

FY2024/7 2Q
Financial Results

March 2024



Visional, Inc.

Consolidated Financials

- Net sales for 1H recorded JPY 31.43Bn (19.0% YoY growth) and for 2Q, JPY 15.37Bn (16.6% YoY growth). Progressing on plan
- Operating profit for 1H was JPY 9.79Bn (68.1 % YoY growth, 31.2% margin) and for 2Q, JPY 4.83Bn (127.9 % YoY growth, 31.5% margin). Operating profit exceeded plan due to improved advertising efficiency and change in marketing plan. We continue with disciplined execution balancing investments for future growth and cost control

BizReach

- Net sales for 1H recorded JPY 27.49Bn (18.9% YoY growth) and for 2Q, JPY 13.40Bn (16.5% YoY growth). 1Q and 2Q net sales fluctuate based on when individuals start their next roles, as such, 2Q net sales declined vs. 1Q yet as 1H, it has progressed within plan. While solid demand for hiring professionals especially among Japanese companies continues, no change observed in slowdown of hiring activities in some companies. Future market conditions remain unclear
- Adjusted operating profit before corporate expense allocation for 1H was JPY 12.19Bn (27.3% YoY growth, 44.3% margin) and for 2Q, JPY 6.03Bn (52.7% YoY growth, 45.0% margin). Marketing expenses decreased compared to plan due to improved advertising efficiency and change in marketing plan

HRMOS

- Net sales for 1H recorded JPY 1.74Bn (74.1% YoY growth) and for 2Q, JPY 0.91Bn (76.6% YoY growth). HRMOS ATS and HRMOS Expense Management drove growth
- Adjusted operating losses before corporate expense allocation for 1H was JPY 0.49Bn and for 2Q, JPY 0.21Bn. Operating losses decreased compared to plan due to strong net sales growth

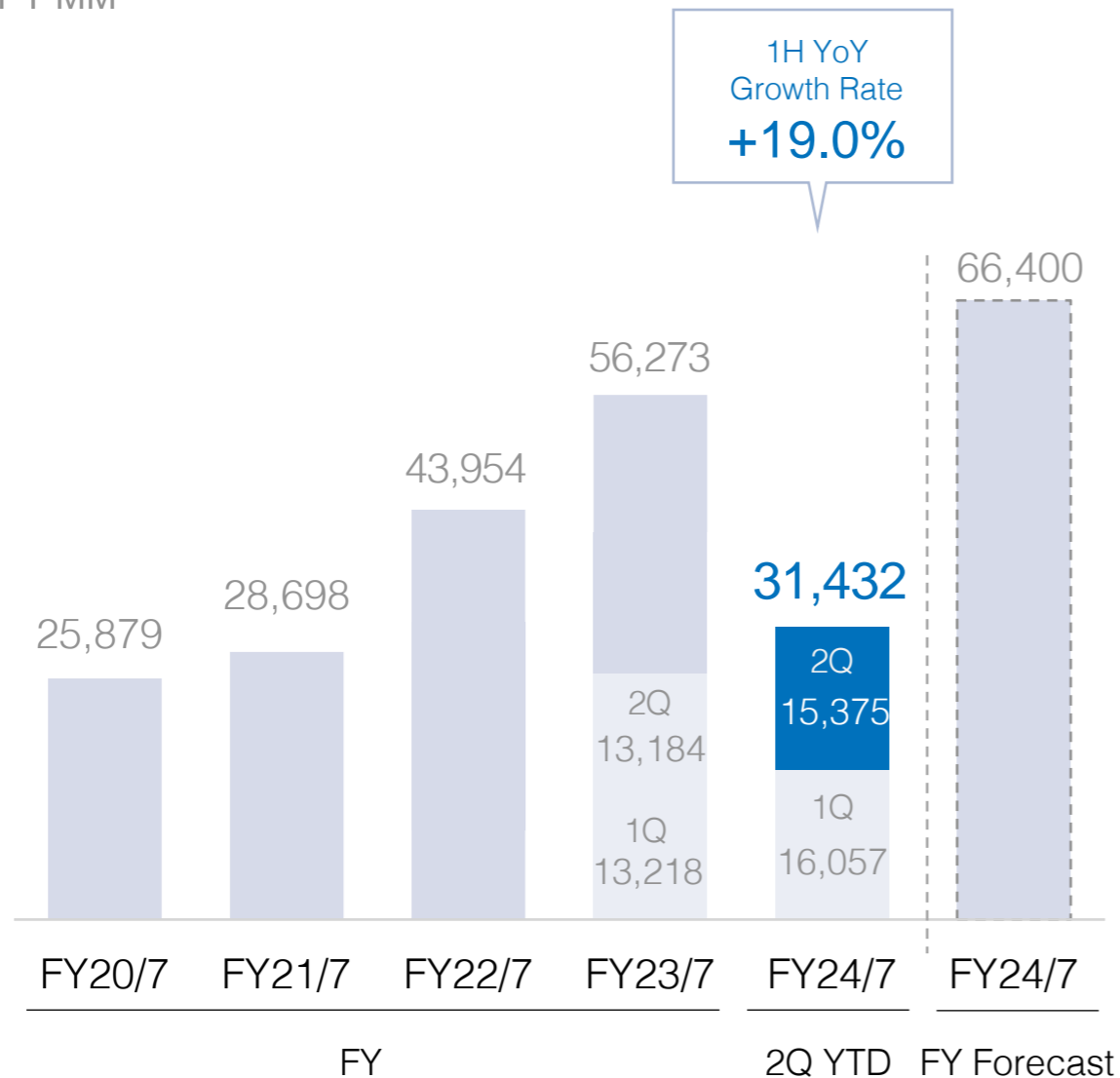
FY Consolidated Financial Forecast

- Full year consolidated FY2024/7 financial forecast for net sales is unchanged at 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 consolidated operating profit is unchanged at JPY 16.00Bn (21.0% YoY growth, 24.1% margin)
- Share transfer of BizHint, Inc., a former consolidated subsidiary of ours, was completed on December 1, 2023. No change to full year consolidated financial forecast

Visional Group's net sales for 1H progressed on plan, 19.0% YoY growth. Operating profit recorded 68.1% YoY growth, 31.2% margin driven by smaller marketing investments. Marketing budget has been shifted to 2H. Disciplined execution balancing investments for future growth and cost control continues

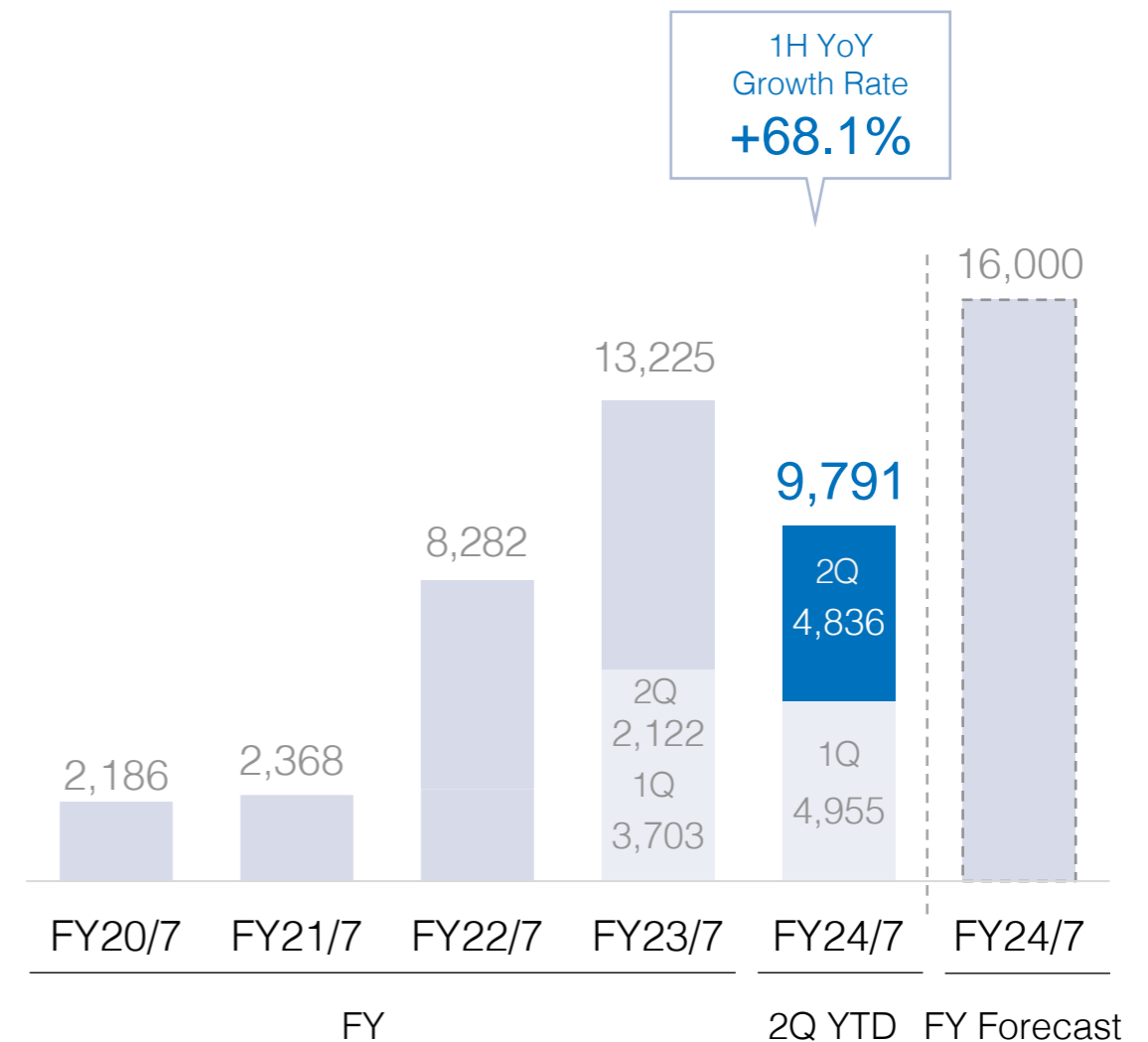
Consolidated Net Sales⁽¹⁾

JPY MM



Consolidated Operating Profit⁽¹⁾⁽²⁾

JPY MM



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 (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

2Q Incubation Segment net sales decreased compared to 1Q due to the share transfer of BizHint, Inc. FY Incubation Segment net sales expected to fall short of forecast, yet no change to our FY consolidated financial forecast

JPY MM

	6 months ended January 31, 2024	6 months ended January 31, 2023	3 months ended January 31, 2024	3 months ended October 31, 2023	12 months ended July 31, 2023
Net Sales	31,432	26,403	15,375	16,057	56,273
YoY Growth (%)	19.0%	34.2%	16.6%	21.5%	28.0%
HR Tech Segment ⁽¹⁾	30,123	25,243	14,787	15,336	53,685
YoY Growth (%)	19.3%	34.9%	17.8%	20.9%	28.5%
Incubation Segment ⁽¹⁾	1,237	1,092	548	689	2,460
YoY Growth (%)	13.3%	23.7%	(8.2)%	39.3%	22.9%
Cost of Sales	2,655	3,250	1,342	1,313	5,815
Gross Profit	28,776	23,152	14,032	14,744	50,457
Margin (%)	91.6%	87.7%	91.3%	91.8%	89.7%
Selling, General & Administrative Expenses	18,985	17,326	9,196	9,789	37,231
Operating Profit ⁽²⁾	9,791	5,825	4,836	4,955	13,225
Margin (%)	31.2%	22.1%	31.5%	30.9%	23.5%
YoY Growth (%)	68.1%	42.2%	127.9%	33.8%	59.7%
HR Tech Segment ⁽²⁾	10,691	7,170	5,313	5,377	15,701
Incubation Segment ⁽²⁾	(324)	(796)	(139)	(184)	(1,401)
Pre-tax Profit	10,645	6,171	5,456	5,189	14,377
Profit attributable to owners of parent	7,212	4,144	3,724	3,487	9,928
Margin (%)	22.9%	15.7%	24.2%	21.7%	17.6%
YoY Growth (%)	74.0%	45.8%	130.8%	37.8%	69.6%

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

FY2024/7 consolidated net sales forecast is unchanged at 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 unchanged at JPY 16.00Bn, 24.1% margin, as we continue to balance growth investments and cost control

JPY MM

	6 months ended January 31, 2024	FY24/7 Forecast	Progress (%)
Net Sales	31,432	66,400	47.3%
Growth (%)	19.0%	18.0%	--
HR Tech Segment	30,123	63,340	47.6%
BizReach	27,498	59,000	46.6%
Growth (%)	18.9%	20.0%	--
HRMOS	1,745	3,300	52.9%
Growth (%)	74.1%	51.0%	--
Incubation Segment	1,237	2,940	42.1%
Others	71	120	59.5%
Operating Profit	9,791	16,000	61.2%
Growth (%)	68.1%	21.0%	--
Margin (%)	31.2%	24.1%	--
Ordinary Profit	10,193	16,320	62.5%
Growth (%)	65.3%	13.5%	--
Margin (%)	32.4%	24.6%	--
Profit attributable to owners of parent	7,212	10,930	66.0%
Growth (%)	74.0%	10.1%	--
Margin (%)	22.9%	16.5%	--

- Net sales is exposed to market conditions especially 3Q, the biggest quarter for BizReach, however, operating profit can be controlled to a certain extent
- Forecast for BizReach is unchanged at net sales of JPY 59.00Bn, 20.0% YoY growth, adjusted operating profit margin before corporate expense allocation of 40%
- Forecast for HRMOS is unchanged at net sales of JPY 3.30Bn, 51.0% YoY growth. Adjusted operating losses before corporate expense allocation to be smaller than FY2023/7, although impact to consolidated financials is limited
- Business development continues in the Incubation segment whilst controlling losses. FY segment net sales expected to fall short of forecast due to the share transfer of BizHint, Inc., yet no change to the expectation that full year segment losses will be similar levels to FY2023/7
- We will prioritize growth investments for BizReach, whilst maintaining a disciplined balance between growth investments and cost control

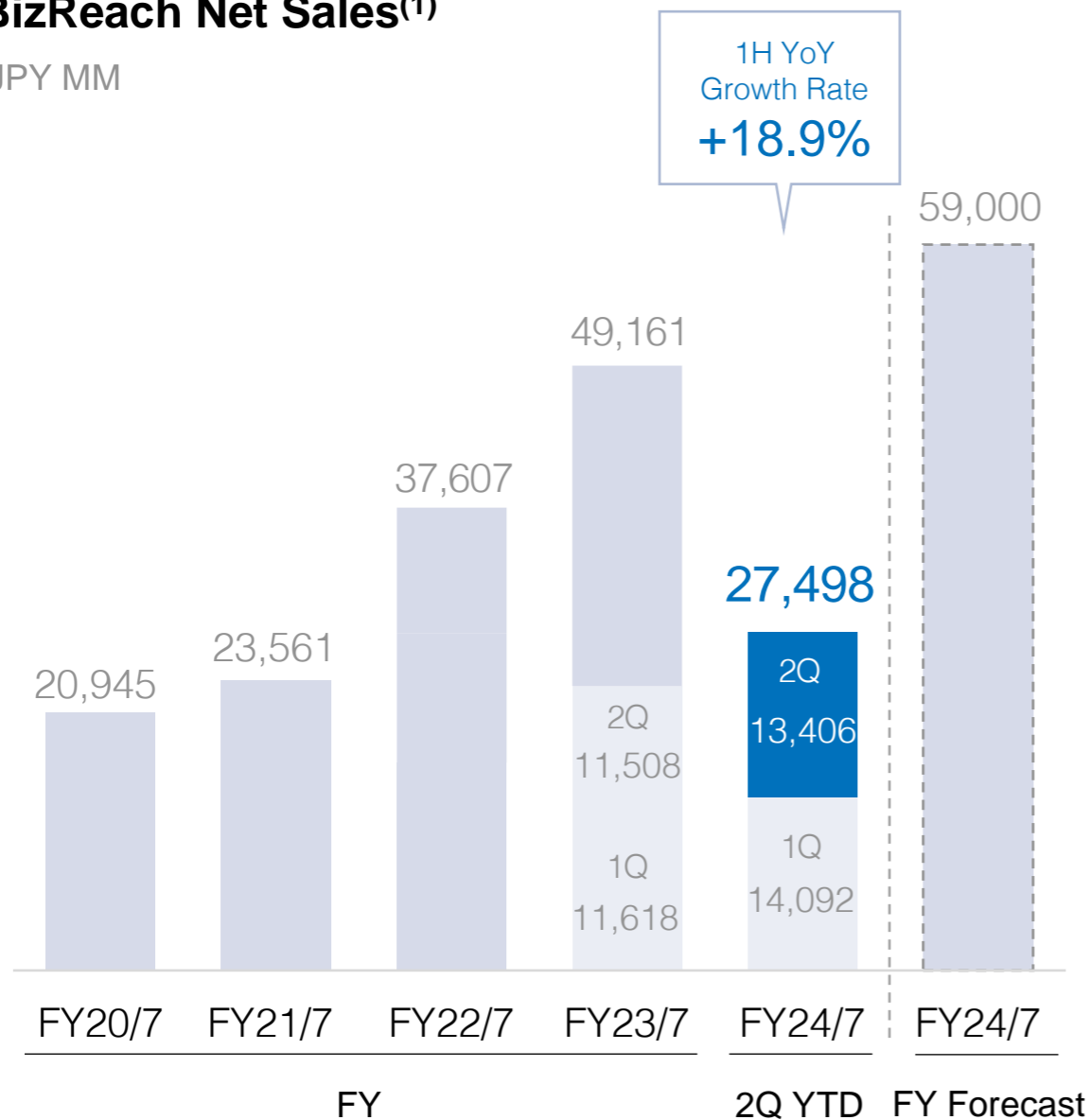
2Q Financial Results by Business

BizReach Financial Results

Net sales for 2Q decreased compared to 1Q, yet 1H progressed within plan. 1Q and 2Q net sales fluctuate based on when individuals start their next roles. No change to our normalized full year net sales growth rate target of 15 - 20% over the next 3 years

