



Visional, Inc.

**1. Introduction to Visional Group**

**2. About BizReach**

**3. About HRMOS**

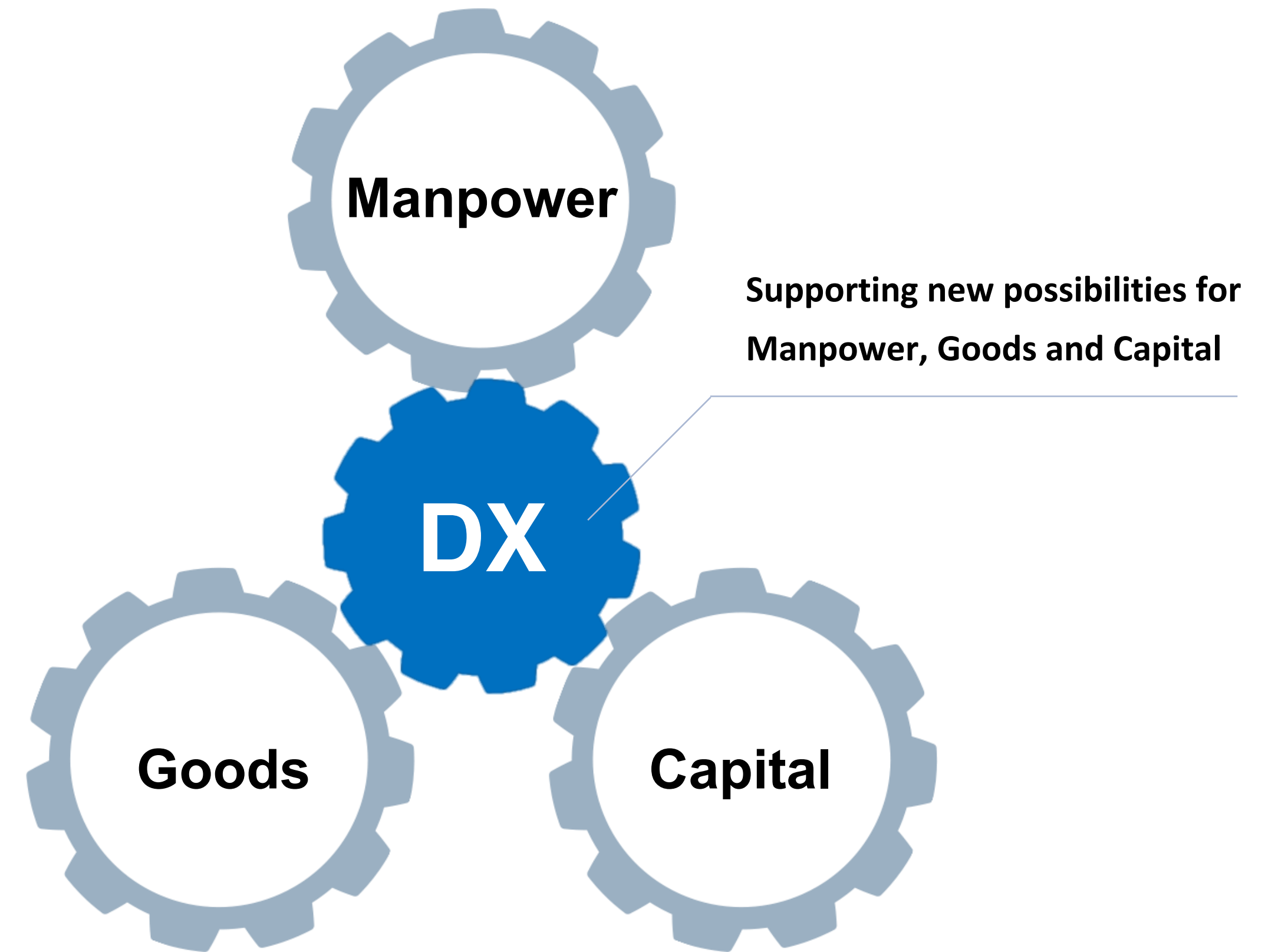
**4. Future Growth Strategy**

**Appendix**

# 1. Introduction to Visional Group

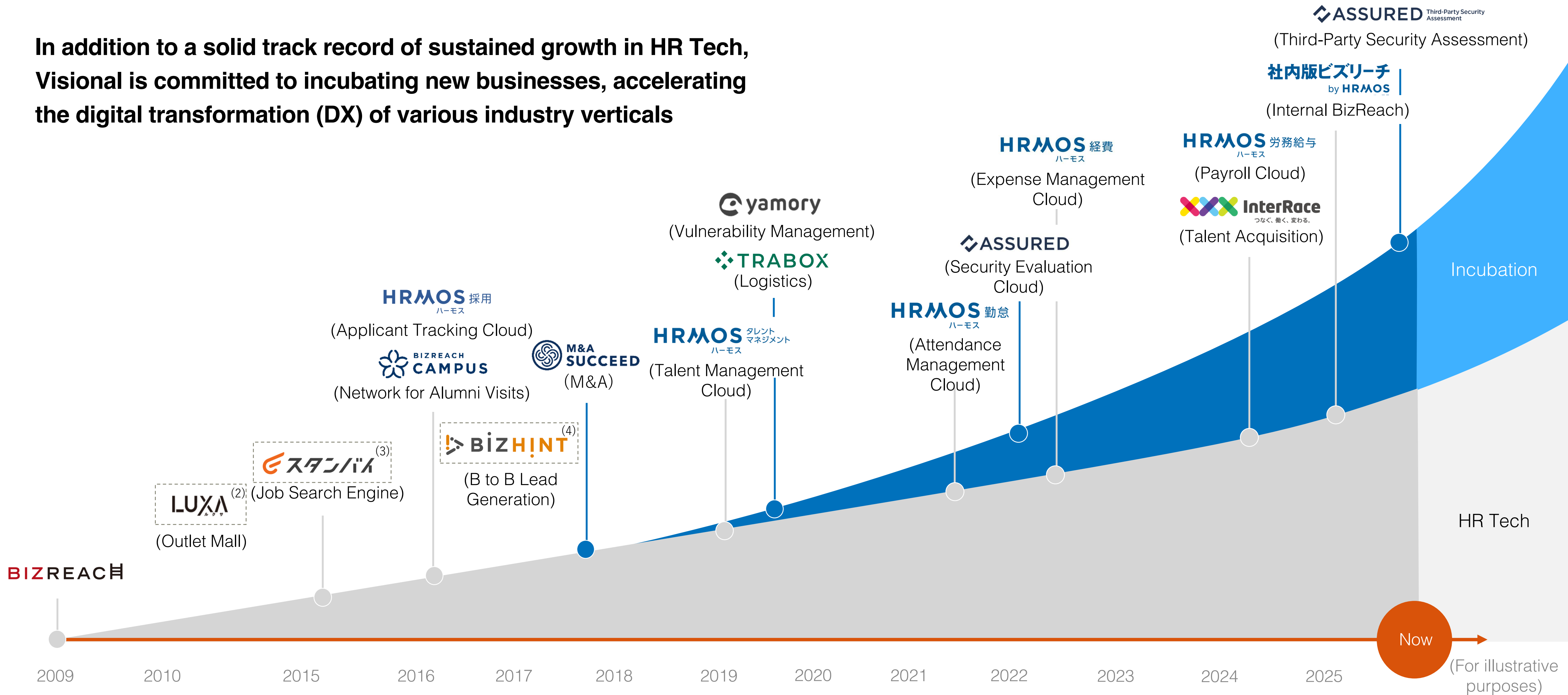
## Persistent Creation of New Possibilities.

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.



# Growth Trajectory of Visional Group<sup>(1)</sup>

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

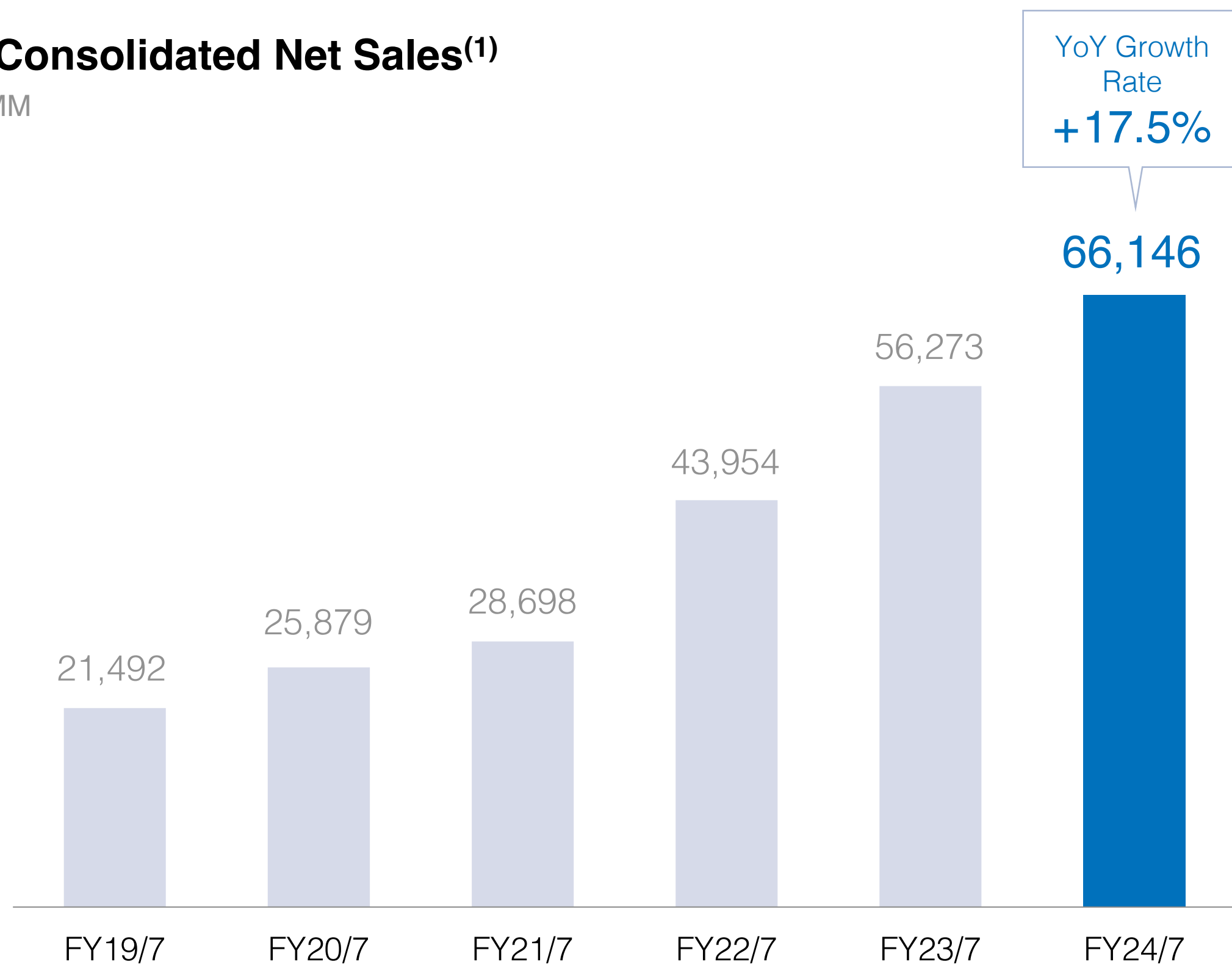


Notes: (1) For illustrative purpose. Dates (year) below the horizontal line represent the timing of launch for each service (2) LUXA was fully incubated inside of BizReach, spun out as a subsidiary and transferred entirely to KDDI in October 2015 (3) Stanby was fully incubated inside of BizReach, spun out as a subsidiary and partially (60%) transferred to LY Corporation (former Z Holdings Corporation) in December 2019. Visional continues to co-manage the joint venture together with LY Corporation as a 40% equity owner (4) BizHint was fully incubated inside of BizReach, spun out as a subsidiary and transferred entirely to SMARTCAMP Co., Ltd. in December 2023

**Driven by solid demand for professionals, FY consolidated net sales grew 17.5% YoY with operating profit margin of 27.0% balancing growth investments and cost discipline**

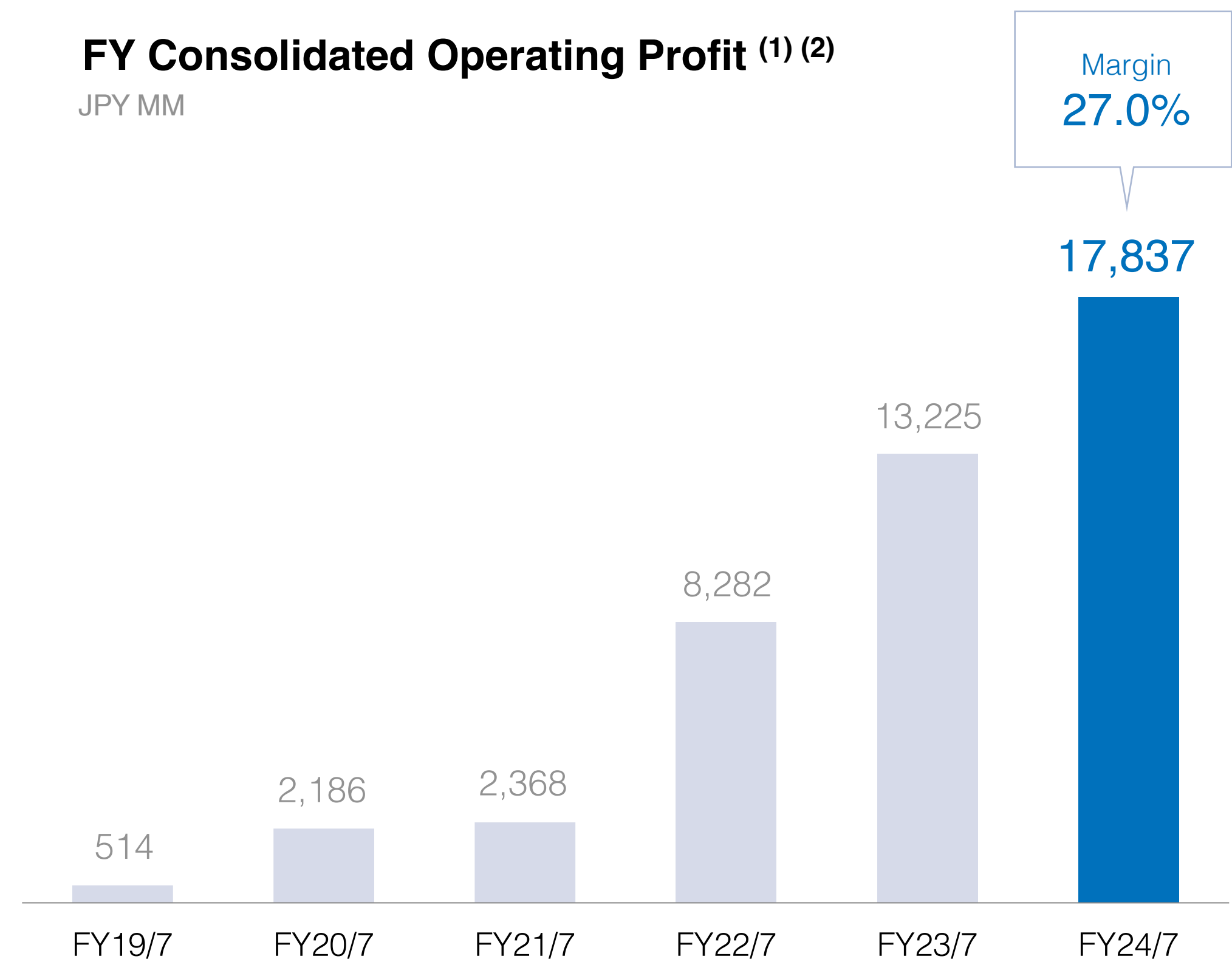
## FY Consolidated Net Sales<sup>(1)</sup>

JPY MM



## FY Consolidated Operating Profit <sup>(1)</sup> <sup>(2)</sup>

JPY MM



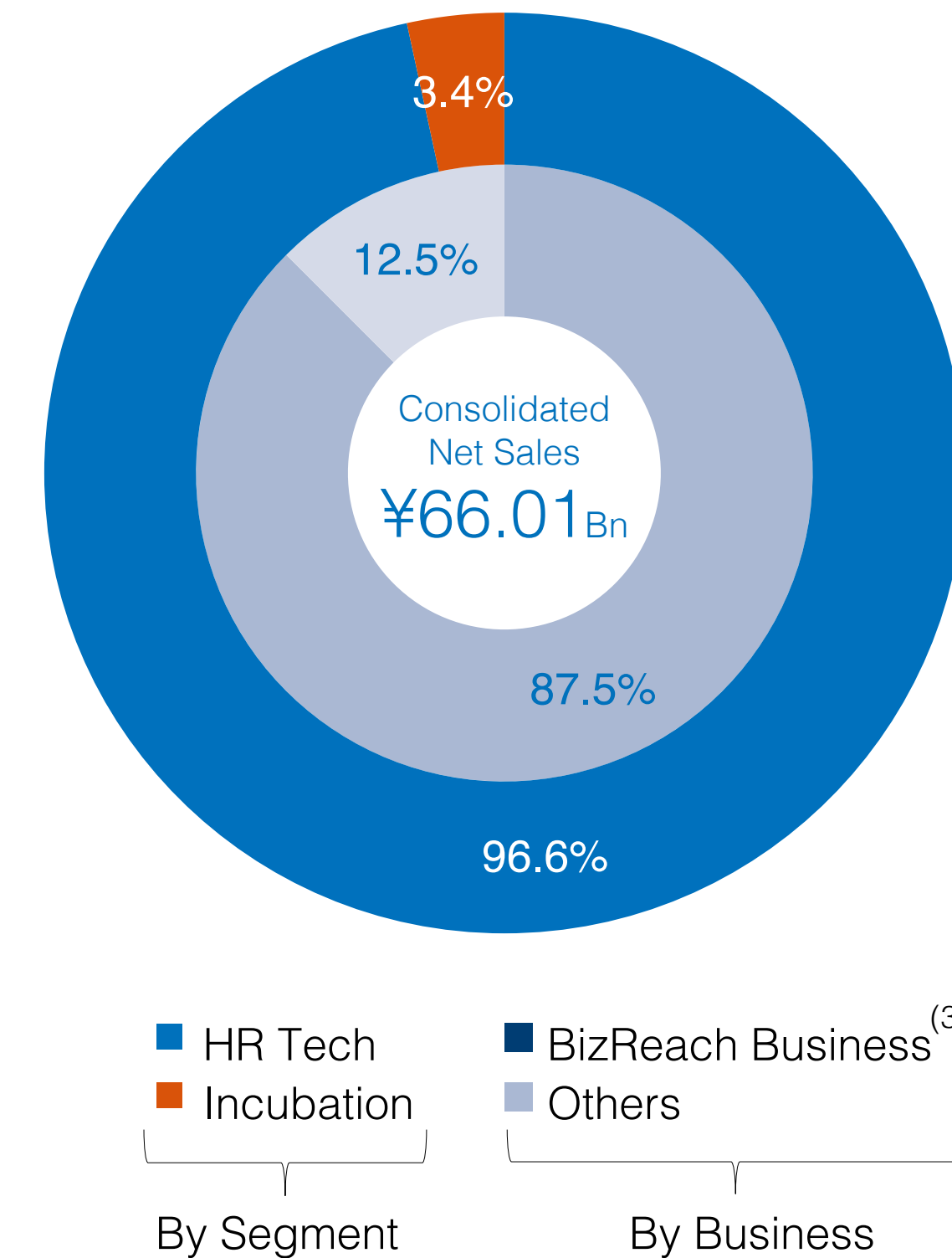
Notes: (1) Based on FY20/7 financials prepared by Visional, Inc. continued from the financials of BizReach, Inc. Visional, Inc. was established through a share transfer, and BizReach, Inc. became a wholly owned subsidiary of Visional, Inc. in February 2020. Therefore, FY19 annual financial results are based on the consolidated financial results of BizReach, Inc. (All FYs end in July and prepared in accordance with J-GAAP) (2) As of 1Q of FY23/7, we have confirmed the provisional accounting treatment concerning business combinations. Accordingly, operating profit for FY22/7 is presented at the amounts after reflecting the contents of the confirmation of the provisional accounting treatment

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

## Service Overview (as of June 12, 2025)

HR Tech Segment	<b>BIZREACH</b>	HR matching platform for professionals
	<b>HRMOS</b> ハーモス	Human capital management platform
	<b>HRMOS 採用</b> ハーモス	• Applicant tracking cloud
	<b>HRMOS グレメント マネジメント</b> ハーモス	• Talent management cloud
	<b>社内版Bizリーチ</b> by HRMOS	• Internal BizReach by HRMOS
	<b>HRMOS 勤怠</b> ハーモス	• Attendance management cloud
	<b>HRMOS 経費</b> ハーモス	• Expense management cloud
	<b>HRMOS 労務給与</b> ハーモス	• Payroll cloud
	<b>BIZREACH CAMPUS</b>	Network service for alumni visits
	<b>InterRace</b> つなく、速く、変わる。	Talent acquisition service
Incubation Segment	<b>M&amp;A SUCCEED</b>	M&A platform for corporations
	<b>TRABOX</b>	Logistics DX (digital transformation) platform
	<b>yamory</b>	Vulnerability management cloud
	<b>ASSURED</b>	Cloud security assessment service
	<b>ASSURED</b> Third-Party Security Assessment	Third-party security assessment service
Affiliate	<b>スタンバイ</b> <sup>(1)</sup>	Job search engine

## FY2024/7 Net Sales Breakdown by Segment and Business<sup>(2)</sup>



Notes: (1) Joint venture with LY Corporation (former Z Holdings Corporation), in which Visonal, Inc. holds a 40% stake as an equity method affiliate (2) Excluding adjustments (¥135 MM) (3) Financial data of the BizReach Business, the core service of our group (which differs from the financial data of our subsidiary BizReach, Inc.)

