

FY2021/7 3Q
Financial Results

June 2021



Visional, Inc.

<h2>Consolidated Financials</h2>	<ul style="list-style-type: none"> • JPY 20.6Bn net sales, an increase of JPY 8.4Bn from 6 months ended January showing recovery from COVID-19 • Although marketing investments and hiring have resumed to invest for future growth, driven by profits generated through 2Q, 9 months ended April operating profit landed at JPY 3.1Bn
<h2>BizReach</h2>	<ul style="list-style-type: none"> • Net sales growth turned positive from Q2. Q3 recorded stronger growth driven by market rebound for the professional hiring market, surpassing pre-pandemic levels. As a result, net sales landed at JPY 16.7Bn for 9 months ended April • JPY 7.4Bn adjusted operating profit before corporate expense allocation. Marketing investments and hiring resumed to invest for future growth • Risk is COVID-19 and the economic uncertainty including Tokyo 2020 Olympic and Paralympic Games
<h2>HRMOS</h2>	<ul style="list-style-type: none"> • JPY 1.2Bn ARR, 897 unique paying customers as of Q3 end. Monthly churn rate of 1.40% (last 12-month average) impacted by COVID-19, yet single month monthly churn rate around 1.0% since December 2020 • Cross sell from BizReach continues to be a strong customer channel, yet marketing investments to increase brand awareness critical for future customer acquisition • Risk is hiring engineers for product development as market is competitive
<h2>Consolidated Financial Results Forecast</h2>	<ul style="list-style-type: none"> • BizReach net sales growth have turned positive since 2Q and recorded stronger growth in 3Q showing upside trends, yet no change in financial forecast as uncertainties remain from COVID-19 • No change in profit forecast. Although JPY 3.1Bn operating profit recorded in 9 months ended April, profits will be reinvested back into the business, mainly marketing for BizReach and HRMOS • COVID-19 and the economic uncertainty (including Tokyo 2020 Olympic and Paralympic Games) may impact marketing investments

Although economic uncertainties continue, Visional recorded JPY 20.6Bn net sales, JPY 3.1Bn operating profit for 9 months ended April as hiring market for professionals rebound strongly

JPY MM

	6 months ended Jan. 31, 2021	9 months ended April 30, 2021	12 months ended July 31, 2020 (Reference)
Net Sales	12,167	20,601	25,879
YoY Growth (%)	(1.9%)	N.A.	20.4%
HR Tech Segment⁽¹⁾	11,410	19,439	24,914
YoY Growth (%)	(5.0%)	N.A.	17.7%
Incubation Segment⁽¹⁾	675	1,040	892
YoY Growth (%)	74.9%	N.A.	182.1%
Cost of Sales	1,551	3,030	4,104
Gross Profit	10,615	17,571	21,775
Margin (%)	87.2%	85.3%	84.1%
Selling, General & Administrative Expenses	9,103	14,458	19,588
Operating Profit	1,512	3,112	2,186
Margin (%)	12.4%	15.1%	8.4%
HR Tech Segment⁽²⁾	2,141	4,207	3,343
Incubation Segment⁽²⁾	(329)	(564)	(868)
Pre-tax Profit	1,665	2,933	7,023
Income Tax Expense	579	1,048	2,364
Profit attributable to owners of parent	1,086	1,885	4,658
Margin (%)	8.9%	9.2%	18.0%

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

JPY 10.0Bn raised from April 22 IPO. Increase in notes and accounts receivables and deferred revenue as net sales grew. JPY 6.9Bn retained earnings as we continue to deliver profits

Assets	JPY MM			Liabilities and Equity	JPY MM		
	FY20/7	FY21/7 2Q	FY21/7 3Q		FY20/7	FY21/7 2Q	FY21/7 3Q
Current Assets	12,137	15,524	27,159	Current Liabilities	5,290	6,357	7,149
Cash and Cash Equivalents	9,114	11,726	23,249	Accounts Payable	1,486	1,905	2,260
Notes and Accounts Receivable	2,012	2,651	3,334	Deferred Revenue	1,917	2,409	2,847
Other Current Assets	1,011	1,146	574	Other Current Liabilities	1,886	2,042	2,041
Fixed Assets	5,584	5,542	5,375	Fixed Liabilities	3,225	3,765	3,642
Tangible Assets	899	783	749	Liabilities from application of Equity Method	3,070	2,933	2,853
Intangible Assets	2,488	2,614	2,534	Other Fixed Liabilities	155	831	789
Goodwill	1,186	1,380	1,338	Total Net Assets	9,205	10,944	21,742
Other Intangible Assets	1,301	1,233	1,195	Share Capital	100	436	5,436
Total Investments and Other Assets	2,196	2,144	2,092	Capital Surplus	4,064	4,400	9,400
Total Assets	17,722	21,066	32,535	Retained Earnings	5,021	6,107	6,906
				Others	20	(0)	0
				Total Liabilities and Net Assets	17,722	21,066	32,535

Note: (1) Based on FY20 financials prepared by Visional, Inc. continued from the financials of BizReach, Inc. Visional, Inc. was established through a share transfer, and BizReach, Inc. became a wholly-owned subsidiary of Visional, Inc. in February 2020

Although hiring market generally was impacted by COVID-19, professional segment rebounded strongly and our performance shows upside trends. However, no change to our net sales forecast as COVID-19 uncertainties remain. Although JPY 3.1Bn operating profit recorded for 9 months ended April, we will reinvest profit back into the business and therefore no change to our profit forecast

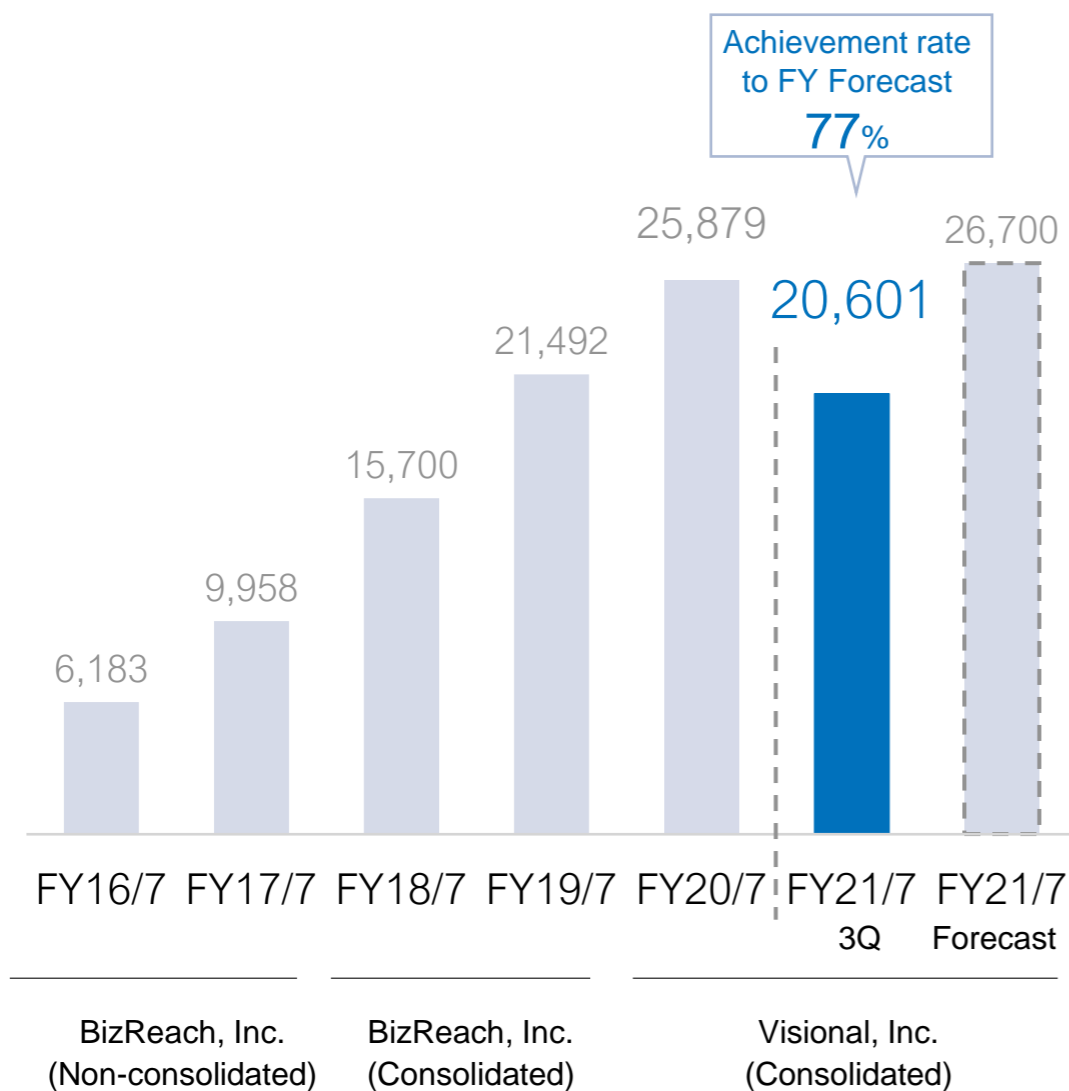
	JPY MM		
	FY20/7 Act	9 months ended April 30, 2021	FY21/7 Full Year Forecast
Net Sales	25,879	20,601	26,700
Growth (%)	20.4%	N.A.	3.2%
HR Tech Segment	24,914	19,439	25,050
Incubation Segment	892	1,040	1,500
Others	72	120	150
Operating Profit	2,186	3,112	960
Growth (%)	325.1%	N.A.	(56.1)%
Margin (%)	8.4%	15.1%	3.6%
Ordinary Profit	2,254	2,933	840
Growth (%)	340.4%	N.A.	(62.7)%
Margin (%)	8.7%	14.2%	3.1%
Profit Attributable to Owners of Parent	4,658	1,885	390
Growth (%)	-	N.A.	(91.6)%
Margin (%)	18.0%	9.2%	1.5%

- 3.2% Net Sales growth
- Net Sales for all segments aligned to forecast
- SG&A will increase significantly from FY2020/7 as marketing investments and hiring that was controlled during FY2020/7 2H to FY2021/7 1H have resumed to drive future growth in response to recovery of the professional hiring market
- Uncertainty for net sales and SG&A investments still remain as Tokyo continues its state of emergency declaration

