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]

May 16, 2025

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Notice Regarding Transcript of
Q2 Financial Results Briefing for the Fiscal Year Ended September 30, 2025

ROXX, Inc. (the Company) hereby announce the transcript of Q2 Financial Results Briefing for the Fiscal Year Ended September 30, 2025.

Please kindly see attachment for details.

Transcript of Q2 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 Q2 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 Q2 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.

Table of Contents

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 Q2 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.

Financial Results Highlights

Financial Results Highlights

Now I move on to the results for Q2 of the fiscal year ending September 30, 2025 ("FY9/2025" or the "current fiscal year").

For Q2, net sales stood at approximately 913 million yen, up 15.5% year on year. In addition, operating loss deteriorated by 36.7 percentage points year on year down to approximately 611 million yen due to investments in mass advertisement.

The effective job opening ratio for non-desk workers remains high, and the rate of job offers made by our hiring companies after the start of the selection process also remains high, indicating that the market environment has not changed significantly.

Meanwhile, due to the division of responsibilities in our recruitment division, it took some time to establish operations, resulting in a temporary, but greater-than-expected, decline in productivity in Q2. As a result, we fell significantly short of our targets for Q2. This was simply the result of a management decision, and we believe it was the right decision from a medium- to long-term perspective. But we deeply regret that we did not fully anticipate the short-term risks. We will explain this in more detail in the second half of this report.

For Q3 and beyond, we have confirmed signs of a bottoming out and reversal of productivity declines, and we expect to return to profitability on a quarterly basis. In addition, we expect to cover some of the shortfall in performance with the full-scale launch of orders for Recruitment

Process Outsourcing, or RPO, that have been on a trial basis. Therefore, at this point, we have not changed our full-year forecast from the initial plan.

Q2 FY9/2025 Results

Summary of Q2 FY9/2025 Results

Here is a summary of the results for Q2 alone.

As mentioned earlier, net sales stood at approximately 913 million yen, up 15.5% year on year, impacted by the division of responsibilities.

Gross profit increased 4.3% year on year to approximately 716 million yen due to lower-than-expected net sales and the inclusion of some RPO-related personnel costs in cost of sales.

Operating loss deteriorated by 36.7 percentage points year on year to a deficit of approximately 611 million yen due to investments in mass advertisement.

Financials – Quarterly

The progress for Q2 against the full-year forecast stood at approximately 38%. This compares to progress rates of approximately 42% and 43% in the previous and prior quarters, respectively. In Q2, the impact of the division of responsibilities was greater than anticipated, resulting in a significant temporary decline in productivity. As a result, progress is approximately 5% behind schedule compared to previous years.

Operating profit increased by approximately 373 million yen year on year due to investments in mass advertisement, mainly television and VOD, aimed at raising awareness of Z Career.

Sales – Quarterly

Next, let's look into the percentage of total sales by segment.

Performance revenue for Z-Career, shown in dark purple, grew by 29.6% year on year. This revenue is the total of commissions from the in-house agents and the partner agents. Compared to Q1, it fell to approximately 498 million yen or 78.0%. But the performance trend in the current third quarter is already showing signs of improvement, with a bottoming out and signs of a turnaround confirmed on a monthly basis.

The recurring revenue from platform fees paid by partner recruitment agencies decreased by 5.9% year on year and 9.5% quarter on quarter. While the job listing database itself has seen a slight increase year on year and quarter on quarter, the primary factor contributing to the decline is the service provided to support partner recruitment agencies in acquiring job seekers, which is one of the platform services. This decline is primarily due to intensified competition leading to shifts toward lower-cost competing services.

While it is important to be able to respond to price reductions in commissions in order to remain competitive, we believe that the most important thing is to improve the functionality and convenience of the platform itself and contribute to the revenue growth of partner recruitment agencies. Therefore, we plan to open up AI-powered products that are currently being developed in-house for the purpose of improving operational efficiency to partner recruitment agencies on the Z Career platform, thereby enhancing the competitiveness of the products themselves and responding to the competitive environment.

GMV and Take Rate – Quarterly

Now, I will talk about GMV and take rate. At the company, we refer to the total amount of placement commissions and fees received from hiring companies upon successful placement as GMV.

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 the average commission & fee per placement of approximately 610 thousand yen. So, our net sales are about 100 thousand yen.

In other words, the greater number of placements through the in-house agents, the higher the take rate. However, in Q2, the number of placements through our company decreased, resulting in a similar decrease in the take rate. However, as the current situation improves, we expect the take rate to continue to increase.

