

FY2023/7 3Q
Financial Results

June 2023



Visional, Inc.

Consolidated Financials

- Net sales for 3Q recorded JPY 15.13Bn (23.9% YoY growth) and for 9 months ended April, JPY 41.54Bn (30.3% YoY growth). Despite continued economic uncertainty, no major changes in market conditions since the previous disclosure
- 3Q operating profit was JPY 4.13Bn (33.5% YoY growth) and for 9 months ended April, JPY 9.96Bn (38.4% YoY growth). Growth investments for BizReach were prioritized whilst controlling costs for other businesses

BizReach

- Although hiring activities have slowed down in some companies, solid demand for hiring professionals continues. Net sales for 3Q recorded JPY 13.31Bn (26.9% YoY growth) and for 9 months ended April, JPY 36.43Bn (33.0% YoY growth). No change to our full year FY2023/7 forecast of JPY 49.00Bn
- 3Q adjusted operating profit before corporate expense allocation was JPY 5.65Bn (42.5% margin) and for 9 months ended April, JPY 15.24Bn (41.8% margin). We intend to continue to reinvest profit in 4Q based on solid hiring demand. As a result, the operating profit margin is expected to land in the lower range of our full year forecast of 40-45%

HRMOS

- Net sales for 3Q recorded JPY 0.57Bn (53.1% YoY growth) and for 9 months ended April, JPY 1.57Bn (49.0% YoY growth) as number of customers of HRMOS ATS and HRMOS Talent Management total increased
- Product development will continue to be a priority for HRMOS. Our strategy to decrease FY2023/7 HRMOS operating losses before corporate expense allocation YoY is progressing as planned

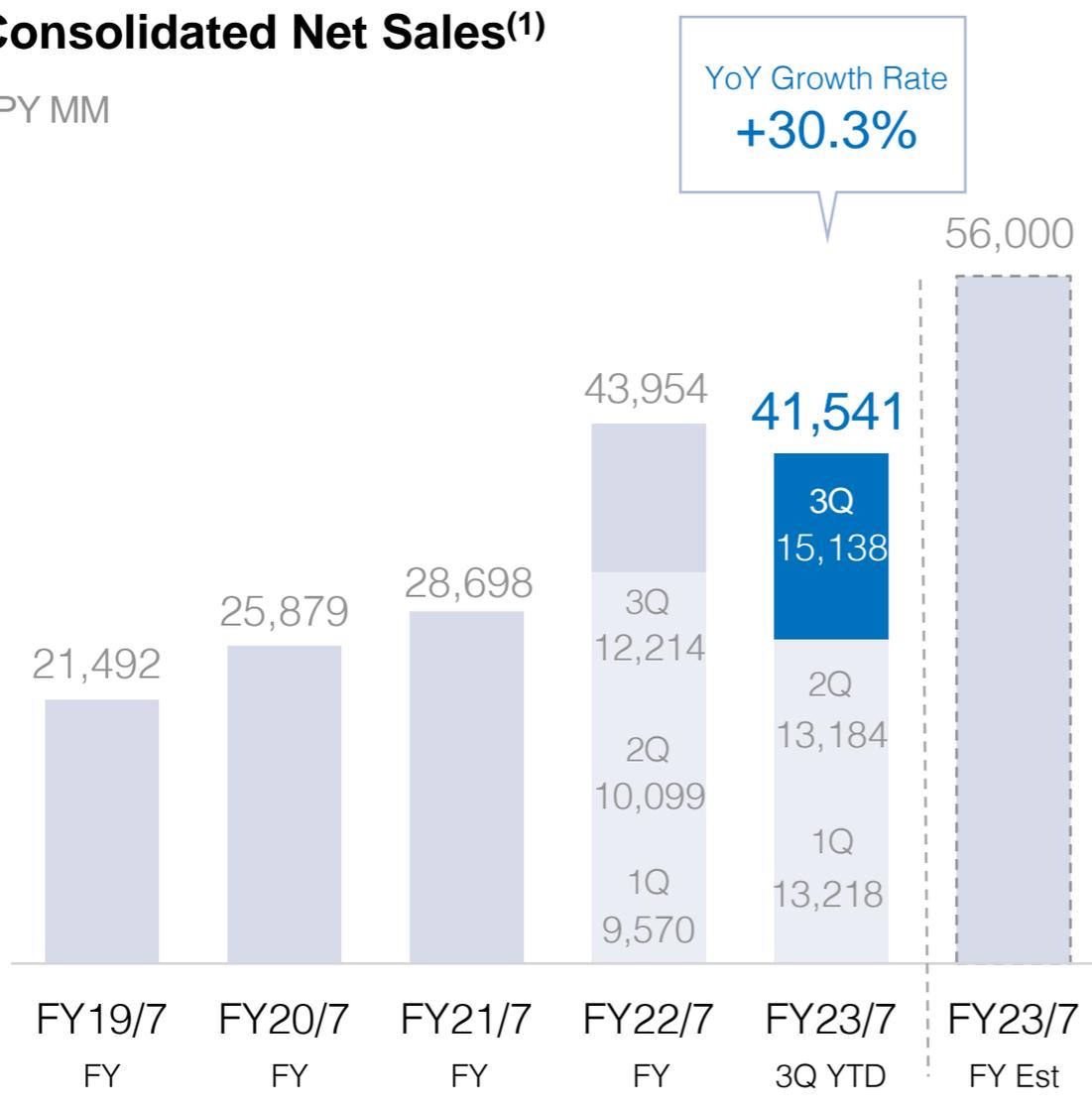
Consolidated Financial Forecast

- Full year FY2023/7 financial forecast for net sales is unchanged at JPY 56.00Bn (27.4% YoY growth) based on the assumption that demand for hiring professionals will continue, despite continued economic uncertainty
- As our business is in growth phase, active investments will continue to be made whilst return is measured. Our priority-based investment strategy will continue. Full year FY2023/7 financial forecast for operating profit is unchanged at JPY 12.50Bn (50.9% YoY growth, 22.3% margin)

Visional Group's net sales for 9 months ended April grew 30.3% YoY. 3Q, which is our biggest quarter for net sales and operating profit, both landed aligned to plan

Consolidated Net Sales⁽¹⁾

JPY MM

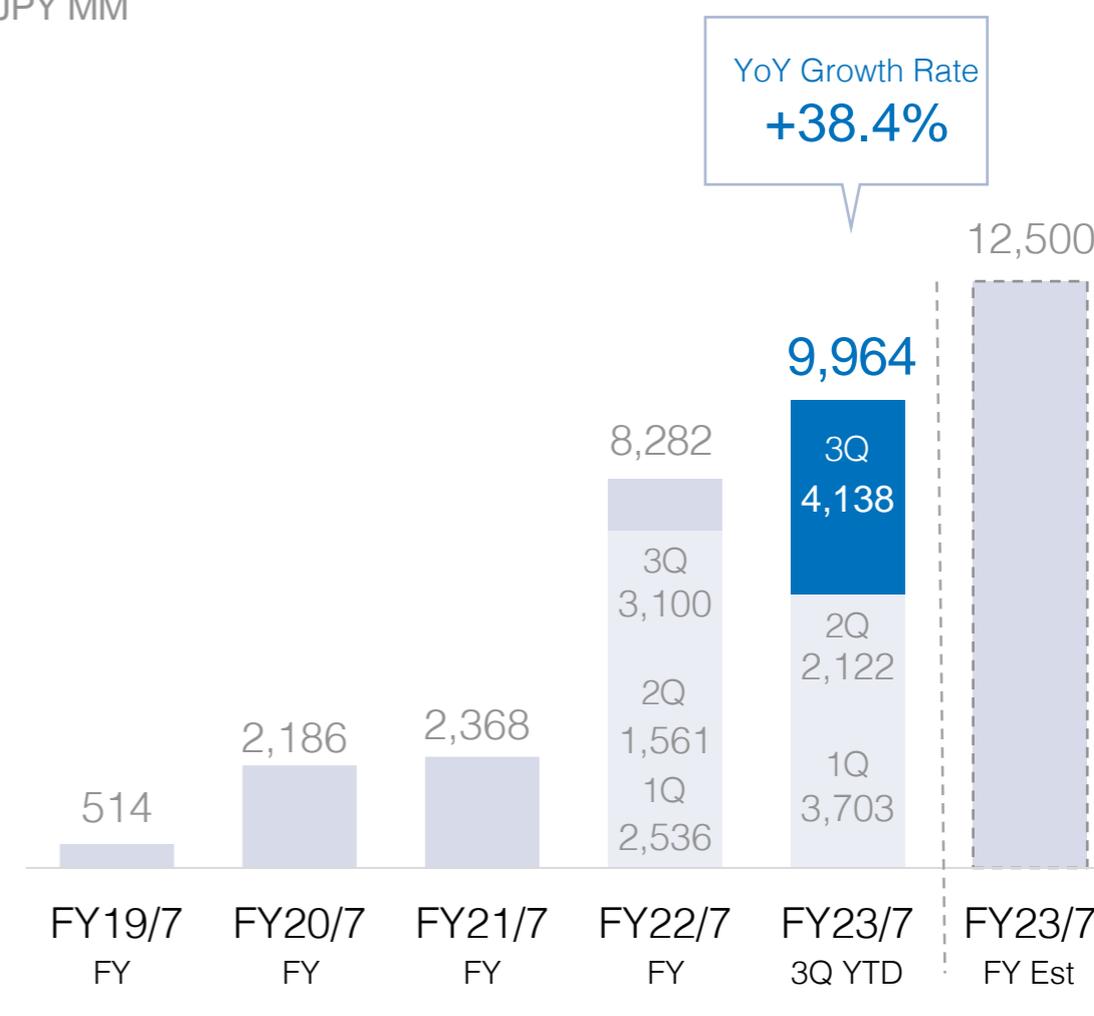


BizReach, Inc.
(Consolidated)

Visional, Inc.
(Consolidated)

Consolidated Operating Profit⁽¹⁾⁽²⁾

JPY MM



BizReach, Inc.
(Consolidated)

Visional, Inc.
(Consolidated)

Notes: (1) Based on FY20/7 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. Therefore, FY19/7 annual financial results are based on the consolidated financial results of BizReach, Inc. (Prepared in accordance with J-GAAP) (2) As of 1Q of FY23/7, we have confirmed the provisional accounting treatment concerning business combinations. Accordingly, operating profit for FY22/7 is presented at the amounts after reflecting the contents of the confirmation of the provisional accounting treatment

Operating profit for 9 months ended April landed at JPY 9.96Bn, 38.4% YoY growth as we make selective investments based on priorities. We are on track towards FY2023/7 forecast delivery

JPY MM

	9 months ended April 30, 2023	9 months ended April 30, 2022	3 months ended April 30, 2023	3 months ended January 31, 2023	3 months ended October 31, 2022	12 months ended July 31, 2022 (Reference)
Net Sales	41,541	31,884	15,138	13,184	13,218	43,954
YoY Growth (%)	30.3%	54.8%	23.9%	30.5%	38.1%	53.2%
HR Tech Segment ⁽¹⁾	39,686	30,320	14,442	12,556	12,686	41,791
YoY Growth (%)	30.9%	56.0%	24.4%	30.9%	39.2%	54.5%
Incubation Segment ⁽¹⁾	1,758	1,442	665	597	495	2,002
YoY Growth (%)	21.9%	38.6%	19.0%	27.2%	19.8%	34.8%
Cost of Sales	4,491	4,244	1,241	1,629	1,621	5,802
Gross Profit	37,049	27,639	13,896	11,555	11,597	38,151
Margin (%)	89.2%	86.7%	91.8%	87.6%	87.7%	86.8%
Selling, General & Administrative Expenses ⁽²⁾	27,084	20,441	9,758	9,432	7,894	29,869
Operating Profit ⁽²⁾	9,964	7,198	4,138	2,122	3,703	8,282
Margin (%)	24.0%	22.6%	27.3%	16.1%	28.0%	18.8%
YoY Growth (%)	38.4%	131.2%	33.5%	36.0%	46.0%	249.7%
HR Tech Segment ⁽²⁾⁽³⁾	11,830	8,909	4,660	2,743	4,426	10,631
Incubation Segment ⁽³⁾	(1,085)	(1,206)	(288)	(340)	(456)	(1,649)
Pre-tax Profit ⁽²⁾	10,479	7,495	4,308	2,384	3,786	8,717
Profit attributable to owners of parent ⁽²⁾	7,038	4,878	2,893	1,613	2,531	5,852
Margin (%)	16.9%	15.3%	19.1%	12.2%	19.2%	13.3%
YoY Growth (%)	44.3%	158.8%	42.1%	52.0%	42.2%	311.9%

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) As of 1Q of FY23/7, we have confirmed the provisional accounting treatment concerning business combinations. Accordingly, operating profit for 2Q of FY22/7 onward is presented at the amounts after reflecting the contents of the confirmation of the provisional accounting treatment (3) 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

FY2023/7 consolidated net sales forecast is unchanged at JPY 56.00Bn based on the assumption that current economic conditions will continue. Consolidated operating profit forecast is unchanged at JPY 12.50Bn, balancing growth investments and cost control

JPY MM

	9 months ended April 30, 2023	Progress to Financial Forecast (%)	FY23/7 Financial Forecast
Net Sales	41,541	74.2%	56,000
Growth (%)	30.3%	--	27.4%
HR Tech Segment	39,686	74.5%	53,275
BizReach	36,436	74.4%	49,000
HRMOS	1,576	79.6%	1,980
Incubation Segment	1,758	67.6%	2,600
Others	96	77.5%	125
Operating Profit	9,964	79.7%	12,500
Growth (%)	38.4%	--	50.9%
Margin (%)	24.0%	--	22.3%
Ordinary Profit	10,475	81.8%	12,810
Growth (%)	39.8%	--	47.0%
Margin (%)	25.2%	--	22.9%
Profit attributable to owners of parent	7,038	84.5%	8,330
Growth (%)	44.3%	--	42.3%
Margin (%)	16.9%	--	14.9%

- Based on the assumption that current economic conditions will continue:
 - BizReach forecast for net sales is unchanged at JPY 49.00Bn
 - BizReach operating profit margin before corporate expense allocation is expected to land in the lower range of our full year forecast of 40-45%
- HRMOS recorded strong net sales growth compared to plan. Strategy toward decreasing operating losses before corporate expense allocation YoY is proceeding as planned
- Business development continues in the Incubation segment. Net sales progress is behind plan, although profitability will be maintained by controlling expenses
- Although the impact of the economic uncertainty to recruitment is unclear, we will prioritize growth investments for BizReach, whilst managing business investments as appropriate

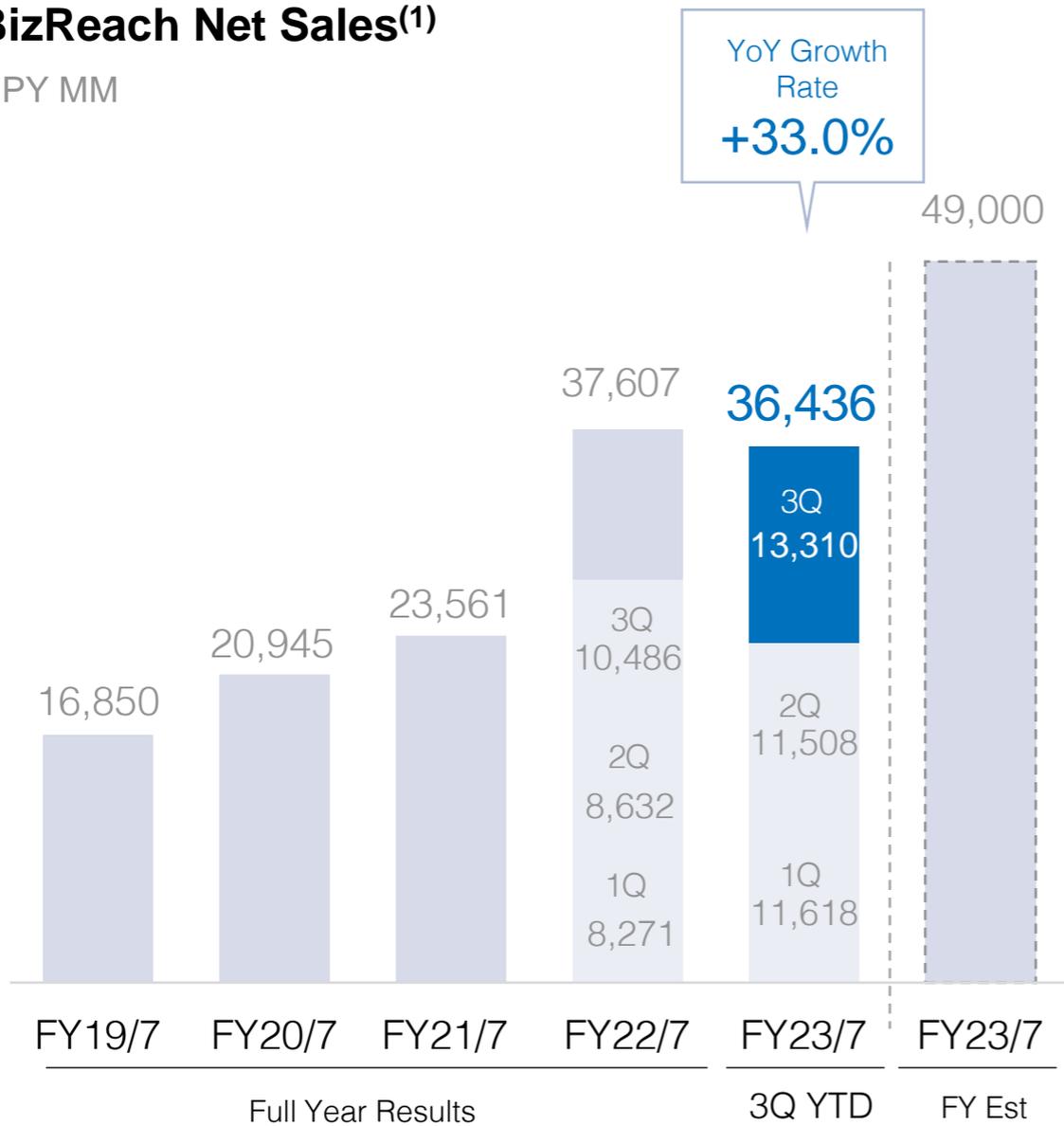
3Q Financial Results by Business

BizReach Financial Results

3Q, which is our biggest quarter, landed aligned to plan. Growth rates are converging towards our normalized growth rate of 15-20%

