

# Visional, Inc. FY2025/7 Full Year Financial Results FAQ

September 11, 2025

## Consolidated Financial Results

### Q1 What is the summary of FY2025/7 4Q and FY financial performance?

Consolidated net sales for FY2025/7 recorded JPY 80.16Bn (21.2% YoY growth) and 4Q recorded JPY 21.31Bn (23.8% YoY growth). BizReach captured the strong market environment and recorded growth in 4Q.

Consolidated operating profit for FY2025/7 recorded JPY 21.44Bn (20.2% YoY growth, 26.7% margin) and 4Q recorded JPY 3.96Bn (54.1% YoY growth, 18.6% margin). As a result of our continuous efforts in disciplined growth investments, net sales of both HR Tech Segment and Incubation Segment recorded strong growth. Operating profit landed higher than plan due to our disciplined execution.

Each business maintained good momentum and demonstrated our execution excellence in driving profitability whilst investing in growth.

The Company consists of the HR Tech Segment and the Incubation Segment.

#### HR Tech Segment:

BizReach: Net sales for FY2025/7 recorded JPY 68.61Bn (18.8% YoY growth) and 4Q recorded JPY 17.57Bn (18.7% YoY growth). Direct employers' hiring demand for professionals and job seekers' behavior are trending strongly, with net sales landing slightly higher than plan. The total number of registered direct employers reached more than 38,100 companies as of the end of July 2025. This is an increase of more than 1,800 companies compared to 3Q.

Operating profit (before corporate expense allocation) for FY2025/7 recorded JPY 28.40Bn (21.8% YoY growth, 41.4% margin) and 4Q recorded JPY 6.08Bn (38.8% YoY growth, 34.6% margin). As strong hiring demand continues, marketing investments mainly addressing job seeker acquisition executed in 4Q. Driven by strong net sales growth, operating profit exceeded plan.

HRMOS: Net sales for FY2025/7 recorded JPY 5.21Bn (35.6% YoY growth) and 4Q recorded JPY 1.46Bn (34.1% YoY growth). Net sales of each service grew and landed as planned. Operating loss (before corporate expense allocation) for FY2025/7 recorded JPY 0.76Bn (loss of JPY 1.02Bn for the same period of the previous fiscal year) and 4Q recorded JPY 0.57Bn (loss of JPY 0.32Bn for the same quarter of the previous fiscal year). Promotion as part of growth investments of "Internal BizReach by HRMOS," launched at the end of January 2025, was executed in 4Q as planned.

"HRMOS ATS", "HRMOS Talent Management" and "Internal BizReach by HRMOS" total ARR was JPY 3.73Bn (34.4% YoY growth), and the number of unique paying customers was 2,421 companies (24.3% YoY growth).

HR Tech Other: This includes other recruitment related businesses.

#### Incubation Segment:

To increase mid to long term enterprise value, we are creating businesses in growth areas other than HR Tech.

Segment net sales for FY2025/7 recorded JPY 3.13Bn (41.4% YoY growth) and 4Q recorded JPY

1.14Bn (117.0% YoY growth). Segment operating loss for FY2025/7 recorded JPY 1.69Bn (loss of JPY 1.02Bn for the same period of the previous fiscal year) and 4Q recorded JPY 0.52Bn (loss of JPY 0.44Bn for the same quarter of the previous fiscal year). In June 2025, we released Assured Third-Party Security Assessment as a new business. We are building businesses whilst controlling investments.

## Q2 What is the summary of the financial forecast for FY2026/7?

Consolidated net sales forecast for FY2026/7 is JPY 99.20Bn (23.7% YoY growth), consolidated EBITDA forecast is JPY 26.00Bn (12.1% YoY growth, 26.2% margin) and consolidated operating profit forecast is JPY 23.10Bn (7.7% YoY growth, 23.3% margin). We aim to increase our enterprise value through organic growth and M&A. As market environment continues to be favorable, we will continue to execute growth investments and M&A whilst BizReach continues to deliver profits.

FY consolidated forecast includes financial figures of Thinkings, Inc. and estimated goodwill amortization of around JPY 1.1Bn post the acquisition on October 1, 2025.

