

**FY2023/7 FY
Financial Results**

September 2023



Visional, Inc.

Consolidated Financials

- Net sales for 4Q recorded JPY 14.73Bn (22.1% YoY growth) and for 12 months ended July, JPY 56.27Bn (28.0% YoY growth)
- Disciplined execution balancing investments for future growth and cost control. 4Q operating profit was JPY 3.26Bn (200.8% YoY growth) and for 12 months ended July, JPY 13.22Bn (59.7% YoY growth, 23.5% margin)

BizReach

- Although hiring activities have slowed down in some companies, solid demand for hiring professionals continues. Net sales for 4Q recorded JPY 12.72Bn (24.5% YoY growth) and for 12 months ended July, JPY 49.16Bn (30.7% YoY growth)
- After executing growth investments, 4Q adjusted operating profit before corporate expense allocation was JPY 4.88Bn (38.4% margin) and for 12 months ended July, JPY 20.12Bn (14.3% YoY growth, 40.9% margin)

HRMOS

- Net sales for 4Q recorded JPY 0.60Bn (52.0% YoY growth) and for 12 months ended July, JPY 2.18Bn (49.8% YoY growth) as number of customers of HRMOS ATS and HRMOS Talent Management total increased
- FY2023/7 HRMOS adjusted operating losses before corporate expense allocation was JPY 1.74Bn. Significant improvement in losses compared to FY2022/7

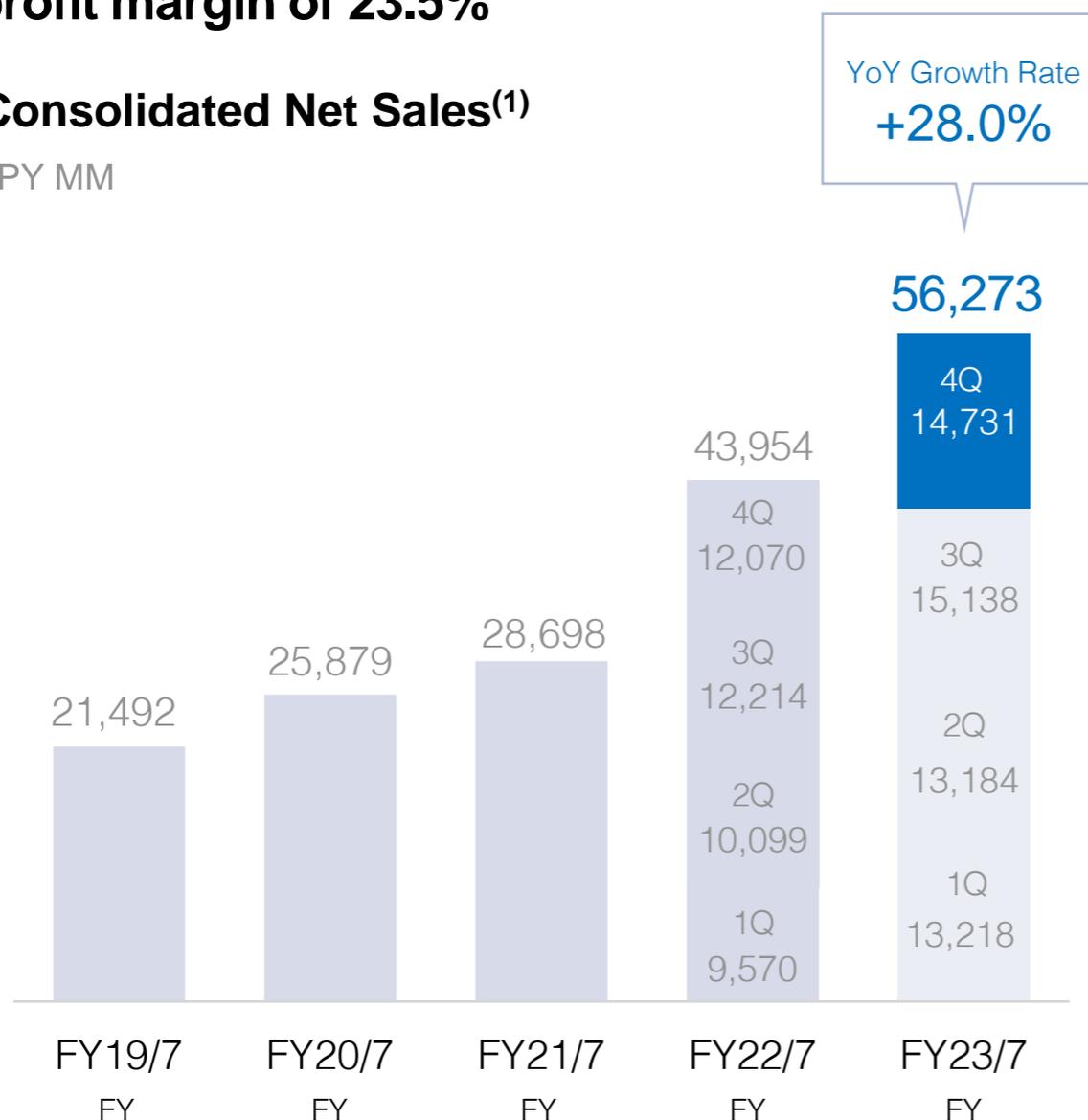
Consolidated Financial Forecast

- Full year FY2024/7 financial forecast for net sales is JPY 66.40Bn (18.0% YoY growth) based on the assumption that demand for hiring professionals will continue to be solid, despite continued slowdown in hiring activities by some companies
- As our business is in growth phase, active investments will continue to be made whilst return is measured. Investment in BizReach remains our priority as we aim to increase consolidated profit amount, and further increase our profit margin. Full year FY2024/7 financial forecast for operating profit is JPY 16.00Bn (21.0% YoY growth, 24.1% margin)

Visional Group's consolidated net sales for 12 months ended July grew 28.0% YoY. As a result of making selective investments based on priorities, operating profit grew 59.7% YoY, with operating profit margin of 23.5%

Consolidated Net Sales⁽¹⁾

JPY MM

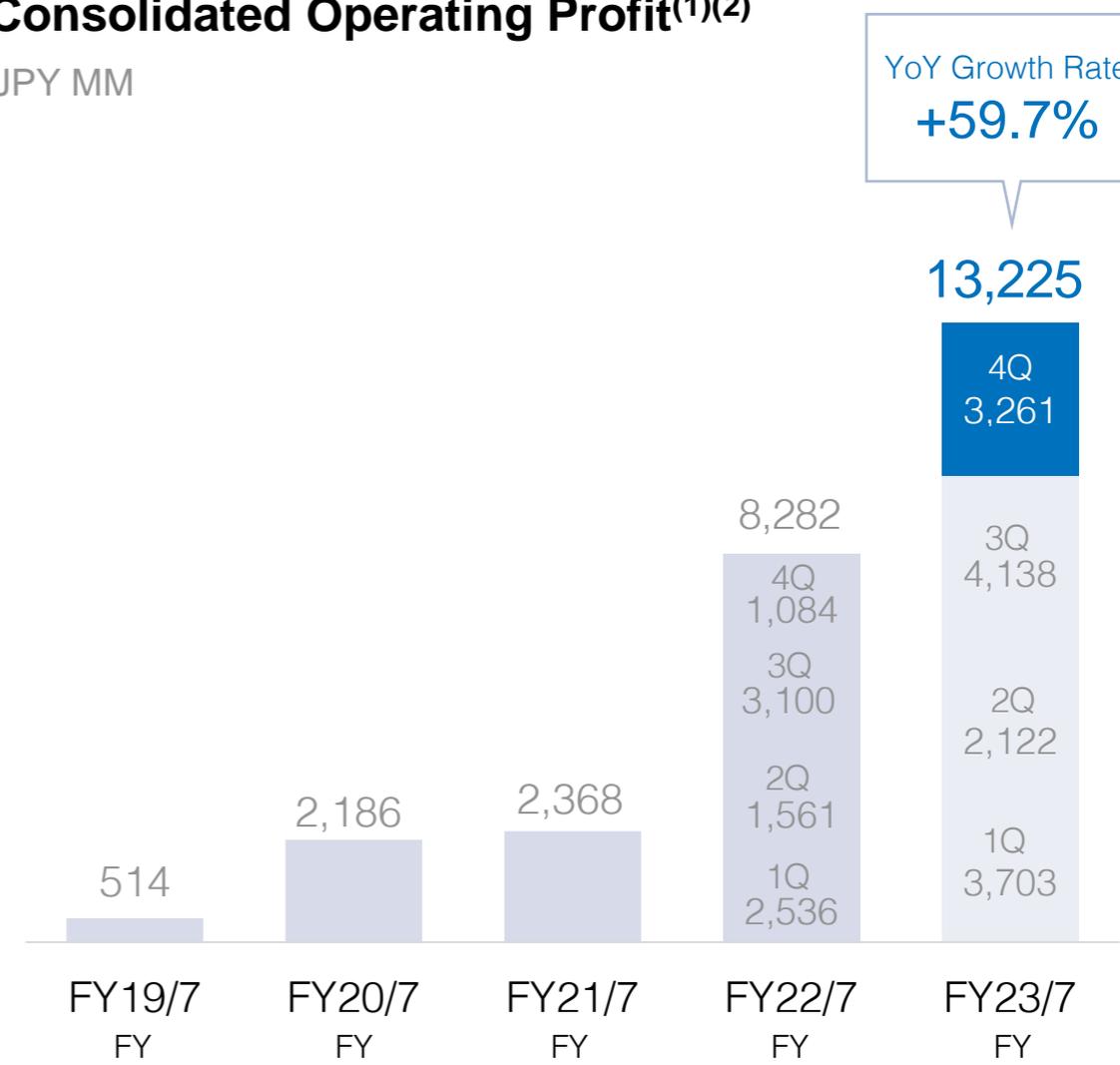


BizReach, Inc.
(Consolidated)

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 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, 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

As a result of balancing growth investments and cost control, solid business growth, profit expansion (or loss reduction) and margin expansion delivered. Operating profit for 12 months ended July landed at JPY 13.22Bn, 59.7% YoY growth, with operating profit margin of 23.5%

JPY MM

	12 months ended July 31, 2023	12 months ended July 31, 2022	3 months ended July 31, 2023	3 months ended April 30, 2023	3 months ended January 31, 2023	3 months ended October 31, 2022
Net Sales	56,273	43,954	14,731	15,138	13,184	13,218
YoY Growth (%)	28.0%	53.2%	22.1%	23.9%	30.5%	38.1%
HR Tech Segment ⁽¹⁾	53,685	41,791	13,999	14,442	12,556	12,686
YoY Growth (%)	28.5%	54.5%	22.0%	24.4%	30.9%	39.2%
Incubation Segment ⁽¹⁾	2,460	2,002	702	665	597	495
YoY Growth (%)	22.9%	34.8%	25.7%	19.0%	27.2%	19.8%
Cost of Sales	5,815	5,802	1,324	1,241	1,629	1,621
Gross Profit	50,457	38,151	13,407	13,896	11,555	11,597
Margin (%)	89.7%	86.8%	91.0%	91.8%	87.6%	87.7%
Selling, General & Administrative Expenses ⁽²⁾	37,231	29,869	10,146	9,758	9,432	7,894
Operating Profit ⁽²⁾	13,225	8,282	3,261	4,138	2,122	3,703
Margin (%)	23.5%	18.8%	22.1%	27.3%	16.1%	28.0%
YoY Growth (%)	59.7%	249.7%	200.8%	33.5%	36.0%	46.0%
HR Tech Segment ⁽²⁾⁽³⁾	15,701	10,631	3,871	4,660	2,743	4,426
Incubation Segment ⁽³⁾	(1,401)	(1,649)	(315)	(288)	(340)	(456)
Pre-tax Profit ⁽²⁾	14,377	8,717	3,897	4,308	2,384	3,786
Profit attributable to owners of parent ⁽²⁾	9,928	5,852	2,890	2,893	1,613	2,531
Margin (%)	17.6%	13.3%	19.6%	19.1%	12.2%	19.2%
YoY Growth (%)	69.6%	311.9%	196.7%	42.1%	52.0%	42.2%

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

Results landed strongly aligned to our full year financial forecast disclosed in September 2022. Corporate culture committed to executing stretched targets. Disciplined balance between investments for future growth and cost control

JPY MM

	Sept. '23 disclosed FY23/7 Actuals	Sept. '22 disclosed FY23/7 Forecast	Difference	Reasons for difference
Net Sales	56,273	56,000	+273	• Actuals aligned to forecast (<u>0.5% difference from forecast</u>)
Growth (%)	28.0%	27.4%		
HR Tech Segment	53,685	53,275	+410	
BizReach	49,161	49,000	+161	• Proceeded on plan
HRMOS	2,184	1,980	+204	• Customer acquisition grew stronger than plan
Incubation Segment	2,460	2,600	-139	• Variations due to incubation of several businesses
Others	126	125	+1	
Operating Profit	13,225	12,500	+725	• Actuals aligned to forecast (<u>5.8% difference from forecast</u>)
Margin (%)	23.5%	22.3%		
HR Tech Segment	15,701	--	--	• BizReach operating profit margin of 40.9% aligned to guidance • HRMOS operating losses smaller than plan
Incubation Segment	(1,401)	--	--	• Losses reduced than plan as a result of cost control

FY2024/7 consolidated net sales forecast is JPY 66.40Bn based on the assumption that demand for professionals will continue despite continued slowdown in hiring activities by some companies. Consolidated operating profit forecast is JPY 16.00Bn, 24.1% margin, as we continue to balance growth investments and cost control

JPY MM

	FY24/7 Forecast	FY23/7 Actuals	Difference
Net Sales	66,400	56,273	+10,126
Growth (%)	18.0%	28.0%	--
HR Tech Segment	63,340	53,685	+9,654
BizReach	59,000	49,161	+9,838
Growth (%)	20.0%	30.7%	--
HRMOS	3,300	2,184	+1,115
Growth (%)	51.0%	49.8%	--
Incubation Segment	2,940	2,460	+479
Others	120	126	-6
Operating Profit	16,000	13,225	+2,774
Growth (%)	21.0%	59.7%	--
Margin (%)	24.1%	23.5%	--
Ordinary Profit	16,320	14,373	+1,946
Growth (%)	13.5%	65.0%	--
Margin (%)	24.6%	25.5%	--
Profit attributable to owners of parent	10,930	9,928	+1,001
Growth (%)	10.1%	69.6%	--
Margin (%)	16.5%	17.6%	--

- Forecast for BizReach is based on the assumption that slowdown in hiring activities by some companies will continue
 - BizReach forecast for net sales is JPY 59.00Bn
 - BizReach adjusted operating profit margin before corporate expense allocation is expected to be approx. 40%
- HRMOS forecast for net sales is JPY 3.30Bn, 51.0% YoY growth. HRMOS full year adjusted operating losses before corporate expense allocation is expected to be similar levels to FY2023/7
- Business development continues in the Incubation segment whilst controlling losses. Full year segment losses expected to be similar levels to FY2023/7
- We will prioritize growth investments for BizReach, whilst maintaining a disciplined balance between growth investments and cost control

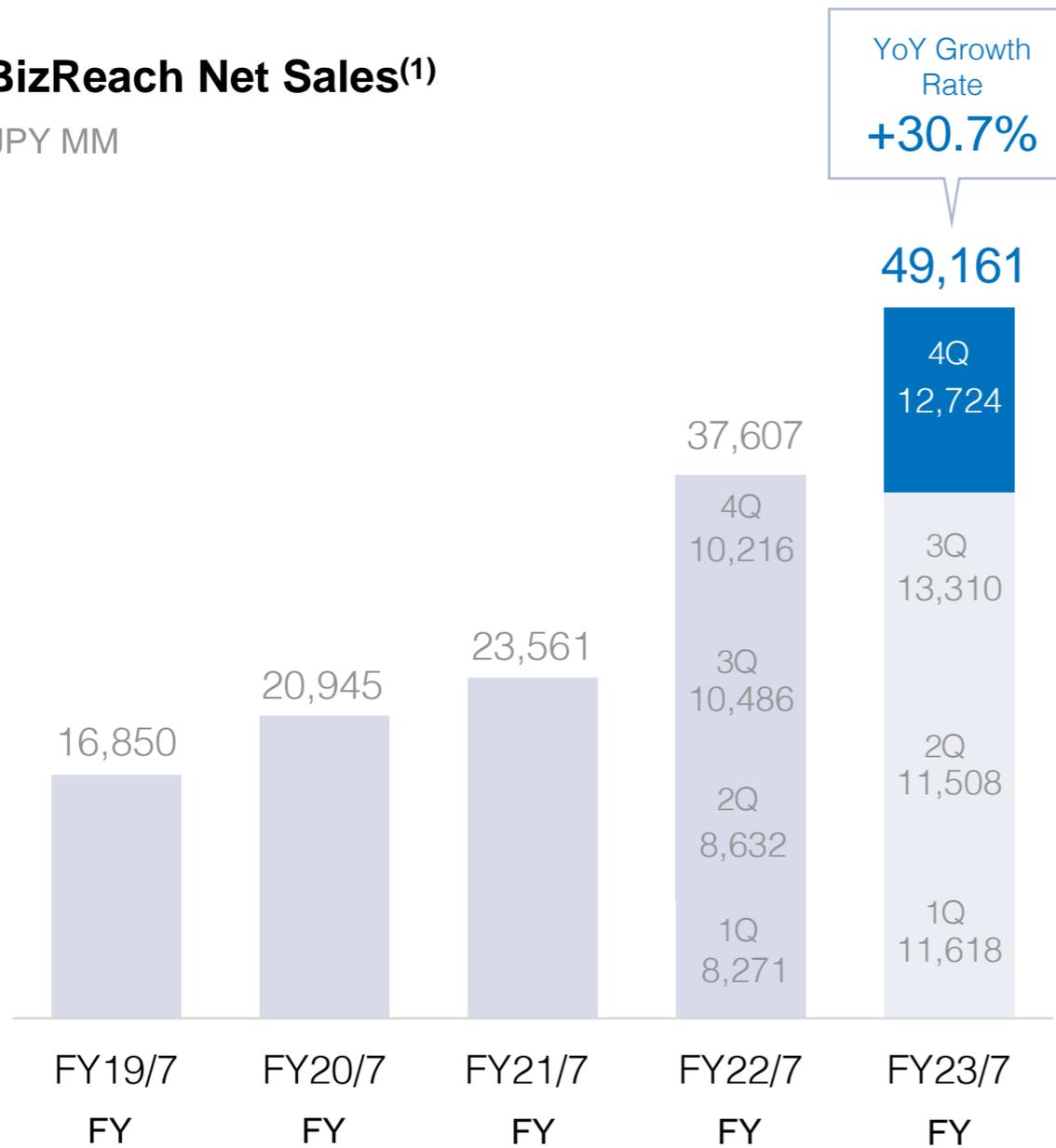
Full Year Financial Results by Business

BizReach Financial Results

Net sales in 4Q grew 24.5% YoY to JPY 12.72Bn, progressed as planned. Even after 2 consecutive years of significant growth, no change to our normalized net sales growth rate target of 15 - 20% over the next 3 years

