ZIGExN Co., Ltd.

# ESG Data Book 2025

(Released October 8, 2025)

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# Editorial Policy

## About the ESG Data Book

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

### Integrated Report 2023 (https://zigexn.co.jp/en/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/en/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/AS80135/902f6b9d/eda7/4eea/b7c9/f4242e57f98e/20251105133418140s.pdf)

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

## Date of Publication

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

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

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 Group's ESG

| ZIGExN's materiality | Major efforts | Relevant SDGs items |
|---|---|---|
| Update society and industry with DX | • Support for DX at SMEs<br>• Business support through "LeadCloud" , and "CAREER PLUS" of Brainlab, Inc.<br>• Support in attracting users through Media Platform. | 8 働きがいも経済成長も<br>9 産業と技術革新の基盤をつくろう |
| Fostering SDGs engagement through the media | • Promotion of ZIGExN Media × SDGs (SDGs Award, etc.) | 17 パートナーシップで目標を達成しよう |
| Meaningful work environment | • Selection and systematic training of candidates for next-generation business managers<br>• Implementation of Next Leader Project.<br>• Conducting surveys for visualization of engagements | 8 働きがいも経済成長も |
| Creation of local communities | • Job creation, IT, and development of global human resource in Oita Office<br>• Cooperation with the Oita Industrial Human Resource Center (Oita Sangyo-Human resource Center)<br>• Recruitment of interns and organization of events in Kyoto | 8 働きがいも経済成長も<br>11 住み続けられるまちづくりを |
| Equality of employment opportunity | • Promotion of vocational education by holding representative lectures in cooperation with universities and educational institutions<br>• Special lecture at SFC and implementation of industry-university collaborative projects with APU | 4 質の高い教育をみんなに |
| Empowerment of diverse human resources | • Empowerment of women and increase in the ratio of women in managerial positions<br>• Facilitating exchanges with overseas branches. | 8 働きがいも経済成長も |
| Environmentally conscious corporate and business activities | • Management framework for sustainability-related risks.<br>• Responses to CDP and disclosure of information based on TCFD recommendations.<br>• Promotion of environmentally friendly management. | 7 エネルギーをみんなに そしてクリーンに<br>12 つくる責任 つかう責任<br>13 気候変動に具体的な対策を |
| Stronger governance, ensuring transparency | • Conducting iR for domestic and international institutional investors/individual investors.<br>• Reviewing institutional design such as compensation committees, nominating committees, etc.<br>• Engagement of new outside directors. | 16 平和と公正をすべての人に |

# 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

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

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.

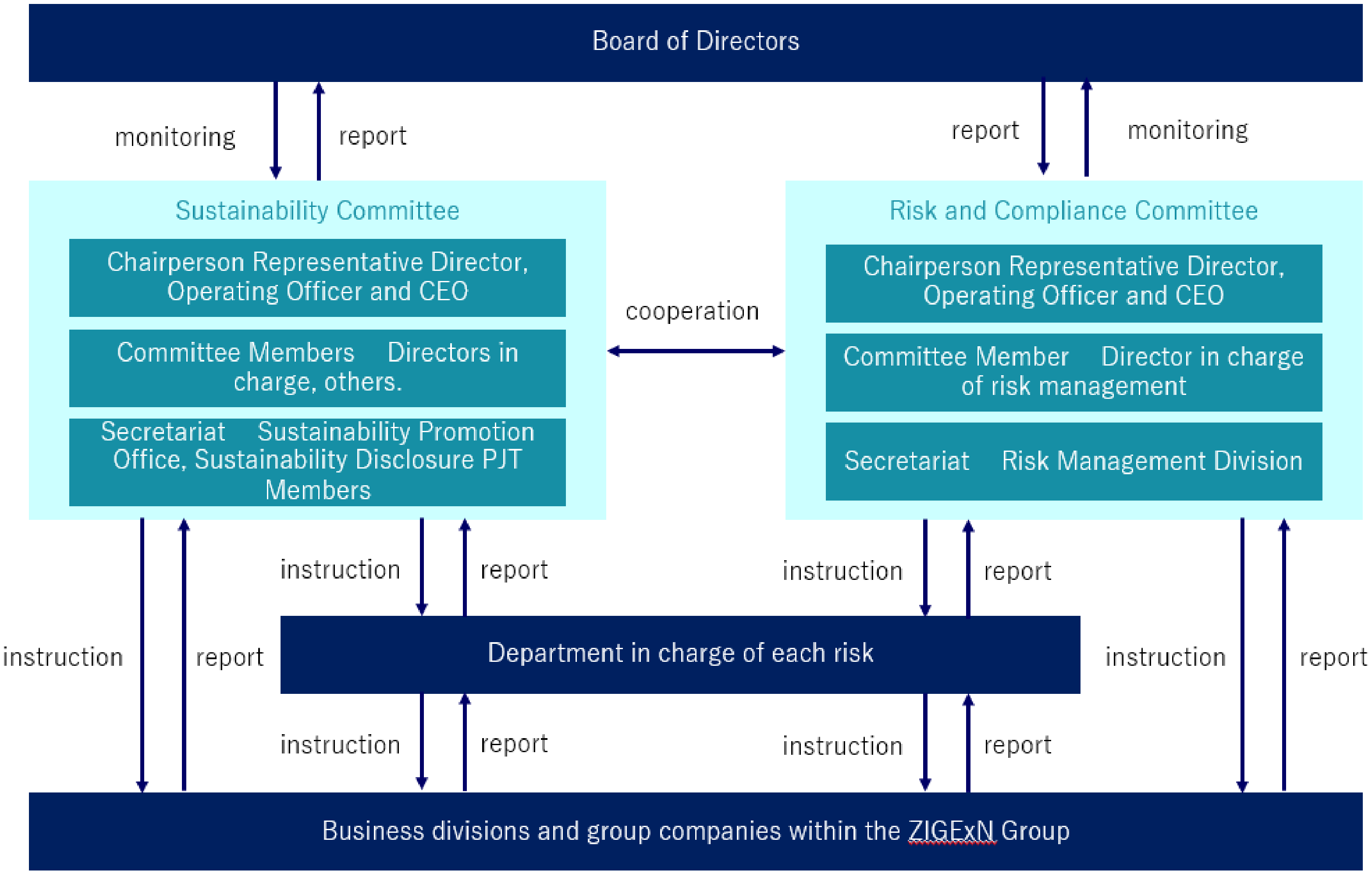
# Conservation of the Earth’s Environment

## Purpose and Activities of the Sustainability Committee

| Categories | Activities |
|---|---|
| **Name of the Committee** | **Sustainability Committee** |
| Purpose | A committee 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 | • Established on January 1, 2024.<br>• The meeting will be held once a year.<br>• The fundamental matter is to reach an agreement on the content to be included in the securities report.<br>• Apart from the above, meetings will be held as needed when issues arise. |
| Participants | • Chairperson (CEO)<br>• Members (2 Directors, Head of Corporate Communications & Sustainability Promotion Department, Legal & Risk Manager, Manager of Corporate Communication Division)*Depending on the case, relevant business executives may also participate.<br>• Secretariat (Corporate Communications & Sustainability Promotion Department, Sustainability Disclosure PJT members) |
| Agendas | 1. Discussion on the materiality of the mid-term management plan and specific strategies to achieve the targets.<br>2. Consideration of materiality from a multi-stakeholder perspective, along with response policies to environmental changes tied to materiality (such as TCFD).<br>3. Examination of key points expected or required of the company beyond 2030.<br>4. Discussion on matters to be reported to the Board of Directors. |

# Conservation of the Earth’s Environment

## Structure of Sustainability Committee



Board of Directors

monitoring

report

report

monitoring

Sustainability Committee

Chairperson Representative Director, Operating Officer and CEO

Committee Members　Directors in charge, others.