(JPY MM)	FY2026/7 Forecast	FY2025/7 Actuals	Difference	Growth Rate
<b>Consolidated Net Sales</b>	<b>99,200</b>	<b>80,161</b>	<b>+19,038</b>	<b>23.7%</b>
<b>HR Tech Segment</b>	<b>93,600</b>	<b>76,962</b>	<b>+16,637</b>	<b>21.6%</b>
BizReach	80,300	68,610	+11,689	17.0%
HRMOS	9,000	5,212	+3,787	72.6%
<b>Incubation Segment</b>	<b>5,600</b>	<b>3,139</b>	<b>+2,460</b>	<b>78.4%</b>
<b>Others</b>	<b>--</b>	<b>60</b>	<b>(60)</b>	<b>--</b>
<b>EBITDA</b>	<b>26,000</b>	<b>23,196</b>	<b>+2,803</b>	<b>12.1%</b>
<b>Operating Profit</b>	<b>23,100</b>	<b>21,442</b>	<b>+1,657</b>	<b>7.7%</b>
<b>Ordinary Profit</b>	<b>23,530</b>	<b>22,715</b>	<b>+814</b>	<b>3.6%</b>
<b>Profit Attributable to Owners of Parent</b>	<b>16,081</b>	<b>15,950</b>	<b>+130</b>	<b>0.8%</b>

### HR Tech Segment:

BizReach: Despite uncertain economic trends, the demand for hiring professionals and job seeker activity continue to be favorable. Based on such market conditions, we forecast net sales for FY2026/7 of JPY 80.30Bn (17.0% YoY growth, +JPY 11.68Bn YoY). Net sales growth amount is forecasted to expand. Operating profit margin (before corporate expense allocation) of 40%.

HRMOS: Based on expansion of each service, growth of the integrated HRMOS series, and addition of Thinkings, Inc. (sonar ATS), we forecast net sales for FY2026/7 of JPY 9.00Bn (72.6% YoY growth, +JPY 3.78Bn YoY), and operating loss (before corporate expense allocation) of JPY 0.20Bn to invest in sustainable growth.

### Incubation segment:

We continue to create businesses to enhance enterprise value over the mid to long term, balancing investment for future growth and cost discipline. Segment net sales for FY2026/7 is forecasted at JPY 5.60Bn (78.4% YoY growth, +JPY 2.46Bn YoY). Quarterly net sales may fluctuate as we are building new businesses. Segment operating loss is forecasted to be around JPY 2.80Bn.

Should our financial forecast change based on changes in the economic assumptions etc., we will disclose as soon as appropriate.

**Q3 What is penalty income recorded in the non-operating income?**

When there is a violation of our BizReach terms of service, we charge a penalty that is defined in our terms of service agreement. This penalty income is recorded in non-operating income. For FY2025/7, JPY 0.90Bn was recorded as penalty income.

**Q4 What is the background of acquiring shares in Thinkings, Inc.?**

On October 1, 2025, Visional Group is expected to acquire 100% shares of Thinkings, Inc., which is a leader in the Applicant Tracking System (ATS) cloud market especially in the new graduate enterprise customer domain.

The ATS domain is strategically important as a linkage point between BizReach and HRMOS as we aspire to build the integrated HCM ecosystem. Thinkings, Inc. launched its flagship cloud service, sonar ATS, in 2012. The service has been a long-standing leader in the ATS cloud market establishing a firm position and a robust customer base especially in the new graduate hiring domain in the enterprise customer segment through its product development capabilities, serving the needs of customers in a market that is continuously evolving. By welcoming Thinkings, Inc., we will solidify our position as the market leader in the ATS cloud market ranging from new graduate and mid-career hiring of SME/mid-sized companies to enterprise customers(\*1).

We also believe that the acquisition will contribute to improving the mid to long term enterprise value of Visional Group, expanding our business through functional integration and cross-selling between BizReach, BizReach Campus, HRMOS series, and sonar ATS, as well as accelerating the development of the HCM ecosystem with the product development capabilities of both companies.

