

Toward ZIGExN's 15th Anniversary



In June 2021, ZIGExN will celebrate the 15th anniversary of its founding.

We will be renewing our corporate logo and corporate website with a new "Purpose," the meaning of our corporate existence.

To commemorate our 15th anniversary, we asked book writer Toru Uesaka to interview our CEO Joe Hirao. He talks about his thoughts since the company's founding, what kind of company he aims to be in the future, and the new Purpose and logo. We hope you enjoy reading it.

Our origin is the phrase "OVER the DIMENSION".

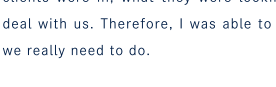
In June 2021, ZIGExN will celebrate the 15th anniversary of its founding. The company name "ZIGExN" reflects our desire to create a company that can go beyond and be through the roof. We would like to create something that will be the "foundation(元)" of the "future(次)". The phrase "OVER the DIMENSION" is our starting point.

Since then, based on our basic principle of "aiming at maximizing opportunities in life and seeking harmony and sustainable development with society by providing a platform to connect to the world through the internet", we have been providing a variety of services that focus on the social issue of "information asymmetry" and has continued to refine our marketing abilities to connect both clients and users of our platform.

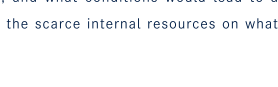
We have been able to achieve rapid growth because of three factors: the timing of the new era after the collapse of Lehman Brothers (Lehman Shock), the trend of Web 2.0, and the growing importance of data. In addition, there was one more fortunate thing.

Sometimes people think I grew up in a privileged environment, but in fact, I had my own first-hand experience with inequality and disparity of opportunity, so I went to a university to start my own business.

I started two companies but chose to work for a company after graduation, because I wanted to go out into the real world and learn more, and I joined a company called RECRUIT. Looking back on my past, I think I made a great choice.



The message "OVER the DIMENSION" on the wall



The calligraphy "Entrepreneurial Group" in the entrance of the office

The view I gained from my two experiences of starting my own business and working for a large company

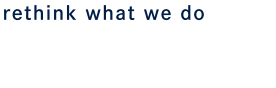
During the growth period after our founding, we had only a few dozen customers. Moreover, most of them were large corporations. The reason why it was possible for us to do this despite being a small startup is because at RECRUIT, one of the biggest companies in Japan, I was able to see a world that we would not have been able to see if we were in a small startup.

Based on the experience of working there, I understood what kind of situation clients were in, what they were looking for, and what conditions would lead to a deal with us. Therefore, I was able to focus the scarce internal resources on what we really need to do.

Also, as a student entrepreneur, I was able to connect with many entrepreneurs, and I could deepen my relationships with these people and received a lot of advice after starting my business.

For example, it is important to push forward with one business in order to go public, but that is not enough to sustain growth, and we always need to think about what's coming next. Whether or not you start a new business depends on the situation, but you should always have a plan. If you don't have the land, you can't build a building. Especially after going public, it is not easy to pivot.

The reason why we were able to launch our second and third arrows immediately after going public was because we had made preparations from the early stage, and the reason why we were able to expand our domain through M&A was because we were looking ahead to the next step.



In 2013, ZIGExN got listed on the TSE Mothers Market.



In 2018, ZIGExN changed market listing to the First Section of the TSE.

One of the purposes of going public is M&A to accelerate discontinuous growth

We can also create new businesses internally, however, what we were realizing at the time was that the market was changing rapidly. The value of our own existence could change, so we needed to respond quickly.

Even before we went public, as an IT company, we were aware of the difficulty of how to spend our money. There is always a lack of investment, and moreover, even if we conduct an investment, the probability of success is not high. However, we decided to make strategic and drastic investments. That was our first M&A, REJOB and BlainLab. The integration was very successful and marked a new turning point for ZIGExN. There are many things that don't quite go according to theory, such as organizational PMI, but I feel there is a lot of potential. Since then, we have been conducting M&A almost every year, and by the previous fiscal year, we had invested in 19 deals worth more than 12 billion yen. We will continue to invest in M&A that accelerate our discontinuous growth.

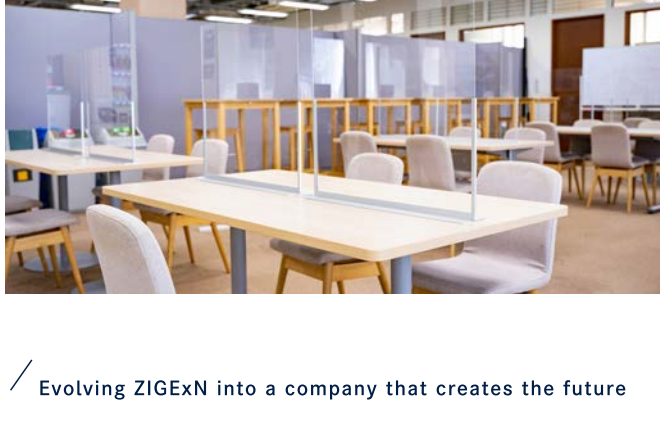
During the COVID-19, it gave us an opportunity to rethink what we do

Our growth potential was highly evaluated and led to our listing on the First Section of the Tokyo Stock Exchange from the Mothers section, but I myself believe that we still have a lot of room for improvement. I always believe that the only way to succeed is to do all the common tasks properly, and I have always faced the market with sincerity.