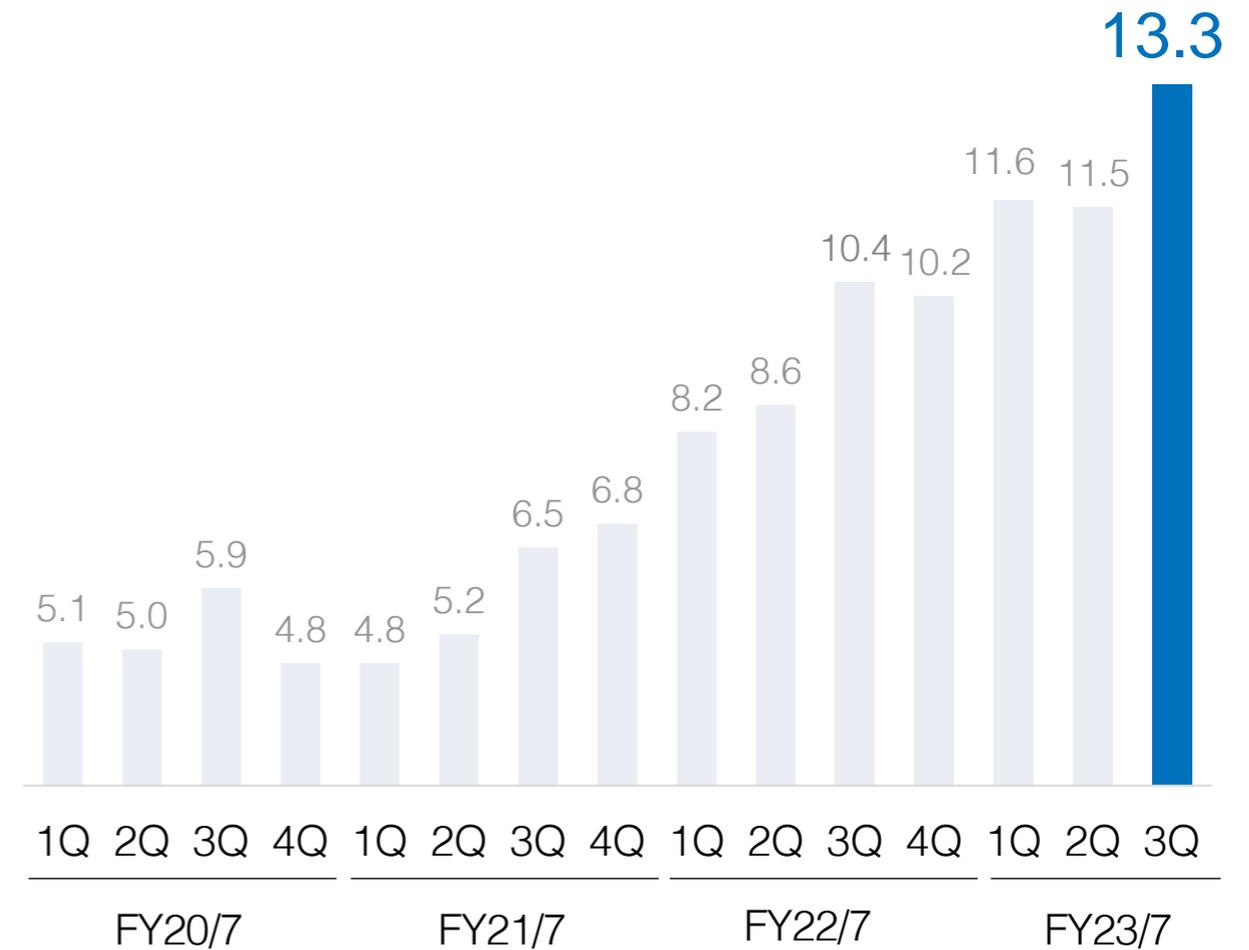
BizReach Net Sales⁽¹⁾

JPY MM



BizReach Quarterly Net Sales Trend⁽¹⁾

JPY Bn

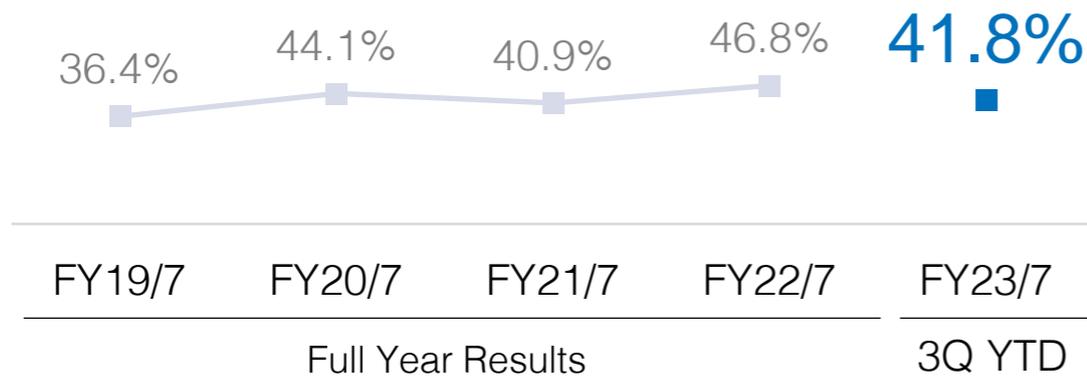


Note: (1) Financial data of the BizReach Business, the core service of our group (which differs from the financial data of our subsidiary BizReach, Inc.)

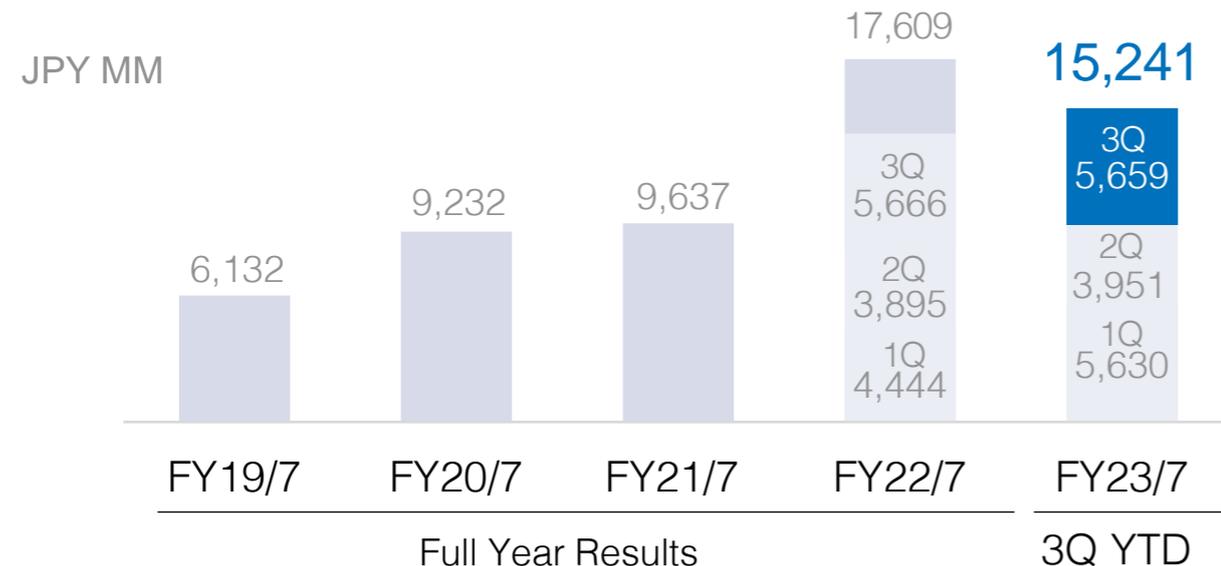
By conducting a robust marketing strategy controlling profitability by job seeker profiles, BizReach margin level is maintained healthy while we grow the business

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

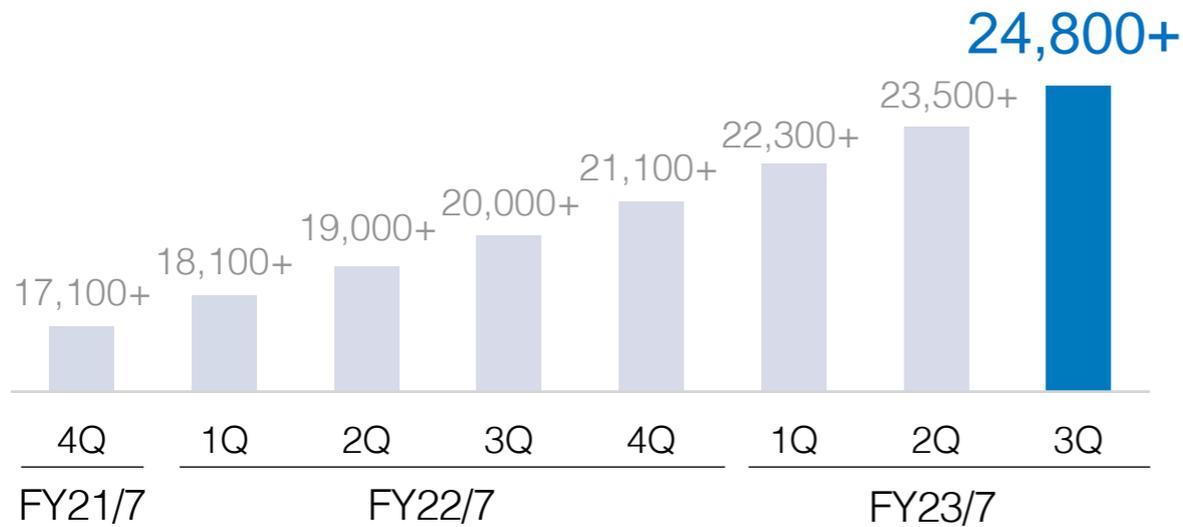


- As solid hiring demand from Japanese companies continued in 3Q, active marketing investments were made
 - Profitability continues to be controlled by using various marketing channels including newly opened channels, and managing returns based on job seeker profiles
- Growth investments for BizReach expected to continue in 4Q based on solid hiring demand from companies in Japan. The operating profit margin is expected to land in the lower range of our full year forecast of 40-45% for FY2023/7

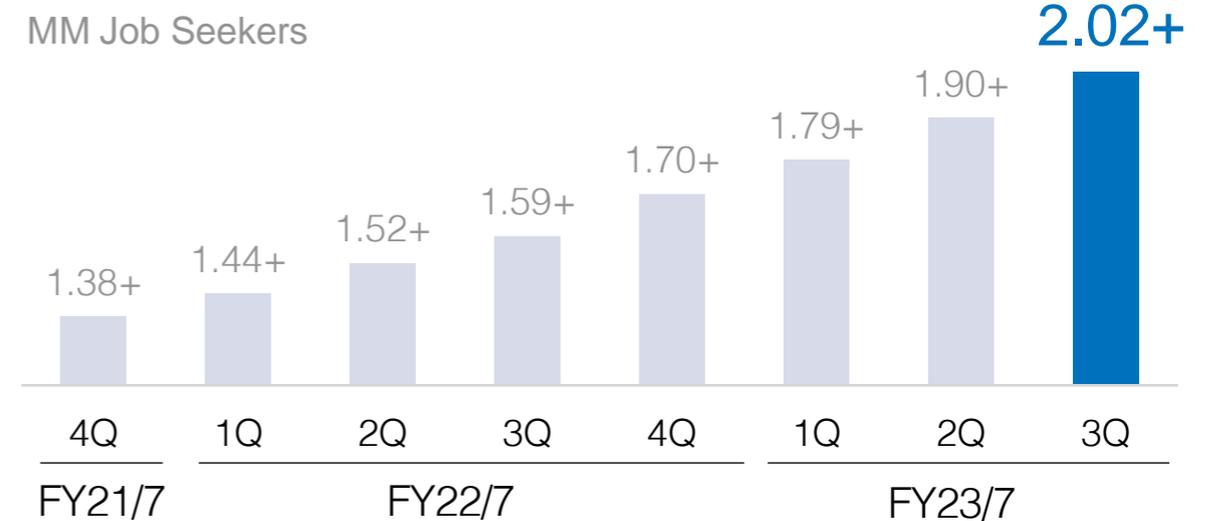
Notes: (1) Financial data of the BizReach Business, the core service of our group (which differs from the financial data of our subsidiary BizReach, Inc.) (2) BizReach business' revenue and adjusted operating profit / profit margin is recorded within the HR Tech reporting segment (3) Adjusted operating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

KPIs are growing steadily, building a strong customer base driven by hiring needs of direct employers and increasing job seekers