We will evaluate in detail integration schemes, strategies and impact as we drive the business post the share acquisition on October 1, 2025 as part of a robust PMI process.

For details, please refer to the disclosure dated July 23, 2025

(<https://www.visional.inc/en/ir.html>).

(\*1) Calculated by BizReach, Inc. based on Deloitte Tohmatsu MIC Research Institute Co., Ltd. "HR Tech Cloud Market: Current Status and Future Prospects, 2024 Edition"

**Q5 What is the financial impact of acquiring shares in Thinkings, Inc.?**

Acquisition of shares of Thinkings, Inc. is planned on October 1, 2025. Our financial forecast for FY2026/7 includes the financial figures of the company from October 1 onwards based on certain assumptions. We plan to refine this impact as we proceed with PMI. We will evaluate integration schemes, strategies and impact as we drive the business.

We anticipate reporting sonar ATS within the HRMOS financial figures.

FY consolidated forecast includes an estimated goodwill amortization of around JPY 1.1Bn related to the acquisition.

**Q6 What is the impact of stock options to total shares outstanding?**

We grant stock options (tax qualified stock options and stock options with charge) to directors and selected employees to increase their motivation and morale for improving business performance, and to hire talent for Visional Group, leading to further enhancement in the corporate value of Visional Group. These stock options can be exercised in phases through FY2030/7.

Total shares outstanding as of July 31, 2025, is 40,097,400 shares (increase of 327,600 shares from April 30, 2025). As of July 31, 2025, the total shares outstanding on a fully diluted basis is 41,532,500 shares.

**Q7 What is Adjusted Operating Profit before Corporate Expense Allocation? (or shown as operating profit (before corporate expense allocation))**

This is the operating profit or loss of the business before bearing the personnel expenses and ancillary outsourcing and other general and administrative expenses associated with business administration, information systems that cannot be charged directly to specific products and services. In principle, the costs directly tied to products and services are recorded.

**Q8 What are Liabilities from application of Equity Method?**

This is an account that arose when 60% of Stanby, Inc. was divested to LY Corporation (formerly, Z Holdings Corporation). Stanby, Inc. is currently our equity method affiliate.

**BizReach**

**Q9 How do you evaluate BizReach 4Q net sales growth of 18.7%?**

BizReach net sales in 4Q recorded 18.7% YoY growth, +JPY 10.83Bn YoY, with net sales landing slightly higher than plan as BizReach captured the strong market environment. Although hiring demand varies, direct recruiting has further expanded amongst Japanese companies, resulting in more than 1,800 direct employers starting to use BizReach in 4Q compared to 3Q, leading to the number of registered direct employers to reach more than 38,100 companies showing expansion of direct recruiting (direct sourcing).

Based on the current favorable environment, FY2026/7 BizReach net sales growth rate is forecasted to be +17.0% YoY growth, an increase in net sales of +JPY 11.68Bn YoY, which is larger than the previous year. Mid-term growth rate is expected to be around 15%.

**Q10 What is your cost structure?**

Our major costs consist of marketing expenses and personnel expenses. As BizReach is still in its growth stage, we will strategically continue to invest in hiring to expand our sales organization, invest in generative AI driven product development, and conduct marketing activities including online, offline ads, and TV commercials whilst carefully monitoring the return on our investments.

**Q11 What is the future vision of BizReach?**

We believe the importance of direct recruiting (direct sourcing) will increase as war for talent intensifies and liquidity in the labor market accelerates, driven by factors such as mismatch of corporation and worker life spans, shift to performance-based workstyle with clear job descriptions, and the social dynamic changes caused by the pandemic. As a fact, prospective job changers has been on the rise and exceeded 10MM individuals for the first time in 2023(\*2). In addition, the number of planned mid-career hires has increased significantly in recent years. As a result, the ratio of planned mid-career hires to total number of planned hires at major companies is now just under 50%, and mid-career hiring is becoming indispensable for corporate management(\*3).

We will continue to encourage increased use of our platform based on further growth in the professional hiring market, increase in our market share through further acquisition of job seekers and direct employers, reactivation of existing job seekers, and investments in matching capabilities including generative AI.