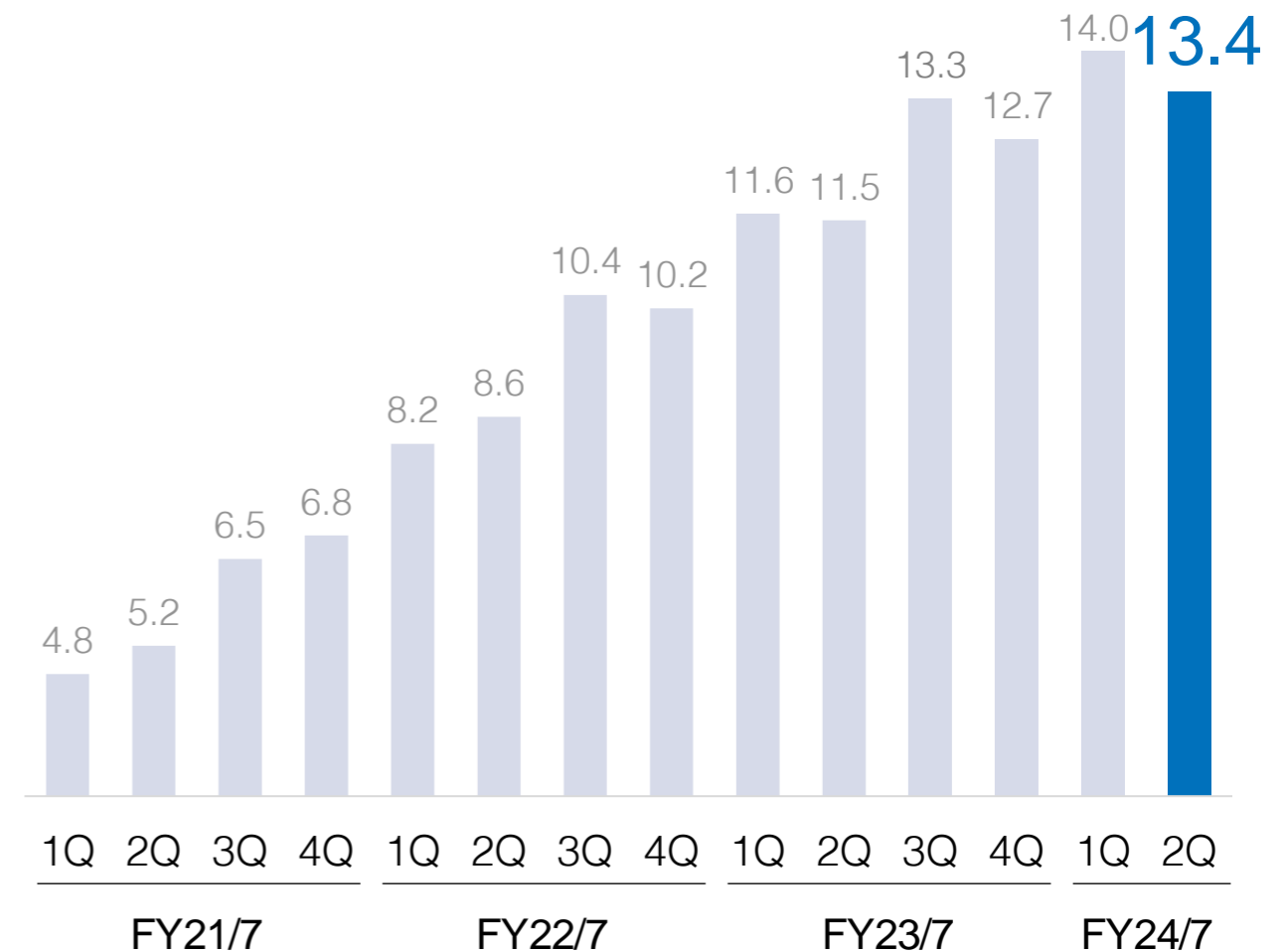
BizReach Net Sales⁽¹⁾

JPY MM



BizReach Quarterly Net Sales Trend⁽¹⁾

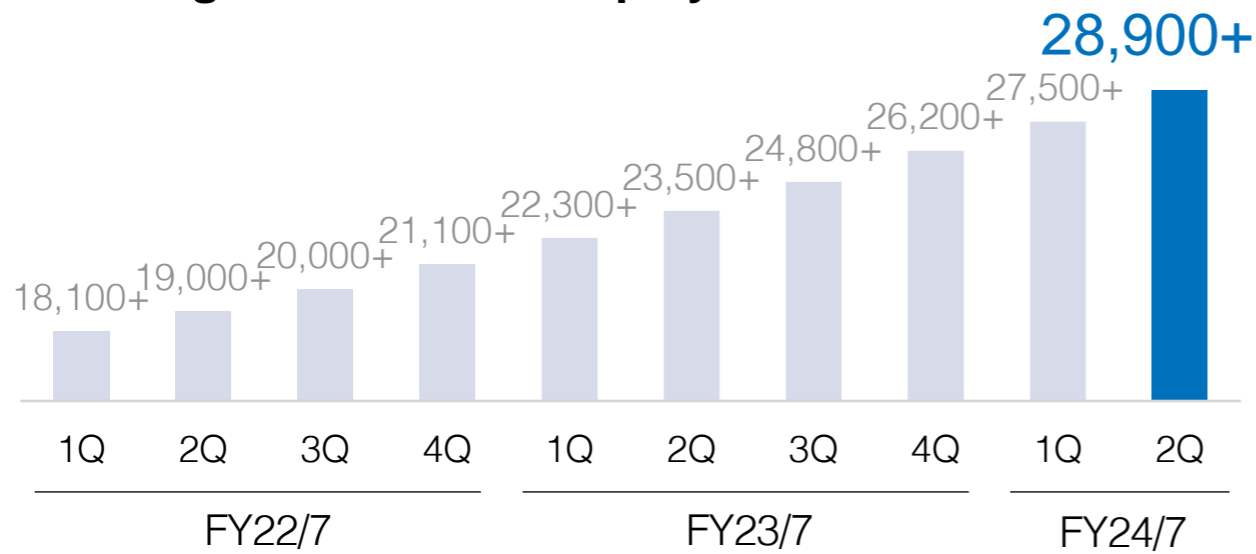
JPY Bn



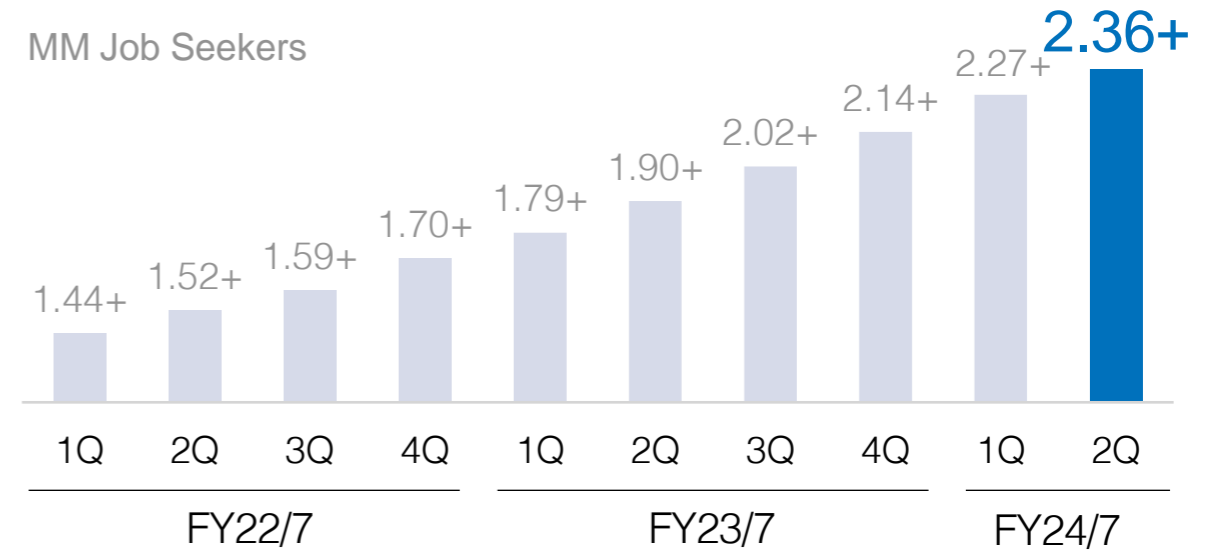
Note: (1) Financial data of the BizReach Business, the core service of our group (which differs from the financial data of our subsidiary BizReach, Inc.)

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

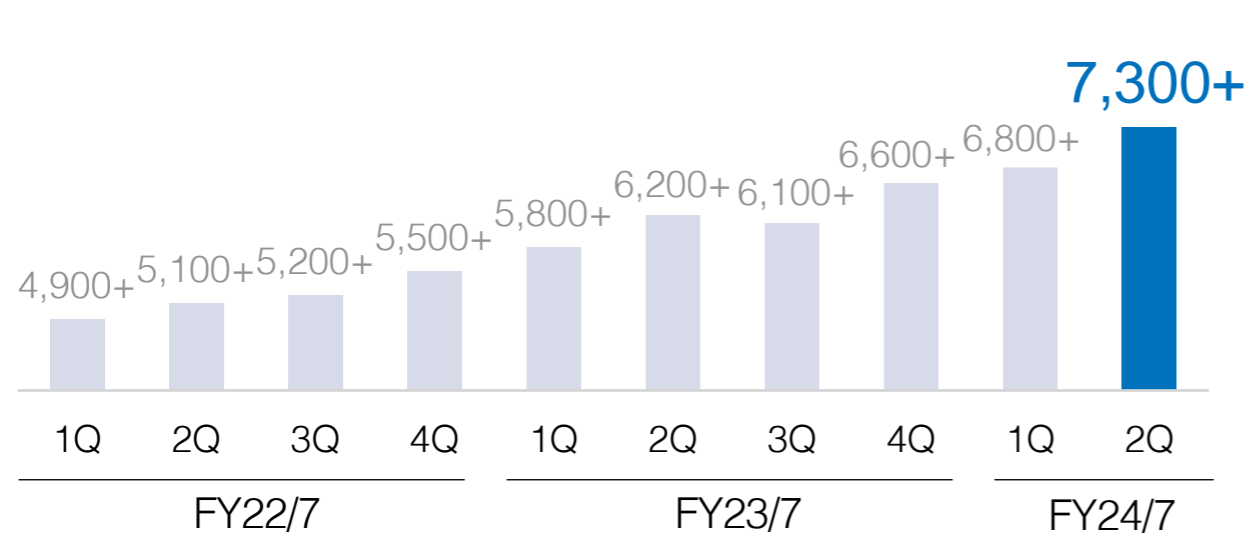
of Registered Direct Employers⁽¹⁾



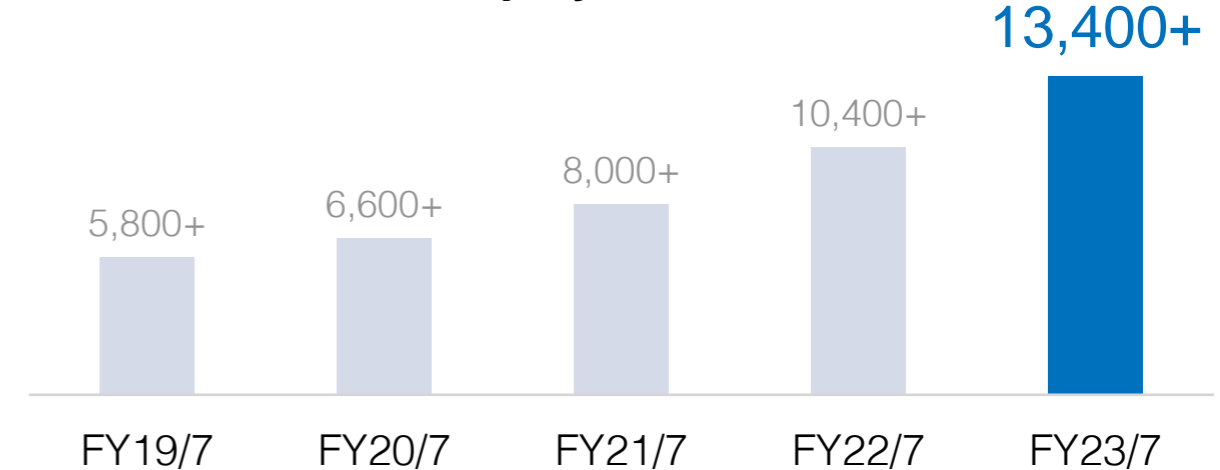
of Scoutable Job Seekers⁽³⁾



of Active Headhunters⁽²⁾



of Active Direct Employers⁽⁴⁾

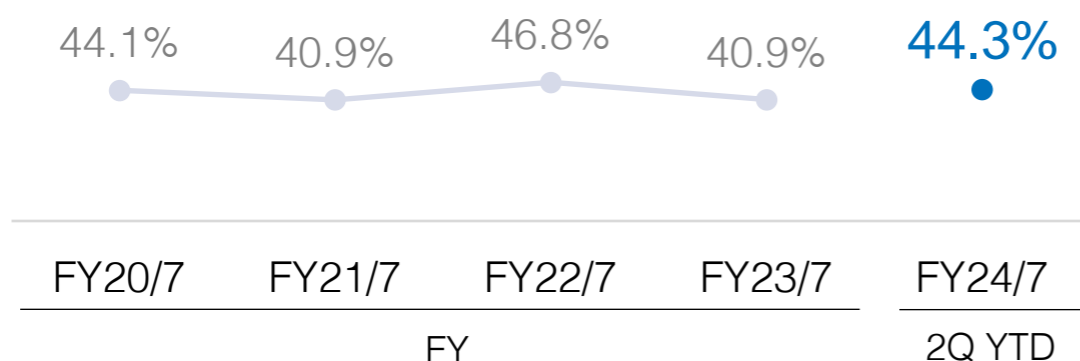


Notes: (1) Direct employers who have subscribed to our BizReach platform (excluding headhunters) (2) All passed screening by BizReach (3) # of users who registered on BizReach platform with resume / CV that have passed a general screening process and whose profile is set to be viewable by direct employers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

No change to FY operating profit margin forecast of 40%. Delivering sustainable business growth by balancing normalized FY net sales growth rate target of 15 - 20% and FY profit margin of around 40%

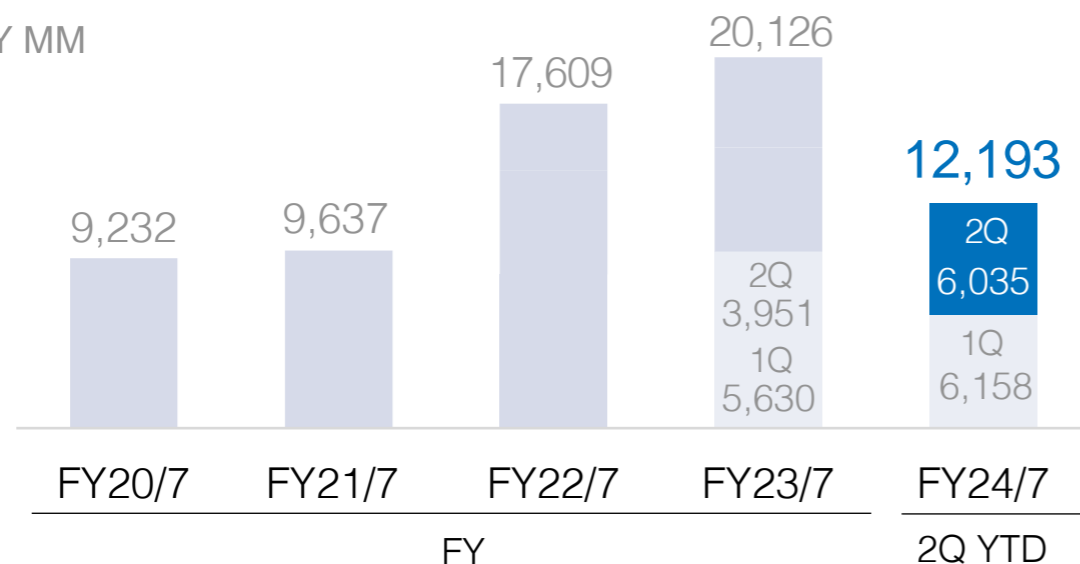
BizReach Adjusted Operating Profit before Corporate Expense Allocation and Margin⁽¹⁾⁽²⁾⁽³⁾

Adjusted operating profit margin before corporate expense allocation



Adjusted operating profit before corporate expense allocation

JPY MM



- No change to FY adjusted operating profit margin before corporate expense allocation forecast of 40%
 - Profit margin for each quarter fluctuates based on the balance between net sales and growth investment plans
 - Marketing investments for 2Q decreased compared to plan due to improvement in investment efficiency driven by review of advertising channels, and temporary refrainment of advertising post the 2024 Noto Peninsula Earthquake
 - Since 1H investments decreased, investment for 2H will expand as previous years, resulting in larger allocation in 2H vs. originally planned. Growth investments will be made while managing returns based on job seeker profiles.
- Despite continued slowdown in hiring activities by some companies, direct recruiting has expanded amongst many Japanese companies, resulting in +1,400 cumulative number of registered direct employers vs.1Q

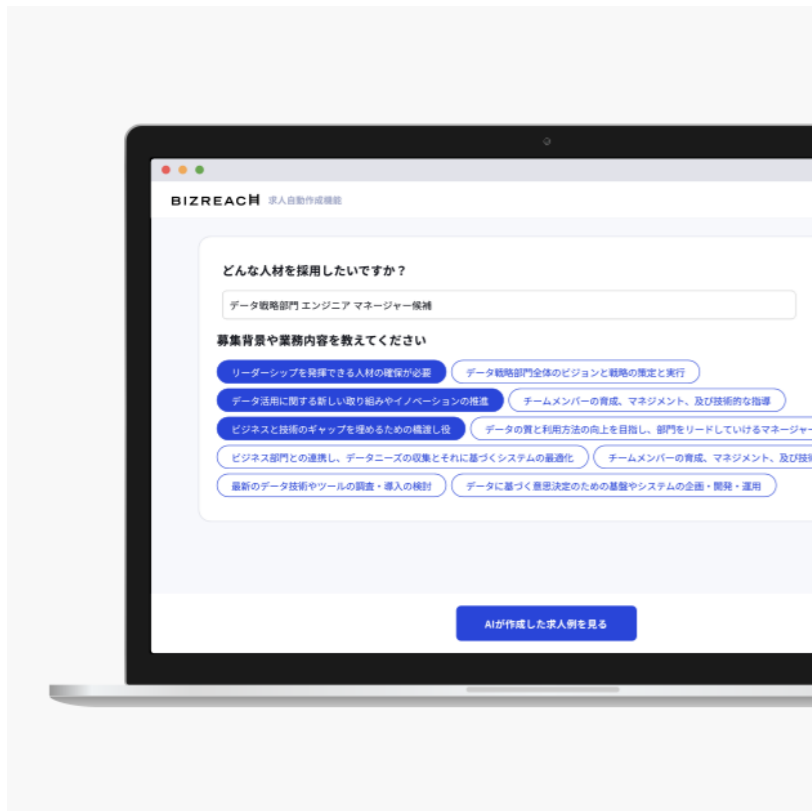
Notes: (1) Financial data of the BizReach Business, the core service of our group (which differs from the financial data of our subsidiary BizReach, Inc.) (2) BizReach business' net sales and adjusted operating profit / profit margin is recorded within the HR Tech reporting segment (3) Adjusted operating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

“GPT Model Job Opening / Posting Creation” for Direct Employers

Job opening / posting automatically proposed in as short as 30 seconds. Leveraging proprietary data and technology to maximize high quality matching opportunities

Automatic Job Opening / Posting Creation⁽¹⁾

- Function supporting direct employers in creating job opening / posting is offered to early adopters
- Aims to lower the hurdle in job opening / posting creation as many companies actively hire professionals
 - It is not easy to create a job opening / posting for positions that require high levels of expertise and innovation
 - With the growing trend of “divisional-led hiring” beyond traditional HR practices, individuals without recruitment experience is required to create a job opening / posting
- 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
- When users answer the question “What kind of talent do you want to hire?” by intuitively specifying job categories or expected roles, recruitment profiles are proposed based on the rich database accumulated in BizReach



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



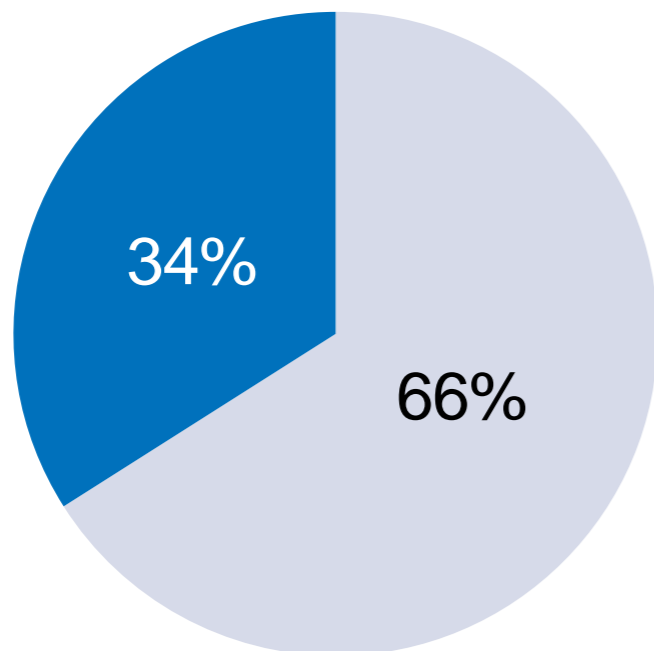
Automatic Resume / CV Creation⁽¹⁾

- 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

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

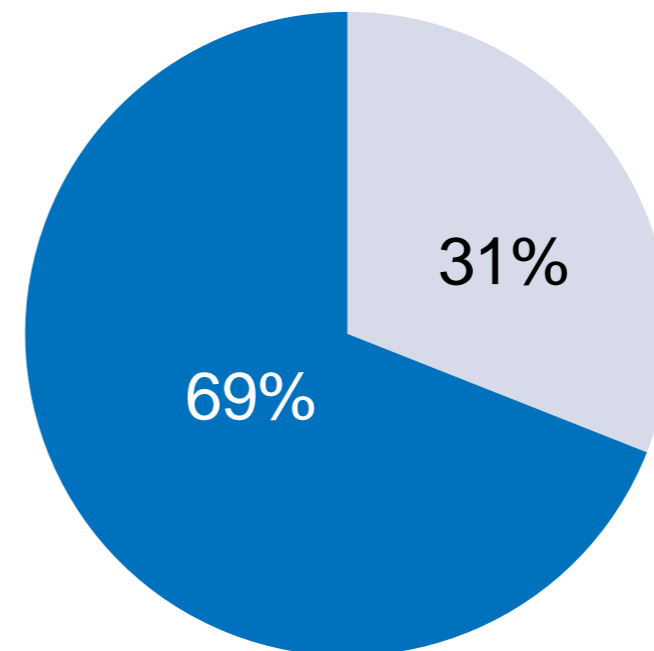
FY23/7 BizReach Business Revenue Breakdown by Fee Type⁽³⁾

