ZIGExN Co., Ltd.
3rd Medium-Term Management Plan
FY3/2027 to FY3/2031

ZIGExN Matching Agent

Transforming from Matching Technology into a Matching Agent

Under our purpose, "Update Your Story — For a Better Future," we have supported the matching of companies and individuals, helping update the future of everyone standing at a crossroads in life.

In the 3rd Medium-Term Management Plan, we will leverage the customer assets to deeply integrate into the entire customer business process, from user acquisition to BPO, and maximize transaction value through the optimal combination of AI and human capabilities.

With ZIGExN Matching Agent (ZMA) as our growth engine, we aim to maximize life opportunities for everyone we engage with.

3rd Medium-Term Management Plan ～Executive Summary～

ZIGExN Update Your Story

Management Plan

By FY3/2031 | Revenue JPY **50** billion+ | EBITDA JPY **12** billion+ | ROE approx. **20**%

Management Strategy

Business Strategy

Vertical HR: The Core Business for Growth

- ✓ Expanding the agency model to include onboarding and retention support, covering the entire hiring and onboarding process
- ✓ Improving consultant productivity and matching efficiency through AI utilization, while structurally enhancing unit price per client
- ✓ Expanding TAM and customer value through strategic M&A initiatives

Life Service: Earnings Foundation and Vertical Expansion

- ✓ Vertically integrating services from user acquisition to BPO to expand TAM
- ✓ Improving profitability through AI-driven automation and a shift to a pay-for-performance model
- ✓ Acquiring post-contract operational capabilities through M&A in adjacent business areas

Investment and Financial Strategy

- ✓ Prioritizing business investment while accelerating growth through proactive M&A aligned with growth strategy
- ✓ Optimizing the business portfolio and capital allocation through flexible use of diverse deal structures, not limited to full share acquisitions
- ✓ Reinvesting generated cash flows to achieve compound cash flow growth and targeting an ROE of approximately 20% over the medium to long term

Organizational Strategy

- ✓ Reconstructing the group talent portfolio through the optimal allocation of talent and AI
- ✓ Maximizing group synergies and optimizing human capital allocation through the introduction of a virtual company structure
- ✓ Building and strengthening the alignment of a management talent pipeline to execute the M&A strategy

Current Situation and Strategic Direction of the 3rd Medium-Term Management Plan

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- Under the 2nd MTMP, we achieved record-high performance and established Vertical HR as a Z CORE business, while challenges remained in expanding the business process coverage and the growth rate of Life Service.
- In the 3rd MTMP, we will address business, investment/financial, and organizational challenges through solutions centered on ZMA, prioritizing the growth rate of profit over profit margin through the dual expansion of corporate customer numbers and unit price per client.

		2nd Mid-Term Management Plan: Achievements and Challenges	3rd Mid-Term Management Plan: Strategies	Target Vision
Business	Achievements	✓ Vertical HR: Expansion into an agency model, doubling unit price per client, and achieving Z CORE status	✓ Vertical HR: Expanding into retention support to cover the entire hiring process ✓ Life Service: Promoting vertical integration from user acquisition ⇒ signing a contract ⇒ BPO ✓ Maximizing productivity through AI utilization ✓ Expanding into adjacent business areas through M&A to increase TAM	✓ Vertical HR: Becoming the No.1 HR partner in the domain ✓ Life Service: Providing management support to customers from user acquisition to BPO
	Challenges	✓ Life Service: Delays in transitioning from a lead generation and referral model to an agency model		
Investment/Finance	Achievements	✓ Achieved a high investment return rate through the execution of multiple M&A transactions and steady PMI progress	✓ Executing continuous M&A initiatives to support domain expansion, roll-ups, and vertical integration through bolt-on acquisitions ✓ Prioritizing the evaluation of large-scale M&A deals with significant earnings contribution ✓ Further utilizing financial leverage	✓ Revenue exceeding JPY 50 billion, EBITDA exceeding JPY 12 billion, ROE of approximately 20% ✓ Strictly managing our business portfolio using a four-quadrant matrix based on return on capital and growth rate. ✓ Maintaining disciplined capital efficiency while maximizing absolute profit and cash flow through proactive strategic investments
	Challenges	✓ Insufficient execution of large-scale M&A transactions with significant earnings contribution ✓ Decline in capital efficiency, including ROE		
Organization	Achievements	✓ Recruiting management talent and launching development programs for next-generation leaders ✓ Establishing systems and frameworks to retain management talent	✓ Redefining the group talent portfolio based on the integration of AI and human capabilities ✓ Maximizing productivity and optimizing profit margins through the introduction of a virtual company structure ✓ Developing next generation management talent to execute the M&A strategy and strengthening organizational alignment	✓ Increasing the proportion of business execution talent across the group ✓ Expanding revenue and operating income for each virtual company structure ✓ Increasing the fulfillment rate of next generation management leaders and candidates
	Challenges	✓ Securing optimal resource allocation, a management talent pipeline, and strengthened group governance in line with group expansion		

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Business Strategy

Business Performance Trends

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- Through continuous M&A, we have expanded our connected industries, customer base, and TAM, including more than 20 connected industries, over 40 services acquired through M&A, approx.23,000 corporate clients, and an average unit price per client of JPY 1.25 million.
- Building on our accumulated customer assets and industry-specific data, we aim to achieve both the ZIGExN Matching Agent (ZMA), which enables optimal matching through AI and talent allocation, and accelerate growth through M&A, targeting revenue exceeding JPY 50 billion and EBITDA exceeding JPY 12 billion.

