



ZIGExN's Ambidexterity

ZIGExN REPORT

2022

ZIGExN Co., Ltd. | Integrated Report 2022

Welcome to ZIGExN Report 2022

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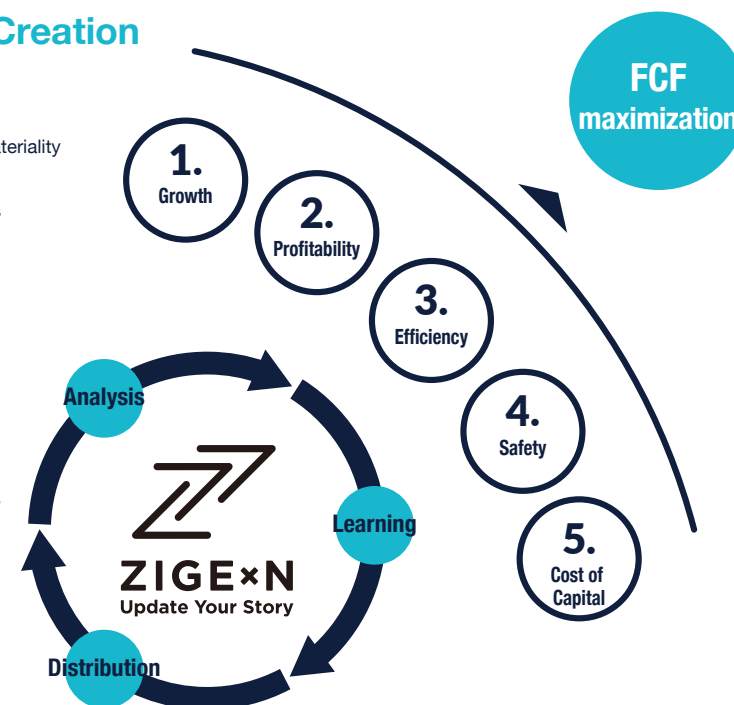
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Feedback

If you have any feedback on the Integrated Report, please contact us at below.
We will use it for future reference.
Email: ir@zigexn.co.jp

Past Integrated Reports (ZIGExN's first Integrated Report 2021) can be found at below.
<https://contents.xj-storage.jp/xcontents/AS80135/319224c7/a883/4f05/a578/27b2a739c8a0/20210930141946098s.pdf>

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Introduction

ZIGExN Group at a glance

Cash and cash equivalents 2022/3 8,588 millions of yen 2021/3: 7,420 2020/3: 6,631	Consolidated Sales Revenue 2022/3 15,272 millions of yen 2021/3: 12,564 2020/3: 13,199	Consolidated Operating Income 2022/3 3,314 millions of yen 2021/3: -1,062 2020/3: 3,806	Consolidated EBITDA 2022/3 4,265 millions of yen 2021/3: 3,808 2020/3: 4,619
Recurring Revenue 2022/3 9,415 millions of yen 2021/3: 8,415 2020/3: 8,518	Market Cap 2022/3 33.6 billions of yen 2021/3: 488 2020/3: 295	ROE 2022/3 16.2 % 2021/3: -13.4 2020/3: 17.8	Goodwill-to-Capital Ratio 2022/3 0.5 times 2021/3: 0.5 2020/3: 0.6
Number of Employees 2022/3 704 <small>*Excluding part-time workers</small> 2021/3: 772 2020/3: 465	Number of domestic and overseas offices 2022/3 21 offices 2021/3: 19 2020/3: 11	ESG Rating 2022/6 2.3 <small>*FTSE Russell ESG rating</small> 2021/6: 2.1 2020/6: 2.4	Business offices posting ads on platforms 2022/3 90,434 (Vertical HR + Living Tech) 2021/3: 81,582 2020/3: 76,992
Cumulative M&A 2022/3 20 deals 2021/3: 19 2020/3: 15	Number of Group Companies 2022/3 15 2021/3: 16 2020/3: 15	Number of corporate clients 2022/3 20,491 2021/3: 18,968 2020/3: 18,720	Strategic Business Units 2022/3 12 units 2021/3: 12 2020/3: 10

Basic Principle

ZIGExN aims at maximizing opportunities in life and seeks harmony and sustainable development with society by providing a platform to connect to the world through the internet.

Management Principle

OVER the DIMENSION!

Reverse common sense and values in society through overwhelmingly unusual services and establishment of an overwhelmingly unusual company.

Purpose

Update Your Story For a Better Future

Update the future of everyone at the crossroads of life.

Company Name	ZIGExN Co., Ltd.
Listing Market	Prime Market of TSE (code: 3679)
Date of Establishment	June 1, 2006
Capital	2,552 million yen (consolidated basis)

History

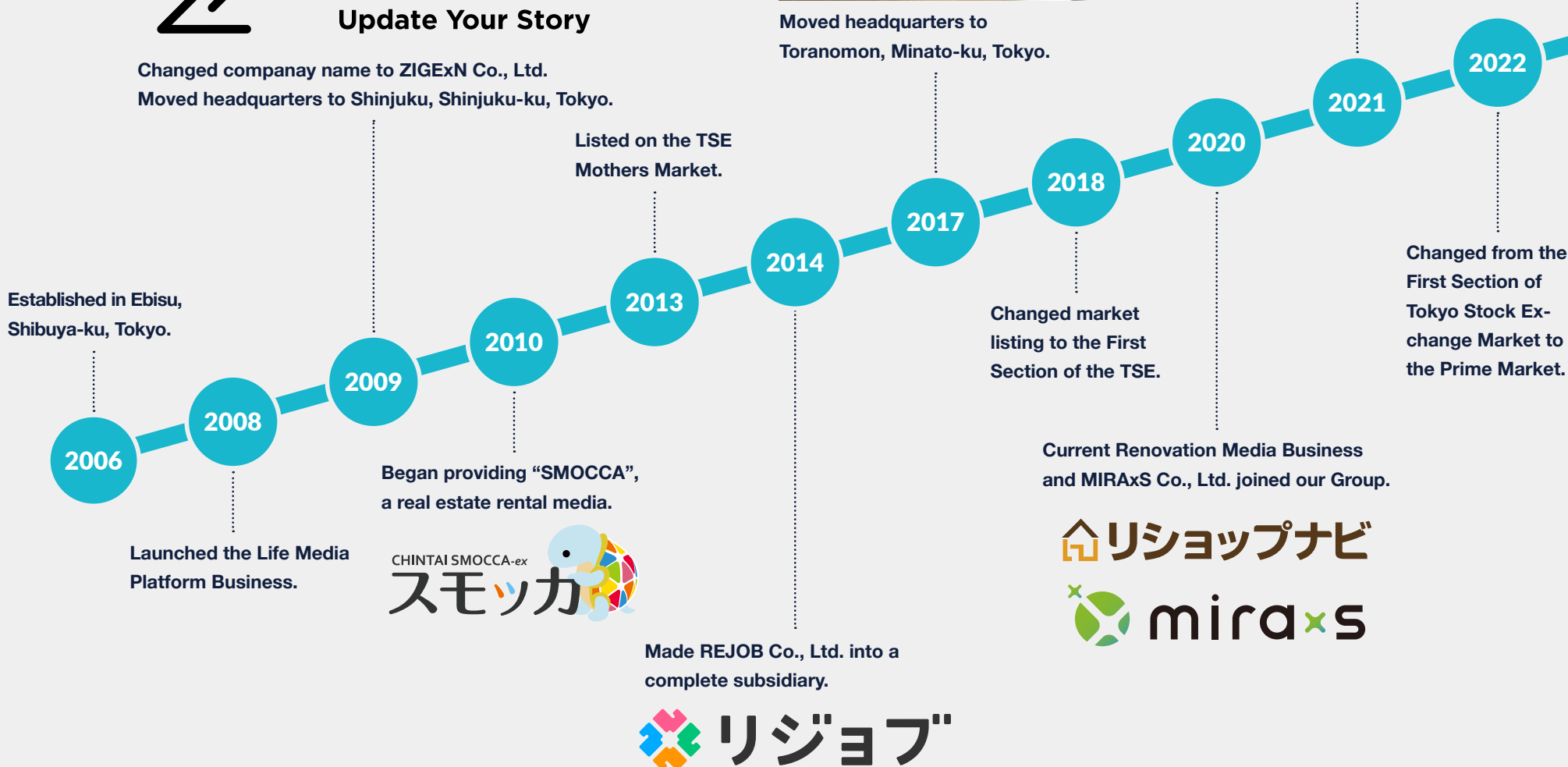


Changed company name to ZIGExN Co., Ltd.
Moved headquarters to Shinjuku, Shinjuku-ku, Tokyo.



Moved headquarters to Toranomon, Minato-ku, Tokyo.

15th anniversary of establishment.
Released 2nd Medium-Term Management Plan "Z CORE".



CEO Message

- ZIGExN's Ambidexterity



Representative Director, Operating Officer and CEO Joe Hirao

Brief Personal History

Born in 1982. Graduated from the Faculty of Environment and Information Studies, Keio University in 2005.

Winner of Award of Excellence in the Student Entrepreneur Championship organized by the Tokyo Metropolitan Small and Medium Enterprise Support Center.

Founded two companies while at university, and joined Recruit while still managing one company.

Won several awards in the New RING new business contest while competing as a newcomer. Received New Value Creation award at the Internet Marketing Office.

Established the forerunner to ZIGExN in 2006, becoming a director at 23 years of age.

Appointed president and representative director at age 25, going independent after an MBO at age 27.

2013: Listed on the TSE Mothers market at age 30.

2018: Relisted in the TSE first section at age 35.

2019: Achieved increased sales and profits for 12 consecutive years since the company's founding.

2022: Transitioned to the TSE Prime Market For the fiscal year ended March 2022 consolidated sales revenue was 15.2 billion yen, with more than 700 employees.

Awakening Core Business through Selection and Concentration

The words “Selection and Concentration” in our second medium-term management plan have received a variety of positive responses. The impact of coronavirus pandemic at a time when sales revenue exceeded 10 billion yen made us stop and take a fresh look at the core of our business, which resulted in very good timing.

Under the first medium-term management plan, which adopted a strategy of expanding its business field through M&A, the company has continued to grow with a highly repeatable winning strategy based on service design that does not compete with market pioneers. As of the end of July 2022, there are 13 SBUs (Strategic Business Units) running, and because the field was broad, the impact of coronavirus spread was minimized.

On the other hand, we believe it is time to shift to “ambidexterity”, which means to increase the number of businesses while developing the core business of the company by making the size of the businesses 10 times bigger. Until now, our strategy has been not to compete with pioneering large companies with huge markets. However, we intend to increase the added value of our services and finally focus on PMF (Product Market Fit).

I am very pleased to welcome Mr. Jun Sakaki, one of my most respected executives and one who has attended almost every session he has appeared in, as an outside director for this phase. Mr. Sakaki has been working at Ikyu corporation to provide a unique user experience and to develop a product that is infinitely complete as an organic entity. I would like to absorb his knowledge and tackle head-on the issue of “providing added value to users”, which has been a challenge for ZIGExN's services.

ZIGExN went public when I was 30 years old. At that time, for better or worse, we adopted the “listed company format” and worked hard to quickly acquire the look of a listed company. However, once again, with my own attitude of devotion to the business, I would like to grow the business at a speed that has never been seen before.

Thanks to the presence of outside Directors Usuba and Sakaki, who have joined us since last year, the executive side and the board side have come to resonate with each other more. We are now aiming for even greater growth.



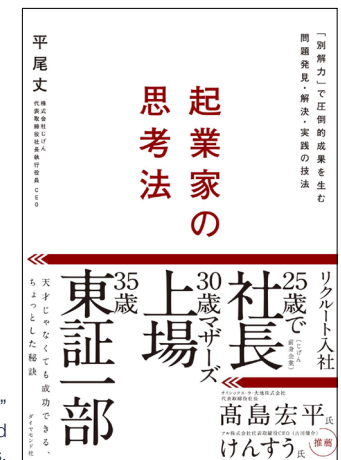
To be management and a company that can contribute to society

In “The Entrepreneur’s Way of Thinking” (Diamond Inc.), published in March of this year, I took on the challenge of systematizing entrepreneurial thinking, something that had almost never been done before. Thanks to everyone’s support, the book has been read by many businesspersons and we have received enthusiastic feedback. The younger generation has been saying they have been waiting for this. The book has also been spreading to the management level of large companies. I am pleased to not only see the positive impact on ZIGExN’s recruitment and PR activities but also be able to donate the author’s royalties from this book to social contribution projects and organizations, such as supporting the discovery of social entrepreneurs.

On a personal note, it has been 15 years since the death of my father, who inspired me to start ZIGExN. It will be 15 years from now until I reach the age of 53, the age of my father. I have been thinking about my own journey through the writing of this book, which also coincided with the death of a friend of the younger generation due to coronavirus.

It was also a time for me to reflect on how I will live the next 15 years of my life. We will continue to strive to be a stronger company that can contribute to society.

“The Entrepreneur’s Way of Thinking”
The “Power of Separate Solutions”: A Technique for Discovering, Solving, and
Practicing Problems that Produces Unparalleled Results.

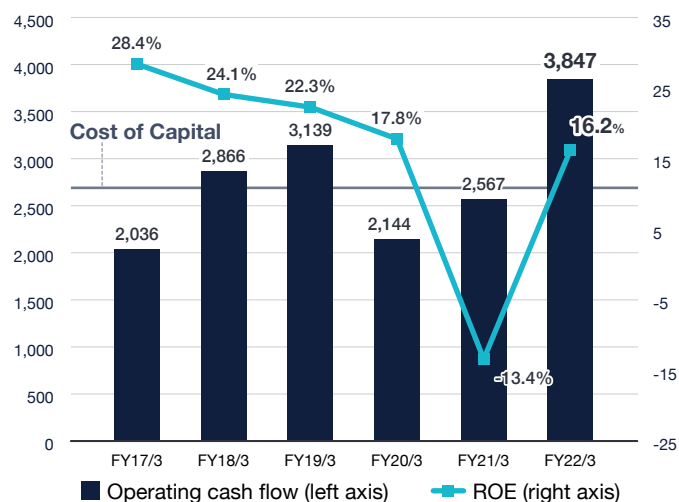


Interview with Board of Directors

- Maximizing Cash Flow

ROE & Operating cash flow

(Unit: millions of yen)



Looking Back on the First Year of the Medium-Term Management Plan

In the first year of the medium-term management plan, the management structure was renewed, and I, as one of the newly appointed directors, led the corporate division to achieve the medium-term management plan “Z CORE”.

In the first year, we positioned the first year as a period of up-front investment, and invested in advertising, human resources, etc. in each business with a view to the after Covid-19 pandemic. In each business, the timing and precision of investment results varied, and both sales revenue and EBITDA fell short of forecasts.

On the other hand, ROE and operating cash flow, which are important indicators for improving medium- and long-term shareholder value, were affected by non-cash one-time expenses such as goodwill impairment loss in the fiscal year ended March 2021. However, in FY2022, the equity spread (ROE - cost of equity) returned to positive as a result of the recovery of business performance.

Operating cash flow was at an all-time high in FY2022, despite a temporary decline in FY2020 due to the defection of a major client due to service closures in FY2020 and the Covid-19 effect in the second half of the year.

For the Future

In order to achieve our goals of over 35 billion yen in revenue and 10 billion yen in EBITDA for the fiscal year ending March 31, 2026, the final year of our medium-term management plan, and beyond, we must maintain and improve our profit margin as well as our high sales growth rate.

As described below, the Company is committed to reducing uncertainties through diversification and creating core businesses through selection and concentration.

In addition to improving our ability to execute the strategies of each of our businesses, we are also working to improve our ability to manage our businesses. In addition, because we have a large number of businesses, we think we should establish systematic investment criteria and hurdle rates that do not depend on the skills and experience of the business officers. We believe that it is important to focus on investments to realize higher yields by adding M&A to existing businesses.

Although we currently have ample cash and deposits on hand, we believe that financial management such as raising funds to achieve discontinuous growth through M&A and share repurchase is highly important.

Despite a temporary decline due to the impact of Covid-19, our operating cash flow has grown at a CAGR of 26.5% since our listing in March 2014 through March 2022. By continuously building on this earning power and continuing to raise ROE, we aim to maximize cash flow over the long term.

We will also place importance on dialogue with our stakeholders and will enhance both financial and non-financial information to achieve a highly trustworthy dialogue.

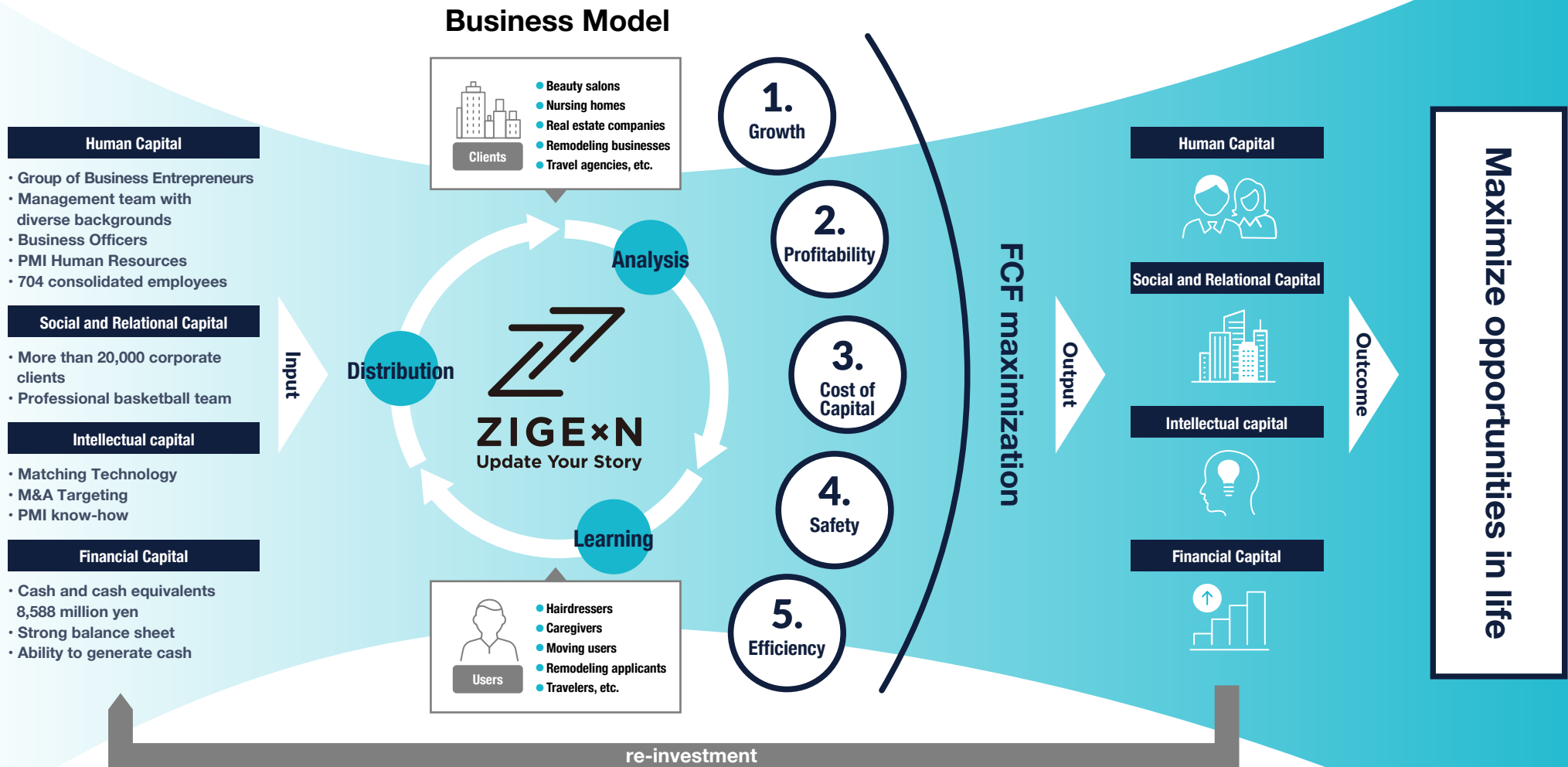


Director, Operating Officer
Sachiko Hatano

Brief Personal History

Dec. 2006	Joined Azusa Audit Corporation (currently KPMG Azusa LLC)
Oct. 2010	Registered as a certified public accountant
Jun. 2011	Joined Lifenet Insurance Company
Feb. 2018	Joined the Company
Oct. 2018	General Manager of the Business Management Department (current position)
Jun. 2020	Executive Officer (current position)
Jun. 2021	Director of the Company (current position)

ZIGExN's Value Creation Model



Source of Value Creation

- ① ② ④ ⑤

P.13-14 (1) Enduring Strengths: Matching Technologies
 P.16-19 (2) Management Strategy Utilizing "AND" Thinking
 P.21-23 (3) Investment Strategies to Accelerate Growth
 P.25-27 (4) Human resource strategy integrated with management strategy
 P.29-31 (5) Financial strategy to support discontinuous growth

Mechanisms to Support Value Creation

- ③

P.34-38 (1) Creation of Social Value
 P.40-42 (2) Corporate Governance Structure
 P.44-45 (3) Risk Analysis
 P.47 (4) IR Activities

Medium- and Long-Term Policies

Our long-term policy is to maximize free cash flow, which is the primary source of corporate value. The medium-term policy is to achieve sustainable growth in operating cash flow, which represents the earning power of the core business. We will focus on achieving this goal through the achievement of the Second Medium-Term Management Plan.

Formula	$\text{corporate value} = \frac{\text{FCF}}{\text{Cost of Capital} - \text{Growth Rate}}$
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Medium-term policy:

Sustainable growth in operating cash flow

Long-term policy:

Maximizing free cash flow

The 2nd Medium-Term Management Plan “Z CORE”

In FY3/2026

CAGR

30%

We aim to achieve a five-year CAGR (FY22/3-FY26/3) of **30%** in revenue for our core businesses overall

Z CORE

Through the creation of **Z CORE** (a group of core businesses with revenues in excess of 10 billion yen)

Consolidated Sales Revenue

Over **35** billion yen

Focus on achieving consolidated sales revenue of over **35** billion yen and EBITDA of over **10** billion yen.

Management strategies

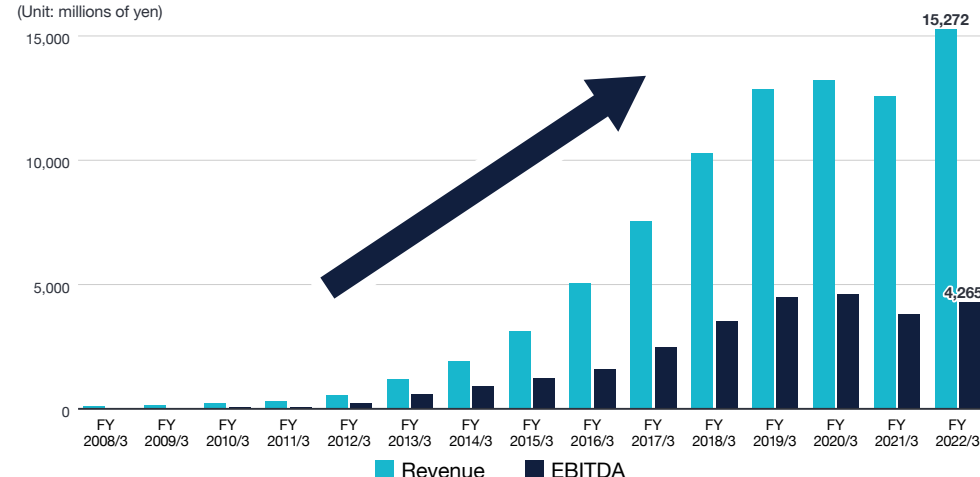
- 1. Selection and concentration**
(market selection and priority allocation of management resources)
- 2. Expansion of matching Z CORE technology,**
which is one of our strengths
- 3. Upfront investment to accelerate the expansion of the client base,**
which is the source of our revenues

The 2nd Medium-Term Management Plan “Z CORE”

Management Plan	<p>In FY3/2026</p> <ul style="list-style-type: none"> • Sales Revenue of more than JPY35bn • EBITDA of more than JPY10bn • Creation of Z CORE (mainstay business with sales revenue exceeding JPY10bn)
Management Strategy	<p>To create Z CORE, based on selection and concentration (market selection and allocation of management resources), conduct upfront investment that will expand strengths (matching technologies) and accelerate the expansion of the client base</p>
KPI	<p>Sales revenue CAGR over 5 years (FY3/2022 to FY3/2026) in the mainstay business of 30%</p>

Revenue and EBITDA

(Unit: millions of yen)



Review of the First Year and Future Policies in the Second Medium-Term Management Plan

In May 2021, the Group announced its second medium-term management plan which the Company aims to achieve consolidated sales revenue of over 35 billion yen and EBITDA of over 10 billion yen in the fiscal year ending March 31, 2026, through the creation of Z CORE, a core business with net sales exceeding 10 billion yen.