- 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 on premium plan 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

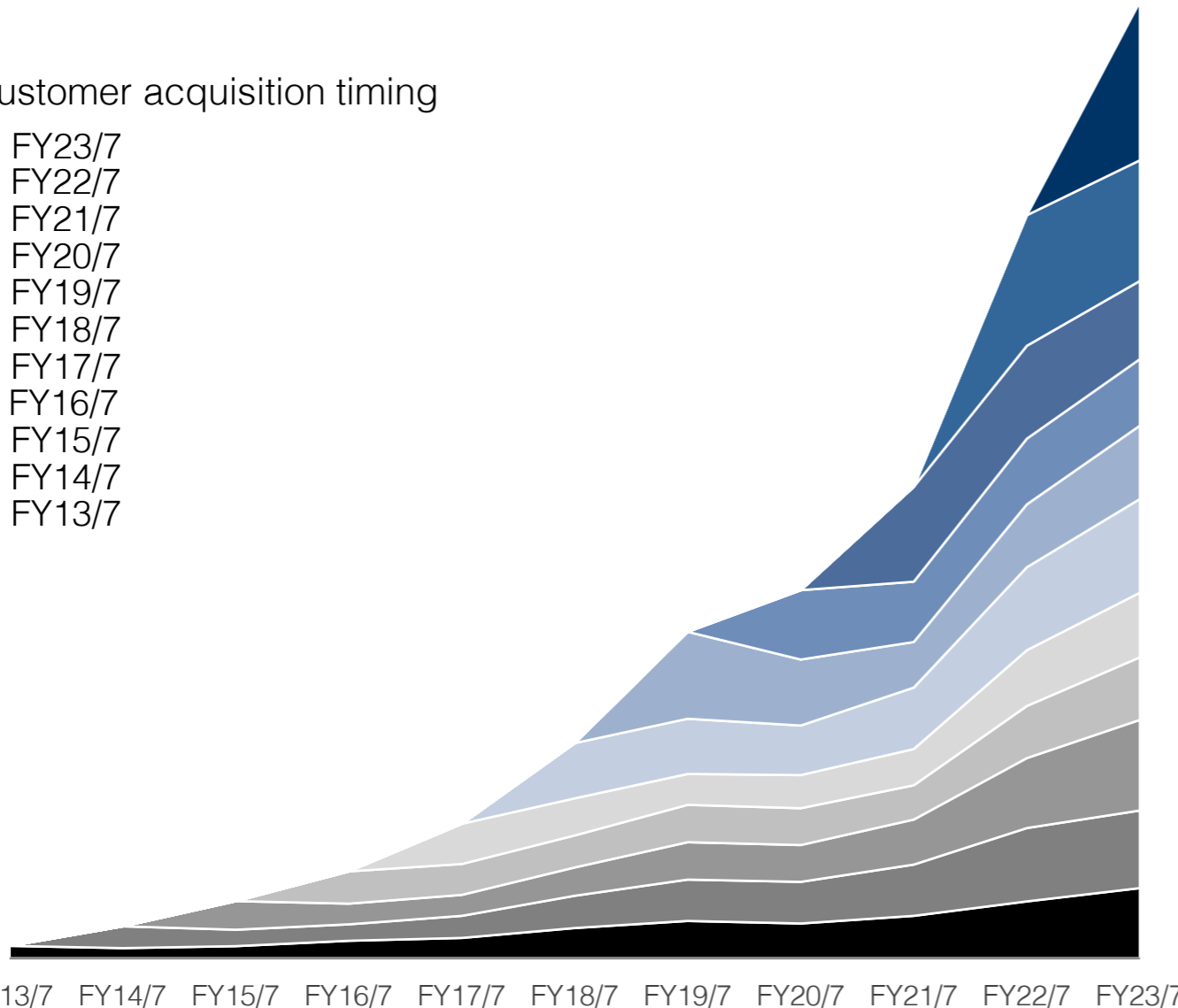
For customers with continued hiring needs, average sales amount per customer has increased over the years

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

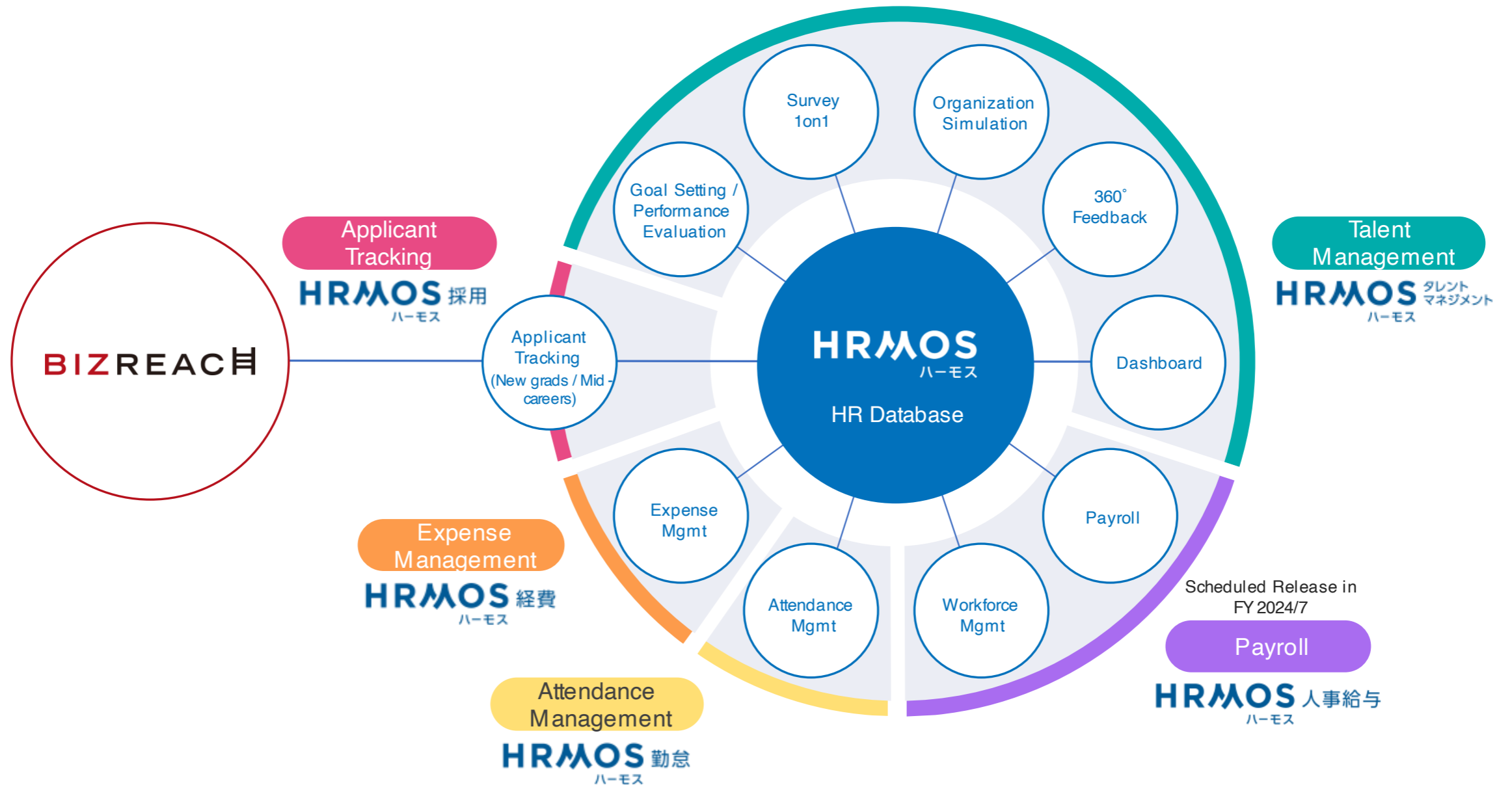


- The left chart indicates sales amount of each fiscal year from direct employers and headhunters counted from the time they were first acquired since FY2013/7
- Number of BizReach customers tends to decrease over the years after being acquired as they may leave the platform depending on hiring needs. 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

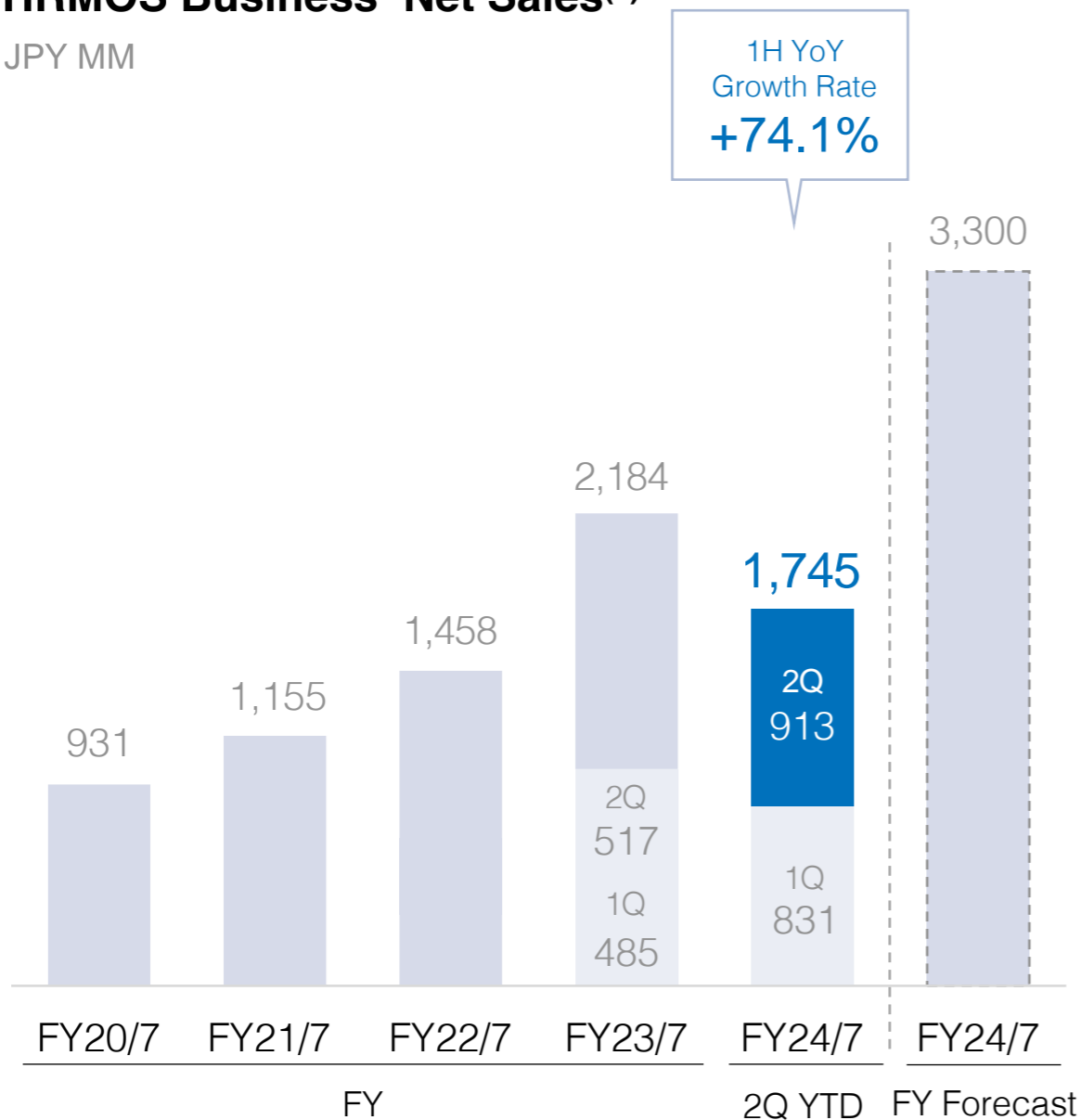
Seamless integration of BizReach and HRMOS to create a unified, data driven HCM Ecosystem that enables investment and management of human capital to drive business competitiveness



Net sales of each HRMOS services grew strongly whilst we continue with product development

HRMOS Business' Net Sales⁽¹⁾

JPY MM

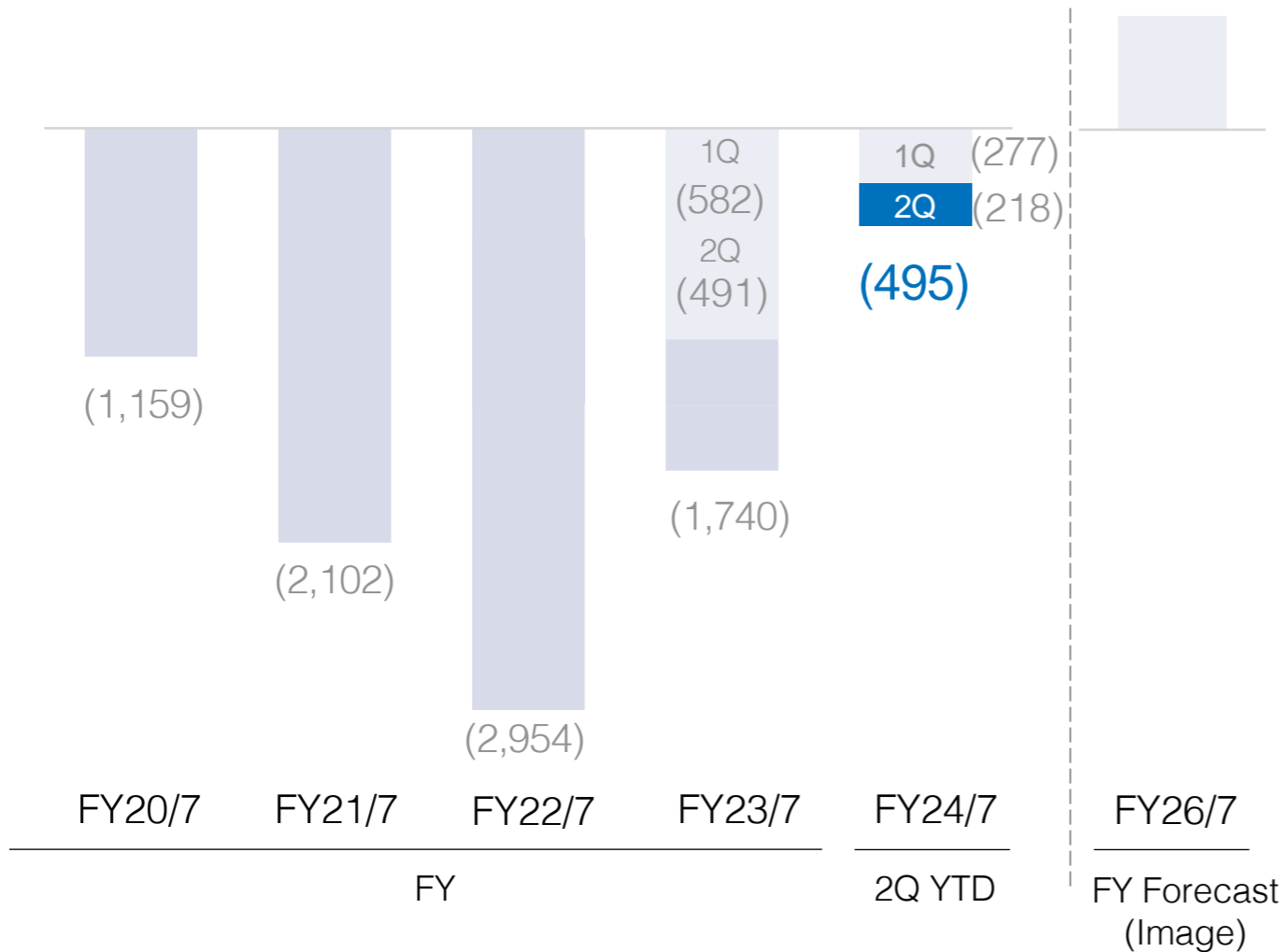


- The graph represents total net sales figure of all HRMOS services. HRMOS Expense Management is included from FY24/7, which is accelerating YoY growth rate
- Net sales for 1H grew 74.1% YoY, trending higher than plan
 - For HRMOS ATS, customer acquisition expanded
 - For HRMOS Expense Management, 2Q new orders and retention significantly higher compared to plan, contributing to net sales growth
 - For HRMOS Attendance Management, churn rate remains low post pricing change. Although impact to consolidated financials is limited, 2Q YTD net sales is growing c.100% YoY
- Launch of HRMOS Payroll scheduled in FY2024/7. Contribution to net sales in FY2024/7 is negligible

Operating losses decreased due to strong net sales growth. Full year losses expected to be smaller than previous year

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

JPY MM



- 2Q operating losses decreased compared to plan due to strong net sales growth
- HRMOS Payroll launch expected in FY2024/7. Product development and marketing investments will continue to be made, as such, FY2024/7 losses were expected to be similar levels to FY2023/7. However, driven by strong net sales growth, losses expected to be smaller than plan, although impact to consolidated financials is limited
- 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

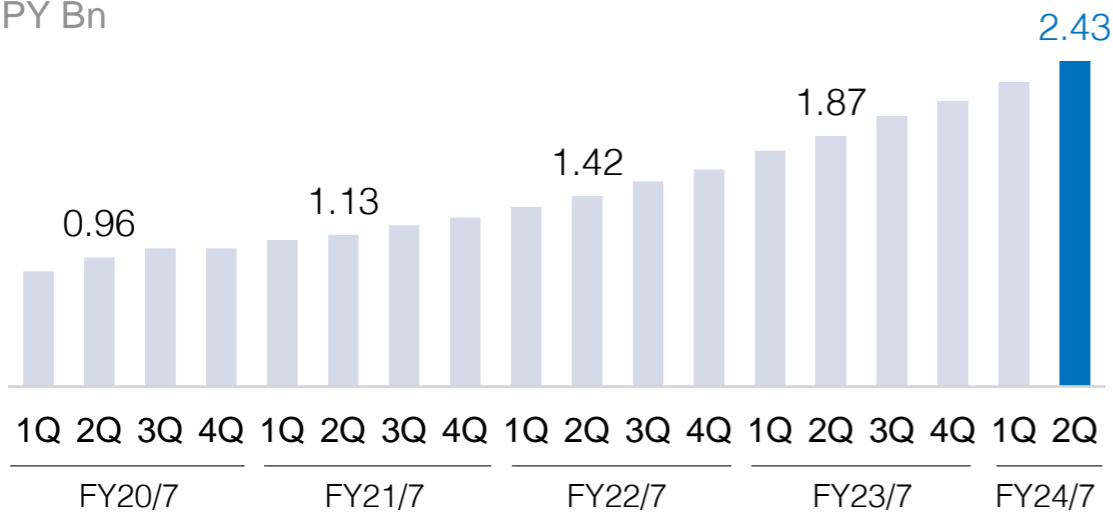
Notes: (1) HRMOS business' net sales and adjusted operating losses is recorded within the HR Tech reporting segment (2) Adjusted operating losses does not include corporate expenses (such as accounting, HR, legal, general affairs, etc.) which are not directly allocated to each businesses

ARR reached JPY 2.43Bn in 2Q (30.0% 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⁾

