

**FY2022/7 FY
Financial Results**

September 2022



Visional, Inc.

Consolidated Financials

- An increased momentum of employers to actively hire mid-careers in the professional hiring market has resulted in net sales of JPY 12.07Bn (49.1% YoY growth) for 4Q , JPY 43.95Bn (53.2% YoY growth) for 12 months ended July
- Active marketing investments were made as planned. 4Q operating profit was JPY 1.10Bn (operating loss of JPY 0.74Bn for the previous fiscal year) and operating profit for 12 months ended July was JPY 8.32Bn (251.3% YoY growth)

BizReach

- Net sales for 4Q recorded JPY 10.21Bn (49.2% YoY growth). Net sales for 12 months ended July was JPY 37.60Bn (59.6% YoY growth)
- Marketing investments including TV commercials were actively made in 4Q. Adjusted operating profit before corporate expense allocation for 4Q was JPY 3.60Bn. JPY 17.60Bn for 12 months ended July (82.7% YoY growth). Strong YoY growth driven by a significant increase in net sales

HRMOS

- JPY 1.62Bn ARR (28.2% YoY growth), 1,193 unique paying customers (26.8% YoY growth) as of 4Q end.
- As HRMOS ATS is driving net sales growth, we aired TV commercials in 4Q, resulting in an increase in operating expenses for 4Q
- We will continue product development while aiming to increase customers through cross selling to BizReach customers and through partner channels

Consolidated Financial Forecast

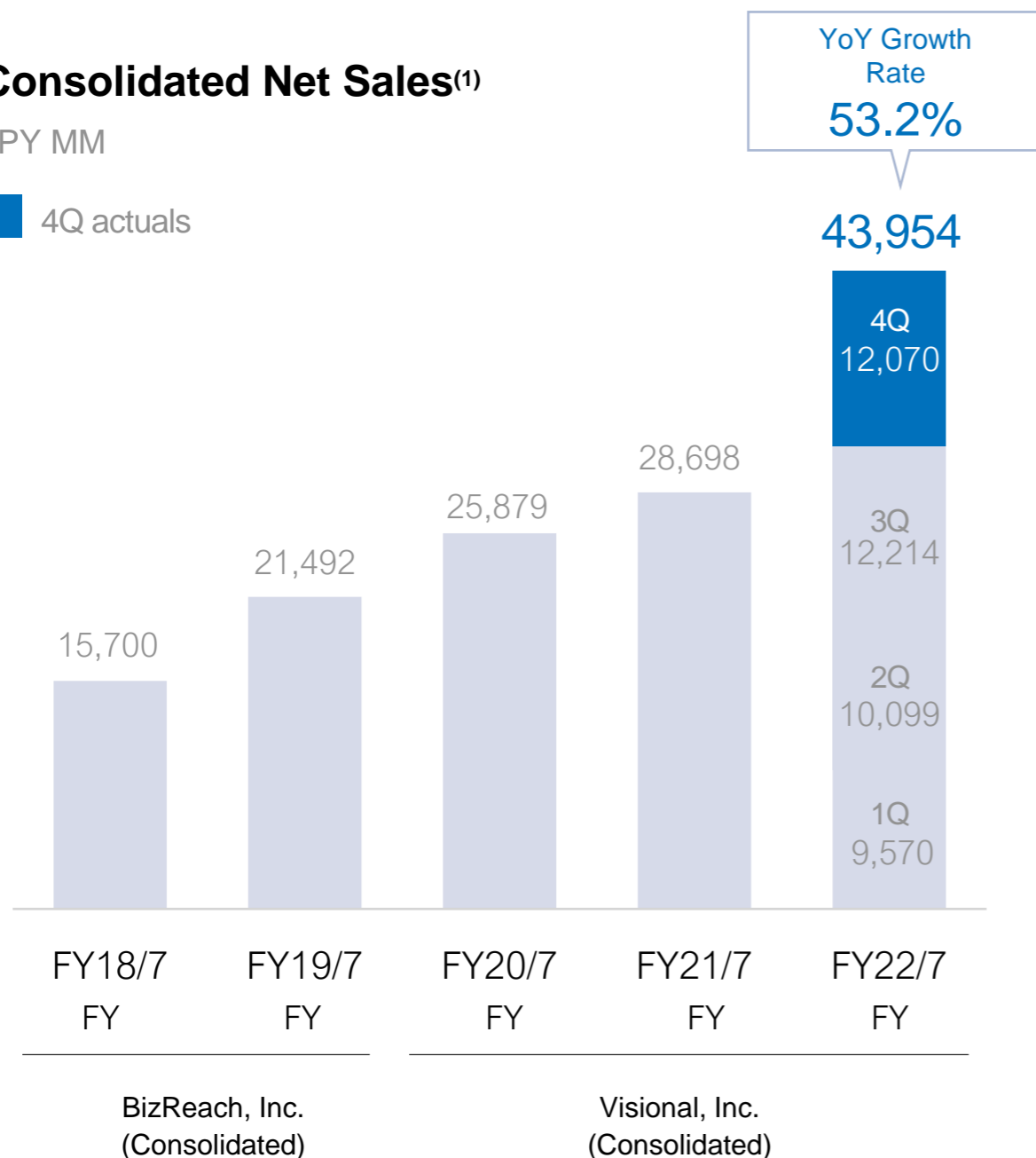
- Our full year FY2023/7 financial forecast for net sales is JPY 56.00Bn (27.4% YoY growth) on the assumption that although uncertainty in the economy has slowed down hiring activities in some companies, strong demand for professionals will continue
- As our business is in growth phase, active investments will continue to be made while return is measured. Our full year FY2023/7 financial forecast for operating profit is JPY 12.50Bn (50.2% YoY growth, 22.3% margin)

Driven by the rebound hiring demand from COVID-19, and increased momentum by employers to actively hire mid-careers, Visonal Group's net sales for FY2022/7 full year grew 53.2%. Operating profit grew 251.3%, with operating profit margin of 18.9%

Consolidated Net Sales⁽¹⁾

JPY MM

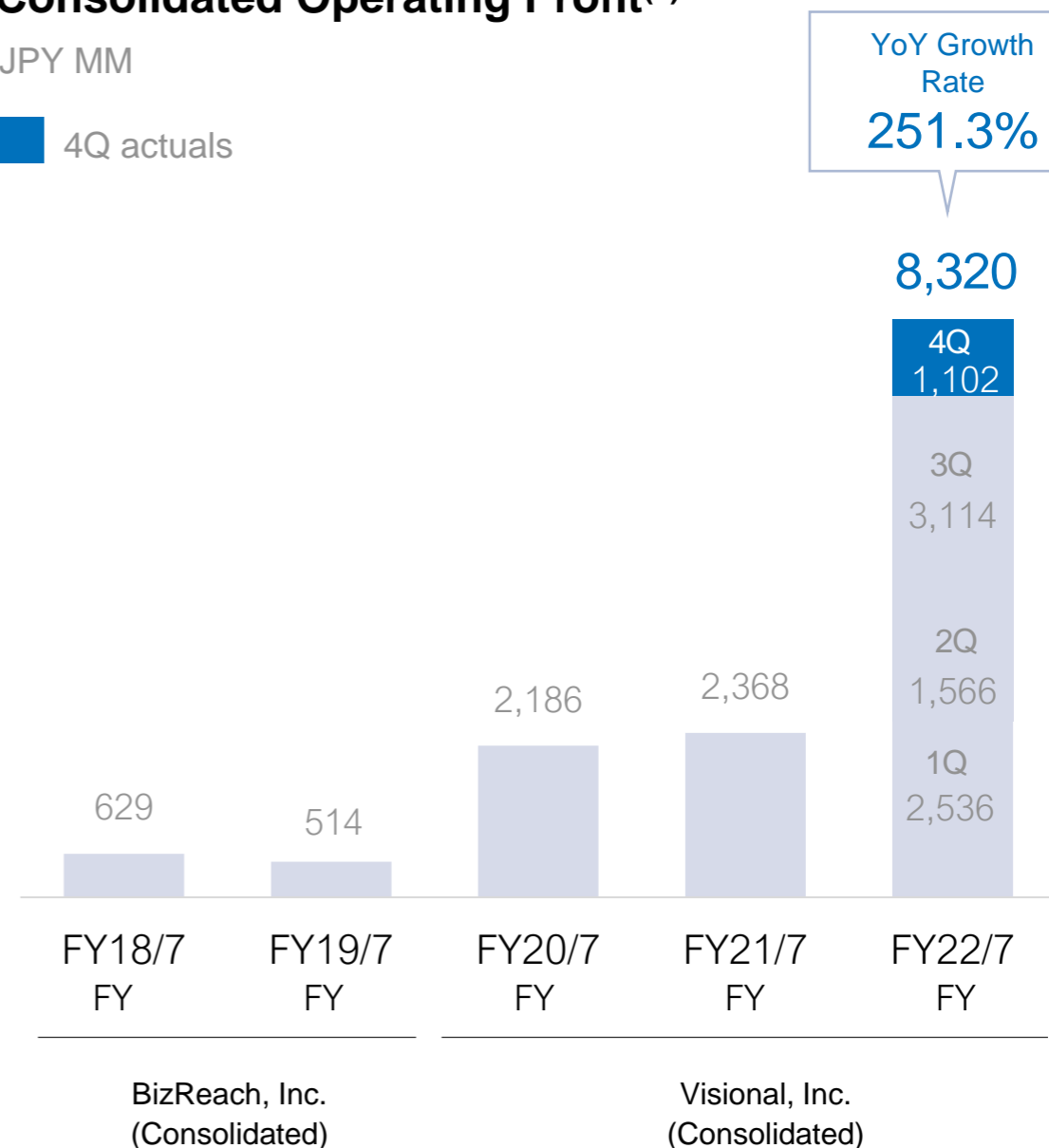
■ 4Q actuals



Consolidated Operating Profit⁽¹⁾

JPY MM

■ 4Q actuals



Note: (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. (All FYs end in July and prepared in accordance with J-GAAP)

HR Tech segment net sales recorded significant growth. Incubation segment also grew strongly

JPY MM

	12 months ended July 31, 2022	12 months ended July 31, 2021	3 months ended July 31, 2022	3 months ended April 30, 2022	3 months ended January 31, 2022	3 months ended October 31, 2021
Net Sales	43,954	28,698	12,070	12,214	10,099	9,570
YoY Growth (%)	53.2%	10.9%	49.1%	44.8%	N.A.	N.A.
HR Tech Segment⁽¹⁾	41,791	27,052	11,470	11,614	9,589	9,116
YoY Growth (%)	54.5%	8.6%	50.7%	44.7%	N.A.	N.A.
Incubation Segment⁽¹⁾	2,002	1,485	559	559	469	413
YoY Growth (%)	34.8%	66.3%	25.8%	53.3%	N.A.	N.A.
Cost of Sales	5,802	3,999	1,557	1,538	1,401	1,304
Gross Profit	38,151	24,699	10,512	10,675	8,697	8,266
Margin (%)	86.8%	86.1%	87.1%	87.4%	86.1%	86.4%
Selling, General & Administrative Expenses	29,830	22,331	9,409	7,560	7,131	5,729
Operating Profit	8,320	2,368	1,102	3,114	1,566	2,536
Margin (%)	18.9%	8.3%	9.1%	25.5%	15.5%	26.5%
YoY Growth (%)	251.3%	8.3%	--	94.6%	N.A.	N.A.
HR Tech Segment⁽²⁾	10,670	4,000	1,740	3,660	2,161	3,107
Incubation Segment⁽²⁾	(1,649)	(863)	(442)	(385)	(416)	(405)
Pre-tax Profit	8,755	2,290	1,240	3,234	1,658	2,621
Profit attributable to owners of parent	5,858	1,420	978	2,038	1,061	1,780
Margin (%)	13.3%	5.0%	8.1%	16.7%	10.5%	18.6%
YoY Growth (%)	312.4%	(69.5%)	--	155.3%	N.A.	N.A.

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

FY2023/7 consolidated net sales forecast is JPY 56.00Bn on the assumption that strong demand for professionals will continue despite economic uncertainty. Consolidated operating profit forecast is JPY 12.50Bn, balancing growth investments and management discipline

JPY MM

	FY23/7 Forecast	FY22/7 Actuals	Difference
Net Sales	56,000	43,954	+12,045
Growth (%)	27.4%	53.2%	--
HR Tech Segment	53,275	41,791	+11,484
BizReach	49,000	37,607	+11,392
HRMOS	1,980	1,458	+521
Incubation Segment	2,600	2,002	+597
Others	125	161	(36)
Operating Profit	12,500	8,320	+4,179
Growth (%)	50.2%	251.3%	--
Margin (%)	22.3%	18.9%	--
Ordinary Profit	12,810	8,751	+4,058
Growth (%)	46.4%	284.8%	--
Margin (%)	22.9%	19.9%	--
Profit attributable to owners of parent	8,330	5,858	+2,471
Growth (%)	42.2%	312.4%	--
Margin (%)	14.9%	13.3%	--

- Net sales for BizReach is forecasted to grow 30.3%. Uncertainty in the economy has slowed down hiring activities in some companies, yet we assume strong demand for professionals will continue
 - BizReach adjusted operating profit margin before corporate expense allocation is forecasted to be between 40%-45%.
- For HRMOS, product development continues to be the priority. From FY2023/7, HRMOS Attendance Management will be included in HRMOS figures
 - HRMOS adjusted operating loss before corporate expense allocation is planned to decrease compared to FY2022/7
- Business development continues in the Incubation segment. As they are early businesses, net sales fluctuation risk exists, although impact to consolidated financial performance is negligible and profitability will be maintained by controlling expenses

Full Year Financial Results by Business

BizReach Financial Results

JPY 10.21Bn for 4Q, JPY 37.60Bn for 12 months ended July (59.6%YoY growth). Strong demand for professionals, and increased momentum especially by direct employers to actively hire mid-careers drove high net sales growth

