

**FY2022/7 1Q**  
**Financial Results**

December 2021



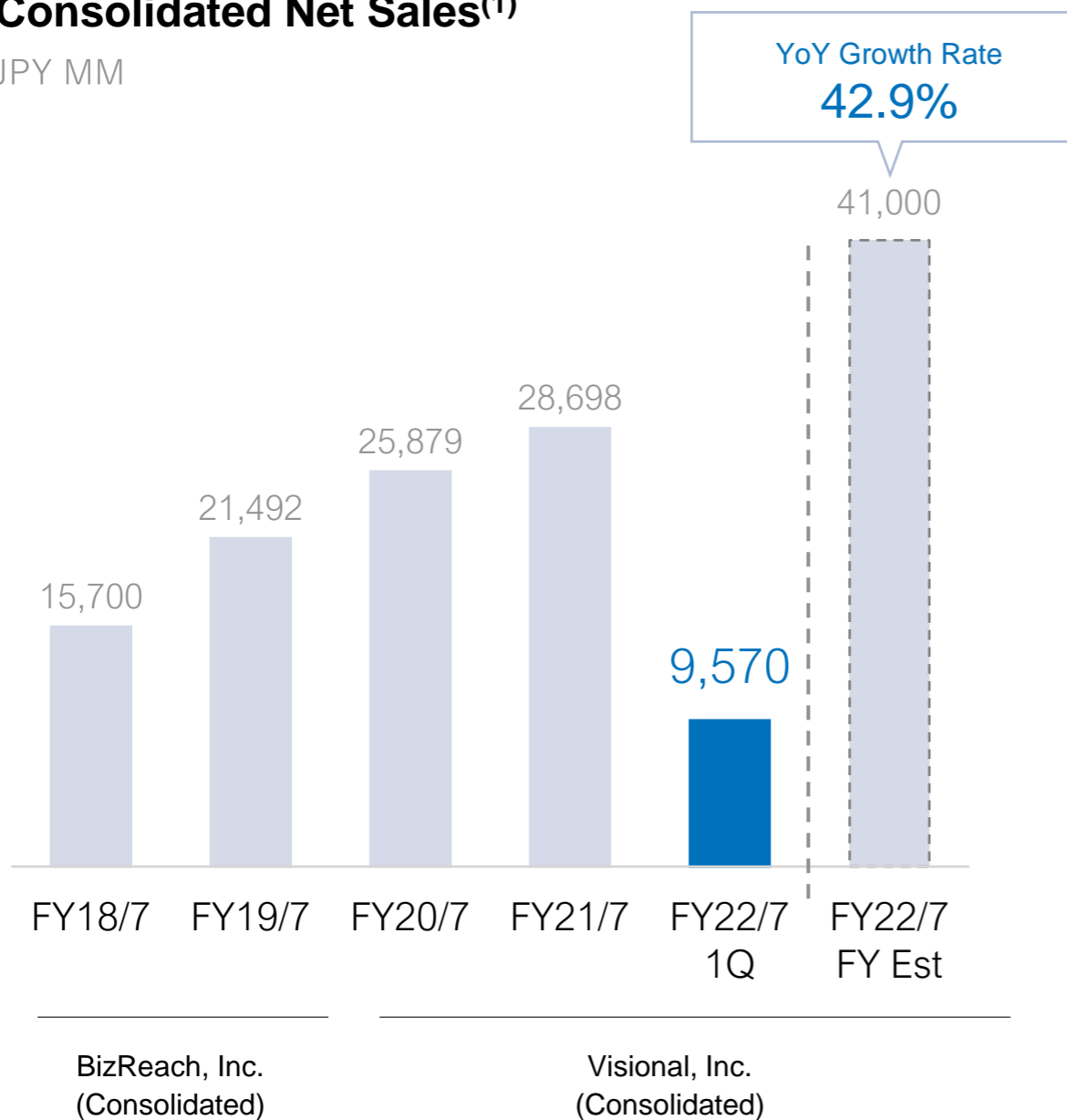
Visional, Inc.

<h2>Consolidated Financials</h2>	<ul style="list-style-type: none"> <li>• The professional hiring market rebounded from COVID-19 stronger than anticipated, and with increased number of customers acquired driven by strategic marketing investments conducted in 4Q FY21/7, 1Q FY22/7 net sales recorded JPY 9.5Bn</li> <li>• Strategic marketing investments and talent acquisition continues, and with strong net sales, operating profit for 1Q recorded JPY 2.5Bn</li> </ul>
<h2>BizReach</h2>	<ul style="list-style-type: none"> <li>• Strong rebound of the professional hiring market continues. Net sales for 1Q recoded JPY 8.2Bn, 68.8% YoY growth</li> <li>• JPY 4.4Bn adjusted operating profit before corporate expense allocation. As 1Q marketing investments tend to be smaller compared to other quarters as investments are planned in accordance with hiring seasonality, 50%+ margins for 1Q will be on decreasing trend as we increase marketing investments</li> </ul>
<h2>HRMOS</h2>	<ul style="list-style-type: none"> <li>• JPY 1.34Bn ARR, 989 unique paying customers as of 1Q end. Monthly Churn Rate of around 1% healthy level</li> <li>• Acquired 80.1 % shares of attendance management cloud provider “IEYASU” on November 1, 2021 (announced September 13, 2021). Planned acquisition of 100% shares of expense management cloud provider “ezSoft” on March 1, 2022 (announced December 9, 2021). Strategic acceleration of the development of HCM ecosystem by aligning the acquired services with HRMOS in the future</li> </ul>
<h2>Consolidated Financial Forecast</h2>	<ul style="list-style-type: none"> <li>• Based on the current strong market trend rebounding from COVID-19, we have revised up our full year FY2022/7 financial forecast to JPY 41.0 Bn net sales (42.9% YoY growth)</li> <li>• Investments for business growth will continue. Full year FY 2022/7 financial forecast for operating profit is revised up to JPY 6.0Bn (153.3% YoY growth)</li> <li>• Monitoring the market rebound trends from COVID-19, should there be any further changes, we will disclose in a timely manner</li> </ul>

**Visional Group recorded strong net sales and operating profit as BizReach grew driven by the continued rebound of the professional hiring market from COVID-19. Full year financial forecast revised up based on the current market trend. Strategic investments will increase throughout the year targeting the hiring market seasonality**

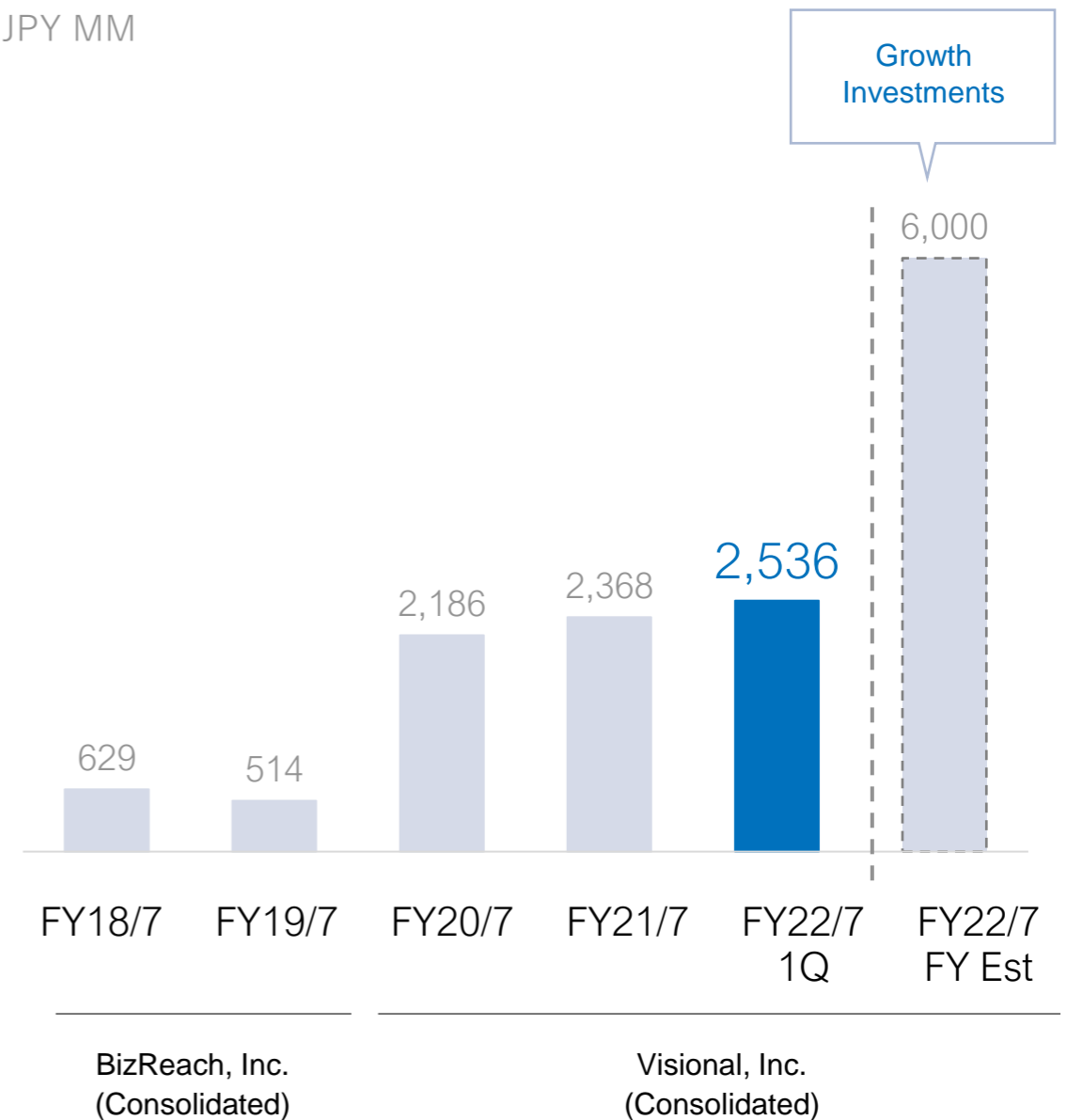
## Consolidated Net Sales<sup>(1)</sup>

JPY MM



## Consolidated Operating Profit<sup>(1)</sup>

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

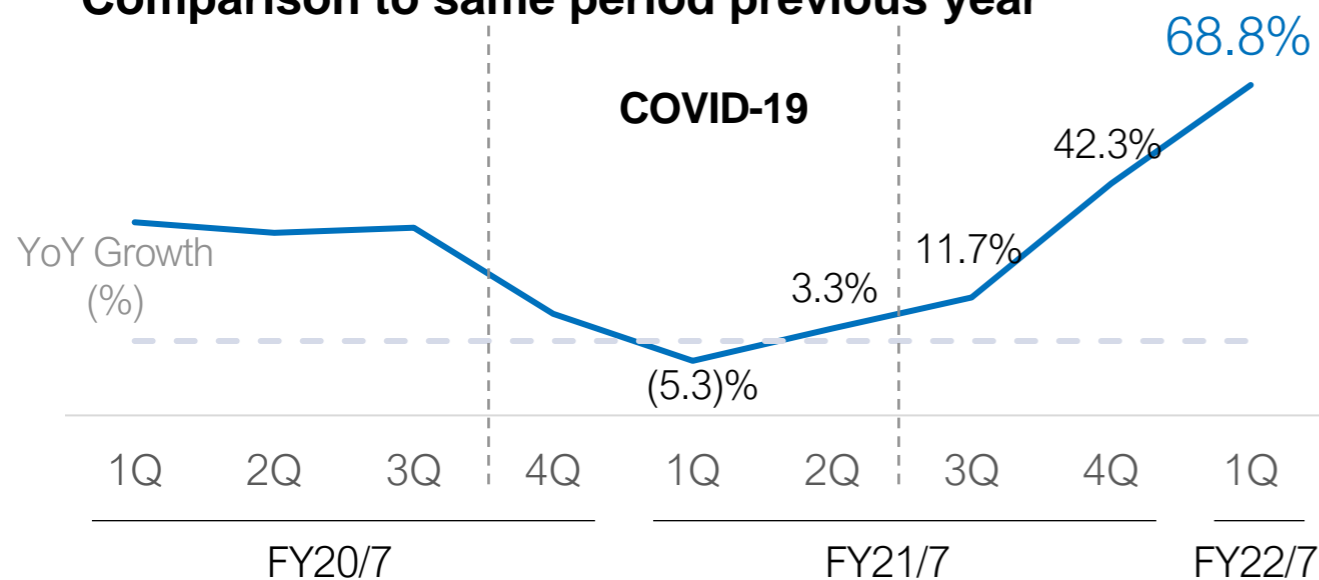
**As professional hiring market continues to rebound strongly, Visional Group recorded JPY 9.5Bn net sales, JPY 2.5Bn operating profit for 1Q**