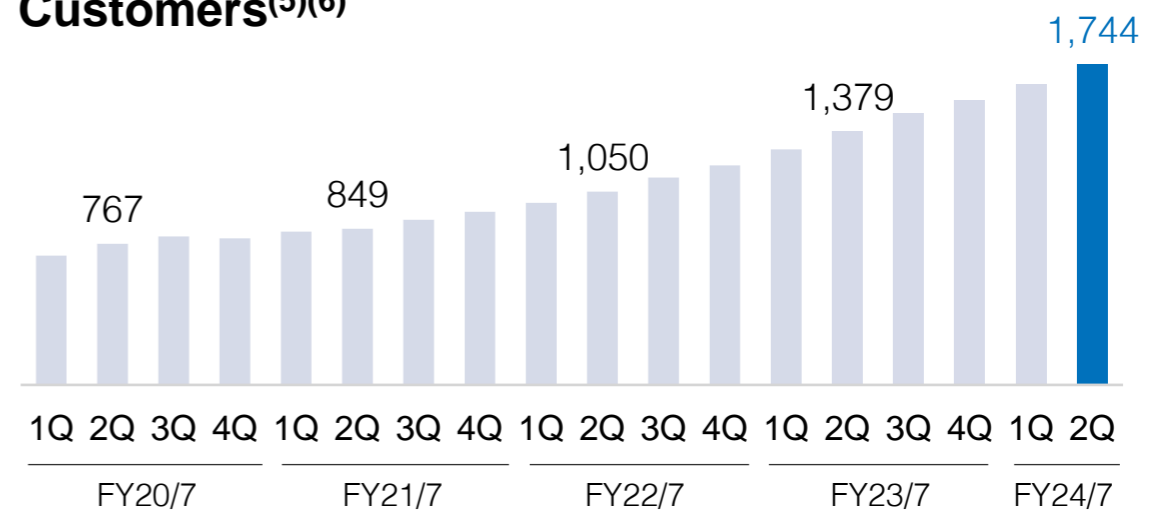
JPY Bn

¥2.43Bn (+30.0% YoY)



of Unique Paying Customers⁽⁵⁾⁽⁶⁾

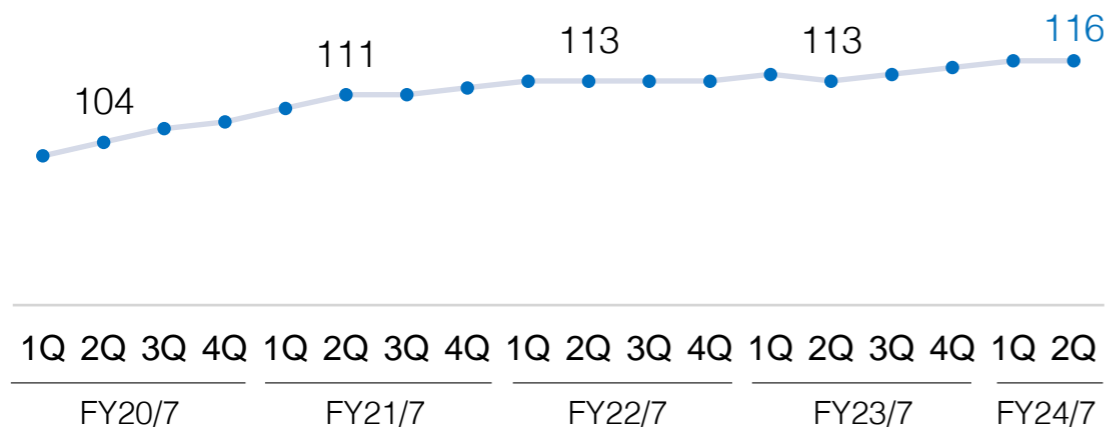
1,744 (+26.5% YoY)



ARPU⁽³⁾⁽⁴⁾

JPY thousands

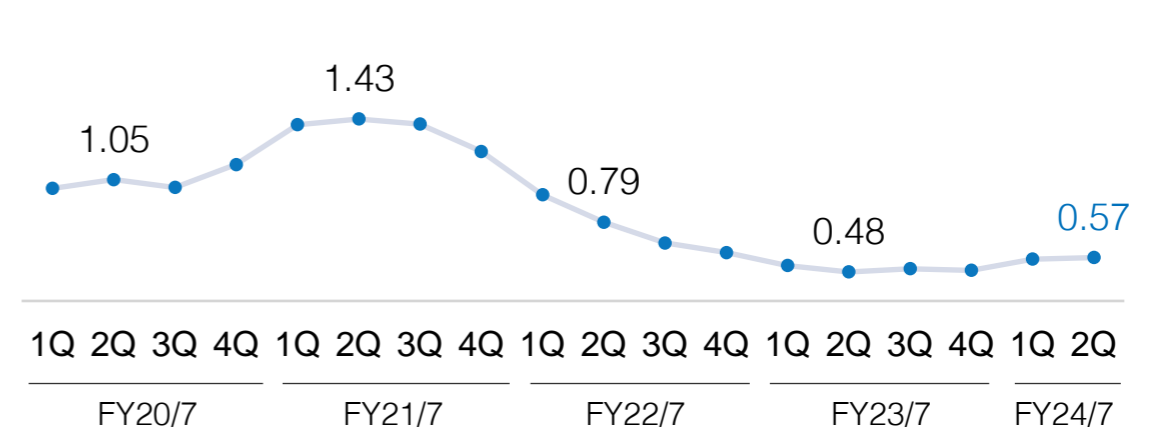
¥116k (+2.8% YoY)



Churn Rate⁽⁷⁾⁽⁸⁾

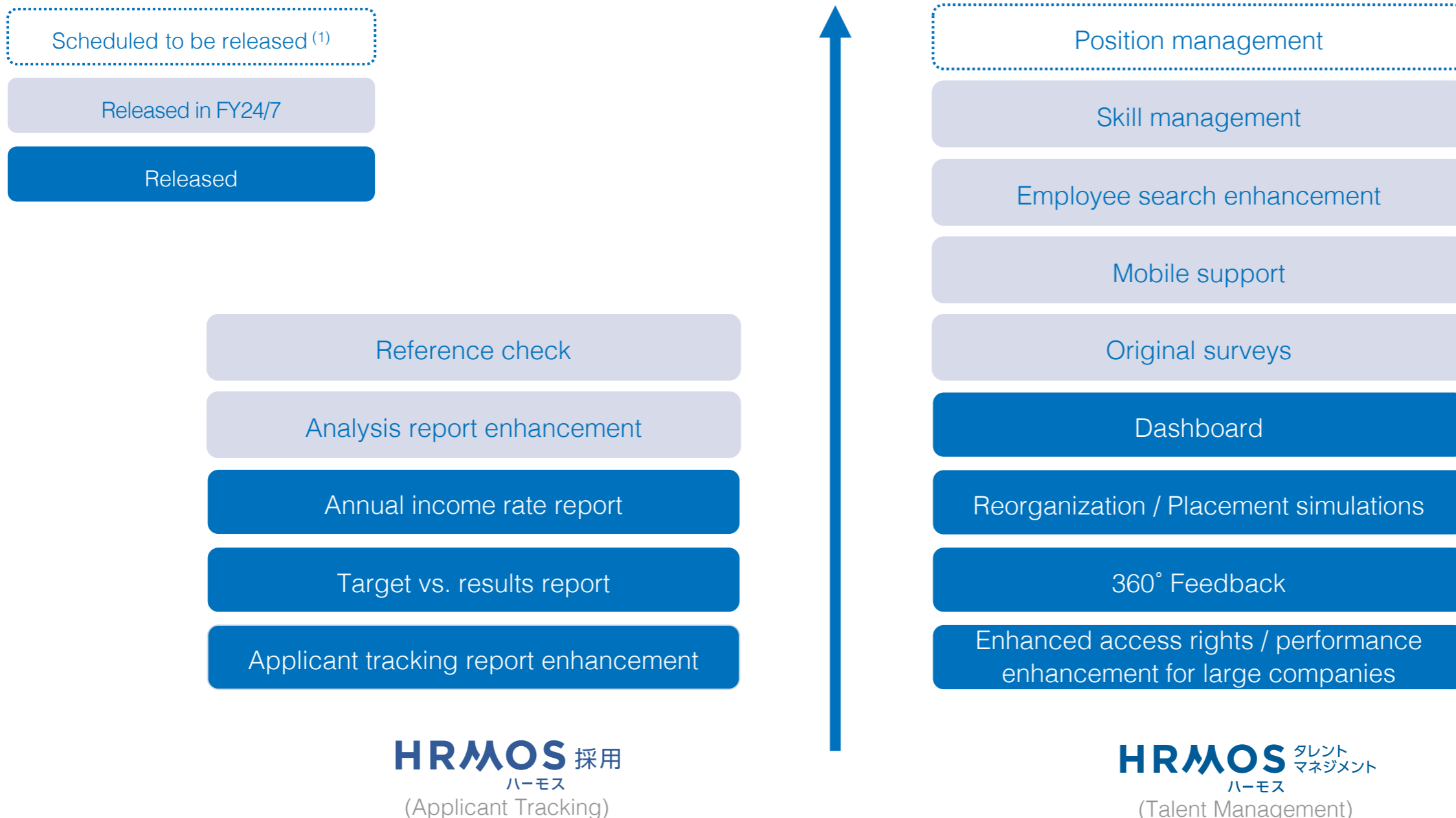
%

Last 12-month average: **0.57%**



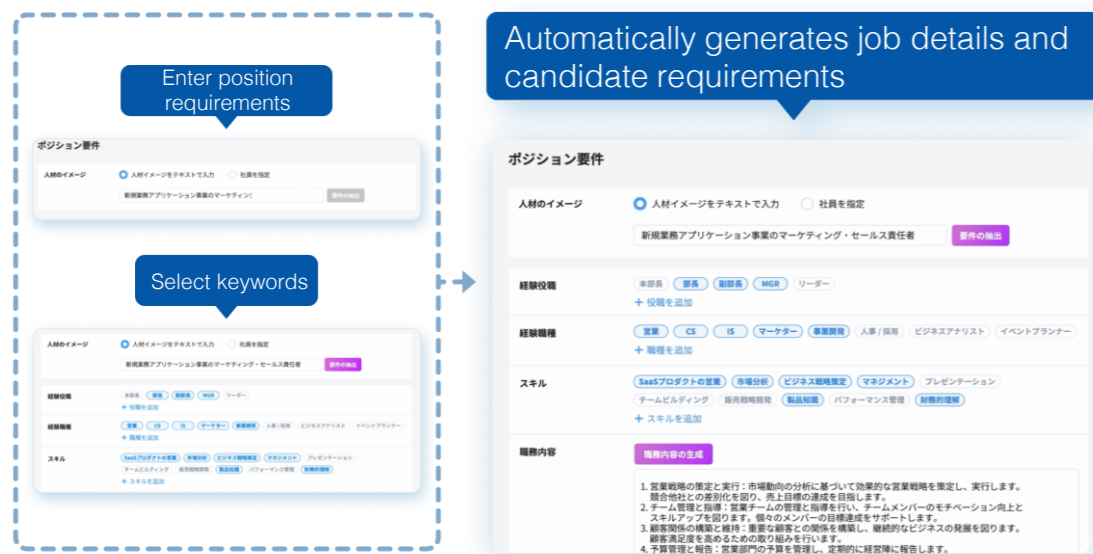
Notes: (1) HRMOS Annual Recurring Revenue (ARR). HRMOS MRR (Monthly Recurring Revenue) for the last month of a quarter multiplied by 12 (MRR = previous month's monthly recurring revenue + newly acquired monthly recurring revenue + upsell monthly recurring revenue down sell monthly recurring revenue churned monthly recurring revenue. Excludes one-time fees such as initial setup fees) (2) As of the end of January 2024 (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 January 2024 (5) Unique fee-paying customers as of the final month of the quarter. Customers using multiple HRMOS services are counted as one customer (6) As of the end of January 2024 (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 January 2024

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



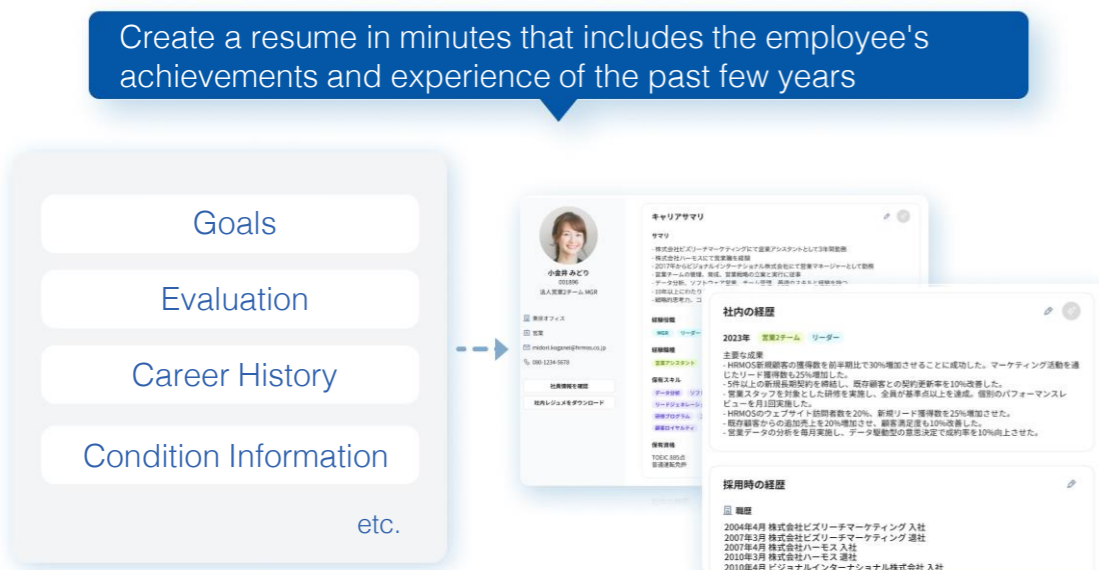
Note: (1) These are plans at this time, and function names and details are subject to change at the time of actual release of the functions

GPT model technology and know-how acquired through BizReach also applied to HRMOS. The goal is to make internal job openings visible and develop standard language for various skills. Pilot process to start. Target official launch of summer 2024



Automatic Creation of Position Specs and Internal Resumes⁽¹⁾

- Companies need to prepare position specifications to clarify the types of candidates that they need to hire. This function helps address the lack of standard language for job descriptions including required skills
- GPT model position specs creation supports the need for developing standard language for position specifications. By selecting a specific employee, the user can create job specifications such as job summary, job details, responsibilities, and skills based on the individuals career data and skill set
- GPT model internal resumes creation allows employees to generate their career summary in minutes, with their goals, achievements and skills registered in HRMOS Talent Management summarized in a resume format



Note: (1) For details, please refer to the press release announced by BizReach, Inc. on January 31, 2024. (<https://www.bizreach.co.jp/pressroom/information/2024/0131.html>)

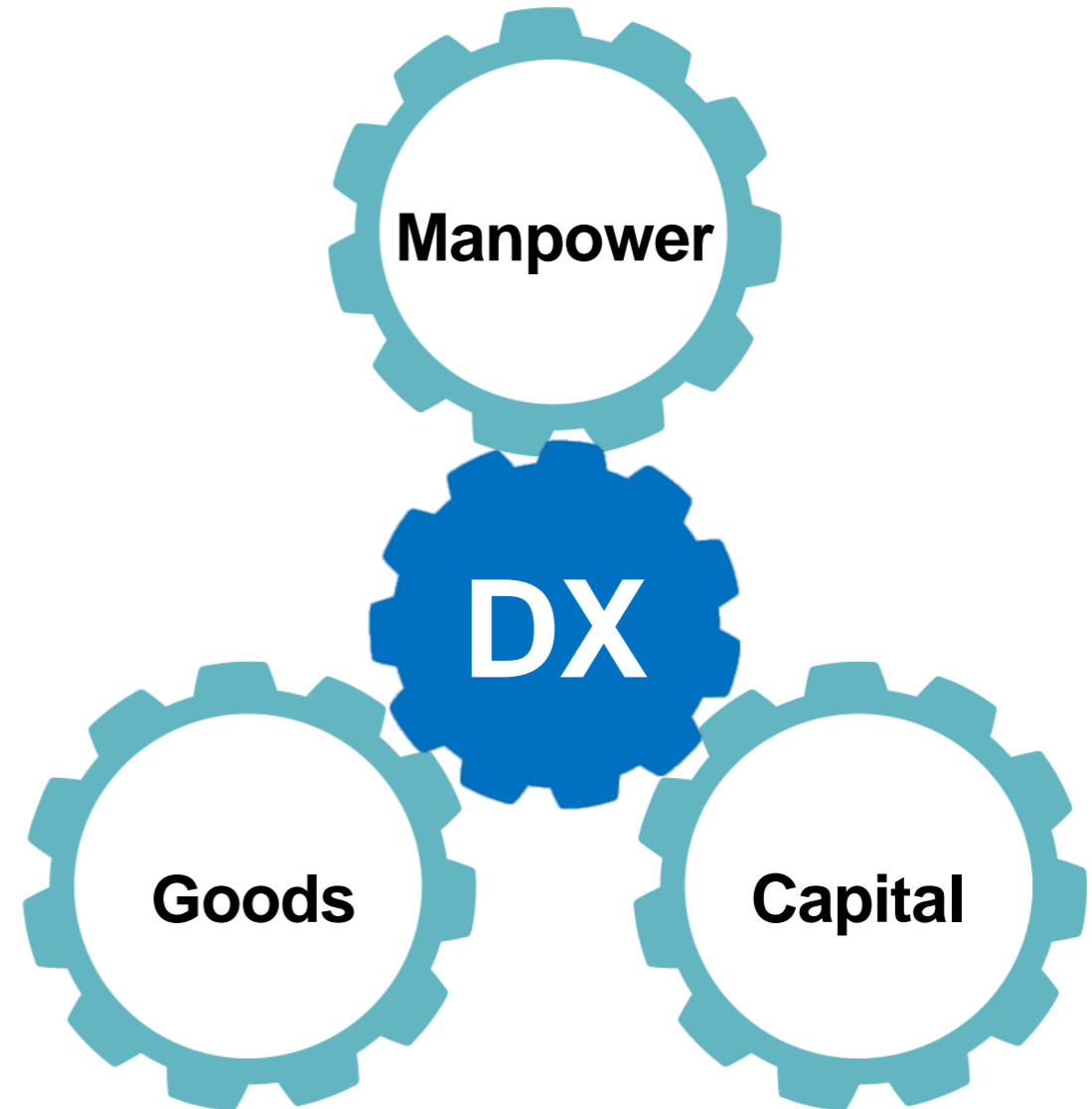
Visional Group Strategy and Our Future

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

Persistent Creation of New Possibilities.

We will tap into the power of the internet to support the digital transformation of our society.

We will continue to maximize mid-to-long term enterprise value by persistently transforming social obstacles into new possibilities.

