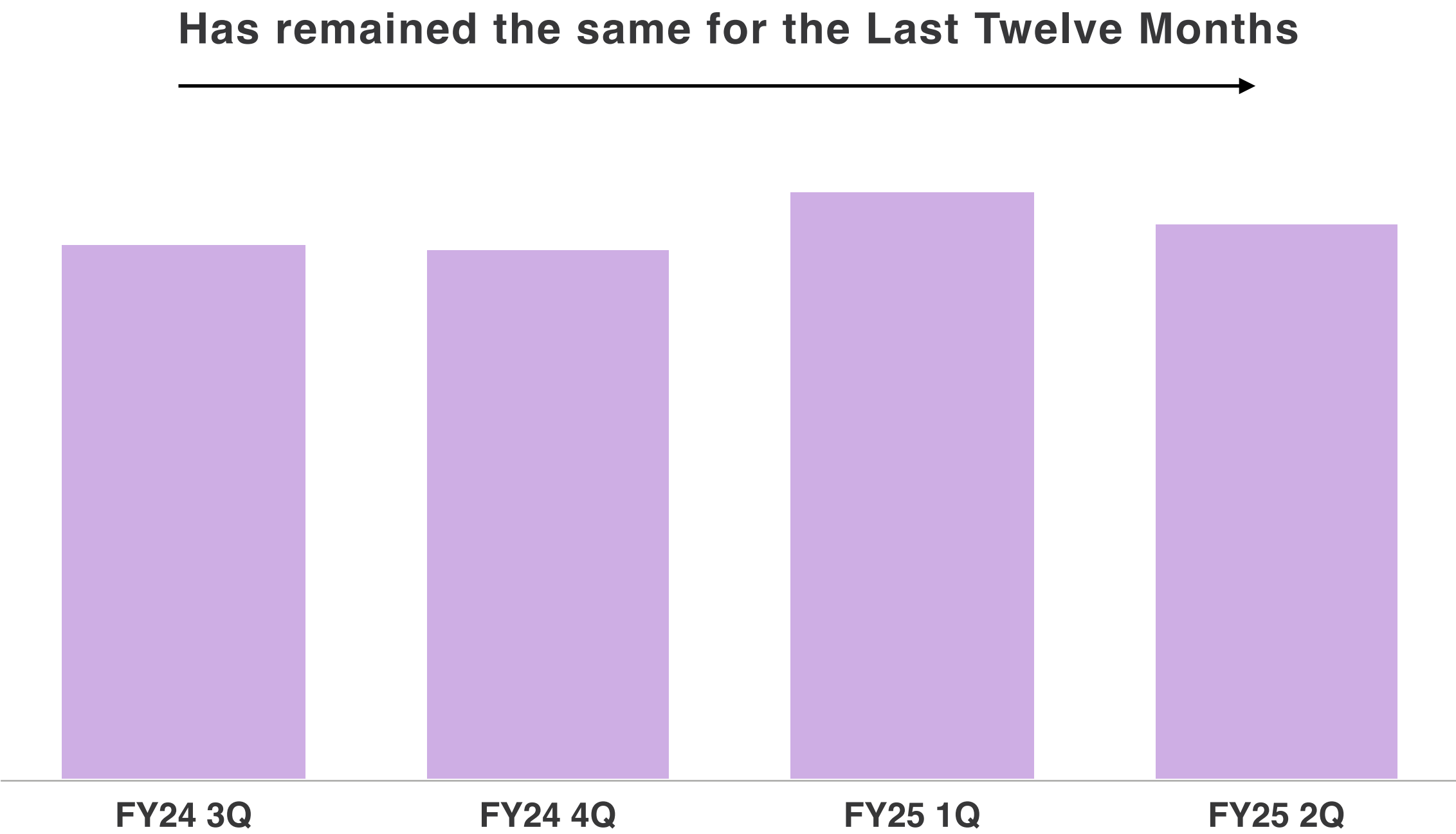
Note:
(1) Number of Job Seekers calculated based on landing page for in-house agent only (Does not include Job Seekers gathered by part agents)

The market remains strong with high effective job opening ratio and application to placement rate by the hiring companies

Effective Job Opening Ratio



Application to Placement Rate



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

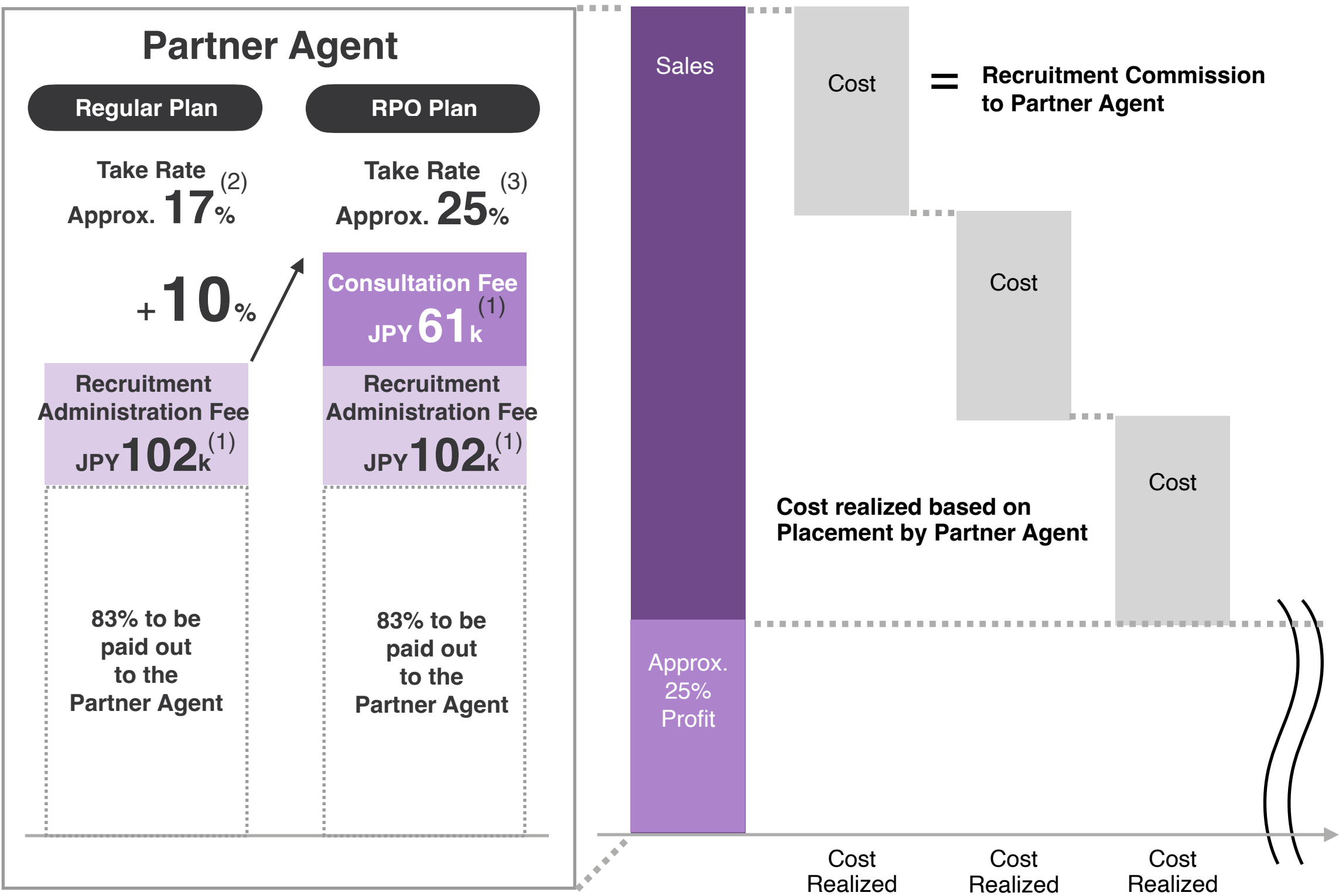
The market remains strong with high effective job opening ratio and application to placement rate by the hiring companies

