

RareJob, Inc.

Financial Results for the Three Months Ended June 30, 2021

August 12, 2021



Agenda

1. FY2022/3 1Q Result
2. FY2022/3 Plan
3. FY2022/3 1Q Topics
4. Growth Strategy

Appendix

1. FY2022/3 1Q Result

FY 2022/3 1Q Results Summary

The AI automated scoring exam PROGOS® had received more than 0.25 million applications at 12th August toward the goal to get PROGOS® taken 1 million times in FY 2022/3.

- Introduced by over 500 major companies and universities.

Net sales rose 2.6% year on year.

- B2C sales remained the same level as the previous first quarter in FY2021/3, partly due to the stabilization of a soaring temporary demand because of COVID-19.
- B2B & B2School sales increased by 9.5% which was driven by sales growth in B2B sector.

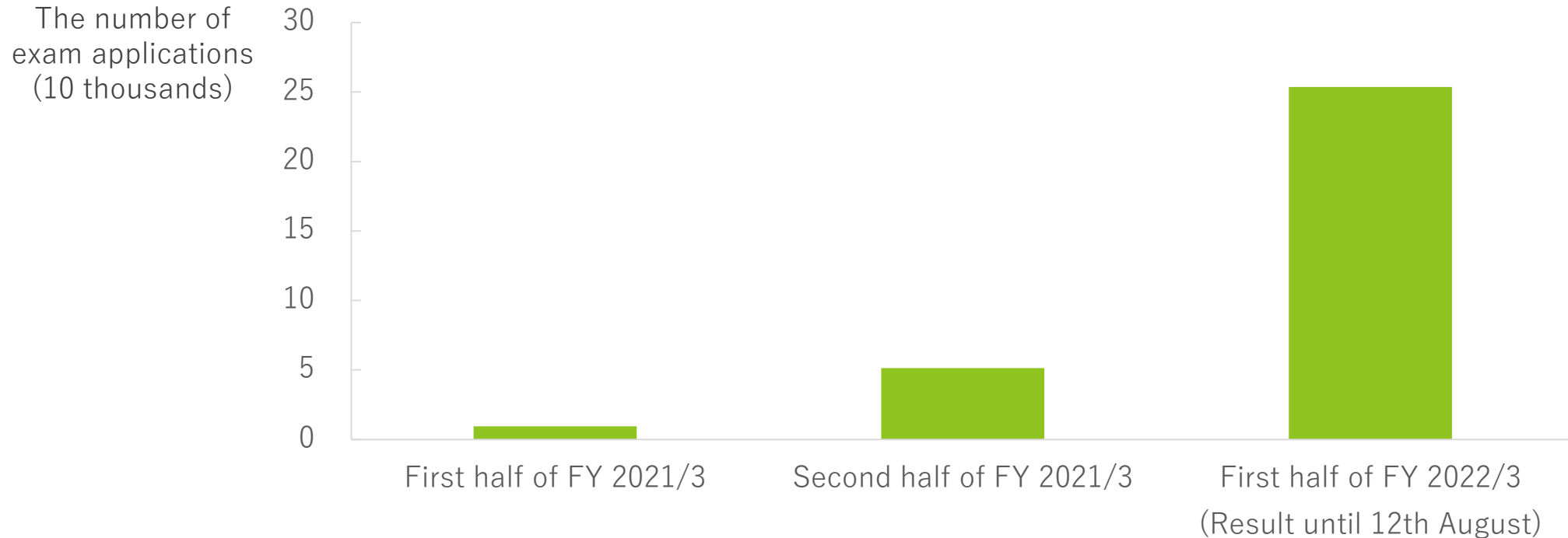
Operating income fell 57.6% year on year.

- Personnel expenses increased due to the promotion of recruitment activities for B2B sales team, which aims for growing net sales in the current fiscal year.

Net sales hit a record high for the first quarter.

The transition of the number of exam applicants for PROGOS® (As of 12th August)

The number of PROGOS® applicants has been increasing at an accelerated pace toward the goal to get the exam taken 1 million times in FY 2022/3. As a result, the number of applications had already exceeded 0.25 million at 12th August.



PROGOS® introduced by over 500 major companies and universities

Voice from corporations which introduced PROGOS®

PROGOS® introduction is in progress mainly in major companies. The exam helps to evaluate training results and organize training plans as it can measure English speaking abilities that cannot be measured by TOEIC® L&R.

One of promotion requirements has been TOEIC® L&R in my company. However, managers who are good at working in Japan sometimes cannot work well in foreign countries due to lack of speaking skill. **English training program will also be redeveloped from now on based on results of PROGOS®.**

A company on TSE 1st section with more than 30,000 employees, manufacturer

As the number of foreign employees increases, communication issue has occurred. TOEIC® L&R is the indicator to measure English level of employees, but we need to introduce another one that can measure practical English speaking skill. The cost of PROGOS® is **less than one tenth** and **can be carried out online in large-scale** compared with offline exams, which are the key to introduce PROGOS®.

A company on TSE 1st section with more than 50,000 employees, retailer

PROGOS® will be used as **the common measuring tool for various English training sessions** to evaluate English speaking skill which cannot be measured by TOEIC®L&R. My company plans to help our employees improve their skills by **providing regular opportunities to measure English speaking skills not only for trainees but also entire employees.**

A company on TSE 1st section with more than 10,000 employees, manufacturer

Financial Results for FY 2022/3 1Q

Net sales increased by 2.6%. Operating income fell by 57.6% due to the upfront investment in human resources to expand sales but the results are in line with expectations.

(In JPY MM)

	FY 2021/3 1Q Cumulative	FY 2022/3 1Q Cumulative	YoY
Net sales	1,280	1,314	+2.6%
Operating income	106	44	-57.6%
Ordinary income	107	29	-72.5%
Net income attributable to owners of parent	66	44	-33.5%

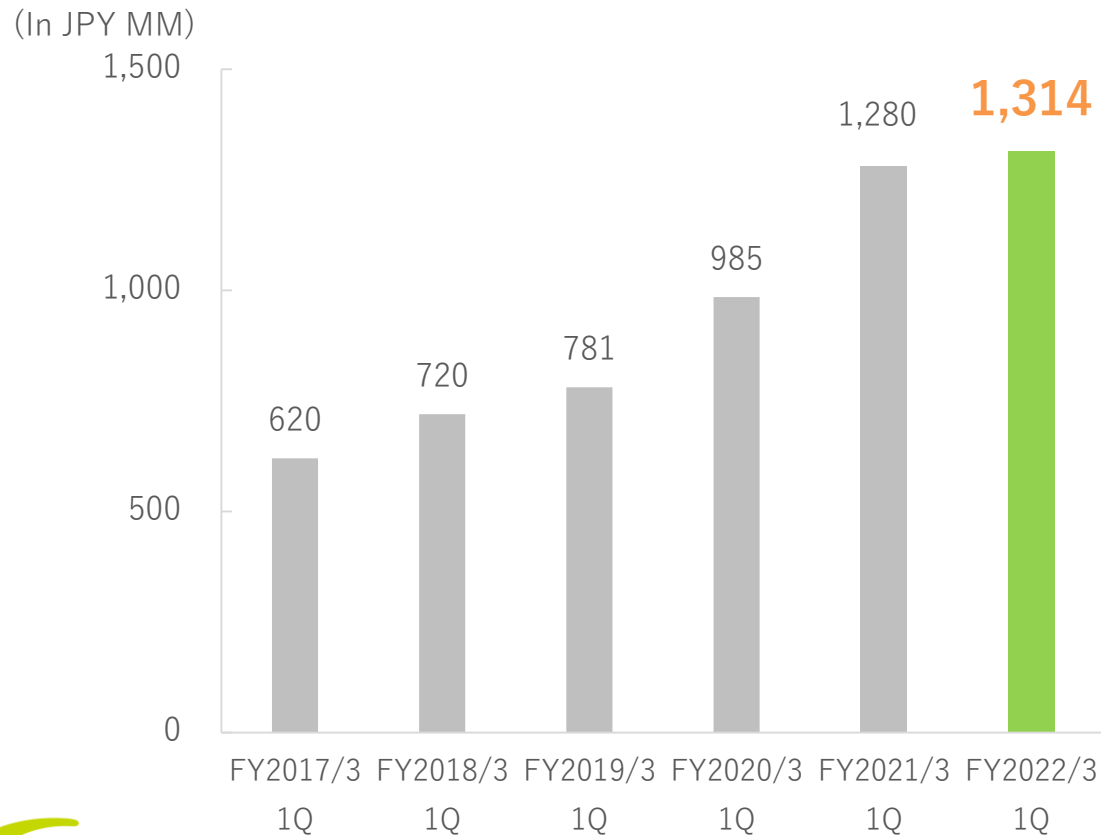
Operating margin	8.3%	3.4%	-4.9pt
ROE*	19.1%	9.3%	-9.8pt