(\*2) Based on "Labor Force Survey" by the Ministry of Internal Affairs and Communications.

Employed individuals are defined as the working population aged 15 and over, excluding the unemployed and non-labor force population. Prospective job changers refer to individuals who are currently employed and would like to change jobs or those who would like to engage in other jobs in addition to their current jobs.

(\*3) Please refer to page 24 of our FY2025/7 FY Presentation Material.

**Q12 Will BizReach be affected by stricter regulations on so-called "congratulatory gifts"?**

From April 1, 2025, some of the ministerial guidelines based on the Employment Security Act have been revised. As a result, providers of recruitment information, etc. have been prohibited, in principle, from providing job seekers with money, gift certificates, etc. (Please refer to Japanese FAQ for the official Japanese provision title).

Providing a fair level of monetary provision played a role in preventing fraud in recruitment support services, and we had also been implementing such measures, but we are now taking measures to prevent fraud in other means that is aligned with the amendment, and as such, we do not anticipate impact to our business performance at this time. Should our financial forecast change based on such impact, we will disclose as soon as appropriate.

## **HRMOS**

**Q13 What is the service lineup of HRMOS?**

HRMOS currently consists of "HRMOS ATS", "HRMOS Talent Management", "Internal BizReach by HRMOS", "HRMOS Attendance Management", "HRMOS Expense Management", and "HRMOS Payroll".

The number of paying customers using "HRMOS ATS", "HRMOS Talent Management" and "Internal BizReach by HRMOS" continues to expand, with ARR of JPY 3.73Bn (34.4% YoY growth), the number of unique paying customers of 2,421 companies (24.3% YoY growth), and ARPU of JPY 128k (8.1% YoY growth) as of the end of 4Q.

"Internal BizReach by HRMOS" promotion started at the end of January 2025. For an overview of the service, please see Q14.

**Q14 What kind of service is "Internal BizReach by HRMOS" ?**

In recent years, changing jobs has become a positive option for career development, and employees who have left the company have increased in many companies. "Internal BizReach by HRMOS" is a new service aiming at creating a company at which employees will want to continue working by promoting "Internal Scouting" activities that provide employees with career options to address the new challenge of the outflow of employees. We believe we are uniquely positioned to offer this new service at Visional Group, which is furnished with generative AI trained on data accumulated through "BizReach", and realizes optimal matching of internal talent to internal positions through automatic generation of internal resumes and internal position specifications in addition to highly accurate talent searches and recommendations.

**Q15 What is the financial impact of "Internal BizReach by HRMOS"?**

"Internal BizReach by HRMOS" is managed together with "HRMOS Talent Management" and is included in HRMOS financial figures.

We started the promotion at the end of January 2025, and it has generated strong interest from companies. As a result, the number of pilot users is growing steadily. On the other hand, as customers of this service are large enterprises, the implementation period including pilot use (establishing operational rules and building systems) takes around one year. As a result, net sales impact for FY2025/7 was negligible. Promotion of this service was concentrated in 4Q. As a result of executing growth investments while maintaining cost discipline, FY operating loss

landed smaller at JPY 0.76Bn compared to our plan of JPY 0.85Bn

For FY2026/7, the financial impact is also expected to remain negligible. HRMOS operating loss (before corporate expense allocation) forecast is JPY 0.20Bn. HRMOS was expecting to become profitable in FY2026/7, but our plan has changed to continue with investments in FY2026/7, such as investments in product development, hiring and marketing, to grow the business in a sustainable manner. 1Q and 2Q, when there were minimal strategic investments for this service, shows the improvement in profitability potential of the business and our continued investment is based on our recognition that we can make HRMOS profitable anytime.

**Q16 Why does FY2026/7 HRMOS net sales growth rate forecast appear to be accelerating compared to FY2025/7?**

HRMOS net sales forecast for FY2026/7 is 72.6% YoY growth (+JPY 3.78Bn YoY) based on expansion of each service, growth of the integrated HRMOS series, and with the addition of Thinkings, Inc. (sonar ATS), which is scheduled to be consolidated on October 1, 2025.

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