	JPY MM		
	3 months ended October 31, 2021	3 months ended July 31, 2021 (Reference)	12 months ended July 31, 2021 (Reference)
<b>Net Sales</b>	9,570	8,097	28,698
YoY Growth (%)	N.A.	N.A.	10.9%
<b>HR Tech Segment<sup>(1)</sup></b>	9,116	7,612	27,052
YoY Growth (%)	N.A.	N.A.	8.6%
<b>Incubation Segment<sup>(1)</sup></b>	413	444	1,485
YoY Growth (%)	N.A.	N.A.	66.3%
Cost of Sales	1,304	968	3,999
Gross Profit	8,266	7,128	24,699
Margin (%)	86.4%	88.0%	86.1%
Selling, General & Administrative Expenses	5,729	7,873	22,331
<b>Operating Profit</b>	<b>2,536</b>	<b>(744)</b>	<b>2,368</b>
Margin (%)	26.5%	N.A.	8.3%
<b>HR Tech Segment<sup>(2)</sup></b>	3,107	(206)	4,000
<b>Incubation Segment<sup>(2)</sup></b>	(405)	(298)	(863)
Pre-tax Profit	2,621	(643)	2,290
Income Tax Expense	840	(179)	869
<b>Profit attributable to owners of parent</b>	<b>1,780</b>	<b>(464)</b>	<b>1,420</b>
Margin (%)	18.6%	N.A.	5.0%

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

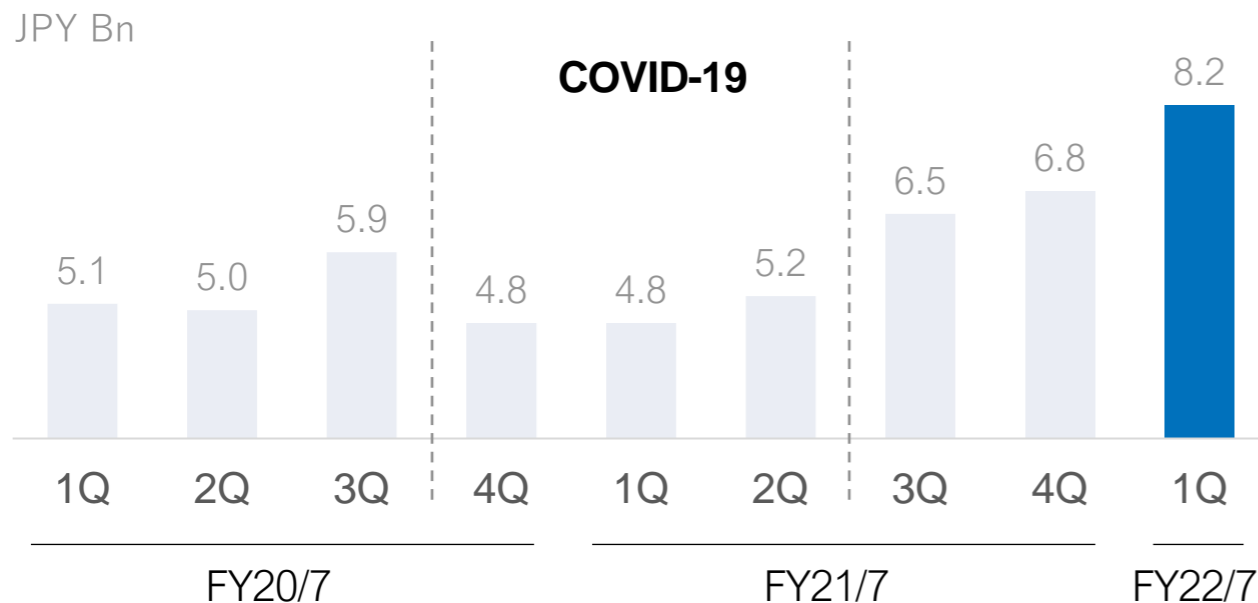
The professional hiring market rebounded from COVID-19 stronger than anticipated, and with increased number of customers acquired driven by strategic marketing investments conducted in 4Q FY21/7, BizReach 1Q FY22/7 net sales grew strongly

## BizReach Quarterly Revenue Trend Comparison to same period previous year



- Increased number of direct employers as companies restart hiring. Job positions available on BizReach is trending at higher levels compared to pre pandemic
- Increased number of job seekers and increased direct employers' activities on the platform, as well as increased matching capability leading to increased hires made

## BizReach Quarterly Net Sales Trend



**Based on the strong rebound trend from COVID-19, BizReach net sales forecast has been revised upwards by JPY 3.3Bn. Visional Group forecasts JPY 41.0Bn net sales (42.9% YoY growth). BizReach mid-term sales target remain unchanged**

JPY MM

	Dec 9 Release FY22/7 Financial Forecast	Sept 13 Release FY22/7 Financial Forecast	Diff.
<b>Net Sales</b>	41,000	37,700	+3,300
Growth (%)	42.9%	31.4%	--
HR Tech Segment	38,870	35,570	+3,300
BizReach	35,300	32,000	+3,300
HRMOS	1,420	1,420	0
Incubation Segment	2,010	2,010	0
Others	120	120	0
<b>Operating Profit</b>	6,000	2,670	+3,330
Growth (%)	153.3%	12.7%	--
Margin (%)	14.6	7.1%	--
<b>Ordinary Profit</b>	6,320	2,990	+3,330
Growth (%)	177.9%	31.5%	--
Margin (%)	15.4%	7.9%	--
<b>Profit Attributable to Owners of Parent</b>	4,100	1,760	+2,340
Growth (%)	188.6%	23.9%	--
Margin (%)	10.0%	4.7%	--

- Based on the current growth trend of BizReach, FY2022/7 full year forecast for BizReach net sales is JPY 35.3Bn
- HRMOS continues to prioritize product development, and forecasts JPY 1.4Bn of net sales (no change from previous disclosure)
- Investments in Incubation segment businesses continues for mid term growth (no change from previous disclosure)

### Mid-term (3 years) net sales growth target

- BizReach : 15% - 20% normalized annual growth <sup>(1)</sup>

# 1Q Financial Results by Business

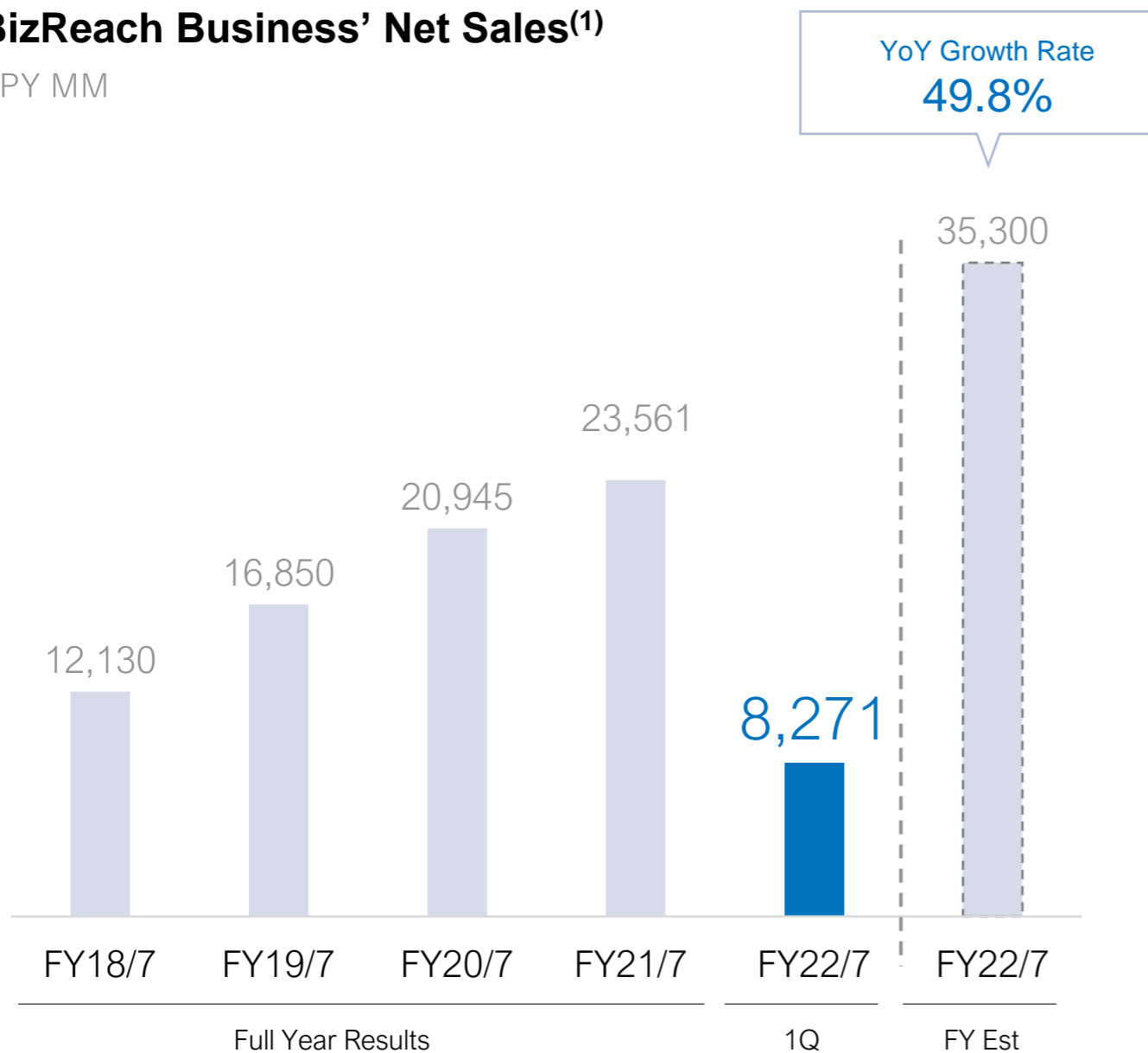
# BizReach Financial Results



**JPY 8.2Bn for 3 months ended October 2021. Strong rebound from COVID-19 continues, and we have revised up our full year forecast to JPY 35.3Bn**

## BizReach Business' Net Sales<sup>(1)</sup>

JPY MM

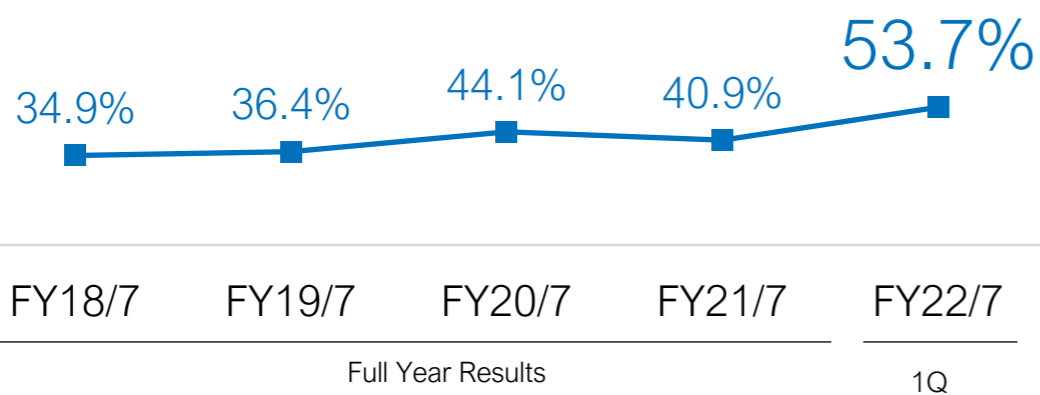


- Professional hiring market back to growth since 2Q FY21/7, and the market continues to be active
- In addition, business grew strongly in 1Q driven by the strategic marketing investments made in 4Q FY21/7
- BizReach's mid-term growth rate continues to be 15% - 20% annual growth (normalized), however, business will grow strongly this year as the market rebounds from COVID-19

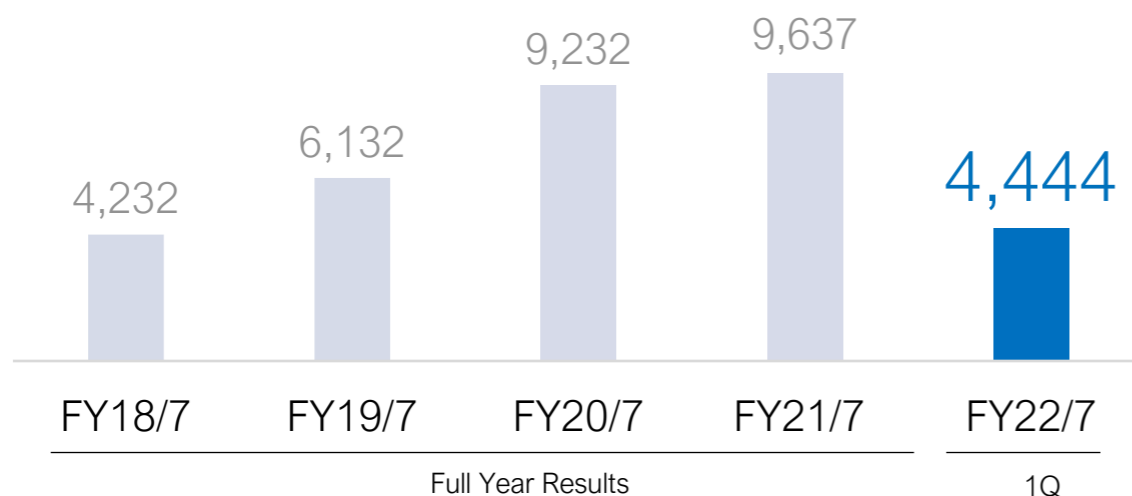
**Margins recorded 50%+ as investment allocation smaller for 1Q compared to other quarters, net sales grew strongly driven by investments made in 4Q FY21/7 as well as stronger than anticipated market rebound. Margins will trend down as investment increases targeting the hiring seasonality**