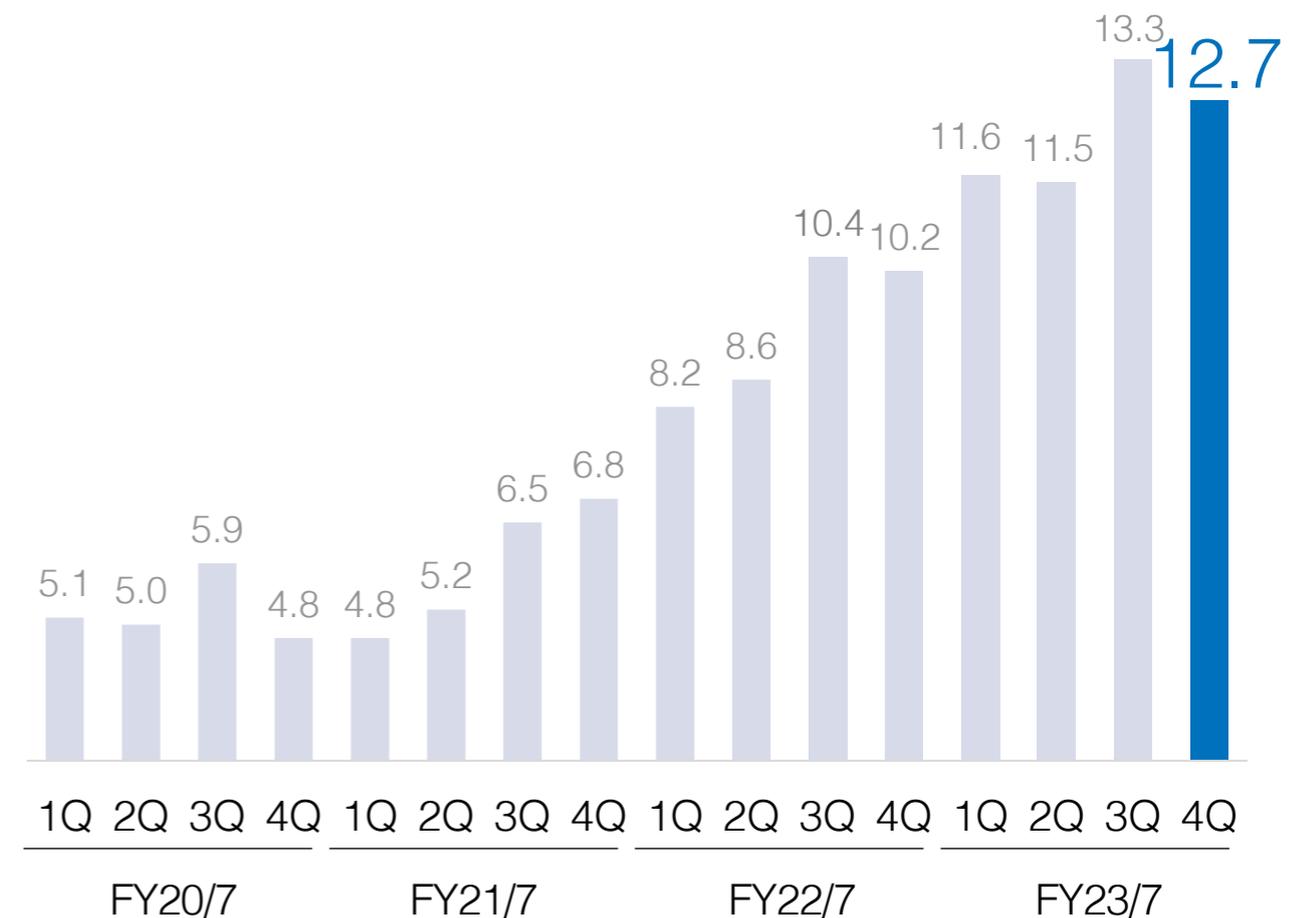
BizReach Net Sales⁽¹⁾

JPY MM



BizReach Quarterly Net Sales Trend⁽¹⁾

JPY Bn

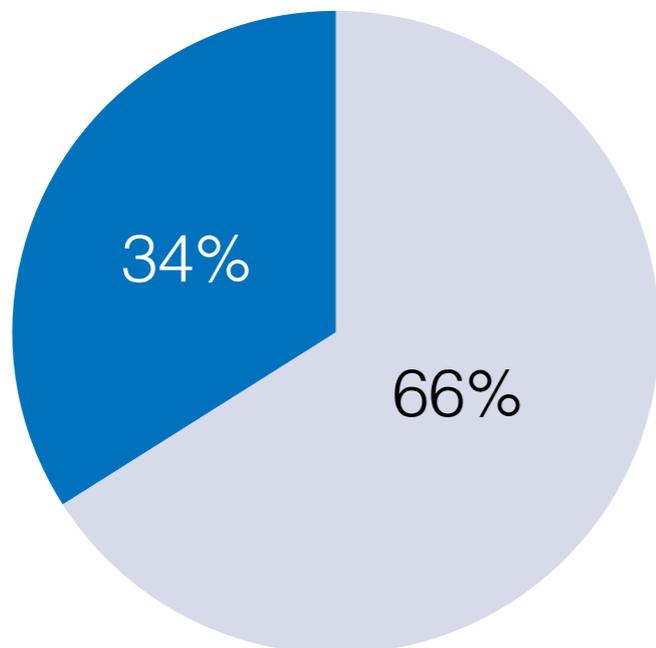


Note: (1) Financial data of the BizReach Business, the core service of our group (which differs from the financial data of our subsidiary BizReach, Inc.)

Unique mix of recurring revenue⁽¹⁾ and performance revenue⁽²⁾. Increase in the direct employer ratio from 66% in FY2022/7 to 69% in FY2023/7 indicates the expansion of direct recruiting in Japan

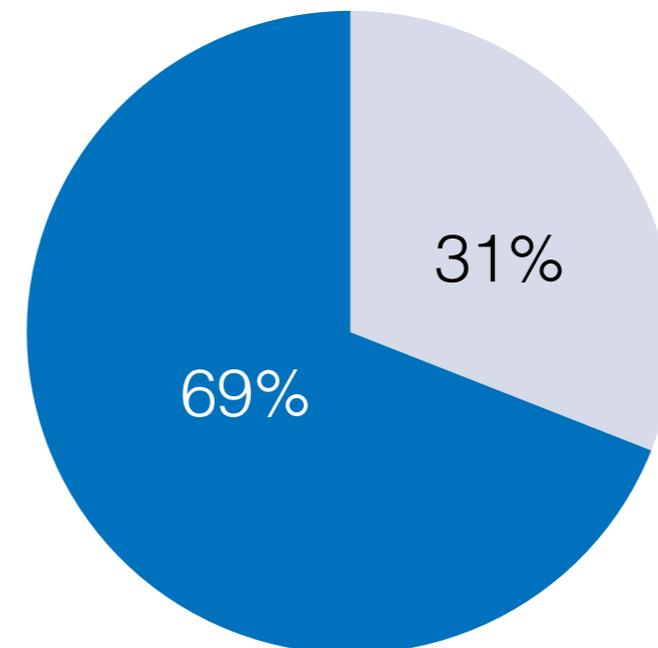
FY23/7 BizReach Business Revenue Breakdown by Fee Type⁽³⁾

- Performance Revenue
- Recurring Revenue



FY23/7 BizReach Business Revenue Breakdown by Direct Employers / Headhunters⁽³⁾⁽⁴⁾

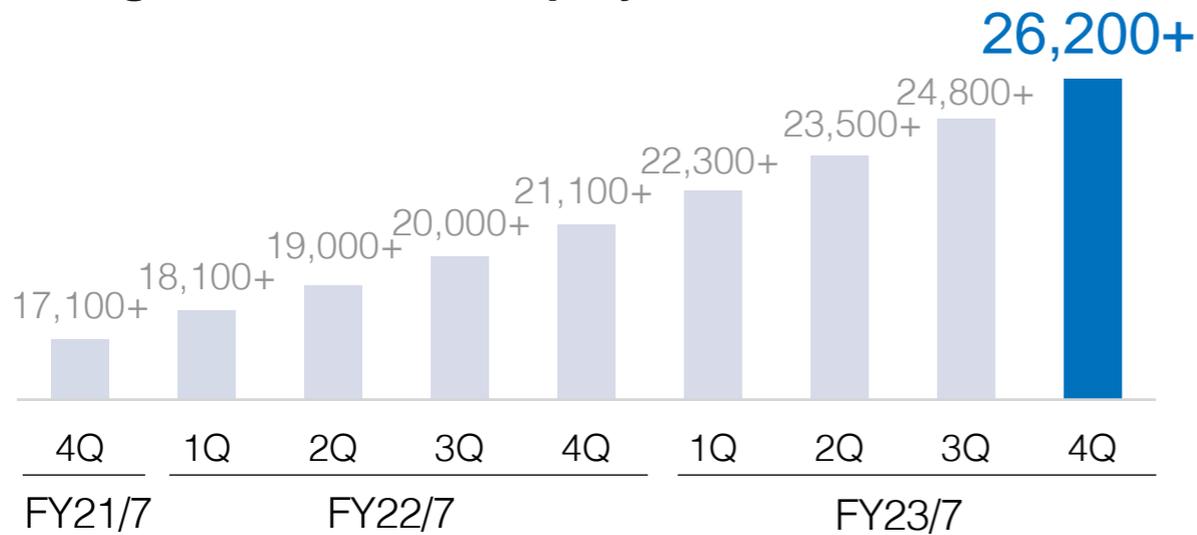
- Headhunters
- Direct Employers



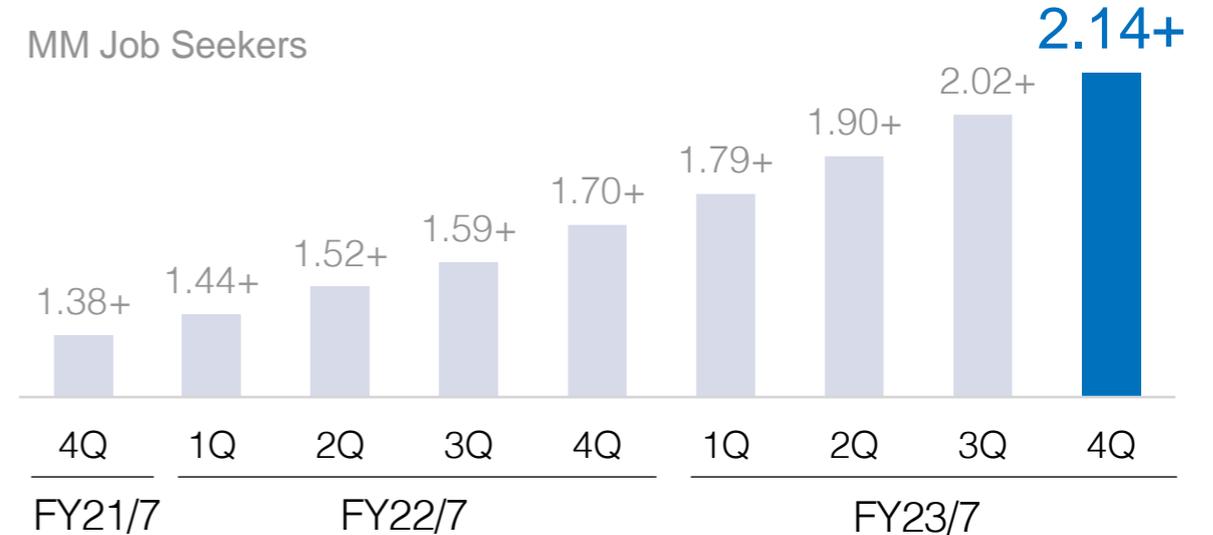
Notes: (1) "Recurring Revenue" consists of subscription fees from direct employers, headhunters accessing our platform and purchasing additional "platinum scout", and job seekers accessing our platform (2) "Performance Revenue" consists of success fees from direct employers and headhunters, which is 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) Total of recurring revenue and performance revenue

KPIs are growing steadily, building a strong customer base driven by penetration of direct recruiting and increasing job seekers

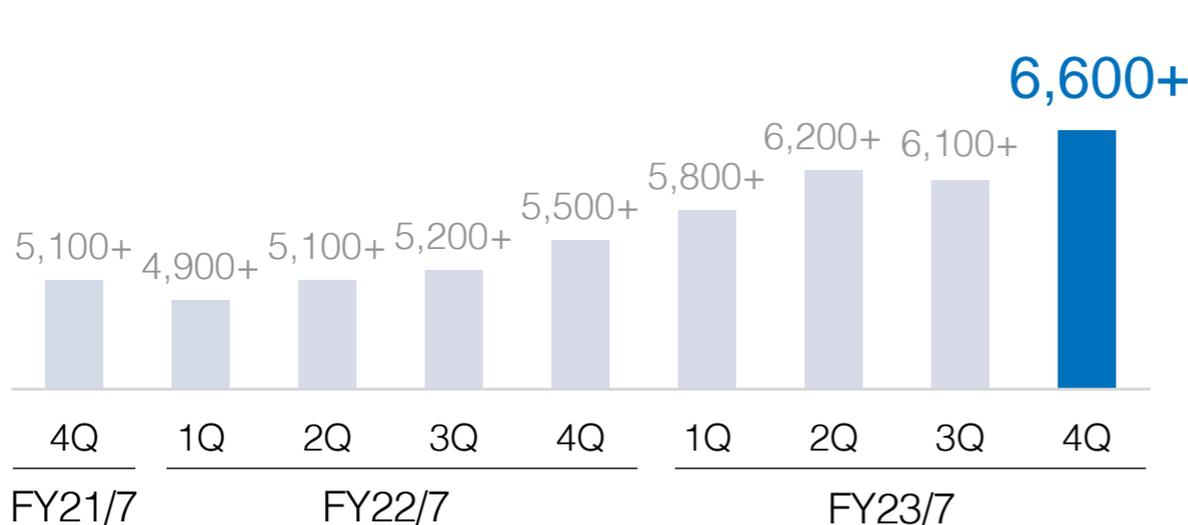
of Registered Direct Employers⁽¹⁾



of Scoutable Job Seekers⁽³⁾



of Active Headhunters⁽²⁾



of Active Direct Employers⁽⁴⁾

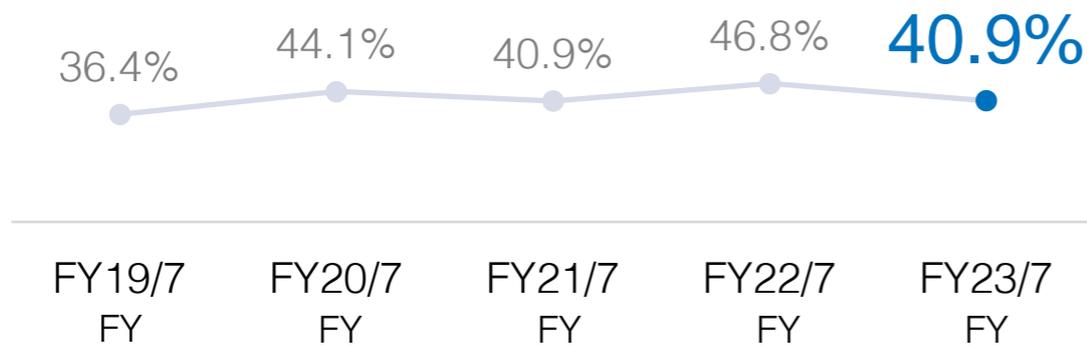


Notes: (1) Direct employers who have subscribed to our BizReach platform (excluding headhunters) (2) All passed screening by BizReach (3) # of users who registered on BizReach platform with resume / CV that have passed a general screening process and whose profile is set to be viewable by direct employers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

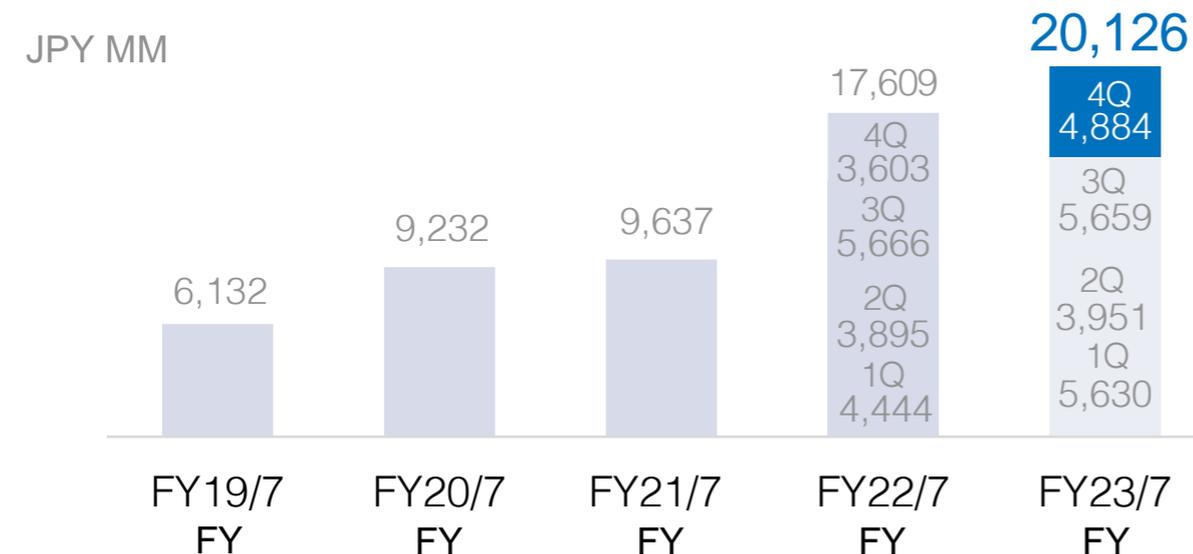
Delivering sustainable business growth by balancing normalized net sales growth rate target of 15 – 20% and profit margin of around 40%

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 per previous years, 4Q was the largest quarter for growth investments, although quarterly allocation more balanced compared to FY2022/7
 - Profitability continues to be controlled by managing returns based on job seeker profiles
- Adjusted operating profit margin landed at 40.9% post active investments. Investments made in marketing and expansion of sales organization
- Despite continued slowdown in hiring activities by some companies, direct recruiting has expanded amongst many Japanese companies. In 4Q, cumulative number of registered direct employers increased by approx. 1,400 companies. FY2023/7 active direct employers were over 13,400 companies

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

40% increase in the number of scout messages received. Our proprietary logic using our accumulated know-how and data enables high quality resume / CV creation



Automatic Resume / CV Creation⁽¹⁾

- Although changing jobs has become more common than before, the “first hurdle” in changing jobs is preparing a resume / CV. Content of the resume / CV is important for high-quality matching between job seekers and direct employers
- Developed a GPT tool to enable professionals to complete a resume / CV easier, with limited workload
- GPT tool, a GPT model provided by OpenAI, gives instructions composed of proprietary logic based on the know-how and data accumulated by BizReach over the years
- Quality of the GPT tool has been verified through a joint research with Professor Fuhito Kojima, Graduate School of Economics, University of Tokyo, and Director of UTMD (The University of Tokyo Market Design Center), a pioneer of Matching Theory, that GPT tool enables creation of quality resumes / CVs, and the number of scout messages received increases

