



ZIGExN Co., Ltd.

# ESG Data Book 2024

(Released October 31, 2024)

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# Editorial Policy

## About the ESG Data Book

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The "ESG Data Book" is published to provide comprehensive information on the ESG activities of the company's entire group, specifically for stakeholders with a strong interest in ESG investment. The information, organized by category, consolidates ESG-related data as clearly as possible, aiming to serve as an efficient reference for stakeholders. Additionally, we also disclose the following reports, which we encourage the readers to review with this data book.

## Other Reports

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### **Integrated Report 2023** ([https://zigexn.co.jp/ir/integrated\\_report/](https://zigexn.co.jp/ir/integrated_report/))

The group publishes an integrated report aimed at providing all stakeholders, including our shareholders, with a deeper understanding of the company from both financial and non-financial perspectives. This report systematically organizes the company's strategies, commitments, strengths, and characteristics. (Note: The latest version is the FY2024/3 edition.)

### **Annual Securities Reports** ([https://zigexn.co.jp/ir/financial\\_reports/](https://zigexn.co.jp/ir/financial_reports/))

This is a statutory document that includes financial and non-financial information in accordance with Article 24, Paragraph 1 of the Financial Instruments and Exchange Act, aimed at shareholders, investors, etc.

### **Corporate Governance Report** (<https://contents.xj-storage.jp/xcontents/AS80135/99e20bc0/43ef/4ec5/b856/3c9f327cbe62/140120240612527362.pdf>)

This is a document that contains governance information in accordance with the Corporate Governance Code.

## Date of Publication

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The publication of the ESG Data Book is generally anticipated to occur once a year, with updates made as necessary in the event of significant changes to the content.

# ZIGExN Group's ESG

## Approach to Sustainability

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The group, aiming for the fundamental principle of "maximizing life opportunities," recognizes addressing social issues as a key management priority as a publicly listed company on the Prime Market and a social entity. We will contribute to the realization of a sustainable society. In promoting sustainability activities at the company, we center our efforts around the Public Relations and Sustainability Promotion Office established in April 2021. We reference international guidelines, including the "Sustainable Development Goals" (SDGs) adopted by the United Nations, and promote our initiatives in collaboration with other departments as necessary. We will continue to focus on creating social value through our business activities.













## Commitment to Sustainability

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The group believes that it is important to contribute to society through our business in various areas related to people's lives, based on the fundamental principle of "maximizing life opportunities." We offer a wide range of services closely connected to people's lives, including employment, housing search, real estate sales, remodeling, travel, and automobile sales. By engaging with a diverse user base regardless of age, gender, or nationality, we believe we can contribute to society from various perspectives.

Additionally, we established the Public Relations and Sustainability Promotion Office in April 2021 and formulated the materiality (key issues) that the group should prioritize. Through active dialogue with shareholders, users, employees, business partners, the local community, and diverse stakeholders beyond them, we aim to address these materialities while achieving both continuous contributions to society and enhanced corporate value. (Note: For details, please see the next page.)

## ZIGExN Group's ESG

ZIGExN's materiality	Major efforts	Relevant SDGs items
Update society and industry with DX	<ul style="list-style-type: none"> <li>Support for DX at SMEs</li> <li>Business support through “LeadCloud”, and “CAREER PLUS” of Brainlab, Inc.</li> <li>Support in attracting users through Media Platform.</li> </ul>	 
Fostering SDGs engagement through the media	<ul style="list-style-type: none"> <li>Promotion of ZIGExN Media × SDGs (SDGs Award, etc.)</li> </ul>	
Meaningful work environment	<ul style="list-style-type: none"> <li>Selection and systematic training of candidates for next-generation business managers</li> <li>Implementation of Next Leader Project.</li> <li>Conducting surveys for visualization of engagements</li> </ul>	
Creation of local communities	<ul style="list-style-type: none"> <li>Job creation, IT, and development of global human resource in Oita Office</li> <li>Cooperation with the Oita Industrial Human Resource Center (Oita Sangyo-Human resource Center)</li> <li>Recruitment of interns and organization of events in Kyoto</li> </ul>	 
Equality of employment opportunity	<ul style="list-style-type: none"> <li>Promotion of vocational education by holding representative lectures in cooperation with universities and educational institutions</li> <li>Special lecture at SFC and implementation of industry-university collaborative projects with APU</li> </ul>	
Empowerment of diverse human resources	<ul style="list-style-type: none"> <li>Empowerment of women and increase in the ratio of women in managerial positions</li> <li>Facilitating exchanges with overseas branches.</li> </ul>	
Environmentally conscious corporate and business activities	<ul style="list-style-type: none"> <li>Management framework for sustainability-related risks.</li> <li>Responses to CDP and disclosure of information based on TCFD recommendations.</li> <li>Promotion of environmentally friendly management.</li> </ul>	  
Stronger governance, ensuring transparency	<ul style="list-style-type: none"> <li>Conducting iR for domestic and international institutional investors/individual investors.</li> <li>Reviewing institutional design such as compensation committees, nominating committees, etc.</li> <li>Engagement of new outside directors.</li> </ul>	

# ZIGExN Group's ESG

## Materiality Selection Process

### STEP 1 Extraction of Materiality Candidate Items

We have extracted social issues that are highly relevant to our business activities and culture, as well as global perspectives such as ESG and SDGs (the UN Sustainable Development Goals).

### STEP 2 Understanding and Organizing Stakeholder Expectations"

We made efforts to understand "expectations of the company" through dialogue with stakeholders, including employees and shareholders/investors. We organized the information obtained from this dialogue in relation to our business activities and prioritized the materiality candidate items extracted in STEP 1.

### STEP 3 Assessment and Identification of Materiality by the Company

Through a series of processes, we extracted and organized the materiality candidate items, which were then approved as key issues to prioritize through discussions in meetings with the management team.

# Conservation of the Earth's Environment

## Basic Approach

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The group identifies "environmentally conscious companies and business activities" as one of our materiality. We particularly regard the impact of future climate change on our business activities as a key management challenge. To understand this impact and establish a system for managing risks, we established a Sustainability Committee in January 2024. Accordingly, the committee will take the lead in evaluating climate-related risks and opportunities in our business activities based on the disclosure items outlined by the TCFD (Task Force on Climate-related Financial Disclosures), while also striving for proactive information disclosure and appropriate management and measures.

## Governance on Environmental Matters

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We have established the Risk and Compliance Committee and the Sustainability Committee as subcommittees under the Board of Directors. Both committees are chaired by the Representative Director, Operating Officer, and CEO, who oversees the understanding of company-wide risks and countermeasures. The Risk and Compliance Committee is responsible for overall risk management and reports the status to the Board of Directors. Regarding climate change risks, the Sustainability Committee monitors the situation, provides guidance and instructions to the departments responsible for specific risks, and reports to the Board of Directors in collaboration with the Risk and Compliance Committee.

The Sustainability Committee convenes annually to discuss and obtain consensus on the contents to be included in the securities report as a fundamental matter. For the committee's purpose, activities, and organizational structure, please refer to pages 8-9.

# Conservation of the Earth's Environment

## Purpose and Activities of the Sustainability Committee

Categories	Activities
Name of the Committee	Sustainability Committee
Purpose	A platform for reporting and consulting with the management team regarding the sustainability of the ZIGExN Group, as well as for decision-making and reviewing necessary policies and measures.
Frequency	<ul style="list-style-type: none"> <li>Established on January 1, 2024.</li> <li>The meeting will be held once a year.</li> <li>The fundamental matter is to reach an agreement on the content to be included in the securities report.</li> <li>Apart from the above, meetings will be held as needed when issues arise.</li> </ul>
Participants	<ul style="list-style-type: none"> <li>Chairperson (CEO)</li> <li>Members (2 Directors, Head of Corporate Communications &amp; Sustainability Promotion Department, Legal &amp; Risk Manager, Manager of Corporate Communication Division)*Depending on the case, relevant business executives may also participate.</li> <li>Secretariat (Corporate Communications &amp; Sustainability Promotion Department, Sustainability Disclosure PJT members)</li> </ul>
Agendas	<ol style="list-style-type: none"> <li>Discussion on the materiality of the mid-term management plan and specific strategies to achieve the targets.</li> <li>Consideration of materiality from a multi-stakeholder perspective, along with response policies to environmental changes tied to materiality (such as TCFD).</li> <li>Examination of key points expected or required of the company beyond 2030.</li> <li>Discussion on matters to be reported to the Board of Directors.</li> </ol>



# Conservation of the Earth's Environment

## Structure of Sustainability Committee



# Conservation of the Earth's Environment

## Environmental Management System (EMS)

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The group is considering the adoption of ISO 14001, the international standard for environmental management systems, to promote environmental management efforts throughout the entire value chain in the future. We will also continue to engage in discussions on environmental issues with both internal and external stakeholders, incorporating diverse perspectives as we seek continuous improvement.

In addition, we will focus on assessing and understanding the impact of our business activities on the global environment. We will ensure compliance with relevant environmental laws and regulations, while also strengthening our internal promotion systems, creating promotion manuals, and setting specific implementation goals and plans. These efforts will be advanced through a regular progress monitoring system. To obtain a certification, we will first work on building our own management system, along with establishing verification and management review structures.

For more information on ISO 14001, please refer to the following.

[https://www.jqa.jp/service\\_list/management/service/iso14001/](https://www.jqa.jp/service_list/management/service/iso14001/)

# Response to Climate Change

## Response to the Task Force on Climate-related Financial Disclosures (TCFD)

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Starting from the fiscal year 2024/3, the company has expressed support for the Task Force on Climate-related Financial Disclosures (TCFD) and has conducted scenario analysis on the risks and opportunities that climate change poses to the group. In our securities report, we have disclosed our climate-related transition plans in accordance with the TCFD framework (Governance, Strategy, Risk Management, Metrics, and Targets). For more details, please refer to the securities report ([https://zigexn.co.jp/ir/financial\\_reports/](https://zigexn.co.jp/ir/financial_reports/)).

## Climate Change Governance

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We have established the Risk and Compliance Committee and the Sustainability Committee as subcommittees under the Board of Directors. The Sustainability Committee is responsible for identifying climate change risks and directing the relevant departments to implement countermeasures while collaborating with the Risk and Compliance Committee to report to the Board of Directors.

For more details, please refer to page 7, "Governance on Environmental Matters."

## Strategy on Climate Change

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The group establishes its fundamental philosophy, management philosophy, and purpose as core values and behavioral guidelines that each officer and employee should share. We aim for sustainable growth and the long-term enhancement of corporate value. To earn the trust of our stakeholders, including shareholders, we will make appropriate management decisions promptly and establish a corporate governance system that ensures high management transparency and effective oversight.