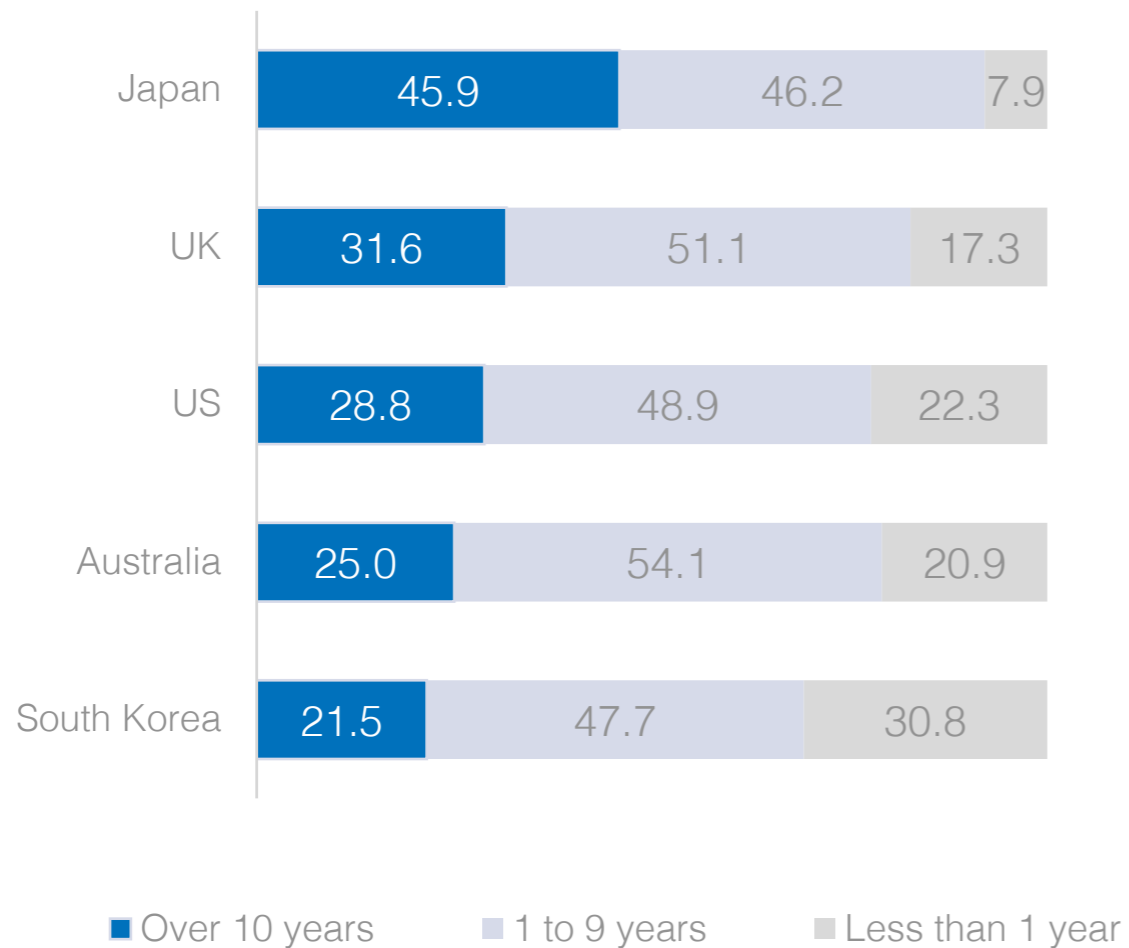
Commitment towards our group mission

- ✓ 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**

**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⁾

Unit: %



Why Increased Labor Liquidity is Required

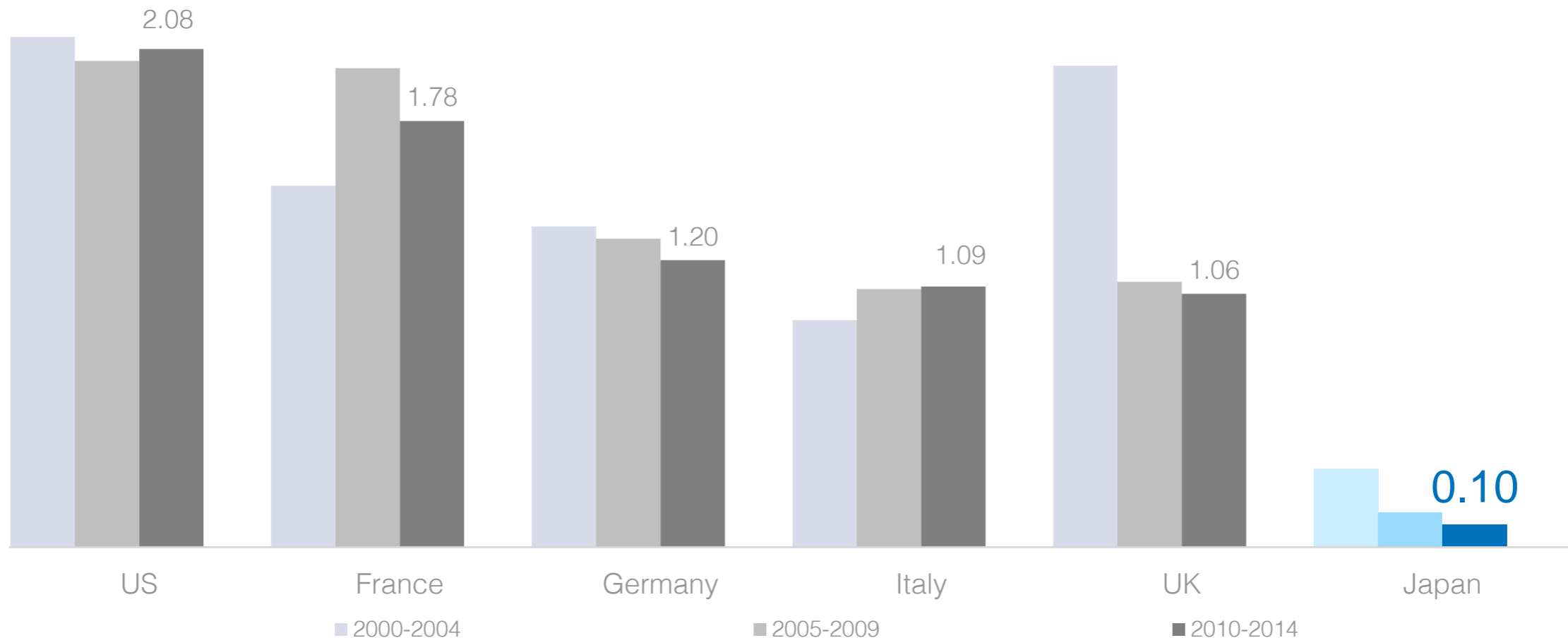
- ✓ Mid-career hiring required to address decreasing work force caused by shrinking working-age population and the number of new graduates entering the work force in the long term
- ✓ Professionals required to address changes in the business environment and business models, and to build a diverse and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

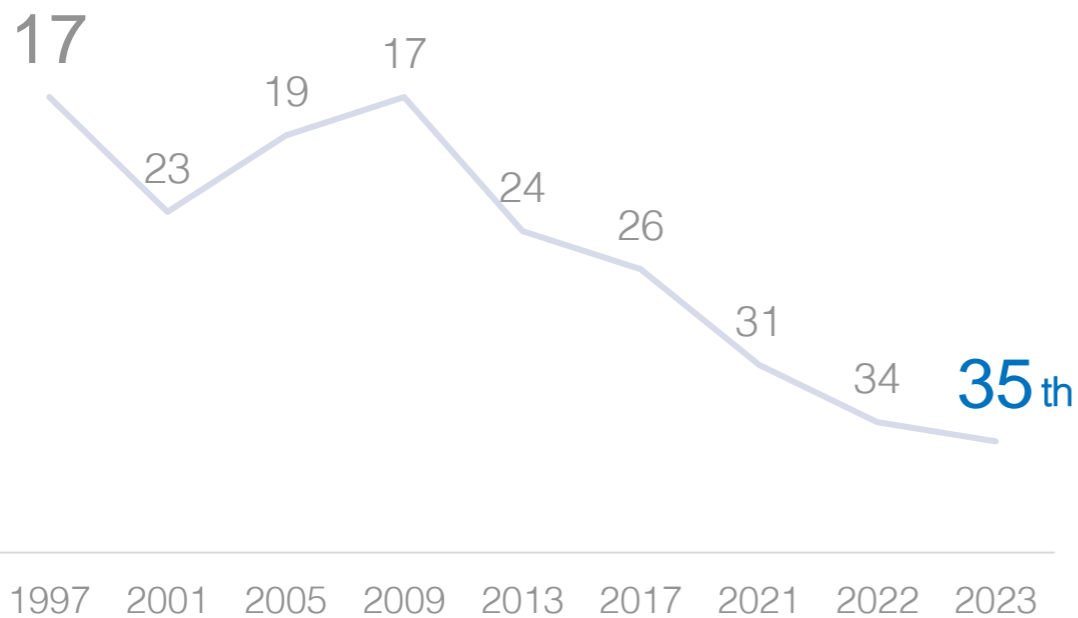


Note: (1) Prepared by Visional, Inc. based on the Ministry of Economy, Trade and Industry "METI Future Human Resource Vision" in May 2022 (<https://www.meti.go.jp/press/2022/05/20220531001/20220531001-1.pdf>)

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

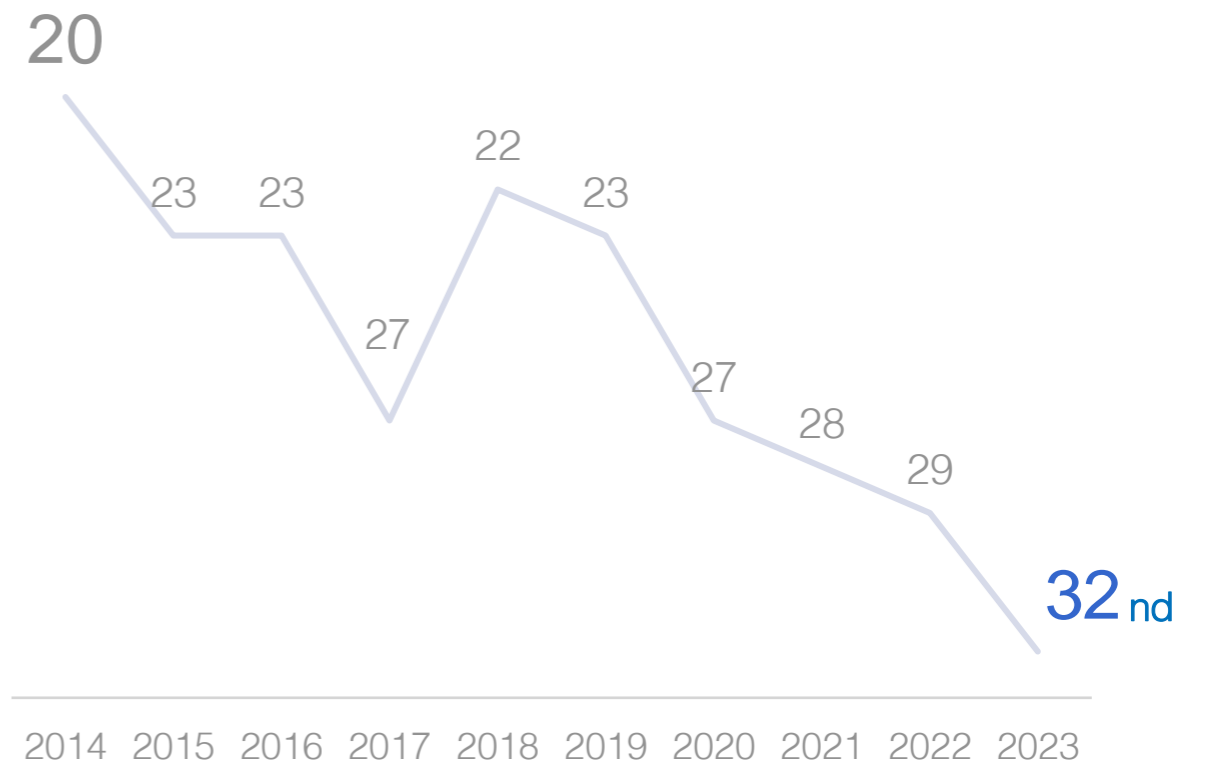
Japan's International Competitiveness Ranking⁽¹⁾

Rank



Japan's Digital Competitiveness Ranking⁽²⁾

Rank

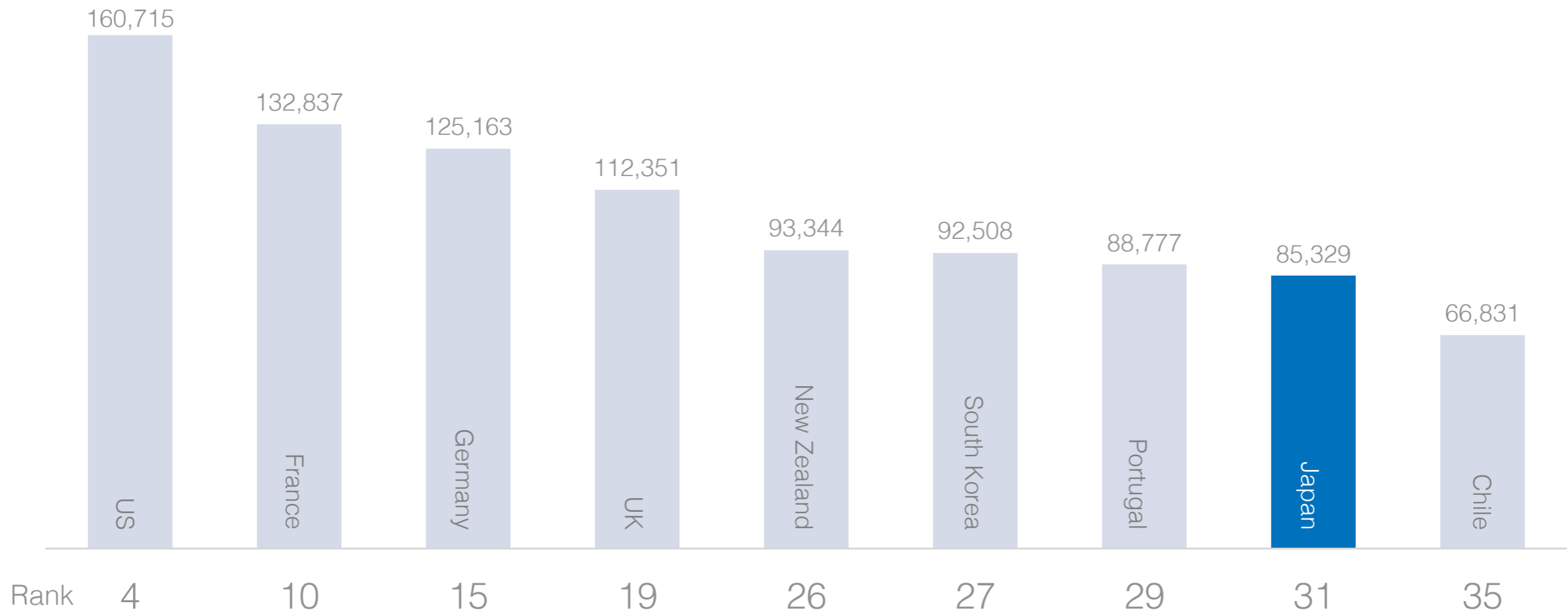


Notes: (1) Prepared by Visional, Inc. based on "IMD World Competitiveness Ranking" by The IMD World Competitiveness Center (<https://www.imd.org/centers/wcc/world-competitiveness-center/rankings/world-competitiveness-ranking/>) (2) Prepared by Visional, Inc. based on "IMD World Digital Competitiveness Ranking" by The IMD World Competitiveness Center (<https://www.imd.org/centers/wcc/world-competitiveness-center/rankings/world-digital-competitiveness-ranking/>)

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 2022, per employed worker, comparison among 38 countries
Unit: US dollar at purchasing power parity

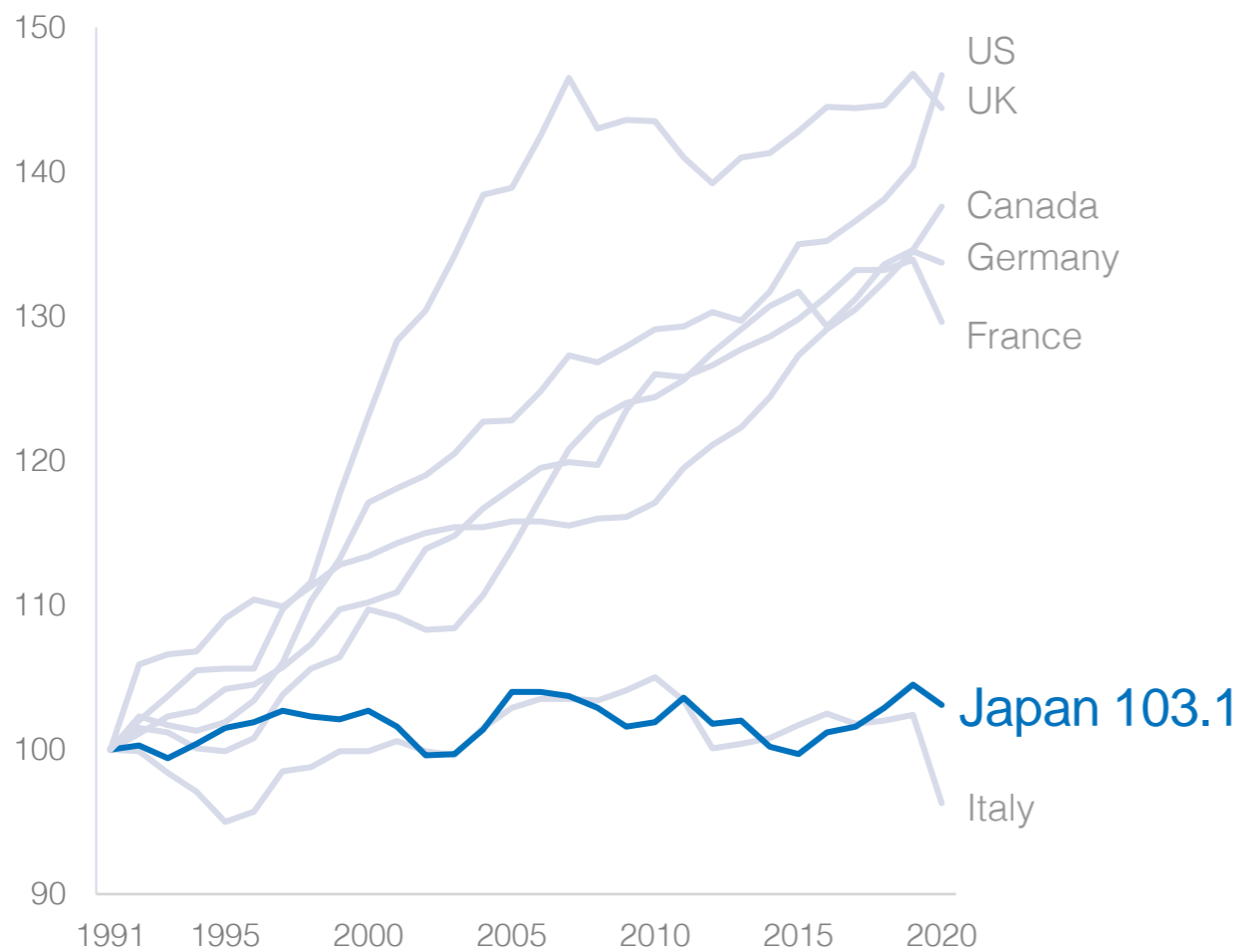


Note: (1) Prepared by Visional, Inc. based on Japan Productivity Center “International Comparison of Labor Productivity 2023” (<https://www.jpc-net.jp/research/list/comparison.html>)

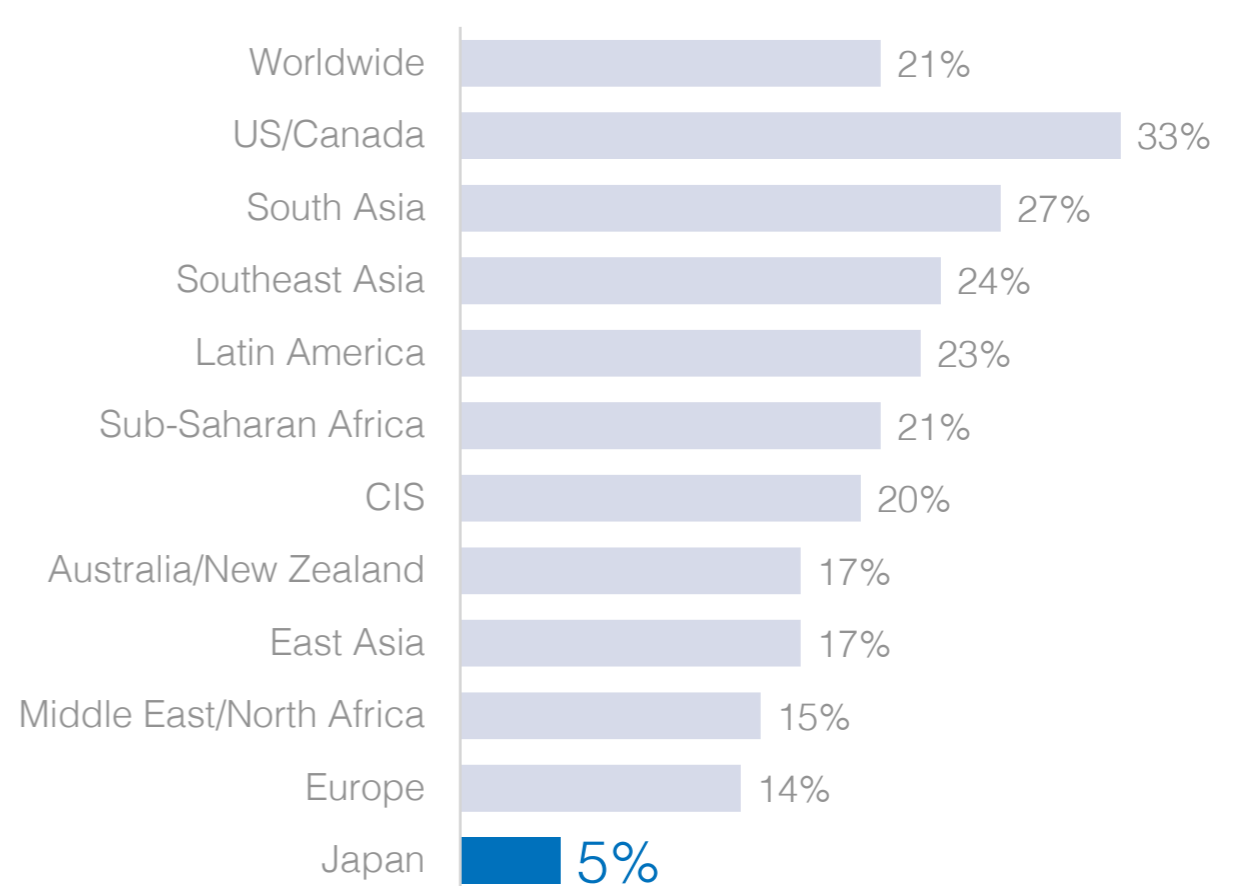
Real wages in Japan have not increased for almost 20 years, but a movement has begun to improve productivity. Positive trends in higher wages and focus on human capital management to improve employee engagement observed