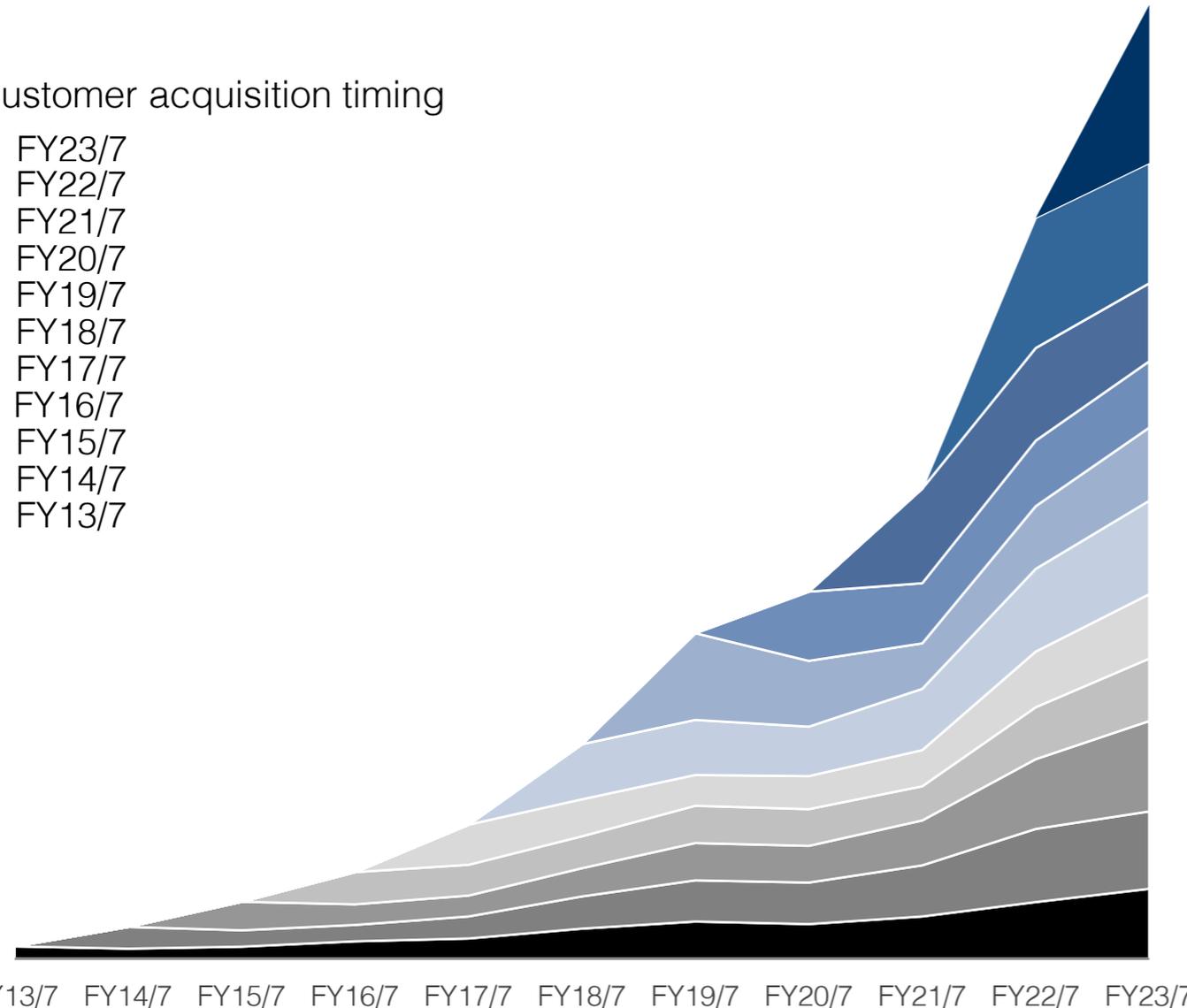
For customers with continued hiring needs, average sales amount per customer has increased over the years

By customer acquisition timing (sales amount)⁽¹⁾

Total sales amount from direct employers and headhunters

Customer acquisition timing

- FY23/7
- FY22/7
- FY21/7
- FY20/7
- FY19/7
- FY18/7
- FY17/7
- FY16/7
- FY15/7
- FY14/7
- FY13/7

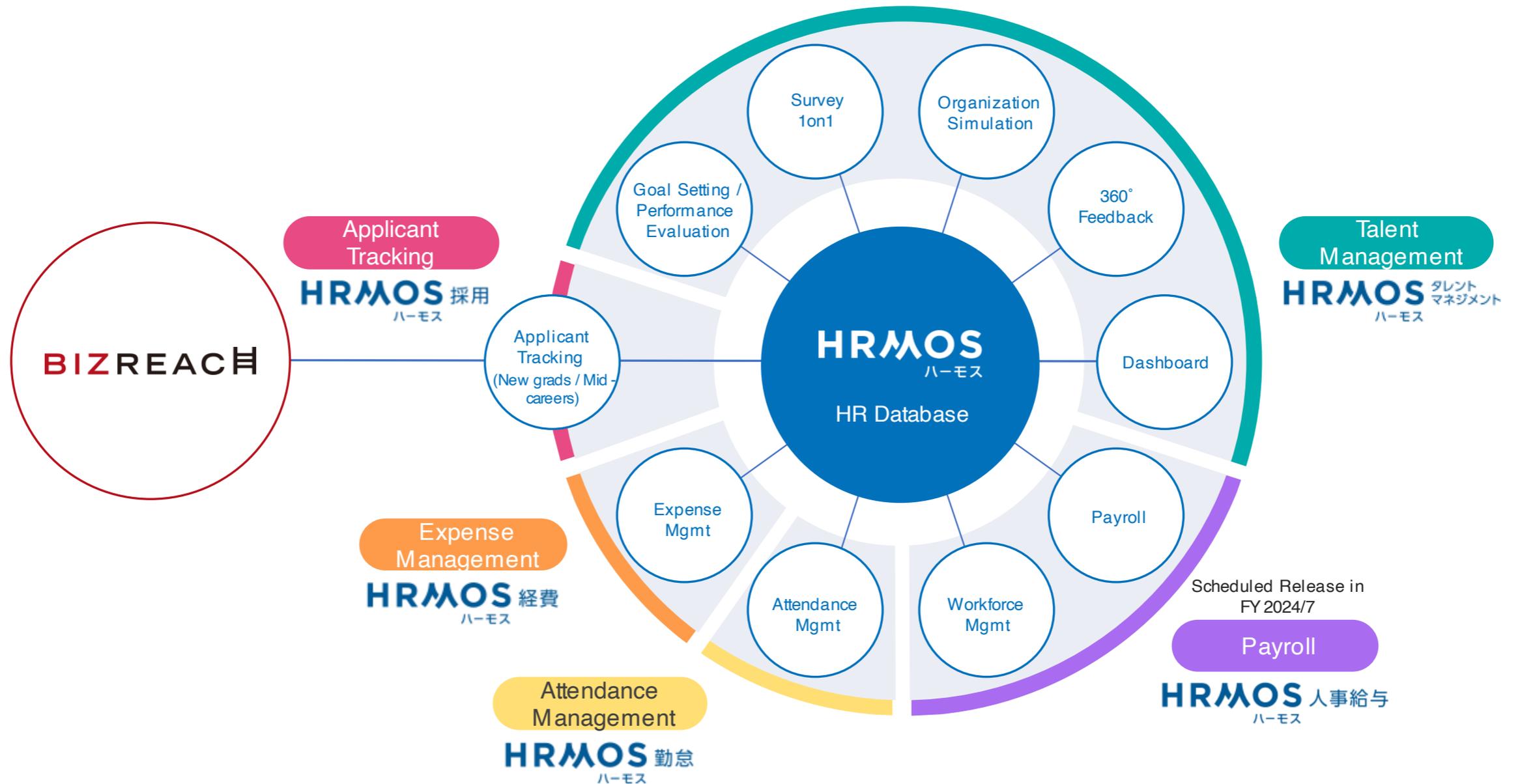


- The left chart indicates sales amount of each fiscal year from direct employers and headhunters counted from the time they were first acquired since FY2013/7
- Number of BizReach customers tends to decrease over the years after being acquired as they may leave the platform depending on hiring needs. 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 FY23/7. As figures in the above chart is recorded at timing of order, accordingly, they are different from accounting figures

HRMOS

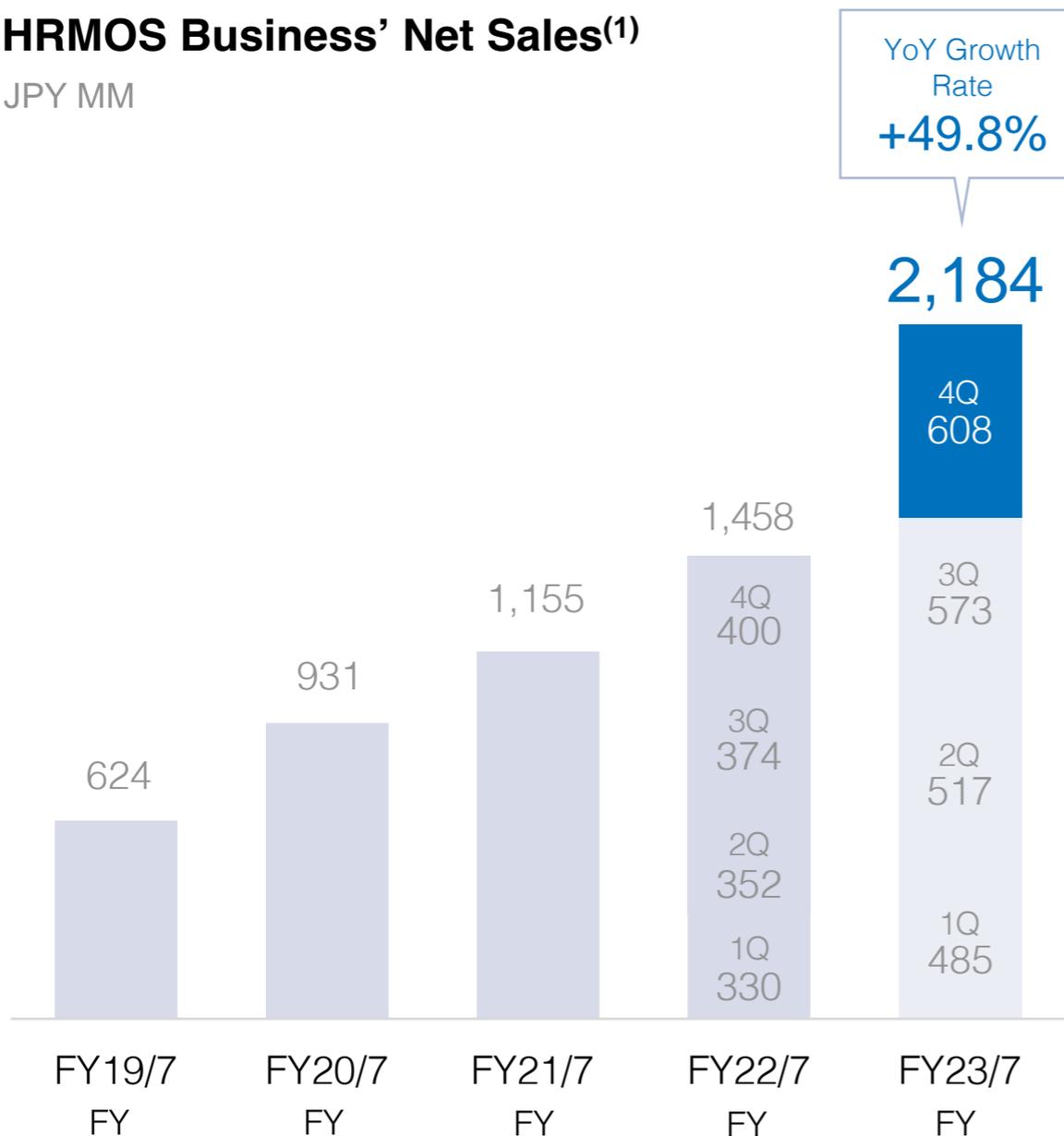
Seamless integration of BizReach and HRMOS to create a unified, data-driven HCM Ecosystem that enables investment and management of human capital to drive business competitiveness



Number of HRMOS customers grew whilst we continue with product development. Net sales for 12 months ended July grew 49.8% YoY

HRMOS Business' Net Sales⁽¹⁾

JPY MM

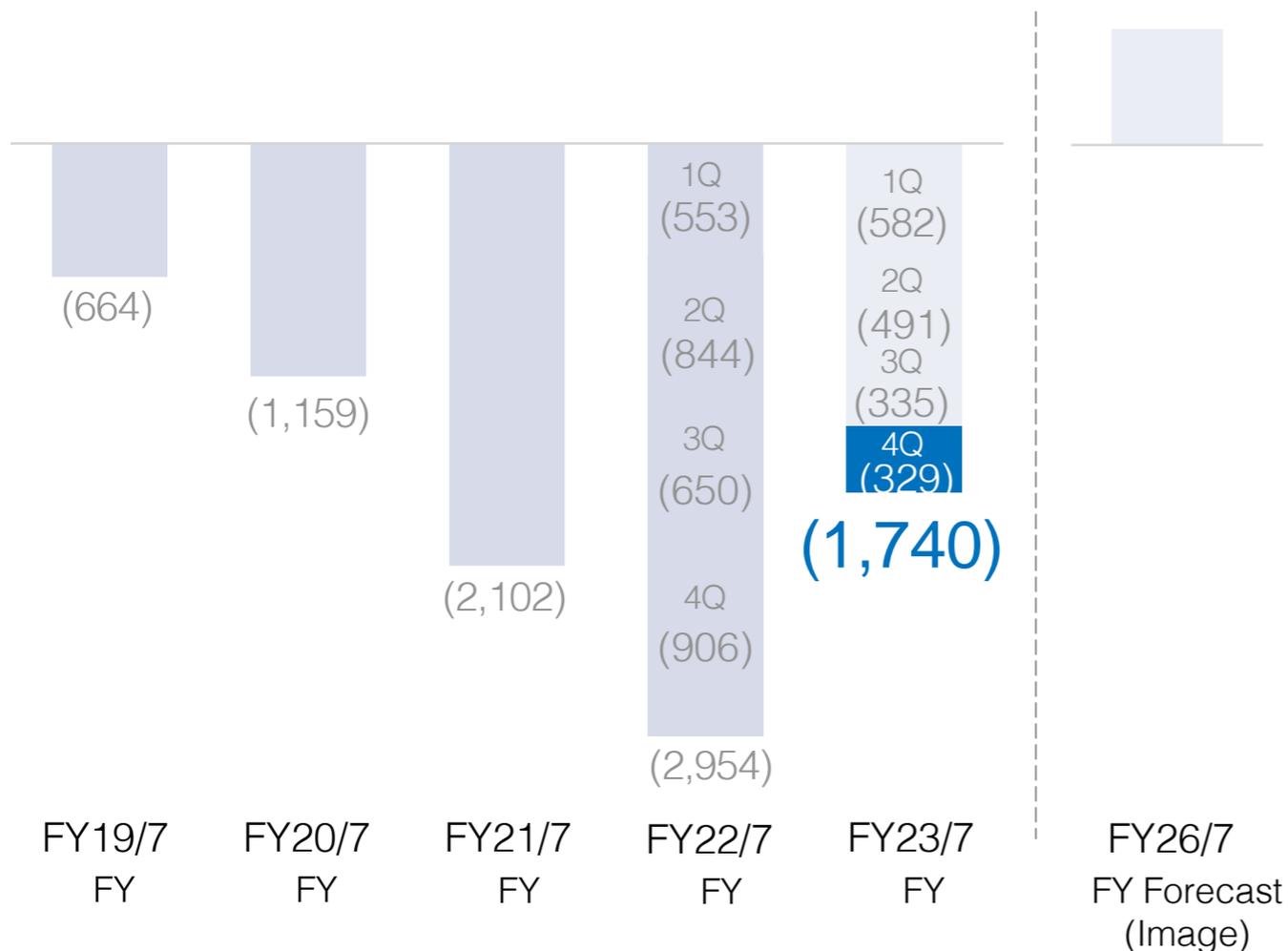


- The graph represents total net sales figure of HRMOS ATS, HRMOS Talent Management, and HRMOS Attendance Management
- Net sales for 4Q grew 52.0% YoY
 - Number of companies using HRMOS ATS and HRMOS Talent Management drove growth
 - Although it is yet early to summarize the impact of HRMOS Attendance Management price revision, as of now, we do not see a major churn of customers nor slowdown in growth
- Launch of HRMOS Payroll scheduled in FY2024/7. Contribution to net sales in 2024/7 will be very limited
- Net sales in FY2024/7 will include all HRMOS modules (HRMOS ATS, HRMOS Talent Mgmt, HRMOS Attendance Mgmt, HRMOS Expense Mgmt, and HRMOS Payroll after its release)

Significant reduction in losses for FY2023/7 YoY through robust cost control whilst continuing to selectively invest in marketing and sales activities

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

JPY MM



- Strong organizational rigor as HRMOS delivered strong net sales growth whilst reducing business losses even after including HRMOS Attendance Mgmt module from FY2023/7, which is currently a loss-making business
- Losses of FY2024/7 expected to be similar levels to FY2023/7 as we expect to launch HRMOS Payroll in FY2024/7
- HRMOS aims to become profitable in 3 years in FY2026/7 based on our current strategy. However, we may change our strategy based on future trends in the market, and as such, timing of business profitability may change

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

ARR reached JPY 2.13Bn in 4Q (31.5% 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

¥2.13Bn (+31.5% YoY)

2.13

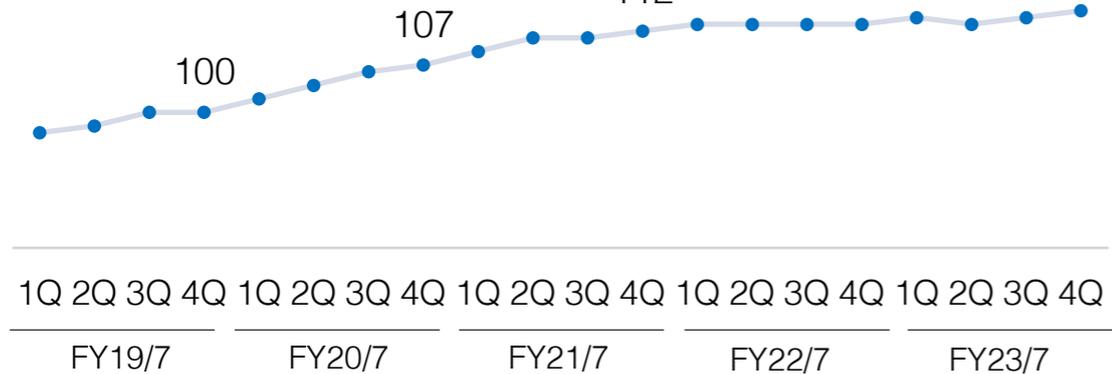


ARPU⁽³⁾⁽⁴⁾

JPY thousands

¥115k (+1.4% YoY)