Illustrative Image of RPO Plan

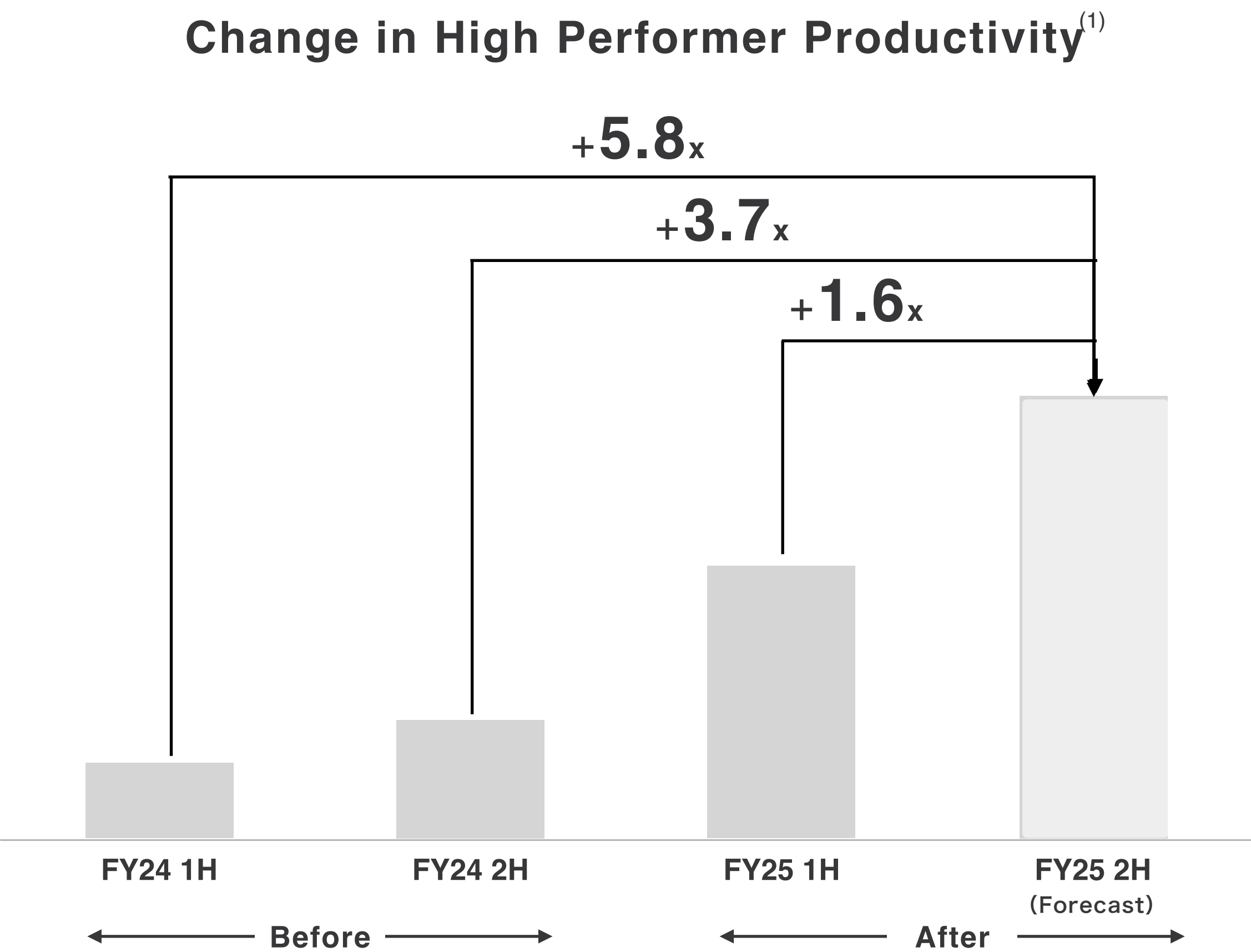
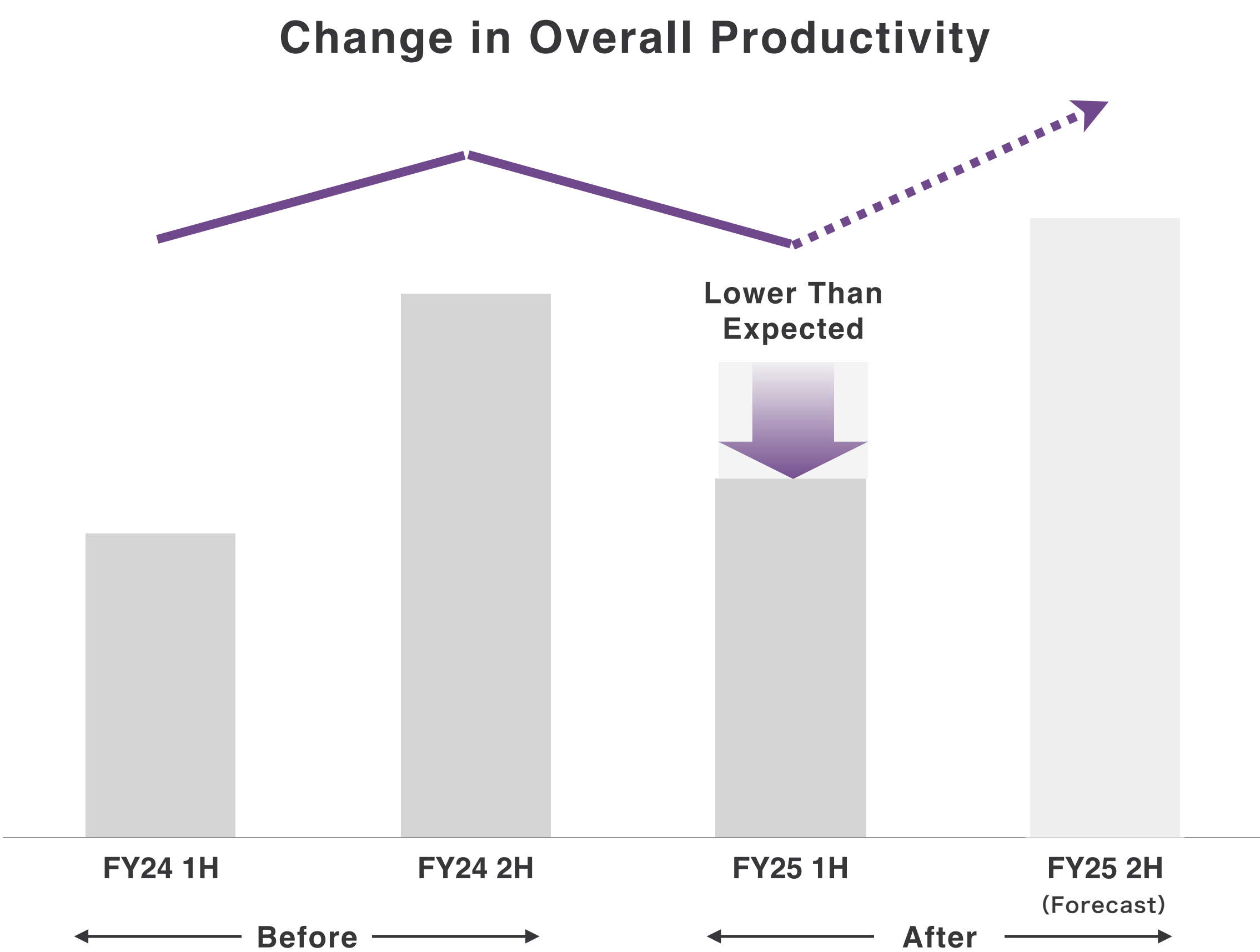
	Regular Plan	RPO Plan
Plan	Payment per Placement	Upfront Payment
Overview	Regular Support	Customized Support
Strategy		
Data Analysis		✓
Issue Identification		✓
Persona Design		✓
Candidate Group		
Regular Recommendation	✓	✓
Dedicated Career Advisor		✓
External Career Advisor		✓
Selection Process		
Paper Screening Outsource		✓
Interview Outsource		✓
Closing Support		✓