Secretariat　Sustainability Promotion Office, Sustainability Disclosure PJT Members

cooperation

Risk and Compliance Committee

Chairperson Representative Director, Operating Officer and CEO

Committee Member　Director in charge of risk management

Secretariat　Risk Management Division

instruction

report

instruction

report

instruction

report

Department in charge of each risk

instruction

report

instruction

report

instruction

report

instruction

report

Business divisions and group companies within the ZIGExN Group

# Conservation of the Earth’s Environment

## Environmental Management System (EMS)

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/

# Response to Climate Change

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

Starting from the fiscal year ended March 31, 2024, 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 ZIGExN corporate site (https://zigexn.co.jp/ir/esg/esg-e/tcfd/).

## Climate Change Governance

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

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 ended March 31, 2024, 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 | ・Introduction of carbon tax and other price hikes | ・Reduction of CO2 emissions through continuous energy conservation efforts<br>・Monitoring carbon pricing policy trends<br>・Development of energy efficiency improvement plan for relocated headquarters office | low |
| | Markets & Technology | ・Cost increase due to higher electricity prices | ・Implementation of power saving in offices (including reduction of office electricity use by introducing remote work)<br>・Monitoring market trends | low |
| | Reputation | ・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. | ・Continuous energy conservation efforts<br>・Appropriate dialogue with stakeholders and enhanced information disclosure | low |
| Physical Risk | Acute | ・Water submersion or damage to the data center and servers, and resulting service outages<br>・Cost of renovation due to loss of office space | ・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<br>・Diversify risk of facility damage by promoting data center migration to the cloud<br>・Secure stockpiles and develop an evacuation system | medium |
| | Chronic | ・Risk of increase in electricity consumption for air conditioning, capital investment and maintenance costs | ・Promote energy conservation (install high-efficiency air conditioning equipment and replace with renewable energy)<br>・Monitoring changes in usage due to weather and temperature changes | low |

# Response to Climate Change

## Greenhouse Gas Reduction Targets and Progress

### 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 a specific initiative to reduce $CO_2$ emissions, starting from FY 2025/3, we have been working to reduce emissions derived from electricity by acquiring Non-Fossil Certificates issued by the Japan Electric Power Exchange. For further details, please refer to page 16.

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. Starting from FY 2024/3, we have begun calculating $CO_2$ emissions at each site of our domestic group companies. 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**

・Water usage represents the amount of water consumed in office operations.
・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.)

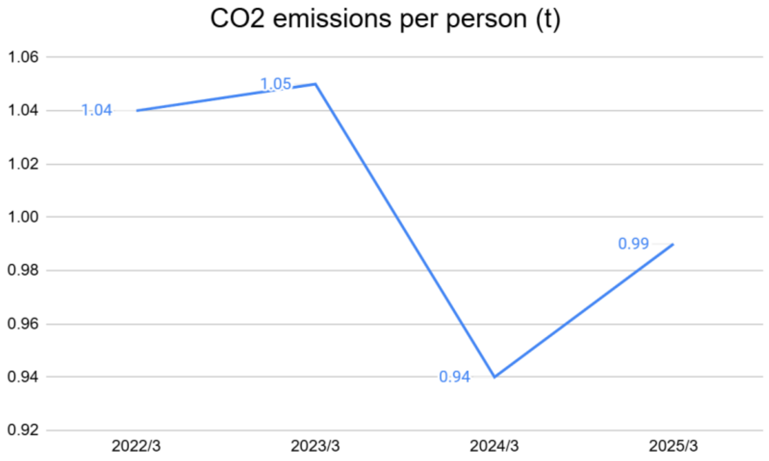
# Response to Climate Change

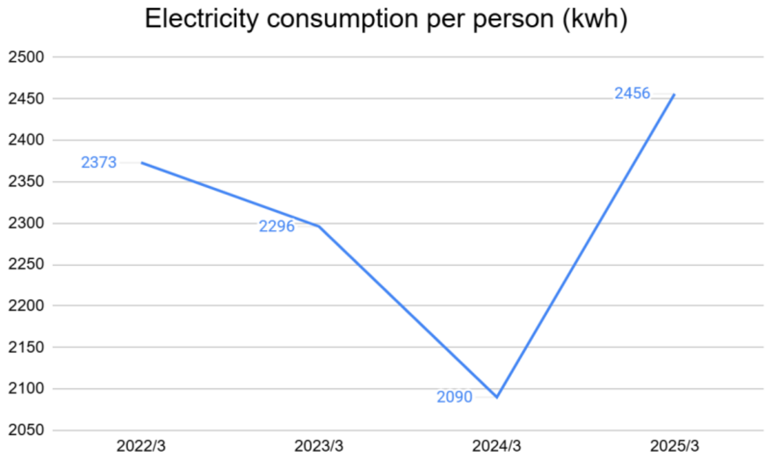
## Greenhouse Gas Reduction Targets and Progress

The CO2 emissions and electricity usage for the fiscal years from 2022/3 to 2025/3 are as follows:

| Environmental Indicators | | 2022/3 | 2023/3 | 2024/3 | 2025/3 |
|---|---|---|---|---|---|
| **Water and Electricity Usage / $CO_2$ Emissions** | Water Usage(m³) | - | 1091 | 1291 | 1098 |
| | SCOPE1(t-CO2) | 0 | 0 | 0 | 0 |
| | SCOPE2(t-CO2) | 208.8 | 226.5 | 220.6 | 207.2 |
| | Total(t-CO2) | 208.8 | 226.5 | 220.6 | 207.2 |
| | Electricity Usage (kwh) | 475,727 | 495,949 | 492,201 | 515,842 |

*For the ZIGExN headquarters only


CO2 emissions per person (t)


Electricity consumption per person (kwh)

*For the ZIGExN headquarters only

# Response to Climate Change

## Greenhouse Gas Reduction Targets and Progress

| Environmental Indicators | | | FY2024/3 | FY2025/3 |
|---|---|---|---|---|
| **SCOPE3**<br>**（Other indirect emissions）** | **Category 1: Purchased Goods and Services（t-CO2）** | | 3,000 | 25,616 |
| | **Category 2: 【Capital Goods】(t-CO2)** | | - | 1,991 |
| | **Category 6: 【Business Travel】(t-CO2)** | | - | 67 |
| | **Category 7: “Employee Commuting”(t-CO2)** | **ZIGExN (non-consolidated)** | 58.2 | 56.5 |
| | | Whole Group | 192.5 | 199.2 |
| | **Total Emissions from Headquarters（t-CO2)** | | 3,058.2 | 28,215 |

*The company began aggregating emissions on GCP in July 2024. Emissions for the period from August 2023 to March 2025 totaled 210.6 (t-CO2).
*For FY2024/3, Scope 3 Category 1 emissions were calculated only for “Purchased Goods and Services” associated with data center usage.
*Category 2: Calculated by multiplying the cost of newly acquired capital goods during the fiscal year by the emission factor per unit cost of capital goods.
*Category 6: Calculated based on travel expenses by transportation method x emission intensity.
*Category 7: Calculated based on travel expenses by transportation method x emission intensity.