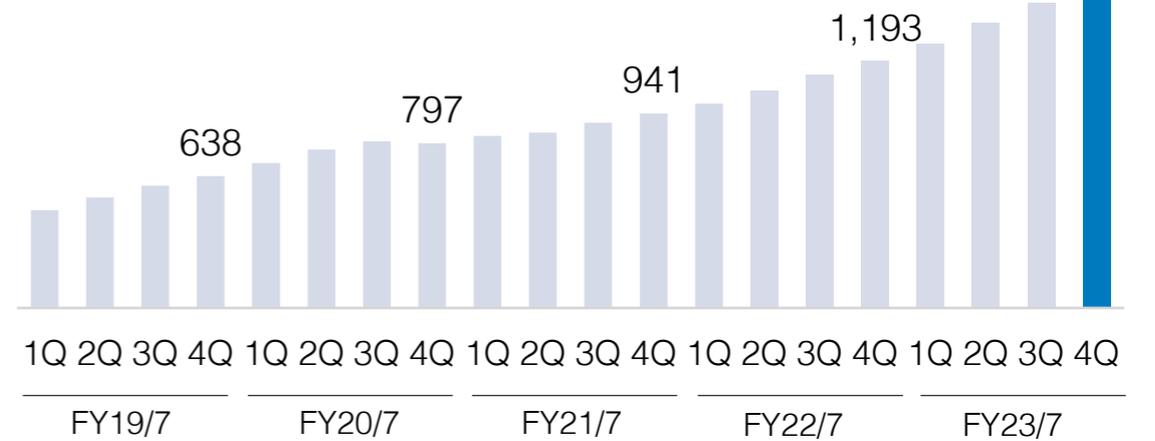
115



of Unique Paying Customers⁽⁵⁾⁽⁶⁾

1,546 (+29.6% YoY)

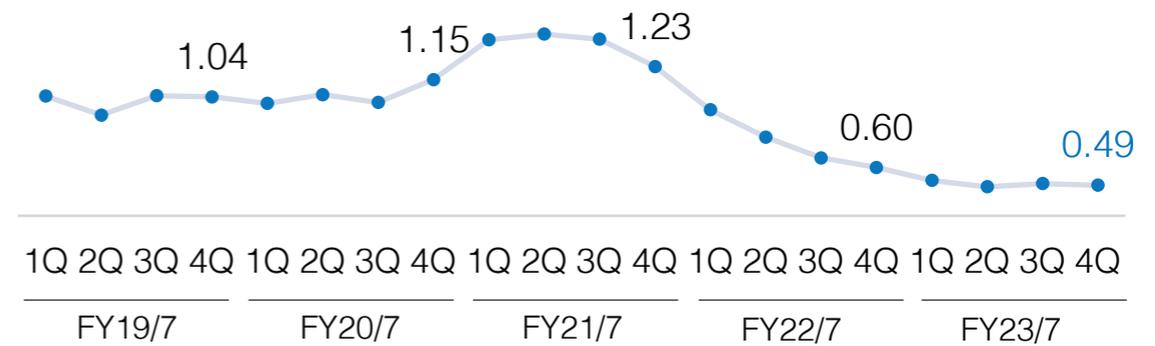
1,546



Churn Rate⁽⁷⁾⁽⁸⁾

Last 12-month average: **0.49%**

0.49



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 July 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 July 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 July 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 July 2023

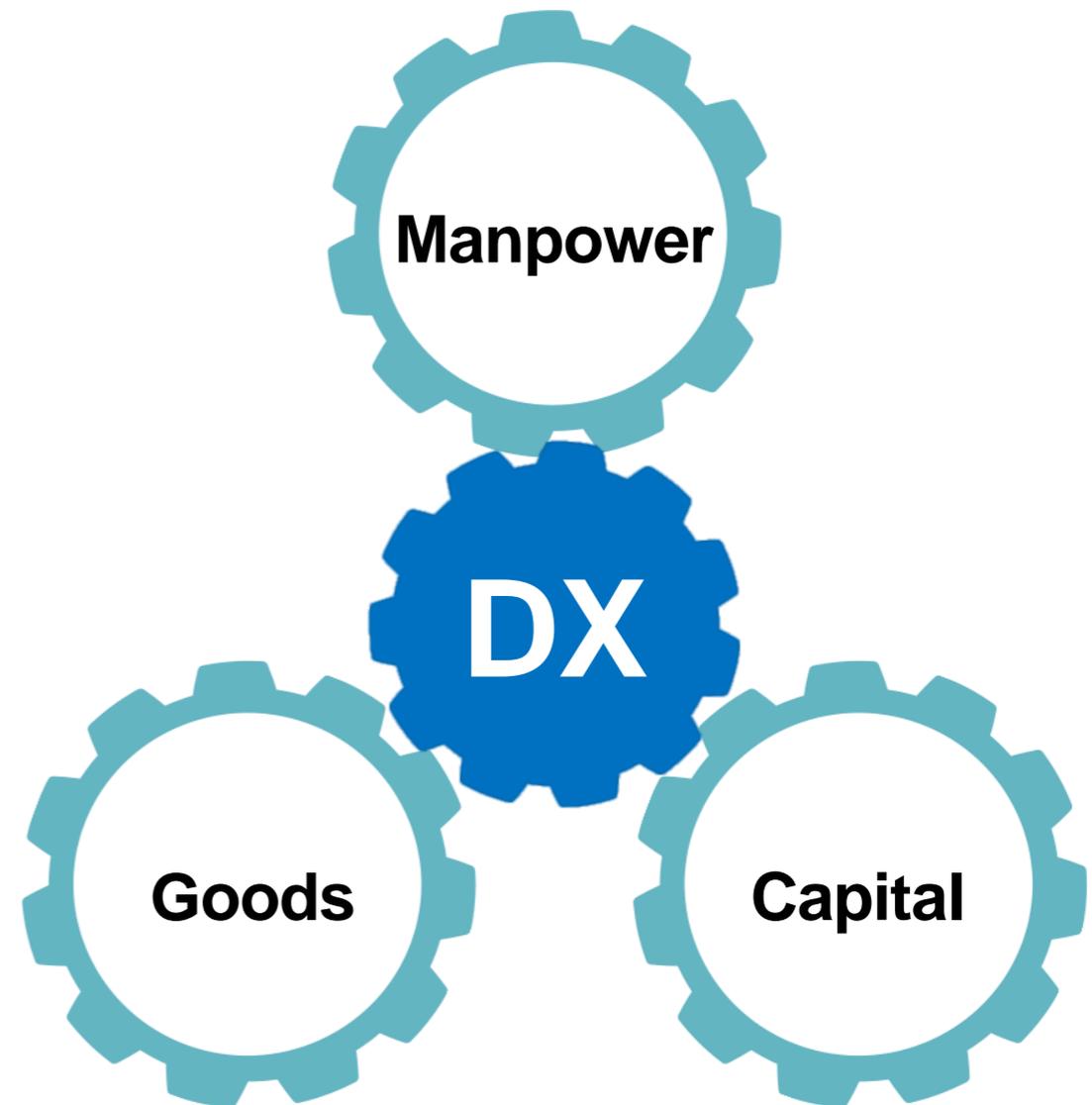
Visional Group Strategy and Our Future

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

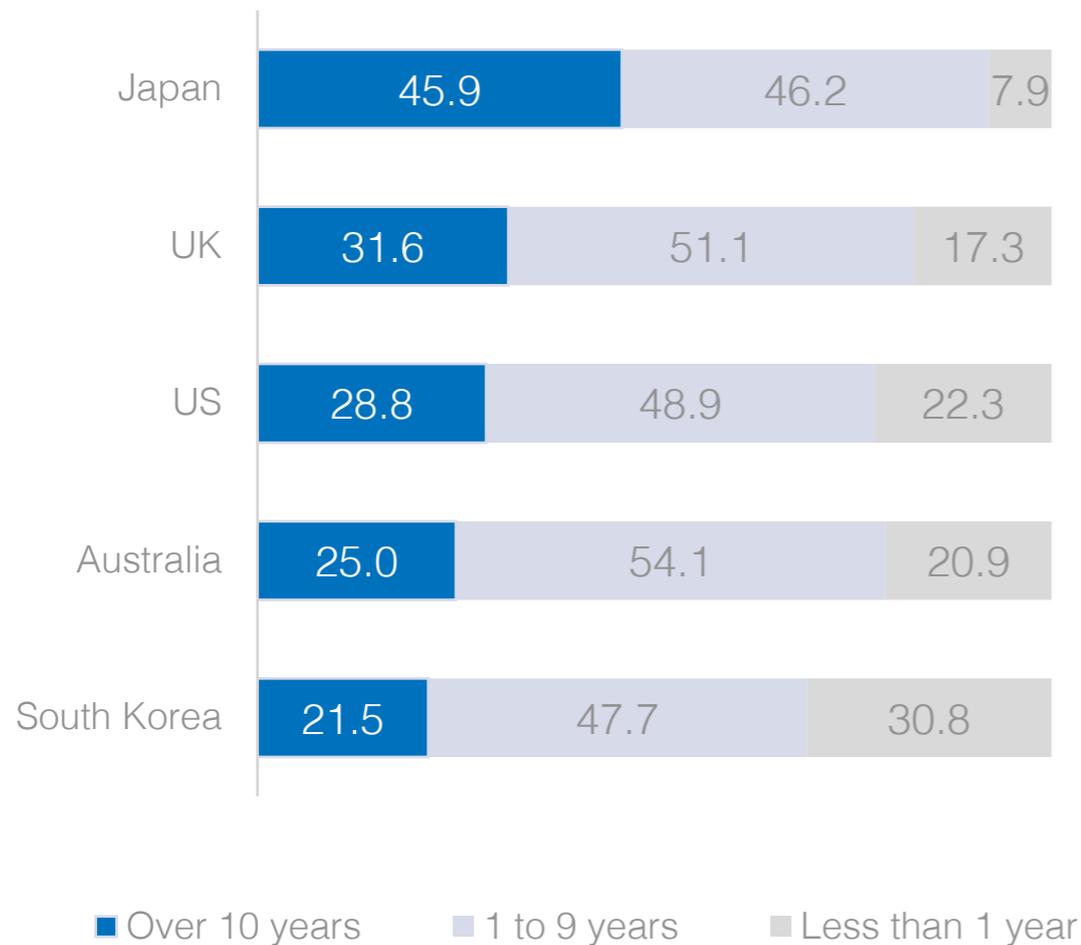


MVP⁽¹⁾ and lean startup organization

- ✓ 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.
Other countries are shifting its labor force to segments of higher labor demand**

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



Why Increased Labor Liquidity is Required

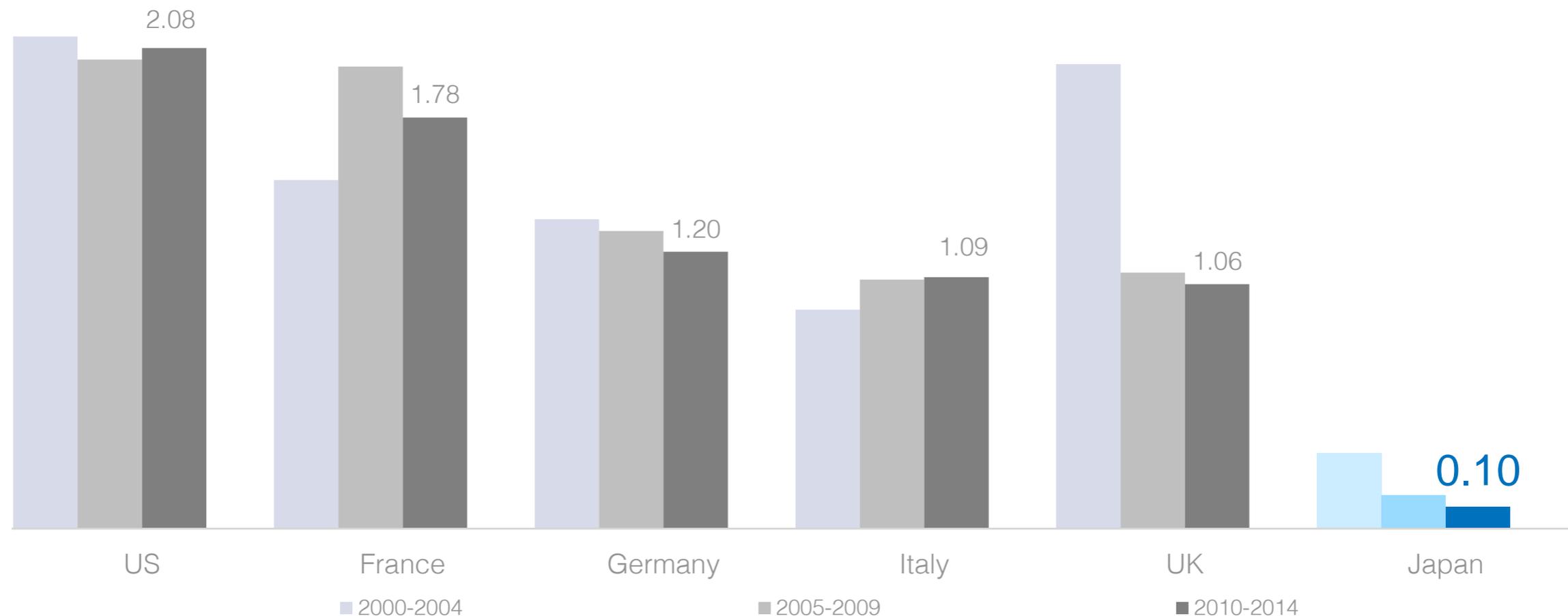
- ✓ Mid-career hiring required to address decreasing work force caused by shrinking working-age population and the number of new graduates entering the work force in the long term
- ✓ Professionals required to address changes in the business environment and business models, and to build a diverse and 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) Prepared by Visional, Inc. based on 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

Compared to other countries, Japanese companies have not invested in people

International Comparison of Corporate Investments in HR (excluding OJT) (% of GDP)⁽¹⁾

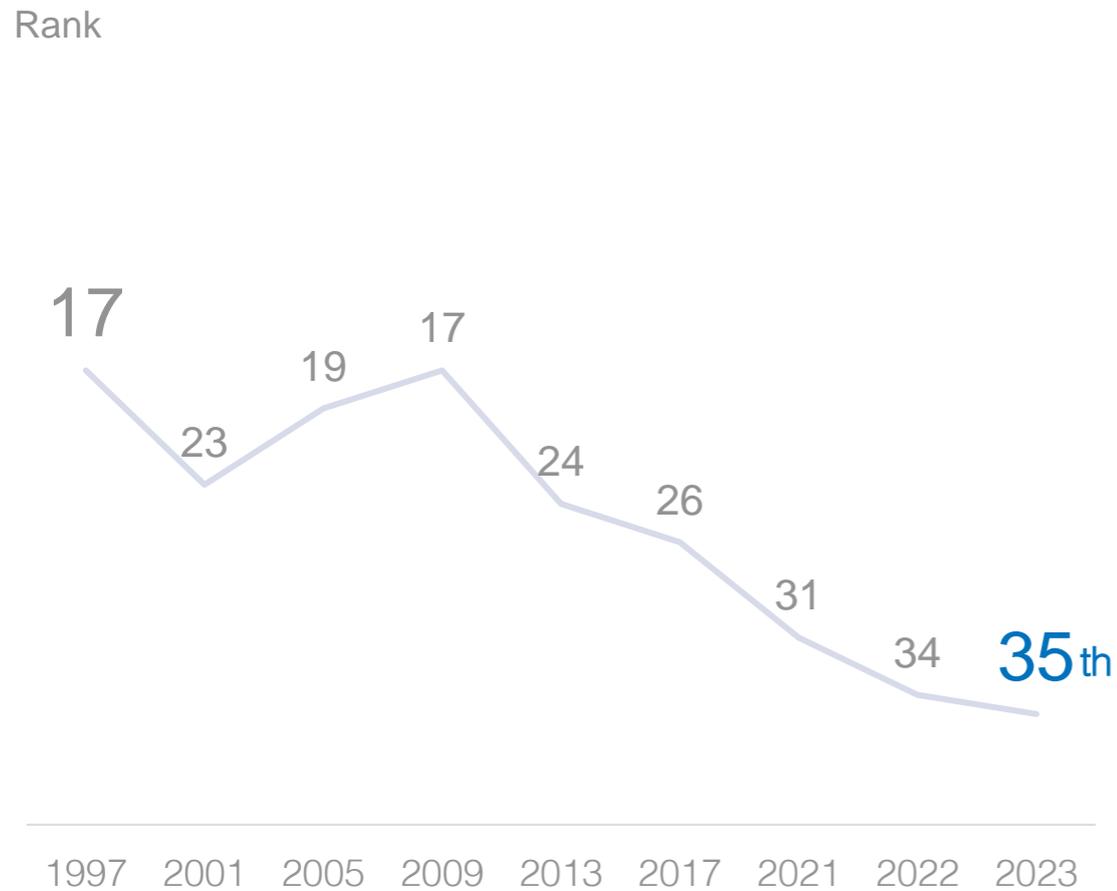
Unit: %



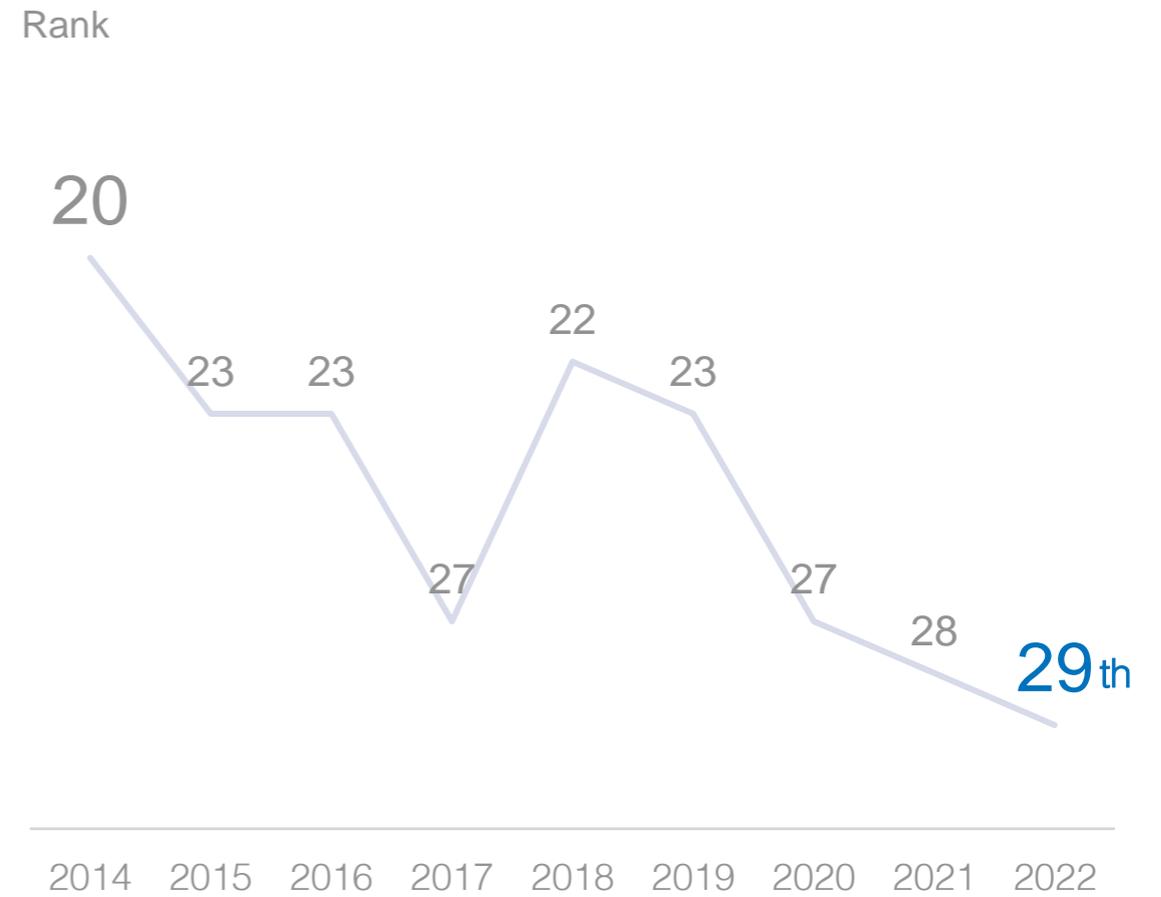
Note: (1) Based on the Ministry of Economy, Trade and Industry "METI Future Human Resource Vision" in May 2022 (<https://www.meti.go.jp/press/2022/05/20220531001/20220531001-1.pdf>)