**Persistent Creation of New Possibilities.**

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

**Commitment towards our group mission**

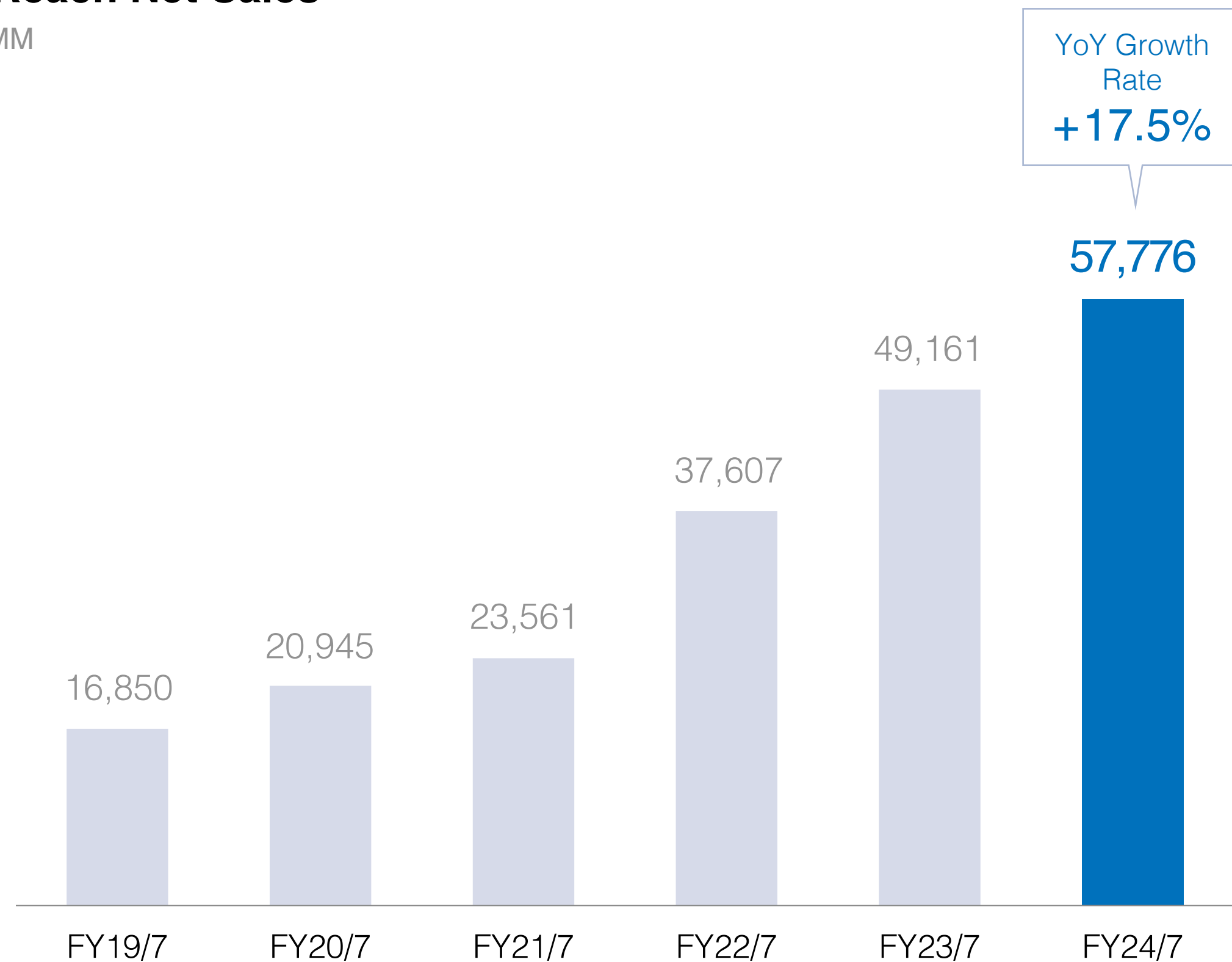
- ✓ Sustained growth and profit expansion of BizReach**
- ✓ Seamless integration of BizReach and HRMOS to build a data-driven HCM ecosystem**
- ✓ Incubation of new businesses and use of M&A**

## 2. About BizReach

**Capturing the momentum created by the rebound of hiring demand from COVID-19, strong growth in net sales achieved whilst realizing a maintained expansion of operating profit. Normalized mid-term net sales growth rate target of 15% YoY, profit margin target of 40%, as we grow the business sustainably**

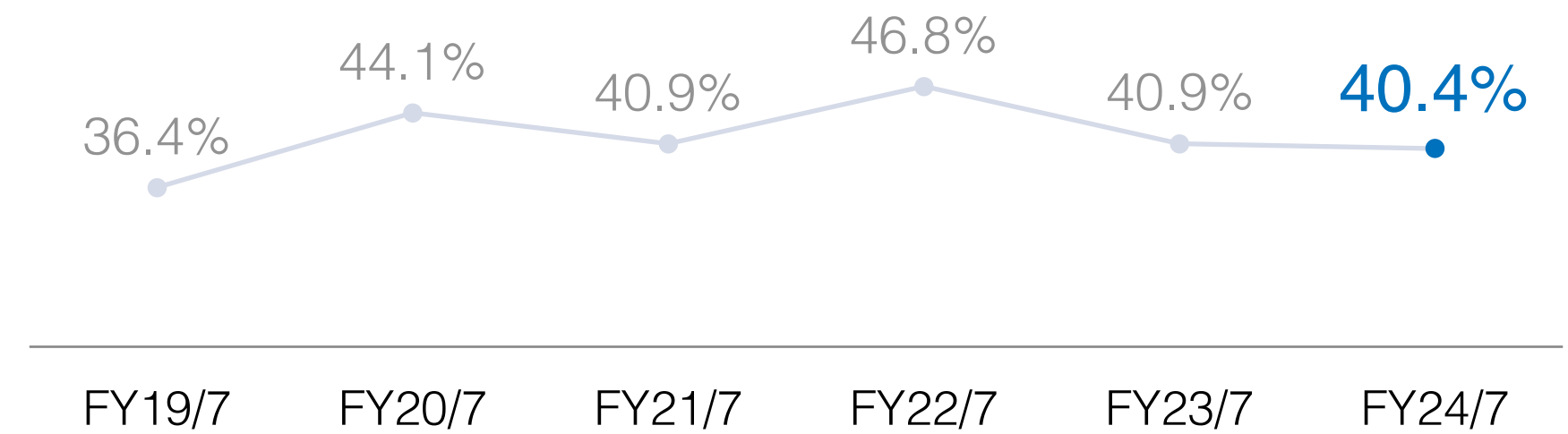
## BizReach Net Sales <sup>(1)</sup>

JPY MM



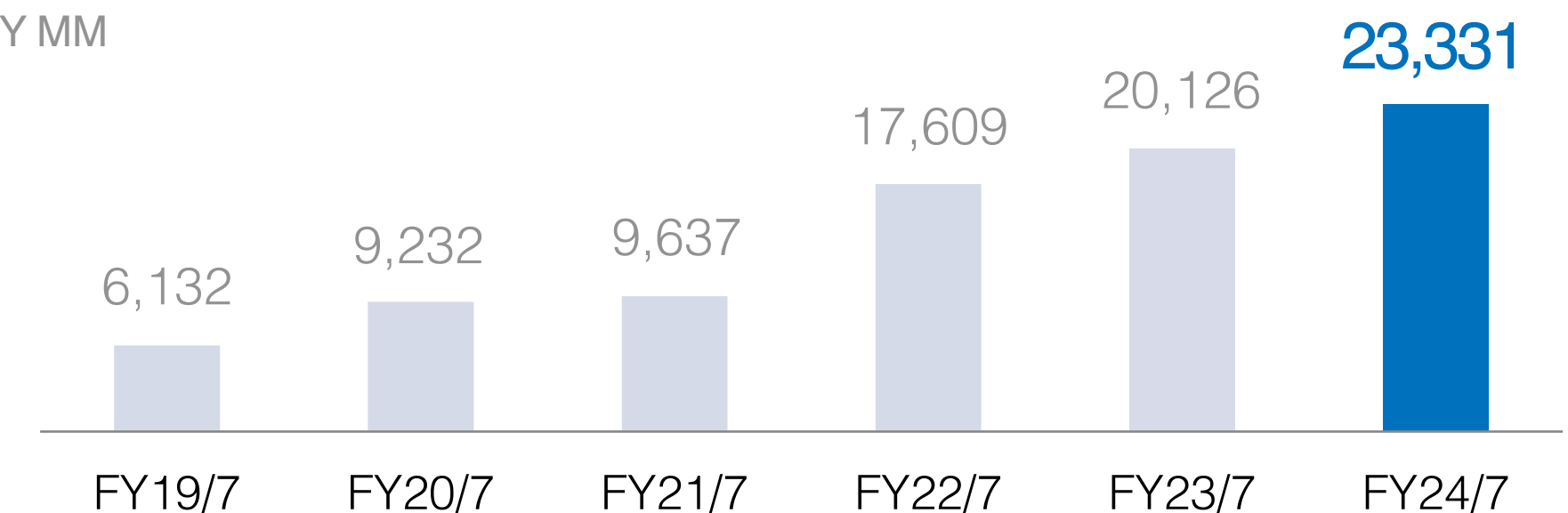
## BizReach Operating Profit and Margin (before corporate expense allocation) <sup>(1)(2)(3)</sup>

Operating Profit Margin (before Corporate Expense Allocation)



Operating Profit (before Corporate Expense Allocation)

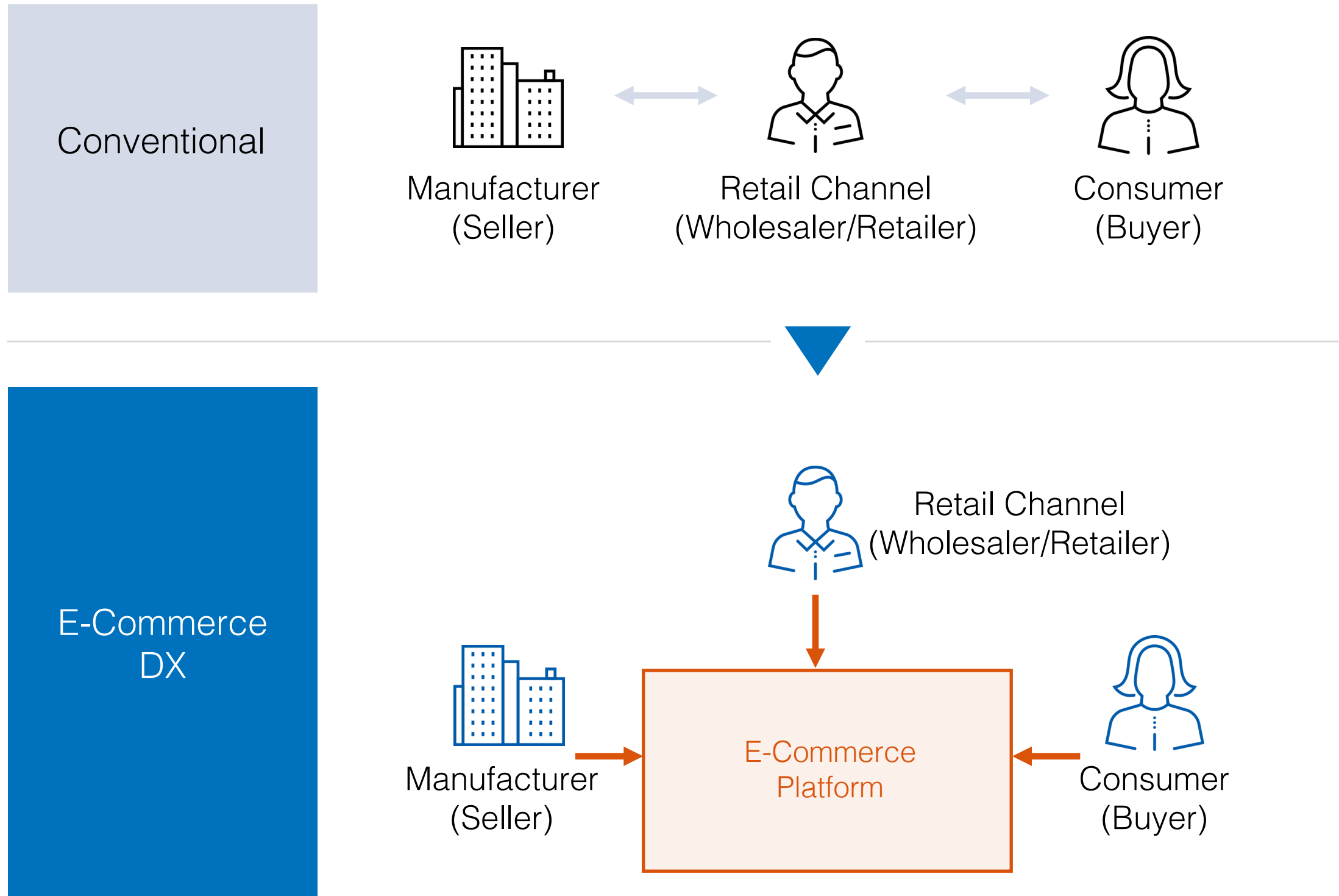
JPY MM



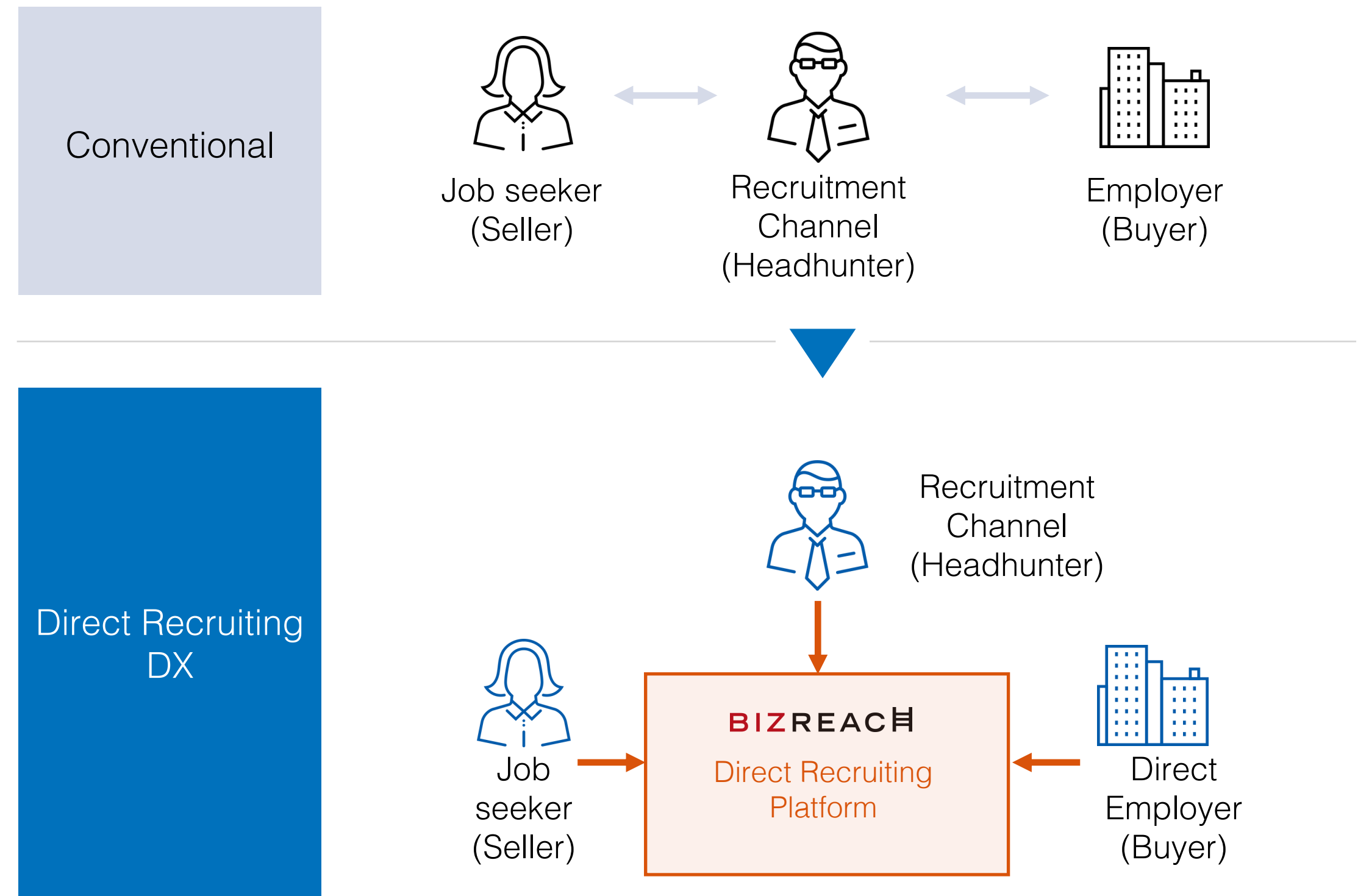
Notes: (1) Financial data of the BizReach Business, the core service of our group (which differs from the financial data of our subsidiary BizReach, Inc.) (2) BizReach business' revenue and adjusted operating profit / profit margin is recorded within the HR Tech reporting segment. Please refer to Appendix for segment data (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. Please refer to reconciliations in the Appendix

Similar to the structural transformation of the retail market caused by e-commerce<sup>(1)</sup>, 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

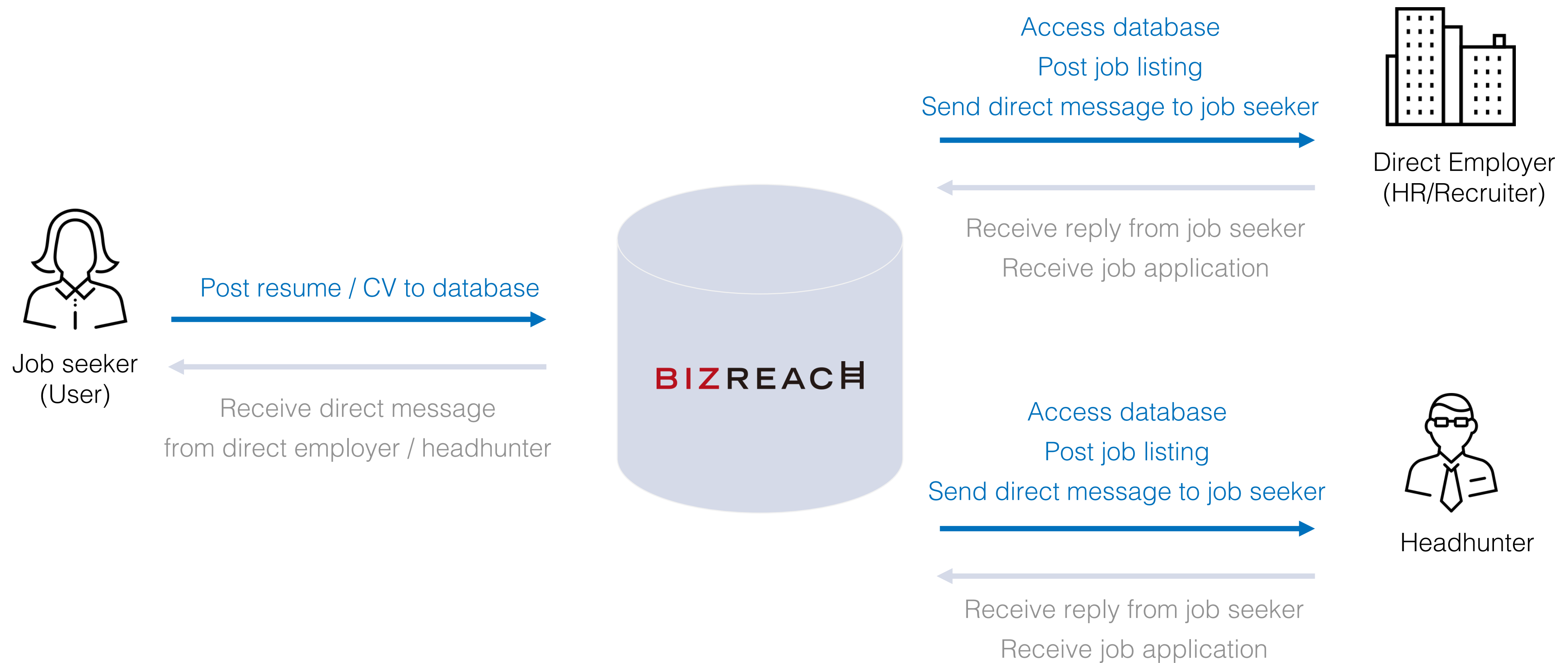


## DX of Professional Recruitment Market



Note: (1) Structural changes of the retail market caused by electronic transactions (emergence of e-commerce platforms)

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



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

**BizReach net sales consists of Recurring Revenue (access fee to BizReach platform) and Performance Revenue (fee received once placement is made). This allows financial stability during economic downturn**

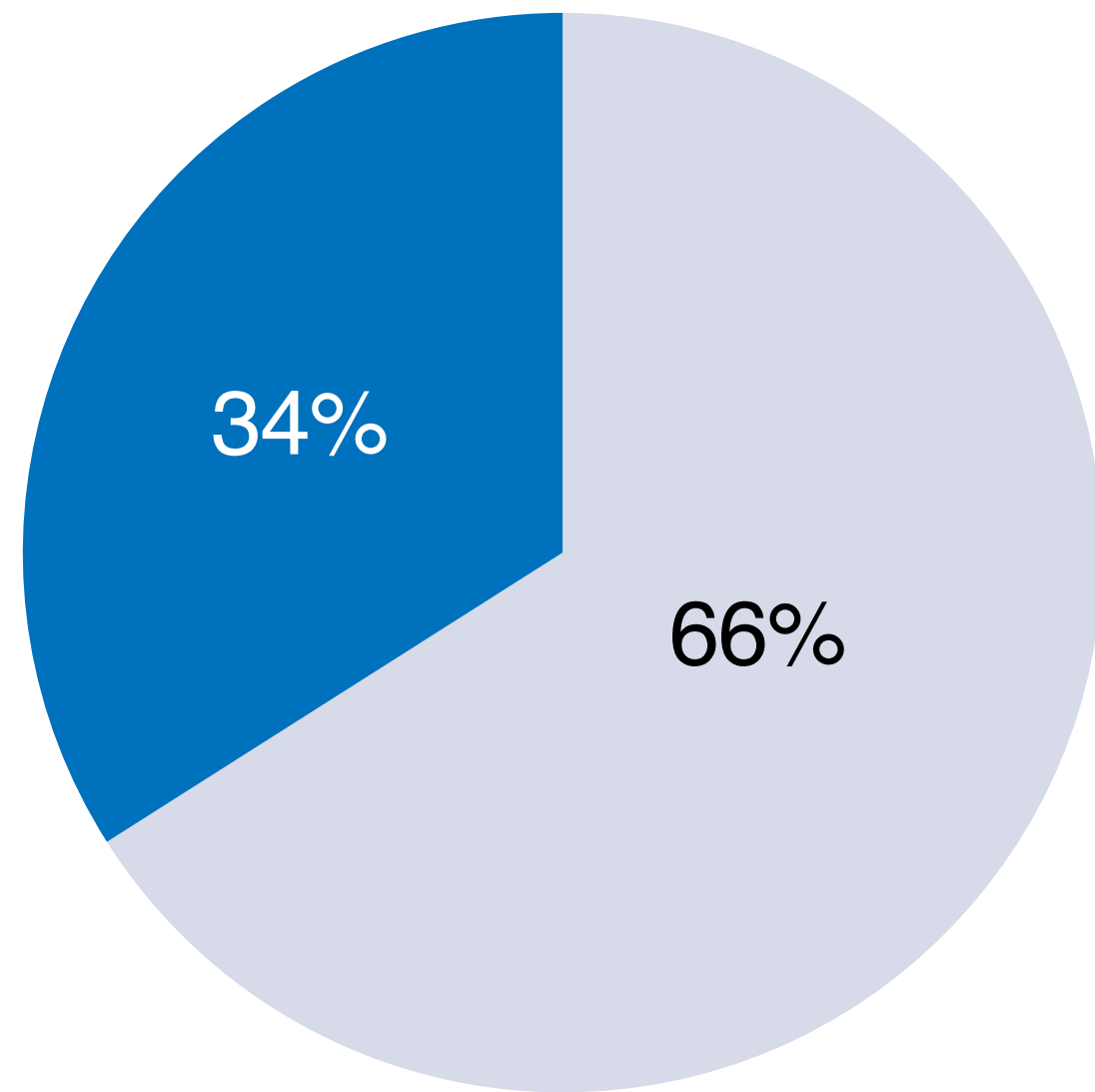
	Recurring Revenue <sup>(1)(2)</sup>	Performance Revenue
Direct Employers	¥850,000 / semi-annual	15% of the candidate's expected annual compensation in the new position <sup>(3)</sup>
Headhunters	¥600,000 / semi-annual	20-30% of the placement fee the headhunter receives from the employer

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

Unique mix of recurring revenue<sup>(1)</sup> and performance revenue<sup>(2)</sup>

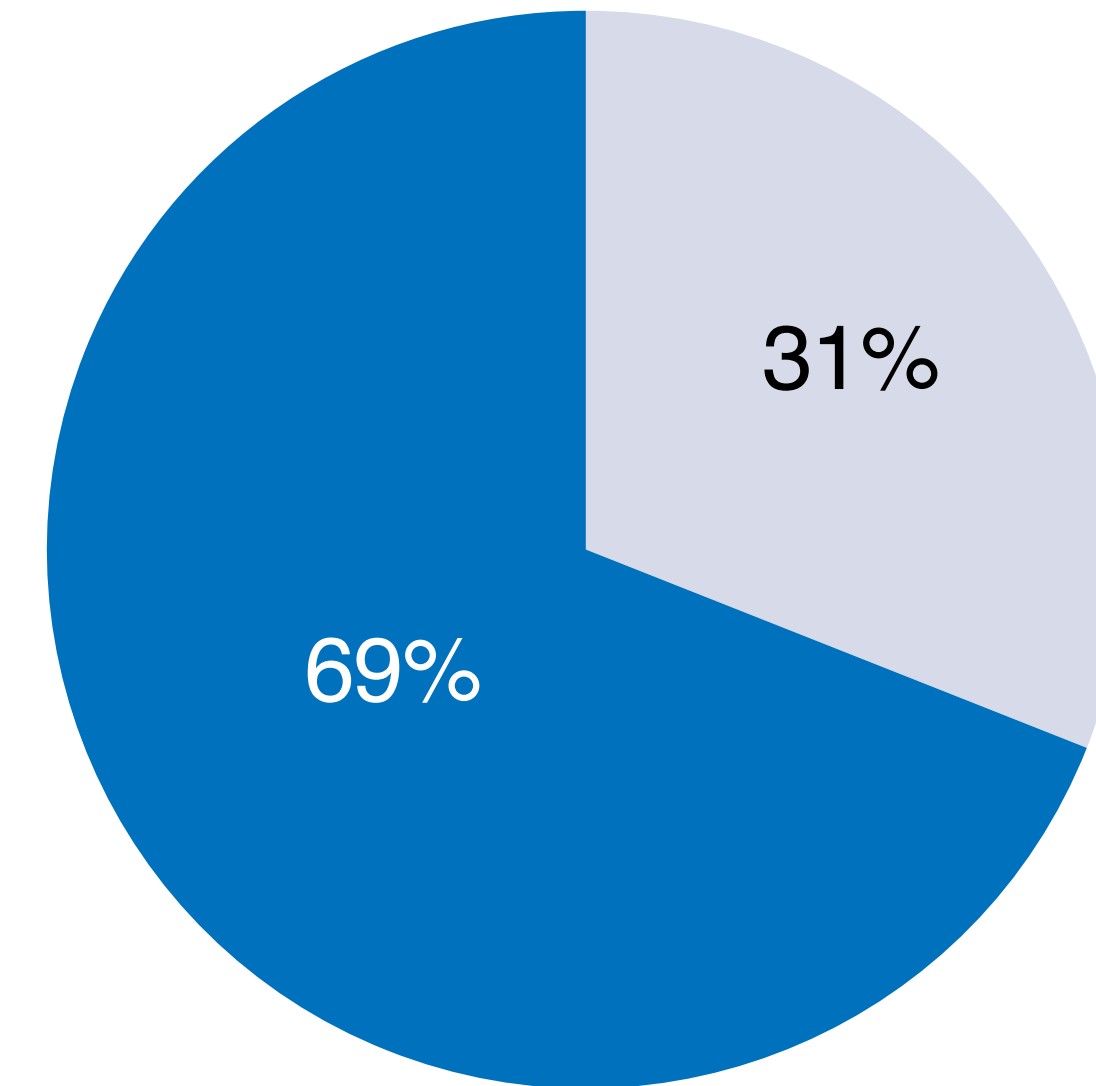
**FY2024/7 BizReach Business Revenue Breakdown by Fee Type<sup>(3)</sup>**