In the fiscal year ending March 31, 2022, our first year of operations, we believe that one positive outcome was that we were able to clearly identify areas that can be evaluated and areas where improvement is expected. In the first case, the prolonged Covid-19 disaster in the fiscal year ended March 31, 2021 had a negative impact on the Company’s performance, and we resulted in a year-on-year sales and profit decline in FY3/2022. On the other hand, by promoting measures to appropriately capture the demand recovery in each business segment, we were able to set a new record in sales revenue.

However, some businesses, such as MIRAxS in Vertical HR, are still in a difficult situation. In addition, we think that raising the growth rate of our core businesses will be a challenge in order to achieve the growth rate set forth in our 2nd medium-term management plan.

We have been accelerating the expansion of ZIGExN Group by leveraging our marketing-driven, matching technology and aggressive M&A strategy.

In order to create “Z CORE” in the future, we believe it is essential to provide products that truly satisfy clients in each of our businesses and services, while continuing to leverage our marketing strengths. To archive this, we believe it is essential to listen carefully to our clients and users and incorporate their opinions appropriately.

In fact, we are currently preparing to offer new products that solve industry-specific issues and to add new value to existing products. We are also preparing to add new functions that will add value to existing products, and are working to solve client issues.

While continuing to implement measures that were successful in the first year of the medium-term business plan, we are also working to solve the “negative” issues of our clients.

In the future, as mentioned above, we will accelerate PMF through the development and provision of products that meet the high expectations of our clients, and focus on creating services that will become pillars of the ZIGExN Group in the medium to long term.

In addition, we will make effective use of limited resources to provide services that can be used by many people, and focus on maximizing the value of our platform and realizing our corporate philosophy of “maximizing opportunities in life”.

2

Source of Value Creation

1 Enduring Strengths: Matching Technologies

- Matching Technology
- Strategic Pivot through Business Model Transformation

2 Management Strategy Utilizing “AND” Thinking

- Not “either” but “also” pursuit
- Improving sustainability through optimizing the quality of revenues
- Diminishing Uncertainty and Business Advancement
- Pursuit of “Grofitability” (Growth x Profitability)

3 Investment Strategies to Accelerate Growth

- Expansion and Reproduction Spiral through M&A
- Value Up through Original PMI “ZVI”
- Maximize upside potential through access market expansion

4 Human resource strategy integrated with management strategy

- Human resource strategy to maximize individual and organizational strength
- Formation of a group of business entrepreneurs
- Laying the Groundwork for Well-doing Acceleration

5 Financial strategy to support discontinuous growth

- Clarification of Capital Allocation and Financing Policy
- Transparent shareholder return policy
- Maintain and secure a strong financial base

2 Source of Value Creation

1

Enduring Strengths: Matching Technologies

- Matching Technology
- Strategic Pivot through Business Model Transformation

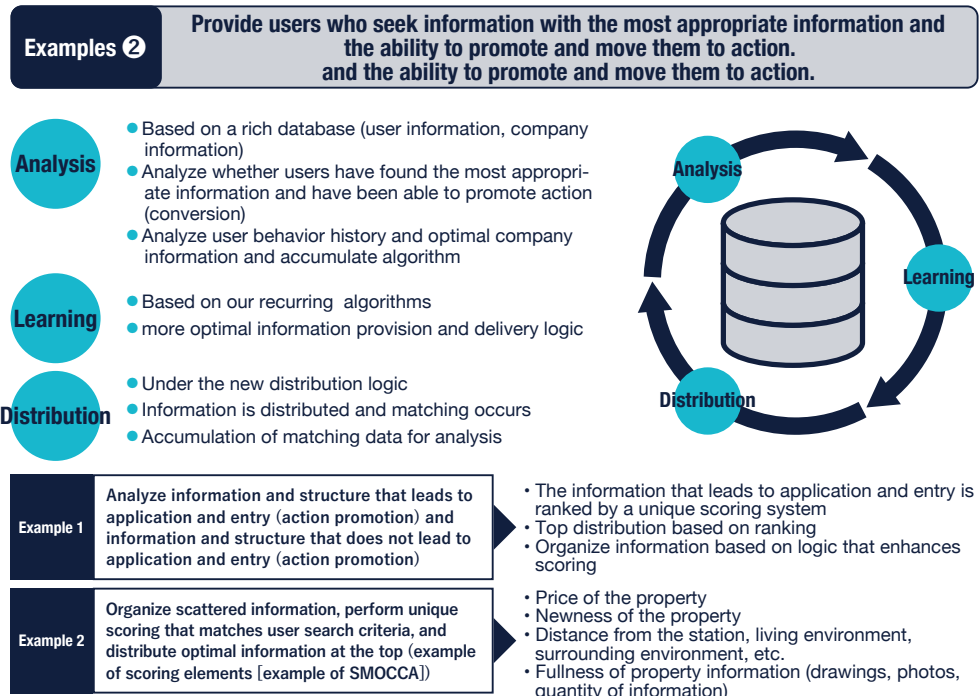
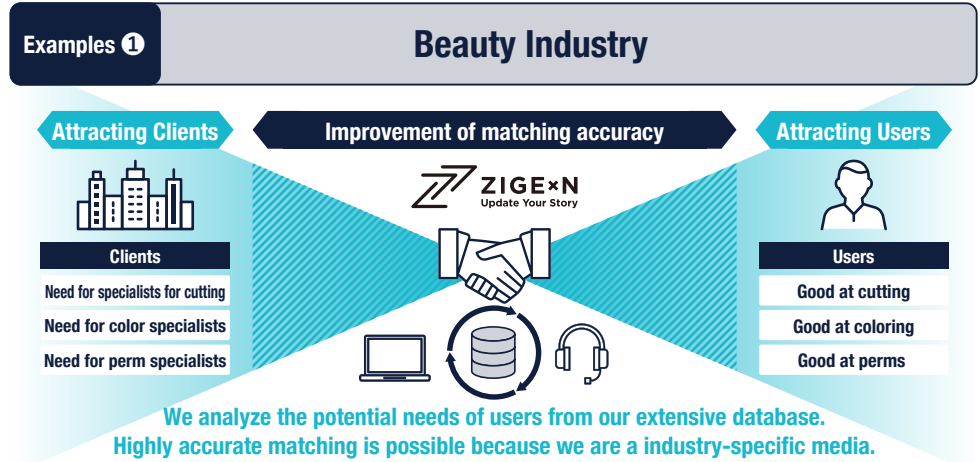
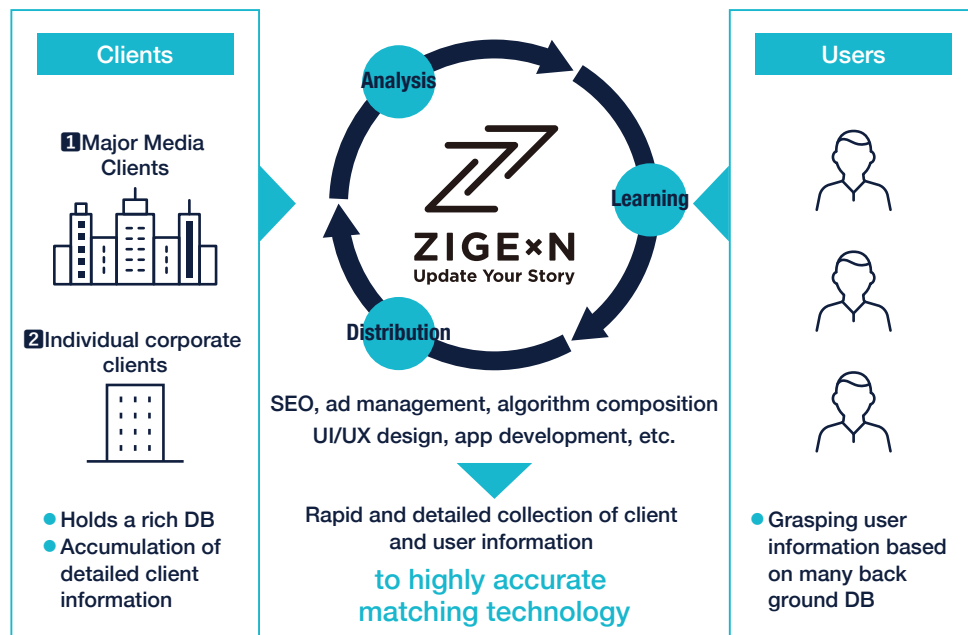
Matching Technology

Analysis, learning, and distribution of accumulated data using the unique technology

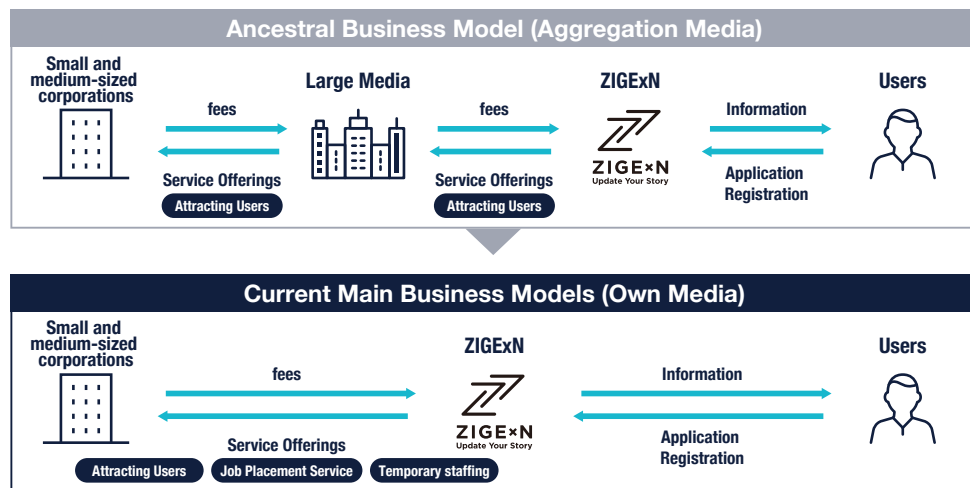
We believe that the role of Internet media can be divided into two main categories. The first is to gather users, and the second is to move those users. We have grown our business by operating a media platform that is particularly good at the latter. We call this user-moving technology, which we have cultivated since our founding, “Matching Technology”. We have become a company with unique technology in Japan by continuously analyzing, learning, and distributing user data and client company data on the strength of our high-precision matching technology.

The analysis, learning, and distribution of data and algorithms related to matching generated from our extensive database (DB) is the basis for our core technology, and we have been collecting and analyzing client and user information for nearly 15 years since our founding.

It is a strength that we have honed over this long period of time, and therefore, it is not something that can be easily imitated. This is a major differentiating factor between us and our competitors.



Strategic Pivot through Business Model Transformation

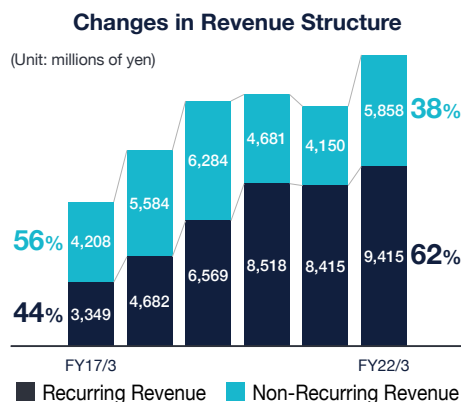


Background of Business Model Change

While the indirect listing model, which was the first business of the Company, has advantages such as high sales efficiency, it also has issues such as high dependence on a single client and limited revenue scalability. When these risks materialize, the Company's performance could be significantly impacted. Therefore, we are making a strategic pivot from an indirect listing model to a direct listing model (owned media) by leveraging our matching technology, which is one of our enduring strengths.

We have businesses that are integrated into the commercial channels of small and medium-sized corporate clients, such as our own media, are profitable and sustainable, and we call the revenue generated from this business "Recurring Revenue" and we are focusing on expanding this revenue as a company-wide KPI.

As a result of the change in strategy, the company is steadily expanding its recurring revenue. In the fiscal year ended March 31, 2017, the ratio of recurring to non-recurring revenue was approximately 4.6 while the ratio of recurring revenue to non-recurring revenue was approximately 6 to 4 in the fiscal year ended March 31, 2022.



Q. What is the difference between aggregation media and owned media?

The critical difference between aggregation and owned media lies in the ultimate holder of the information. Aggregation media is a type of indirect media that aggregates information from multiple major media sites and allows users to search for and apply across these sites.

On the other hand, owned media refers to media in which information is posted directly on the company's own platform, with small and medium-sized enterprises as direct clients. We regard the commercial distribution with corporate clients through our owned media as a highly sustainable asset, and we are focusing on building it up.

Q. Why do we continue to use the indirect listing model instead of focusing solely on the direct listing model?

The indirect listing model is a highly efficient business model, so there is no significant resource burden from ongoing operations. In addition, by maintaining a high volume of information, it is also possible to leverage the strengths of matching technology.

The Company will be able to efficiently capture the revenue generated from this indirect listing model and invest the cash flow generated from this model in the acquisition of recurring revenue. We believe that this will result in faster expansion than if we focus solely on recurring revenue.

Therefore, we will continue to pursue both types of revenue at the same time to achieve sustainable growth.

Q. What exactly has changed as a result of the business model shift?

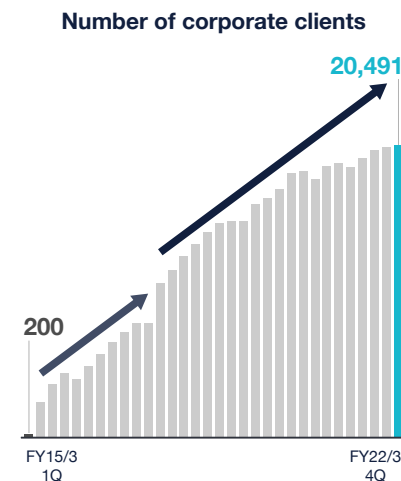
The number of corporate clients is one of the most significant changes as a result of the shift from an indirect listing model to a direct listing model.

In our original business of aggregation media, we recognized the high degree of uncertainty in the market.

We are strategically shifting from an indirect listing model to a direct listing model and continue to increase the number of corporate clients by promoting new sales, relationship building, and acquisition through M&A not only to major media but also to small and medium-sized corporations.

As a result, we are able to reduce the client risk per company and the acquisition of a large number of small and medium-sized businesses, ranging in size from tens of thousands to hundreds of thousands of clients, and the resulting enhanced scalability and reduced uncertainty will lead to stable and continuous business activity.

We will continue to promote our business with a higher level of security by promoting both the indirect listing model and the direct listing model.



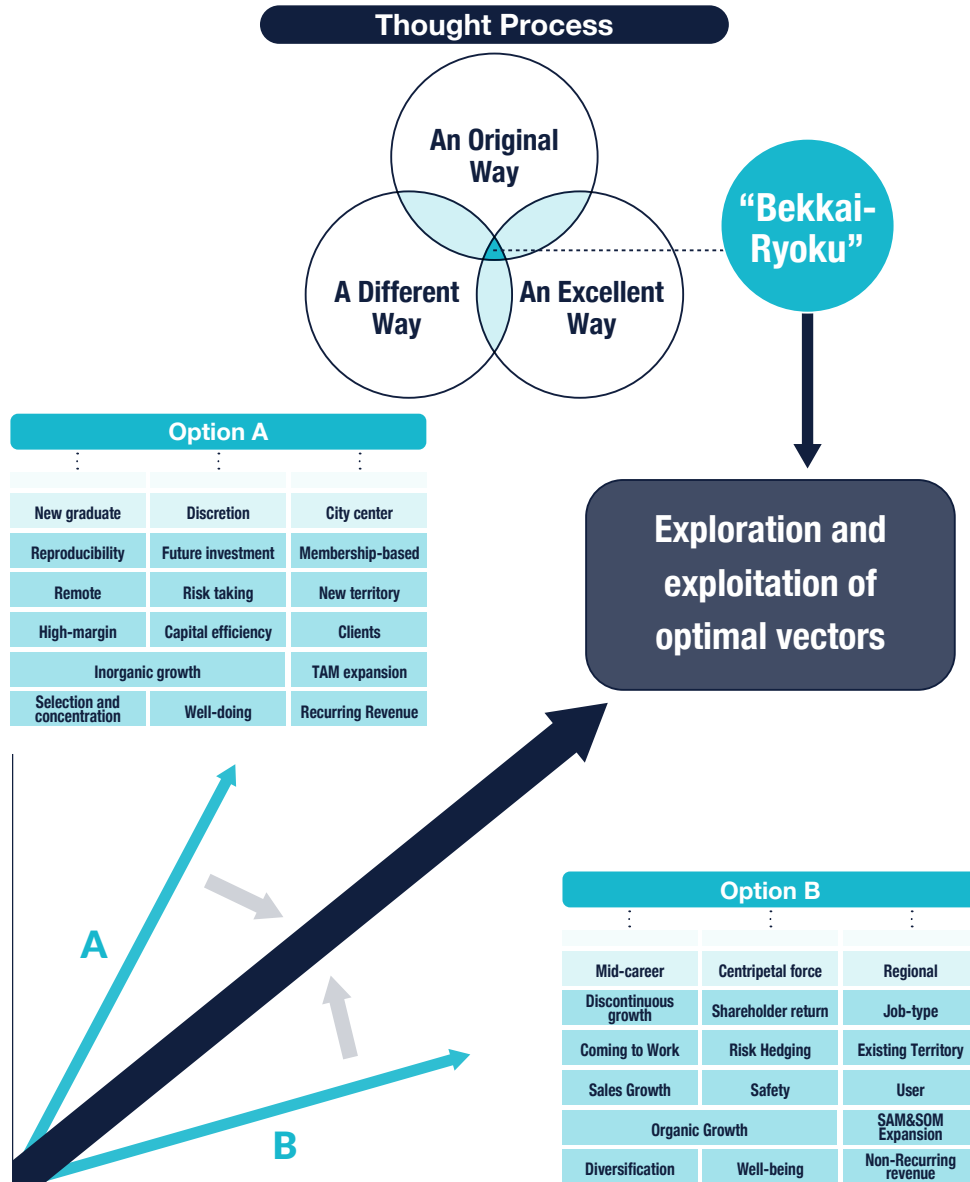
2 Source of Value Creation

2

Management Strategy Utilizing “AND” Thinking

- Not “either” but “also” pursuit
- Improving sustainability through optimizing the quality of revenues
- Diminishing Uncertainty and Business Advancement
- Pursuit of “Grofitability” (Growth x Profitability)

Not “either” but “also” pursuit



The “Bekkai-Ryoku” a way of thinking that produces overwhelming results

There is a way of thinking that Joe Hirao, Representative Director, has developed called "Bekkai-Ryoku". Today, with the rapid development of the digital economy, innovations in new technologies, labor and financial markets, and the competitive environment, it is not uncommon for everything to change rapidly and rapidly.

In this era of VUCA (volatility, uncertainty, complexity, and ambiguity), past results, successful practices, past wisdom, and past experience are not necessarily a guarantee of the future.

Even in this age of uncertainty and lack of correct answers, a way of thinking that produces overwhelming results is the “Bekkai-Ryoku”.

“Bekkai-Ryoku” is a combination of three major factors. The first is a “An original Way” that makes the most of one’s originality, the second is a “An Excellent Way” that is widely accepted in the world, and the third is a “A Different Way” that breaks away from the stereotypes. When these three overlap, “Bekkai-Ryoku” is born. This way of thinking is one of the major elements that support our company.

Decision-making methods that lead to the best choice

The management of a company is a complex process that involves all kinds of factors, and the complexity is becoming even greater today.

In this situation, we are pursuing overwhelming results by utilizing our “Bekkai-Ryoku” as described above.

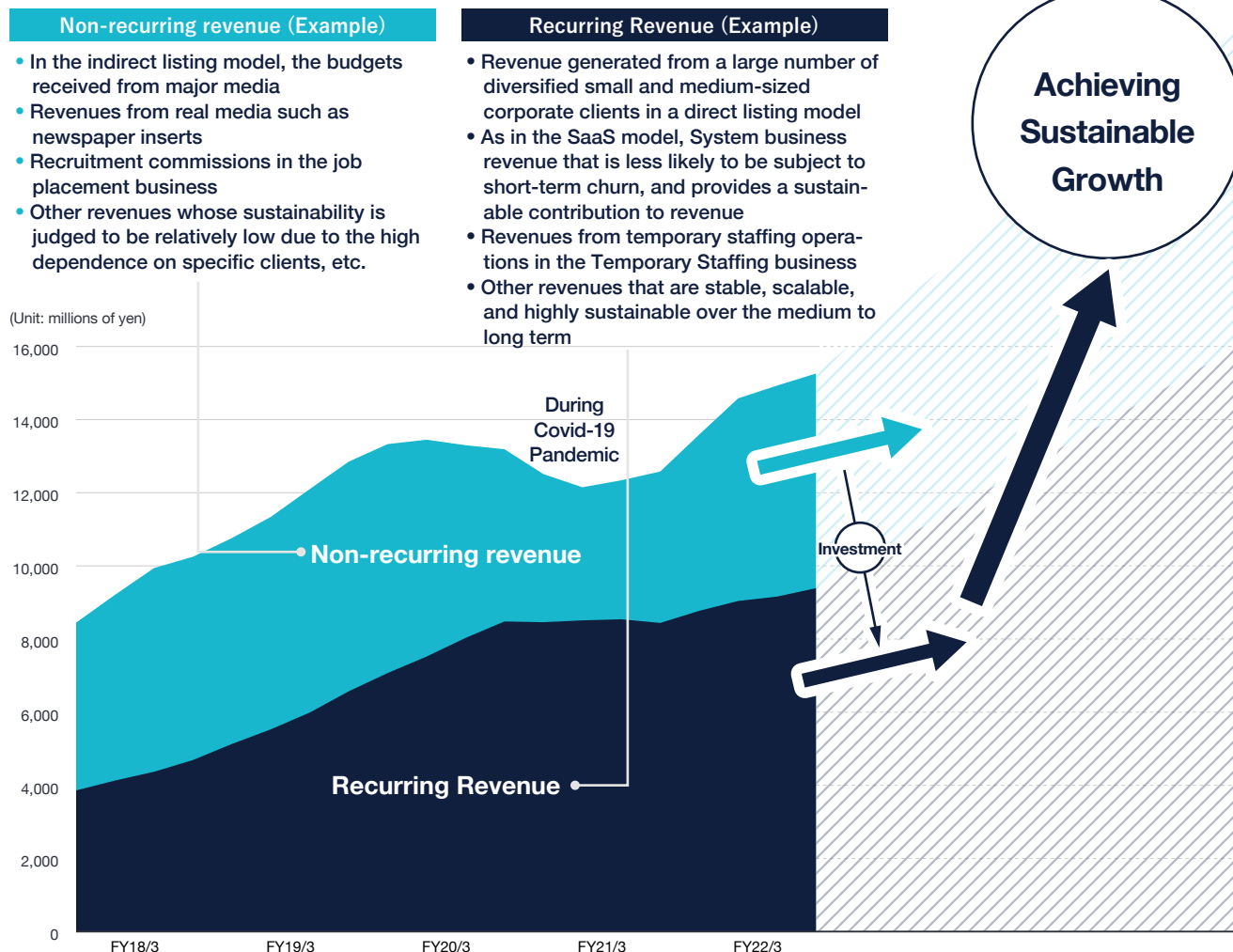
In many cases, the world views things in terms of A or B, and only one of them is considered the correct answer. On the other hand, we are always looking for the best in what may not generally seem to be the right answer and to making the best possible decisions.

We will continue to lead our group in the most appropriate direction (vector) by utilizing the “Bekkai-Ryoku”, a way of thinking that can be applied in all kinds of fields, including management, organizational, and financial strategies.

Improving sustainability through optimizing the quality of revenues

Accelerate the speed of growth

by investing cash flow from **non-recurring revenue** in acquiring **recurring revenue**



Note: Graphs are calculated on a Last Twelve Months (LTM) basis.

Pursuit of “quality” revenue

We view sales revenue as being divided into two main categories: “Recurring Revenue” and “Non-Recurring Revenue”. In order to pursue more stable and higher quality revenues, we focus on “Recurring Revenue” as a company-wide KPI.

The revenues generated by the indirect listing model are an example of non-recurring revenues. The number of potential clients in this model is several tens of companies, while the number of small and medium-sized corporate clients, the source of recurring revenue, is several hundreds of thousands to several million companies.

In addition, changes in client relationships and other factors could significantly affect the upside of our revenue, and this will also lead to a reduction in revenue volatility.