## BizReach Adjusted Operating Profit before Corporate Expense Allocation and Margin<sup>(1)(2)(3)</sup>

Adjusted operating profit margin before corporate expense allocation



Adjusted operating profit before corporate expense allocation  
JPY MM

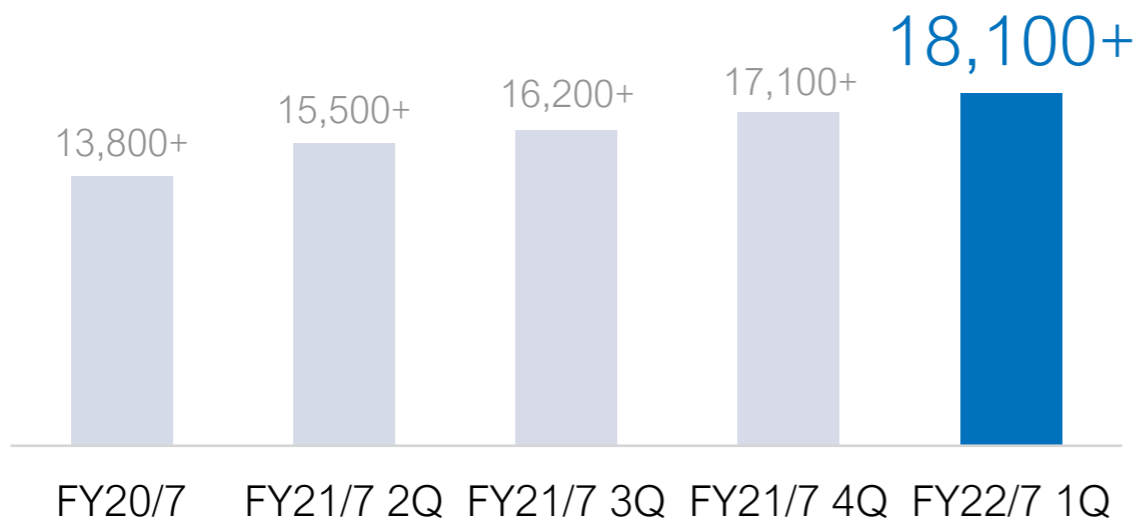


- Investments in marketing and talent continued in 1Q
- BizReach marketing investments are planned in accordance with hiring seasonality, as such, 1Q investments tend to be smaller compared to other quarters
- Although 1Q margin is over 50%, as we increase investment throughout the year, margins will decrease

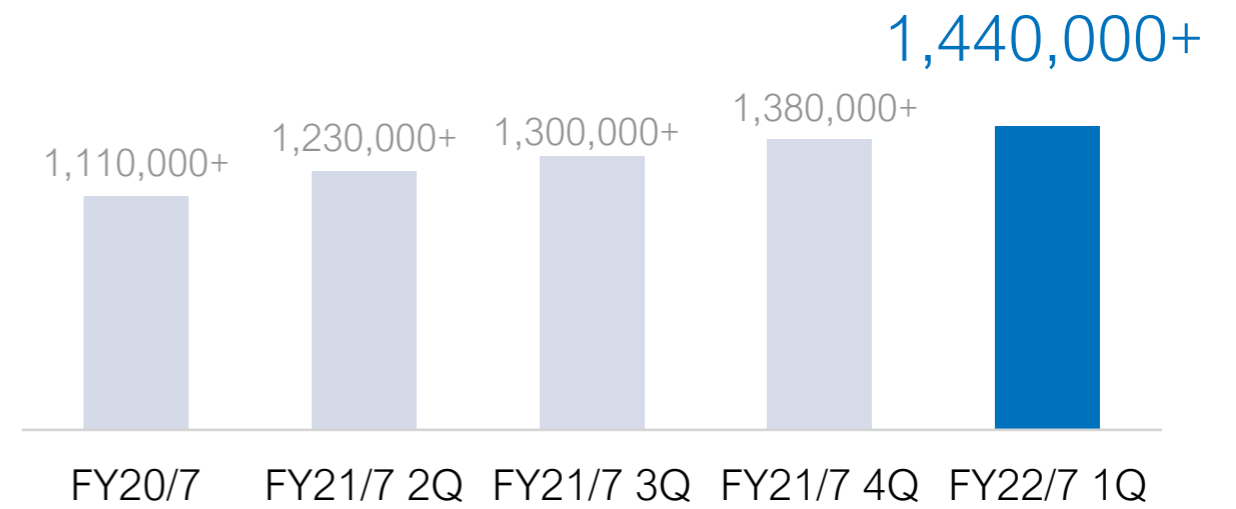
Notes: (1) Financial data of the BizReach Business, the core service of our group (which differs from the financial data of our subsidiary BizReach, Inc.) (2) BizReach business' revenue and adjusted operating profit / profit margin is recorded within the HR Tech reporting segment. (3) Adjusted operating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

**Strong customer base driven by hiring needs and increased job seekers. Quality of headhunters is key to our platform, and based on our periodic screening, the number of active headhunters have decreased in 1Q, however, we do not anticipate negative impact to business performance**

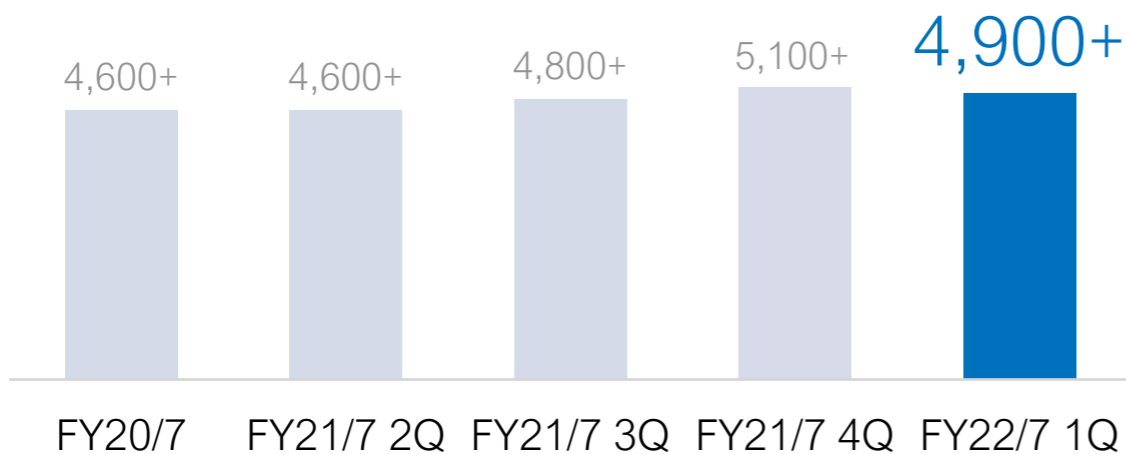
**# of Registered Direct Employers <sup>(1)</sup>**



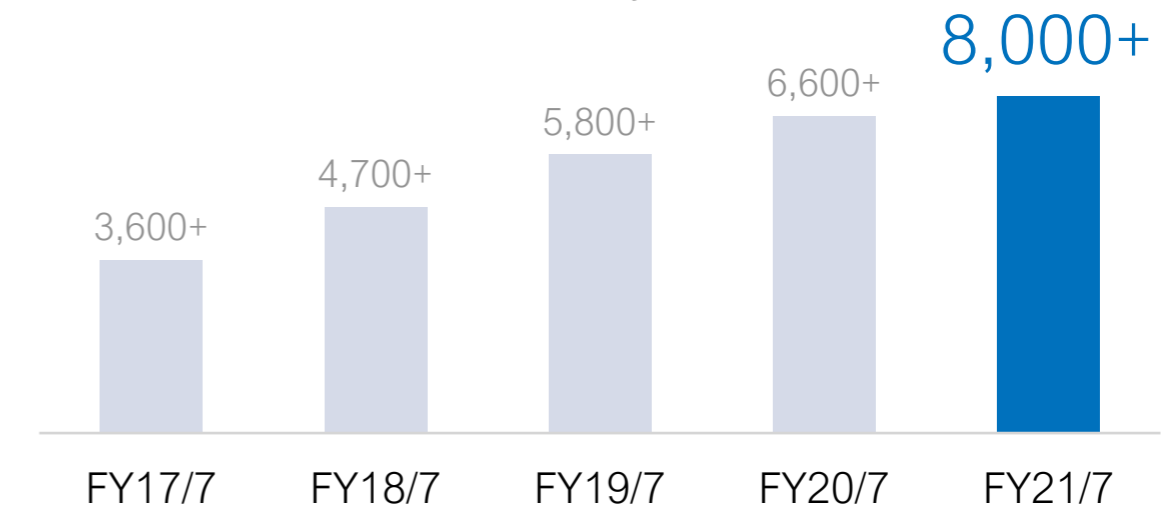
**# of Scoutable Job Seekers <sup>(3)</sup>**



**# of Active Headhunters <sup>(2)</sup>**



**# of Active Direct Employers <sup>(4)</sup>**

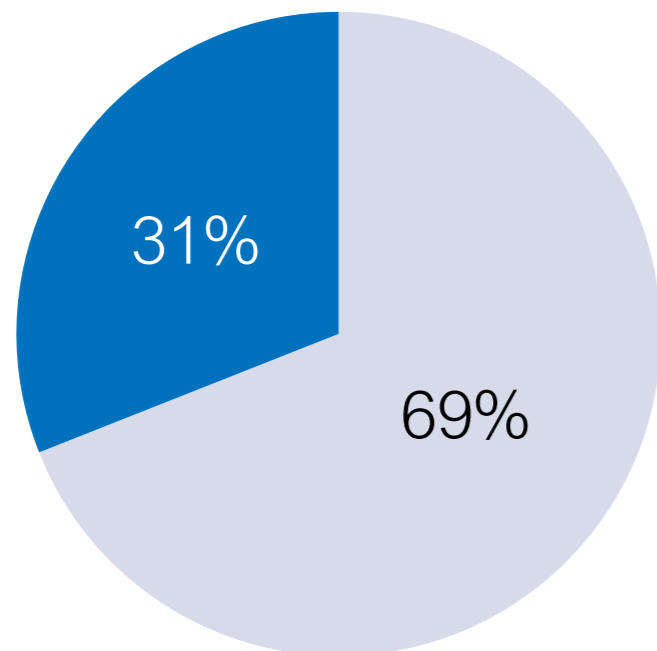


Notes: (1) Direct employers who have subscribed to our BizReach platform (excluding headhunters) (2) All passed screening by BizReach (3) # of users who registered on BizReach platform with resume that have passed a general screening process and whose profile is set to be viewable by direct employers 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 <sup>(1)</sup> and performance revenue <sup>(2)</sup> as well as well-balanced customer breakdown of direct employers and headhunters have positioned BizReach to deliver solid and strong revenue growth**

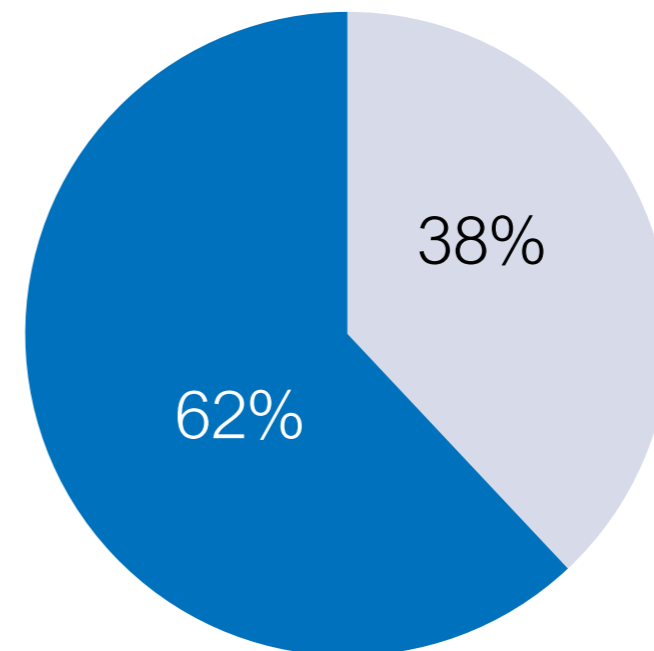
**FY21/7 BizReach Business Revenue Breakdown by Fee Type <sup>(3)</sup>**