*Annual basis

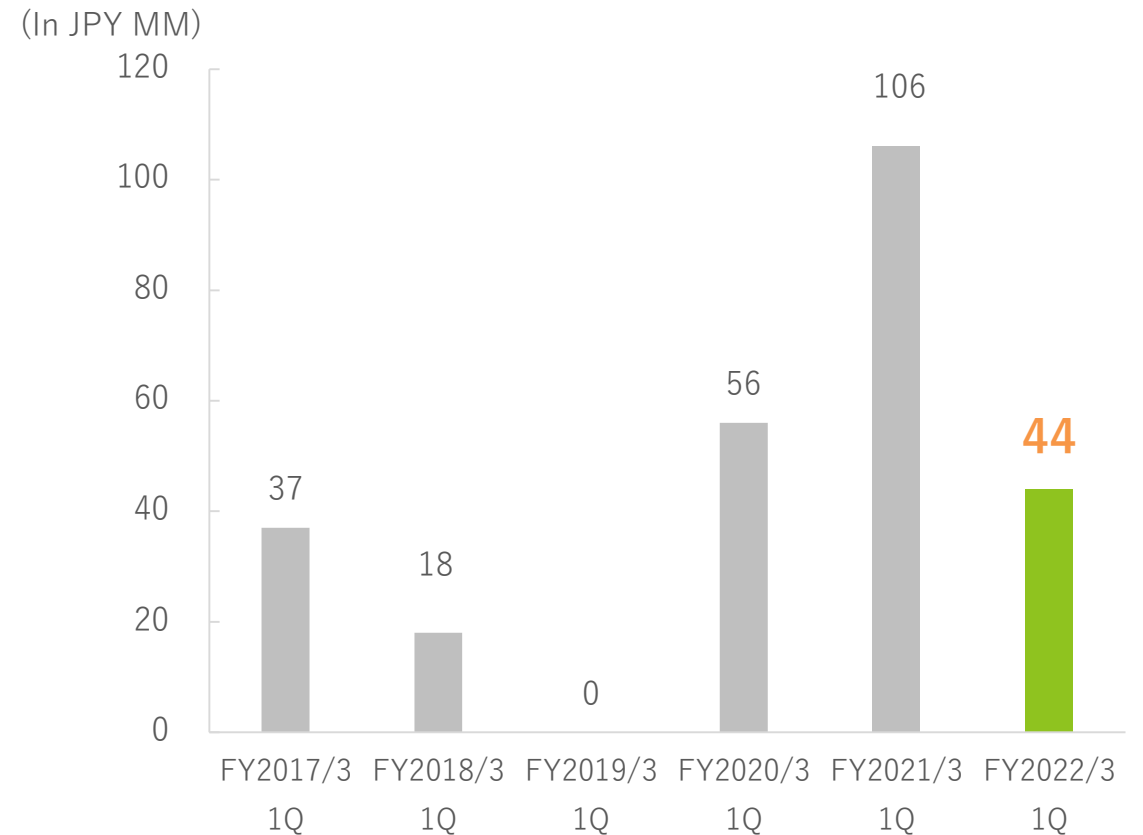
1Q Result for the last several years

Net sales reached a record high for the first quarter, despite the stabilization of a soaring temporary demand because of COVID-19.

Sales



Operating income



Net Sales Breakdown for FY 2022/3 1Q

B2C sales remained flat year on year due to the stabilization of a soaring temporary demand because of COVID-19.

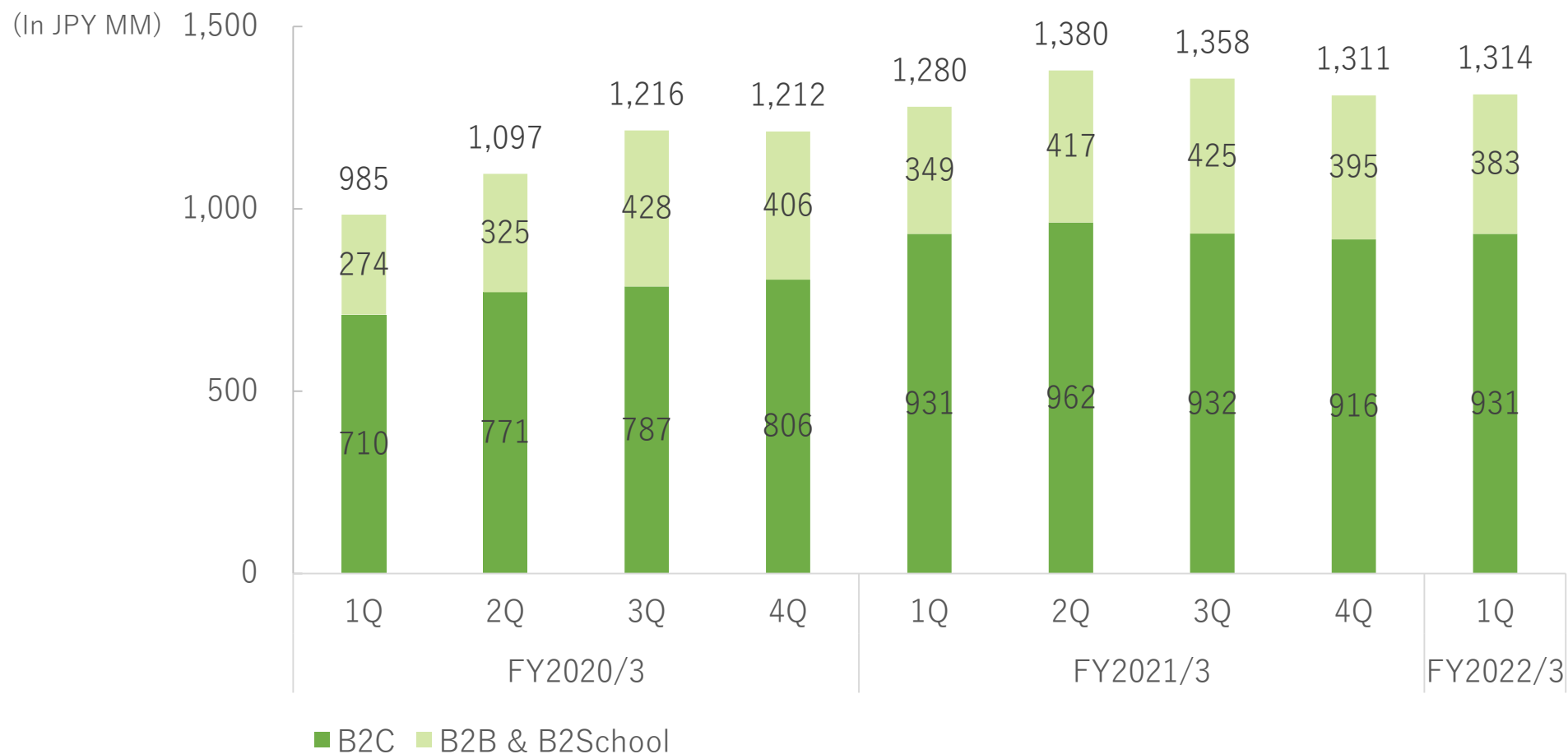
B2B & B2School increased by 9.5% year on year due to steady demand from corporate clients.

(In JPY MM)

	FY2021/3 1Q Cumulative	FY2022/3 1Q Cumulative	YoY
Net Sales	1,280	1,314	+2.6%
B2C Sales (constituent ratio)	931 (72.7%)	931 (70.9%)	+0.0%
B2B & B2School (constituent ratio)	349 (27.3%)	383 (29.1%)	+9.5%

Breakdown of Quarterly Net Sales

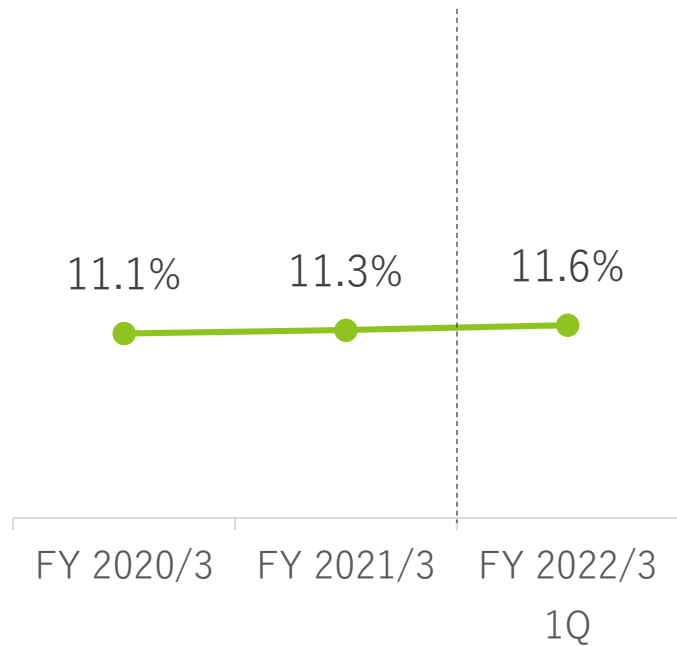
B2C sales gets on a usual growth path again as the soaring temporary demand came from the impact of COVID-19 stabilized.



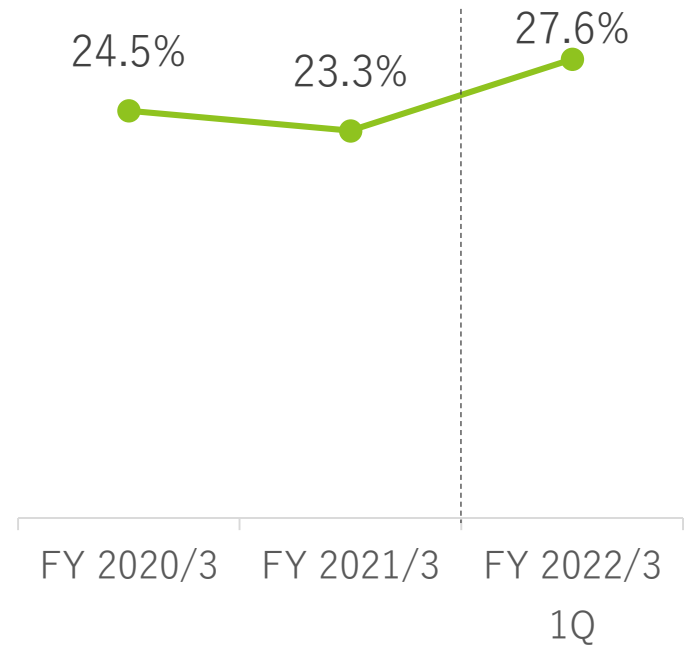
Transition of SG&A to sales ratio

In the first quarter of FY 2022/3, the ratio of S&M to net sales increased especially by investing in B2B sales team heavily.

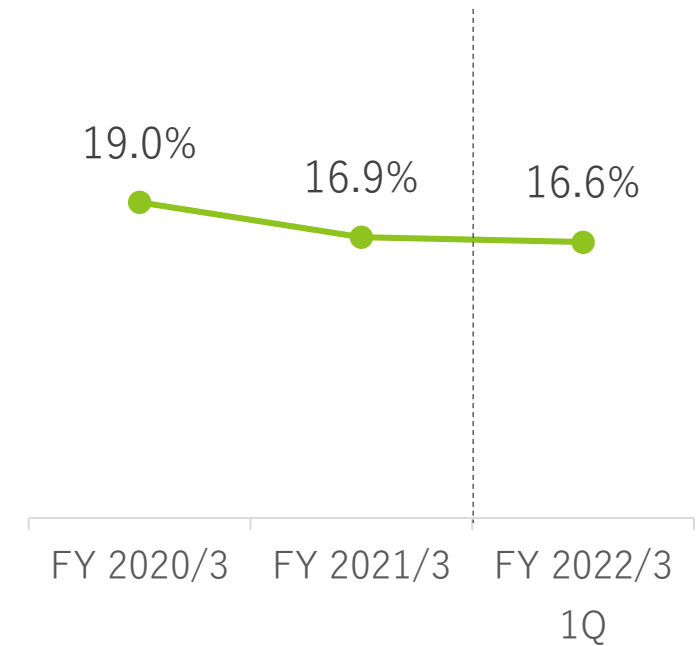
R&D* to sales ratio



S&M** to sales ratio



G&A*** to sales ratio



* Research and Development: Including personnel costs for engineers involved in R&D and overhead costs. The figure shown is the one before it is transferred to Intangible assets. Figures for the first quarter of FY 2022/3 take into account the reclassified data for SG&A and cost of sales.