Start-up phase

- ✓ Operating a matching platform connecting companies and individuals
- ✓ Building a foundation for matching technology by accumulating marketing know-how, including CVR improvement and optimization of acquisition channels

1st mid-term management plan

1st mid-term management plan ”Protostar”

- ✓ Accelerating the expansion of connected industries through M&A
- ✓ Building a customer database, acquisition infrastructure, and data analytics capabilities to establish a platform-based business foundation

2nd mid-term management plan

2nd mid-term management plan ”Z CORE”

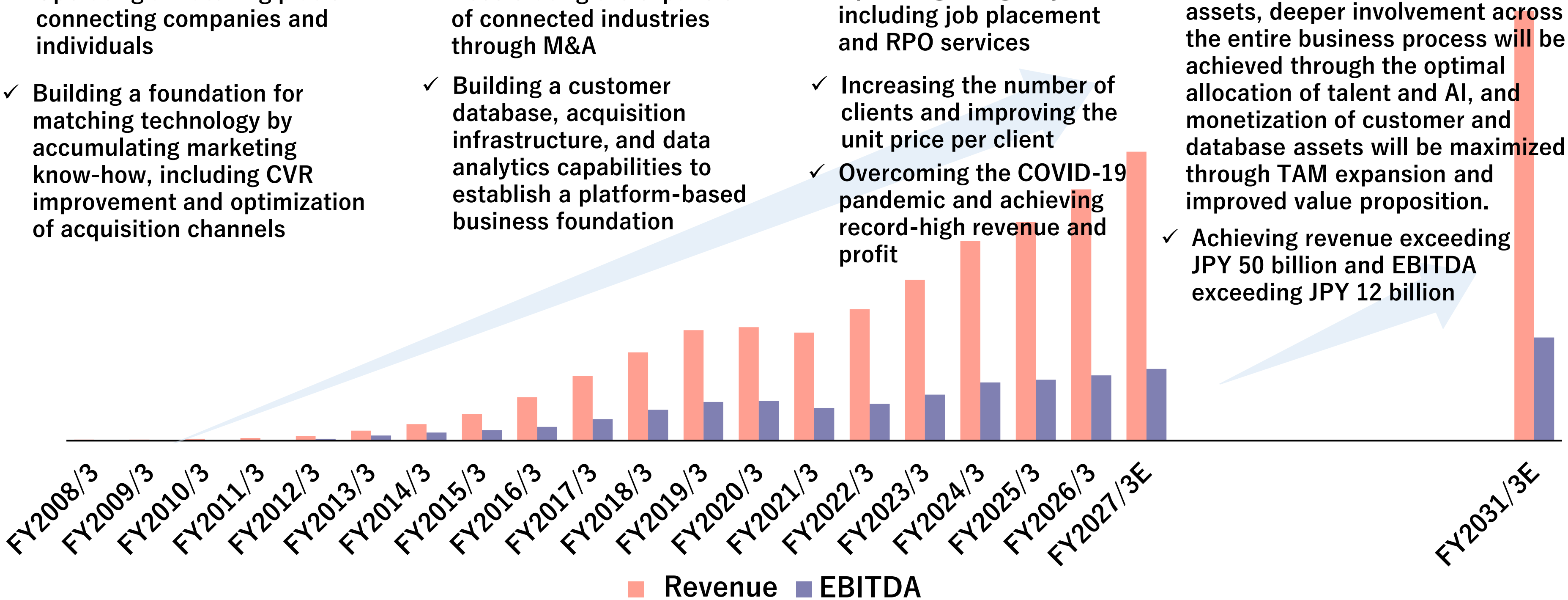
- ✓ Operating an agency model, including job placement and RPO services
- ✓ Increasing the number of clients and improving the unit price per client
- ✓ Overcoming the COVID-19 pandemic and achieving record-high revenue and profit

3rd mid-term management plan

3rd mid-term management plan ”ZMA”

Sustainable growth driven by ZMA

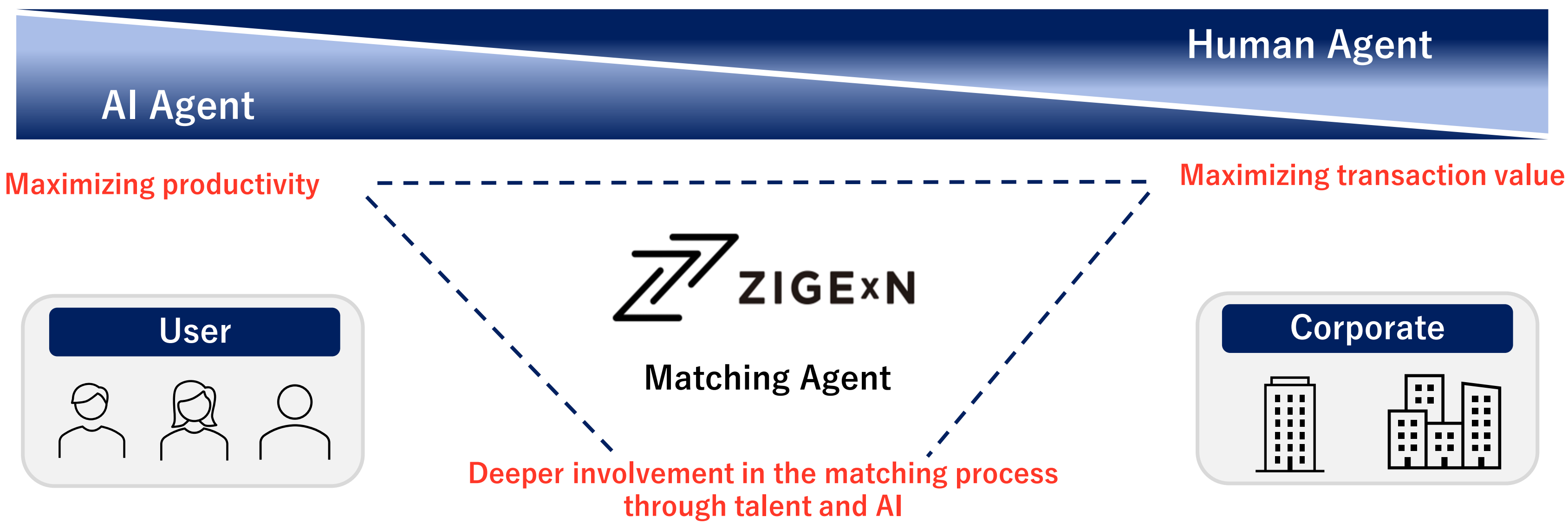
- ✓ Based on accumulated customer assets, deeper involvement across the entire business process will be achieved through the optimal allocation of talent and AI, and monetization of customer and database assets will be maximized through TAM expansion and improved value proposition.
- ✓ Achieving revenue exceeding JPY 50 billion and EBITDA exceeding JPY 12 billion