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

Japan's International Competitiveness Ranking⁽¹⁾



Japan's Digital Competitiveness Ranking⁽²⁾

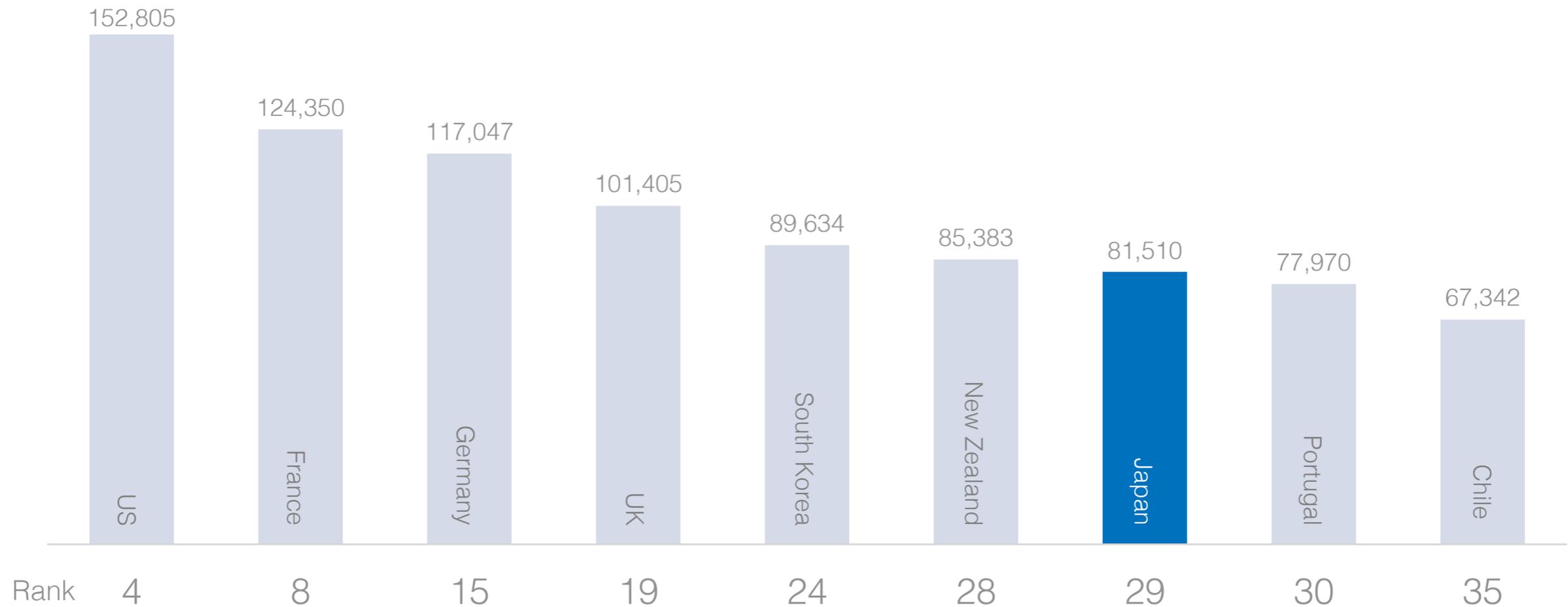


Notes: (1) Based on "IMD World Competitiveness Ranking" by The IMD World Competitiveness Center (<https://www.imd.org/centers/world-competitiveness-center/>) (2) Based on "IMD World Digital Competitiveness Ranking" by The IMD World Competitiveness Center (<https://www.imd.org/centers/world-competitiveness-center/>)

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 2021, per employed worker, comparison among 38 countries
Unit: US dollar at purchasing power parity

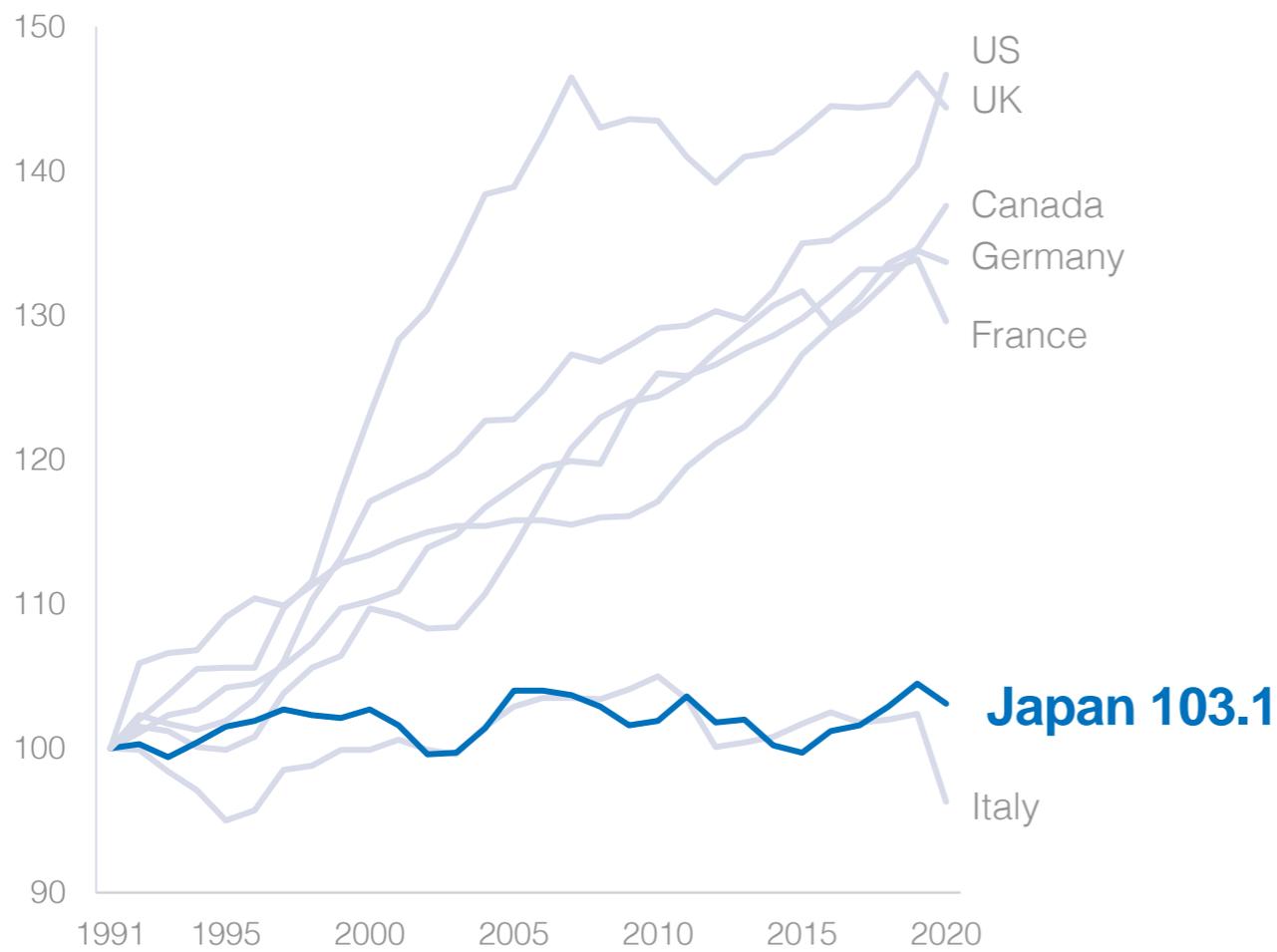


Note: (1) Based on Japan Productivity Center “International Comparison of Labor Productivity 2022” (<https://www.jpc-net.jp/research/list/comparison.html>)

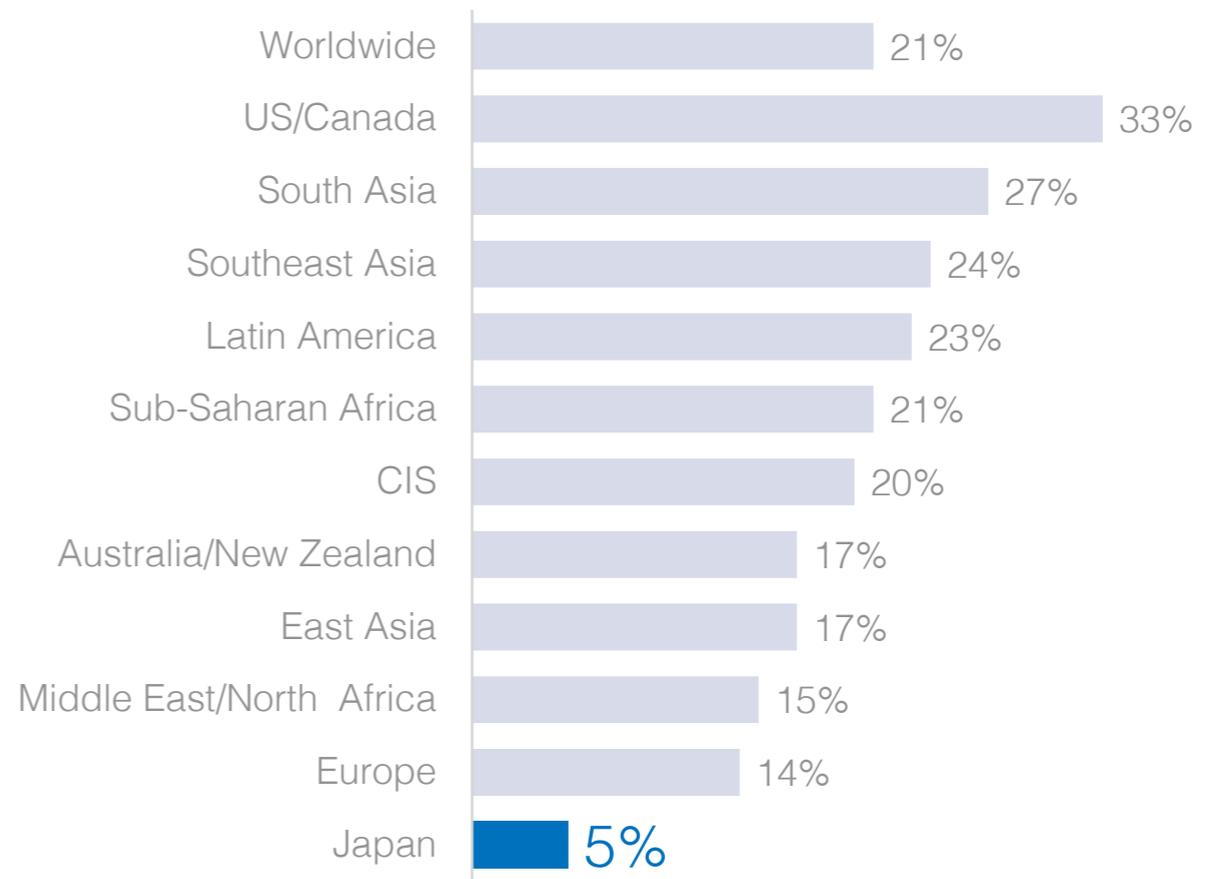
Real wages in Japan have not increased for almost 20 years, but a movement has begun to improve productivity. Positive trends observed in higher wages and focus on human capital management to improve employee engagement

Trend in Real Wages in G7 Countries⁽¹⁾

(Benchmark year 1991=100)



% of Employees Who are Engaged at Work⁽²⁾



Notes: (1) Prepared by Visional, Inc. based on 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 (2) Prepared by Visional, Inc. based on the Cabinet Office "Japan's Economy 2022-2023" in February 2023

To realize Prime Minister Kishida’s policies, “The Council of New Form of Capitalism Realization” mentions that transforming employment system to allow transfer of labor required for further growth of Japanese companies and the Japanese economy

Background

- Companies have not invested enough in people, and individuals have not engaged in adequate self-development. It is important that we shift to a system which allows workers to re-skill of their own will and to choose their jobs by clarifying the skills required for each job
- With the employment system such as the seniority-based wage system, jobs and the skill standards required for them are unclear, so objectivity and transparency in evaluations and wages are not sufficiently ensured. Because it is difficult for individuals to understand how they will be rewarded for their efforts in addition to low engagement, it is difficult for them to change jobs, and even if they do change jobs, it is difficult for this to lead to an increase in their salary
- By seamlessly connecting the internal labor market and the external labor market, thereby opening the door to hiring experienced workers from outside a company and enabling workers to freely move both inside and outside of their company according to their own choice, it will lead to salary increase

Guidelines for Integrated Three-Pronged Labor Market Reforms

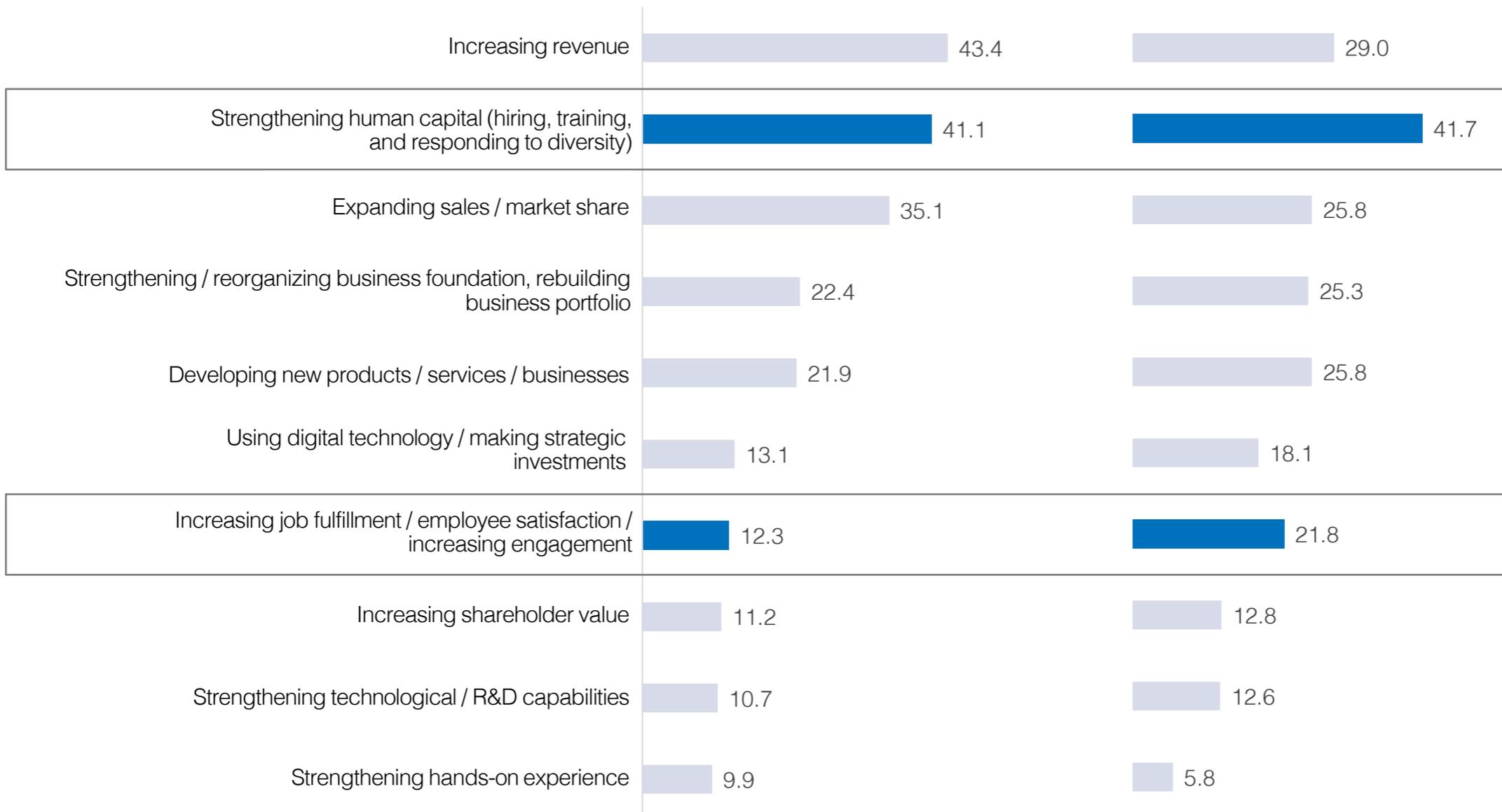
- ✓ Support for improving abilities through re-skilling
- ✓ Introduction of job-based wages according to the actual conditions of individual companies
- ✓ Facilitation of labor movement to growth fields

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

Management Concerns⁽¹⁾

Now (2022)