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

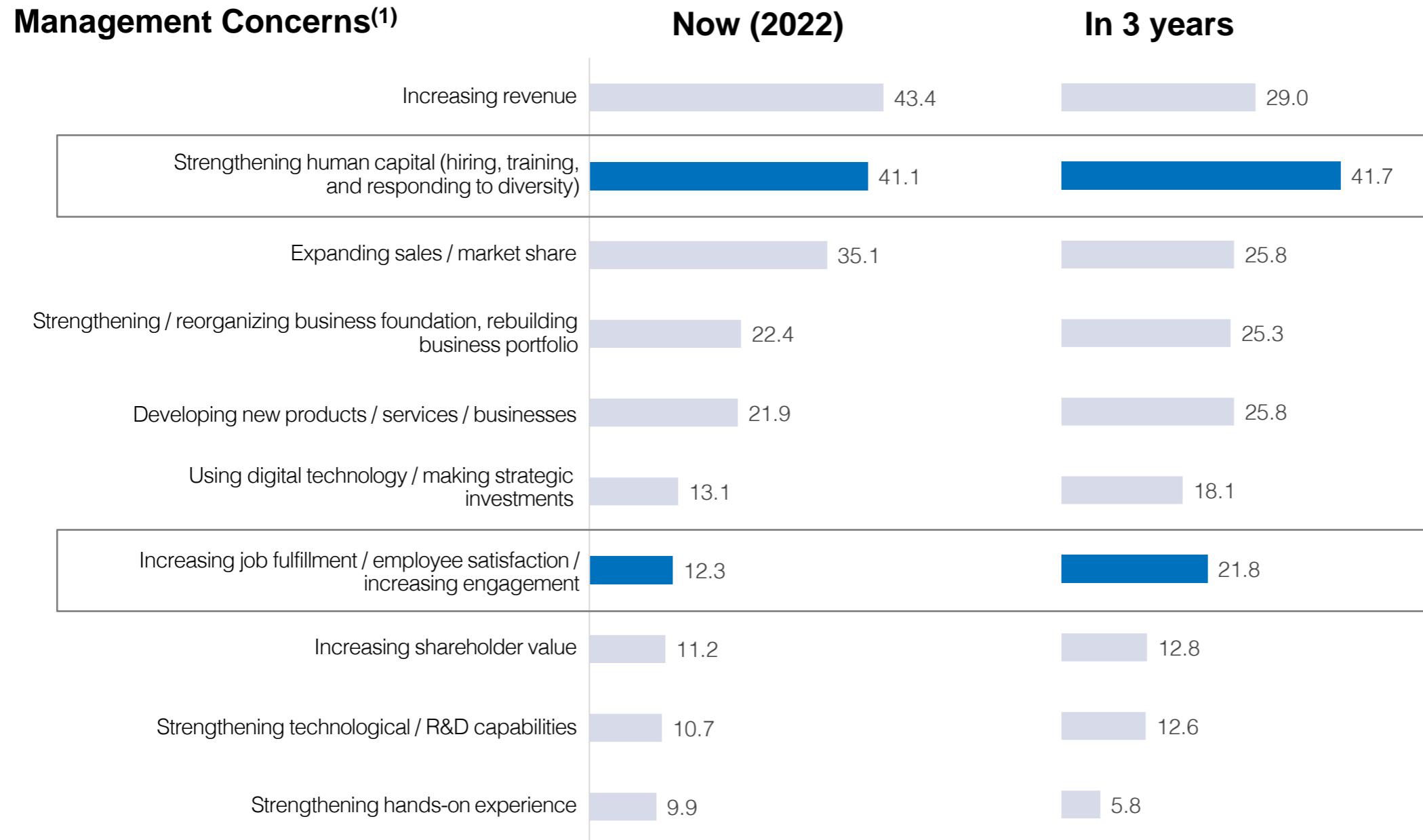
Background

- 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 on 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

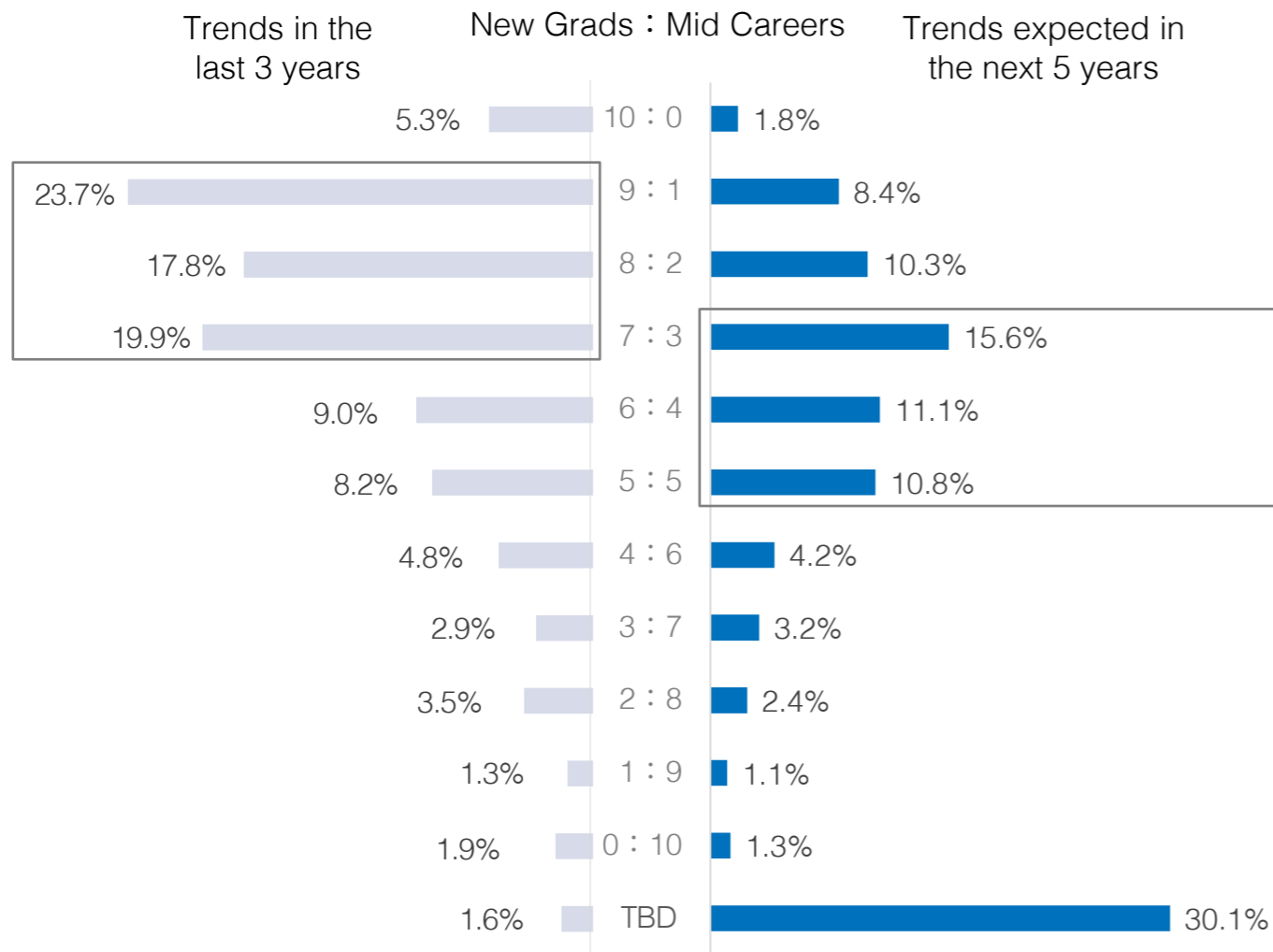
Strengthening and applying human capital are top management issues by Japanese companies



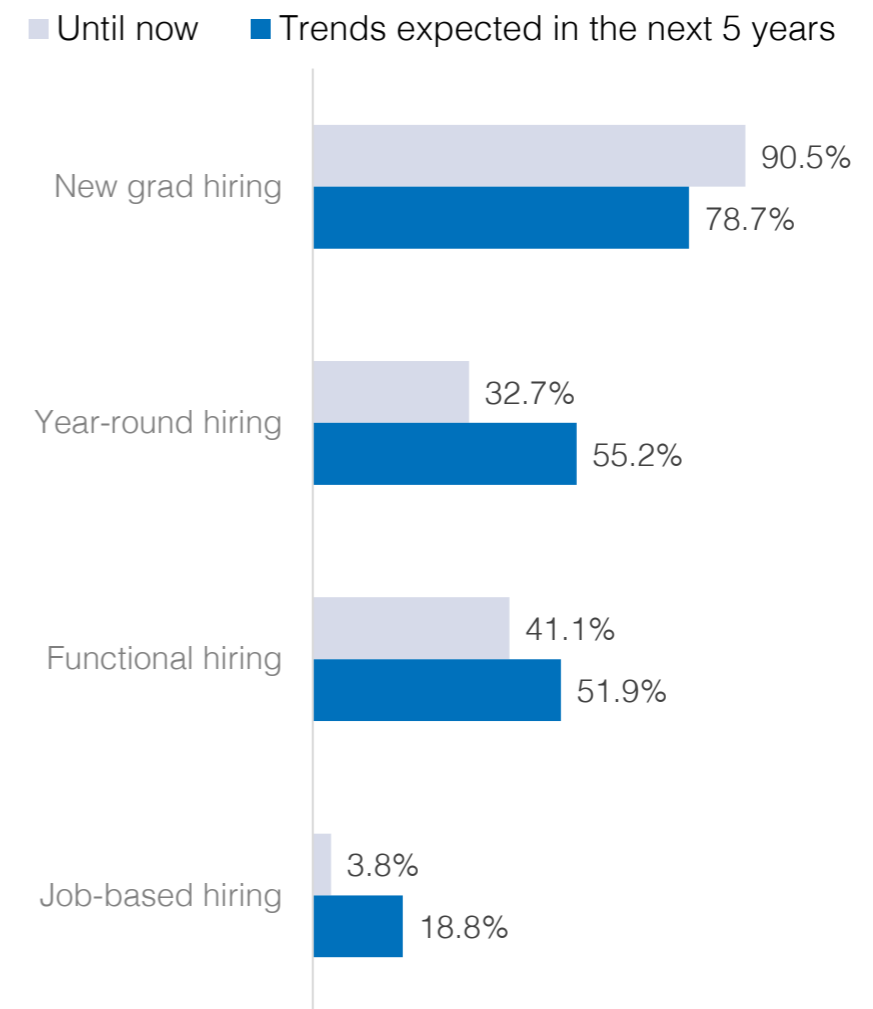
Note: (1) Prepared by Visional, Inc. based on excerpt from “Corporate Management Issues 2022” (Published December 2022) by Japan Management Association. Each figure is the percentage of responses which ranked the importance of the 20 items expected to be issues from first to third

Japanese companies are starting to change the employment system that is 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⁾



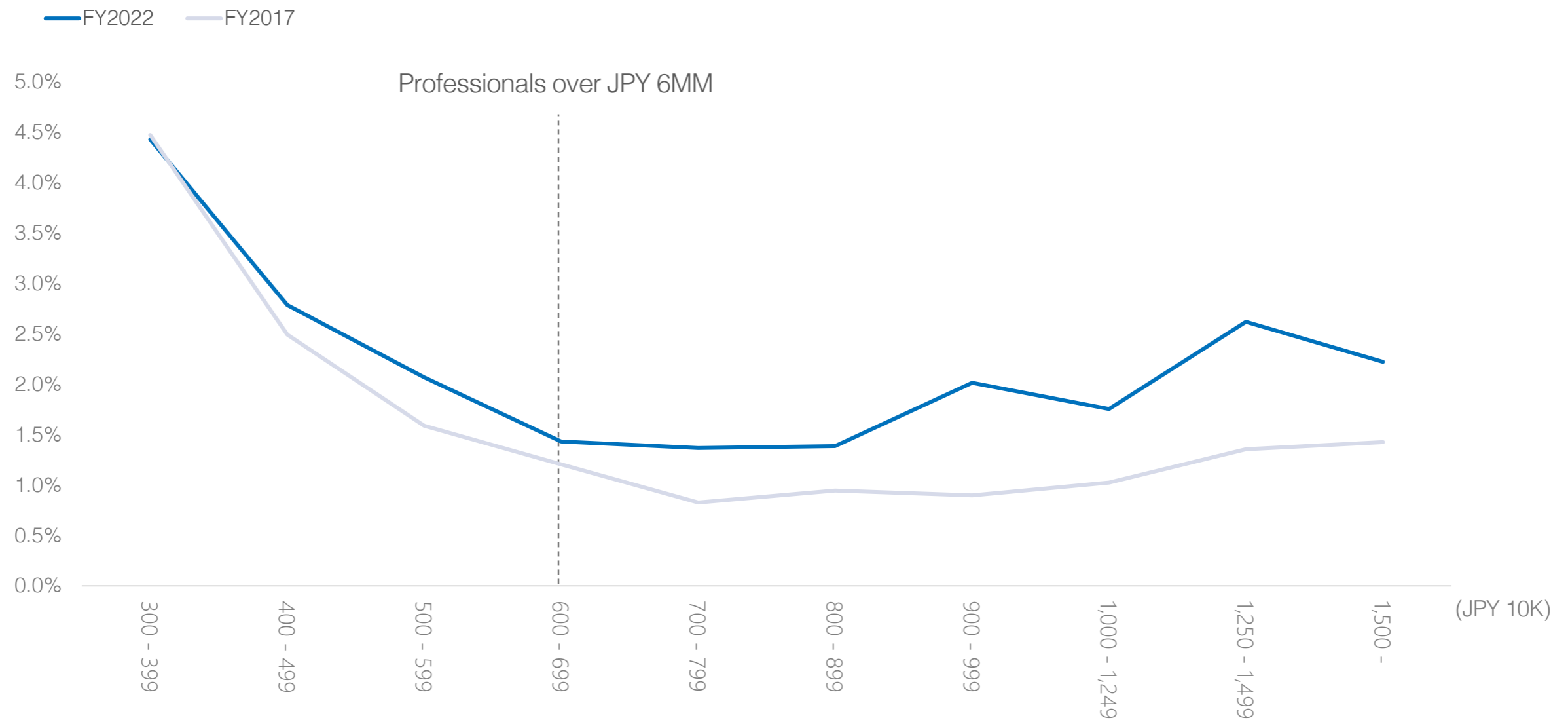
Changes in New Grad Hiring Methods⁽¹⁾



Note: (1) Quoted and prepared by Visional, Inc. based on "Vision for Future Human Resources" (Published May 2022) by Ministry of Economy, Trade and Industry

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

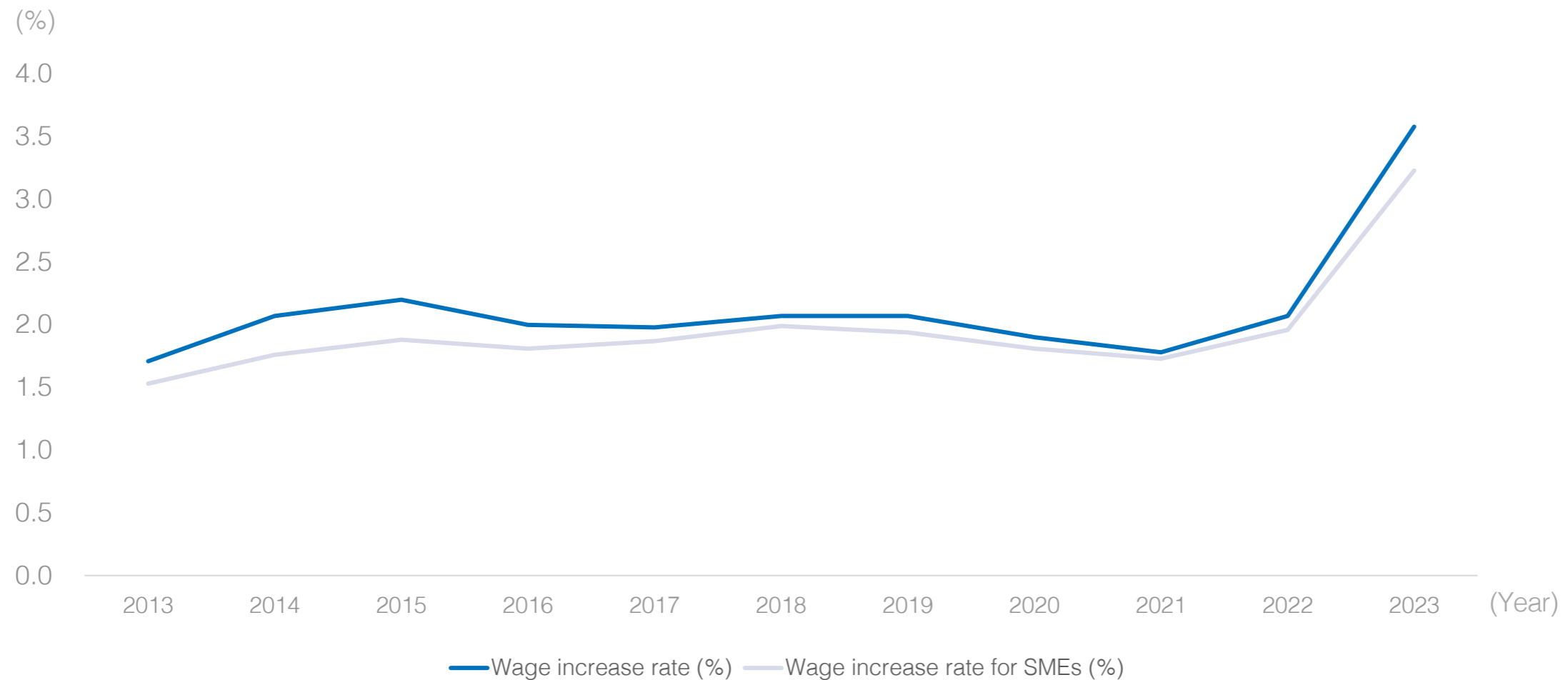
Job Change Ratio based on Income⁽¹⁾



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>)

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

2023



Acceleration of Workstyle Shifts in Japan

- ✓ Conventional workstyle no longer sustainable due to 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 (Basic Tabulation)” by Statistics Bureau, Ministry of Internal Affairs and Communications from CY2023. 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 (Basic Tabulation)” by Statistics Bureau, Ministry of Internal Affairs and Communications from CY2023. 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 (Detailed Tabulation)” by Statistics Bureau, Ministry of Internal Affairs and Communications from CY2023. 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

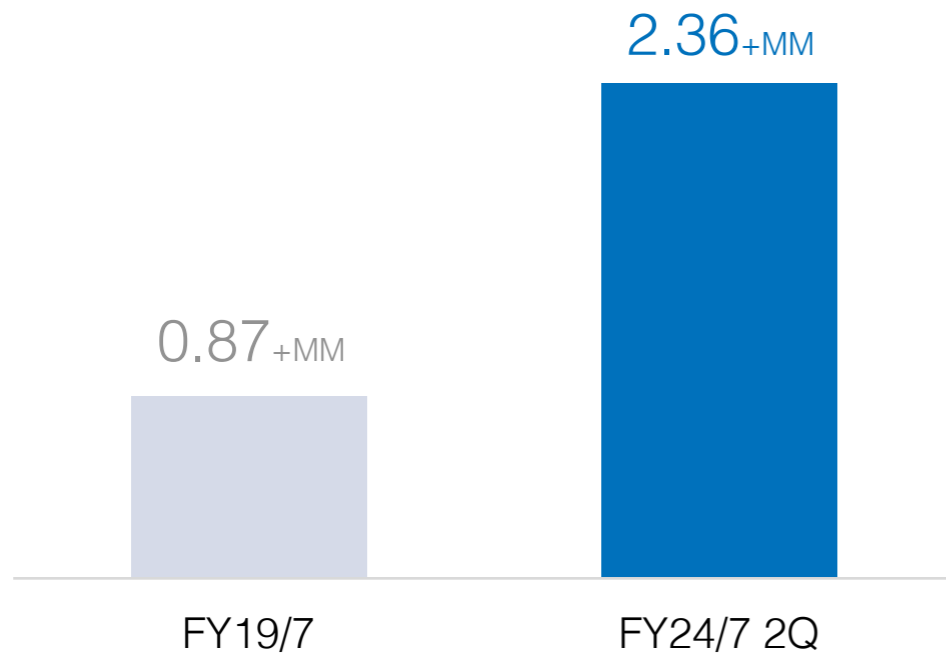
While penetrating further into the professionals' population, accelerate new client acquisitions and increase wallet share of existing clients to drive further top-line growth