BizReach Business' Net Sales⁽¹⁾

JPY MM

■ 4Q actuals

YoY Growth Rate
59.6%

37,607

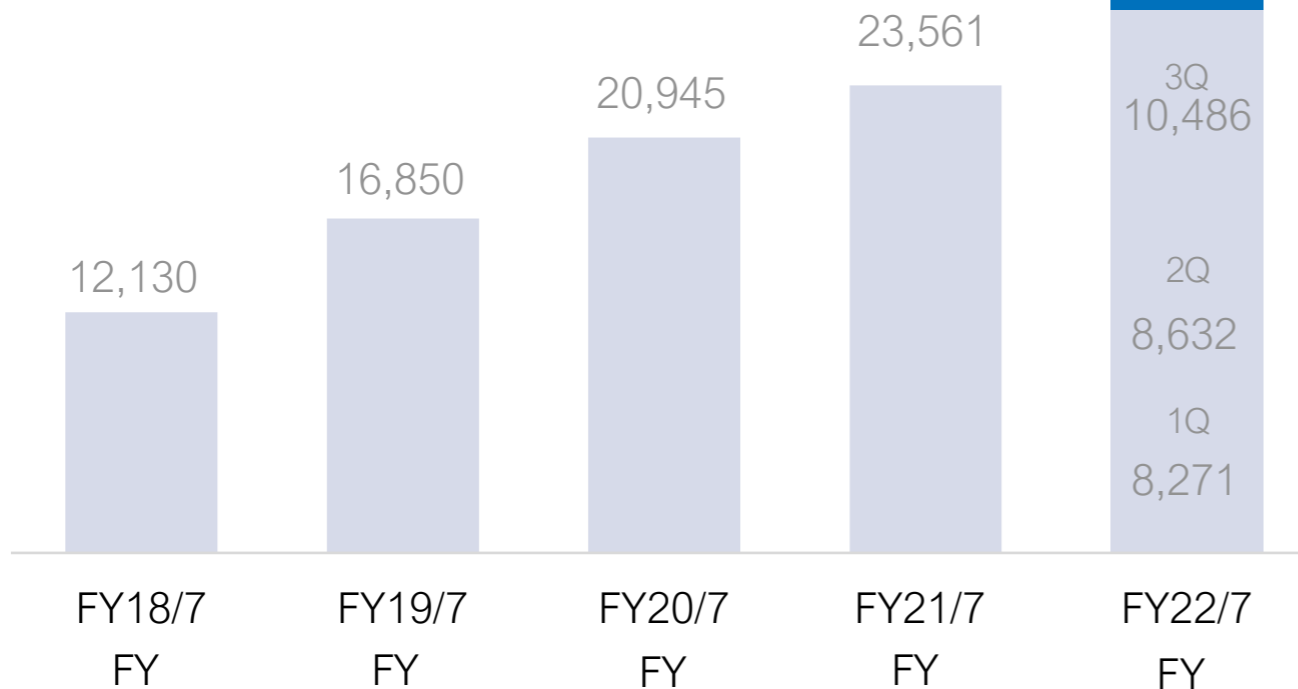
4Q
10,216

3Q
10,486

2Q
8,632

1Q
8,271

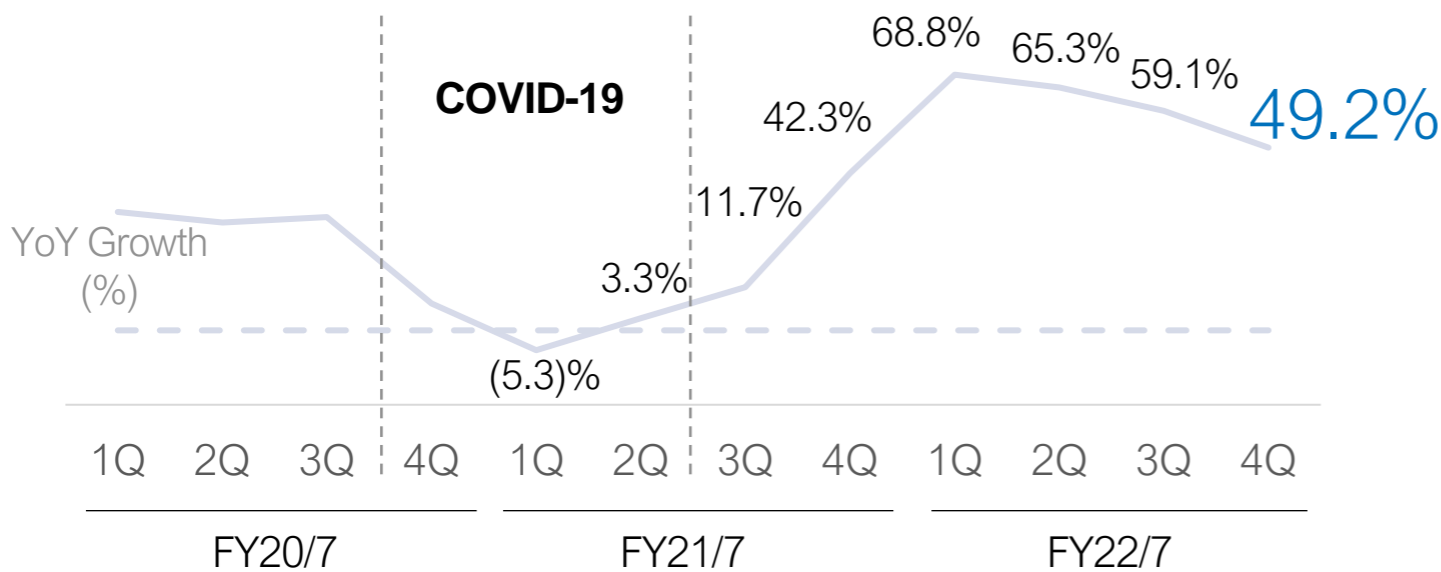
- Net sales for 12 months ended July grew 59.6% driven by the rebound hiring demand from COVID-19, and increased momentum of employers to actively hire mid-careers
- Net sales from direct employers and headhunters grew respectively during the 12 months ended July. Use of BizReach by direct employers particularly grew. Active Direct Employers grew to over 10,400 companies as of the end of July 2022 (30.0% YoY growth)



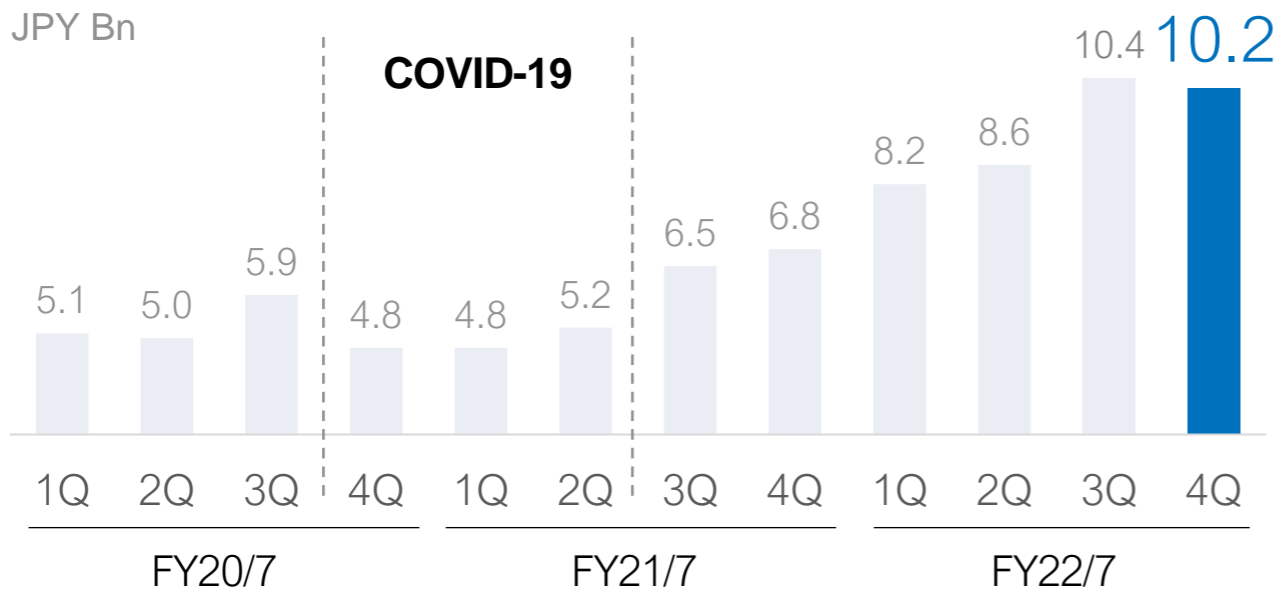
Note: (1) Financial data of the BizReach Business, the core service of our group (which differs from the financial data of our subsidiary BizReach, Inc.)

49.2% YoY growth for 4Q driven by strong demand for professionals, and successful hiring using BizReach

BizReach Quarterly Revenue Trend Comparison to same period previous year



BizReach Quarterly Net Sales Trend

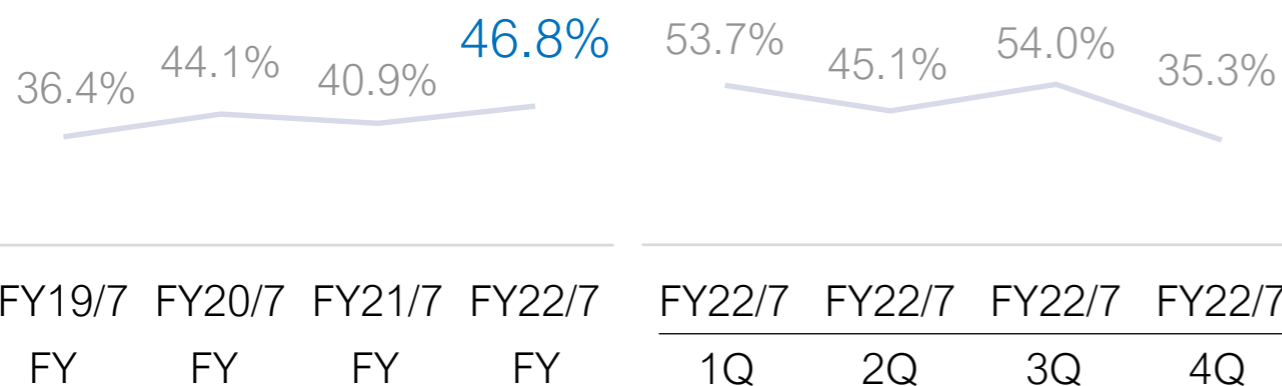


- Although the rebound hiring demand from COVID-19 may have already peaked, the number of job positions available on BizReach has continued to increase, and therefore, momentum by companies to actively hire mid-careers continues
- Uncertainty in the global macroeconomy, increasing raw material prices and fluctuations in the financial capital markets has slowed down hiring activities in some companies, yet we assume strong demand for professionals will continue
- Net sales for 4Q expectedly decreased from 3Q as 3Q is the biggest quarter under the normal market environment based on the seasonality of the hiring market

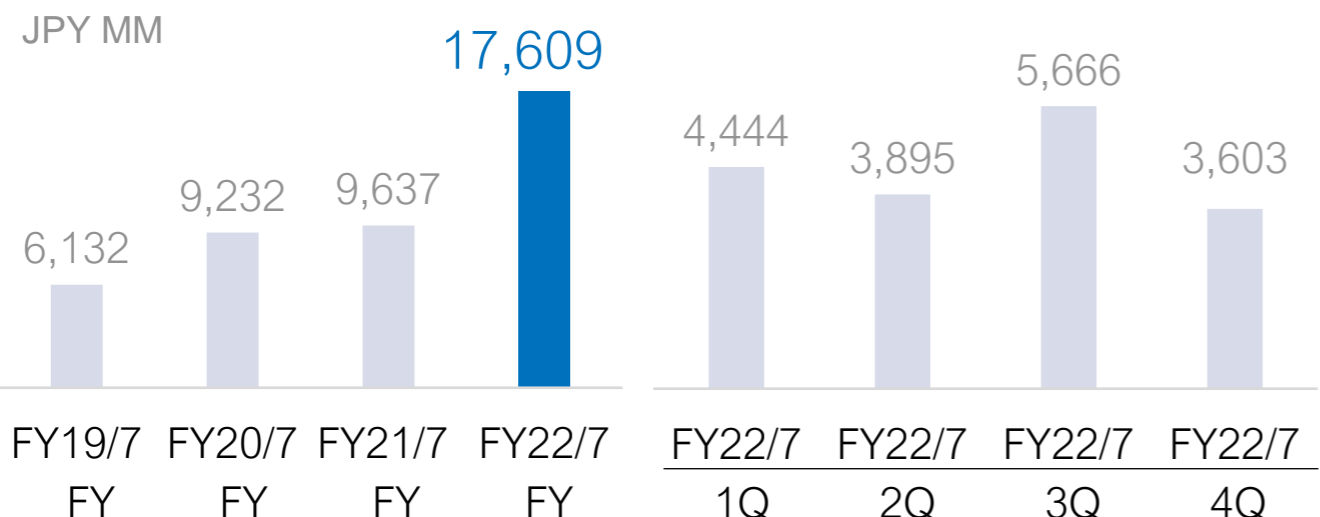
Investments including online marketing and TV commercials were made in 4Q to acquire customers

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

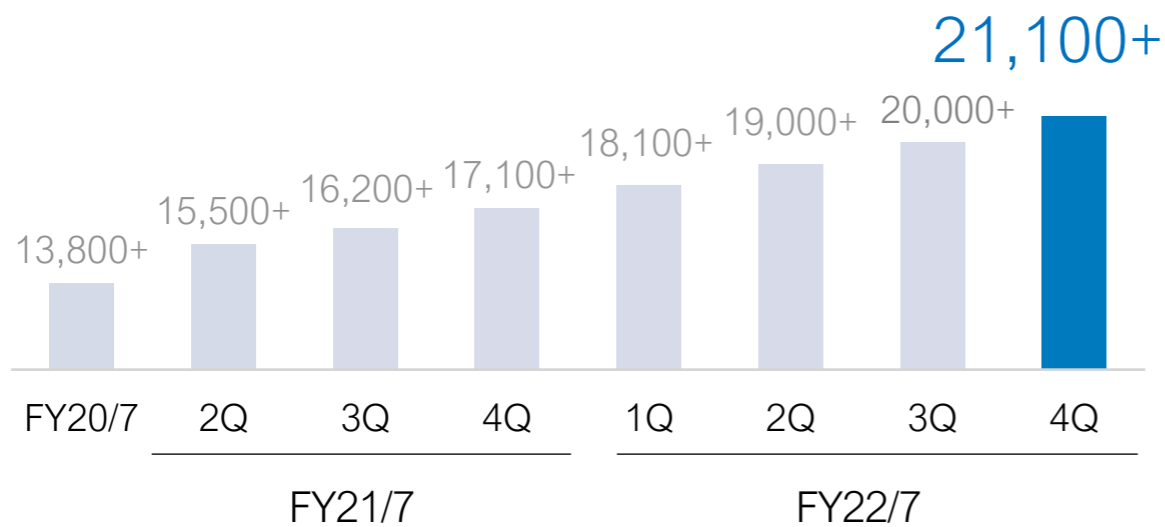


- Adjusted operating profit margin before corporate expense allocation varies depending on net sales and marketing campaigns of each quarter. As marketing investments of BizReach is higher in 2H, margins usually decrease over full year
- In 4Q, active online marketing and TV commercial investments were made, resulting in 35.3% adjusted operating profit margin before corporate expense allocation for 4Q
- For the 12 months ended July 2022, strong net sales growth drove the adjusted operating profit margin before corporate expense allocation to be temporarily higher than previous years

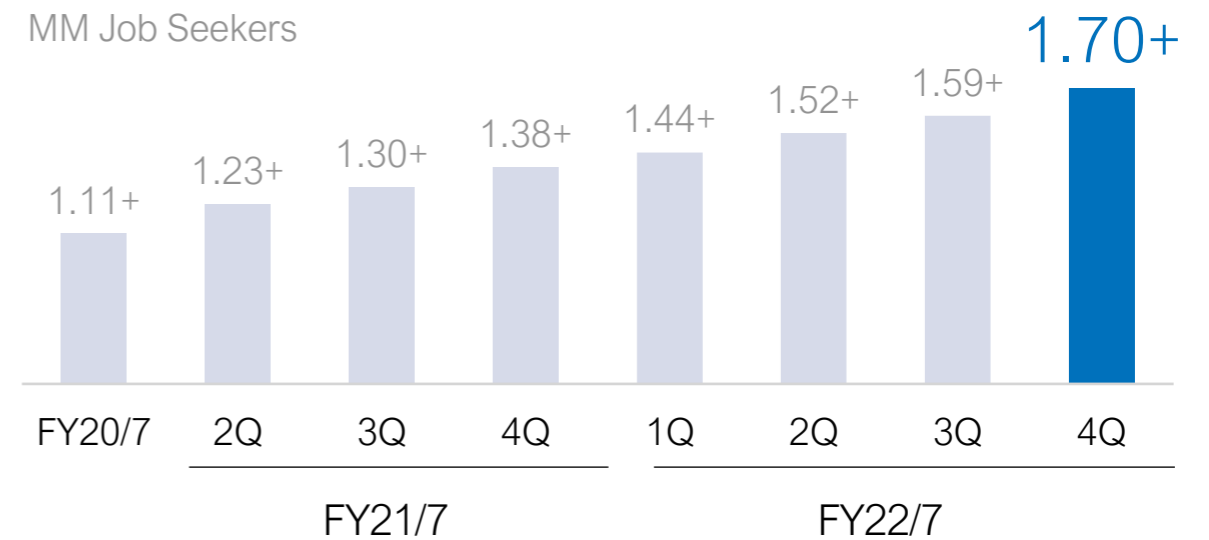
Notes: (1) Financial data of the BizReach Business, the core service of our group (which differs from the financial data of our subsidiary BizReach, Inc.) (2) BizReach business' revenue and adjusted operating profit / profit margin is recorded within the HR Tech reporting segment. (3) Adjusted operating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

Strong customer base driven by hiring needs and increased job seekers. The increased number of Active Direct Employers indicates the strong demand for professionals by Direct Employers