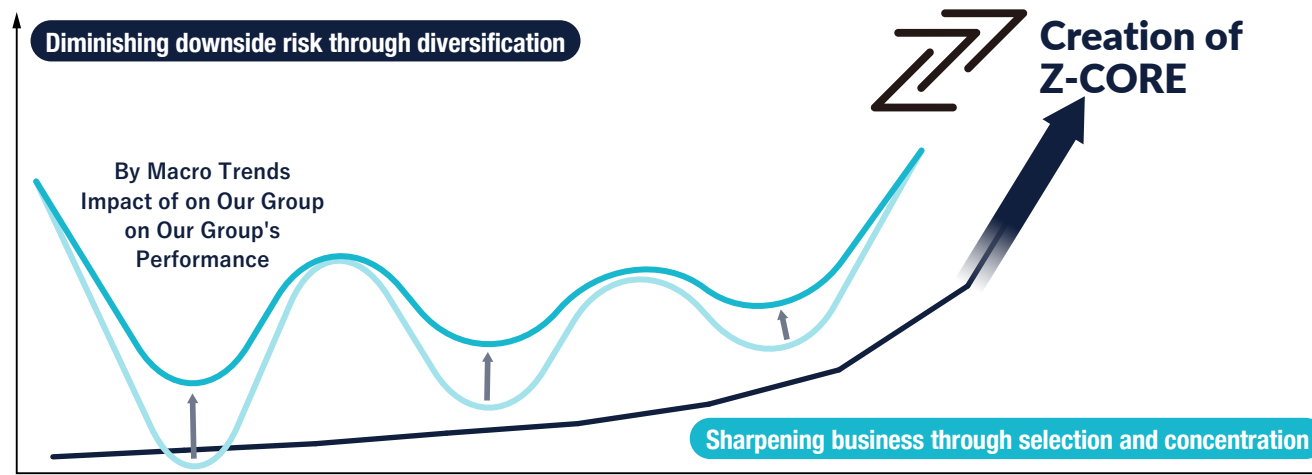
On the other hand, non-recurring revenue can often be earned efficiently, and we believe that investing the cash flow earned from these non-recurring revenue in acquiring recurring revenue will accelerate the speed of expansion and thus contribute to sustainable growth.

While economic activity was stagnant during the Covid-19 pandemic in FY2021, recurring revenue showed solid durability. The company’s revenue have shown solid durability and are now back on a steady expansion path, reaching a record high of approximately 11.1 billion yen in the fiscal year ended March 31, 2022.

In the past, about 60% of revenues were from non-recurring revenues. However, this ratio has now reversed. Approximately 60% of the revenue for the fiscal year ending March 31, 2022, coming from recurring revenue and the structural transformation is progressing steadily.

We will continue to focus on further expansion of the recurring revenue that is scalable, controllable, and sustainable as the source of corporate value. We will continue to focus on maximizing revenue and optimizing the “quality” of revenues from a medium- to long-term perspective.

Diminishing Uncertainty and Business Advancement



Hedging Risk through Diversified Management and Sharpening business through selection and concentration

In addition to its core strength in matching technology, the Group has sought to expand the value of its platform through growth strategies such as strengthening its ability to send users, expanding its client base, and expanding its domain.

We are always looking for new possibilities, focusing on areas related to people’s daily lives.

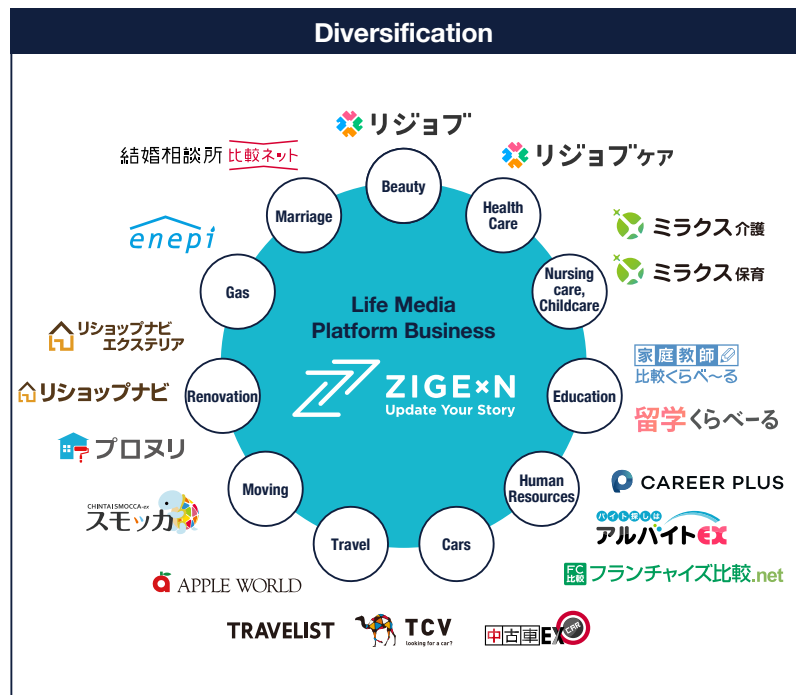
We have been aggressively diversifying our business portfolio by leveraging our strength in matching technology. This has contributed to the diversification of the ZIGExN Group’s business portfolio and improved the Company’s ability to defend itself against rapid changes in the macro environment.

In fact, the economic activity restrictions caused by the spread of the Covid-19, which began to take hold in the first half of 2020, have led to a decline in the Company’s operating income. However, ZIGExN Group as a whole was able to avoid fatal injuries that would have threatened the sustainability of the company.

The 2nd medium-term management plan, released in May 2021, calls for the Company to go on the offensive in light of the current business environment, while maintaining its defensive capabilities enhanced by diversified management.

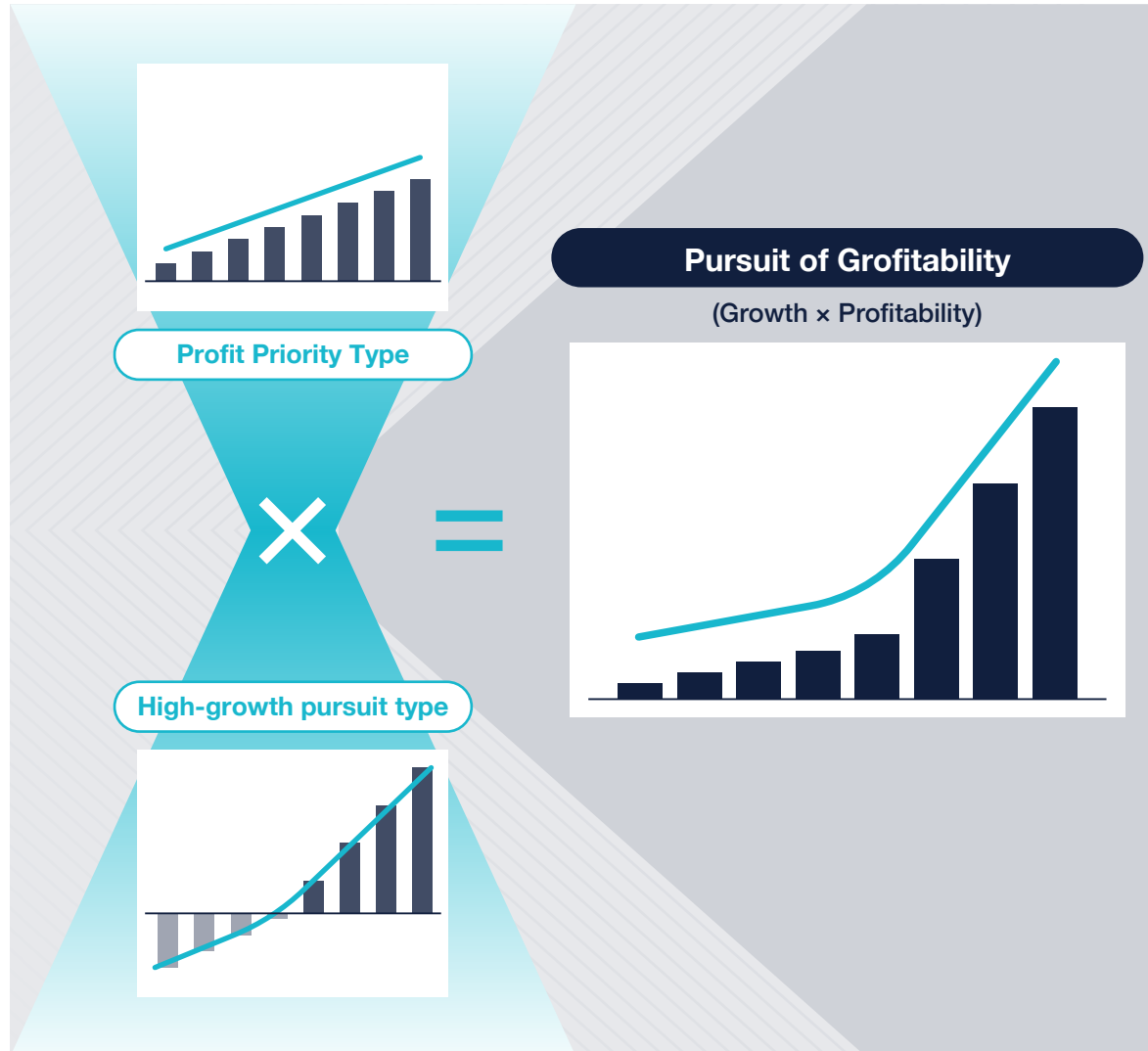
Specifically, we aim to create “Z CORE”, a core business with sales revenues of over 10 billion yen with the idea that Vertical HR and Living Tech, our core businesses, to be the mainstay of our company in the future.

We will continue to reduce uncertainty for sustainable growth and sharpen our business focus through selection and concentration. We will strive to create services that can be used by a greater number of people in the future.



Pursuit of “Grofitability” (Growth x Profitability)

Pursue high growth potential while generating solid profits



Simultaneous pursuit of sales growth and profit growth

One of the main features of our management policy is our approach to profit.

With regard to management style, we are aware that it is generally considered acceptable for a company that adopts the so-called J-curve model, in which losses are incurred in the early stages and the company recovers the invested principal over the future, to post a correspondingly large loss as long as the top line grows significantly.

We believe that this model is acceptable only when several conditions are met, including the supply of funds and user/client stock. We are aware that there have been significant changes in the fund-raising environment in the recent past, such as the increase in policy interest rates by the Federal Reserve Board (FRB), and we believe that the idea of recovering invested principal in the distant future is becoming less acceptable than in the past.

On the other hand, there is another way of thinking that focuses on efficiency, eliminating waste as much as possible, and steadily building up profits after that. We believe that prioritizing the pursuit of immediate profits based on a short-term perspective may sacrifice future growth, which is not necessarily desirable.

We believe that growth while generating appropriate profits is the key to sustainable management. At the same time, however, we do not want to be shortsighted and lose future opportunities. Therefore, we believe that it is important to pursue both high sales growth and profit growth. The creation of Z CORE, as stated in our 2nd Mid-Term Management Plan announced in May 2021, is precisely what we are aiming for. The Company aims to achieve both high sales growth and profit generation in a limited period of five years.

2 Source of Value Creation

3

Investment Strategies to Accelerate Growth

- Expansion and Reproduction Spiral through M&A
- Value Up through Original PMI “ZVI”
- Maximize upside potential through access market expansion

Expansion and Reproduction Spiral through M&A

Achieve discontinuous and reproducible growth through disciplined and proactive mergers and acquisitions

One of our strengths is our M&A strategy. We have completed a cumulative total of 21 M&A transactions since going public, and we have know-how of the sourcing and origination^(Note 1) phase to execution and PMI^(Note 2) after acquisition.

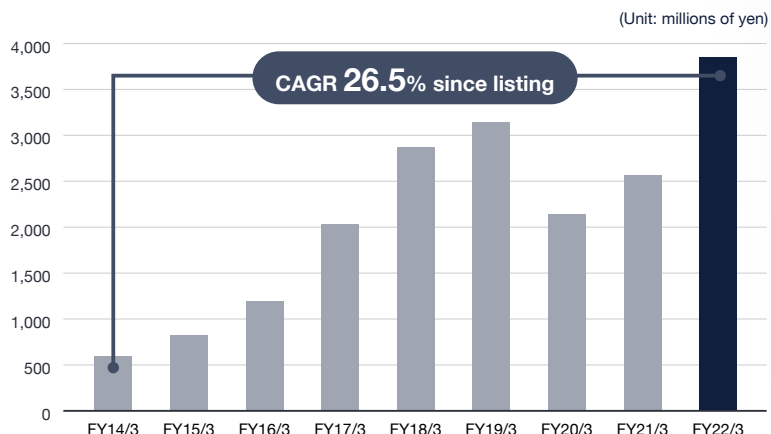
In particular, in the media business, we have achieved high growth in a relatively short period of time by making full use of our unique PMI method that leverages our core strengths in matching technology.

By investing cash flow generated through the growth of existing businesses and acquired companies in M&A and accelerating the growth of target companies by taking advantage of our aforementioned deal-seeking capabilities and unique PMI, etc., we are able to achieve relatively high M&A returns, return on investment, and early return on investment. We have achieved “discontinuous” and “highly repeatable” growth by increasing cash flow generation through disciplined and aggressive strategic investments, and then using the cash flow generated to fund new M&A activities.

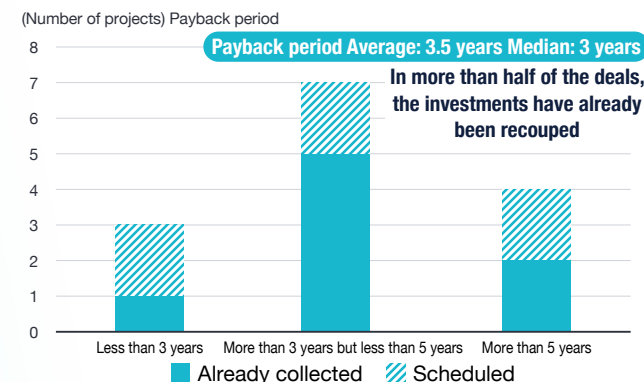
Note 1: Sourcing origination refers to the process of identifying M&A deals and selecting target companies.

Note 2: PMI stands for Post Merger Integration, an integration process to maximize post-M&A integration effects.

Consolidated operating cash flow



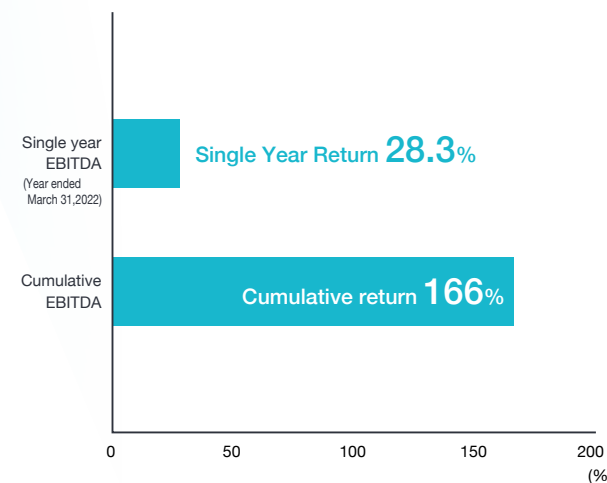
Return on investment by project



Note 1: Calculated excluding the most recent one-year period and deals that have been sold in the past.

Note 2: Businesses/enterprises that are highly related to businesses/enterprises acquired in the past and that are considered to be more reasonable if they are considered as a single entity are considered as a single entity.

M&A Returns



Value Up through Original PMI “ZVI”

Original PMI method “ZVI” to increase return on investment

We are actively engaged in M&A as an option to accelerate our growth. Since our listing on the stock exchange, we have conducted 21 M&A transactions as of July 31, 2022. The M&A process has been conducted from the sourcing phase, which is the process of searching for potential projects and uncovering potential needs, to the execution phase, which includes due diligence and contract conclusion, and the post-M&A PMI phase. In addition, we have accumulating knowledge and experience in the post-M&A PMI phase.

In the sourcing phase, the Company is engaged in sourcing projects by utilizing all means and channels, including banks and other financial institutions, venture capital and other investment companies, and other proprietary channels.

We also receive inbound proposals directly from sellers who have read our M&A track record. In addition, we expect an increase in the number of companies that include M&A as an option due to the current deterioration in the financing environment and other factors.

In the execution phase, our first premise is that we will basically acquire 100% of the target company’s shares and turn it into a wholly owned subsidiary.

While respecting the culture and systems of the target company, we actively participate in its management. Therefore, after joining the ZIGExN Group, we will transfer the person in charge from our company and work hands-on to enhance the value of the target company. We are also working to improve user attraction and CVR by leveraging our strength in matching technology to address the marketing improvement potential of the target companies identified during the sourcing phase. The Company also holds weekly management meetings to share knowledge and information among business officers and representatives, and focuses on business performance growth through a high-speed PDCA cycle. We believe that this series of performance improvement measures increases the probability of success of our M&A investments and contributes to a return on investment in a relatively short period.

ZVI (ZIGExN Value Integration) Process



Examples of Value Up with ZVI

We use a variety of methods and routes to find new projects, and our target areas include human resources, real estate, renovation, travel, and other areas. However, the basic common denominator among the target companies is that there is a great deal of room for marketing improvement.

Vertical HR’s REJOB Co., Ltd, one of the company’s largest and No. 1 services in the industry, has increased its sales and operating income by more than 5 times and 35 times, respectively, in the fiscal year ending March 31, 2022, compared to the levels prior to joining the company.

In addition, in Living Tech’s renovation business, thanks to our matching technology, the profit margin has improved by more than 20% compared to before joining the company. The platform now boasts one of the industry’s largest client attraction capacities.

In addition, Life Service’s partner solution business was acquired in December 2020, and in the fiscal year ended March 31, 2022, sales increased 24% year-over-year and operating income increased 31% year-over-year, showing steady growth in business performance after joining our company.

In addition to the cases discussed above, we have also improved the business performance of many other businesses. MIRAxS Co., Ltd., whose shares were acquired in September 2020, and Struct, Inc., which became a group company in May 2022, are engaged in the job placement business.

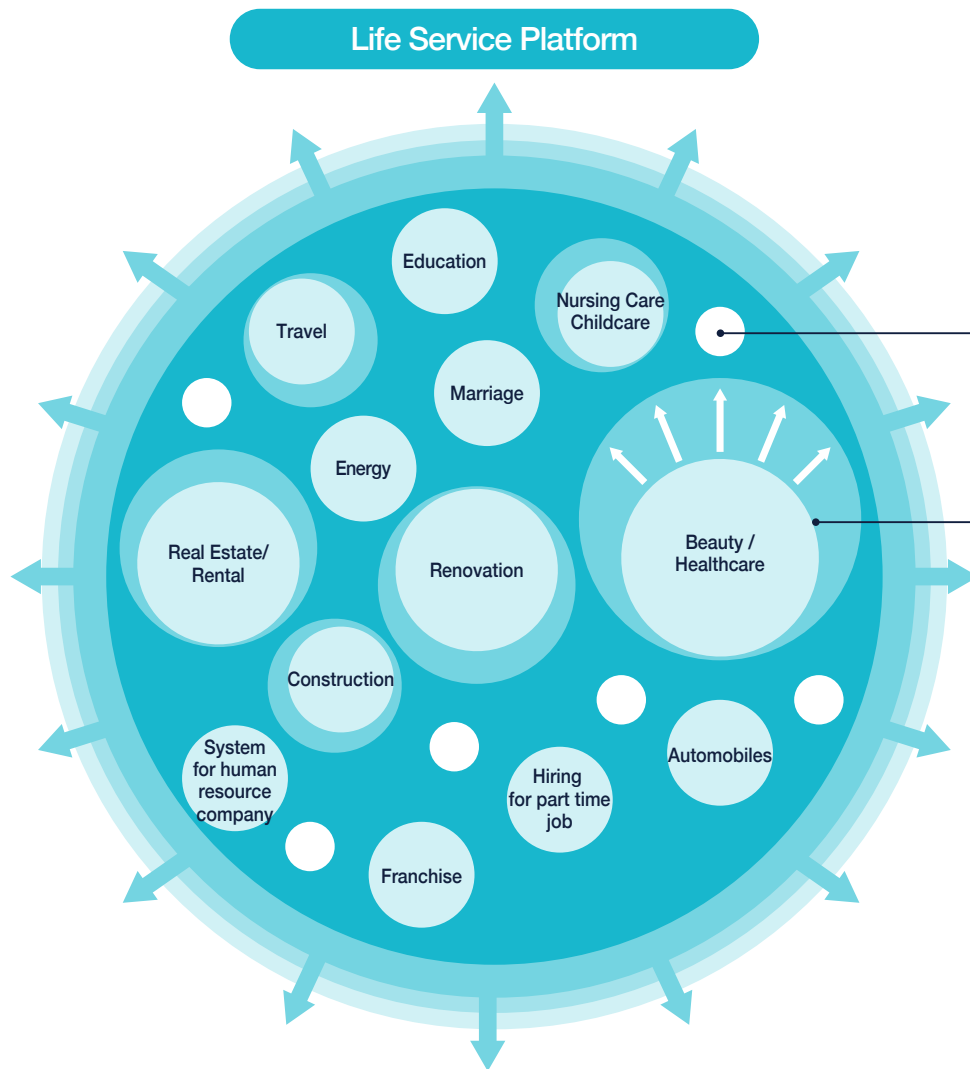
This is a bit of a challenging case for us, but we will strive to improve our performance in the future while taking advantage of our strengths.

Note: Partner Solution refers to the comparison media business centered on franchise comparison sites, which was acquired in 2020/12.



Maximize upside potential through access market expansion

Aiming to expand TAM and SAM/SOM with a focus on areas related to people's lives



Expansion of TAM through entry into new areas

Unlike management that focuses only on specific areas, the company is actively diversifying its business by focusing on businesses that are expected to grow by attracting more users. The Company is also aggressively pursuing investment strategies, and by entering new business areas through M&A, the Company is expanding its business field. This will enable us to expand our access to TAM.

The Company has been developing a recruiting business mainly in the part-time job industry as its founder's business. In September 2014, we acquired REJOB Co., Ltd to enter the beauty and health-care market, and in 2018 we acquired Apple World Inc. We entered the renovation and energy industry through I AND C Cruise Co. (currently in the renovation business) in 2020, and most recently, in May 2022, we acquired Struct, Inc. in order to enter the construction business field. The TAM of our Company has grown considerably, and many of our businesses have achieved growth in business performance since joining the Group.

This option to access new areas allows us to approach a wide range of fertile markets, and our ability to continue to support this expansion through M&A strategies is one of our strengths.

Efficiently expand client base and strengthen existing businesses through SAM/SOM expansion

The Company has been developing its business based on a growth strategy of strengthening its ability to send users in existing areas, expanding its client base, and expanding into new areas. In particular, since listing, the Company has been pursuing M&A activities to expand its client base and entering new business field.

The number of corporate clients, which is also a company-wide KPI, was only a few hundred at the time of listing, mainly major media companies due to the characteristics of the business model, but by the fiscal year ending March 2022, the number had grown to over 20,000 companies, and many people, mainly small and medium-sized corporations, are using our platform.

We are also pursuing M&A to acquire companies operating in domains adjacent to those in which the Company already operates and projects that enable us to upsell and cross-sell to our client base, thereby accelerating growth in existing businesses. In addition to this expansion of TAM through entry into new areas, we are also working in parallel on an investment strategy that will expand SAM/SOM.

We will continue to steadily build up the number of corporate clients and deepen our existing business.