Although net sales growth for FY2021/7 will slow down compared to previous years due to COVID-19, Visonal is back to growth mode in FY2021/7 2H. Keeping a certain level of operating profit, profits will largely be reinvested back into the business for future growth

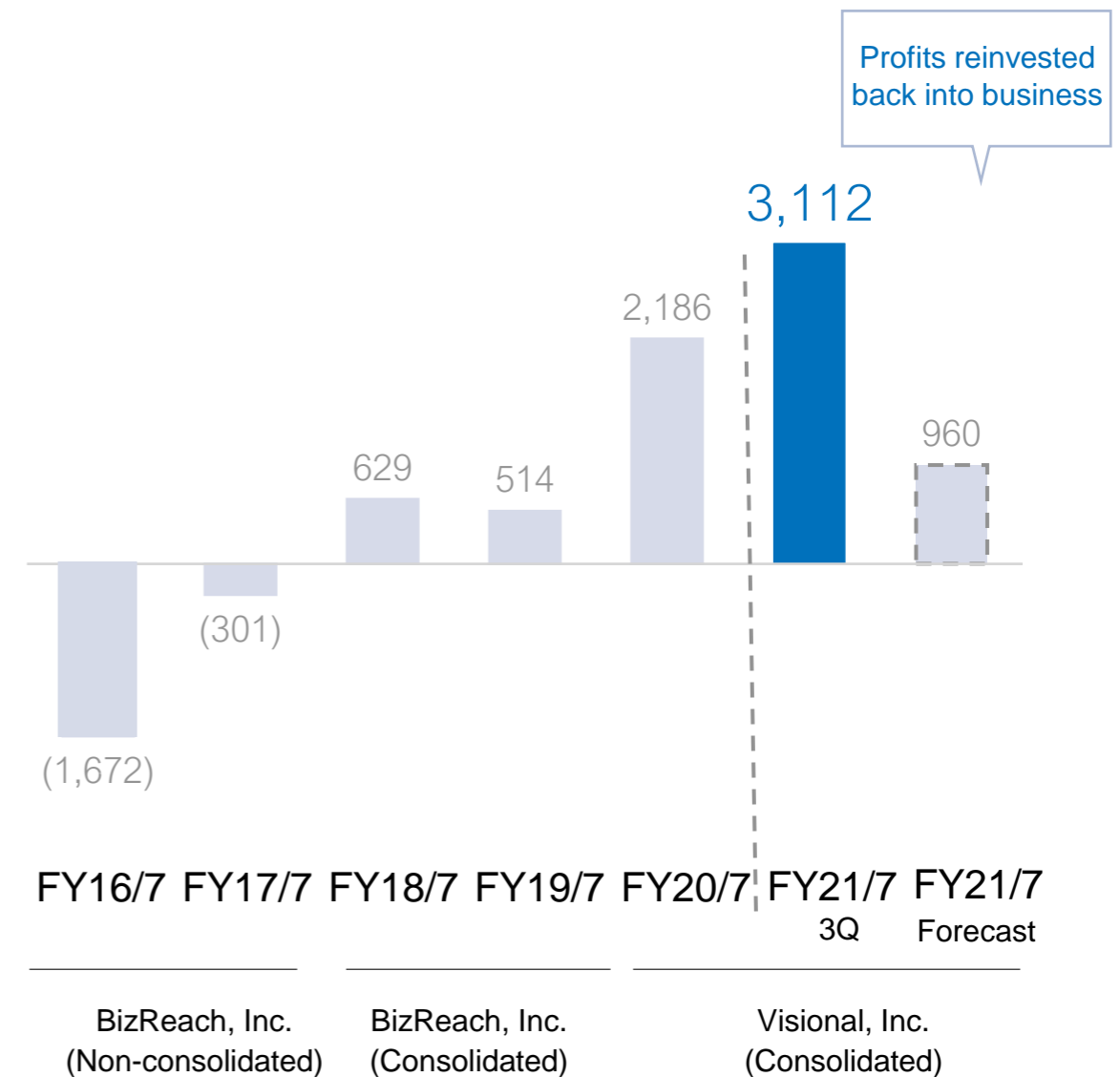
Consolidated Revenue⁽¹⁾

JPY MM



Consolidated Operating Profit⁽¹⁾

JPY MM



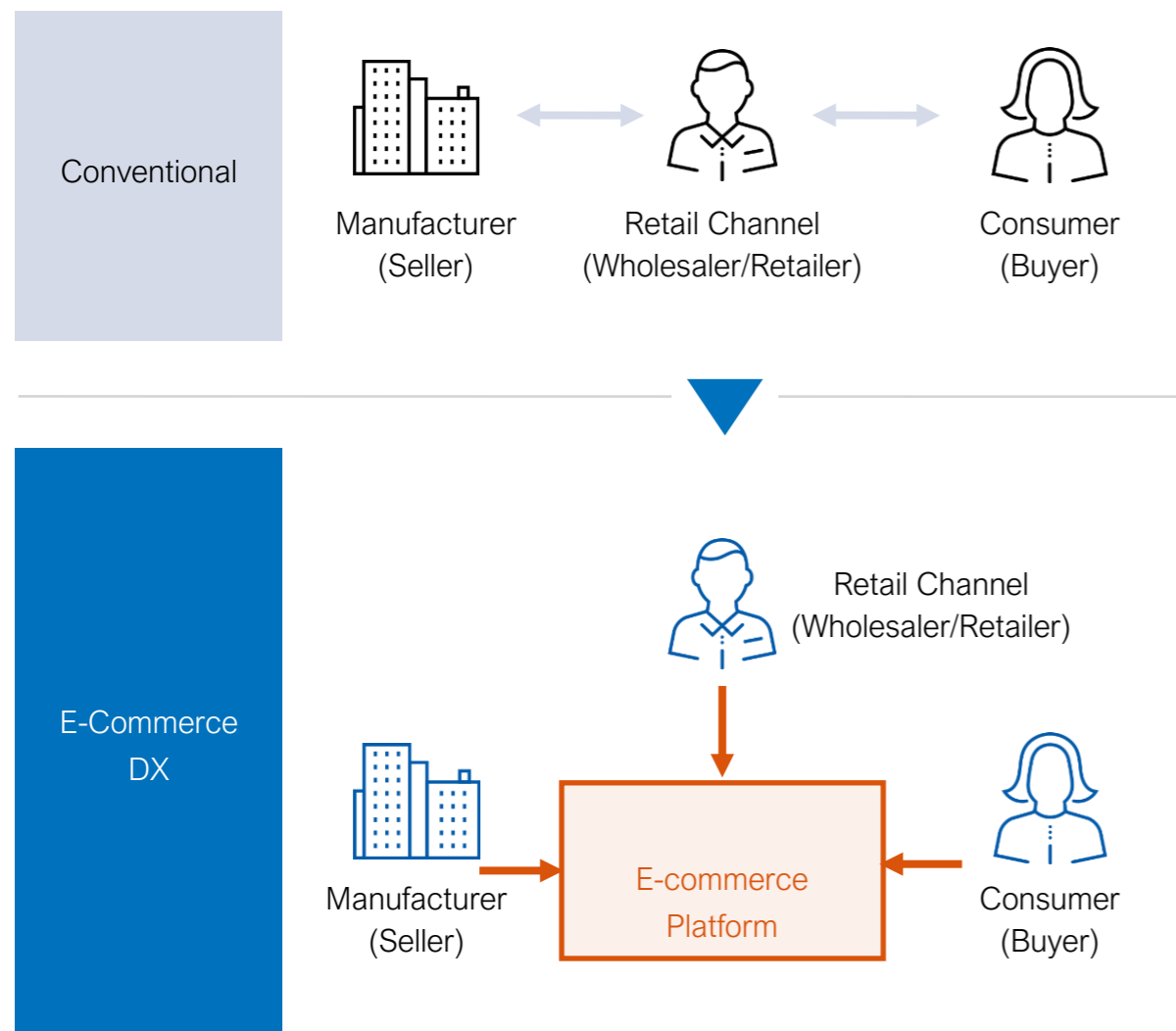
Notes: (1) Based on FY20 financials prepared by Visonal, Inc. continued from the financials of BizReach, Inc. Visonal, Inc. was established through a share transfer, and BizReach, Inc. became a wholly-owned subsidiary of Visonal, Inc. in February 2020. Therefore, FY18 to FY19 annual financial results are based on the consolidated financial results of BizReach, Inc., and FY16 to FY17 annual financial results are based on the non-consolidated financial results of BizReach, Inc. (All FYs end in July and prepared in accordance with J-GAAP)

