

# Visional, Inc., FY2025/7 FY Financial Results

September 11, 2025

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(Moderator) Thank you very much for taking time out of your busy schedule to join us today for the Visonal, Inc. financial results briefing for the fiscal year ending July 31, 2025. Since we are holding today's meeting via Zoom webinar, the cameras and microphones of all participants will be automatically turned off.

Today's financial results presentation materials are available on our website.

Before I begin, I would like to remind you of the following.

In this presentation, we may discuss future prospects based on our current expectations. Please be aware that these statements are subject to risks and uncertainties, and actual results may differ from those discussed in the forward-looking statements.

Unauthorized recording, videotaping, or transferring of participation URLs or other information to external parties is strictly prohibited.

Representative Director and CEO, Soichiro Minami, and Director and CFO, Risako Suefuji will now explain the contents of the earnings announcement for the fiscal year ending July 31, 2025, which was disclosed at 3:30 p.m. JST today.

We will now begin the explanation.

(Suefuji) Thank you very much for your time today. My name is Risako Suefuji.

Let us start off today's earnings call by providing you with a brief explanation of our financial performance for FY2025/7.

Thereafter, our CEO Minami will present to you our mid-term strategy in HR Tech, with focus on a quick recap of "Internal BizReach by HRMOS," a service which we launched at the end of January 2025, current status update, as well as to explain to you about our acquisition of Thinkings, Inc. (thereafter "Thinkings"), which we announced on July 23.

Slide 2. As an overall summary, looking back at our FY, we were able to capture the favorable market environment, committed in executing growth investments in a consistent manner with our robust cost management, net sales and profit grew much stronger than what we expected 1 year ago in September. Also, we were able to announce the much-awaited M&A, the scheduled acquisition of Thinkings on October 1st, which is a strategic acquisition as we look at our mid-term strategy in the HR Tech segment.

Let me speak a little more in detail. Starting with our consolidated financial performance.

FY net sales recorded JPY 80.16Bn, 21.2% YoY growth, and for 4Q, JPY 21.31Bn, 23.8% YoY growth. FY growth of JPY 14.01Bn.

FY operating profit was JPY 21.44Bn, 20.2% YoY growth, 26.7% margin, and for 4Q, JPY 3.96Bn, 54.1% YoY growth, 18.6% margin.

Regarding BizReach.

Direct employers' hiring demand for professionals and job seekers' behavior continued to trend strongly. FY net sales recorded 18.8% YoY growth, FY growth of JPY 10.83Bn. 4Q was 18.7% YoY growth, and favorable momentum is continuing.

FY operating profit exceeded plan and landed at 41.4% margin driven by the strong net sales growth in 3Q.

Regarding HRMOS.

All services grew strongly and FY net sales recorded 35.6% YoY growth, and for 4Q, 34.1% YoY growth.

As growth investments, we invested in marketing for "Internal BizReach by HRMOS" in 4Q, as planned, and FY operating loss landed at JPY 0.76Bn.

For FY2025/7, in addition to our regular business growth investments, from the perspective of growing our

enterprise value in the mid-to-long term, we disclosed that we will be investing in our people including our office relocation/expansion, active hiring and increase in salaries, and we have executed as planned. These investments may not bear fruit in the short term, however, we believe that investing in a disciplined and consistent manner is important from the perspective of delivering bigger business growth in a sustainable manner and therefore delivering bigger profits.

For FY2026/7, we will continue with our strategy to invest in business growth, which we believe will increase our enterprise value in the mid-to-long term. In order to capture the current favorable market environment, we will execute growth investments and M&A whilst ensuring profits in BizReach. As a result, FY consolidated net sales is projected at JPY 99.20Bn, growing at 23.7% YoY, a higher growth rate than the previous FY. EBITDA at JPY 26.00Bn, growing at 12.1% YoY, margin at 26.2%.

On slide 3, we have changed how we present our figures. In addition to net sales and operating profit, in the middle of the page, we will be using EBITDA.