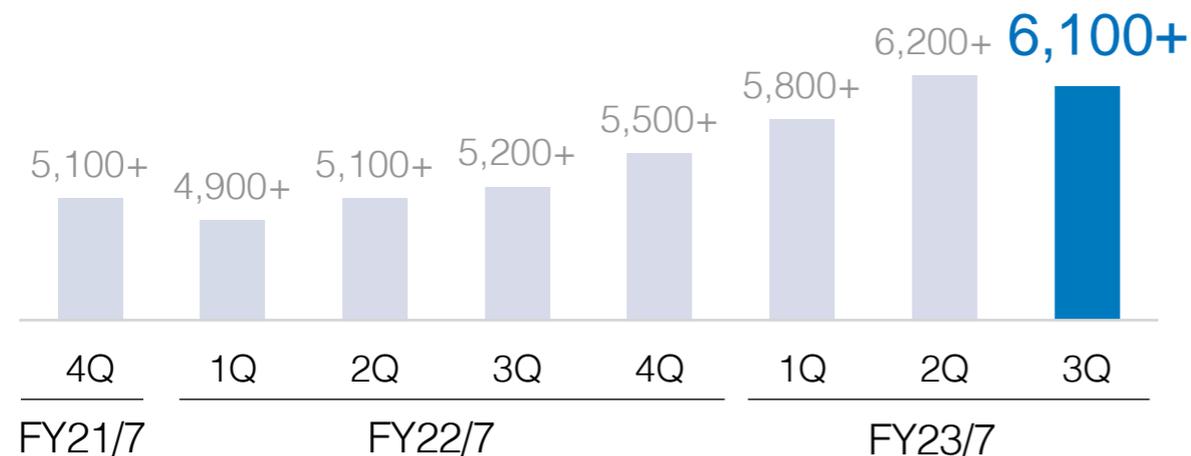
of Registered Direct Employers⁽¹⁾



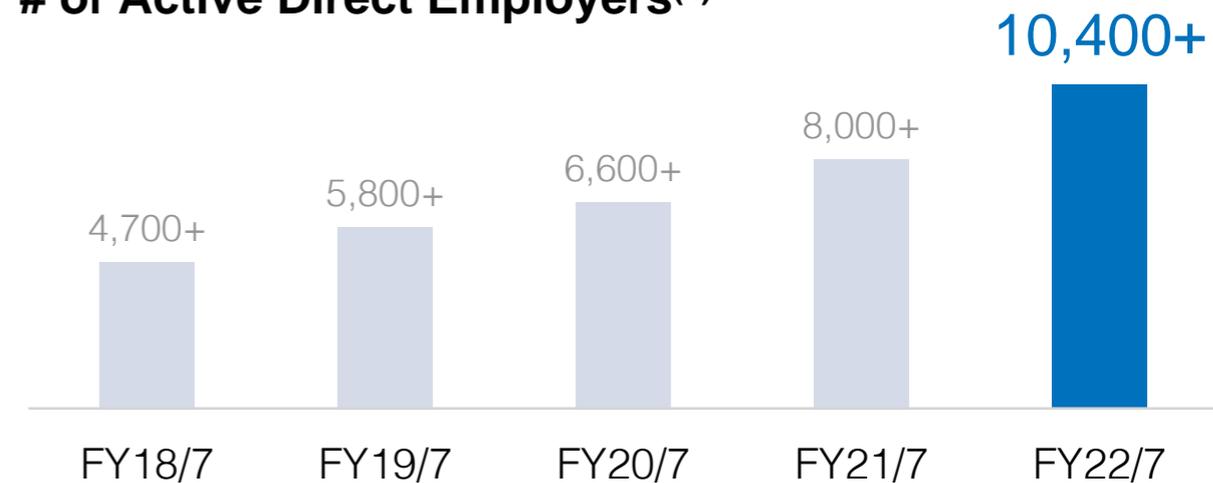
of Scoutable Job Seekers⁽³⁾



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

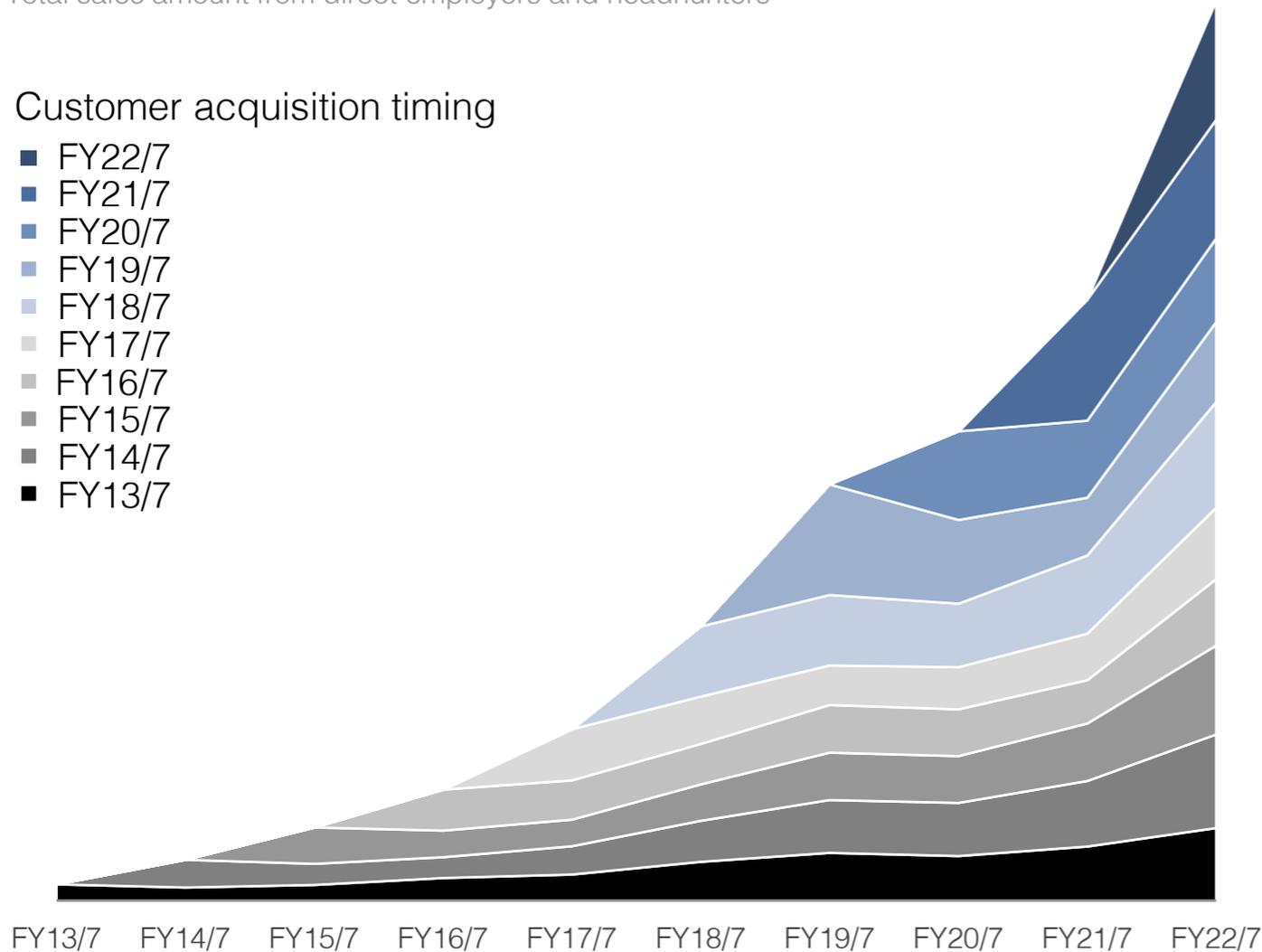
For customers with continued hiring needs, average sales amount⁽¹⁾ per customer has increased over the years

By customer acquisition timing (sales amount)⁽¹⁾

Total sales amount from direct employers and headhunters

Customer acquisition timing

- FY22/7
- FY21/7
- FY20/7
- FY19/7
- FY18/7
- FY17/7
- FY16/7
- FY15/7
- FY14/7
- FY13/7



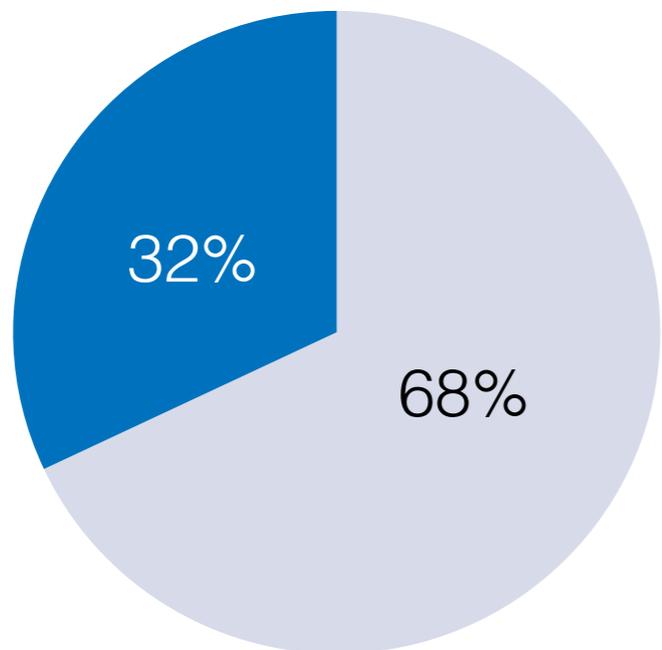
- The left chart indicates sales amount⁽¹⁾ of each fiscal year from direct employers and headhunters counted from the time they were first acquired since FY2013/7
- Number of BizReach customers tends to decrease over the years after being acquired as they may leave the platform depending on hiring needs. However, for those that continue to use BizReach, the average sales amount by each customer has increased. BizReach growth is supported by such stable customer base

Note: (1) Summed up the sales amount of BizReach for each fiscal year during the period from the year in which we first received orders from customers (direct employers and headhunters) from FY13/7 to FY22/7. As figures in the above chart is recorded at timing of order, accordingly, they are different from accounting figures

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

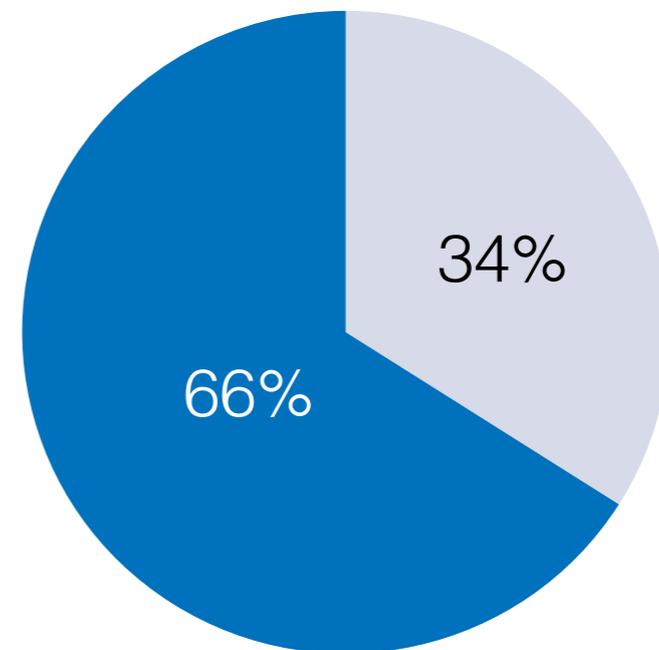
FY22/7 BizReach Business Revenue Breakdown by Fee Type⁽³⁾

- Performance Revenue
- Recurring Revenue



FY22/7 BizReach Business Revenue Breakdown by Direct Employers / Headhunters⁽³⁾⁽⁴⁾

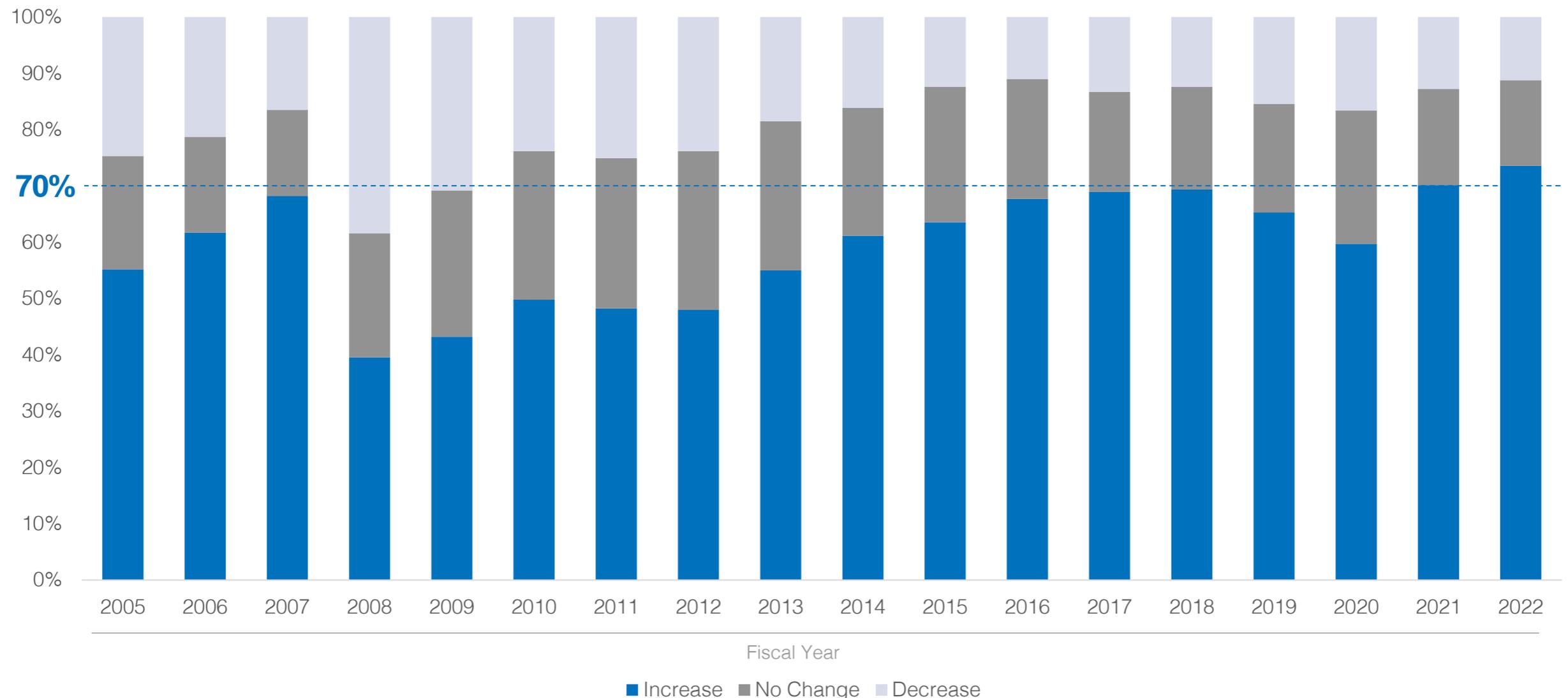
- Headhunters
- Direct Employers



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

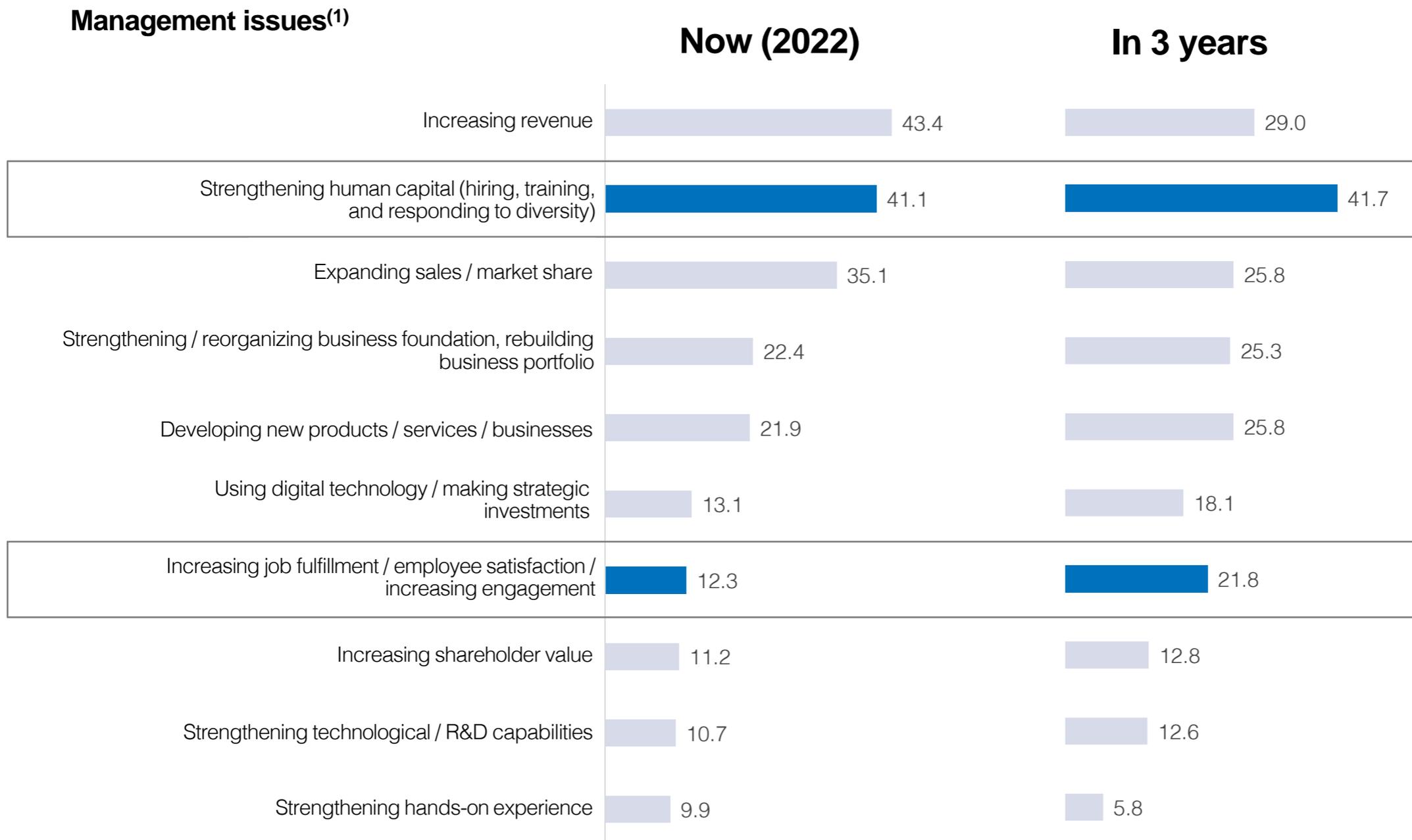
The percentage of listed companies “forecasted to increase” the number of employees in the next 3 years exceeds 70%

Trends of Employees: Percentage of companies increasing / decreasing the number of employees in the next three years (all industries)⁽¹⁾



Note: (1) Prepared by Visional, Inc. based on "FY2022 Survey Report on Corporate Behavior "(Cabinet Office) (https://www.esri.cao.go.jp/jp/stat/ank/r4ank/r4ank_houkoku.pdf). Implemented for all listed companies on the Prime and Standard Markets on the Tokyo Stock Exchange and Premier and Main Markets on the Nagoya Stock Exchange. Indicates the rate of increase or decrease (Increase: Percentage of companies responding over 0%, No Change: Percentage of companies responding 0%, and Decrease: Percentage of companies responding less than 0%) in the number of employees for the next three years (for example, for the FY2022 survey, indicates FY2023 through FY2025) for each FY surveyed

Strengthening and applying human capital are top management issues by Japanese companies