GMV – Key Profit Indicators

The number of job seekers registered was approximately 471 thousand, an increase of approximately 47.4% year on year. This figure represents the number of job seekers who were acquired as customers and then registered on the platform after confirming their intention to change jobs. Please note that the lead time from registration to employment is approximately three months, so the contribution to performance is expected to be reflected in Q3 and beyond.

Since the commission & fee per placement is disclosed once a year, there are no updates. To reiterate, the reason for once-a year-disclosure 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. We believe it is sufficient to show the trend on an annual basis, as commissions and fees per placement fluctuate on a quarterly basis.

Gross Profit – Quarterly

This chart shows gross profit and the gross profit margin.

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 220 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. So, this is a business model with a very low-cost ratio.

Gross profit margin for Q2 decreased by 8.5 percentage points year on year and 3.8 percentage points quarter on quarter due to the impact of sales. Nevertheless, although the total cost of sales appears to be significantly up by approximately 94 million yen year on year, it did not change significantly quarter on quarter, an increase by approximately 8 million yen from Q1. This is due to the fact that sales in Q2 fell short of expectations, resulting in gross profit margin of under approximately 80%. Therefore, gross profit margin is expected to remain around 80% going forward.

Selling, General and Administrative – Quarterly

This chart shows SG&A expenses. The SG&A expense ratio for Q2 increased temporarily by 46.9 percentage points quarter on quarter due to the impact of strategic investments in mass advertisement.

Number of Employees and Breakdown by Segment

Lastly, this chart shows the number of employees. We have focused on increasing headcount in our recruitment services for Z-careers, and the number of employees in Q2 was 304, an increase of 41, or 15.6%, year on year. We had anticipated a certain number of resignations in the recruitment services due to the division of responsibilities, but the number was lower than expected at 12. Overall, hiring is progressing as planned.

In addition, we welcomed 74 new graduates from the class of 2025 in the current third quarter. Although we had announced that we would hire approximately 80 new graduates, we were able to recruit a sufficient number of people. Some of them are already starting to demonstrate their abilities, and I personally have high expectations for their future performance.

Reflection

From now on, I will elaborate on the financial results.

Reflection of FY2025 Q1 Results

First, this is a repost of the slide on “Seasonality of Performance” that we explained in Q1. Using the slides, I will explain the overall review, division of responsibilities review, and mass advertisement review for Q2. Please note that the factors contributing to the downward revision in Q2 are limited to those described in the slide, and no new issues have arisen.

Reflection Overview

This is an overall review of Q2. Starting this fiscal year under review , we have been working to improve productivity by implementing division of responsibilities and mass advertisement. However, productivity in the first half of FY25 fell short of expectations. As a result, sales progress is approximately 5% behind that of previous years.

Meanwhile, the situation for the second half of FY25 is generally as expected, with productivity improving to exceed the previous year's level. As for the current outlook, we recognize that the productivity decline has bottomed out.

After this, I will explain in detail, dividing into three subjects and including the current situation.

Reflection 1: Relocation and Team Expansion 1/2

This is a repost. The first is the purpose of division of responsibilities and an illustrative image of productivity. Initially, a single career advisor handled everything from hearing arrangements to recommendations to hiring companies. By dividing the work between inside sales and field sales, we were able to focus on the issues specific to each phase We have promoted this division of responsibilities with the aim of improving both the quantity and quality of our operations in the medium to long term, allowing us to. This will reduce the workload on individual career advisors and allow them to provide better service.

Reflection 1: Relocation and Team Expansion 2/2

This is a progress as a result of the division of responsibilities. First, I will explain the implementation rate of job seeker interviews. Hereinafter, I will refer to this as the interview implementation rate. Before the division of responsibilities, career advisors who registered job seekers with Z Career would conduct interviews themselves, so this issue did not arise. However, after the division of responsibilities, inside sales will coordinate interview dates between job seekers and field sales. In some cases, this led to issues such as field sales being unavailable, requiring rescheduling of interviews at a later date. As a result, interviews with field sales could not be conducted, and job seekers were unable to answer phone calls, leading to a significant decline in the interview implementation rate. Compared to Q4 of the previous year before the division of responsibilities, the interview implementation rate saw a significant deterioration at approximately 15.9%. Additionally, we had estimated that each field sales would be able to handle approximately twice as many interviews as before the division of responsibilities, but in reality, the density and quality of support provided for each case decreased. As a result, the percentage of job offers received decreased by approximately 4.3% compared to Q4 of the prior year before the change.

These two points were extremely naive forecasts and were major factors in the decline in productivity. On the other hand, the number of new hires was on target.

Reflection 2: Mass-advertisement 1/2

Next, I will review mass advertisement.

The original purpose was to establish medium- to long-term competitive advantage by making “Z Career” the first thing job seekers think of when they hear "full-time job search". In conclusion, while we did not achieve top-of-mind awareness, it did contribute to expanding awareness, with a 22.6 percentage points increase in awareness according to the lifting survey.