# Response to Climate Change

## Greenhouse Gas Reduction Targets and Progress

Starting from FY2025/3, we have been working to reduce emissions derived from electricity by acquiring Non-Fossil Certificates issued by the Japan Electric Power Exchange. By obtaining certificates equivalent to 800,000 kWh against our annual electricity consumption of 798,682 kWh, $CO_2$ emissions from electricity use have been effectively reduced to zero, achieving carbon neutrality.

| Environmental Indicators | | FY2024/3 | FY2025/3 |
|---|---|---|---|
| **Electricity Usage・CO2 Emission** | **SCOPE1(t-CO2)** | 0 | 0 |
| | **SCOPE2(t-CO2)** | 358.84 | 313.93 |
| | **Total（t-CO2)** | 358.84 | 313.93 |
| | **Electricity Usage (kwh)** | 799,568 | 798,682 |
| | **Volume of Non-Fossil Certificates Purchased** | - | 800,000 |
| | **Electricity Usage (kwh)（Note2)** | - | 0 |

(Note)

1. Figures represent the total for the entire group.
2. Usage after offsetting through the purchase of Non-Fossil Certificates.

# Response to Climate Change

## Initiatives for Reducing Greenhouse Gas Emissions

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 2025/3 (from April 2024 to the end of March 2025), this initiative helped prevent the equivalent of 6.4186 trees from being cut down and contributed to a reduction of approximately 184.9 kg of CO2 emissions. The total amount of recyclable materials processed reached 404 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.
From the start of our activities in April 2022 through June 2025, we have contributed to a cumulative reduction of approximately 288.54 kg of $CO_2$ emissions.

**Promotion of Green Purchasing**

We promote the green purchasing of office supplies, including stationery and IT equipment such as PCs and monitors. The Green Purchasing Rate from September 2024 to August 2025 was 50.4%.

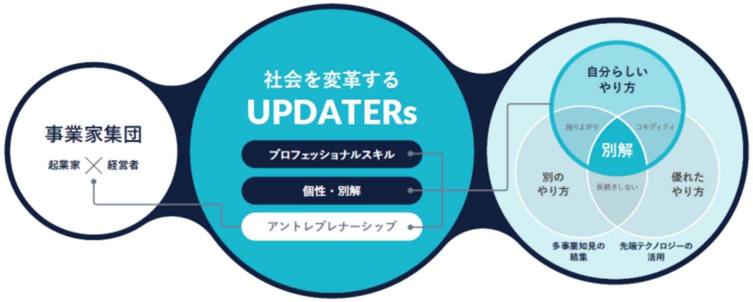
## Human Capital Initiatives

### Alignment of Management Philosophy and Human Resource Strategy

To realize our mission of maximizing life opportunities, we aim to attract diverse talent with entrepreneurial mindsets and varied backgrounds. Specifically, since our early days, we have been hiring new graduates, conducting mid-career recruitment to drive new business creation, and engaging external professionals under outsourcing arrangements to bring outside expertise into our operations. Given ZIGExN's proactive approach to business creation, growth, and M&A, we place particular emphasis on recruiting executive candidates capable of serving as business leaders or presidents of group companies. We strive to secure talent across multiple levels, from immediately effective professionals to future executive candidates.

### Positioning of Human Resources in the Value Creation Story

We are committed to building a structure in which human resource development and business growth are strongly linked. Aligned with our corporate philosophy and mid-term management plan, our core human resource strategy centers on providing "Practical Opportunities," the most critical factor in fostering talent. Through our active engagement in business growth, new business creation, M&A, and PMI, we have established a strong advantage in creating such opportunities. By bringing together individuals with diverse backgrounds around various practical opportunities, we form teams of "UPDATERs" — people who drive social transformation with unique talents and alternative perspectives — under a framework that provides growth opportunities and training programs across a wide range of businesses and fields. We continuously monitor and enhance this robust cycle, in which these teams generate further business creation, M&A activities, and diverse opportunities. Specifically, through the recruitment and development of talent with high potential, as well as the design of systems and organizational culture that enhance employee engagement, we support both individual performance and collective value creation. These efforts contribute to the company's accelerated growth and the development of a rewarding workplace environment.



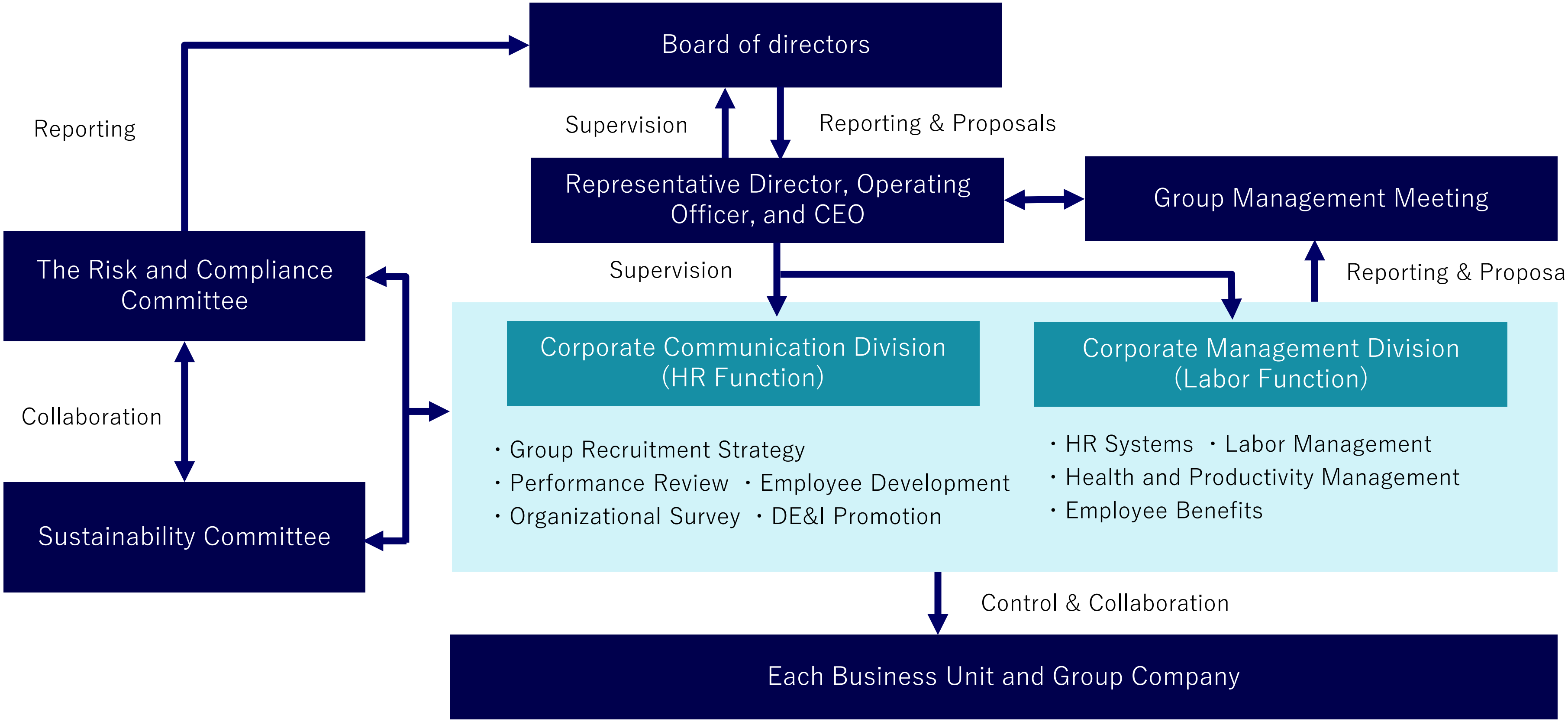
「Update Your Story～あなたを、未来に。」
～人生の岐路に立つ、すべての人の未来をアップデートする～