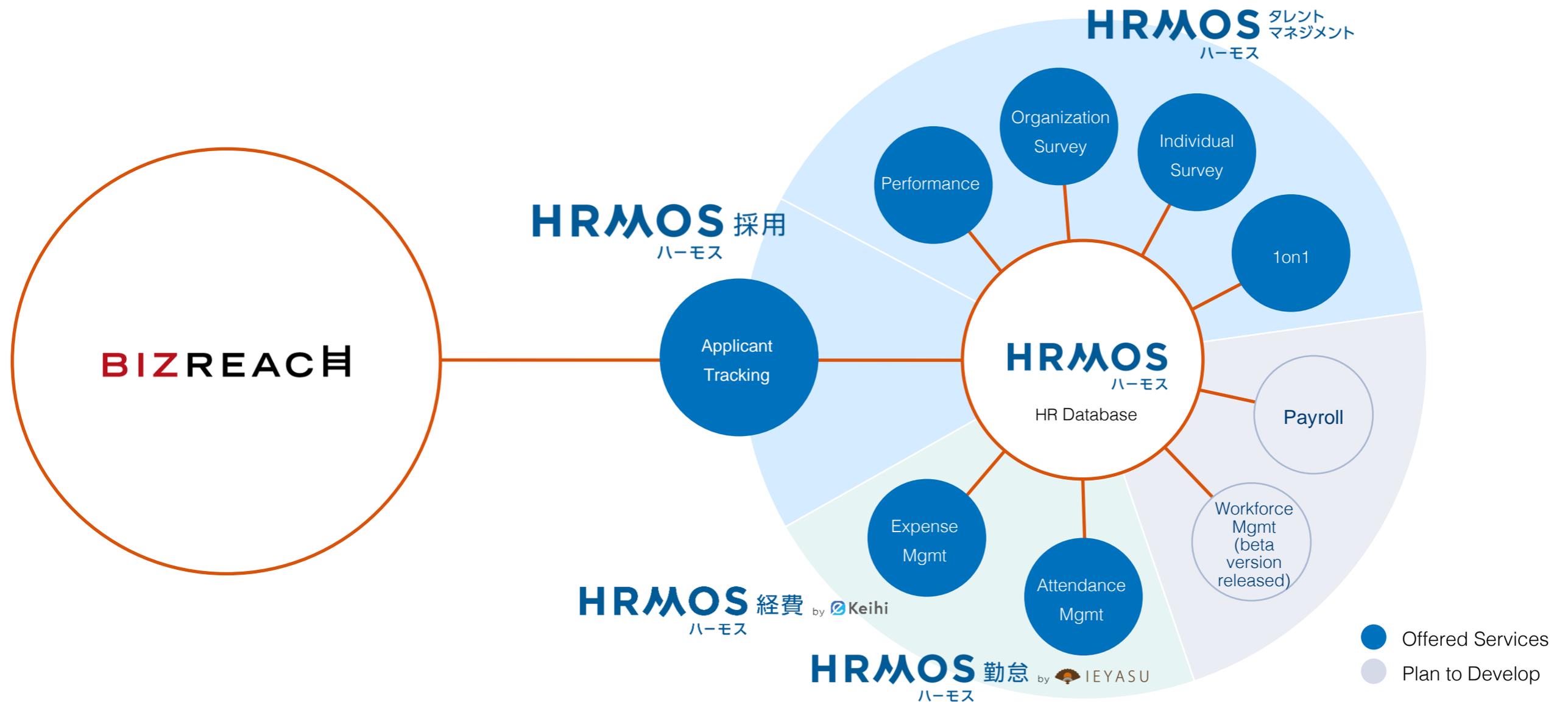


Note: (1) Prepared by Visional, Inc. based on excerpt from “Corporate Management Issues 2022” (Published December 2022) by Japan Management Association. Each figure is the percentage of responses which ranked the importance of the 20 items expected to be issues from first to third

HRMOS

Seamless integration of BizReach and HRMOS to create a unified, data-driven HCM Ecosystem that enables investment and management of human capital to drive business competitiveness

Human Capital Management (HCM) Ecosystem

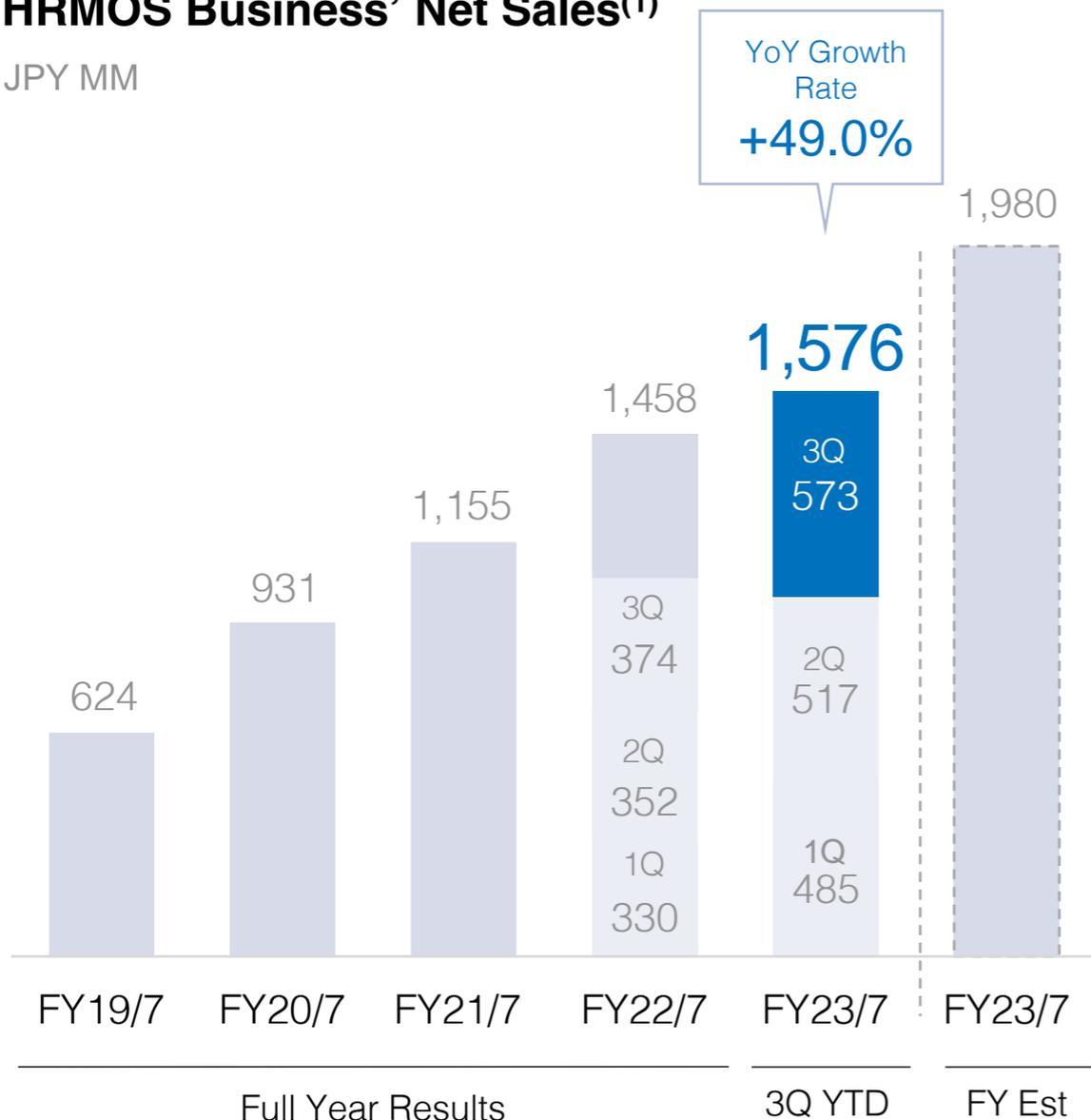


80.1% acquisition of IEYASU (attendance management cloud provider) completed on Nov. 1, 2021 (service rebranded in February 2022), and 100% acquisition of ezSoft (expense management cloud provider) completed on Mar. 1, 2022 (service rebranded in November 2022). Figures of these businesses are included in the consolidated financials and for FY22/7, they are not included in HRMOS. From FY23/7, net sales and adjusted operating profit before corporate expense allocation of HRMOS include those of HRMOS Attendance Management provided by IEYASU, Inc.

Number of HRMOS customers grew whilst we continue with product development. Net sales for 9 months ended April grew 49.0% YoY

HRMOS Business' Net Sales⁽¹⁾

JPY MM

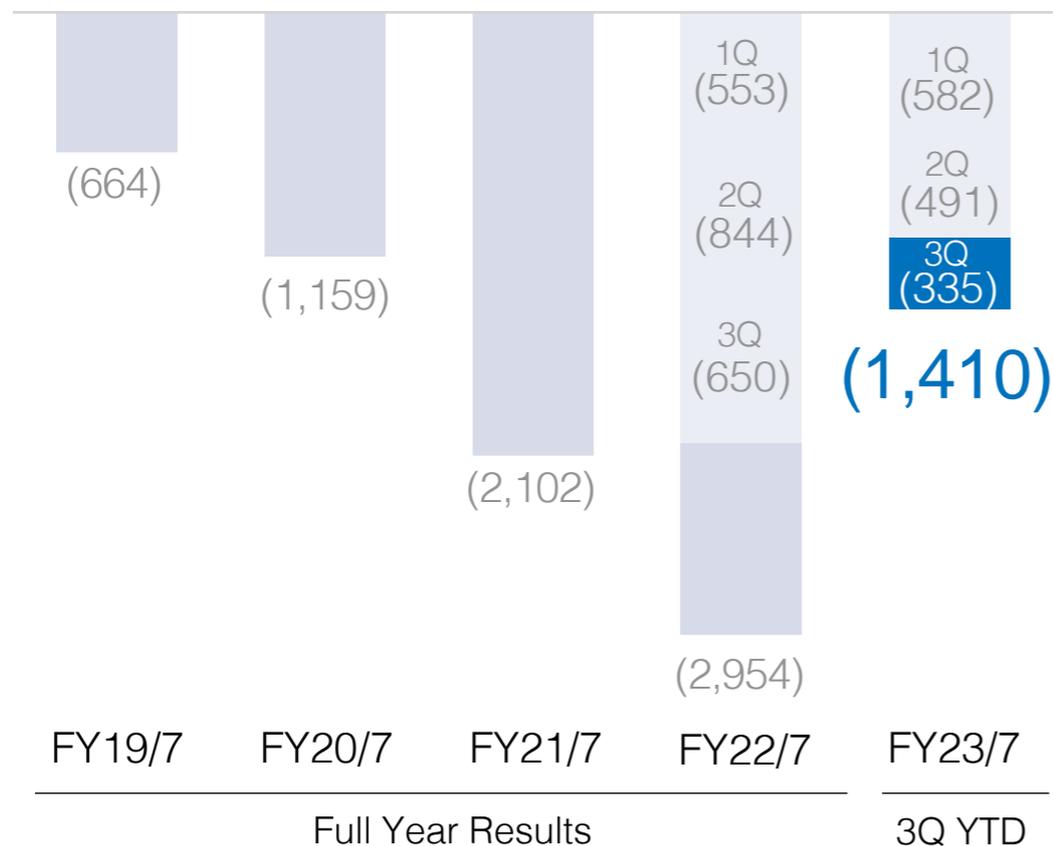


- Total net sales figures of HRMOS ATS, HRMOS Talent Management, and HRMOS Attendance Management is represented to the left
- Net sales for 3Q grew 53.1% YoY. HRMOS recorded strong net sales compared to plan, although impact to our consolidated financial is negligible
 - Number of companies using HRMOS ATS and HRMOS Talent Management drove growth
 - Although it is still too early to summarize the impact of HRMOS Attendance Management price revision, as of now, we do not see a major churn of customers nor slowdown in growth

Losses for FY2023/7 expected to decrease significantly YoY as planned through active cost control whilst continuing to selectively invest in marketing and sales activities

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

JPY MM



- The total for HRMOS ATS, HRMOS Talent Management, HRMOS Attendance Management, and product development expenses for new modules is represented to the left
- Although expenses for HRMOS Attendance Management is included from FY2023/7, full year losses expected to decrease significantly YoY as a result of net sales growth and disciplined investments

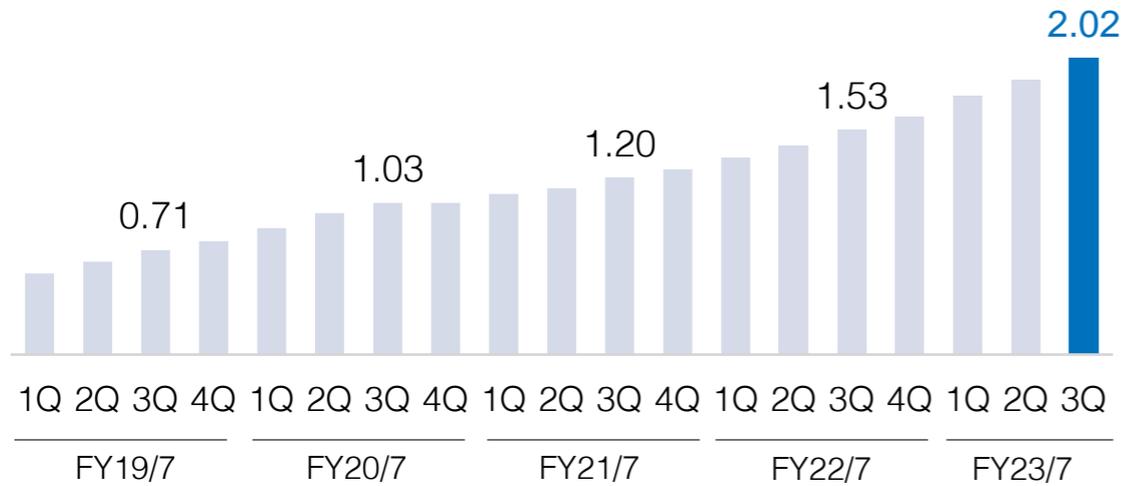
Notes: (1) HRMOS business' revenue and adjusted operating profit is recorded within the HR Tech reporting segment (2) Adjusted operating profit does not include corporate expenses (such as accounting, HR, legal, general affairs, etc.) which are not directly allocated to each businesses

ARR reached JPY 2.02Bn in 3Q (31.6% YoY growth) driven by solid growth of customers. KPIs below represent HRMOS ATS and HRMOS Talent Management total (same as previous disclosure)

ARR⁽¹⁾⁽²⁾

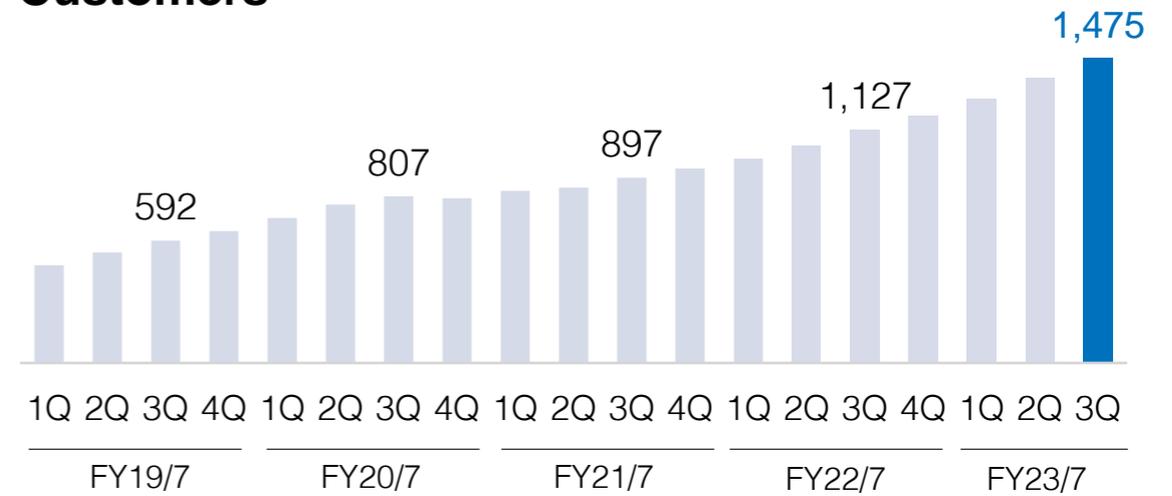
JPY Bn

¥2.02Bn (+31.6% YoY)



of Unique Paying Customers⁽⁵⁾⁽⁶⁾

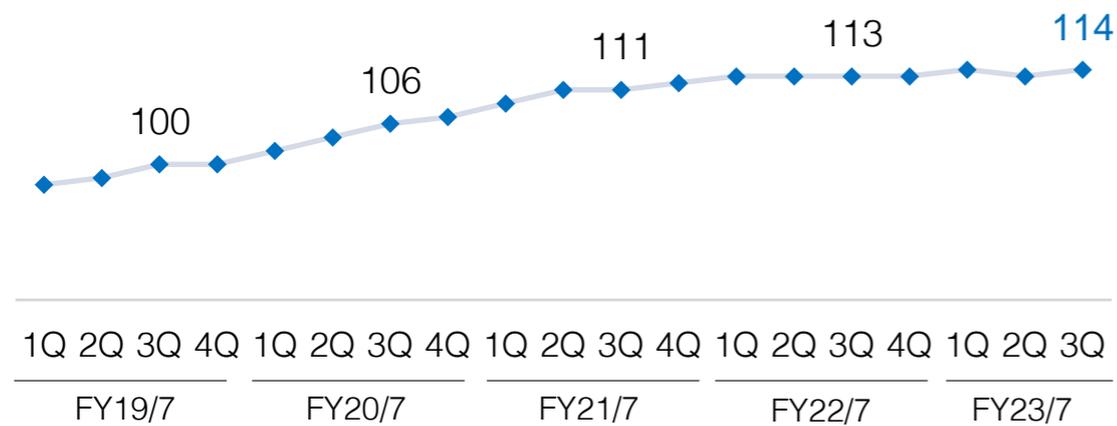
1,475 (+30.9% YoY)