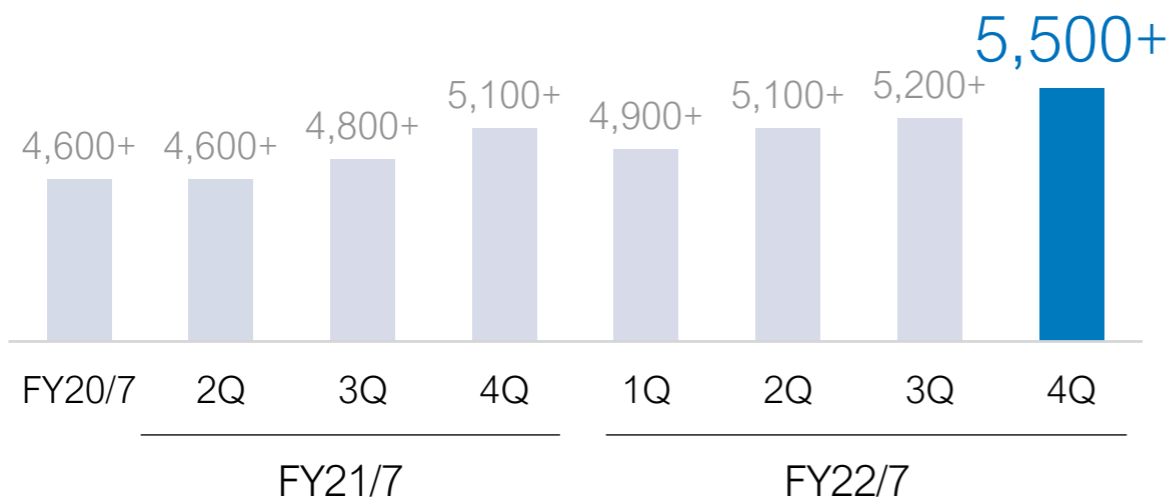
of Registered Direct Employers (1)



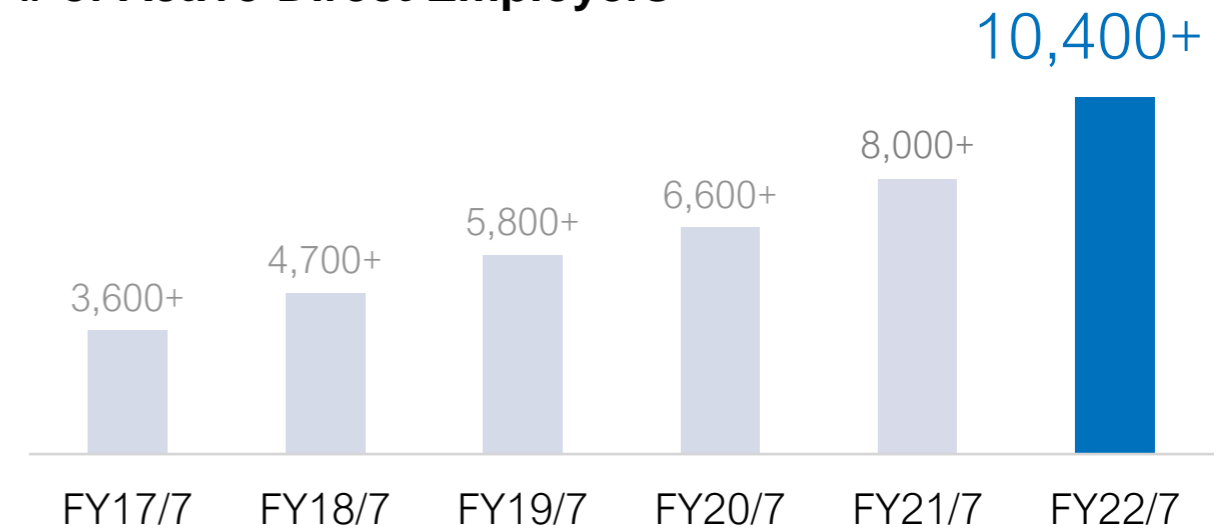
of Scoutable Job Seekers (3)



of Active Headhunters (2)



of Active Direct Employers (4)

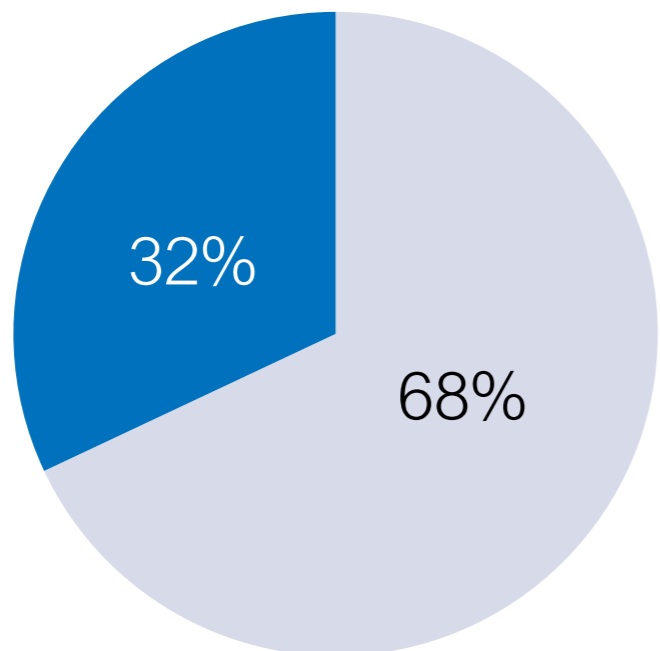


Notes: (1) Direct employers who have subscribed to our BizReach platform (excluding headhunters) (2) All passed screening by BizReach (3) # of users who registered on BizReach platform with resume that have passed a general screening process and whose profile is set to be viewable by direct employers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

Unique mix of recurring revenue⁽¹⁾ and performance revenue⁽²⁾ as well as well-balanced customer breakdown of direct employers and headhunters have positioned BizReach to deliver solid and strong revenue growth

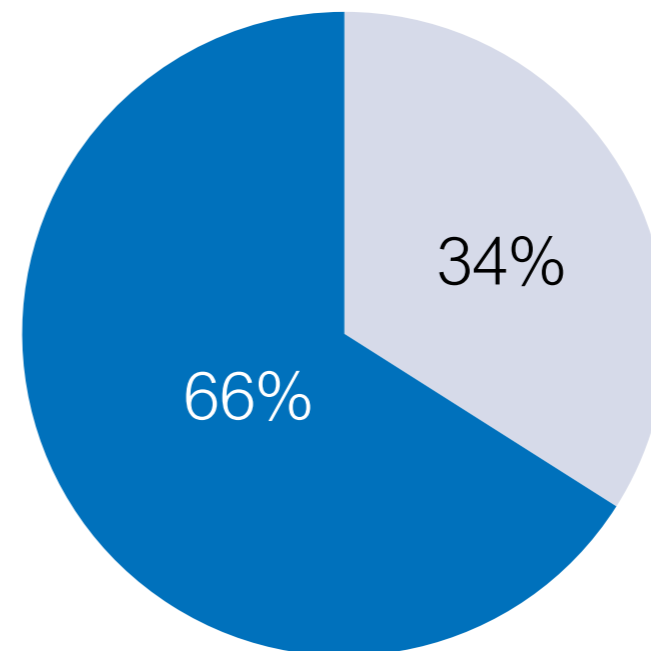
FY22/7 BizReach Business Revenue Breakdown by Fee Type ⁽³⁾

- Performance Revenue
- Recurring Revenue



FY22/7 BizReach Business Revenue Breakdown by Direct Employers / Headhunters⁽³⁾⁽⁴⁾

- Headhunters
- Direct Employers

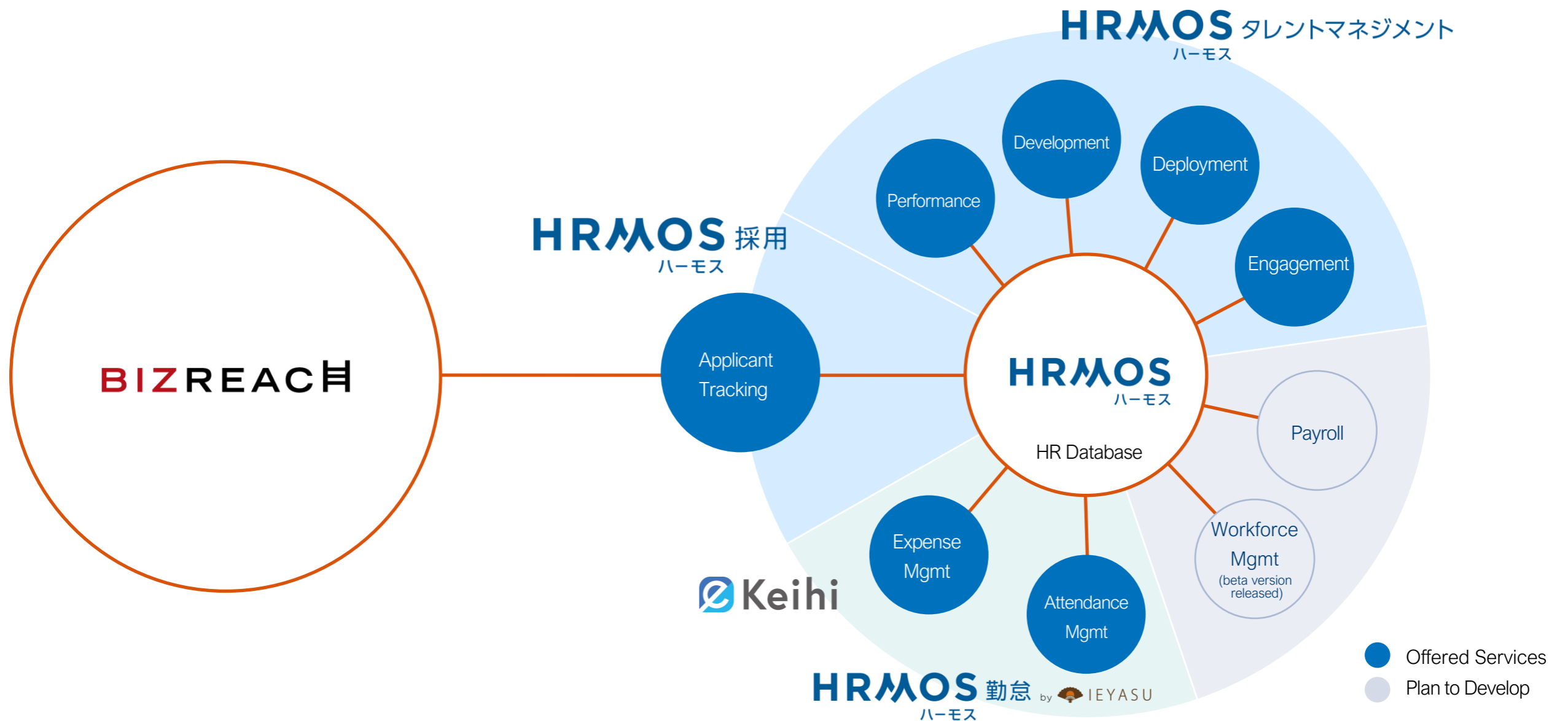


Notes: (1) "Recurring Revenue" consists of subscription fees from direct employers, headhunters accessing our platform and purchasing additional "platinum scout", and job seekers accessing our platform (2) "Performance Revenue" consists of success fees from direct employers and headhunters, which is derived from the successful hiring results of the client (3) Financial data of the BizReach Business, the core service of our group (which differs from the financial data of our subsidiary BizReach, Inc.) (4) Consists of recurring revenue and performance revenue

HRMOS

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

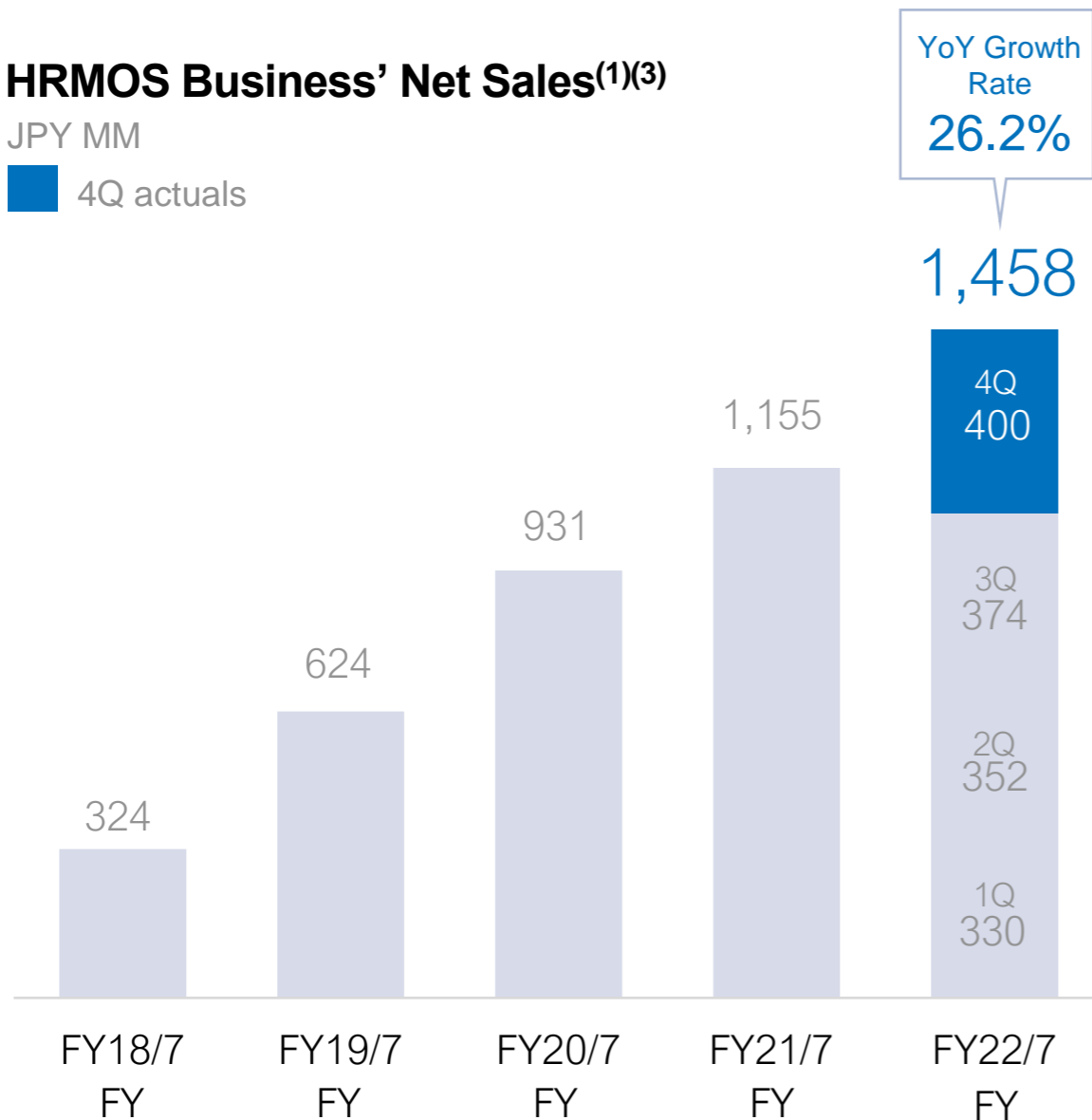


HRMOS performance is on track as we prioritize product development. As HRMOS ATS drove net sales growth, TV commercial investments for HRMOS ATS aired in 4Q

HRMOS Business' Net Sales⁽¹⁾⁽³⁾

JPY MM

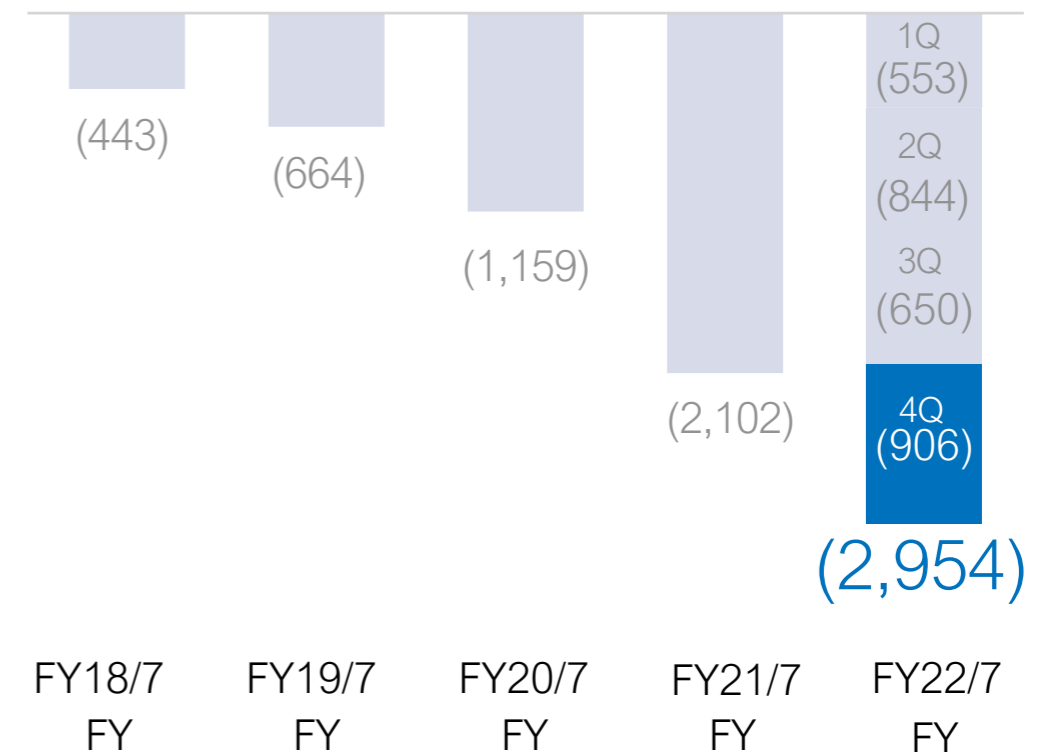
■ 4Q actuals



HRMOS Business' Adjusted Operating Profit before Corporate Expense Allocation⁽¹⁾⁽²⁾⁽³⁾