We aim to increase our enterprise value through organic growth and M&A. As a result, we believe the time has come to show the impact of depreciation and amortization.

Post October 1, we will be recognizing goodwill related to the acquisition of Thinkings. For FY2026/7, the estimated amortization impact is around JPY 1.1Bn. As such, FY2026/7 depreciation and amortization is expected at JPY 2.9Bn, which is an increase of around JPY 1.1Bn compared to FY2025/7.

On slide 4, HR Tech segment net sales have grown strongly driven by BizReach and HRMOS. For Incubation segment, FY2025/7 recorded strong growth of 41.4% YoY, compared to negative growth the previous year due to the impact from the divestiture of BizHint, Inc. We will revisit our portfolio when and as required.

On slide 5 shows our FY2025/7 financial performance against our disclosed financial forecast in September 2024 and June 2025. Each business has maintained a good momentum and we have demonstrated our excellence in driving profitability whilst investing in growth.

Slide 6 and 7 is about our FY2026/7 FY consolidated forecast. We are using 2 pages to explain, and let us use the next page, which is more detailed, to walk you through our forecast.

On slide 7, consolidated FY net sales forecast for FY2026/7 is projected to grow at 23.7% YoY, which is higher than the growth rate of FY2025/7 at 21.2% YoY.

For BizReach, based on the favorable market environment, net sales is forecasted at 17.0% YoY growth, an increase in JPY 11.68Bn compared to the previous year. Profit margin (before corporate expense allocation) remains at 40%.

For HRMOS, all services are expected to grow. We have incorporated Thinkings' "sonar ATS" from October, and net sales is forecasted at 72.6% YoY growth, an increase in JPY 3.78Bn. HRMOS was expected to become profitable yet we have changed our strategy to continue with growth investments in FY2026/7. However, as business growth is strong, operating loss (before corporate expense allocation) is at around JPY 0.20Bn.

For Incubation segment, based on the growth of our new businesses, we forecast the growth rate to be at +78.4% YoY. As we believe these businesses have the potential to continue growing, we will make upfront investments and therefore the forecasted FY segment loss is around JPY 2.80Bn.

For others in net sales, this includes BizReach Campus and other new businesses in HR Tech segment. We forecast growth of +34.4% YoY. In regards to the operating loss, the majority of the expenses are corporate costs, and we expect an increase of JPY 1.51Bn, in which JPY 1.1Bn is goodwill amortization from the acquisition of Thinkings.

Incorporating goodwill amortization from the acquisition of Thinkings, we forecast the total depreciation and amortization to be JPY 2.90Bn, and as such, EBITDA margin is forecasted at 26.2%.

Let us explain our business performance in more detail. Going into BizReach.

Please refer to slide 10 for BizReach net sales.

FY net sales landed at 18.8% YoY growth and for 4Q, 18.7% YoY growth.

Please refer to the chart on the right. 3Q recorded exceptionally high growth, a quarter with the highest seasonality in the hiring market. FY growth rate is expected at 17.0% YoY, which is similar to the average of the quarters excluding 3Q. FY2026/7 net sales will grow by JPY 11.68Bn, delivering bigger net sales compared to the previous year.

Slide 11 shows our BizReach KPIs.

Our KPIs are growing nicely, capturing the favorable market environment.

Slide 12 is BizReach adjusted operating profit before corporate expense allocation.

FY operating profit margin landed at 41.4%, higher than our plan of 40%, driven by the accelerated 3Q YoY net sales growth rate of 22.2%. We will continue to invest in the acquisition of job seekers, direct employers as well as investing in AI driven product development.

Slide 13 and 14 are slides we update once a year at the FY earnings release timing. Each chart shows that our platform is growing in a healthy manner.

Going onto HRMOS.

Slide 16 shows our HRMOS HCM (Human Capital Management) ecosystem. Under Applicant Tracking, we have added "sonar ATS," a service provided by Thinkings, scheduled to join Visional Group. The expansion of Applicant Tracking service is strategically very important in our mid-term strategy, acting as a linkage point between the various services offered within the HR Tech segment.