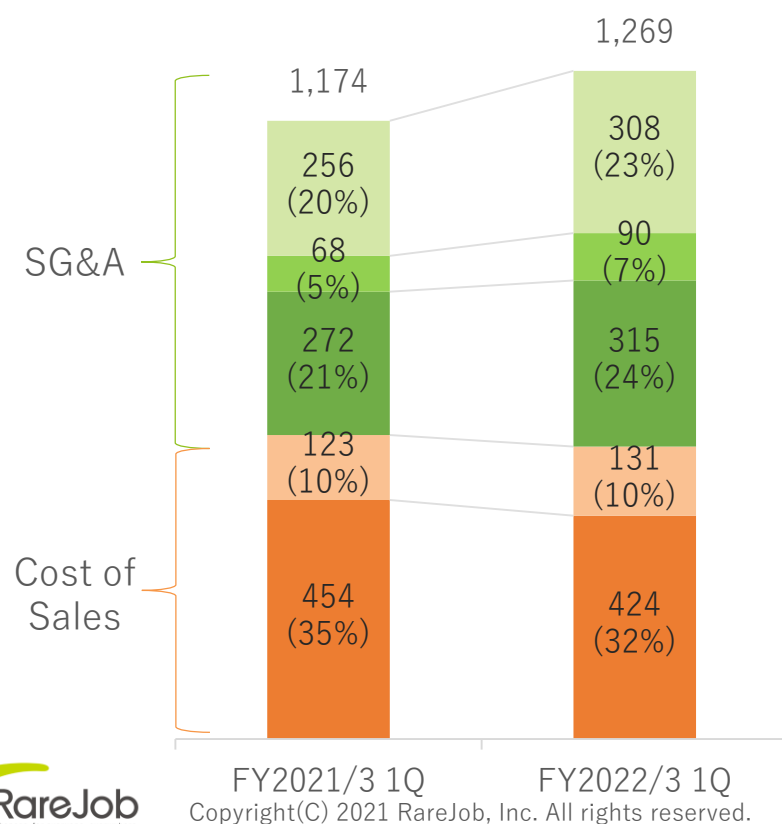
** Sales and Marketing: Including personnel costs for marketers and sales representatives and overhead costs

*** General and Administrative: Including personnel costs for administrative departments and overhead costs

Expenses (Cost of Sales and SG&A) Breakdown for FY 2022/3 1Q*

Tutor fees (cost of sales) decreased year on year due to the stabilization of the positive impact of COVID-19 for our business. Personnel expenses rose due to an increase in the number of employees, mainly for B2B sales.

(In JPY MM, expenses sales ratio in parentheses)

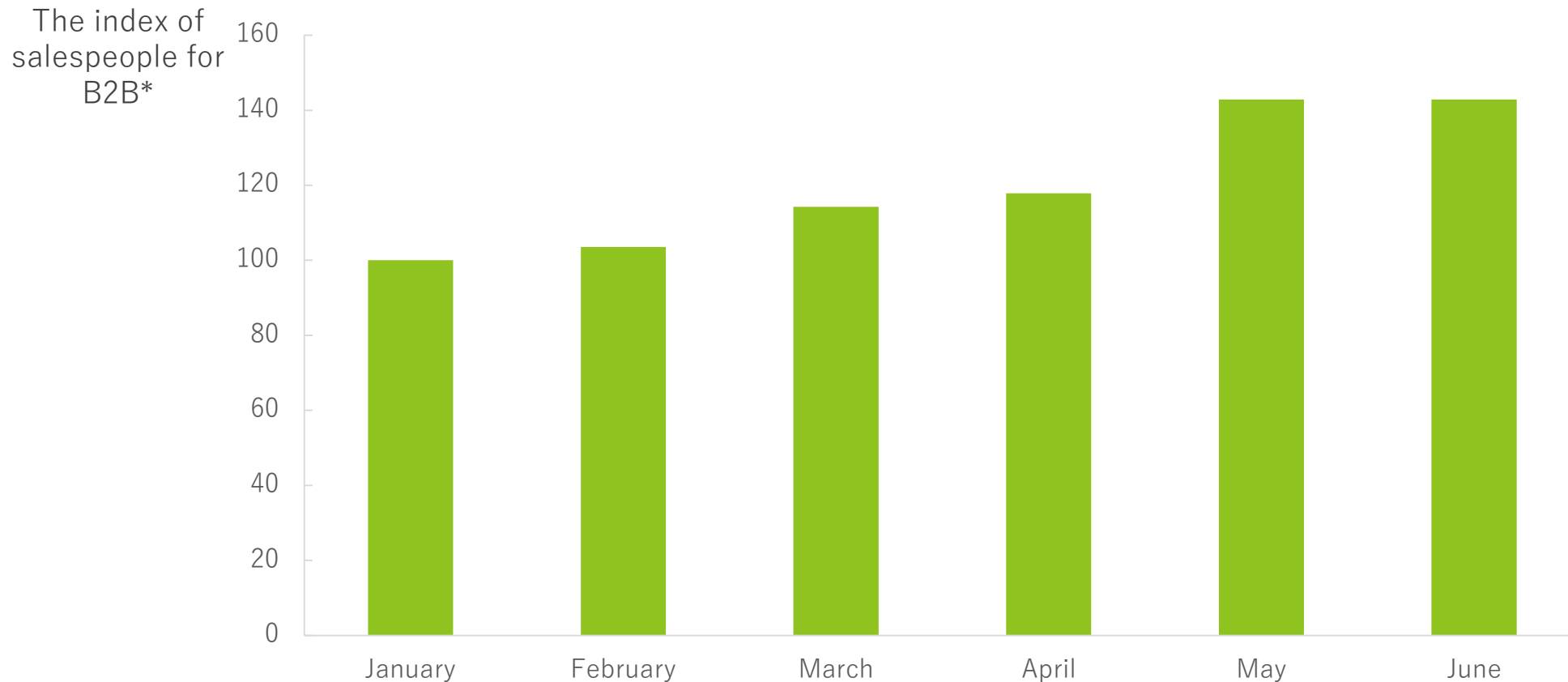


Expenses	YoY (ratio)	Factors
Other SG&A	+51 (+20.1%)	Expenses increased due to promotion of recruitment activities to hire salespeople mainly. In addition, engineer outsourcing expenses increased.
Advertising	+22 (+32.5%)	Advertising cost increased in B2C sector.
Personnel expenses (SG&A)	+43 (+15.8%)	Personnel expenses rose mainly due to an increase in the number of salespeople for B2B.
Other cost of sales	+8 (+6.7%)	Tutor's fees decreased due to the stabilization of the positive impact of COVID-19 for our business. The number of lessons per member decreased compared to the previous first quarter.
Tutor fee (Cost of sales)	-30 (-6.6%)	

*Expenses related to system operations were previously included in "SG&A", but we decided to reclassify them as "cost of sales" since the current first quarter. As a result of this change, the expenses for the first quarter of FY 2021/3 also reflects the reclassified data.

The number of salespeople for B2B

B2B sales team has been promoting recruitment activities since January 2021 and increasing the number of salespeople to strengthen its organization and expand B2B sales.



*The number in January 2021 as the base (=100)

2021

2. FY2022/3 Plan

FY 2022/3 Plan and Progress

The promotion of recruitment activities to expand sales put pressure on operating income. However, the results are in line with expectations.

(In JPY MM)

	FY 2021/3 Results	Guidance for FY 2022/3	Change YoY	FY2022/3 1Q cumulative	Progress
Net sales	5,331	6,500	+21.9%	1,314	20.2%
B2C Sales	3,742	4,080	+9.0%	931	22.8%
B2B & B2School Sales	1,589	2,420	+52.3%	383	15.8%
Operating income	669	800	+19.6%	44	5.6%
Ordinary income	628	760	+20.8%	29	3.9%
Net income Attributable to owners of parent	391	530	+35.4%	44	8.4%
Operating margin	12.5%	12.3%	-0.2pt	3.4%	-
ROE*	24.4%	Above 10.0%	-	9.3%	-