Furthermore, regarding sustainability-related risks in the environmental field, the aforementioned Sustainability Committee is responsible for identifying these risks and providing directives to the relevant departments for countermeasures. It collaborates with the Risk and Compliance Committee to manage these risks. Regular reports and recommendations are made to the Board of Directors during these meetings.

In the fiscal year 2024/3, the Sustainability Committee identified the impacts and risks of climate change on our business. For the extracted risks, we have visualized countermeasure examples and assessed their potential impacts on both business operations and finances. Risks deemed to have a high level of impact will be integrated into the company's overall risk management as part of business risks. Additionally, important matters related to the planning and implementation of countermeasures will be reported to the Board of Directors.

# Response to Climate Change

## Strategy on Climate Change

We currently recognize the following impacts of climate change on our business.

Risk Identification		Examples of Risk Countermeasures	Impact	
Risk Items	Risk Details	Examples of countermeasures		
Transition Risk	Policy & Regulations	<ul style="list-style-type: none"> <li>Introduction of carbon tax and other price hikes</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of CO2 emissions through continuous energy conservation efforts</li> <li>Monitoring carbon pricing policy trends</li> <li>Development of energy efficiency improvement plan for relocated headquarters office</li> </ul>	low
	Markets & Technology	<ul style="list-style-type: none"> <li>Cost increase due to higher electricity prices</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of power saving in offices (including reduction of office electricity use by introducing remote work)</li> <li>Monitoring market trends</li> </ul>	low
	Reputation	<ul style="list-style-type: none"> <li>The company's delay in taking action on climate change has resulted in a decline in stakeholder trust and brand strength, as well as a decline in the opportunity to be selected as a business partner, and a corresponding decline in revenue.</li> </ul>	<ul style="list-style-type: none"> <li>Continuous energy conservation efforts</li> <li>Appropriate dialogue with stakeholders and enhanced information disclosure</li> </ul>	low
Physical Risk	Acute	<ul style="list-style-type: none"> <li>Water submersion or damage to the data center and servers, and resulting service outages</li> <li>Cost of renovation due to loss of office space</li> </ul>	<ul style="list-style-type: none"> <li>Assessing disaster risks at the head office and group company locations (including major business partners) and formulating business continuity plans (BCP) based on these assessments</li> <li>Diversify risk of facility damage by promoting data center migration to the cloud</li> <li>Secure stockpiles and develop an evacuation system</li> </ul>	medium
	Chronic	<ul style="list-style-type: none"> <li>Risk of increase in electricity consumption for air conditioning, capital investment and maintenance costs</li> </ul>	<ul style="list-style-type: none"> <li>Promote energy conservation (install high-efficiency air conditioning equipment and replace with renewable energy)</li> <li>Monitoring changes in usage due to weather and temperature changes</li> </ul>	low

# Response to Climate Change

## Greenhouse Gas Reduction Targets and Progress

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### Commitments · Targets

The group is working on reducing greenhouse gas emissions as part of the climate change initiatives. We are currently developing medium- to long-term reduction targets for CO2 emissions, with the ultimate goal of achieving carbon neutrality across the entire group by 2030. As part of these efforts, we plan to introduce non-fossil certificates for the electricity used at our Toranomon headquarters by the end of the fiscal year 2025/3. Additionally, by utilizing Amazon Web Services (AWS), which has a low environmental impact, we achieved a reduction of 1.16 Mt-CO2 in the fiscal year 2024/3.

Additionally, as we plan for future office relocations, we will prioritize contributions to reducing environmental impact by actively considering moving to environmentally friendly green buildings. We are also looking into the introduction of power plans derived from renewable energy, fulfilling our corporate responsibility toward realizing a sustainable society.

### Greenhouse Gas Emissions of The Company

The group calculates CO2 emissions as an indicator for evaluating and managing climate change-related risks. Given the nature of our business, which primarily focuses on web-based life service platforms, we target emissions from our major offices in Japan.

### Calculation Method

The group calculates emissions based on the "Greenhouse Gas Emission Calculation and Reporting Manual (Ver. 5.0)" developed by the Ministry of Economy, Trade and Industry and the Ministry of the Environment.

### Targeted Areas for Calculation

SCOPE 1: CO2 emissions resulting from direct gas usage in the office

SCOPE 2: CO2 emissions resulting from electricity usage in the office

SCOPE 3: Category 1: Emissions associated with the use of data centers from "Purchased Goods and Services", Category 7: "Employee Commuting"  
(\*For details, please refer to page 13.)

# Response to Climate Change

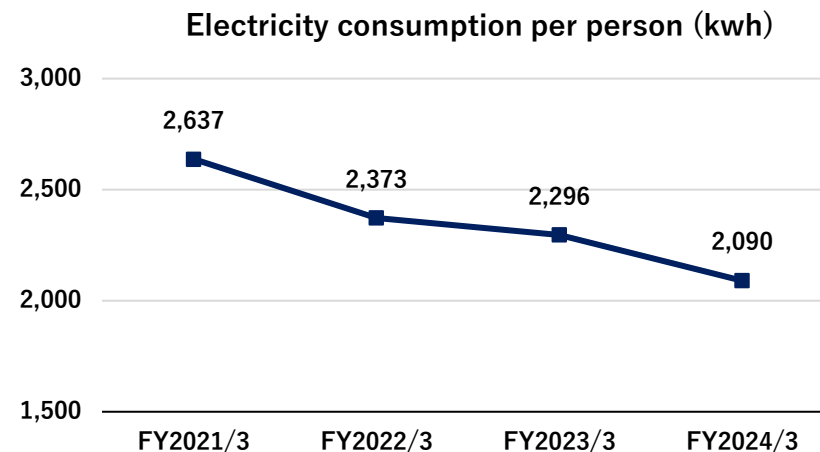
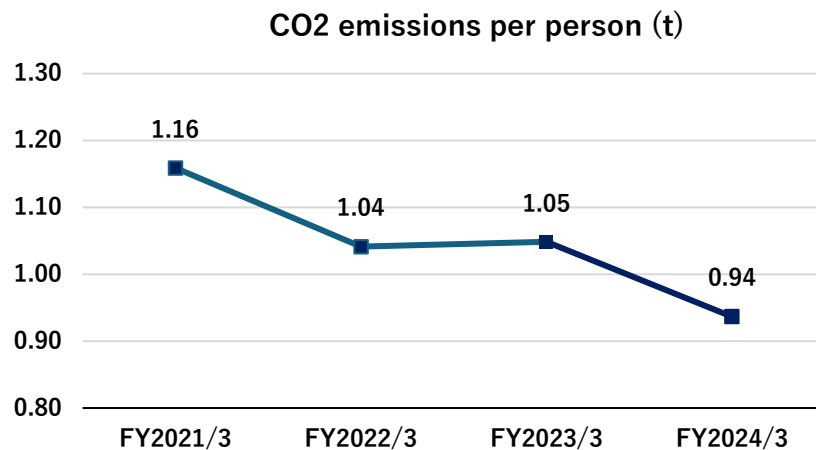
## Greenhouse Gas Reduction Targets and Progress

The CO2 emissions and electricity usage for the fiscal years from 2021/3 to 2024/3 are as follows:

\*For the ZIGExN headquarters only

Environmental Indicators		2021/3	2022/3	2023/3	2024/3
Electricity Usage · CO2 Emission	SCOPE1(t-CO2)	0	0	0	0
	SCOPE2(t-CO2)	195.9	208.8	226.5	220.6
	計 (t-CO2)	195.9	208.8	226.5	220.6
	Electricity Usage (kwh)	445,737	475,727	495,949	492,201

\*For the ZIGExN headquarters only



Additionally, starting this fiscal year, we have begun calculating CO2 emissions for each location of our domestic group companies. For the fiscal year 2024/3, the total CO2 emissions for the group amounted to 358.84 t-CO2, with electricity usage at 799,568 kWh.

# Response to Climate Change

## Greenhouse Gas Reduction Targets and Progress

Environmental Indicators		CO2 Emissions for the FY 2024/3	
SCOPE3 (Other indirect emissions)	Category 1: Emissions associated with the use of data centers from "Purchased Goods and Services", (t-CO2)	3,000	
	Category 7: "Employee Commuting" (t-CO2)	Headquarters	58.2
		Whole Group	192.5
	Total Emissions from Headquarters (t-CO2)	3,058.2	

\*Category 1: CO2 emissions reduced through AWS (compared to on-premises systems): 1,165,000 (t-CO2)  
 Additionally, starting in July 2024, we began aggregating emissions from GCP. The emissions from August 2023 to July 2024 amounted to 142 (t-CO2)

\*Category 7: Calculated based on travel expenses by transportation method x emission intensity

# Response to Climate Change

## Initiatives for Reducing Greenhouse Gas Emissions

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The main initiatives for reducing greenhouse gas emissions in our business activities are as follows:

- Promotion of energy-saving measures
- Introduction of new work styles, such as remote work and flexible working hours
- Promotion of paperless operations (implementation of cloud signing for electronic agreements)
- Utilization of KDDI Green Mobile services
- Use of cloud servers powered by renewable energy, including Google Cloud Platform (GCP) and Amazon Web Services (AWS)

## Commitment to Engagement Activities

Currently, the company considers all engagement activities related to climate change—such as collaboration with partners in the value chain, membership in industry organizations, involvement in public policy, and consideration of related activities—as having a low priority. While we are not actively considering their implementation at this time, we plan to evaluate the feasibility of such initiatives in the future if their priority increases. The Sustainability Committee will assess these initiatives against the goals of the Paris Agreement and our climate change strategy, while the Board of Directors will consider the necessary organizational arrangements and oversight.



# Response to Climate Change

## Initiatives for Reducing Greenhouse Gas Emissions

### In Office Initiatives

#### Balancing Confidentiality and Recycling

In our office, we have installed recycling boxes called "Mamoru-kun" (by Nippon Purple Co., Ltd.) to balance confidentiality and recycling efforts. In the fiscal year 2024/3 (from April 2023 to the end of March 2024), this initiative helped prevent the equivalent of 9.1799 trees from being cut down and contributed to a reduction of approximately 267.0627 kg of CO2 emissions. The total amount of recyclable materials processed reached 645 kg.

#### Plastic Bottle Cap Collection Activity

At the ZIGExN headquarters (Toranomon) office, we conduct a separate collection of plastic bottle caps. This not only contributes to plastic recycling resources but also allows us to donate the proceeds to JCV, participating in efforts to deliver vaccines to children worldwide. As of July 2024, this initiative contributed to a reduction of approximately 218.61 kg of CO2 emissions.

#### Promotion of Green Purchasing

We promote the green purchasing of office supplies, including stationery and IT equipment such as PCs and monitors.