- Performance Revenue
- Recurring Revenue



**FY2024/7 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 on premium plan 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) Total of recurring revenue and performance revenue

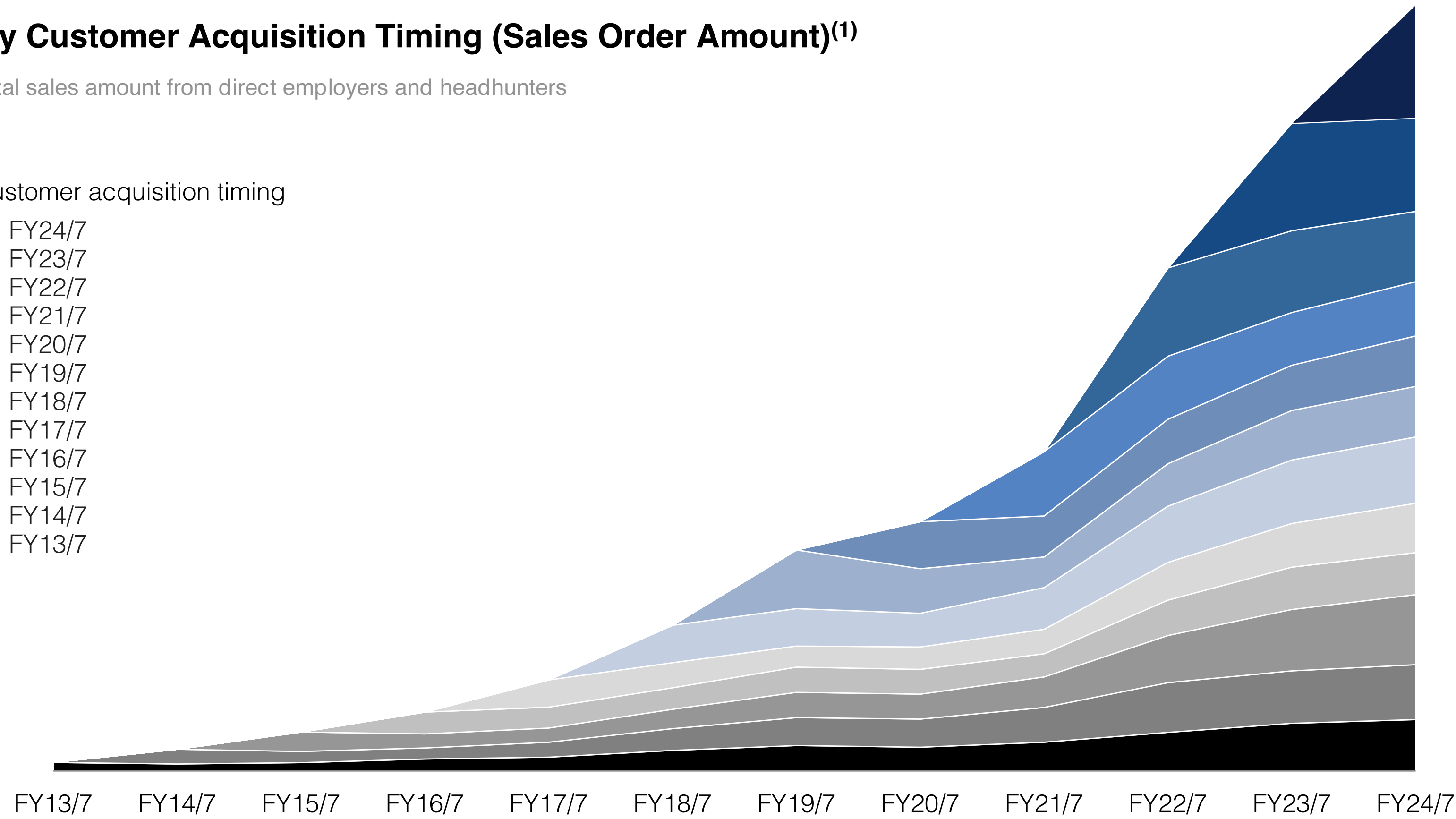
**Our net sales has grown supported by a stable customer base built over the years**

## By Customer Acquisition Timing (Sales Order Amount)<sup>(1)</sup>

Total sales amount from direct employers and headhunters

Customer acquisition timing

- FY24/7
- FY23/7
- FY22/7
- FY21/7
- FY20/7
- FY19/7
- FY18/7
- FY17/7
- FY16/7
- FY15/7
- FY14/7
- FY13/7

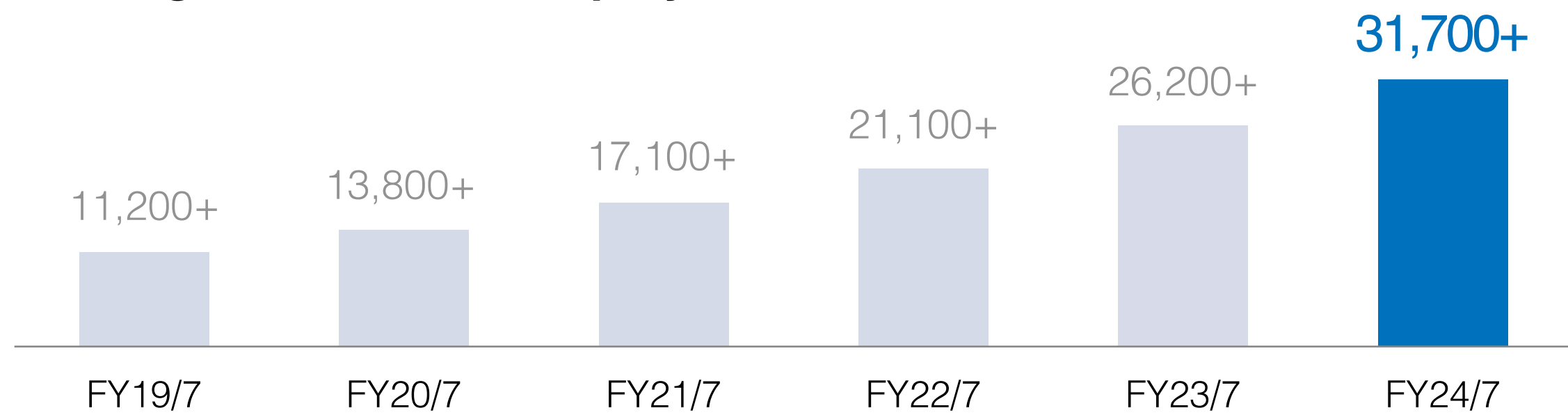


- The left chart indicates sales order amount of each fiscal year from direct employers and headhunters counted from the time they were first acquired since FY2013/7
- Number of BizReach customers tends to decrease over the years after being acquired as they may leave the platform depending on hiring needs. However, for those that continue to use BizReach, the average sales order amount by each customer has increased. BizReach growth is supported by such stable customer base

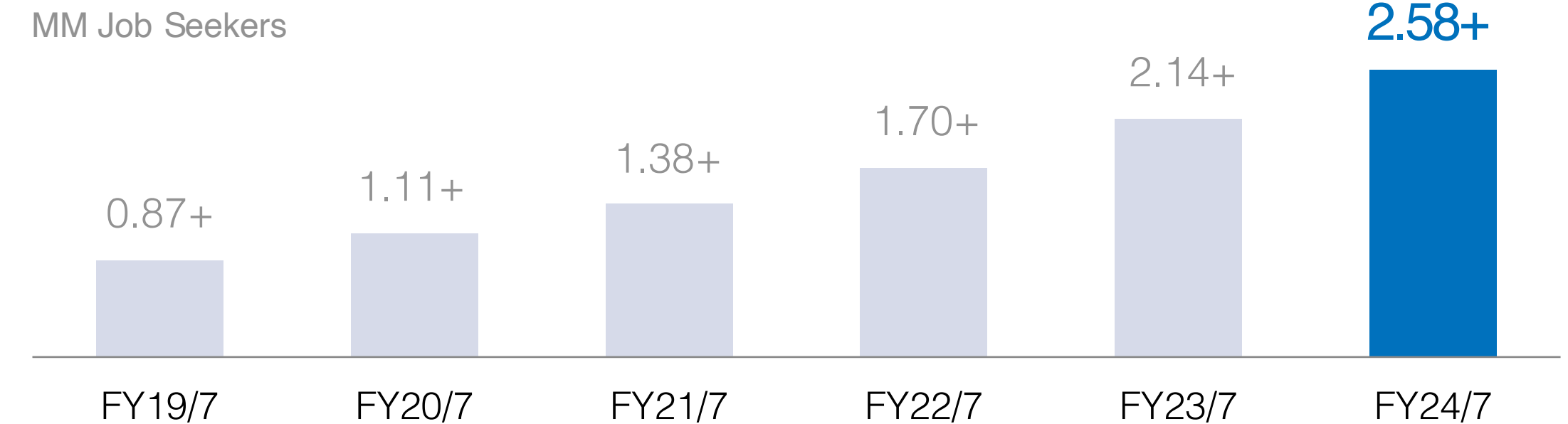
Note: (1) Summed up the sales amount of BizReach for each fiscal year during the period from the year in which we first received sales orders from customers (direct employers and headhunters) from FY13/7 to FY24/7. As figures in the above chart is recorded at timing of sales order, accordingly, they are different from accounting figures

KPIs are growing steadily, building a strong customer base driven by penetration of direct recruiting and increasing job seekers

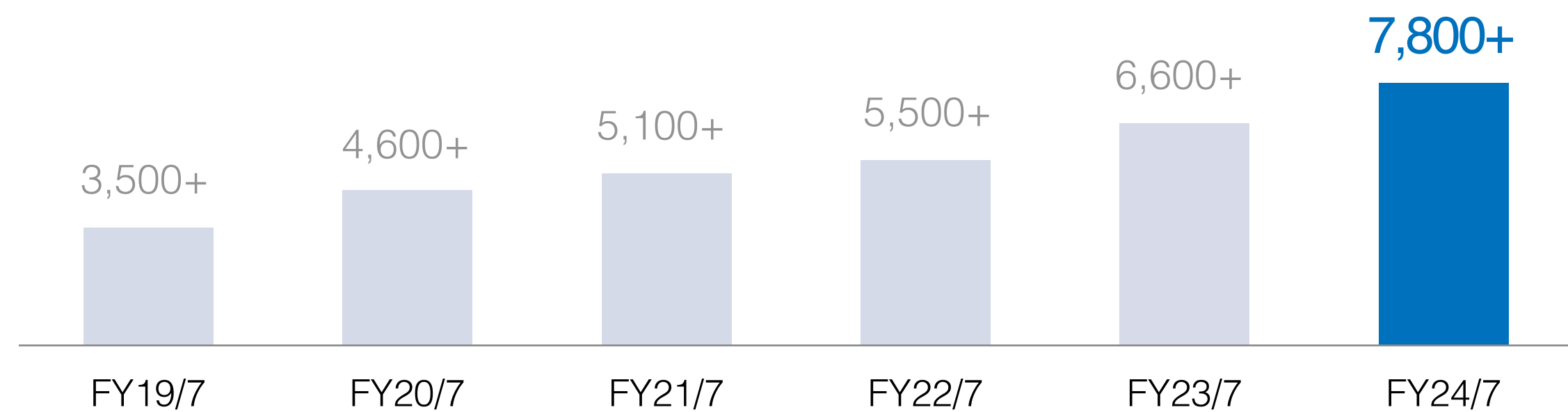
**# of Registered Direct Employers <sup>(1)</sup>**



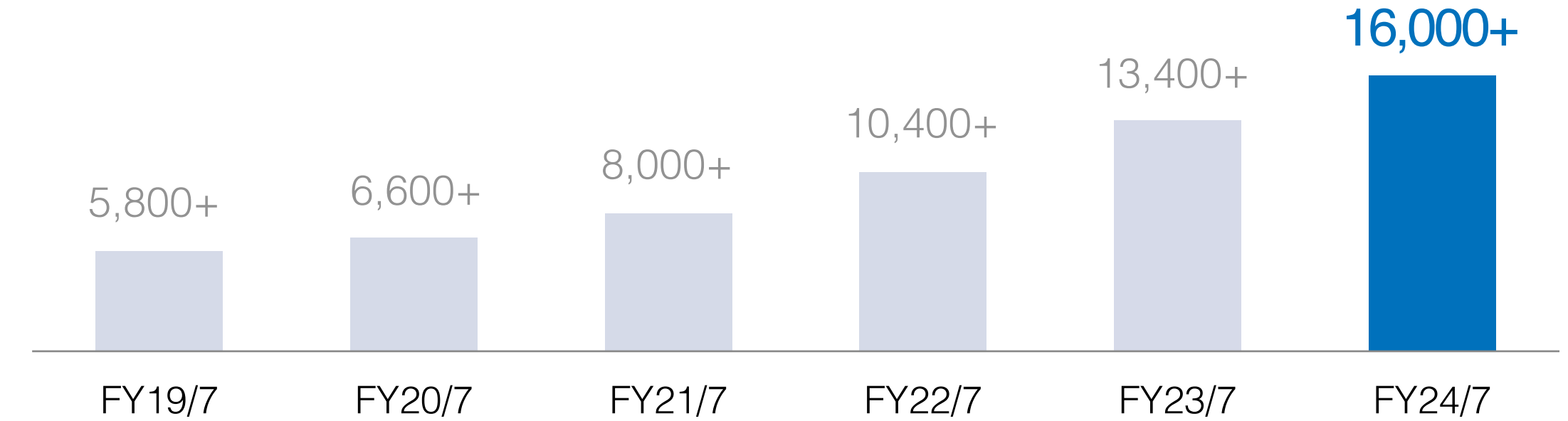
**# of Scoutable Job Seekers <sup>(3)</sup>**



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



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

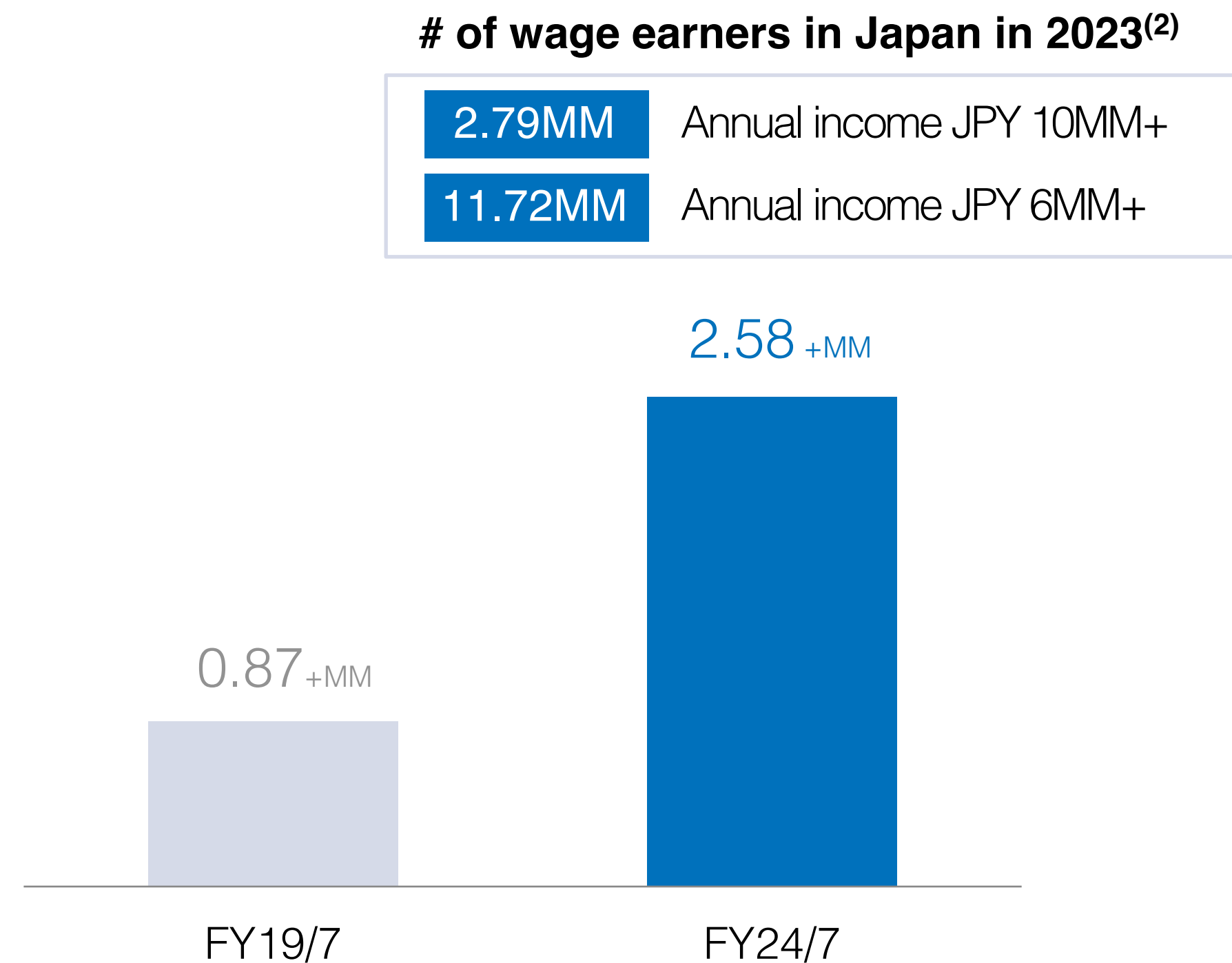


Notes: (1) Direct employers who have subscribed to our BizReach platform (excluding headhunters) (2) All passed screening by BizReach (3) # of users who registered on BizReach platform with resume / CV that have passed a general screening process and whose profile is set to be viewable by direct employers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

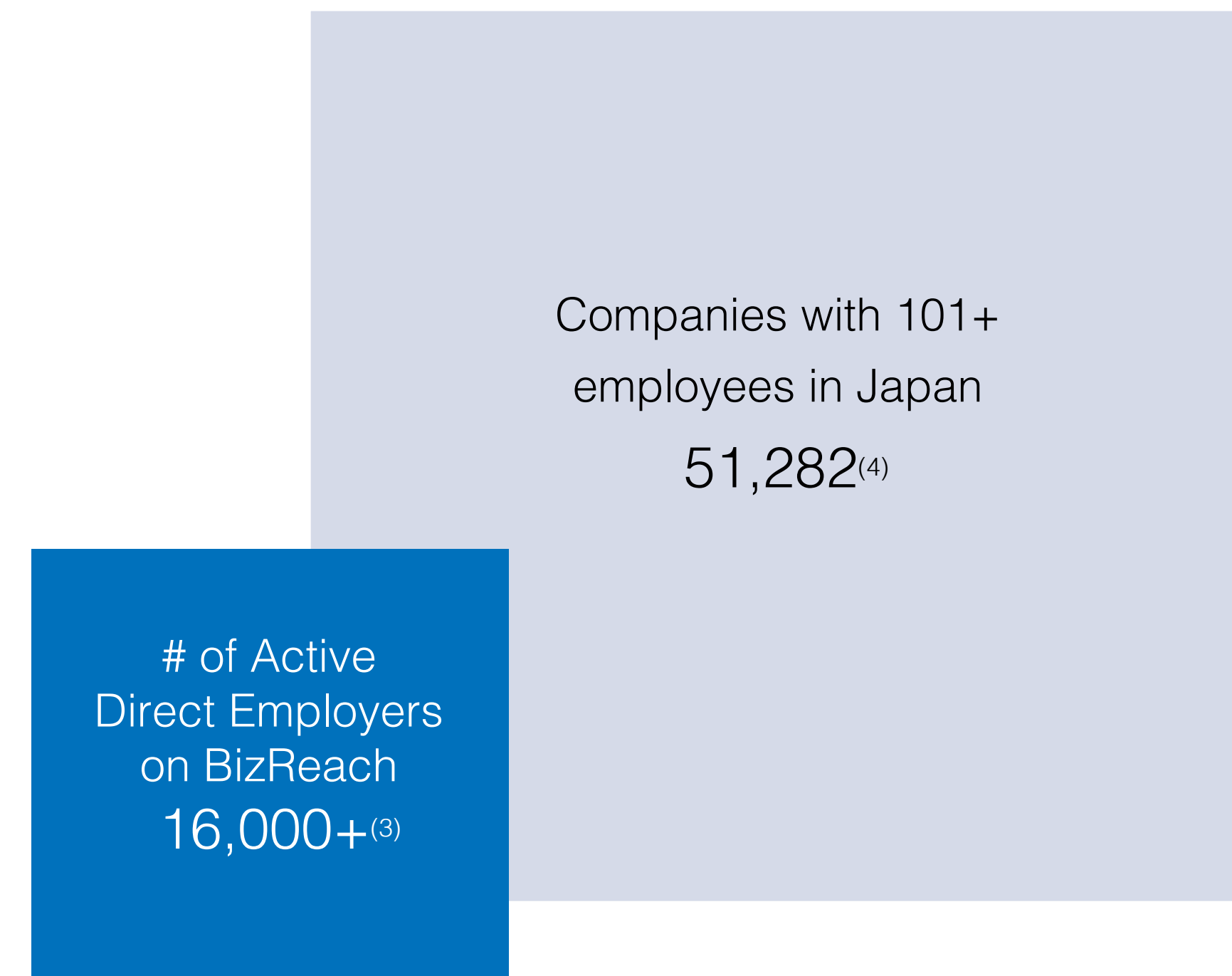
Increased job mobility is the biggest growth driver. We will therefore increase our penetration within the professional population, and accelerate new client acquisitions and increase wallet share of existing clients

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

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



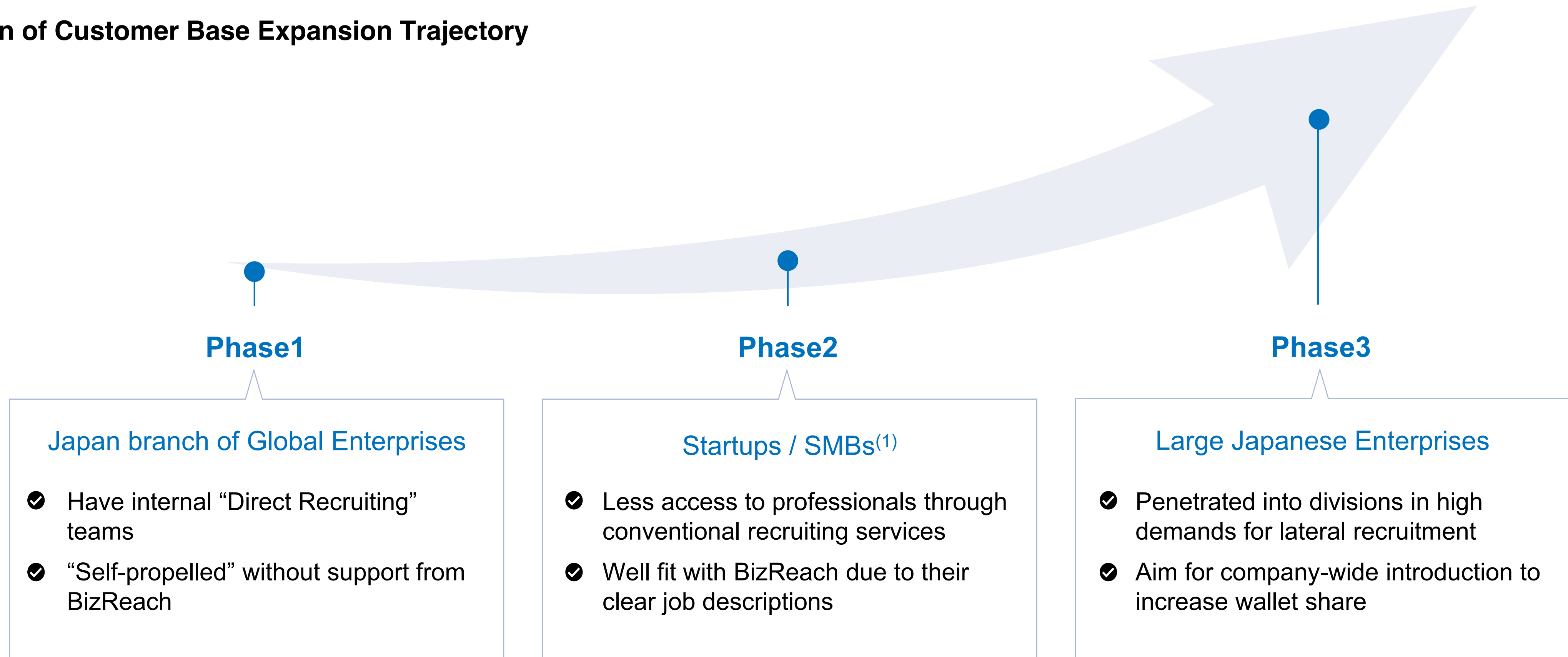
## Potential Market Penetration of Direct Employers