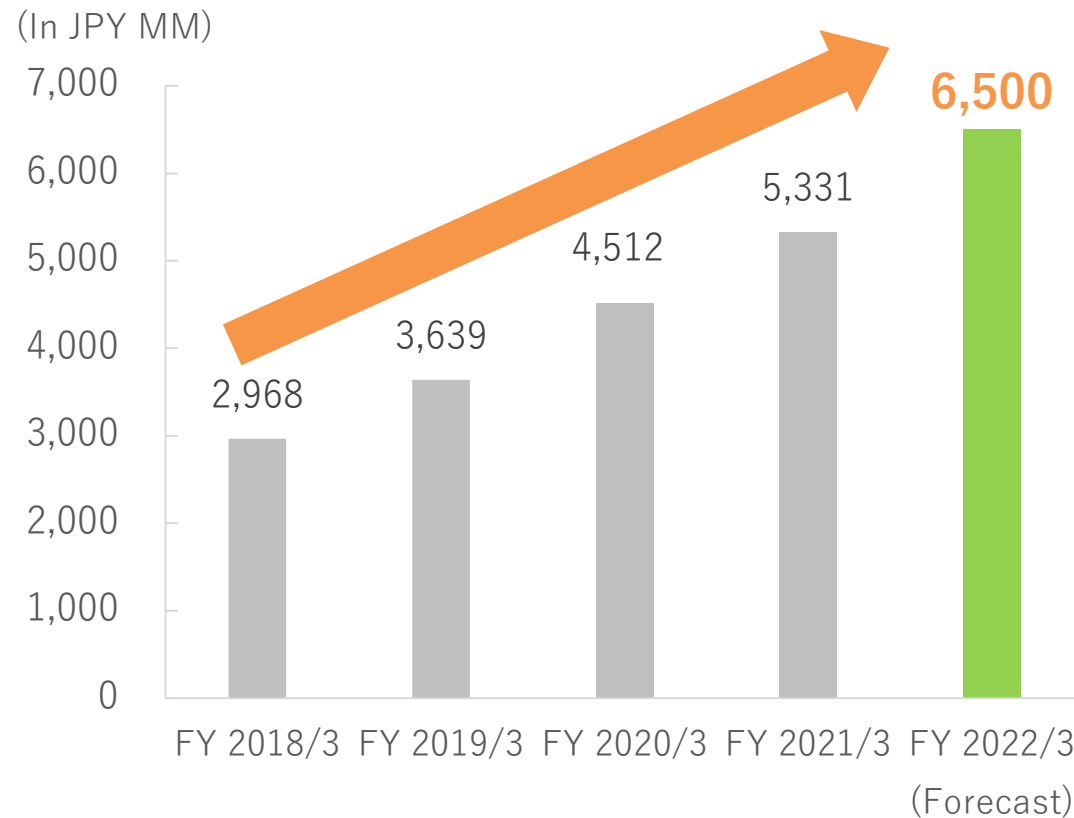
*Annual basis

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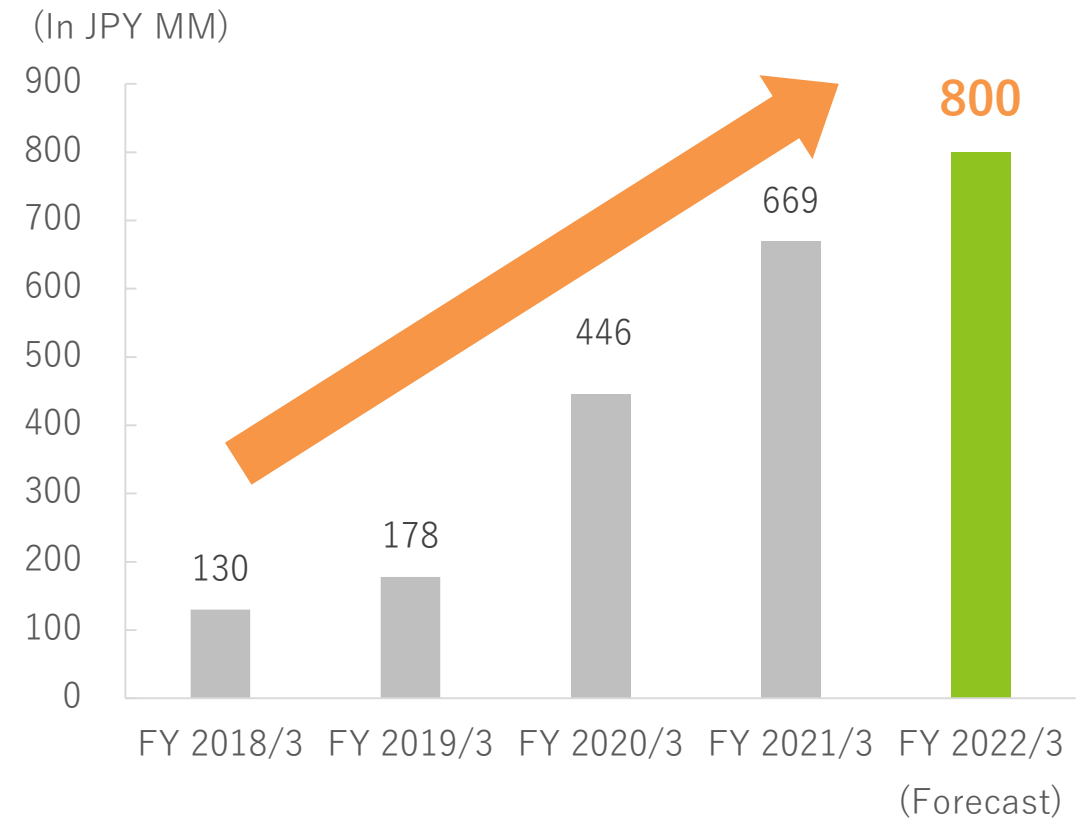
Net sales and operating income results

Net sales has increased for the 14 consecutive fiscal years since our establishment. Operating income has also increased for 6 consecutive years and is the highest profit in our history.

Net sales



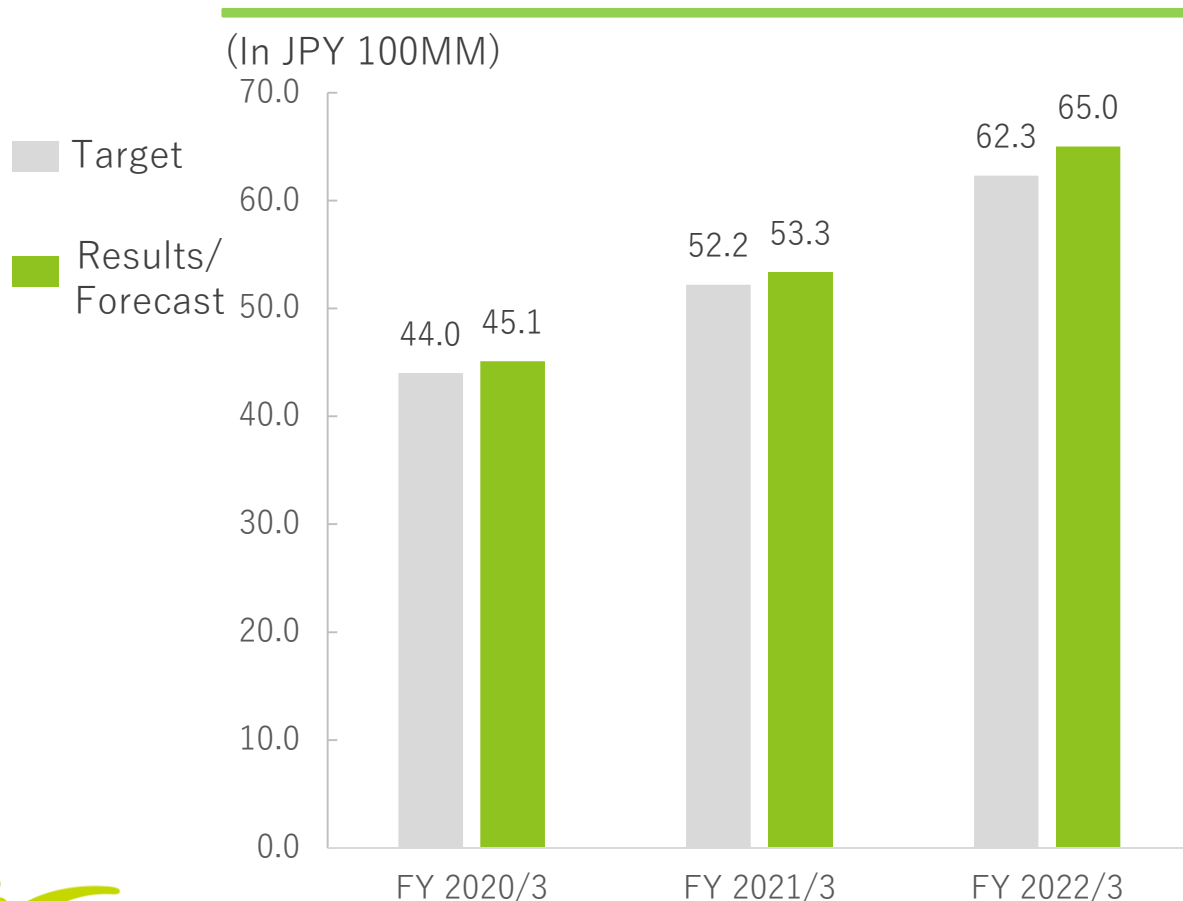
Operating income



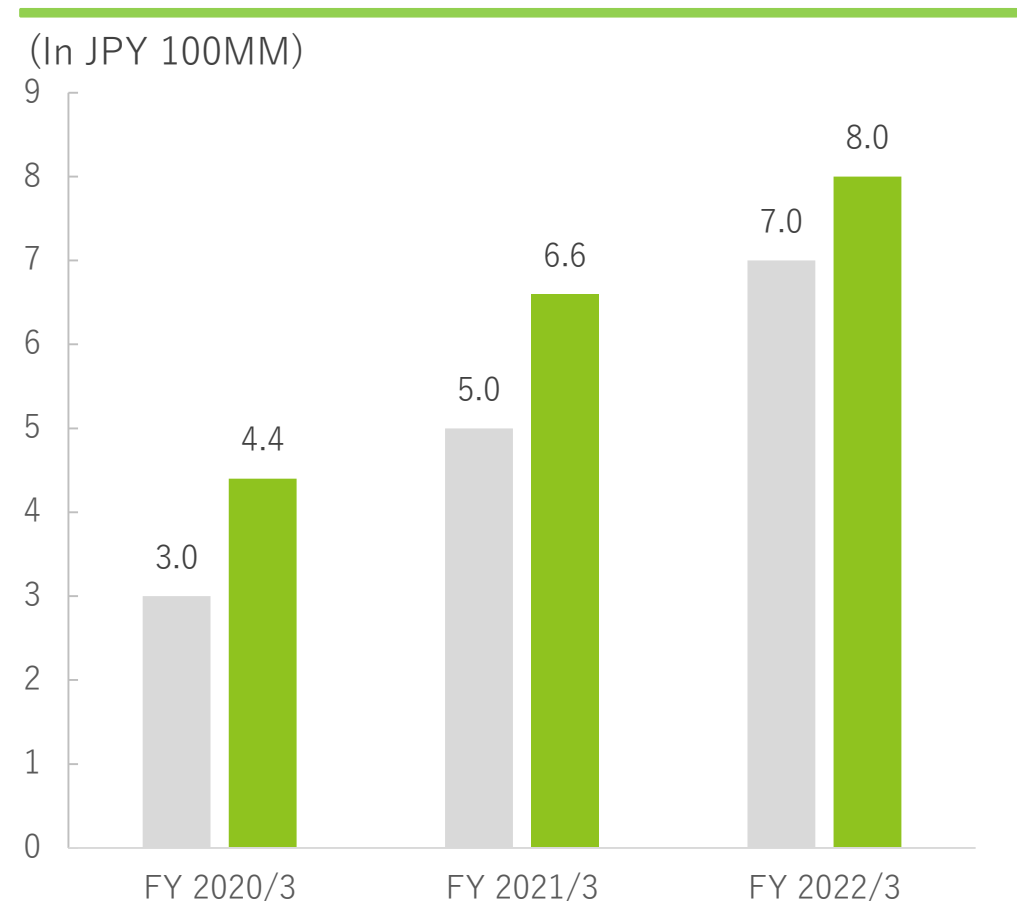
Progress towards the medium-term performance targets from FY 2020/3 through FY 2022/3

The targets for sales and profits were achieved both in FY 2020/3 and 2021/3, and we also expect to achieve our three-year performance targets in FY 2022/3.