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))
(3) Calculated by dividing Recruitment Administration Fee (which is 20% of Recruitment Commission) and Consultation Fee (which is 10% of Recruitment Commission) by Gross Merchandise Value (which is 100% of Recruitment Commission, Recruitment Administration Fee (= 20% of Recruitment Commission) and Consultation Fee (= 10% of Recruitment Commission))

Illustrative Image of Financial Impact



Reflecting back on the process of the Segregation of duty, a smoother transition was possible. However, results of enhanced productivity from high performers are evident and we plan to roll this out to the team



Note:
(1) Based on the productivity of the highest performer from the Field Sales team

FY2025 Full-year Forecast


Market remains strong and productivity has bottomed out, therefore turning profitable in the second half. Also, RPO is expected to cover some of the shortfalls and the Full-year Forecast remains unchanged

(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

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”	





Representative Director
& Chief Executive Officer

Taro Nakajima

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2013 : Founded **ROXX** while in college

2015 : Dropped out of college



Senior Vice President
& Chief Operating Officer

Daisuke Ueki



Senior Vice President
& Chief Human Resource Officer

Hiroto Nisimura



Vice President
& Chief Technology Officer

Kota Matsumoto



Vice President
& Chief Financial Officer

George Yoshimoto, CPA



Vice President of
New Business

Kazuhito Owa



Vice President
& Chief Administrative Officer

Toshiki Takase



Vice President of
Corporate Consulting

Shun Fujimine



Vice President of
Engineering

Kazutaka Jokura





Outside Director

Hiroshi Fukudome



Outside Director

Masanori Sugiyama



Advisor

Yo Nagami

Full-time Auditor

Tsuyoshi Kabaya



Part-time Auditor

Miki Amemiya

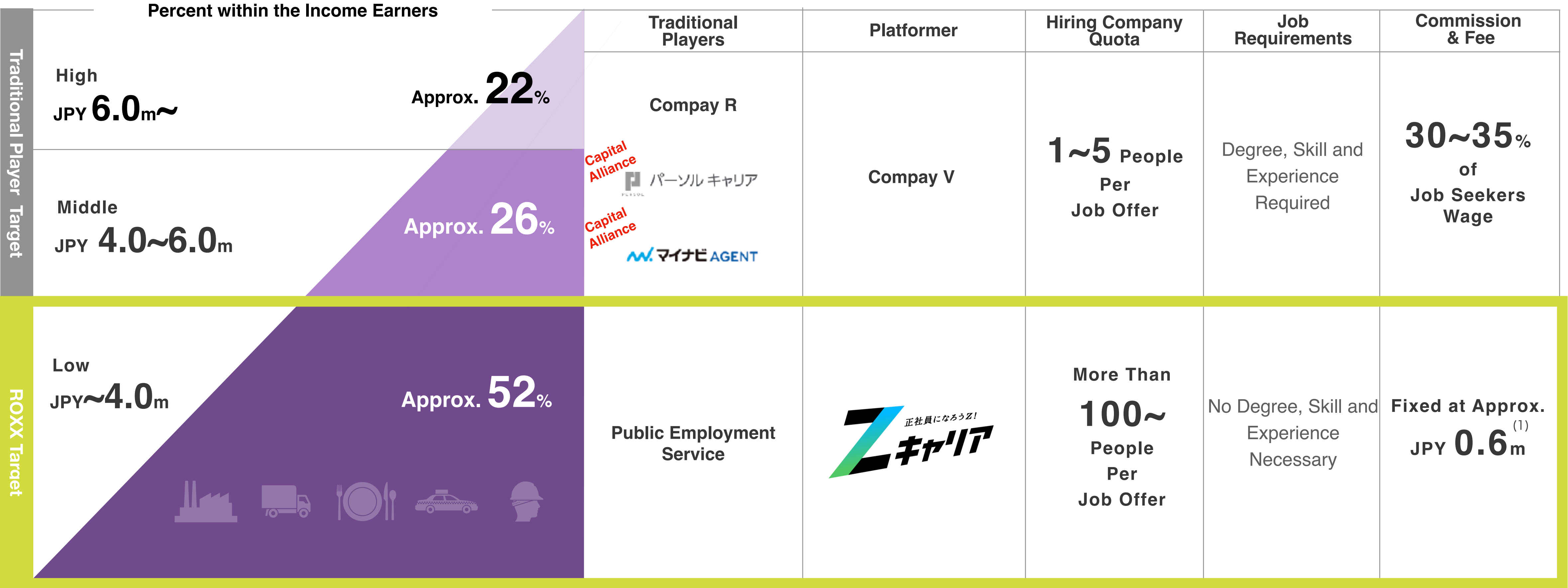


Part-time Auditor

Shigeru Omura



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



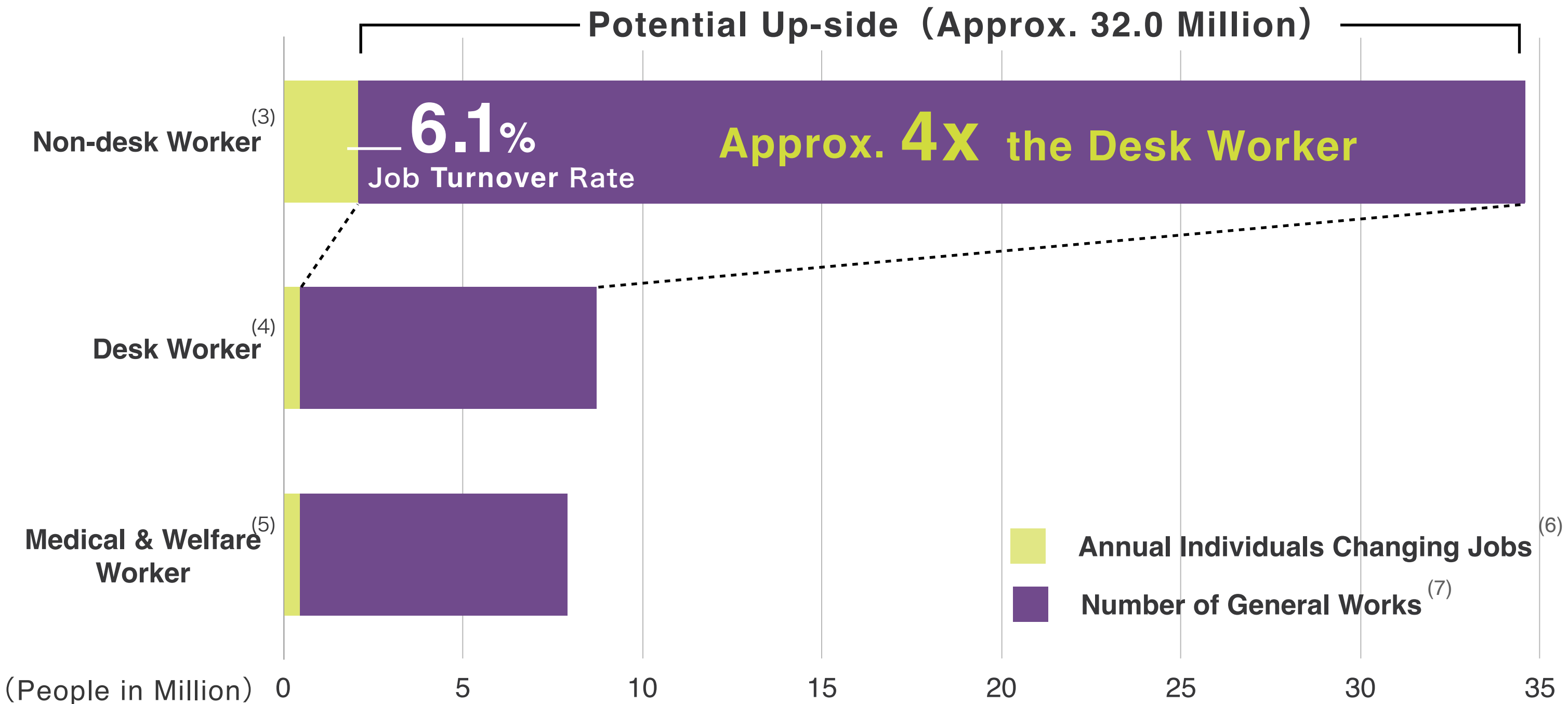
Source: National Tax Agency, "Statistical Survey of Actual Status for Salary in the Private Sector 2022"

Note:

(1) Based on FY24/9 Z Career Average Commission actuals

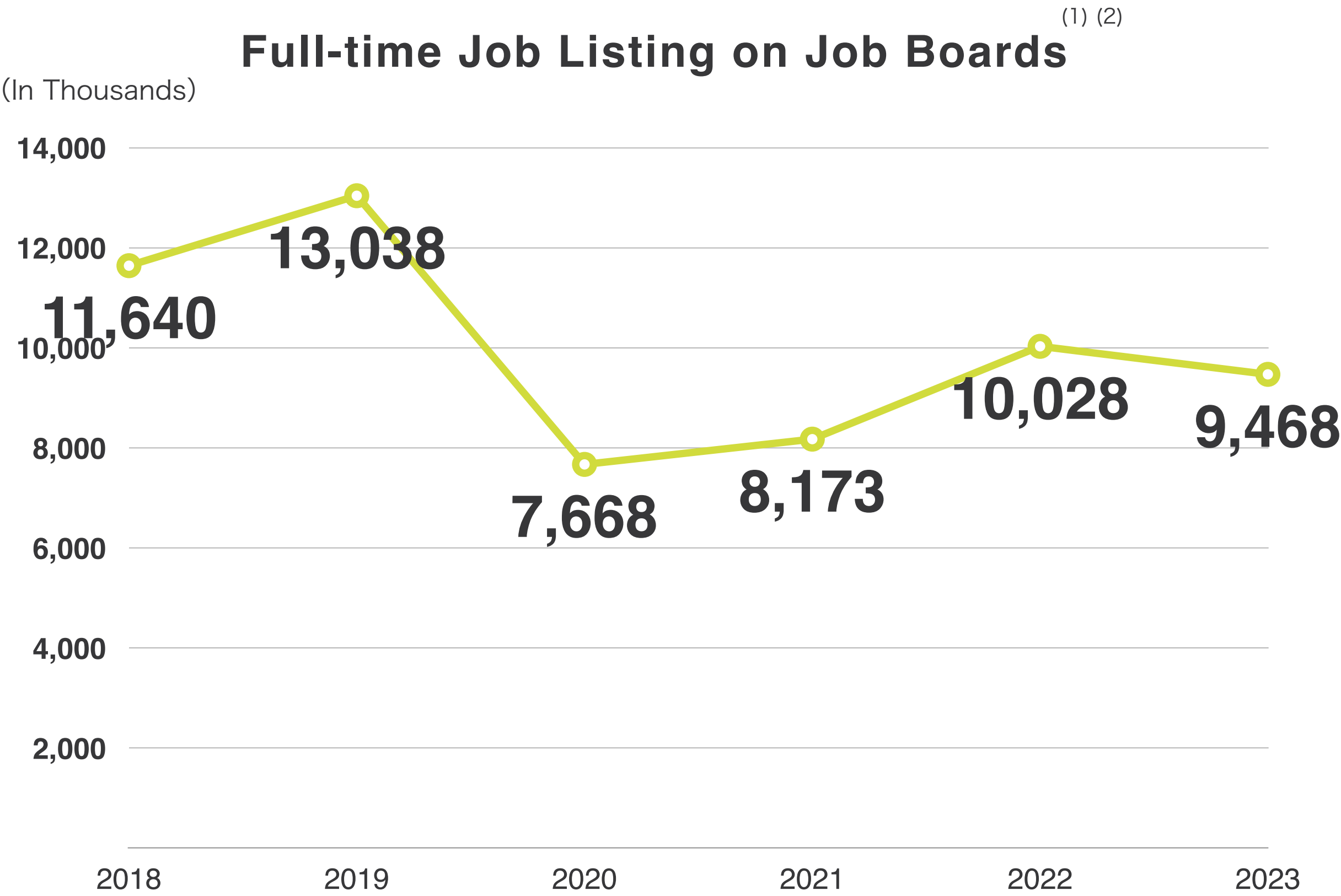
Non-desk worker segment of the recruitment market has more than four-times the market size of other segments and is currently under-penetrated with significant potential upside