Notes: (1) # of users who registered on BizReach platform with resume / CV that have passed a general screening process and whose profile is set to be viewable by direct employers and headhunters  
 (2) Based on “2023 Statistical Survey of Actual Statistics for Salary in the Private Sector” by Japanese National Tax Agency ([https://www.nta.go.jp/publication/statistics/kokuzeicho/minkan2023/pdf/R05\\_000.pdf](https://www.nta.go.jp/publication/statistics/kokuzeicho/minkan2023/pdf/R05_000.pdf)).  
 (3) Direct employers who have subscribed to our BizReach platform at any point in time within FY24/7 (4) As of the end of September 2024. Based on “Notification and Certification Status of General Employers Action Plan Formulation Notification by Prefecture (As of the end of September 2024)” by Ministry of Health, Labor and Welfare ([https://www.mhlw.go.jp/general/seido/koyou/jisedai/dl/jyoukyou\\_r06\\_09.pdf](https://www.mhlw.go.jp/general/seido/koyou/jisedai/dl/jyoukyou_r06_09.pdf))

Customer base has expanded from Japan branch of global enterprises and startups to large Japanese enterprises, but still massive untapped wallet exists for company-wide introduction and new customers

## Illustration of Customer Base Expansion Trajectory



Note: (1) Small and midsize business

**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

2024



## Acceleration of Workstyle Shifts in Japan

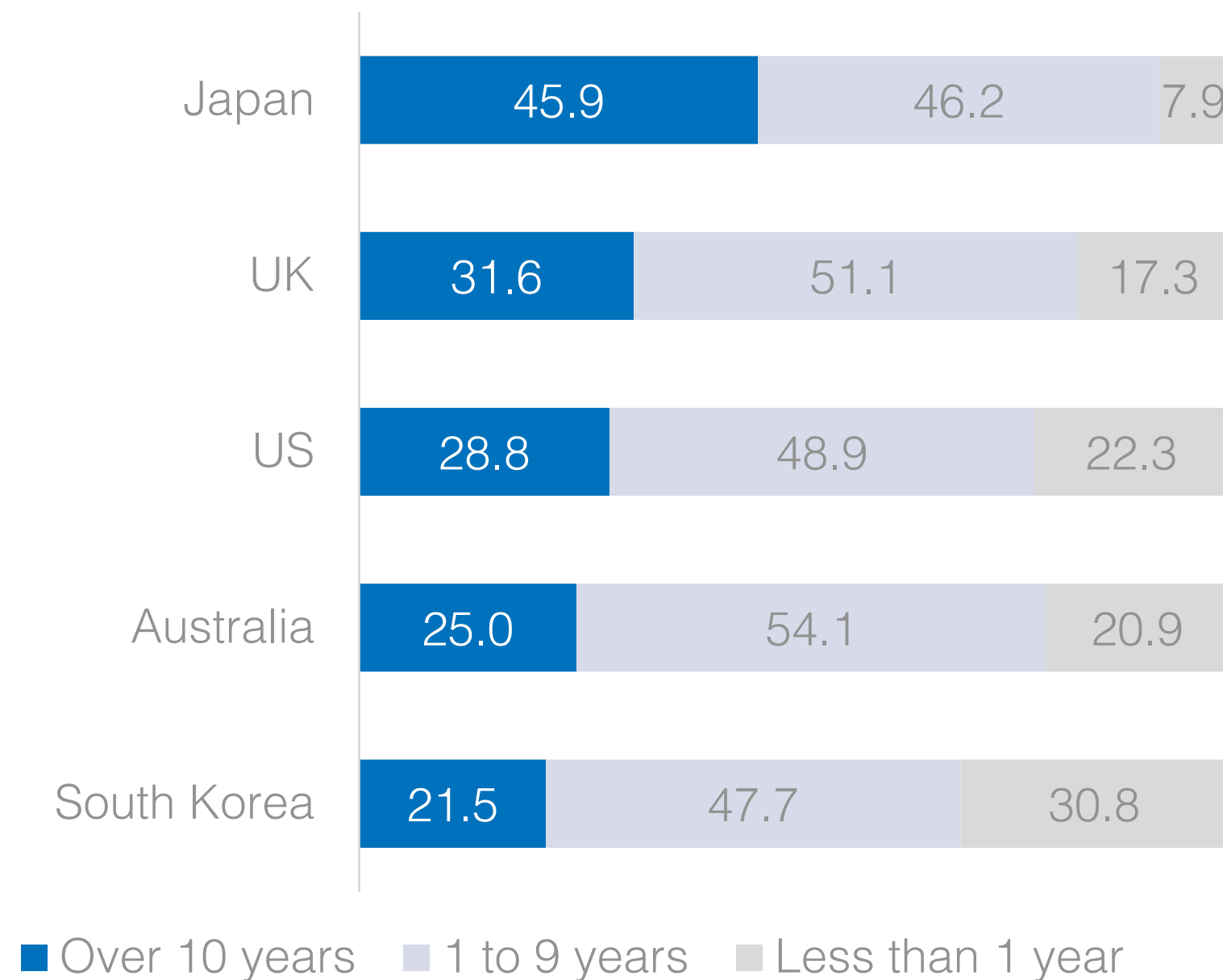
- ✔ Conventional workstyle no longer sustainable due to mismatch of corporation and worker life spans
- ✔ Performance-based workstyle with clear job descriptions accelerates the job change movement
- ✔ “Direct Recruiting” becomes essential for employers as the war for talent accelerates
- ✔ The shift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

Notes: (1) Source: “Labor Force Survey (Basic Tabulation)” by Statistics Bureau, Ministry of Internal Affairs and Communications from CY2024. Figures are calculated as taking twelve months average of the monthly research on the number of employed workers, as of the end of each month (2) Source: “Labor Force Survey (Basic Tabulation)” by Statistics Bureau, Ministry of Internal Affairs and Communications from CY2024. 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 (Detailed Tabulation)” by Statistics Bureau, Ministry of Internal Affairs and Communications from CY2024. 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

**Japan has a high portion of employees with long tenure. Other countries are shifting its labor force to segments of higher labor demand**

## Global Comparison of Employment Ratio by Length of Service<sup>(1)</sup>

Unit: %



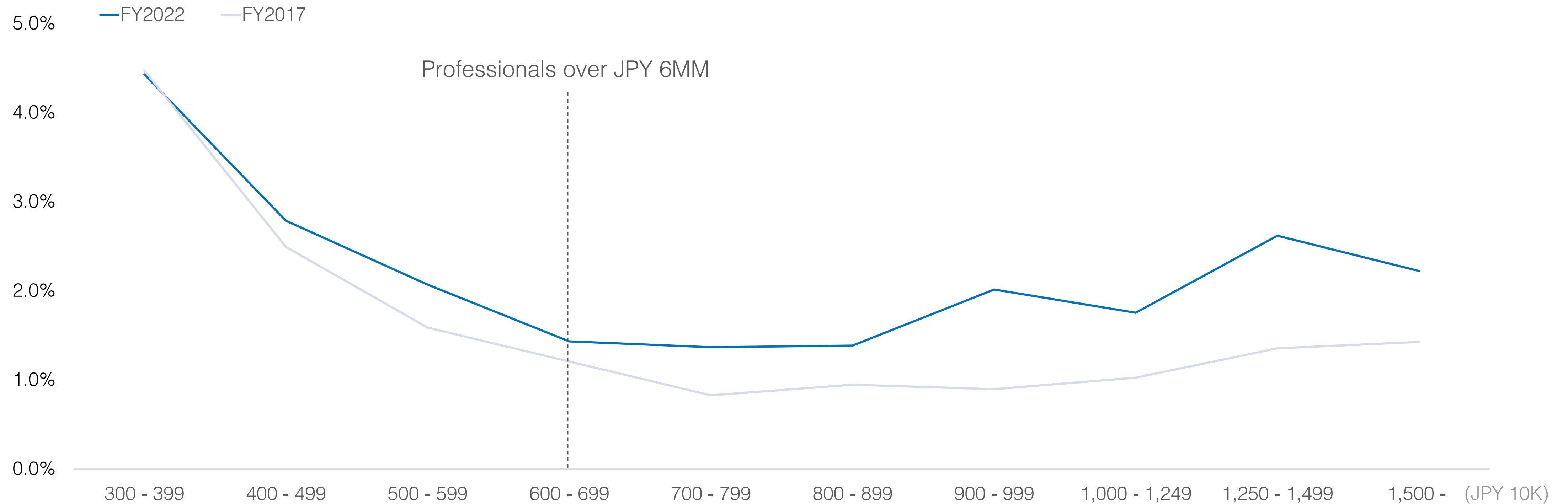
## Why Increased Labor Liquidity is Required

- ✔ Mid-career hiring required to address decreasing work force caused by shrinking working-age population and 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) Prepared by Visional, Inc. based on 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

**Although no significant changes observed in total full-time job changes pre/post COVID-19, labor liquidity within the professional segment has increased. We expect further expansion of mid-career recruiting as demand for professionals increases**

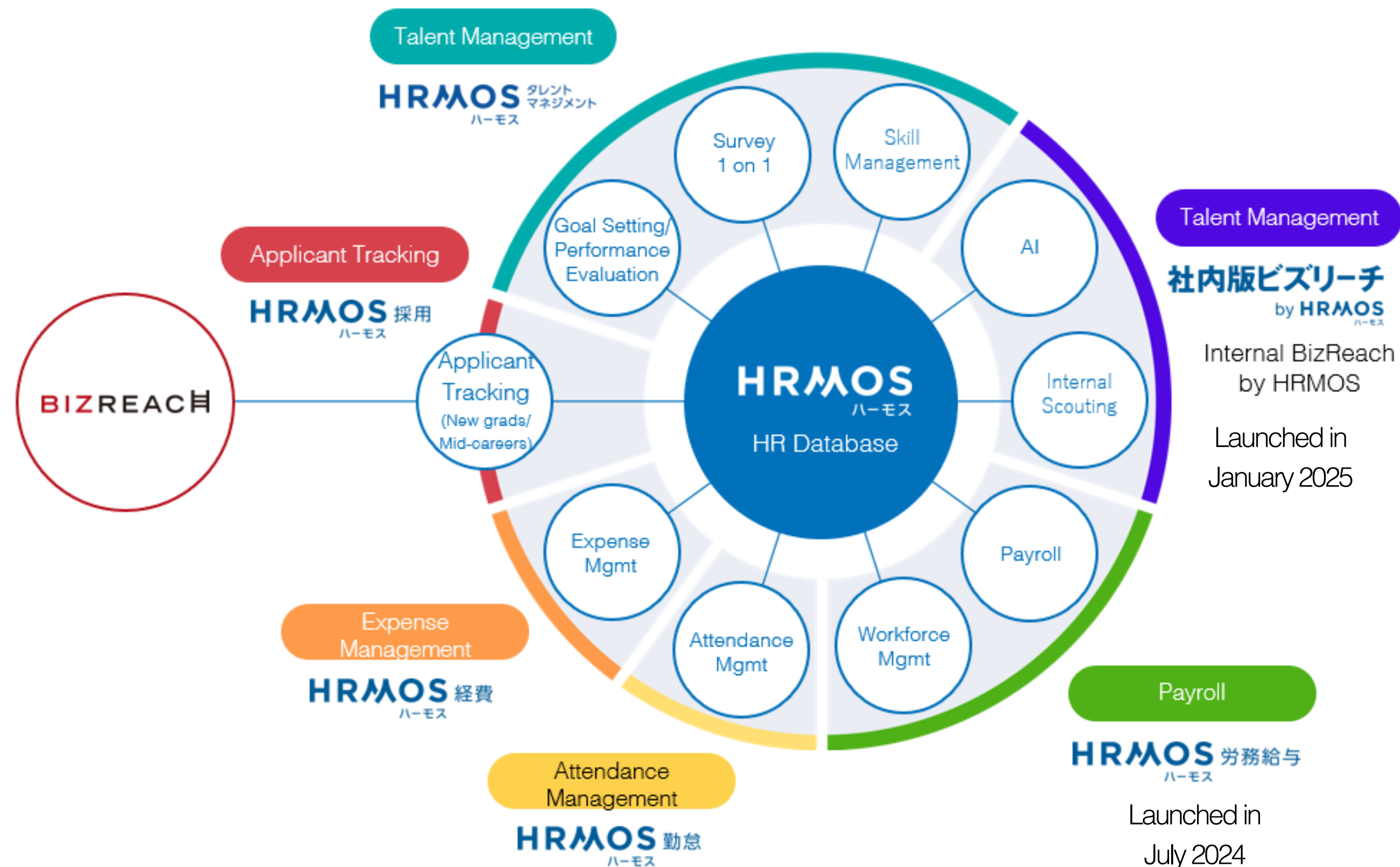
## Job Change Ratio based on Income<sup>(1)</sup>



Note: (1) Prepared by Visional, Inc. based on the “2017 Employment status survey” and the “2022 Employment status survey” by the Ministry of Internal Affairs and Communications. Income is defined as the annual income of full-time employees after changing jobs. Job changers are defined as workers who have moved to a new job within the past year

## 3. About HRMOS

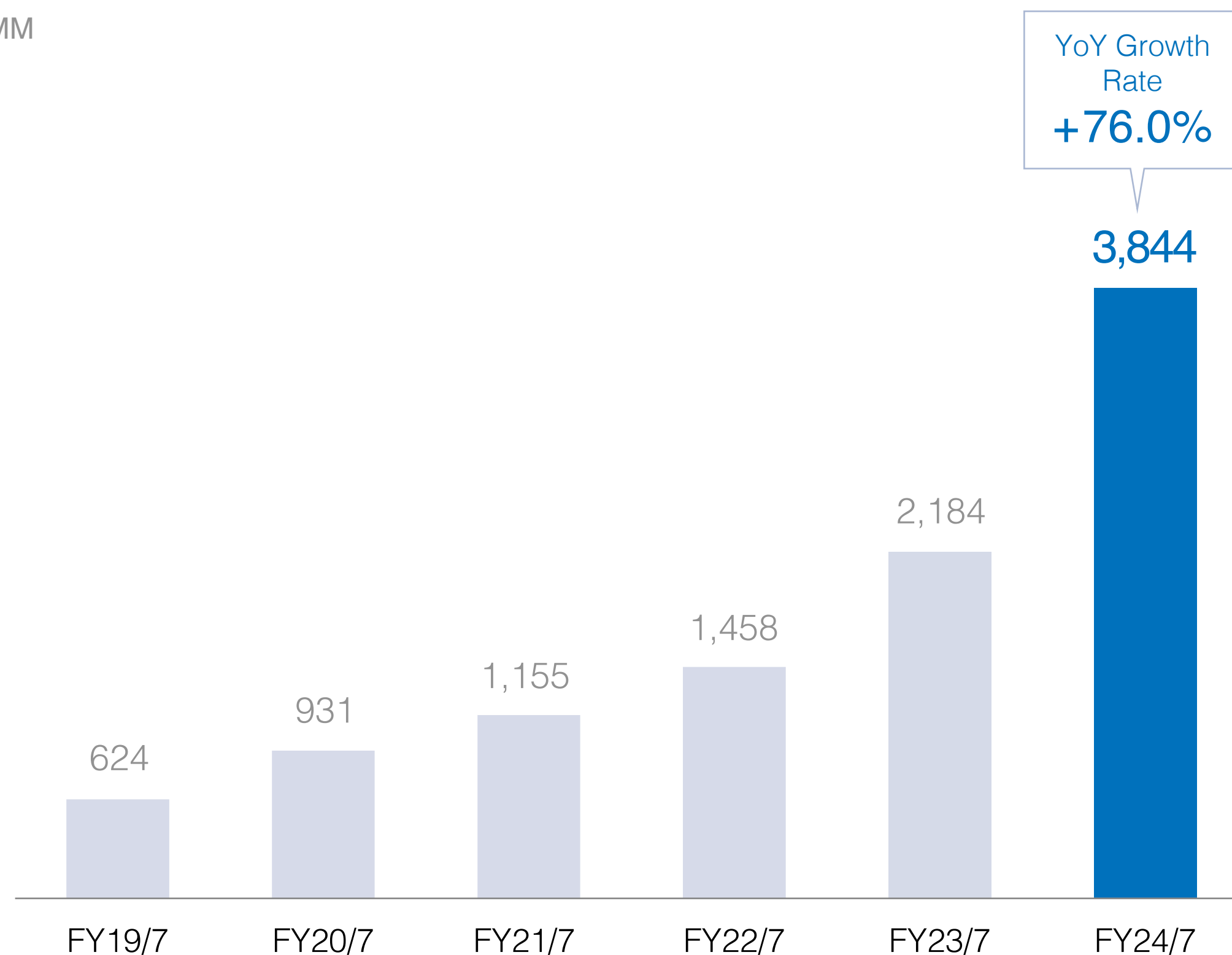
Seamless integration of BizReach and HRMOS to expand a unified, data driven HCM Ecosystem that enables investment and management of human capital to drive business competitiveness



Net sales of each HRMOS services grew strongly whilst we continue with product development. FY2024/7 YoY growth appears particularly high due to the impact of M&A. HRMOS aims to become profitable in FY2026/7. We may strategically change the timing of profitability based on customer interactions and future trends in the market etc.