#### Purchasing Records of Applicable Green Products (Eco Mark, Compliance with Green Purchasing Law, Listed in GPN)

Purchasing Records of Applicable Green Products (Eco Mark, Compliance with Green Purchasing Law, Listed in GPN)		
<b>Target Period:</b> January 2021 to August 2024 <b>Green Purchasing Rate (All Suppliers)</b>	OA・PC	93.56%
	Stationery and Office Supplies	63.00%
	Household items	24.17%
	Furniture・Interior Design	7.68%

# Human Capital

## Investment in Human Capital

### Provision of Abundant "Opportunities for Practice"

At the company, we view human capital as one of the core elements of corporate management and are focused on creating a framework where the growth of our talent is closely linked to business growth. We believe that the most significant factor for talent development is "opportunities for practice." In this regard, in addition to managing existing businesses and creating new ones, our numerous M&A activities and the accompanying Post Merger Integration (PMI) efforts provide our employees with ample opportunities for practical experience, establishing a strong competitive advantage.

While we cherish the spirit of being a "group of entrepreneurs" since our founding, we also strive to gather individuals with diverse "professional skills" and unique "personalities and alternative perspectives." We continuously update our organizational vision and team dynamics to evolve into a team capable of driving social transformation.

## 「Update Your Story~For a Better Future.」

~Update the future of everyone at the crossroads of life.~



# Human Capital

## Investment in Human Capital

### Engagement Survey

The company is undertaking various initiatives to enhance employee engagement. For example, we conduct an external employee engagement survey called "Motivation Cloud" twice a year, and we also implement our own internal engagement survey, "ZIGExN QUEST," every quarter. Through these efforts, we aim to understand the challenges related to employee engagement and promote improvements in the organizational culture to enhance engagement. In our unique survey, we have established original KPIs, such as "Challenge Assignment Rate," "Employee Growth Perception Rate," and "Cross-Business/Occupation Experience Rate." By monitoring these metrics, we can understand whether each employee feels they are growing and if they are satisfied with their current work. This information is then used to inform our HR initiatives.

- **External Engagement Survey "Motivation Cloud"**

To assess the overall organizational state of the company, we conduct an "Organizational Diagnosis Survey" using Motivation Cloud every six months. (\*Motivation Cloud: A service that leverages one of the largest databases in Japan to visualize employee engagement simply by answering a straightforward survey, identifying organizational challenges, and supporting organizational transformation.)

Target Participants: In principle, all full-time employees of the company (including part-time and regionally limited employees), contract employees belonging to the organization, and some employees on secondment to the company.

- **Internal Engagement Survey "ZIGExN QUEST"**

Conducted quarterly to facilitate workplace improvements and optimal placements, this survey assesses the appropriateness and challenge levels of individuals' current job responsibilities. While Motivation Cloud is aimed at understanding the overall organizational situation, ZIGExN QUEST focuses more on the individual circumstances of employees.

Target Participants: Employees who have been with the company for more than one month, including full-time employees, employees on secondment to the company, regionally limited full-time employees, part-time employees, and contract employees.

	Items	FY 2022/3	FY 2023/3	FY 2024/3
Response Rates for Each Survey:	Motivation Cloud	92%	98%	100%
	ZIGExN QUEST	63%	72%	95%

# Human Capital

## Investment in Human Capital

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### Employee Training

At the company, we conduct various initiatives and training programs for employees, including the following. Aimed at "passing down core competencies" and "early development and promotion of business leaders," which have been part of our mission since the company's founding, we offer a three-year development plan for new employees called the "ZIGExNIST Training Program." In this program, young business officers design and lead training sessions based on their own experiences to nurture younger talent. In addition to talent development programs like onboarding training for managers and executives, we offer a wide range of training, including OJT, mentorship-based programs, and compliance-related training.

In addition, to support employees' career advancement, we provide assistance for obtaining certifications, purchasing books, and accessing video content for learning skills such as marketing and engineering.

### Examples of Training (For details, please refer to the following pages)

- New Graduate Training (ZIGExNIST Training)
- Mid-career Training
- Management Training
- Group Executive Training
- OJT Trainer Training
- Mentor Training
- Compliance Training
- Personal Information Protection Training

# Human Capital

## Investment in Human Capital

### Data on Training Performance

Trainings		Applicable	Tutors	Frequency	FY2023/3	FY2024/3	FY2025/3
Onboarding	New Graduate Training (ZIGExNIST Training)	First-Year Employees	Internal / External	—	100%	100%	100%
	Mid-career Training	Mid-career Hires	Internal	Each Time	100%	100%	100%
			Internal / External	Biannually	—	94.12%	91.67%
	Management Training	Promoted Managers	Internal	Every Quarter	75%	100%	100%
			Internal	Every Quarter	100%	100%	83.33%
Group Executive Training	Regularly	External	Annually	—	95%	—	
By Role	OJT Trainer Training	Eligible Individuals	External	Annually	—	100%	—
	Mentor Training	Eligible Individuals	Internal / External	Annually	100%	100%	—
Compliance	Compliance Training	Eligible Individuals	Internal / External	Annually	—	99.6%	—
	Personal Information Protection Training	Eligible Individuals	Internal	Annually	100%	100%	—

\*For the current fiscal year (ending March 2025), the figures are based on the data available at the time of publishing this ESG Data Book.

# Human Capital

## Investment in Human Capital

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### Regarding Recruitment Measures

At the company, we view human capital as one of the core elements of business management, and by providing growth opportunities for each employee, we have created new value in society. Additionally, each business unit implements various recruitment measures aimed at continuous value creation, focusing on securing talent that aligns with the company's values.

We are focusing on hiring talent in sales, marketing, and engineering to drive our business growth. Additionally, we are also recruiting for corporate roles that support this growth, such as accounting, human resources, internal audit, and management strategy. Each year, in collaboration with the heads of various departments, we define the desired profiles and numbers of employees necessary for business growth and implement recruitment measures accordingly. For instance, to minimize gaps after joining and increase the number of applicants, we operate our unique recruitment online class field, "OVERS" (<https://overs.zigexn.co.jp/>), which shares insights about our culture and the actual voices of our employees. On this platform, we provide detailed information about the job descriptions and the skills and experiences required for each role. Additionally, our CEO conducts lectures at academic institutions to establish connections with outstanding students. Furthermore, through our internship program, we strive to create early connections with talented students and prevent mismatches. Recruitment efforts involve not only the HR department but also active participation from business units.

### Internship

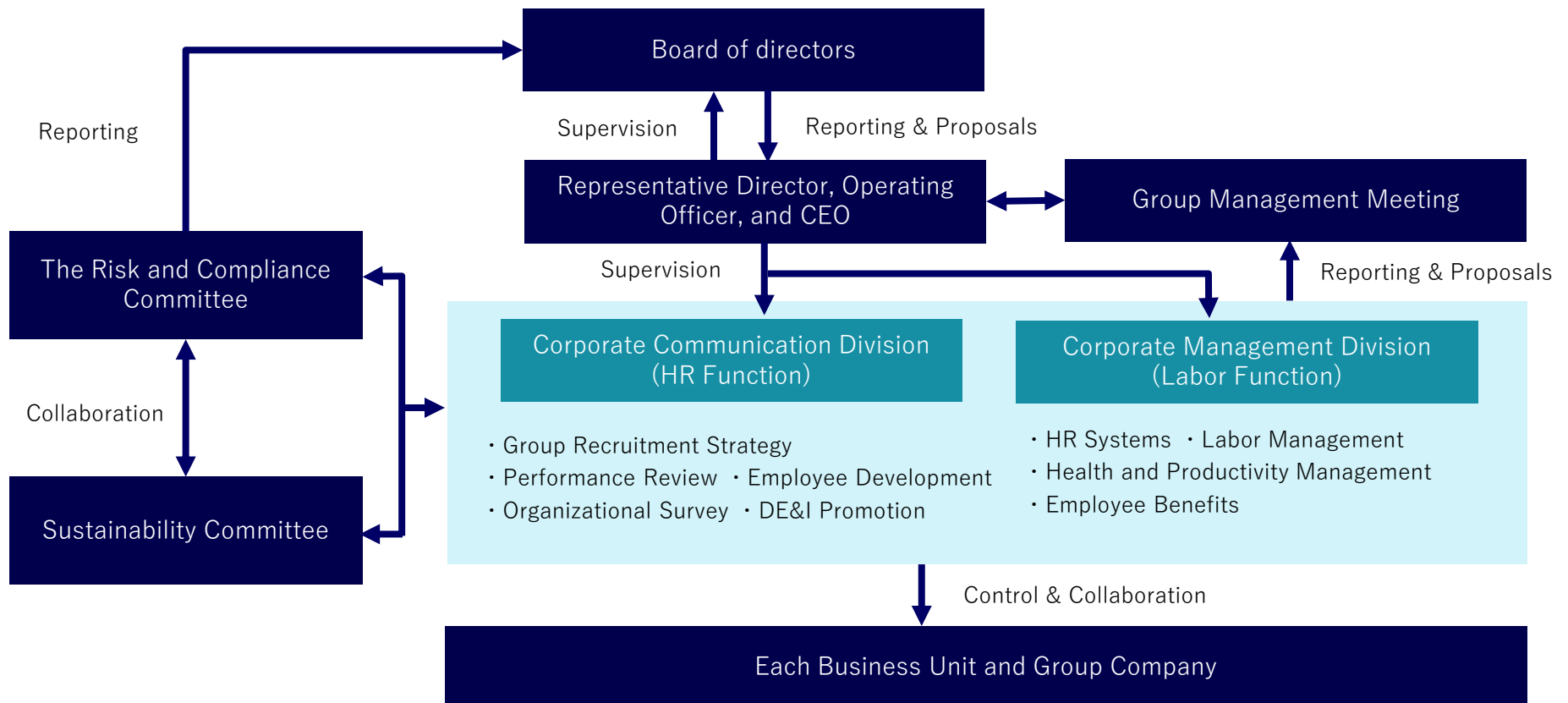
The company has implemented an internship program to provide employment opportunities for students and to establish early connections with them. Regardless of whether an internship leads to employment, we strive to offer all employees fair growth opportunities, allowing them to engage in important tasks, making it a highly attractive employment option for students. Many students who complete internships subsequently join the company, contributing to securing talented individuals and preventing mismatches. Moving forward, we will continue to leverage the internship program to build connections with an even greater number of students.

# Human Capital

## Investment in Human Capital

### Governance

We are currently considering the establishment of a governance structure for our human capital, as illustrated in the diagram below.