ZIGExN Matching Agent (ZMA) Model

- **Value chain expansion (TAM expansion):** While growth has been driven primarily by optimizing user acquisition and referral through matching technology, we will extend deeper into post user acquisition processes, including RPO and BPO, thereby expanding TAM.
- **Evolution of the business model through AI utilization:** Whereas human agents have played the central role to date, AI agents will drive productivity maximization, and human agents will focus on maximizing transaction value, enabling optimal allocation of AI and talent, and expanding value proposition.

ZIGExN Matching Agent



Business processes

Use Acquisition & Awareness	Inquiry & Initial Response	Screening	Negotiation & Signing a Contract	Operational & Retention Support
(e.g.) ✓ SEO & advertising optimization ✓ Data analytics	✓ Automated Chat Response ✓ Needs classification and routing	✓ Matching Scoring	✓ Nurturing ✓ Closing	✓ RPO, BPO ✓ Retention support & post placement follow-up

Expanding the TAM Through the ZMA Strategy

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- As the competitive landscape shifts toward an outcome-based model, we are deepening our involvement across the entire process, from user acquisition to BPO. This allows us to structurally expand our TAM from "Recruitment Costs to Labor Costs" and "Promotion Expenses to Contract Execution & BPO."
- The key focus is not the size of TAM itself, but the upper limit of attainable profit derived from it. The risk of hitting a market ceiling is extremely limited, given the massive gap between our FY3/31 targets and our "Profit TAM" (calculated by applying our AI-leveraged take rates and operating margins to the TAM of each domain). This ensures a long-term growth runway extending well beyond the current MTMP period.

Vertical HR: Recruitment Cost ⇒ Labor Cost Market

Labor Cost Optimization Market
(Approx. 10% of Employee Compensation)

TAM: Approx. JPY **30**trillion

TAM profit: JPY **0.9-1.5** trillion

(Formula: TAM JPY 30 trillion × take rate 15–20% × operating margin 20–25%)

Life Service: Promotion Expenses ⇒ Contract Execution & BPO Market

Contract Execution & BPO Market
(Advertising Costs + Sales & Customer Service BPO + Pay-for-perfomance Transaction Volume)

TAM: Approx. JPY **20**trillion

TAM profit: JPY **0.15-0.4** trillion

(Formula: TAM JPY 20 trillion × take rate 5–10% × operating margin 15–20%)

The FY3/2031 operating income target represents less than 1% of total TAM profit, indicating that growth constraints from market saturation are not expected to emerge within the current mid-term plan period.

Note: The TAM figures are calculated based on the following assumptions.
Vertical HR (labor cost optimization market): Estimated from approximately JPY 314 trillion in employee compensation, based on the Cabinet Office "National Accounts of Japan" nominal employee compensation data. It assumes that around 10% of this market is addressable across three layers—recruitment, retention and development, and redeployment (company estimate).

Life Service (BPO market): Calculated as (1) total advertising cost of approximately JPY 6 trillion + (2) sales and customer service BPO of approximately JPY 5–6 trillion + (3) transaction value expansion from pay-for-performance model of approximately JPY 5–8 trillion. The BPO market reference is based on Yano Research Institute "BPO Market Survey" (JPY 5.1 trillion). Adjacent domains and transaction value expansion are company estimates. The take rate is based on the Company's actual performance across existing business domains. The operating profit margin is an estimated range based on our historical business performance in relevant domains.

Redesign of Business Segments

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- Vertical HR will remain the core segment, while Life Service and Living Tech will be integrated.
- In the 3rd Mid-Term Management Plan, both segments will promote vertical integration of the value chain from user acquisition to BPO through the ZMA model.