Net sales



Operating income



Actions for FY 2022/3

The acceleration of penetration of PROGOS®

- Introducing the test in large companies and universities to achieve 1 million examinations in this fiscal year

The expansion of B2B business

- Introducing English training with PROGOS®
- Introducing training for the global leader development and associated programs in addition to English training
- Establishing the recruitment service for foreign talents by developing Japanese speaking assessment and language training

The development of the foundation of the assessment data platform

- Making the large replacement done, which will be the foundation for the business expansion in the future
- Keep improving PROGOS® for the expansion of the service

3. FY2022/3 1Q Topics

Actions and Progress for the Penetration of PROGOS® (1/2)

PROGOS® received the Remarkable Start-up Award at the 6th HR Technology Awards.

Reasons for the award



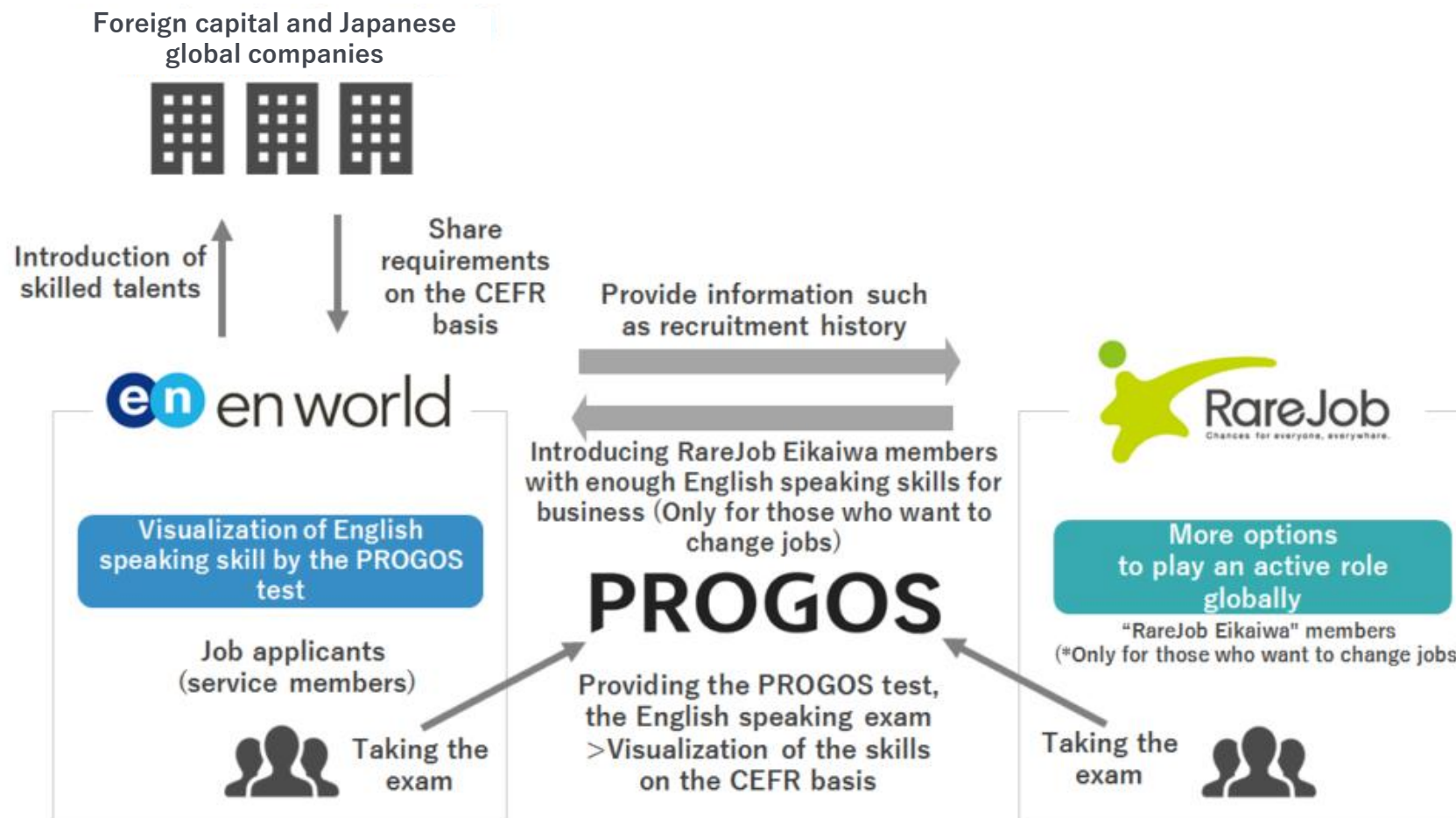
PROGOS

- ✓ It automates to evaluate free-speaking answers by using machine learning. The important breakthroughs were achieved in all aspects such as volume of handled test assessment, price, convenience, and speed to give examinees feedback
- ✓ It enables many companies to understand English speaking abilities of all employees with inexpensive cost, and it has been highly praised as a service that contributes to the visualization of business skills needed for future business development.

PROGOS® has been highly recognized not only domestically but also internationally, following the global educational award “Reimagine Education Award” which PROGOS® won last December.

Actions and Progress for the Penetration of PROGOS® (2/2)

We started the new initiative to understand English speaking abilities of job applicants in the recruitment industry by the partnership with en World Japan.



Lessons by Japanese tutors started to be provided in RareJob Eikaiwa

RareJob Eikaiwa started offering lessons by Japanese tutors to strengthen support for beginners of English learning.

RareJob LEVEL	CEFR-J	Description
上級 Advanced	LEVEL 10 C1	I can express myself fluently and spontaneously without much obvious searching for expressions. I can use language flexibly and effectively for social and professional purposes.
中上級 High Intermediate	LEVEL 9 B2.2	I can actively engage in conversations on a wide range of topics from the general to more specialized cultural and academic fields and express my ideas accurately and fluently.
	LEVEL 8 B2.1	I can discuss the main points of news stories I have read about in the newspapers / on the internet or watched on TV, provided the topic is reasonably familiar to me.
中級 Intermediate	LEVEL 7 B1.2	I can explain in detail and with confidence a problem which has arisen in places such as hospitals or city halls. I can get the right treatment by providing relevant, detailed information.
	LEVEL 6 B1.1	I can express opinions and exchange information about familiar topics (e.g. school, hobbies, hopes for the future), using a wide range of simple English.
初中級 High Beginner	LEVEL 5 A2.2	I can exchange opinions and feelings, express agreement and disagreement, and compare things and people using simple English.
	LEVEL 4 A2.1	I can give simple directions from place to place, using basic expressions such as "turn right" and "go straight" along with sequencers such as first, then, and next.
初級 Beginner	LEVEL 3 A1.3	I can ask and answer simple questions about familiar topics such as hobbies, club activities, provided people speak clearly.
	LEVEL 2 A1.2	I can respond simply in basic, everyday interactions such as talking about what I can/cannot do or describing color, using a limited repertoire of expressions.
	LEVEL 1 A1.1	I can ask and answer questions about times, dates, and places, using familiar, formulaic expressions.

Lessons with foreigners in English put pressure on beginners

- It's difficult for beginners to tell their requests in English
- Beginners cannot keep taking lessons for a long time because they feel burdened with interaction with foreigners



Lessons by Japanese tutors will lessen burden mentally on beginners

- Students can consult tutors about the frequency of using Japanese during the lesson
- Japanese tutors can help them in Japanese when they cannot follow a lesson, which let beginners' guard down against English conversation

Support for Kashima Antlers players

Language learning support for athletes started based on the partner agreement with Kashima Antlers.



©KASHIMA ANTLERS

The learning support program launched for 11 athletes who want to improve their English speaking skills

4. Growth Strategy

What RareJob Is Aiming for

**Become The Platform to Develop
Global Leaders from The Online
English Tutoring Provider**

The Image of The World which RareJob Wants to Realize

Applying for desirable job openings in global companies via RareJob platform with acquired English skills



Recruiting skilled people based on RareJob database which shows English proficiency and job experience

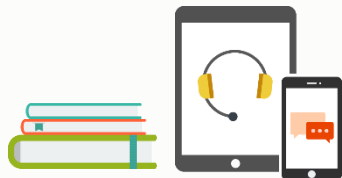


Registering a PROGOS test result as one of skills on the platform for job hunting to send with CV



Assessment Data platform

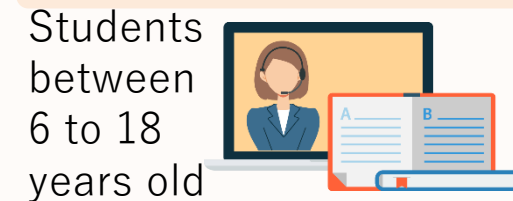
Setting a necessary English level based on the database for a future career and learning English based on an assessment result



Offering suitable trainings tailored based on past data and an English proficiency and work skills of each person