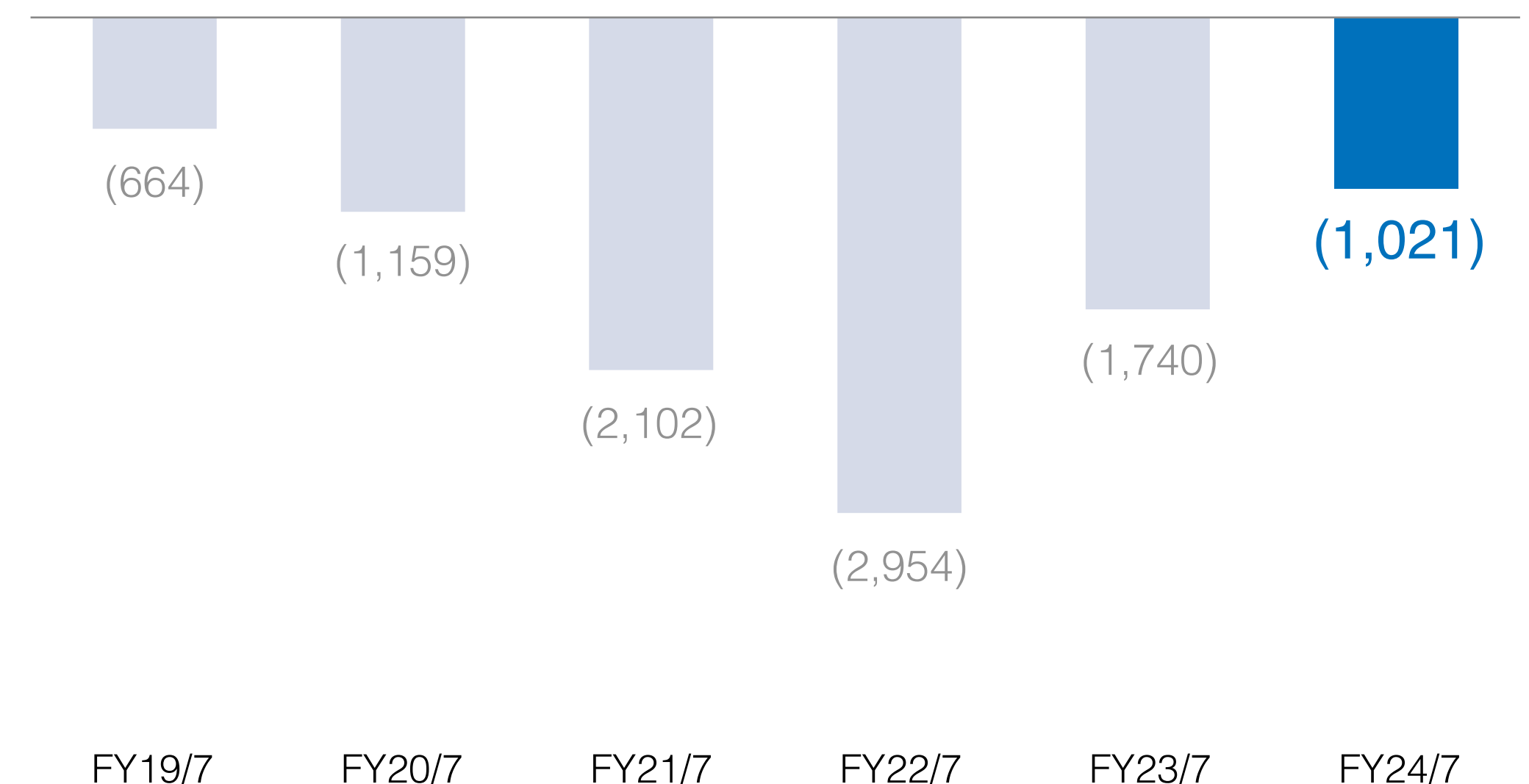
## HRMOS Net Sales<sup>(1)</sup>

JPY MM



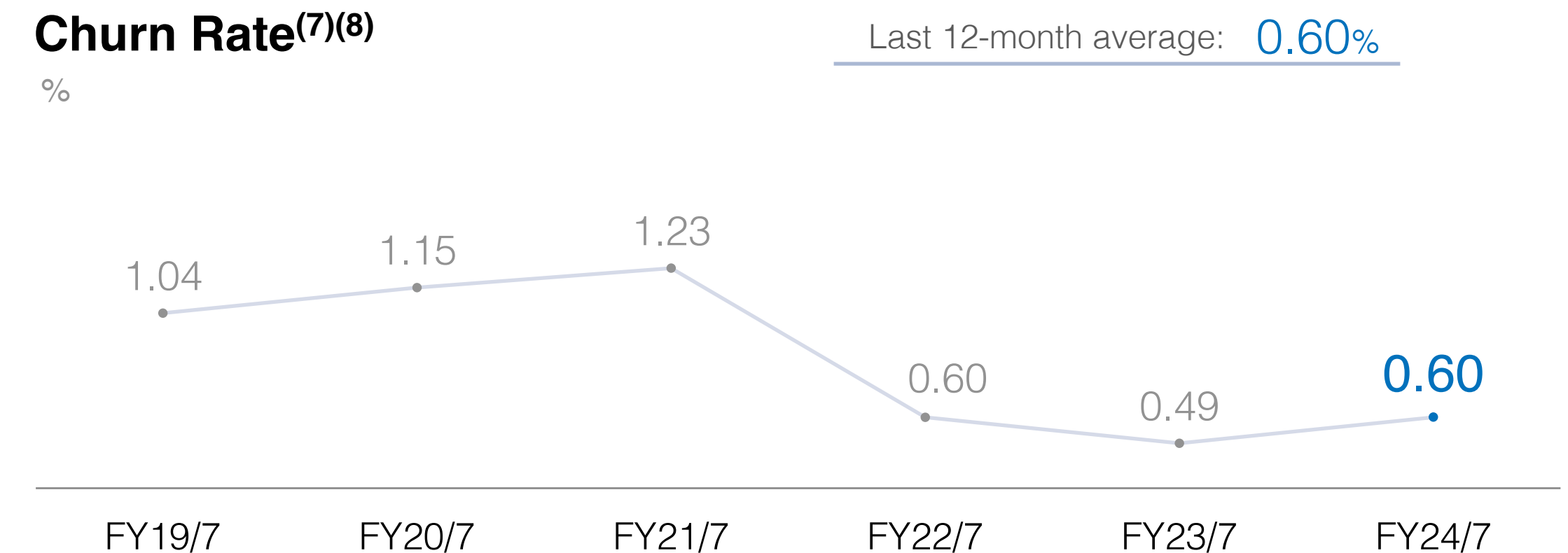
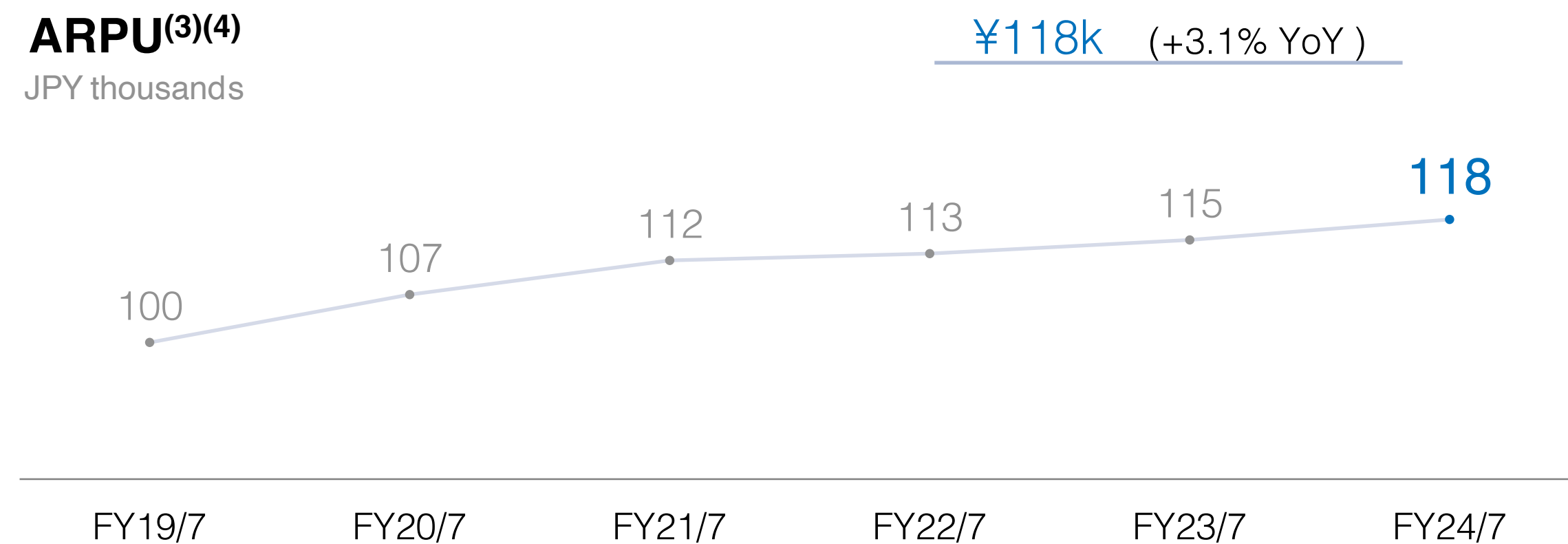
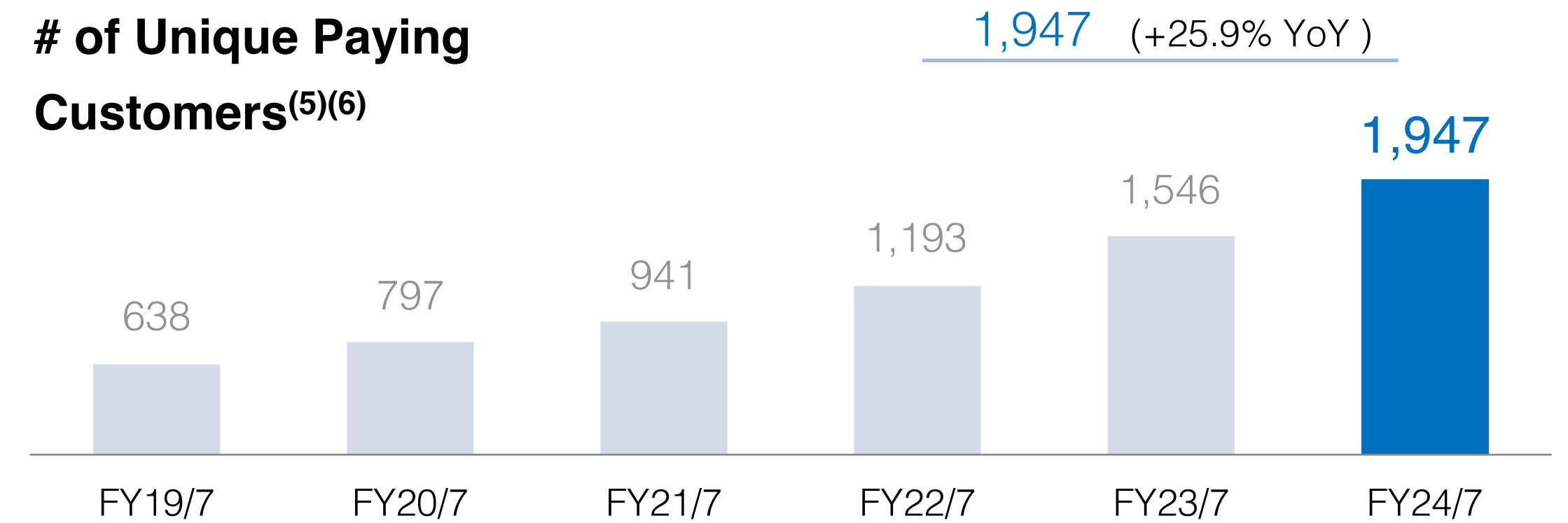
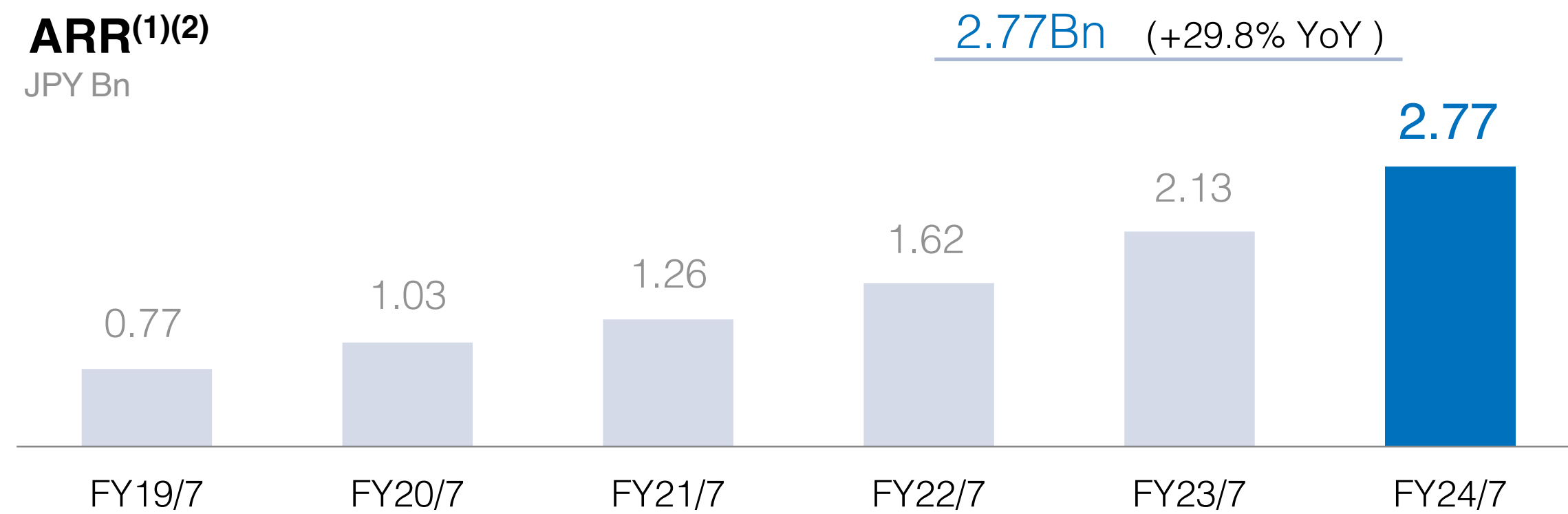
## HRMOS Operating Losses (before Corporate Expense Allocation)<sup>(1)(2)</sup>

JPY MM



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

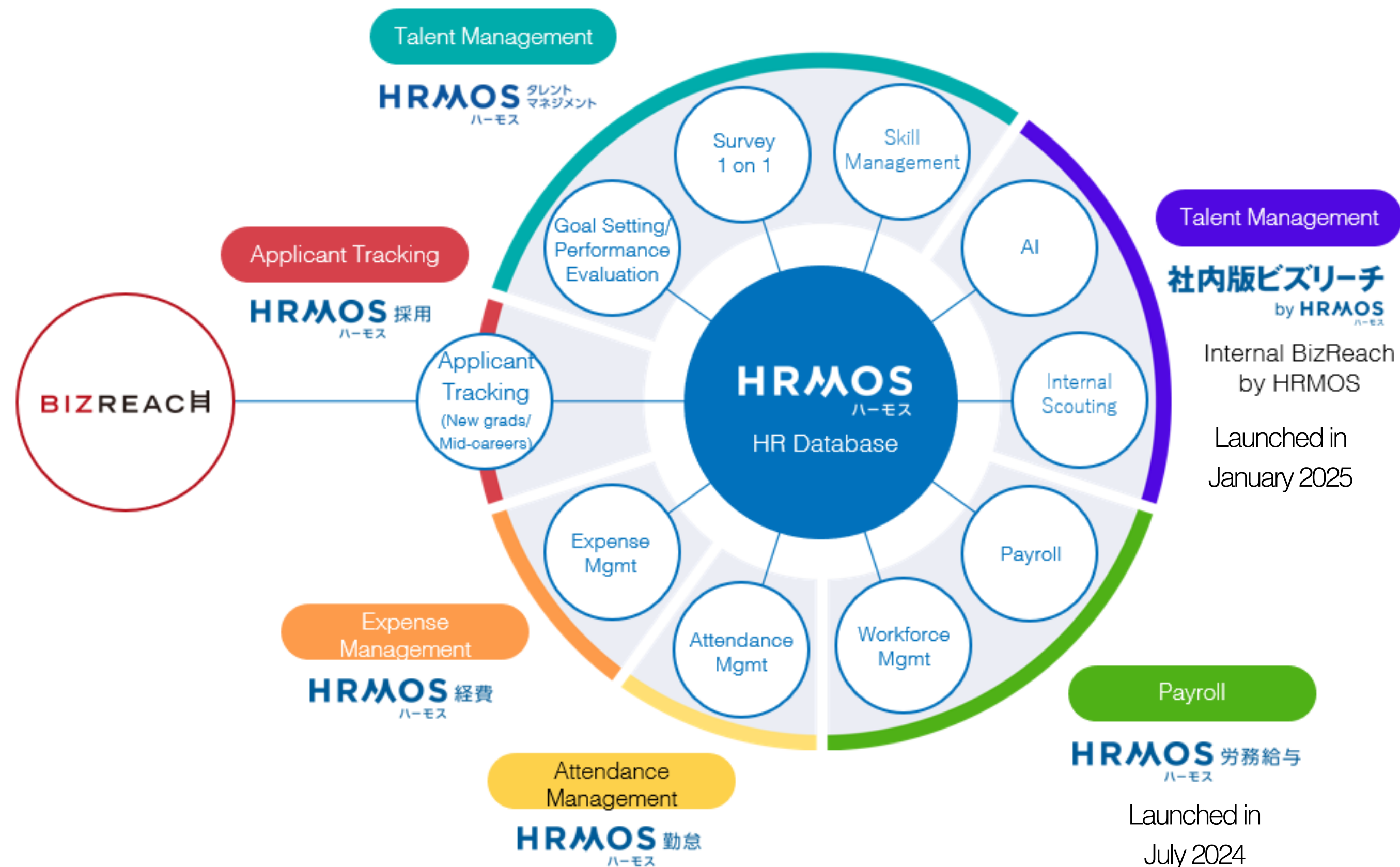
**ARR reached JPY 2.77Bn (29.8% YoY growth) at the end of FY2024/7 driven by solid growth of customers. KPIs below represent HRMOS ATS and HRMOS Talent Management total**



Notes: (1) HRMOS Annual Recurring Revenue (ARR). HRMOS MRR (Monthly Recurring Revenue) for the final month of each year 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 2024 (3) HRMOS Average Revenue Per User (ARPU). HRMOS MRR for the for the final month of each year divided by the number of unique paying customers as of the end of the same quarter (4) As of the end of July 2024 (5) Unique fee-paying customers as of the final month of each year. Customers using multiple HRMOS services are counted as one customer (6) As of the end of July 2024 (7) Last 12-month average of Monthly Churn Rate based on HRMOS MRR as of the final month of each year. Monthly Churn Rate = churned monthly HRMOS MRR divided by HRMOS MRR at the end of previous month (8) As of July 2024

## 4. Future Growth Strategy

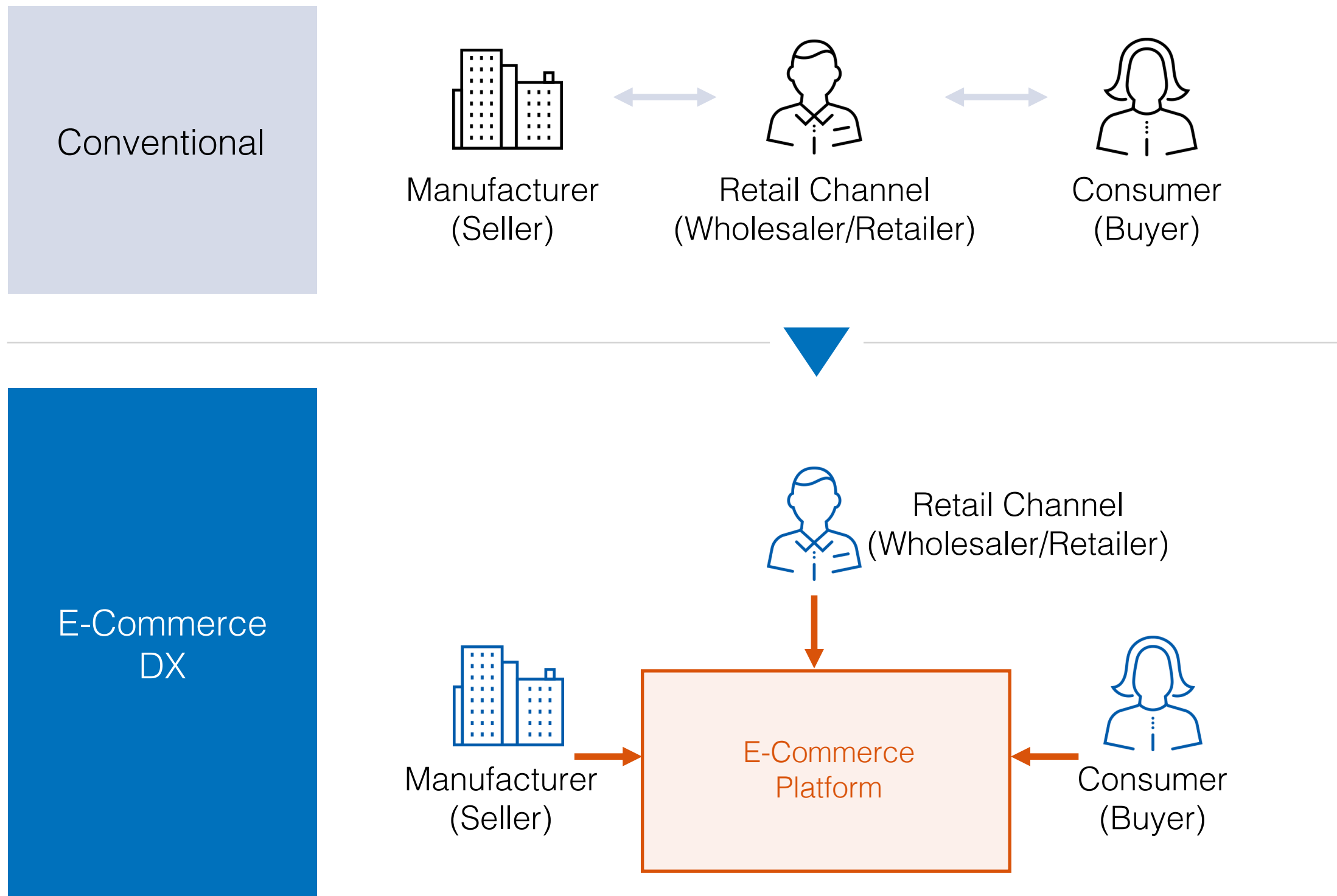
Seamless integration of BizReach and HRMOS to expand a unified, data driven HCM Ecosystem that enables investment and management of human capital to drive business competitiveness



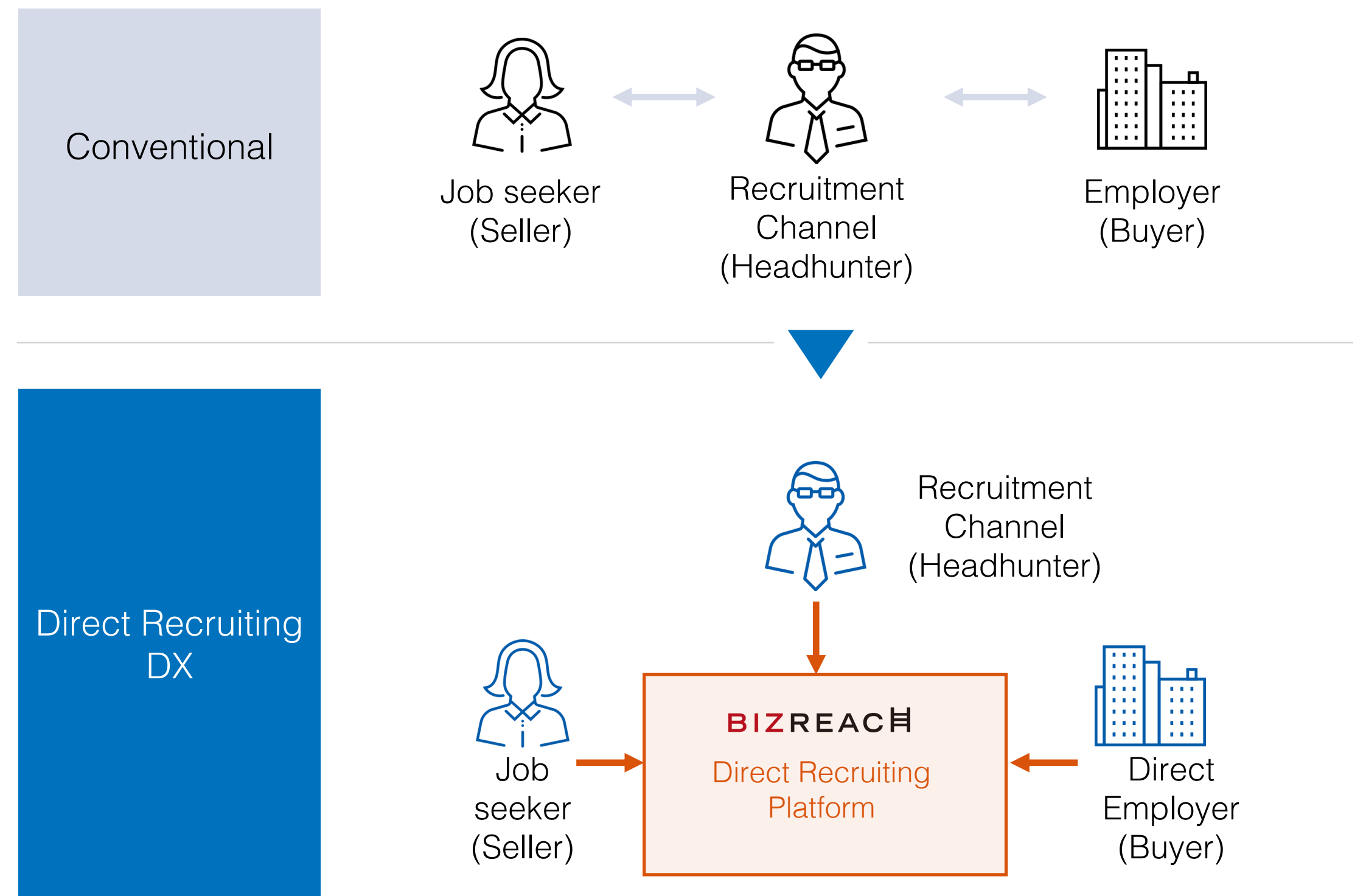
# Evolution of BizReach Using “Data x AI”

BizReach pioneered the concept of “Direct Recruiting” in Japan in 2009, connecting direct employers and job seekers