# 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.



Board of directors

Supervision

Reporting & Proposals

Representative Director, Operating Officer, and CEO

Group Management Meeting

Reporting

The Risk and Compliance Committee

Supervision

Reporting & Proposals

Corporate Communication Division (HR Function)

- Group Recruitment Strategy
- Performance Review
- Employee Development
- Organizational Survey
- DE&I Promotion

Corporate Management Division (Labor Function)

- HR Systems
- Labor Management
- Health and Productivity Management
- Employee Benefits

Collaboration

Sustainability Committee

Control & Collaboration

Each Business Unit and Group Company

4.Social

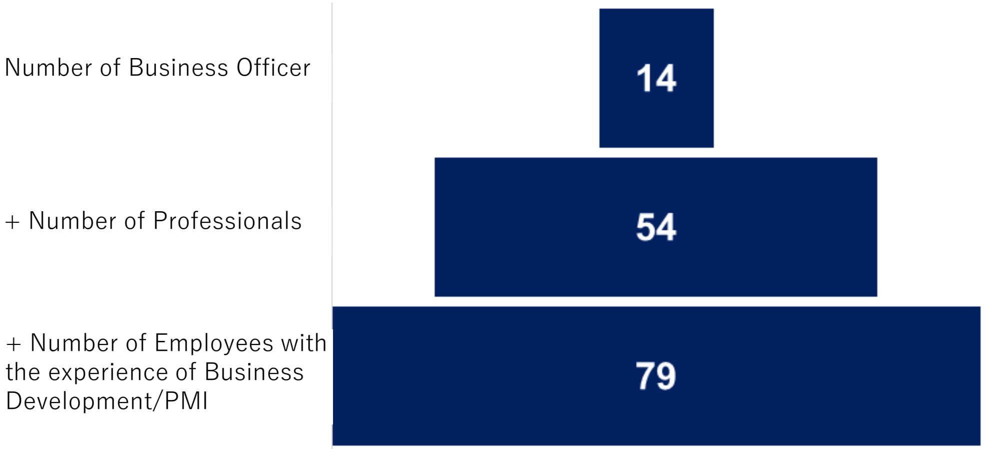
# Human Capital

## 人的資本に関する方針

### Data on human capital: original indicators

### Outcome/Output Indicator

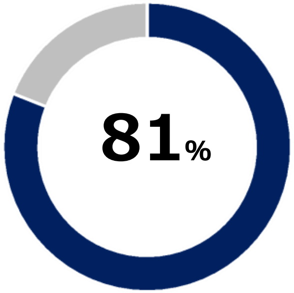
**Productivity** (Operating profit per person) **4.34Myen**



### Central KPIs

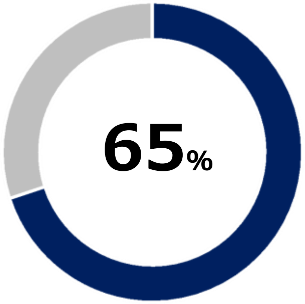
### Challenge Assign Rate

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



Note 1:Operating profit per employee is calculated by dividing ZIGExN’s non-consolidated operating profit (excluding extraordinary expenses, based on Japanese GAAP) by the number of ZIGExN’s non-consolidated full-time employees, excluding those on assignment or leave.
Note 2: The number of professionals (those who hold an evaluation or grade equivalent to or higher than that of a business officer) includes the number of business officers. The number of employees with business development or PMI experience includes both business officers and professionals.
Note 3: The central KPIs are based on the latest results from the internal survey conducted every three months. The Challenge Assign Rate refers to the number of respondents who answered “Somewhat/Strongly agree” to the question, “Do you think your current goal/mission is challenging?” The Growth Satisfaction Rate refers to the number of respondents who answered “Somewhat/Strongly agree” to the question, “Do you feel that your abilities have improved in this quarter?"
Note 4: Productivity (operating profit per employee) decreased from 6.01 million yen in FY2024/3 to 4.34 million yen in FY2025/3. The primary reason for this decline is the decrease in ZIGExN’s non-consolidated operating profit, mainly due to lower revenue in non-core online classifieds businesses caused by budget reductions from major clients.

# Human Capital

## Human Capital Initiatives

| Items | | Unit | FY2023/3 | FY2024/3 | FY2025/3 |
|---|---|---|---|---|---|
| Number of Employees (Non-consolidated) | Total Number of Full-time and Contract Employees | person | 229 | 242 | 239 |
| Number of Employees (Non-Consolidated) | Total Number of Part-time and Temporary Staff | person | 79 | 75 | 85 |
| Number of Employees (Consolidated) | Total Number of Full-time and Contract Employees | person | 857 | 927 | 964 |
| Number of Employees (Consolidated) | Total Number of Part-time and Temporary Staff | person | 290 | 286 | 320 |
| Turnover Rate (Non-consolidated) | | % | 20.9 | 14.6 | 21.2 |
| Average Age (Non-consolidated) | Men | age | 32 | 33 | 32.9 |
| | Women | age | 33 | 33 | 33.6 |
| Average Years of Service (Non-consolidated) | Men | year | 2.92 | 3.25 | 3.59 |
| | Women | year | 2.83 | 3.00 | 3.73 |
| Paid Leave Utilization Rate (Non-consolidated) | | % | 50 | 78 | 74.9 |
| Parental Leave Utilization Rate (Non-consolidated) | Men | % | 50 | 29 | 50 |
| | Women | % | 100 | 100 | 100 |
| Return Rate After Parental Leave (Non-consolidated) | Men | % | 100 | 100 | 100 |
| | Women | % | 100 | 100 | 100 |

Note 1: The average years of service for employees added through M&A are not carried over.
Note 2: The number of temporary employees represents the annual average headcount.
Note 3: Starting from FY2023/3, the calculation method has been revised to include contract employees—previously counted as regular employees—under temporary employees.
Note 4: The turnover rate refers to the turnover rate of full-time employees (those who left during the fiscal year as of April 1).
Note 5: 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.

# Human Capital

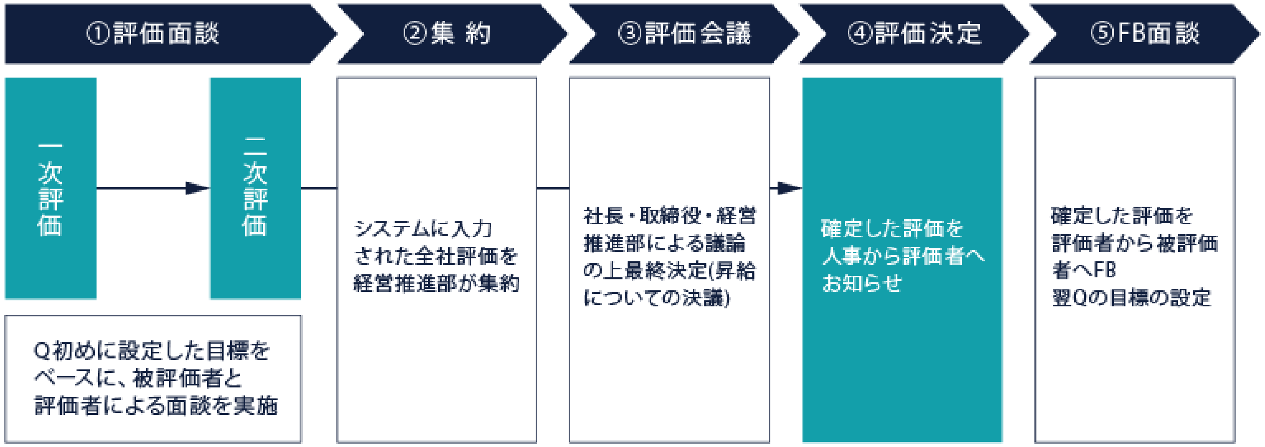
## Investment in Human Capital

### Human Resource Development Policy

The company's human resource development policy places a strong emphasis on providing practical opportunities for growth. Regardless of previous background, we promote individuals to managerial or leadership positions, assign them to M&A and PMI projects, and offer stretch assignments that include the formulation of medium-term business plans for each business unit, accompanied by feedback from management. Through such assignments, transfers, and mission changes, we create new opportunities for personal and professional growth. In addition, to help employees make the most of these opportunities, we have also established a structured educational framework, including onboarding programs for new hires and level-based training programs.