On slide 17 is HRMOS net sales.

All of our services grew nicely and FY net sales recorded JPY 5.21Bn, 35.6% YoY growth, growth of JPY 1.36Bn. For FY2026/7, incorporating growth of each service as well as the impact of M&A, net sales is expected at JPY 9.00Bn, 72.6% YoY growth, an increase of JPY 3.78Bn compared to the previous year.

We will be explaining the update on "Internal BizReach by HRMOS" later in the presentation, however, financial impact is limited for FY2025/7 and FY2026/7. Sales lead pipeline is good and we see increase in pilot users, however, since we are targeting enterprise customers, the lead time is long.

On slide 18 shows our operating loss before corporate expense allocation for HRMOS.

We have executed the promotion of "Internal BizReach by HRMOS" in 4Q, leading to FY operating loss of JPY 0.76Bn.

HRMOS was expected to become profitable in FY2026/7. However, we have decided that we should continue investing in growth and therefore, we will be expecting operating loss for HRMOS in FY2026/7. Since HRMOS is growing strongly, the anticipated operating loss is small at around JPY 0.20Bn. Our decision to continue investing in HRMOS is based on our recognition that we can make HRMOS profitable anytime.

HRMOS KPIs are shown on slide 19.

All KPIs are trending strongly.

This concludes the overview of our financial performance.

I will hand it over to our CEO Minami, who will introduce our mid-term strategy for HR Tech, with focus on a quick recap of "Internal BizReach by HRMOS," a service which we launched at the end of January, current status update, as well as to explain to you about our acquisition of Thinkings, which we announced on July 23. Over to you Minami-san.

(Minami) Hello everyone. Thank you very much for taking time out of your busy schedules to attend our financial results briefing.

Our CFO, Suefuji, just provided a detailed, numbers-based explanation of our specific figures and future performance outlook. I would now like to talk about our mid-term strategy in HR Tech, specifically our aspirations

and what we aim to achieve.

With so many people in attendance today, including many first-time participants, I'd like to take a half-step back and provide a little context.

(Slide 21)

Having launched in April 2009, BizReach has grown robustly over the past 16 years. This fiscal year, we aim to further solidify our presence as the market expands and continue to provide solutions that address our clients' challenges.

This slide has been featured in many of our presentations since the service's release in 2009.

We believe it's an excellent slide to understand how we have transformed—and will continue to transform—the market. That is why we always present it at the very beginning.

For the past 16 years, we have been working with the desire to become the platform that facilitates the increased mobility of professional job seekers in Japan, much like how e-commerce has significantly updated the country's retail market.

(Slide 22)

I still remember that 16 years ago, we started with just five to ten direct employers and a few hundred scoutable job seekers.

Thanks to the support of so many people and the new work styles spreading throughout our ever-changing society, our platform has grown significantly.

(Slide 24)

Let us skip a page and explain to you first a very clear shift in Japan's employment practices by looking at the most recent trends. I believe this change is something you all have likely felt on a more personal level.

Changing jobs and switching careers has become the norm for people in their 20s and 30s. I believe you can all feel the growing lack of resistance toward changing jobs. To show you in factual basis: while the number of planned new graduate hires has remained stable, the percentage of planned mid-career hires in total planned hires has grown remarkably, especially among major companies.

(Slide 23)

We, too, are capturing these market trends and expressing our vision through our TV commercials. In the "The CEO's Determination" series, which we launched last year, we feature representative companies from various industries and sectors. They share their passion for hiring and, most importantly, their desire to change by embracing mid-career hiring.

While these messages are, of course, aimed at job seekers outside the company, the TV commercials also serve as an opportunity for these companies to relay the message to their own employees, conveying the message that "we are actively changing our work styles to adapt to the market."

(Slide 25)

Regarding BizReach, our model is very simple: we aim to attract as many job seekers as possible with high quality resumes and gather high quality job postings that accurately reflect direct employers' hiring needs. The ultimate goal of our platform is to leverage various technologies and data to expand the number of hires.