Note: TAM → maximum market size that can be acquired, SAM → market size that can actually be served, SOM → market size that can actually be acquired

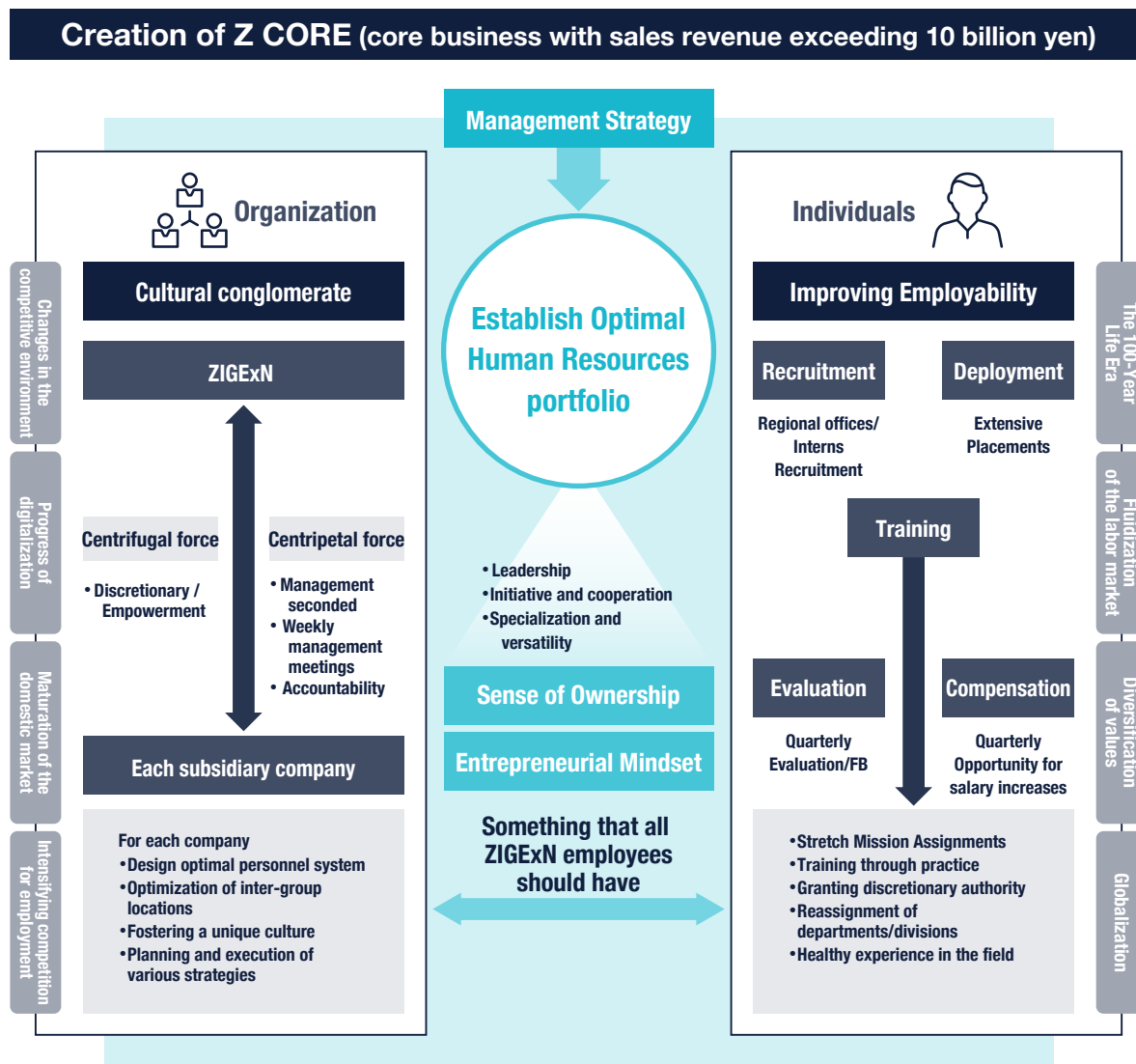
2 Source of Value Creation

4

Human resource strategy integrated with management strategy

- Human resource strategy to maximize individual and organizational strength
- Formation of a group of business entrepreneurs
- Laying the Groundwork for Well-doing Acceleration

Human resource strategy to maximize individual and organizational strength



Raising individual employability

In order for our company to generate overwhelming growth, it is essential that we have a diverse workforce of professionals. In addition, we are actively pursuing M&A opportunities as part of our investment strategy and is working to increase the value of the subject company on a hands-on basis. Therefore, it is even more important to develop and secure human resources who can drive the management of the target business and who have diverse expertise.

We are implementing initiatives to improve employability in each process of recruitment, placement, development, evaluation, and compensation. In particular, we place particular emphasis on “development” as a theme of high importance. Specifically, through assignments to stretch missions, etc., we provide opportunities to gain practical, hands-on experience.

In this way, we strive to improve the employability of our employees in the shortest possible time. We believe that this will contribute to the improvement of each employee’s market value as a business professional and, in turn, to the enhancement of our organizational strength.

A “culture conglomerate” organization

Our group consists of 15 companies in total. In order to promote such group management, a high level of organizational management is required.

Each company has its own culture, and it is not always necessary to conform to ZIGExN’s culture. In M&A, it is also important to utilize a good culture prior to joining the group. We use the term “cultural conglomerate” to describe our culture.

In addition, we are given a great deal of discretion to optimize the design of human resources, site management, and various strategies in line with the strategies of each company.

On the other hand, as a member of the ZIGExN Group, we hold weekly management meetings (business management meetings) as part of our efforts to firmly increase our centripetal force. At this meeting, representatives, directors, and other business officers gather to engage in lively discussions and share know-how.

Note: Employability is a combination of the words “employ” and “ability”. It refers to the ability to be employed, including expertise, practical skills, and the ability to build interpersonal relationships.

Formation of a group of business entrepreneurs

Training and producing “business entrepreneurs” who are both entrepreneurs and management

As a group of business entrepreneurs, we are committed to operating our business to achieve overwhelming results and transform the world.

The ZIGExN Group operates businesses in a wide range of areas, including beauty, real estate, renovation, and travel. Therefore, it is essential to have “business entrepreneurs” who have an entrepreneurial mindset. We believe that the development of these business entrepreneurs is particularly important to support the future growth of the ZIGExN Group, and we are focusing our efforts on their development.

In order to create human resources capable of driving our business, our first focus is on recruiting and training new graduates. We believe that giving them a wide range of discretion and allowing them to make their own decisions as early as possible will lead to their rapid growth.

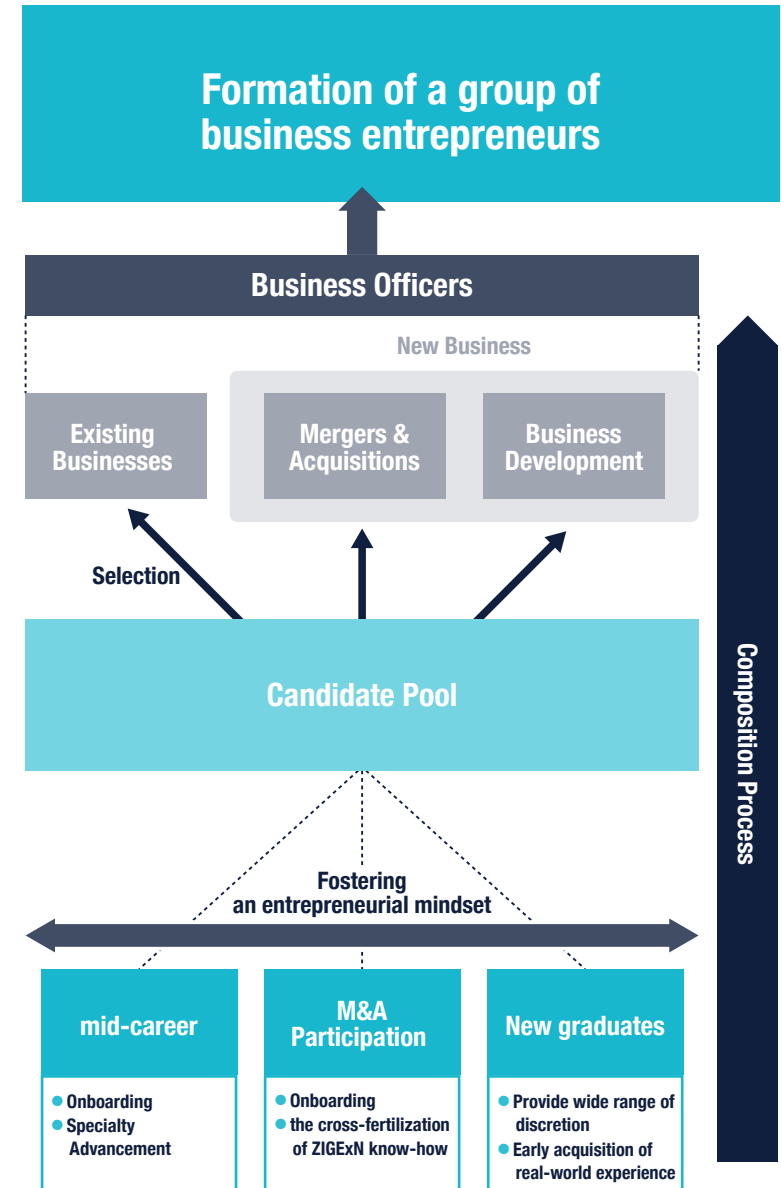
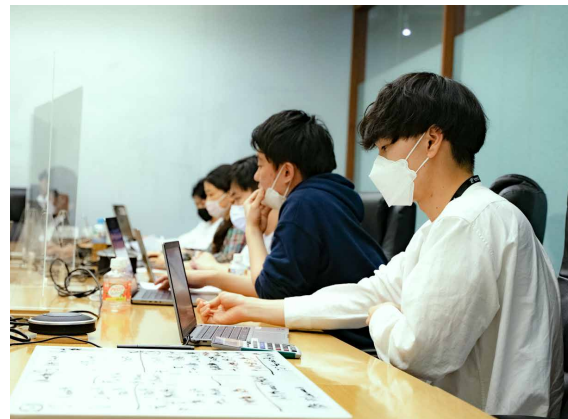
New graduates absorb things quickly, and onboarding into ZIGExN’s culture is smooth. Therefore, we are working to develop human resources who can take charge of ZIGExN’s management in the future by providing opportunities to tackle challenging missions at an early stage, focusing on achieving rapid growth, etc.

In mid-career recruiting, they further sharpen their expertise by combining it with ZIGExN’s knowledge, and all of our employees focus on achieving further growth by fostering the entrepreneurial mindset.

Many of them have joined the ZIGExN Group through M&A. By utilizing their entrepreneurial, management, and entrepreneurial perspectives, and by combining them with our knowledge, they have become active as business officers.

As described above, our business officers are made up of a diverse group of new graduates, mid-career workers, and M&A participants. We provide an environment in which each person can be active while making the most of their background and strengths.

ZIGExN’s business officers cover a wide range of areas, and they need to manage people, products, and money well. We will continue to strive for the sustainable enhancement of our company’s firm value by producing entrepreneurs who can take on these responsibilities through our training process.



Laying the Groundwork for Well-doing Acceleration

Realization of “Well-do-being”

The Group has always focused on improving individual capabilities and enhancing their employability, or “well-doing”, by providing a healthy and rigorous training environment for employees.

The shift from membership-based to job-based employment and the promotion of side hustles to increase the mobility of human resources have all contributed to changes in the labor market during the coronavirus pandemic. The importance of career development and the maintenance of mental and physical health of each employee is increasing for both companies and employees. In this context, it is becoming increasingly important for both companies and employees to ensure the career development and mental and physical health of each employee.

In addition to achieving further growth as individual employees through “Well-doing”, we will also strengthen our efforts to achieve “Well-being”, or a good state of mind and body.

We have adopted a new term, “Well-do-being” which is unique to our company, and we will further strengthen “Well-doing” by securing “Well-being”.



Enhancing Well-doing

While we are striving to ensure our well-being, we are also focusing on further strengthening our strengths as a “well-doing” company, including the design of various systems.

For example, because of the high importance of the management layers who drive the Company’s management, the Company has been working to pass on about 20 years of management know-how by providing lectures and training directly from Mr. Hirao, Representative director.

Examples of our efforts	Incentive and skill improvement programs
NEW	Management training by representative, and ZET (side job system)
Update	Revision of Personnel Reward System, Revision of New Graduate Training Content, and ZEUS (commendation system)
Keep	Holding study sessions, subsidies for book purchases, subsidies for certification acquisition, and ZIGE-HAN (recruitment system), BigBang Z (business evaluation system), committee system, etc.



Ensuring Well-being

We are working to ensure diverse work styles and design various systems to strengthen well-doing.

One example of a new system is the flextime system. One of the reasons for the introduction of this system is to create an environment that emphasizes output under the new normal, to raise awareness of work efficiency to finish work during core hours, and to promote flexible work.

The system is also designed to strengthen the company’s ability to recruit new employees by ensuring flexible work styles. In addition, in conjunction with the establishment of new offices in Kyoto and Oita, we have also introduced a regional regular employee system.

Examples of our efforts	Work & Vacation & Other
NEW	Flextime system, limited-area regular employee system
Update	Telecommuting system, employee surveys (motivation cloud, proprietary surveys), etc.
Keep	Shortened working hour system, paid vacations, special vacation, childcare vacation, nursing care vacation, maternity/paternity leave, nursing care leave, GAT (Gratitude Appreciation), Fitness hour(exercise program), Wakurabu (in-house club), Family Support Leave (to participate in children’s school events, etc.) etc.

2 Source of Value Creation

5

Financial strategy to support discontinuous growth

- Clarification of Capital Allocation and Financing Policy
- Transparent shareholder return policy
- Maintain and secure a strong financial base

Clarification of Capital Allocation and Financing Policy

Raise funds with cost of capital in mind

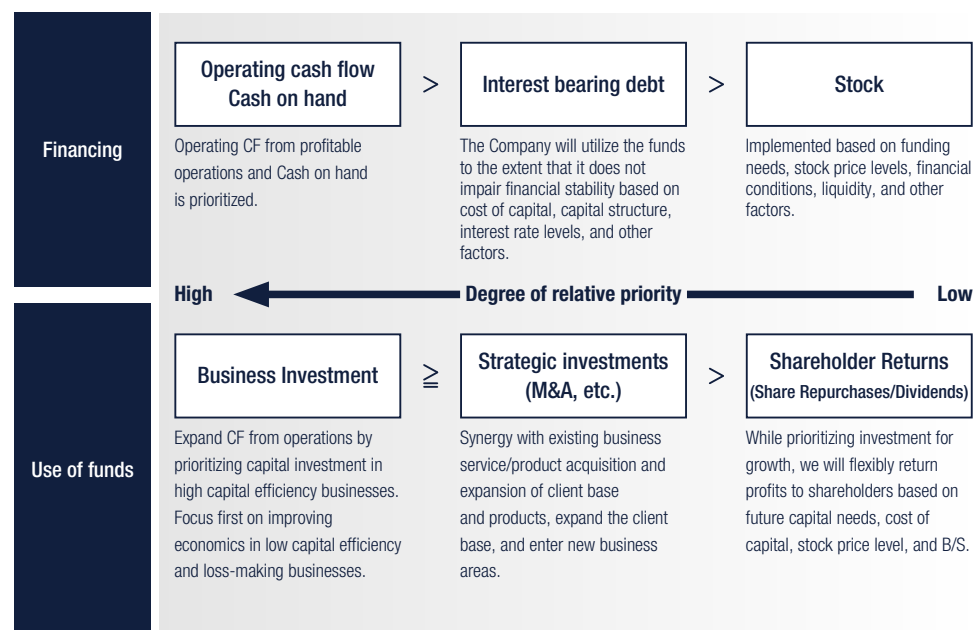
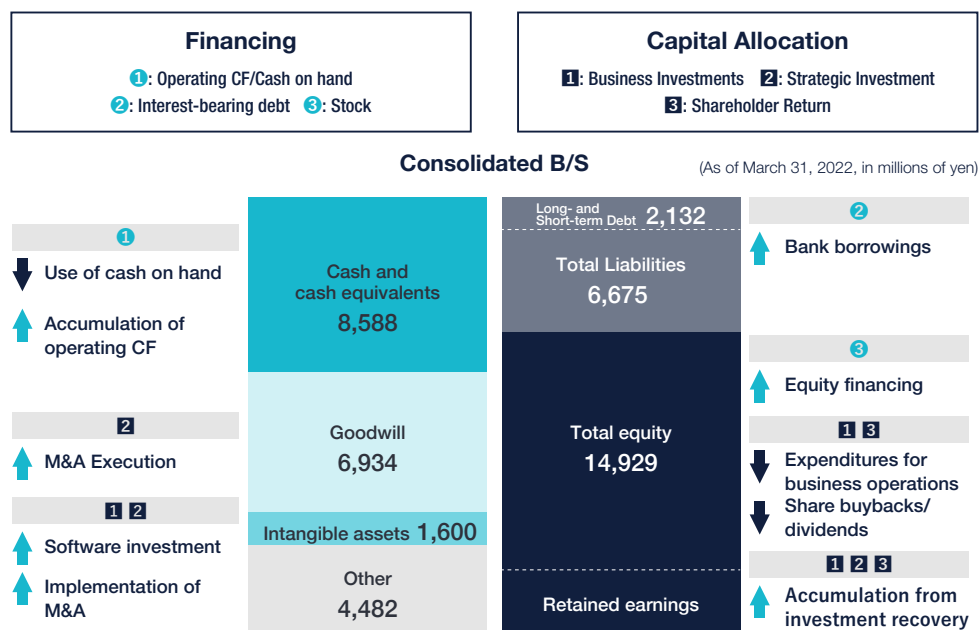
Most of our Company's businesses are capital-light businesses that do not require large capital investments or large amounts of working capital, unlike heavy industries such as the manufacturing industry. In addition, our approach is to manage our business with an awareness of capital efficiency while appropriately assessing cost-effectiveness, rather than to make large investments while incurring large losses. This is a characteristic of the Company's business operations, which tend to increase the amount of cash on the whole.

Cash and cash equivalents at the end of March 2022 were approximately 8.6 billion yen, up approximately 1.2 billion yen from approximately 7.4 billion yen at the end of the previous fiscal year. The Company's financing policy is basically to borrow from financial institutions to the extent that it does not impair safety, and to prioritize the use of cash recurring through business activities, while enjoying the effects of financial leverage such as tax reduction and ROE improvement.

Priority allocation of resources for investment in growth

In May 2021, we announced our second medium-term management plan, which calls for the creation of a core business, Z CORE, with sales revenue exceeding 10 billion yen by the fiscal year ending March 31, 2026.

We will allocate each resource based on the PMF status of each business, with a focus on REJOB in the Vertical HR industry and SMOCCA in the Living Tech industry. We also consider our M&A strategy to be one of our strengths, and have conducted 21 M&A transactions since listing on the stock exchange. In terms of M&A return on investment, the Company believes that the M&A contribution amounted to 11.3 billion yen, while the cumulative EBITDA of the acquired company/business was 166%, or 28.3% for the single year ending March 31, 2022, which is a relatively high return on investment. Therefore, we will place the highest priority on M&A investments to strengthen existing businesses and to achieve discontinuous growth in order to increase shareholder value through cash allocation. If there are surplus funds available after making these investments, we will return profits to shareholders, taking into consideration the current stock price level and other factors, as well as the perspective of balance sheet management.



Transparent shareholder return policy

Share Repurchase Policy	Dividend Policy
<p>Net income attributable to owners of the parent</p> <p>-) Strategic investments (M&A, etc.)</p> <p>-) Total dividends</p> <hr/> <p>= Maximum share repurchase limit for the next fiscal year</p>	<p>Medium- to Long-Term Dividend payout ratio</p> <p>12 ~ 20%</p>

Clarification of return policy with capital efficiency in mind

As a company that operates a life service platform business, we have set the improvement of “growth potential” as our top priority management issue and have taken a proactive position in investment activities centering on M&A. From the viewpoint of “safety”, we have set the ideal financial levels of an equity ratio attributable to owners of the parent of 40% or more and goodwill to capital ratio of 1.0 or less. The company was listed on the Mothers market of the Tokyo Stock Exchange in November 2013, and the Company has achieved a goodwill-to-equity ratio of 0.5 times and an equity ratio attributable to owners of the parent of 69.1%, while achieving a sales revenue growth rate of 30% for the fiscal year ending March 2022.

In order to further enhance shareholder value, we have introduced a new financial policy for shareholder returns from the fiscal year ending March 31, 2020 from the perspective of capital “efficiency”. Specifically, the parent company’s financial policy starting from the fiscal year ended March 31, 2020 is as follows. The policy is to set the maximum limit for share buybacks in the following year (n+1) at the amount obtained by subtracting the amount of strategic investments (*) and total dividends from the net income attributable to owners of the parent company in the year “n”. The Company will ultimately carry out share repurchases based on the formula for its share repurchase policy, taking into consideration the current share price level, ROE, share liquidity and other factors.

We also recognize the importance of providing highly stable shareholder returns through dividend payments. The Company’s medium- to long-term dividend policy is to maintain a payout ratio of 12% to 20%.

(Note) Strategic investment refers to investments made by the Company in order to acquire highly valuable management resources such as M&A and capital tie-ups.

Maximize shareholder value through flexible and stable profit returns

Based on the belief that “growth”, “safety”, and “efficiency” are all important, we place the highest priority on growth. While growth is our first priority, we will not unnecessarily accumulate surplus funds when strategic investments fall within the scope of periodic profit/loss. We are also working to further enhance shareholder value by implementing a flexible capital policy.

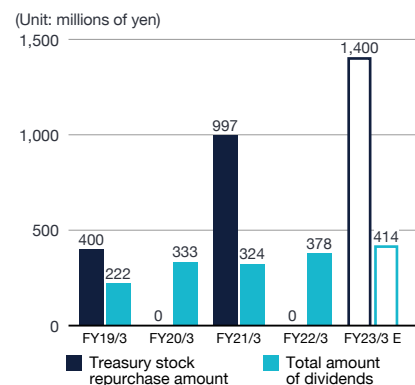
The total amount of dividends has been gradually increasing in line with the stable expansion of dividends per share (DPS). We plan to increase the dividend per share from 3.5 yen in the previous fiscal year to 4.0 yen in March 2023.

With respect to share repurchases, the maximum limit of share repurchase for the following fiscal year (ending March 31, 2023) is set at 1.4 billion yen (maximum of 4.7 million shares, or 4.3% of total shares issued), taking into account that net income attributable to owners of the parent company was 2.3 billion yen and strategic investments of 0.4 billion yen, and total dividends of 0.4 billion yen for the fiscal year ending March 31, 2022.

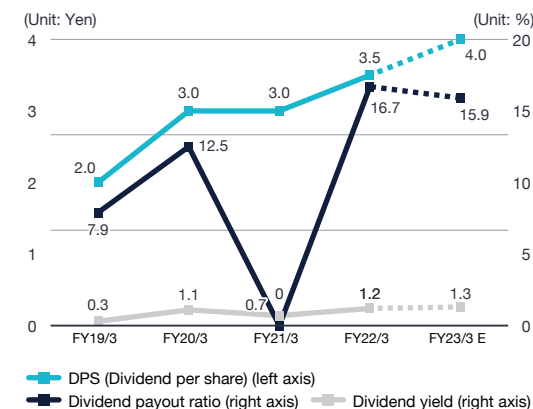
We recognize the significance of implementing a flexible capital policy because of the current unfavorable market environment. We will continue to focus on achieving our medium-term management plan, Z CORE, with the highest priority on medium- to long-term business expansion.

We will also aim to sustainably expand the source of returns to shareholders, and if there is a surplus in profits generated by the growth in business performance or in accumulated cash, we will make appropriate distributions to shareholders.

Share Repurchases and Total Dividends



Dividend per Share, Dividend Payout Ratio, Dividend Yield



*FY21/3 includes impairment loss on goodwill, etc.

*Dividend yield in FY23/3E is calculated based on the share price at the end of FY22/3.

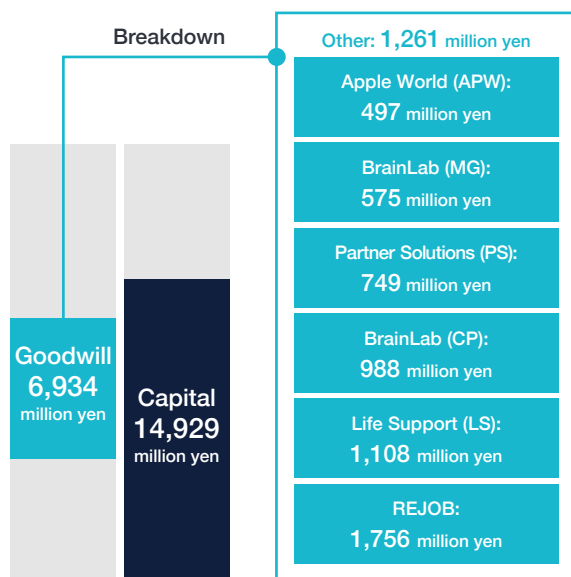
Maintain and secure a strong financial base

Strong financial base to support investment strategy

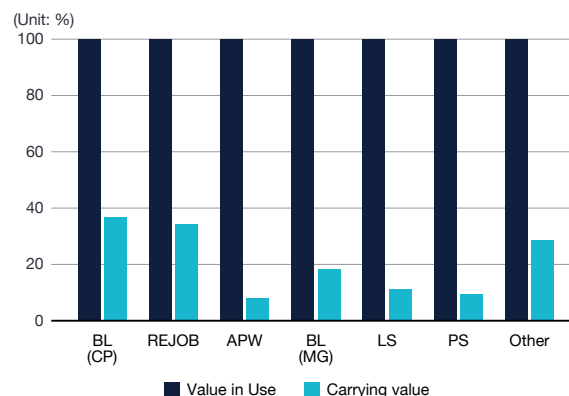
As the Company is aggressively pursuing its investment strategy through mergers and acquisitions, goodwill accounted for approximately 32% (6,934 million yen) of the Company's total assets of 21,604 million yen which is the second largest after cash and cash equivalents of 8,588 million yen in the consolidated statement of financial position (B/S). The main components of goodwill include REJOB in the Vertical HR segment, the Company's largest service and the No. 1 service in the industry, and Life Support (renovation business) in the Living Tech segment, which joined the ZIGExN Group in February 2020 and through our original PMI achieved annual sales growth of more than 50% over the level before joining the group, becoming the No. 1 renovation company in terms of average monthly renovation estimate requests.

In accordance with IFRS (International Financial Reporting Standards), the Company conducts an annual impairment test. In each of the CGUs (cash-generating units) that comprise goodwill, the value in use, which represents the present value of future cash flows, is significantly higher than the carrying amount.