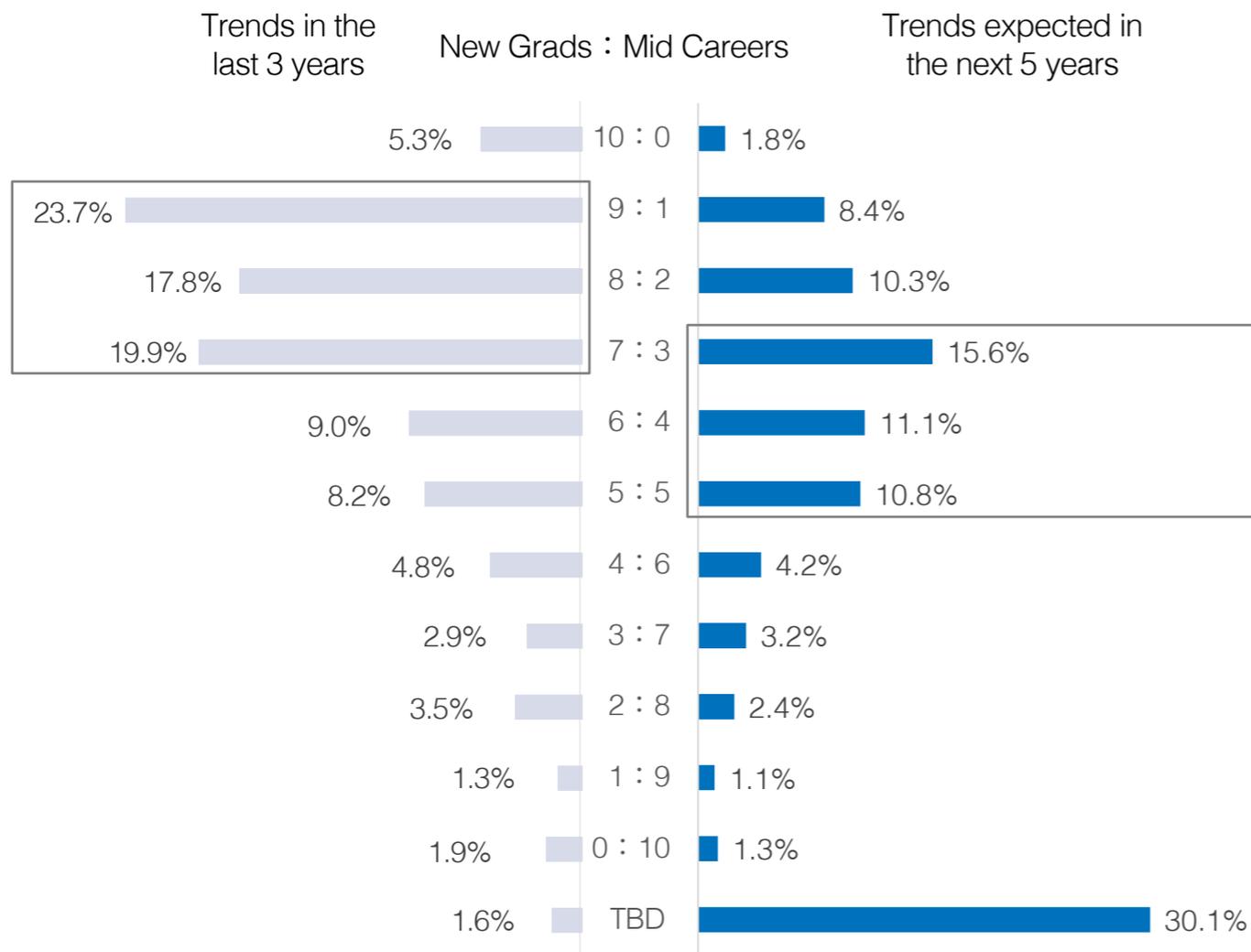
In 3 years



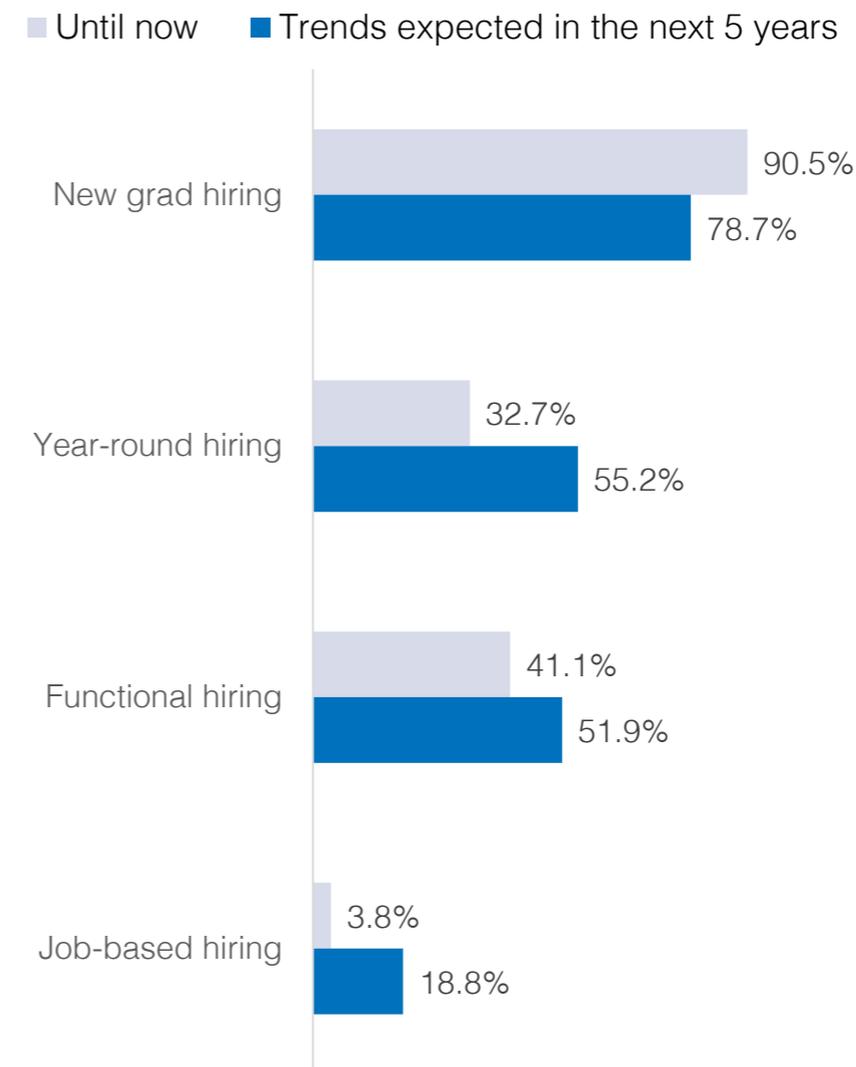
Note: (1) Prepared by Visional, Inc. based on excerpt from “Corporate Management Issues 2022” (Published December 2022) by Japan Management Association. Each figure is the percentage of responses which ranked the importance of the 20 items expected to be issues from first to third

Japanese companies are starting to change the employment system that are based on new graduate recruiting. By hiring professionals, companies are acquiring experience and skillset of new domains

Ratio between New Grad Hiring and Mid-Career Hiring⁽¹⁾

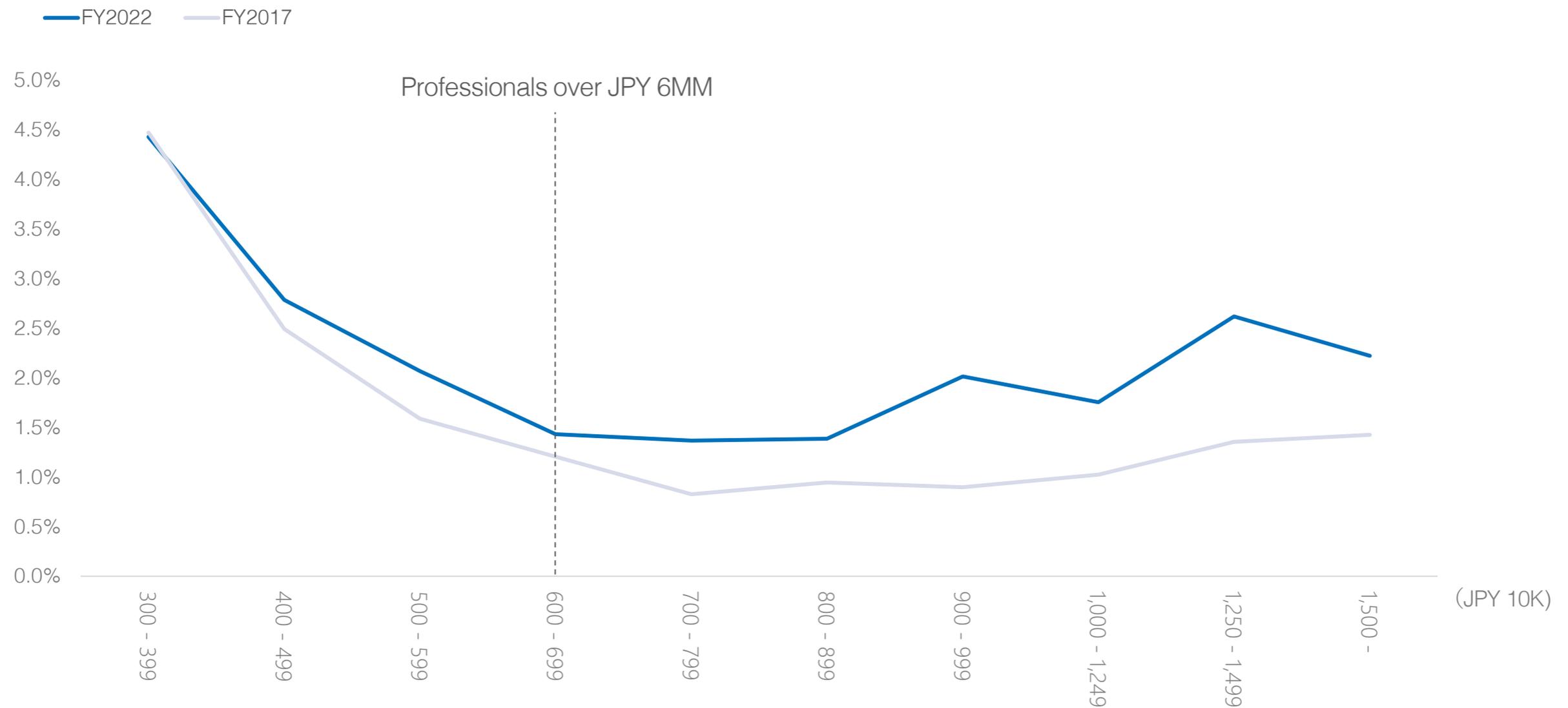


Changes in New Grad Hiring Methods⁽¹⁾



Although no significant changes observed in total full-time job change trends pre/post COVID-19, increased labor liquidity within professionals. We expect further expansion of mid-career recruiting as demand for professionals increases

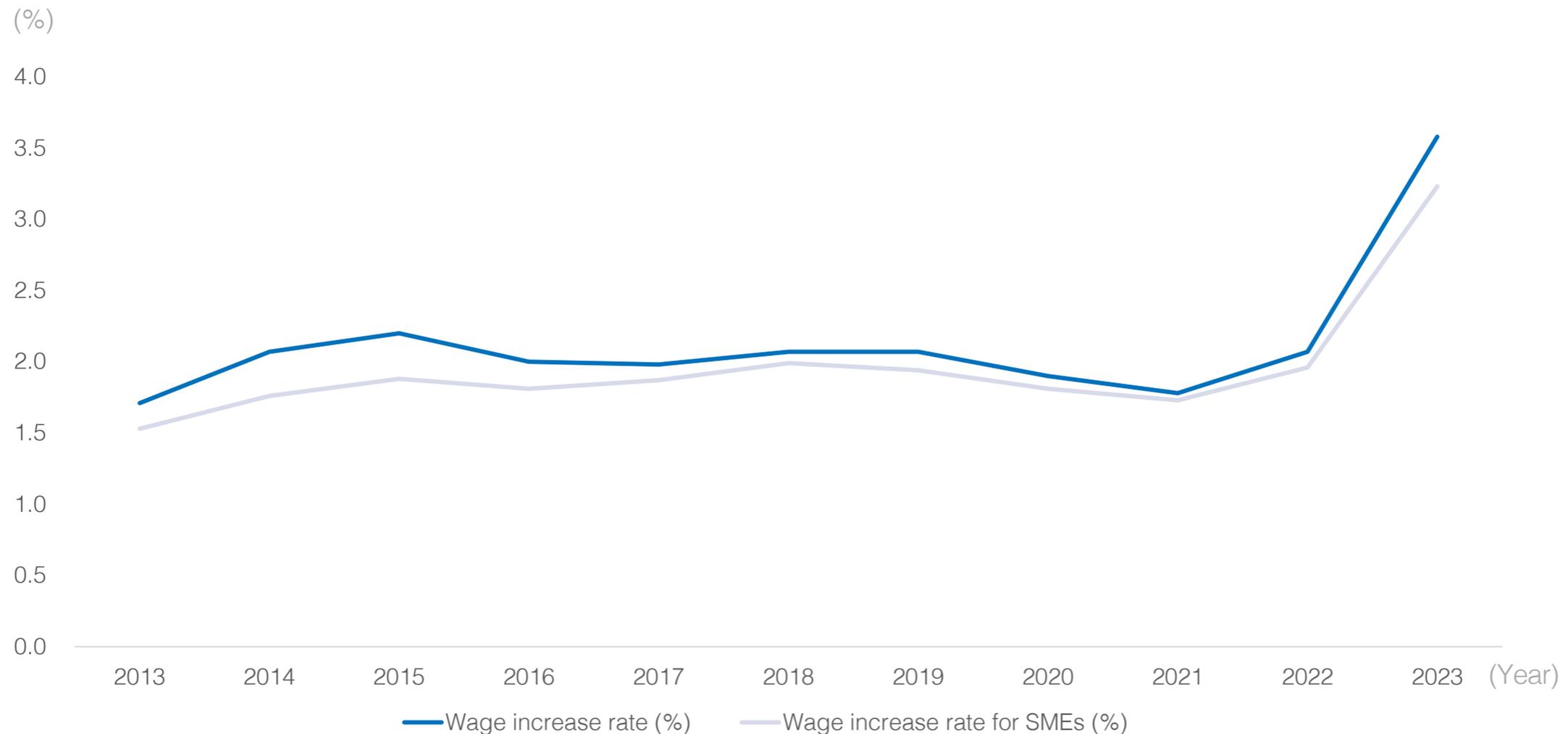
Job Change Ratio based on Income⁽¹⁾



Note: (1) Prepared by Visional, Inc. based on the "2017 Employment status survey" and the "2022 Employment status survey" by the Ministry of Internal Affairs and Communications. Income is defined as the annual income of full-time employees after changing jobs. Job changers are defined as workers who have moved to a new job within the past year.

In the Spring Labor Offensive in 2023, the highest level of wage increase since 2014 was realized in terms of amount and rate of increase⁽¹⁾. Expecting continuous wage increase through re-skilling and increase in labor productivity

Aggregation of final responses since 2013: Trends in wage increases based on the average wage increase method⁽¹⁾

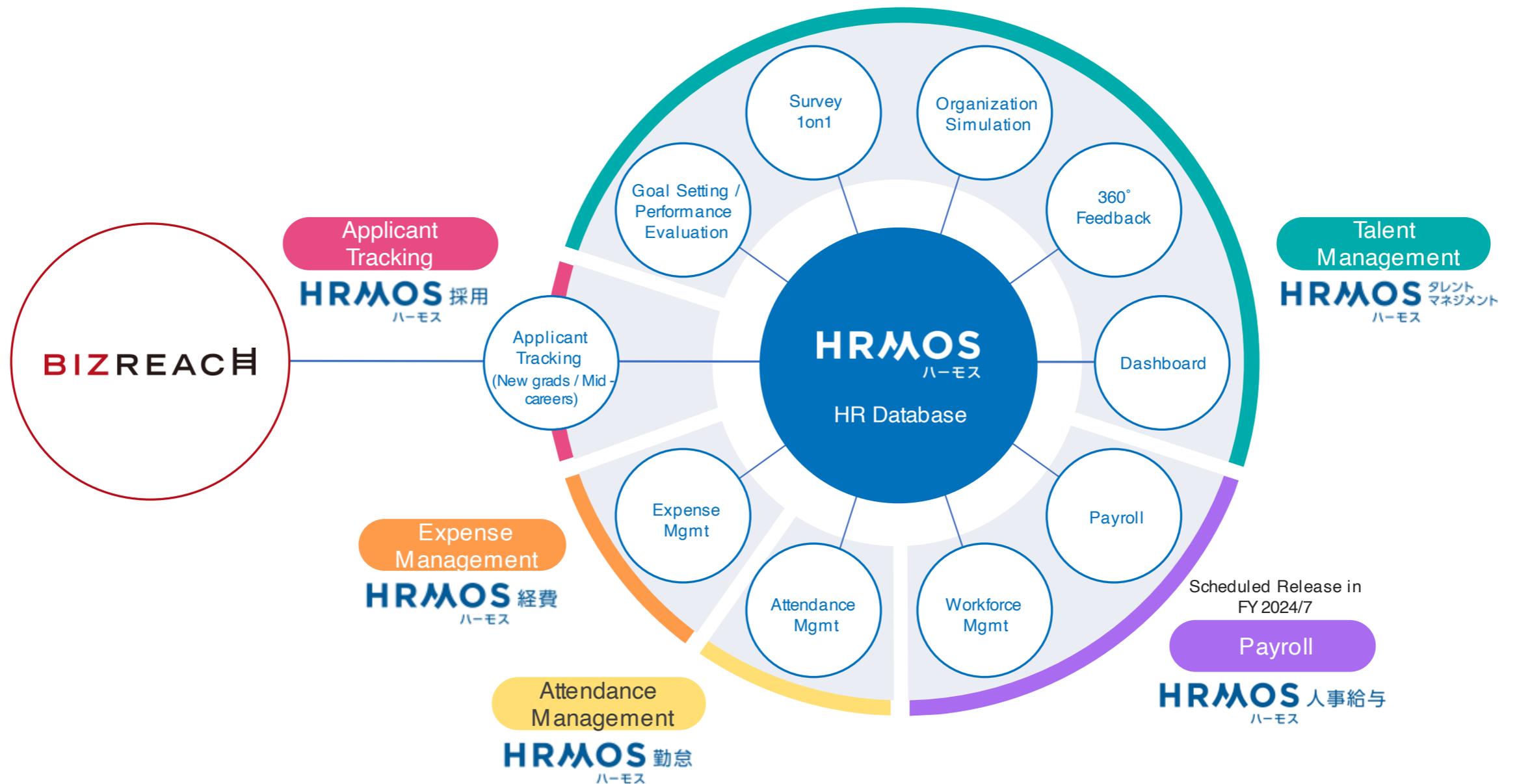


Note: (1) Prepared by Visional, Inc. based on "Summary of the 2023 Spring Labor Offensive(Japan Trade Union Confederation(RENGO))" posted on July 21, 2023 (<https://www.jtuc-rengo.or.jp/activity/roudou/shuntou/2023/houshin/data/matome20230721.pdf?8725>)

Moving to an era where "each individual chooses their own career," and "individual chooses the company to work." Increased importance of human capital

- ✔ Companies to clarify skills required for each job description, clarify evaluation standards, and develop compensation that are performance-based
- ✔ Individuals to self-develop skills required in the job description, and choose their own careers
- ✔ Companies and employees sharing the same goals increases productivity and engagement, thereby increasing salaries
- ✔ Competitive companies further accelerate investment in people, actively hire strong talents, which drives further growth

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



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 BizReach**
- ✔ Seamless integration of BizReach and HRMOS to build a data-driven HCM ecosystem
- ✔ Incubation of new businesses and use of M&A