JPY MM

■ 4Q actuals



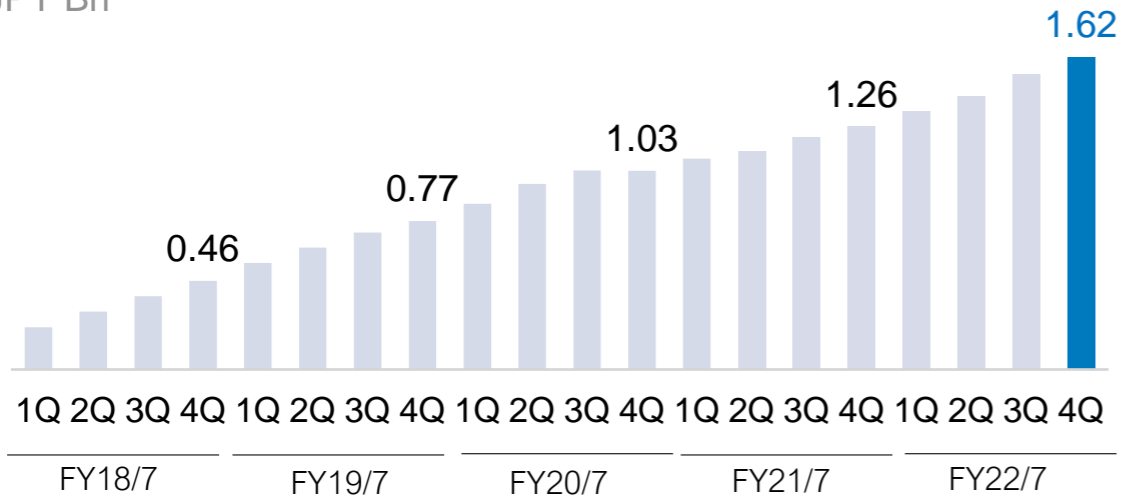
Notes: (1) HRMOS business' revenue and adjusted operating profit is recorded within the HR Tech reporting segment (2) Adjusted operating profit does not include corporate expenses (such as accounting, HR, legal, general affairs, etc.) which are not directly allocated to each business unit (3) We acquired the shares in IEYASU on November 1, 2021 and ezSoft Co., Ltd. on March 1, 2022 and included them in the scope of consolidation. However, they are not included in figures of the HRMOS business in the above chart

ARR exceeded JPY 1.62Bn in 4Q (28.2% YoY growth) driven by solid growth of customer expansion. Churn rate, which was impacted by COVID-19, has continued to sustain pre COVID-19 level of 1.0%

ARR⁽¹⁾⁽²⁾

JPY Bn

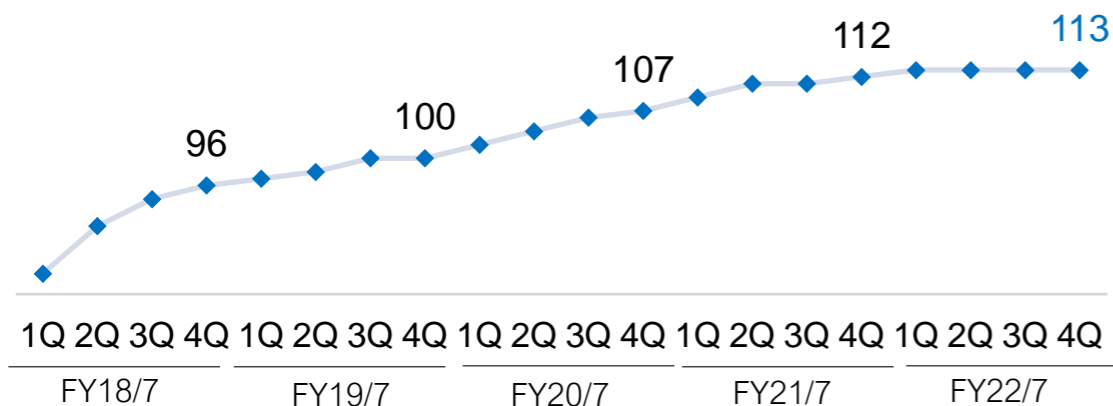
¥1.62Bn (YoY +28.2%)



ARPU⁽³⁾⁽⁴⁾

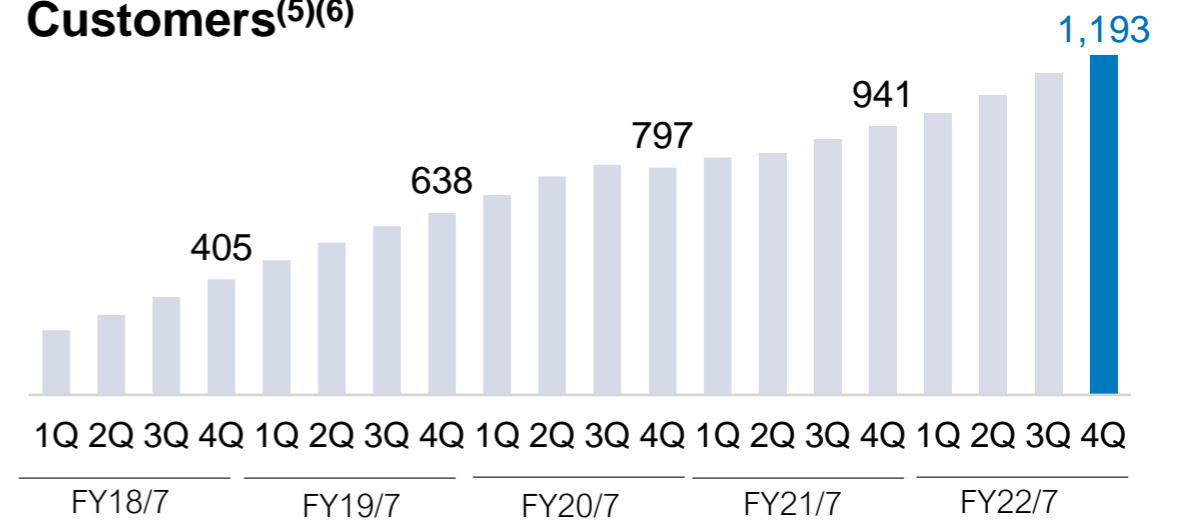
JPY thousands

¥113k (YoY +1.1%)



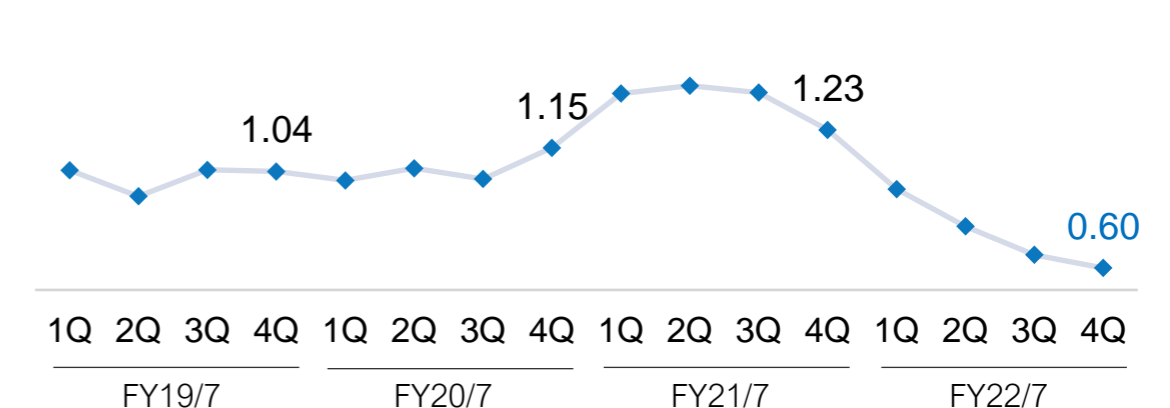
of Unique Paying Customers⁽⁵⁾⁽⁶⁾

1,193 (YoY +26.8%)



Churn Rate⁽⁷⁾⁽⁸⁾

Last 12-month average: 0.60%



Notes: (1) HRMOS Annual Recurring Revenue (ARR). HRMOS MRR (Monthly Recurring Revenue) for the last month of a quarter multiplied by 12 (MRR = previous month's monthly recurring revenue + newly acquired monthly recurring revenue + upsell monthly recurring revenue – down-sell monthly recurring revenue – churned monthly recurring revenue. Excludes one-time fees such as initial setup fees) (2) As of the end of July 2022 (3) HRMOS Average Revenue Per User (ARPU). HRMOS MRR for the last month of the relevant quarter divided by the number of unique paying customers as of the end of the same quarter (4) As of the end of July 2022 (5) Unique fee-paying customers as of the final month of the quarter. Customers using multiple HRMOS modules are counted as one customer (6) As of the end of July 2022 (7) Last 12-month average of Monthly Churn Rate based on HRMOS MRR as of the final month of the quarter. Monthly Churn Rate = churned monthly HRMOS MRR divided by HRMOS MRR at the end of previous month (8) As of July 2022

Main KPIs

	FY18/7				FY19/7				FY20/7				FY21/7				FY22/7			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
ARR ⁽¹⁾ (JPY Bn)	0.22	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	1.26	1.34	1.42	1.53	1.62
ARPU ⁽²⁾ (JPY thousands)	83	90	94	96	97	98	100	100	102	104	106	107	109	111	111	112	113	113	113	113
# of Unique Paying Customers ⁽³⁾	227	281	343	405	473	535	592	638	702	767	807	797	833	849	897	941	989	1,050	1,127	1,193
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	1.23	0.96	0.79	0.66	0.60

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

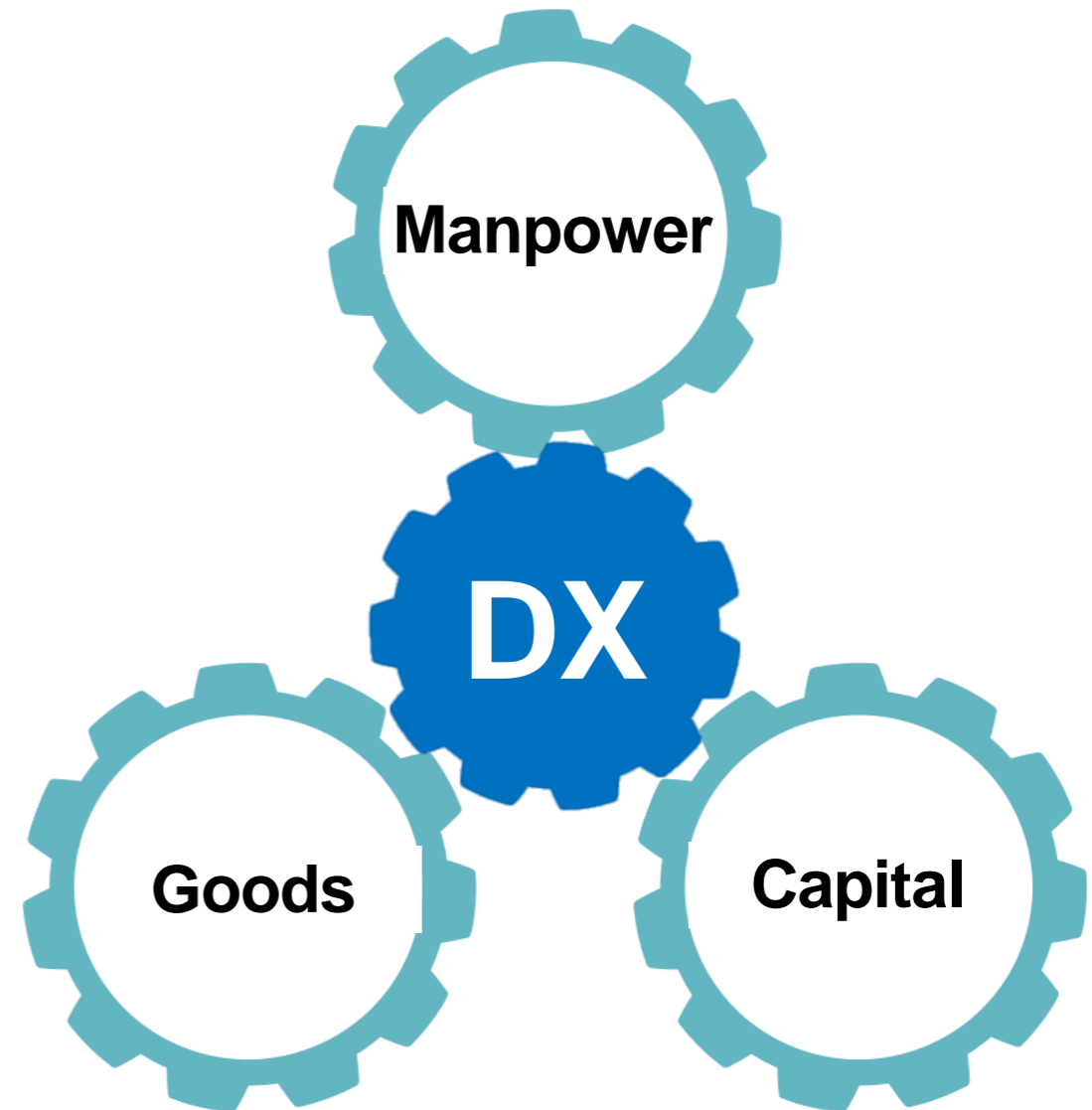
Visional Group Strategy and Our Future

Persistent Creation of New Possibilities.

Our vision is to tap into the power of the internet to support the innovative progress of our world by persistently transforming social obstacles into new possibilities.

Our mission is to achieve “continuous contribution to impact the world.”

