

# Visional, Inc. FY2026/7 1Q Financial Results FAQ

December 11, 2025

## Consolidated Financial Results

### Q1 What is the summary of FY2026/7 1Q financial performance and progress to FY financial forecast?

1Q consolidated net sales recorded JPY 23.33Bn (24.8% YoY growth). Progress to FY financial forecast is 23.5% (1Q progress of the previous fiscal year to FY actual results of the previous fiscal year was 23.3%). Each business is trending steadily, progressing on plan.

1Q consolidated EBITDA was JPY 7.59Bn (31.1% YoY growth, 32.5% margin). 1Q consolidated operating profit was JPY 7.06Bn (29.6% YoY growth, 30.3% margin). 1Q profit level landed on plan.

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

#### HR Tech Segment:

BizReach: 1Q net sales recorded JPY 19.65Bn (20.2% YoY growth). Direct employers' hiring demand for professionals and job seekers' behavior continue to remain strong. The total number of registered direct employers reached more than 40,000 companies as of the end of October 2025. This is an increase of more than 1,900 companies compared to 4Q of the previous fiscal year.

1Q operating profit (before corporate expense allocation) recorded JPY 8.83Bn (27.3% YoY growth, 45.0% margin). As strong hiring demand continues, marketing investments mainly addressing job seeker acquisition executed in 1Q. The margin for 1Q is higher than the FY forecast of 40% but it is as planned, as the investment plan is larger in 2H, as in previous years.

HRMOS: 1Q net sales recorded JPY 1.78Bn (54.7% YoY growth). Net sales grew in each of our HRMOS services and landed as planned. On October 1, 2025, we have completed the acquisition of 100% shares of Thinkings, Inc. 1Q results include one-month of consolidated impact of sonar ATS by HRMOS.

1Q operating loss (before corporate expense allocation) recorded JPY 0.08Bn (loss of JPY 0.07Bn for the same period of the previous fiscal year). Operating loss forecast for FY2026/7 is JPY 0.20Bn investing in growth, progressing on plan.

The combined ARR of all HRMOS series (\*1) was JPY 8.32Bn.

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.

1Q segment net sales recorded JPY 1.12Bn (98.8% YoY growth), and segment operating loss recorded JPY 0.46Bn (loss of JPY 0.35Bn for the same period of the previous fiscal year). We are building businesses whilst controlling investments.

(\*1) FY2026/7 HRMOS KPIs include HRMOS ATS, HRMOS Talent Management, Internal BizReach by HRMOS, HRMOS Attendance Management, HRMOS Expense Management, HRMOS Payroll, and sonar ATS by HRMOS

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

There is no change to our FY2026/7 financial forecast disclosed on September 11, 2025, and performance is progressing on plan.

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). In order to increase Visional Group's enterprise value in the mid-term, we will continue with disciplined execution. Leveraging on the stable profits BizReach delivers through its continuing growth, we plan to execute growth investments and M&A to capture the significant business expansion potential.

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)	3 months ended Oct 31, 2025	FY2026/7 Forecast	Progress
<b>Consolidated Net Sales</b>	<b>23,338</b>	<b>99,200</b>	<b>23.5%</b>
<b>HR Tech Segment</b>	<b>22,215</b>	<b>93,600</b>	<b>23.7%</b>
BizReach	19,655	80,300	24.5%
HRMOS	1,787	9,000	19.9%
<b>Incubation Segment</b>	<b>1,122</b>	<b>5,600</b>	<b>20.0%</b>
<b>EBITDA</b>	<b>7,592</b>	<b>26,000</b>	<b>29.2%</b>
<b>Operating Profit</b>	<b>7,069</b>	<b>23,100</b>	<b>30.6%</b>
<b>Ordinary Profit</b>	<b>8,165</b>	<b>23,530</b>	<b>34.7%</b>
<b>Profit Attributable to Owners of Parent</b>	<b>5,478</b>	<b>16,081</b>	<b>34.1%</b>

HR Tech Segment:

BizReach: Despite uncertain economic trends, direct employers' hiring demand for professionals and job seekers' behavior 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. We forecast operating profit margin (before corporate expense allocation) at 40%.

HRMOS: Based on expansion of each service, growth of the integrated HRMOS series, and addition of sonar ATS by HRMOS (Thinkings, Inc.), 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 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 FY2026/7 1Q, JPY 0.99Bn was recorded as penalty income. The amount recorded this quarter includes a temporary impact due to a change in accounting treatment to better reflect the actual status.