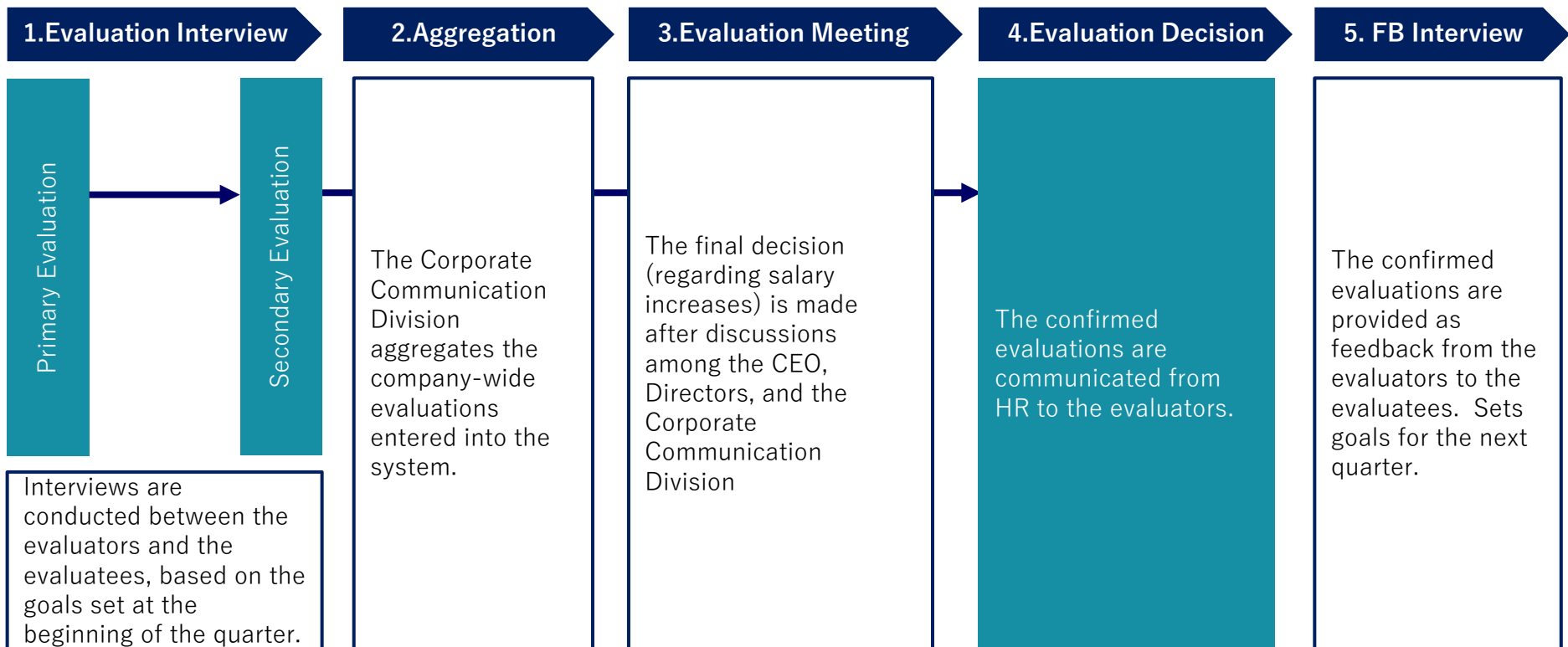


# Human Capital

## Investment in Human Capital

### Performance Review Process

At the company, we conduct a performance review cycle (steps ① to ⑤) every quarter to ensure a high level of transparency in our HR evaluations. During the evaluation meetings, which include the participation of the CEO and directors, we also engage in discussions related to talent development. When necessary, we collaborate with the Group Management Meeting to promote the development of talent across the entire group.



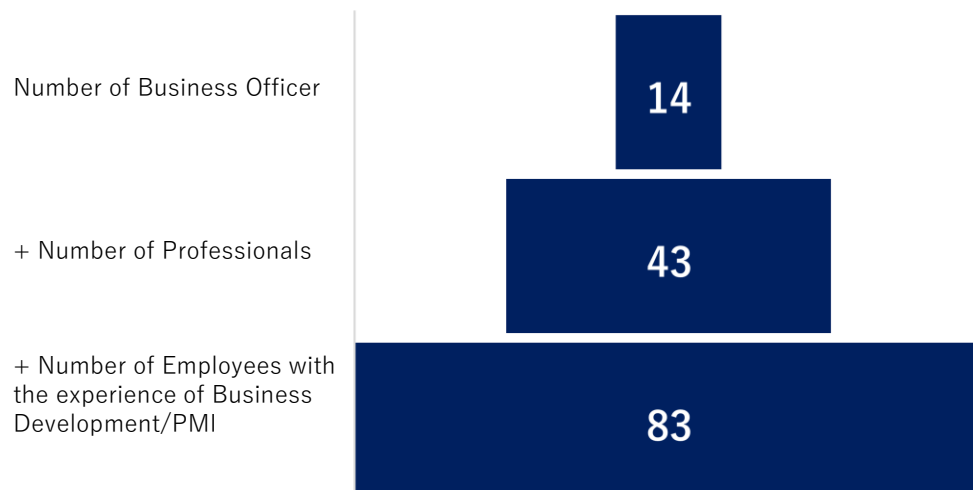


# Human Capital

## Investment in human capital

### Data on human capital: original indicators

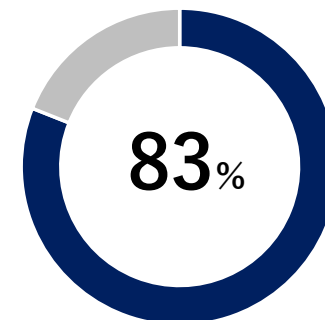
#### Outcome/Output Indicator



#### Central KPIs

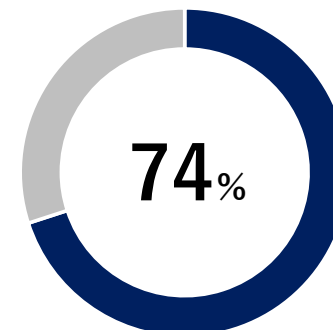
##### Challenge Assign Rate

The number of respondents who answered "Somewhat/Strongly agree" to the question "Do you think your current goal/mission is challenging?"  
Slight increase from last year.



##### Growth Satisfaction Rate

The number of respondents who answered "Somewhat/Strongly agree" to the question "Do you feel that your abilities have improved in this quarter?"  
Slight increase from last year.



Note 1: "+Number of Professionals" includes the number of business officers, and "+Number of employees with business development and PMI experience" includes the number of business officers and professionals.

Note 2: "+ Number of Professionals" refers to those who have received an equivalent or higher evaluation/grade as business officers.

Note 3: The central KPI is based on the figures for the end of FY2024/3.

Note 4: Operating income per person is calculated as non-consolidated operating income (excluding non-ordinary expenses) based on Japanese GAAP divided by ZIGExN's regular employees excluding seconded staff and employees on leave.

Note5: Various figures represent non-consolidated figures of the Company.

# Human Capital

## Investment in Human Capital

### Data on Human Capital: Basic Indicators

Items	Unit	FY2022/3	FY2023/3	FY2024/3
Number of Employees	person	704	857	927
Number of Temporary Employees	person	173	290	286
Training Cost Per Employee	yen	6,381	6,540	5,277
Turnover Rate	%	19.6%	20.9%	14.6%
Average Age	age	32.6	32.9	32.9
Average Years of Service	year	2.49	2.86	3.17
Paid Leave Utilization Rate	%	50%	50%	78%
Parental Leave Utilization Rate	%	Men : 11% Women : 100%	Men : 50% Women : 100%	Men : 29% Women : 100%
Return Rate After Parental Leave	%	Men : 100% Women : 100%	Men : 100% Women : 100%	Men : 100% Women : 100%
Employment Rate of Persons with Disabilities	%	0.4%	0.5%	1.0%

\*The turnover rate refers to the turnover rate of full-time employees (those who left during the fiscal year as of April 1).

\*The paid leave utilization rate is calculated as the number of paid leave days taken during the fiscal year divided by the number of paid leave days granted in the fiscal year for employees present at the beginning and end of the period.

\*The number of employees, number of temporary employees, and training cost per employee reflect the figures for the entire company group, while other items indicate figures for the company alone.

\*The training cost per employee is calculated as training expenses divided by the average number of employees at the beginning and end of the fiscal year (consolidated basis).

# Human Capital

## Diversity, Equity, and Inclusion (DEI)

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Since the founding of the company, we have worked to ensure respect for one another and fairness in providing opportunities for every individual, regardless of class, race, skin color, gender, language, religion, gender identity, age, political or other opinions, national or social origin, nationality, property, sexual orientation, gender identity, disability, or birthplace. Under our core philosophy of "maximizing life opportunities," we value DEI for our employees and believe it is essential to provide opportunities for autonomous choices. We promote DEI to foster innovative ideas and innovations born from diversity. Specifically regarding gender, we have set targets and are committed to achieving gender parity. Additionally, we will address important DEI themes other than gender based on the country, region, and business context.

Additionally, the company participates annually in the "D&I AWARD," an accreditation and recognition system that evaluates corporate diversity and inclusion efforts. Starting in FY2025/3, we will also implement the "Inclusion Score Survey," which measures trust relationships and support systems among organizational members, respect for individual opinions and strengths, and the diversity of work styles and life stages.

## Commitment and Targets for DEI

The company has established targets related to gender diversity. Specifically, we aim to achieve a female ratio of approximately 20% in management positions by 2025. Considering the current situation, we will continue to reassess the timeline for achieving this goal. Additionally, our commitment and policies towards DEI are promoted under the supervision of the Board of Directors. To ensure more reliable outcomes for DEI, we are considering the future introduction of incentives linked to the achievement of these goals and accountability for management.

The ratio of female managers is as follows:

FY 2022/3: 12%, FY 2023/3: 11%, FY 2024/3: 12%

## Initiatives for Gender DEI

The company is considering strengthening its initiatives toward gender equality. For example, we are exploring the possibility of endorsing international initiatives, such as signing the "Women's Empowerment Principles" (WEPs), which are action principles developed jointly by the United Nations Global Compact and UN Women to actively promote women's empowerment.

Additionally, to improve the ratio of women among employees, management, and executives, we are implementing and considering various initiatives under strong commitment and leadership from our management team to identify and address the barriers that women experience in the workplace

# Human Capital

## Diversity, Equity, and Inclusion (DEI)

### Initiatives Toward Achieving Gender Parity

The company is committed to achieving gender parity by increasing the proportion of women among our employees, managers, and executives. From the perspective of gender parity, the current representation of women in these roles is still developing. Therefore, we will implement measures tailored to the specific environments and challenges we face in each area.

### DEI Training Program

We are considering promoting internal communication and awareness about the significance and purpose of DEI throughout the organization.

Additionally, we are exploring the provision of various career development programs for female employees.

In FY2025/3, we are planning to hold a career seminar led by a former female marketer from the company, and we are also considering making such events a regular occurrence in the future.

