

**FY2021/7 FY
Financial Results**

September 2021



Visional, Inc.

Consolidated Financials

- JPY 28.6Bn net sales, an increase of JPY 8.0Bn from 9 months ended April showing full recovery from COVID-19
- Strong P&L management balancing cost reduction and strategic investments. Marketing investments and hiring have resumed to invest for future growth. Driven by stronger than anticipated net sales growth, 12 months ended July operating profit landed at JPY 2.3Bn

BizReach

- Net sales growth turned positive from 2Q. 4Q recorded 42.2% net sales growth driven by continued market rebound for the professional hiring market. As a result, net sales grew 12.5% YoY and landed at JPY 23.5Bn for 12 months ended July
- JPY 9.6Bn adjusted operating profit before corporate expense allocation. Marketing investments and hiring that were controlled during FY2020/7 2H to FY2021/7 1H have resumed to invest for future growth

HRMOS

- JPY 1.26Bn ARR, 941 unique paying customers as of 4Q end. Monthly Churn Rate of 1.23% (last 12-month average) impacted by COVID-19, yet single month monthly Churn Rate around 1.0% since December 2020
- Priority for HRMOS continues to be product development and cross sell to BizReach customers. In addition, marketing investments including brand awareness for future customer acquisition executed

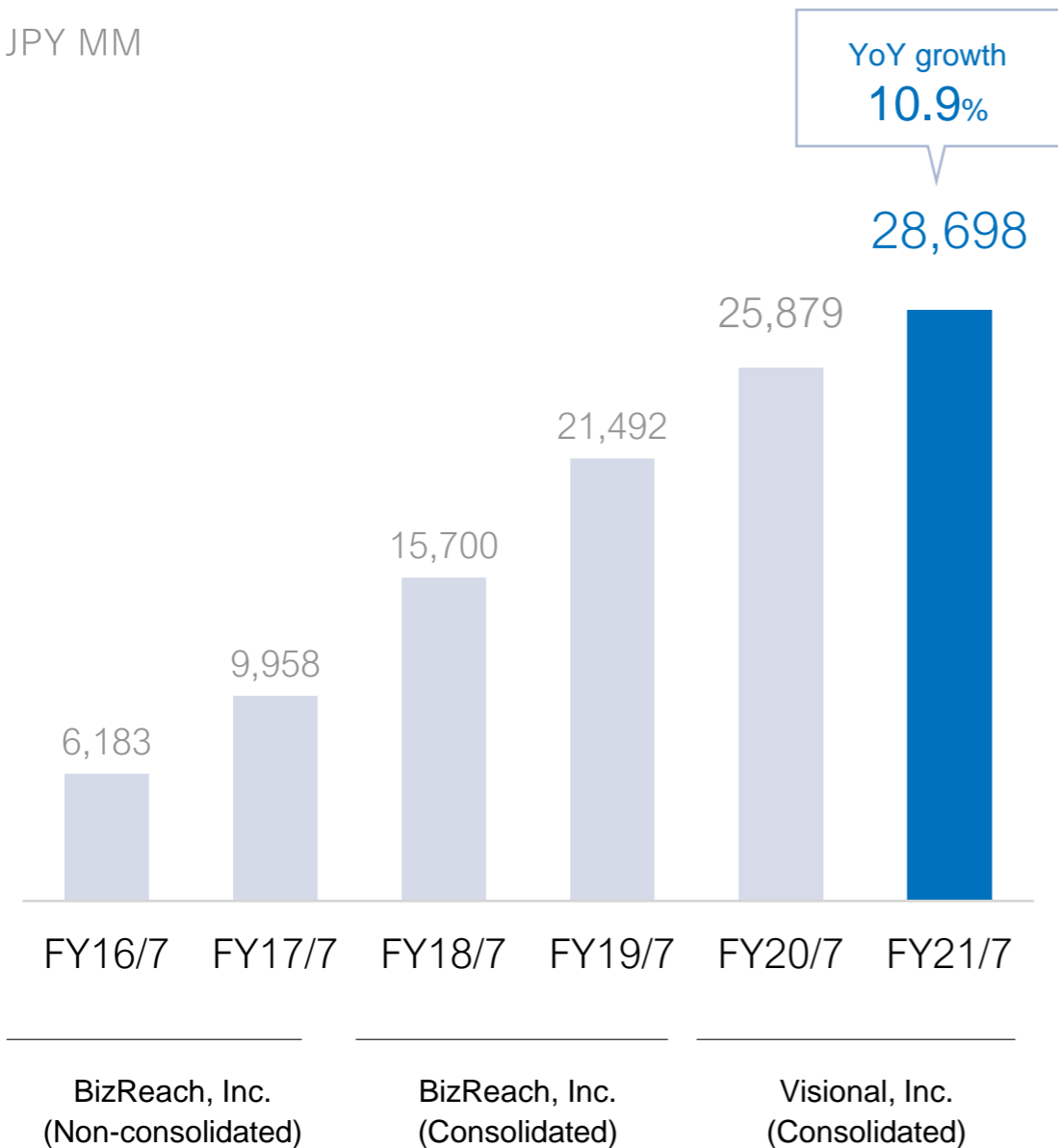
Consolidated Financial Forecast

- Based on the current growth trend, and rebound from FY2021/7, full year FY2022/7 financial forecast for net sales is JPY 37.7Bn (31.4% YoY growth)
- Investments for business growth will continue. Full year FY 2022/7 financial forecast for operating profit is JPY 2.6Bn (12.7% YoY growth)

Although negative net sales growth for FY2021/7 1H, strong recovery in 2H. Strong P/L management balancing cost reduction and strategic investments leading to both net sales and profit growth

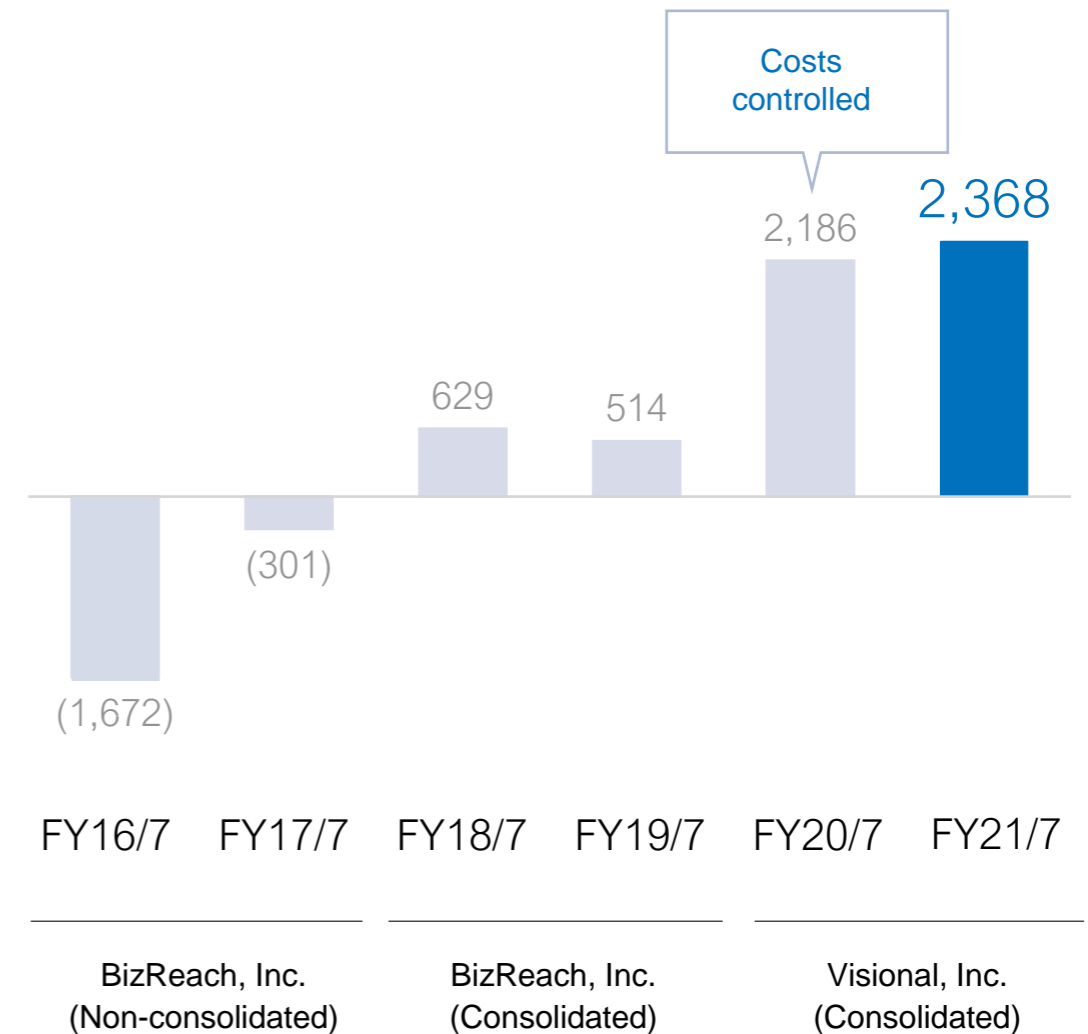
Consolidated Net Sales⁽¹⁾

JPY MM



Consolidated Operating Profit⁽¹⁾

JPY MM



Notes: (1) Based on FY20 financials prepared by Visional, Inc. continued from the financials of BizReach, Inc. Visional, Inc. was established through a share transfer, and BizReach, Inc. became a wholly-owned subsidiary of Visional, Inc. in February 2020. Therefore, FY18 to FY19 annual financial results are based on the consolidated financial results of BizReach, Inc., and FY16 to FY17 annual financial results are based on the non-consolidated financial results of BizReach, Inc. (All FYs end in July and prepared in accordance with J-GAAP)

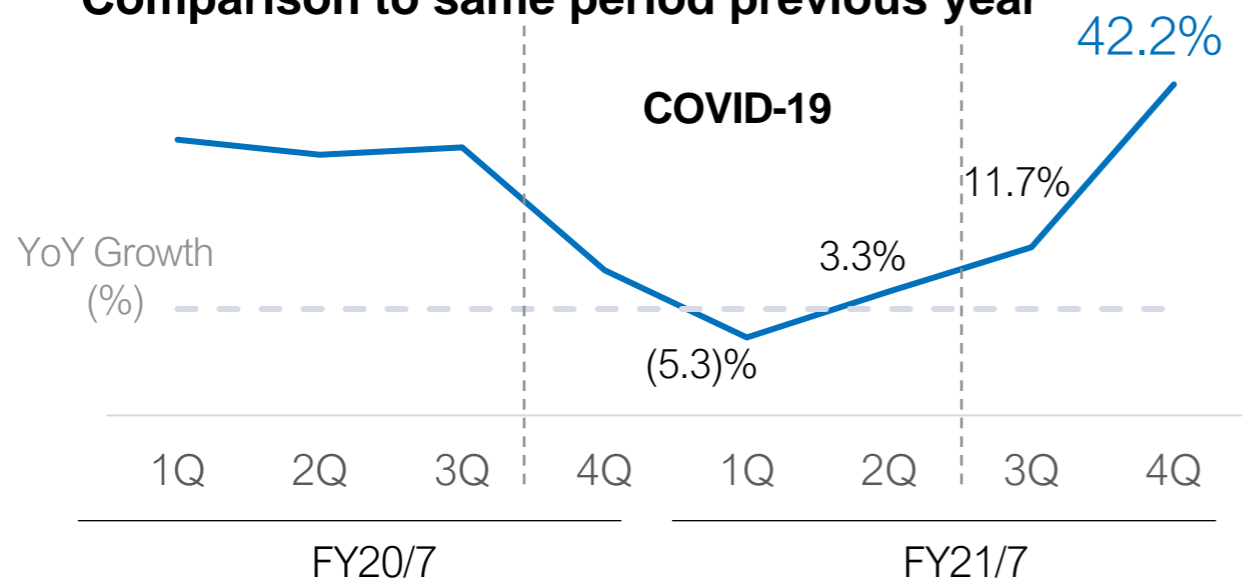
Although economic uncertainties continue, Visional net sales grew by JPY 8.0Bn in 4Q driven by the strong rebound in the professional hiring market. Despite the negative net sales growth in 1H, consolidated net sales grew 10.9% full year

	JPY MM			
	6 months ended Jan. 31, 2021	6 months ended July 31, 2021	12 months ended July 31, 2021	12 months ended July 31, 2020 (Reference)
Net Sales	12,167	16,531	28,698	25,879
YoY Growth (%)	(1.9%)	22.6%	10.9%	20.4%
HR Tech Segment⁽¹⁾	11,410	15,641	27,052	24,914
YoY Growth (%)	(5.0%)	21.2%	8.6%	17.7%
Incubation Segment⁽¹⁾	675	809	1,485	892
YoY Growth (%)	74.9%	59.8%	66.3%	182.1%
Cost of Sales	1,551	2,447	3,999	4,104
Gross Profit	10,615	14,084	24,699	21,775
Margin (%)	87.2%	85.2%	86.1%	84.1%
Selling, General & Administrative Expenses	9,103	13,228	22,331	19,588
Operating Profit	1,512	855	2,368	2,186
Margin (%)	12.4%	5.2%	8.3%	8.4%
HR Tech Segment⁽²⁾	2,141	1,858	4,000	3,343
Incubation Segment⁽²⁾	(329)	(533)	(863)	(868)
Pre-tax Profit	1,665	624	2,290	7,023
Income Tax Expense	579	289	869	2,364
Profit attributable to owners of parent	1,086	334	1,420	4,658
Margin (%)	8.9%	2.0%	5.0%	18.0%

Notes: (1) Difference between the consolidated figure and the total of HR Tech and Incubation Segments is mainly due to office rental fees from an associated company accounted for by the equity method (2) Difference between the consolidated figure and the total of HR Tech and Incubation Segments is due to general and administrative expenses that are not allocatable to the reportable segments

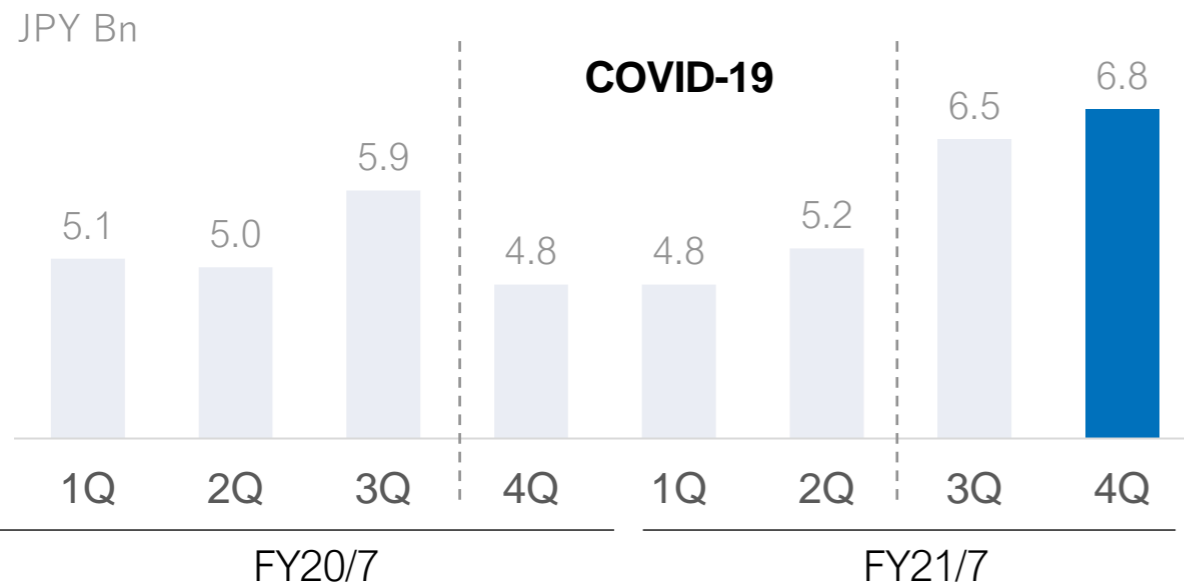
Strong net sales growth for 2 consecutive quarters. BizReach has recovered from COVID-19 and is back to growth