FY2021/7 3Q Financial Results by Business

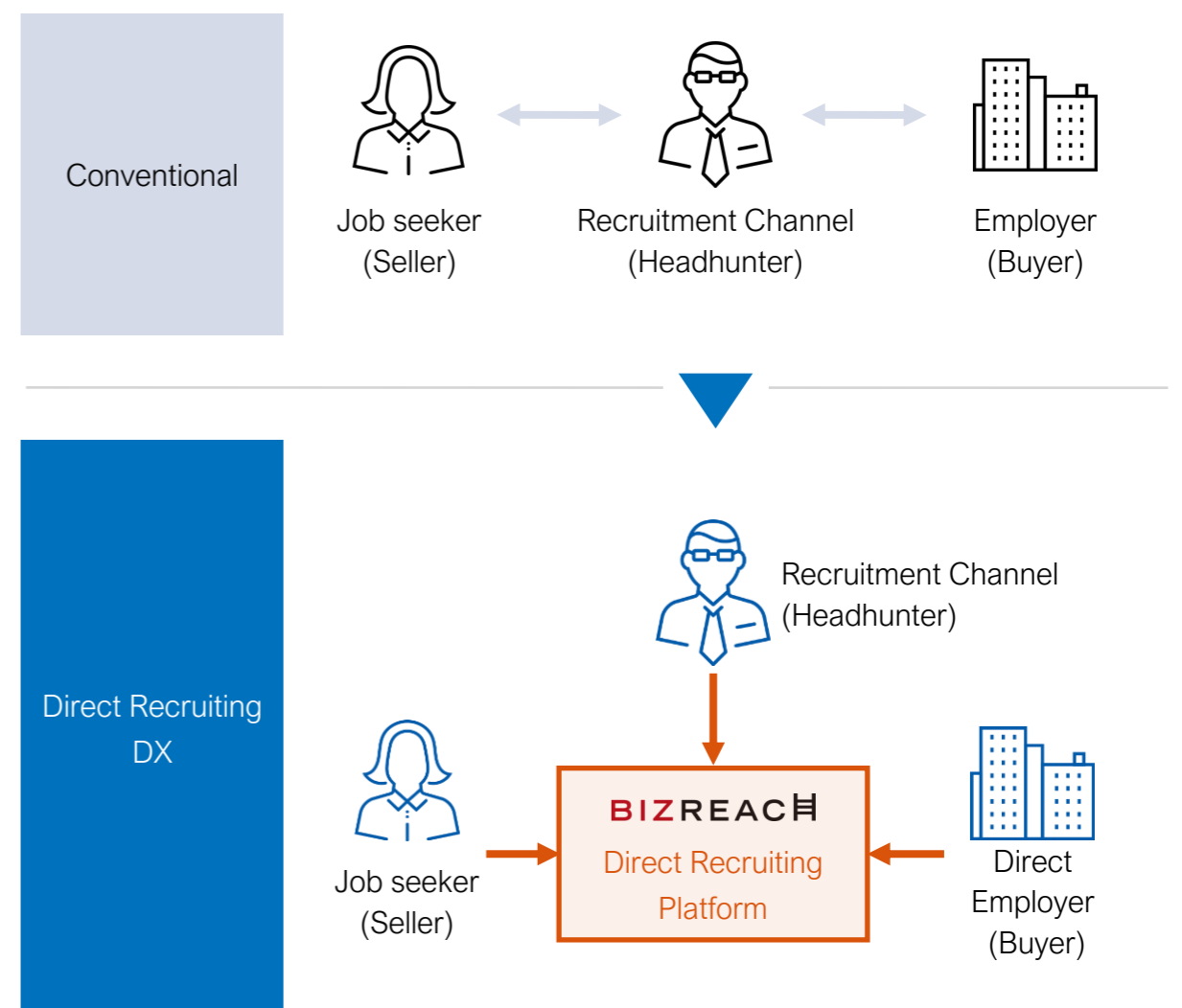
BizReach Financial Results

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

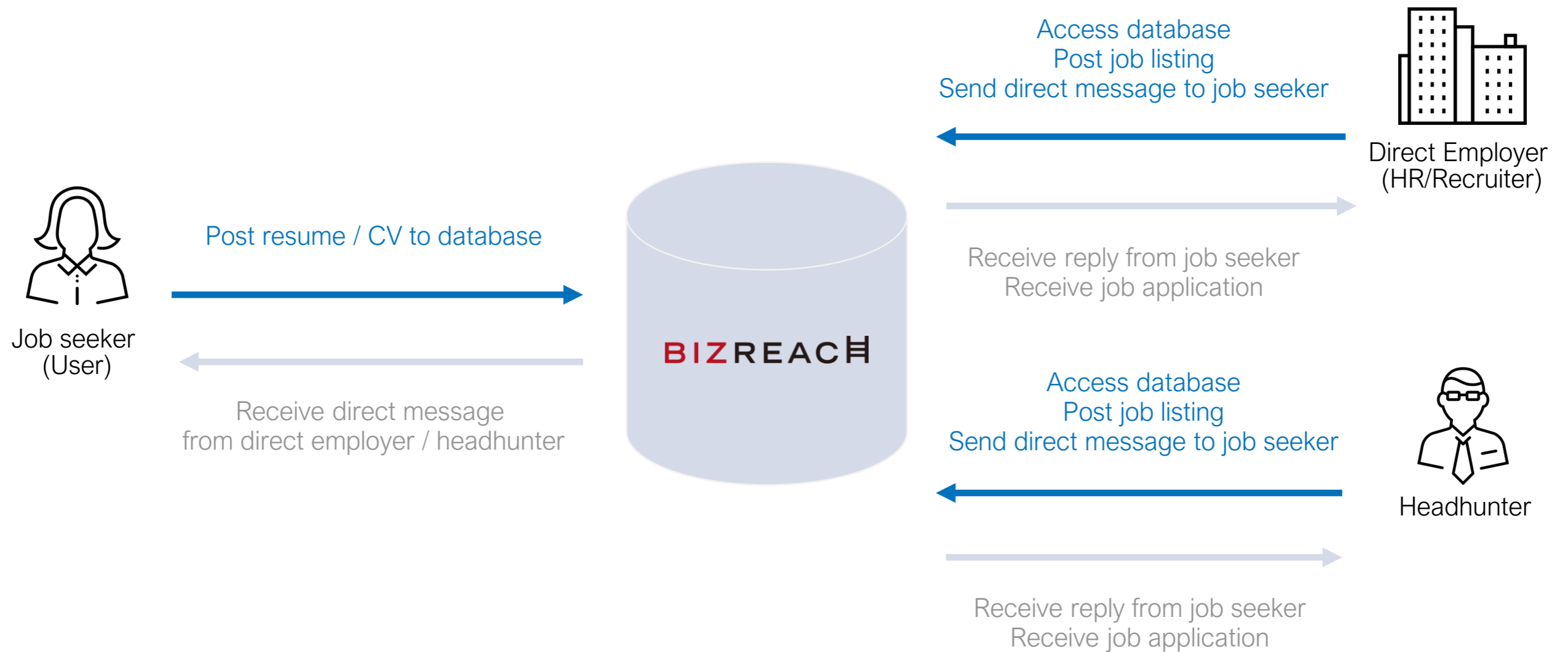
DX of Retail Market



DX of Professional Recruitment Market



The financially attractive and unique business model targeting for 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

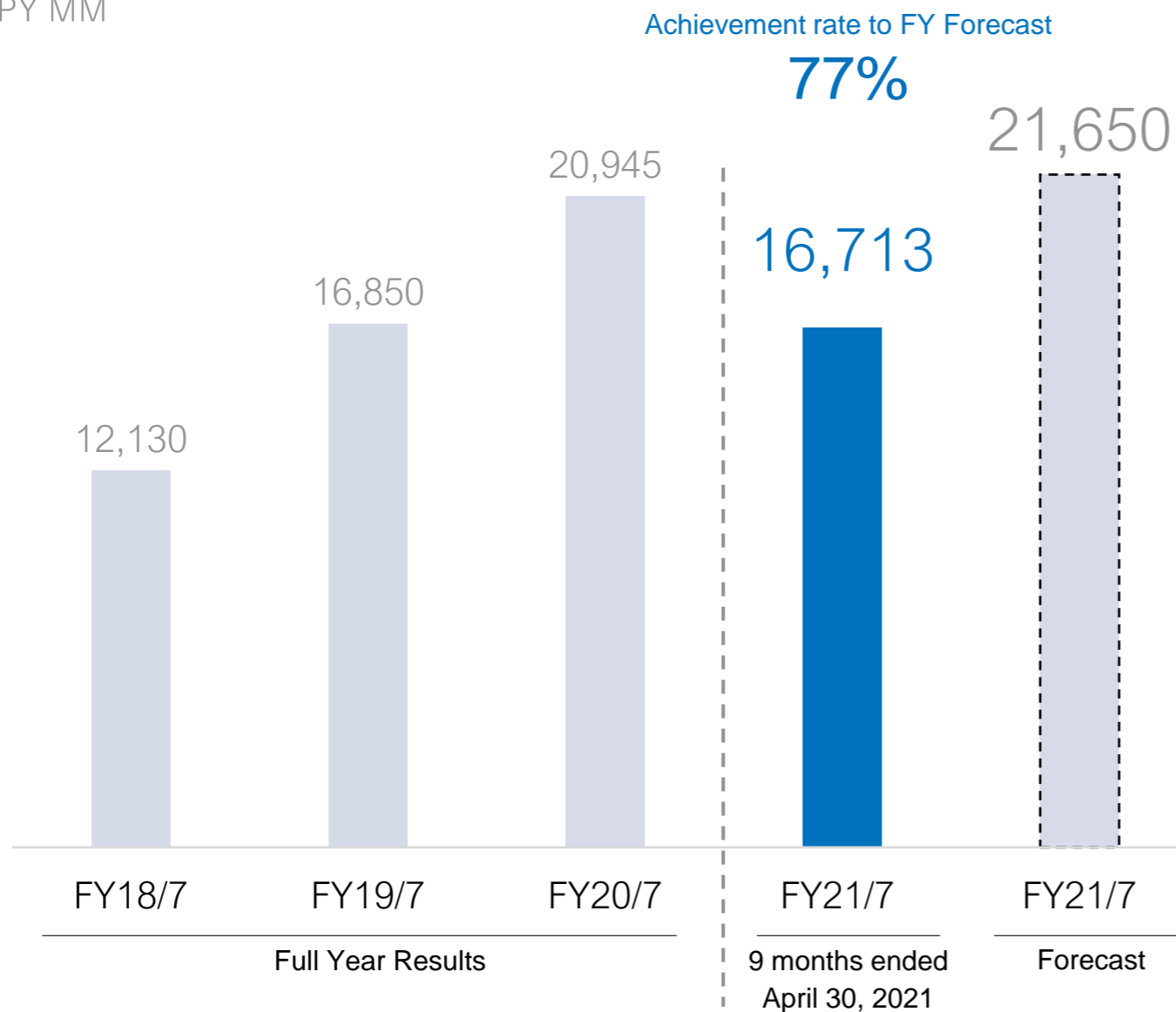
	Recurring Revenue ⁽¹⁾⁽²⁾	Performance Revenue
Direct Employers	¥850,000 / semi-annual	15% of the candidate's expected annual compensation in the new position ⁽³⁾
Headhunters	¥600,000 / semi-annual	20-30% of the placement fee the headhunter receives from the employer

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

JPY 16.7Bn net sales for 9 months ended April, 77% achievement rate to FY financial forecast. Although we see strong market rebound, economic uncertainty continues