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



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

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

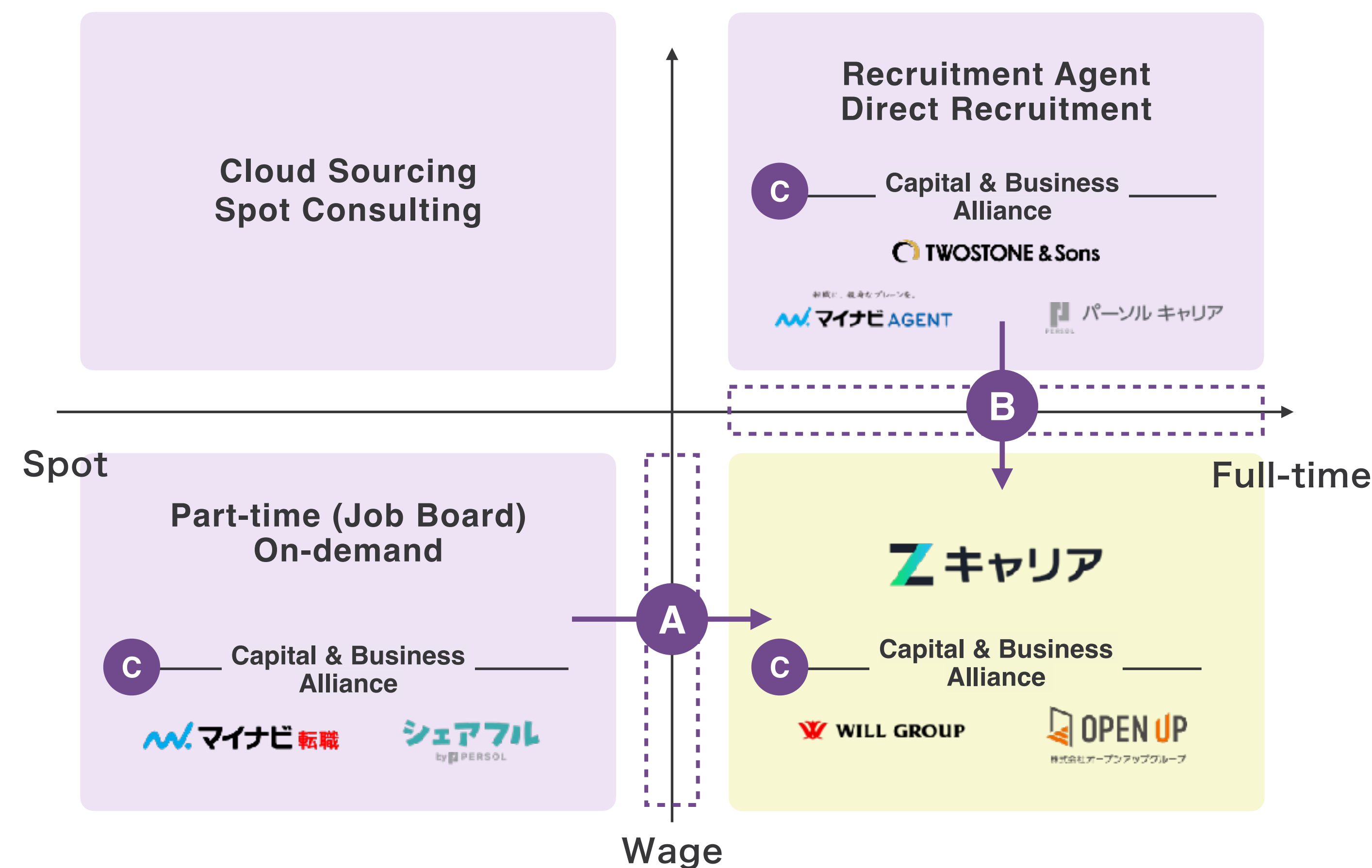


Source:
(1) National Employment Information Association “Aggregated Results of Job Advertisement Listing”
Note:
(2) Average weekly number of full-time job postings (On the assumption of 4 weeks in a month) compiled annually