Cash and cash equivalents as of March 31, 2022 were approximately 8.6 billion yen, total long- and short-term borrowings were approximately 2.1 billion yen, and the net cash was approximately 6.5 billion yen, and thus the Company is virtually debt-free. The Company is also actively pursuing M&A, and thus has the foundation to flexibly respond to future investment projects that may require large amounts of funds.



Goodwill impairment test



Note 1: In impairment testing, the higher of value in use and fair value less costs to dispose of is used as the recoverable amount, but the above figure uses value in use (calculated based on future cash flows from the business plan).

Note 2: For each CGU (cash-generating unit), the value in use is 1. ratio to the book value.

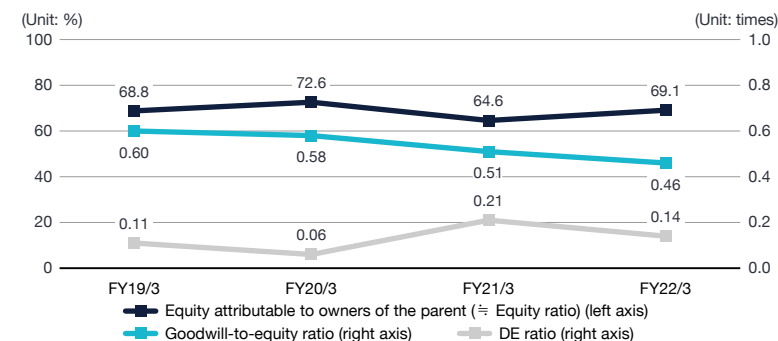
Ensuring “safety” through B/S management

In order to ensure financial safety, the Company has established a “safety” financial policy of an equity ratio attributable to owners of the parent company (\approx equity ratio) of at least 40% and a goodwill-to-equity ratio of less than 1.0x. In the fiscal year ending March 31, 2022, the Company posted a net loss due to impairment losses on goodwill in its human resources and travel industry businesses, mainly due to the effect of Covid-19 spread. The ratio of equity attributable to owners of the parent and the DE ratio worsened in the short term. On the other hand, in the fiscal year ending March 31, 2022, most of our businesses have achieved a recovery in business performance and are steadily accumulating profits. The ratio of equity attributable to owners of the parent rose to around 70%, and the DE ratio declined to 0.14.

In addition, while aggressively pursuing M&A, the company has achieved steady capital accumulation. As a result, the goodwill to capital ratio has remained at around 0.4 to 0.6 times. As of March 31, 2022, we have room for M&A involving approximately 8 billion yen of goodwill within our safety margin.

The most recent major changes in the macro environment are largely due to uncontrollable factors. However, even if major changes occur in the business cycle, business environment, investment environment, we will ensure “safety” by building a solid foundation that can withstand such changes. In addition, that will also support our “aggressiveness” such as future investment strategies and aggressive investment in existing businesses to ensure sustainable growth.

Equity Ratio Attributable to Owners of the Parent, Goodwill-to-Equity Ratio, DE Ratio



3

Mechanisms to Support Value Creation

1 Creation of Social Value

- Basic Policy for Sustainability Activities
- Simultaneous pursuit of business activities and materiality
- Value created for key stakeholders
- Creating Shareholder Value through ESG Initiatives
- ESG Data

2 Corporate Governance Structure

- Promotion of sound corporate management
- Effective operation of the Board of Directors
- Strengthening the Offensive and the Defensive:
Interview with Outside Directors

3 Risk Analysis

- Visualization of impact through heat map analysis
- Current status of major risks and countermeasures

4 IR Activities

3 Mechanisms to Support Value Creation

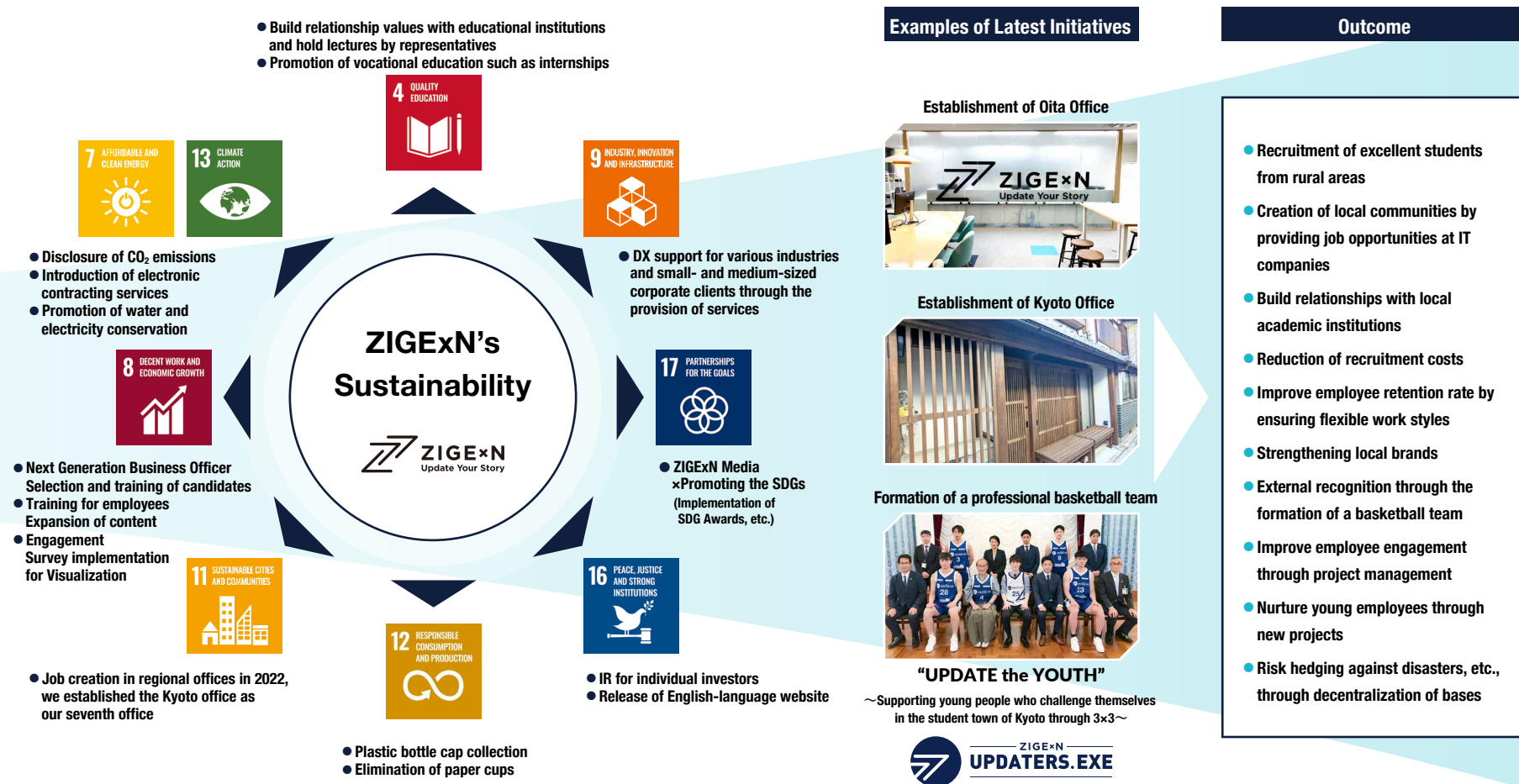
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Creation of Social Value

- Basic Policy for Sustainability Activities
- Simultaneous pursuit of business activities and materiality
- Value created for key stakeholders
- Creating Shareholder Value through ESG Initiatives
- ESG Data

Basic Policy for Sustainability Activities

Aiming to maximize life opportunities, which is our basic philosophy, the Company, as a listed company in the prime market and a public institution of society, regards addressing social issues as an important management issue and contributes to the realization of a sustainable society. The Sustainability Promotion Office, established in April 2021, plays a central role in promoting sustainability activities at the Company, referring to international guidelines such as the Sustainable Development Goals (SDGs) adopted by the United Nations and collaborating with other divisions as necessary. We will continue to focus on creating social value through our business activities.



Enhancing Social Value

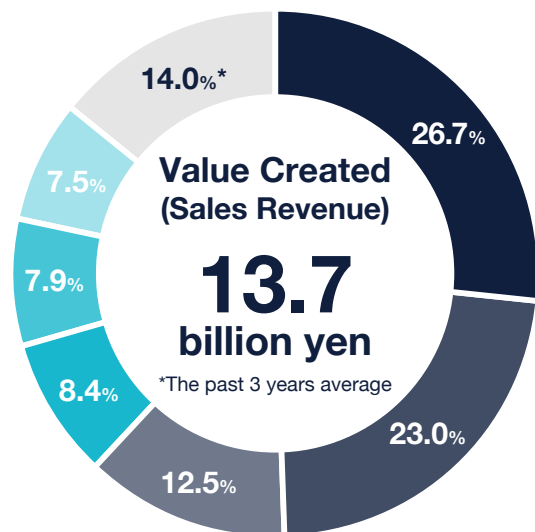
Simultaneous pursuit of business activities and materiality

Materiality	Key Actions	Outcome	Connections and trade-offs between each capital	Evaluation
Update society and industry through DX  	<ul style="list-style-type: none"> •DX support for various industries and small- and medium-sized corporate clients through the provision of services 	<ul style="list-style-type: none"> •BrainLab, a provider of core systems for staffing/job placement businesses, adds new features to support business operations •Living Tech, offering DX tools such as SMOCCA CRM and LeadCloud 	<ul style="list-style-type: none"> •The development costs associated with the release of new products had a negative impact on financial capital in the short term, but in the medium to long term, the upsell is expected to have a positive impact on financial capital 	△
Fostering SDGs engagement through media 	<ul style="list-style-type: none"> •Promoting SDG activities in a way that is linked to business activities by utilizing the media's characteristics 	<ul style="list-style-type: none"> •Contest to Recognize Examples of Sustainable Renovation •REJOB and TCV held awards to recognize member stores that promote SDG activities 	<ul style="list-style-type: none"> •Positive impact on social capital through brand image enhancement and social contribution by promoting SDG initiatives at member stores 	△
A rewarding work environment 	<ul style="list-style-type: none"> •Selection and training of candidates for next-generation business officers •Expansion of training content for employees •Implementation of surveys to visualize engagement 	<ul style="list-style-type: none"> •Produced 13 business officers •The company will continue to improve employee engagement through measures such as improved compensation and a selection system 	<ul style="list-style-type: none"> •Striving to create a rewarding workplace will have a positive impact on human capital, intellectual capital, and financial capital in the medium to long term 	△
Creation of community  	<ul style="list-style-type: none"> •Establishment of regional offices (Oita and Kyoto) •Establishment of new sports teams based in Kyoto •Strengthening of cooperation with government and educational institutions 	<ul style="list-style-type: none"> •Employment creation in Oita and Kyoto offices •Community revitalization through sports •Creation of opportunities for the next generation of young people 	<ul style="list-style-type: none"> •Positive impact on human and social capital through connections with local students and local development through sports. In the short term, this had a negative impact on financial capital, but expected to have a positive impact in the medium to long term 	○
Equal employment opportunities 	<ul style="list-style-type: none"> •Creating opportunities for lectures and talks leading to vocational education •Promoting acceptance of student internships, etc. •Cultivation and support activities for entrepreneurs 	<ul style="list-style-type: none"> •Creating job opportunities and options for young people •Publication of President Hirao's book "The Entrepreneur's Way of Thinking" •Donations to NPOs 	<ul style="list-style-type: none"> •Intern recruitment/training costs have a negative impact on financial capital in the short term, but a positive impact through reduced future recruitment costs •Positive impact on social capital through building a good relationship with academic institutions 	○
Diverse workforce 	<ul style="list-style-type: none"> •Promoting the Advancement of Women •Creating a workplace free of gender discrimination 	<ul style="list-style-type: none"> •WOMAN'S VALUE AWARD 2021 Special Award •Ratio of female managers: approx. 12% (target: 20%) •Increase ratio of women in new graduate recruitment 	<ul style="list-style-type: none"> •Ensuring diversity and providing opportunities for women's activities has had a positive impact on human capital 	△
Environmentally friendly Business activities   	<ul style="list-style-type: none"> •Disclosure of CO₂ emissions •Collection of plastic bottles and caps, elimination of paper cups, reduction of copy paper, and improvement of electronic contract ratio 	<ul style="list-style-type: none"> •Promoting employees to bring their own cups by eliminating paper cups •Promote the collection of caps within the company, etc. 	<ul style="list-style-type: none"> •Positive impact on natural resources through promotion of environmentally friendly initiatives 	○
Strengthening Governance and Ensuring Transparency 	<ul style="list-style-type: none"> •Consideration of institutional design, including compensation committee, nominating committee, etc. •Expanding disclosure to investors, shareholders, and other stakeholders 	<ul style="list-style-type: none"> •Appointment of New Outside Director •Appointment of Substitute Corporate Auditor •Expansion of information meetings for individual investors and voluntary disclosures 	<ul style="list-style-type: none"> •The increase in expenses will have a negative impact on financial capital in the short term, but positive impact on intellectual capital due to participation of experienced personnel 	○

○ Fully achieved △ Partially achieved

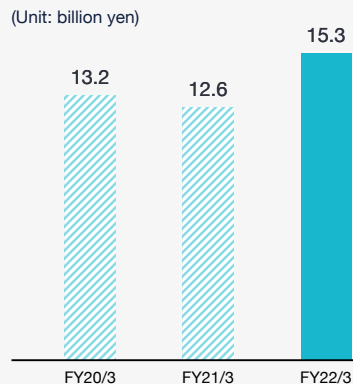
Value created for key stakeholders

Allocation of ZIGExN's Value Created



*Refers to the others.

Sales Revenues



Creation of optimal matching between users and clients



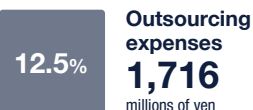
The Company operates a matching platform business in a wide range of industry, including human resources, real estate, remodeling, automobiles, and travel. By investing in advertising and promotion, we are able to meet the needs of both clients and users on our platform, and create the best matching experience.

Job creation for employees



As of the fiscal year ending March 31, 2022, the Company's consolidated workforce, excluding part-time and other temporary employees, has grown to over 700, or nearly 900 if part-time and other employees are included. While the Company has few labor-intensive businesses, it has contributed to the creation of many jobs through area and business expansion.

Creation of outside employment



In light of the recent expansion of flexible work styles such as side work and remote work, we are actively promoting the use of external resources such as outsourcing and contracting out work. We will continue to leverage our strength in developing multiple businesses in a wide range of fields to expand our business performance, thereby increasing employment both internally and externally.

Creating Value for Shareholders



The Company has a transparent financial policy of setting net income attributable to owners of the Company for the relevant fiscal year net of strategic investment amount and total dividends as the upper limit on purchases of treasury shares for the following fiscal year. We are committed to creating value for our shareholders not only through earnings growth, but also through stable dividends and flexible share repurchases.

Contributing to the M&A Ecosystem

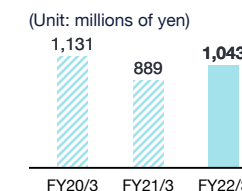
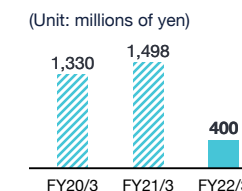
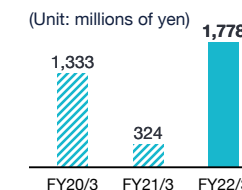
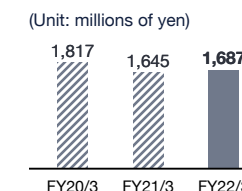
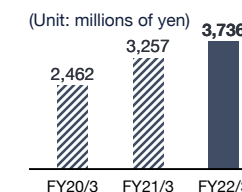
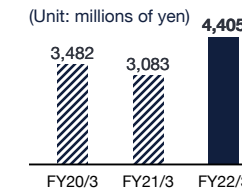


In recent years, many companies have been facing business succession problems, and even some businesses with great social significance have had to be closed. In addition, there is a lack of M&A as an exit method for start-ups compared to the USA and other countries. Under these circumstances, we believe that we can make a healthy contribution to the M&A market by intervening as an active buyer.

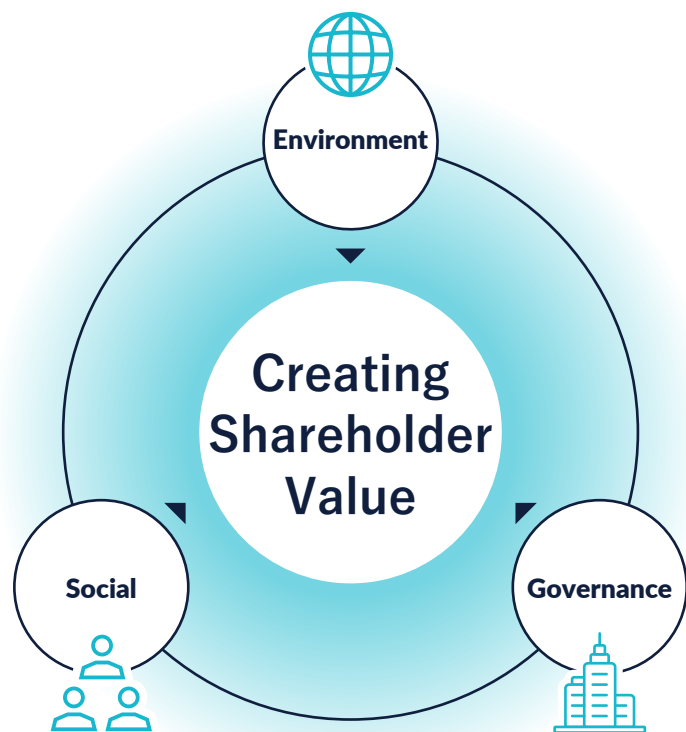
Contributions to the State/Government



The Company's basic management stance is to continue to grow sustainably, making profits while making solid investments. Therefore, we will strive to expand our business performance over the medium to long term and return a portion of our profits to society in the form of taxes.



Creating Shareholder Value through ESG Initiatives



ZIGExN's ESG Basic Policy



The Company has set up a scheme to measure CO₂ emissions within the company and to observe them at a fixed point. In the future, we will set medium- to long-term CO₂ emission reduction targets and implement initiatives to achieve them.

In addition, ZIGExN's head office will promote and encourage environmentally friendly activities such as the elimination of paper cups and the purchase of green products.



From the perspective of diversity, the Company has set the promotion of female advancement and the improvement of the ratio of managers as one of its materialities, and is promoting efforts to achieve these goals. In parallel, we will work to create an environment in which employees can be physically, mentally, and socially "in good shape" while remaining active, and to realize the well-do-being of our employees.



The Company is committed to achieving sustainable growth through the implementation of activities based on its Management Philosophy and Code of Conduct and medium- to long-term improvement of corporate value, and thereby we will make appropriate management decisions promptly and simultaneously to gain the confidence of our shareholders and other stakeholders. At the same time, we will establish a corporate governance structure that will ensure a high level of management transparency and management oversight.



Selected as a constituent in the FTSE Blossom Japan Sector Relative Index

The Index is designed to measure the performance of Japanese companies that are taking relatively good ESG actions in their respective sectors.



**FTSE Blossom
Japan Sector
Relative Index**

The Index has also been adopted as a passive ESG benchmark by the General Pension Investment Fund (GPIF).

GPIF's Adoption of the Index

<https://www.ftserussell.com/ja/press/worlds-largest-pension-fund-selects-new-ftse-russell-esg-index>

Please refer to the ESG page on our corporate website as appropriate.

URL: <https://zigexn.co.jp/en/ir/esg/>

We also publish SDG/ESG related news, please visit the following URL for more information.

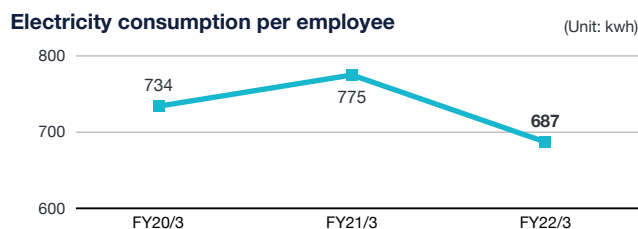
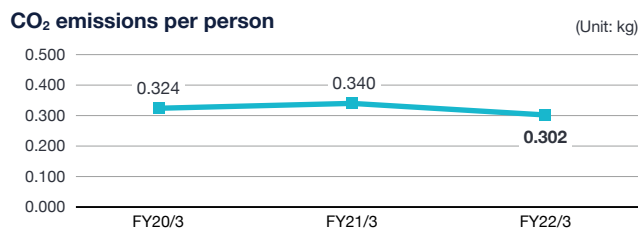
URL: <https://zigexn.co.jp/en/news/>

ESG Data

Environment

Environmental Indicators	FY20/3	FY21/3	FY22/3
Electricity consumption and CO₂ emissions			
SCOPE1	0kg-CO ₂	0kg-CO ₂	0kg-CO ₂
SCOPE2	128.5kg-CO ₂	195.9kg-CO ₂	208.8kg-CO ₂
Total	128.5kg-CO₂	195.9kg-CO₂	208.8kg-CO₂
Electricity consumption	290,751kwh	445,737kwh	475,727kwh

*SCOPE1 is CO₂ emissions from direct gas use in offices
 *SCOPE2 is the carbon dioxide emissions associated with electricity use in offices
 *Figures are for the entire consolidated group, excluding overseas offices.



*Denominator is the average number of consolidated employees (regular and contract employees) excluding overseas offices during the period.

Social

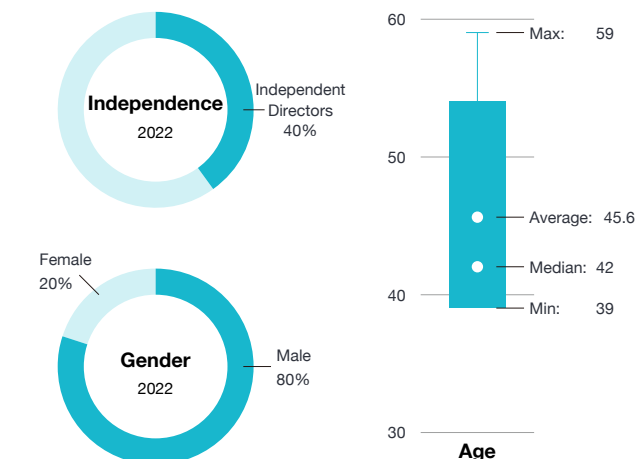
Social Indicators	FY20/3	FY21/3	FY22/3
Number of employees			
Number of regular and contract employees (total)	140	198	203
Part-time and temporary employees (total)	20	51	58
Number of managers and supervisors			
Number (total)	17	18	22
Male	14	15	19
Female	3	3	3
Number of managers and supervisors			
Number of persons (total)	12	19	25
Male	10	17	23
Female	2	2	2
Number of business officers			
Number of persons (total)	8	9	13
Average age			
Male	33	33	33
Female	32	32	33
Number of years of service			
Male	2 years and 5 months	2 years and 3 months	2 years and 8 months
Female	2 years and 6 months	2 years and 4 months	2 years and 6 months

*Social and Governance Figures are on a non-consolidated basis.
 *The average length of service of employees increased by mergers and acquisitions has not been carried over.
 *Part-time and temporary staff are annual average number of employees.
 *Each headcount excludes employees on leave (including childcare leave, etc.).

Governance

Governance Indicators	FY20/3	FY21/3	FY22/3
Board of Directors			
Number of directors (total)	3	4	5
Number of female directors (total) (ratio)	1 (33%)	1 (25%)	1 (20%)
Number of outside directors (total) (ratio)	1 (33%)	1 (25%)	2 (40%)
Number of independent directors (total)	1	1	2
Board of Auditors			
Number of auditors (total)	3	3	3
Number of outside auditors (total)	3	3	3
Number of independent auditors (total)	2	2	2

Board Diversity



3 Mechanisms to Support Value Creation

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Corporate Governance Structure

- Promotion of sound corporate management
- Effective operation of the Board of Directors
- Strengthening the Offensive and the Defensive:
Interview with Outside Directors

Promotion of sound corporate management

Our Basic Approach to Corporate Governance

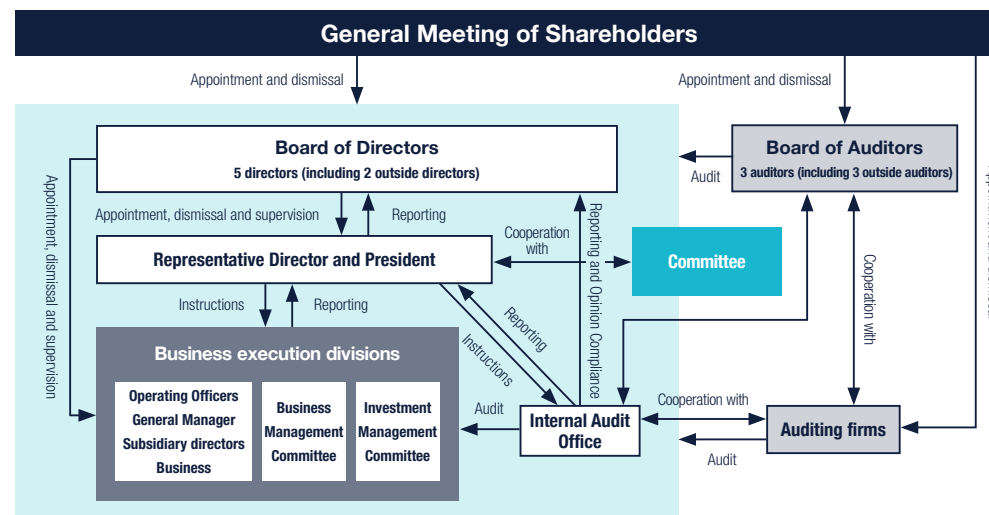
The Company has established its Basic Philosophy, Management Philosophy, and Purpose as the core of its corporate activities and as the values and principles of conduct to be shared by each of its officers and employees. We will make appropriate management decisions promptly to achieve sustainable growth and enhance our corporate value over the medium to long term, and thereby gain the confidence of our shareholders and other stakeholders.