BizReach Quarterly Revenue Trend Comparison to same period previous year



- Increase of direct employers rebounding from COVID-19 hiring freeze. Job offerings above pre-pandemic levels continued
- BizReach 12th Anniversary Campaign and TV Commercials increasing new job seekers and re-activating existing job seekers
- Increased number of job seekers and increased direct employers' activities on the platform, as well as increased matching capability leading to increased hires made

BizReach Quarterly Net Sales Trend



Marketing investments and hiring resumed in FY2021/7 2H. Strategic investments made in 4Q, yet stronger than anticipated net sales growth led to additional profits

Consolidated 4Q P&L

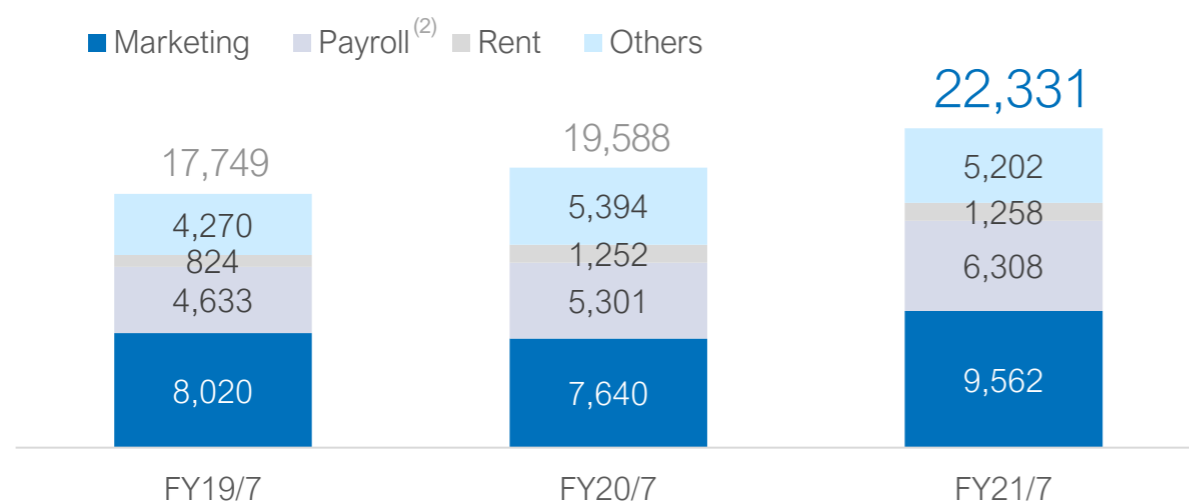
JPY MM

	FY21/7 9 months (a)	4/22 release FY Forecast (b)	FY21/7 4Q Forecast (b) - (a)	FY21/7 4Q Actual
Net Sales	20,601	26,700	6,098	8,097
BizReach	16,713	21,650	4,936	6,848
Costs Total	17,488	25,740	8,251	8,842
Operating Profit	3,112	960	(2,152)	(744)

- State of emergency declaration continued during 4Q. Although hiring is often impacted by economic uncertainties, professional hiring market rebounded faster and stronger than anticipated and BizReach grew strongly in 4Q
- Costs were controlled during FY2021/7 1H as sales growth was negative. Marketing investments and hiring resumed in 2H as sales trend turned positive
- 4Q investments include continued investments in TV Commercials, online and offline marketing activities for future growth

Consolidated SG&A (1)

JPY MM



Notes: (1) FY19 SG&A is based on the consolidate financial results of BizReach, Inc. (2) Payroll includes bonuses and allowance for bonuses

Although uncertainties remain, based on the assumption that growth continues, Visional Group forecasts JPY 37.7Bn net sales (31.4% YoY growth), JPY 2.6Bn operating profit (12.7% YoY growth)

JPY MM

	FY20/7 Act	FY21/7 Act	FY22/7 Full Year Forecast
Net Sales	25,879	28,698	37,700
Growth (%)	20.4%	10.9%	31.4%
HR Tech Segment	24,914	27,052	35,570
BizReach	20,945	23,561	32,000
HRMOS	931	1,155	1,420
Incubation Segment	892	1,485	2,010
Others	72	161	120
Operating Profit	2,186	2,368	2,670
Growth (%)	325.1%	8.3%	12.7%
Margin (%)	8.4%	8.3%	7.1%
Ordinary Profit	2,254	2,274	2,990
Growth (%)	340.4%	0.9%	31.5%
Margin (%)	8.7%	7.9%	7.9%
Profit Attributable to Owners of Parent	4,658	1,420	1,760
Growth (%)	-	(69.5%)	23.9%
Margin (%)	18.0%	5.0%	4.7%

- Based on the current growth trend of BizReach, and rebounding from FY2021/7, FY2022/7 full year forecast for BizReach net sales is JPY 35.5Bn ⁽¹⁾
- HRMOS continues to prioritize product development, and forecasts JPY 1.4Bn of net sales
- Investments in Incubation segment businesses continues for mid term growth

Mid-term (3 years) net sales growth target

- BizReach : 15% - 20% normalized annual growth ⁽²⁾

Notes: (1) Visional Group has worked on contracted assignments (Contract with the Ministry of Economy, Trade and Industry (METI) to help with hiring in Fukushima Prefecture to support areas affected by the Great Eastern Earthquake etc.). As 2021 marks 10 years from the earthquake, we have completed the contract. Impact to HR Tech segment is as follows: JPY 0.74Bn in FY2020/7, 0.69Bn in FY2021/7 in net sales. Impact to profit is negligible (2) Based on the assumption that market expansion continues at historical pace

FY Financial Results by Business

BizReach Financial Results

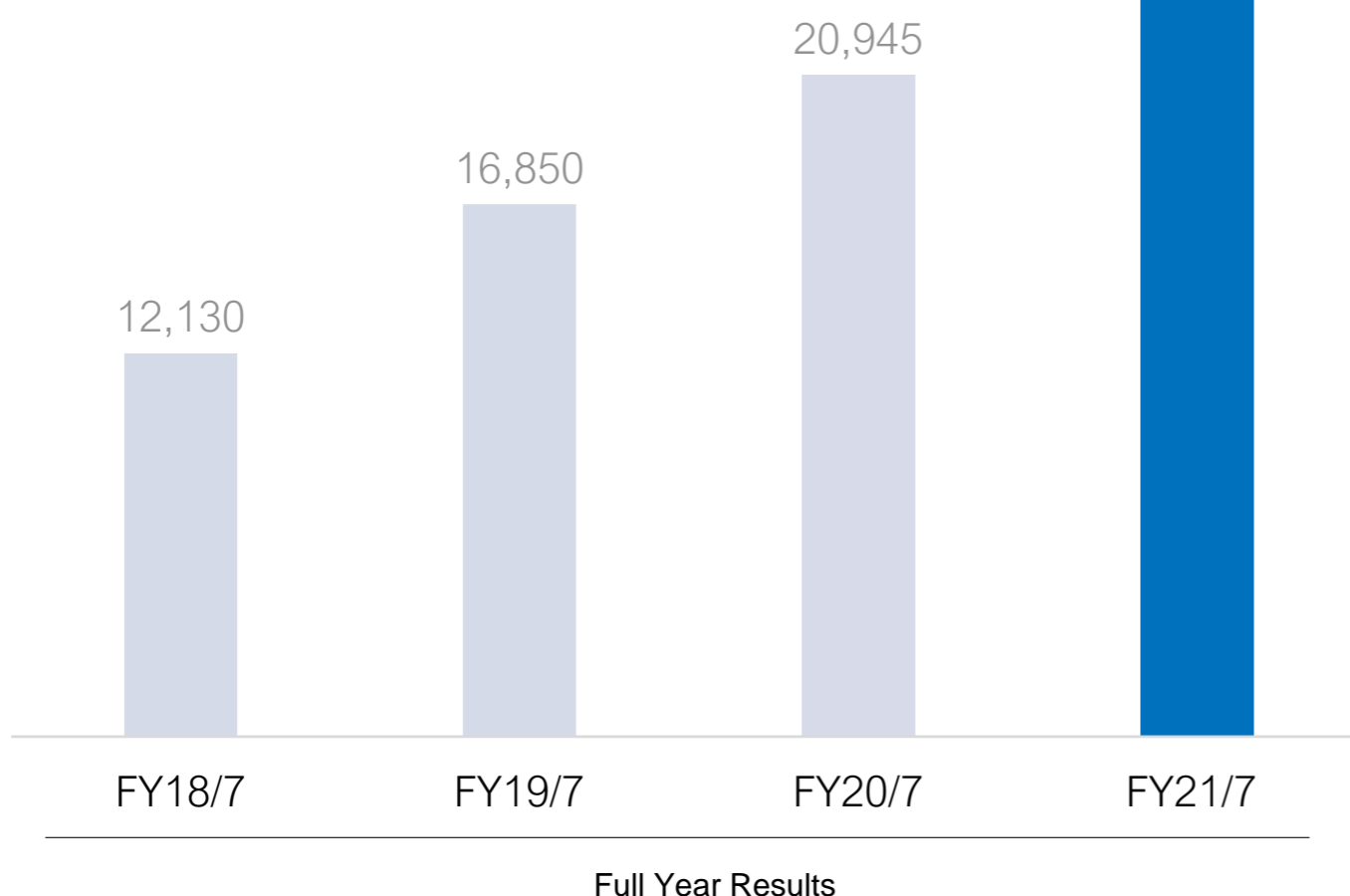
JPY 23.5Bn of net sales for 12 months ended July. Although economic uncertainty continues, we believe BizReach has fully recovered from the pandemic based on double digit growth for 2 consecutive quarters

BizReach Business' Net Sales⁽¹⁾

JPY MM

YoY growth
12.5%

23,561

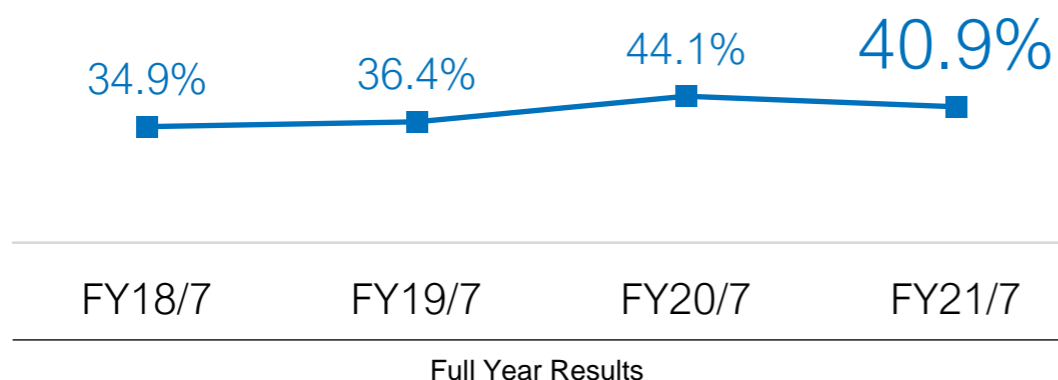


- State of emergency declaration continued, and economic uncertainty remains, yet strong rebound of hiring market for professionals continued in 4Q
- KPIs in good trend including increase of job seekers, acquisition of new direct employers, increase of matching ratios due to increased hiring needs
- New job seekers acquired and existing job seekers reactivated through BizReach 12th Anniversary Campaign and TV Commercials

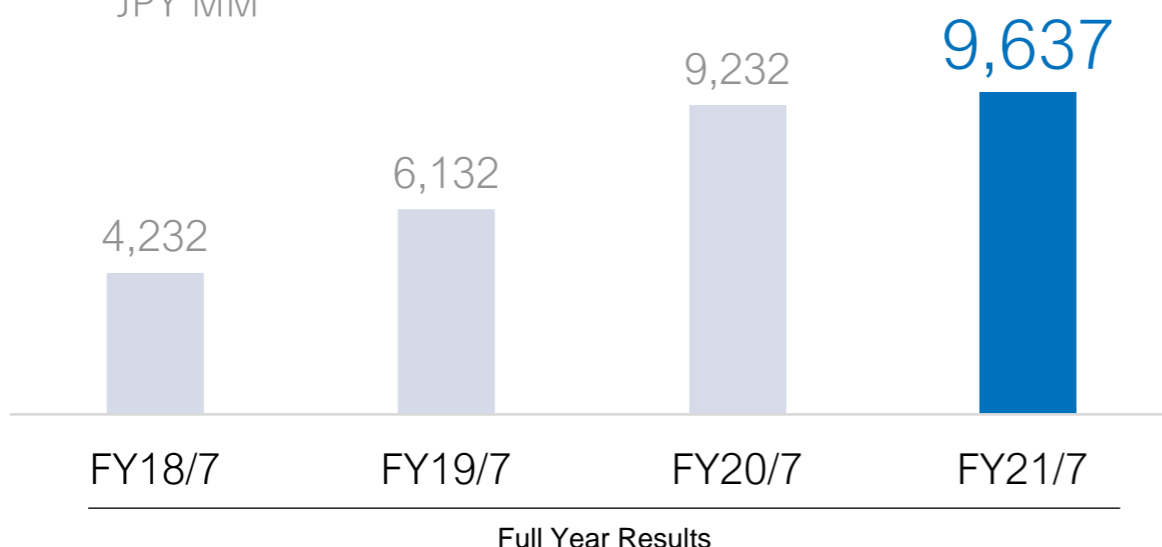
As business is back to growth, marketing and hiring aggressively invested in 4Q to drive future growth

BizReach Adjusted Operating Profit before Corporate Expense Allocation and Margin⁽¹⁾⁽²⁾⁽³⁾