### Performance Review Process

At the company, we conduct evaluations four times a year (in April, July, October, and January) to accelerate the PDCA cycle of our business and further promote employee growth. Employees are evaluated across three categories: Output (business performance and results), Process (actions taken to achieve output goals), and UPDATE (initiatives that add value beyond regular duties, such as taking on new challenges or improving operational efficiency). While there are broad unified standards, we place importance on encouraging employees to think independently about their goals, taking into account what is expected of them by the company, their own capabilities, and their future career vision. They then align these goals with their supervisors through regular discussions.



①評価面談

一次評価

二次評価

Q初めに設定した目標を
ベースに、被評価者と
評価者による面談を実施

②集 約

システムに入力
された全社評価を
経営推進部が集約

③評価会議

社長・取締役・経営
推進部による議論
の上最終決定(昇給
についての決議)

④評価決定

確定した評価を
人事から評価者へ
お知らせ

⑤FB面談

確定した評価を
評価者から被評価
者へFB
翌Qの目標の設定

# Human Capital

## Investment in Human Capital

### 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

ZIGExN
Update Your Story

## 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 | — | 100% | — |
| By Role | OJT Trainer Training | Eligible Individuals | External | Annually | — | 100% | — |
| | Mentor Training | Eligible Individuals | Internal / External | Annually | 100% | 100% | 100% |
| Compliance | Compliance Training | Eligible Individuals | Internal / External | Annually | — | 99.6% | 100% |
| | Personal Information Protection Training | Eligible Individuals | Internal | Annually | 100% | 100% | 100% |

# Human Capital

## Talent Development

### Career Development Support

We conduct a proprietary pulse survey called “ZIGExN QUEST,” which allows employees to express their career aspirations and engage in follow-up discussions as needed. In addition, we have established an HR consultation desk where employees can seek advice regarding their careers. We also provide career support through multiple channels, including counseling services and other related programs.

### 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.

Internship Hiring Results:

| | 2022/3 | 2023/3 | 2024/3 | 2025/3 |
|---|---|---|---|---|
| Tokyo (people) | 2 | 14 | 9 | 10 |
| Kyoto Office (people) | 2 | 1 | 2 | 2 |

Note: The number of individuals stated includes both student part-time employees and interns.

# Human Capital

## Engagement

### Engagement Survey

At the company, we measure employee engagement and implement improvement initiatives through two types of surveys: the externally provided “Motivation Cloud” employee engagement survey, conducted twice a year, and our in-house “ZIGExN QUEST” engagement survey, conducted quarterly. 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.

Response Rates for Each Survey:

| Items | FY 2023/3 | FY 2024/3 | FY 2025/3 |
|---|---|---|---|
| Motivation Cloud | 98% | 100% | 100% |
| ZIGExN QUEST | 72% | 95% | 92% |

# Human Capital

## Engagement

### Initiatives to Enhance Engagement and Communication

At the company, in addition to conducting engagement surveys, we implement a variety of initiatives to enhance employee engagement and promote active communication within the organization.

**Initiative Examples**

- **Welcome Lunch:** A subsidy system that covers the cost of lunch gatherings held on the first day of a new employee's onboarding, as well as lunch meetings organized within departments to welcome and promote interaction with new employees, transferred staff, or employees returning from parental leave.

- **SHINBOKU / MEE-SHOKU:** A subsidy program that supports the cost of team-building and social gatherings, such as kickoff meetings, appreciation events, or lunch meetings aimed at fostering communication and camaraderie among employees, both within and across departments and projects.

- **Z mentor:** A program for full-time employees that assigns a dedicated mentor, separate from their OJT trainer or direct supervisor, to help strengthen positive relationships and communication within the organization.

- **Follow-up:** A subsidy program that allows managers to use company support for small-group meals or similar gatherings with subordinates who require individual attention, such as one-on-one discussions or personalized support.

- **Wakulab / Club Activity:** A program that supports club activities created for all employees to promote communication and interaction across the organization.

- **Retirement Celebration Program:** A subsidy program that provides financial support for the purchase of gifts to celebrate and express appreciation for employees who are retiring.

- **Znow/Event:** A volunteer-based team with the mission of accelerating company-wide communication. Led by the Public Relations and Sustainability Promotion Office, the team works in collaboration with management to plan and implement internal events and other initiatives tailored to the company's needs at the time.

**Examples:**
- **Aniva (Anniversary Event):** A company anniversary event held annually. Before the COVID-19 pandemic, large-scale company-wide events such as sports day were also organized.
- **Ashita-kai:** A quarterly, all-employee meeting that serves as both a business performance briefing and a kickoff meeting.
- **UPDATE MTG:** A monthly business performance meeting that takes a more detailed and micro-level approach than Ashita-kai.
- **Z-Nomi:** An annual all-company social gathering.
- **Other Events:** Seasonal activities such as Tanabata and Christmas celebrations, including the distribution of commemorative sweets and small standing receptions, as well as internal study sessions on trending business topics.

# Human Capital

## Diversity, Equity, and Inclusion (DEI)

### Basic Policy on DEI

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, 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 2030. 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.

### 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 | | FY2023/3 | FY2024/3 | FY2025/3 | Target for 2030 |
|---|---|---|---|---|---|
| Number of Employees | Female | 79 | 78 | 87 | - |
| | Female Ratio | 35% | 32% | 36.4% | 40% |
| Managers | Female | 7 | 7 | 8 | - |
| | Female Ratio | 11% | 11% | 13.8% | 20% |
| Directors | Female | 1 | 1 | 1 | - |
| | Female Ratio | 20% | 20% | 20% | 20% |
| Auditors | Female | 0 | 1 | 1 | - |
| | Female Ratio | 0% | 33% | 33% | 30% |

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

# Human Capital

## Diversity, Equity, and Inclusion (DEI)

### Work–Life Balance Support Programs for Childcare and Nursing Care

The company aims to create a workplace environment that enables employees to balance their work with childcare and family caregiving responsibilities, thereby preventing resignations arising from such circumstances.

**Examples of Childcare Support Initiatives:**

・**Maternity Health Management Leave:** Female employees are entitled to take up to five hours of paid leave per month to receive health guidance or medical examinations related to pregnancy and childbirth.

・**Maternity Leave:** Available to female employees who meet certain eligibility requirements before or after childbirth. Those who are covered by social insurance are also entitled to receive maternity allowance and a lump-sum childbirth benefit.