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

of "Scoutable" Job Seekers on BizReach⁽¹⁾

of wage earners in Japan in 2022⁽²⁾

2.75MM	Annual income ¥10 MM+
11.48MM	Annual income ¥6 MM+



Potential Market Penetration of Direct Employers

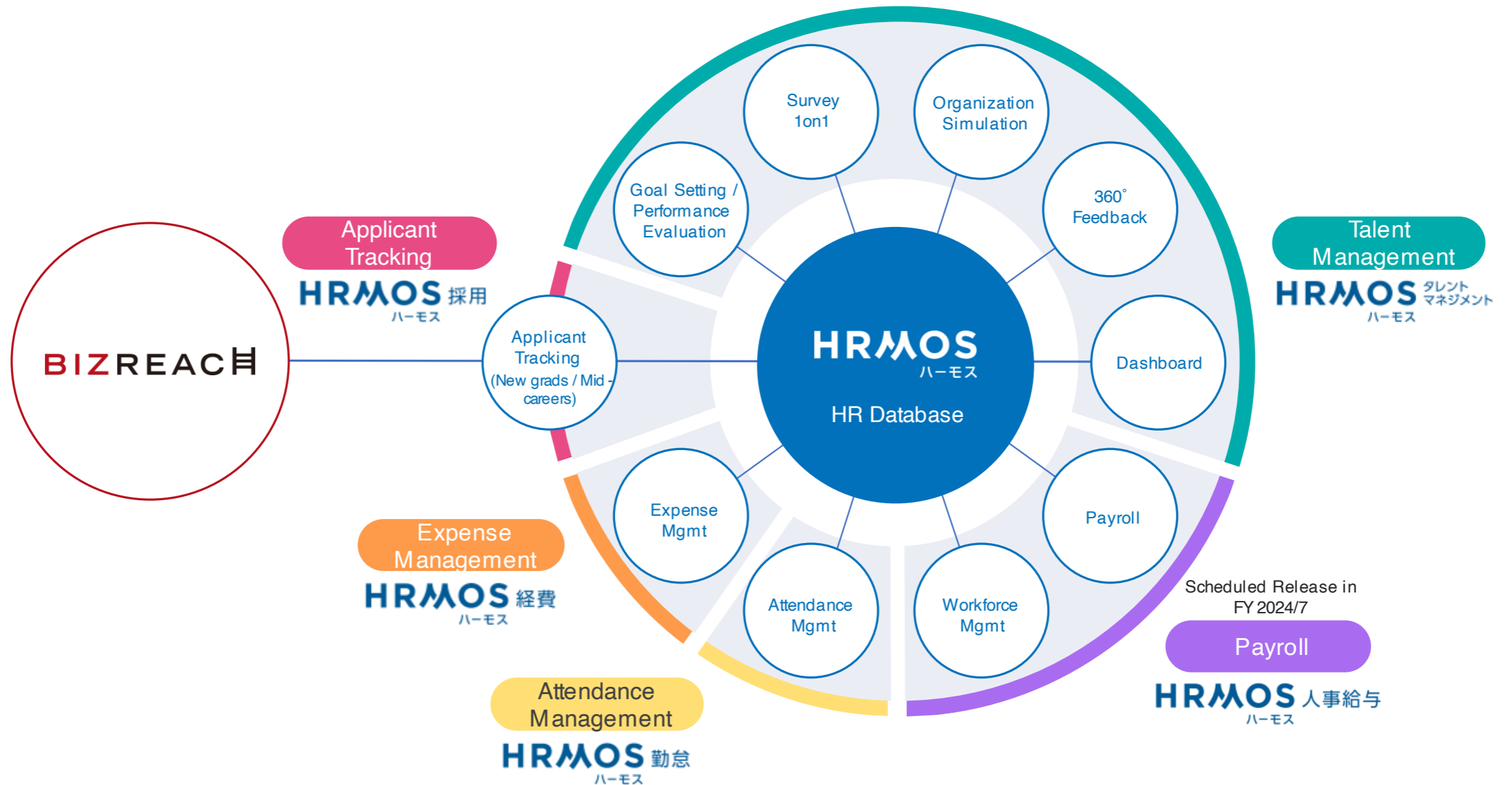


Notes: (1) # of users who registered on BizReach platform with resume / CV that have passed a general screening process and whose profile is set to be viewable by direct employers and headhunters (2) Based on "2022 Statistical Survey of Actual Statistics for Salary in the Private Sector" by Japanese National Tax Agency (<https://www.nta.go.jp/publication/statistics/kokuzeicho/minkan2022/pdf/000.pdf>). A new methodology has been applied for conducting the survey since 2022 (3) Direct employers who have subscribed to our BizReach platform at any point in time within FY23/7 (4) As of the end of September 2023. Based on "Notification and Certification Status of General Employers Action Plan Formulation Notification by Prefecture (As of the end of September 2023)" by Ministry of Health, Labor and Welfare (https://www.mhlw.go.jp/general/seido/koyou/jisedai/dl/jyoukyou_r05_09.pdf)





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 increase 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

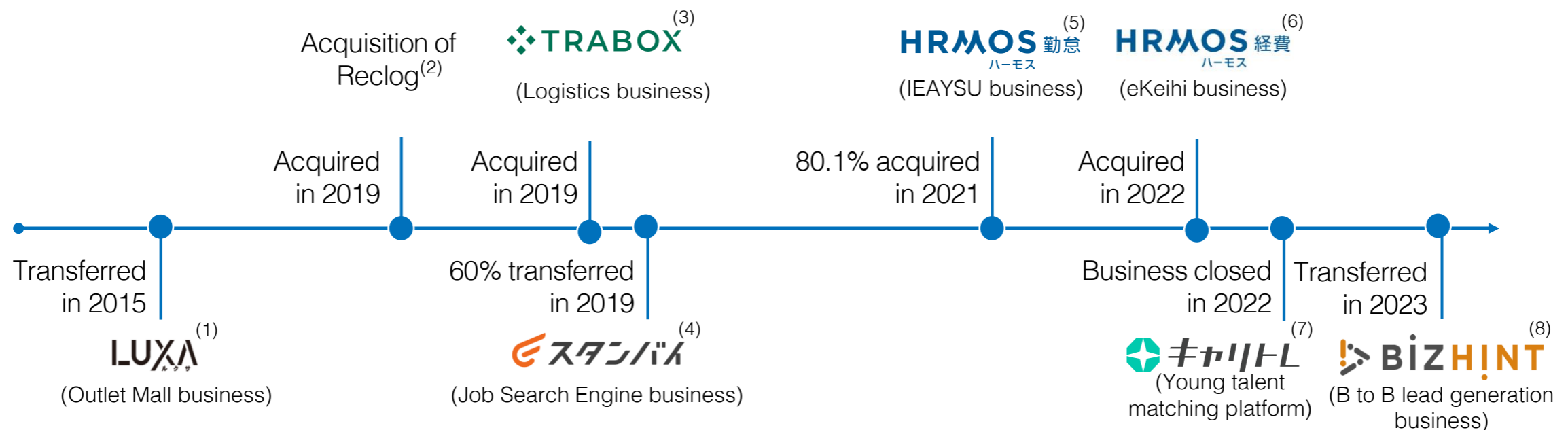


Building businesses in potential areas of growth emerging from seismic shifts and technological innovation. Driving mid to long term growth whilst contributing to improving Japan’s productivity

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 site for screened corporations</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>Security evaluation platform</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 DX (digital transformation) 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 means of accelerating the realization of sustainable long-term growth. Allocate appropriate resources whilst reviewing Visional Group's business portfolio

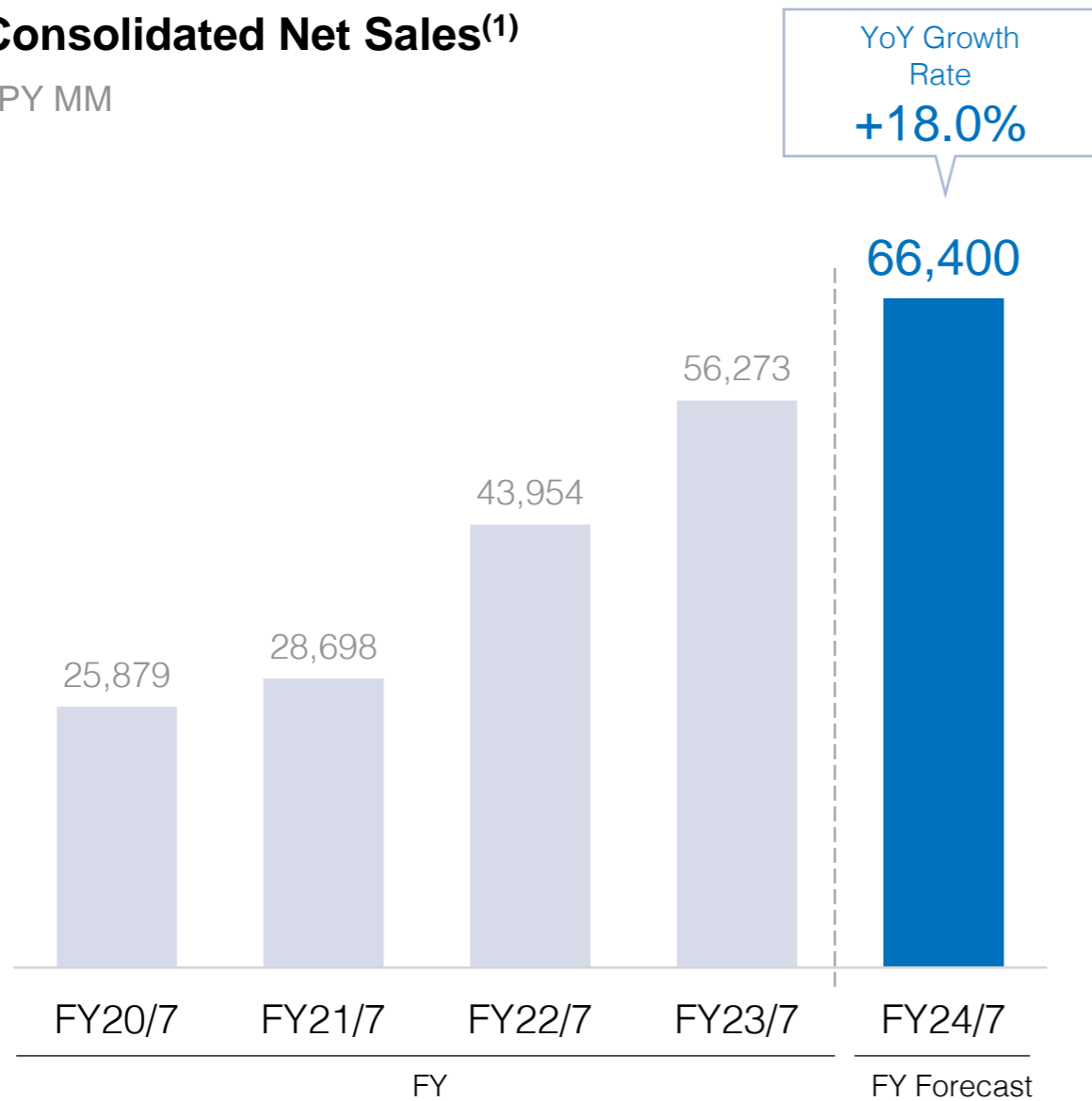


Notes: (1) LUXA was fully incubated inside of BizReach, spun out as a subsidiary and transferred entirely to KDDI in April 2015 (2) Acquired 100% of shares of Cloud Solutions, Inc. and took over Reclog, an applicant tracking system in September 2019 (3) Acquired 100% of shares of Trabox, Inc. and took 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%) transferred to LY Corporation (former 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 (8) BizHint was fully incubated inside of BizReach, spun out as a subsidiary and transferred entirely to SMARTCAMP Co., Ltd. in December 2023

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

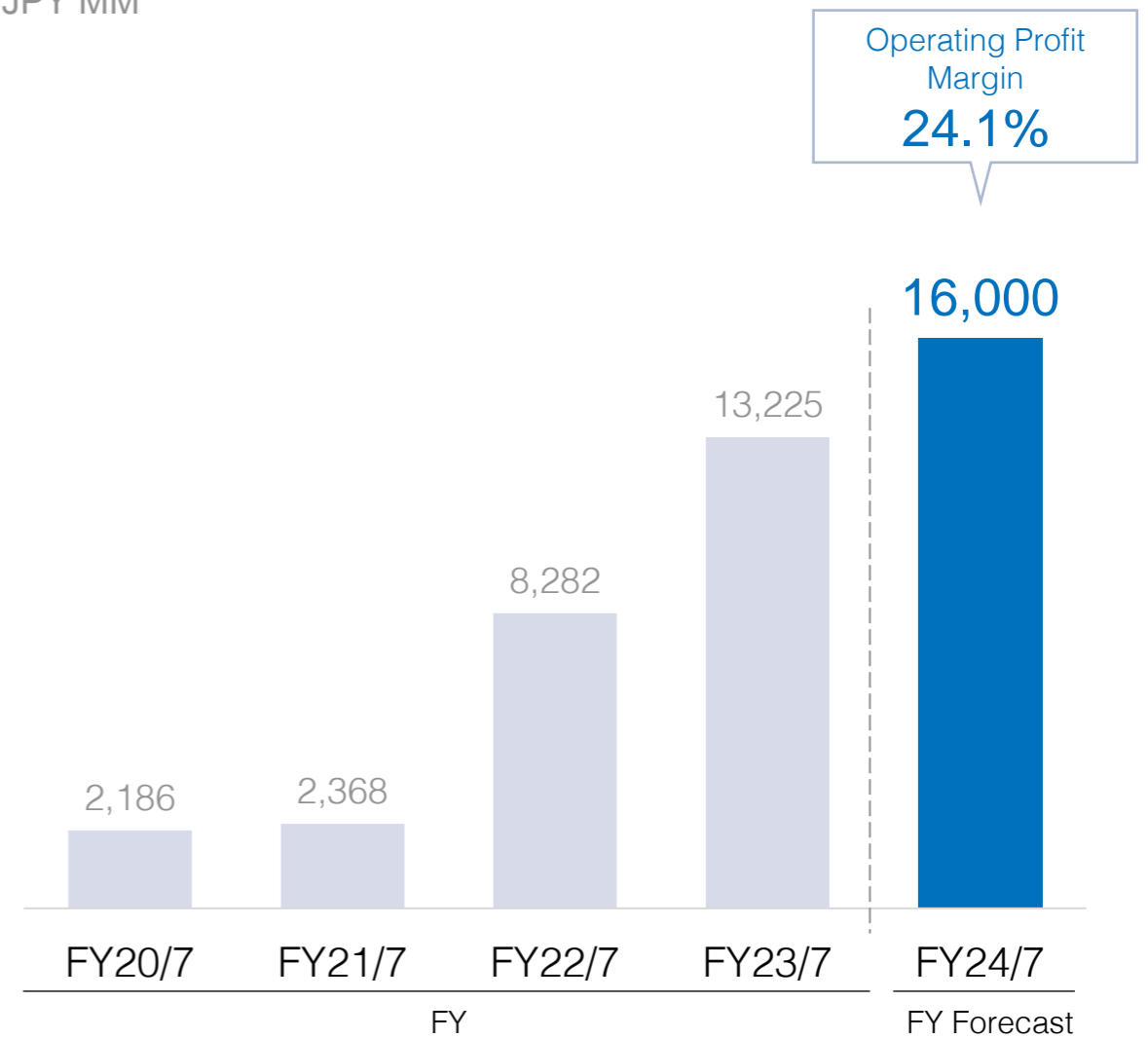
Consolidated Net Sales⁽¹⁾

JPY MM



Consolidated Operating Profit⁽¹⁾⁽²⁾

JPY MM



Notes: (1) Based on FY20/7 financials prepared by Visualon, Inc. continued from the financials of BizReach, Inc. Visualon, Inc. was established through a share transfer, and BizReach, Inc. became a wholly-owned subsidiary of Visualon, 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

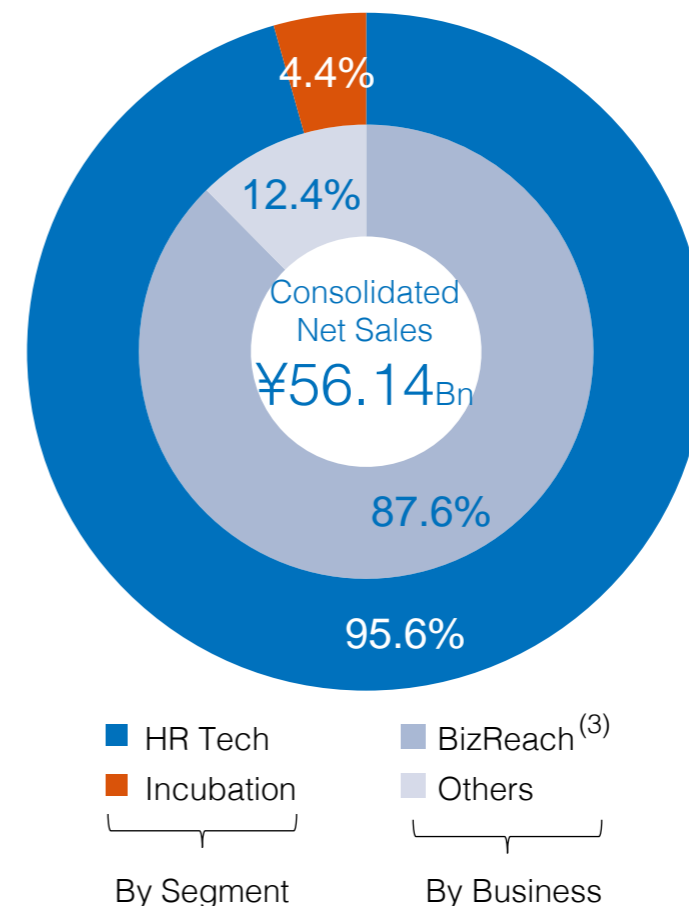
Appendix

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

Service Overview (as of March 14, 2024)

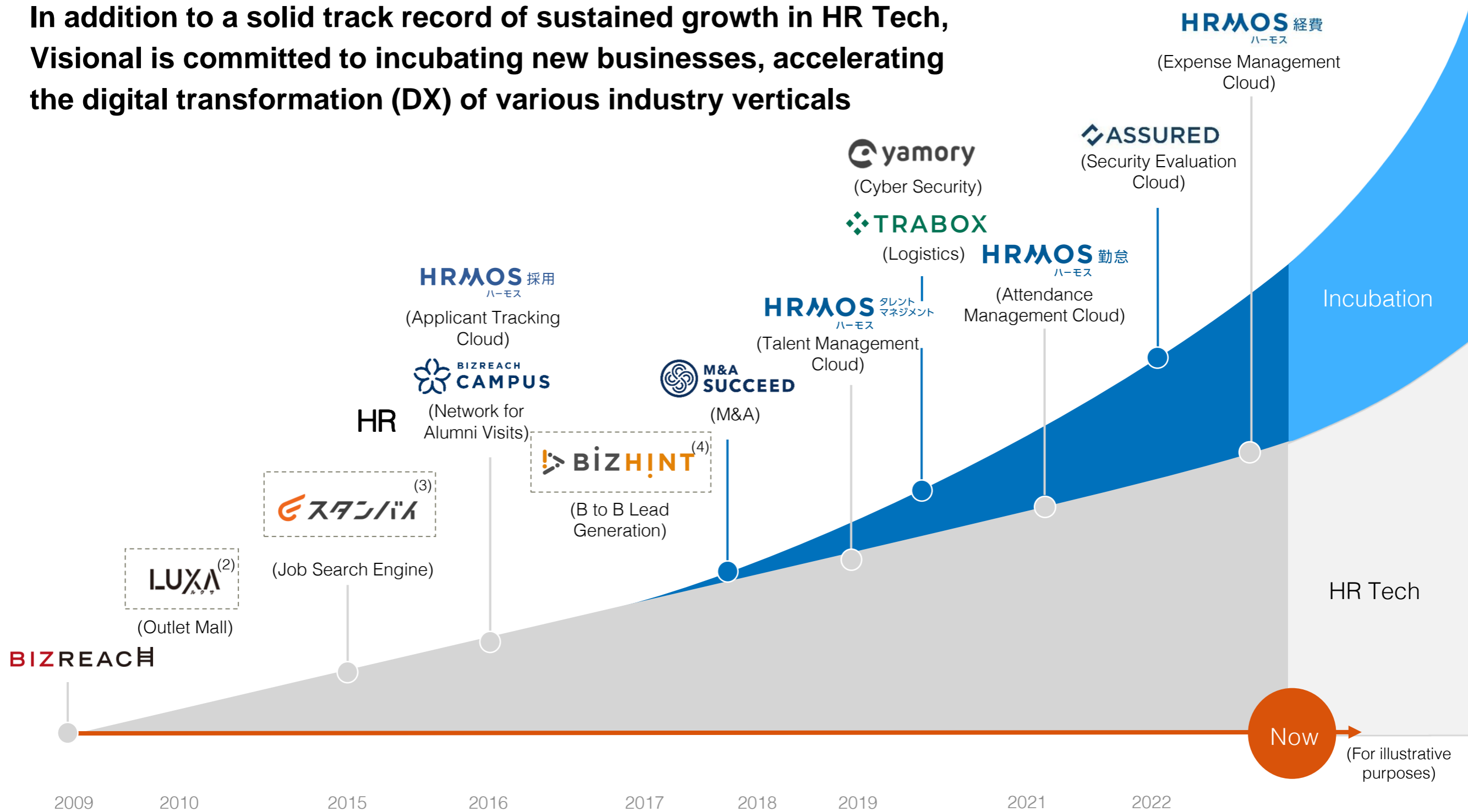
HR Tech Segment		HR matching platform for professionals
		Human capital management platform
		<ul style="list-style-type: none"> • Applicant tracking cloud
		<ul style="list-style-type: none"> • Talent management cloud
		<ul style="list-style-type: none"> • Attendance management cloud
		<ul style="list-style-type: none"> • Expense management cloud
		Network service for alumni visits
Incubation Segment		M&A matching site for screened corporations
		Logistics DX (digital transformation) platform
		Vulnerability management cloud
		Security evaluation platform
Affiliate		Job operating search engine ⁽¹⁾

FY2023/7 Net Sales Breakdown by Segment and Business⁽²⁾



Notes: (1) Joint venture with LY Corporation (former 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.)