The COVID-19 started spreading at such a time. We managed to maintain profitability with our diversified business portfolio even during the COVID-19 pandemic, but I realized that we were not sufficiently prepared for such risks. I always think that things happened is happened because of myself, so I don't think that our business performance was affected, because of the external environment. I have become more conscious of the need to change things as a management.

I had been doing a lot of thinking like our profitability is high, but is this really attractive as a listed company? We have been managing our business by focusing on the profit, but it might be better to look at growth more?

At the same time, the lifestyle opportunities that we have been working to maximize are being lost due to the COVID-19 disaster. We have been focusing on the asymmetry of information, but there are a lot of other things that needed to be handled.



Evolving ZIGExN into a company that creates the future

After careful consideration over the past year, we decided to take the opportunity of our 15th anniversary to evolve ZIGExN. With our capabilities, we will take a more drastic step. We will continue to generate profits and invest more while maintaining growth. We will also sharpen our business operations.

For example, we will expand our core business of specialized recruitment services for beauty and nursing care to a nationwide scale. Rather than ending up as a media platform, we will turn it into a business support service like SaaS. We will use advertising more dynamically and become known better.

The organization will also evolve. We have been working on a concept like a training school for entrepreneurial groups, and this has gained a great deal of support, but we will also push forward with other things that need to be done. For example, we will provide more support for childcare, nursing care, and education.

I also feel that there is great potential for new ways of working, such as remote work. There will be more opportunities to increase engagement not only with our employees, but also with the people outside. We have a lot of things that we can do more.



Our business domain focuses on social issues, but we will also further promote initiatives on sustainability, SDGs, ESG, and a recycling-oriented earth.

In April, we established the Sustainability Promotion Office and have started activities with an awareness of the medium-term steps we need to take. We will make KPIs not only from the bottom up but also from the top down, and create a structure that is as committed as management.

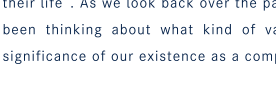
The management who led the Japanese economy after the war looked at society from a very high perspective. Although I am still young, I do not want to regret what I could have done. I want to make sure that we will be more aware of the social contributions we can make in the future.

As for global expansion, Japan's presence in the world is becoming smaller and smaller. I would like to see if we can change this. The reason why we use hiragana as our company name is because we are an Internet company from "Japan". We would like to go to the world from Japan.

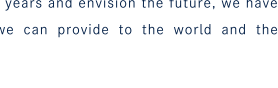
Currently, we are the only listed IT company investing in Africa. When we think of global, we tend to focus on Europe and the United States, but we want to look at Asia, the Middle East, South America, and many other areas.

From the beginning to the end of life. We will create a life platform on a global scale. The Japanese-style Internet has a unique Japanese culture, so we want to take advantage of its potential.

There is one thing that I have always felt since my founding. That is, management resources are all over the world. I would like to make the next 15 years by expanding those resources.



TCV, one of the subsidiaries, has offices in Zambia and Kenya.



REJOB, one of the subsidiaries, provides an opportunity to learn skills related beauty

The idea behind ZIGExN's new purpose

The symbol of our evolution is ZIGExN's new purpose: "Update Your Story, for a better Future". It means "to update the future of everyone at the crossroads of their life". As we look back over the past 15 years and envision the future, we have been thinking about what kind of value we can provide to the world and the significance of our existence as a company.

These words encompass the idea that you are the main star of your life, and we hope you advance your life through the services of ZIGExN.

We created our new logo based on the combination of the first character "L" of ZIGExN (ジゲン) in Japanese and the letter "Z" of ZIGExN in English. It portrays the discontinuous growth and our transformation into a company that aims for sustainable growth through Coexistence and co-prosperity with society.

The black and white colors evoke a zebra. Startups that emphasize sustainability and adopt coexistence as their value are called zebra startups. Additionally, companies that have achieved sudden growth in a short span of time are called unicorn companies. Our company logo, which resembles both a zebra and a unicorn, embodies our intention to become a company that blends both, which has traditionally been regarded as difficult to balance.

We will continue to expand more and continue to make further efforts so that people will say, "We are glad that it updated the Company at that time, and it became a better company."

I sincerely appreciate your continuing support. Thank you.