Corporate Governance Structure

The Company has established the General Meeting of Shareholders, the Board of Directors, and the Board of Corporate Auditors, which are the bodies required by the Companies Act, to ensure appropriate management and supervision of business operations. We have also established a system in which the independent Internal Audit Office reports directly to the Board of Directors and the Board of Corporate Auditors to strengthen the monitoring function.

The Business Management Committee and Investment Management Committee, consisting of operating officers, including full-time directors, and business officers in charge of each business and subsidiary, have been established to ensure appropriate business management by monitoring business plans and verifying investments.

Governance Structure



Corporate Governance Supporting Structure

Internal Reporting System

A full-time outside corporate auditor and one outside corporate auditor serve as contact points, and any reports will be handled in accordance with laws and regulations while giving due consideration to the privacy of the whistleblower. In addition, anyone who works for the Company, regardless of employment status, can report a violation of the law. The Company's internal rules prohibit any disadvantageous treatment of the person who reports. In this way, we strive to ensure compliance by detecting and preventing violations of laws and regulations at an early stage. We are also committed to compliance with laws and ordinances.

HR Consultation

HR consultation services have been established for the purpose of improving the workplace environment and productivity, and are posted on the portal sites of each Group company and other locations. Personnel and several employees who are well versed in human resources and labor affairs serve as consultation counsellors and perform consultation regarding various types of harassment in the workplace, childcare and nursing care, and support for equal opportunity and goal attainment. This enables us to prevent and respond to problems as early as possible, and to support employees in their efforts to work in a better way.

Compliance Committee

We established the Compliance Committee consists of the Representative Director, Operating Officer and CEO, two operating officers, some employees including the head of the Internal Audit Office, and one full-time external corporate auditor and one external corporate auditor as observers. The Committee is positioned as a subordinate organization of the Board of Directors. The Committee meets once a quarter in principle to promote compliance-related initiatives and provide training.

Information security measures and incident management

The Company acquired Privacy Mark certification and established a personal information management system. In addition, the company has also established a company-wide information security project, and provides system security measures and cyber security measures such as vulnerability assessments. In addition to security, the Company will also provide a wide range of services to ensure the safety and security of its employees. The Incident Management Office, led by the Legal Department is responsible for promptly minimizing the impact of incidents and preventing their recurrence. The Legal Department leads the Incident Management Office to promptly minimize the impact of incidents and prevent their recurrence.

Effective operation of the Board of Directors

Evaluation of board effectiveness

The Company annually analyzes and assesses the whole Board of Directors with respect to operations and agenda of all meetings of the Board of Director for the year based on the surveys of all members of the Board of Directors and of the Board of Audit and Supervisory members against “the Structure of the Board of Director’s meeting”, “the Board of Directors’ Meeting Operation ” and “the Effectiveness of the Board Meeting” and others including the status of internal audit and supporting the Board Secretariat.

Attendance at Board Meetings

For the period from June 28, 2021 to June 27, 2022. All directors and auditors attended all meetings of the Board of Directors during their attended all meetings during their term of office.

Improvement items in response to the 2021 effectiveness evaluation

Item	Improvements
Items to be discussed	To address the issue of a large number of items to be resolved or reported due to some formal agenda items, the Company reviewed the Regulations on Authority to Make Decisions on Duties and Authorizations. The board discussion has been improved to focus on more important decisions, and the company’s fair and prompt decision-making has been promoted.
Executive Composition	The corporate governance system was strengthened by increasing the number of directors from four to five, two of which were outside directors.
Training	Accelerate the development of director candidates by giving operating officers the opportunity to sit on the meetings of the board of directors. The company provided several opportunities to explain corporate information to newly appointed outside directors prior to their appointment.

Items for Consideration in Response to the 2022 Effectiveness Assessment

Item	Items to be considered
Management Strategy	Increase opportunities to discuss overall and individual strategies with outside officers inside and outside the Board of Directors meetings, promote a deeper understanding of each business by outside officers, and provide information that contributes to decisions on priority allocation of resources in the overall strategy.
Management plan	Include the logic and process for developing management strategies and budgets shared and discussed by the Board of Directors for more effective planning and formulation.

Director Skill Matrix and Diversity

	Independence	Gender	Age	Business Management	Business Strategy	Technology	Organization/ Human Resources	Accounting/ Finance	M&A/PMI	ESG/SDGs
Representative Director Joe Hirao		Male	39	●	●	●	●		●	●
Director Takanori Amano		Male	42	●			●		●	●
Director Sachiko Hatano		Female	39				●	●	●	●
Outside Director Yasuo Usuba	●	Male	59	●	●	●	●	●		
Outside Director Jun Sakaki	●	Male	49	●	●	●	●		●	

Note: Ages are as of the June 27, 2022 shareholders’ meeting.

Composition of the Board of Corporate Auditors

Full-time Outside Corporate Auditor Shoji Onoue	After serving as an Executive Officer of Mitsui Mining & Smelting and as a full-time External Corporate Auditor of Culture Convenience Club, he has been a member of the Board of Directors of the Company.
Outside Corporate Auditor Takashi Miyazaki	Partner at the law firm of Nagashima Ohno & Tsunematsu. He has been an external auditor of the Company since 2016. Attorney at Law.
Outside Corporate Auditor Kengo Wada	After working for KPMG AZSA & Co. and GCA, he established A.I. Partners, Inc. as Representative Director. Certified Public Accountant. External auditor of the company since 2017.
Election of Alternate Statutory Auditor	The Company has elected one (1) Substitute Corporate Auditor pursuant to Article 329, Paragraph 3 of the Companies Act in preparation for a shortage in the number of Corporate Auditors stipulated by law.

Strengthening the Offensive and the Defensive: Interview with Outside Directors



Yasuo Usuba

Born in April 1963.
1987 Joined Recruit Co.
2002 Joined IBM Japan, Ltd.
2006 Joined GE Consumer Finance Co.
(now Shinsei Financial Co., Ltd.)
2008 Joined Recruit Co.
2011 Joined Google, LLC
General Manager of Channel Sales Division
2021 Joined LocationMind, Inc.
2021 Director and COO of LocationMind Co. (to present)
2021 Outside Director of the Company (to present)

Visualizing the positives and negatives during the COVID-19 pandemic

It has been almost a year since I became an outside director in June 2021. The period in which I can say “because of the COVID-19 pandemic” has already passed, and the time has come to ask how we can adjust to these changes and provide new value to our users and clients from now on.

It is not only ZIGExN that has been affected by the pandemic, but also ZIGExN’s clients. There must have been both good and bad influences.

It is necessary to visualize the “positive and negative impacts generated by the pandemic” for each business’ clients and users, respectively. Then, we need to come up with measures to maximize the positive impact on clients and minimize the negative impact. We believe that we must support the establishment of new standards in each industry as quickly as possible by carefully listening to the clients’ needs and making a list.

We believe that companies that can provide such support will be supported and will be able to survive.

ZIGExN is often focused on the strong leadership of CEO Hirao, and I had the same impression before I joined the company. However, the actual Hirao-san that I saw at the board of directors’ meetings I feel that Hirao-san is a leader who listens to everyone’s opinions honestly and does not take charge of the situation until all discussions have been completed. During the waiting time at the shareholders’ meeting, Hirao-san took the initiative in enlivening the atmosphere as a host. I feel that the corporate culture is one of openness and teamwork. I would like to support the creation of a company that can make proposals that transcend industry precedents and conventions by taking advantage of its young mobility and this teamwork.



Jun Sakaki



Born in July 1972.
1997 Joined Dai-ichi Kangyo Bank, Ltd.
(now Mizuho Bank, Ltd.)
2003 Joined Boston Consulting Group
2009 Joined AlixPartners
2013 Joined Ichiyu Co.
2014 Vice President and Director of Ikyu Corporation
2016 President and Representative Director of Ikyu Corporation (to present)
2021 Executive Officer, General Manager of Travel Division, Yahoo Japan Corporation
General Manager, Travel Division (to present)
2022 Outside Director of the Company (to present)

Sharpen our services and grow them into a core business that is 10 times bigger

I have been appointed as an outside director in June 2022. I just attended my first board meeting today, and I found ZIGExN’s members to be very business oriented in their approach. This may be due to the large number of business industry, but each one of us has the look of a “business entrepreneur” and thinks about the business as a whole. As one would expect from a group of “business entrepreneurs”, they have a sense of ownership and commitment to their individual KPIs.

On the other hand, in order to become the service of choice for clients and users in a competitive environment, it is not enough to talk about the business with KPIs as the main focus. The challenge for the future will be to be able to talk about the strengths of each business with the subject line “The reason why clients and users should use this service is XXXX.”.

I have owned and operated a company in the travel industry called Ikyu. I have had to deal with companies much larger than my own company, which is common to many of ZIGExN’s services.

In order to grow a business that can compete with the giants, we may need to further sharpen our client experience. A tech-oriented approach may be effective. In retrospect, minor changes can lead to an increase in the number of users or an expansion of the business scale.

In order to grow the business not twofold or threefold, but tenfold, and to create core businesses in the future, I would like to work together to refine the “values in the details” rather than merely expressing opinions in a high-handed manner.

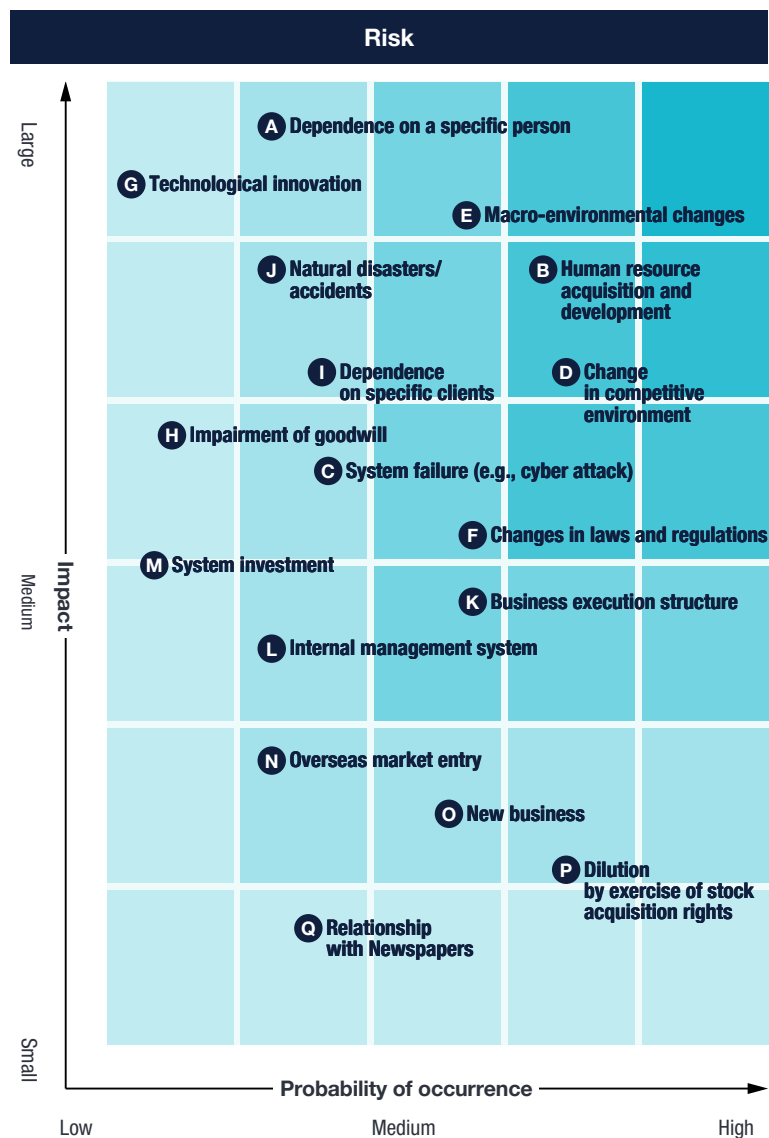
3 Mechanisms to Support Value Creation

3

Risk Analysis

- Visualization of impact through heat map analysis
- Current status of major risks and countermeasures

Visualization of impact through heat map analysis



Basic Risk Policy

The risks faced by companies continue to rapidly diversify due to changes in social conditions and the environment, and we are exposed to all kinds of risks, from those that are common to all companies to those that are unique to us.

These risks are not necessarily controllable or predictable and may have a significant impact on the Company when they materialize. However, we recognize that it is essential for the Company to establish a basic policy to address these risks, and to organize and take countermeasures in advance.

The Company believes that one of the most important aspects of internal control is risk management. We have documented appropriate responses to risks such as natural disasters, infringement of intellectual property rights, and information leaks, and are prepared to respond promptly and manage such risks. In addition, the Corporate Administration Department works closely with each business division to collect and share information at all times to ensure the early detection and prevention of risks. The Business Management Department works closely with each business unit to collect and share information at all times to ensure the early detection and prevention of risks.

Visualization of key risks to understand current status

The major risks that could affect the Company are largely divided into external and internal factors. External factors include changes in the macro environment, including trends in the Internet market; changes in the competitive environment, such as the entry of emerging players and intensified competition with major companies; intensified competition for human resources due to the decline in the working-age population; changes in existing concepts and frameworks due to technological innovation; revisions to laws and regulations; and other factors, such as climate change. The occurrence of natural disasters due to climate change and other factors are also possible.

With regard to internal factors, these include the high degree of dependence on CEO Joe Hirao, who has led the Company's management since its founding, the accumulation and strengthening of human capital, system failures and information management, and the occurrence of unexpected events after strategic investments.

Although the external and internal factors mentioned above could affect the Company's performance if they materialize, the Company is committed to responding to these risk factors by improving its organizational structure and strengthening internal controls. The Company is working to address these risk factors through the development of organizational structures and the strengthening of internal controls.

For example, with regard to changes in the macro environment, the Company's recruiting and travel businesses faced extremely difficult conditions amid the spread of the new coronavirus infection from the beginning of 2020. In addition, the central banks of various countries have been easing monetary policy on a large scale, which has accelerated the inflow of capital to emerging companies, and this has led to an increase in recruiting power and competition for human resources.

Under these circumstances, the Company works to address the emergence of risks by changing its strategy in light of macroeconomic changes and by diversifying its human resource recruitment methods through new initiatives.

We will continue to prevent risks from materializing in advance by regularly analyzing risks and understanding the current situation, and when they do materialize, we will make appropriate decisions and take prompt actions to ensure sustainable growth.

Current status of major risks and countermeasures

Classification	Risks	Most Recent Trend	Controllability	Current Conditions	Countermeasures
Operating Structure	A Dependence on a specific person	↔	△	<ul style="list-style-type: none"> Since the company's founding, Joe Hirao, Representative Director, Operating Officer and CEO has made significant contributions to the company's management policy and business strategy 	<ul style="list-style-type: none"> Sharing information to directors and executives at management meetings, etc., and strengthening the management structure and transfer of authority as necessary to reduce dependence on Mr. Hirao
	B Acquisition and training of human resources	↑	△	<ul style="list-style-type: none"> Increased hiring power due to larger funding of startups, etc. Competition for talent in engineering, sales, marketing, etc. 	<ul style="list-style-type: none"> Building relationships with excellent students by establishing local offices and collaborating academic institutions
	C System failure (cyber attack, etc.)	↑	△	<ul style="list-style-type: none"> Cybercrime arrests at all-time high Both domestically and internationally, ransomware is becoming increasingly prevalent as digitization progresses 	<ul style="list-style-type: none"> System and endpoint security measures Vulnerability information collection and response
Business Environment	D Changes in the competitive environment	↑	△	<ul style="list-style-type: none"> In some areas, such as the nursing care field, the competitive environment has worsened due to the emergence of new companies and the strengthening of advertising bids by large companies 	<ul style="list-style-type: none"> Information gathering and implementation of measures through competitive analysis Pursuit of unique added value through products and functional enhancements
	E Changes in the macro environment	↑	⊗	<ul style="list-style-type: none"> Demand is recovering due to the spread of vaccines and easing of behavioral restrictions Potential decline in corporate travel demand due to penetration of web conferencing Rising gas switching costs due to rising resource prices 	<ul style="list-style-type: none"> Increase information sensitivity to changes in the external environment Promoting milestones and investments in anticipation of current and future analysis
	F Changes in laws and regulations	↑	⊗	<ul style="list-style-type: none"> Travel restrictions are gradually easing in the Travel industry Privacy protection initiatives, such as GDPR in Europe and cookie regulations for major U.S. IT companies, are progressing Prohibition of job placement agencies from offering congratulatory gifts to job seekers due to the revision of the Employment security Law 	<ul style="list-style-type: none"> In the Travel area, development of a subscription reservation system for pent-up demand Development of a private DMP (data management platform)
	G Technological innovation	↑	⊗	<ul style="list-style-type: none"> Changes in the external environment, existing methods, ideas, etc., following the COVID-19 pandemic Development of blockchain technology and the rise of new concepts associated with it, etc. 	<ul style="list-style-type: none"> Catching up on the latest trends and sharing information within the company Flexibility in thinking beyond existing frameworks
Other Risks	H Impairment of goodwill	↓	△	<ul style="list-style-type: none"> Goodwill 6,934 million yen No impairment sign found after impairment test <small>*See page 31 for details</small>	<ul style="list-style-type: none"> Monitoring/management of goodwill-to-capital ratio Disciplined strategic investment with clear investment criteria
	I Dependence on specific clients	↓	○	<ul style="list-style-type: none"> Dependence on revenue from media clients in some businesses because of the indirect listing model (aggregation media) 	<ul style="list-style-type: none"> Build good relationships with media clients by continuously sending users Cultivate new end clients and shift to a direct listing model, etc. <small>*See page 14 for more details</small>
	J Natural disasters/accidents	↔	⊗	<ul style="list-style-type: none"> Regular occurrence of natural disasters due to climate change, geographical factors, etc. The occurrence of major power outages and communication network failures 	<ul style="list-style-type: none"> Regular system backups and monitoring of operational status, etc. Reduction of concentration risk through establishment of new offices in Kyoto and Oita, etc.

↑ Increasing trend
↓ Decreasing
↔ Roughly flat
○ Controllable
△ Partially controllable
⊗ Uncontrollable

3 Mechanisms to Support Value Creation

4 IR Activities

IR Activities

Basic policy

In addition to striving to disclose information in accordance with the Financial Instruments and Exchange Law and the timely disclosure rules stipulated by the Tokyo Stock Exchange, the Company will actively and fairly disclose information that, in the Company’s judgment, is useful to its shareholders and investors.

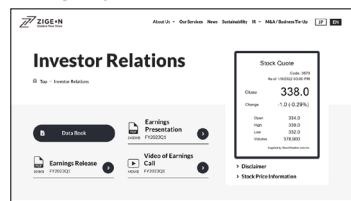
IR Activities Result

IR Activities	FY2019 Results	FY2020 Results	FY2021 Results
Investor Meetings	199	115	221
Financial Results Briefing for Institutional Investors	4	4	4
Briefings for individual investors	2	0	4

Strengthening of voluntary disclosure

The Company discloses information subject to the Timely Disclosure Rules through the Timely Disclosure Network (TDnet) provided by the Tokyo Stock Exchange. In principle, information disclosed on TDnet is also promptly posted on the Company’s IR website.

Company’s IR site



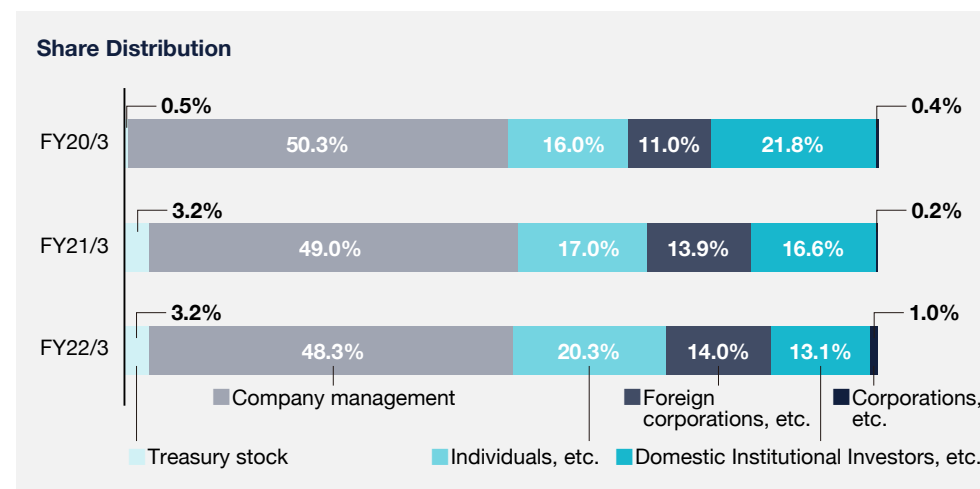
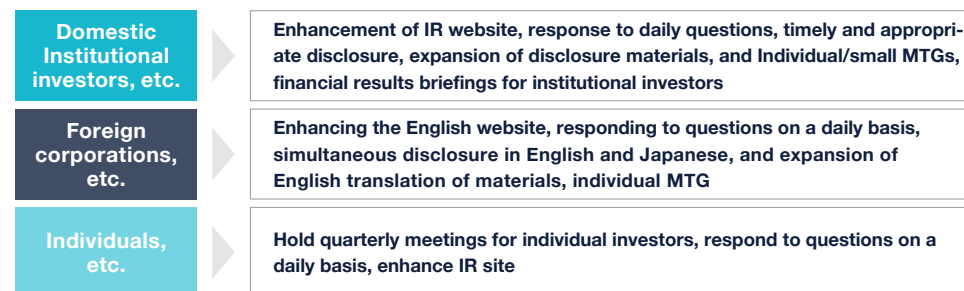
Please refer to the Company’s IR site for details.
<https://zigexn.co.jp/en/ir/>



e.g) 2nd Mid-Term Management Plan, Integrated Report, Data Book (BS/PL/CF/KPI), ESG-related indicators, Q&A at shareholders’ meetings, financial results briefing-related information, etc.



Examples of measures for various types of investors



Selected as ESG index constituents

The Company has been selected as a component of the ESG investment index “FTSE Blossom Japan Sector Relative Index”. By proactively addressing and disclosing ESG/SDGs, we will continue to aim to enhance our corporate value over the medium to long term.



FTSE Blossom Japan Sector Relative Index

4

Business portfolio

Life Service Platform Business

Maximizing Opportunities in Life

The ZIGEXN Group is developing a wide range of businesses in areas related to people's lives, including beauty and healthcare, nursing care and childcare, real estate, remodeling, and travel.

Our business portfolio is divided into three major segments: Vertical HR, which is our core business and develops human resources businesses specializing in specific fields, Living Tech, which develops businesses in the real estate leasing and renovation fields, and Life Service is comprised of companies that generate or have the potential to generate stable cash flow.

We will continue to provide services that are close to people's lives so that they can make the best decisions through our company's platform.

REJOB Co. Ltd.

Operates job search platforms specializing in the beauty and healthcare industries.



REJOB Co. Ltd.:
<https://relax-job.com/>

MIRAxS Co., Ltd.

Operates a job placement and temporary staffing business specializing in the nursing care and childcare industries.