### Data on the Female Ratio

Items		FY2022/3	FY2023/3	FY2024/3	Target for 2030
Number of Employees	Female	75	79	78	-
	Female Ratio	35%	35%	32%	Under Consideration
Managers	Female	5	7	7	-
	Female Ratio	12%	11%	11%	20%
Directors	Female	1	1	1	-
	Female Ratio	20%	20%	20%	Under Consideration
Auditors	Female	0	0	1	-
	Female Ratio	0%	0%	33%	Under Consideration

Note: All figures represent the data from the company alone.

# Human Capital

## Diversity, Equity, and Inclusion (DEI)

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### Commitment and Initiatives Towards the Gender Pay Gap

The company aims to reduce the gender pay gap. We have adopted a performance-based policy, establishing an evaluation system that determines employee compensation based on expected roles and the magnitude of their contributions, regardless of age or year of entry for permanent employees. Therefore, we view the challenge of reducing the pay disparity between men and women as increasing the proportion of women in more demanding missions and roles. To achieve this, we are setting specific goals for the female ratio and supporting initiatives aimed at achieving these targets, to raise the percentage of women in higher-level missions.

Furthermore, we will strive to create an organization that has a good work environment for diverse talent by ensuring flexibility in aspects such as workplace and working hours, which can be challenges for women's active participation. As a group that operates multiple businesses related to employment, such as job placement business and recruitment online class field, we are committed to promoting diversity and equity in society through our business activities.

### Disclosure of the Gender Pay Gap

For the latest information on the gender pay gap, please refer to the following: 18th Term Annual Securities Report (April 2023 - March 2024) P.11  
URL: <https://contents.xj-storage.jp/xcontents/AS80135/d75244c1/9495/43a6/891d/285cbf8e1d49/S100TOJD.pdf>

## Initiatives for Promoting DEI in the Supply Chain and Society

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The company is committed to promoting DEI throughout the supply chain and society by planning and implementing various diversity programs through our business activities. Additionally, through our service "Reshop Navi," we recognize and award attractive renovation examples that enhance living conditions with the "Good Remodeling Contest." In our group service "TCV," we continuously hold the "TCV Best Seller Award," which honors member stores based on customer reviews and the smoothness of communication. These initiatives aim to promote DEI within the industry.

# Human Capital

## Diversity, Equity, and Inclusion (DEI)

### Commitment and Initiatives Regarding Employment of Persons with Disabilities

The company strives to provide an environment and opportunities where every employee can thrive, regardless of their disabilities. We promote the employment of persons with disabilities so that each individual can choose a more diverse way of working that suits their circumstances. Additionally, we will continue to explore initiatives aimed at raising awareness and knowledge regarding disabilities.

### Employment Ratio of Persons with Disabilities

\*All figures represent the data from the company alone.

Items		FY2022/3	FY2023/3	FY2024/3
Number of Employees	Number	1	1.5	3
	Ratio	0.4%	0.5%	1.0%

### Commitment and Initiatives Regarding LGBTQ+ Employees.

The company aims to create an environment where all employees can thrive, regardless of sexual orientation or gender identity, and we strive to respect individuals within the LGBTQ+ community and promote inclusion. To enhance the success of LGBTQ+ employees and improve organizational understanding, we will establish a system that includes regular information dissemination, hosting seminars, setting up consultation services, and extending benefits to same-sex partners, all to create an environment where everyone can work as who they are.

### Commitment and Initiatives Regarding Racial and Ethnic Equality and Freedom of Religion

The company aims to create an environment where all employees can thrive and is committed to ensuring racial and ethnic equality and freedom of religion. To enhance organizational understanding regarding these issues, we will explore various initiatives, including regular information dissemination, hosting seminars, establishing consultation services, and ensuring flexibility for religious practices.

# Human Capital

## Diversity, Equity, and Inclusion (DEI)

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### Initiatives to Ensure Age Diversity

The company has consistently worked to ensure equal opportunities for all employees, regardless of age. Based on our core philosophy of "Maximizing Life Opportunities," we have promoted the appointment of various generations to important positions, such as business leaders. At the company, we assign roles based on employees' potential, and remuneration is determined according to the expected impact and difficulty of those roles. This allows employees to leverage their strengths and thrive from the moment they join, regardless of their age, seniority, or years of experience. Additionally, as part of our efforts to provide employment opportunities after retirement, we offer a continuous employment system that extends the employment age limit to 65.

### Regarding Employee Compensation

Our employee compensation system is based on two principles: equal pay for equal work and performance-based compensation. As part of our commitment to equal pay for equal work, each company within the group complies with the laws and regulations of the countries and regions where they operate, ensuring fair compensation above the minimum wage for both employees and temporary staff. For performance-based compensation, we have introduced a bonus system linked to business performance, which strengthens our commitment to sustainable corporate growth.

- **Regarding Performance-Based Compensation**

We have implemented a performance-based compensation system for business officers in each division, where their compensation is linked to the evaluation of performance indicators such as business growth rates.

- **Regarding the Stock Compensation System, etc.**

To strengthen the management team through an appropriately designed incentive structure, promote multi-layered management strategies, and enhance the management team's commitment to long-term corporate value growth, we regularly issue paid share options to our directors, employees, and directors of our subsidiaries.

- **Regarding the Employee Stock Ownership Plan, etc.**

Currently, we do not have an employee stock ownership plan, but we will consider its implementation in the future.

# Human Capital

## Labor Management

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### Collective Bargaining Right/ Freedom of Association

The company protects the fundamental rights related to human rights for all individuals, including the freedom of association and the right to collective bargaining, the prohibition of all forms of forced labor, the effective elimination of child labor, and the elimination of discrimination in employment and occupation. While there are no labor unions formed, we follow the procedures in accordance with Japanese laws when establishing or modifying work regulations. Specifically, we provide an explanation session for all employees and carry out regulatory changes after thorough explanations.

### Occupational Health and Safety Management

The company recognizes that continuing to secure qualified personnel and maintaining a comfortable work environment for employees are essential for business growth. With this in mind, we strive to provide a workplace environment that is supportive of each individual's safety and health. We regularly conduct surveys to gather feedback from employees who are actively working and reflect their voices in our policies.

- **Procedures for Investigating Occupational Health and Safety Conditions**

The company confirms the safety of employees through a safety confirmation system in the event of a disaster.

- **Education and Training Related to Occupational Health and Safety**

The company provides education and training related to occupational health and safety for employees. For example, at ZIGExN, we implement various initiatives, including providing information on disaster preparedness and prevention, as well as disseminating information related to occupational health and safety.

- **Ensuring Employee Wellness**

The company conducts a wellness survey once every quarter to check on the condition of employees. Through monitoring the results, we assess health issues and risk reduction, as well as the progress of preventive measures, and provide support to employees as needed.

- **Initiatives for Employee Benefits / Work Style Reform**

The group offers a variety of employee benefits that reflect the needs of our employees.



# Human Capital

## • Labor Hour Management and Measures to Prevent Overwork

The company implements measures to prevent overwork as part of our labor hour management. We are committed to ensuring employee well-being and avoiding health issues related to overwork by working to reduce additional working hours. Specifically, we have established a system for managing working hours. If excessive overtime is anticipated, we notify both the supervisor and the employee through email regarding the labor hour guidelines. Additionally, employees whose overtime hours are below the stipulated limit receive allowances.

## • Mental Health Measures and Other Consultation Services

The company places a strong emphasis on the mental health of employees and works on mental health measures and prevention in collaboration with occupational physicians. We engage in awareness-raising activities by disseminating information related to mental health, aiming to foster a workplace culture that promotes prevention and early detection. Additionally, we conduct stress checks within the company to assess employees' stress levels and determine the presence of mental health issues. For employees identified as experiencing high stress based on the results of the stress checks, we provide follow-up support through individual consultations and collaboration with occupational physicians. Furthermore, we have implemented an online counseling service, which is company-funded, offering a casual environment where employees can seek support without going through the company.

The company has established a consultation service for general health management, providing a system where employees can easily discuss physical and mental health issues. Additionally, we ensure opportunities for consultations with external experts, including meetings with occupational physicians.

## • Reporting and Consultation System

The company has established an internal reporting system that ensures anonymity for reporting misconduct or legal violations, separate from the normal reporting line to supervisors. Reports can be directed to auditors or external lawyers. Additionally, we have implemented an HR consultation system to address inquiries related to human resources and labor matters.

## • Improvement of Labor Productivity

The group is working to improve labor productivity in each company by reviewing business processes and implementing IT tools. In addition to utilizing business chat, cloud services, and online meetings, we are engaged in various initiatives, including knowledge sharing between group companies and sharing expertise from external sources.

# Human Capital

## Diverse Work Arrangements

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### • Leave and Leave of Absence System

The company values diverse work styles and has established various leave systems, including nursing leave, caregiving leave, vacation leave, and family support leave (described further on page 35), as well as leave of absence systems such as childcare leave.

### • Flextime System

The company has implemented a flextime system with a core time of 10:00 AM to 4:00 PM and flexible hours from 7:00 AM to 10:00 AM (start time) and from 4:00 PM to 10:00 PM (end time).

### • Remote Work System

The company has implemented a remote work system to achieve a better work-life balance and improve productivity.

### • Part-Time Work System

As part of our childcare support initiatives, the company allows employees to choose a work arrangement with shorter working hours than full-time employment.

### • Side Job / Concurrent Employment Permission System

The company allows side jobs and concurrent employment with the proper internal procedures and supervisor approval.

### • Periodic Health Examinations

The company conducts annual periodic health examinations, aiming for 100% participation among employees. For individuals requiring treatment or those needing to improve their lifestyle habits, we provide appropriate follow-up support, such as guidance for consultations with occupational physicians.

# Human Capital

## Employee Benefits

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Examples of our employee benefits include:

- **GAT:** A system for employees to express gratitude to each other. Each month, one employee can receive a gift, covered by the company, to convey their appreciation.
- **Birthday Gift:** A digital gift is sent to employees on their birthdays.
- **Book Subsidy:** With supervisor approval, employees can purchase books at the company's expense.
- **External Seminar Cost Subsidy:** With supervisor approval, employees can participate in external seminars at the company's expense.
- **Certification Acquisition Subsidy:** Support is provided for obtaining or maintaining certain qualifications related to work, up to a maximum of 300,000 yen per person.
- **Shinboku:** Financial support for departmental or project kickoff meetings, social gatherings, and appreciation events.
- **Z Mentor Subsidy:** Follow-up support for mentors and mentees within the mentoring program.
- **Retirement Gift:** Financial support for gifts to express gratitude to retiring employees.
- **Housekeeping Service:** Employees can utilize housekeeping services with 2/3 of the usage fee subsidized.
- **Napping Minutes (N Minutes):** Employees can take a nap for up to 20 minutes between 12 PM and 3 PM for refreshment purposes.
- **Fitness Hour (F Hour):** Employees can extend their lunch break by up to one hour, twice a month, to engage in exercise.
- **Benefit Station:** An external welfare service offering a wide range of services in various categories such as leisure, travel, gourmet, shopping, childcare, health, and caregiving.
- **Regular Health Checkups:** The company conducts annual regular health checkups, aiming for 100% participation among employees. Appropriate follow-up support is provided for individuals requiring treatment or those needing to improve their lifestyle habits, including guidance for consultations with occupational physicians.