- Performance Revenue
- Recurring Revenue



**FY21/7 BizReach Business Revenue Breakdown by Direct Employers / Headhunters <sup>(3)(4)</sup>**

- Headhunters
- Direct Employers



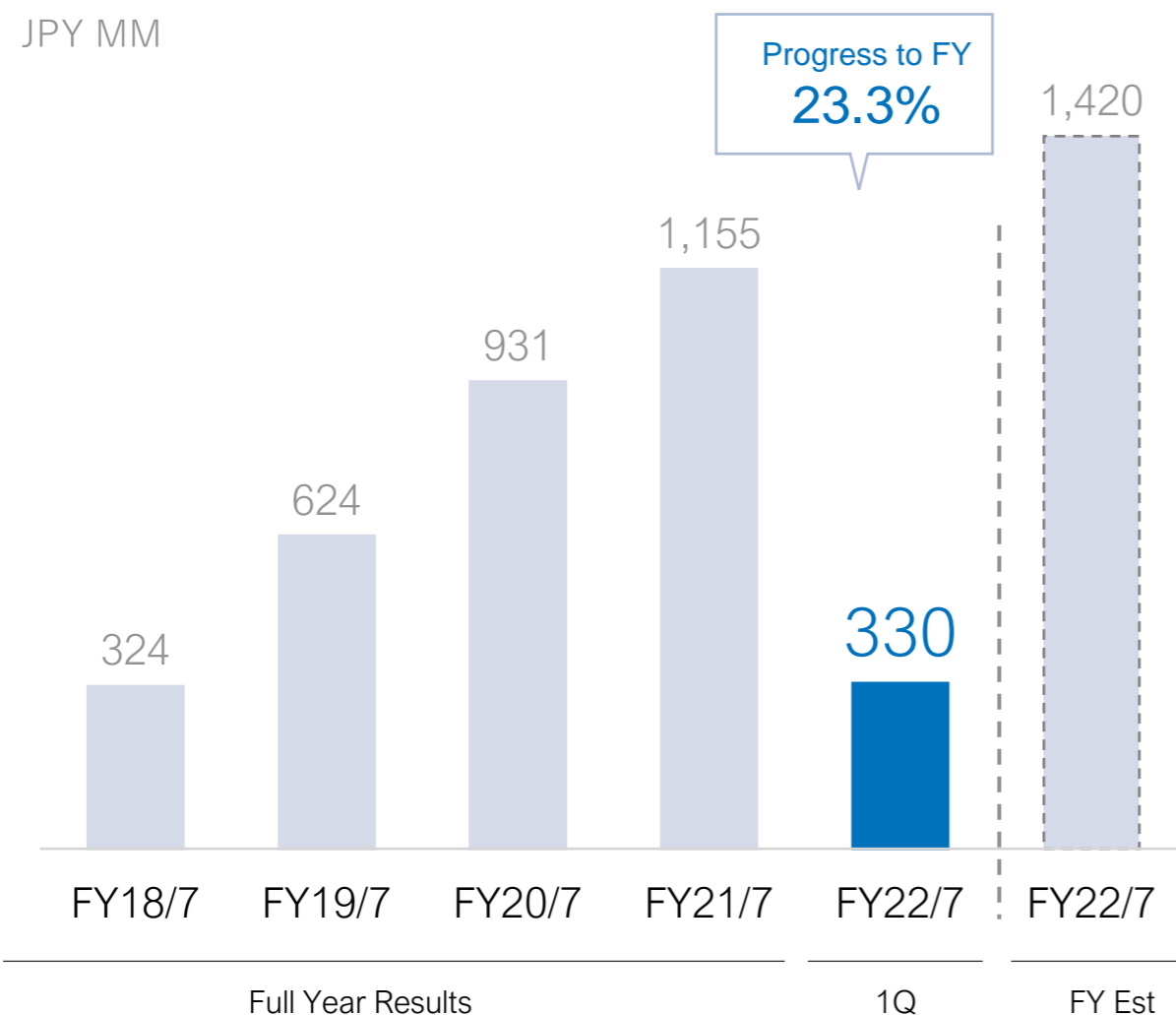
Notes: (1) "Recurring Revenue" consists of subscription fees from direct employers, headhunters accessing our platform and purchasing additional "platinum scout", and job seekers accessing our platform (2) "Performance Revenue" consists of success fees from direct employers and headhunters, which is 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 Financial Results

**HRMOS performance is on track as we prioritize product development as well as cross selling to BizReach customers and partner channels. We have acquired IEYASU (attendance management cloud provider) on Nov. 1, 2021, and have also announced the planned acquisition of ezSoft (expense management cloud provider) to be completed on Mar. 1, 2022 to accelerate the development of the HCM ecosystem**

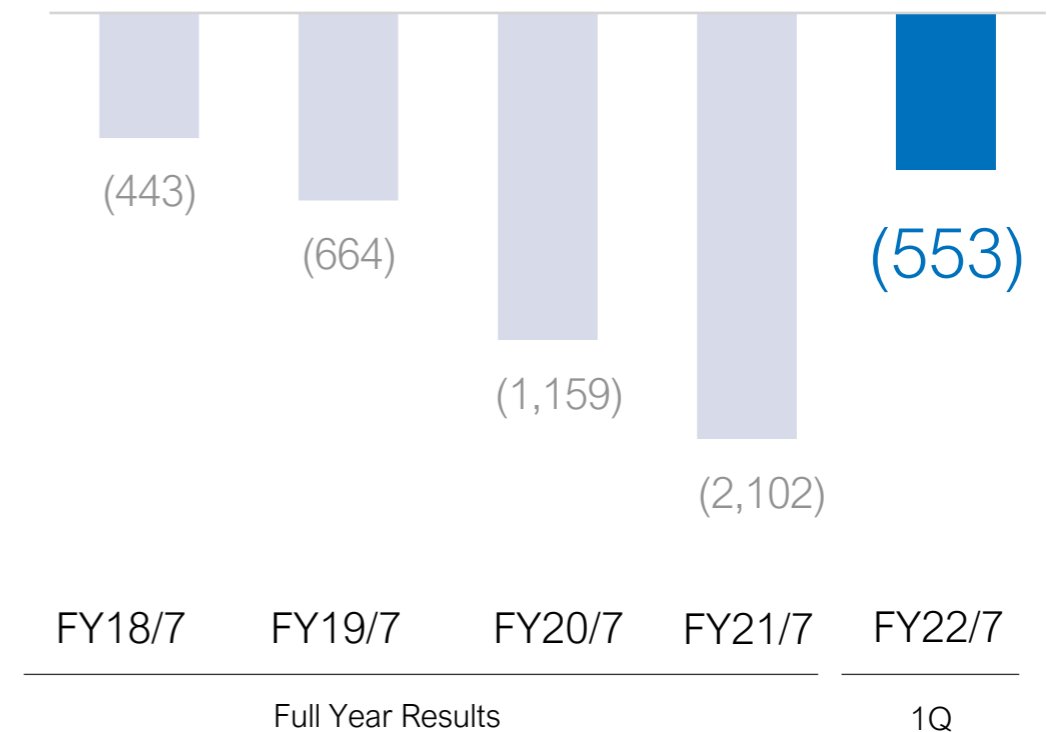
## HRMOS Business' Net Sales<sup>(1)</sup>

JPY MM



## HRMOS Business' Adjusted Operating Profit before Corporate Expense Allocation<sup>(1)(2)</sup>

JPY MM

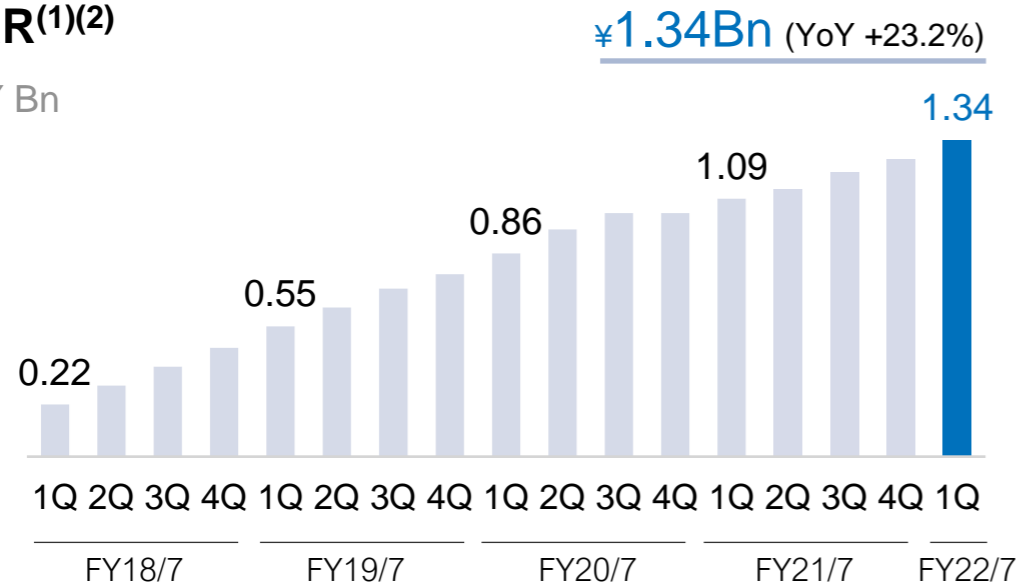


Notes: (1) HRMOS business' revenue and adjusted operating profit is recorded within the HR Tech reporting segment (2) Adjusted operating profit does not include corporate expenses (such as accounting, HR, legal, general affairs, etc.) which are not directly allocated to each business unit

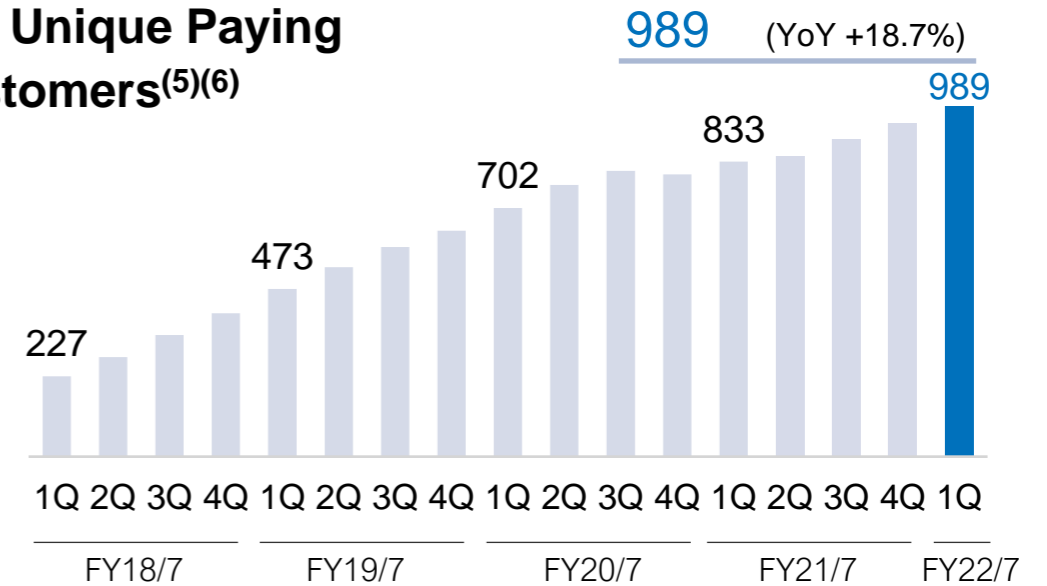
**ARR exceeded JPY 1.34Bn in 1Q driven by solid growth of sticky customer base and ARPU expansion. Churn rate that increased by COVID-19 now at healthy 1.0% level**