Reflection 2: Mass-advertisement 2/2

While serving a large number of job seekers presents certain operational challenges, the number of job seekers increased by approximately 36.3% quarter on quarter, while customer acquisition costs improved by approximately 22.7% quarter on quarter.

In addition, we were able to increase the number of job seekers acquired through social media, which was previously low. We believe we have achieved some success in expanding our job seeker acquisition channels for the future. Furthermore, we believe that the most valuable aspect was that we were able to increase the number of customers while reducing the cost per customer by more than 20%, which we consider to be a positive discovery.

Meanwhile, going forward, even if we use a TV personality, we consider that we should limit the channels to those that are more efficient and select those that are appropriate in terms of scope. That being said, in order to achieve top-of-mind awareness through TV commercials, we believe that it will be necessary to continue to invest a larger amount of money. Therefore, for the next fiscal year and beyond, we will continue to evaluate the effectiveness of the current measures and make decisions on whether to continue based on these rigorous evaluations.

Market and Competitive Environment

This slide shows market and competitive environment.

As I briefly mentioned at the beginning, the effective job opening ratio for the non-desk worker segment remains high, and the rate of job offers received from hiring companies since the start of our selection process has remained stable over the past year. Therefore, we do not anticipate any significant changes in the market environment at this point.

In addition, in the competitive environment, there were some cases where the entry of competitors was rumored at the time of the IPO, but no significant changes were observed in terms of acquiring job seekers, demand from hiring companies, or competition with other recruitment agencies during the selection process for job seekers.

RPO(Recruitment Process Outsourcing)

I will also explain the RPO, which is a recovery measure for the unmet portion of Q2.

In Q3, we will fully implement RPO, which we started on a trial basis in Q1.

Compared to the standard plan, which is limited to free job postings, this RPO plan is a model that delves deeper into recruitment issues such as strategic design and selection processes. As a result, it not only provides greater value to hiring companies, but also improves the overall GMV of the platform by improving selection operations such as selection yield. This was the main reason for the full-scale launch of the RPO plan.

To elaborate further, even with our service, under the standard plan, which provides free listing and support within the same contract, it is difficult to provide in-depth support due to the nature of the platform service. Of course, there are many things we can do to help each hiring company attract more candidates. Nevertheless, our platform has the largest accumulation of selection data in the area of hiring inexperienced candidates for full-time positions, which is one of our significant appeals. This allows us to respond based on insights gained through comparisons with other hiring companies—insights that are typically beyond the reach of individual HR personnel. Therefore, as shown in the figure on the left, with this RPO plan allows us to work with hiring companies to solve their challenges, such as strengthening support and attracting more candidates.

In addition to traditional performance-based compensation, the RPO plan also offers a placement commission increase of approximately over 10%, which was another key reason for the full rollout of this service.

As for the financial impact, due to the nature of the business where revenue is recognized in advance, performance-based fees paid to partner recruitment agencies during a certain contract period will be recorded as selling, general and administrative expenses, and personnel expenses related to in-house recruitment process outsourcing (RPO) will be recorded as cost of sales.

Reflection of FY2025 Q2 Results

Finally, I would like share my reflections on Q2. As I mentioned earlier, we made progress in improving our current situation. However, we were not able to achieve the performance we had expected for Q2 alone. We sincerely apologize for not meeting our investors' expectations. Essentially, the root cause of this problem lies in our decision to aggressively pursue “separation of duties” too quickly, in the expectation that it would lead to a sudden increase in job seeker registrations through mass advertisement, thereby minimizing potential losses and maximizing sales.

We recognize that this was caused by a lack of prudent decision-making, despite the fact that the organization has expanded year after year, resulting in downtime that was greater than expected. In particular, we believe this was due to the fact that the company had not fully accepted the recent organizational changes and had not thoroughly communicated whether they would actually work.

Meanwhile, some high performers are beginning to emerge, and there is a sense that the organization is now truly capable of achieving higher standards than ever before. Next, we will work to systematize the practices of these high performers and aim to achieve success through the system. We appreciate your continued support.

FY2025 Full-year Forecast

Summary of FY2025 Full-year Forecast

Once again, I would like to explain full-year FY9/2025 forecast.

Although progress toward the full-year FY9/2025 forecast is behind schedule, we have confirmed signs of a bottoming out and reversal of productivity declines in our operations for the current third quarter and beyond. In addition, there have been no major changes in the market environment, and we expect to see some recovery through RPO. Therefore, while we cannot rule out the possibility of revising our forecast, we have decided not to change our full-year forecast from the initial plan at this time.

Appendix