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

On October 1, 2025, Visional Group completed the acquisition of 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 (\*2).

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.

Since our acquisition on October 1, 2025, we have announced the rebranding of its service to “sonar ATS by HRMOS” in December 2025. Collaboration with HRMOS started. Further integration strategy will be determined as we drive the business forward.

For details, please refer to the disclosure dated July 23, 2025 (<https://www.visional.inc/en/ir.html>).

(\*2) 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 of Thinkings, Inc.?**

Acquisition of shares of Thinkings, Inc. was completed on October 1, 2025. Our financial results for FY2026/7 1Q include one-month consolidation impact. We have also included the M&A impact in our financial forecast for FY2026/7.

“sonar ATS by HRMOS” is reported as part of 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 October 31, 2025, is 40,136,500 shares (increase of 39,100 shares from July 31, 2025). As of October 31, 2025, the total shares outstanding on a fully diluted basis is 41,487,500 shares.

**Q7 What is 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 1Q net sales growth of 20.2%?**

BizReach net sales in 1Q recorded 20.2% YoY growth, +JPY 3.30Bn YoY. Although hiring demand varies, BizReach captured the strong market environment and direct recruiting has further expanded amongst Japanese companies, resulting in more than 1,900 direct employers starting to use BizReach in 1Q compared to 4Q of the previous fiscal year, leading to the number of registered direct employers to reach more than 40,000 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. We are progressing in line with the full year forecast. 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(\*3). In addition, the number of planned mid-career hires has increased significantly in recent years. 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.

(\*3) 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.

**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. are 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.

**Q13 What is the financial impact from the price revision for headhunters?**

Pricing for headhunters is planned to change in and after February 2026. This is a change in the performance revenue fee rate, and accordingly, the impact on FY2026/7 is limited.

Since its launch in 2009, we have invested in the development of different functionalities and improvements in UI/UX. We will continue to invest proactively in product development to strengthen our service platform.

**HRMOS****Q14 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, HRMOS Payroll and the newly added "sonar ATS by HRMOS".

"sonar ATS by HRMOS" joins HRMOS series through the acquisition of 100% shares of Thinkings, Inc. completed on October 1, 2025. We have announced the rebranding of its service in December 2025 and have started business collaboration with HRMOS.

Total ARR for all HRMOS services as of 1Q end was JPY 8.32Bn.

**Q15 Why did 1Q HRMOS KPI for FY2026/7 fluctuate significantly?**

We have redefined the services included in the HRMOS KPI disclosure and therefore, what was included up until FY2025/7 and what is included in FY2026/7 1Q are different.

HRMOS has expanded its services by acquiring subsidiaries through M&A as part of its strategy to develop a series of integrated human capital management ecosystem. This includes acquiring IEYASU, Inc., (offering IEYASU, currently HRMOS Attendance Management), and ezSoft Co., Ltd. (offering eKeihi, currently HRMOS Expense Management). We conducted PMI for both services and integrated IEYASU Inc. into BizReach, Inc. on November 1, 2024, and ezSoft Co., Ltd. on August 1, 2025. Furthermore, we completed the acquisition of 100% of the shares of Thinkings, Inc. on October 1, 2025.

As such, the disclosure is changed as follows.

	Accounting figures	SaaS KPI
FY25/7	<ul style="list-style-type: none"> <li>• HRMOS ATS</li> <li>• HRMOS Talent Management</li> <li>• Internal BizReach by HRMOS</li> <li>• HRMOS Attendance Management</li> <li>• HRMOS Expense Management</li> <li>• HRMOS Payroll</li> </ul>	<ul style="list-style-type: none"> <li>• HRMOS ATS</li> <li>• HRMOS Talent Management</li> <li>• Internal BizReach by HRMOS</li> </ul>
FY26/7	Above services + sonar ATS by HRMOS	Same as left

The reason for changes in the trend of the number of unique paying customers and ARPU compared to the prior disclosure is the impact of HRMOS Attendance Management, which has a

broad range of customers.

**Q16 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 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.

**Q17 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.

The leads are accumulating steadily toward orders and implementation, yet 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 FY2026/7 is negligible.

HRMOS operating loss (before corporate expense allocation) forecast for FY2026/7 is JPY 0.20Bn.

We continue investing in product development, hiring and marketing, to grow the business, based on our recognition that we can make HRMOS profitable anytime. Depending on the business environment, we may further increase our investment plan.

**Q18 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 by HRMOS), which was consolidated on October 1, 2025.

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