・**Childcare Leave**

・ **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.

・**Nursing Care Leave:** Employees who are raising children up to the third grade of elementary school are entitled to take paid leave of up to five days per year per eligible child (or up to ten days in total if they have two or more eligible children) for school events or similar reasons.

・**Shortened Working Hours System:** Employees may reduce their prescribed daily working hours from eight hours to six hours under this system.

・**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.

# Human Capital

## Diversity, Equity, and Inclusion (DEI)

### Work–Life Balance Support Programs for Childcare and Nursing Care

**Examples of Nursing Care Support Initiatives:**

・**Caregiver Leave:** Employees who are required to provide continuous care for a family member for a period of two weeks or longer (including hospitalization due to illness or injury) may take caregiver leave up to three times per eligible family member, for a total of up to 93 days.

・**Caregiver Short-Term Leave:** When a family member requires nursing care, employees may take up to five days of paid leave per year per eligible family member.

・**Restrictions on Working Hours:** Employees may apply for the following measures, each available for a period of not less than one month and up to one year per application: 1. Exemption from Prescribed Overtime Work – applicable to short-hour employees (refers to overtime or work on holidays). 2. Restriction on Overtime Work – applicable to full-time employees (refers to overtime or work on holidays). 3. Exemption from Late-Night Work – applicable to work performed between 10:00 p.m. and 5:00 a.m.

# Human Capital

## Diversity, Equity, and Inclusion (DEI)

### 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 job platform, 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:19th Term Annual Securities Report (April 2024 - March 2025) P.11
URL: https://contents.xj-storage.jp/xcontents/AS80135/6dde901f/aae3/4b81/9832/7e5579d23f7e/S100W2XM.pdf

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

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.

### 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 well-being 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.

### Baseline Indicators for DEI

| Items | | | FY2023/3 | FY2024/3 | FY2025/3 |
|---|---|---|---|---|---|
| Number of Employees | Persons with Disabilities | Ratio | 0.5% | 1.0% | 1.1% |
| | Foreign Nationals | Ratio | 0.95 | 0.9% | 2.5% |

*All figures represent the data from the company alone.

# Human Capital

## Diversity, Equity, and Inclusion (DEI)

### 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.

To facilitate the acquisition of the Company’s shares by officers and employees, and to enhance their sense of participation in management by aligning their interests with those of shareholders (“same-boat” relationship), the Company has introduced an Officers and Employees Stock Ownership Plan. As part of human capital development, the Employees' Stock Ownership Plan also includes the provision of incentive contributions, aiming to strengthen recruitment competitiveness and reduce turnover through enhanced employee benefits.

# Human Capital

## Labor Management

### 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

### ・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 31), 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

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.
- **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.

# Initiatives to Secure Human Rights

## Human Rights Governance

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

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

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

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 Secure Human Rights

## Human Rights in the Value Chain

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

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

# Information Security/Cyber Security/Protection of Personal Information

## Response Policy

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

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

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

・**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

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.

# Community Contribution Activities

## Revitalization of Local Communities

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

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

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

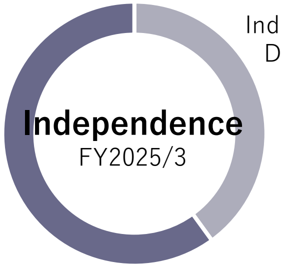
We established a voluntary Nomination and Compensation Committee in June 2024. This committee will discuss enhancing the independence, objectivity, and accountability of the Board of Directors, including increasing the diversity of the board members, which includes auditors. If necessary, we will also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

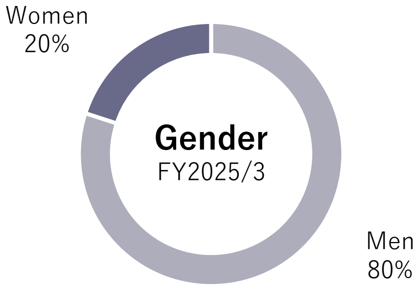
# Corporate Governance

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

| Governance Indicators | | FY2022/3 | FY2023/3 | FY2024/3 | FY2025/3 |
|---|---|---|---|---|---|
| Directors | Number of Directors (Total) | 5 | 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% | 99.22% | 100% |
| | Directors | 100% | 100% | 100% | 100% |
| | Auditors | 100% | 100% | 97.87% | 100% |

### Diversity of the Board of Directors





*The composition of the board of directors and ages are compiled as of March 31, 2025.
*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<br>**Joe Hirao** |  | Male | 42 | ● | ● | ● |  | ● |  | ● |
| Director<br>**Ryosuke Imai** |  | Male | 36 | ● | ● |  |  |  |  |  |
| Director<br>**Sachiko Hatano** |  | Female | 42 |  |  | ● | ● | ● | ● | ● |
| Outside Director<br>**Yasuo Usuba** | ● | Male | 62 | ● | ● | ● | ● |  |  |  |
| Outside Director<br>**Jun Sakaki** | ● | Male | 52 | ● | ● | ● |  | ● |  |  |

*The ages are listed as of March 31, 2025.
*Independence is marked with a circle (〇) for those who meet the "Independent Officer Independence Criteria."

# Corporate Governance

## Evaluation of the Effectiveness of the Board of Directors

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 2025, a questionnaire with 20 questions, each rated on a scale of 1 to 5, was distributed to all eight (8) Directors and Audit & Supervisory Board Members. The average score for this evaluation was 4.33, exceeding last year's score of 4.23. While the frequency, agenda items, and meeting format were highly evaluated in many respects, it was recognized that certain issues remain with regard to succession planning and internal control/risk management.

### Good Point（Items over 4.5）

- Frequency of Meetings: 5.00
- Agenda Items: 4.88
- Meeting Format: 4.75
- Supervisory Function over Management: 4.75
- Constructive Discussions and Exchanges of Opinions: 4.63
- Administrative Support: 4.63

### Problem（Items below 4.0）

- Internal Control and Risk Management System: 3.75
- Succession Planning: 3.00

# Business Ethics and Compliance

## Corporate Ethics and Compliance Policy

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.

## 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 one employee (as of July 1, 2025.) 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

## Business Ethics and Compliance Governance Structure

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.