## DX of Retail Market

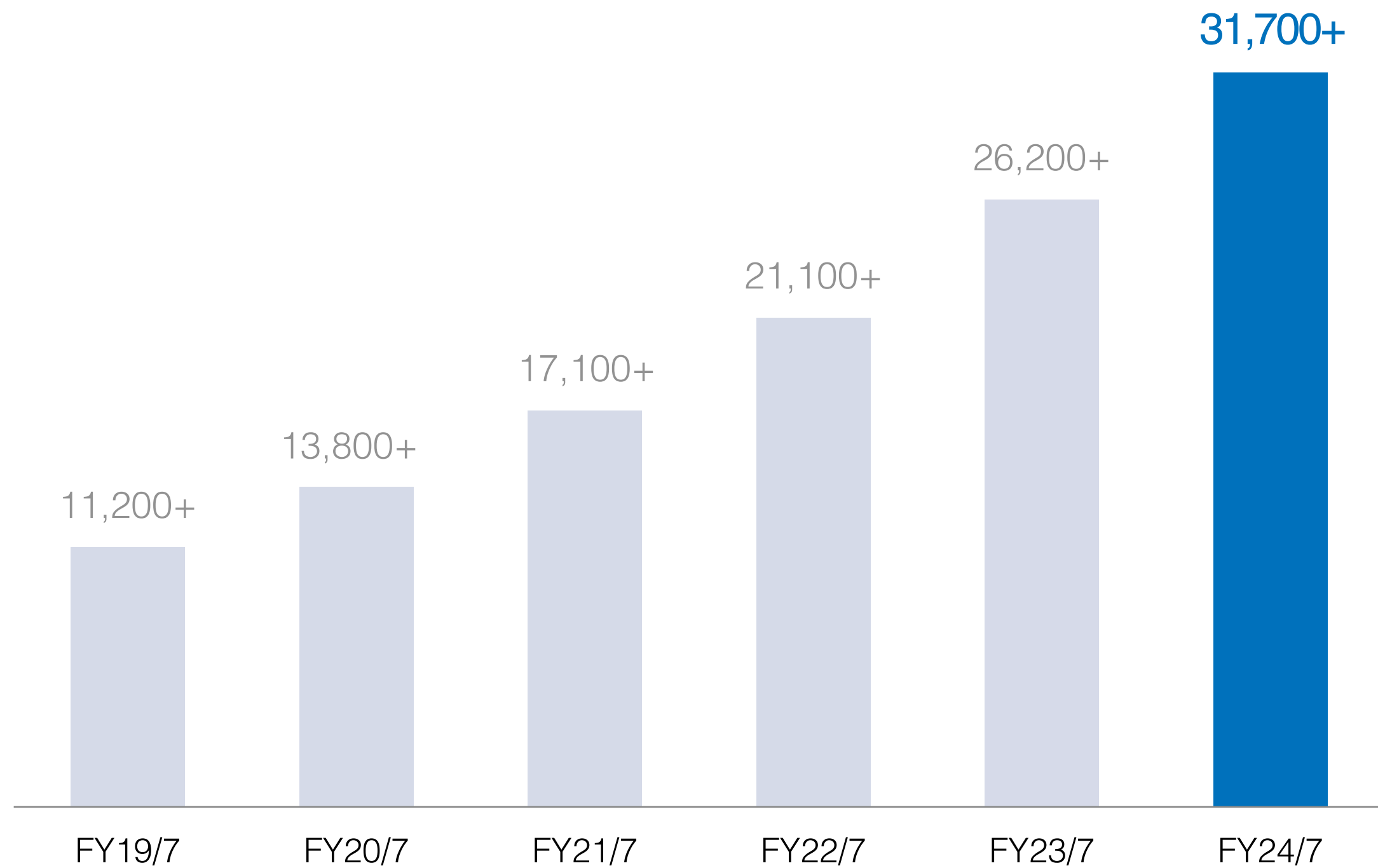


## DX of Professional Recruitment Market



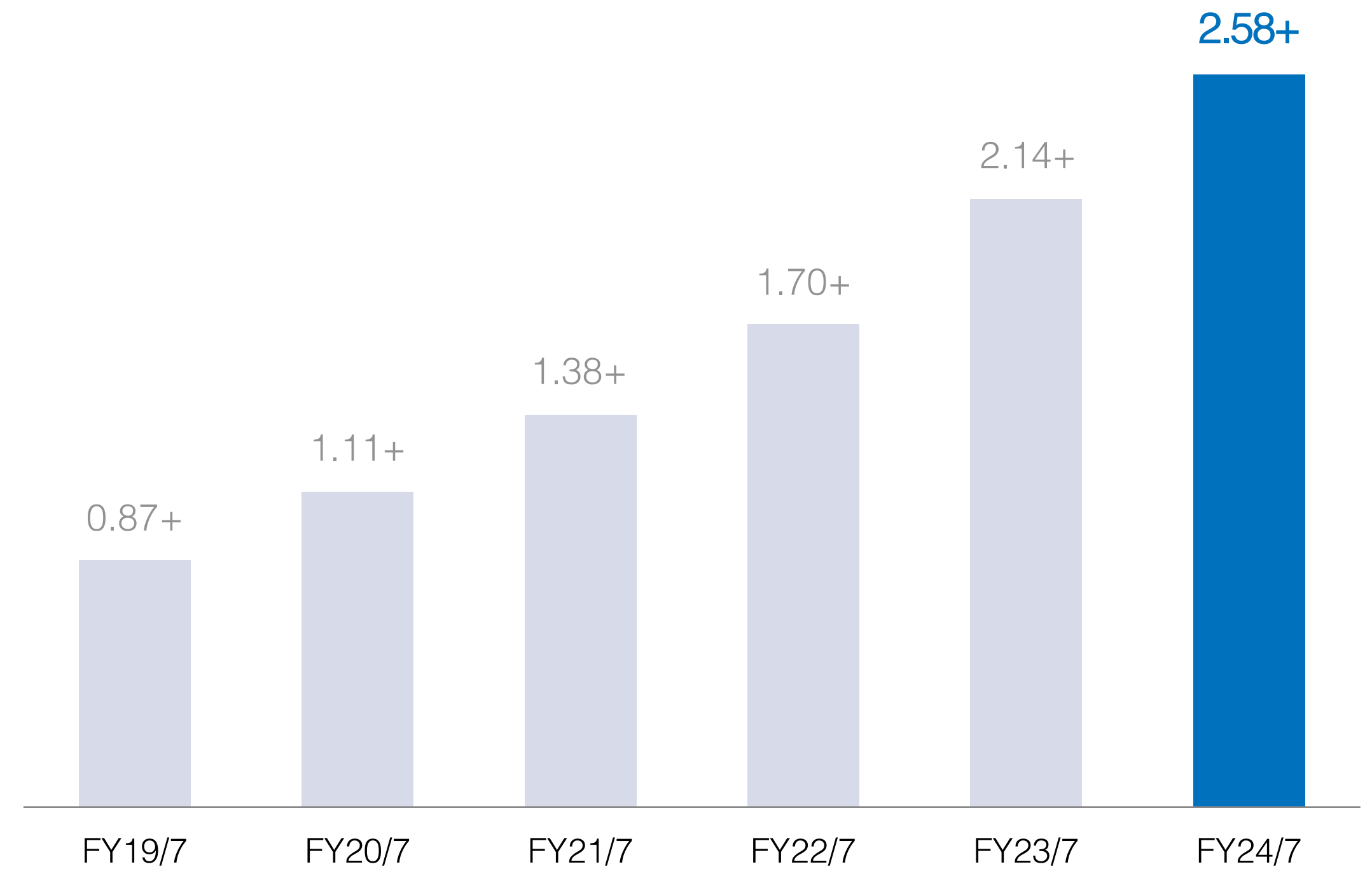
**BizReach has accumulated 16 years of know-how and data of the Japanese hiring market**

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



**# of Scoutable Job Seekers<sup>(2)</sup>**

MM Job Seekers



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

In order to maximize matching opportunities of individuals and positions with speed, high quality resumes/CVs and position information are critical



## Issue

Experience, time and effort is required to put into words your work history and skills

## Solution

### GPT Model Resume / CV Creation Tool<sup>(1)</sup>

Patented

By answering 2 types of questions (job category and business area)

the GPT model will automatically develop a resume / CV

including desirable key words in the hiring market



Note: (1) For details, please refer to the press release announced by BizReach, Inc. on July 6, 2023. (<https://www.bizreach.co.jp/pressroom/pressrelease/2023/070601.html>)

## Results

Reduces time and effort

required to develop a resume / CV

Verified that there is **40% increase in scout messages received** (1)

(Research comparing users who have updated his/her

resumes / CVs using the tool with users who have not used the tool)



## Issue

Increase in highly professional or innovative positions

Difficult to develop position information and qualifications

## Solution

### GPT Model Job Opening / Position Creation Tool<sup>(1)</sup>

Patented

Proprietary logic based on the know-how and data of BizReach

Individuals      Resume information, key words being search by job seekers, etc.

Direct Employers      Position information key words, popular positions, information on positions with high matching rates, etc.



Note: (1) For details, please refer to the press release announced by BizReach, Inc. on November 20, 2023. (<https://www.bizreach.co.jp/pressroom/pressrelease/2023/1120.html>)

## Results

In as short as **30 seconds**,

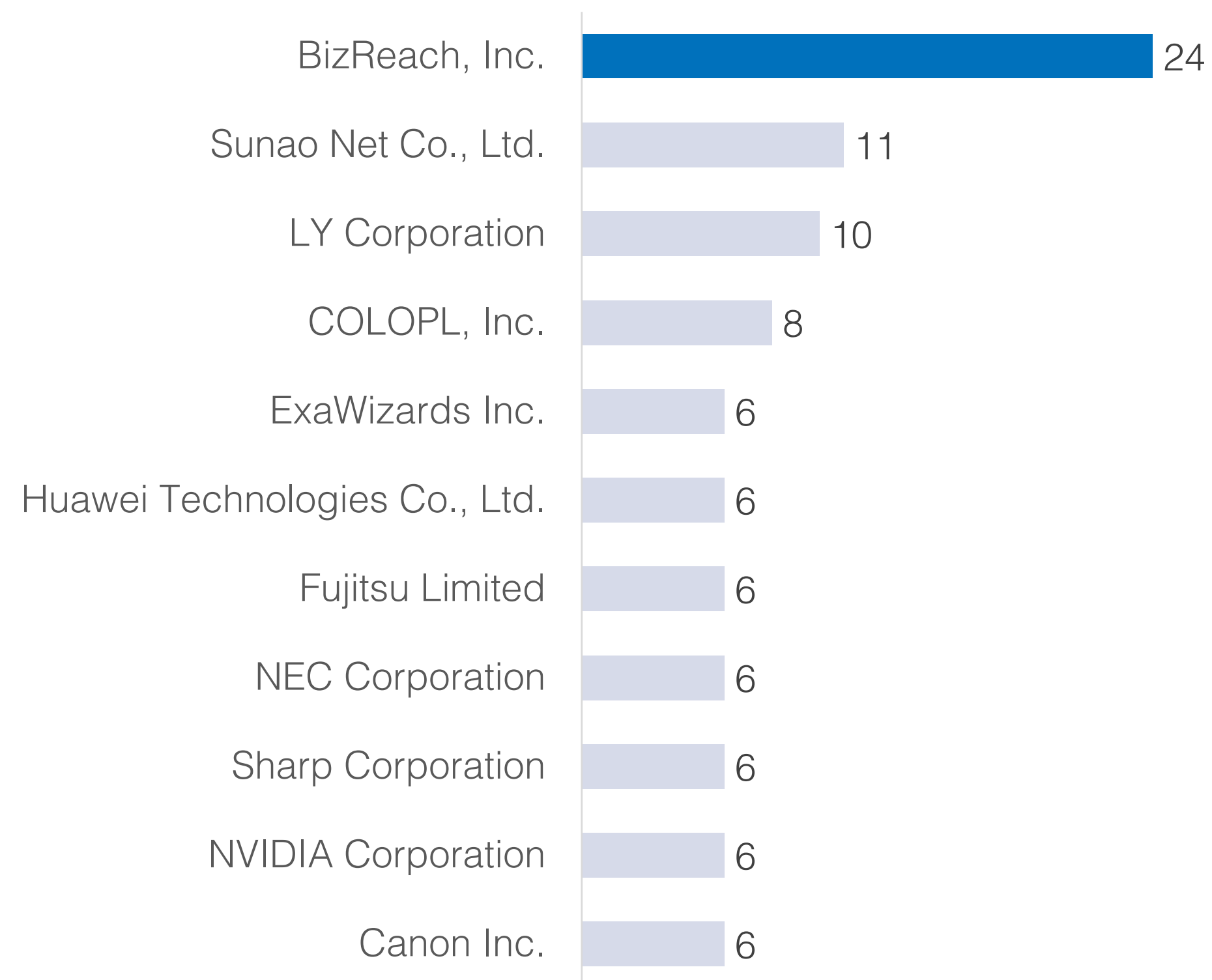
recommends a **highly accurate** position information that

attracts professionals whom direct employers are looking for <sup>(1)</sup>



We view technology investment as a source of competitive advantage. We ranked as #1 in Japan in terms of the number of generative AI patent applications published in the past fiscal year<sup>(1)</sup>

## Generative AI-Related Patents (Applications Published between August 2023 and July 2024)<sup>(1)</sup>



## Examples of Generative AI-Related Patents of BizReach, Inc.<sup>(2)</sup>

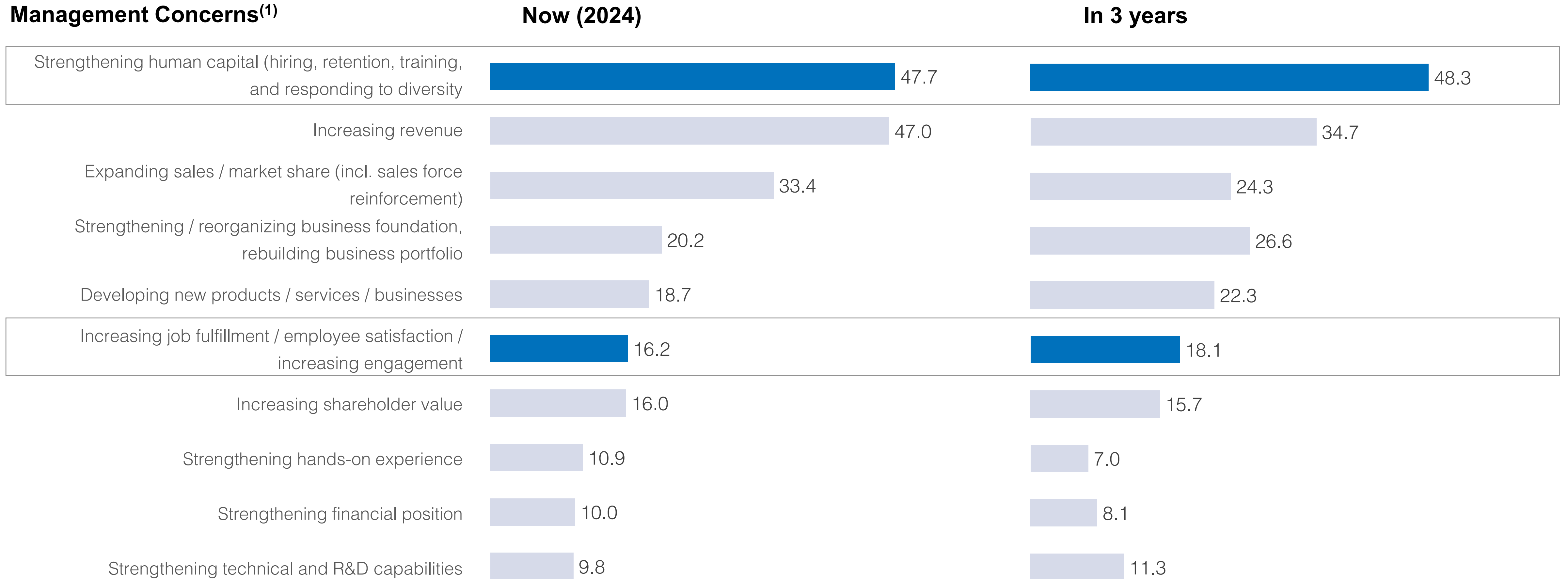
- Automated resume creation
- Automated job post creation
- Job post scoring
- Automated internal resume creation
- Automated internal position creation
- Internal talent search
- Candidate recommendation
- Search criteria proposal

Notes: (1) Prepared by Visional, Inc. based on Japanese patents first published through public announcement of application or registration between August 2023 and July 2024, as well as patent application surveys by “Chizaizukan” (2) Patent No. 7371284, Patent No. 7373091, Patent No. 7403027, Patent No. 7475529, Patent No. 7488974, Patent No. 7546181, etc. Includes patents pending

# Further Changes in Japan's Work Styles

# “Strengthening Human Capital” is a Top Management Concern

## Strengthening and applying human capital are top management issues by Japanese companies

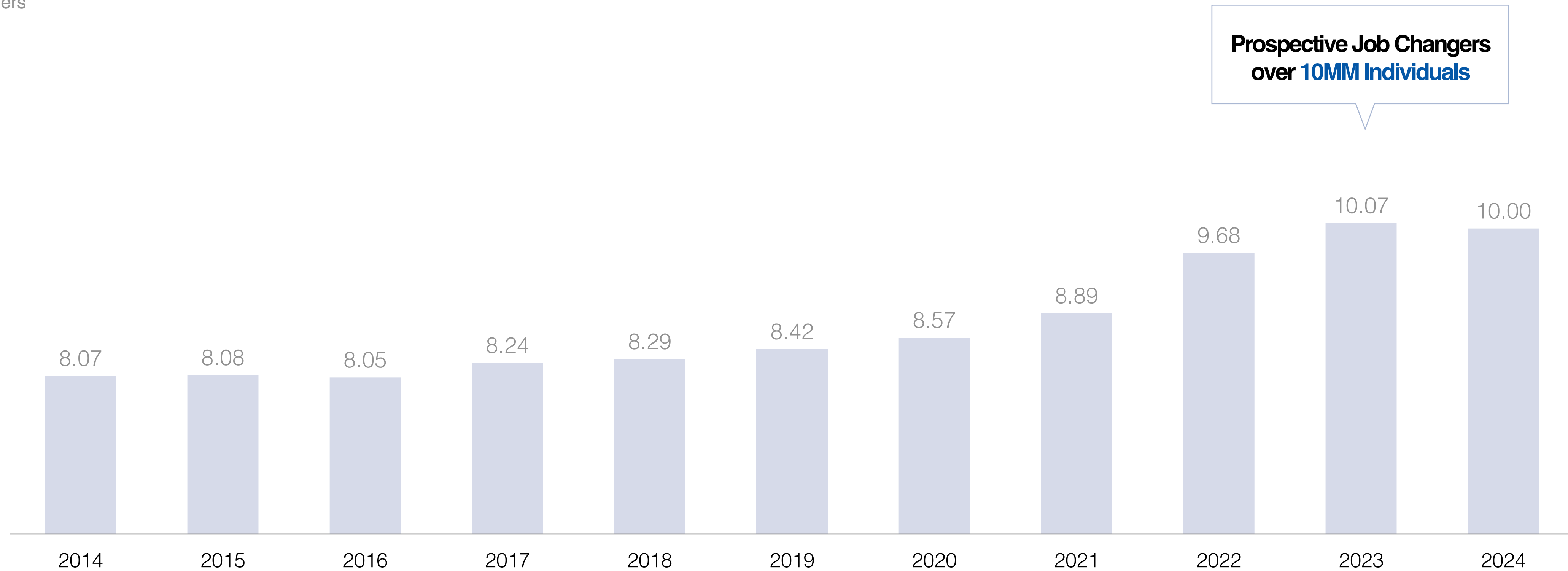


Note: (1) Prepared by Visional, Inc. based on excerpt from “Corporate Management Issues 2024” (Published March 2025) by Japan Management Association. Each figure is the percentage of responses which ranked the importance of the 20 items expected to be issues from first to third

Prospective job changers has been on the rise since COVID-19 and exceeded 10 MM individuals for the first time in 2023<sup>(1)</sup>. The era of major job transitions has begun

## Prospective Job Changes (All employed individuals)<sup>(1)</sup>

MM Job Seekers

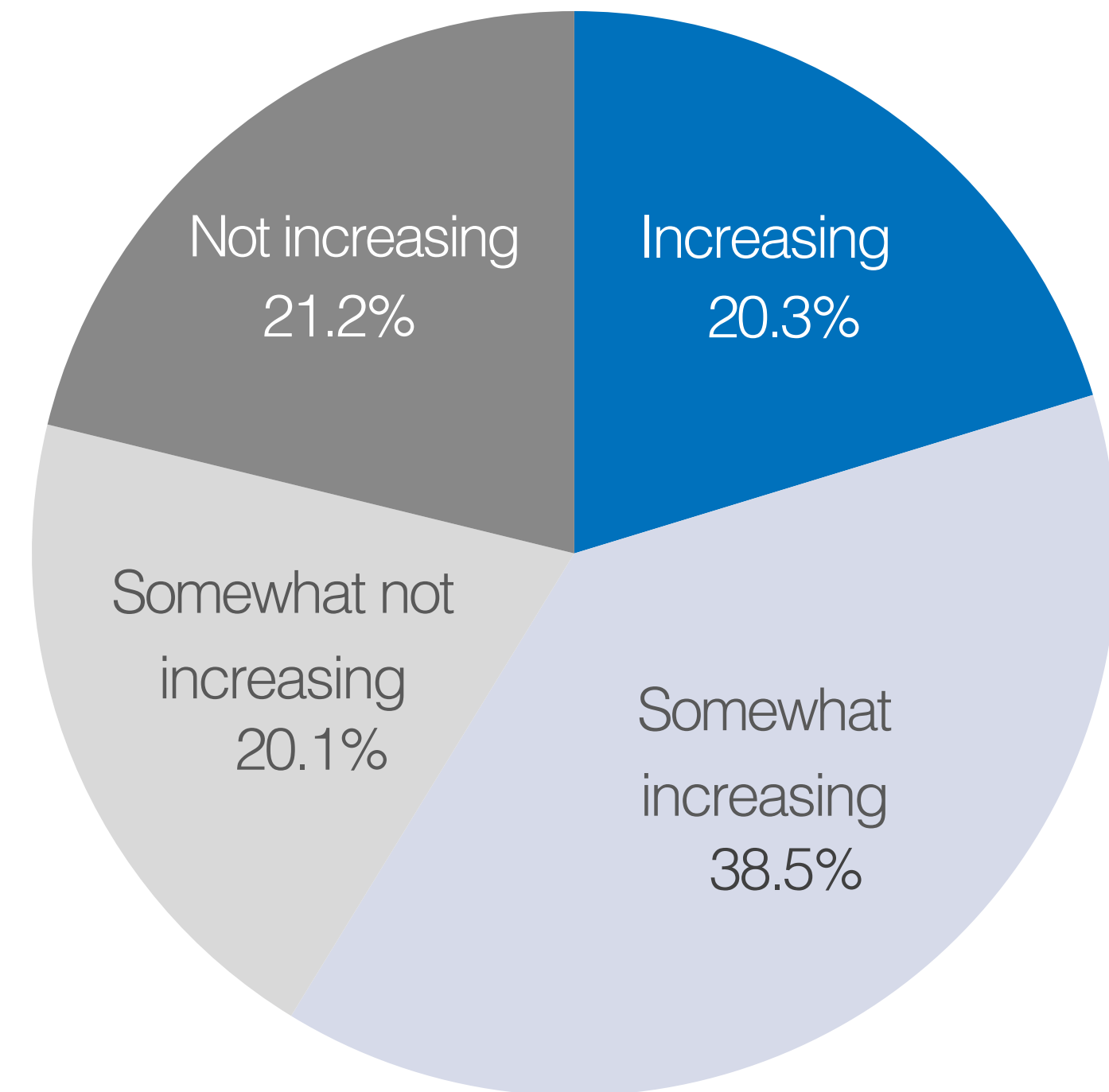


Note: (1) Prepared by Visional, Inc. based on “Labor Force Survey” by the Ministry of Internal Affairs and Communications. The figures represents the 12-months average of each month end survey of prospective job changers within employed individuals. Employed individuals are defined as the working population aged 15 and over, excluding the unemployed and non-labor force population. Prospective job changers refer to individuals who are currently employed and would like to change jobs or those who would like to engage in other jobs in addition to their current jobs

## Q. Have the number of employees who left the company increased in the last year?<sup>(1)</sup>

**58.8%**

answered that employees who have left the company increased in the last year

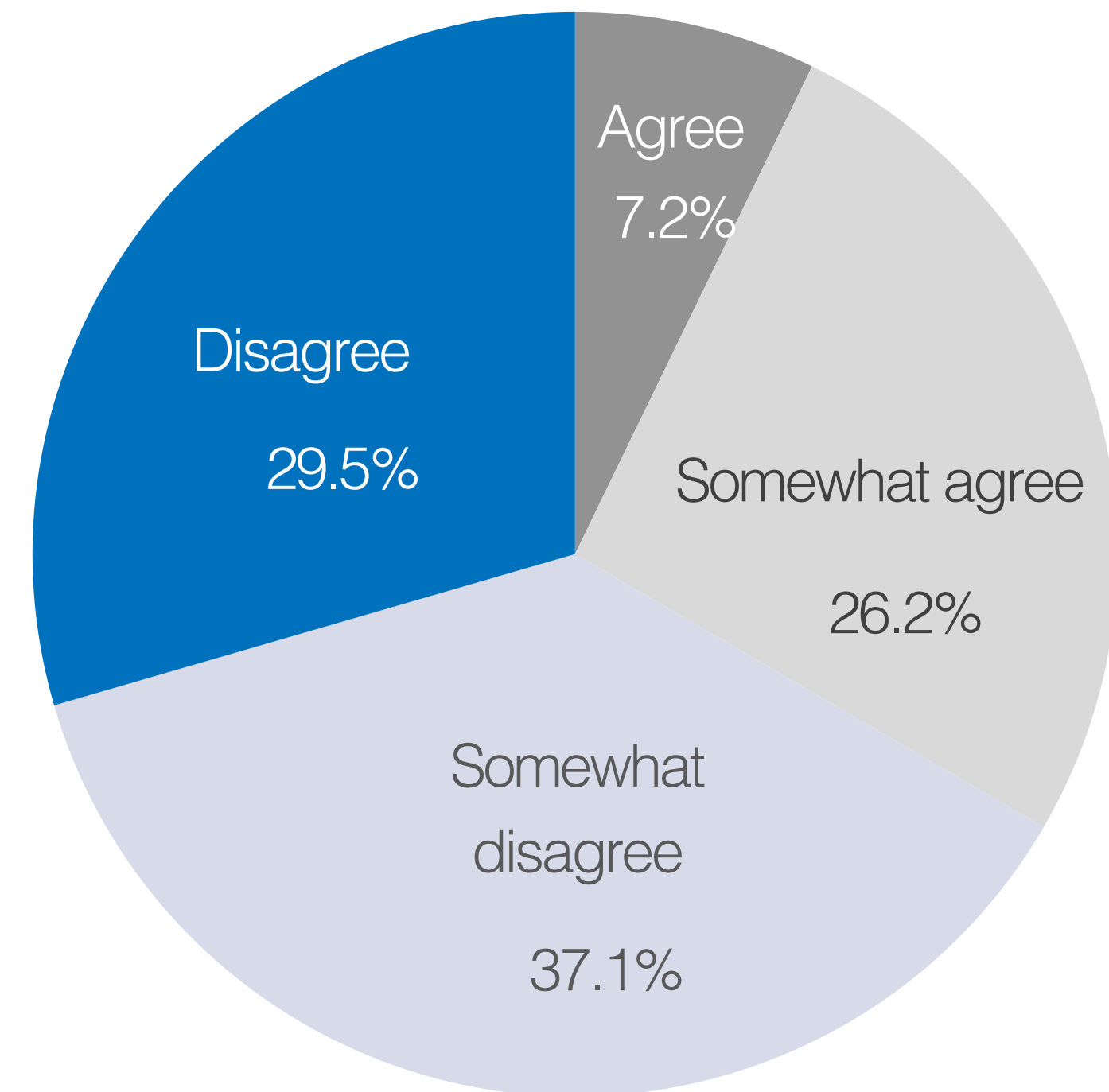


Note: (1) Prepared by Visional, Inc. based on the "survey by BizReach WorkTech Research Institute." Contents of the survey are questionnaires about employees who have left the company. Targets of the questionnaire are management and human resource personnel of companies using BizReach or HRMOS series. The survey period is from May 29, 2024 to June 7, 2024. The number of valid answers is 548. For details, please refer to the press release announced by BizReach, Inc. on October 22, 2024 (<https://www.bizreach.co.jp/pressroom/pressrelease/2024/1022.html>)