Vertical HR

Health Care	REJOB Any career	Healthcare industry focused recruitment platform Pharmacist specialized job placement
Manufacturing	Ties	Manufacturing industry focused job placement
Logistics	Awesome Agent	Transportation industry focused recruitment platform
Resort part-time jobs	Alpha Staff	Resort sector focused temporary staffing
Consulting	URG	Consulting industry focused RPO services
Real estate	REAL ESTATE WORKS	Real estate industry focused job placement
Construction	Kensetu JOBs	Construction industry focused job placement

Living Tech

Rental property	Smocca	Rental property portal site
Renovation	Reshop Navi	Renovation contractor matching service
Energy	Enepi	Electricity and gas price comparison service
Real estate valuation	SEKAI PROPERTY	Overseas real estate agency
Insurance	Hoken Mammoth	Insurance information platform and consultation service
Real estate valuation	Yeay	Real estate sales valuation service

Life Service

Travel	Apple World, Rikisha TRAVELIST	Comprehensive travel e commerce platform
System	BrainLab	Temporary staffing management system development Hotel booking system for travel agencies
Franchise	Franchise Hikaku.net	Franchise Comparison Platform

Maintained

Integrated

New Segment

Vertical HR

Comprised of core businesses specializing in specific segments within the HR domain.

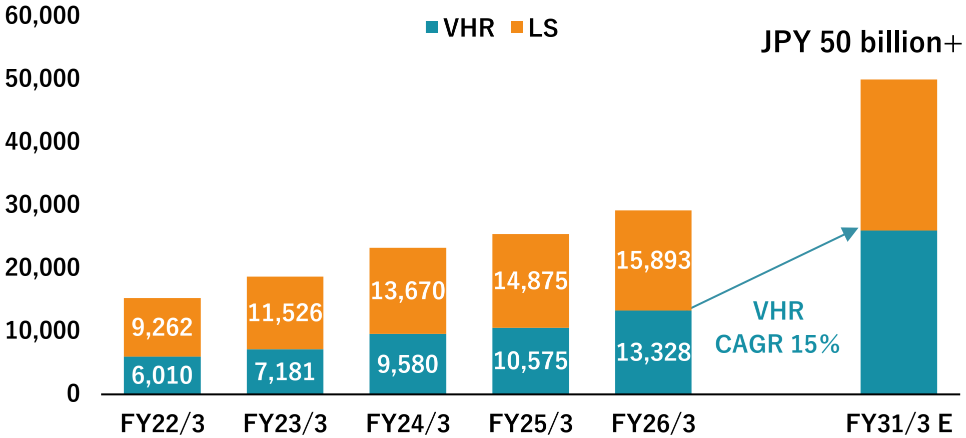
Life Service

A portfolio of businesses that serves as a stable cash flow foundation, comprised of services across a wide range of life-related domains.

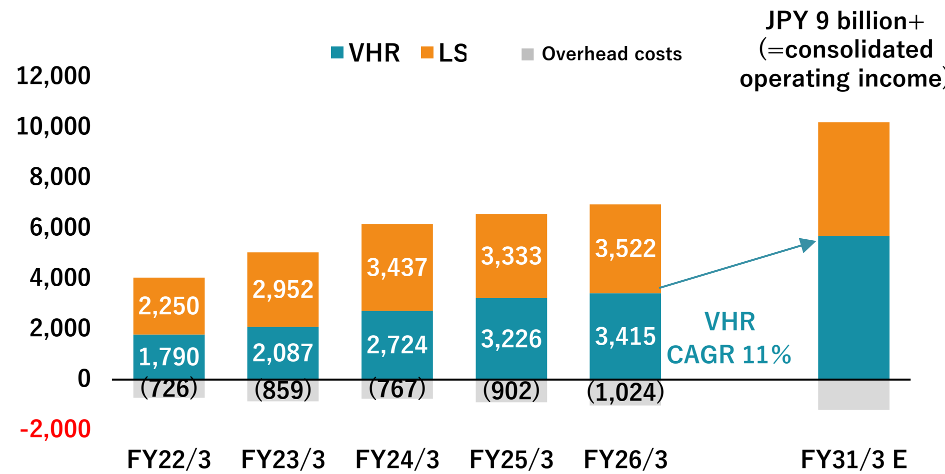
Revenue / Operating Income Trends and Growth Strategy by Segment

- Vertical HR: Benefiting from structural market expansion driven by worsening labor shortages, normalization of job mobility, and accelerating wage growth, we aim to drive profit growth through an agency model and domain expansion (target: revenue CAGR 15%, operating income CAGR 11%).
- Life Service: We aim to establish a stable earnings base by expanding the value proposition from user acquisition to BPO, and transforming the revenue structure through the ZMA model.

Revenue by New Segment



Operating Income Before Allocation of Overhead costs by New Segment



Growth Strategy		Vertical HR	Life Service
	TAM Expansion	Expanding the target from the recruitment cost market to the broader labor cost market. Entering adjacent domains with M&A as the core growth driver.	Expanding the target from promotion expenses to the BPO market.
	Value Chain Expansion	Expanding the scope beyond job placement services to include RPO and retention support, covering the entire hiring process of clients.	Promoting vertical integration from user acquisition to quotation, signing a contract, and operational BPO. Expanding the scope of value proposition to customers.
	Take Rate Expansion	Improving unit price per client through a shift to an agency model (job placement/RPO). Strengthening profitability through productivity gains driven by AI.	Automating the contract process through the introduction of AI agents. Structurally improving profitability through a shift to a pay-for-performance model.