BizReach Business' Revenue⁽¹⁾

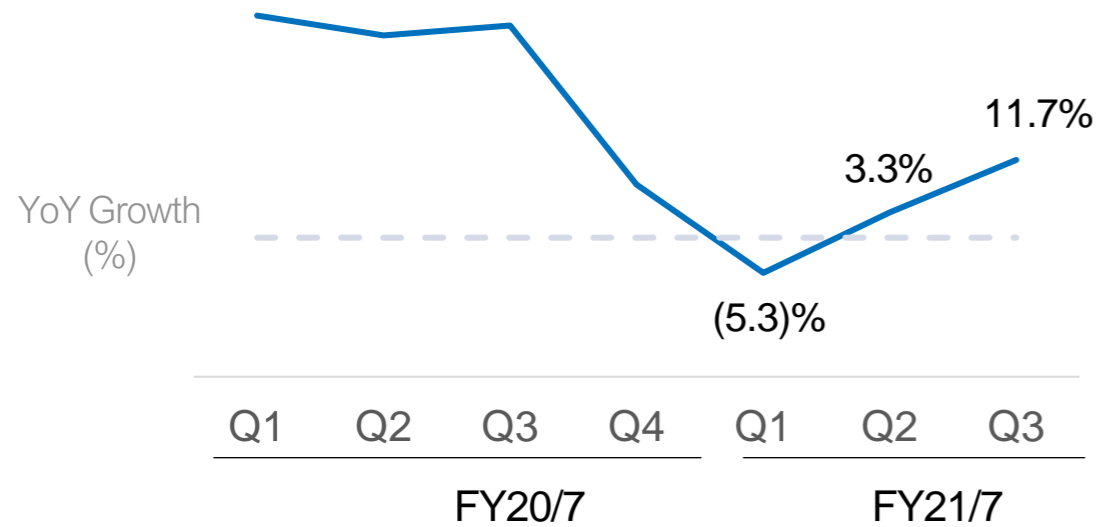
JPY MM



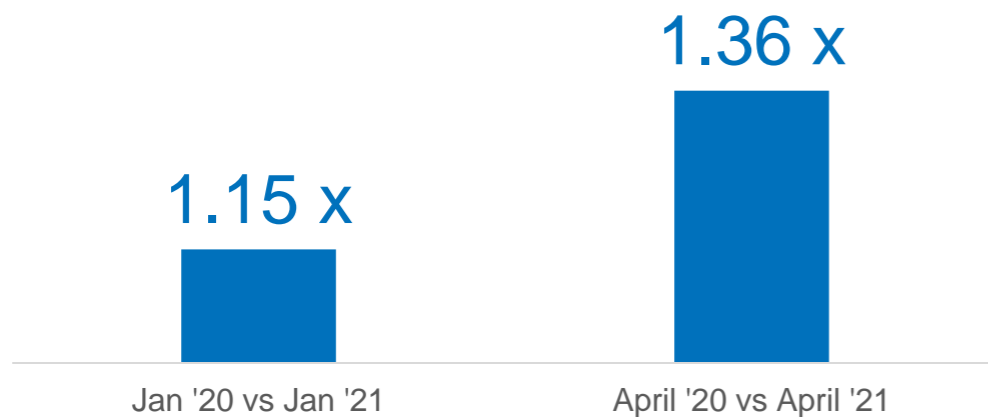
- Strong rebound of hiring market for professionals
- Strong demand for DX related positions and hirings needs in preparation for post COVID-19. Greater metropolitan areas also back to pre pandemic levels
- Continued investments into platform efficiency including increase in matching capabilities

Net sales growth turned positive from 2Q. 3Q recorded stronger growth

BizReach Quarterly Revenue Trend Comparison to same period previous year



Job offerings on BizReach Platform

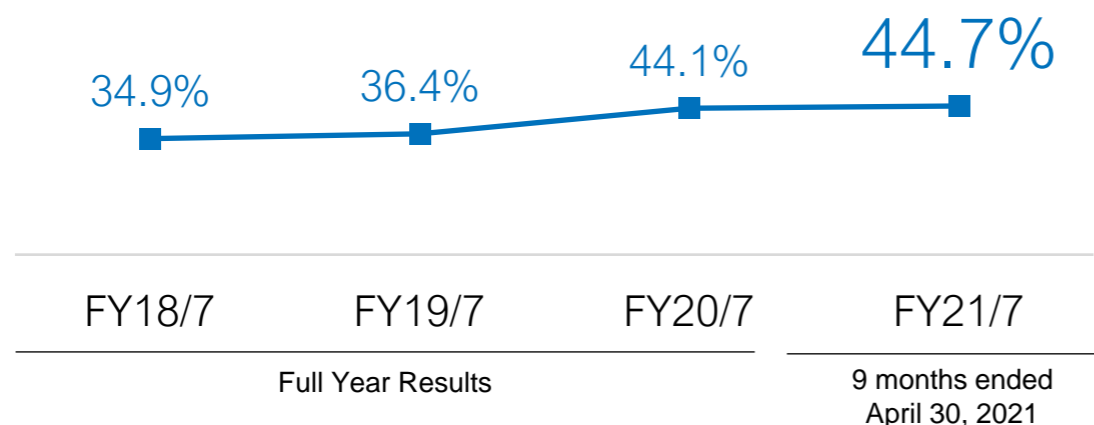


- Tokyo declared state of emergency in April 2020. BizReach business grew YoY FY2020/7 driven by our unique revenue mix of recurring and performance revenues
- FY2021/7 1Q revenue declined YoY as slow down in activity during state of emergency impacted FY2021/7 Q1 revenue
- FY2021/7 2Q revenue is back to YoY growth as demand for professionals are strong
- FY2021/7 3Q YoY growth is 11.7% compared to FY2020/7 3Q that was not impacted by COVID-19. As such, we believe we are back to growth mode
- Number of job offerings on BizReach platform exceeding pre-pandemic levels demonstrating strong demand for professionals

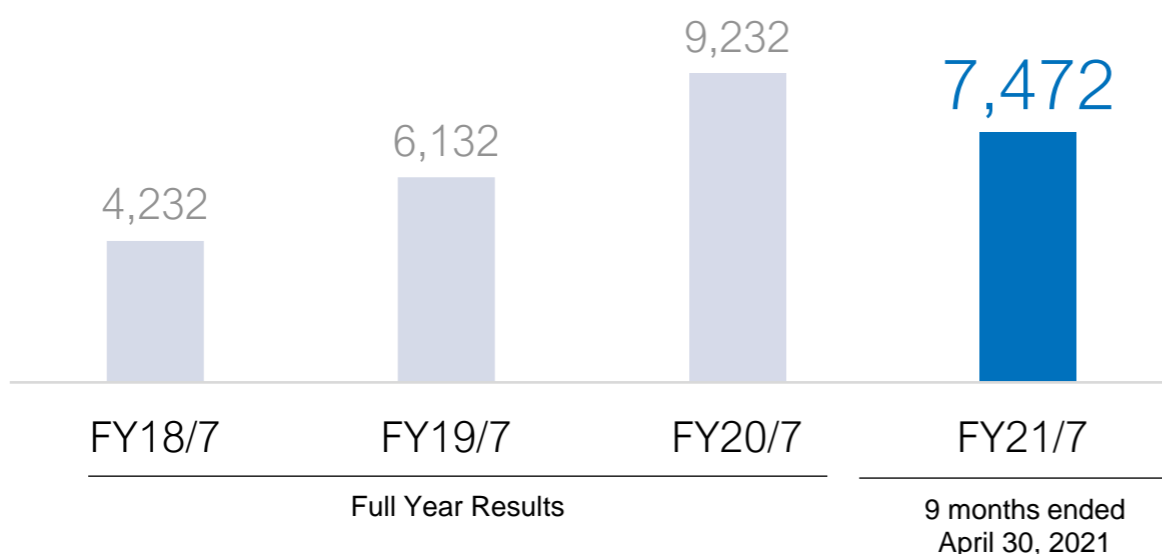
Investments controlled during FY2021/7 1H has restarted. We anticipate margins to decrease for FY2021/7 4Q as we invest aggressively in marketing and hiring to drive future growth

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

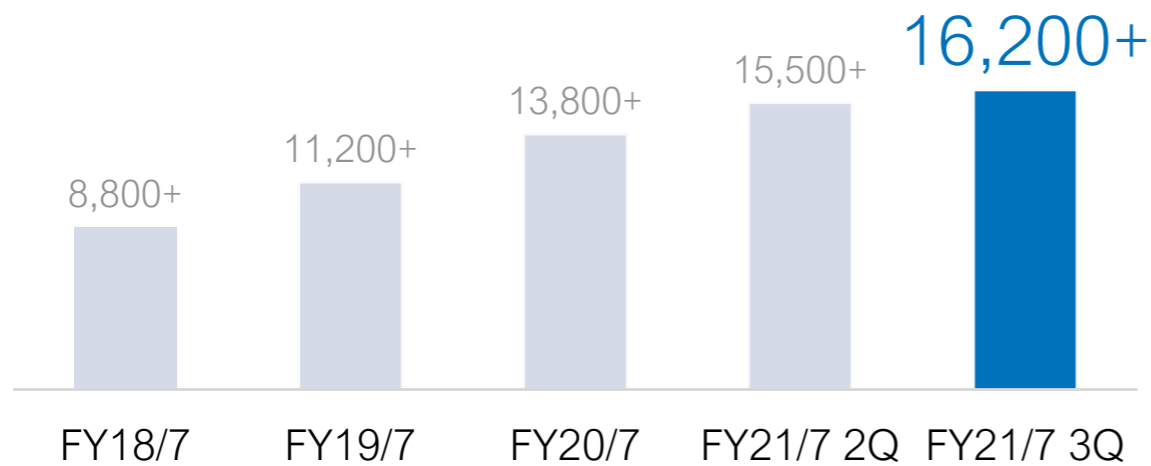


- Investments were controlled during FY2021/7 1Q as net sales growth was negative
- Marketing investments and hiring resumed in later part of 2Q as net sales growth turned positive
- Television commercials aired since April 26 driving increased users to the platform
- As net sales growth remains strong, profits will be reinvested back into the business in 4Q in areas of marketing (TV Commercials, online and offline marketing) to drive long term growth. As a result, 4Q margins expected to decrease