We will continue to strive to be the platform that matches direct employers and professionals more quickly and efficiently.

(Slide 27)

As I have been mentioning, work styles in Japan are changing significantly. Amidst this shift, we wanted to solve new challenges not limited to the traditional matching of direct employers and job seekers. To that end, in January of this year, we released a new service called "Internal BizReach by HRMOS."

(Slide 28)

As the company to operate the BizReach platform, we wanted to understand and solve the challenges arising within companies. To do this, we aspired to offer a service that provides solutions by listening to what our clients

have to say.

This diagram illustrates the relationship between a company and its employees.

To help you visualize this more clearly, as shown on the right side of this slide, employees naturally have various dissatisfactions with their work. Some may be temporary, while others might have accumulated over the medium to long term. They may feel that their desired career path is not achievable at their current company. Furthermore, the larger the company, the harder it is to even know what positions are available within.

Despite the fact that companies are actively engaging in mid-career hiring, their own employees often have limited opportunities to understand what positions are open and who is needed. As they do not have the visibility of these challenges, this may become dissatisfaction and anxiety and when it builds up, they end up registering their resumes on BizReach.

So, what happens then is that other companies send scouts to your top talent, saying, "With your career, here's a job opportunity you might be interested in." They actively "appeal" positions that would likely be rewarding for that individual.

From an employee's perspective, even if they're working at their current company, their managers and HR may not understand what they may want to achieve. The company also doesn't proactively and independently approach them.

On the other hand, once an employee registers on BizReach, they suddenly find dozens of companies interested in them. These companies proactively and aggressively promote their appeal and pitch jobs that suit the job seeker, almost like they're selling their own products or services. This is what's currently happening in the professional hiring market in Japan.

(Slide 29)

In other words, I believe you may have also faintly noticed this phenomenon: whereas in the past, employers chose who worked for them, now employers need to be chosen by those that work for them.

(Slide 30)

In response to these challenges, we have proposed what we call "Internal Scouting" activities.

When you hear "Internal Scouting," you might immediately think of a company or its HR department proactively sending scouts to its own employees, much like on BizReach. However, that's not necessarily the case.

I'll explain a bit more later, but as a prerequisite, I want to emphasize the importance of having the skills, experience, and knowledge of a company's employees made visible and database-ready on a platform at a level that is commensurate with the market. Similarly, having clear job descriptions registered in a database is crucial. This allows for the real-time visualization and efficient matching of these elements.

This matching can be done through internal job postings or proposals from HR. For more forward-thinking companies, I believe the time will come when individual business units will be able to send scouts directly to the talent they want, just like what's happening on the BizReach platform.

The foundation for all of this starts with a company having a real-time understanding of its employees' experience, skills, and knowledge—in a sense, a resume much like on BizReach. Additionally, the jobs employees are doing, which can be defined as "job descriptions," need to be clearly defined and made visible.

When these two elements are properly in place, the method of matching can be flexible.

The reason we coined the term "Internal Scouting" is to encourage companies to take the initiative and proactively reach out to their own employees, much like the concept of "Direct Recruiting" for external candidates.

(Slide 31)

And "Internal BizReach by HRMOS," which launched in January of this year.

(Slide 32)

What is truly innovative about this service is that we have brought the BizReach model—which efficiently matches

external talent with direct employers after both sides understand the available options and possibilities—inside the company.

(Slide 33)

However, when we thought about what kind of service we wanted to create, we started by asking ourselves, “What is our uniqueness?” We designed and built this service from that very perspective.

First, we have 16 years of matching data cultivated through the BizReach platform. This is a decisive differentiating factor that no other HR Tech cloud provider can match.

We have accumulated data over the past 16 years on what kind of talent is in high demand versus low demand, down to the specific skill, experience, and knowledge levels. We also have the reverse data, such as what search keywords job seekers are using to find jobs and which types of scouts they are responding to.