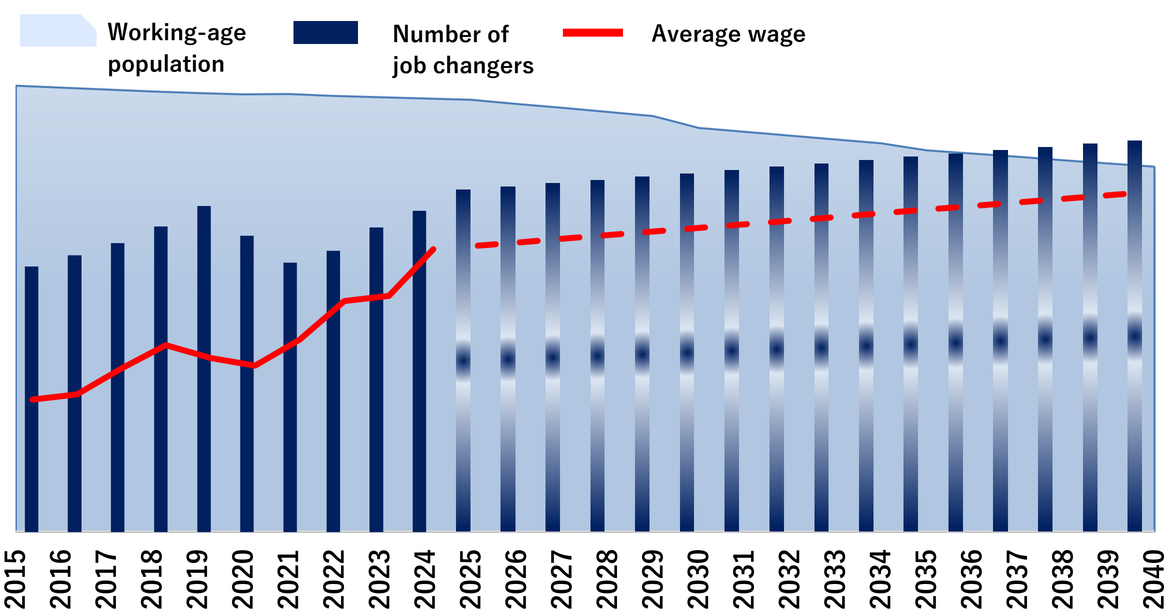
Note: Figures for fiscal years ending March 2026 and earlier are based on actual results under the previous segment classifications (Vertical HR, Living Tech, Life Service). Please note that starting with the fiscal year ending March 2027, MIRAxS, which was classified under Vertical HR in the previous structure, has been reclassified under Life Service.

Industry Structure Supporting Structural Growth

- **The domestic HR market is being driven by three irreversible trends: worsening labor shortages, normalization of job mobility, and accelerating wage growth. As a result, corporate recruitment and retention costs are expected to rise structurally, supporting medium to long-term market expansion.**

Industry Structure Supporting Structural Growth

Medium to Long Term Market Expansion Driven by Labor Shortages, Rising Job Mobility, and Wage Growth



Worsening Labor Shortages

Japan's working-age population is projected to decline by approximately 12 million by 2040. In essential worker sectors, the effective job openings to applicants ratio consistently exceeds 2x. Recruitment difficulties are unlikely to ease even during economic downturns, structurally increasing reliance on external HR services.

Normalization of Job Mobility

The number of job changers reached a record high of 3.46 million in 2024. As the premise of lifetime employment dissolves, job changes are becoming a standard means of career development. Companies are also increasing the proportion of mid-career hiring, driving expanding demand for job placement agencies and RPO services.

Acceleration of Wage Growth

The annual spring wage hike rate reached 5.10% in 2024 and 5.25% in 2025, and is trending above 5% in 2026, sustaining a high level for three consecutive years.. Rising annual salaries automatically increase job placement fees, which are typically set at 30–35% of annual income, creating a structure in which revenue can continue to grow even if the number of placements remains unchanged.

Note: Working-age population (Actual): MIC, "Population Estimates" (as of Oct 1, each year); Working-age population (Projected): IPSS, "Population Projections for Japan (2023 Revision)" (Medium-fertility/mortality assumptions); Number of job-changers (Actual): MIC, "Labour Force Survey" (Annual average); Shunto wage hike rate (Actual): RENGO, "Spring Wage Offensive Final Tally"; Average wage (Actual): NTA, "Statistical Survey of Actual Status for Salary in the Private Sector." Number of job-changers and average wage (Projected) are Company estimates.

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Investment Strategy

M&A Track Record and Trends

- Since listing, we have executed 35 M&A transactions totaling approximately JPY 23 billion, with cumulative EBITDA already demonstrating recovery exceeding the investment amount. On the other hand, our past M&A deals have predominantly been small- to medium-sized, driven by factors such as gaps in valuation expectations and a lack of proactive deal sourcing.
- Going forward, supported by tailwinds in the M&A market, we will execute a continuous M&A strategy focused on scaling up deal sizes—targeting transactions of several billion JPY or more—while increasing overall deal volume.

M&A Investment Track Record

Number of M&A Since Listing	Cumulative EBITDA / Entry EV
35	approx. 170 %

Total amount invested in M&A	Payback period
approx. JPY 23 billion	approx. 3-5years

Key Success Factors in Large Scale Deals

Marketing

Maximizing revenue leverage through CVR improvements, backed by our matching technology.

Sales

Driving cross-selling of intra-group services by leveraging our solid customer base.

Operational improvement

Cost optimization, system integration, and a strategic shift all contribute effectively.

⇒ Strategic Implications for the 3rd Medium-term Management Plan ：

Leveraging our proven PMI expertise, we will make disciplined investments in large-scale deals（target: several billion JPY or more）to achieve both non-linear profit growth and accelerated ROI. We have secured an allocation of over 16 billion JPY for strategic investments.