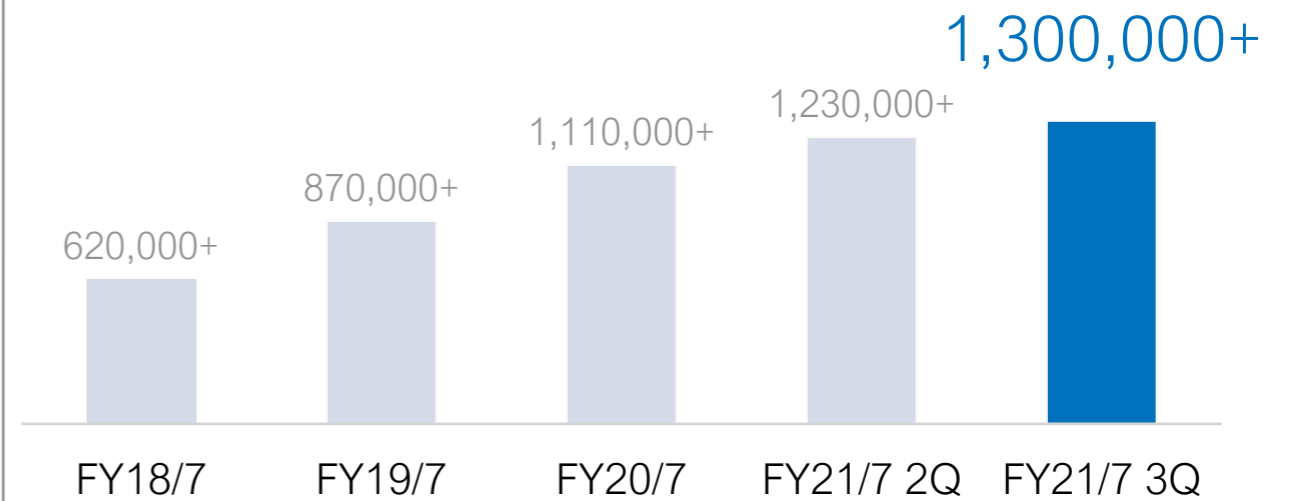
Notes: (1) Financial data of the BizReach Business, the core service of our group (which differs from the financial data of our subsidiary BizReach, Inc.) (2) BizReach business' revenue and adjusted operating profit / profit margin is recorded within the HR Tech reporting segment. (3) Adjusted operating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

Commitment to improving effectiveness of hiring and maintaining quality of headhunters have enabled us to accumulate a strong customer base to drive sustainable growth over the mid-to-long term

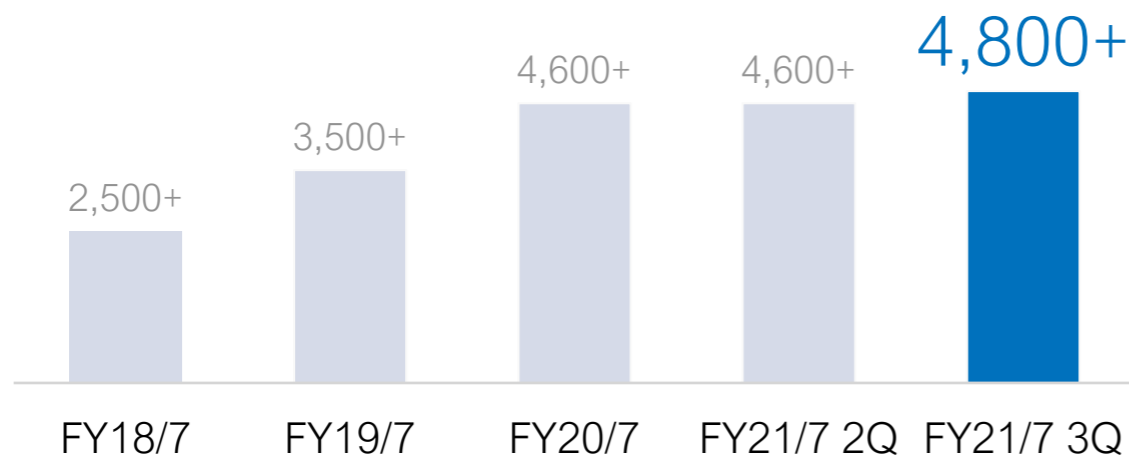
of Registered Direct Employers ⁽¹⁾



of Scoutable Job Seekers ⁽³⁾



of Active Headhunters ⁽²⁾

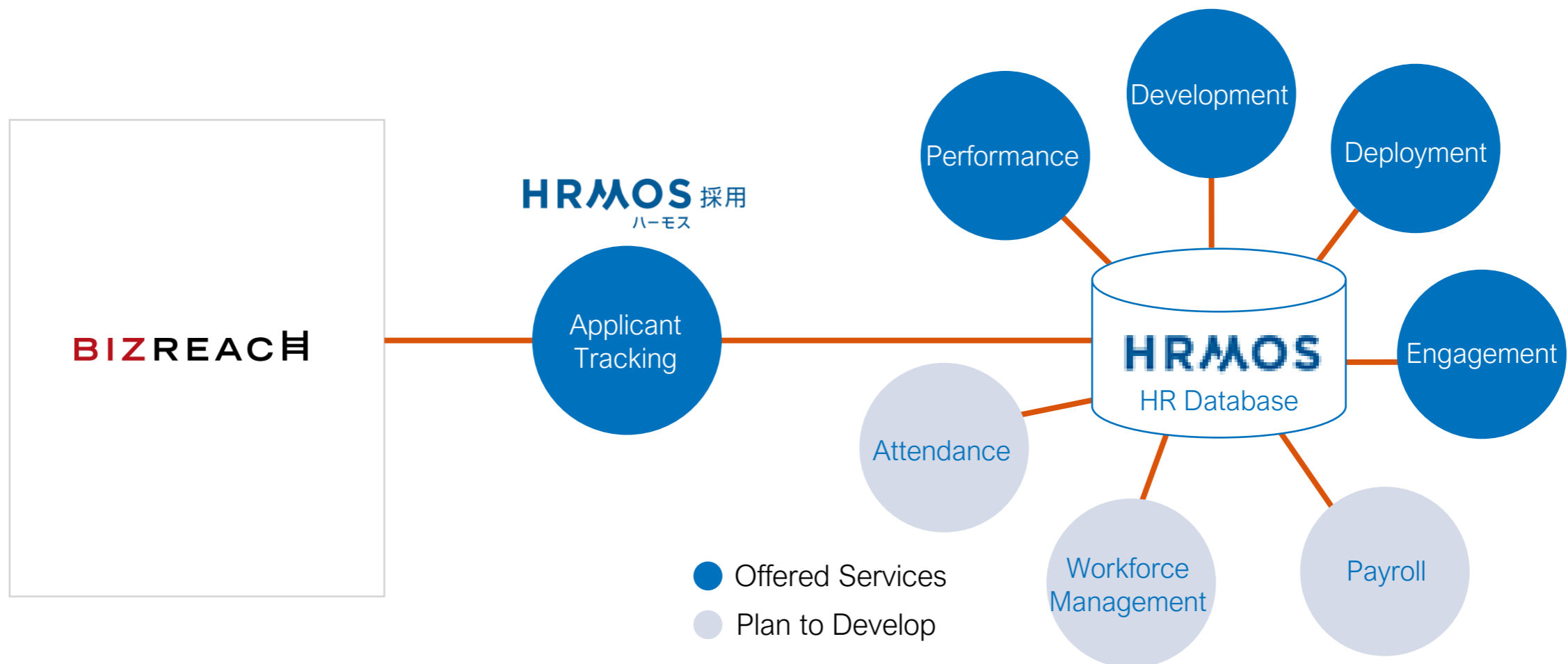


Notes: (1) Direct employers who have subscribed to our BizReach platform (excluding headhunters) (2) All passed screening by BizReach (3) # of users who registered on BizReach platform with resume that have passed a general screening process and whose profile is set to be viewable by direct employers and headhunters

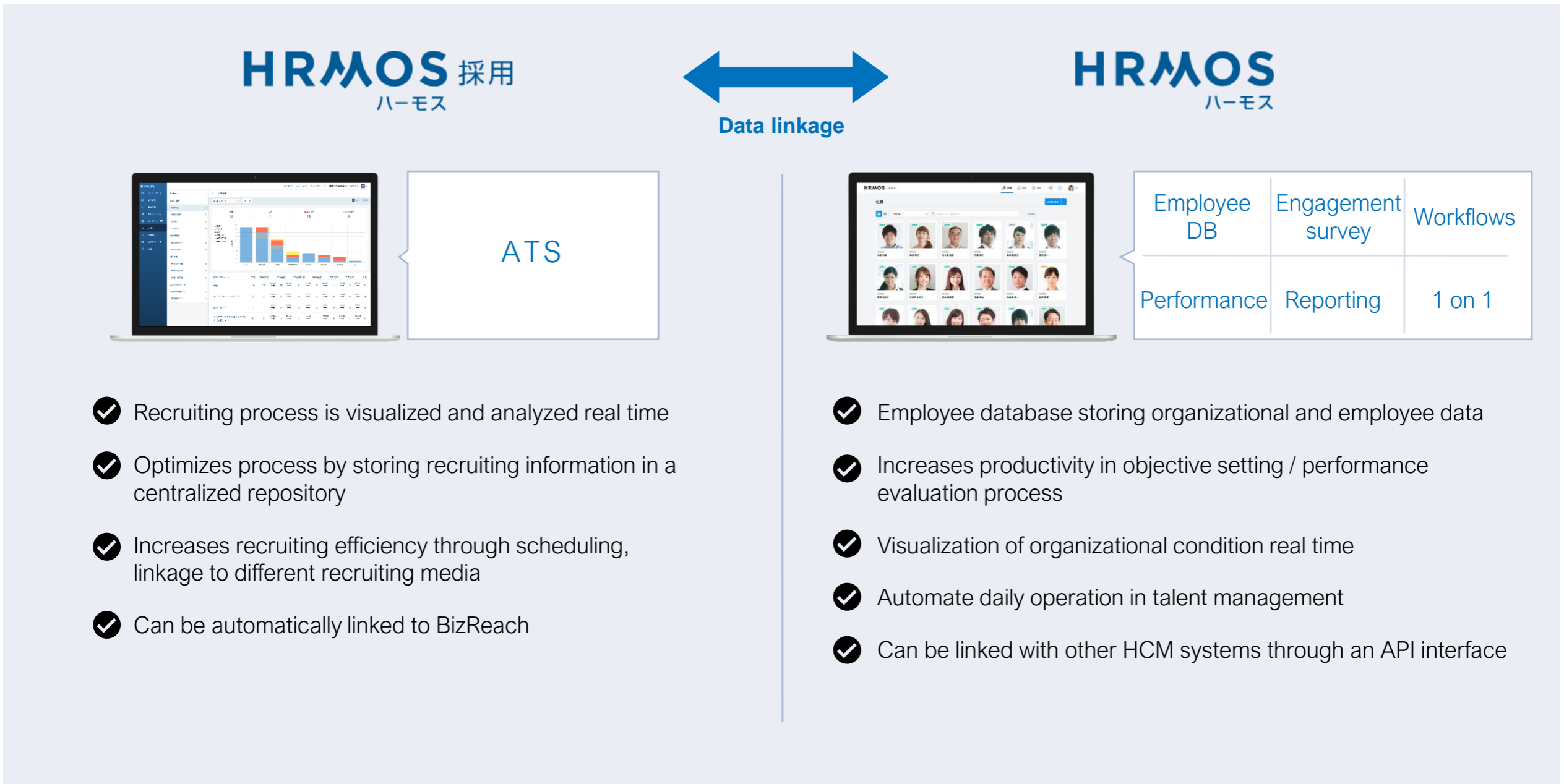
HRMOS Financial Results

Seamless integration of BizReach and HRMOS to create a unified, data-driven HCM Ecosystem where employee productivity is optimized, business operations are streamlined to guide our customers make smarter decisions