# Human Capital

## Childcare and Caregiving Support

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At the company, we are committed to supporting childcare and family caregiving in various ways.

### Examples of Initiatives

- Childcare Leave
- Transition to Part-Time Employment: Allows employees to switch from full-time to part-time status based on requests for childcare or caregiving.
- Parental Leave at Birth (Postpartum Paternity Leave): Available primarily for men, this leave can be taken within eight weeks after the child's birth for a duration of up to four weeks (28 days).
- Paternity and Maternity Leave Plus: If a spouse is on childcare leave, parents can extend their leave up to one year by combining the birth date, postpartum leave, and childcare leave periods until the child reaches one year and two months.
- Family Support Leave: Can be used for attending school events that are better attended by parents, as well as family events involving relatives up to the second degree (1. Life partner\*, 2. Biological parents/grandparents, 3. Biological siblings/grandchildren and their spouses), or family events related to pets living in the household.

\*Life partner: Includes cohabiting partners in de facto marriages and partnerships, in addition to legally married spouses.

- Nursing Leave/Caregiving Leave: Allows for five days of paid leave per year (or ten days for two or more children) for necessary nursing of children or caregiving for family members as defined in the childcare and caregiving leave regulations.
- Maternity Leave: Available for female employees who meet certain conditions before and after pregnancy.

# Information Security/Cyber Security/Protection of Personal Information

## Response Policy

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In the group, we acquire, manage, and utilize the personal information of users who use our services. We believe it is our responsibility to comply with the laws of each country and to respect and protect the privacy of individual users. We view data security and privacy compliance as essential elements of our business activities and are committed to addressing them. In recent years, there has been a heightened global interest in personal information protection, leading to active movements to establish and amend privacy-related laws and regulations in various countries and regions. The group strives to comply with the laws and regulations of the countries and regions where each of our businesses operates. To enhance the effectiveness of our data security and data privacy measures, we have established data security and data privacy policies based on the characteristics of our business. These policies include important guidelines for the protection, collection, use, sharing, and retention of user data when handling user information. They also outline the rights of users to request the deletion, correction, disclosure, or removal of their personal information, as well as policies regarding the transfer of data to third parties.

## Governance Structure

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The company regards data security and privacy measures, including the protection of personal user privacy, as critical elements of corporate activities and has established an appropriate governance structure.

- **Responsibilities of the Board of Directors**

We have established a Risk and Compliance Committee and an Information Security Committee. These committees advance discussions on data security, cybersecurity, and data privacy as part of risk and information security management. The Representative Director serves as the chairperson of both committees and other directors also participate as members. The Board of Directors confirms the validity of risk assessments and mitigation measures concerning data security, cybersecurity, and data privacy within the group, based on the deliberations of the Risk and Compliance Committee and others, and oversees their progress.

- **Information Security Committee**

The chairperson is the Representative Director. This committee deliberates and identifies key themes and measures regarding the security risks of the group. From the perspective of information security, it identifies risks that require special attention and reports on countermeasures to the Board of Directors.

# Information Security/Cyber Security/Protection of Personal Information

## Examples of Initiatives

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In the group, we take measures regarding the data we hold by considering its importance, the nature of our business, and the characteristics of the information assets that need protection based on regulations in various countries and regions. We strive to implement countermeasures that meet the standards required by the industry, according to the nature of our business and risks. For example, we have implemented measures for detecting unauthorized access, detecting and blocking virus infections, recording communications and access in preparation for investigations, and establishing an incident management system.

We are also considering or implementing initiatives such as:

- Appointing responsible persons for each service
- Establishing specialized organizations for evaluation and deliberation
- Conducting employee training related to security and privacy
- Setting up a specialized department for security, etc.

### • Compliance Standards and Third-Party Assurance

The company has acquired the Privacy Mark.

\*Privacy Mark: A third-party certification granted to businesses that have established a system to implement appropriate protective measures for personal information in accordance with the Japanese Industrial Standards "JISQ15001 Personal Information Protection Management System - Requirements" (Granting organization: Japan Institute for Promotion of Digital Economy and Community).

### • Training

We conduct information security education and awareness programs related to data security, cybersecurity, and data privacy.

Specifically, we focus on training for new employees, regular privacy training, alerts about phishing emails, disseminating rules and guidelines related to privacy, and familiarizing employees with manuals concerning the use of AI, among other initiatives.

# Information Security/Cyber Security/Protection of Personal Information

## Examples of Initiatives

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### • Audit

We position data security, cybersecurity, and data privacy compliance as one of the group's risk items and conduct internal audits accordingly. Internal audits related to data security, cybersecurity, and data privacy are also performed. The Internal Audit Department evaluates the risks associated with data security and cybersecurity compliance across the entire group from an independent standpoint, separate from the audited departments. If the Internal Audit Department identifies any deficiencies, it notifies the audited department and encourages improvements.

### • Response to Emergent Risks

The group implements various measures to minimize damage, ensure early detection, and prevent incidents related to data security, cybersecurity, and data privacy. Each company within the group has established a reporting and response mechanism for matters that could significantly impact operations, including incidents involving data security, cybersecurity, and data privacy. This applies to incidents that have occurred, been discovered, or are recognized as having the potential to occur. We ensure that all employees are informed about these procedures. In the event of a significant incident, we will establish a response team to address the situation effectively.

## Governance Structure for Data Utilization in Product and Service Development

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The group recognizes the significant responsibility of properly handling personal information. In utilizing data, we comply with laws and regulations while placing great importance on judgments based on social norms. We also conduct appropriate checks from a risk perspective during the product and service development approval process.

# Initiatives to Respect Human Rights

## Human Rights Governance

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We strive to protect the general human rights of our executives and employees. In the future, we will consider developing and formalizing policies related to human rights.

- **Risk and Compliance Committee**

We collect information related to human rights and conduct monitoring of the situation, examining and implementing the policies and measures related to risk and compliance for the group.

## Human Rights Education

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The group conducts compliance training for employees that includes human rights education, aiming to mitigate human rights risks. This training covers topics such as preventing harassment and considering human rights in relation to products and services, including preventing discriminatory expressions in advertising, client interactions for sales representatives, and avoiding discriminatory language in product creation and face-to-face communications.

## Human Rights Due Diligence

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The group has traditionally operated its business with consideration for human rights. Recognizing that the scope of human rights issues that companies should address is expanding, we are implementing human rights due diligence initiatives to further promote respect for human rights in our business operations. Specifically, we value the rights of all individuals who are often marginalized in society, such as children, women, migrant workers, and indigenous peoples. We strive to prevent human rights violations, including forced labor, human trafficking, child labor, discrimination, harassment, poor working conditions, bullying, and unfair treatment.

## Human Rights Consultation Desk

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The group's internal reporting and consultation desk accepts reports and inquiries related to human rights from all individuals, including employees (including contract employees) and temporary staff.



# Initiatives to Respect Human Rights

## Human Rights in the Value Chain

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The group aims to conduct a consistent process in the event of human rights violations, which includes fact verification, problem resolution, consideration of measures to prevent recurrence, and follow-up on the situation afterward. We strive to ensure that those who have experienced human rights violations receive relief, allowing them to recover to a situation they would have been in had the incident not occurred, and we will respond sincerely. In doing so, we will consider optimal responses, including disciplinary actions against the violators, reflecting these actions in personnel evaluations, assignments, and placements, as well as implementing human rights awareness training to prevent recurrence, ensuring continuous follow-up.

## Remedial Measures for Human Rights

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The group aims to prevent human rights violations and their facilitation throughout the entire value chain, including the supply chain.

# Community Contribution Activities

## Revitalization of Local Communities

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The group is engaged in various activities to contribute to society and communities.

- **Initiatives in Kyoto Prefecture**

The company established an office in Kyoto City, Kyoto Prefecture, in 2022 and operates a professional team called "ZIGExN UPDATERS.EXE," which follows a 3x3 basketball format. We regularly hold events that involve interns and players from the Kyoto office in planning and operations. Additionally, the efforts of the Kyoto office and the team have received significant media coverage.

- **Initiatives in Oita Prefecture**

The group company, REJOB Co., Ltd., has introduced Oita Prefecture's migration project through its media platform, leveraging its business model.

- **Initiatives in Kanagawa Prefecture**

In Kanagawa Prefecture, where our group company REJOB Co., Ltd. has a satellite office, we held an event at the "Manazuru Children's Future College" aimed at expanding children's future options through a hairdressing experience. Active hairdressers and beauty school students served as instructors for local elementary and junior high school students and their parents.

## Equality of Employment Opportunities

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At Ritsumeikan Asia Pacific University in Oita Prefecture, a class on "Entrepreneurship" was conducted by our Representative Director, Operating Officer, and CEO, Joe Hirao. Approximately 200 students participated.

# Corporate Governance

## Diversity of the Board of Directors

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The Board of Directors consists of five directors, including two outside directors. In accordance with the Board of Directors Regulations, we hold regular board meetings once a month and convene extraordinary board meetings as needed to perform our duties, while also supervising the execution of duties among directors. Additionally, three auditors (all of whom are outside auditors) attend the board meetings and provide their opinions as necessary.

Our policy and process for selecting directors ensure a balanced composition of knowledge, experience, and abilities while considering diversity and appropriate scale. The Board of Directors selects candidates who can fully demonstrate their capabilities in contributing to the sustainable enhancement of the corporate value of the group, regardless of gender or age. This selection is made with consideration of the candidates' character and insights.

Furthermore, with regard to outside directors, we believe that their ability to provide opinions from an objective and neutral standpoint, based on diverse backgrounds and areas of expertise, contributes to appropriate decision-making by the Board of Directors and strengthens corporate governance. Outside directors are selected based on their high insights and extensive experience, in consideration of our "Independence Standards for Outside Directors" outlined below.