Transition from Job Boards to Z Career



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

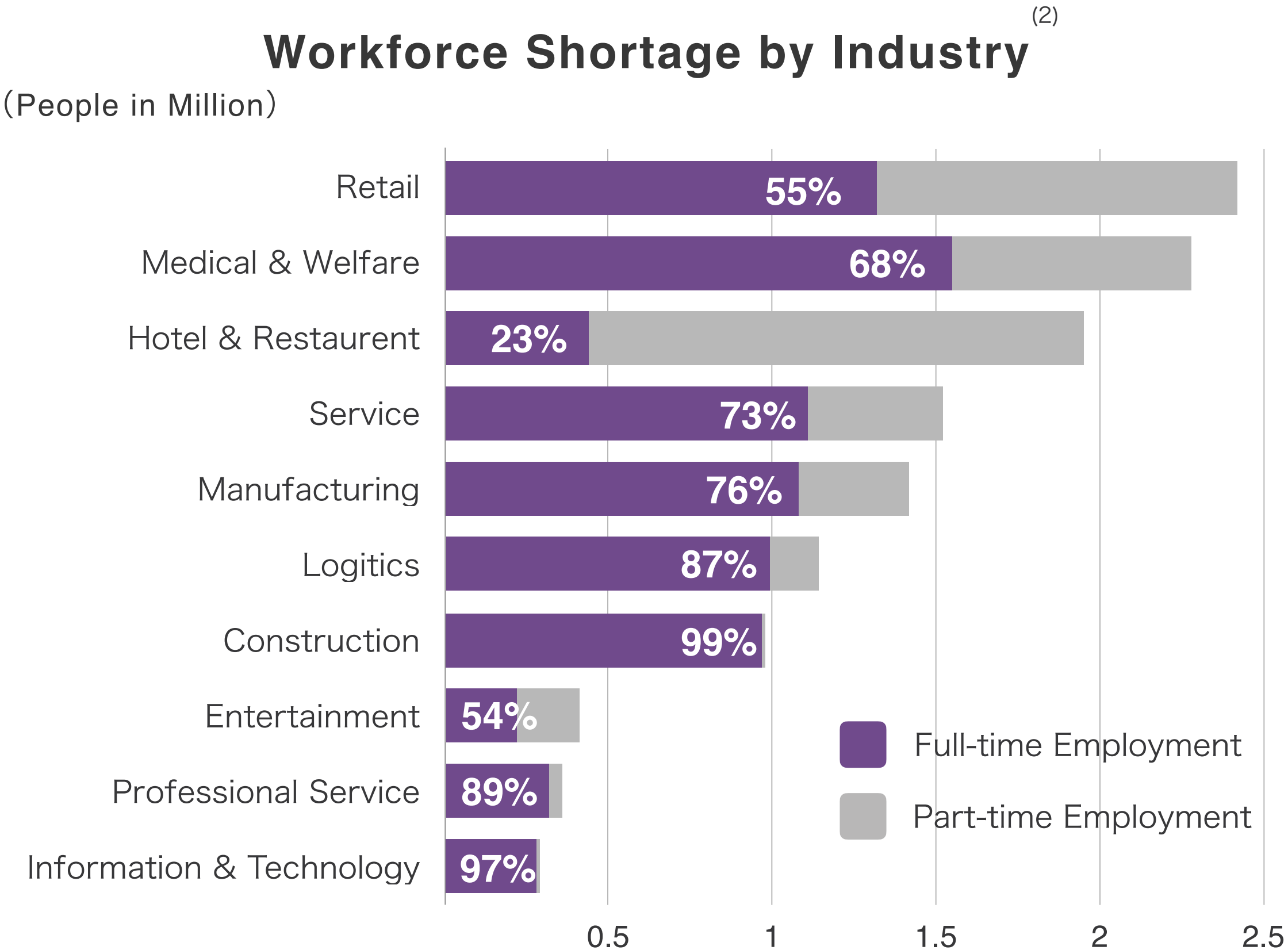
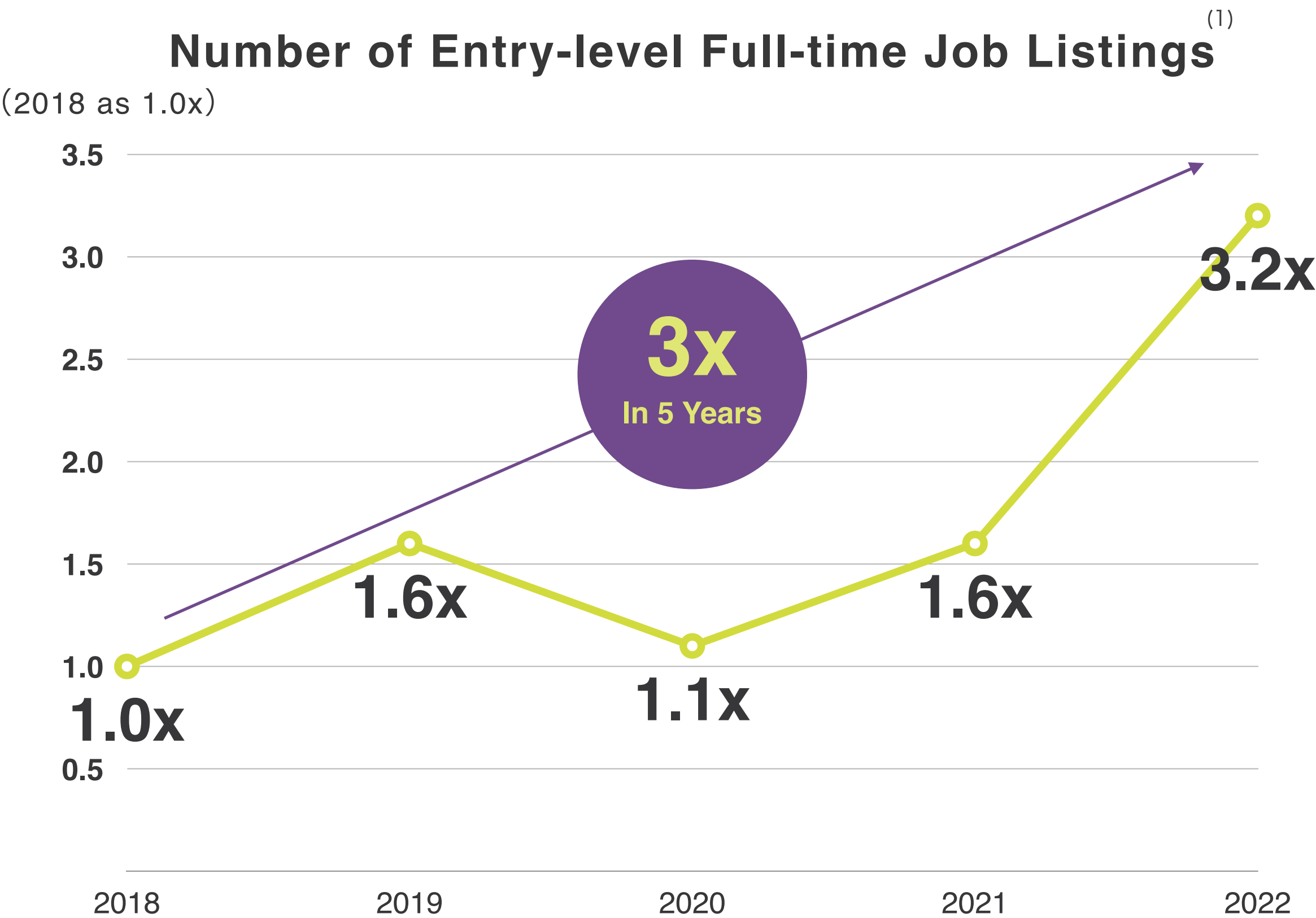
- Capital & business alliance with leading HR platforms, Persol Career (Ticker: 2181), MyNavi and TWOSTONE&Sons (Ticker: 7352)
- Capital & business alliance with major clients of ROXX, Will Group (Ticker: 6089) and Open Up Group (Ticker: 2154)