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

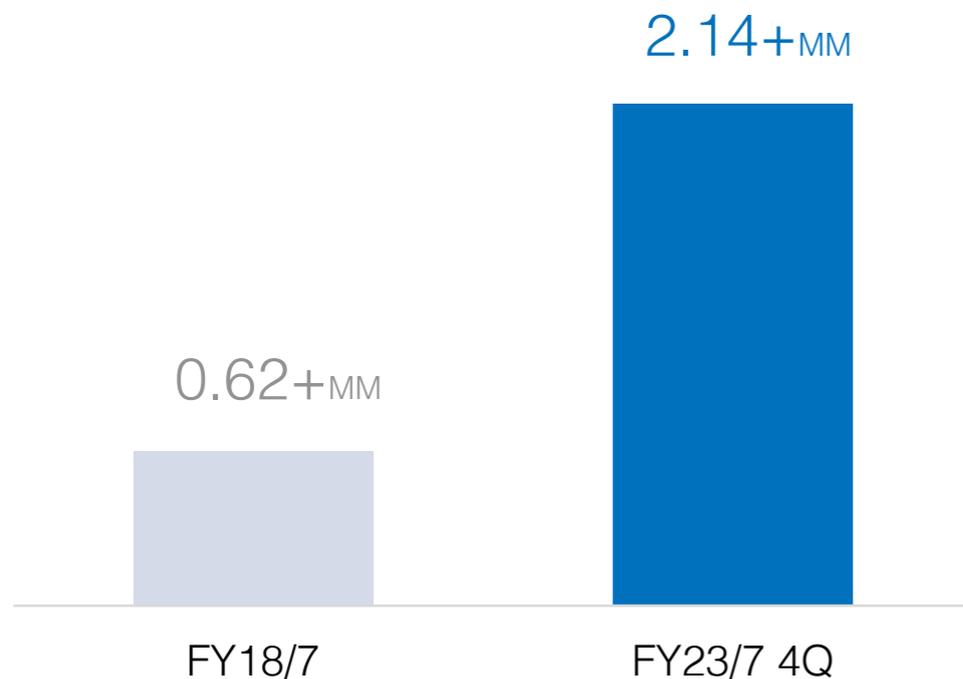
While penetrating further into the professionals' population, accelerate new client acquisitions and increase wallet share of existing clients to drive further top-line growth

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 / CV 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 FY23/7 (4) As of the end of March 2023. Based on "Notification and Certification Status of General Employers Action Plan Formulation Notification by Prefecture (As of the end of March 2022)" by Ministry of Health, Labor and Welfare (https://www.mhlw.go.jp/general/seido/koyou/jisedai/dl/jyoukyou_r05_03.pdf)

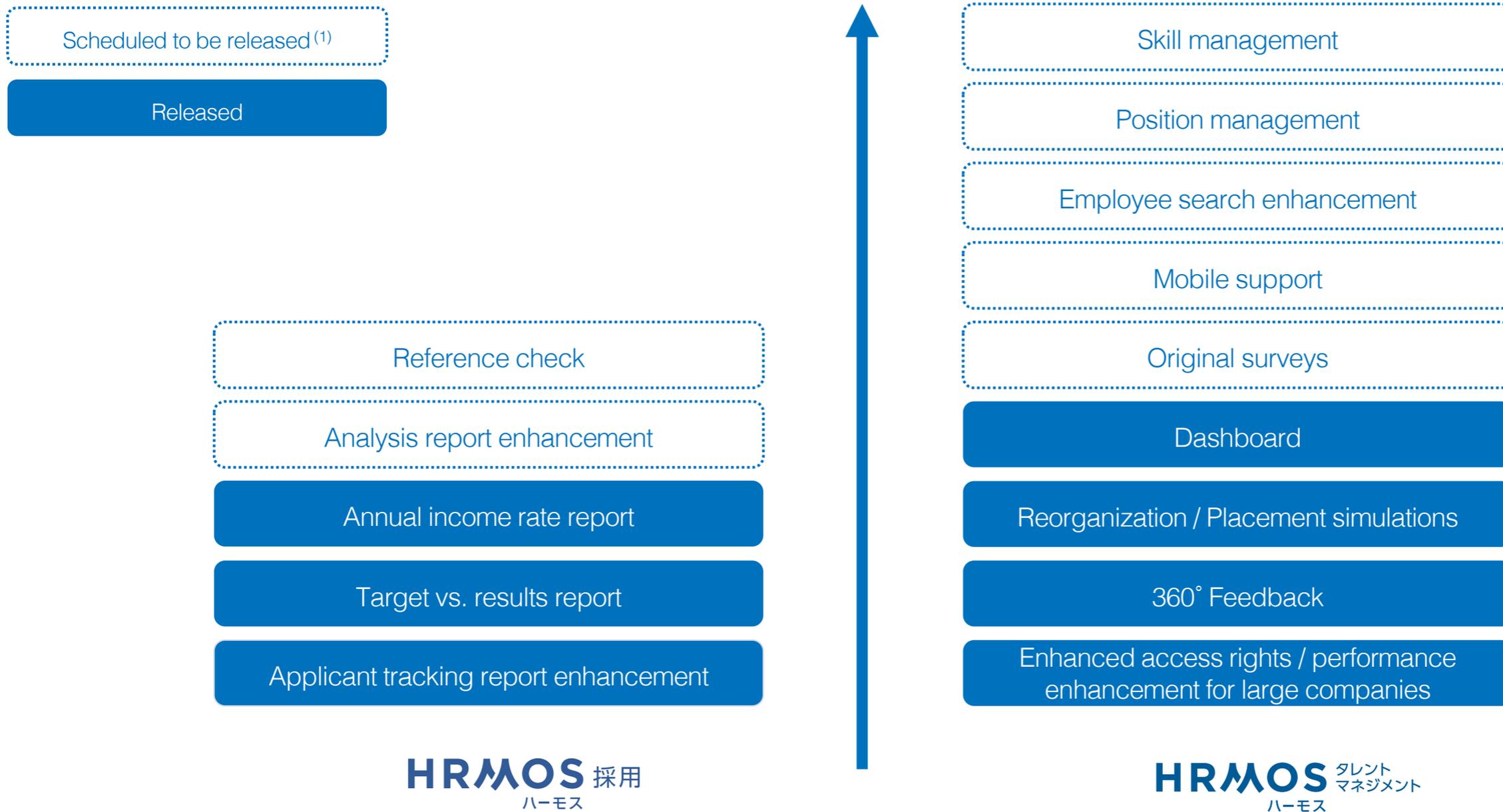
Persistent Creation of New Possibilities.

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 BizReach
- ✓ **Seamless integration of BizReach and HRMOS to build a data-driven HCM ecosystem**
- ✓ Incubation of new businesses and use of M&A

As the war for talent intensifies due to labor shortage, there is a growing need for companies to actively hire professionals, and to create an organization where hired personnel can stay and continue to play an active role. We will continue to develop functions utilizing know-how from BizReach



Note: (1) These are plans at this time, and function names and details are subject to change at the time of actual release of the functions

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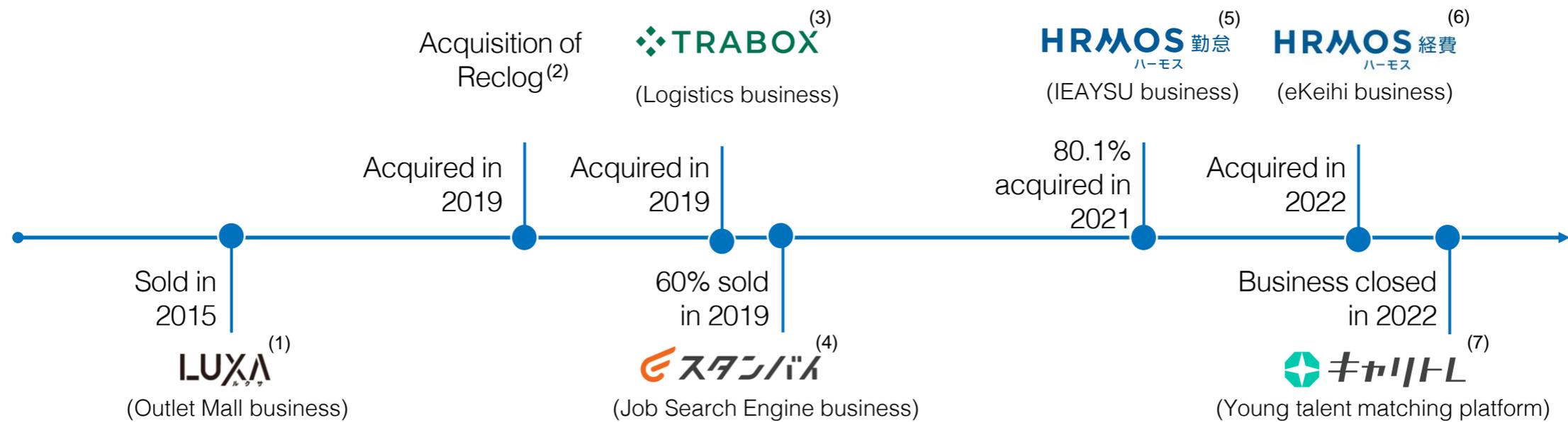
- ✓ Sustained growth and profit expansion of BizReach
- ✓ Seamless integration of BizReach and HRMOS to build a data-driven HCM ecosystem
- ✓ **Incubation of new businesses and use of M&A**

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>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>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>M&A matching site for screened corporations</p> 	<p>Vulnerability management cloud</p>  <p>Security evaluation platform</p> 	<p>Logistics DX (digital transformation) 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

Proactively consider the use of M&A as a means of accelerating the realization of sustainable long-term growth. Allocate appropriate resources whilst reviewing Visional Group's business portfolio

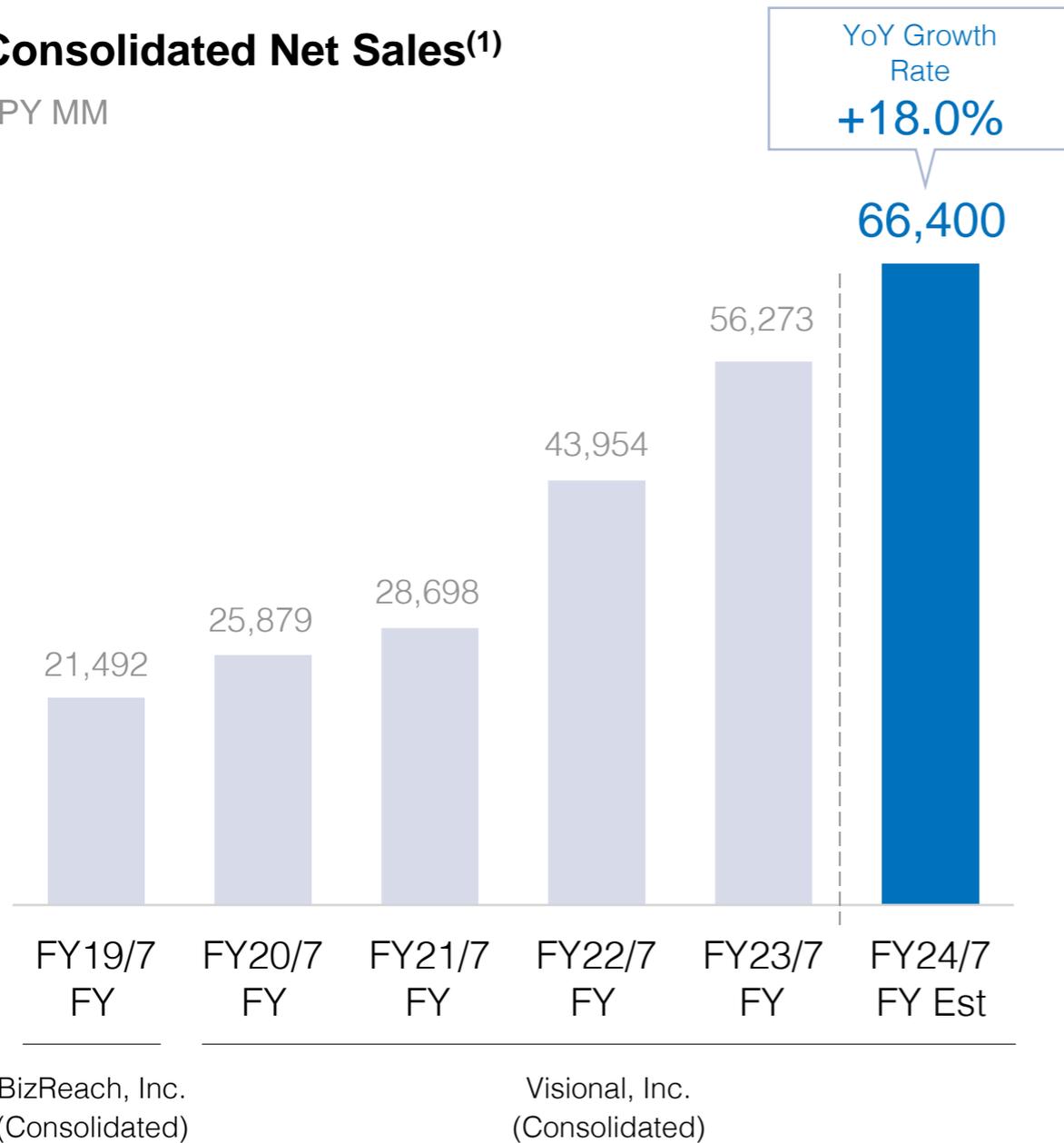


Notes: (1) LUXA was fully incubated inside of BizReach, spun out as a subsidiary and sold entirely to KDDI in April 2015 (2) Acquired 100% of shares of Cloud Solutions, Inc. and took over Reclog, an applicant tracking system in September 2019 (3) Acquired 100% of shares of Trabox, Inc. and took over Trabox, a logistics DX (digital transformation) platform in November 2019 (4) Stanby was fully incubated inside of BizReach, spun out as a subsidiary and partially (60%) sold to Z Holdings in December 2019 (5) Acquired 80.1% of shares of IEYASU, Inc. and took over IEYASU business (currently HRMOS Attendance Management) in November 2021 (6) Acquired 100% of shares of ezSoft Co., Ltd. and took over eKeihi business (currently HRMOS Expense Management) in March 2022 (7) Closed the business in December 2022 in order to concentrate management resources

Visualal Group consolidated net sales growth forecast of 18.0% YoY. Consolidated operating profit margin forecast of 24.1%

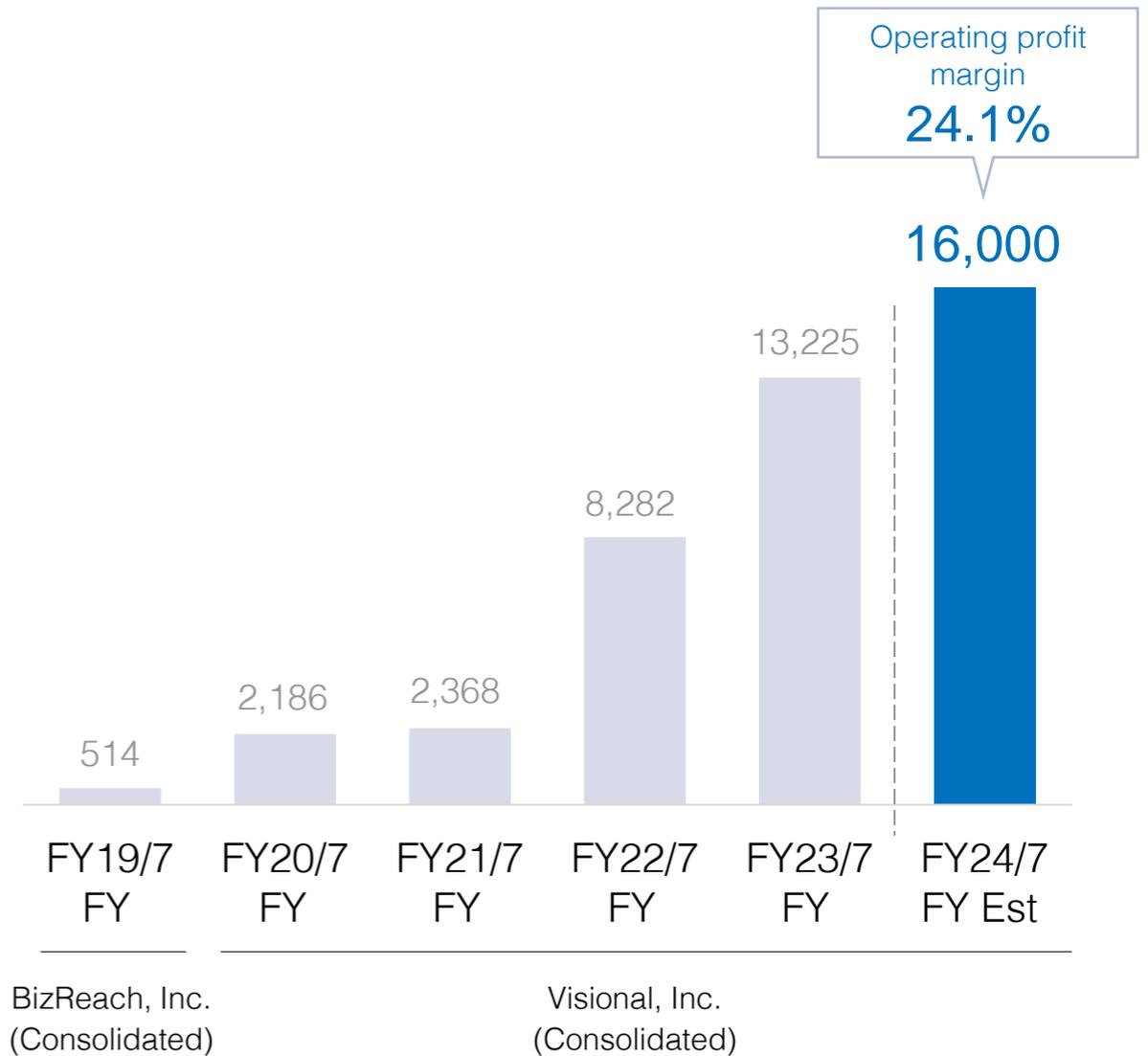
Consolidated Net Sales⁽¹⁾

JPY MM



Consolidated Operating Profit⁽¹⁾⁽²⁾

JPY MM



Notes: (1) Based on FY20/7 financials prepared by Visualal, Inc. continued from the financials of BizReach, Inc. Visualal, Inc. was established through a share transfer, and BizReach, Inc. became a wholly-owned subsidiary of Visualal, Inc. in February 2020. Therefore, annual financial results for FY19/7 is 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

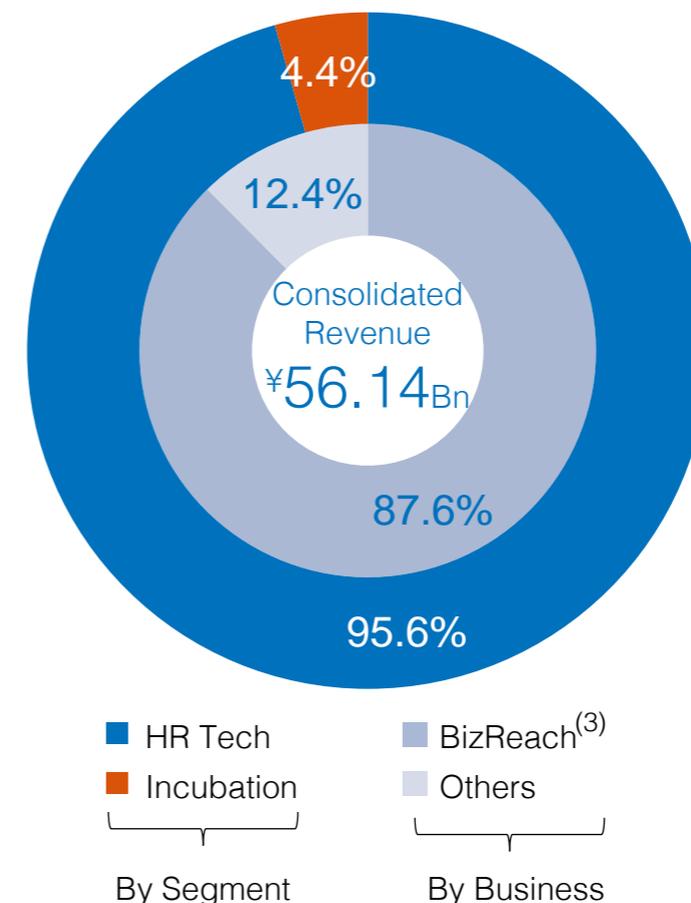
Appendix

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

Service Overview (as of September 14, 2023)

HR Tech Segment	BIZREACH	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 Talent Management 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 site for screened corporations
	TRABOX	Logistics DX (digital transformation) platform
	BIZHINT	B to B lead generation platform
	yamory	Vulnerability management cloud
	ASSURED	Security evaluation platform
Affiliate	スタンバイ ⁽¹⁾	Job operating search engine

FY2023/7 Revenue Breakdown by Segment and Business⁽²⁾



Notes: (1) Joint venture with Z Holdings Corporation, in which Visional, Inc. holds a 40% stake as an equity method affiliate (2) Excluding adjustments (¥126 MM) (3) Financial data of the BizReach Business, the core service of our group (which differs from the financial data of our subsidiary BizReach, Inc.)