Human Capital Management (HCM) Ecosystem



Data linkage between modules in the cloud-based HCM SaaS Solution enables optimization of different operational processes



HRMOS was recognized #1 in the 2020 Japan Cloud Top 10 Ranking conducted by Forbes Japan to select the best cloud services (companies) amongst Japanese private startups



HRMOS recognized #1 in Japan's Cloud Top 10 Ranking (2021 March edition)



# 1	BizReach (HRMOS)
2	SmartHR
3	ANDPAD
4	atama plus
5	from scratch
6	Studist
7	Repro
8	KAKEHASHI
9	RevComm
10	bellFace

What is Forbes JAPAN
"Japan's Cloud Top10"

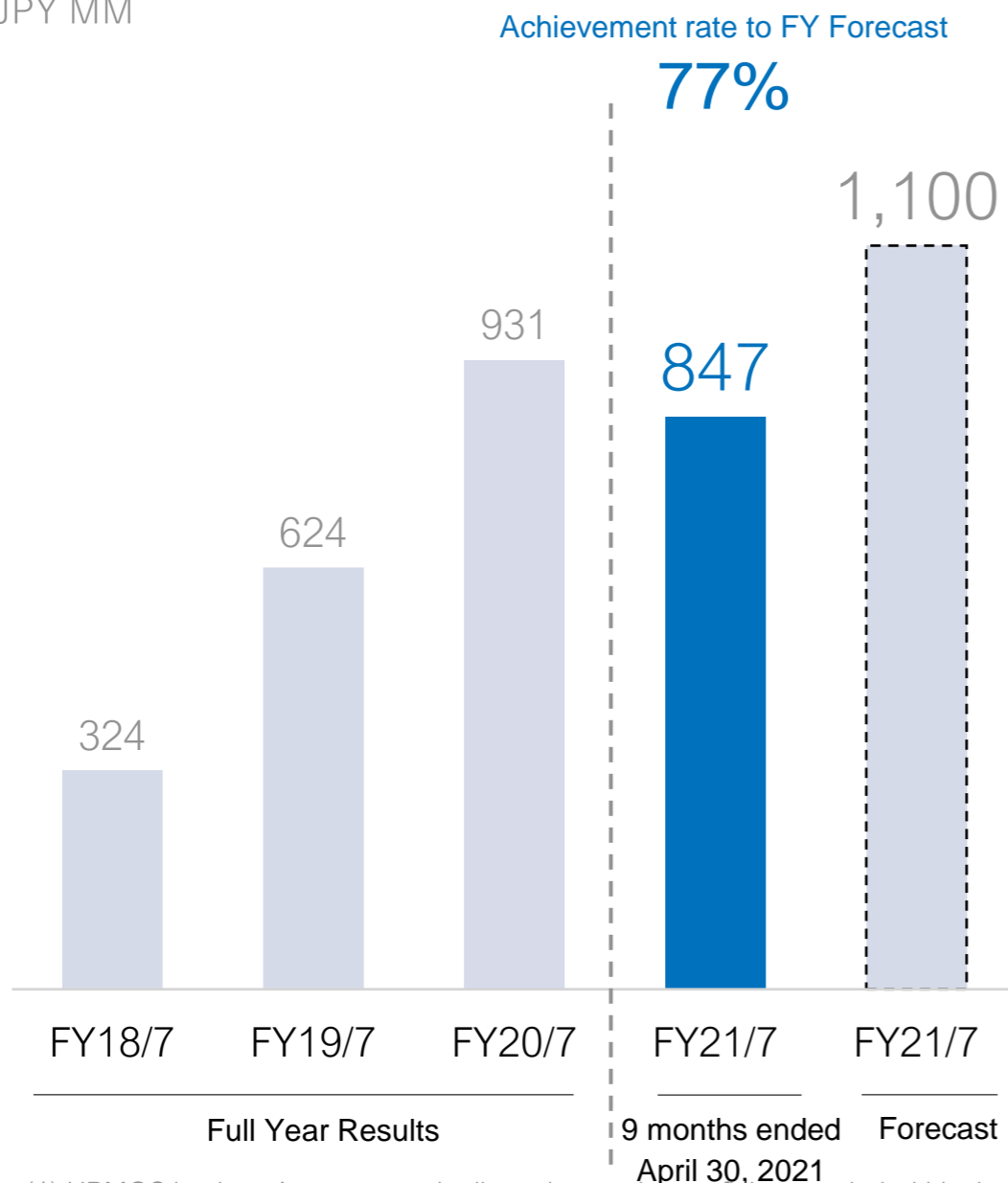
"The Cloud 100" is the annual ranking of the world's top private cloud companies selected by Forbes. This ranking is the Japanese version that started from 2018. This Forbes ranking is based on an evaluation of the top companies by assumed market capitalization on market leadership, business growth potential, innovative potential and management/organization using monthly recurring revenue as a standard. This Forbes ranking was created based on the contribution of representatives from 5 venture capital firms. Please refer to Forbes Japan 2021 March edition for full details.

<https://forbesjapan.com/articles/detail/39516>

9 months ended April delivering 77% achievement rate to financial forecast. Cross sell to BizReach customers continues to be the focus as well as developing partner channels. Investments for product development and marketing for customer acquisition will continue in 4Q

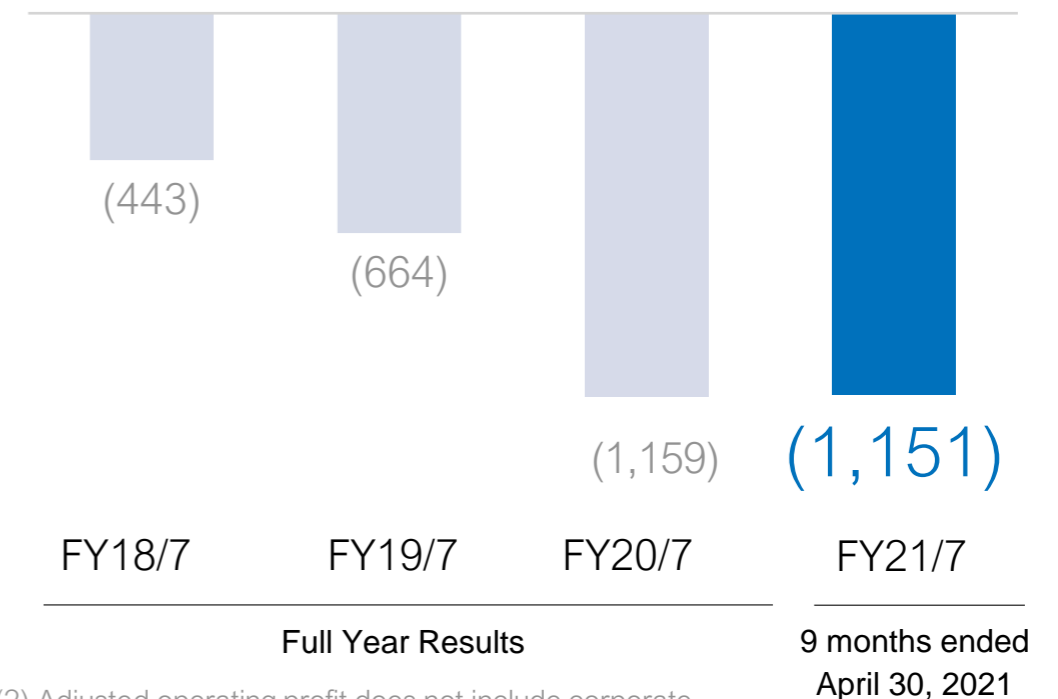
HRMOS Business' Revenue⁽¹⁾

JPY MM



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

JPY MM



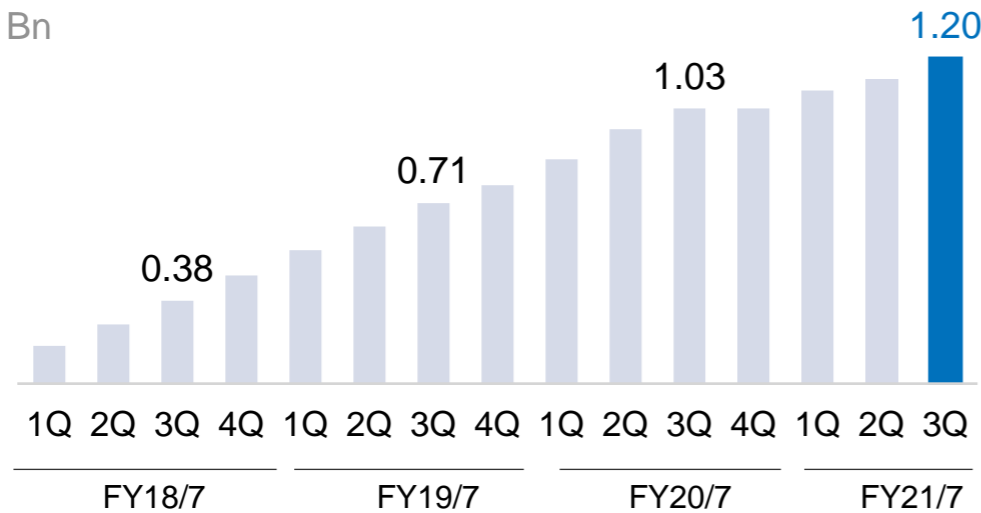
Notes: (1) HRMOS business' revenue and adjusted operating profit is recorded within the HR Tech reporting segment (2) Adjusted operating profit does not include corporate expenses (such as accounting, HR, legal, general affairs, etc.) which are not directly allocated to each business unit