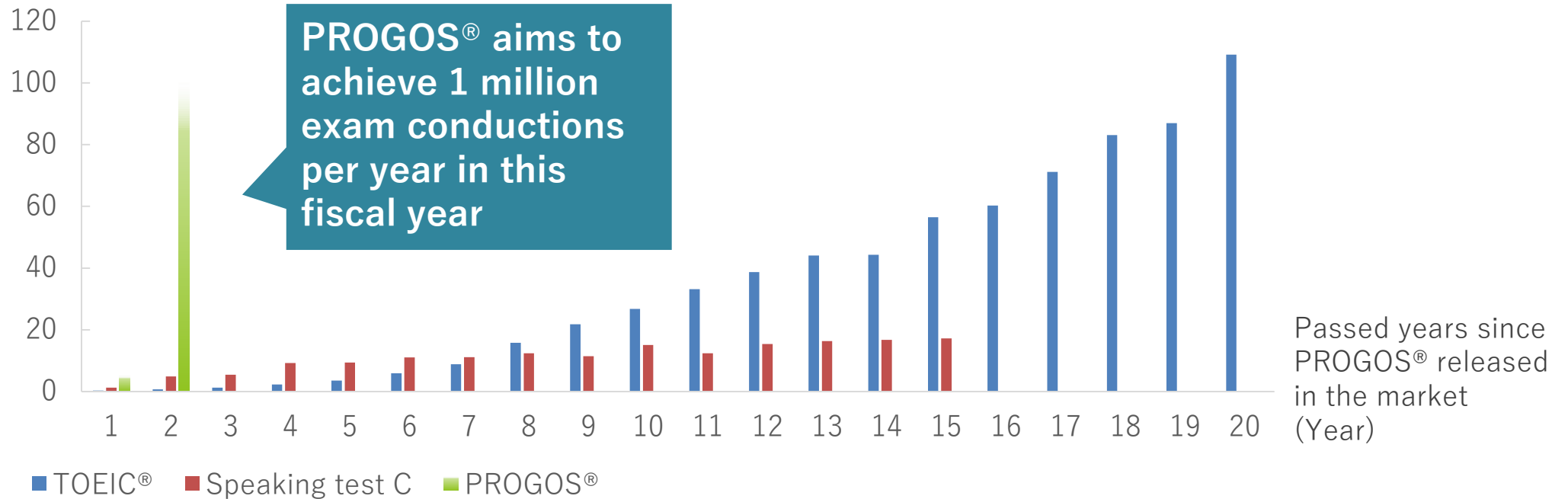
Learning English speaking with individualized learning plan and materials based on assessment results in the past



The Outlook of The Number of PROGOS® Examinees and Comparison with Other Exams

PROGOS® is expected to expand rapidly compared to other tests such as TOEIC® in Japan.

The number of examinees (10 thousands)

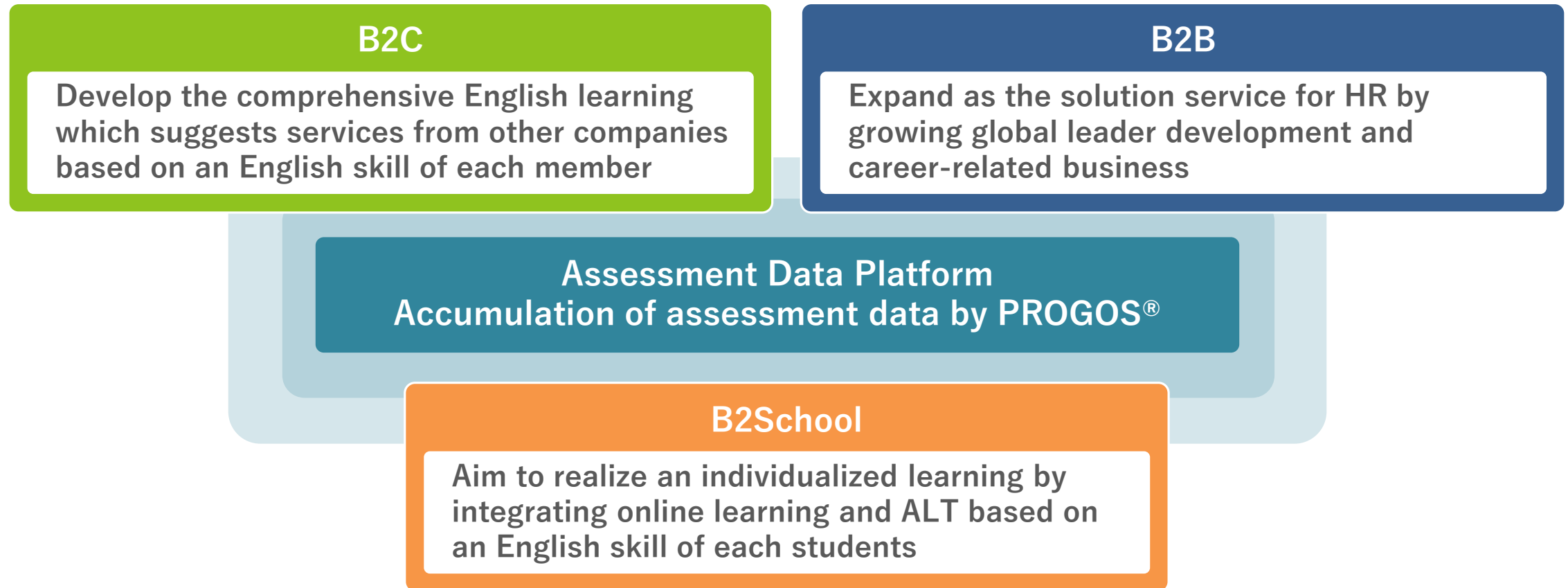


PROGOS® will replace TOEIC® and represent English assessments in Japan

Notes:
“TOEIC” is the registered trademark of the U.S. Educational Testing Service (ETS)

The Overview of The Growth Strategy

Assessment data platform should be at the heart of the strategy as the source of the competitive advantage.



The Strategy for The Assessment Data Platform

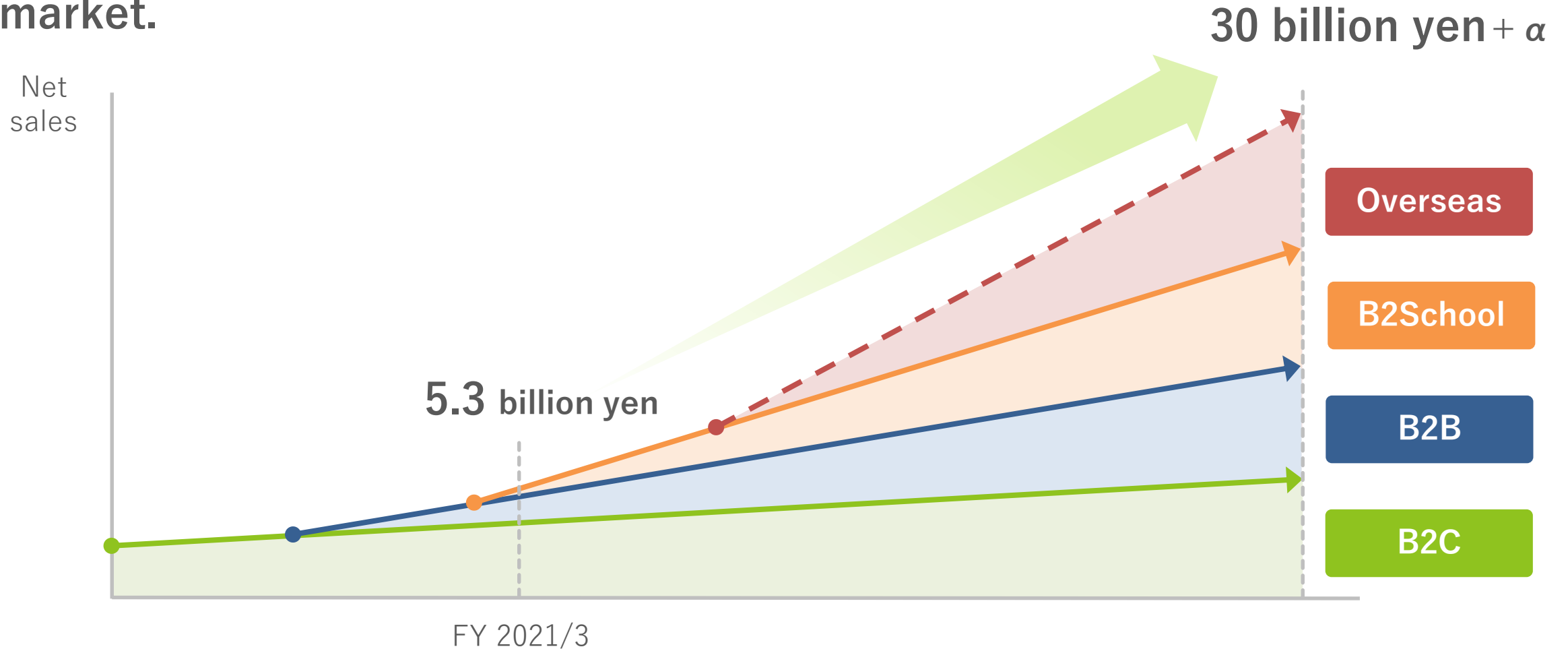
Expanding the target of assessments from not only speaking but also reading, listening and writing English skills to global business skills.



Assessment Data Platform
Accumulation of assessment data by PROGOS®

Timeline for Business Growth

Aiming for business growth by raising the presence of PROGOS[®] as one of major assessments and gaining competitive advantage in each market.



Appendix

“Sustainability” for RareJob

Chances for everyone, everywhere.



The philosophy of RareJob "Everyone in the world can be given a chance to get a rare job" has our wishes to realize a sustainable society.

Initiatives for SDGs/ESG (1/2)

RareJob works to achieve a sustainable society based on each goal of SDGs and the concerns of ESG through business activities to realize our vision.



● Providing reasonable and high quality educations

Providing reasonable and high quality educations to our students everywhere is our top priority. We contribute to eliminating inequalities in English education opportunities caused by regional/economic disparities, such as the concentration of brick-and-mortar English tutoring schools in urban areas and expensive costs of studying abroad.



● More jobs for women

Many of our English tutors are women. Due to flexible working hours and the benefits of working from home at any time, women who do housework, raise children, or care for family members are able to work easily with their capacities.



● Creating jobs in the developing country

We create a lot of jobs in the Philippines, which is one of the developing countries. As our platform allows tutors to work anywhere and anytime, it helps to increase the number of job options, especially for people living in the rural areas of the country, where stable jobs are hard to find.