Adjusted operating profit margin before corporate expense allocation



Adjusted operating profit before corporate expense allocation
JPY MM

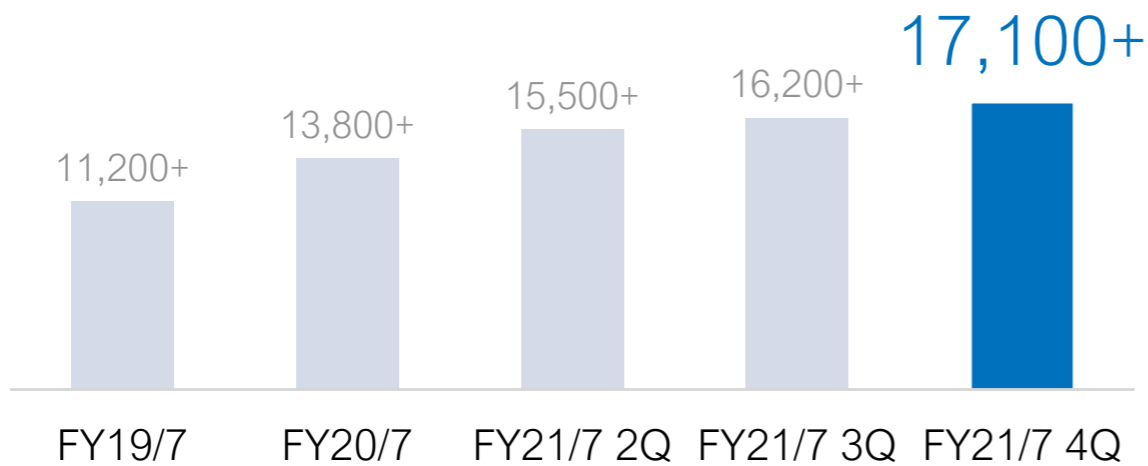


- Investments were controlled during FY2021/7 1Q as net sales growth was negative
- Marketing investments and hiring resumed in later part of 2Q as net sales growth turned positive. Investments for FY2022/7 conducted in 4Q
- Quarterly profit trend was irregular due to the pandemic, yet full year profits is a fair level to sustain business growth

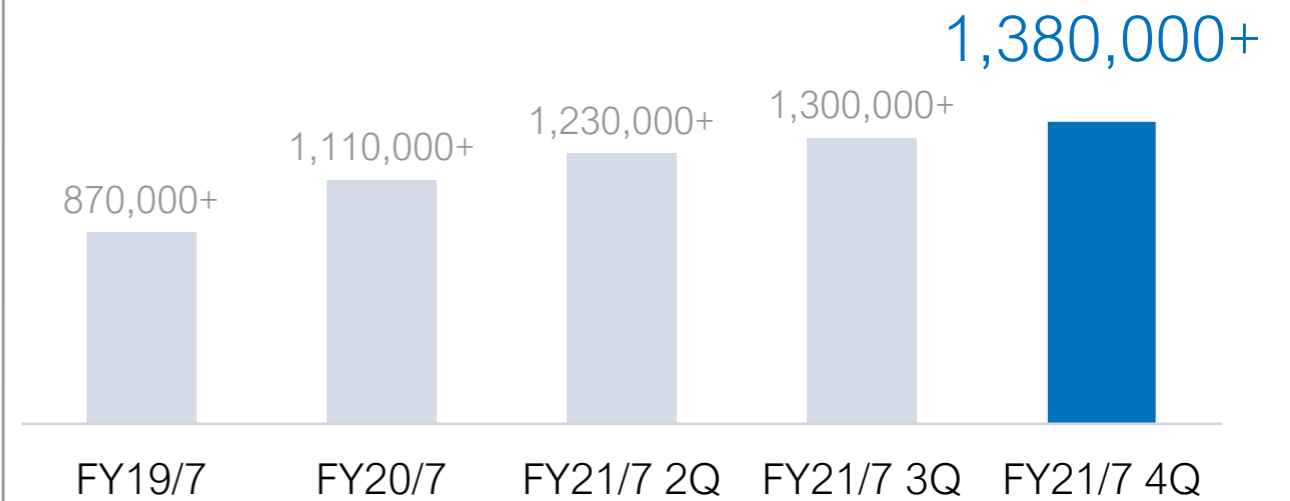
Notes: (1) Financial data of the BizReach Business, the core service of our group (which differs from the financial data of our subsidiary BizReach, Inc.) (2) BizReach business' revenue and adjusted operating profit / profit margin is recorded within the HR Tech reporting segment. (3) Adjusted operating profit does not include corporate expenses (such as accounting, HR, legal, general affairs, etc.) which are not directly allocated to each business unit

Strong customer base driven by hiring needs and increased job seekers. Maintaining quality of headhunters is key to our platform, and we will continue to monitor balance whilst expanding the platform

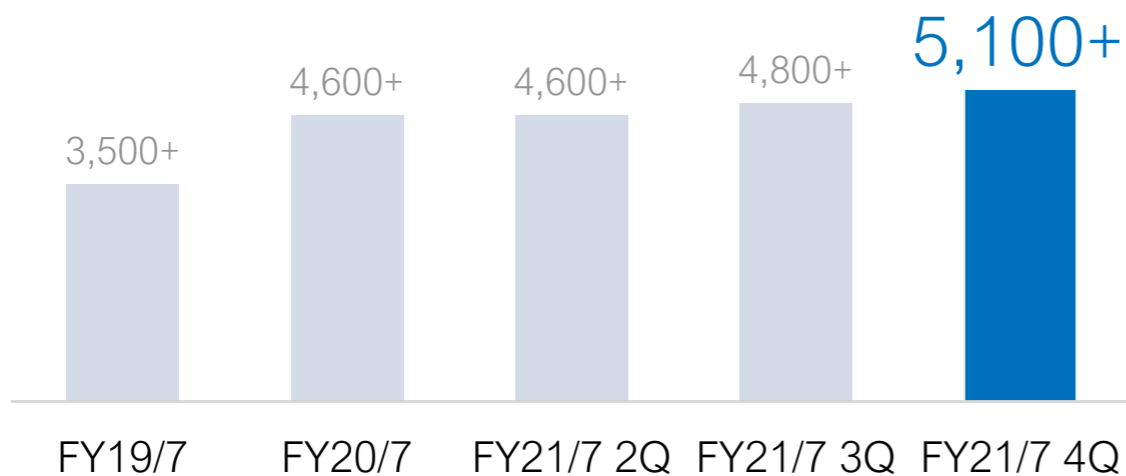
of Registered Direct Employers ⁽¹⁾



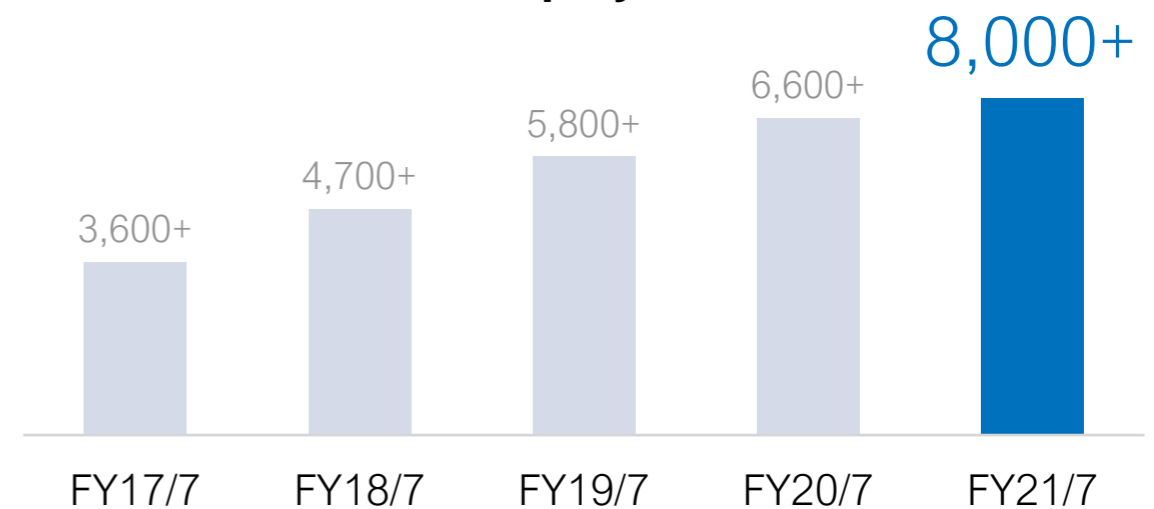
of Scoutable Job Seekers ⁽³⁾



of Active Headhunters ⁽²⁾



of Active Direct Employers ⁽⁴⁾

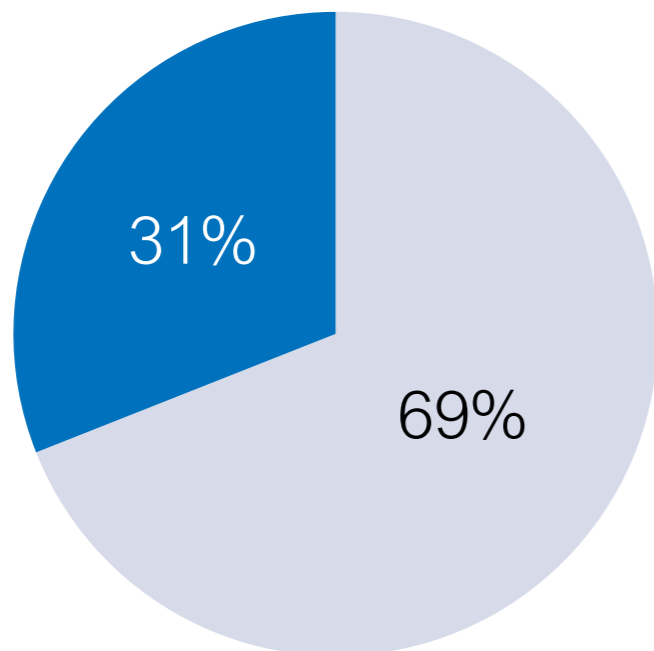


Notes: (1) Direct employers who have subscribed to our BizReach platform (excluding headhunters) (2) All passed screening by BizReach (3) # of users who registered on BizReach platform with resume that have passed a general screening process and whose profile is set to be viewable by direct employers and headhunters (4) Direct employers who have subscribed to our BizReach platform at any point in time during each fiscal year

Unique mix of recurring revenue ⁽¹⁾ and performance revenue ⁽²⁾ as well as well-balanced customer breakdown of direct employers and headhunters have positioned BizReach to deliver solid and strong revenue growth

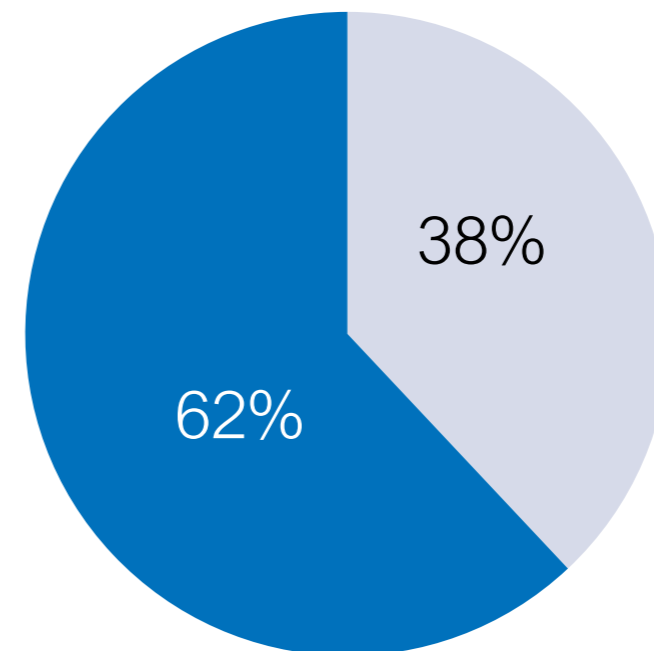
FY21/7 BizReach Business Revenue Breakdown by Fee Type ⁽³⁾

- Performance Revenue
- Recurring Revenue



FY21/7 BizReach Business Revenue Breakdown by Direct Employers / Headhunters ⁽³⁾⁽⁴⁾

- Headhunters
- Direct Employers



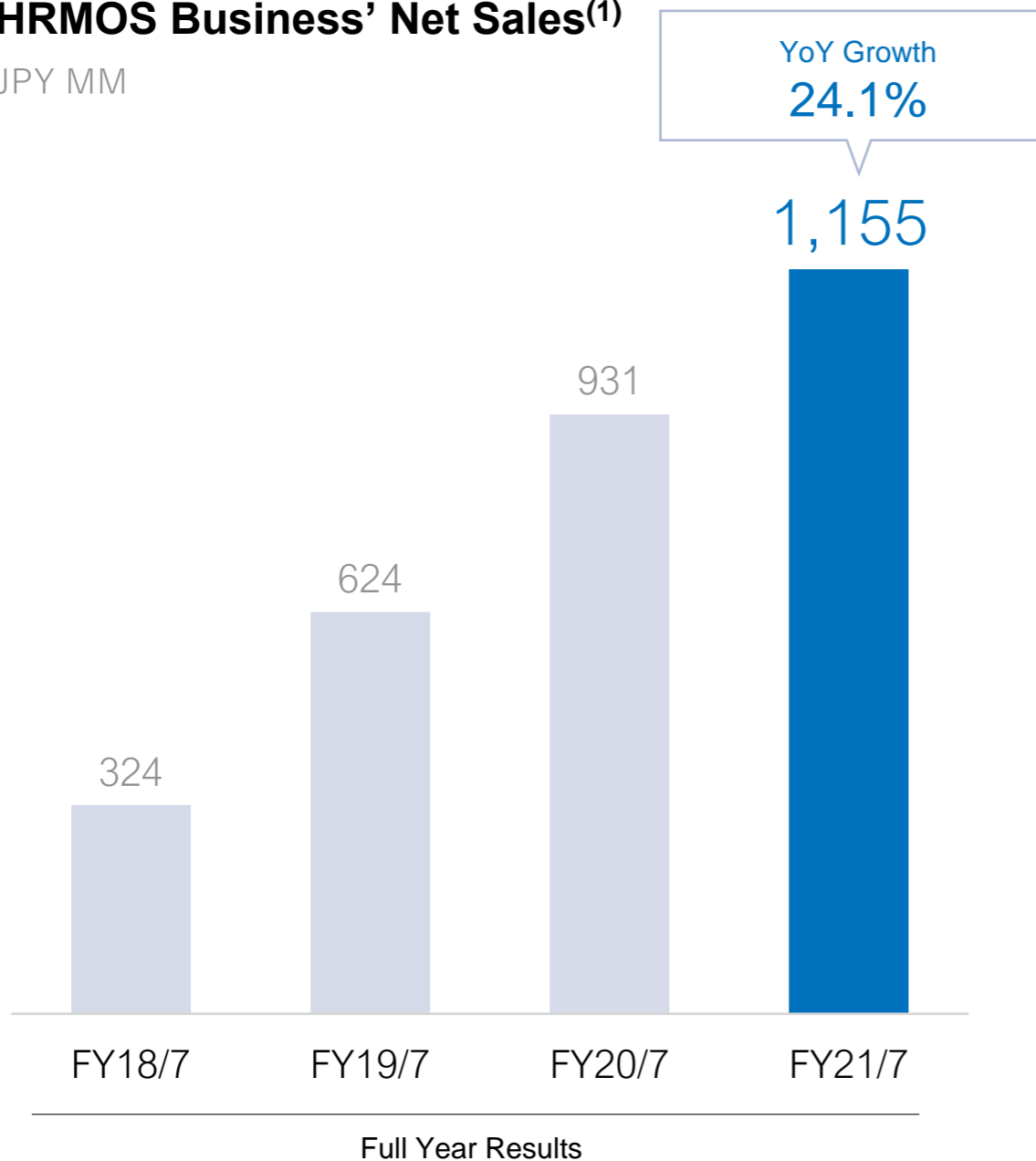
Notes: (1) "Recurring Revenue" consists of subscription fees from direct employers, headhunters accessing our platform and purchasing additional "platinum scout", and job seekers accessing our platform (2) "Performance Revenue" consists of success fees from direct employers and headhunters, which is derived from the successful hiring results of the client (3) Financial data of the BizReach Business, the core service of our group (which differs from the financial data of our subsidiary BizReach, Inc.) (4) Consists of recurring revenue and performance revenue