ARR exceeded JPY 1.2Bn in 3Q FY2021/7 driven by solid growth of sticky customer base and ARPU expansion

ARR⁽¹⁾⁽²⁾

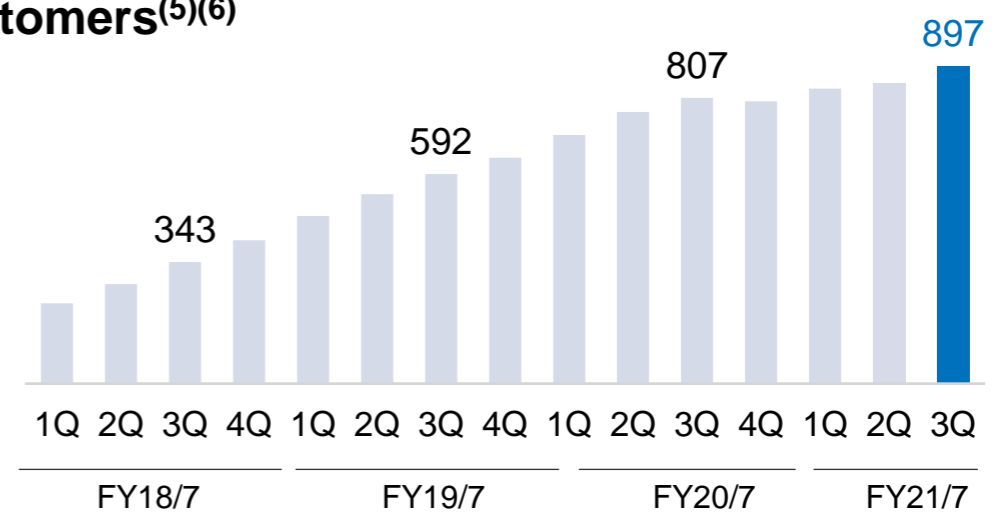
JPY Bn

¥1.2Bn (YoY +16.6%)



of Unique Paying Customers⁽⁵⁾⁽⁶⁾

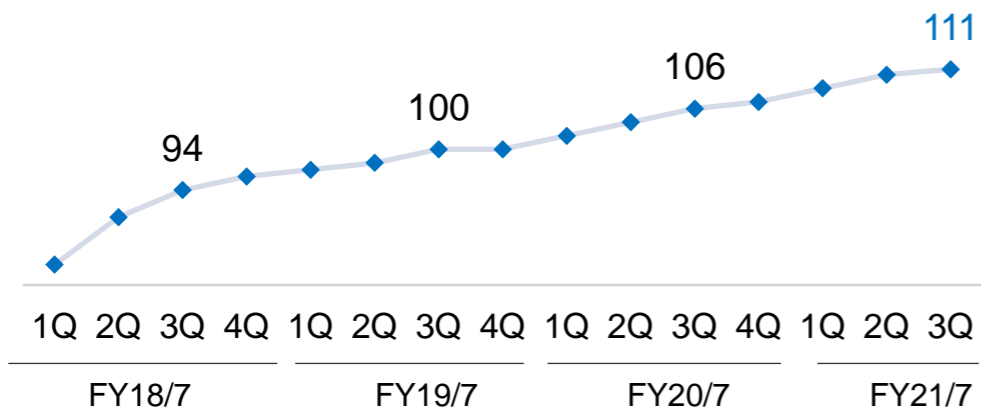
897 (YoY +11.2%)



ARPU⁽³⁾⁽⁴⁾

JPY thousands

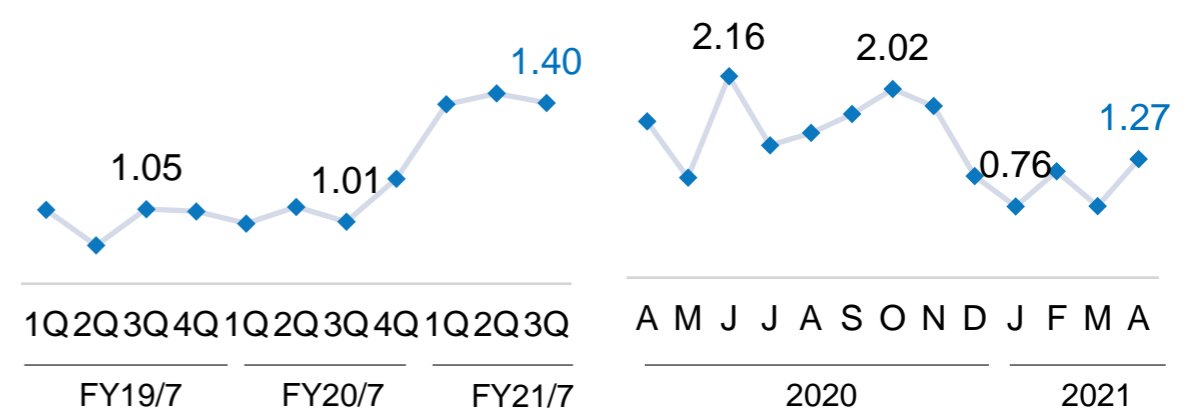
¥111k (YoY +4.9%)



Churn rate

Last 12-month average⁽⁷⁾⁽⁹⁾: **1.40%**

Monthly⁽⁸⁾⁽⁹⁾: **1.27%**



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 April 2021 (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 April 2021 (5) Unique fee-paying customers as of the final month of the quarter. Customers using multiple HRMOS modules are counted as one customer (6) As of April 2021 (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) Monthly Churn Rate = churned monthly HRMOS MRR divided by HRMOS MRR at the end of previous month (9) As of April 2021

Main KPIs

	FY18/7				FY19/7				FY20/7				FY21/7		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
ARR⁽¹⁾ (JPY Bn)	0.22	0.30	0.38	0.46	0.55	0.63	0.71	0.77	0.86	0.96	1.03	1.03	1.09	1.13	1.20
ARPU⁽²⁾ (JPY thousands)	83	90	94	96	97	98	100	100	102	104	106	107	109	111	111
# of Unique Paying Customers⁽³⁾	227	281	343	405	473	535	592	638	702	767	807	797	833	849	897
Average Monthly Churn Rate for Last Twelve Months⁽⁴⁾ (%)	-	-	-	-	1.05	0.93	1.05	1.04	1.00	1.05	1.01	1.15	1.40	1.43	1.40
	FY20/7				FY21/7										
	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr		
Monthly Churn Rate⁽⁵⁾ (%)	1.68	1.07	2.16	1.42	1.55	1.75	2.02	1.84	1.09	0.76	1.14	0.77	1.27		

Notes: (1) HRMOS Annual Recurring Revenue (ARR). HRMOS MRR (Monthly Recurring Revenue) for the last month of a quarter multiplied by 12 (MRR = previous month's monthly recurring revenue + newly acquired monthly recurring revenue + upsell monthly recurring revenue – down-sell monthly recurring revenue – churned monthly recurring revenue. Excludes one-time fees such as initial setup fees) (2) HRMOS Average Revenue Per User (ARPU). HRMOS MRR for the last month of the relevant quarter divided by the number of unique paying customers as of the end of the same quarter (3) Unique fee-paying customers as of the final month of the quarter. Customers using multiple HRMOS modules are counted as one customer (4) Last 12-month average of Monthly Churn Rate based on HRMOS MRR as of the final month of the quarter. Monthly Churn Rate = churned monthly HRMOS MRR divided by HRMOS MRR at the end of previous month (5) Monthly Churn Rate = churned monthly HRMOS MRR divided by HRMOS MRR at the end of previous month

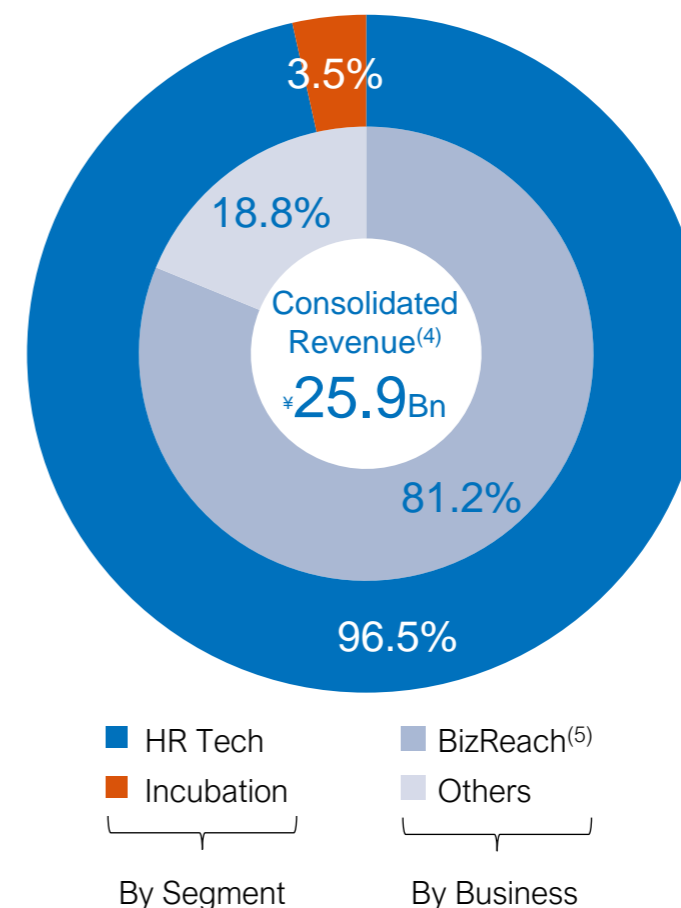
Appendix

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

Business Overview

HR Tech Segment	BIZREACH	HR matching platform for professionals
	キャリアトル Careertrek	HR matching platform for young professional talents
	BIZREACH CAMPUS	Network for alumni visits
	BINAR	HR matching platform for high-skilled IT engineers
	HRMOS ハーモス	Cloud-based HCM software
Incubation Segment	BIZREACH SUCCEED	M&A matching platform
	yamory	OSS ⁽¹⁾ vulnerability management tool
	BIZHINT	B to B lead generation platform
	TRABOX	Logistics matching platform
Affiliate	スタンバイ ⁽²⁾ Stanby	Job operating search engine