## ARR<sup>(1)(2)</sup>

JPY Bn

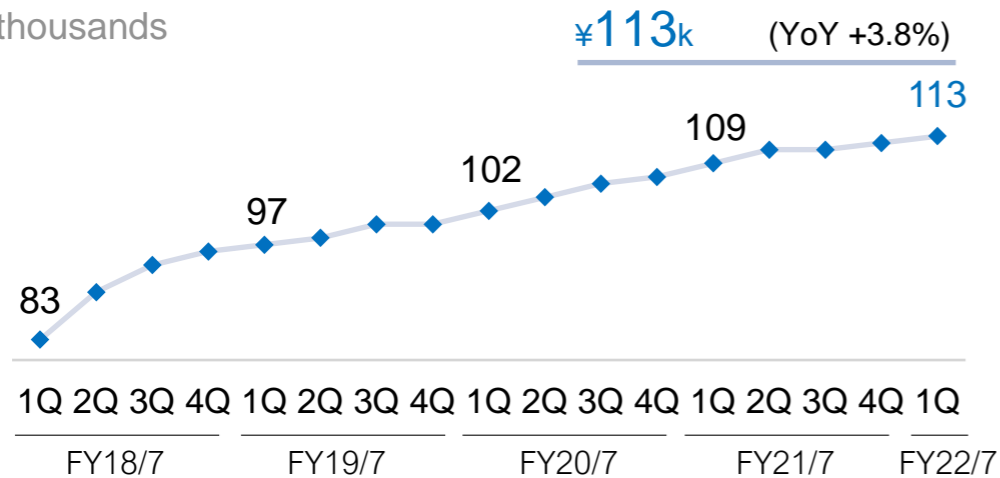


## # of Unique Paying Customers<sup>(5)(6)</sup>

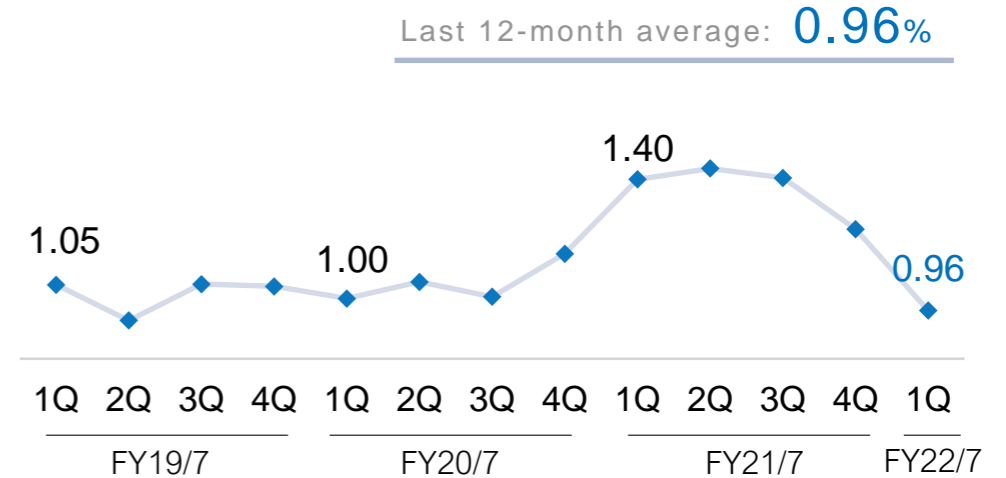


## ARPU<sup>(3)(4)</sup>

JPY thousands



## Churn Rate<sup>(7)(8)</sup>



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 October 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 October 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 October 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) As of October 2021

## 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
<b>ARR<sup>(1)</sup> (JPY Bn)</b>	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
<b>ARPU<sup>(2)</sup> (JPY thousands)</b>	83	90	94	96	97	98	100	100	102	104	106	107	109	111	111	112	113
<b># of Unique Paying Customers<sup>(3)</sup></b>	227	281	343	405	473	535	592	638	702	767	807	797	833	849	897	941	989
<b>Average Monthly Churn Rate for Last Twelve Months<sup>(4)</sup> (%)</b>	-	-	-	-	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

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



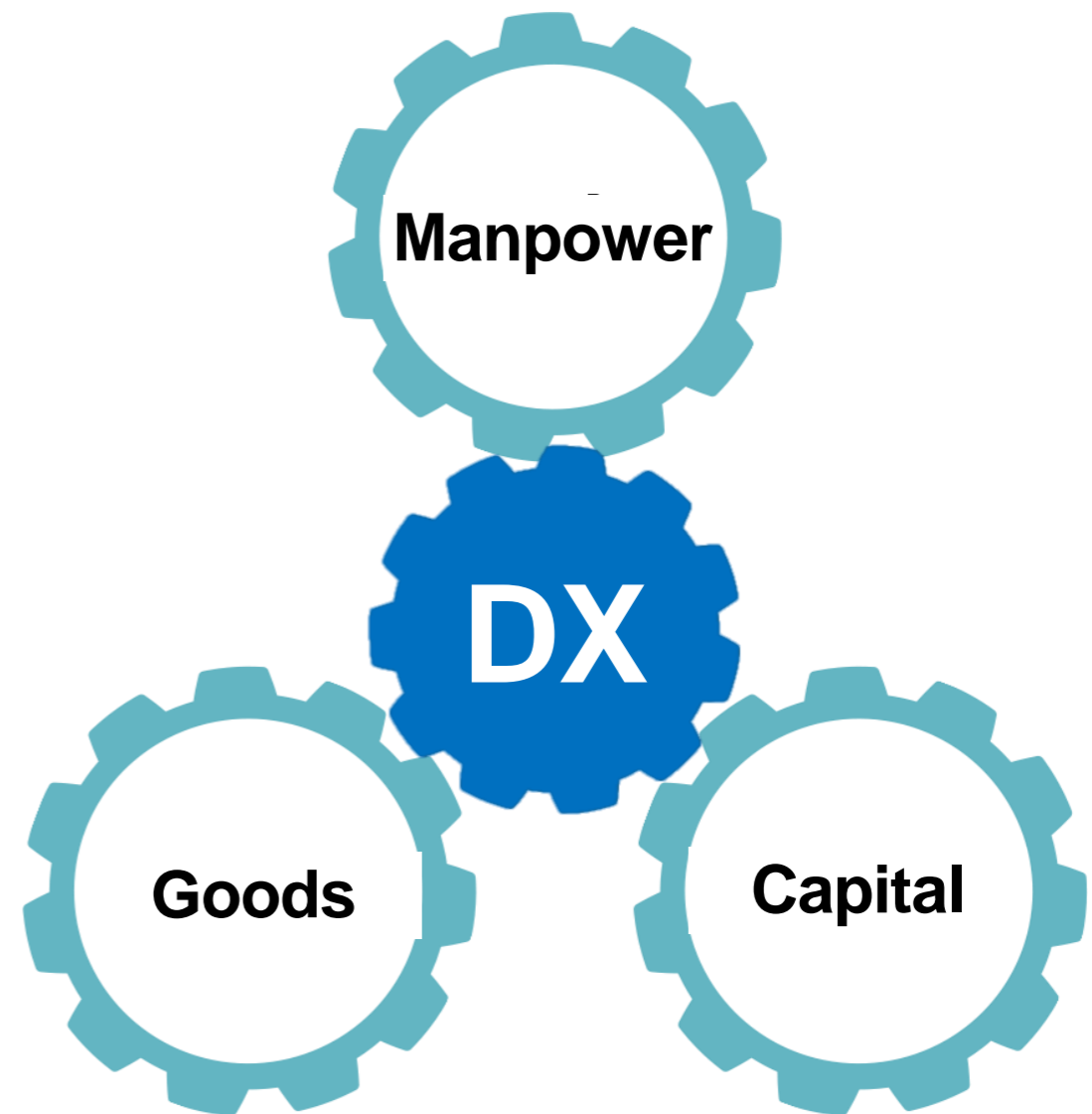
# Visional Group Strategy and Our Future

## 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.”

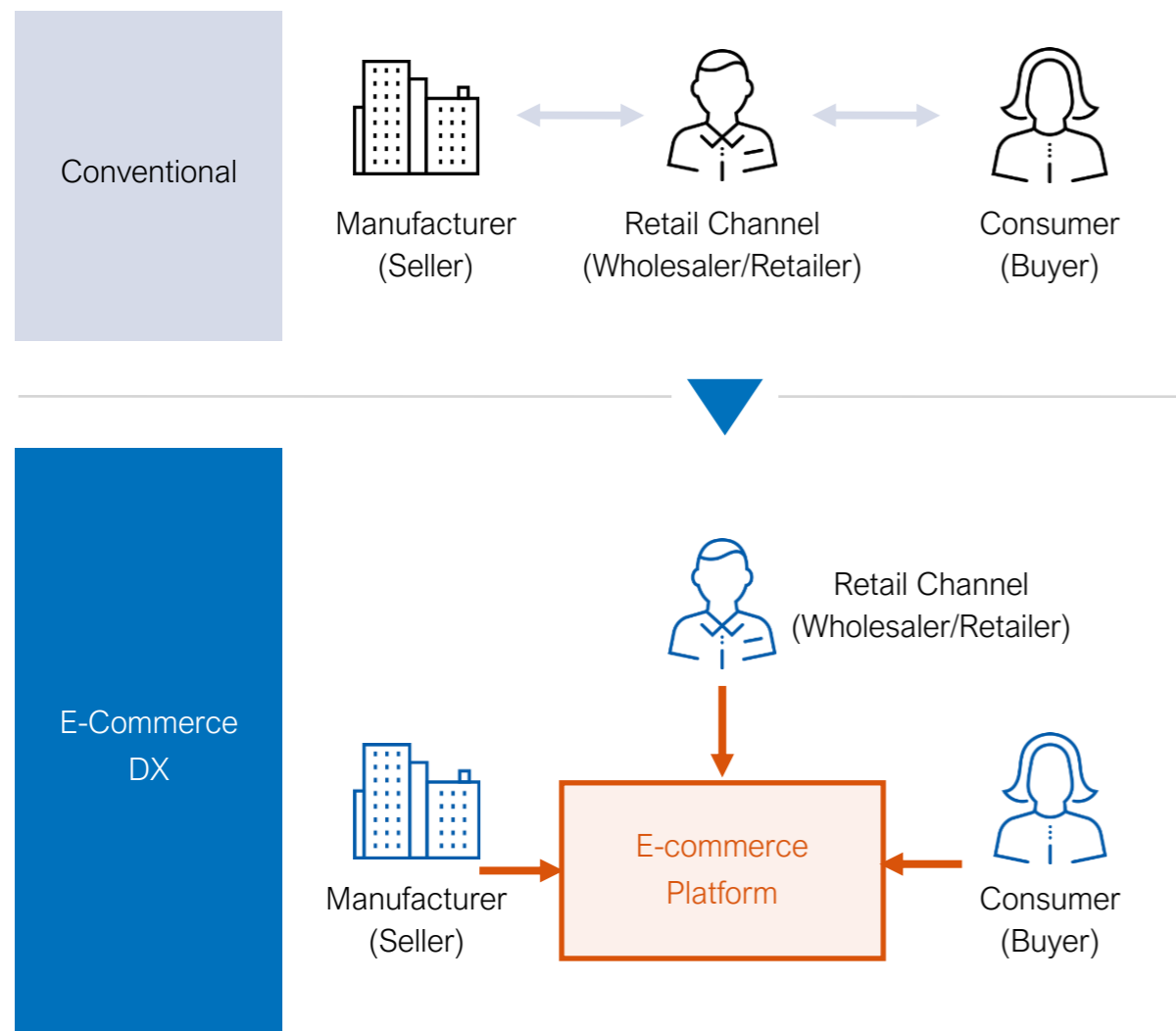
With these ambitions, we aspire together as partners to create unique ecosystems and movements that accelerate the world to a tomorrow in which we desire to be



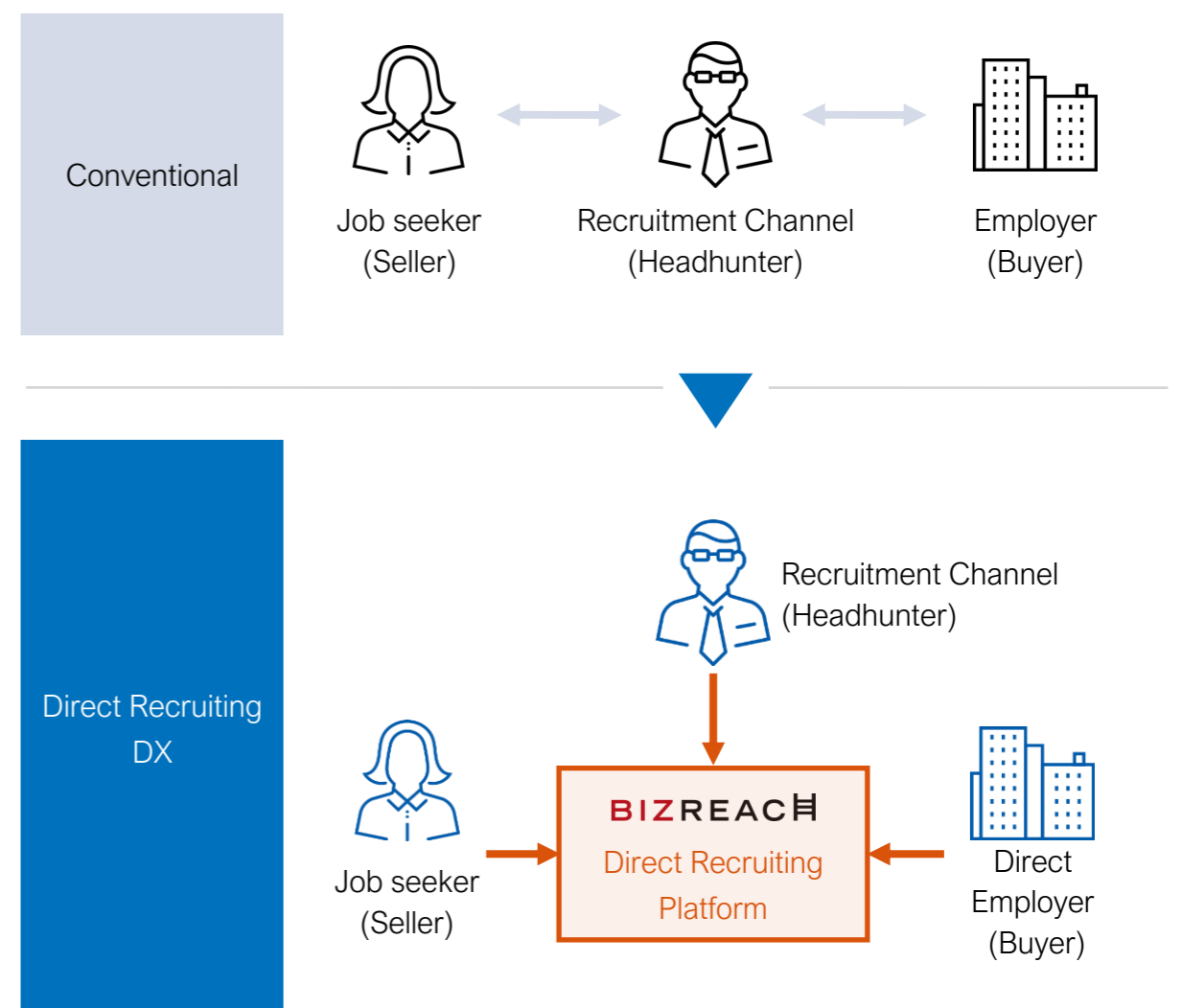
**Supporting new possibilities for  
Manpower, Goods and Capital**