We're deploying “Internal BizReach by HRMOS” using a tool called “BizReach AI,” which has been trained on this data through a generative AI function.

As I will explain a little later, we hold more patents for generative AI in Japan than any other major companies.

We are thoroughly utilizing the AI function, which is powered by the data we have cultivated on the BizReach platform, to match employees with their internal roles and job descriptions.

This is precisely why we can offer these search and recommendation capabilities. How can we make matching more efficient? How can we achieve faster matching? Because we have the BizReach platform that accomplishes this, we believe we can provide the same value internally.

(Slide 34)

How can we efficiently and quickly match internal positions with internal resumes? How can we leverage the labor market data we've cultivated over the past 16 years and the generative AI functions refined on the BizReach platform for internal use?

(Slide 35)

We are currently in discussions with various companies and are promoting the implementation of “Internal BizReach by HRMOS” so that it can be used by a wide range of clients.

This page is extremely important, so please allow me to explain what's on my mind candidly and in my own words.

As the BizReach platform grew, the bottleneck became how to match two distinct groups of people: those who had never changed jobs and direct employers that had not historically hired mid-career talent. First-time job changers often found it difficult to write good resumes, and direct employers new to mid-career hiring found it difficult to write compelling job descriptions.

To solve this, we began researching and utilizing generative AI 4 to 5 years ago, and we have been applying it to address these challenges ever since.

By answering our questions, job seekers can have a resume automatically generated as a rough draft. On the direct employer side, by answering a few questions, job postings are also generated. “BizReach AI” generates resumes and job postings that are better than market average. This has dramatically reduced the number of hard-to-match resumes and job postings on the BizReach platform. Resumes and job postings are now structured and organized in a clear, easy-to-understand way, enabling faster and more efficient matching.

It is an undeniable fact that the recent significant growth of BizReach has been achieved through our relentless refinement and use of generative AI technology.

We are now applying the expertise and technology we've developed with BizReach to “Internal BizReach by HRMOS.” For our client companies, this means that with zero effort from their employees, and by simply connecting “Internal BizReach by HRMOS” to various HR databases containing employee goals and evaluation data, a resume for every single employee—at a quality level that would be competitive in the hiring market—is automatically generated.

For those who joined as mid-career hires, by connecting their resume from the time of hiring to “Internal BizReach by HRMOS,” a high quality resume that exceeds labor market standards is automatically generated and put into a database. It's easy to read and shows a clear progression from the start of their career to their most recent evaluation at the current company. Concurrently, each employee's job description is also instantly added to the database.

For example, when I am working on a new business, and ask the “BizReach AI” within “Internal BizReach by HRMOS,” “Are there anyone like this?” it instantly provides recommendations of internal talent that I am looking for, with matching scores such as 85%, 79%, and 73%.

Let's say I'm interested in Person B out of Persons A, B, and C, but I may also be aware that Person B's boss or supervising officer may be reluctant to move him/her. In that case, I can instruct “BizReach AI” to “find someone like Person B.” It will then recommend similar talent from within the company, showing a match percentage like 85% or 76%.

This is merely the perspective from the company or management side, but from the employee's perspective, they can log into their account and view the resume that “Internal BizReach by HRMOS” has automatically generated for them.

If the company is actively promoting internal job postings, employees will be able to find internal job opportunities that match their profile, with match percentages like 85%, 79%, and 67%.

As this diagram illustrates, the matching doesn't stop internally. If a suitable talent cannot be found within the company, the criteria used for the internal search may be connected to the external BizReach database. From there, external talents who meet the requirements are recommended.

By creating a platform that integrates internal recruitment and external recruitment, we believe we can build the kind of platform we envision for the future: one that pursues both speed and quality in matching. This is the future of work style that we are aiming for.

(Slide 36)

“Internal BizReach by HRMOS” is already being utilized by many companies, including those in the pilot use phase. Some of these companies have publicly announced that they are actively adopting the service to drive internal HR transformation.

We are also seeing an increase in the number of cases where clients propose new ways of using “Internal BizReach by HRMOS” or refer the service to others.