FY20/7 Revenue Breakdown by Segment and Business⁽³⁾

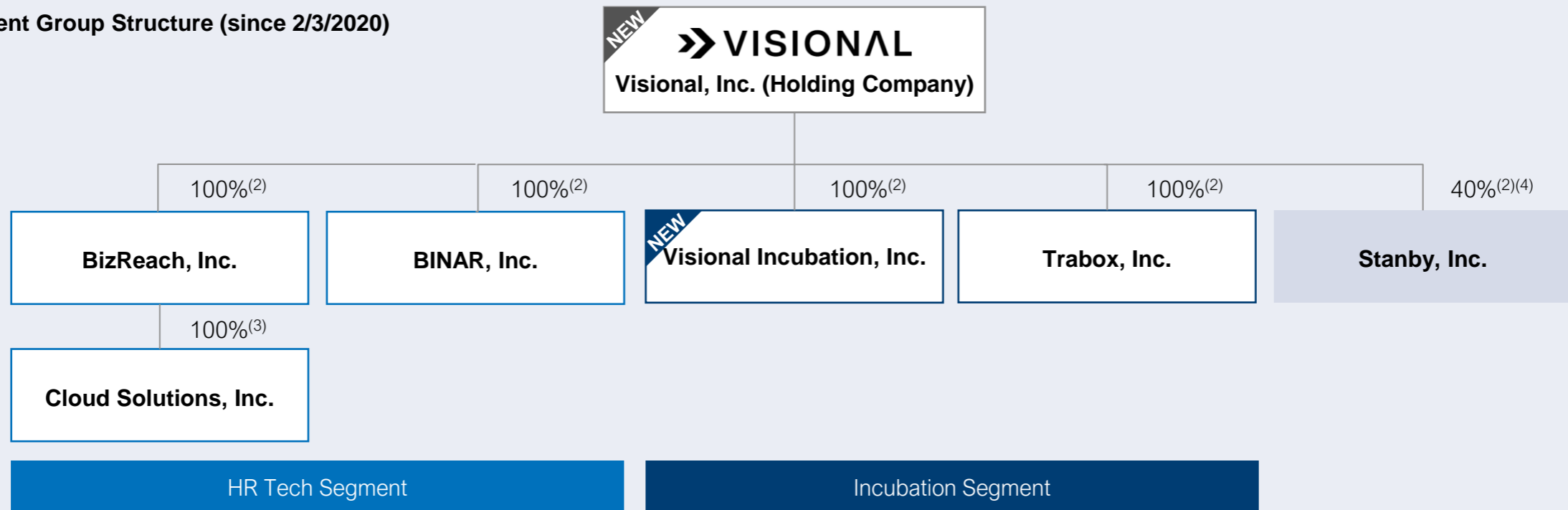


Notes: (1) Open source software (2) Joint venture with Z Holdings Corporation, in which Visional, Inc. holds a 40% stake as an equity method affiliate (3) Excluding adjustments (¥72 MM) (4) Based on FY20 financials prepared by Visional, Inc. continued from the financials of BizReach, Inc. Visional, Inc. was established through a share transfer, and BizReach, Inc. became a wholly-owned subsidiary of Visional, Inc. in February 2020 (FY ending in July and prepared in accordance with J-GAAP) (5) Financial data of the BizReach Business, the core service of our group (which differs from the financial data of our subsidiary BizReach, Inc.)

Former Group Structure before creation of holding company

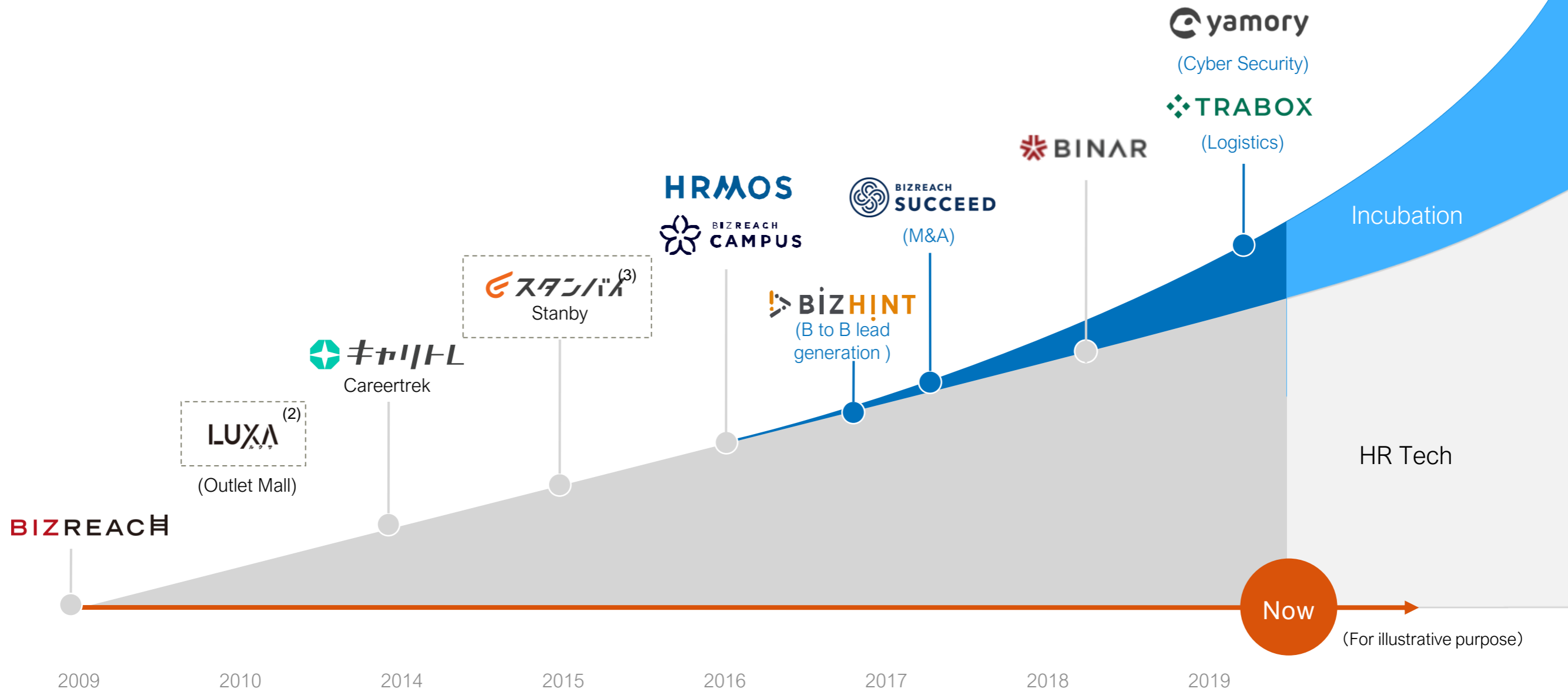


Current Group Structure (since 2/3/2020)



Notes: (1) BizReach, Inc.'s shareholding ratio of its subsidiaries and affiliate until it moved to the current group holding structure (2) Visional, Inc.'s shareholding ratio of its subsidiaries and affiliate (3) BizReach, Inc.'s shareholding ratio of its subsidiary (4) Joint venture with Z Holdings Corporation, in which Visional, Inc. holds a 40% stake as an equity method affiliate

In addition to a solid track record of sustained growth in HR Tech, Visional is committed to incubating new businesses, accelerating the digital transformation (DX) of various industry verticals



Notes: (1) For illustrative purpose. Dates (year) below the horizontal line represent the timing of launch for each service (2) LUXA was fully incubated inside of BizReach, spun out as a subsidiary and sold entirely to KDDI in April 2015 (3) Stanby was fully incubated inside of BizReach, spun out as a subsidiary and partially (60%) sold to Z Holdings in December 2019. Visional continues to co-manage the joint venture together with Z Holdings as a 40% equity owner

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

JPY MM

	FY20/7	FY20/7 1H	FY21/7 1H	FY21/7 3Q
Total Adjusted Operating Profit before corporate expense allocation	7,531	2,945	3,018	5,590
BizReach Business ⁽²⁾⁽³⁾	9,232	4,008	4,189	7,472
HRMOS Business ⁽³⁾	(1,159)	(633)	(687)	(1,151)
Other Businesses ⁽³⁾	(541)	(429)	(484)	(731)
Adjustment item				
-) Corporate and general administrative expenses (such as accounting, HR, legal, general affairs, etc.) ⁽⁴⁾	5,345	2,716	1,505	2,477
-) HR Tech Segment ⁽⁴⁾	4,647	2,354	1,237	2,082
-) Incubation Segment ⁽⁴⁾	697	361	268	394
Operating Profit (J-GAAP)	2,186	228	1,512	3,112

Adjusted Headcount by Function and Business (FY20/7)⁽⁵⁾

	Adjusted headcount	% of subtotal for HR Tech businesses
HR Tech businesses		
BizReach Business	539	61.7%
HRMOS Business	169	19.4%
Other HR Tech businesses	166	18.9%
Subtotal for HR Tech businesses	875	100.0%
General functions of HR Tech businesses	56	n/a
Total for HR Tech businesses	931	n/a
Incubation businesses	98	n/a
Corporate	158	n/a
Total	1,186	n/a

Notes: (1) Based on FY20 financials prepared by Visional, Inc. continued from the financials of BizReach, Inc. Visional, Inc. was established through a share transfer, and BizReach, Inc. became a wholly-owned subsidiary of Visional, Inc. in February 2020 (All FYs ending in July and prepared in accordance with J-GAAP) (2) Financial data of the BizReach Business, the core service of our group (which differs from the financial data of our subsidiary BizReach, Inc.) (3) Calculated as revenue of each business minus cost of sales and selling, general and administrative expenses which are directly allocated to each business (4) These expenses comprise corporate and general administrative expenses that we have not directly allocated to individual businesses for our internal management purposes (5) 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

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