Consolidated P&L⁽¹⁾

JPY MM

	FY23/7 FY	FY22/7 FY	FY21/7 FY	FY20/7 FY	FY23/7 4Q	FY23/7 3Q	FY23/7 2Q	FY23/7 1Q
Net Sales	56,273	43,954	28,698	25,879	14,731	15,138	13,184	13,218
YoY Growth (%)	28.0%	53.2%	10.9%	20.4%	22.1%	23.9%	30.5%	38.1%
HR Tech Segment	53,685	41,791	27,052	24,914	13,999	14,442	12,556	12,686
YoY Growth (%)	28.5%	54.5%	8.6%	17.7%	22.0%	24.4%	30.9%	39.2%
Incubation Segment	2,460	2,002	1,485	892	702	665	597	495
YoY Growth (%)	22.9%	34.8%	66.3%	182.1%	25.7%	19.0%	27.2%	19.8%
Cost of Sales	5,815	5,802	3,999	4,104	1,324	1,241	1,629	1,621
Gross Profit	50,457	38,151	24,699	21,775	13,407	13,896	11,555	11,597
Margin (%)	89.7%	86.8%	86.1%	84.1%	91.0%	91.8%	87.6%	87.7%
Selling, General & Administrative Expenses ⁽²⁾	37,231	29,869	22,331	19,588	10,146	9,758	9,432	7,894
Advertising	19,118	14,697	9,562	7,640	5,365	4,968	5,156	3,628
Payroll etc. ⁽³⁾	8,090	7,410	6,308	5,301	1,896	2,150	2,017	2,025
Rent	1,348	1,243	1,258	1,251	351	349	331	315
Others ⁽²⁾	8,673	6,516	5,202	5,394	2,533	2,289	1,926	1,924
Operating Profit ⁽²⁾	13,225	8,282	2,368	2,186	3,261	4,138	2,122	3,703
Margin (%)	23.5%	18.8%	8.3%	8.4%	22.1%	27.3%	16.1%	28.0%
HR Tech Segment ⁽²⁾	15,701	10,631	4,000	3,343	3,871	4,660	2,743	4,426
Incubation Segment	(1,401)	(1,649)	(863)	(868)	(315)	(288)	(340)	(456)
Pre-tax Profit ⁽²⁾	14,377	8,717	2,290	7,023	3,897	4,308	2,384	3,786
Income Tax Expense ⁽²⁾	4,448	2,864	869	2,364	1,007	1,414	770	1,255
Profit attributable to owners of parent ⁽²⁾	9,928	5,852	1,420	4,658	2,890	2,893	1,613	2,531
Margin (%)	17.6%	13.3%	5.0%	18.0%	19.6%	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, data 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 FY	FY22/7 FY	FY21/7 FY	FY20/7 FY
Total Adjusted Operating Profit before corporate expense allocation	17,647	12,622	6,170	7,531
BizReach Business ⁽²⁾⁽³⁾	20,126	17,609	9,637	9,232
HRMOS Business ⁽³⁾	(1,740)	(2,954)	(2,102)	(1,159)
Other Businesses ⁽³⁾	(739)	(2,032)	(1,364)	(541)
Adjustment Item				
-) Corporate and general administrative expenses (such as accounting, HR, legal, general affairs, etc.) ⁽⁴⁾⁽⁵⁾	4,421	4,340	3,802	5,345
-) HR Tech Segment ⁽⁵⁾	3,933	3,769	3,263	4,647
-) Incubation Segment	488	570	538	697
Operating Profit (J-GAAP)⁽⁵⁾	13,225	8,282	2,368	2,186

Adjusted Headcount by Function and Business (FY23/7 4Q)⁽⁶⁾

	Adjusted headcount	% of subtotal for HR Tech businesses
HR Tech businesses		
BizReach Business	814	69.9%
HRMOS Business	206	17.7%
Other HR Tech businesses	144	12.4%
Subtotal for HR Tech businesses	1,164	100.0%
General functions of HR Tech businesses	159	n/a
Total for HR Tech businesses	1,323	n/a
Incubation businesses	121	n/a
Corporate	106	n/a
Total	1,550	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, data 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

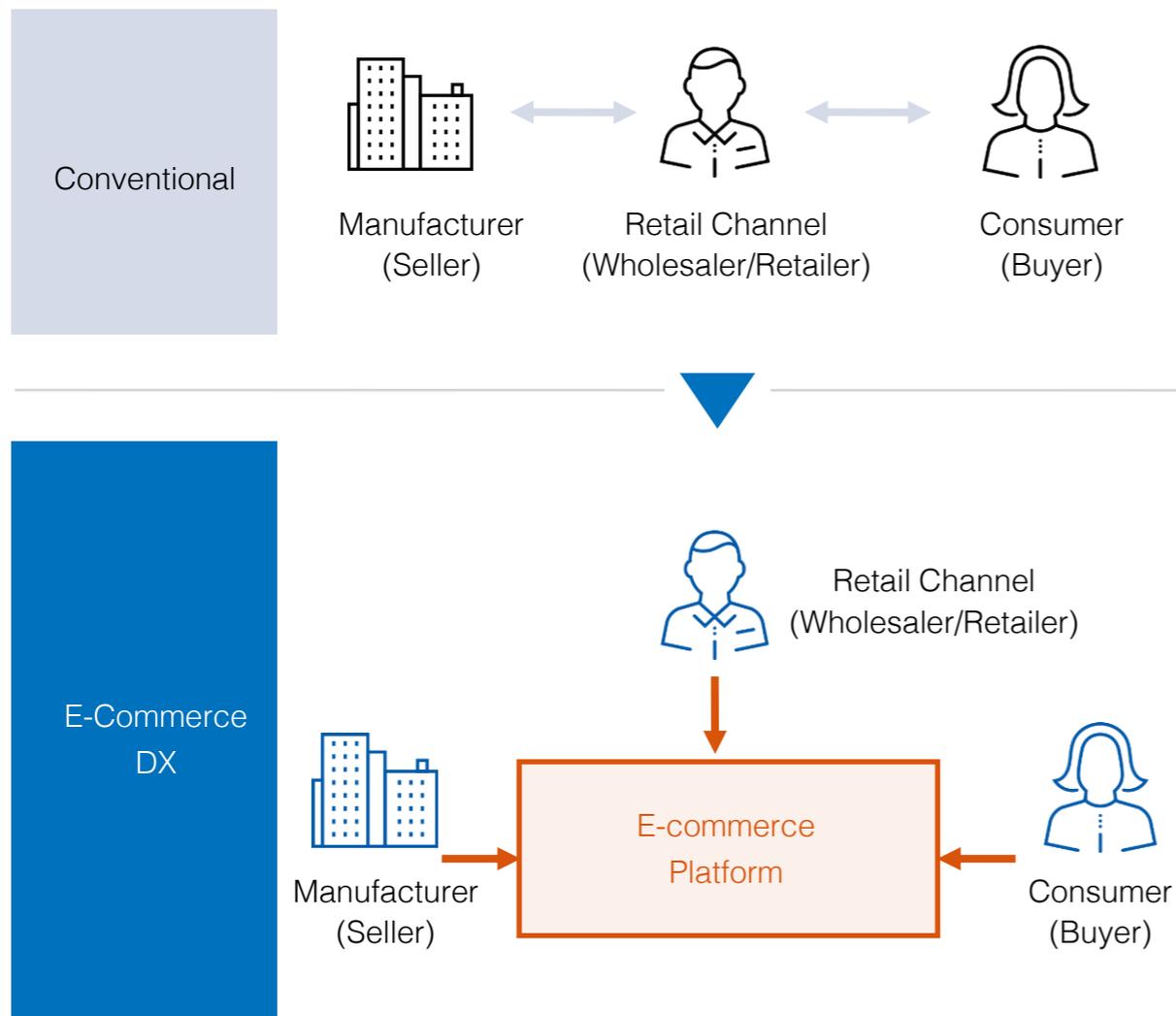
Balance Sheet Highlights⁽¹⁾

JPY MM					JPY MM				
	FY23/7	FY22/7	FY21/7	FY20/7		FY23/7	FY22/7	FY21/7	FY20/7
Current Assets	48,902	36,743	29,532	12,137	Current Liabilities	16,328	13,988	9,046	5,290
Cash and Cash Equivalents	41,170	31,362	25,630	9,114	Accounts Payable	3,934	4,054	3,341	1,486
Notes and Accounts Receivable	5,151	4,356	3,258	2,012	Deferred Revenue	-	-	3,042	1,917
Other Current Assets	2,580	1,025	643	1,011	Contract Liabilities	6,858	4,941	-	-
Fixed Assets⁽²⁾	8,971	9,208	5,544	5,584	Other Current Liabilities	5,534	4,993	2,662	1,886
Tangible Assets	845	735	700	899	Fixed Liabilities⁽²⁾	2,415	3,190	3,494	3,225
Intangible Assets ⁽²⁾	4,455	5,287	2,457	2,488	Liabilities from application of Equity Method	2,133	2,453	2,773	3,070
Goodwill ⁽²⁾	2,799	3,300	1,296	1,186	Other Fixed Liabilities ⁽²⁾	282	737	720	155
Other Intangible Assets ⁽²⁾	1,656	1,986	1,160	1,301	Total Net Assets⁽²⁾	39,129	28,772	22,536	9,205
Total Investments and Other Assets ⁽²⁾	3,669	3,185	2,385	2,196	Share Capital	6,356	6,226	6,063	100
Total Assets⁽²⁾	57,873	45,952	35,076	17,722	Capital Surplus	10,321	10,190	10,027	4,064
					Retained Earnings ⁽²⁾	22,223	12,294	6,442	5,021
					Others	227	61	3	20
					Total Liabilities and Net Assets⁽²⁾	57,873	45,952	35,076	17,722

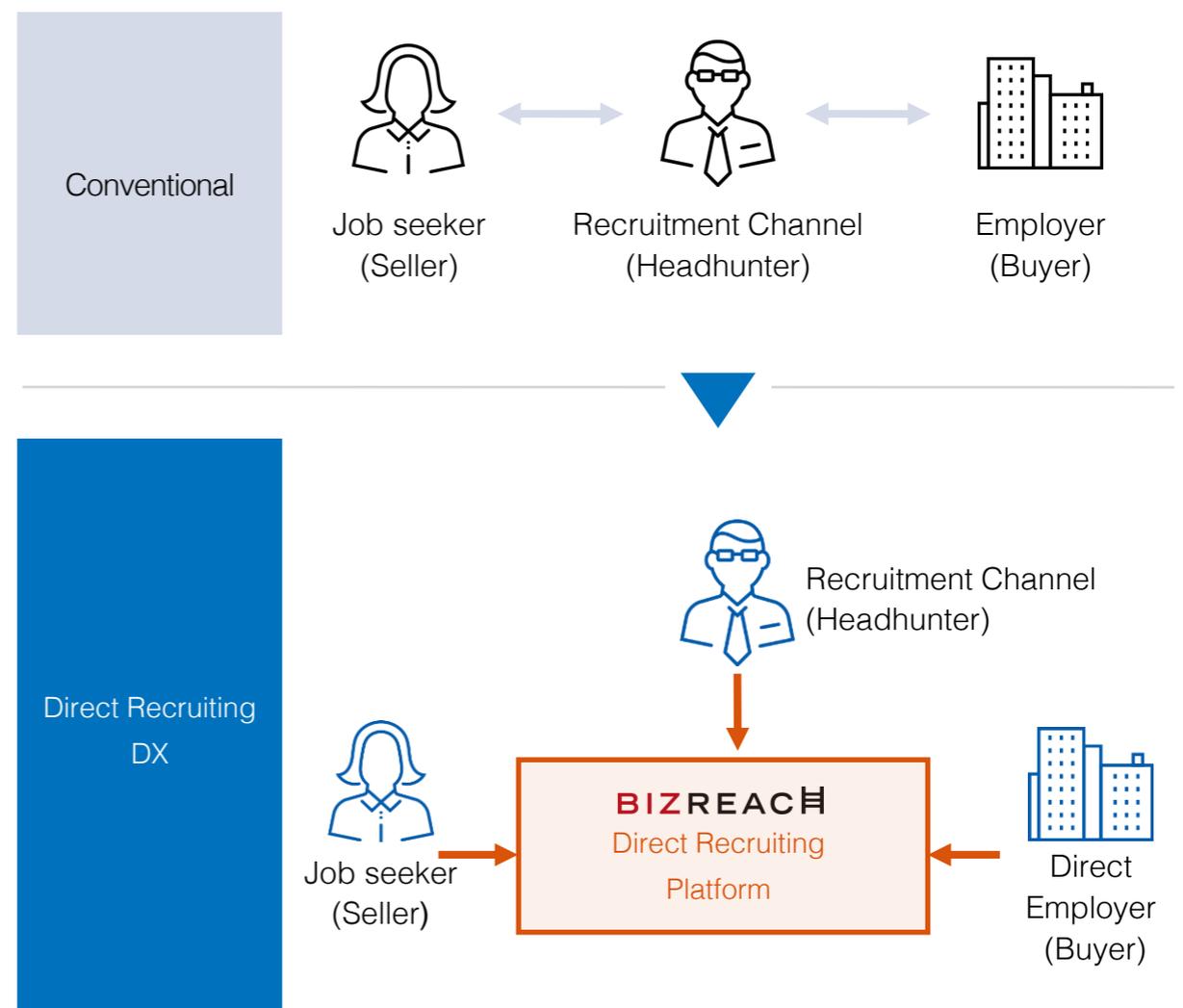
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Similar to the structural transformation of the retail market caused by e-commerce⁽¹⁾, BizReach pioneered the concept of “Direct Recruiting” by creating an online career networking platform, which raised the transparency and efficiency of the professional recruitment market in Japan

DX of Retail Market

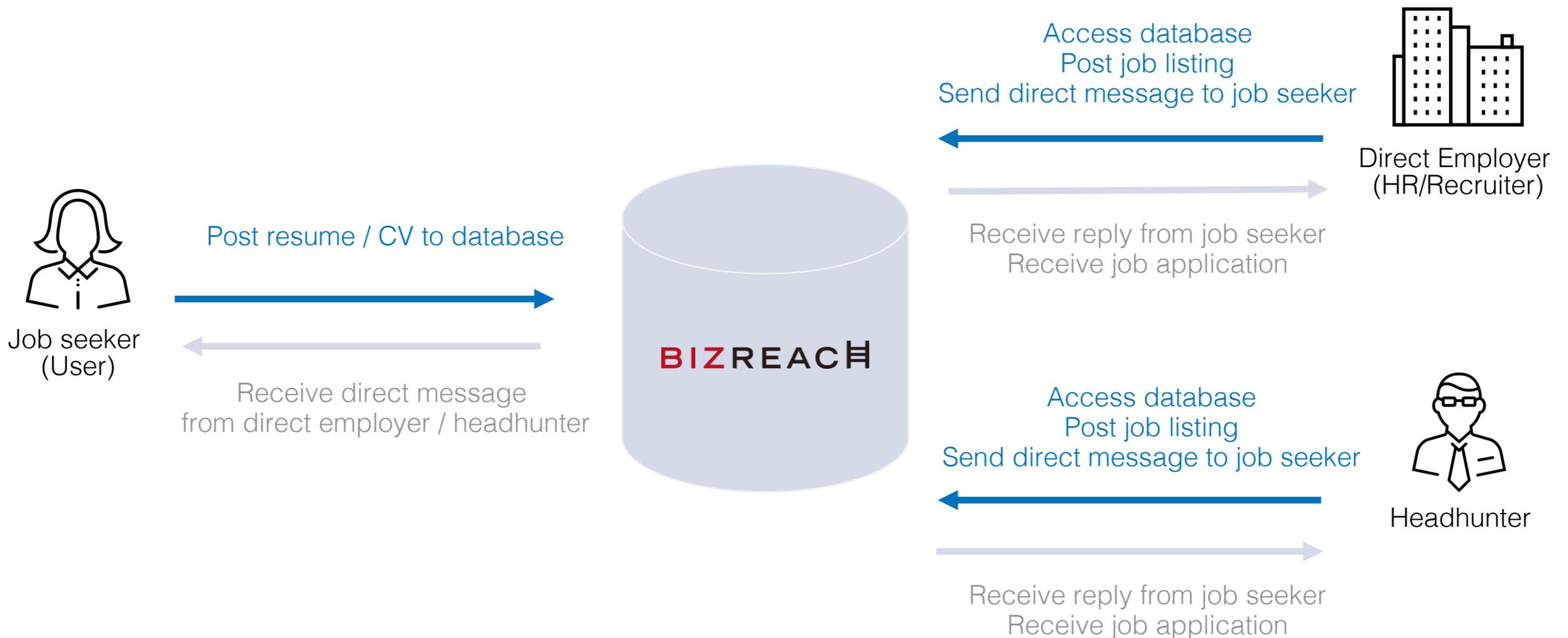


DX of Professional Recruitment Market



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

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

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	4Q
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	2.13
ARPU ⁽²⁾ (JPY thousands)	97	98	100	100	102	104	106	107	109	111	111	112	113	113	113	113	114	113	114	115
# 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	1,546
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	0.49

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

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