M&A Strategy

- With a cumulative track record of 35 investments, the scope of our SBUs has expanded, and our M&A themes have diversified. Leveraging this foundation, we aim to drive non-linear profit growth through programmatic M&A within each SBU.
- Beyond merely scaling up deal sizes, we will expand our addressable markets by broadening our business domains, and drive programmatic M&A through the strategic use of roll-up and bolt-on acquisitions.

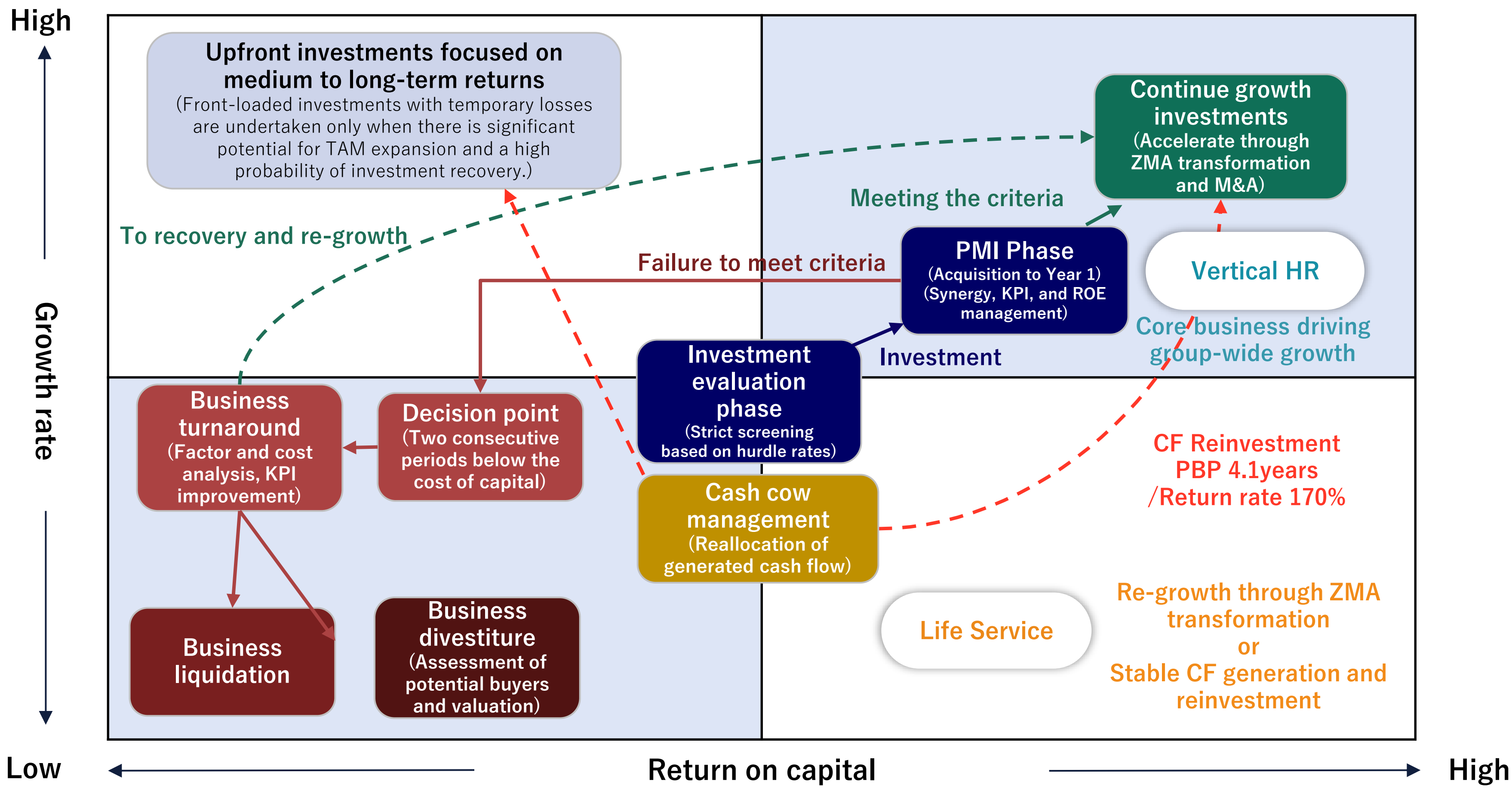
M&A Strategic Direction

	Vertical HR	Life Service
SBU (Strategic Business Unit)	リジョブ, Ties, Awesome Agent, UPBase, 株式会社アルファスタッフ	BEYOND BORDERS, appleworld, Hoken-Mammoth 保険ショップマンモス, TCV

Strategic Direction	**Actively Exploring Large-Scale Deals**	Leveraging a strategic investment budget of over approx. JPY 16 billion, we will prioritize large-scale deals that maximize PMI synergies.
	Domain Expansion	Evaluating market conditions and the competitive landscape, we will expand our TAM by entering new domains with substantial untapped potential.
	Roll-up Strategy	Expanding our SAM and SOM through programmatic M&A targeting industry peers and adjacent companies.
	Bolt-on Strategy	Increasing average unit price per customer and maximizing LTV through the vertical integration of our value chain.
Shared Assets	Leveraging customer assets accumulated through our in-house systems, marketing capabilities, and matching platforms. Offshore Bases・Management Deployment・Financial Support・Extensive M&A Record	

ZPM (ZIGExN Portfolio Matrix) Model

- M&A entries are rigorously screened based on hurdle rates, and capital efficiency is managed post-acquisition using PMI criteria. If performance falls below the required criteria, optimization measures, including turnaround, divestiture, and liquidation, are implemented.
- Cash cow businesses will be retained as long as their ROIC consistently exceeds the cost of capital, while the cash flow generated will be reallocated to high-growth businesses and M&A opportunities. Reinvestment is undertaken on the condition that the IRR and ROIC of investment targets exceed the cost of capital, thereby maximizing corporate value through a compounding cycle of cash flow generation, reinvestment, and cash flow expansion.
- During the 2nd MTMP period, the Vertical HR segment achieved a 2.0x increase in unit price per customer and reached "Z CORE" by driving the transition to a success-based placement model. Meanwhile, the Life Service segment established a stable cash-flow generation base through five consecutive periods of revenue growth.