## Q. Do you think you can build your desired career at the company you currently belong to?<sup>(1)</sup>

**66.6%**

answered that they cannot build their desired career at the company they currently belong to



Note: (1) Prepared by Visional, Inc. based on the "survey by BizReach WorkTech Research Institute." Contents of the survey are questionnaires about thoughts on their career and job changes. Targets of the questionnaire are members of BizReach. The survey period is from April 22, 2024 to May 5, 2024. The number of valid answers is 1,290. For details, please refer to the press release announced by BizReach, Inc. on November 26, 2024 (<https://www.bizreach.co.jp/pressroom/pressrelease/2024/1126.html>)

**Employers are no longer choosing who works for them.**

**Employers need to be chosen by those that work for them**

The urgent issue is to turn the attention not only to external recruitment but also to internal talent and change the awareness of management to create a company at which “employees want to keep working” and improve the HR systems

# Outflow of Employees

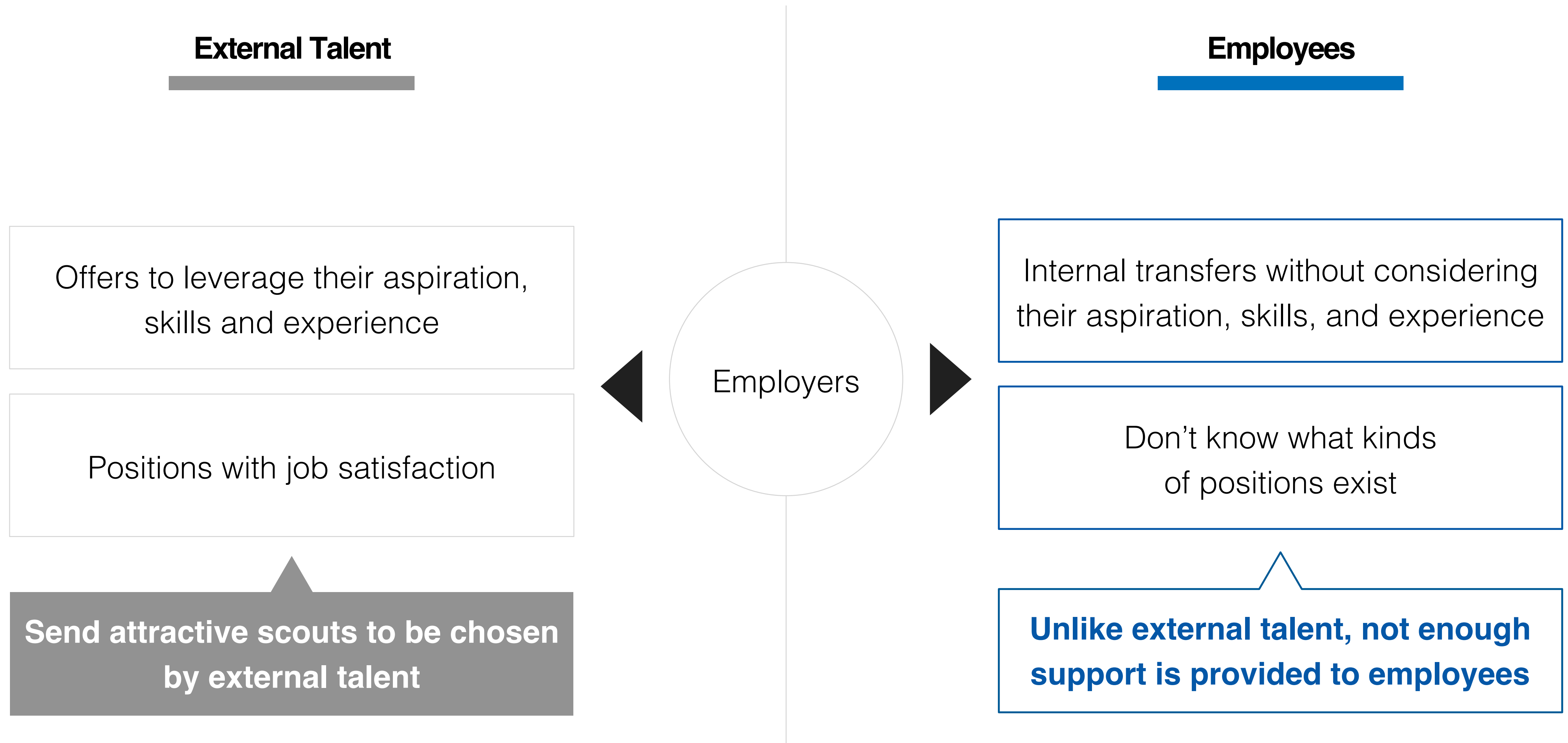
## External Talent

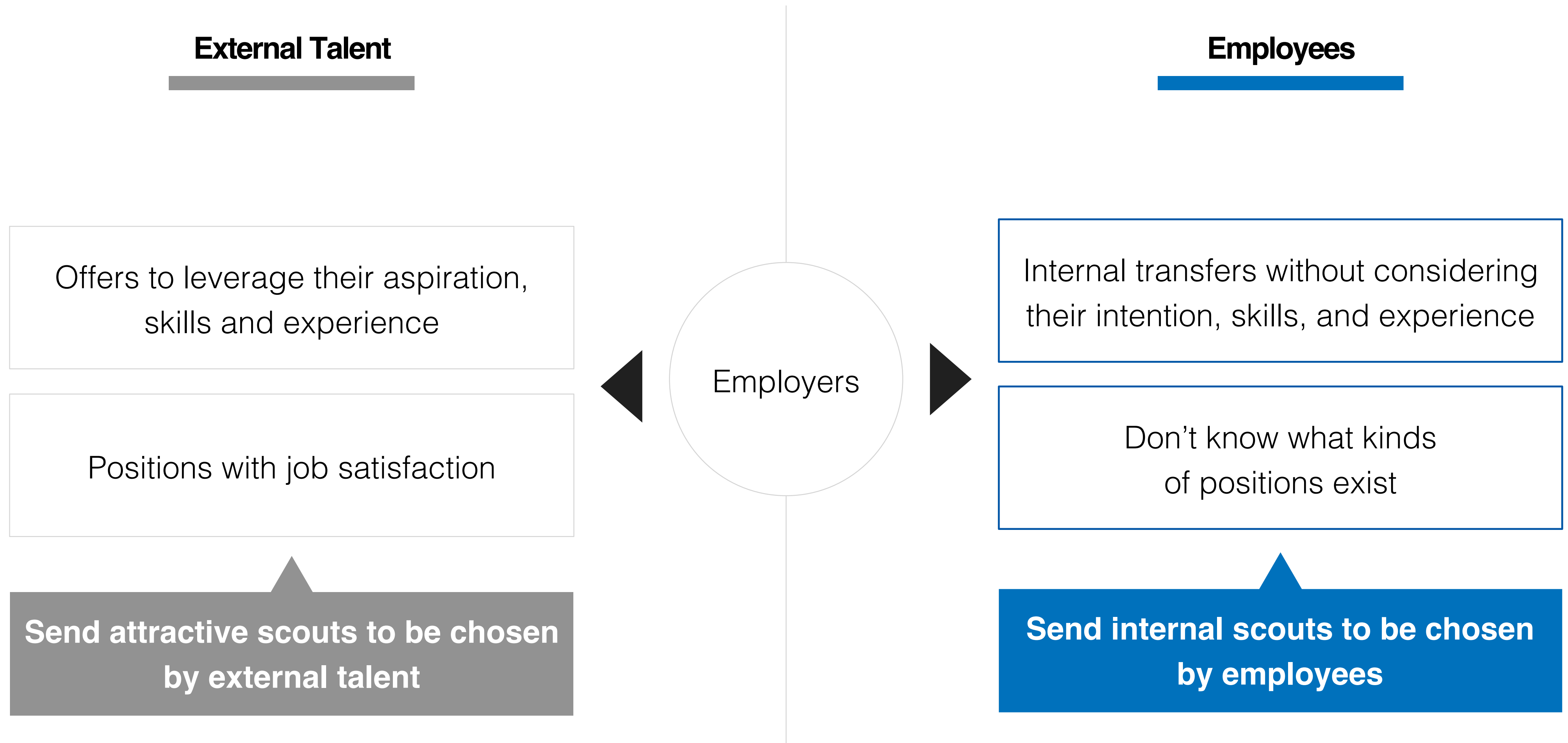
Offers to leverage their aspiration,  
skills and experience

Positions with job satisfaction

**Send attractive scouts to be  
chosen by external talent**

Employers





**Addressing the Outflow of Employees by BizReach**

# “Internal Scouting” Activities

- 1 Visualization of human capital data and internal positions accurately and in real time**
- 2 Activation of opportunities to find internal positions such as internal job posting etc.**
- 3 Independent and proactive scouting from internal positions**

**Through these activities, provide career development opportunities to employees on an ongoing basis**

Preventing the Outflow of Employees by Internal Scouting Activities

# 社内版ビズリーチ

by HRMOS  
ハーモス

“Internal BizReach by HRMOS”

In the end of January 2025, we launched “Internal BizReach” which prevent the outflow of employees by “Internal Scouting” activities.

## Internal BizReach Model

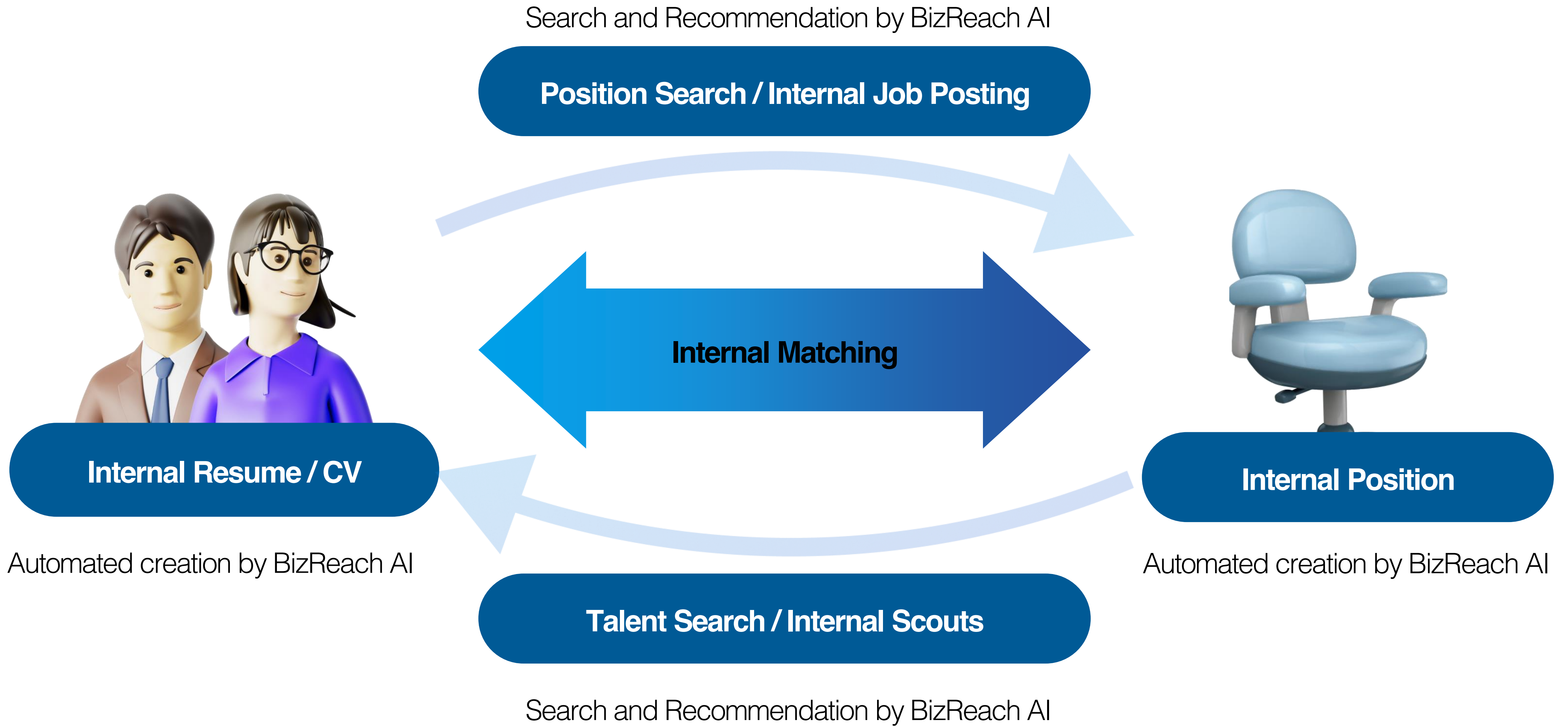


**BizReach has 16 years' worth of know-how and data of the Japanese hiring market, in addition to our generative AI technology (ranked as #1 in Japan published in the past fiscal year)<sup>(1)</sup>**

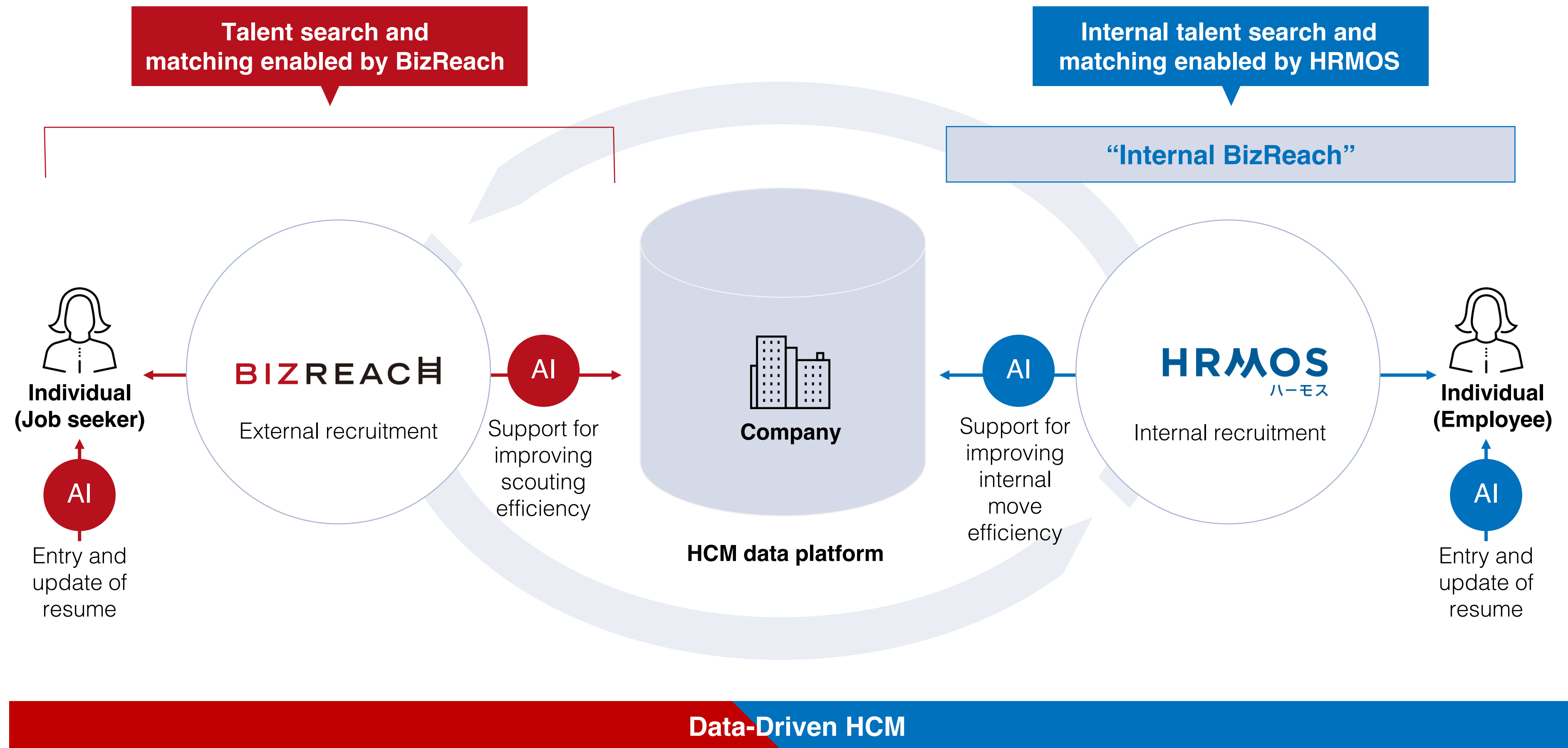
Combining hiring market data  
accumulated over 16 years and  
generative AI technology

Internal resumes  
and internal positions  
automated development  
tools

Search and recommendation



Optimal HCM (Human Capital Management) requires gathering and analyzing of job market and employee data in real time and in a unified manner and use this for internal matching and development of recruitment strategies



# Why

## **The beginning of an era of major job transitions. The outflow of employees has become a management issue for companies**

In recent times, “job changes” have become “a positive option for career development”, leading to an unprecedented activation of the job market. People are constantly weighing the pros and cons of staying within their current company versus exploring new opportunities, seeking better stages in their careers.

The competition for talent has intensified, and companies are focusing more than ever on external hiring. For skilled professionals, attractive job offers are pouring in one after another. As a result, the outflow of employees from within companies has accelerated, becoming a serious management issue for many organizations.

It is no longer a time to focus solely on retaining employees within internal departments. The key to future management will be to prevent the outflow of exceptional employees and make the most of the talent within the company.

Today, companies are no longer in a position to choose their workers; rather, they are the ones being chosen by talented professionals. This is why, now more than ever, companies need to pay close attention to internal talent, nurture them with care, and foster a culture where “employees want to keep working.” The urgent task at hand is to reform management awareness and improve the human resources system to become a company that employees want to stay with.

# What

## **To address the new challenge of the outflow of employees, companies must put a stop to it through the use of “Internal Scouting”**

Many companies are focusing on external talent, actively sending scouts offering attractive conditions and positions that align with the candidates' aspirations, skills, and experience. However, not all companies are providing the same level of attention and support to their employees. When looking internally, there are employees with skills and motivation beyond expectations, and there are also attractive internal positions that are not visible to employees. While many companies are working on visualizing these opportunities, the current reality is that they are not fully utilizing the data that both the companies and employees truly need to see.

If this continues, not only will the utilization of internal talent remain underdeveloped, but the outflow of employees will only accelerate. To prevent this, it is crucial to act quickly and implement “accurate and real-time visualization of talent data and internal positions,” “actively promote opportunities for employees to encounter positions, such as internal job postings,” and “direct recruitment from internal positions.” Diverse “Internal Scouting” activities are essential.

By continuously providing career development opportunities for employees, companies will ultimately prevent the outflow of employees and enhance their organizational value.

# How

## **A new service by BizReach launched to prevent the outflow of employees with “Internal Scouting”**

A new service is launched to prevent the outflow of employees with “Internal Scouting,” a service only BizReach can provide. This service is called “Internal BizReach” and it has three key features.

By utilizing the market data accumulated over 16 years of supporting Japan’s job market and the AI technology that boasts the highest number of patents in Japan<sup>(1)</sup>, the service automatically generates “(1) internal resumes and position requirements based on market standards, without the need for manual work” using AI. Through BizReach’s expertise and systems in talent matching, it easily facilitates “(2) the creation and maintenance of a ‘database of internal talent and positions’ that meets the needs of both the company and employees” and “(3) activates internal job postings and direct internal recruiting, enabling a type of internal matching that has never been done before.”

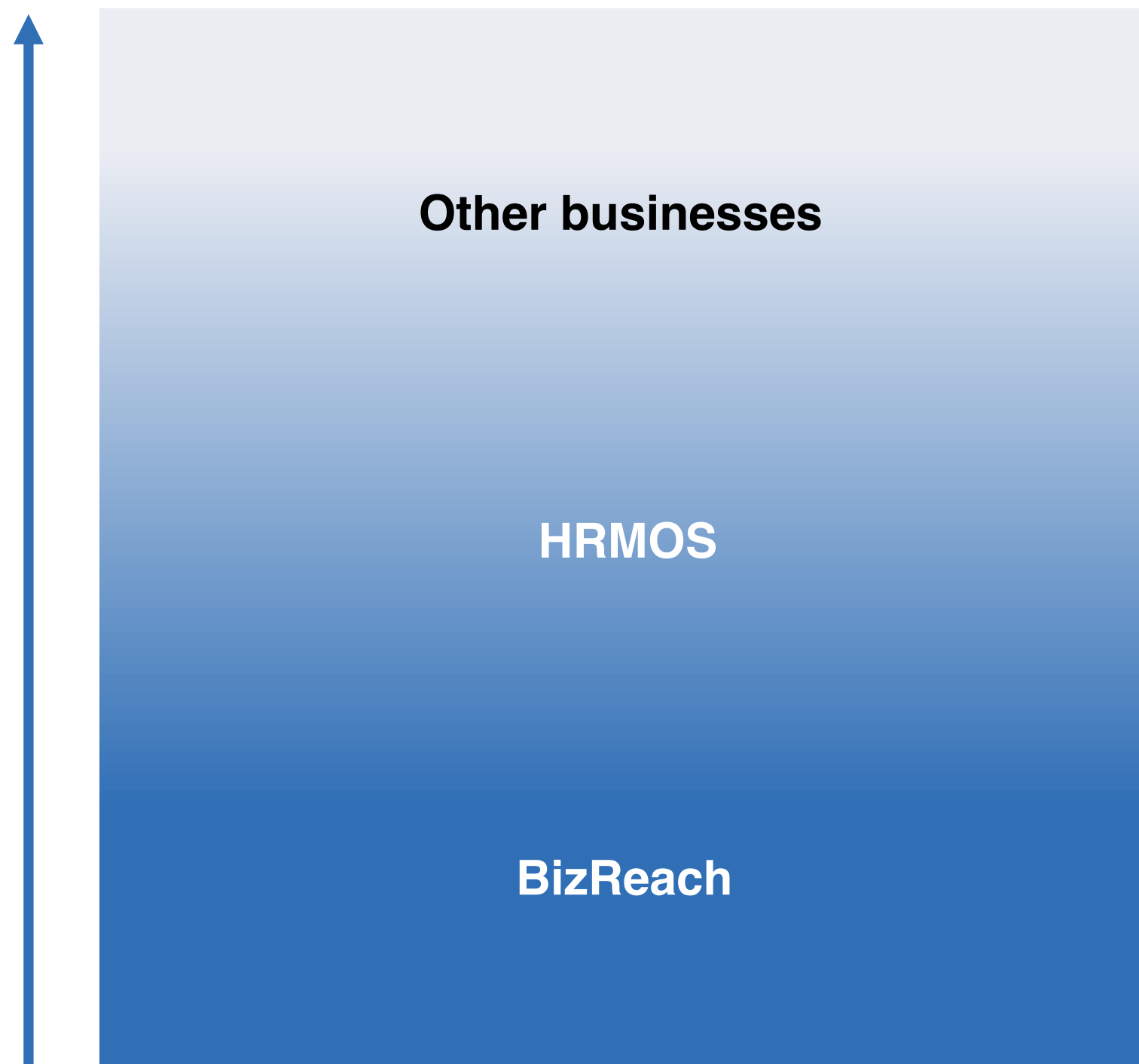
This allows for the same high-precision scouting activities that BizReach is known for, but within the company itself. By providing employees with attractive options and opportunities, this service helps create a company where employees want to continue working. It is a revolutionary service that prevents the outflow of employees and creates an environment where employees can thrive and experience more human-centered ways of working within the company. This is what "Internal BizReach" is all about.