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 transferred entirely to KDDI in April 2015 (3) Stanby was fully incubated inside of BizReach, spun out as a subsidiary and partially (60%) transferred to LY Corporation (former Z Holdings) in December 2019. Visional continues to co-manage the joint venture together with LY Corporation as a 40% equity owner (4) BizHint was fully incubated inside of BizReach, spun out as a subsidiary and transferred entirely to SMARTCAMP Co., Ltd. in December 2023

JPY MM

	6 months ended January 31, 2024	6 months ended January 31, 2023	FY24/7 2Q	FY24/7 1Q	FY23/7 FY	FY22/7 FY	FY21/7 FY
Net Sales	31,432	26,403	15,375	16,057	56,273	43,954	28,698
YoY Growth (%)	19.0%	34.2%	16.6%	21.5%	28.0%	53.2%	10.9%
HR Tech Segment	30,123	25,243	14,787	15,336	53,685	41,791	27,052
YoY Growth (%)	19.3%	34.9%	17.8%	20.9%	28.5%	54.5%	8.6%
Incubation Segment	1,237	1,092	548	689	2,460	2,002	1,485
YoY Growth (%)	13.3%	23.7%	(8.2)%	39.3%	22.9%	34.8%	66.3%
Cost of Sales	2,655	3,250	1,342	1,313	5,815	5,802	3,999
Gross Profit	28,776	23,152	14,032	14,744	50,457	38,151	24,699
Margin (%)	91.6%	87.7%	91.3%	91.8%	89.7%	86.8%	86.1%
Selling, General & Administrative Expenses ⁽¹⁾	18,985	17,326	9,196	9,789	37,231	29,869	22,331
Advertising	9,110	8,784	4,171	4,939	19,118	14,697	9,562
Payroll etc. ⁽²⁾	4,346	4,043	2,192	2,154	8,090	7,410	6,308
Rent	695	647	347	347	1,348	1,243	1,258
Others ⁽¹⁾	4,833	3,851	2,485	2,347	8,673	6,516	5,202
Operating Profit ⁽¹⁾	9,791	5,825	4,836	4,955	13,225	8,282	2,368
Margin (%)	31.2%	22.1%	31.5%	30.9%	23.5%	18.8%	8.3%
HR Tech Segment ⁽¹⁾	10,691	7,170	5,313	5,377	15,701	10,631	4,000
Incubation Segment	(324)	(796)	(139)	(184)	(1,401)	(1,649)	(863)
Pre-tax Profit ⁽¹⁾	10,645	6,171	5,456	5,189	14,377	8,717	2,290
Income Tax Expense ⁽¹⁾	3,432	2,026	1,731	1,701	4,448	2,864	869
Profit attributable to owners of parent ⁽¹⁾	7,212	4,144	3,724	3,487	9,928	5,852	1,420
Margin (%)	22.9%	15.7%	24.2%	21.7%	17.6%	13.3%	5.0%

Notes: (1) 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 (2) Payroll includes bonuses and allowance for bonuses

Reconciliation of Adjusted Operating Profit before Corporate Expense Allocation to Operating Profit

JPY MM

	FY24/7 2Q	FY23/7 FY	FY22/7 FY	FY21/7 FY
Total Adjusted Operating Profit before corporate expense allocation	11,744	17,647	12,622	6,170
BizReach Business ⁽¹⁾⁽²⁾	12,193	20,126	17,609	9,637
HRMOS Business ⁽²⁾	(495)	(1,740)	(2,954)	(2,102)
Other Businesses ⁽²⁾	46	(739)	(2,032)	(1,364)
Adjustment Item				
-) Corporate and general administrative expenses (such as accounting, HR, legal, general affairs, etc.) ⁽³⁾⁽⁴⁾	1,952	4,421	4,340	3,802
-) HR Tech Segment ⁽⁴⁾	1,738	3,933	3,769	3,263
-) Incubation Segment	214	488	570	538
Operating Profit (J-GAAP)⁽⁴⁾	9,791	13,225	8,282	2,368

Adjusted Headcount by Function and Business (FY24/7 2Q)⁽⁵⁾

	Adjusted headcount	% of subtotal for HR Tech businesses
HR Tech businesses		
BizReach Business	880	71.5%
HRMOS Business	259	21.0%
Other HR Tech businesses	92	7.5%
Subtotal for HR Tech Businesses	1,231	100.0%
General functions of HR Tech businesses	91	n/a
Total for HR Tech businesses	1,322	n/a
Incubation businesses	104	n/a
Corporate	116	n/a
Total	1,542	n/a

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) Calculated as net sales of each business minus cost of sales and selling, general and administrative expenses which are directly allocated to each business (3) These expenses comprise corporate and general administrative expenses that we have not directly allocated to individual businesses for our internal management purposes (4) 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 (5) Adding headcount calculated back to those who belong to each business, based on man hours equivalent to labor costs, which is directly allocated to each such business and included in the relevant adjusted operating profit before corporate expense allocation

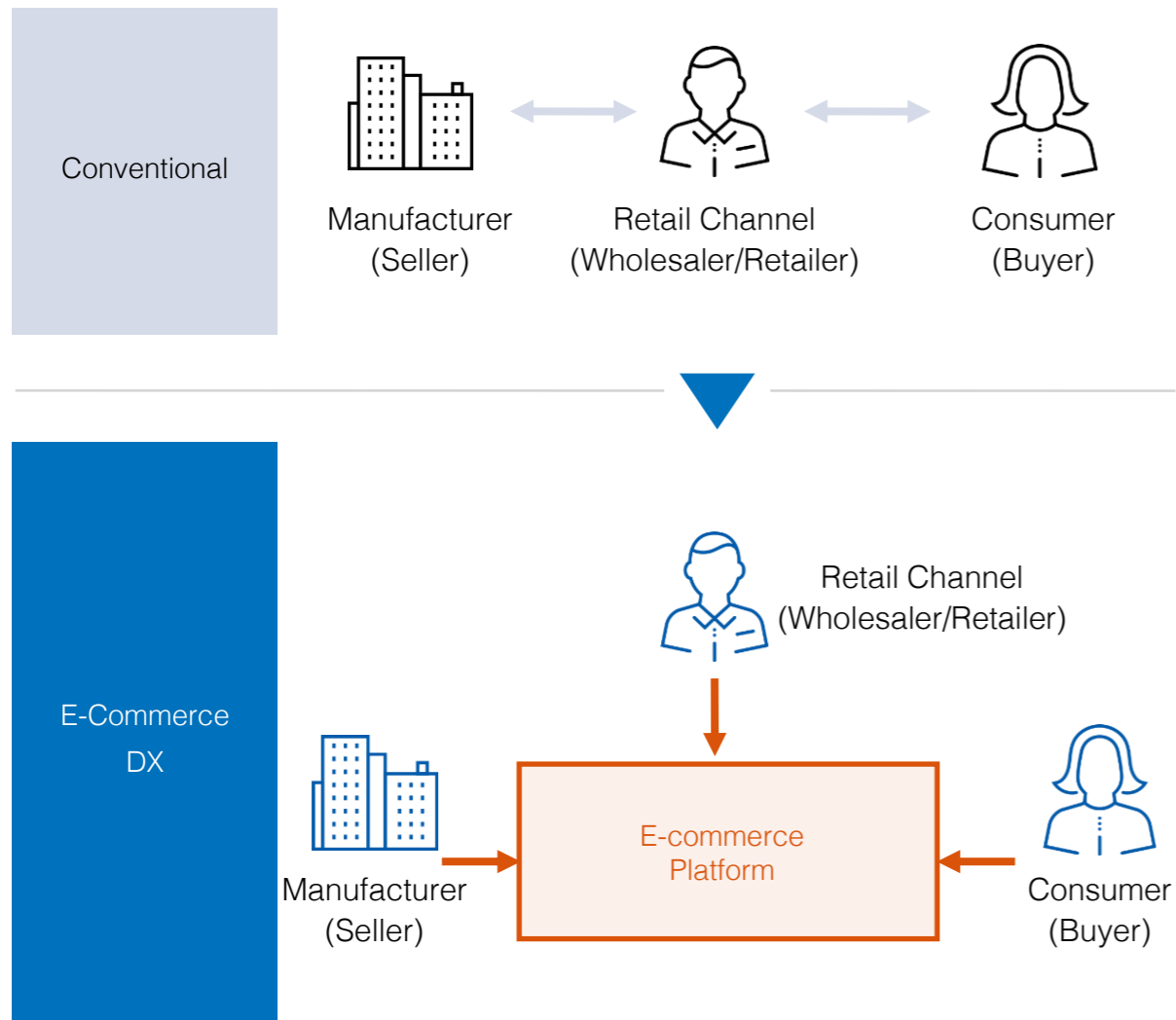
Balance Sheet Highlights

JPY MM					JPY MM				
	FY24/7 2Q	FY23/7	FY22/7	FY21/7		FY24/7 2Q	FY23/7	FY22/7	FY21/7
Current Assets	57,685	48,902	36,743	29,532	Current Liabilities	17,604	16,328	13,988	9,046
Cash and Cash Equivalents	50,711	41,170	31,362	25,630	Accounts Payable	4,067	3,934	4,054	3,341
Notes and Accounts Receivable	5,454	5,151	4,356	3,258	Deferred Revenue	—	—	—	3,042
Other Current Assets	1,519	2,580	1,025	643	Contract Liabilities	7,690	6,858	4,941	—
Fixed Assets⁽¹⁾	8,537	8,971	9,208	5,544	Other Current liabilities	5,846	5,534	4,993	2,662
Tangible Assets	989	845	735	700	Fixed Liabilities⁽¹⁾	2,228	2,415	3,190	3,494
Intangible Assets ⁽¹⁾	4,040	4,455	5,287	2,457	Liabilities from application of Equity Method	1,973	2,133	2,453	2,773
Goodwill ⁽¹⁾	2,548	2,799	3,300	1,296	Other Fixed Liabilities ⁽¹⁾	254	282	737	720
Other Intangible Assets ⁽¹⁾	1,492	1,656	1,986	1,160	Total Net Assets⁽¹⁾	46,390	39,129	28,772	22,536
Total Investments and Other Assets ⁽¹⁾	3,507	3,669	3,185	2,385	Share Capital	6,381	6,356	6,226	6,063
Total Assets⁽¹⁾	66,223	57,873	45,952	35,076	Capital Surplus	10,345	10,321	10,190	10,027
					Retained Earnings ⁽¹⁾	29,435	22,223	12,294	6,442
					Others	227	227	61	3
					Total Liabilities and Net Assets⁽¹⁾	66,223	57,873	45,952	35,076

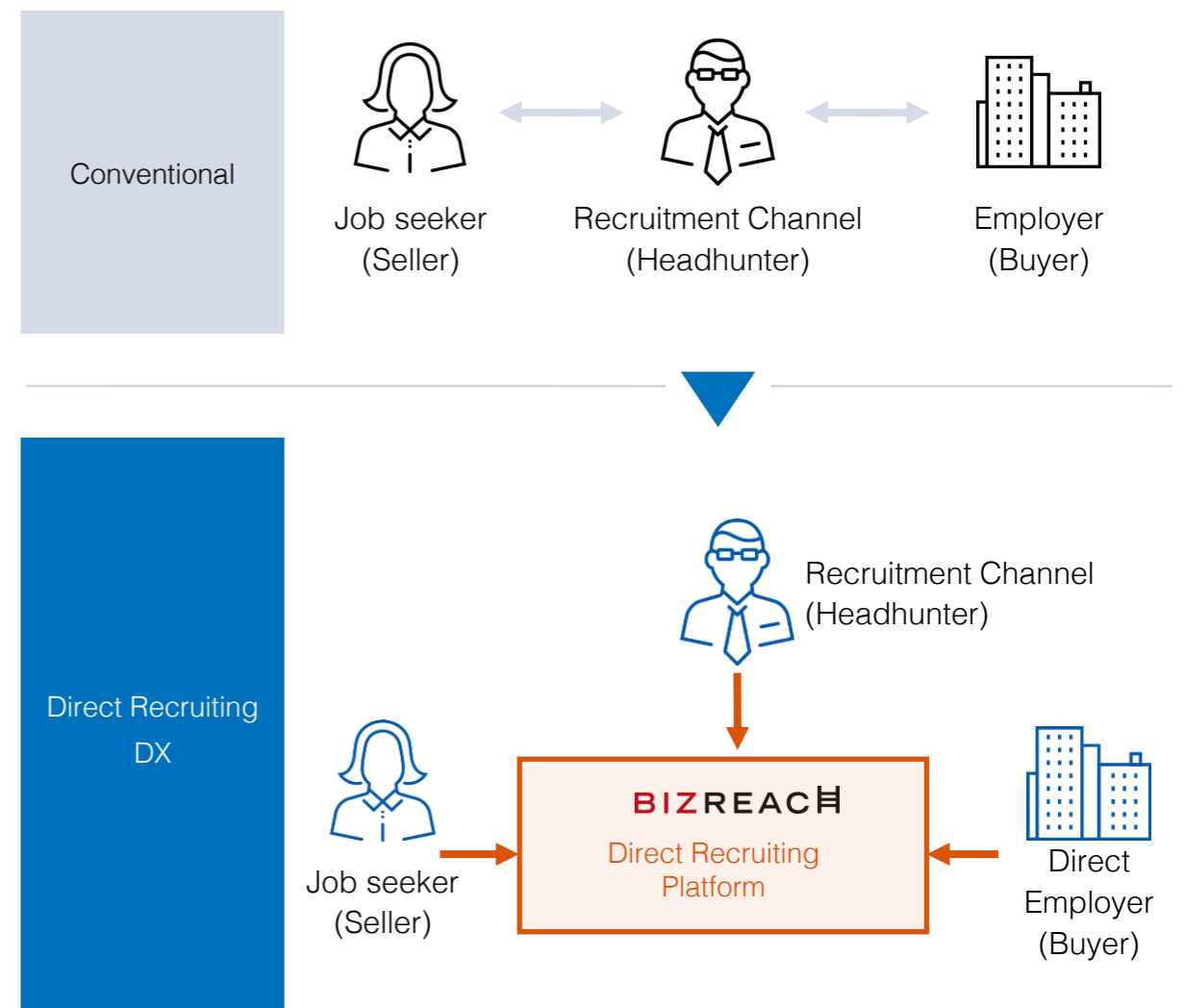
Notes: (1) As of 1Q of FY23/7, we have confirmed the provisional accounting treatment concerning business combinations. Accordingly, data for FY22/7 is presented at the amounts after reflecting the contents of the confirmation of the provisional accounting treatment

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

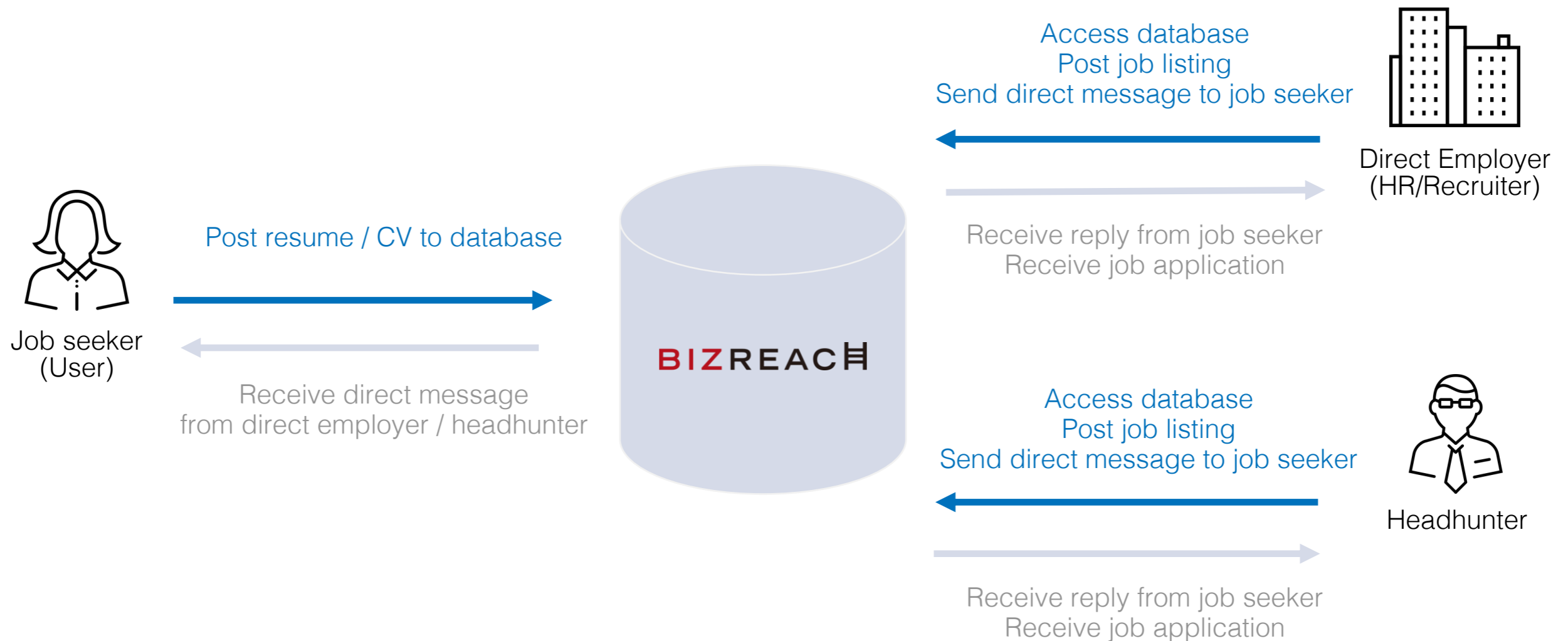


DX of Professional Recruitment Market



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)

	FY20/7				FY21/7				FY22/7				FY23/7				FY24/7	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
ARR ⁽¹⁾ (JPY Bn)	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	2.27	2.43
ARPU ⁽²⁾ (JPY thousands)	102	104	106	107	109	111	111	112	113	113	113	113	114	113	114	115	116	116
# of Unique Paying Customers ⁽³⁾	702	767	807	797	833	849	897	941	989	1,050	1,127	1,193	1,280	1,379	1,475	1,546	1,631	1,744
Average Monthly Churn Rate for Last 12 Months ⁽⁴⁾ (%)	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	0.56	0.57

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 services 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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