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

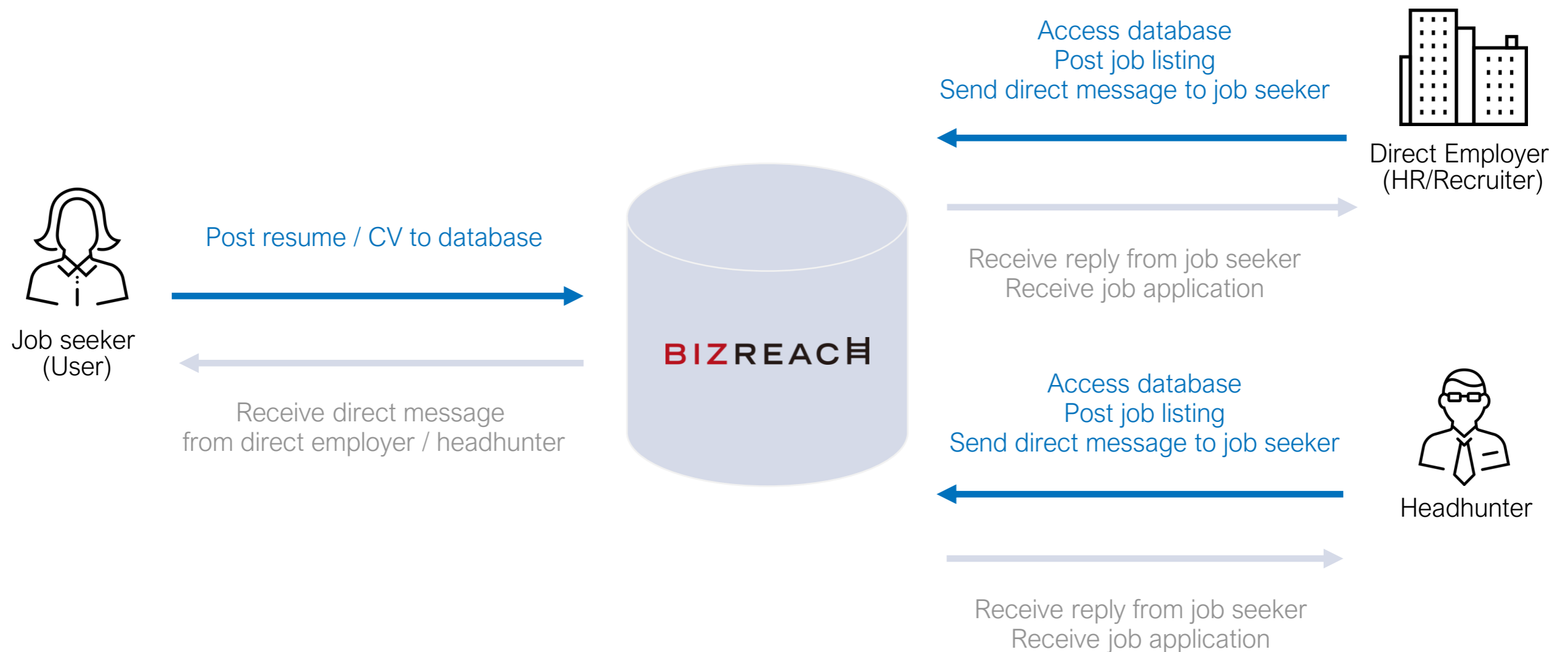
## DX of Retail Market



## DX of Professional Recruitment Market



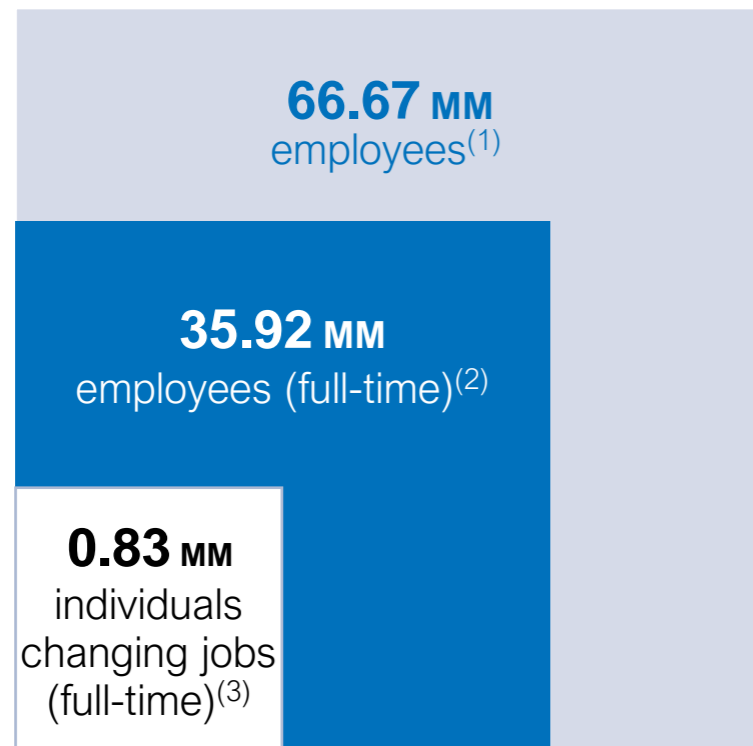
The financially attractive and unique business model targeting for professional job seekers<sup>(1)</sup> is the foundation behind the scalability of BizReach



**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

2020



## 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 CY2020. 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 CY2020. 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 CY2020. Figures are calculated as taking twelve months average of the monthly research on the number of full-time employees, who changed jobs to full-time jobs within a year, as of the end of each month

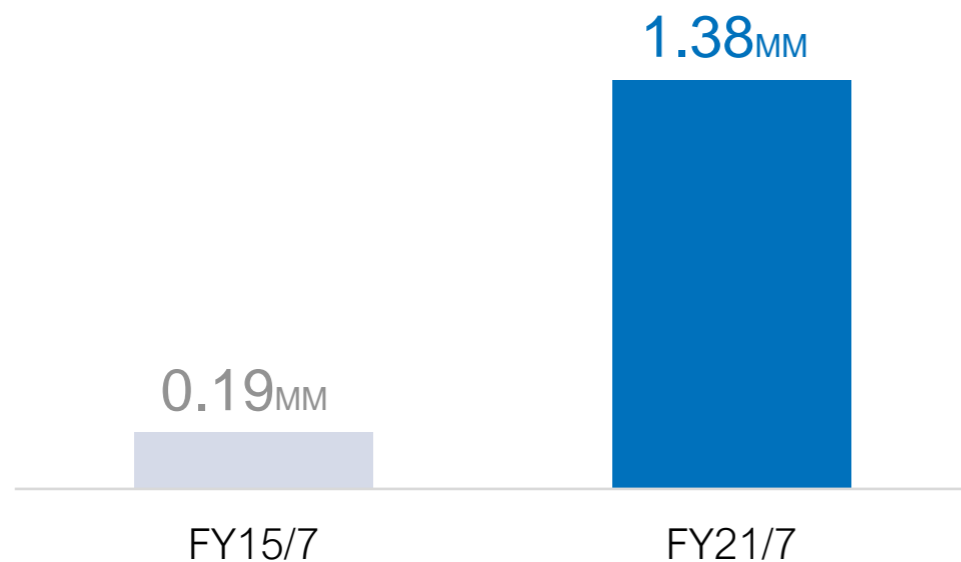
**While penetrating further into the professionals' population, accelerate new client acquisitions and increase wallet share of existing clients to drive further top-line growth**

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

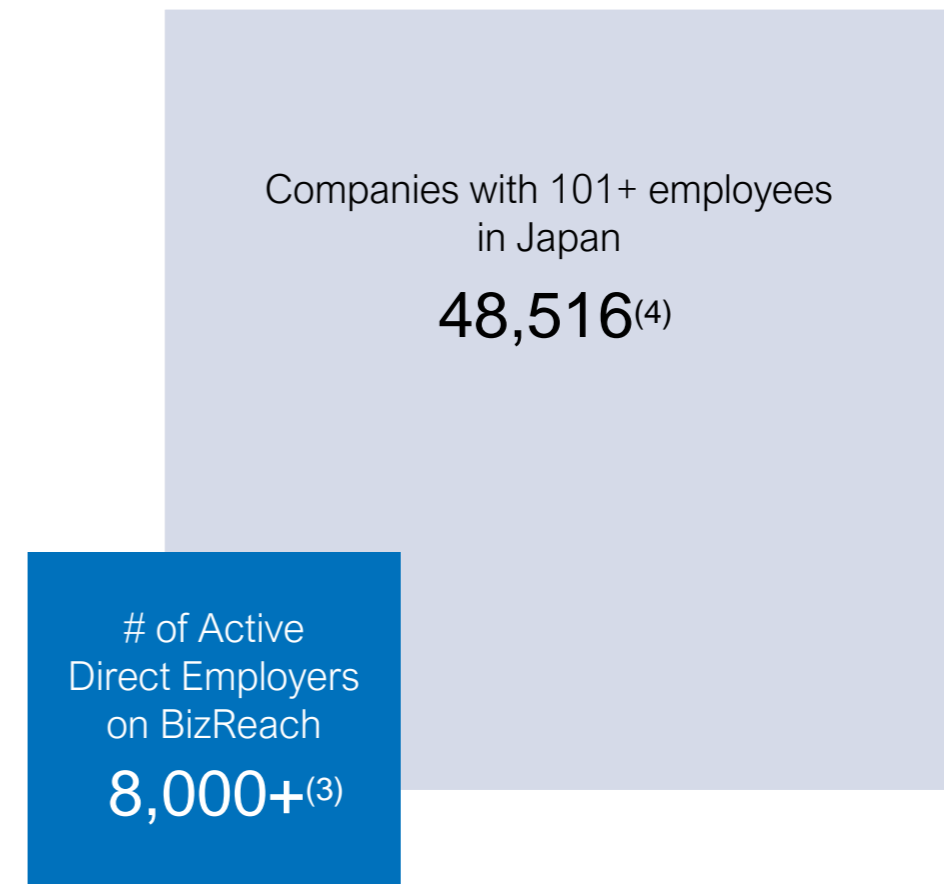
# of "Scoutable" Job Seekers on BizReach<sup>(1)</sup>