With these ambitions, we aspire together as partners to create unique ecosystems and movements that accelerate the world to a tomorrow in which we desire to be



**Supporting new possibilities for
Manpower, Goods and Capital**

Building on the proven set of principles and approaches that enabled our prior successes, we will continue to evaluate all potential areas of growth that will emerge from seismic shifts and technological innovation in Japan

Guidelines for deciding on a market and a business model

- ✓ Potential for dynamic growth emerging from structural shifts and technological innovation in Japan
- ✓ Obvious need for digital transformation (DX) in the industry
- ✓ Large total addressable market (TAM)
- ✓ Clear trend and benchmark in overseas markets
- ✓ Existence of established competitors with significant profitability



MVP⁽¹⁾ and lean startup organization

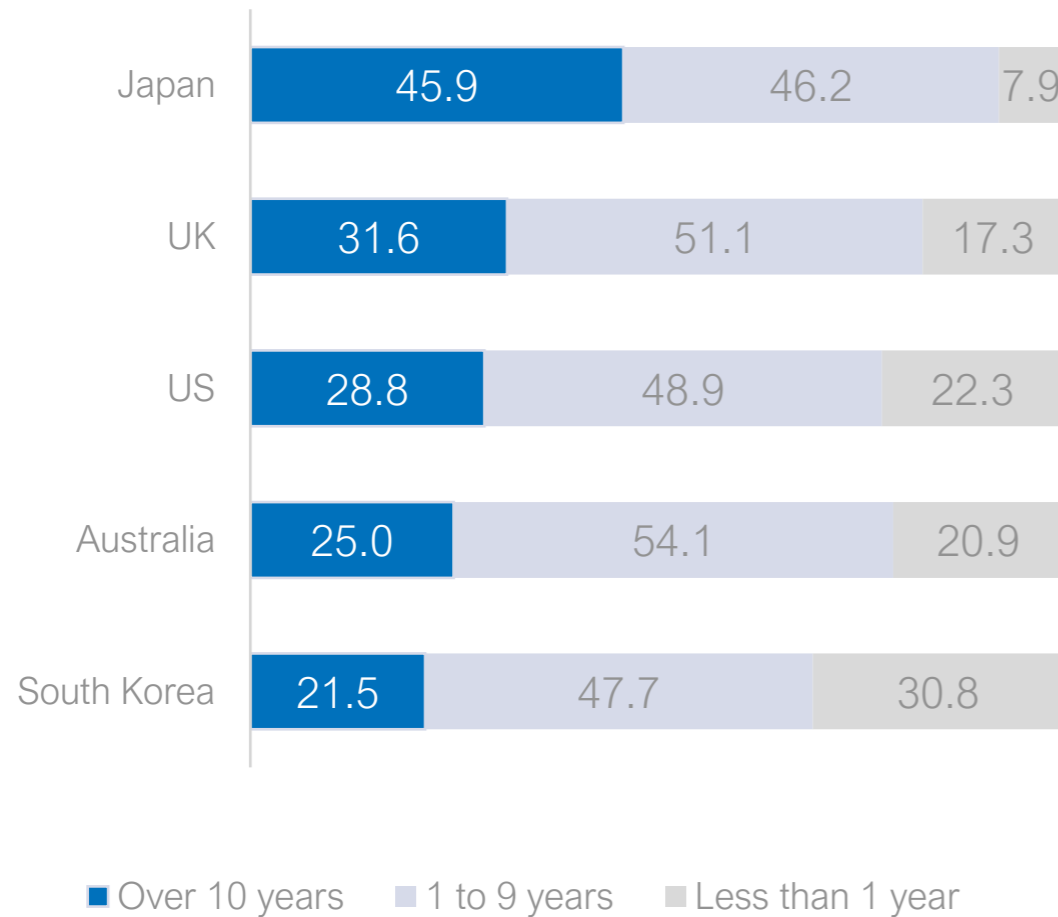
- ✓ Start with a small team
- ✓ Incubate businesses for 2-3 years in “Build-Measure-Learn” feedback cycle to check business models and pivot if necessary
- ✓ Invest further when the business model is prepared to scale

Japan has a high portion of employees with long tenure.

Liquidity in the labor market is required to shift labor force to segments of higher labor demand

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

%



Why Increased Labor Liquidity is Required

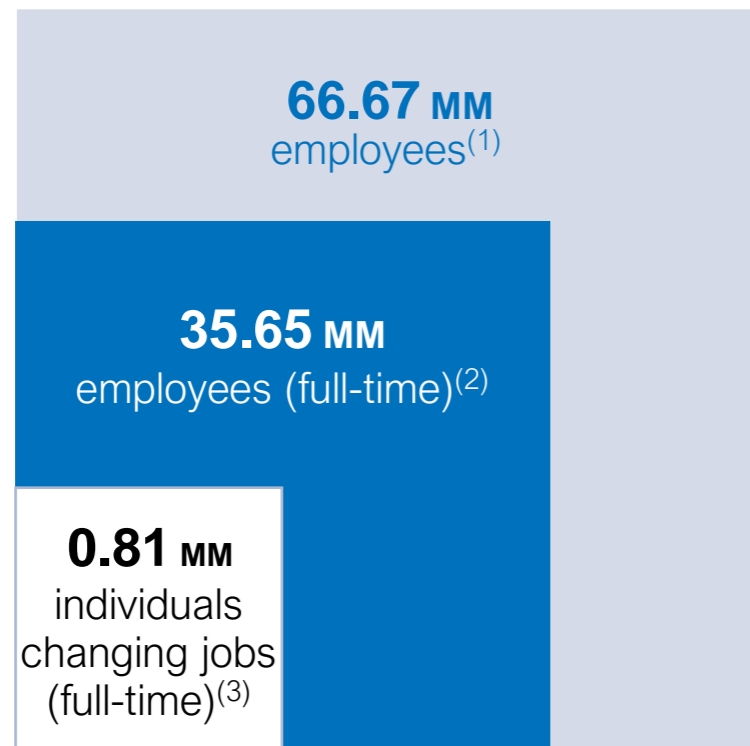
- ✔ Mid-career hiring required to address decreasing work force caused by shrinking working-age population and the number of new graduates entering the work force in the long term
- ✔ Professionals required to address changes in the business environment and business models, and to build a diverse and inclusive organization
- ✔ Miss match of supply and demand in labor force as industry structures change. Shifting labor force to segments of higher labor demand required
- ✔ Labor productivity drives wage increase

Note: (1) From 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

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

2021



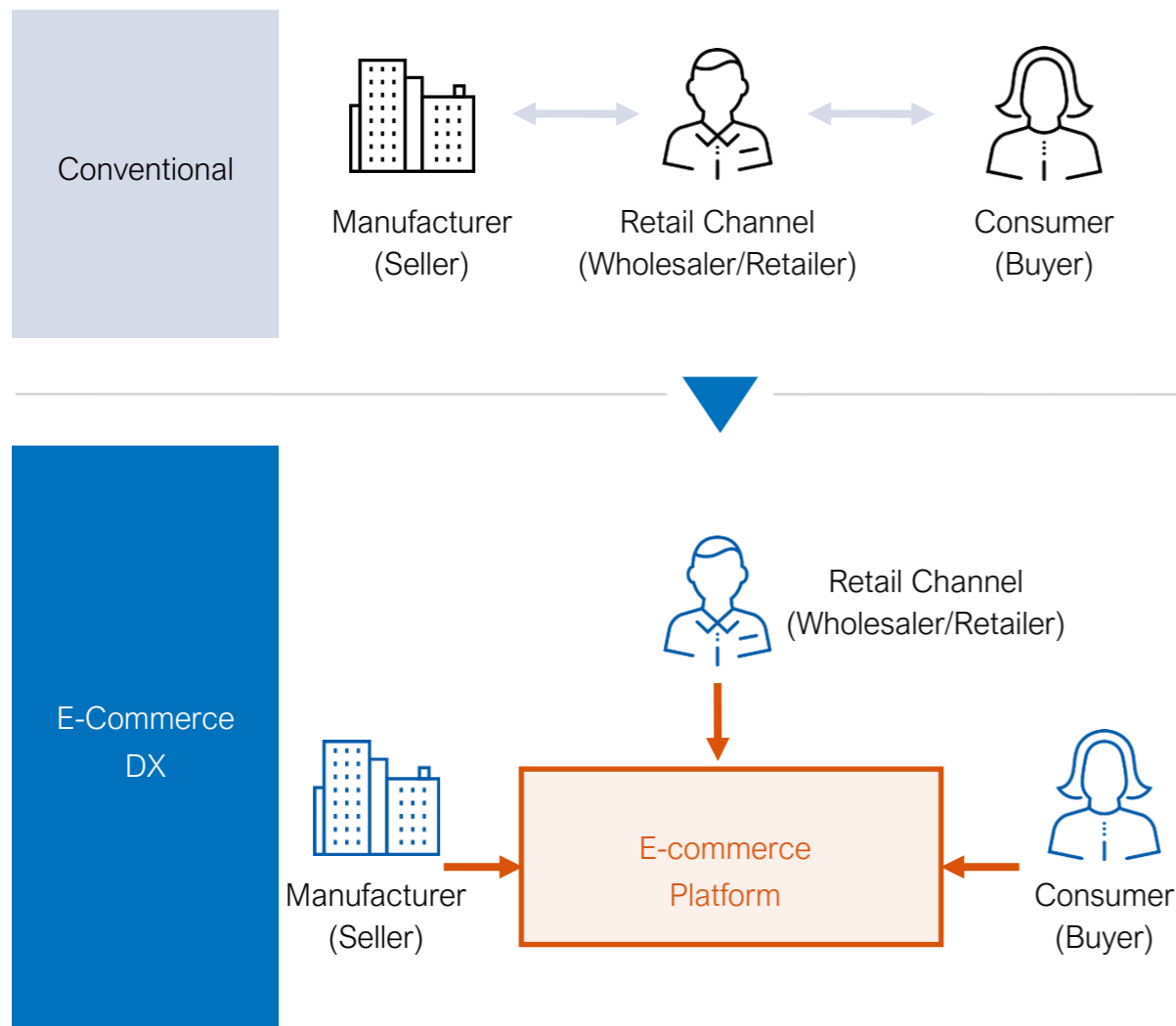
Acceleration of Workstyle Shifts in Japan

- ✓ Conventional workstyle no longer sustainable due to a mismatch of corporation and worker life spans
- ✓ Performance-based workstyle with clear job descriptions accelerates the job change movement
- ✓ “Direct Recruiting” becomes essential for employers as the war for talent accelerates
- ✓ The shift to remote work caused by COVID-19 is expected to further drive this movement

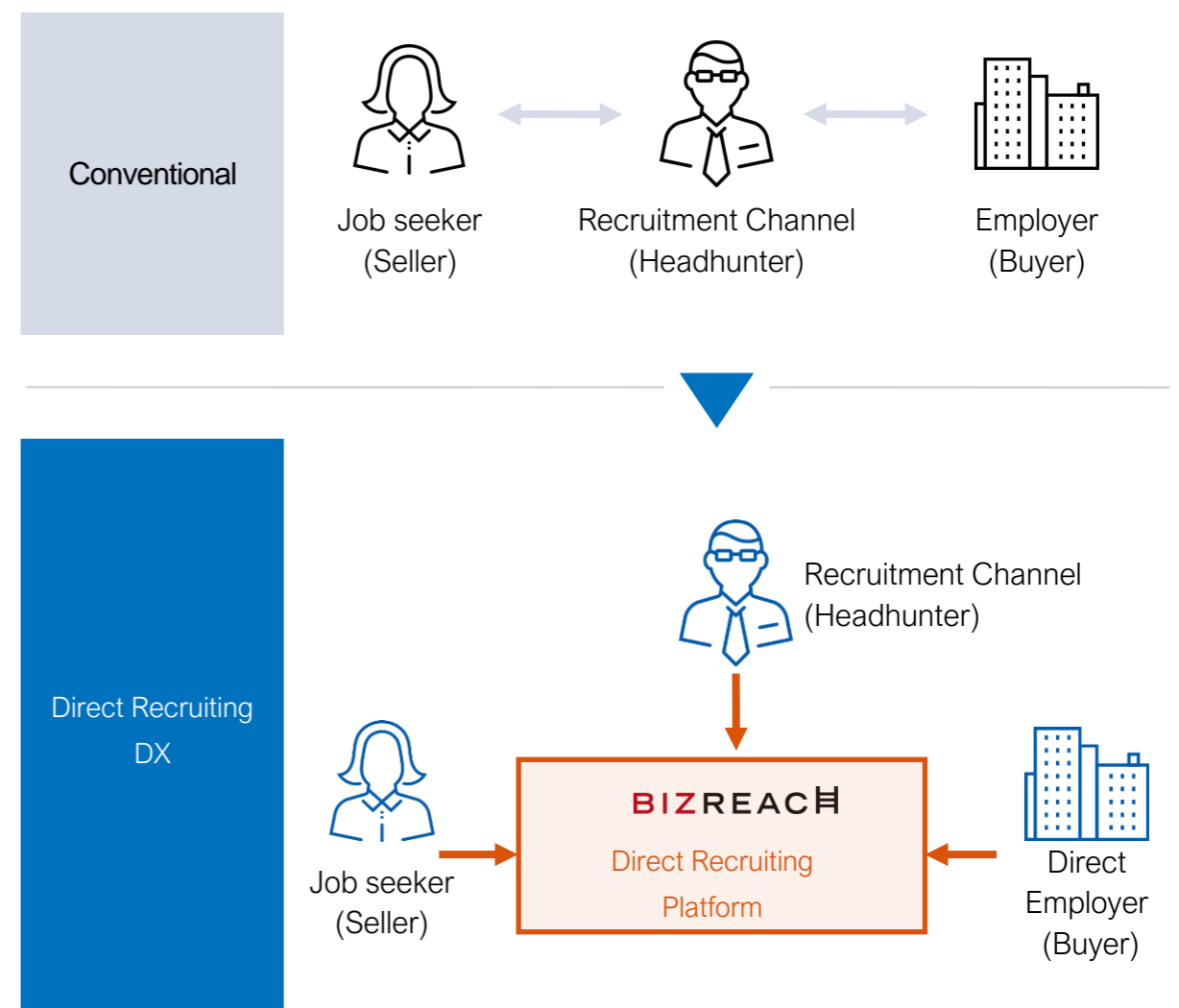
Notes: (1) Source: “Labor Force Survey” by Statistics Bureau, Ministry of Internal Affairs and Communications from CY2021. Figures are calculated as taking twelve months average of the monthly research on the number of employees, as of the end of each month (2) Source: “Labor Force Survey” by Statistics Bureau, Ministry of Internal Affairs and Communications from CY2021. Figures are calculated as taking twelve months average of the monthly research on the number of full-time employees, as of the end of each month (3) Source: “Labor Force Survey” by Statistics Bureau, Ministry of Internal Affairs and Communications from CY2021. 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

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

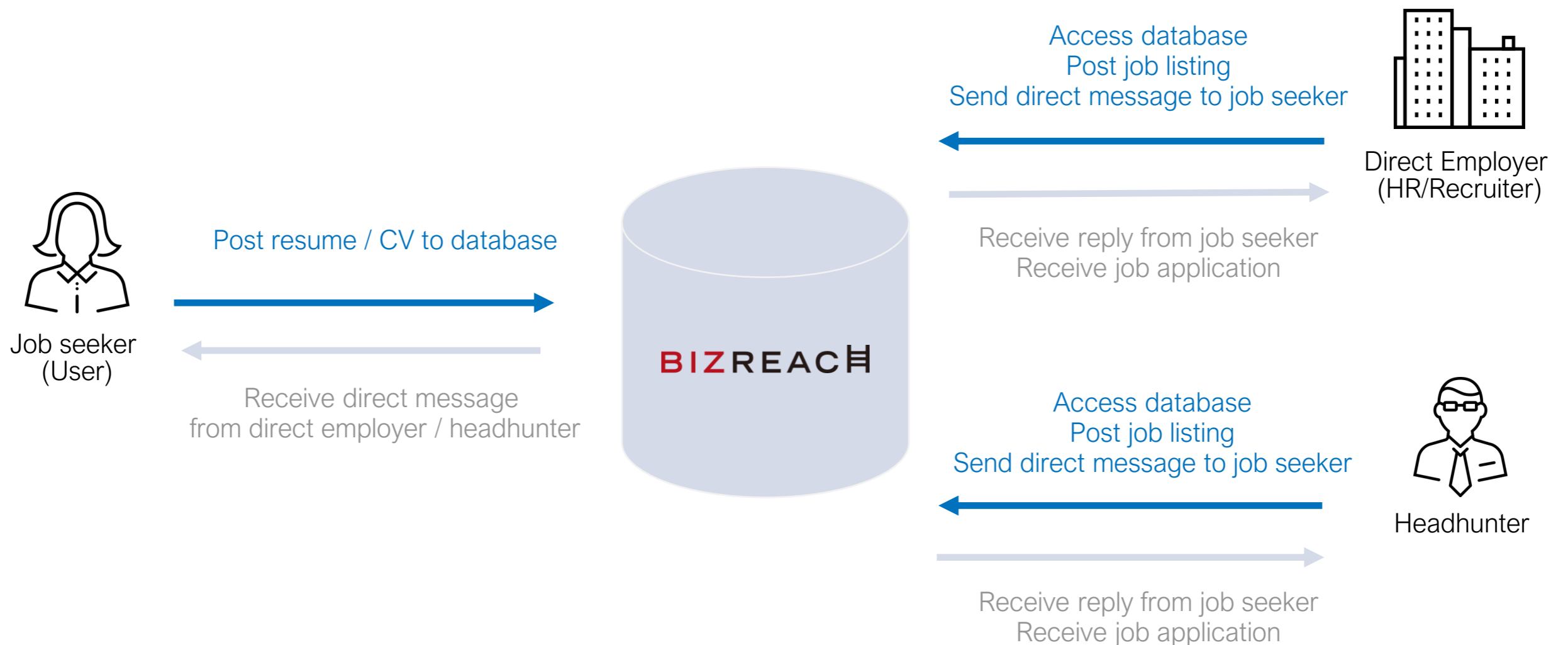
DX of Retail Market



DX of Professional Recruitment Market



The financially attractive and unique business model targeting professional job seekers⁽¹⁾ is the foundation behind the scalability of BizReach



