

Visional, Inc., FY2026/7 2Q Financial Results

March 17, 2026

This document is an English translation of the Japanese transcript.

(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 second quarter of the fiscal year ending July 31, 2026. 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 we begin, we 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.

Director and CFO, Risako Suefuji will now explain the contents of the earnings announcement for the second quarter of the fiscal year ending July 31, 2026, 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 FY2026/7 2Q.

Slide 2 is our highlights. As a summary,

- 1) Our consolidated financials and our business performance for 2Q are progressing on plan
- 2) HRMOS achieved profitability for both 2Q and 2Q YTD
- 3) No change to our consolidated financial forecast. We have changed the business breakdown within, and we will explain this later
- 4) We have included 2 pages on AI at the later part of the presentation - we understand there is heightened interest around the impact of AI on our businesses and we'd like to take some time today to explain our thoughts around this.

On slide 3, starting with our consolidated financial performance. Progress is on plan. Net sales for 2Q YTD recorded JPY 46.61Bn (26.2% YoY growth) and for 2Q, JPY 23.27Bn (27.6% YoY growth). Progress to FY financial forecast is 47.0% (2Q YTD progress of the previous fiscal year to FY actual results of the previous fiscal year was 46.1%).

EBITDA for 2Q YTD recorded JPY 14.02Bn (28.6% YoY growth, 30.1% margin) and for 2Q, JPY 6.42Bn (25.8% YoY growth, 27.6% margin). Operating profit for 2Q YTD was JPY 12.76Bn (24.9% YoY growth, 27.4% operating margin) and for 2Q, JPY 5.69Bn (19.4% YoY growth, 24.5% margin). Profits on plan, as quarterly investments are planned to increase toward the fiscal year-end.

On slide 4, HR Tech and Incubation segments are both performing well, and we'd like to speak to the Incubation segment on this page. For the Incubation segment, 2Q segment net sales recorded 144.0% YoY growth, 2Q YTD recorded 121.1% YoY growth with JPY 2.46Bn. Although ambitious, we are on track in delivering our FY segment net sales forecast of JPY 5.60Bn. Segment loss for 2Q YTD recorded JPY 0.93Bn. For growth investments, we will be expanding the amount towards the fiscal-year end, however, based on our balanced execution of growth investment and discipline, and the progress to date, we forecast the FY segment loss to reduce to JPY 2.40Bn from JPY 2.80Bn, an improvement of about JPY 0.40Bn.

Slides 5 and 6 speak to our FY forecast. As per the earlier comment, we are on plan for the delivery of our FY consolidated financial forecast and BizReach; therefore, our consolidated financial forecast and BizReach net

sales and profits remain unchanged.

As we touched in the previous page, for the Incubation segment, there is no change to our segment net sales forecast, however, we will be improving the segment losses by JPY 0.40Bn to JPY 2.40Bn.

For HRMOS, net sales is progressing well, and we have achieved profitability for both 2Q and 2Q YTD. Based on the current business environment, we will increase our investments by about JPY 0.40Bn, and HRMOS operating loss is forecasted to be about JPY 0.60Bn from the original forecast of JPY 0.20Bn.

On slides 7 and 8, we would like to share our thoughts around AI, which we believe are at the top of your minds. We'd like to take some time to explain a little more in detail today.

For BizReach. Is AI a threat or an opportunity? Let us start from sharing our perspective.

We believe the advancement of AI technology has increased the value of data utilization. The resume data of professionals and 16+ years of matching data BizReach owns is a primary source of competitiveness that we can leverage to increase our business value.

With the advancement of general-purpose AI, certain functions and services are inevitably becoming commoditized. However, as in the professional talent hiring, general-purpose AI can increase options and opportunities, however, it cannot easily make decisions that are deeply related to life and career happiness.