Note: (1) Prepared by Visional, Inc. based on Japanese patents first published through public announcement of application or registration between August 2023 and July 2024, as well as patent application surveys by “Chizaizukan”

To increase our enterprise value in the long term, whilst we commit to growth and profit expansion of BizReach, we will invest in other businesses and M&A. If opportunities that we believe will increase our enterprise value arises, we will prioritize investment over group's consolidated growth and profit expansion

**Long Term Vision:  
Single Business to Multiple Businesses Sum-of-the-Parts**

Creation of Enterprise Value



**Capital Allocation for Disciplined Growth Investment**

Priority

<b>Investment in existing businesses</b>	Increasing profits as a principle. However, if investment opportunity that we believe will increase our enterprise value arises, we will prioritize investment
<b>M&amp;A</b>	Expanding BizReach and HRMOS (customers, service offerings) is our priority but M&A in other areas may be explored
<b>Investment in new businesses</b>	Investment based on our business framework. Start small, pivot as required, and close business if it does not work
<b>Shareholder return</b>	Consider shareholder return based on share price, market conditions, cost of capital, and future cashflows

**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

**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><b>Lack of capital liquidity including business succession</b></p> <p><b>“Japan’s Economy 2020-2021”<sup>(1)</sup></b></p> <p>“...for companies with promising business and appropriate technological capabilities, retaining their know-how and employment in the form of M&amp;A will help maintain the technological capabilities of Japan as a whole...”</p>	<p><b>Delay in security measures as cloud service utilization increases</b></p> <p><b>“Grand Design and Action Plan for a New Form of Capitalism”<sup>(2)</sup></b></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><b>Delay in DX for SMEs</b></p> <p><b>“Grand Design and Action Plan for a New Form of Capitalism”<sup>(2)</sup></b></p> <p>“It is vital to strengthen competitiveness through productivity improvements and optimizing trade...”</p>
<p>M&amp;A platform for corporations</p> 	<p>Vulnerability management cloud</p>  <p>Cloud security assessment service</p>  <p>Third-party security assessment service</p> 	<p>Logistics DX (digital transformation) 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

# Appendix

<b>Company Name</b>	Visional, Inc.
<b>Address</b>	2-15-1, Shibuya, Shibuya-ku, Tokyo
<b>CEO</b>	Representative Director and CEO Soichiro Minami
<b>Market Segment</b>	Tokyo Stock Exchange Prime Market
<b># of Employees</b>	2,080 people (As of April 30, 2025)
<b>Share Capital</b>	JPY 6,531 MM (As of April 30, 2025)
<b>Business Overview</b>	Management support of group companies
<b>Subsidiaries</b>	BizReach, Inc. ezSoft Co., Ltd. M&A Succeed, Inc. Trabox, Inc. Assured, Inc. 8 other companies (As of April 30, 2025)



## Soichiro Minami - Representative Director and CEO

After graduating from Tufts University in the U.S. in 1999, he joined the Investment Banking Division of Morgan Stanley Japan Securities Co., Ltd. (currently Morgan Stanley MUFG Securities Co., Ltd.). He was involved in founding a professional baseball team “Tohoku Rakuten Golden Eagles” in 2004, and then, in 2009, established BizReach, Inc. Since then, he has successively established businesses to promote digital transformation (DX) in HR Tech including recruiting platforms and Human Capital Management (HCM) SaaS, and also in other business domains including M&A matching platform, logistics matching platform and cybersecurity. He assumed his current position from February 2020 when BizReach, Inc. was reorganized into a holding company structure and Visional, Inc. was established. He was chosen as one of the Young Global Leaders at the World Economic Forum (Davos). He was chosen as EY World Entrepreneur Of The Year Class of 2024, representing Japan.



## Satoshi Murata - Director

After graduating from the Faculty of Law at Aoyama Gakuin University in 2002, he joined Global Media Online, Inc. (currently GMO Internet Group, Inc.). Afterward, he held positions of responsibility in business development and marketing departments at Viacom International Japan K.K. (currently Viacom Networks Japan K.K.), and in 2011, he became Representative Director at LUXA, Inc. (currently au Commerce & Life, Inc.). In 2019, he became Director and COO of BizReach, Inc. Since February 2020, he serves as Director of Visional, Inc. He also serves as Director of Visional Incubation, Inc. (currently M&A Succeed, Inc.) since August 2021, and Director of Trabox, Inc., and Assured, Inc. since August 2022.



## Tetsuya Sakai - Director BizReach, Inc. / Representative Director and CEO

After graduating from the Faculty of Business and Commerce at Keio University in 2003, he joined Japan Sports Vision Co., Ltd. He later joined Recruit Career Co., Ltd. where he was engaged in sales and business development roles, and then served as the Head of Sales in the mid-career recruiting domain. In November 2015, he joined BizReach, Inc. and held various positions such as Head of the BizReach Division, Head of the Recruiting Platform, and Vice President of BizReach Inc. In July 2022, he became Director and CEO of BizReach, Inc. In October 2022, he was appointed as Director of Visional, Inc.



## Risako Suefuji - Director and CFO

After graduating from Keio University, she joined Morgan Stanley Japan Securities Co., Ltd. (currently Morgan Stanley MUFG Securities Co., Ltd.). In 2010, she participated in the Global Leadership Program at General Electric (GE) and she later engaged in marketing and strategy roles within GE. From 2016, she successively served in executive positions in finance, business strategy and compliance at GlaxoSmithKline K.K. In 2019, she joined BizReach, Inc. Since February 2020, when BizReach, Inc. was reorganized into Visional as a holding company, she has served as Executive Officer and CFO of Visional, Inc. In October 2024, she was appointed as Director and CFO of Visional, Inc. Since May 2023, she also serves as Director of BizReach, Inc. She is in charge of corporate functions at Visional group.



## Naoko Harima - Outside Director (Audit & Supervisory Committee Member)

After graduating from the Faculty of Economics at Keio University in 2003, she joined Asahi & Co. (currently KPMG AZSA LLC). In 2007, she registered as a certified public accountant. After opening her private office in 2008, she was engaged in acquisitions, oversight, and supervision of hotel operation companies and disclosure of financial results at Japan Hotel and Resort, Inc. (currently Japan Hotel REIT Advisors Co., Ltd.). After that, she has been serving as outside director and outside auditor of several listed and pre-IPO companies. In 2019, she became Auditor of BizReach, Inc. In February 2020, she assumed her current position.



## Maiko Chihara - Outside Director (Audit & Supervisory Committee Member)

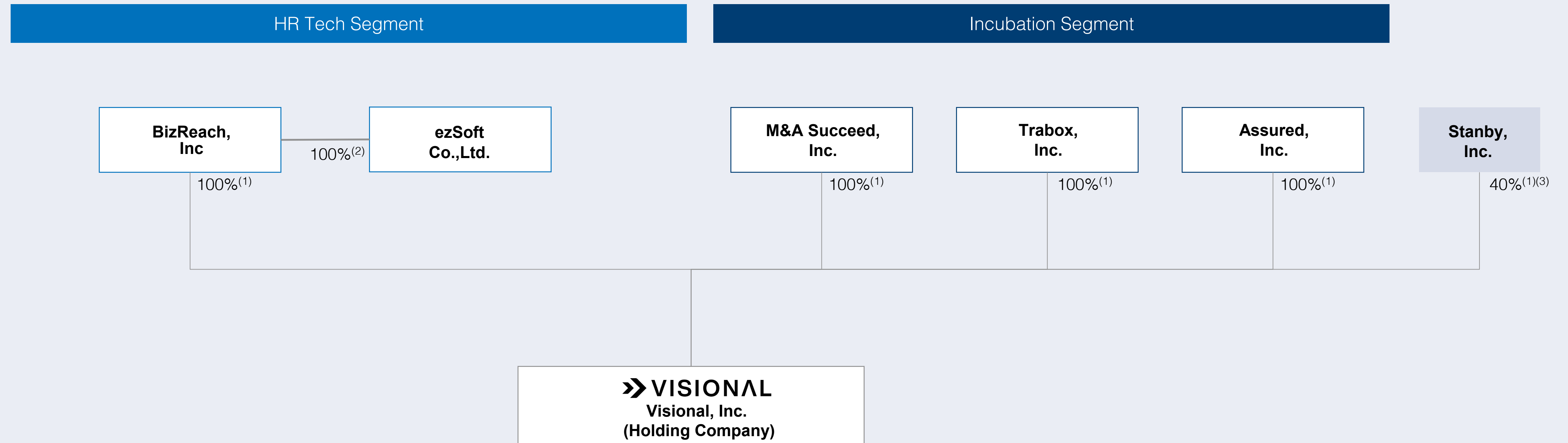
She graduated from the Faculty of Law at University of Tokyo in 1998, and in 2008, graduated from Columbia Law School (LL.M.) in the U.S. After registering as an attorney-at-law in 2002, she joined Nagashima Ohno & Tsunematsu and then, in 2011, Kataoka & Kobayashi LPC where she has been serving as Partner since 2014. Mainly focusing on financial legal affairs including structured finance and financing, she is engaged in general corporate legal affairs including litigation relating to general commercial/financial transactions, responses to crisis management, and compliance and M&A cases. Alongside this, she served as outside director at listed companies.



## Tadatsugu Ishimoto - Outside Director (Audit & Supervisory Committee Member)

He graduated from the School of Commerce at Meiji University in 1996 and joined the Tokyo Office of KPMG Peat Marwick where he was engaged in international tax affairs and corporate finance. Afterward, he worked as a venture capitalist and CFO at a startup company and in 2001, founded Mentor Capital Tax Office. Since then, alongside providing support to startups, he has held various positions such as researcher at Mitsui & Co. Global Strategic Studies Institute and outside director at Enigmo Inc. and UNITED, Inc.

## Current Group Structure (As of April 30, 2025)



\*8 other companies

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 LY Corporation (formerly, Z Holdings), in which Visional, Inc. holds a 40% stake as an equity method affiliate

**Below are some of the risks associated with our business model and strategy. Please refer to the risk section in our disclosure for details**

## Risks Related to Our business

## Probability of Manifestation and Actions to Mitigate Risks

[Our results of operations could be adversely affected by negative economic conditions in Japan](#)

The performance of our businesses is generally sensitive to economic, social and geopolitical conditions in Japan, which is currently our sole operating market, as well as global economic conditions more generally. In our online recruiting businesses, our results of operations are sensitive to negative developments in the labor and employment market resulting from economic downturns or uncertainty. Our ability to achieve expected growth of emerging businesses in our Incubation segment, could also be adversely impacted by economic downturns. Negative economic trends may also result in downward competitive pressure on the pricing of our services across our businesses, and we may be unable to reduce selling and administrative expenses without negatively impacting our market presence, quality of service, infrastructure or capacity to respond to future increases in demand for our services.



Probability : Mid, Impact : Mid  
Not only businesses related to hiring that could be adversely affected by negative economic conditions and the labor market, including BizReach, etc., we operate other businesses that are less adverse to the labor market. Also, we aim to create a revenue structure that is less susceptible to changes in the business environment by providing services in a wide range of recruiting fields and diversifying our revenue sources.

[Our past and future acquisitions, minority investments, joint ventures and strategic alliances could fail to deliver the anticipated benefits or otherwise have an adverse effect on our businesses and results of operations](#)

As part of our business strategy, we actively engage in acquisitions, minority investments, joint ventures and other strategic alliances with third parties to expand our product and service offerings, enter into new business areas and acquire related technologies, focusing on businesses operating in Japan. As part of our acquisition strategy, we have in the past acquired and may in the future acquire or invest in early-stage or emerging companies that are unprofitable, and the consolidation of such target companies into our overall results may negatively impact our consolidated results of operations and any future acquisitions or minority investments we undertake may similarly adversely affect our consolidated results of operations. In addition, we may have difficulty accurately assessing the future viability and growth trajectory of early-stage companies, especially in cases where the relevant technologies are in the early stages of development and still relatively untested or are rapidly evolving in ways that are difficult to predict. We may also face uncertainties when we acquire or invest in companies with a limited operating history or a management system that requires improvement, which is often the case for early-stage companies, including potential compliance issues or liabilities that were not identified in due diligence.



Probability : Low, Impact : Low  
We will continue to conduct due diligence and consider risks when executing acquisitions, minority investments, joint ventures and other strategic alliances with third parties. Also, we will support growth through post merger integration (PMI) after the acquisition.

## Risks Related to Our business

## Probability of Manifestation and Actions to Mitigate Risks

Security breaches or unauthorized access or use of our or our customers' data could adversely affect our reputation and expose us to claims from customers and penalties from authorities

Our services involve the generation, processing, storage and transmission of large amounts of personal, confidential and other sensitive information, including personal and employment information about job seekers, highly confidential financial information and transaction data regarding our customers' businesses and personal or identifying information regarding their employees. Our systems and those of our third-party cloud infrastructure providers are vulnerable to computer viruses, break-ins, phishing attacks and other cyberattacks that could lead to unauthorized disclosure of personally identifiable or other sensitive information. If we gain greater visibility or market share, we may face a higher risk of being targeted by cyberattacks. If we experience any of the foregoing security breaches or other incidents involving personal information, our business, results of operations and reputation could be adversely impacted.



Probability : Low, Impact : High

We will continue to develop a rigorous process to manage personal information and confidential information of our customers and business partners. Rules are put in place and we will continue to refine as necessary, as well as continue our efforts to educate our employees.

We may have difficulties or incur significant costs in recruiting and retaining talented employees

Our future success depends, in part, on our ability to continue to attract, retain and motivate highly skilled personnel. In particular, we are in constant need of software engineers to support our product development activities. We face intense competition in hiring these types of employees from a broad range of companies, including global technology and other companies that are larger than us and have more financial and other resources than we do. In order to compete with such companies, we must offer competitive compensation packages and a high-quality work environment to attract, retain and motivate employees. If we are unable to attract qualified personnel to fill key positions and retain and motivate our existing employees, we may be unable to manage our business effectively, including the development, marketing and sale of our solutions, which could adversely affect our business, results of operations and financial condition.



Probability : Low, Impact : Low

We will attract, hire and retain the best talent through demonstrating our Direct Recruiting efforts. We also focus on on-the-job training and training programs to develop talents.

# Key Financials: Profit and Loss Statement<sup>(1)</sup>

JPY MM

	FY19/7	FY20/7	FY21/7	FY22/7	FY23/7	FY24/7
<b>Net Sales</b>	<b>21,492</b>	<b>25,879</b>	<b>28,698</b>	<b>43,954</b>	<b>56,273</b>	<b>66,146</b>
YoY Growth (%)	36.9%	20.4%	10.9%	53.2%	28.0%	17.5%
<b>HR Tech Segment</b>	<b>21,175</b>	<b>24,914</b>	<b>27,052</b>	<b>41,791</b>	<b>53,685</b>	<b>63,791</b>
YoY Growth (%)	36.2%	17.7%	8.6%	54.5%	28.5%	18.8%
<b>Incubation Segment</b>	<b>316</b>	<b>892</b>	<b>1,485</b>	<b>2,002</b>	<b>2,460</b>	<b>2,219</b>
YoY Growth (%)	101.6%	182.1%	66.3%	34.8%	22.9%	(9.8)%
Cost of Sales	3,228	4,104	3,999	5,802	5,815	5,718
Gross Profit	18,263	21,775	24,699	38,151	50,457	60,428
Margin (%)	85.0%	84.1%	86.1%	86.8%	89.7%	91.4%
Selling, General & Administrative Expenses <sup>(2)</sup>	17,749	19,588	22,331	29,869	37,231	42,591
Advertising	8,020	7,640	9,562	14,697	19,118	21,206
Payroll etc. <sup>(3)</sup>	4,633	5,301	6,308	7,410	8,090	8,848
Rent	824	1,251	1,258	1,243	1,348	1,606
Others <sup>(2)</sup>	4,270	5,394	5,202	6,516	8,673	10,929
<b>Operating Profit<sup>(2)</sup></b>	<b>514</b>	<b>2,186</b>	<b>2,368</b>	<b>8,282</b>	<b>13,225</b>	<b>17,837</b>
Margin (%)	2.4%	8.4%	8.3%	18.8%	23.5%	27.0%
<b>HR Tech Segment<sup>(2)</sup></b>	<b>1,732</b>	<b>3,343</b>	<b>4,000</b>	<b>10,631</b>	<b>15,701</b>	<b>20,062</b>
<b>Incubation Segment</b>	<b>(663)</b>	<b>(868)</b>	<b>(863)</b>	<b>(1,649)</b>	<b>(1,401)</b>	<b>(1,020)</b>
Pre-tax Profit <sup>(2)</sup>	393	7,023	2,290	8,717	14,377	18,928
Income Tax Expense <sup>(2)</sup>	58	2,364	869	2,864	4,448	5,933
<b>Profit attributable to owners of parent<sup>(2)</sup></b>	<b>335</b>	<b>4,658</b>	<b>1,420</b>	<b>5,852</b>	<b>9,928</b>	<b>12,990</b>
Margin (%)	1.6%	18.0%	5.0%	13.3%	17.6%	19.6%

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. Therefore, FY19 annual financial results are based on the consolidated financial results of BizReach, Inc. (All FYs ending in July and prepared in accordance with J-GAAP) (2) As of 1Q of FY23/7, we have confirmed the provisional accounting treatment concerning business combinations. Accordingly, data for FY22/7 is presented at the amounts after reflecting the contents of the confirmation of the provisional accounting treatment (3) 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

JPY MM

	FY24/ FY	FY23/ FY	FY22/ FY	FY21/ FY
Total Adjusted Operating Profit before corporate expense allocation	22,334	17,647	12,622	6,170
BizReach Business <sup>(1)(2)</sup>	23,331	20,126	17,609	9,637
HRMOS Business <sup>(2)</sup>	(1,021)	(1,740)	(2,954)	(2,102)
Other Businesses <sup>(2)</sup>	24	(739)	(2,032)	(1,364)
Adjustment Item				
-) Corporate and general administrative expenses (such as accounting, HR, legal, general affairs, etc.) <sup>(3)(4)</sup>	4,497	4,421	4,340	3,802
-) HR Tech Segment <sup>(4)</sup>	4,043	3,933	3,769	3,263
-) Incubation Segment	454	488	570	538
<b>Operating Profit (J-GAAP)<sup>(4)</sup></b>	<b>17,837</b>	<b>13,225</b>	<b>8,282</b>	<b>2,368</b>

## Adjusted Headcount by Function and Business (FY24/7 4Q)<sup>(5)</sup>

	Adjusted headcount	% of subtotal for HR Tech businesses
HR Tech businesses		
BizReach	1,014	73.5%
HRMOS	265	19.2%
Other HR Tech businesses	100	7.3%
<b>Subtotal for HR Tech Businesses</b>	<b>1,379</b>	<b>100.0%</b>
General functions of HR Tech businesses	90	n/a
<b>Total for HR Tech businesses</b>	<b>1,469</b>	<b>n/a</b>
Incubation businesses	120	n/a
Corporate	116	n/a
<b>Total</b>	<b>1,705</b>	<b>n/a</b>

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) Calculated as net sales of each business minus cost of sales and selling, general and administrative expenses which are directly allocated to each business (3) These expenses comprise of corporate and general administrative expenses that we have not directly allocated to individual businesses for our internal management purposes (4) As of 1Q of FY23/7, we have confirmed the provisional accounting treatment concerning business combinations. Accordingly, data for FY22/7 is presented at the amounts after reflecting the contents of the confirmation of the provisional accounting treatment (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

# Key Financials: Balance Sheet<sup>(1)</sup>

JPY MM

JPY MM

	FY19/7	FY20/7	FY21/7	FY22/7	FY23/7	FY24/7		FY19/7	FY20/7	FY21/7	FY22/7	FY23/7	FY24/7
<b>Current Assets</b>	7,515	12,137	29,532	36,743	48,902	65,652	<b>Current Liabilities</b>	5,190	5,290	9,046	13,988	16,328	21,869
Cash and Cash Equivalents	4,761	9,114	25,630	31,362	41,170	58,107	Accounts Payable	1,937	1,486	3,341	4,054	3,934	6,246
Notes and Accounts Receivable	2,132	2,012	3,258	4,356	5,151	5,753	Deferred Revenue	1,910	1,917	3,042	-	-	-
Other Current Assets	620	1,011	643	1,025	2,580	1,791	Contract liabilities	-	-	-	4,941	6,858	8,615
<b>Fixed Assets<sup>(2)</sup></b>	<b>2,340</b>	<b>5,584</b>	<b>5,544</b>	<b>9,208</b>	<b>8,971</b>	<b>10,662</b>	Other Current Liabilities	1,342	1,886	2,662	4,993	5,534	7,007
Tangible Assets	755	899	700	735	845	1,880	<b>Fixed Liabilities<sup>(2)</sup></b>	<b>118</b>	<b>3,225</b>	<b>3,494</b>	<b>3,190</b>	<b>2,415</b>	<b>2,056</b>
Intangible Assets <sup>(2)</sup>	39	2,488	2,457	5,287	4,455	3,852	Liabilities from application of Equity Method	-	3,070	2,773	2,453	2,133	1,813
Goodwill <sup>(2)</sup>	-	1,186	1,296	3,300	2,799	2,523	Other Fixed Liabilities <sup>(2)</sup>	118	155	720	737	282	243
Other Intangible Assets <sup>(2)</sup>	39	1,301	1,160	1,986	1,656	1,329	<b>Total Liabilities<sup>(2)</sup></b>	<b>5,308</b>	<b>8,516</b>	<b>12,540</b>	<b>17,179</b>	<b>18,744</b>	<b>23,926</b>
Total Investments and Other Assets <sup>(2)</sup>	1,545	2,196	2,385	3,185	3,669	4,929	<b>Total Net Assets<sup>(2)</sup></b>	<b>4,547</b>	<b>9,205</b>	<b>22,536</b>	<b>28,772</b>	<b>39,129</b>	<b>52,388</b>
<b>Total Assets<sup>(2)</sup></b>	<b>9,856</b>	<b>17,722</b>	<b>35,076</b>	<b>45,952</b>	<b>57,873</b>	<b>76,314</b>	<b>Total Liabilities and Net Assets<sup>(2)</sup></b>	<b>9,856</b>	<b>17,722</b>	<b>35,076</b>	<b>45,952</b>	<b>57,873</b>	<b>76,314</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. Therefore, FY19 annual financial results are based on the consolidated financial results of BizReach, Inc. (All FYs ending in July and prepared in accordance with J-GAAP) (2) As of 1Q of FY23/7, we have confirmed the provisional accounting treatment concerning business combinations. Accordingly, data for FY22/7 is presented at the amounts after reflecting the contents of the confirmation of the provisional accounting treatment

# Key Financials: Cash Flow Statement<sup>(1)</sup>

JPY MM

	FY19/7	FY20/7	FY21/7	FY22/7	FY23/7	FY24/7
<b>Cash Flows from Operating Activities</b>						
Pre-tax Profit <sup>(1)</sup>	393	7,023	2,290	8,717	14,377	18,928
Depreciation and Amortization of Goodwill <sup>(1)</sup>	231	547	670	846	1,230	1,224
Gain on Transfer of Business	-	(4,799)	-	-	-	-
Income Taxes Paid	(332)	(2,966)	(992)	(2,049)	(5,189)	(3,761)
Others <sup>(1)</sup>	480	(38)	2,347	2,094	606	1,977
<b>Cash Flows from Operating Activities<sup>(1)</sup></b>	<b>771</b>	<b>(234)</b>	<b>4,315</b>	<b>9,608</b>	<b>11,024</b>	<b>18,369</b>
<b>Cash Flows from Investing Activities</b>						
Proceeds from Business Divestiture	-	8,000	-	-	-	-
Purchases of Shares of Subsidiaries Resulting in Change in Scope of Consolidation	-	(2,363)	-	(2,875)	-	(175)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	-	-	-	-	-	465
Purchases of Property and Equipment	(313)	(447)	(116)	(325)	(584)	(930)
Others	(508)	(389)	82	(753)	(285)	(1,071)
<b>Cash Flows from Investing Activities</b>	<b>(823)</b>	<b>4,799</b>	<b>(33)</b>	<b>(3,954)</b>	<b>(870)</b>	<b>(1,712)</b>
<b>Cash Flows from Financing Activities</b>						
Proceeds from issuance of shares	-	-	11,176	-	-	-
Others	(112)	(19)	1,057	77	(346)	279
<b>Cash Flows from Financing Activities</b>	<b>(112)</b>	<b>(19)</b>	<b>12,234</b>	<b>77</b>	<b>(346)</b>	<b>279</b>
Net Increase (Decrease) in Cash and Cash Equivalents	(165)	4,544	16,515	5,731	9,808	16,936
Cash and Cash Equivalents at Beginning of Year	4,953	4,761	9,114	25,630	31,362	41,170
Increase (Decrease) in Cash and Cash Equivalents from Change of Scope of Consolidation	(26)	(192)	-	-	-	-
<b>Cash and Cash Equivalents at End of Year</b>	<b>4,761</b>	<b>9,114</b>	<b>25,630</b>	<b>31,362</b>	<b>41,170</b>	<b>58,107</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. Therefore, FY19 annual financial results are based on the consolidated financial results of BizReach, Inc. (All FYs ending in July and prepared in accordance with J-GAAP)

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This document is scheduled to be updated and disclosed around October, following the full year financial results.