Note: (1) Including executives and mid to senior level employees

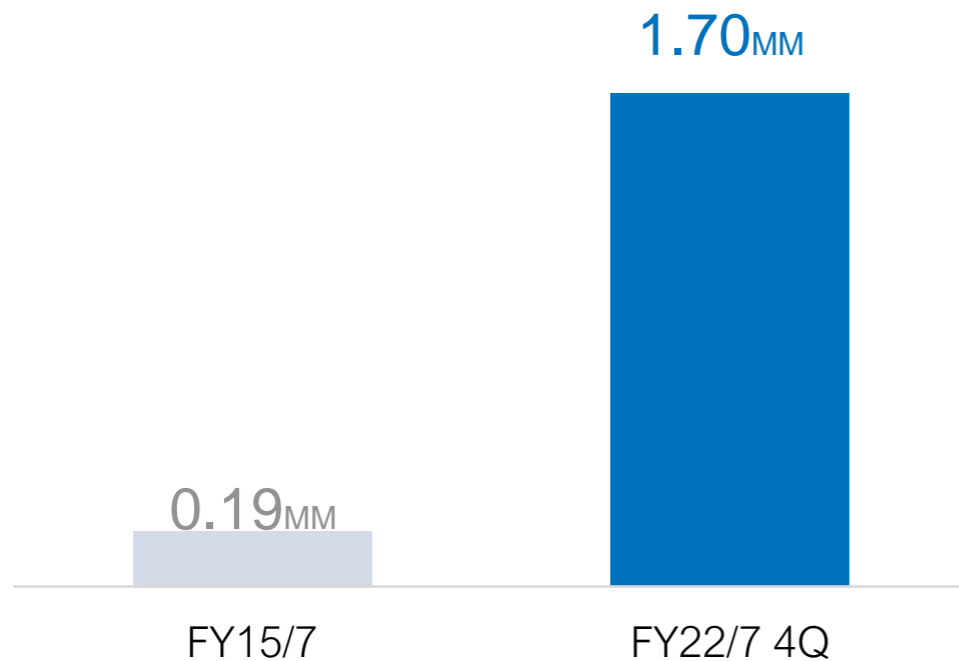
While penetrating further into the professionals' population, accelerate new client acquisitions and increase wallet share of existing clients to drive further top-line growth

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

of "Scoutable" Job Seekers on BizReach⁽¹⁾

of wage earners in Japan in 2020⁽²⁾

2.40MM	Annual income ¥10 MM+
10.51MM	Annual income ¥6 MM+



Potential Market Penetration of Direct Employers

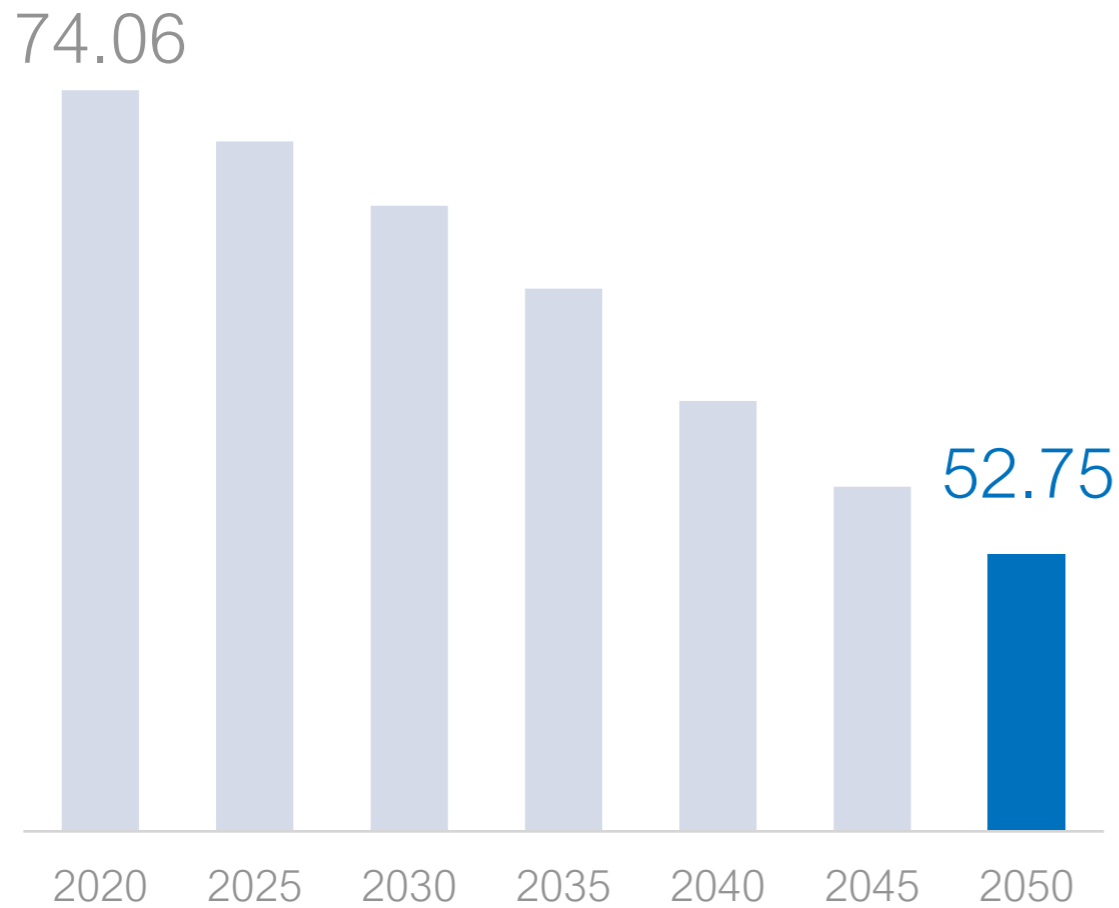


Notes: (1) # of users who registered on BizReach platform with resume that have passed a general screening process and whose profile is set to be viewable by direct employers and headhunters
 (2) Based on "2020 Statistical Survey of Actual Statistics for Salary in the Private Sector" by Japanese National Tax Agency (<https://www.nta.go.jp/publication/statistics/kokuzeicho/minkan2020/pdf/002.pdf>) (3) Direct employers who have subscribed to our BizReach platform at any point in time within FY22/7 (4) As of the end of June 2021. Based on "Notification and Certification Status of General Employers Action Plan Formulation Notification by Prefecture (As of the end of June 2021)" by Ministry of Health, Labor and Welfare (https://www.mhlw.go.jp/general/seido/koyou/jisedai/dl/jyoukyou_r03_06.pdf)

Working-age population is shrinking, whilst companies are decreasing investments in people

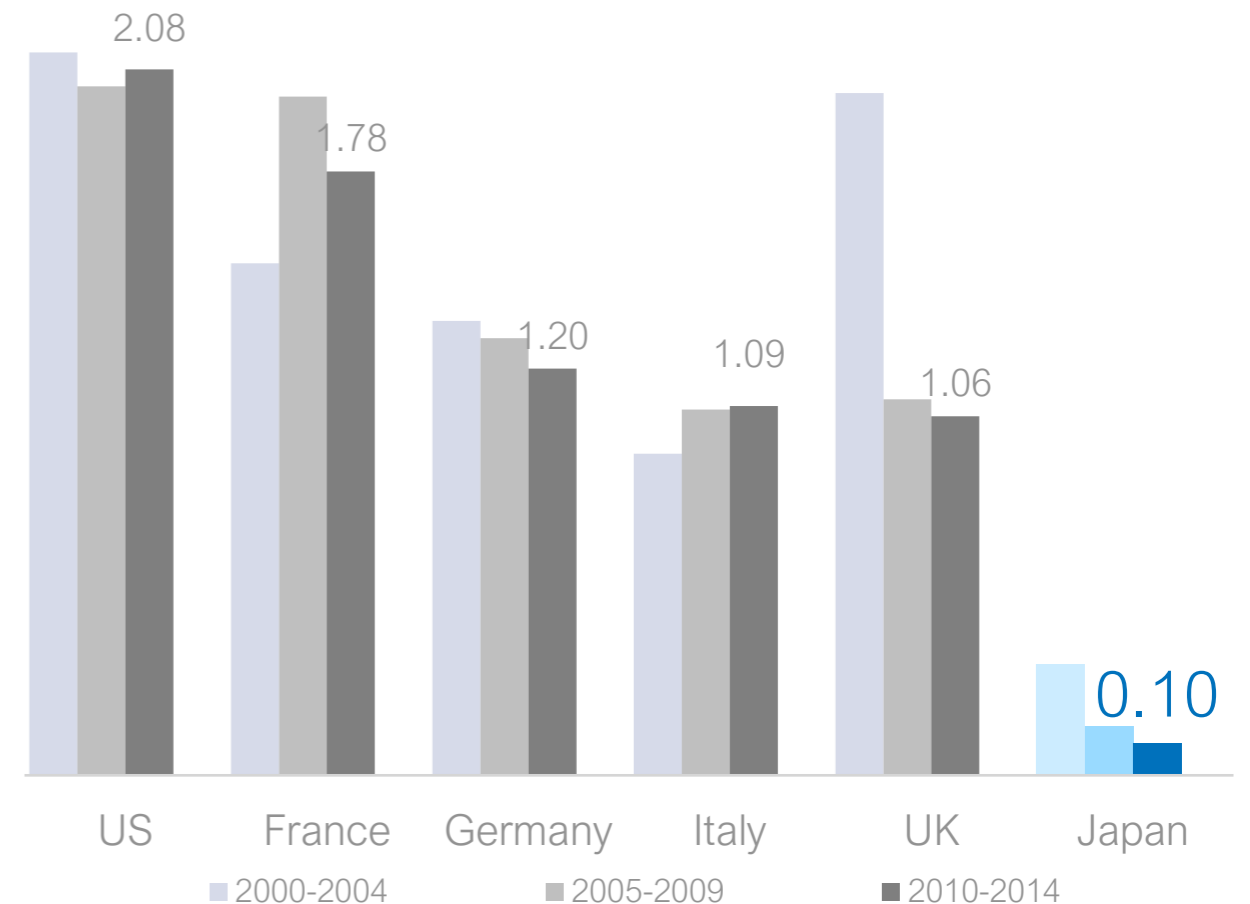
Long Term Trends in Japan's Working-Age Population⁽¹⁾

Unit: MM persons



International Comparison of Corporate Investments in HR (excluding OJT) (% of GDP)⁽²⁾

Unit: %

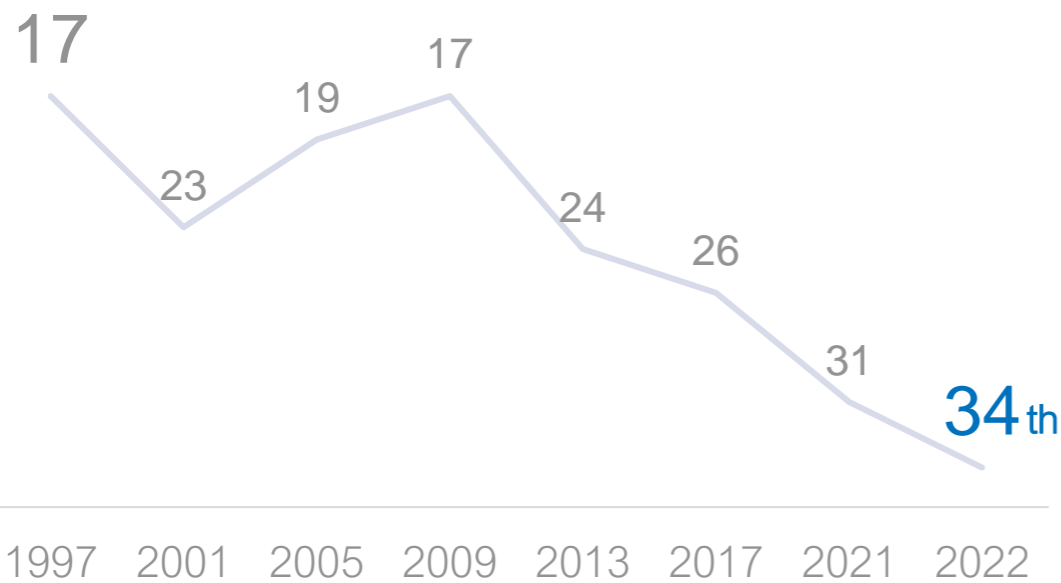


Notes: (1) From the medium-fertility (medium-mortality) projection of National Institute of Population and Social Security Research "Population Projections for Japan (2017)" (2) From the Ministry of Economy, Trade and Industry "METI Future Human Resource Vision 2022" in May 2022 (<https://www.meti.go.jp/press/2022/05/20220531001/20220531001-1.pdf>)

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

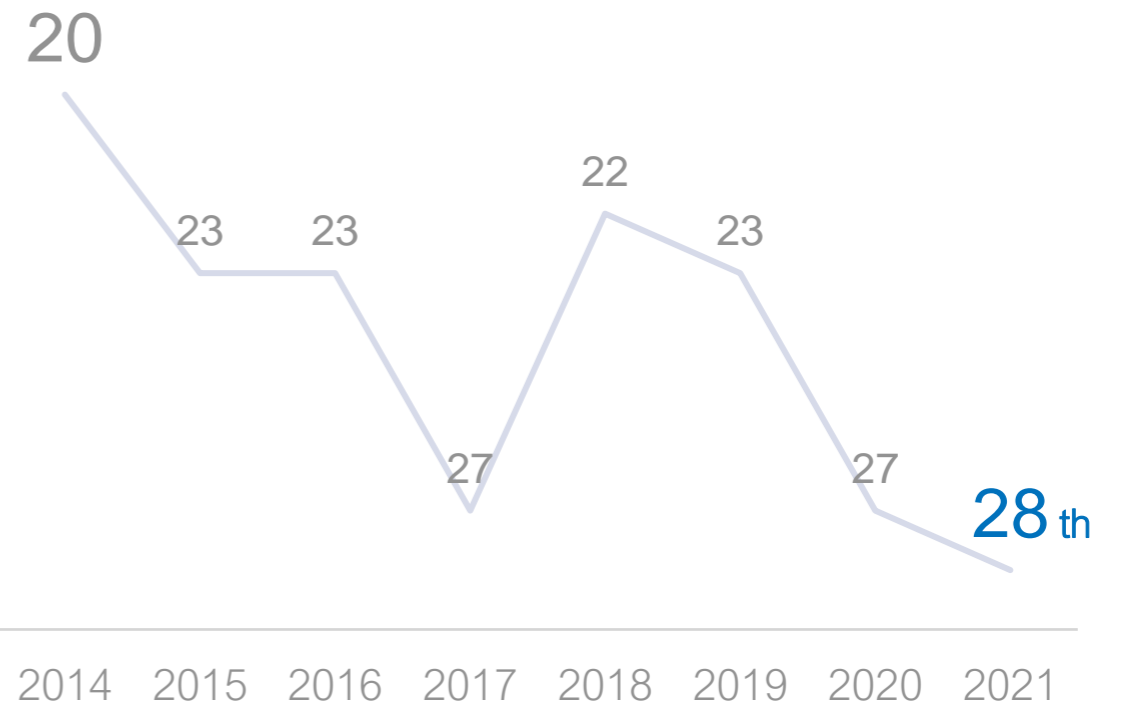
Japan's International Competitiveness Ranking⁽¹⁾