Let us explain a little more in detail; in an AI-centric era, the key differentiator is the possession of high-quality, proprietary data and the ability to leverage that foundation to deliver high-precision judgments and matching that drive actual business outcomes. As the source of value shifts from superficial features to data infrastructures deeply embedded in operations, we believe that platforms with accumulated proprietary and operational data will not be replaced by general-purpose AI. Instead, services will strengthen their competitive advantage through a complementary relationship with AI.

This is precisely where BizReach's strength lies. In Japan, individuals are hesitant to post resumes publicly online. Under such cultural norms, BizReach has built a secure, closed environment containing a database of over 3.29 million scoutable job seekers in the professional talent segment, and job matching market data accumulated over 16+ years. These assets differ fundamentally in both quality and depth from the information that general-purpose AI can easily scrape or retrieve from the open internet.

Furthermore, job matching in the professional talent segment is not a binary process of simple digital filtering. Candidates may possess aspirations and potential that they may not yet have articulated. They may want to make career shifts. Employers may make hiring decisions based on more than just the criteria listed in a job description; they may consider alignment with top performers in their organization and organizational fit, as well as future growth potential. In essence, job matching is not merely a world of superficial requirement-checking; it is a domain of complex interactions that encompasses a candidate's career context, a company's organizational context, and the actual outcomes of hiring and career transitions. We believe that our data, which captures this complexity through years of real-world matching processes and results, is a significant and invaluable asset for BizReach to leverage on.

Therefore, we believe that as we move further into the AI-centric era, the value of a platform like ours, which accumulates resume data, daily matching patterns, and hiring or non-hiring results, will only increase. We perceive AI as a significant opportunity for the business.

Anticipating this future, BizReach, Inc. has been investing in AI research and development from early on. As of our last fiscal year-end, we ranked first among Japanese companies in the number of generative AI-related patents held. By synergizing our technology with 16+ years of accumulated recruitment market data, we will accelerate the creation of our unique value. We aim to go beyond merely enhancing candidate searches. By providing better career options for job seekers and superior recruitment outcomes for direct employers, we will elevate the quality of decision-making in careers and hiring, driving long-term business value.

Let us explain about HRMOS next.

We'll start with explaining the uniqueness of the HR domain. HR operations involve complex interactions between

company-specific systems and policies, evaluations, placements, training, hiring, promotions etc., and granular permission settings regarding who can access what. In order to leverage AI, clean and accurate data accumulation (Single Source of Truth = SSOT), governance, and security are paramount. HR is a domain that handles highly confidential information, as such, there is a limitation on how you'd want to use general-purpose AI, and further, in order to use AI agents to build in-house systems, there will be the need to re-engineer operational environments that handle this data, and the requirement for continuous investment in maintenance and operation. The hurdle is relatively high.

Next is regarding the value of the System of Records. The competitive advantage depends on the quality of HR data and the ability to use that data as a foundation for decision-making that leads to actual talent utilization and organizational success. HR operations require alignment with company-specific institutional designs, decision-making rules, approval flows, fairness, and accountability. It is inherently complex. In essence, HR operations is about managing the company. The HRMOS platform, which supports the unique systems of each company and accumulates real-world operational data through daily tasks, is uniquely positioned as a System of Records, and with the use of AI, the service has the potential to evolve into an even stronger service.

Our uniqueness is not confined to HRMOS alone. We will integrate internal HR operational data from HRMOS with proprietary recruitment market data from BizReach, supported by our technological foundation of AI R&D and patents to deliver more value to our customers. We would like to address the value BizReach and HRMOS connection can deliver from the perspective of the future of recruitment processes.

We are often asked if a full automation of the recruitment process, as seen in some overseas services, can be applied directly to Japan. While we agree there is significant room for automation in recruitment tasks, we believe the process must evolve to integrate external talent sourcing with internal talent utilization. It is crucial to view automation and evolution as a set. This is the vision we aim for through the BizReach and HRMOS ecosystem. Additionally, considering the Japanese legal system, accountability for hiring decisions ultimately rests with humans. Therefore, we believe the ideal approach is a hybrid model, where humans leverage AI to focus on critical decision-making.