HRMOS Financial Results

12 months ended July delivering 24.1% of YoY revenue growth. Product development is the key priority as well as cross selling to BizReach customers and developing partner channels. TV Commercials aired to increase brand awareness. Workforce management module beta version released in June 2021

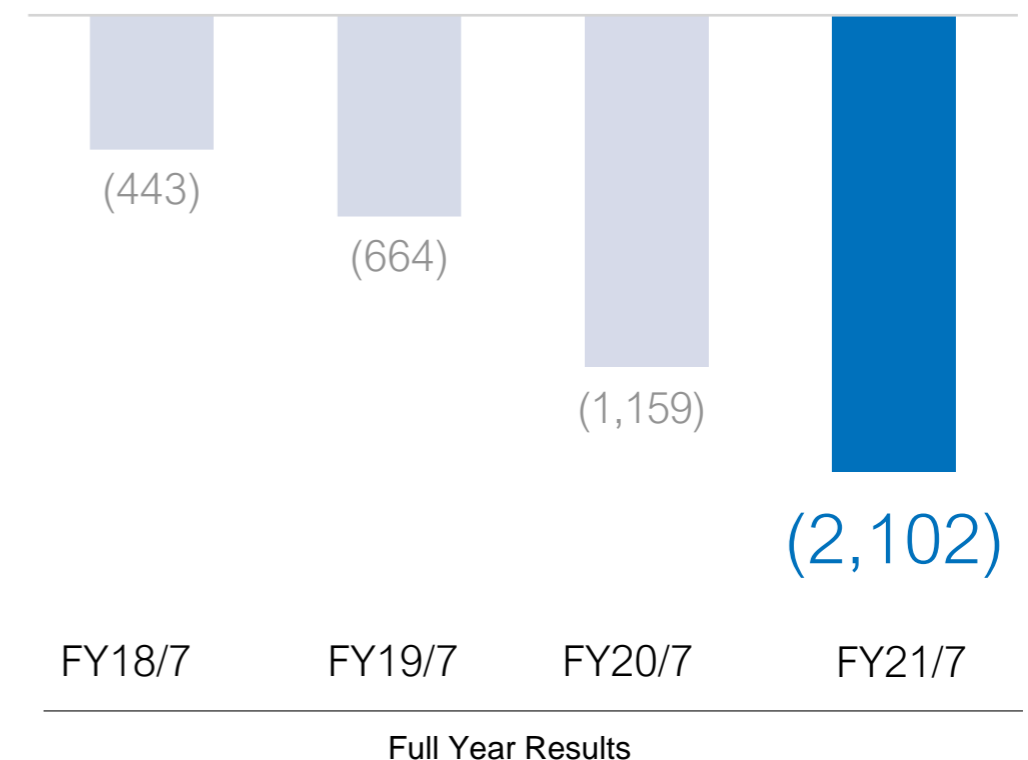
HRMOS Business' Net Sales⁽¹⁾

JPY MM



HRMOS Business' Adjusted Operating Profit before Corporate Expense Allocation⁽¹⁾⁽²⁾

JPY MM



Notes: (1) HRMOS business' revenue and adjusted operating profit is recorded within the HR Tech reporting segment (2) Adjusted operating profit does not include corporate expenses (such as accounting, HR, legal, general affairs, etc.) which are not directly allocated to each business unit

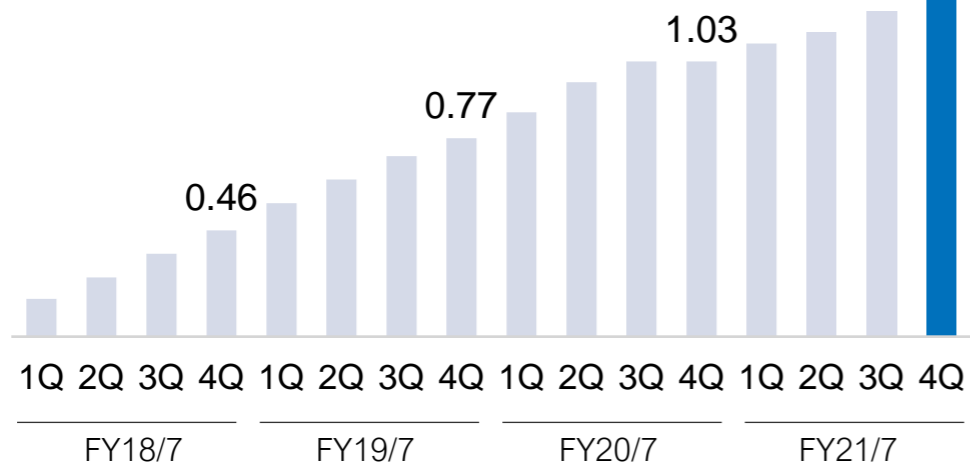
ARR exceeded JPY 1.26Bn in 4Q FY2021/7 driven by solid growth of sticky customer base and ARPU expansion

ARR⁽¹⁾⁽²⁾

JPY Bn

¥1.26Bn (YoY +22.9%)

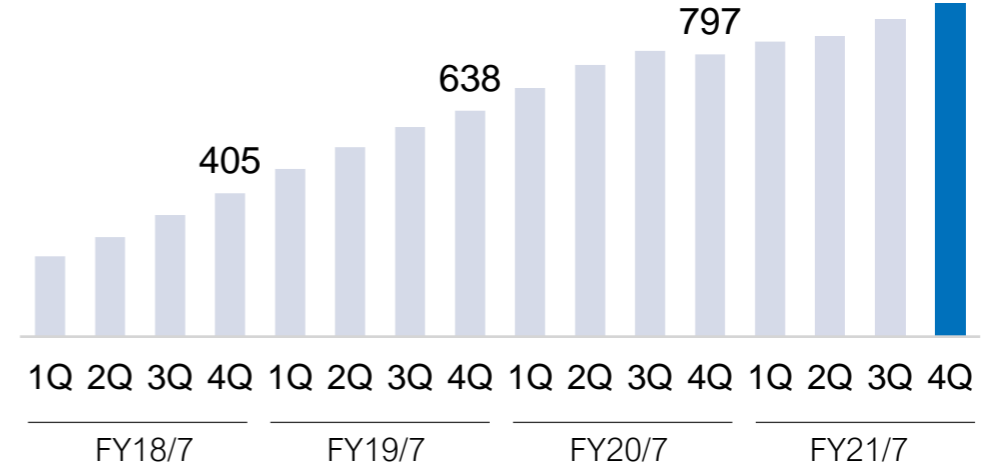
1.26



of Unique Paying Customers⁽⁵⁾⁽⁶⁾

941 (YoY +18.1%)

941

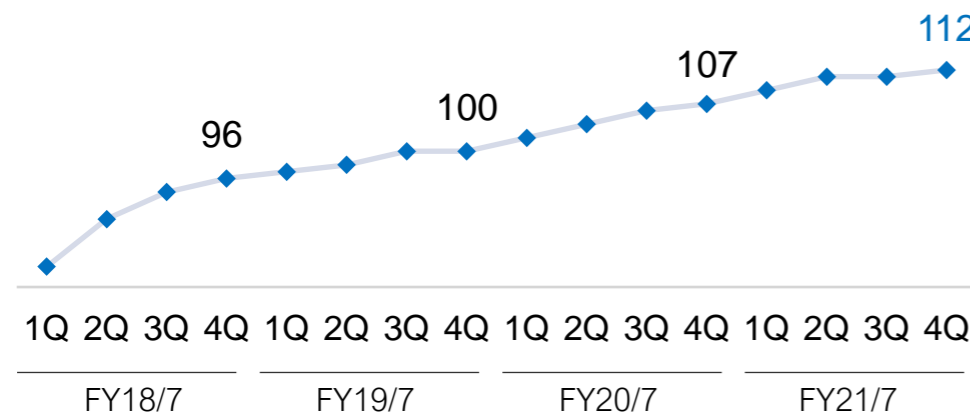


ARPU⁽³⁾⁽⁴⁾

JPY thousands

¥112k (YoY +4.1%)

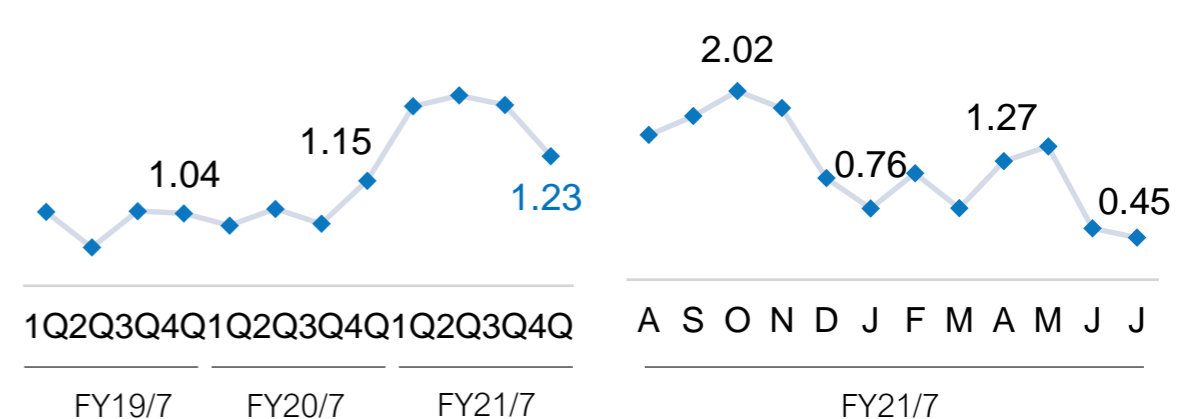
112



Churn Rate

Last 12-month average⁽⁷⁾⁽⁹⁾: 1.23%

Monthly⁽⁸⁾⁽⁹⁾: 0.45%



Notes: (1) HRMOS Annual Recurring Revenue (ARR). HRMOS MRR (Monthly Recurring Revenue) for the last month of a quarter multiplied by 12 (MRR = previous month's monthly recurring revenue + newly acquired monthly recurring revenue + upsell monthly recurring revenue - down-sell monthly recurring revenue - churned monthly recurring revenue. Excludes one-time fees such as initial setup fees) (2) As of July 2021 (3) HRMOS Average Revenue Per User (ARPU). HRMOS MRR for the last month of the relevant quarter divided by the number of unique paying customers as of the end of the same quarter (4) As of July 2021 (5) Unique fee-paying customers as of the final month of the quarter. Customers using multiple HRMOS modules are counted as one customer (6) As of July 2021 (7) Last 12-month average of Monthly Churn Rate based on HRMOS MRR as of the final month of the quarter. Monthly Churn Rate = churned monthly HRMOS MRR divided by HRMOS MRR at the end of previous month (8) Monthly Churn Rate = churned monthly HRMOS MRR divided by HRMOS MRR at the end of previous month (9) As of July 2021

Main KPIs

	FY18/7				FY19/7				FY20/7				FY21/7			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
ARR⁽¹⁾ (JPY Bn)	0.22	0.30	0.38	0.46	0.55	0.63	0.71	0.77	0.86	0.96	1.03	1.03	1.09	1.13	1.20	1.26
ARPU⁽²⁾ (JPY thousands)	83	90	94	96	97	98	100	100	102	104	106	107	109	111	111	112
# of Unique Paying Customers⁽³⁾	227	281	343	405	473	535	592	638	702	767	807	797	833	849	897	941
Average Monthly Churn Rate for Last Twelve Months⁽⁴⁾ (%)	-	-	-	-	1.05	0.93	1.05	1.04	1.00	1.05	1.01	1.15	1.40	1.43	1.40	1.23
	FY21/7															
	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July				
Monthly Churn Rate⁽⁵⁾ (%)	1.55	1.75	2.02	1.84	1.09	0.76	1.14	0.77	1.27	1.43	0.55	0.45				

Notes: (1) HRMOS Annual Recurring Revenue (ARR). HRMOS MRR (Monthly Recurring Revenue) for the last month of a quarter multiplied by 12 (MRR = previous month's monthly recurring revenue + newly acquired monthly recurring revenue + upsell monthly recurring revenue – down-sell monthly recurring revenue – churned monthly recurring revenue. Excludes one-time fees such as initial setup fees) (2) HRMOS Average Revenue Per User (ARPU). HRMOS MRR for the last month of the relevant quarter divided by the number of unique paying customers as of the end of the same quarter (3) Unique fee-paying customers as of the final month of the quarter. Customers using multiple HRMOS modules are counted as one customer (4) Last 12-month average of Monthly Churn Rate based on HRMOS MRR as of the final month of the quarter. Monthly Churn Rate = churned monthly HRMOS MRR divided by HRMOS MRR at the end of previous month (5) Monthly Churn Rate = churned monthly HRMOS MRR divided by HRMOS MRR at the end of previous month

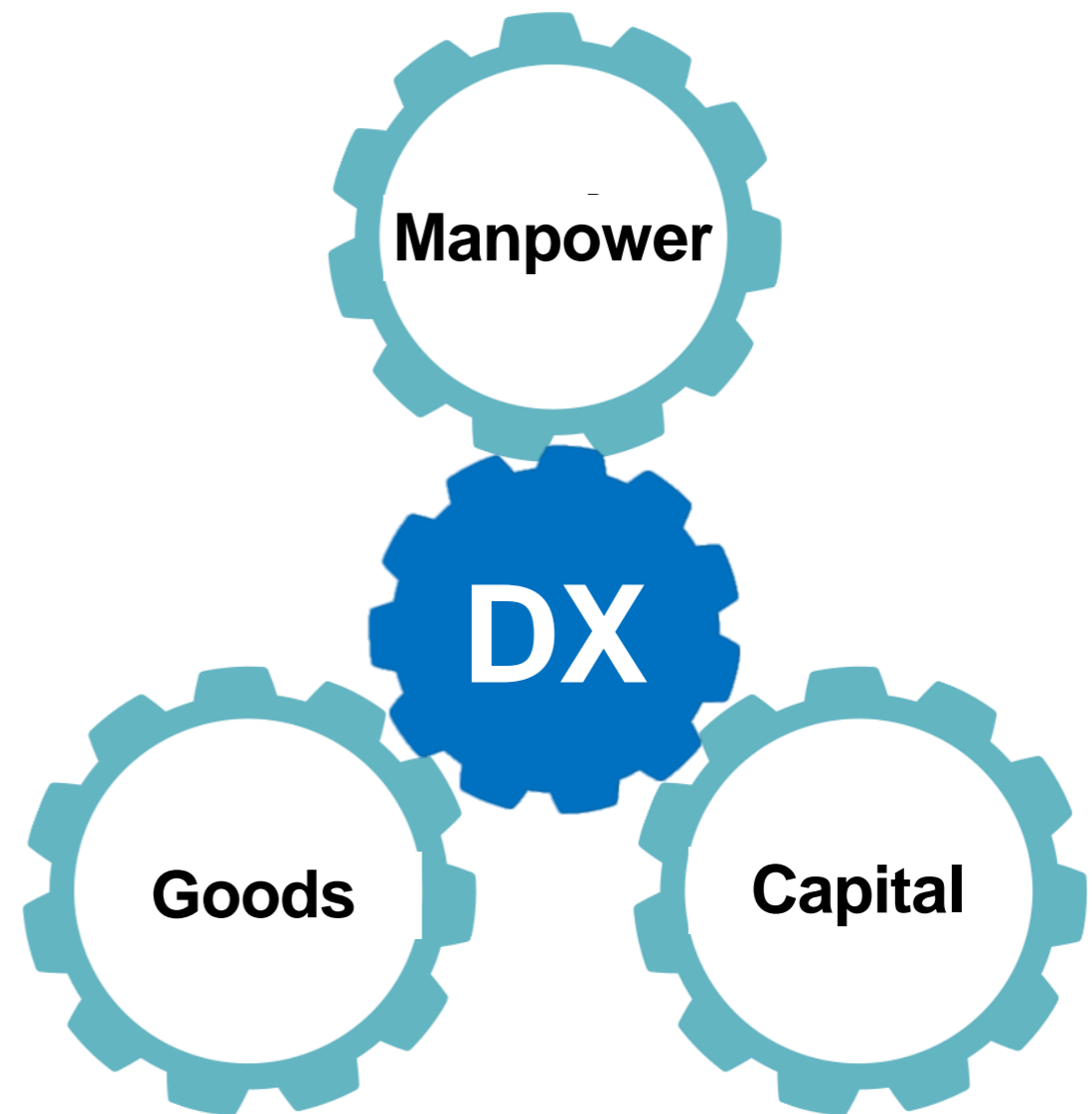
Visional Group Strategy and Our Future

Persistent Creation of New Possibilities.