Rank



Japan's Digital Competitiveness Ranking⁽²⁾

Rank

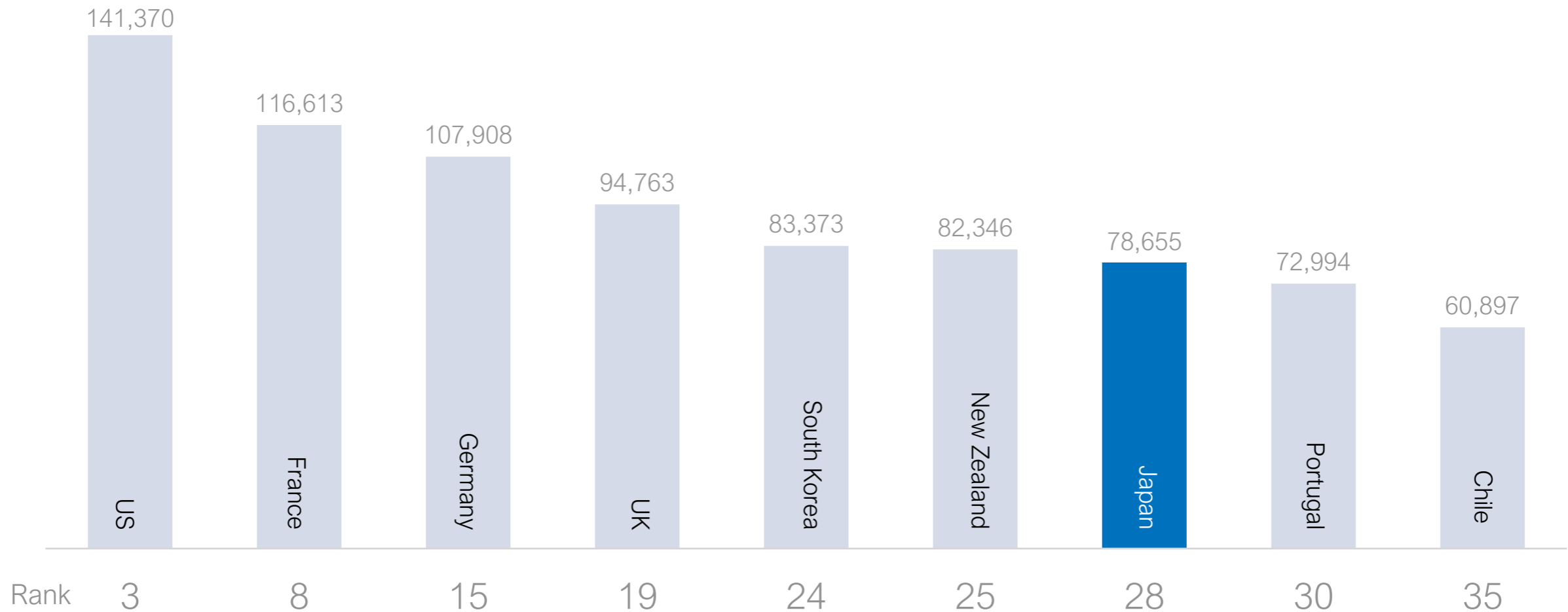


Notes: (1) From "IMD World Competitiveness Ranking" by The IMD World Competitiveness Center (<https://www.imd.org/centers/world-competitiveness-center/>) (2) From "IMD World Digital Competitiveness Ranking" by The IMD World Competitiveness Center (<https://www.imd.org/centers/world-competitiveness-center/>)

Priority investments mentioned in the “New Form of Capitalism” include investments in people, acceleration of DX for SMEs, strengthening cyber security, etc. Increasing labor productivity and digital competitiveness to solve social issues and achieve market growth in Japan is key

Labor Productivity of OECD Member Countries⁽¹⁾

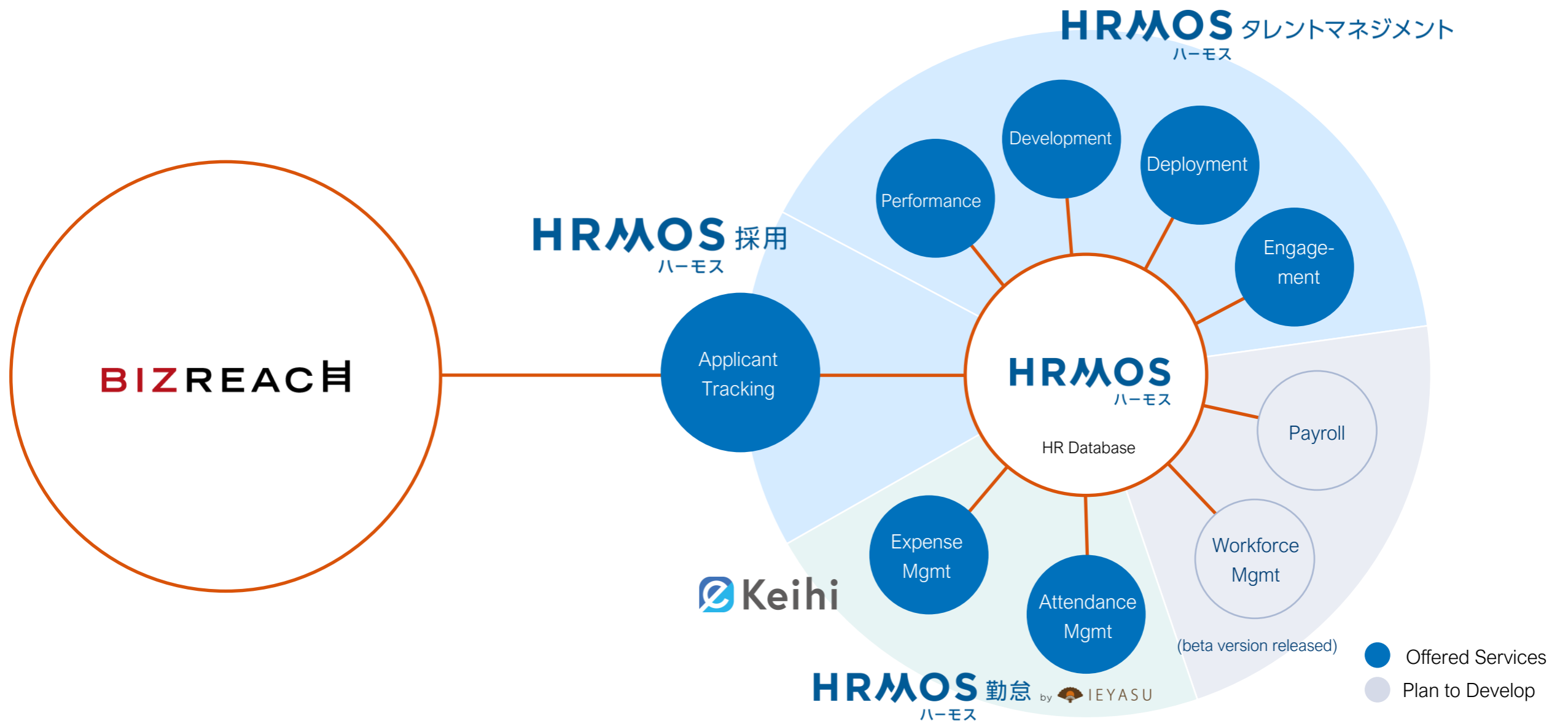
Year 2020, per employed worker, comparison among 38 countries
Unit: US dollar at purchasing power parity



Note: (1) From Japan Productivity Center “International Comparison of Labor Productivity 2021” (<https://www.jpc-net.jp/research/detail/005625.html>)

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



Use of HRMOS ATS and HRMOS Talent Management increases employee productivity. BizReach enables hiring talent fit for your organization, in a timely manner, as more positions become available with increase in job mobility

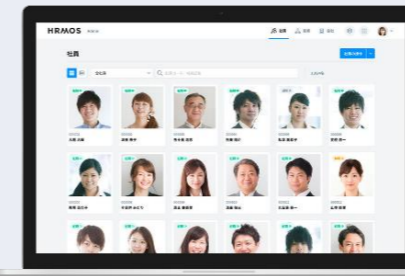
HRMOS 採用 ハーモス



ATS

- ✓ Recruiting process is visualized and analyzed real time
- ✓ Optimizes process by storing recruiting information in a centralized repository
- ✓ Increases recruiting efficiency through scheduling, linkage to different recruiting media
- ✓ Can be automatically linked to BizReach






HRMOS タレントマネジメント ハーモス



Employee DB	Engagement survey	Workflows
Performance	Reporting	1 on 1

- ✓ Employee database storing organizational and employee data
- ✓ Increases productivity in objective setting / performance evaluation process
- ✓ Visualization of organizational condition real time
- ✓ Automate daily operation in talent management
- ✓ Can be linked with other HCM systems through an API interface

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⁾</p> <p>“...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 platform</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⁾</p> <p>“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>Risk evaluation cloud</p> 	<p>Delay in DX for SMEs</p> <p>“Grand Design and Action Plan for a New Form of Capitalism”⁽²⁾</p> <p>“It is vital to strengthen competitiveness through productivity improvements and optimizing trade...”</p> <p>Logistics matching platform</p>  <p>B to B lead generation platform</p> 

Notes: (1) Extracts from Director for Economic and Fiscal Analysis, Cabinet Office, Government of Japan “Japan’s Economy 2020-2021: Rising from the Crisis of Infectious Disease” in March 2021 (2) Extracts from the “Grand Design and Action Plan for a New Form of Capitalism” on June 7, 2022

Persistent Creation of New Possibilities.

**We will tap into the power of the internet to support the digital transformation of the Japanese economy.
We will continue to maximize mid-to-long term enterprise value by persistently transforming social obstacles into new possibilities.**

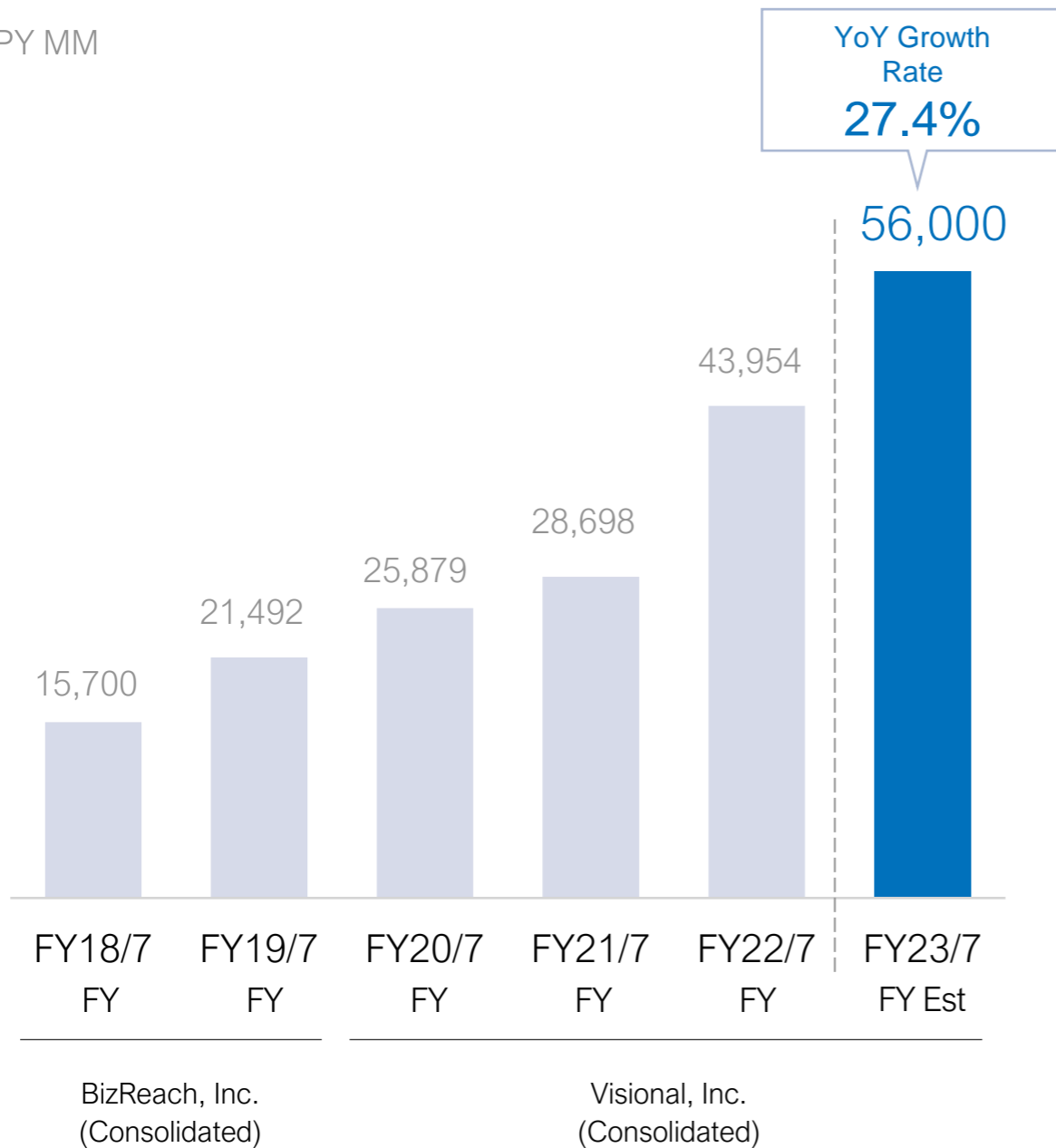
Commitment towards our group mission

- ✔ Sustained growth and profit expansion of the BizReach business
- ✔ Seamless integration of BizReach and HRMOS to build a data-driven HCM ecosystem
- ✔ Continue to incubate businesses to drive sustainable long-term growth

Although economic conditions will remain uncertain, acceleration of structural liquidity in the labor market will continue. Consolidated net sales of Visional Group is forecasted to grow 27.4% YoY. Consolidated operating profit is forecasted to grow 50.2% YoY