MIRAxS Nursing Care:
<https://kaigo.miraxs.co.jp/>



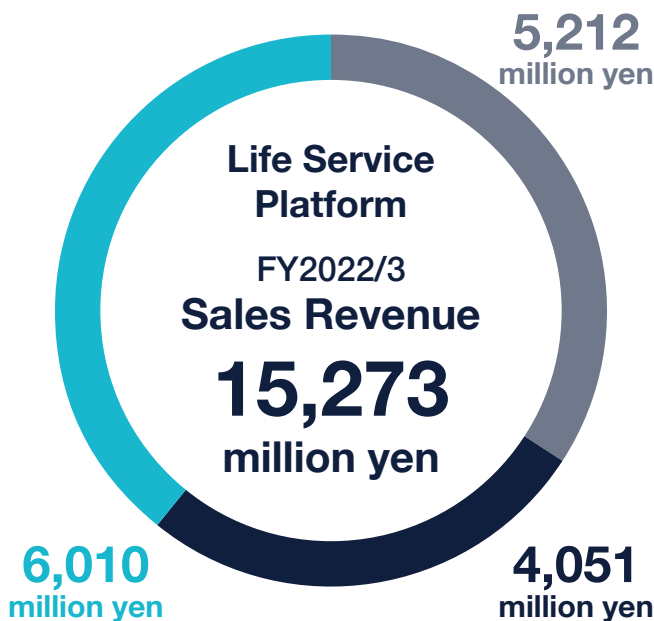
MIRAxS Childcare:
<https://hoiku.miraxs.co.jp/>

Struct, Inc.

Operates a job placement business specializing in the construction industry.
Kensetsu Jobs: <https://kensetsu-jobs.struct-inc.co.jp/>

建設 JOBS

Vertical HR



Life Service

Apple World Inc.

Operates a hotel reservation website for travel agencies and an airline ticket comparison and reservation website.

Apple World Inc.:
<https://appleworld.com/agt/>



Link your destination.

Travelist:
<https://travelist.jp/>



BrainLab Inc.

Provides systems for a job placement and temporary staffing business

Career Plus:
<https://www.career-plus.co.jp/>

MatchinGood:
<https://www.matchingood.co.jp/>



Partner Solution

Operates franchise comparison websites.

Franchise Hikaku.net: <https://www.fc-hikaku.net/>



House Related Business

Operation of real estate rental search website.

Chintai SMOCCA: <https://smocca.jp/>



Life Support Business

Operates renovation comparison website, propane gas comparison website, etc.



RESHOP NAVI: <https://rehome-navi.com/>



Enepi: <https://enepi.jp/>

Living Tech

REJOB, a job search website specializing in the beauty and healthcare industries



President and Representative Director of
REJOB Co., Ltd.

Ippei Suzuki



Strengths of REJOB

With approximately 25,000 active recruiting offices and nearly 500,000 job seekers, we have the No. 1 market share in the beauty industry.

Q Please tell us about the value that REJOB provides.

The Company operates “REJOB”, a job search website specializing in the beauty and healthcare industry. We believe that the value we provide to employers is to recruit job seekers, and to job seekers is to find a job that is the best job opportunities for each individual.

In terms of competition, there are not many job search websites specializing in the beauty/healthcare industry. In the future, the relative difficulty of attracting job seekers is expected to increase due to the recent rise of emerging websites that charge no posting fees. We are striving to improve the accuracy of matching job seekers with employers so that our service can continue to be used in the future. Compared to other companies, more detailed information can be set, because REJOB is an industry-specific recruiting platform, and this leads to improved matching accuracy.

In the future, we will expand the benefits of using REJOB, such as making job searches more focused on experience and skills and speeding up the hiring decision process in order to achieve further growth.

Q What opportunities and risks do you see for the business in the future?

We believe that the risks to our business going forward are largely due to external factors such as the re-expansion of the COVID-19, a decrease in the number of industry workers due to the decline in the workforce, and the increased difficulty in attracting clients due to changes in Google/Apple’s algorithm and terms and conditions. However, we believe that the demand for haircuts and other beauty treatments will not disappear in the future, and we believe that we can achieve sustainable business expansion by controlling the effects of the external environment as much as possible.

We will improve the accuracy of matching by expanding the scouting function and allowing users to set detailed information to avoid being affected by external factors such as the above. We will continue to provide services that are more closely tailored to the needs of employers and job seekers.

In addition, with the development of more diverse work styles, such as shorter hours and three-day workweeks, we will take advantage of the opportunity of new hiring needs arising to achieve further growth.

As the largest service within the ZIGExN Group, we will not only continue to grow on our own, but will also horizontally deploy the know-how we have acquired as we expand our business activities within the group.

We hope to drive the growth of the entire ZIGExN Group as its mainstay business.

MIRAxS, a Job Placement and Temporary Staffing Business Specializing in the Nursing and Childcare Industry

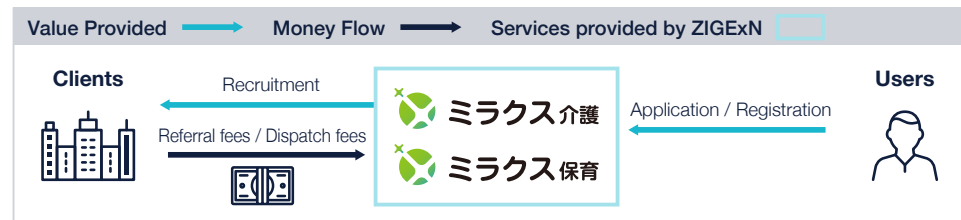


President and Representative Director of MIRAxS Co., Ltd.

Takanori Amano

業界最大級の介護求人
だから見つかる、希望のお仕事

総求人件数	124,240件	非公開求人	91,337件
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Strengths of MIRAxS

We have an abundance of nursing care jobs, with approximately 120,000 total jobs and 90,000 private jobs. Matching based on dedicated industry consultants' understanding of the industry and business environment and careful attention to job seekers' preferences and aspirations.

Q Please tell us about MIRAxS' purposes and the value it provides.

MIRAxS operates a recruiting and temporary staffing business specializing in the nursing and childcare industry. In particular, we have a database of more than 120,000 jobs in the nursing care industry, which is our main business.

We have been aiming to operate a business that brings smiles to our faces, our families, and all those involved in our business in the age of 100 years of life, with "solving issues in the field of welfare with a focus on nursing care issues in Japan's declining birthrate and aging population structure" as our Purpose.

Due to the current demographic situation in Japan, it is expected that the number of people in need of nursing care will continue to increase over the medium to long term, and that the need for nursing care will continue to grow as well. In this environment, we believe that the value of MIRAxS lies in the highly accurate matching of job seekers and service providers that is created by combining the human support of specialized consultants who are familiar with the industry with ZIGExN's matching technology.

We will continue to focus on improving and further enhancing the quality of our services and fulfill our mission of solving society's problems by helping to solve structural human resource shortages and mismatches, and by helping companies to improve their business efficiency.

Q Please give us a review of the first year of your medium-term management plan and your future plans.

The fiscal year ended March 31, 2022, the first year of our medium-term management plan, was an extremely challenging year for MIRAxS.

The first factor is players such as job search websites with low recruiting costs are strengthening their business in the nursing care field, following the COVID-19 spread, and the second factor is that the nursing care recruiting field is becoming increasingly dominated by large companies, and MIRAxS cost of attracting users is rising accordingly. In addition, there is room for improvement in operations, including the connection to offline operations after attracting users online.

As for the future, we must first improve the health of our business (unit economics), focus on lowering CPA, and rebuild our structure to compete with our competitors.

In addition, we will reduce the number of tasks with a dependance on a specific person and optimize operations, including sales, to increase the number of contracts signed.

Kensetsu JOBS, a job placement business specializing in the construction industry



President and Representative Director of Struct, Inc.

Ryota Aoki



Strengths of Kensetsu JOBS

Web Marketing Power.
By using a variety of channels, we have been able to reduce the CPA to one-tenth of the construction industry average.

Q. What is the background of your participation in the ZIGExN Group?

Struct Inc. operates “Kensetsu JOBS”, a job placement business specializing in the construction industry.

We believe that we will be able to expand our business at an accelerated pace by leveraging our expertise in matching technology and marketing capabilities, which are constant strengths of the ZIGExN Group, and have decided to join the ZIGExN Group on May 20, 2022.

Our strength is our web marketing capabilities, but as we are in our second year of start-up, there is still room for improvement. We are committed to solving the severe shortage of human resources in the construction industry through the power of technology, and to achieving our goal of bringing sustainable happiness to all people working in the construction industry.

In addition, we will not only receive know-how sharing from the ZIGExN Group, but will also realize mutual synergy by horizontally deploying our company’s know-how of cost-saving user attraction methods to the ZIGExN Group, thereby accelerating the group’s growth.

Q. What are the risks and opportunities for the business in the future and what is the Company’s direction?

As the Company specializes in the construction industry, we need more people to use our services in order to expand our business. We also see the reemergence of new strains of coronavirus as a risk factor, as well as a reduction in recruiting activities by each company due to deteriorating business performance caused by shortages of construction materials due to the weak yen and soaring fuel prices.

On the other hand, we see the increase in demand for human resources due to the increase in infrastructure construction, such as the Osaka Expo, the opening of the Linear Shinkansen Line, and expressway construction, as a great opportunity, and we will take advantage of this opportunity to make even greater strides.

In order to take advantage of this opportunity and make further progress, we will focus on improving matching accuracy by utilizing the ZIGExN Group’s matching technology.

In terms of future direction, we would like to take on the challenge of introducing a new monetization model, rather than competing solely within the current job placement business, and we will invest management resources in business development that reduces labor-intensive aspects and acquires stable and sustainable revenue sources.

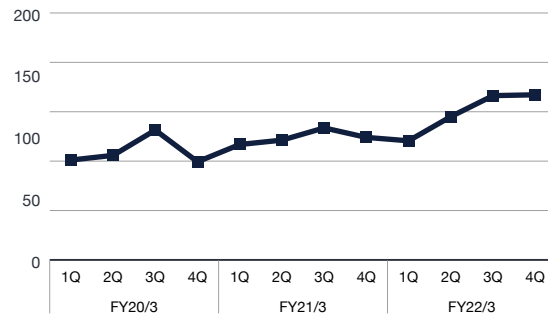
Chintai SMOCCA, a real estate rental search website



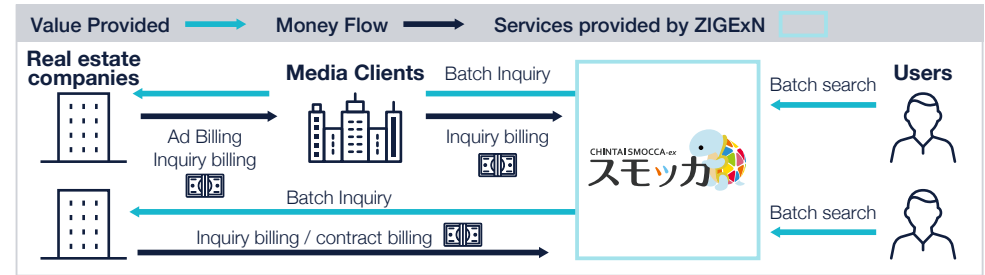
Operating Officer and in charge of Housing Div.

Ryosuke Imai

Trends in the Number of Properties Listed by End-Clients on Chintai SMOCCA



Note 1: FY20/3 1Q is set as 100, and the number of properties listed by end clients is indexed to the number of properties listed by end clients since then.
 Note 2: End client = real estate company that has direct dealings with SMOCCA.
 Note 3: Excludes the number of properties related to trial listings.



Strengths of SMOCCA

A large number of properties over 4 million properties, ranging from properties listed on major portal websites to properties owned by local real estate companies, and the quality of the user response to real estate companies.

Q Please tell us about the value that SMOCCA provides.

Chintai SMOCCA operated by ZIGExN is a website that brings together rental housing from an extensive database of over 4 million properties, ranging from those held by major portal sites to those held by local real estate companies.

In the real estate industry, where there is a huge information asymmetry, our goal is to make housing selection easier and more understandable for users by promoting the transparency of industry information.

We believe that the value we offer to our users is that they can search for the property that suits them from our extensive database and that they can save money with our industry-leading kickbacks. For real estate companies, we believe that the value we provide is in the ability to send users with high response quality and to improve efficiency through our business support services.

In the future, we will further promote business support for companies, including the client management service system “SMOCCA CRM” released in the summer of 2021, and the automatic telephone connection service “Leadcloud”, and we will also take on the challenge of expanding our value chain.

By creating an environment where people in the industry can work with more vitality through our corporate business support services, and by increasing user satisfaction with their move, we will realize our corporate philosophy of “Maximizing Opportunities in life”.

Q Please give us a review of your mid-term management plan and your future plans.

In the fiscal year ended March 31, 2022, the first year of the medium-term management plan, we have worked to maximize the value provided to clients by launching new business support products and improving the functionality of existing products, and we could contribute to the accumulation of corporate clients.

We believe that the Company’s success in implementing measures to increase the lifetime value (LTV) of users by steadily increasing the number of app installations is commendable to a certain degree.

On the other hand, there is a slight variation in the value provided to clients, and we recognize that some clients are satisfied with our services and others are not. In addition, in the competitive environment, we are aware that the oligopoly of the top players in the industry and the number of corporate clients in comparison to the top players in the industry.

Our policy for the future is to focus on the development of optimal functions to suit the business structure of each of our clients, so that all of our clients can use SMOCCA to generate good results, and we will increase the number of clients.

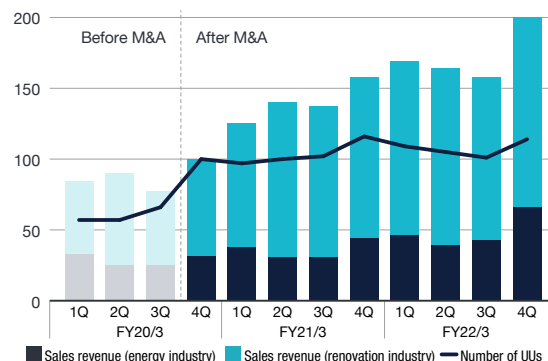
“RESHOP Navi”, a website for information and estimate comparison of renovation companies

“enepi”, a website for information and estimate comparison of Propane gas companies

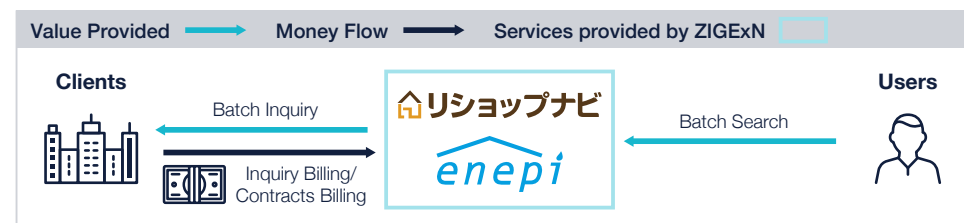


Division Head of Life Support Div.

Yu Ishizuka



Note 1: The 4Q FY20/3 after the acquisition of IACC's shares is set as 100, and the increase or decrease in sales revenue and UUs before and after the acquisition is indexed.
 Note 2: UUs = number of users who accessed the website (number of visitors).



Strengths of Life Support

We operate several media in the residential life field and respond to the diverse needs of users regarding remodeling through our concierge. The company has a nationwide network of approximately 1 million homeowners and 7,500 member agencies.

Q. Mr. Ishizuka, you were originally involved in the current renovation business as an IACC employee. Please tell us what you liked about joining the ZIGExN Group.

There are two main things I am glad I joined the ZIGExN Group. The first, concerning myself, is that I was able to increase the resolution and the knowledge of business and markets. ZIGExN has a group of professionals in various fields, which is called a group of business entrepreneurs, and I am connected with them through friendly competition. Many people are eager to learn things, and I am able to work while being stimulated on a daily basis. As a result, the number of UUs in the renovation business has doubled since before we joined the group, and we have achieved sales growth of over 2 times and profit growth of nearly 40 times. Secondly, as a renovation business, we have added a method of choice that can realize discontinuous growth, such as M&A. ZIGExN is a company that has grown discontinuously through numerous M&A transactions in the past, and has accumulated a variety of know-how. In February 2022, ZIGExN was able to take over the exterior business as a renovation business, thereby expanding its business categories. In the future, we intend to accelerate business growth while actively considering M&A. By making the most of this favorable environment, we will realize our perpasses of “maximizing people’s lives”.

Q. Please give us a review of the first year of your mid-term management plan and your enthusiasm for the second year.

Life Support consists mainly of RESHOP Navi, which provides information and estimate comparison services for remodeling companies, and Enepi, which provides information and estimate comparison services for propane gas companies. The fiscal year ended March 31, 2022, the first year of our medium-term management plan, was a year in which we reevaluated user needs and felt the need for further growth of our products. The Company will continue to strengthen its ability to attract users and expand its market share. In the second year and beyond, we will continue to strengthen our approach to potential users through PR activities such as the “Good Remodeling Contest” and others. In terms of growth opportunities, we were blessed with an increase in switching demand due to stay-at-home demand and high gas prices, as well as opportunities to expand our territory through the acquisition of the exterior business. We will continue to realize our mission of closing the information gap between clients and users by improving quality and price transparency and convenience for users, as well as to support DX such as attracting more users.

Note: IACC = abbreviation for I AND C-Cruise, which became a subsidiary of ZIGExN in 2020 through a share acquisition and was merged into ZIGExN in the same year.

“APPLE WORLD”, a hotel reservation system for domestic travel agencies

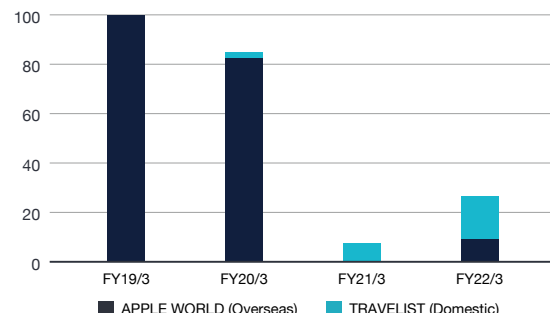
“TRAVELIST”, an airline tickets reservation website



President and Representative Director of Apple World, Inc.

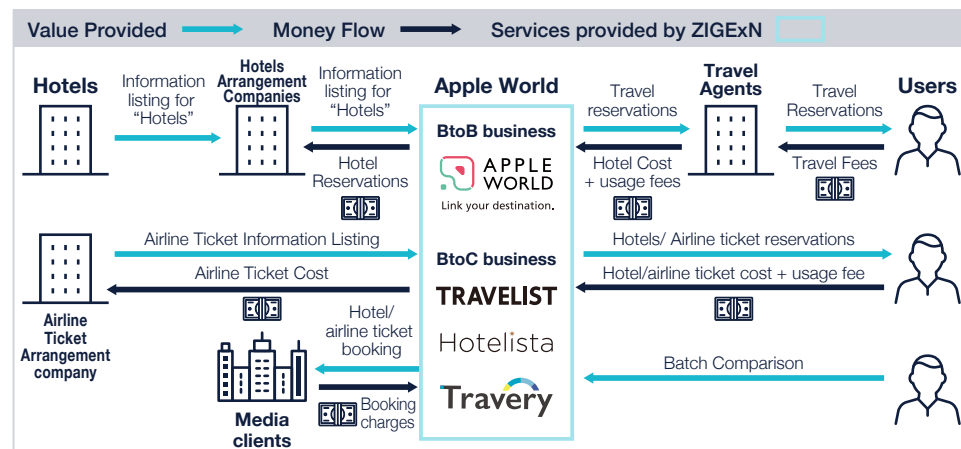
Takeshi Fukada

Sales Revenue Trends in the COVID-19 pandemic



Note 1: In February 2020, TRAVELIST, an easy comparison and booking service for low-cost airline tickets and LCC business.

Note 2: The figure is indexed to 100 for the fiscal year ended March 31, 2019, when the impact of the coronavirus was minimal, and the increase or decrease in sales and earnings before and after the period is indexed to 100.



Strengths of APPLE WORLD

Highly comprehensive database with 110,000 hotels in 250 cities in 150 countries and regions worldwide and high industry recognition in hotel and airline ticket arrangements.

Q Looking back on the first year of the medium-term management plan, how was the year?

The fiscal year ended March 31, 2022, the first year of our medium-term management plan, was a very difficult year for Apple World, as overseas travel demand declined 97% from normal levels due to the spread of the coronavirus.

Under these circumstances, the Company took advantage of the opportunity to strengthen its B-to-C business by expanding its business industry to capture domestic travel demand and the easing of the competitive environment caused by the prolonged pandemic to focus on expanding its B-to-B business potential.

While there are still risks such as the re-expansion of COVID-19 and the decrease in outbound demand due to the weak yen and soaring fuel prices, there are also opportunities such as the easing of restrictions on economic activities due to the spread of vaccines and the creation of demand through government measures to stimulate tourism demand.

We believe that the easing of the competitive environment, especially with the prolonged pandemic, is our greatest opportunity. In order to take advantage of this opportunity, we are committed to further enhancing the convenience of hotel and airline ticket arrangements by ensuring the comprehensiveness, accuracy, and searchability of information, and to further strengthening client success through our high level of expertise and hospitality.

Note 3: BtoB business = Apple World

Note 4: BtoC business = Travelist, Hotelista, Travelist

Q As you make great strides in the future, what are your current challenges and what is your future policy/direction?

Our future policy is to establish the No. 1 position in the industry in the BtoB business, and in the BtoC business, to increase added value to users in the FIT industry through a cross-selling strategy of domestic and overseas x hotels and airline tickets.

In addition, the company will leverage its strengths in both digital and industry expertise to differentiate itself from traditional travel agencies, which lack digital expertise, and from online travel agents, which lack industry expertise, and we will put more focus on the international tour market, which is expected to accelerate its digitalization in the future.

On the other hand, as we move forward with business development in other areas, we recognize that the acquisition of product development personnel to make this happen will be an issue in the future, and we will address this issue by actively recruiting and enhancing our human resource development programs.

We will continue to maximize the distribution of travel information and optimize choices through technology to support the creation of inspiring experiences and memories through travel, while striving to create opportunities for the “creation of diverse value” and “rediscovery of one’s identity”.

We appreciate your continued support.

Note 5: FIT = Foreign Independent Tour. Traveling abroad independently without the use of group tours or package tours.

“CAREER PLUS”, a management system for job placement businesses

“MatchinGood”, a management system for temporary staffing agencies



President and Representative Director of BrainLab, Inc.

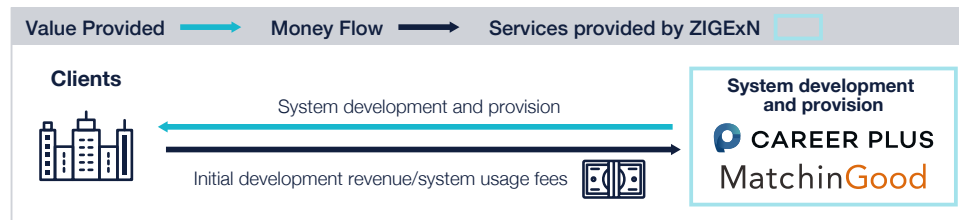
Norihiro Nakae

In-house media DiSPA!

“DiSPA”, a media that caters to people working for temporary staffing agencies, delivers information that helps solve problems in the sales field and encourages new challenges in order to realize a world where all people can live their own lives through the support of the temporary staffing business.



派遣DX特集



Strengths of BrainLab

20 years in business, 1,300 companies have implemented our system. The company provides SaaS, a core system for recruitment and temporary staffing that is also used by major companies. We also have strength in system integration and provide one-stop services from consulting to development to support our clients' DX promotion.

Q What is the value that BrainLab provides?

We are a company with a particularly high percentage of engineers in the ZIGExN Group, and we provide core systems that support the sustainable growth of companies as a SaaS specialized for the human resources industry. The system enables the science of optimal matching of people and jobs.

In addition, by automating business processes using data as the starting point, it is possible to maximize the intervention value of staffing firms by providing optimal alerts and reminders at optimal times. We provide a system that supports business growth by supporting user retention and decision-making in job seeking and recruiting activities.

In particular, the UI/UX, which places the highest priority on “ease of use onsite”, has been highly evaluated by clients who have never used the system before, and has achieved a high retention rate of 99.1% in the case of MatchinGood Dispatch.

We will contribute to the growth of the ZIGExN Group as a tech company, aiming to sublimate the know-how we have cultivated in our day-to-day manufacturing, the technical knowledge of AI and data utilization gained through R&D, and the ability to build and manage engineering organizations.

Note 1: UI = the point of contact between the service or product and the user.

Note 2: UX = the experience a user gets through the use of a product, system or service.

Note 3: Usage retention rate = annual number of continuing companies/number of contracted companies in matched temporary staffing for the fiscal year ending March 2022.

Q Please give us a review of the first year of your mid-term management plan and your future plans.

The PMI of Matchingood Corporation, which joined the group in 2019, has come to a close, and in order to make a full-scale entry into the dispatch core system market, we have been strengthening our organization in terms of sales and products and continuing to expand through ongoing investment. In the fiscal year ended March 31, 2022, the first year of our medium-term management plan was in the midst of the industry's difficult times, we are preparing to further accelerate DX in the industry while actively disseminating information to management and executives through our own media, “DiSPA!”.

The rapid growth of DX needs in all industries, triggered in part by the rapid changes in the external environment in the COVID-19 pandemic, is a challenge that the human resources industry is facing as well. Just as the consumer experience has been transformed by the proliferation of e-commerce, recruiters need to move the entire job search process online and leverage the data they have accumulated to provide a smooth experience for job seekers.