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Financial Strategies

Capital Allocation Policy

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- In the 3rd Medium-Term Management Plan period, capital allocation will be executed based on the operating cash flow generated from businesses, with the following priority: business investment ≥ strategic investment > shareholder returns.
- Growth investments (business investment and strategic investment) are prioritized, while excess funds generated from strong cash flow generation capacity are flexibly allocated to shareholder returns.
- Growth investments will also be supported by the use of financial leverage through borrowing within the bounds of financial discipline, thereby optimizing the capital structure.

Cash inflow	Cash outflow	Utilization policy
Operating CF*: approx. JPY 40 billion *Calculated based on the cumulative adjusted operating cash flow over the 3rd Medium-Term Management Plan period (FY3/2027–FY3/2031). Adjusted operating cash flow refers to operating cash flow adjusted for changes in customer deposits.	**Business Investment: approx. 40% of operating CF**	**Business investments for the sustainable growth of existing businesses** (e.g., technology and AI investments, marketing investments, talent investments, and overseas expansion investments)
	Strategic Investment: approx. 40% of operating CF	**M&A for accelerated growth**
Debt Financing Active use of financial leverage within the bounds of financial discipline	**Shareholder Returns: approx. 20% of operating CF**	**Stable dividend payout ratio: 30% or higher & Additional returns in accordance with the shareholder return policy**

Financial Policy

- While maintaining disciplined financial strength as the foundation for executing strategic investments, we aim to ensure financial soundness and maximize shareholder value through a transparent capital return policy.

Financial Discipline

		FY3/26
① Net D/E Ratio:	approx. 1.0x	Net Cash
② Net Debt/EBITDA ratio:	approx. 2.0x	Net Cash
③ Goodwill to Equity Ratio:	approx. 1.0x	0.6x
④ Ratio of equity attributable to owners of the parent to total assets:	30%+	55.5%

① Maintaining leverage within the bounds of equity capital

② A leverage level supported by strong cash flow generation

③ Limiting the risk of excess liabilities over assets due to impairment losses

④ Maintaining financial soundness while allowing for a more proactive financial strategy than in the past

Capital Return Policy

Dividend policy

Ordinary dividend: Payout ratio of 30%+

Special dividend: To be implemented flexibly, taking into account strategic investments and surplus cash position

Share buyback and cancellation policy

Profit attributable to owners of the parent
(-) Strategic investment amount
(-) Shareholder benefit expenses
(-) Total dividends (ordinary + special)
= Additional shareholder return capacity for the following fiscal year (share buybacks)

Cancellation of treasury shares until they reach approximately 10% of total outstanding shares

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Organizational Strategy

Human Resources and Organizational Strategy

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- As part of the organizational strategy to achieve the 3rd Medium-Term Management Plan, we will promote the following three initiatives: (1) Redefining the group talent portfolio to achieve the optimal allocation of talent and AI; (2) Maximizing group synergies and optimizing human capital allocation through the introduction of a virtual company structure; and (3) Building and strengthening the alignment of a management talent pipeline to execute the M&A strategy. These initiatives aim to improve organizational productivity and enhance corporate value.

Management Strategy	Achievement of the management plan for FY3/2031, realization of accelerated growth through M&A, and execution of the growth strategy driven by ZIGExN Matching Agent (ZMA).		
Organizational Strategy	Redefining the group talent portfolio to achieve the optimal allocation of talent and AI	Maximizing group synergies and optimizing human capital allocation through the introduction of a virtual company structure	Building and strengthening the alignment of a management talent pipeline to execute the M&A strategy
Overview	・Expanding investment in AI talent: Strengthen development through recruitment and reskilling, increase the proportion of AI talent across the group (100% AI Tool Adoption Rate), and enhance development capabilities through a cross-group organizational structure. In addition, establish an AI Promotion Office. ・Increasing the proportion of customer-facing roles in human agents: During the 2nd MTMP period, the number of customer-facing personnel doubled. To further strengthen this foundation, we will enhance our recruitment and retention efforts. ・Performance indicators: Proportion of business-driving talent, AI-driven outcomes and AI-related revenue (AI Agent), and operating income per employee (Human Agent).	・Strategy and resource integration: Transition from individual initiatives by group companies to an integrated, domain-based approach, promote shared business strategies, enhance talent mobility across the group, and maximize the value of human capital. ・Creating opportunities for next-generation leadership appointments and acquiring top external talent: Appoint domain leaders to drive growth in each area, thereby creating opportunities for internal next-generation leadership appointments and contributing to the acquisition of high-caliber external management talent. ・Performance indicators: Revenue and operating income by company, and the number of next-generation leaders developed within each company	・Building a management talent pipeline to drive the M&A strategy: Strategic recruitment of next-generation management talent and candidates, and strengthening the development of next-generation leaders across the group. ・Alignment of Executive Remuneration and Shareholder Value: Increasing the ratio of performance-linked compensation to maximize our commitment to shareholder returns and the enhancement of corporate value. ・Performance indicators: Fulfillment rate and engagement score of executives, business officers, and candidates, as well as the number of individuals with PMI experience.