Our vision is to tap into the power of the internet to support the innovative progress of our world by persistently transforming social obstacles into new possibilities.

Our mission is to achieve “continuous contribution to impact the world.”

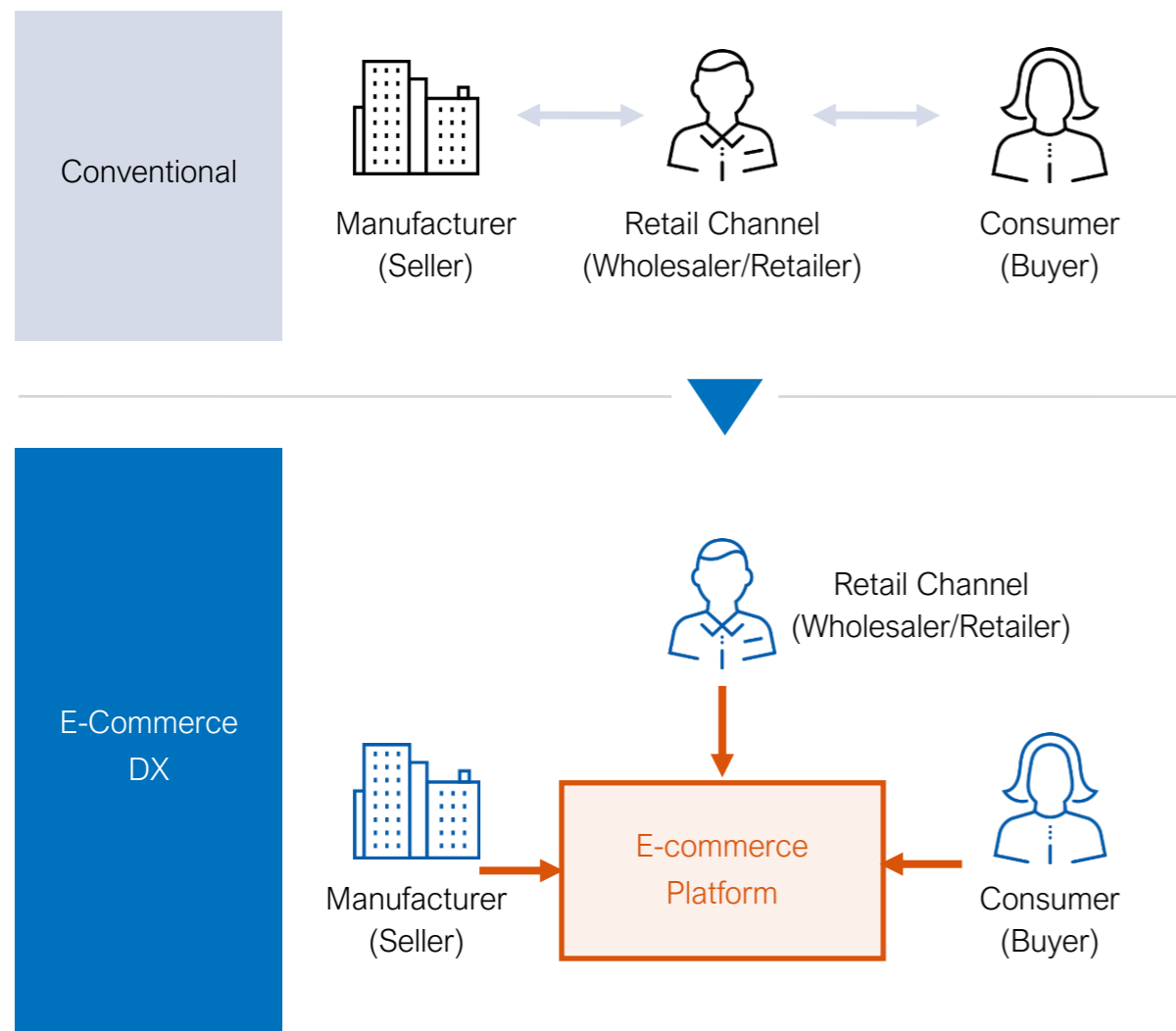
With these ambitions, we aspire together as partners to create unique ecosystems and movements that accelerate the world to a tomorrow in which we desire to be



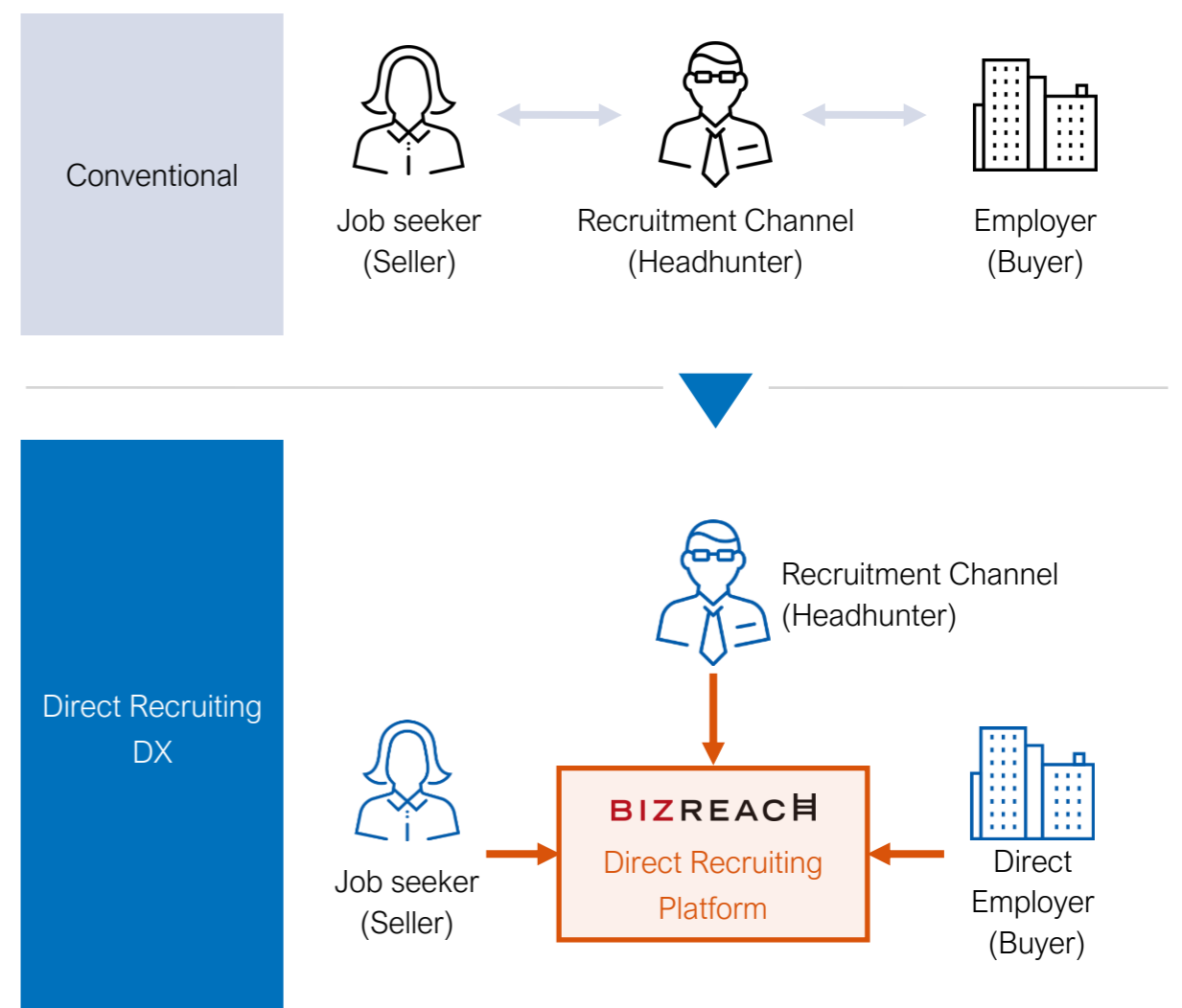
**Supporting new possibilities for
Manpower, Goods and Capital**

Similar to the structural transformation of the retail market caused by e-commerce, BizReach pioneered the concept of “Direct Recruiting” by creating an online career networking platform, which raised the transparency and efficiency of the professional recruitment market in Japan

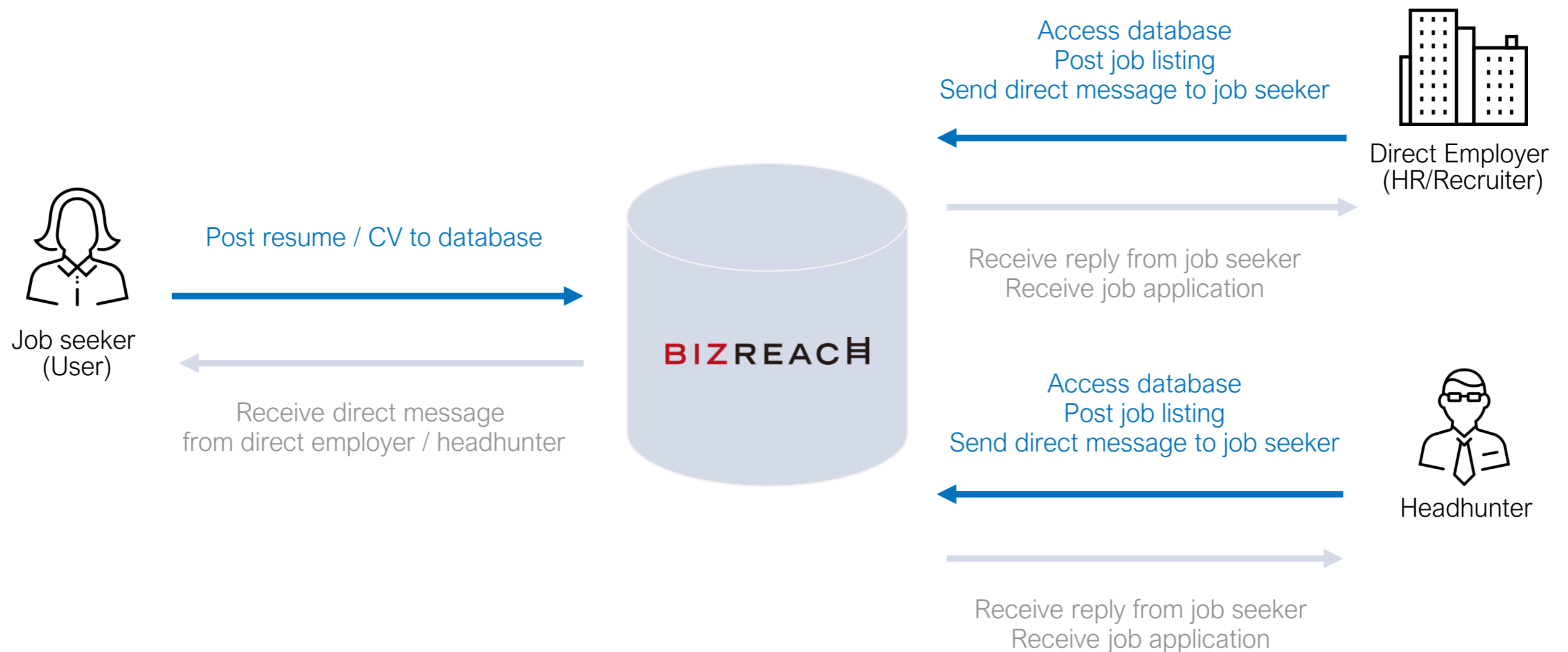
DX of Retail Market



DX of Professional Recruitment Market



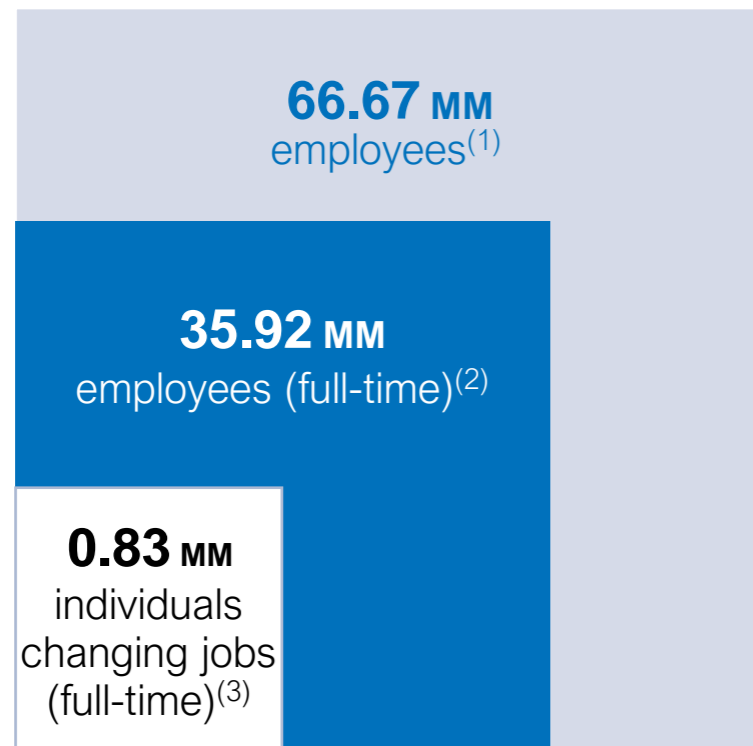
The financially attractive and unique business model targeting for professional job seekers⁽¹⁾ is the foundation behind the scalability of BizReach