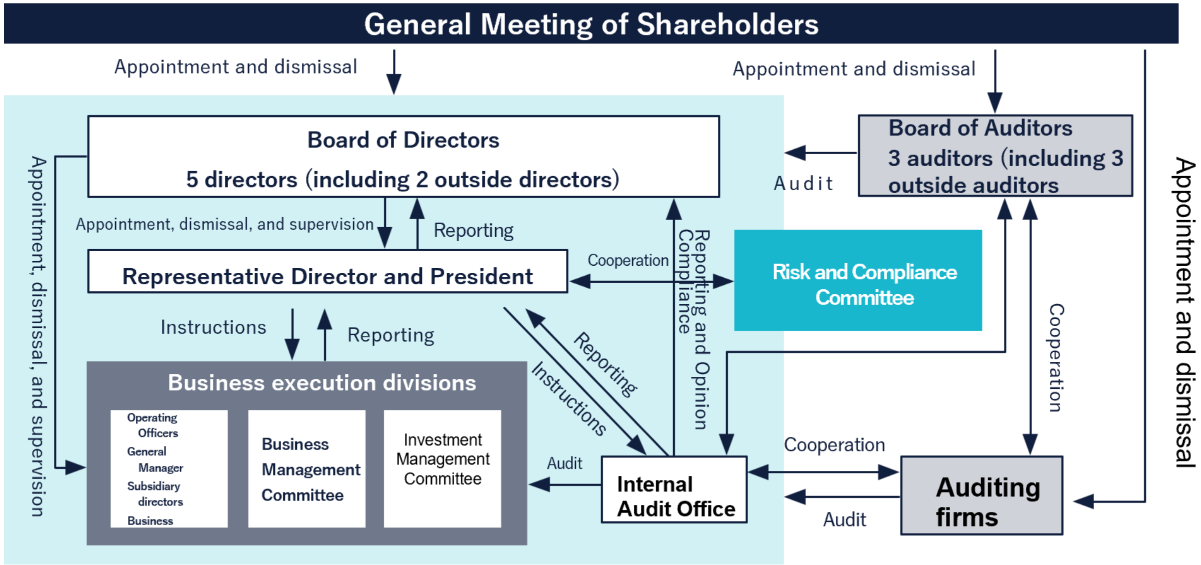
# Business Ethics and Compliance

## Business Ethics and Compliance Governance Structure

### Governance Structure

As statutory bodies, the Company has established a Board of Directors and an Audit & Supervisory Board, which consist of Directors and Audit & Supervisory Board Members elected at the General Meeting of Shareholders. In addition to these statutory bodies, from the perspective of strengthening corporate governance, the Company has established a Risk and Compliance Committee, a Harassment Prevention Committee, and an Internal Audit Office. In the business execution division, the Company has introduced an Operating Officer system under which Operating Officers are responsible for executing operations within their respective areas of responsibility.

At the Company, the Board of Directors determines important matters concerning the execution of business in accordance with laws, regulations, and internal rules (such as the Rules on Duties and Authority), while supervising the execution of duties by Executive Directors and Operating Officers. To enhance the agility and flexibility of business execution and to invigorate management, the Company has established the Operating Officers' Meeting, the Business Management Meeting, and the Investment Management Meeting. Details of these bodies are provided in the Corporate Governance Report (https://contents.xj-storage.jp/xcontents/AS80135/902f6b9d/eda7/4eea/b7c9/f4242e57f98e/20251105133418140s.pdf) under "2. Matters Concerning Functions of Business Execution, Supervision, Nomination, and Remuneration Decisions (Overview of the Current Corporate Governance System)".


General Meeting of Shareholders
Appointment and dismissal
Appointment and dismissal
Board of Directors
5 directors (including 2 outside directors)
Board of Auditors
3 auditors (including 3 outside auditors)
Audit
Appointment and dismissal
Appointment, dismissal, and supervision
Appointment, dismissal, and supervision
Reporting
Representative Director and President
Cooperation
Compliance Reporting and Opinion
Risk and Compliance Committee
Instructions
Reporting
Reporting
Instructions
Cooperation
Business execution divisions
Operating Officers
General Manager
Subsidiary directors
Business
Business Management Committee
Investment Management Committee
Audit
Internal Audit Office
Cooperation
Audit
Auditing firms

# Business Ethics and Compliance

## Business Ethics and Compliance Governance Structure

### －Operating Officers’ Committee

Members: Operating Officers, including Full-Time Directors, and Full-Time Outside Audit & Supervisory Board Members
Overview: To strengthen the functions of the Board of Directors and ensure that decision-making is conducted efficiently and appropriately, this body holds discussions and provides reports on key matters related to business execution.

### － Business Management Meeting

Members: Operating Officers, including Full-Time Directors, and Business Officers of each division and subsidiary
Overview: Reviews reports on the progress of business plans and shares strategies, engaging in discussions on the business strategies of the Company and its group companies.

### －Investment Management Meeting

Members: Operating Officers, including Full-Time Directors, Prospective Business Heads of investment projects, and Full-Time Outside Audit & Supervisory Board Members
Overview: Shares due diligence and valuation results related to M&A and other investment projects, and makes decisions regarding investment matters.

### －Nomination and Compensation Committee

Members: Outside Directors and the Representative Director
Overview: Prior to resolutions by the Board of Directors, this committee deliberates on matters related to the appointment and dismissal of Directors, as well as on Director compensation, and provides recommendations to the Board as necessary. The committee was established in June 2024 as a voluntary advisory body.

# Business Ethics and Compliance

## Business Ethics and Compliance Governance Structure

### －Audit and Supervisory Board

Members: One Full-Time Outside Audit & Supervisory Board Member and Two Part-Time Outside Audit & Supervisory Board Members
Overview: As part of the Company’s management oversight function, an Audit and Supervisory Board has been established. Audit and supervisory Board Members attend important meetings such as those of the Board of Directors and conduct audits on the legality and appropriateness of directors' duties.

### －Internal audit office

Members: Dedicated personnel under the direct supervision of the Representative Director
Overview: Internal audits are conducted for the Company and its consolidated subsidiaries to audit the execution of operations from the perspectives of legality and appropriateness. Through a “three-party audit” system in cooperation with the Audit & Supervisory Board Members and the Accounting Auditor, the Internal Audit Office verifies the legality and appropriateness of operations, reports the results to the Board of Directors and other relevant bodies, and, when improvements are necessary, provides recommendations and follows up with the audited divisions.

### －Risk and Compliance Committee and Harassment Prevention Committee

Members: Representative Director, Operating Officer, and CEO, two Executive Directors, one Operating Officer, Head of the Legal Department, and Observers (personnel from the Internal Audit Office and two Audit & Supervisory Board Members)
Overview: This committee promotes initiatives and information sharing related to risk assessment, compliance, and the prevention of harassment. Its objectives are to raise employees’ awareness of compliance, monitor violations of laws and regulations, verify risk-related matters, and prevent harassment within the organization.

# Business Ethics and Compliance

## Initiatives for Enhancing Business Ethics and Compliance

### 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 FY2025/3, the compliance training program for all employees of the Company, including contract employees, temporary staff, and part-time workers, achieved a 100% participation rate. The training includes a comprehension test, and participants are required to retake the test until they achieve a passing score. In addition, the Company conducts annual training on the protection of personal information, ensuring that all employees maintain and enhance their knowledge of appropriate handling of personal data through full participation in the program.