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

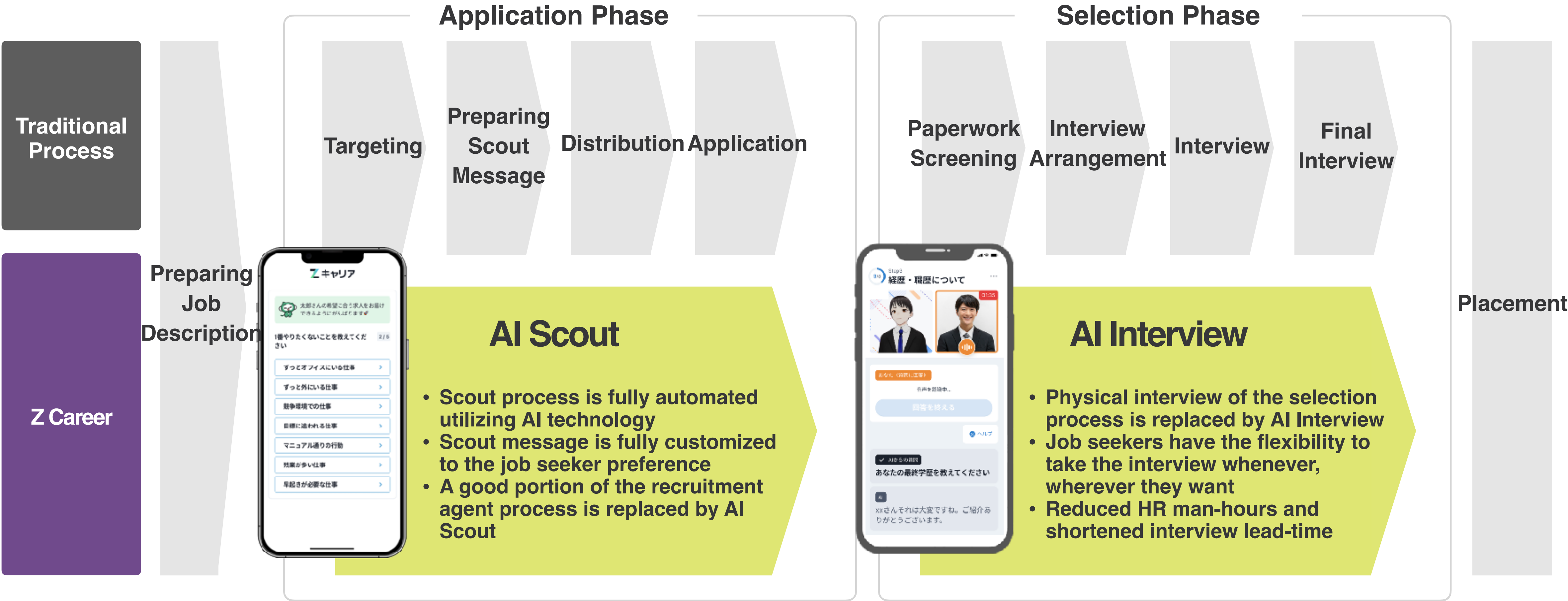
Note:
(1) Based on Research by ROXX

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

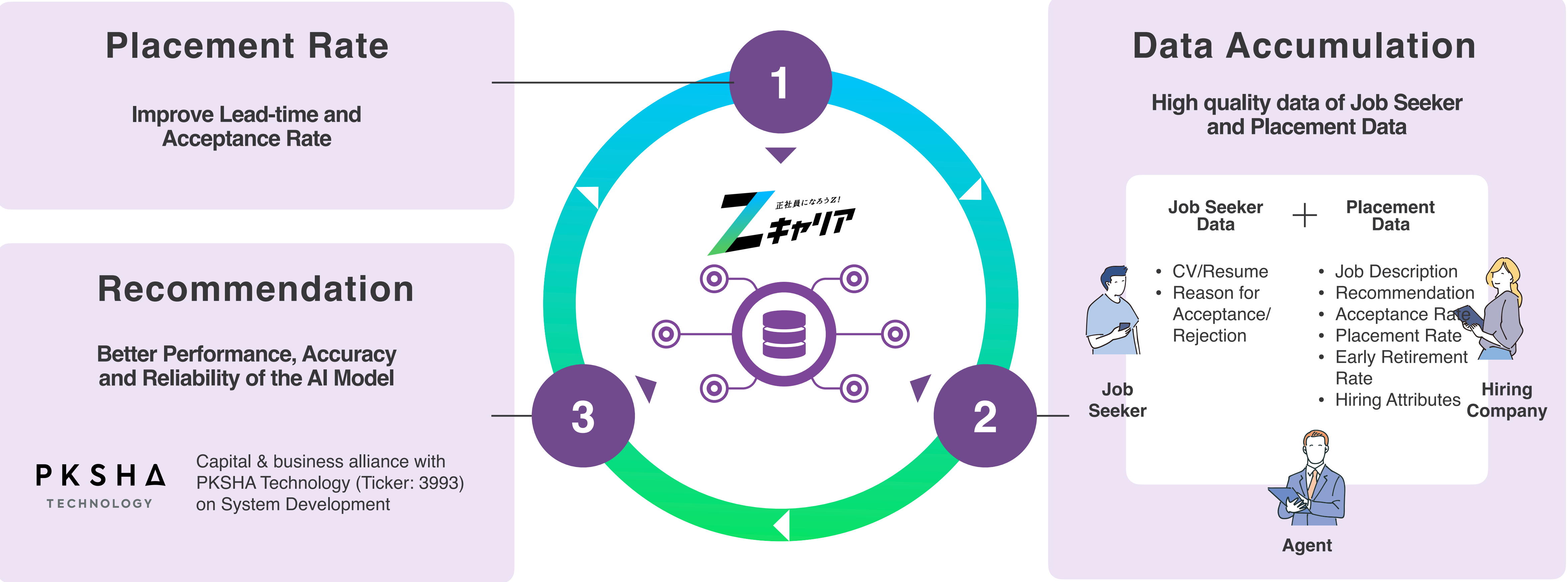


Source:
(1) Press Release by Recruit “Entry-level Job Listing multiplying by 3.2x in comparison to 2018. In 2022, opportunity opens up for Job Seekers to get the foot in the door”
(2) Ministry of Internal Affairs and Communications, “Annual Report on the Labour Force Survey 2022”, “Basic Survey on Wage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

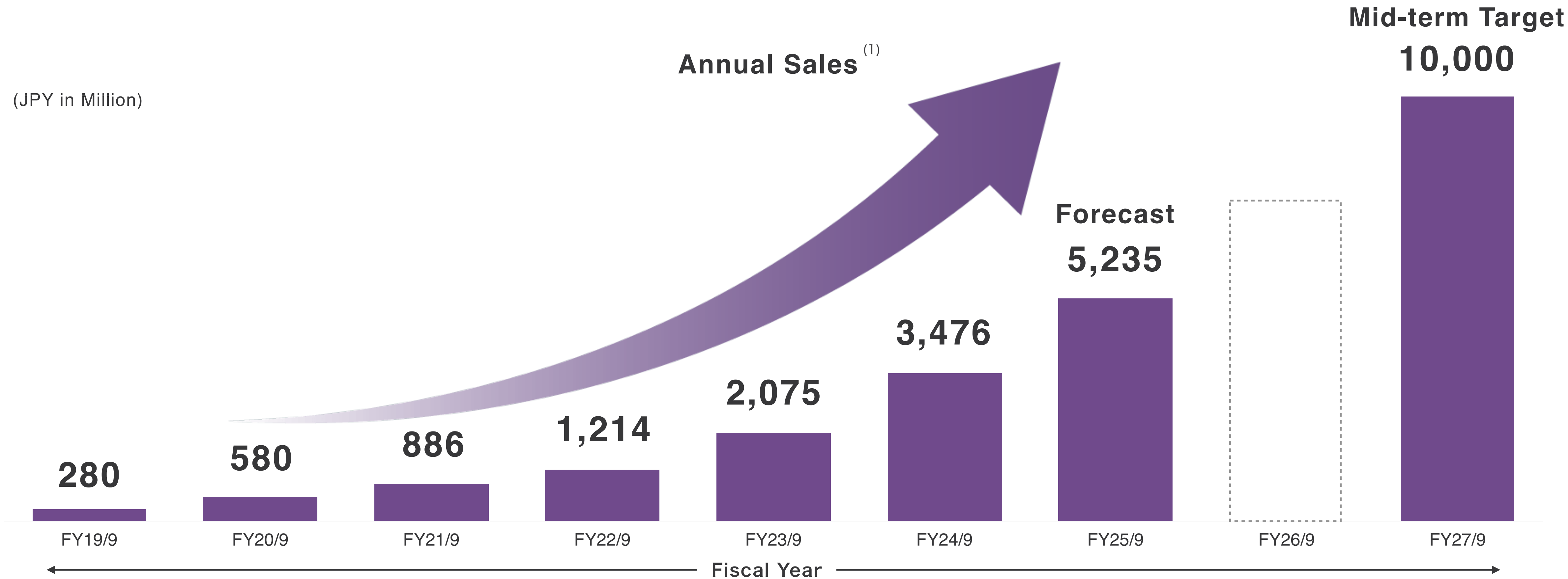
Generative AI-based products to streamline the recruitment process, improving profitability and building new revenue source