Japanese recruitment market is undergoing a structural stage of expansion due to the ongoing changes in workstyle, which will increase liquidity in the Japanese labor market going forward

Significant Room for Job Mobility in Japan

2020



Acceleration of Workstyle Shifts in Japan

- ✔ Conventional workstyle no longer sustainable due to a mismatch of corporation and worker life spans
- ✔ Performance-based workstyle with clear job descriptions accelerates the job change movement
- ✔ “Direct Recruiting” becomes essential for employers as the war for talent accelerates
- ✔ The shift to remote work caused by Covid-19 is expected to further drive this movement

Notes: (1) Source: “Labor Force Survey” by Statistics Bureau, Ministry of Internal Affairs and Communications from CY2020. Figures are calculated as taking twelve months average of the monthly research on the number of employees, as of the end of each month (2) Source: “Labor Force Survey” by Statistics Bureau, Ministry of Internal Affairs and Communications from CY2020. Figures are calculated as taking twelve months average of the monthly research on the number of full-time employees, as of the end of each month (3) Source: “Labor Force Survey” by Statistics Bureau, Ministry of Internal Affairs and Communications from CY2020. Figures are calculated as taking twelve months average of the monthly research on the number of full-time employees, who changed jobs to full-time jobs within a year, as of the end of each month

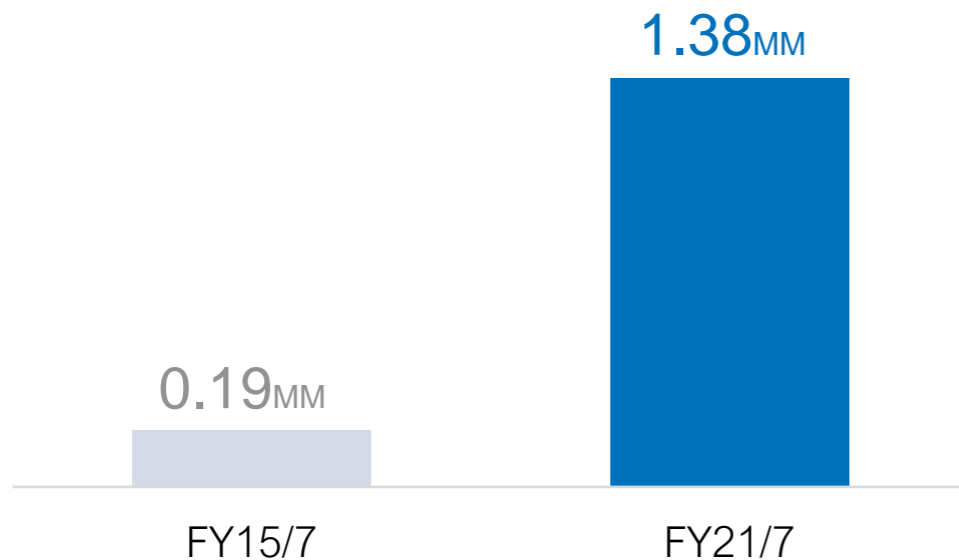
While penetrating further into the professionals' population, accelerate new client acquisitions and increase wallet share of existing clients to drive further top-line growth

Growing # of “Scoutable” Job Seekers on BizReach with Huge Upside Potential

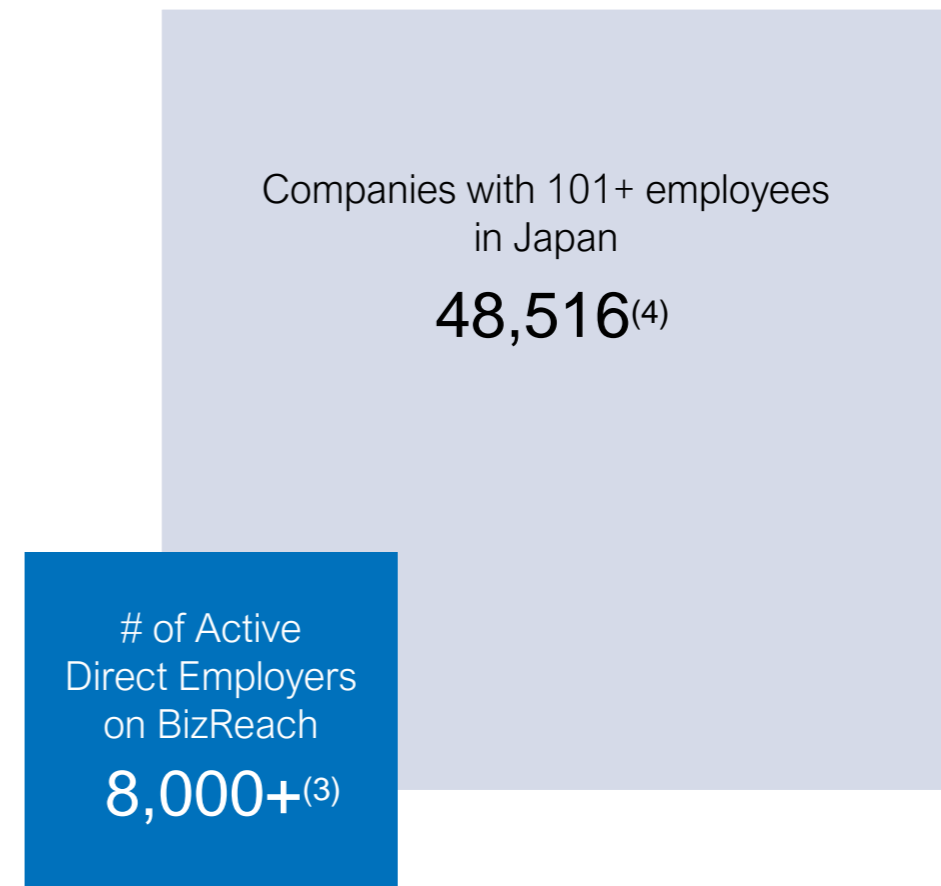
of “Scoutable” Job Seekers on BizReach⁽¹⁾

of wage earners in Japan in 2019⁽²⁾

2.56MM	Annual income	¥10 MM+
10.83MM	Annual income	¥6 MM+



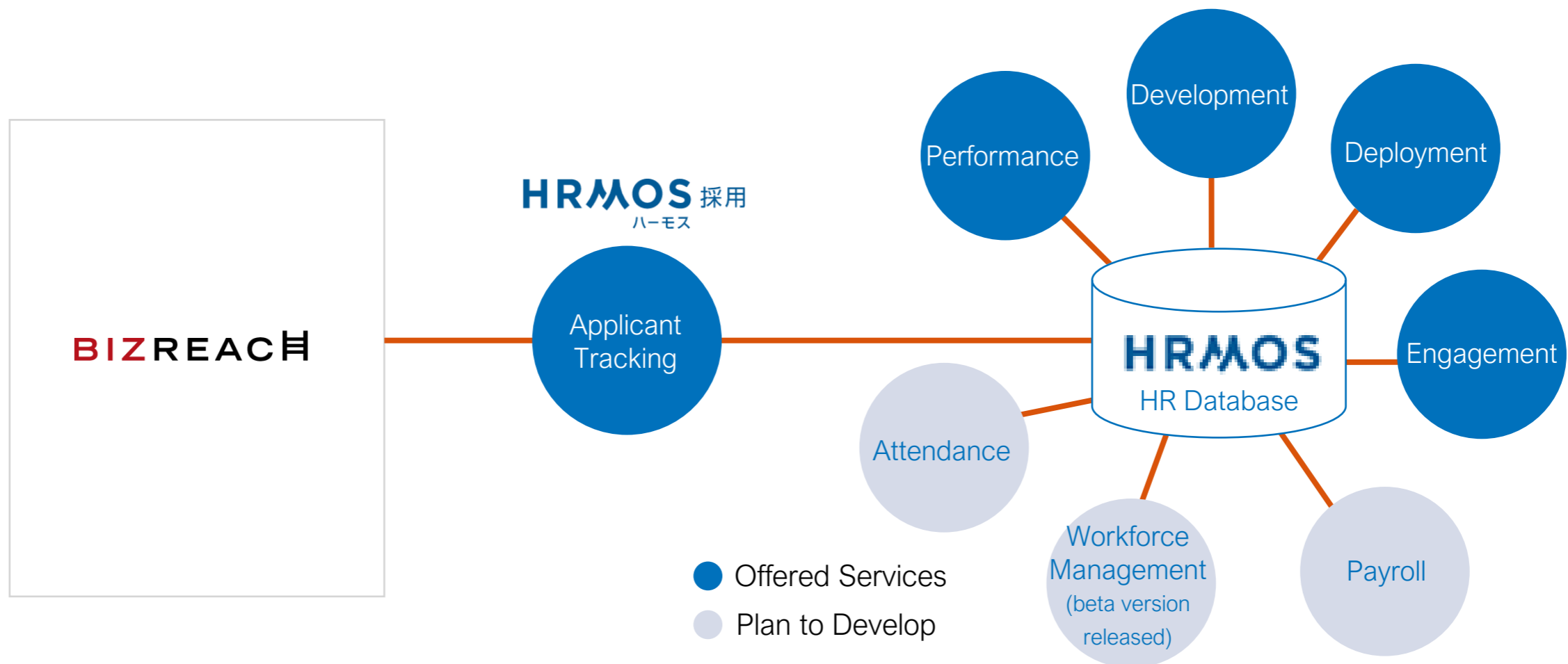
Potential Market Penetration of Employers



Notes: (1) # of users who registered on BizReach platform with resume that have passed a general screening process and whose profile is set to be viewable by direct employers and headhunters (2) Based on “2019 Statistical Survey of Actual Statistics for Salary in the Private Sector” by Japanese National Tax Agency (<https://www.nta.go.jp/publication/statistics/kokuzeicho/minkan2019/pdf/001.pdf>) (3) As of July 2021. Direct employers who have subscribed to our BizReach platform at any point in time within FY20/7 (4) As of the end of June 2021. Based on “Notification and Certification Status of General Employers Action Plan Formulation Notification by Prefecture (As of the end of March 2020)” by Ministry of Health, Labor and Welfare (https://www.mhlw.go.jp/general/seido/koyou/jisedai/dl/jyoukyou_r03_06.pdf)

Seamless integration of BizReach and HRMOS to create a unified, data-driven HCM Ecosystem where employee productivity is optimized, business operations are streamlined to guide our customers make smarter decisions

Human Capital Management (HCM) Ecosystem



Building on the proven set of principles and approaches that enabled our prior successes, we will continue to evaluate all potential areas of growth that will emerge from seismic shifts and technological innovation in Japan

Guidelines for deciding on a market and a business model

- ✓ Potential for dynamic growth emerging from structural shifts and technological innovation in Japan
- ✓ Obvious need for digital transformation (DX) in the industry
- ✓ Large total addressable market (TAM)
- ✓ Clear trend and benchmark in overseas markets
- ✓ Existence of established competitors with significant profitability



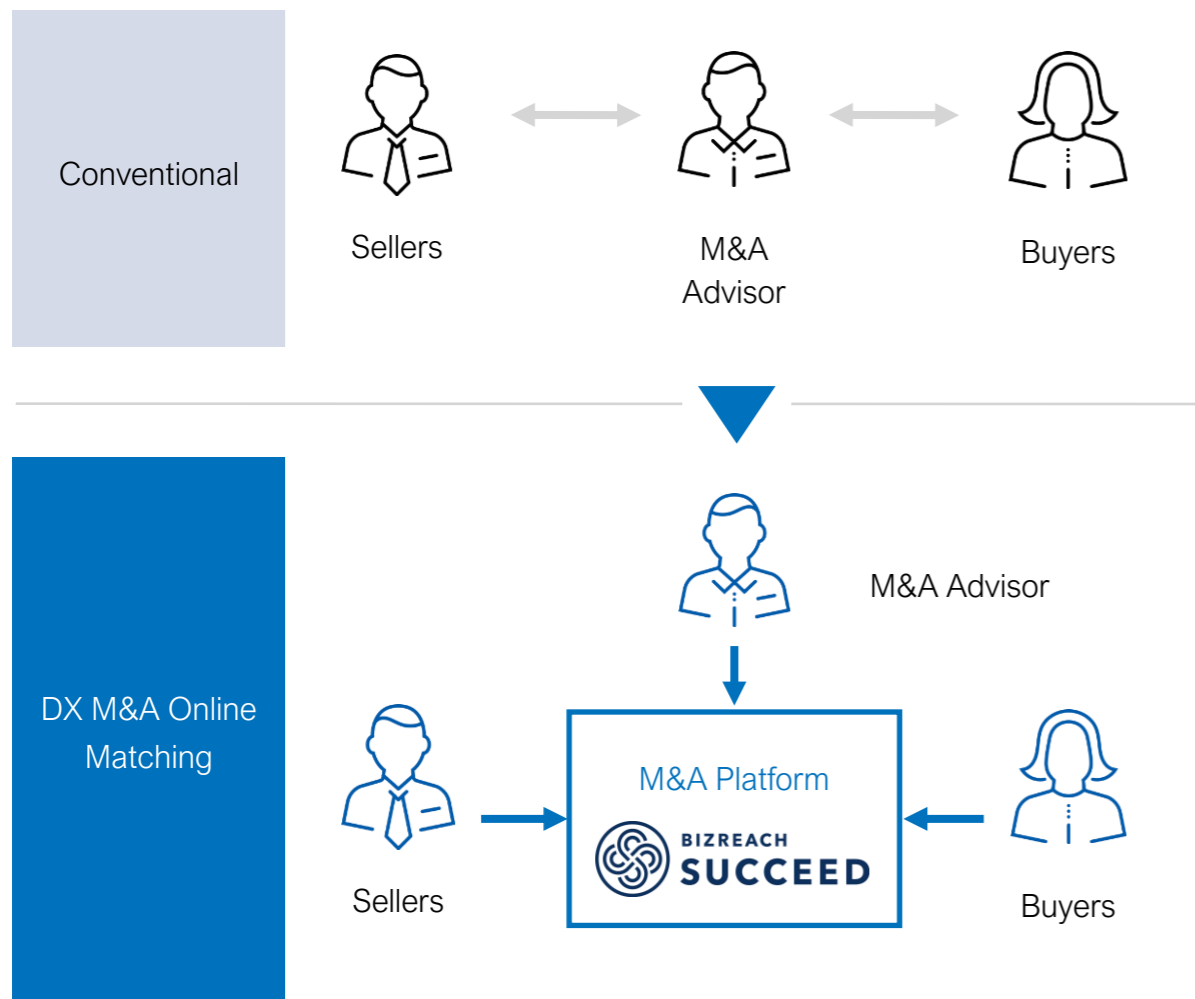
MVP⁽¹⁾ and lean startup organization

- ✓ Start with a small team
- ✓ Incubate businesses for 2-3 years in “Build-Measure-Learn” feedback cycle to check business models and pivot if necessary
- ✓ Invest further when the business model is prepared to scale

BizReach SUCCEED:

Similar to BizReach, developed an online M&A platform that enables direct communication between parties. Increase liquidity in the M&A market to enhance productivity in Japan