### 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

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

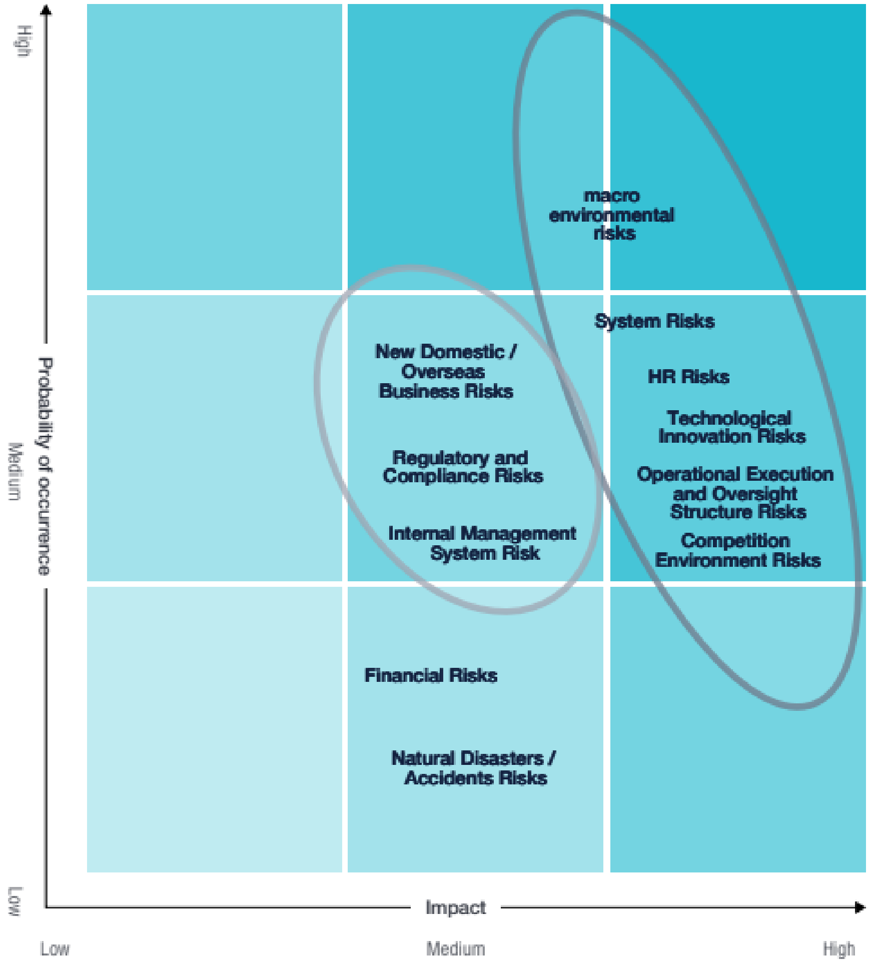
The company has established a Risk and Compliance Committee as a subcommittee under the Board of Directors. The Representative Director, Operating Officer, and CEO serves as the chairperson, overseeing the identification of company-wide risks and countermeasures. The Risk and Compliance Committee is 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, the Corporate Strategy Division and Risk Management Department 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

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

**Risk**



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 occurence: 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.

# Risk Management

## Group Risk Assessment and Response

The Company evaluates risks based on two dimensions: the likelihood of occurrence and the potential impact. We intend to prioritize countermeasures for risks assessed as having higher significance. Taking into account changes in the external environment, the Company seeks to accurately identify the risks that should be addressed on a priority basis and to make effective use of limited management resources to prevent the materialization of such risks, thereby avoiding the erosion of corporate value.

| Identifying Risks | | Examples of Risk Control | Current Trend |
|---|---|---|---|
| **Risks** | **Risk Content** | **Examples** | |
| **Macro Environmental Risks** | • Economic Downturn Risk: Economic downturn risk due to factors such as rising interest rates. | • Collecting relevant information about the economic trends and financial policies of major countries and preparing for worst-case scenarios in business operations. | ↑ |
| **Competition Environment Risks** | • Intensified Competition Risk: Risk of worsening competition in certain sectors such as caregiving and beauty, driven by the emergence of new entrants and other factors. | • Gathering information through competitor analysis and implementing strategies based on their trends and movements. | ↑ |
| **Technological Innovation Risks** | • Emergence of New Technology Risk: Risk of disruption caused by the rise of new technologies like AI, which could impact existing business models and user behavior. | • Collecting information about new technologies, evaluating their potential for utilization, and understanding their impact on existing business operations. | ↑ |
| **Regulatory and Compliance Risks** | • Legal/Contractual Violation Risk: Risk related to various legal or contractual breaches.<br>• Compliance Risk: Risk of violating social norms and standards.<br>• Information Leakage Risk: Risk associated with information leaks or breaches. | • Thorough legal checks based on the importance of issues, including enhancing understanding of regulations such as the Prize Act that pertain to business operations.<br>• Promoting understanding through compliance training and regular testing.<br>• Updating guidelines through the Information Security Committee and raising awareness among employees. | ↔ |
| **HR Risks** | • Resignment/Recruitment Risk: Risk related to resignment and challenges in recruitment, affecting talent acquisition.<br>• Labor Risk: Risk associated with labor issues and various forms of harassment.<br>• Person Dependency Risk: Risk related to dependency on CEO Joe Hirao. | • Improvements in the personnel system, such as raising the compensation table and expanding employee benefits, to ensure job satisfaction.<br>• Promoting understanding of labor standards and various forms of harassment, along with regular monitoring by the Health and Safety Committee and establishing consultation points.<br>• Appropriate delegation of authority and grooming of next-generation business leaders. | ↑ |
| **System Risks** | • Cyber Attack Risk: Risk of unauthorized access and other cyber attacks.<br>• System Failure/Legacy Risk: Risk of system failures due to high loads, data overload. | • Development of guidelines led by the Security Management Unit and raising awareness among employees.<br>• Maintaining processing capacity through load distribution, regular vulnerability assessments, phased replacement of systems, executing updates, regular backups, adopting the latest security software, and Utilization of cloud services. | ↑ |
| **Operational Execution and Oversight Structure Risks** | • Governance Risk: Risk related to overall group direction, control, and governance.<br>• Business Strategy Risk: Risk related to the execution and judgment of various business strategies.<br>• Operational Risk: Risk related to operational processes and business operations. | • Increasing the secondment of personnel from ZIGExN to the management department, and partial consolidation of management tasks.<br>• Establishing decision-making flows through diverse discussions involving members with various skills, and leveraging the expertise of specialists.<br>• Promoting business standardization and enhancing customer satisfaction through CS efforts. | ↑ |
| **Internal Management System Risks** | • Financial Fraud and Misstatement Risk: Risk related to inappropriate accounting practices and financial misstatements. | • Implementing preventive controls such as multi-level approval processes, Utilizing internal audits for the purpose of discovering issues and maintaining controls. | ↔ |
| **New Domestic/Overseas Business Risks** | • New Business Ventures Risk: Risk associated with new business initiatives, including those involving international expansion. | • Thorough understanding and analysis of industry-specific regulations, business practices, industry trends, etc. | ↔ |
| **Financial Risks** | • Impairment Risk: Risk of recognizing impairment losses due to poor performance or other factors affecting the value of intangible assets.<br>• Debt Recovery Risk: Risk associated with long-standing or bad debts that may not be recoverable.<br>• Dilution Risk: Risk of dilution of existing shareholders' ownership due to the exercise of new share subscription rights. | • Thorough DD and performance improvement initiatives, Enhanced performance through PMI, Monitoring of Goodwill-to-equity ratios, ratio of equity attributable to owners of the parent company.<br>• Encouraging debt collection through the Delinquent Accounts Management and Collections Department.<br>• Designing exercise conditions with consideration for shareholder value to mitigate dilution impact. | ↔ |
| **Natural Disasters/ Accidents Risks** | • Climate Change and Geographical Risk: Risk associated with periodic natural disasters caused by climate change and geographical factors. | • Regular system backups and monitoring of operational status, Mitigating the risk of centralization through decentralization of facilities. | ↔ |
| **Other Risks** | Reputational Risk: Risk related to the deterioration of reputation.<br>• Partner Risk: Risk of issues arising from business outsourcing or partnerships. | • Raising awareness about the risks associated with social media through cautionary messages and training.<br>• Thorough pre-screening of business partners and regular assessment of business quality. | ↔ |

# Tax Policy

## Tax Governance

Under the management of the Board of Directors and the Audit Committee, the final responsibility 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

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.

# Appendix

## 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 2025.

D&I AWARD 2025
Advanced Certification
(Three Consecutive Years)
D&I AWARD 2024
The Top Inclusive Company Award

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

WOMAN's VALUE AWARD 2021
Special Award

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

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

Selected as a Constituent of the JPX Nikkei Mid and Small Cap Index

# Appendix

## Notes on the Contents of this Report

### 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 the release date of this report, 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.

# Disclaimer

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.