We will continue to expand the range of technologies we can offer and provide innovative and convenient products that will not only improve the productivity of those who are engaged in the human resource business, but also support the job search and recruitment activities of those who are beyond it, thereby contributing to the realization of a better society.

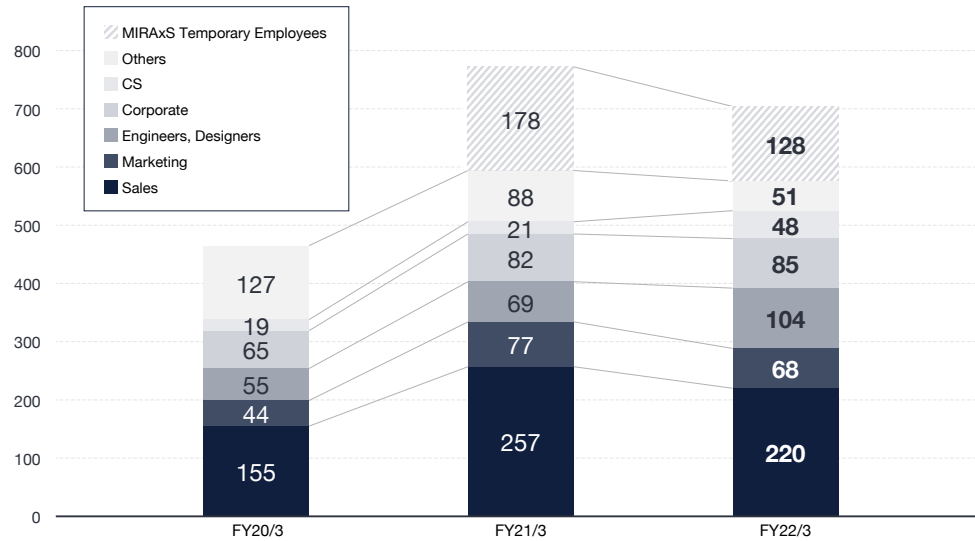
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Data section

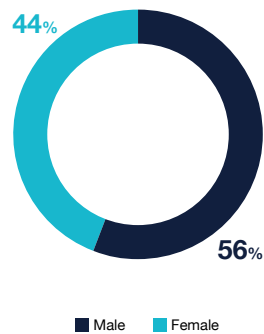
Consolidated

Composition of Employees by Function ^(Note 1)

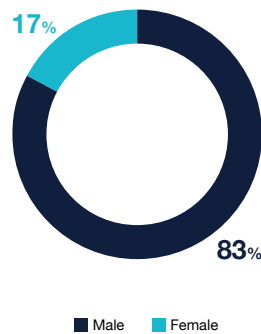
(Unit: Persons)



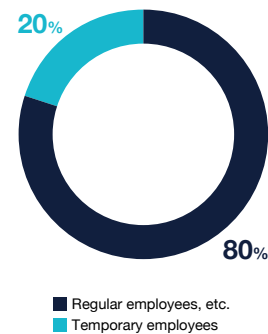
Ratio of male to female employees ^(Note 2)



Ratio of managers



Ratio of employment status ^(Note 3)

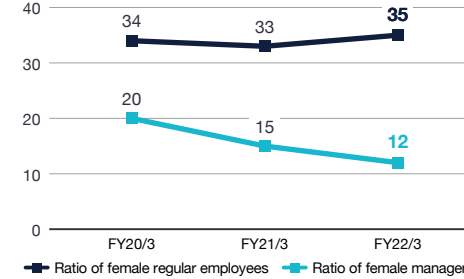


Note 1: Others includes the number of executive officers as well as division heads, managers and other departments.
 Note 2: Employees include contract employees as well as regular employees, excluding temporary employees in the temporary staffing business.
 Note 3: Regular employees and others include regular employees as well as contract employees and temporary employees in the temporary staffing business; temporary employees include dispatched employees and part-time workers.

Non-Consolidated

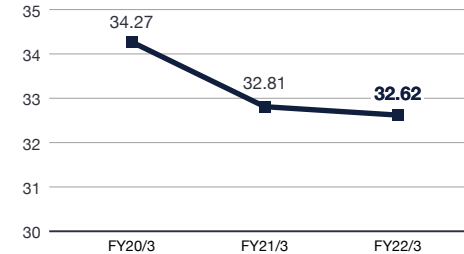
Ratio of female regular employees and female managers ^(Note 4)

(Unit: %)



Average age ^(Note 5)

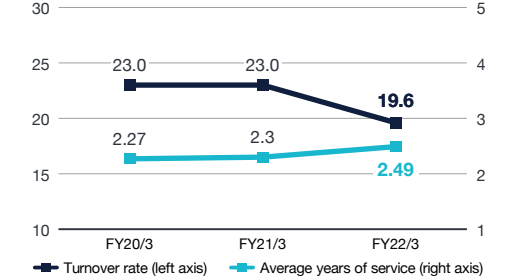
(Unit: years)



Turnover rate and average years of service ^(Note 5)

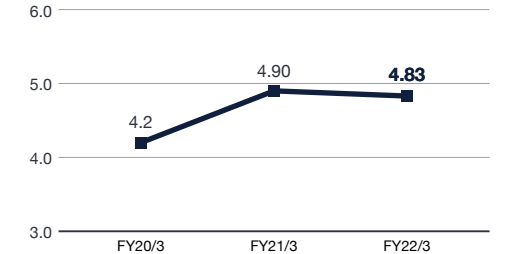
(Unit: %)

(Unit: years)



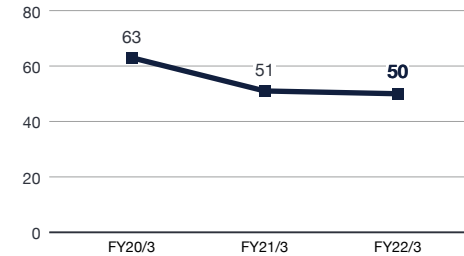
Average annual salary ^(Note 5)

(Unit: millions of yen)



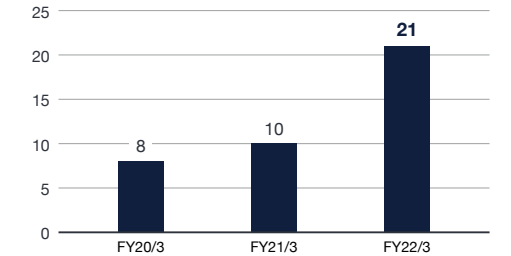
Percentage of paid leave taken ^(Note 6)

(Unit: %)



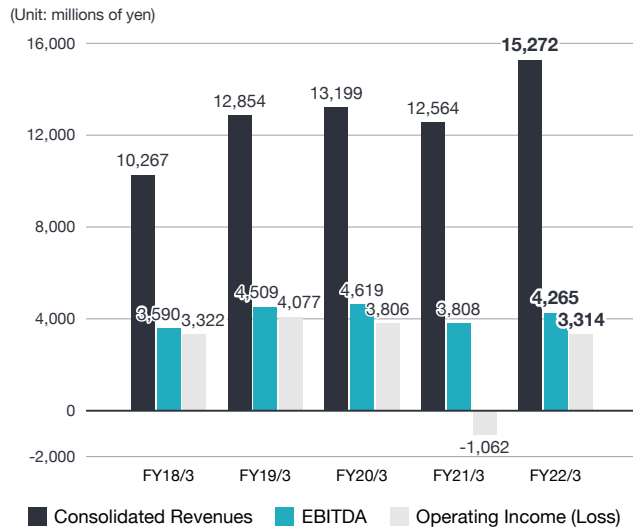
Number of new graduates hired

(Unit: Persons)

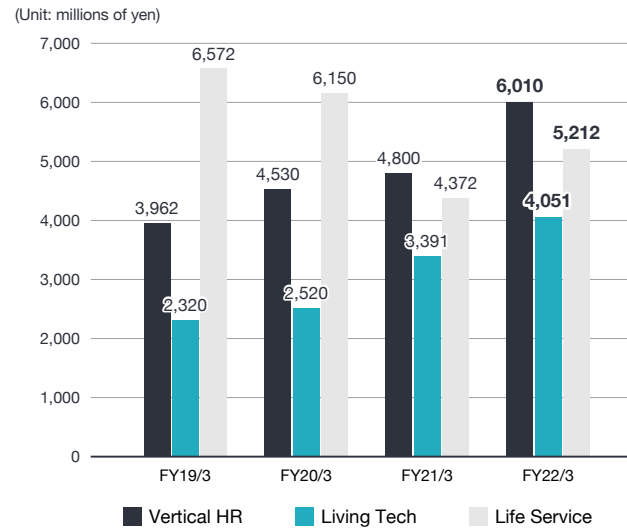


Note 4: Full-time employees exclude contract employees.
 Note 5: Full-time employees include contract employees in addition to regular employees, excluding temporary and part-time employees.
 Note 6: Includes full-time employees and excludes contract employees, temporary employees, and part-time employees.

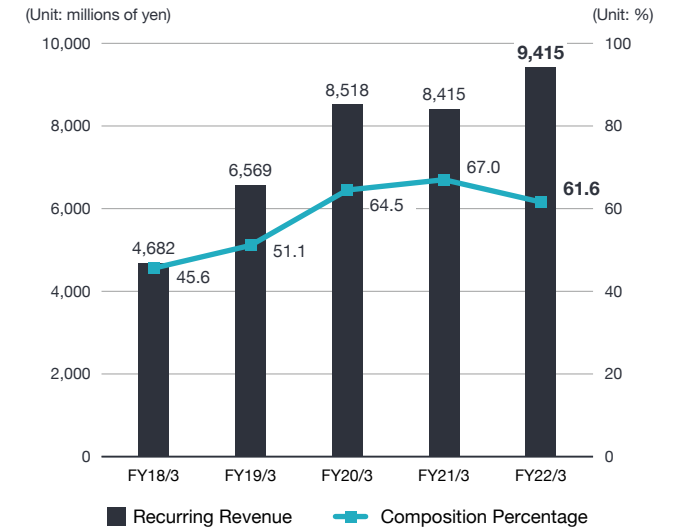
Consolidated Revenues, EBITDA, and Operating Income (Loss)



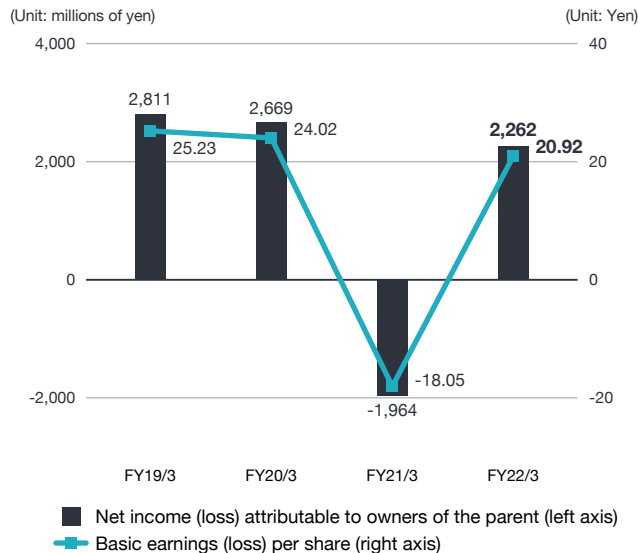
Revenue by Segment



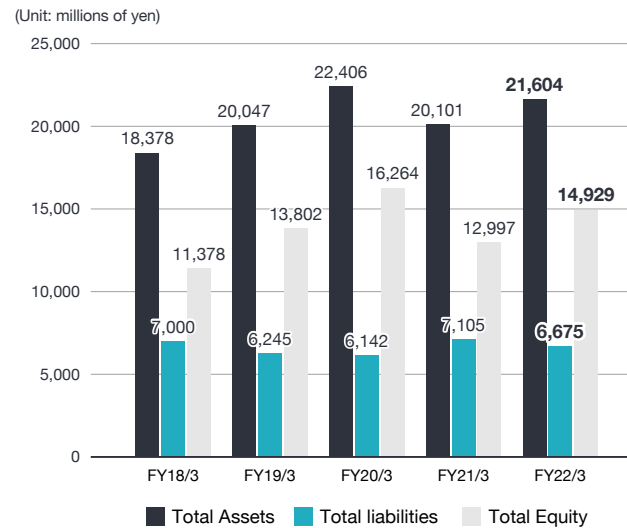
Recurring Revenue



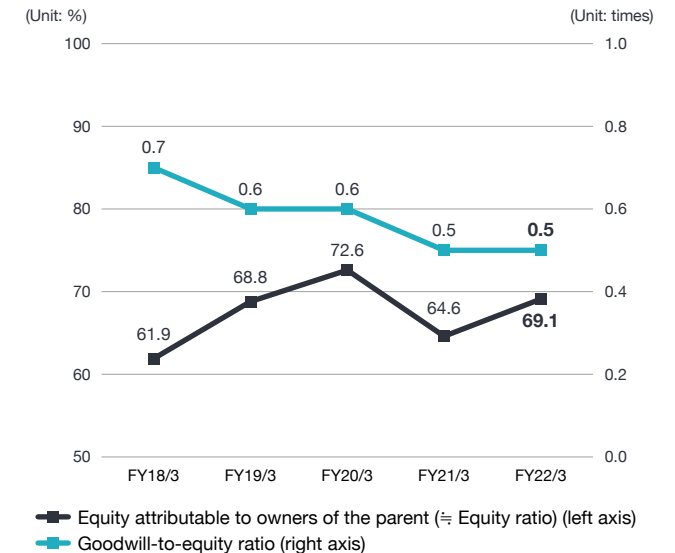
Net Income Attributable to Owners of the Parent / EPS



Total Assets, Liabilities, and Equity

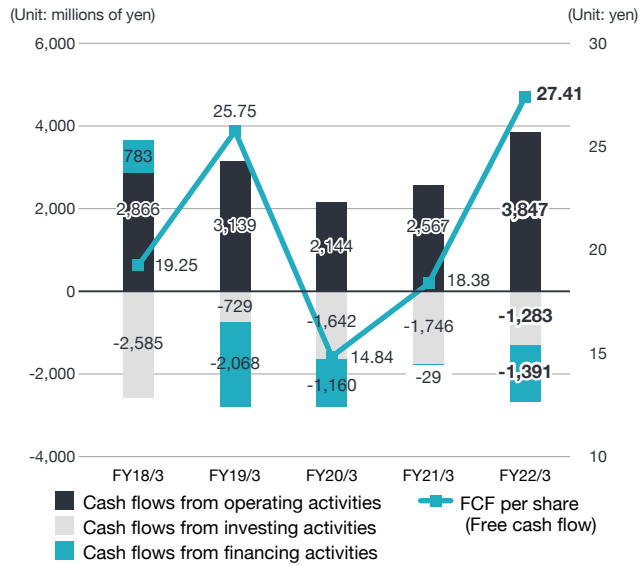


Equity Ratio Attributable to Owners of the Parent / Goodwill-to-Equity Ratio

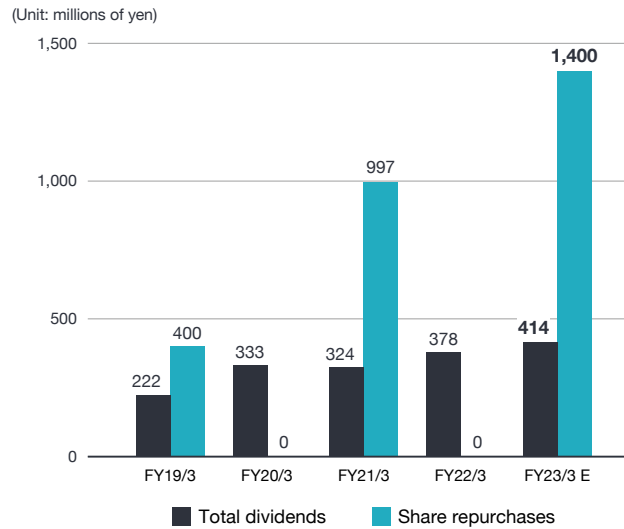


Note: In the second quarter of the fiscal year ending March 31, 2021, the Company recorded an impairment loss of 4,030 million yen on goodwill and other assets.

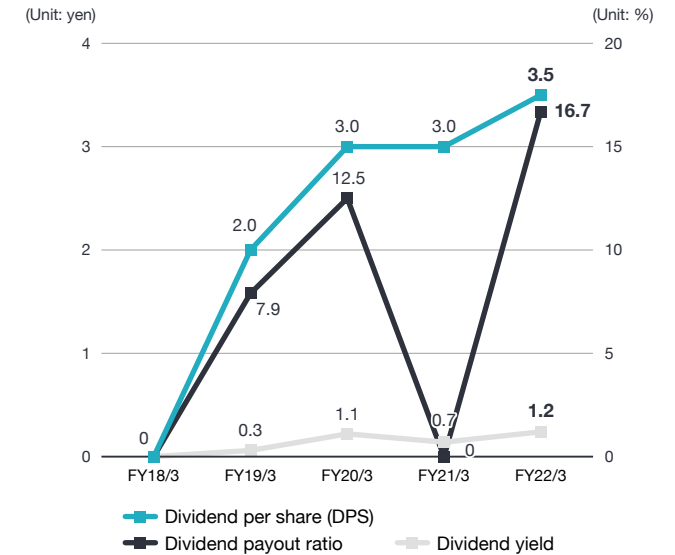
Operating, investing, and financing CF and FCF per share



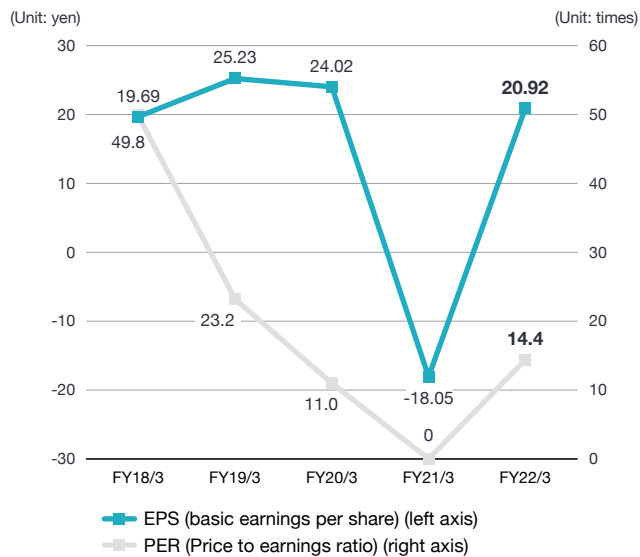
Total dividends and share repurchases



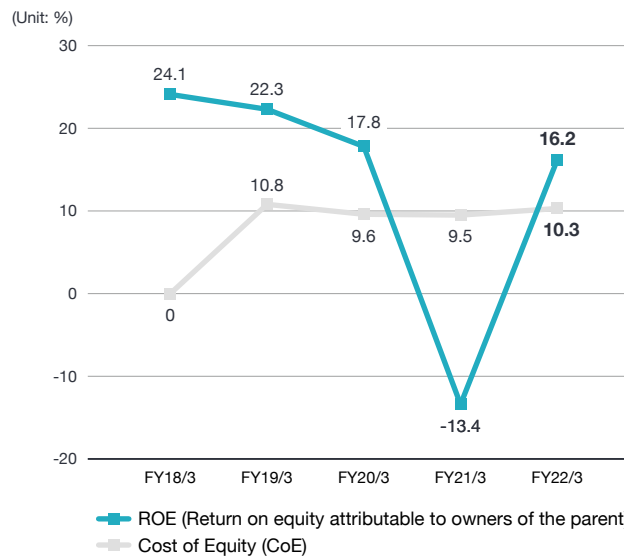
Dividend per share (DPS), dividend payout ratio, dividend yield



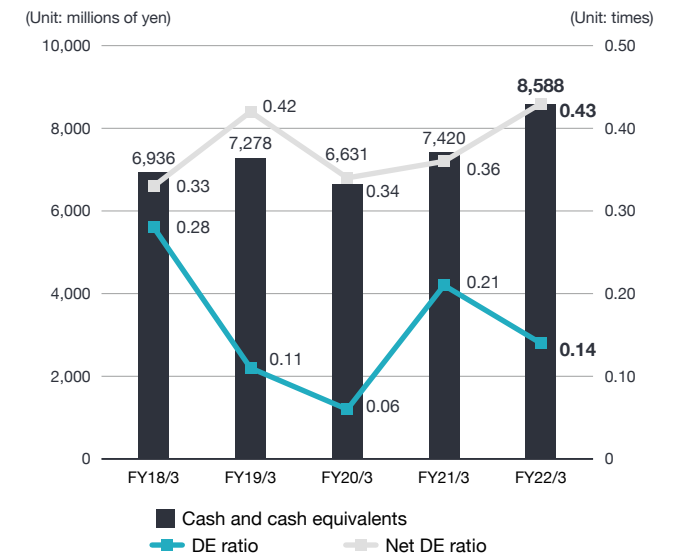
EPS·PER



ROE / Cost of Equity



Cash and cash equivalents, DE ratio, Net DE ratio



Consolidated Statement of Income (Accumulated)

(Unit: millions of yen)

	FY2017/3	FY2018/3				FY2019/3				FY2020/3				FY2021/3				FY2022/3			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Sales revenue	7,534	2,502	4,937	7,414	10,267	3,010	6,023	9,257	12,854	3,489	6,626	9,711	13,199	2,807	5,575	8,841	12,564	3,823	7,593	11,225	15,272
Cost of sales	-949	-427	-827	-1,245	-1,701	-417	-821	-1,262	-1,829	-544	-1,035	-1,525	-2,069	-468	-922	-1,494	-2,081	-598	-1,224	-1,840	-2,493
Gross profit	6,585	2,075	4,111	6,168	8,566	2,592	5,202	7,994	11,025	2,945	5,591	8,186	11,130	2,339	4,653	7,347	10,484	3,224	6,369	9,385	12,779
Gross profit margin (%)	87.4%	82.9%	83.3%	83.2%	83.4%	86.1%	86.4%	86.4%	85.8%	84.4%	84.4%	84.3%	84.3%	83.3%	83.5%	83.1%	83.4%	84.3%	83.9%	83.6%	83.7%
SG&A	-4,129	-1,235	-2,443	-3,714	-5,273	-1,619	-3,283	-5,050	-6,985	-1,890	-3,608	-5,344	-7,393	-1,753	-3,443	-5,426	-7,661	-2,308	-4,703	-7,075	-9,533
Other revenue	42	7	15	39	39	5	23	36	66	17	48	56	76	15	102	106	131	15	35	49	74
Other expense	-14	0	-1	-1	-9	-3	-16	-18	-30	-3	-3	-5	-7	-1	-4,003	-4,008	-4,016	0	-1	-2	-5
Operating income (loss)	2,483	847	1,681	2,492	3,322	975	1,926	2,962	4,077	1,069	2,028	2,893	3,806	599	-2,691	-1,980	-1,062	931	1,700	2,356	3,314
Operating income margin (%)	33.0%	33.8%	34.1%	33.6%	32.4%	32.4%	32.0%	32.0%	31.7%	30.6%	30.6%	29.8%	28.8%	21.3%	-48.3%	-22.4%	-8.5%	24.4%	22.4%	21.0%	21.7%
Financial revenue	16	0	0	0	4	0	0	3	4	0	1	1	1	0	0	0	0	0	0	1	1
Financial expense	-24	-3	-15	-17	-9	-2	-3	-4	-5	-2	-3	-4	-7	-1	-3	-5	-7	-2	-3	-5	-6
Income (loss) before income taxes	2,475	844	1,667	2,476	3,318	973	1,924	2,961	4,075	1,067	2,026	2,889	3,800	597	-2,694	-1,985	-1,069	929	1,697	2,352	3,309
Margin (%)	32.9%	33.7%	33.8%	33.4%	32.3%	32.3%	31.9%	32.0%	31.7%	30.6%	30.6%	29.8%	28.8%	21.3%	-48.3%	-22.5%	-8.5%	24.3%	22.3%	21.0%	21.7%
Income tax expenses	-1,002	-345	-704	-1,029	-1,148	-299	-617	-959	-1,265	-335	-640	-913	-1,131	-176	-320	-588	-889	-271	-495	-698	-1,043
Net income (loss)	1,473	499	962	1,447	2,170	674	1,307	2,002	2,811	732	1,386	1,976	2,670	421	-3,014	-2,573	-1,958	659	1,202	1,654	2,266
Margin (%)	19.6%	20.0%	19.5%	19.5%	21.1%	22.4%	21.7%	21.6%	21.9%	21.0%	20.9%	20.4%	20.2%	15.0%	-54.1%	-29.1%	-15.6%	17.2%	15.8%	14.7%	14.8%
Net income (loss) attributable to:																					
Owners of the parent company	1,473	499	962	1,447	2,170	674	1,307	2,002	2,811	733	1,386	1,976	2,669	423	-3,013	-2,576	-1,964	657	1,198	1,650	2,262
Non-controlling interests	0	0	0	0	0	0	0	0	0	-1	-1	0	0	-2	-1	3	6	2	4	4	4