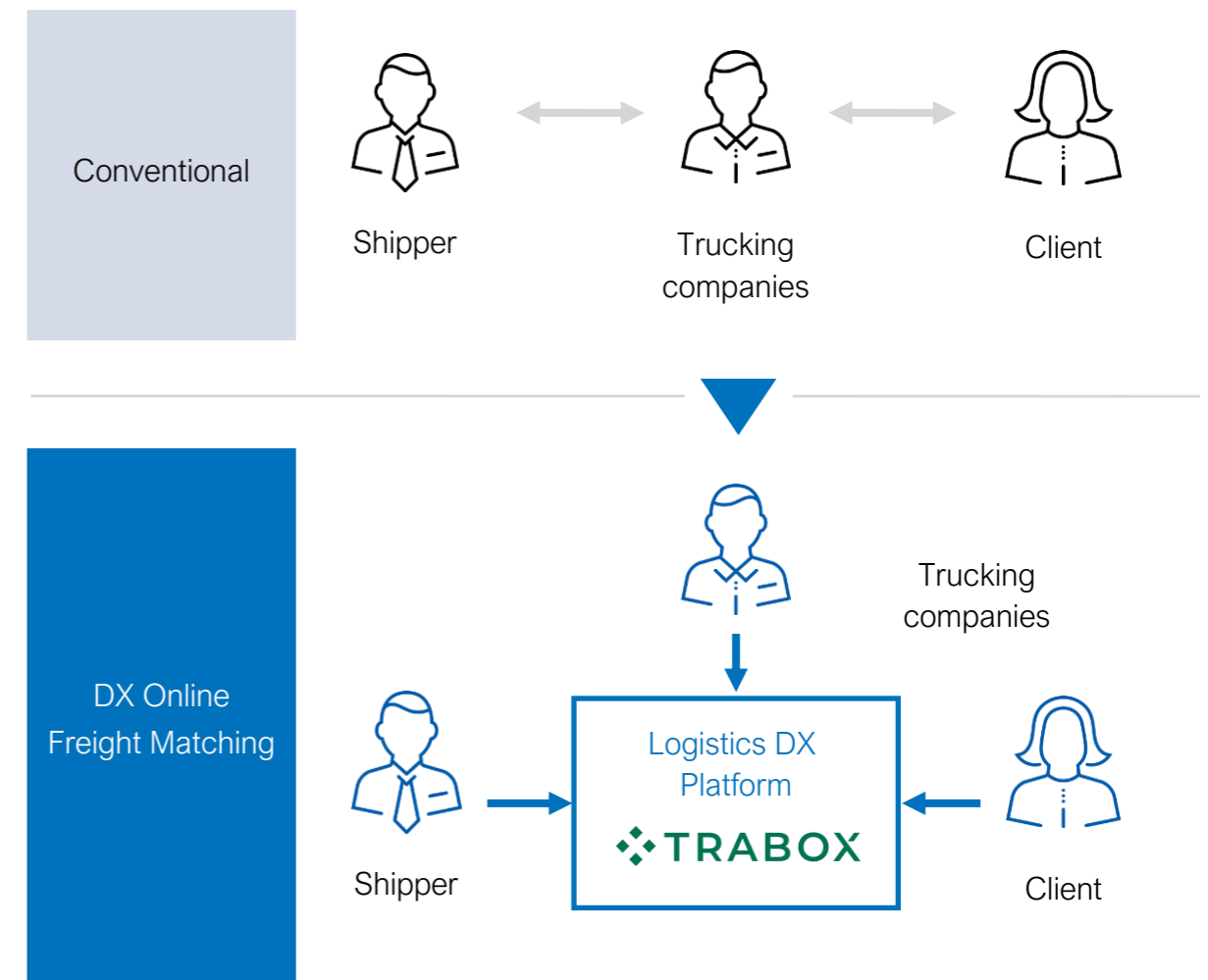
DX in M&A Industry



Trabox:

Acquired one of the largest freight matching platforms (load board) in Japan. Plan to enter into a cloud-based TMS (Transport Management System) to accelerate DX in logistics industry

DX of Logistics Industry

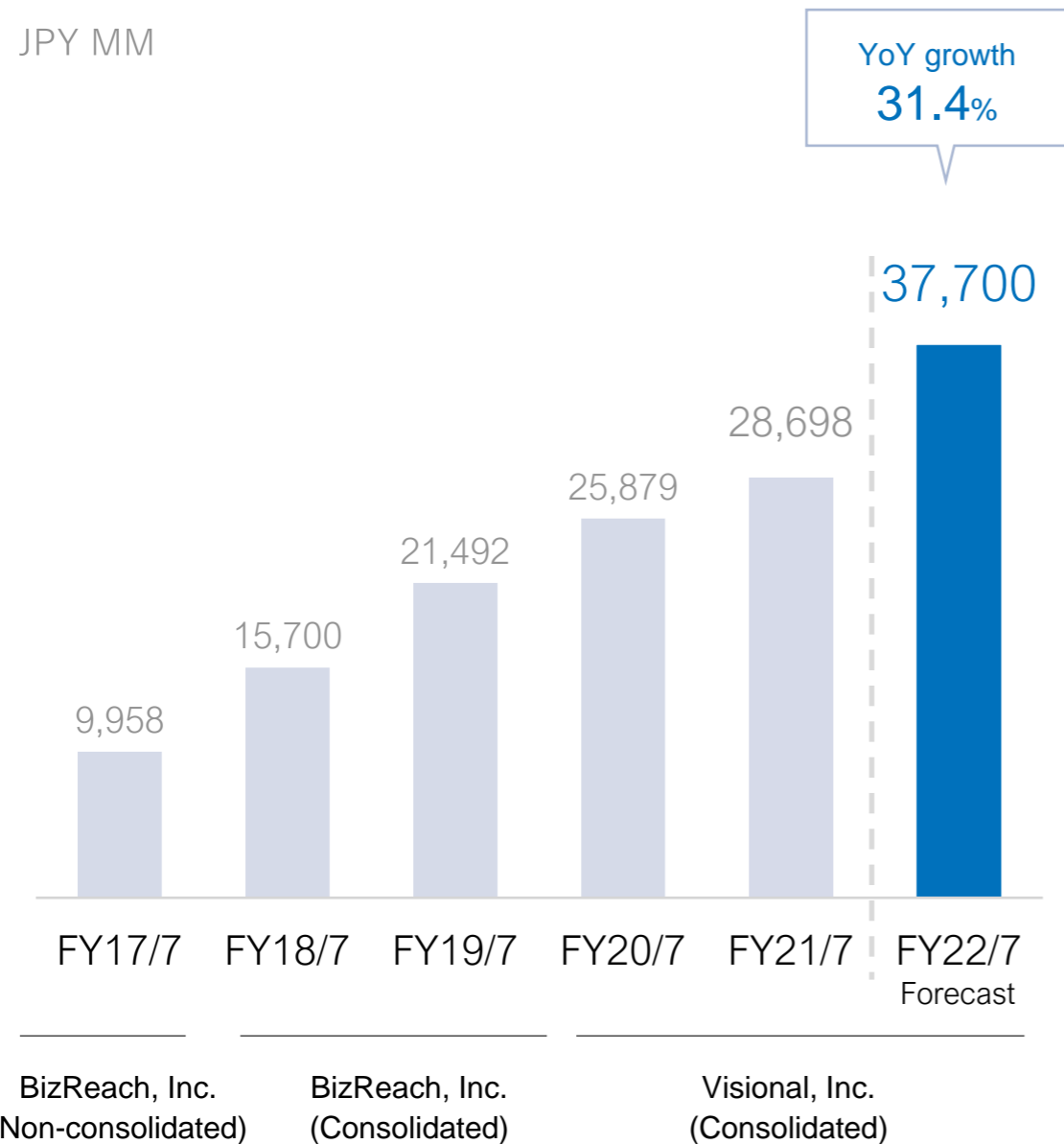


Visional Group forecasts JPY 37.7Bn net sales rebounding from COVID-19. JPY 26.7Bn operating profit forecast whilst continuing to invest for future growth

Consolidated Net Sales⁽¹⁾

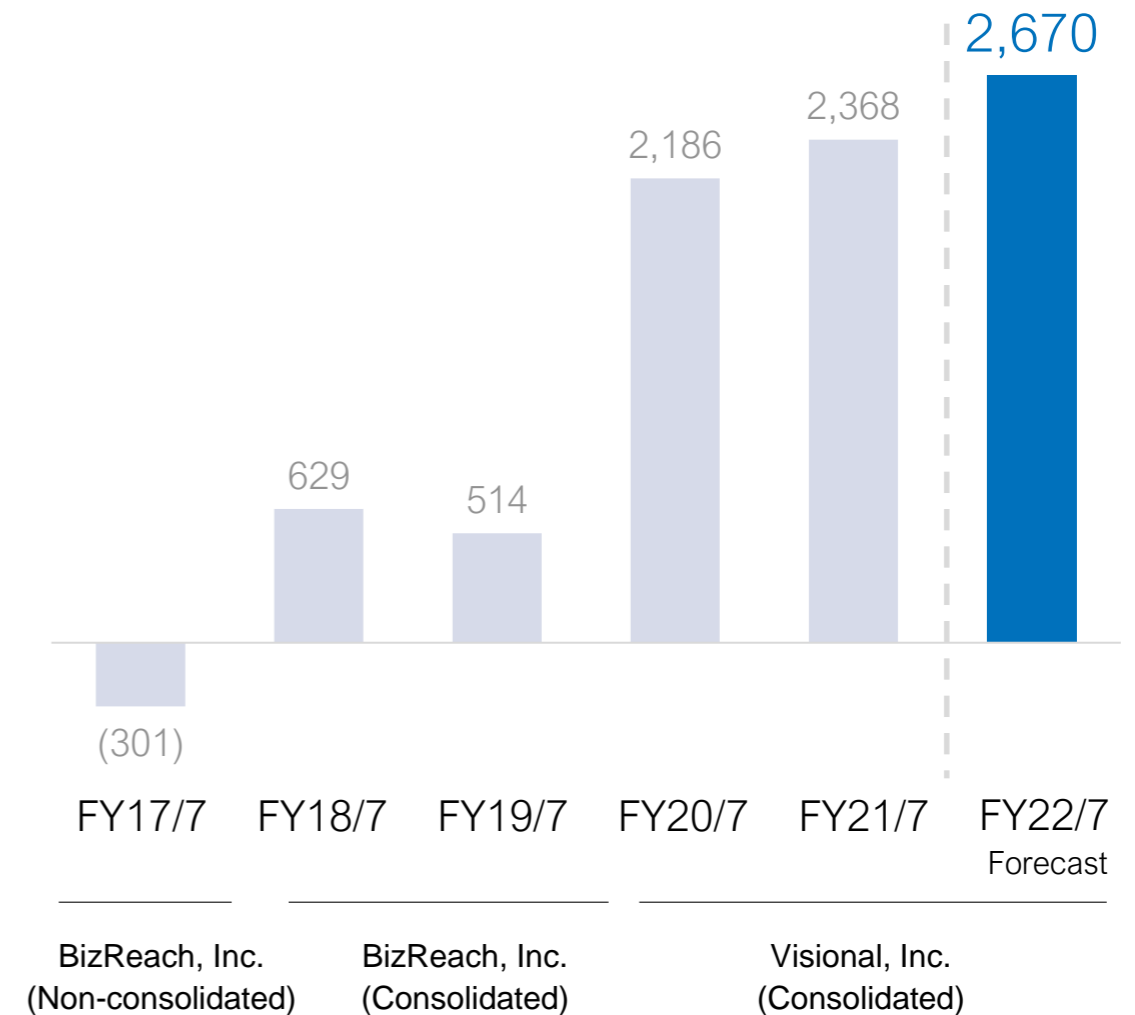
JPY MM

YoY growth
31.4%



Consolidated Operating Profit⁽¹⁾

JPY MM



Notes: (1) Based on FY20 financials prepared by Visonal, Inc. continued from the financials of BizReach, Inc. Visonal, Inc. was established through a share transfer, and BizReach, Inc. became a wholly-owned subsidiary of Visonal, Inc. in February 2020. Therefore, FY18 to FY19 annual financial results are based on the consolidated financial results of BizReach, Inc., and FY17 annual financial results is based on the non-consolidated financial results of BizReach, Inc. (All FYs end in July and prepared in accordance with J-GAAP)

Persistent Creation of New Possibilities.

**We will tap into the power of the internet to support the digital transformation of the Japanese economy.
We will continue to maximize mid-to-long term enterprise value by persistently transforming social obstacles into new possibilities.**

Commitment towards our group mission

- ✔ Sustained growth and profit expansion of the BizReach business
- ✔ Seamless integration of BizReach and HRMOS to build a data-driven HCM ecosystem
- ✔ Continue to incubate businesses to drive sustainable long-term growth

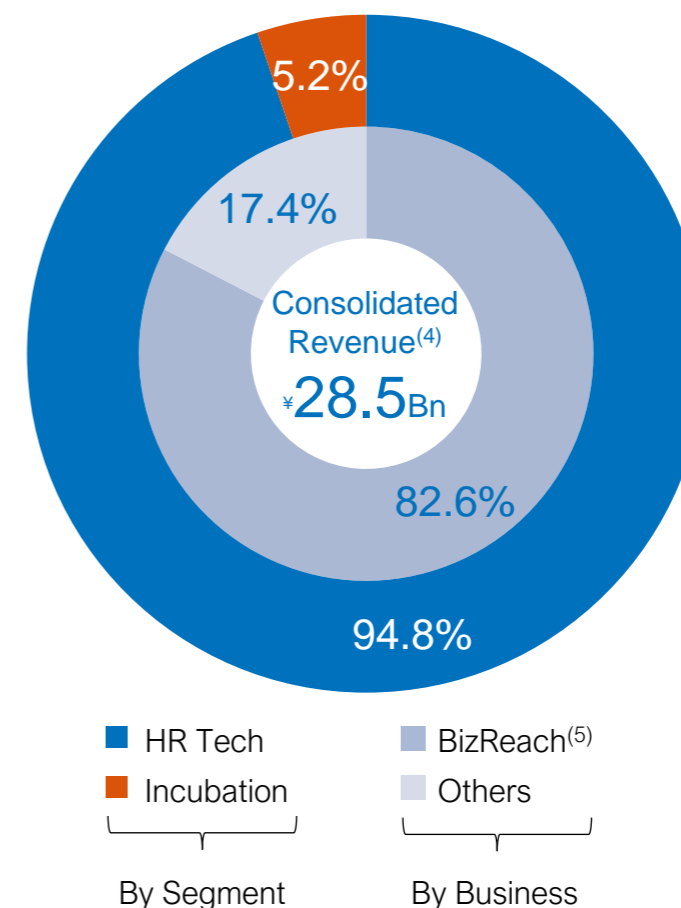
Appendix

We have accelerated business incubation in new industry verticals, supported by BizReach as profit engine