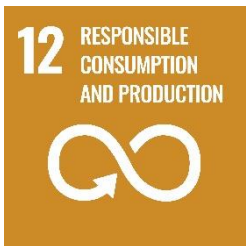
The classification for ESG: ● Environmental ● Social ● Governance

Initiatives for SDGs/ESG (2/2)



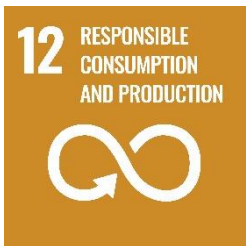
● Realization of the society where people can make full use of their abilities

Our goal is to create the society in which both students and Filipino tutors can make the most of their abilities. Regardless of nationality, we help people learn English and take leaderships in the world, while creating more places where they can make advantages of their skills.



● Reducing energy consumption by having less travel

All members and tutors at RareJob Eikaiwa don't have to transport somewhere physically to take or conduct lessons as long as they have internet access. By reducing energy consumption, we contribute to reducing environmental impacts.



● Promoting paperless environment

RareJob Eikaiwa provides most of our teaching materials via online instead of paper. We also make efforts to reduce paper consumption in our offices by digitizing internal documents for meetings, proposals and so on.



● Corporate governance

Enhancing proper organizational structures and systems is the important. To boost corporate value in a sustainable way, we will strive to strengthen corporate governance while working on business expansion simultaneously.

The classification for ESG: ● Environmental ● Social ● Governance



Company outline

Established: October 18, 2007

Capital: 603,506 thousand Yen (As of June 30, 2021)

Location: 2F Kyocera Harajuku Building, 6-27-8 Jingumae,
Shibuya-ku, Tokyo

The First section of Tokyo Stock Exchange
(Securities Code: 6096)

Consolidated subsidiaries

RareJob Philippines, Inc.

ENVIZION PHILIPPINES, INC.

RIPPLE KIDS EDUCATIONAL SERVICES, INC.

RareJob English Assessment, Inc.

Envizion, Inc.

PROGOS Inc.

Group Vision

Chances for everyone, everywhere.

Director

Gaku Nakamura, Co-founder and CEO

Seishi Yasunaga

Toshiyuki Fujita

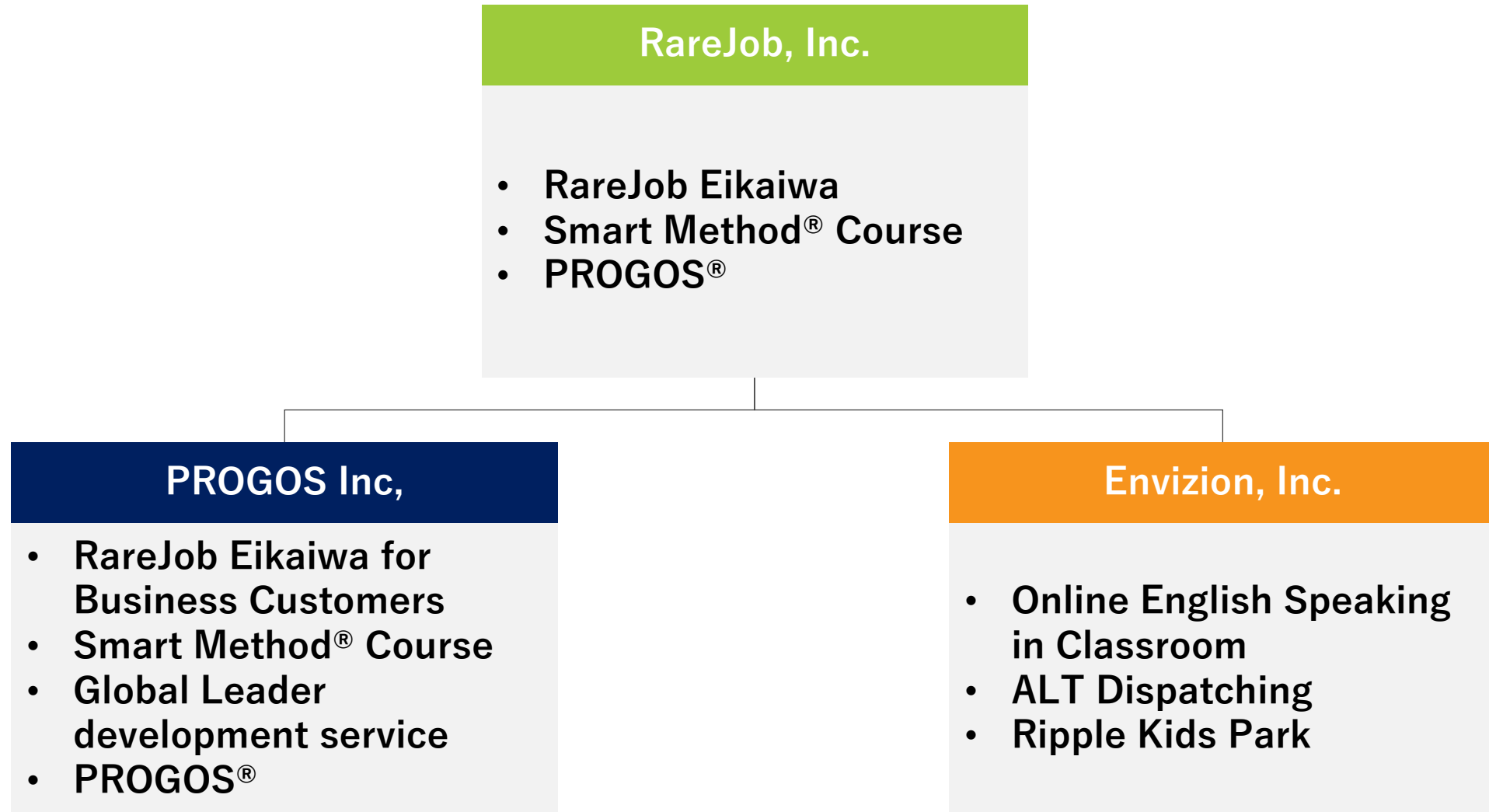
Takao Mihara, Outside Director*

Jun Narimatsu, Outside Director *

Miki Igarashi, Outside Director*

(* Audit and Supervisory Committee Member)

The Service Organization of The RareJob Group



RareJob English Conversation

You can speak English one-on-one everyday, regardless of location or time. Online English conversation service with more than 900 thousand cumulative free subscribers.

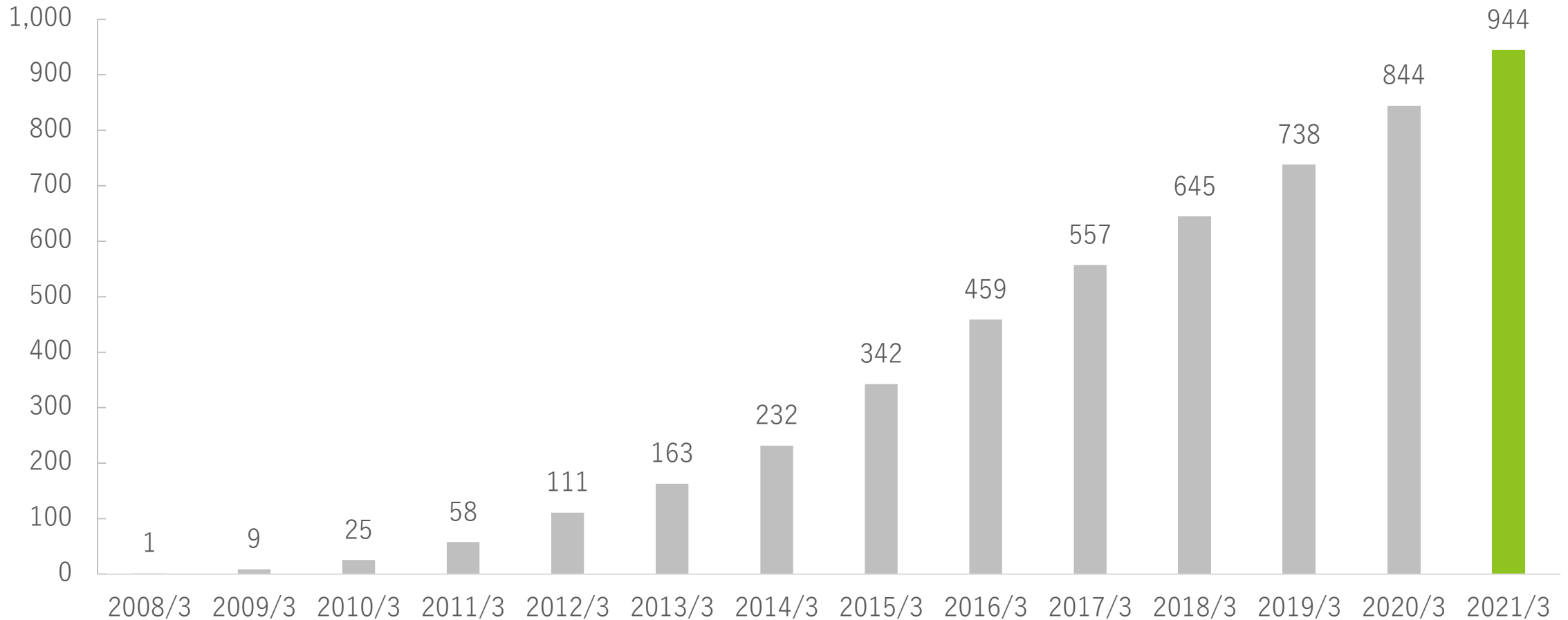


- 6,000 Philippine tutors registered with about 1% hiring rate.
- The Lesson Room, a proprietary system, can be used from the website and apps.
- Lesson hours are from 6 o'clock in the early morning to 1 o'clock in the middle of the night. Reservations can be made up to 5 minutes before the lesson.
- The 25-minute plan for daily English conversation is 5,800 yen per month for everyday English conversation.

Cumulative Free Rare Job English Conversation Membership

Cumulative number of free subscribers has grown steadily, which is getting close to 1 million.