# of wage earners in Japan in 2019<sup>(2)</sup>

2.56MM	Annual income	¥10 MM+
10.83MM	Annual income	¥6 MM+



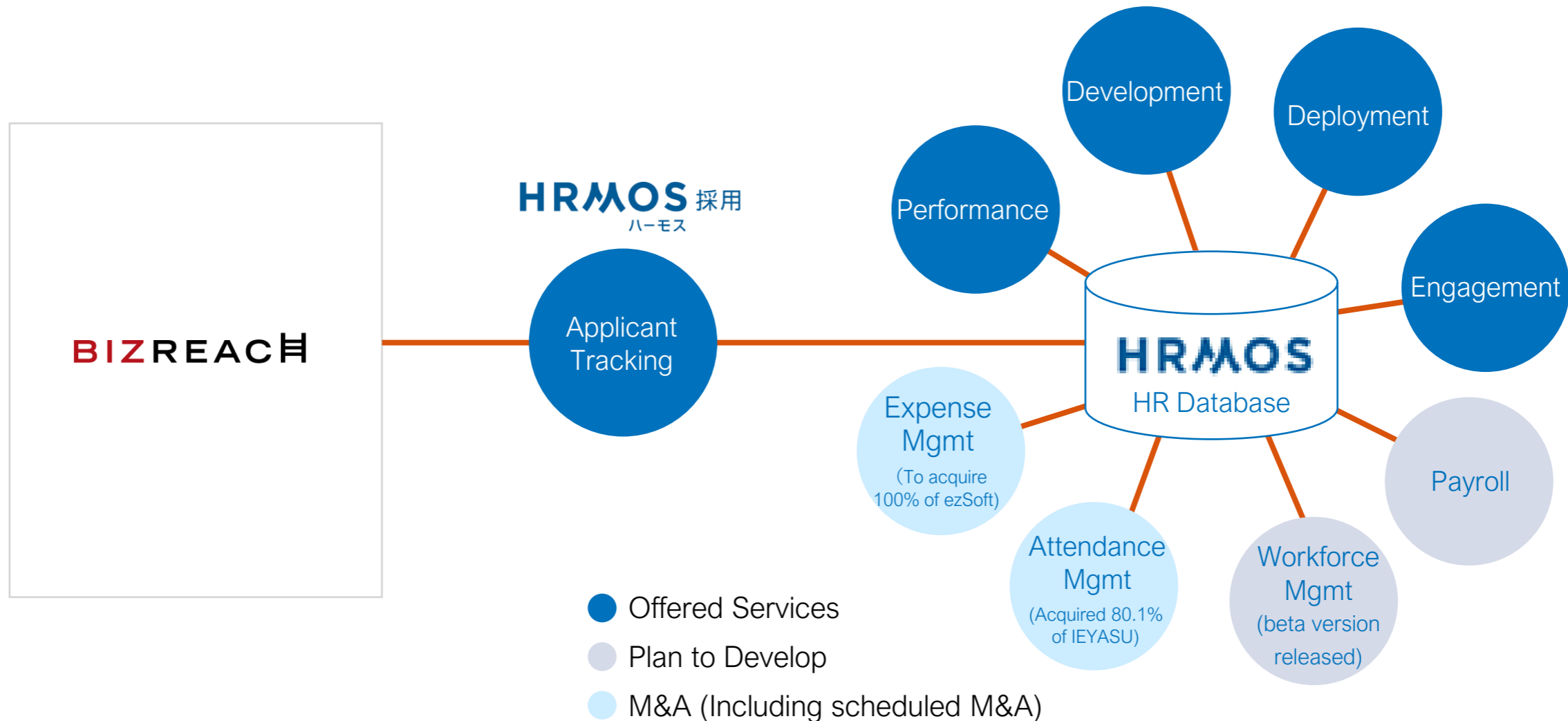
## Potential Market Penetration of Employers



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 "2019 Statistical Survey of Actual Statistics for Salary in the Private Sector" by Japanese National Tax Agency (<https://www.nta.go.jp/publication/statistics/kokuzeicho/minkan2019/pdf/001.pdf>) (3) As of July 2021. Direct employers who have subscribed to our BizReach platform at any point in time within FY20/7 (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 March 2020)" by Ministry of Health, Labor and Welfare ([https://www.mhlw.go.jp/general/seido/koyou/jisedai/dl/jyoukyou\\_r03\\_06.pdf](https://www.mhlw.go.jp/general/seido/koyou/jisedai/dl/jyoukyou_r03_06.pdf))

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



**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<sup>(1)</sup> and lean startup organization**

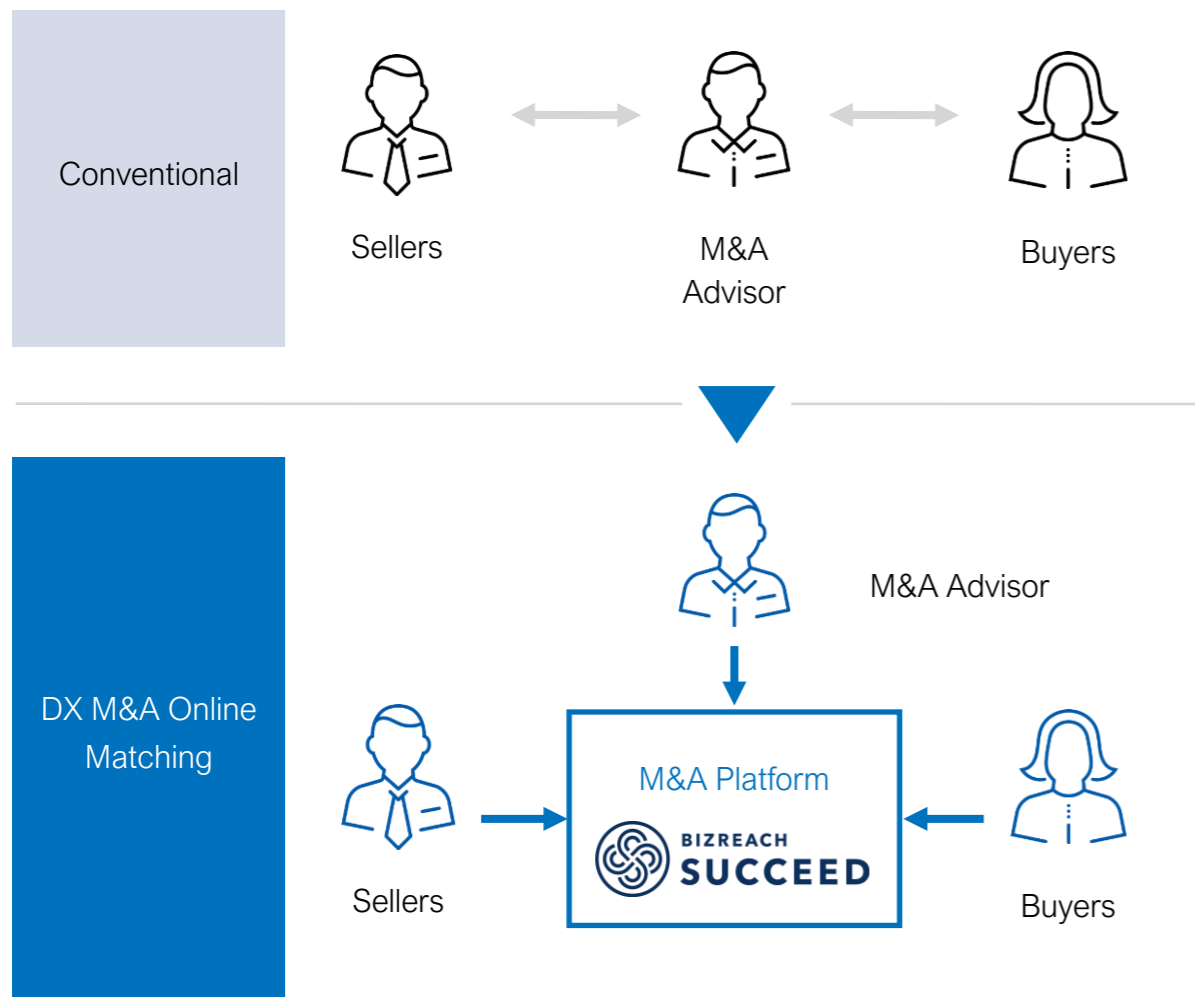
- ✓ Start with a small team
- ✓ Incubate businesses for 2-3 years in “Build-Measure-Learn” feedback cycle to check business models and pivot if necessary
- ✓ Invest further when the business model is prepared to scale



## BizReach SUCCEED:

Similar to BizReach, developed an online M&A platform that enables direct communication between parties. Increase liquidity in the M&A market to enhance productivity in Japan

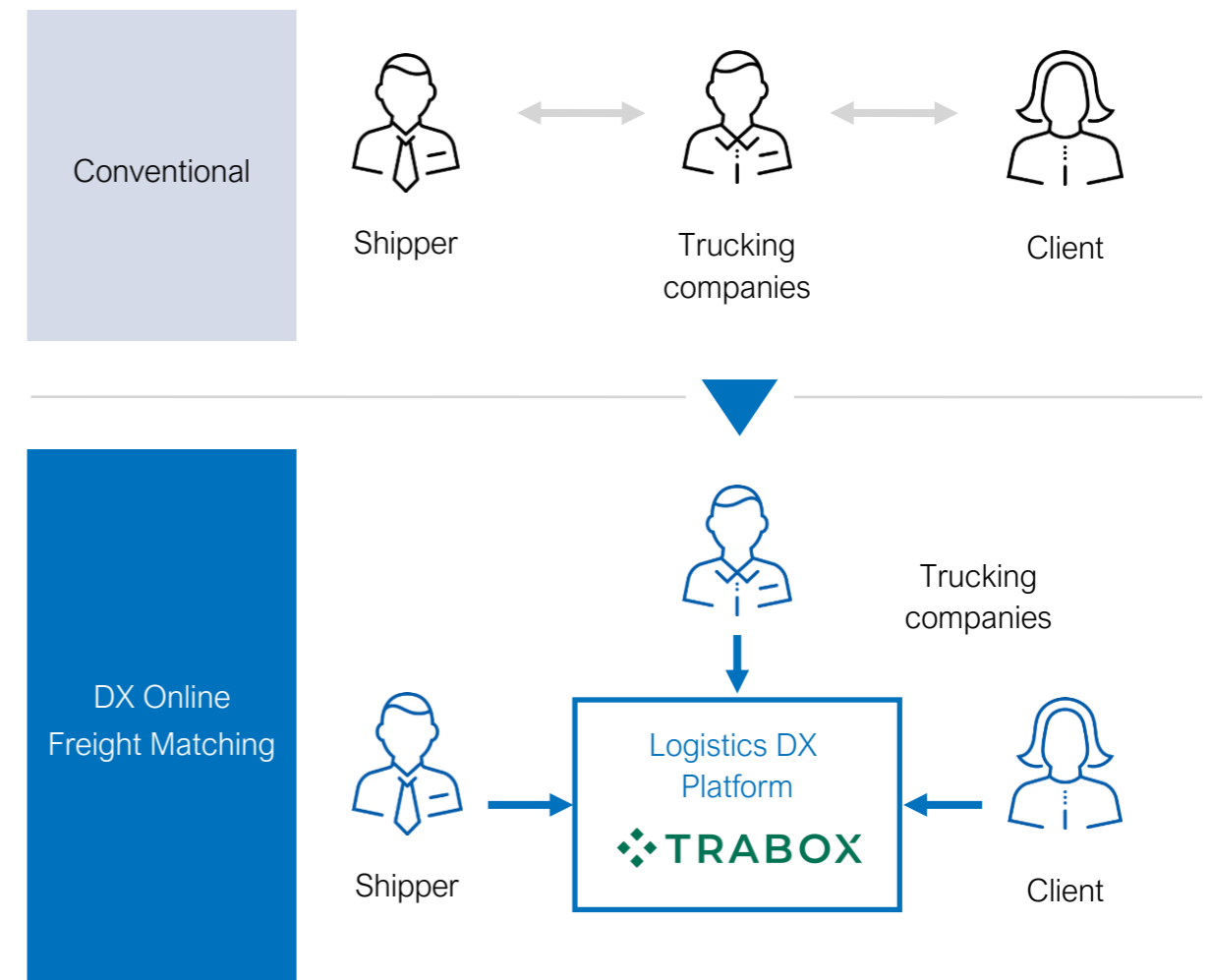
### DX in M&A Industry



## Trabox:

Acquired one of the largest freight matching platforms (load board) in Japan. Plan to enter into a cloud-based TMS (Transport Management System) to accelerate DX in logistics industry