Business Overview

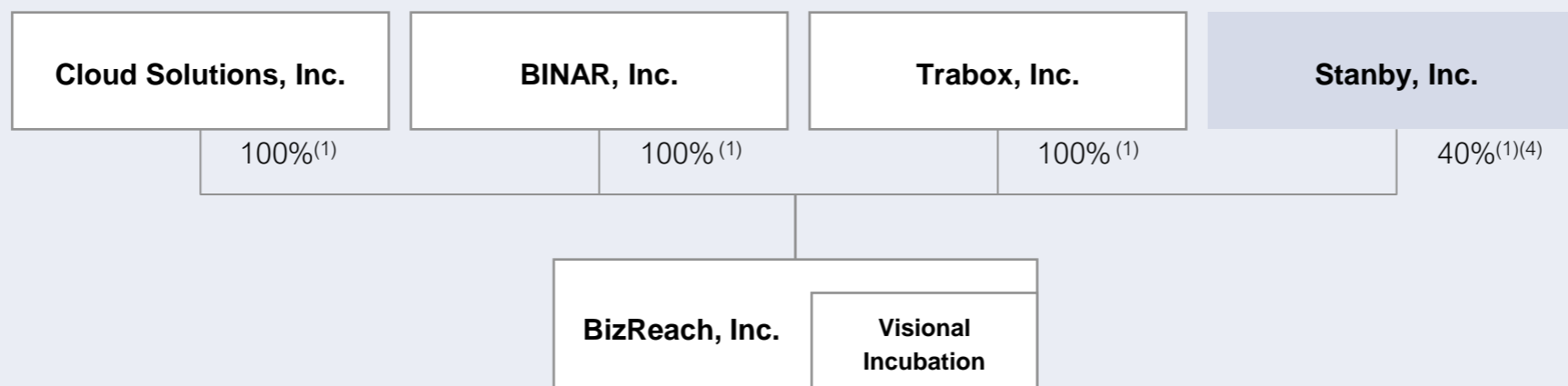
HR Tech Segment	BIZREACH	HR matching platform for professionals
	キャリアトル Careertrek	HR matching platform for young professional talents
	BIZREACH CAMPUS	Network for alumni visits
	BINAR	HR matching platform for high-skilled IT engineers
	HRMOS ハーモス	Cloud-based HCM software
Incubation Segment	BIZREACH SUCCEED	M&A matching platform
	yamory	OSS ⁽¹⁾ vulnerability management tool
	BIZHINT	B to B lead generation platform
	TRABOX	Logistics matching platform
Affiliate	スタンバイ ⁽²⁾ Stanby	Job operating search engine

FY2021/7 Revenue Breakdown by Segment and Business⁽³⁾

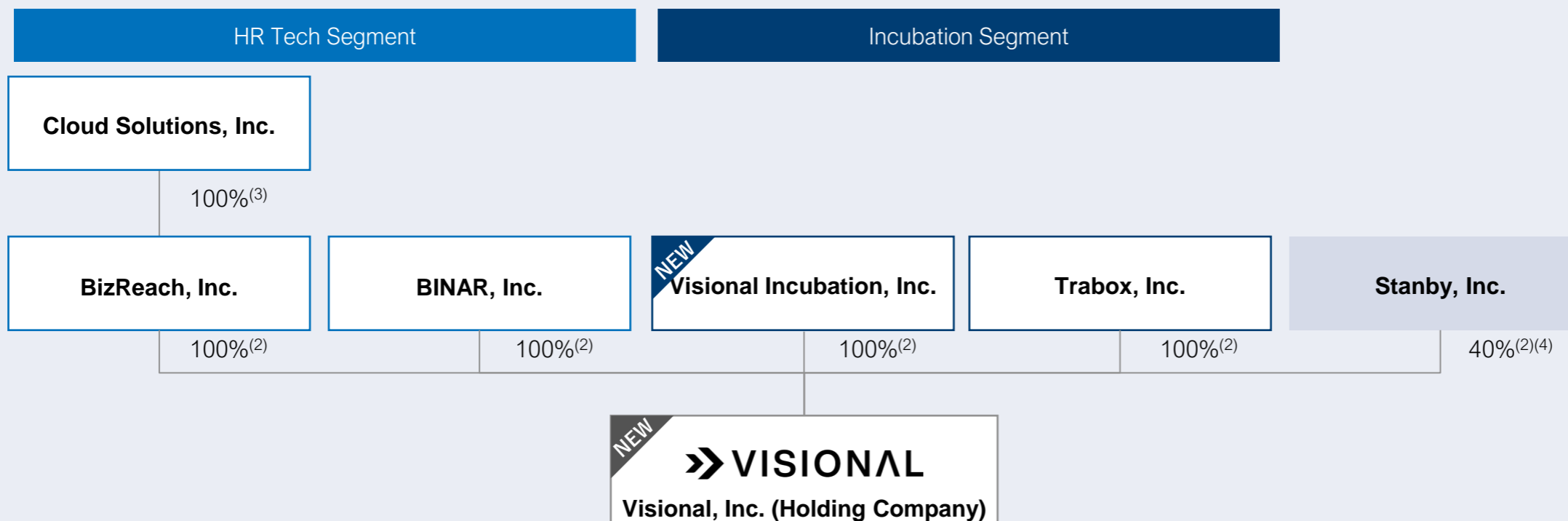


Notes: (1) Open source software (2) Joint venture with Z Holdings Corporation, in which Visional, Inc. holds a 40% stake as an equity method affiliate (3) Excluding adjustments (¥161 MM) (4) Based on FY2021/7 financials prepared by Visional, Inc. continued from the financials of BizReach, Inc. Visional, Inc. was established through a share transfer, and BizReach, Inc. became a wholly-owned subsidiary of Visional, Inc. in February 2020 (FY ending in July and prepared in accordance with J-GAAP) (5) Financial data of the BizReach Business, the core service of our group (which differs from the financial data of our subsidiary BizReach, Inc.)

Former Group Structure before creation of holding company

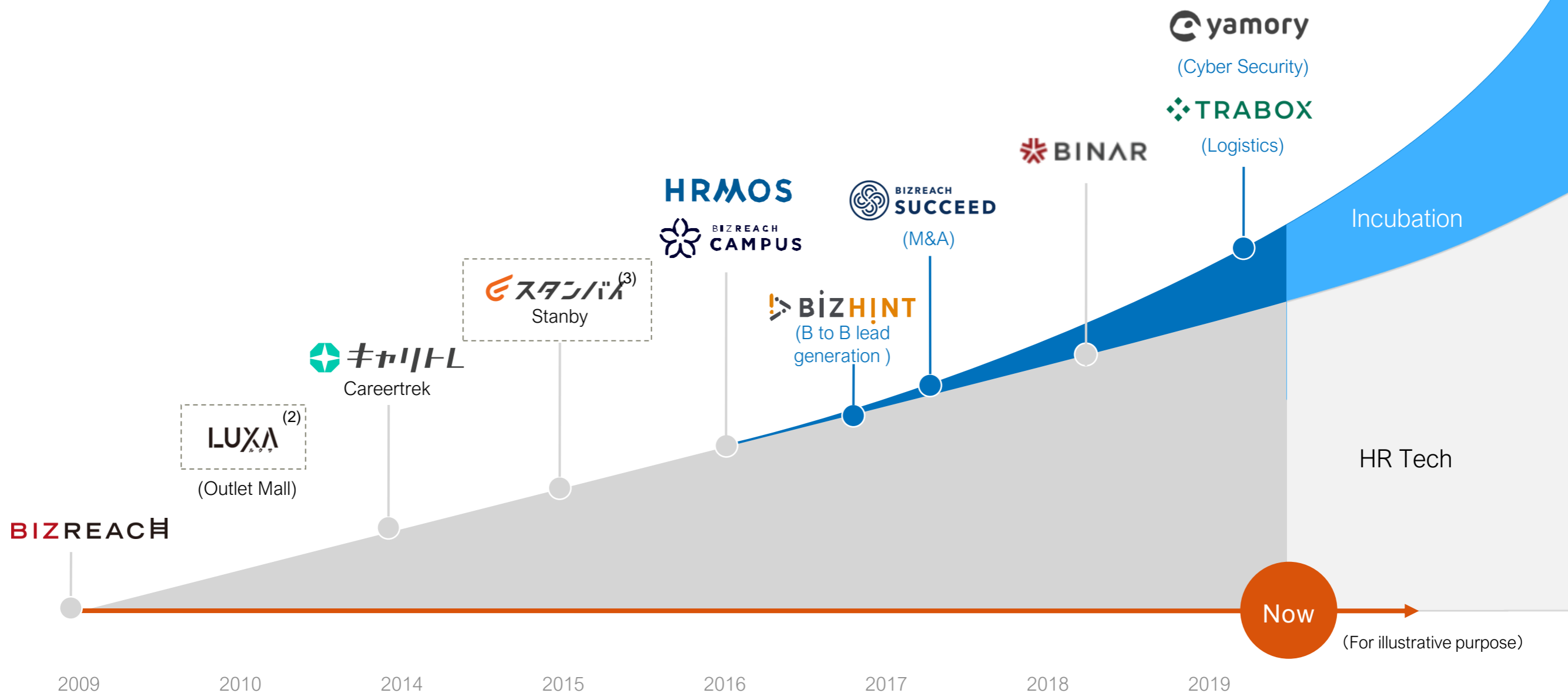


Current Group Structure (since 2/3/2020)



Notes: (1) BizReach, Inc.'s shareholding ratio of its subsidiaries and affiliate until it moved to the current group holding structure (2) Visual, Inc.'s shareholding ratio of its subsidiaries and affiliate (3) BizReach, Inc.'s shareholding ratio of its subsidiary (4) Joint venture with Z Holdings Corporation, in which Visual, Inc. holds a 40% stake as an equity method affiliate

In addition to a solid track record of sustained growth in HR Tech, Visional is committed to incubating new businesses, accelerating the digital transformation (DX) of various industry verticals



Notes: (1) For illustrative purpose. Dates (year) below the horizontal line represent the timing of launch for each service (2) LUXA was fully incubated inside of BizReach, spun out as a subsidiary and sold entirely to KDDI in April 2015 (3) Stanby was fully incubated inside of BizReach, spun out as a subsidiary and partially (60%) sold to Z Holdings in December 2019. Visional continues to co-manage the joint venture together with Z Holdings as a 40% equity owner

Reconciliation of Adjusted Operating Profit before Corporate Expense Allocation to Operating Profit⁽¹⁾

JPY MM

	FY20/7	FY21/7 1H	FY21/7 2H	FY21/7
Total Adjusted Operating Profit before corporate expense allocation	7,531	3,018	3,152	6,170
BizReach Business ⁽²⁾⁽³⁾	9,232	4,189	5,447	9,637
HRMOS Business ⁽³⁾	(1,159)	(687)	(1,415)	(2,102)
Other Businesses ⁽³⁾	(541)	(484)	(880)	(1,364)
Adjustment item				
-) Corporate and general administrative expenses (such as accounting, HR, legal, general affairs, etc.) ⁽⁴⁾	5,345	1,505	2,296	3,802
-) HR Tech Segment ⁽⁴⁾	4,647	1,237	2,026	3,263
-) Incubation Segment ⁽⁴⁾	697	268	270	538
Operating Profit (J-GAAP)	2,186	1,512	855	2,368

Adjusted Headcount by Function and Business (FY2021/7)⁽⁵⁾

	Adjusted headcount	% of subtotal for HR Tech businesses
HR Tech businesses		
BizReach Business	564	58.5%
HRMOS Business	222	23.0%
Other HR Tech businesses	178	18.5%
Subtotal for HR Tech businesses	964	100.0%
General functions of HR Tech businesses	44	n/a
Total for HR Tech businesses	1,008	n/a
Incubation businesses	97	n/a
Corporate	166	n/a
Total	1,271	n/a

Notes: (1) Based on FY20 financials prepared by Visional, Inc. continued from the financials of BizReach, Inc. Visional, Inc. was established through a share transfer, and BizReach, Inc. became a wholly-owned subsidiary of Visional, Inc. in February 2020 (All FYs ending in July and prepared in accordance with J-GAAP) (2) Financial data of the BizReach Business, the core service of our group (which differs from the financial data of our subsidiary BizReach, Inc.) (3) Calculated as revenue of each business minus cost of sales and selling, general and administrative expenses which are directly allocated to each business (4) These expenses comprise corporate and general administrative expenses that we have not directly allocated to individual businesses for our internal management purposes (5) Adding headcount calculated back to those who belong to each business, based on man-hours equivalent to labor costs, which is directly allocated to each such business and included in the relevant adjusted operating profit before corporate expense allocation

Visional Group has worked together on contracted assignments (with the Ministry of Economy, Trade and Industry (METI) to help with hiring in Fukushima Prefecture to support areas affected by the Great Eastern Earthquake etc.). As 2021 marks 10 years from the earthquake, we have completed the assignment

Recent Financial Impact (Within HR Tech Segment)

JPY MM

	FY20/7 Full Year Actuals	FY21/7 Full Year Actuals	FY22/7 Full Year Forecast
Net Sales	743	694	—
Adjusted operating profit before corporate expense allocation	(90)	(98)	—

- Historical financial impact as shown on the left recorded within the HR Tech segment
- Although the mission is completed, Visional Group is committed to support the development of sustainable society through our businesses, including supporting hiring activities of municipalities, education and sports fields, and M&A collaborating with regional banks

JPY 11.2Bn raised from IPO. Increase in notes and accounts receivables and deferred revenue as net sales grew. JPY 6.4Bn retained earnings as we continue to deliver profits

	JPY MM				JPY MM		
	FY20/7	FY21/7 3Q	FY21/7		FY20/7	FY21/7 3Q	FY21/7
Current Assets	12,137	27,159	29,532	Current Liabilities	5,290	7,149	9,046
Cash and Cash Equivalents	9,114	23,249	25,630	Accounts Payable	1,486	2,260	3,341
Notes and Accounts Receivable	2,012	3,334	3,258	Deferred Revenue	1,917	2,847	3,042
Other Current Assets	1,011	574	643	Other Current Liabilities	1,886	2,041	2,662
Fixed Assets	5,584	5,375	5,544	Fixed Liabilities	3,225	3,642	3,494
Tangible Assets	899	749	700	Liabilities from application of Equity Method	3,070	2,853	2,773
Intangible Assets	2,488	2,534	2,457	Other Fixed Liabilities	155	789	720
Goodwill	1,186	1,338	1,296	Total Net Assets	9,205	21,742	22,536
Other Intangible Assets	1,301	1,195	1,160	Share Capital	100	5,436	6,063
Total Investments and Other Assets	2,196	2,092	2,385	Capital Surplus	4,064	9,400	10,027
Total Assets	17,722	32,535	35,076	Retained Earnings	5,021	6,906	6,442
				Others	20	0	3
				Total Liabilities and Net Assets	17,722	32,535	35,076

Note: (1) Based on FY20 financials prepared by Visional, Inc. continued from the financials of BizReach, Inc. Visional, Inc. was established through a share transfer, and BizReach, Inc. became a wholly-owned subsidiary of Visional, Inc. in February 2020

BizReach net sales consists of Recuring Revenue (access fee to BizReach platform) and Performance Revenue (fee received once placement is made). This allows financial stability during economic downturn

	Recurring Revenue ⁽¹⁾⁽²⁾	Performance Revenue
Direct Employers	¥850,000 / semi-annual	15% of the candidate's expected annual compensation in the new position ⁽³⁾
Headhunters	¥600,000 / semi-annual	20-30% of the placement fee the headhunter receives from the employer

Notes: (1) Tax excluded (2) Standard pricing plan (3) Calculated as fixed monthly salary multiplied by 12 plus base amount of bonus calculation multiplied by the number of bonus payment months for the previous fiscal year

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