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

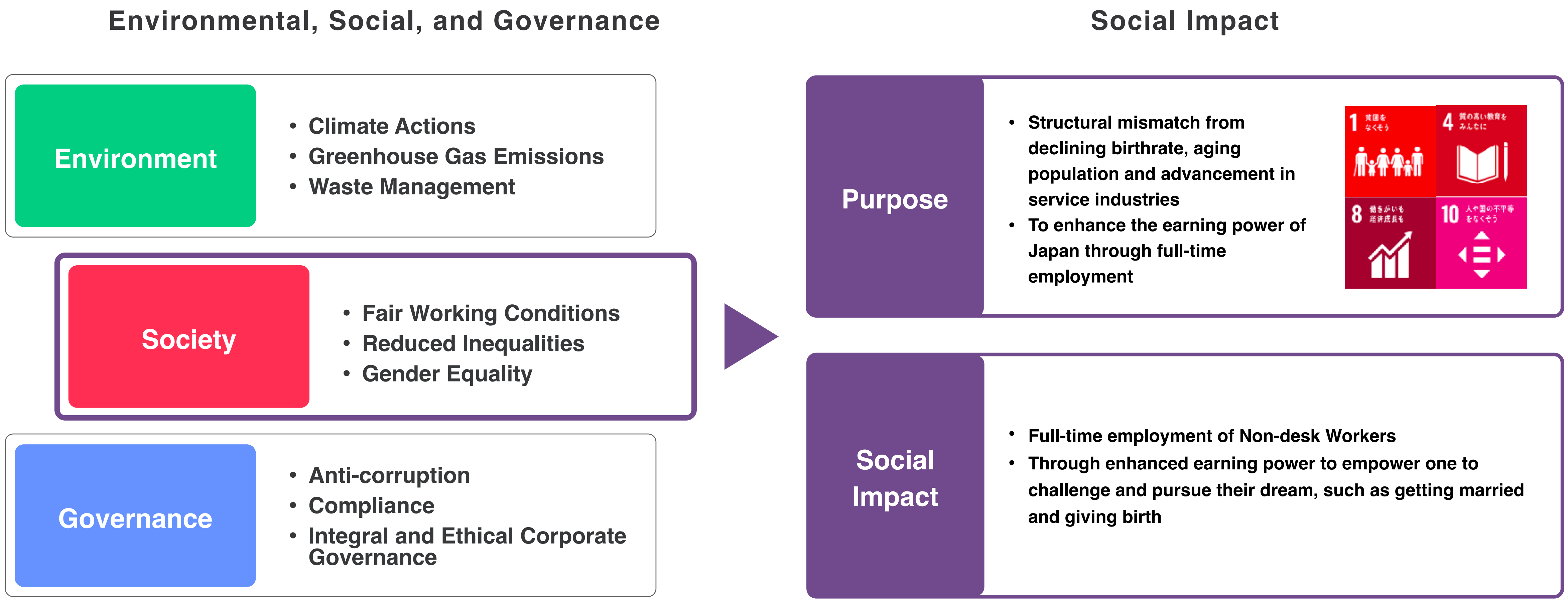


Disciplined investment through “Strategic Investment” to maintain high sales growth for the future



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

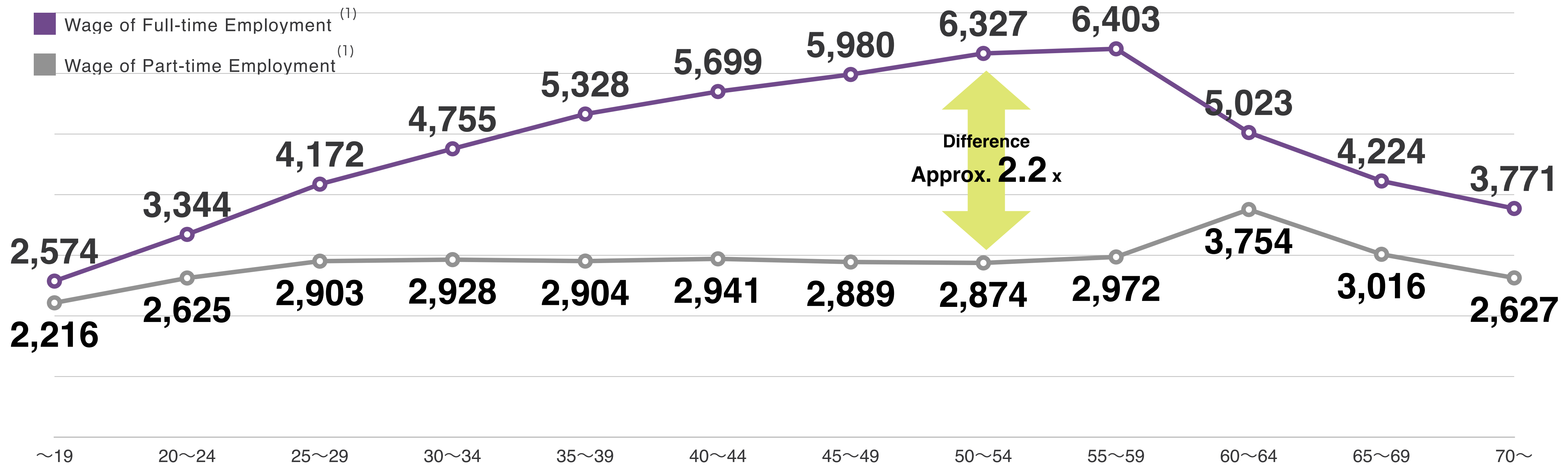
Raising the standard of living of the non-desk worker has a direct social impact on the number of marriages and birth rates



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

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

(JPY In Thousands)



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