ARPU⁽³⁾⁽⁴⁾

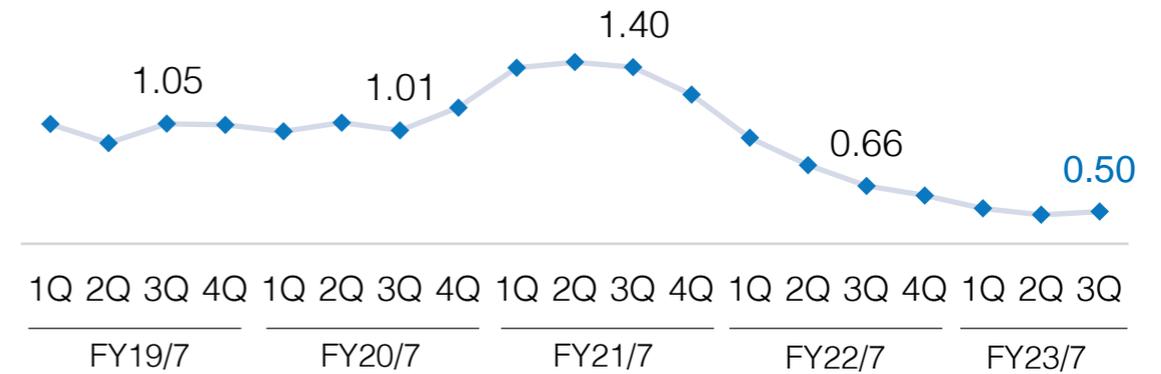
JPY thousands

¥114k (+0.6% YoY)



Churn Rate⁽⁷⁾⁽⁸⁾

Last 12-month average: 0.50%



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 the end of April 2023 (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 the end of April 2023 (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 the end of April 2023 (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) As of April 2023

KPIs below represent HRMOS ATS and HRMOS Talent Management total (same as previous disclosure)

	FY19/7				FY20/7				FY21/7				FY22/7				FY23/7		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
ARR ⁽¹⁾ (JPY Bn)	0.55	0.63	0.71	0.77	0.86	0.96	1.03	1.03	1.09	1.13	1.20	1.26	1.34	1.42	1.53	1.62	1.76	1.87	2.02
ARPU ⁽²⁾ (JPY thousands)	97	98	100	100	102	104	106	107	109	111	111	112	113	113	113	113	114	113	114
# of Unique Paying Customers ⁽³⁾	473	535	592	638	702	767	807	797	833	849	897	941	989	1,050	1,127	1,193	1,280	1,379	1,475
Average Monthly Churn Rate for Last 12 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	0.96	0.79	0.66	0.60	0.52	0.48	0.50

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

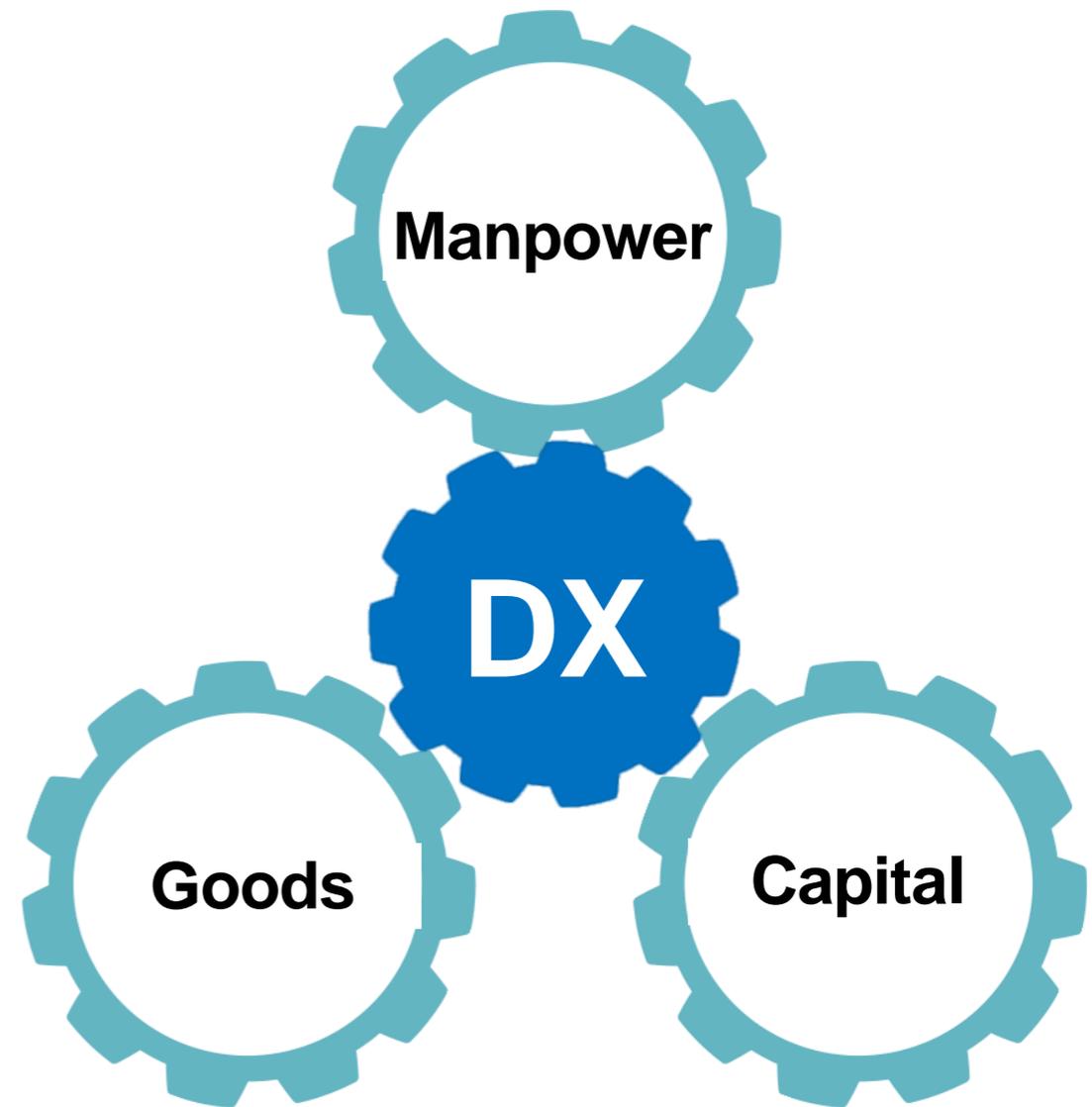
Visional Group Strategy and Our Future

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**

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



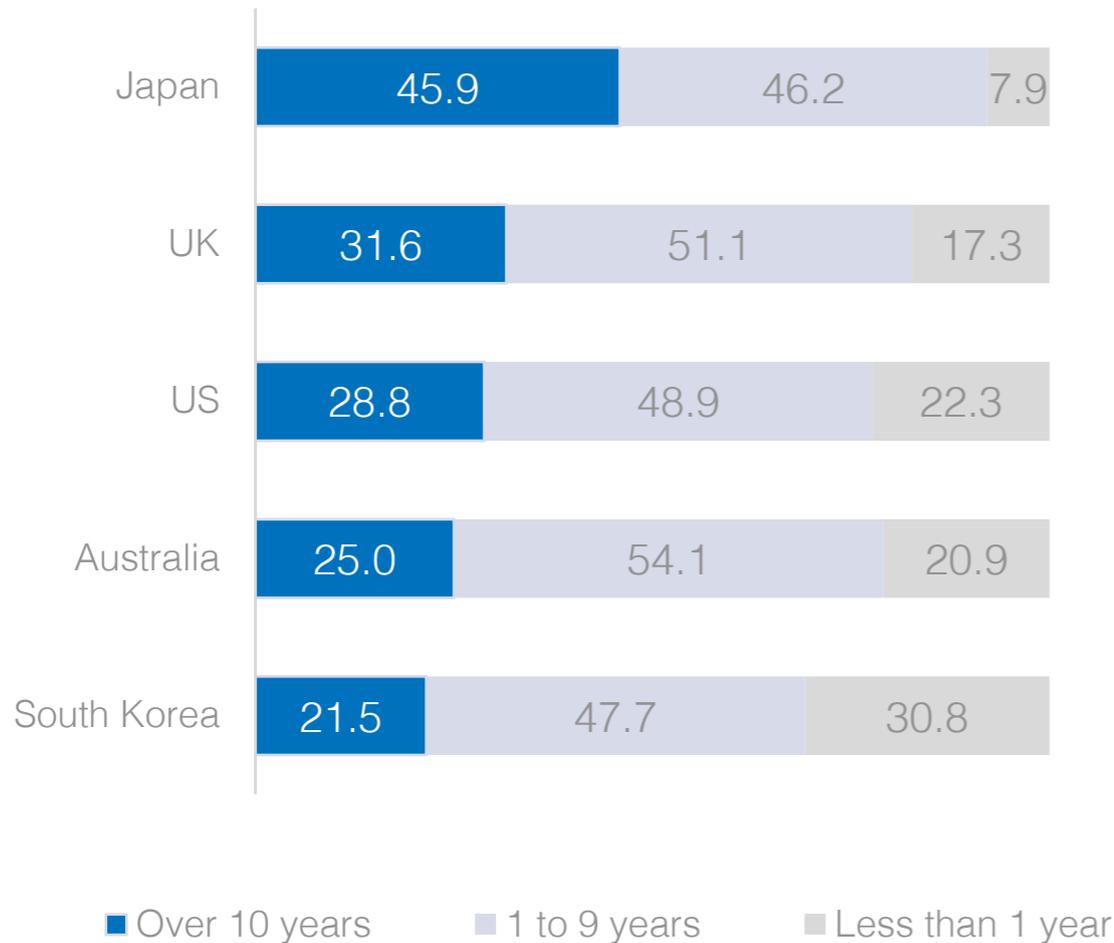
MVP⁽¹⁾ and lean startup organization

- ✓ 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

Japan has a high portion of employees with long tenure.

Liquidity in the labor market is required to shift labor force to segments of higher labor demand

Global Comparison of Employment Ratio By length of Service⁽¹⁾
%



Why Increased Labor Liquidity is Required

- ✔ Mid-career hiring required to address decreasing work force caused by shrinking working-age population and the number of new graduates entering the work force in the long term
- ✔ Professionals required to address changes in the business environment and business models, and to build a diverse and inclusive organization
- ✔ Miss match of supply and demand in labor force as industry structures change. Shifting labor force to segments of higher labor demand required
- ✔ Labor productivity drives wage increase

Note: (1) From the Ministry of Health, Labour and Welfare "Analysis of the Labor Economy, 2022 Edition – Issues in Promoting Labor Mobility through Support for Workers' Independent Career Development" in September 2022

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

2022



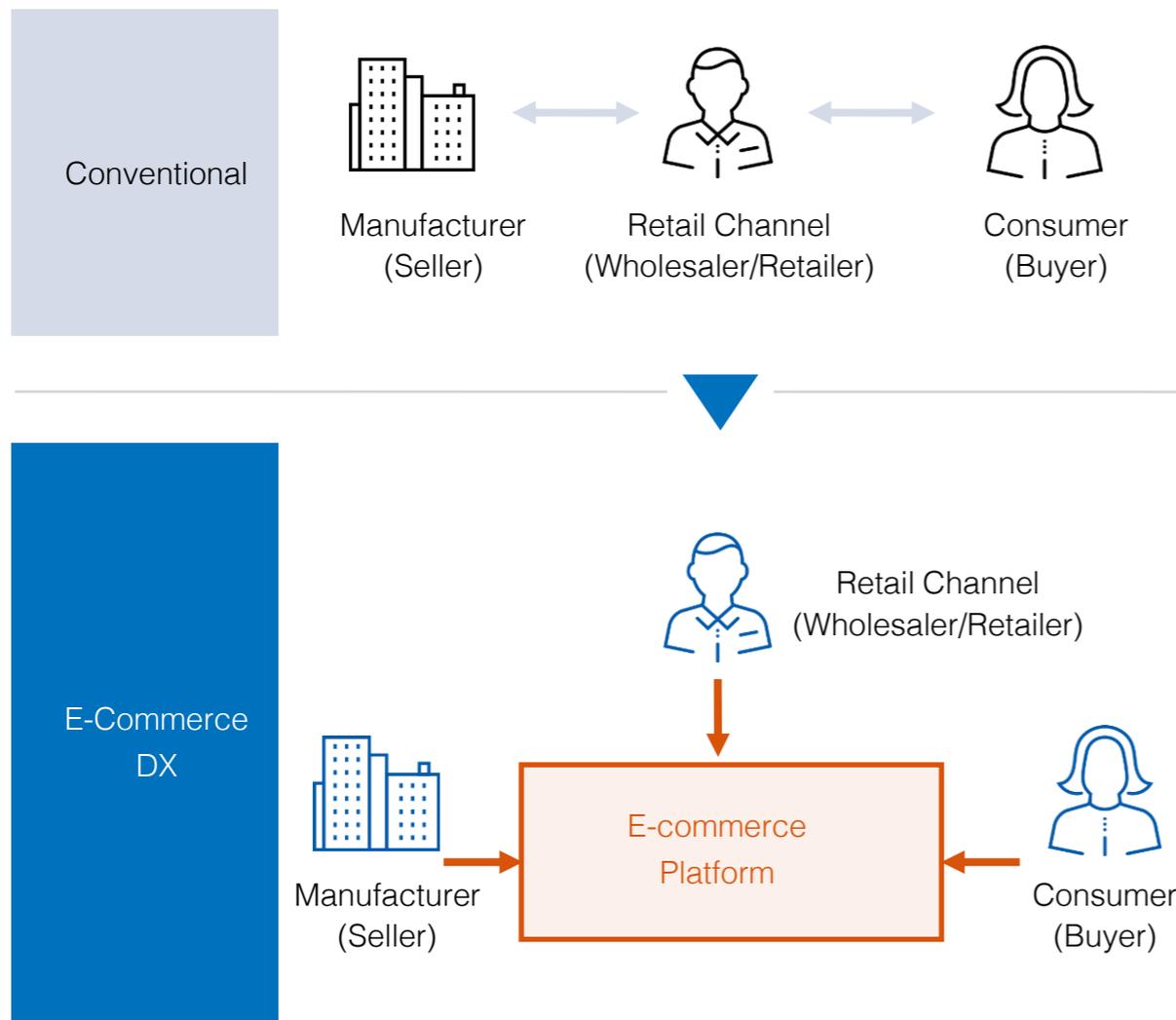
Acceleration of Workstyle Shifts in Japan

- ✓ 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

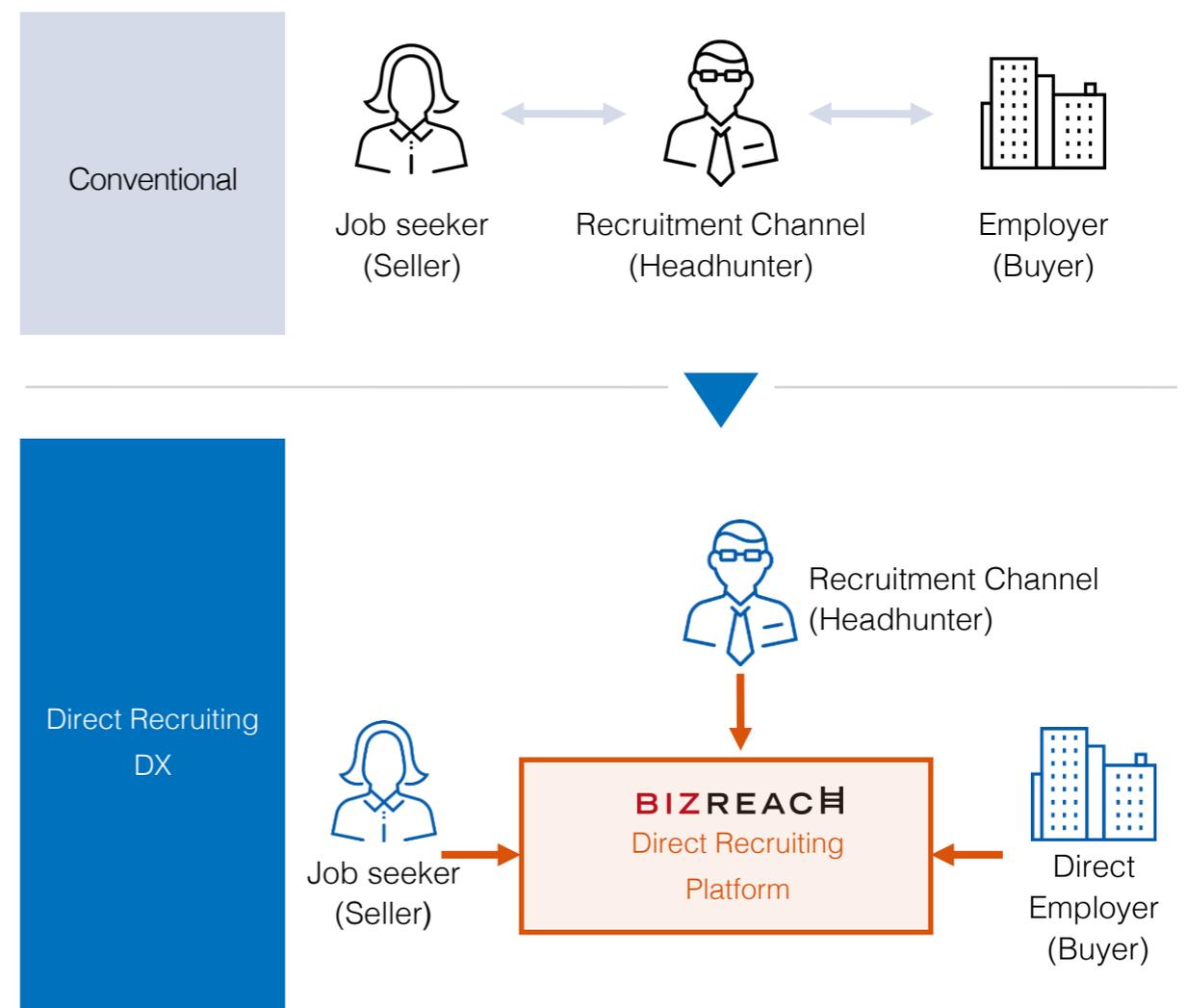
Notes: (1) Source: “Labor Force Survey” by Statistics Bureau, Ministry of Internal Affairs and Communications from CY2022. Figures are calculated as taking twelve months average of the monthly research on the number of employed workers, as of the end of each month (2) Source: “Labor Force Survey” by Statistics Bureau, Ministry of Internal Affairs and Communications from CY2022. 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 CY2022. 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