In summary, Visional group will continue to go beyond mere HR operational efficiency. By enabling better decision-making for hiring and utilization of talent for companies, and providing better career opportunities for individuals, we will enhance the quality of decision-making in HR and organizational management, strengthening our mid to long-term competitive advantage. Our AI journey has just begun. We will build our strategy with a long term vision, and continue to execute diligently.

Let us explain our performance by business. Starting with BizReach.

Please refer to slide 11 for BizReach net sales.

2Q net sales landed at 18.2% YoY growth, accelerating from the 17.7% YoY growth of the same period last fiscal year. Regarding 3Q, although the business condition is favorable, we forecast the YoY growth rate to decelerate due to the high growth rate hurdle for 3Q compared to the previous 3Q that trended significantly higher than trend at 22.2% YoY growth. This has been factored into our forecast when we announced it in September. We are currently on plan to deliver our FY forecast of 17.0% YoY growth.

In regards to the hiring demand, the market continues to be favorable. Labor shortages in Japanese companies remain unresolved, and there are high expectations for hiring as means of acquiring new skill sets and expertise. Despite the uncertainties in the economy and the impact of AI, hiring demand in the professional segment is forecasted to remain resilient, and we continue to forecast 17.0% YoY growth for the FY.

We have commenced the price revision of performance fee rate for head hunters, starting in February. Based on the understanding and cooperation from our customers, we are on track regarding the process. As the revision takes into effect at each contract renewal timing post February, the impact is limited but it is included in our FY forecast.

For our mid term growth rate, there is no change to our expected growth forecast of around 15% YoY growth.

Slide 12 shows our BizReach KPIs. Our KPIs are growing nicely.

Slide 13 is BizReach adjusted operating profit before corporate expense allocation.

We are on track to deliver our FY margin forecast of 40%, where 2Q margin landed at 40.4%, for 2Q YTD margin landed at 42.7%. We have conducted investments to attract job seekers. As always, we will be increasing our investment amount towards the fiscal year-end.

Slide 14 and 15 are slides we update once a year at the FY earnings release timing. No update for this quarter.

Going onto HRMOS.

Slide 17 shows our HRMOS HCM (Human Capital Management) ecosystem. As we mentioned earlier, we will continue to deliver a seamless integration to deliver value added services to our customers.

On slide 18 is HRMOS net sales. 2Q landed at JPY 2.35Bn, 91.9% YoY growth. 2Q includes a full 3 months of sonar ATS by HRMOS consolidation. 2Q YTD net sales landed at JPY 4.14Bn, 73.9% YoY growth. We are on track to delivering our FY forecast of JPY 9.00Bn. 2Q end ARR is JPY 8.95Bn.

In regards to Internal BizReach by HRMOS, as per our previous disclosure, orders and implementation lead time is long. As of the end of January 2026, about 50 companies, mainly large enterprises, are in the operational stage towards full-scale implementation.

On slide 19 shows our operating profit before corporate expense allocation for HRMOS.

Regarding HRMOS, 2Q operating profit was JPY 0.11Bn, 2Q YTD was JPY 0.03Bn. We have delivered profits both for 2Q and 2Q YTD. We have been explaining that our upfront investments are made based on our recognition that we can make HRMOS profitable anytime, and we are happy to be able to show this to you. Based on the current business environment, we will be expanding our investments. Our forecasted loss for FY will become about JPY 0.60Bn from our original forecast of about JPY 0.20Bn, increasing our investment by about JPY 0.40Bn.

HRMOS KPIs are shown on slide 20. As we have changed the definition to include all of our HRMOS services, it is difficult to compare past trends, but we believe the new disclosure is more relevant to understand the current state of HRMOS. We have included quarterly trends as well, and all our KPIs are trending favourably.

This concludes the overview of our financial performance.

(Moderator) This concludes Visional Group financial results briefing for the second quarter of the fiscal year ending July 31, 2026. Thank you very much for your participation.

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