For instance, a major manufacturer with several hundred group companies was able to instantly visualize information such as “what kind of graduation thesis a researcher wrote in college,” “what qualifications they hold,” and “what internal projects they have been involved in.” By making this information visible through “Internal BizReach by HRMOS,” they were able to dramatically improve the efficiency of their search for researchers for their R&D projects across the entire group.

In another case, where a company is actively pursuing M&A, instantly visualizing the skills, experience, and knowledge of employees at an acquired company through “Internal BizReach by HRMOS” helped them understand what kind of management talent to send to that company and what kind of personnel are needed to fill the gaps, thereby assisting with PMI.

We have also seen a case where a company is starting to use the service for a different purpose in addition to talent management. The company wanted to find out if they had any current employees who used to work at a company they were about to pitch to, or if any employees have had previous sales experience with such a company.

We will continue to engage in new business negotiations with large enterprises. At the same time, as companies with workforces ranging from a few hundred to tens of thousands of employees are beginning to use the service on a trial basis, we are collaboratively working with them to formulate operational rules and build the necessary systems. Our goal is to expand this into a true enterprise-grade talent management platform.

(Slide 37, 38)

Since I touched on this slide earlier, please consider this a reading material on generative AI. We will leverage the data cultivated over 16 years on the BizReach platform and our significant number of generative AI patents in Japan. Our goal is to further expand our HCM ecosystem by utilizing the generative AI features and services unique to us, as a company specializing in the HR domain.

(Slide 39)

I would now like to spend the remaining time supplementing the background of our M&A with Thinkings, which we announced this past July and are scheduled to officially acquire on October 1st.

(Slide 40)

The background and our ambitions for this M&A are as stated in the disclosure from July.

As I've mentioned, the future of our group's HR Tech business lies in expanding our HCM ecosystem. With this goal in mind, we've been working to connect external and internal talent platforms and leverage data to make both more efficient. There are no other companies in the world expanding by connecting these two. I believe this is a truly unique strategy, and by using data and AI, we can create a platform that supports our clients' new business strategies for the future.

We have a strong sense from our experience on the ground that an Applicant Tracking System (ATS) is a crucial key to connecting these two platforms. Furthermore, an ATS plays a very important role as a linkage point for connecting data to seamlessly perform various internal HR tasks, such as talent management, payroll etc.

(Slide 41)

As this slide indicates, we do not view "sonar ATS" as a standalone business.

While "sonar ATS" has grown significantly and established a dominant position in the new graduate ATS cloud market on its own, we believe that its value goes beyond its individual merits. We have concluded that we have a very significant strategic advantage over any other company, as it can be linked and integrated with all of our group's HR Tech services to connect data. This conviction led us to execute this M&A.

(Slide 42)

Since our listing in April 2021, we have consistently shown this diagram to all of you.

We are continuously working to complete our HCM ecosystem that supports the future of work in Japan. We consider this M&A to be an integral part of that strategy.

I hope you will trust our track record, as we have strengthened this ecosystem through M&A, adding attendance management and expense management companies to our group, as well as another ATS company in the past.

(Slide 43)

We sometimes get questions about capital allocation. This slide remains unchanged.

We will continue to invest in our existing businesses, pursue growth through M&A like this one, and invest in new businesses. While we still have a long way to go, we intend to continue making proactive and deliberate investments to increase our enterprise value.

(Slide 44)

The three commitments we have made to realize our group's mission have remained unchanged for over four years.

1. Sustained growth and profit expansion of BizReach
2. Seamless integration of BizReach and HRMOS to build a data-driven HCM ecosystem
3. Incubation of new businesses and use of M&A

Through these initiatives, we aim to increase our enterprise value. We are committed to continuing to deliver on the promises we have made to you with a long-term perspective.

That concludes my presentation. Thank you very much.

(Moderator) This concludes the Visional, Inc. financial results briefing for the fiscal year ending July 31, 2025. Thank you very much for your participation.

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