Similar to the structural transformation of the retail market caused by e-commerce⁽¹⁾, 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

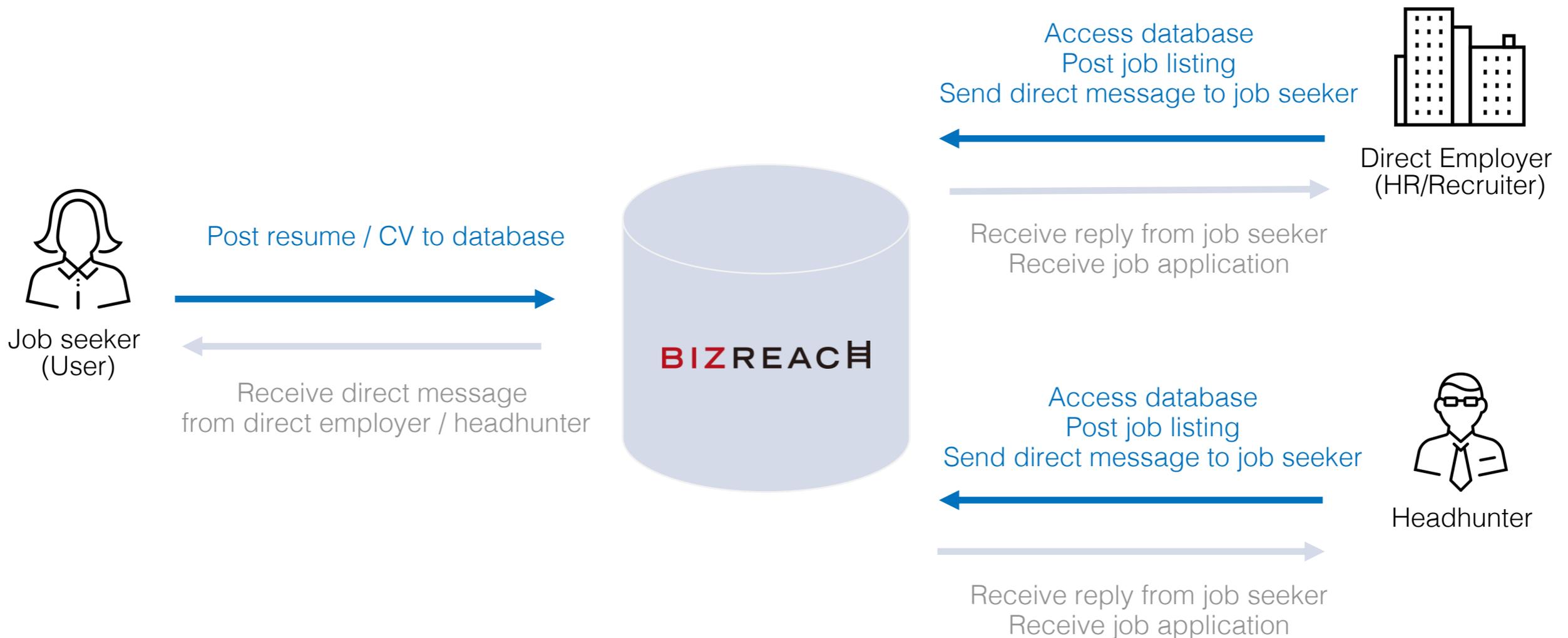


DX of Professional Recruitment Market



Note: (1) Structural changes of the retail market caused by electronic transactions (emergence of e-commerce platforms)

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



Note: (1) Including executives and mid to senior level employees

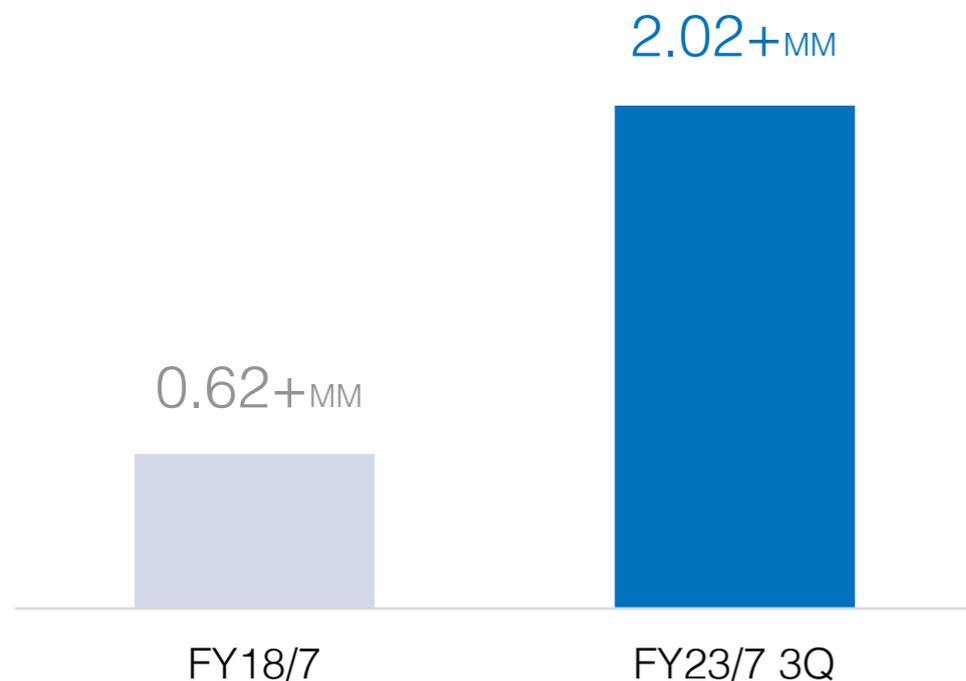
While penetrating further into the professionals' population, accelerate new client acquisitions and increase wallet share of existing clients to drive further top-line growth

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

of "Scoutable" Job Seekers on BizReach⁽¹⁾

of wage earners in Japan in 2021⁽²⁾

2.58MM	Annual income	¥10 MM+
11.06MM	Annual income	¥6 MM+



Potential Market Penetration of Direct Employers

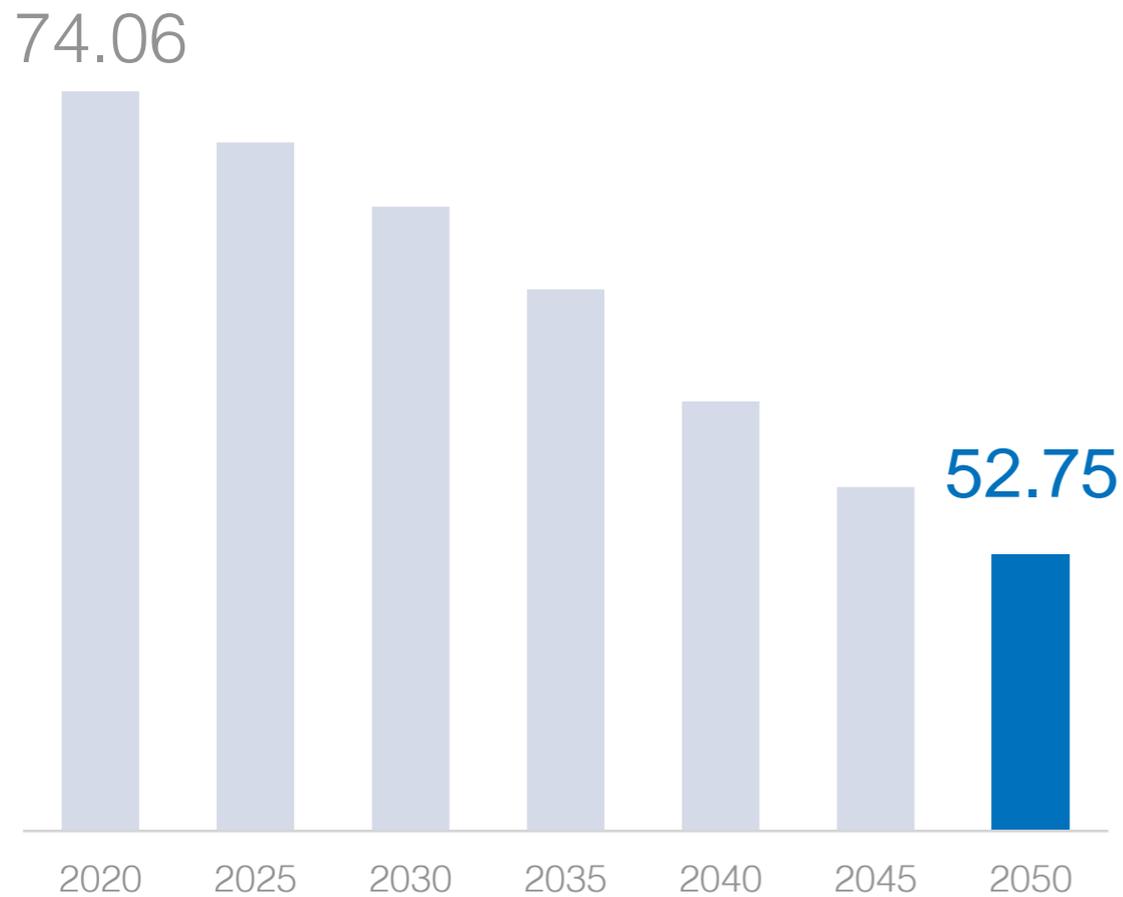


Notes: (1) # of users who registered on BizReach platform with resume that have passed a general screening process and whose profile is set to be viewable by direct employers and headhunters (2) Based on "2021 Statistical Survey of Actual Statistics for Salary in the Private Sector" by Japanese National Tax Agency (<https://www.nta.go.jp/publication/statistics/kokuzeicho/minkan2021/pdf/002.pdf>) (3) Direct employers who have subscribed to our BizReach platform at any point in time within FY22/7 (4) As of the end of December 2022. Based on "Notification and Certification Status of General Employers Action Plan Formulation Notification by Prefecture (As of the end of December 2022)" by Ministry of Health, Labor and Welfare (https://www.mhlw.go.jp/general/seido/koyou/jisedai/dl/jyoukyou_r04_12.pdf)

Working-age population is shrinking, whilst companies are decreasing investments in people

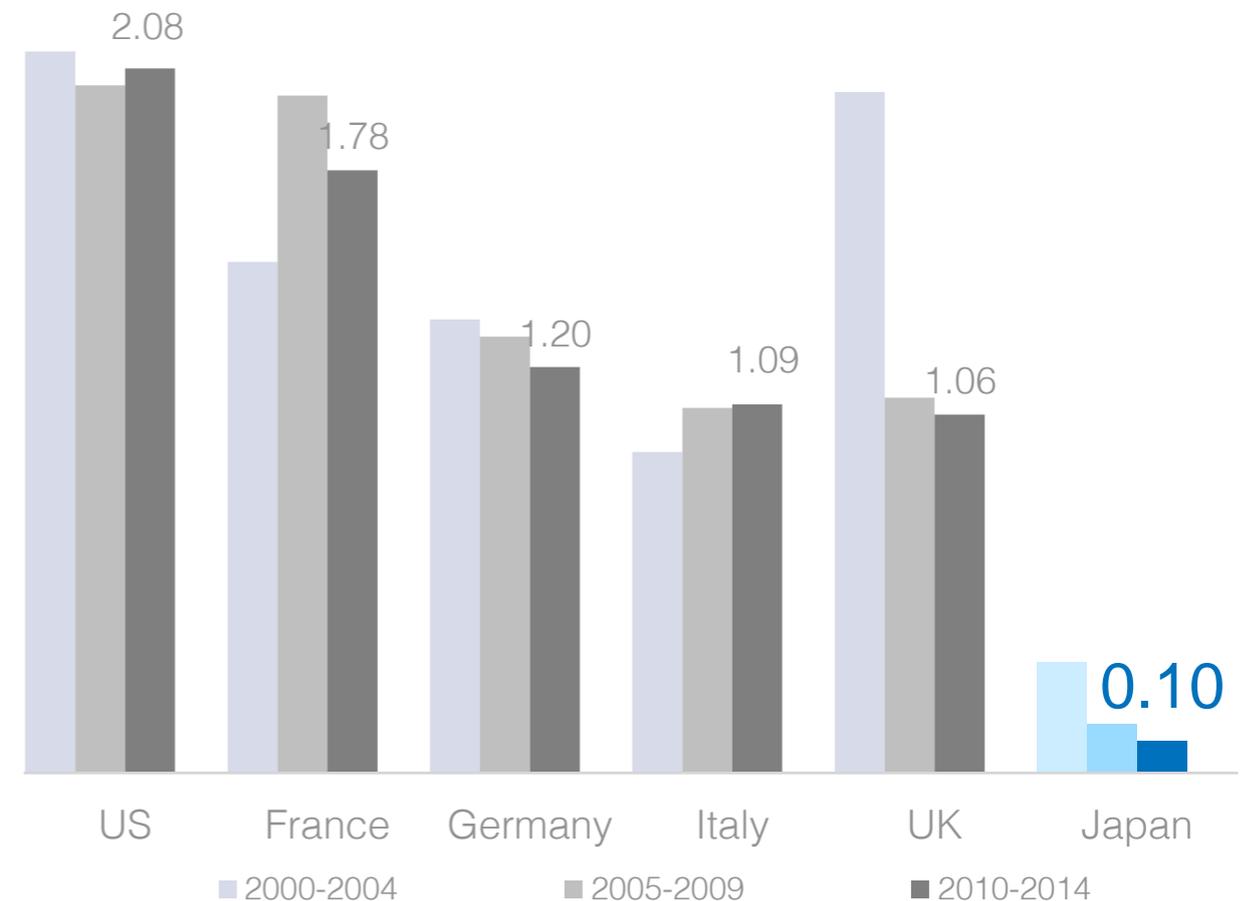
Long Term Trends in Japan's Working-Age Population⁽¹⁾

Unit: MM persons



International Comparison of Corporate Investments in HR (excluding OJT) (% of GDP)⁽²⁾

Unit: %

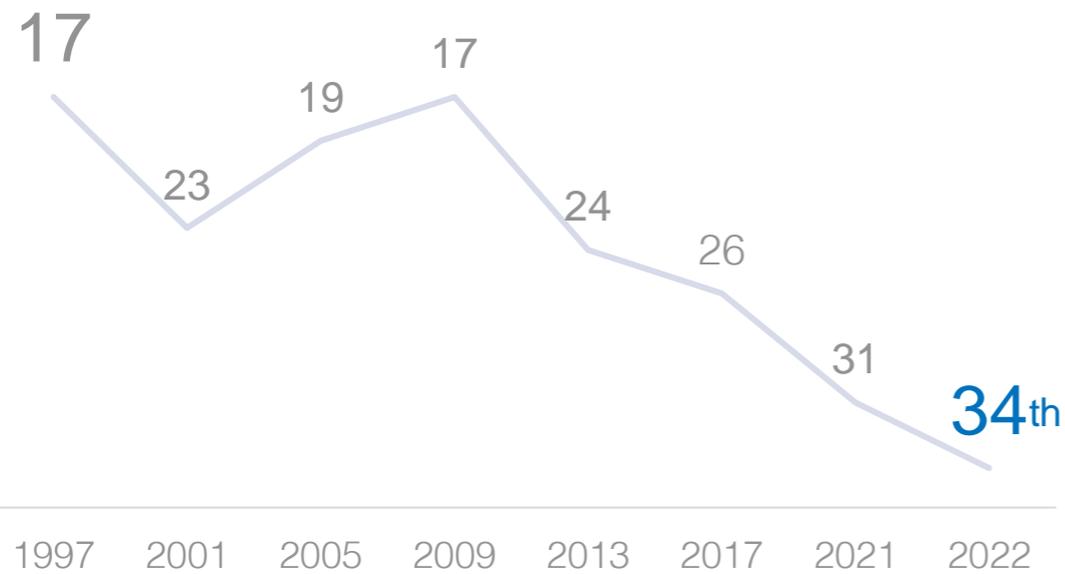


Notes: (1) From the medium-fertility (medium-mortality) projection of National Institute of Population and Social Security Research "Population Projections for Japan (2017)" (2) From the Ministry of Economy, Trade and Industry "METI Future Human Resource Vision" in May 2022 (<https://www.meti.go.jp/press/2022/05/20220531001/20220531001-1.pdf>)