### DX of Logistics Industry



## **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

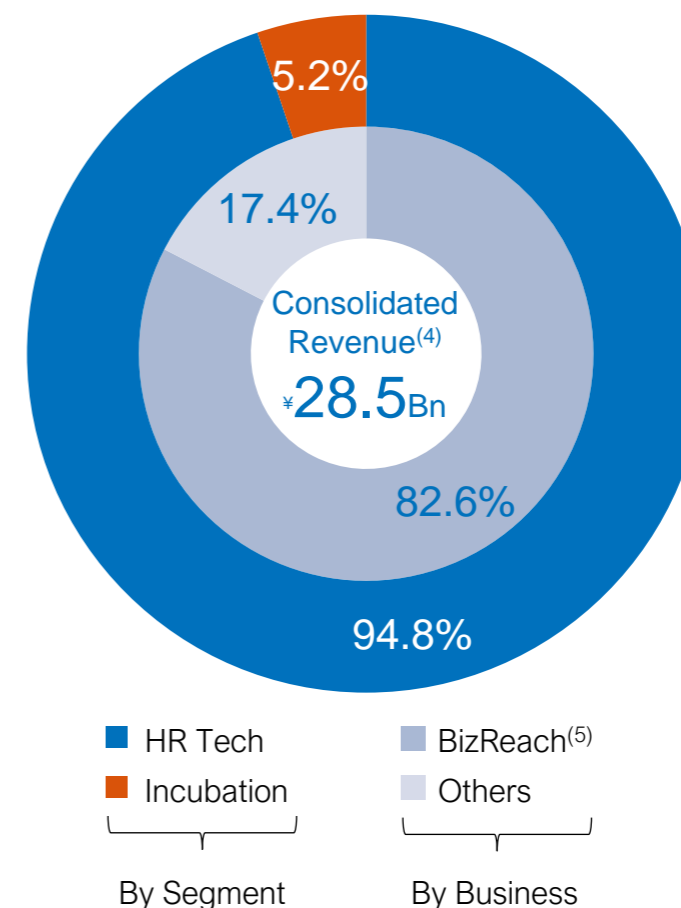
# Appendix

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

### Business Overview

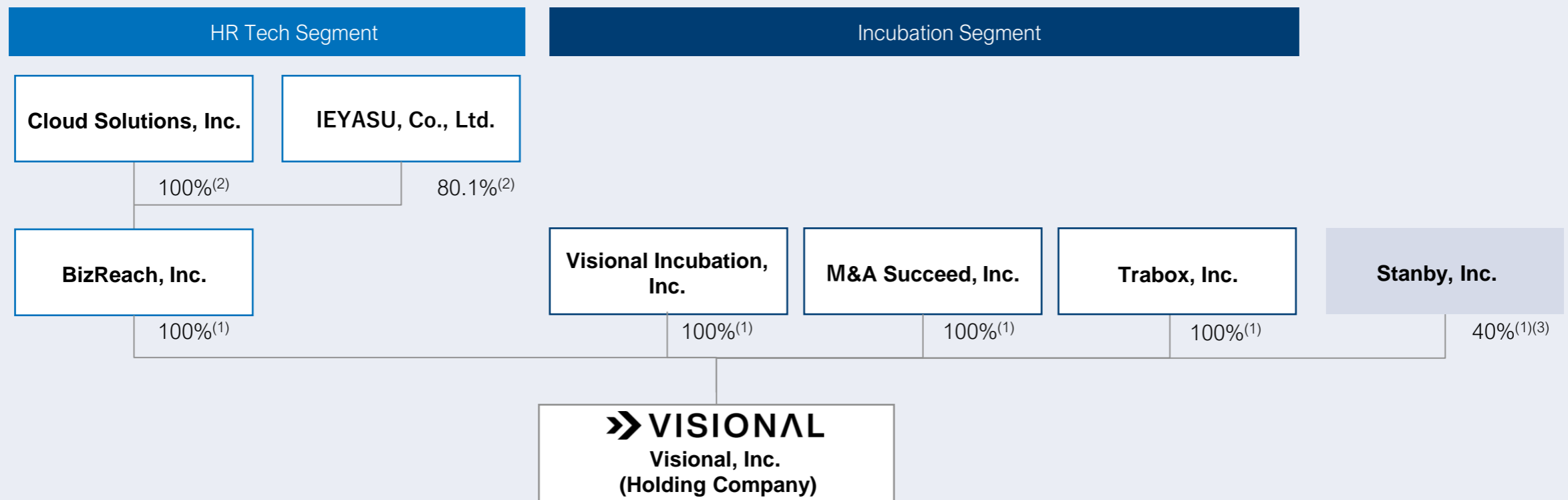
HR Tech Segment	<b>BIZREACH</b>	HR matching platform for professionals
	<b>キャリアトル</b> Careertrek	HR matching platform for young professional talents
	<b>BIZREACH CAMPUS</b>	Network for alumni visits
	<b>BINAR</b>	HR matching platform for high-skilled IT engineers
	<b>HRMOS</b> ハーモス	Cloud-based HCM software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

### FY2021/7 Revenue Breakdown by Segment and Business<sup>(3)</sup>



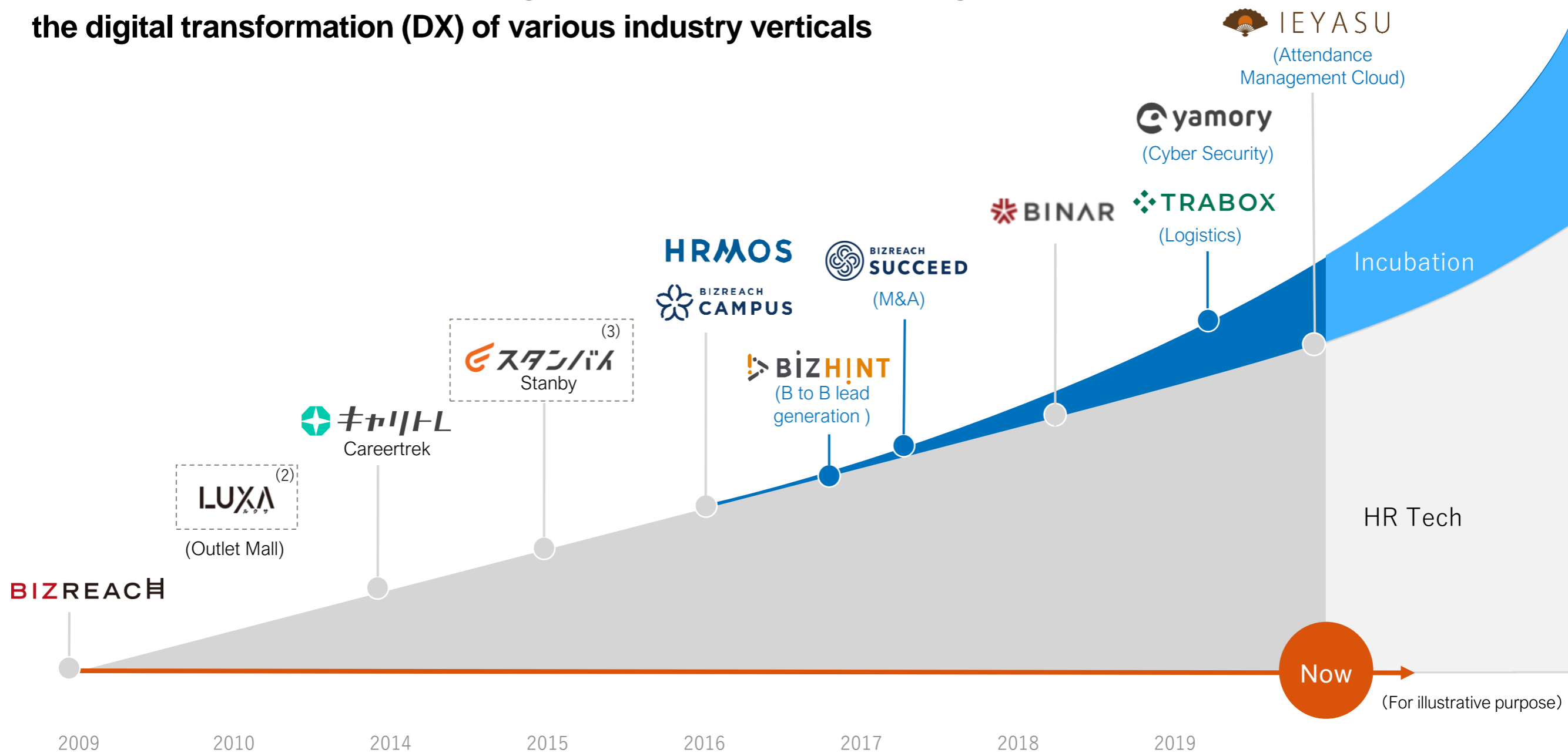
Notes: (1) Open source software (2) Joint venture with Z Holdings Corporation, in which Visional, Inc. holds a 40% stake as an equity method affiliate (3) Excluding adjustments (¥161 MM) (4) Based on FY2021/7 financials prepared by Visional, Inc. continued from the financials of BizReach, Inc. Visional, 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) (5) Financial data of the BizReach Business, the core service of our group (which differs from the financial data of our subsidiary BizReach, Inc.)

**Current Group Structure**  
(As of December 9, 2021)



Notes: (1) Visional, 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 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

	JPY MM		
	FY20/7	FY21/7	FY22/7 1Q
<b>Net Sales</b>	<b>25,879</b>	<b>28,698</b>	<b>9,570</b>
YoY Growth (%)	20.4%	10.9%	N.A.
<b>HR Tech Segment<sup>(1)</sup></b>	<b>24,914</b>	<b>27,052</b>	<b>9,116</b>
YoY Growth (%)	17.7%	8.6%	N.A.
<b>Incubation Segment<sup>(1)</sup></b>	<b>892</b>	<b>1,485</b>	<b>413</b>
YoY Growth (%)	182.1%	66.3%	N.A.
<b>Cost of Sales</b>	<b>4,104</b>	<b>3,999</b>	<b>1,304</b>
<b>Gross Profit</b>	<b>21,775</b>	<b>24,699</b>	<b>8,266</b>
Margin (%)	84.1%	86.1%	86.4%
<b>Selling, General &amp; Administrative Expenses</b>	<b>19,588</b>	<b>22,331</b>	<b>5,729</b>
Advertising	7,640	9,562	2,385
Payroll etc. <sup>(2)</sup>	5,301	6,308	1,707
Rent	1,251	1,258	309
Others	5,394	5,202	1,326
<b>Operating Profit</b>	<b>2,186</b>	<b>2,368</b>	<b>2,536</b>
Margin (%)	8.4%	8.3%	26.5%
<b>HR Tech Segment<sup>(2)</sup></b>	<b>3,343</b>	<b>4,000</b>	<b>3,107</b>
<b>Incubation Segment<sup>(2)</sup></b>	<b>(868)</b>	<b>(863)</b>	<b>(405)</b>
<b>Pre-tax Profit</b>	<b>7,023</b>	<b>2,290</b>	<b>2,621</b>
<b>Income Tax Expense</b>	<b>2,364</b>	<b>869</b>	<b>840</b>
<b>Profit attributable to owners of parent</b>	<b>4,658</b>	<b>1,420</b>	<b>1,780</b>
Margin (%)	18.0%	5.0%	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 of Adjusted Operating Profit before Corporate Expense Allocation to Operating Profit<sup>(1)</sup>

	JPY MM		
	FY20/ FY	FY21/ FY	FY22/ 1Q
<b>Total Adjusted Operating Profit before corporate expense allocation</b>	7,531	6,170	3,458
BizReach Business <sup>(2)(3)</sup>	9,232	9,637	4,444
HRMOS Business <sup>(3)</sup>	(1,159)	(2,102)	(553)
Other Businesses <sup>(3)</sup>	(541)	(1,364)	(432)
Adjustment item			
-) Corporate and general administrative expenses (such as accounting, HR, legal, general affairs, etc.) <sup>(4)</sup>	5,345	3,802	921
-) HR Tech Segment <sup>(4)</sup>	4,647	3,263	780
-) Incubation Segment <sup>(4)</sup>	697	538	141
<b>Operating Profit (J-GAAP)</b>	<b>2,186</b>	<b>2,368</b>	<b>2,536</b>

## Adjusted Headcount by Function and Business (FY2021/7)<sup>(5)</sup>

	Adjusted headcount	% of subtotal for HR Tech businesses
HR Tech businesses		
BizReach Business	564	58.5%
HRMOS Business	222	23.0%
Other HR Tech businesses	178	18.5%
Subtotal for HR Tech businesses	964	100.0%
General functions of HR Tech businesses	44	n/a
Total for HR Tech businesses	1,008	n/a
Incubation businesses	97	n/a
Corporate	166	n/a
<b>Total</b>	<b>1,271</b>	<b>n/a</b>

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



**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

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

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

**Increase in notes and accounts receivables and contract liabilities as net sales grew. JPY 8.2Bn retained earnings as we continue to deliver profits**

	JPY MM		
	FY20/7	FY21/7	FY22/7 1Q
<b>Current Assets</b>	12,137	29,532	31,567
Cash and Cash Equivalents	9,114	25,630	26,559
Notes and Accounts Receivable	2,012	3,258	3,830
Other Current Assets	1,011	643	1,178
<b>Fixed Assets</b>	5,584	5,544	5,240
Tangible Assets	899	700	682
Intangible Assets	2,488	2,457	2,377
Goodwill	1,186	1,296	1,255
Other Intangible Assets	1,301	1,160	1,121
Total Investments and Other Assets	2,196	2,385	2,181
<b>Total Assets</b>	<b>17,722</b>	<b>35,076</b>	<b>36,808</b>

	JPY MM		
	FY20/7	FY21/7	FY21/7 1Q
<b>Current Liabilities</b>	<b>5,290</b>	<b>9,046</b>	<b>9,133</b>
Accounts Payable	1,486	3,341	2,679
Deferred Revenue	1,917	3,042	-
Contract Liabilities	-	-	3,771
Other Current Liabilities	1,886	2,662	2,683
<b>Fixed Liabilities</b>	<b>3,225</b>	<b>3,494</b>	<b>3,357</b>
Liabilities from application of Equity Method	3,070	2,773	2,693
Other Fixed Liabilities	155	720	664
<b>Total Net Assets</b>	<b>9,205</b>	<b>22,536</b>	<b>24,317</b>
Share Capital	100	6,063	6,063
Capital Surplus	4,064	10,027	10,027
Retained Earnings	5,021	6,442	8,222
Others	20	3	3
<b>Total Liabilities and Net Assets</b>	<b>17,722</b>	<b>35,076</b>	<b>36,808</b>

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

**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 <sup>(1)(2)</sup>	Performance Revenue
Direct Employers	¥850,000 / semi-annual	15% of the candidate's expected annual compensation in the new position <sup>(3)</sup>
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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