## Commitment and Targets for Ensuring Diversity Among Board Members

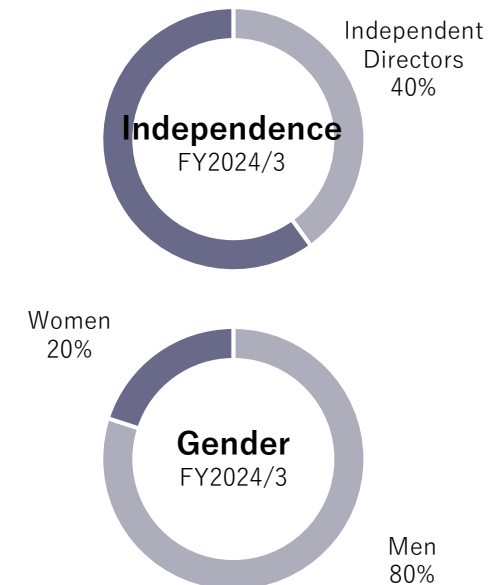
We established a voluntary Nomination and Compensation Committee in June 2024. This committee will discuss enhancing the independence, objectivity, and accountability of the Board of Directors, including increasing the diversity of the board members, which includes auditors. If necessary, we will also consider setting specific targets, such as the ratio of female members on the Board of Directors.

# Corporate Governance

## Data on Diversity of the Board of Directors and Related Committees

Governance Indicators		FY2021/3	FY2022/3	FY2023/3	FY2024/3
Directors	Number of Directors (Total)	4	5	5	5
	Number of Female Directors (Total)	1	1	1	1
	Number of Outside Directors (Total)	2	2	2	2
	Number of Independent Directors (Total)	2	2	2	2
Auditors	Number of Auditors (Total)	3	3	3	3
	Number of Outside Auditors (Total)	3	3	3	3
	Number of Independent Auditors (Total)	2	2	2	2
Board of Directors Attendance Rate	Total	100%	100%	100%	99.22%
	Directors	100%	100%	100%	100%
	Auditors	100%	100%	100%	97.87%

## Diversity of the Board of Directors



\*The composition of the board of directors and ages are compiled as of March 31, 2024.

\*The number of independent directors and independent auditors is based on the number reported to the Tokyo Stock Exchange as independent officers.

# Corporate Governance

## Skills Matrix of Board Members

Regarding the skills of the board members, decisions are made through discussions at the Board of Directors to achieve the company's medium- to long-term management strategy. The skills matrix of our board members is as follows.

Title/Name	Independence	Gender	Age	Corporate Management/Strategy	Marketing Technology	Organization · HR and Labor	Accounting · Finance	M&A/PMI	Risk Management	ESG/SDGs
Representative Director <b>Joe Hirao</b>		Male	41	●	●	●		●		●
Director <b>Sachiko Hatano</b>		Female	41	●		●	●	●	●	●
Director <b>Shinji Sato</b>		Male	40	●		●		●		●
Outside Director <b>Yasuo Usuba</b>	●	Male	61	●	●	●	●			
Outside Director <b>Jun Sakaki</b>	●	Male	51	●	●	●				

\*The ages are listed as of March 31, 2024.

\*Independence is marked with a circle (○) for those who meet the “Independent Officer Independence Criteria.”

# Corporate Governance

## Evaluation of the Effectiveness of the Board of Directors

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To confirm the effectiveness of the Board of Directors and align on future directions for improvement, we conduct an effectiveness evaluation of the directors annually. In May 2024, a questionnaire with 21 questions, each rated on a scale of 1 to 5, was distributed to all eight directors and auditors. The average score for this evaluation was 4.23, exceeding last year's score of 4.09. The results and details are reported to the board of directors, and we are discussing challenges and improvement measures, particularly for items with lower scores.

### Good Point (Items over 4.5)

- Constructive Discussions and Exchanges of Opinions: 4.88
- Frequency of Meetings: 4.75
- Oversight of Management: 4.75
- Meeting Format: 4.63
- Size of the Board of Directors: 4.63
- Quality of Materials: 4.63

### Problem (Items below 4.0)

- Succession Planning: 2.50
- Director Training: 3.63
- Policy for Determining Board Compensation: 3.75
- Timing of Materials Sent: 3.75
- Internal Control/Risk Management: 3.88

# Business Ethics and Compliance

## Corporate Ethics and Compliance Policy

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The company, by resolution of the board of directors, has established a "Basic Policy for the Construction of Internal Control Systems" as a guideline to ensure that the execution of duties by directors and employees of the company and its subsidiaries complies with laws and regulations, the Articles of Incorporation, and internal rules. In accordance with our "Compliance Regulations," we have set forth obligations to comply with laws, regulations, internal rules, public order, morality, and ethical standards (hereinafter referred to as "Legal and Ethical Compliance"), and the obligation of compliance (hereinafter referred to as "Compliance"). We have also established the operation of the Risk and Compliance Committee. In addition, the company and its subsidiaries plan and implement the necessary training for employees (including contract employees) and temporary staff to ensure compliance. Furthermore, the company has established the following regulations.

- Internal Reporting Regulations (Regulations concerning the internal reporting system for all employees of the group)
- Harassment Prevention Regulations (Regulations on the prohibition of harassment and the Harassment Prevention Committee)
- Insider Trading Management Regulations (Regulations for the prevention of insider trading and procedures related to the trading of company shares)
- Regulations for the Elimination of Anti-Social Forces and Basic Policy on Dealing with Anti-Social Forces

The reliability of financial information is also established under our "Basic Policy for the Construction of Internal Control Systems." We implement an internal control system related to financial reporting in compliance with the internal control reporting system as stipulated by the Financial Instruments and Exchange Act.

# Business Ethics and Compliance

## Business Ethics and Compliance Governance Structure

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The company has established its fundamental philosophy, management philosophy, and “Purpose” as the core principles of our corporate activities, which serve as the values and behavioral guidelines that each officer and employee should share. Through the practice of activities based on our management philosophy and “Purpose,” we aim to realize our fundamental philosophy by achieving sustainable growth and enhancing long-term corporate value. In doing so, we strive to earn the trust of our shareholders and other stakeholders. At the same time, we make appropriate management decisions swiftly and establish a corporate governance system that ensures high transparency and oversight of management, thereby working to improve corporate value.

The company has established a Board of Directors and a Board of Auditors, consisting of directors and auditors elected at the shareholders' meeting, as statutory bodies. In addition to these statutory bodies, we have established a Risk and Compliance Committee, a Harassment Prevention Committee, and an Internal Audit Office to strengthen corporate governance. We have also introduced an operating officer system within the operations department to manage specific areas of responsibility.

### Responsibilities of the Board of Directors

The Board of Directors conducts the following monitoring not only to ensure formal compliance but also to verify the effectiveness of compliance.

- In principle, the Board of Directors meets once a month to make prompt and appropriate decisions on important management matters, based on relevant laws, principles of business judgment, and the due care of a prudent manager. In addition, directors report on the execution of their duties.
- To strengthen the function of the Board of Directors, an Operating Officers' Meeting is held once a week, where discussions and reports on major business executions take place to ensure that decision-making is efficient and appropriate.
- A Business Management Meeting is held once a week, attended by the company's Representative Director, business supervisors, Representative Directors of subsidiaries, and other individuals designated by the company's Representative Director. Subsidiaries are required to provide regular reports to the company on sales performance, financial status, and other important information.



# Business Ethics and Compliance

## Business Ethics and Compliance Governance Structure

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### Risk and Compliance Committee and Harassment Prevention Committee

The company has established a Risk and Compliance Committee and a Harassment Prevention Committee, which include three operational directors, the Representative Director, Operating Officer, and CEO Joe Hirao, a legal officer, and some other employees. Additionally, the committees have observers, including the head of the Internal Audit Office and two auditors. These committees are positioned as subcommittees under the Board of Directors and are responsible for promoting compliance, preventing harassment, and managing risks, as well as sharing information related to these efforts.

### Business Ethics Management Structure

To establish and promote a compliance system within the group, we have set up a Risk and Compliance Committee, chaired by the Representative Director, Operating Officer, and CEO, as a subcommittee under the Board of Directors, which meets regularly. The chairperson oversees the introduction of the basic policies and systems for compliance and, as the compliance implementation officer, is responsible for policy deployment, plan management, system introduction, education, evaluation, daily management, and crisis management.

### Audit of Corporate Ethics and Compliance

In the company's internal audits, we ensure the effectiveness of compliance by conducting annual audits to verify that the business operations of the company and its subsidiaries' officers and employees do not violate laws and ethics. These internal audits are carried out based on the annual audit plan, selecting key themes related to compliance within the group. The internal audits are conducted by the Internal Audit Office, which is directly overseen by the Representative Director, Operating Officer, and CEO, and staffed by two employees (as of April 1, 2024.) If the Internal Audit Office identifies any deficiencies, it notifies the audited department, encourages improvements, and also follows up on the improvement status.

# Business Ethics and Compliance

## Initiatives for Enhancing Business Ethics and Compliance

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### Employee Training on Business Ethics Standards

We conduct training sessions on topics such as "Duties and Responsibilities of Directors," primarily targeting the directors of the company and group companies. Additionally, the company and group companies implement compliance training for employees once a year, striving to foster a strong compliance awareness. Furthermore, if an employee violates the "ZIGExN Compliance Regulations," it is stipulated in the compliance regulations that this may result in reflection in employee evaluations and could lead to disciplinary action (such as warnings, salary reductions, or dismissal). Through this, we educate employees on necessary mindsets and social and internal rules regarding topics such as preventing insider trading, harassment, incident management, and internal reporting, as well as other situations they may encounter.

In the fiscal year 2024/3, the number of employees at the company (including contract employees, temporary staff, and part-time workers) who were required to attend the "Compliance Training" was 281, with an attendance rate of 99.6%. During this training, we conduct comprehension tests, and participants are required to retake the test until they achieve a passing score. Additionally, we conduct training on personal information protection once a year, maintaining and enhancing knowledge regarding the handling of personal information with a similar attendance rate.

### Establishment of Reporting Channels and Protection of Whistleblowers

The company and its subsidiaries have established an "Internal Whistleblower Regulations" based on the Whistleblower Protection Act concerning internal reporting channels. This framework allows all employees of the group (including contract employees) and temporary staff to quickly communicate any compliance-related issues to the company. We provide two types of reporting channels: one managed by an auditor (the auditor's reporting channel) and another managed by an external law firm (the external reporting channel), allowing whistleblowers to choose either option voluntarily. The internal department responsible for handling reports received from the designated auditor or the external reporting channel will determine and implement the response methods in consultation with external experts and relevant departments, based on the nature of the report. In addition to the internal reporting channels, the group has established an HR consultation channel overseen by the internal human resources and management departments. This channel broadly accepts consultations on various issues such as harassment, employment contracts, and performance reviews, creating an environment where employees can easily seek help before problems escalate. The group actively disseminates information regarding the internal reporting channels and the HR consultation channel through various means, including posting on the internal portal site, guidance during onboarding, regular training sessions, and ongoing awareness campaigns.