Also as seen in the world competitiveness rankings, Japan's position is on a decreasing trend

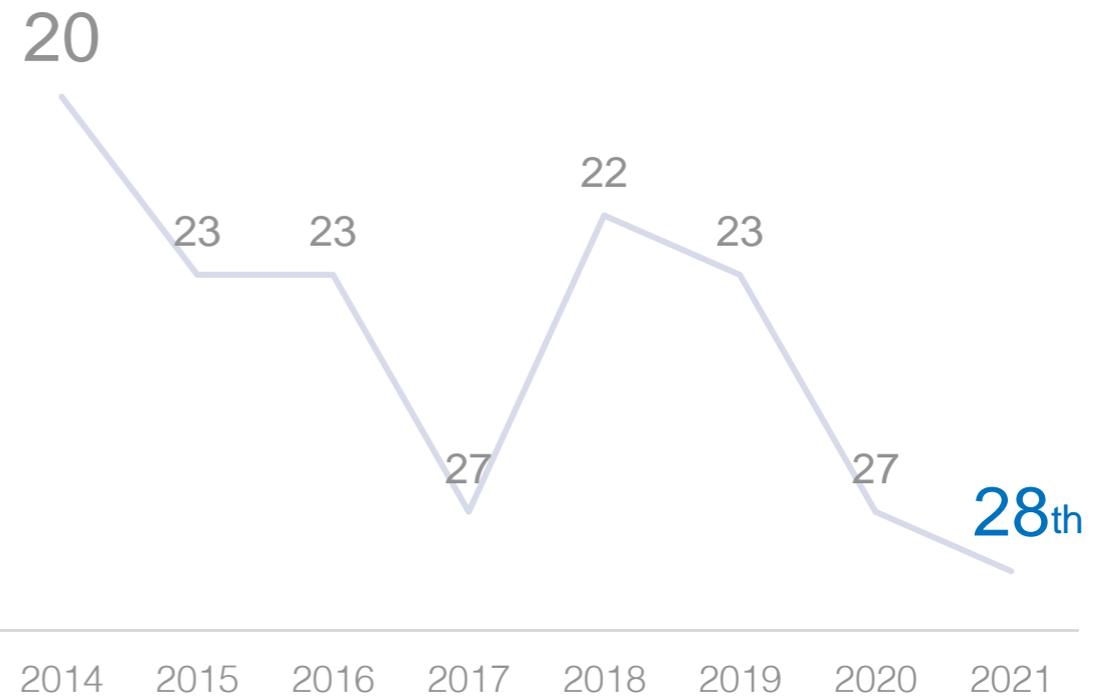
Japan's International Competitiveness Ranking⁽¹⁾

Rank



Japan's Digital Competitiveness Ranking⁽²⁾

Rank

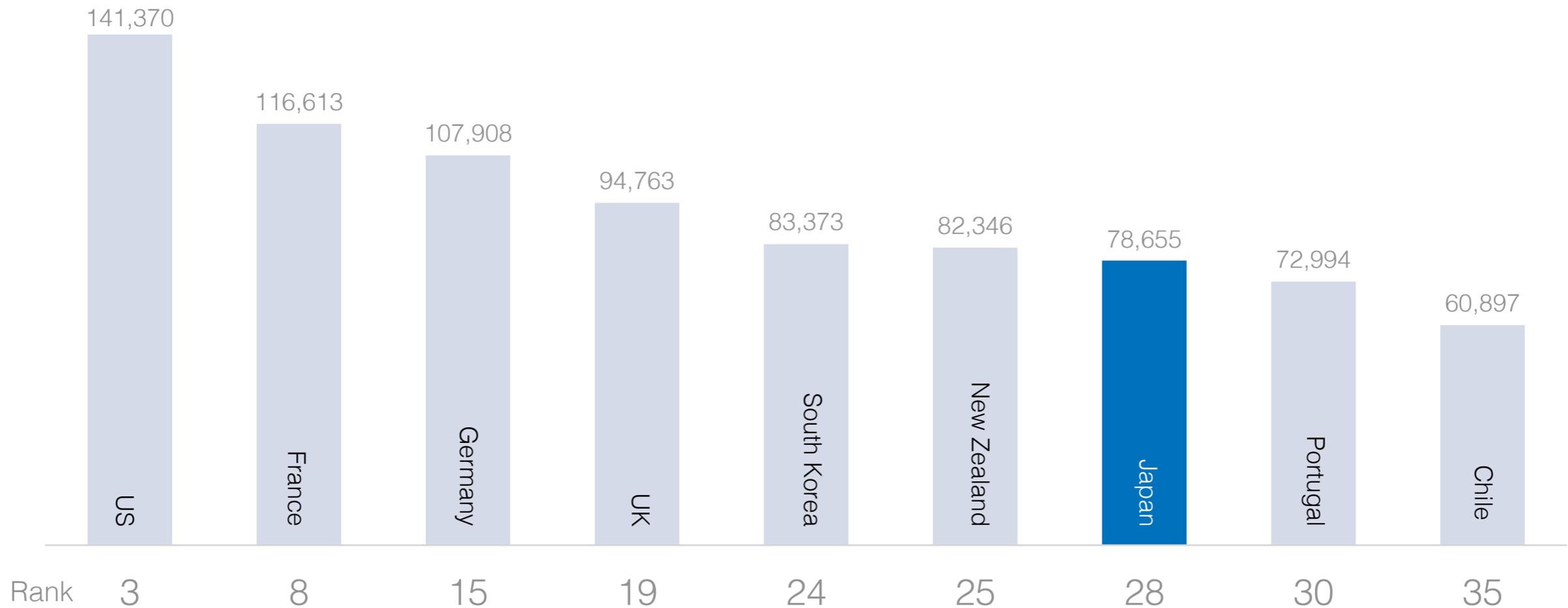


Notes: (1) From "IMD World Competitiveness Ranking" by The IMD World Competitiveness Center (<https://www.imd.org/centers/world-competitiveness-center/>) (2) From "IMD World Digital Competitiveness Ranking" by The IMD World Competitiveness Center (<https://www.imd.org/centers/world-competitiveness-center/>)

Priority investments mentioned in the “New Form of Capitalism” include investments in people, acceleration of DX for SMEs, strengthening cyber security, etc. Increasing labor productivity and digital competitiveness to solve social issues and achieve market growth in Japan is key

Labor Productivity of OECD Member Countries⁽¹⁾

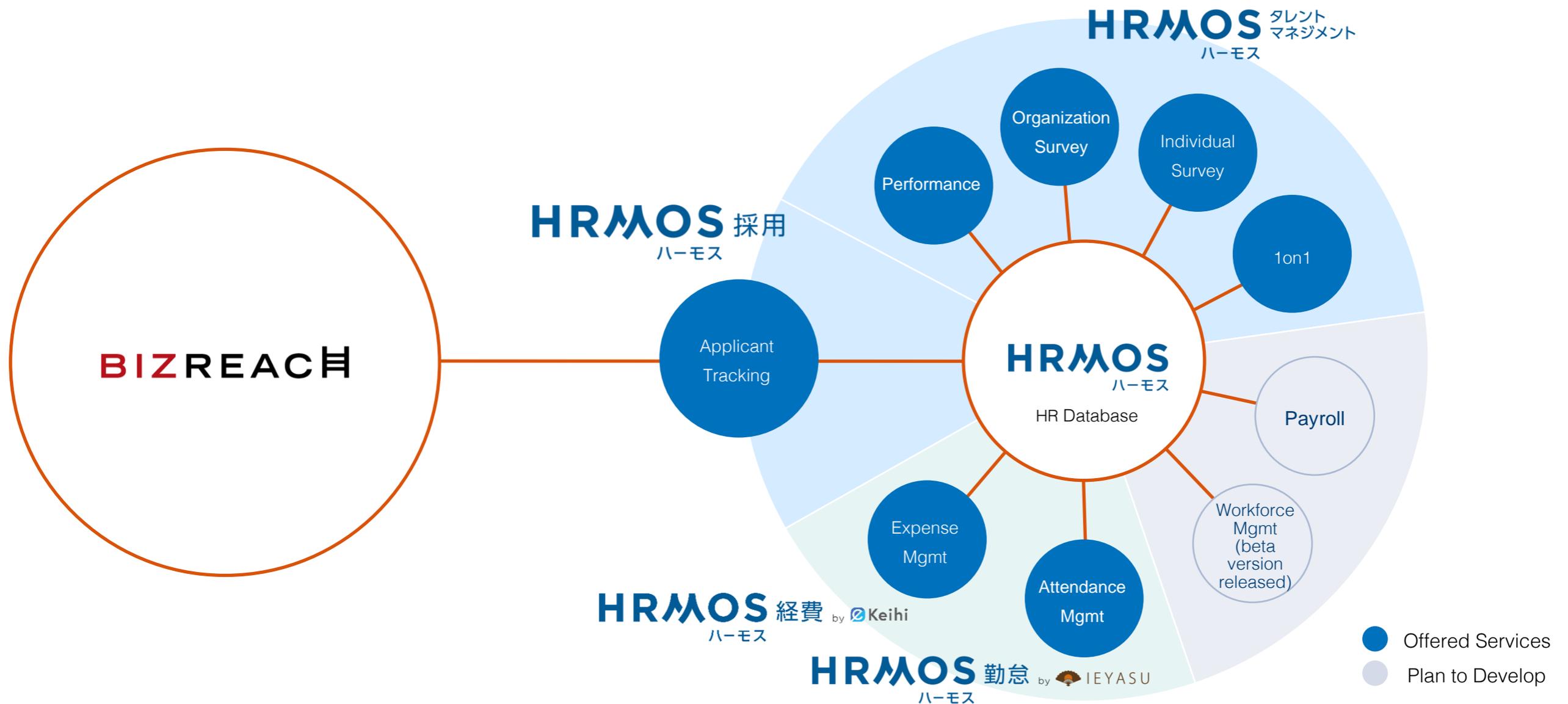
Year 2020, per employed worker, comparison among 38 countries
Unit: US dollar at purchasing power parity



Note: (1) From Japan Productivity Center “International Comparison of Labor Productivity 2021” (<https://www.jpc.net.jp/research/detail/005625.html>)

Seamless integration of BizReach and HRMOS to create a unified, data-driven HCM Ecosystem that enables investment and management of human capital to drive business competitiveness

Human Capital Management (HCM) Ecosystem



80.1% acquisition of IEYASU (attendance management cloud provider) completed on Nov. 1, 2021 (service rebranded in February 2022), and 100% acquisition of ezSoft (expense management cloud provider) completed on Mar. 1, 2022 (service rebranded in November 2022). Figures of these businesses are included in the consolidated financials and for FY22/7, they are not included in HRMOS. From FY23/7, net sales and adjusted operating profit before corporate expense allocation of HRMOS include those of HRMOS Attendance Management provided by IEYASU, Inc.

Building businesses in potential areas of growth emerging from seismic shifts and technological innovation. Driving mid to long term growth whilst contributing to improving Japan’s productivity

Issue 1	Issue 2	Issue 3
<p>Lack of capital liquidity including business succession</p> <p>“Japan’s Economy 2020-2021”⁽¹⁾ “...for companies with promising business and appropriate technological capabilities, retaining their know-how and employment in the form of M&A will help maintain the technological capabilities of Japan as a whole...”</p> <p>M&A matching platform</p> 	<p>Delay in security measures as cloud service utilization increases</p> <p>“Grand Design and Action Plan for a New Form of Capitalism”⁽²⁾ “To enhance cyber security throughout the supply chain, subsidies will also be provided for the introduction of security systems by SMEs...”</p> <p>Vulnerability management cloud</p>  <p>Risk evaluation cloud</p> 	<p>Delay in DX for SMEs</p> <p>“Grand Design and Action Plan for a New Form of Capitalism”⁽²⁾ “It is vital to strengthen competitiveness through productivity improvements and optimizing trade...”</p> <p>Logistics matching platform</p>  <p>B to B lead generation platform</p> 

Notes: (1) Extracts from Director for Economic and Fiscal Analysis, Cabinet Office, Government of Japan “Japan’s Economy 2020-2021: Rising from the Crisis of Infectious Disease” in March 2021(2) Extracts from the “Grand Design and Action Plan for a New Form of Capitalism” on June 7, 2022

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.**

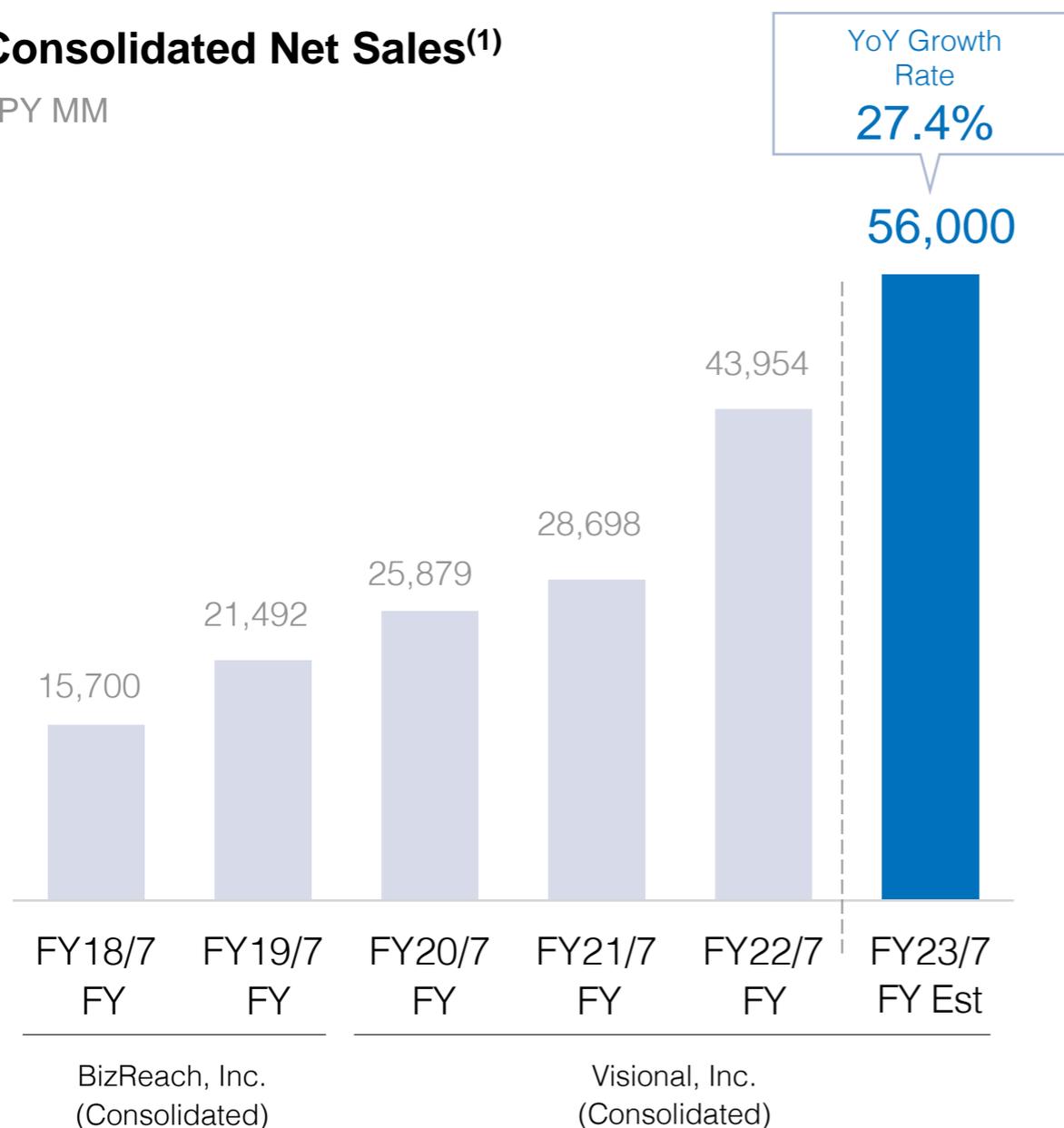
Commitment towards our group mission

- ✔ 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

Although economic conditions will remain uncertain, acceleration of structural liquidity in the labor market will continue. Consolidated net sales of Visional Group is forecasted to grow 27.4% YoY. Consolidated operating profit is forecasted to grow 50.9% YoY