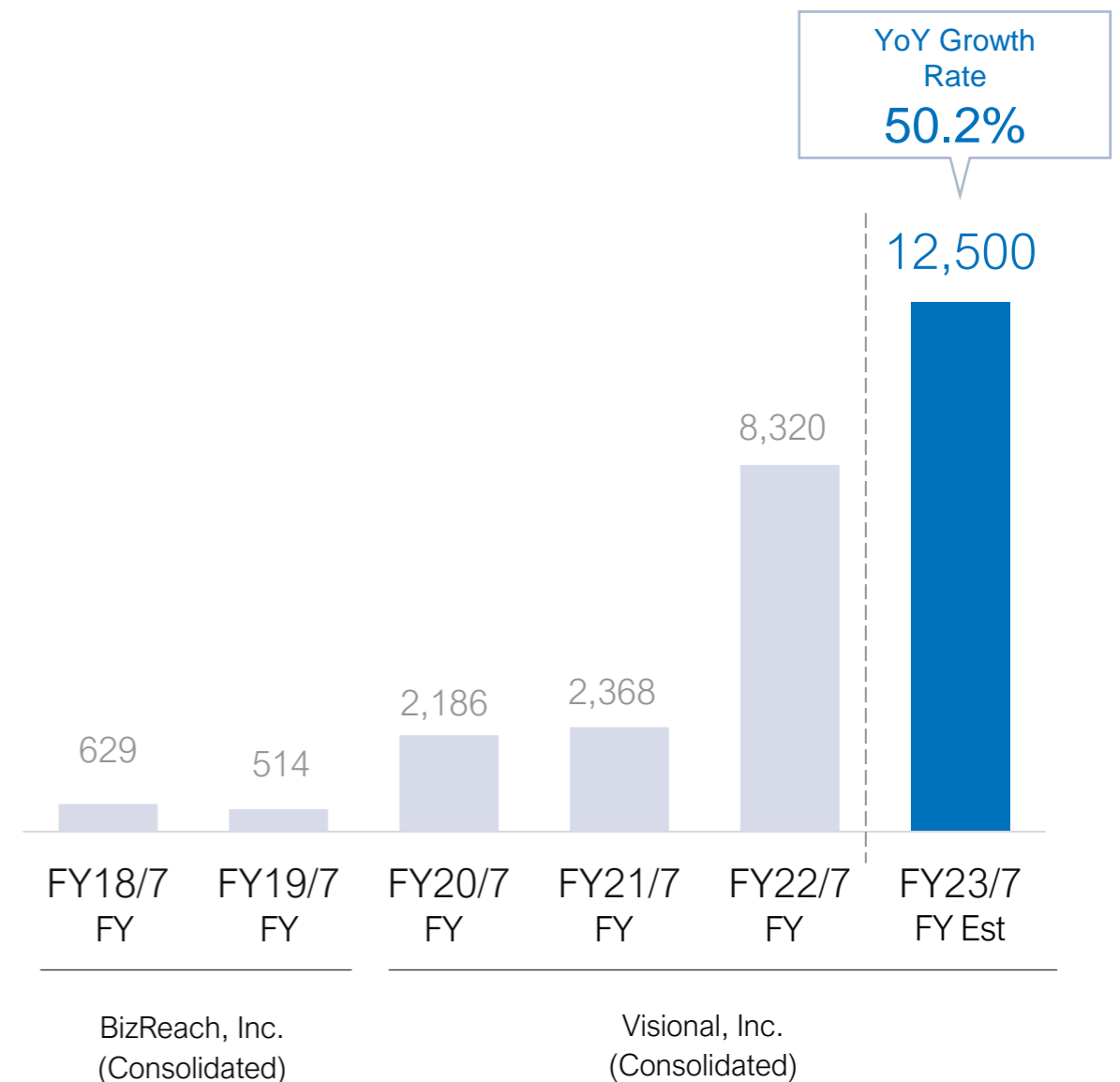
Consolidated Net Sales⁽¹⁾

JPY MM



Consolidated Operating Profit⁽¹⁾

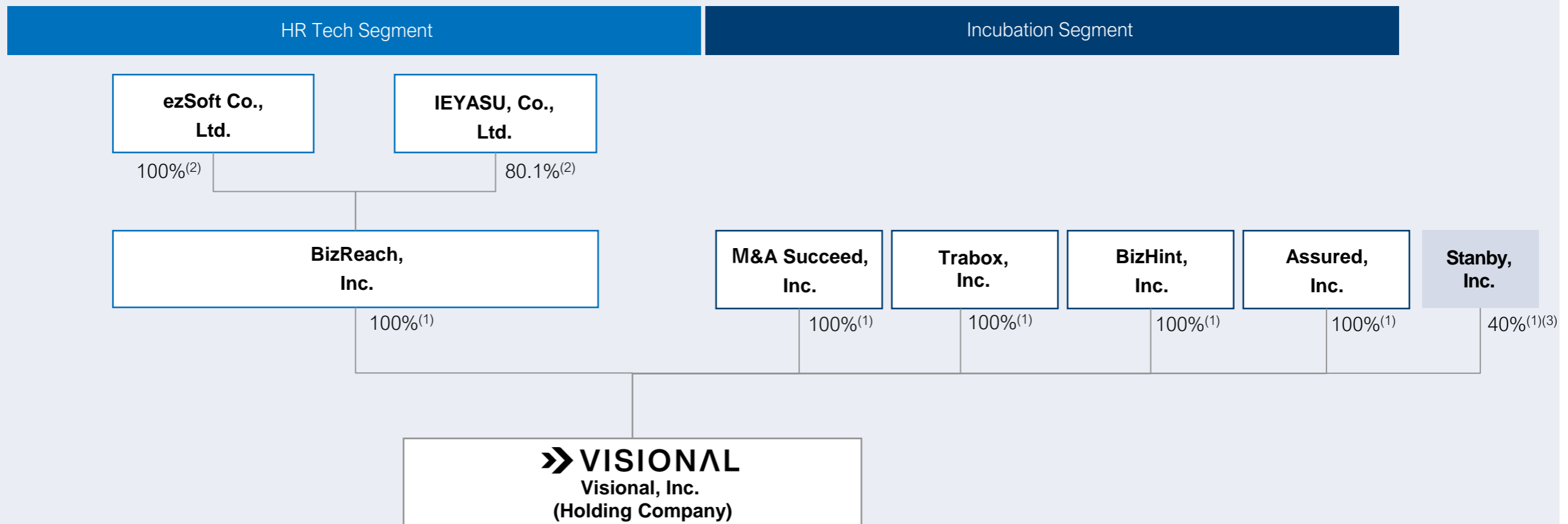
JPY MM



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. Therefore, FY18 to FY19 annual financial results are based on the consolidated financial results of BizReach, Inc. (All FYs end in July and prepared in accordance with J-GAAP)

Appendix

Current Group Structure (As of September 14, 2022)



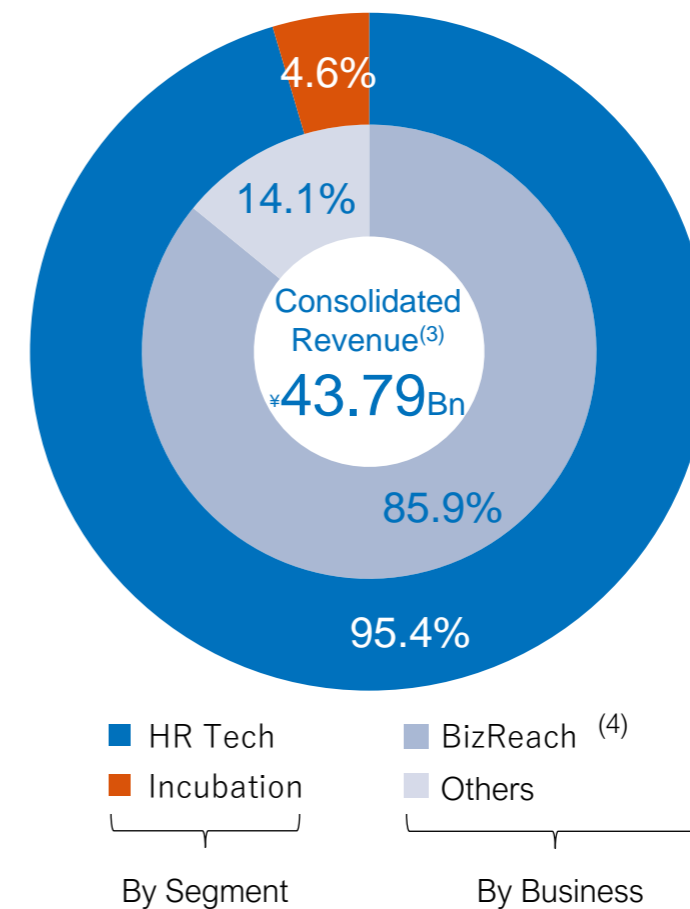
Notes: (1) Visual, Inc.'s shareholding ratio of its subsidiaries and affiliate (2) BizReach, Inc.'s shareholding ratio of its subsidiary (3) Joint venture with Z Holdings Corporation, in which Visual, Inc. holds a 40% stake as an equity method affiliate

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

Business Overview

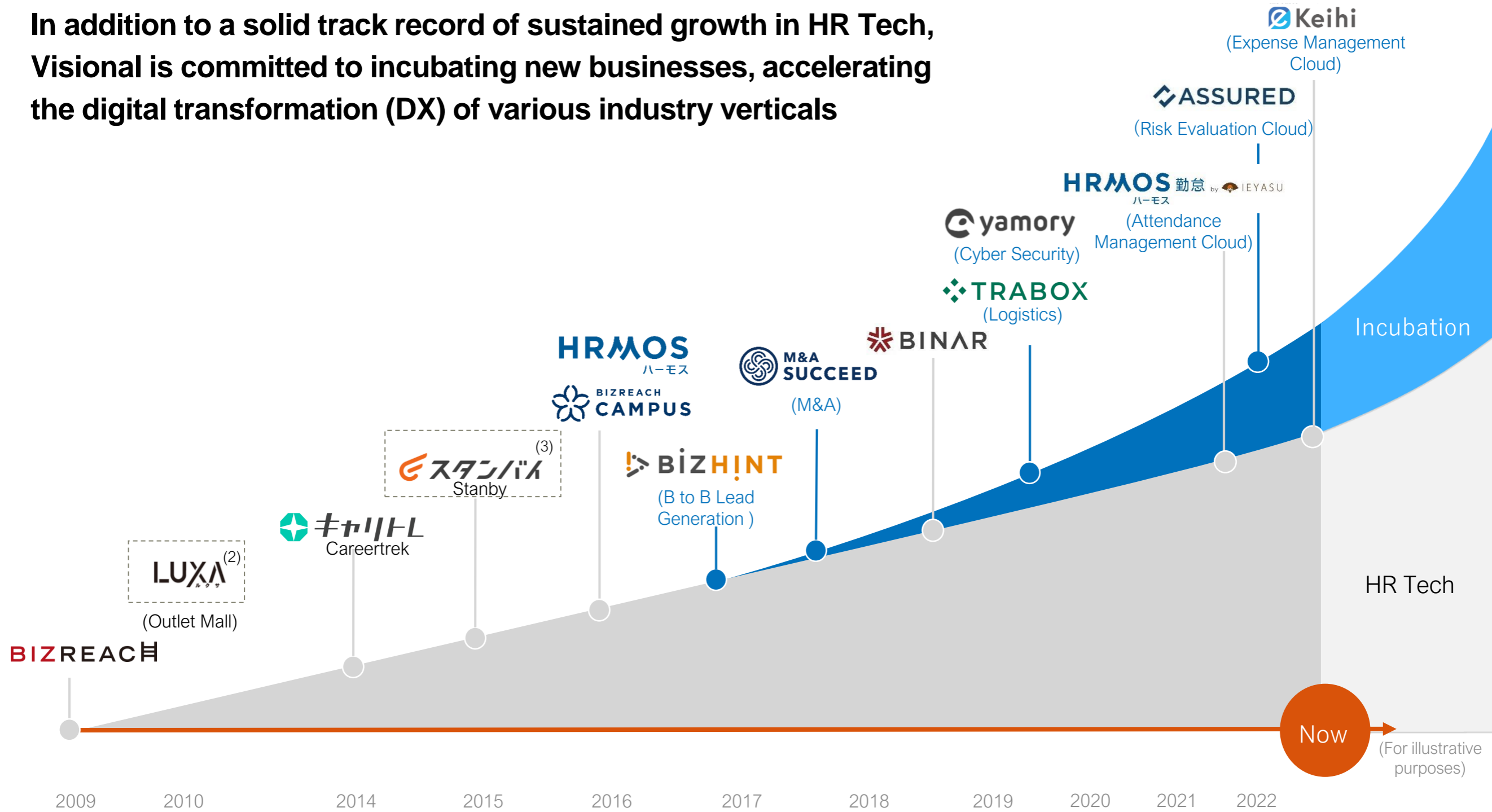
HR Tech Segment	BIZREACH	HR matching platform for professionals
	HRMOS ハーモス	Human capital management platform
	キャリアール	HR matching platform for young talents
	BIZREACH CAMPUS	Network for alumni visits
	BINAR	Career change support service for professionals
Incubation Segment	M&A SUCCEED	M&A matching platform
	TRABOX	Logistics matching platform
	BIZHINT	B to B lead generation platform
	yamory	Vulnerability management cloud
	ASSURED	Risk evaluation cloud
Affiliate	スタンバム ⁽¹⁾	Job operating search engine

FY2022/7 Revenue Breakdown by Segment and Business⁽²⁾



Notes: (1) Joint venture with Z Holdings Corporation, in which Visional, Inc. holds a 40% stake as an equity method affiliate (2) Excluding adjustments (¥161 MM) (3) Based on FY2022/7 financials prepared by Visional, Inc. continued from the financials of BizReach, Inc. Visional, Inc. was established through a share transfer, and BizReach, Inc. became a wholly-owned subsidiary of Visional, Inc. in February 2020 (FY ending in July and prepared in accordance with J-GAAP) (4) 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 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

Consolidated P&L⁽¹⁾

JPY MM

	FY22/7 FY	FY21/7 FY	FY20/7 FY	FY22/7 4Q	FY22/7 3Q	FY22/7 2Q	FY22/7 1Q
Net Sales	43,954	28,698	25,879	12,070	12,214	10,099	9,570
YoY Growth (%)	53.2%	10.9%	20.4%	49.1%	44.8%	N.A.	N.A.
HR Tech Segment	41,791	27,052	24,914	11,470	11,614	9,589	9,116
YoY Growth (%)	54.5%	8.6%	17.7%	50.7%	44.7%	N.A.	N.A.
Incubation Segment	2,002	1,485	892	559	559	469	413
YoY Growth (%)	34.8%	66.3%	182.1%	25.8%	53.3%	N.A.	N.A.
Cost of Sales	5,802	3,999	4,104	1,557	1,538	1,401	1,304
Gross Profit	38,151	24,699	21,775	10,512	10,675	8,697	8,266
Margin (%)	86.8%	86.1%	84.1%	87.1%	87.4%	86.1%	86.4%
Selling, General & Administrative Expenses	29,830	22,331	19,588	9,409	7,560	7,131	5,729
Advertising	14,697	9,562	7,640	5,180	3,620	3,510	2,385
Payroll etc. ⁽²⁾	7,410	6,308	5,301	1,991	1,894	1,817	1,707
Rent	1,243	1,258	1,251	312	310	309	309
Others	6,478	5,202	5,394	1,924	1,735	1,492	1,326
Operating Profit	8,320	2,368	2,186	1,102	3,114	1,566	2,536
Margin (%)	18.9%	8.3%	8.4%	9.1%	25.5%	15.5%	26.5%
HR Tech Segment	10,670	4,000	3,343	1,740	3,660	2,161	3,107
Incubation Segment	(1,649)	(863)	(868)	(442)	(385)	(416)	(405)
Pre-tax Profit	8,755	2,290	7,023	1,240	3,234	1,658	2,621
Income Tax Expense	2,896	869	2,364	262	1,196	597	840
Profit attributable to owners of parent	5,858	1,420	4,658	978	2,038	1,061	1,780
Margin (%)	13.3%	5.0%	18.0%	8.1%	16.7%	10.5%	18.6%

Notes: (1) Based on FY20 financials prepared by Visional, Inc. continued from the financials of BizReach, Inc. Visional, Inc. was established through a share transfer, and BizReach, Inc. became a wholly-owned subsidiary of Visional, Inc. in February 2020 (2) Payroll includes bonuses and allowance for bonuses

Reconciliation: Adjusted Operating Profit before Corporate Expense Allocation

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

JPY MM

	FY22/7 FY	FY21/7 FY	FY20/7 FY
Total Adjusted Operating Profit before corporate expense allocation	12,622	6,170	7,531
BizReach Business ⁽²⁾⁽³⁾	17,609	9,637	9,232
HRMOS Business ⁽³⁾	(2,954)	(2,102)	(1,159)
Other Businesses ⁽³⁾	(2,032)	(1,364)	(541)
Adjustment item			
-) Corporate and general administrative expenses (such as accounting, HR, legal, general affairs, etc.) ⁽⁴⁾	4,301	3,802	5,345
-) HR Tech Segment ⁽⁴⁾	3,731	3,263	4,647
-) Incubation Segment ⁽⁴⁾	570	538	697
Operating Profit (J-GAAP)	8,320	2,368	2,186

Adjusted Headcount by Function and Business (FY22/7 4Q) ⁽⁵⁾

	Adjusted headcount	% of subtotal for HR Tech businesses
HR Tech businesses		
BizReach Business	677	60.1%
HRMOS Business	278	24.7%
Other HR Tech businesses	172	15.3%
Subtotal for HR Tech businesses	1,127	100.0%
General functions of HR Tech businesses	125	n/a
Total for HR Tech businesses	1,252	n/a
Incubation businesses	142	n/a
Corporate	134	n/a
Total	1,528	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

Increase in notes and accounts receivables and contract liabilities as net sales grew. M&As increased goodwill

JPY MM				JPY MM			
	FY22/7	FY21/7	FY20/7		FY22/7	FY21/7	FY20/7
Current Assets	36,743	29,532	12,137	Current Liabilities	13,988	9,046	5,290
Cash and Cash Equivalents	31,362	25,630	9,114	Accounts Payable	4,054	3,341	1,486
Notes and Accounts Receivable	4,356	3,258	2,012	Deferred Revenue	—	3,042	1,917
Other Current Assets	1,025	643	1,011	Contract Liabilities	4,941	-	-
Fixed Assets	9,018	5,544	5,584	Other Current Liabilities	4,993	2,662	1,886
Tangible Assets	735	700	899	Fixed Liabilities	2,994	3,494	3,225
Intangible Assets	4,964	2,457	2,488	Liabilities from application of Equity Method	2,453	2,773	3,070
Goodwill	3,958	1,296	1,186	Other Fixed Liabilities	541	720	155
Other Intangible Assets	1,006	1,160	1,301	Total Net Assets	28,779	22,536	9,205
Total Investments and Other Assets	3,318	2,385	2,196	Share Capital	6,226	6,063	100
Total Assets	45,762	35,076	17,722	Capital Surplus	10,190	10,027	4,064
				Retained Earnings	12,300	6,442	5,021
				Others	61	3	20
				Total Liabilities and Net Assets	45,762	35,076	17,722

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

Visional Group has worked together on contracted assignments (with the Ministry of Economy, Trade and Industry (METI) to help with hiring in Fukushima Prefecture to support areas affected by the Great Eastern Earthquake etc.). As 2021 marks 10 years from the earthquake, we have completed the assignment

Recent Financial Impact (Within HR Tech Segment)

JPY MM

	FY22/7 Full Year Forecast	FY21/7 Full Year Actuals	FY20/7 Full Year Actuals
Net Sales	—	694	743
Adjusted operating profit before corporate expense allocation	—	(98)	(90)

- Historical financial impact for the previous two years as shown on the left recorded within the HR Tech segment
- Although the mission has been completed as of FY21/7, Visional Group is committed to supporting the development of a sustainable society through our businesses, including supporting hiring activities of municipalities, education and sports fields, and M&A collaborating with regional banks

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

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