### Policies and Initiatives for Preventing Bribery and Corruption

The group's internal reporting channels accept reports concerning bribery and corruption, including those from overseas subsidiaries. Currently, due to the scale and nature of the group, we do not have specific regulations or rules regarding the prevention of bribery and corruption. However, considering future business expansion and international operations, we believe it is necessary to develop regulations and rules to prevent such activities and are contemplating their establishment.

# Risk Management

## Policies on Risk Management

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The group establishes fundamental philosophy, management philosophy, and purpose as core values and behavioral guidelines that each officer and employee should share. We aim to achieve sustainable growth and enhance long-term corporate value. To gain the trust of our stakeholders, including shareholders, we will make appropriate management decisions swiftly and establish a corporate governance system that demonstrates high transparency and effective management oversight.

The company has established a "Crisis Management Regulation" to systematically define the risk management structure for the entire group, as well as "Incident Management Guidelines" aimed at the prompt reporting and information sharing of significant matters. We actively engage in risk management across the group, recognizing it as essential for ensuring the continuity and stable development of the group's business.

## Risk Management Structure

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The company has established a Risk and Compliance Committee as a subcommittee under the Board of Directors. The Representative Director, Operating Officer, and CEO serves as the chairperson, overseeing the identification of company-wide risks and countermeasures. The Risk and Compliance Committee is responsible for overall risk management and is required to report the situation to the Board of Directors.

The company considers risk management to be one of the critical aspects of internal control. Therefore, we have established a "Crisis Management Regulation" that documents appropriate responses to risks such as natural disasters, intellectual property infringements, and information leaks, enabling us to prepare for and manage swift responses. Additionally, the Corporate Management Division and the Corporate Strategy Division collaborate with various business units to continuously gather information, which is shared in the Risk and Compliance Committee to facilitate the early detection and prevention of risks.

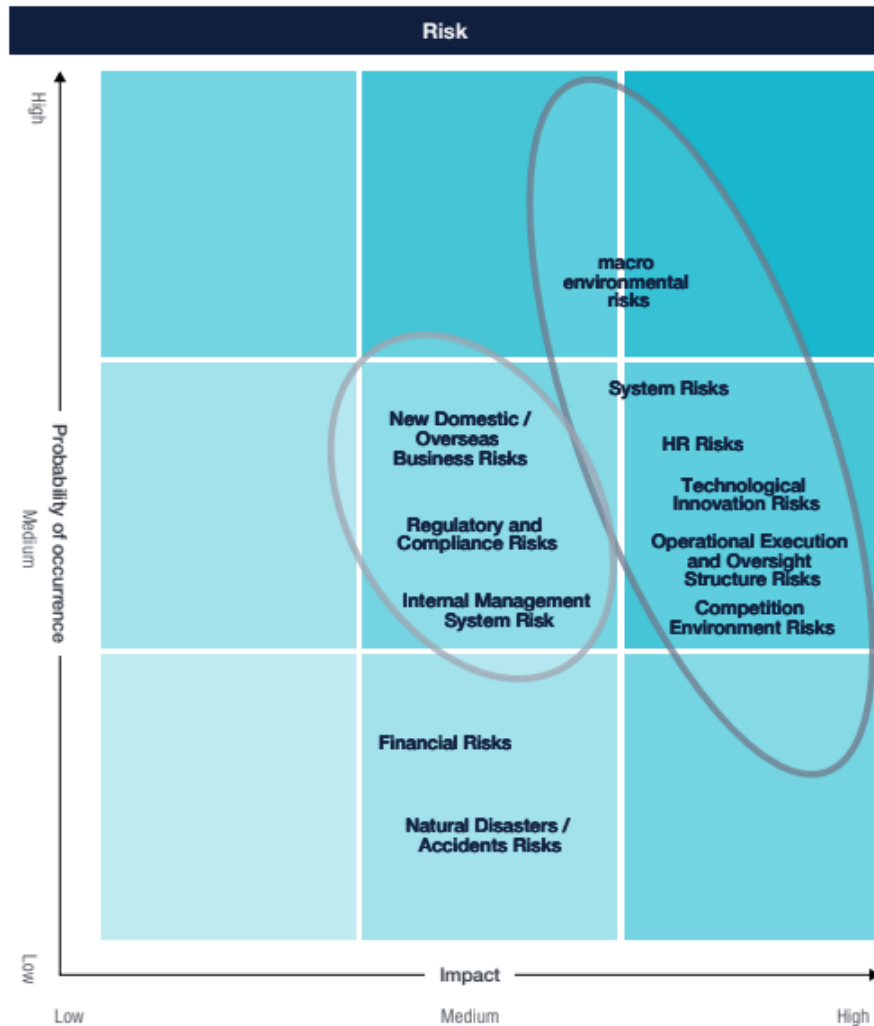
As a company that handles a significant amount of personal information in its operations, we strongly recognize the importance of managing personal and confidential information. We have established Personal Information Protection Regulations and, in August 2010, received certification for the Privacy Mark based on JIS Q 15001, allowing us to advance proper management practices

## Visualization of Priority Risks through Heatmap Analysis

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We visualize the importance of major risks that may affect the group based on two axes: the likelihood of occurrence and the impact of the risks. High-priority risk items include risks related to the macro environment, system-related risks, human resource-related risks, technological innovations, business execution and oversight systems, and risks related to the competitive environment. (See next page for details.)

# Risk Management



Impact: Low = Minor damage, Medium = Limited but significant damage (around a few million yen), High = Major damage (around tens of millions of yen)

Probability of occurrence: Low = Occurs once every few years to years, Medium = Occurs multiple times a year, High = Occurs consistently throughout the year

Regarding risks related to the macro environment, there are concerns about the impact on the economy due to changes in monetary policy by central banks in various countries. Such uncertainties may affect client demands for talent recruitment and system investments. On the other hand, there are also positive macroeconomic changes, such as the recovery of demand for overseas travel in the post-COVID era. We will strive to minimize risks and maximize opportunities while appropriately assessing these macro conditions.

Regarding system-related risks, we recognize that the number of cyberattack incidents is on the rise, driven by the increasing momentum of DX and the broader use of ICT. The company is implementing countermeasures led by the Security Management Unit, which includes the development of guidelines and raising awareness among employees.

As for human resource-related risks, the increasing recruitment capabilities of emerging companies may impact recruitment difficulty and turnover rates. In response, we are implementing measures such as enhancing employee benefits, raising compensation tables, and ensuring job satisfaction. Additionally, there is a dependency risk on our Representative Director, Operating Officer, and CEO, Joe Hirao, who has been leading our management since our founding. To address this, we are working on appropriate delegation of authority and sharing management know-how and thought processes for employee development. Moving forward, we will also consider developing a more concrete succession plan.

Regarding technological innovation, there is a growing presence of AI services such as ChatGPT provided by OpenAI, among other research and development companies. It is essential to monitor the impact these new technologies and services may have on existing business models and user behaviors. The company believes that, in addition to the potential negative impacts on existing services, there is also a possibility of enhancing added value through their appropriate utilization.

Additionally, the increase in the number of group companies due to proactive M&A activities has led to complexities in management, as well as intensified competition in certain areas, which are considered high-priority risks. In response to these risks, management and relevant departments will collaborate appropriately and conduct regular risk analyses to understand and prevent the manifestation of risks across the group. In the event that such risks do materialize, we will ensure that swift and appropriate judgments and countermeasures are taken to facilitate sustainable growth.

# Tax Policy

## Tax Governance

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Under the management of the Board of Directors and the Audit Committee, the final responsible person for tax matters is assigned to the Director, Operating Officer, and Head of the Corporate Management Division. Furthermore, employees with specialized knowledge in finance, accounting, and taxation carry out daily operations to ensure the proper implementation of tax policies.

## Tax Policy

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In the group, we strive to maximize shareholder value by minimizing tax risks and optimizing tax costs while complying with tax laws in each country where we operate, considering the intent of local laws.

By establishing and reviewing a system that can timely and appropriately recognize tax risks in compliance with international tax laws, such as the tax laws and transfer pricing regulations of the countries where we operate, we aim to maintain and enhance the quality of tax compliance both domestically and internationally while minimizing tax risks. Additionally, we strive to optimize tax costs through methods such as addressing accumulated earnings tax applicable to family-owned businesses, selecting external standard taxation based on individual company circumstances, applying tax incentives permitted by the tax laws of the countries where we operate, eliminating double taxation, and choosing consolidated taxation. However, we will not engage in any artificial tax avoidance activities that lack substance.

In accordance with the tax laws of the countries where we operate, we will appropriately maintain accounting records and supporting documents, prepare tax returns, and submit them along with payment of taxes within the deadlines permitted by tax law. Additionally, we will provide appropriate information as requested by the tax authorities of the countries where we operate and strive to build a sound and normal relationship with them.

## Contribution through Donations and Volunteer Activities

For information on the group's main contributions through donations and volunteer activities, please refer to the corporate website.URL : <https://zigexn.co.jp/sustainability/>

## External Evaluation and Status of Inclusion in ESG Indices

The status of the company's main external evaluations and inclusion in ESG indices is as follows. The following information is based on the latest data available as of August 2024.



**FTSE Blossom  
Japan Sector  
Relative Index**

Selected as a Constituent of the FTSE Blossom Japan Sector Relative Index



Achieved a rating of "BB" in the MSCI ESG Ratings in FY2024/3



D&I Award 2021 Standard Award



We began responding to the international environmental NGO "CDP" starting in the fiscal year 2024/3.



WOMAN's VALUE AWARD 2021 Special Award

## Notes on the Contents of this Report

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### Notes on Future Outlook

This report contains descriptions regarding future outlooks. Unless otherwise stated, the descriptions related to the future outlook are based on information available to us as of June 2023, as well as our assumptions, future outlooks, and estimates based on our plans and expectations. However, there is no guarantee that these will be achieved. Changes in economic conditions, shifts in individual user preferences and corporate client needs, competition with other companies, changes in legal regulations, fluctuations in exchange rates, and various other factors may cause the descriptions related to future forecasts and outlooks to differ significantly from actual performance. Therefore, please do not overly rely on the descriptions regarding future outlooks. Unless required by applicable laws or the regulations of securities exchanges, the company is not obligated to update or revise any information contained in this report based on future events.

### Notes Regarding External Materials

This report contains information derived from external sources regarding the markets in which the company operates. These descriptions are based on statistics and other information obtained from the external sources referenced in this report. We have not independently verified this information and cannot guarantee its accuracy or completeness.



This briefing and briefing materials are based on information available as of the date of the announcement and the judgment of the company. We will assume no obligation for updating or changing the information if future events changed the details. In addition, please understand that actual results may differ from future prospects included in this briefing and briefing materials due to changes in various factors because the prospects include many uncertain factors.