5

Reference Materials

Group Risk Assessment and Response

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- **The Group's key risks have been visualized across two dimensions—likelihood of occurrence and impact—and response policies have been defined for the top five priority risks. In alignment with ZPM, a framework has been established to prevent risk materialization and to enable rapid decision-making and response in the event of occurrence.**

Risk heatmap

Likelihood of occurrence \ Impact	Low	Medium	High
High			**Geopolitical/Macro risks** Middle East situation, interest rate policies, recession **Business risks from AI and technological innovation** Disruption of existing models
Medium	**Regulatory risk** Revisions to the Employment Security Act and the Act on the Protection of Personal Information, etc. **Talent risk** Increasing difficulty in recruitment and employee turnover	**Intensification of competitive environment risk** Increasing differentiation pressure from competitors and intensifying price competition	**M&A impairment risk** Goodwill and failure to achieve expected return on investment
Low	**Financial risk** Increase in borrowing costs in a rising interest rate environment	**Risk of failure to generate outcomes** Delay in transition to an agency model **Governance structure risk** Increasing complexity of group governance and control	**Security risk** Increased attacks due to technological advancements and information leakage

Countermeasure policy

1. Geopolitical and macroeconomic risks
Instability in the Middle East and monetary tightening across countries may reduce clients' hiring and investment demand.
⇒ Mitigate economic sensitivity through portfolio diversification under ZPM. Maintain downside resilience by securing cash-cow businesses.

2. Business risks from AI and technological innovation
The risk of existing matching models becoming obsolete due to the rapid evolution of generative AI.
⇒ Internalize AI as a core capability under ZMA. Rather than treating it as a threat, leverage it to expand the TAM and build a first-mover advantage.

3. M&A impairment risk
As M&A activity accelerates, the risk of goodwill impairment and failure to achieve expected returns increases.
⇒ Strict enforcement of hurdle rates. During the PMI phase, implement disciplined responses—including restructuring, divestment, or liquidation—if performance thresholds are not met.

4. Security risk
Information leakage risks are expanding due to the increasing sophistication of cyberattacks and the growing number of Group companies.
⇒ We are addressing these risks by enforcing a unified Group security policy, conducting regular vulnerability assessments, and standardizing IT integration in the early stages of PMI.

5. Intensifying competitive environment and risk of failure to generate outcomes
Businesses that are slow to transition to an agency model remain a low-value-added model focused only on traffic acquisition and referral, leading to deteriorating profitability.
⇒ Set clear transition KPIs and deadlines for each business. Based on ZPM criteria, determine whether underperforming businesses should be converted into cash-cow operations or exited.

Glossary①

Glossary	Meaning
Agency Model	A business model that extends beyond user acquisition and referral to directly participate in the contract process through services such as job placement and RPO, resulting in a structurally higher unit price per client than pay-for-listings models.
Shift to a Pay-for-Performance Model	A shift from traditional pay-for-listings (charging at the time of ad placement) to a contract execution-based model. This contributes to higher take rates and more stable revenues.
Virtual Company	An organizational structure introduced in the 3rd mid-term management plan. It groups multiple operating companies and business units into company-level entities to optimize resource allocation, enhance knowledge sharing, and strengthen governance.
BPO (Business Process Outsourcing)	A service in which a company outsources its business processes to an external provider. In the marketing domain, this includes operational processes after user acquisition.
CVR (Conversion Rate)	The percentage of site visitors who complete target actions such as signing a contract or sending inquiries. A key area for improvement in ZVI.
IRR (Internal Rate of Return)	A metric that indicates the rate of return on future cash flows generated by an investment.
LS (Life Service)	A new segment established under the 3rd Medium-Term Management Plan by integrating Living Tech and Life Service, consisting of businesses related to lifestyle services.
LTV (Life Time Value)	Customer lifetime value. The total cumulative revenue generated from a single customer over the entire duration of the relationship. Expansion is pursued through cross-selling and conversion to pay-for-performance.
ROIC(Return on Invested Capital)	Calculated as net operating profit after tax (NOPAT) divided by capital employed. This metric indicates how efficiently profits were generated relative to capital employed.
RPO(Recruitment Process Outsourcing)	A service in which an external provider handles all or part of a company's recruitment operations. We offer this as a form of our success-based model.

Glossary②

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Glossary	Meaning
TAM profit	The total potential profit that can be captured across the market, calculated by multiplying TAM by the take rate and operating margin. Used to assess market ceiling risk.
VHR（Vertical HR）	A segment composed of core businesses specializing in specific industries within the HR domain.
ZMA（ZIGExN Matching Agent）	The growth engine of the 3rd Medium-Term Management Plan. A model that optimally combines AI and human resources to embed itself across end-to-end business processes, from acquisition to BPO, thereby expanding both TAM and value proposition simultaneously.
ZPM（ZIGExN Portfolio Matrix）	A management framework that governs the entire M&A lifecycle from entry to monitoring and exit decisions using a four-quadrant matrix of return on capital x growth rate, to maximize portfolio-wide capital efficiency. Cash-generating cash cow businesses recycle generated cash flows into high ROIC businesses and M&A, thereby driving compounding corporate value creation.
ZVI（ZIGExN Value Integration）	The company's proprietary PMI approach. A standardized framework applied to all post-M&A businesses, covering initiatives such as acquisition redesign, CVR optimization, and conversion to a pay-for-performance model, driving rapid earnings improvement and faster investment recovery.