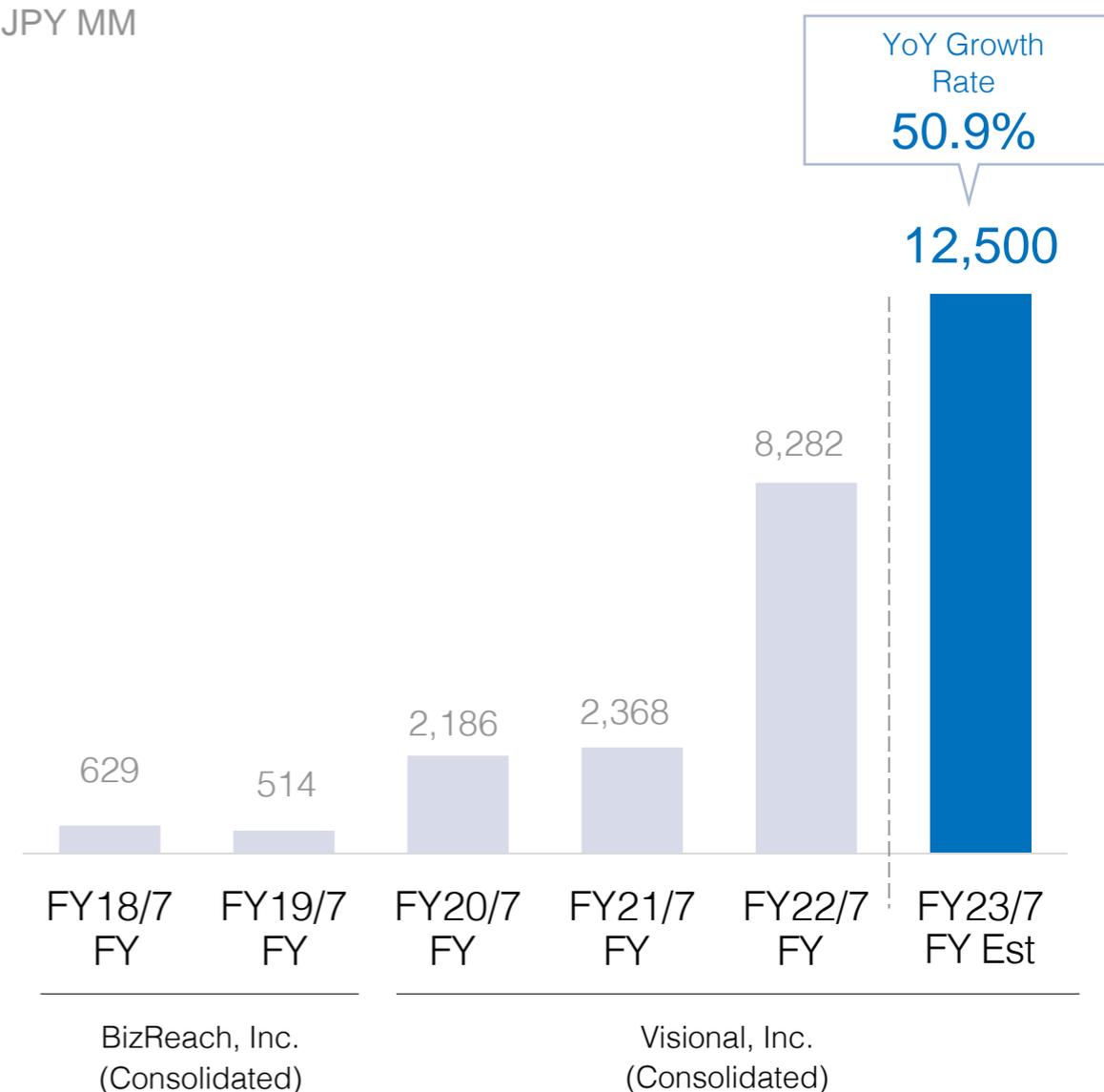
Consolidated Net Sales⁽¹⁾

JPY MM



Consolidated Operating Profit⁽¹⁾⁽²⁾

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. (All FYs end in July and prepared in accordance with J-GAAP) (2) As of 1Q of FY23/7, we have confirmed the provisional accounting treatment concerning business combinations. Accordingly, operating profit for FY22/7 is presented at the amounts after reflecting the contents of the confirmation of the provisional accounting treatment

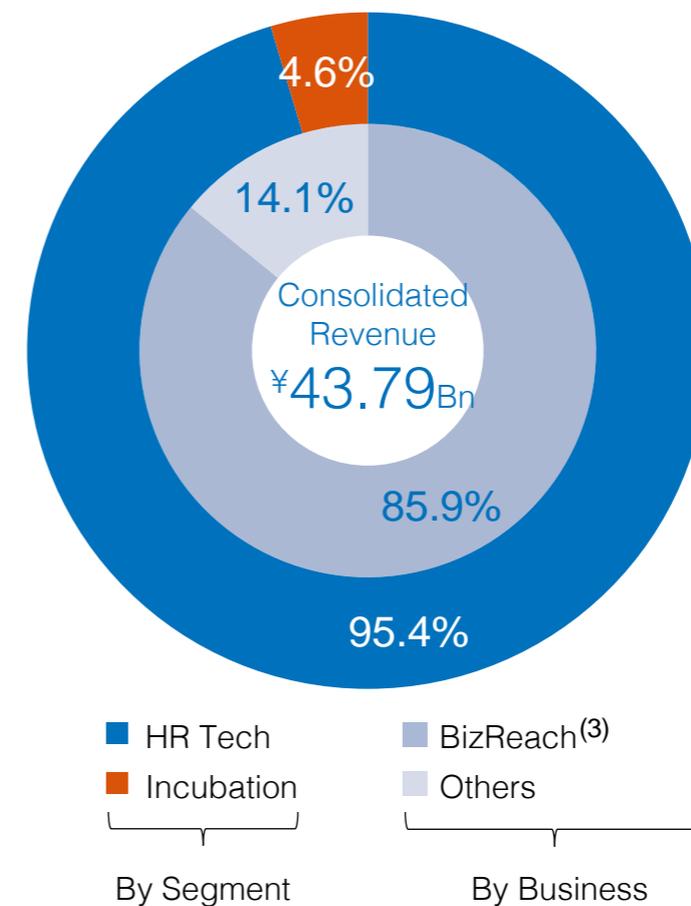
Appendix

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

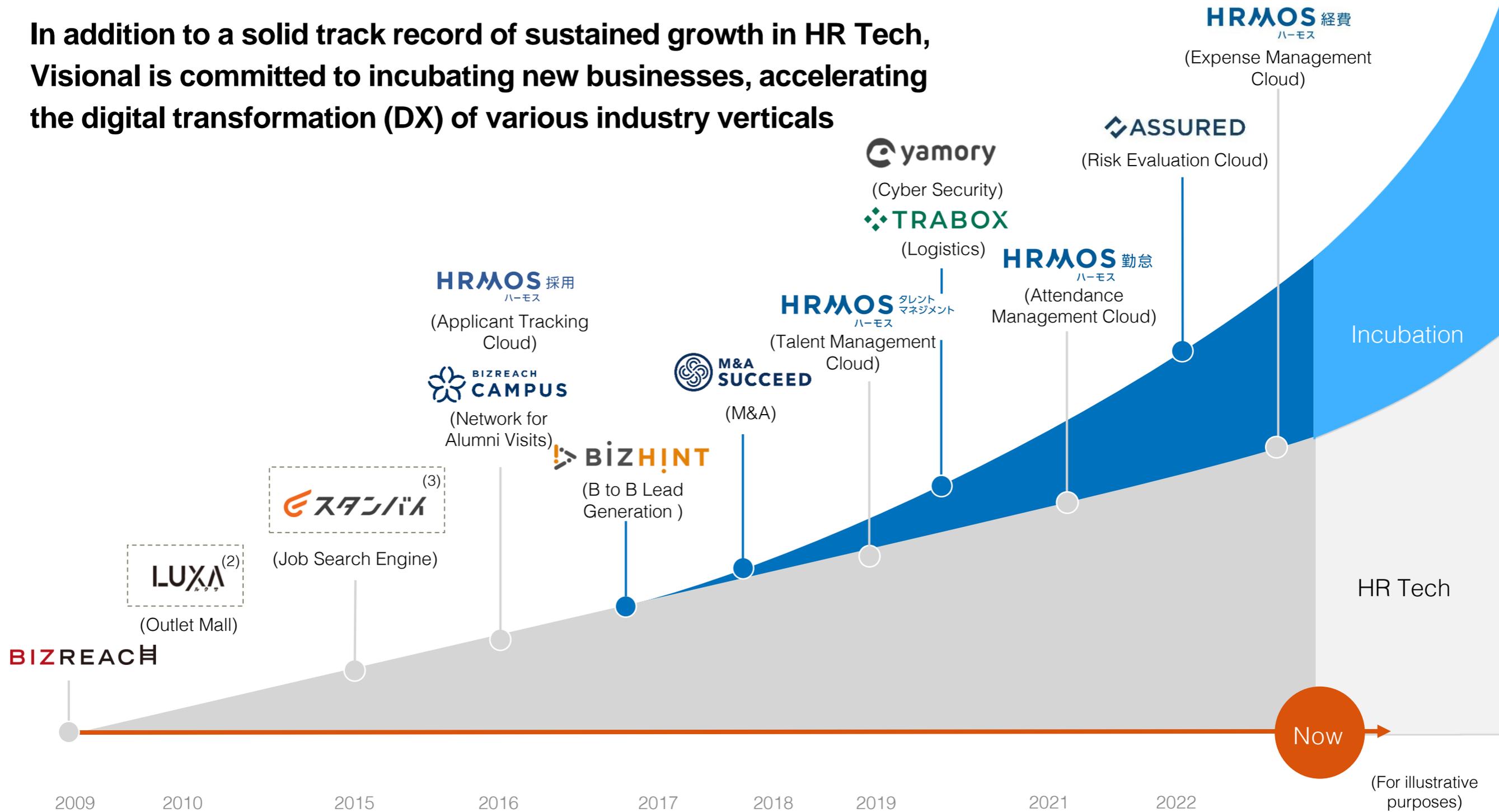
Service Overview (As of June 13, 2023)

HR Tech Segment	BIZREACH 目	HR matching platform for professionals
	HRMOS ハーモス	Human capital management platform
	HRMOS 採用 ハーモス	• Applicant tracking cloud
	HRMOS フレレント マネジメント ハーモス	• Talent management cloud
	HRMOS 勤怠 ハーモス	• Attendance management cloud
	HRMOS 経費 ハーモス	• Expense management cloud
	BIZREACH CAMPUS	Network for alumni visits
Incubation Segment	M&A SUCCEED	M&A matching platform
	TRABOX	Logistics matching platform
	BIZHINT	B to B lead generation platform
	yamory	Vulnerability management cloud
	ASSURED	Risk evaluation cloud
Affiliate	スタンバイ ⁽¹⁾	Job operating search engine

FY2022/7 Revenue Breakdown by Segment and Business⁽²⁾



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

Consolidated P&L⁽¹⁾

JPY MM

	9 months ended April 30, 2023	9 months ended April 30, 2022	FY22/7 FY	FY21/7 FY	FY20/7 FY	FY23/7 3Q	FY23/7 2Q	FY23/7 1Q
Net Sales	41,541	31,884	43,954	28,698	25,879	15,138	13,184	13,218
YoY Growth (%)	30.3%	54.8%	53.2%	10.9%	20.4%	23.9%	30.5%	38.1%
HR Tech Segment	39,686	30,320	41,791	27,052	24,914	14,442	12,556	12,686
YoY Growth (%)	30.9%	56.0%	54.5%	8.6%	17.7%	24.4%	30.9%	39.2%
Incubation Segment	1,758	1,442	2,002	1,485	892	665	597	495
YoY Growth (%)	21.9%	38.6%	34.8%	66.3%	182.1%	19.0%	27.2%	19.8%
Cost of Sales	4,491	4,224	5,802	3,999	4,104	1,241	1,629	1,621
Gross Profit	37,049	27,639	38,151	24,699	21,775	13,896	11,555	11,597
Margin (%)	89.2%	86.7%	86.8%	86.1%	84.1%	91.8%	87.6%	87.7%
Selling, General & Administrative Expenses⁽²⁾	27,084	20,441	29,869	22,331	19,588	9,758	9,432	7,894
Advertising	13,753	9,516	14,697	9,562	7,640	4,968	5,156	3,628
Payroll etc. ⁽³⁾	6,194	5,419	7,410	6,308	5,301	2,150	2,017	2,025
Rent	997	930	1,243	1,258	1,251	349	331	315
Others ⁽²⁾	6,140	4,573	6,516	5,202	5,394	2,289	1,926	1,924
Operating Profit⁽²⁾	9,964	7,198	8,282	2,368	2,186	4,138	2,122	3,703
Margin (%)	24.0%	22.6%	18.8%	8.3%	8.4%	27.3%	16.1%	28.0%
HR Tech Segment⁽²⁾	11,830	8,909	10,631	4,000	3,343	4,660	2,743	4,426
Incubation Segment	(1,085)	(1,206)	(1,649)	(863)	(868)	(288)	(340)	(456)
Pre-tax Profit⁽²⁾	10,479	7,495	8,717	2,290	7,023	4,308	2,384	3,786
Income Tax Expense⁽²⁾	3,440	2,617	2,864	869	2,364	1,414	770	1,255
Profit attributable to owners of parent⁽²⁾	7,038	4,878	5,852	1,420	4,658	2,893	1,613	2,531
Margin (%)	16.9%	15.3%	13.3%	5.0%	18.0%	19.1%	12.2%	19.2%

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 (2) As of 1Q of FY23/7, we have confirmed the provisional accounting treatment concerning business combinations. Accordingly, operating profit for FY22/7 is presented at the amounts after reflecting the contents of the confirmation of the provisional accounting treatment (3) Payroll includes bonuses and allowance for bonuses

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

JPY MM

	FY23/7 3Q	FY22/7 3Q	FY22/7 FY	FY21/7 FY	FY20/7 FY
Total Adjusted Operating Profit before corporate expense allocation	13,186	10,282	12,622	6,170	7,531
BizReach Business ⁽²⁾⁽³⁾	15,241	14,006	17,609	9,637	9,232
HRMOS Business ⁽³⁾	(1,410)	(2,047)	(2,954)	(2,102)	(1,159)
Other Businesses ⁽³⁾	(644)	(1,675)	(2,032)	(1,364)	(541)
Adjustment item					
-) Corporate and general administrative expenses (such as accounting, HR, legal, general affairs, etc.) ⁽⁴⁾⁽⁵⁾	3,222	3,084	4,340	3,802	5,345
-) HR Tech Segment ⁽⁵⁾	2,852	2,666	3,769	3,263	4,647
-) Incubation Segment	369	417	570	538	697
Operating Profit (J-GAAP)⁽⁵⁾	9,964	7,198	8,282	2,368	2,186

Adjusted Headcount by Function and Business (FY23/7 2Q)⁽⁶⁾

Reference: Group total HC as of April 30, 2023 is 1,572

	Adjusted headcount	% of subtotal for HR Tech businesses
HR Tech businesses		
BizReach Business	758	67.4%
HRMOS Business	220	19.6%
Other HR Tech businesses	146	13.0%
Subtotal for HR Tech businesses	1,124	100.0%
General functions of HR Tech businesses	163	n/a
Total for HR Tech businesses	1,287	n/a
Incubation businesses	129	n/a
Corporate	108	n/a
Total	1,524	n/a

Notes: (1) Based on FY20/7 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 (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) As of 1Q of FY23/7, we have confirmed the provisional accounting treatment concerning business combinations. Accordingly, operating profit for FY22/7 is presented at the amounts after reflecting the contents of the confirmation of the provisional accounting treatment (6) 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

Balance Sheet Highlights⁽¹⁾

JPY MM					JPY MM				
	FY23/7 3Q	FY22/7	FY21/7	FY20/7		FY23/7 3Q	FY22/7	FY21/7	FY20/7
Current Assets	43,726	36,743	29,532	12,137	Current Liabilities	13,937	13,988	9,046	5,290
Cash and Cash Equivalents	35,084	31,362	25,630	9,114	Accounts Payable	3,645	4,054	3,341	1,486
Notes and Accounts Receivable	6,014	4,356	3,258	2,012	Deferred Revenue	—	—	3,042	1,917
Other Current Assets	2,628	1,025	643	1,011	Contract Liabilities	6,552	4,941	—	—
Fixed Assets⁽²⁾	8,821	9,210	5,544	5,584	Other Current Liabilities	3,739	4,993	2,662	1,886
Tangible Assets	865	735	700	899	Fixed Liabilities⁽²⁾	2,509	3,192	3,494	3,225
Intangible Assets ⁽²⁾	4,663	5,287	2,457	2,488	Liabilities from application of Equity Method	2,213	2,453	2,773	3,070
Goodwill ⁽²⁾	2,924	3,300	1,296	1,186	Other Fixed Liabilities ⁽²⁾	296	737	720	155
Other Intangible Assets ⁽²⁾	1,738	1,986	1,160	1,301	Total Net Assets⁽²⁾	36,100	28,772	22,536	9,205
Total Investments and Other Assets ⁽²⁾	3,291	3,185	2,385	2,196	Share Capital	6,254	6,226	6,063	100
Total Assets⁽²⁾	52,547	45,952	35,076	17,722	Capital Surplus	10,218	10,190	10,027	4,064
					Retained Earnings ⁽²⁾	19,333	12,294	6,442	5,021
					Others	293	61	3	20
					Total Liabilities and Net Assets⁽²⁾	52,547	45,952	35,076	17,722

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 (2) As of 1Q of FY23/7, we have confirmed the provisional accounting treatment concerning business combinations. Accordingly, operating profit for FY22/7 is presented at the amounts after reflecting the contents of the confirmation of the provisional accounting treatment

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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