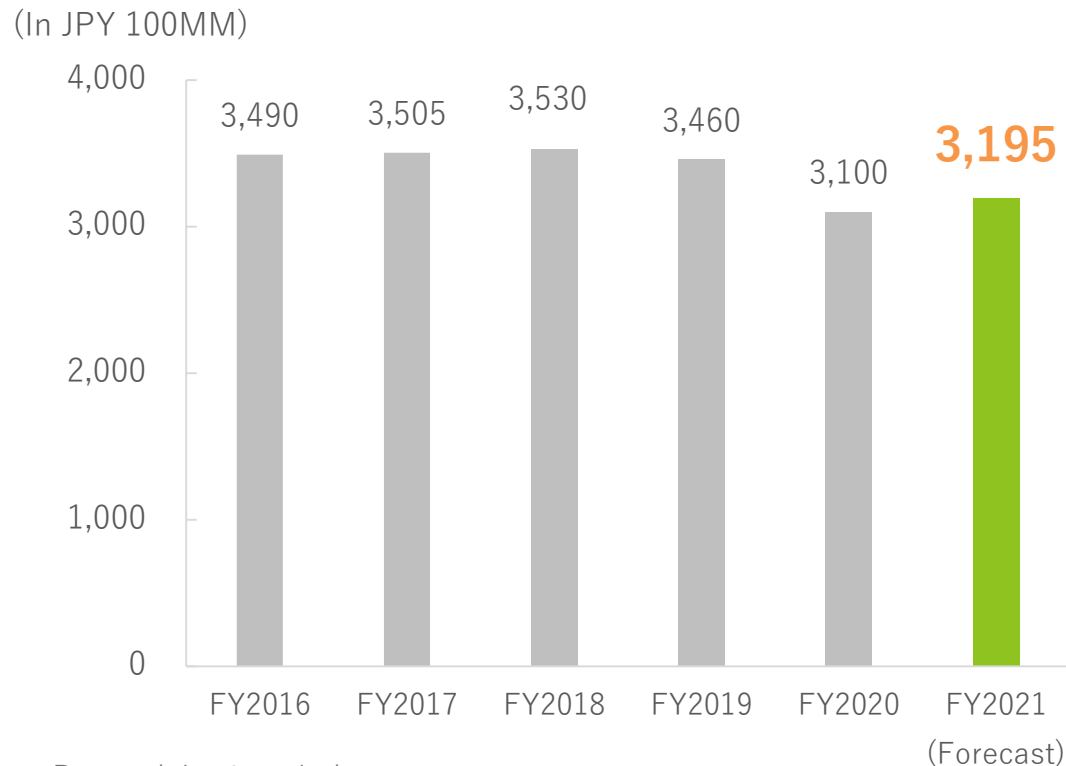
(thousands)



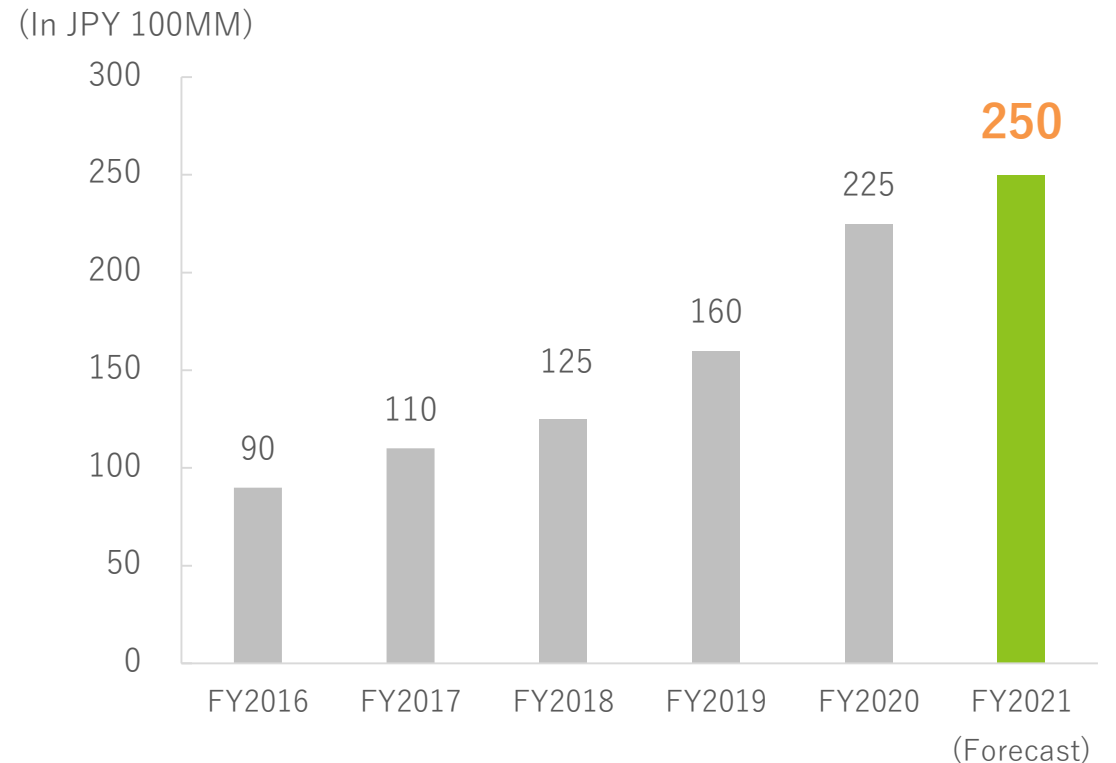
English-related Business Market Size

E-learning market is still small compared to the classroom type, and there is plenty of room for expansion.

English conversation school in Japan market size¹⁾



Online language learning in Japan market size¹⁾



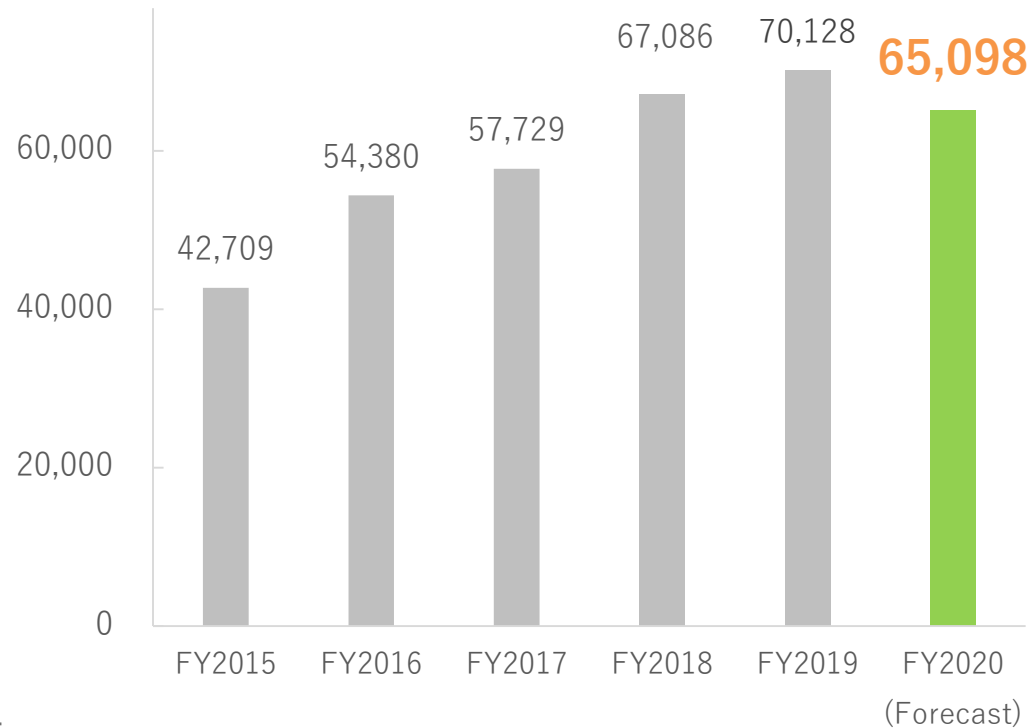
1) Yano Research Institute Ltd.

HR Business Market Size

HR business* market size¹⁾

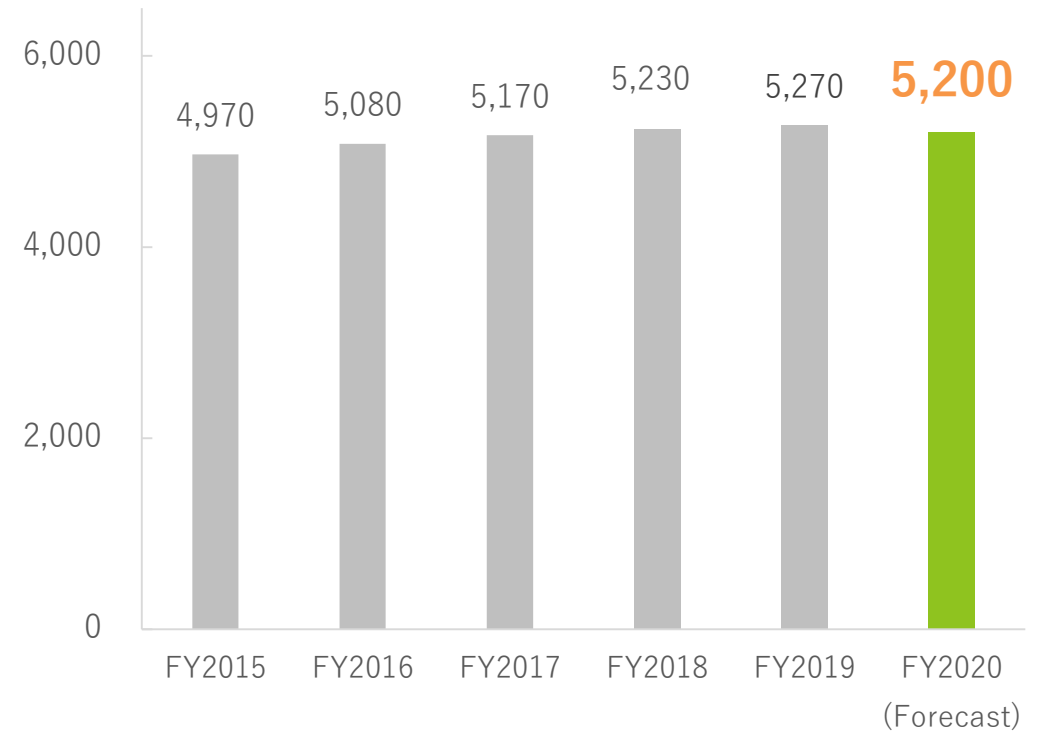
*Including staffing service, staff agency, support for re-employment

(In JPY 100MM)



Corporate training market size²⁾

(In JPY 100MM)



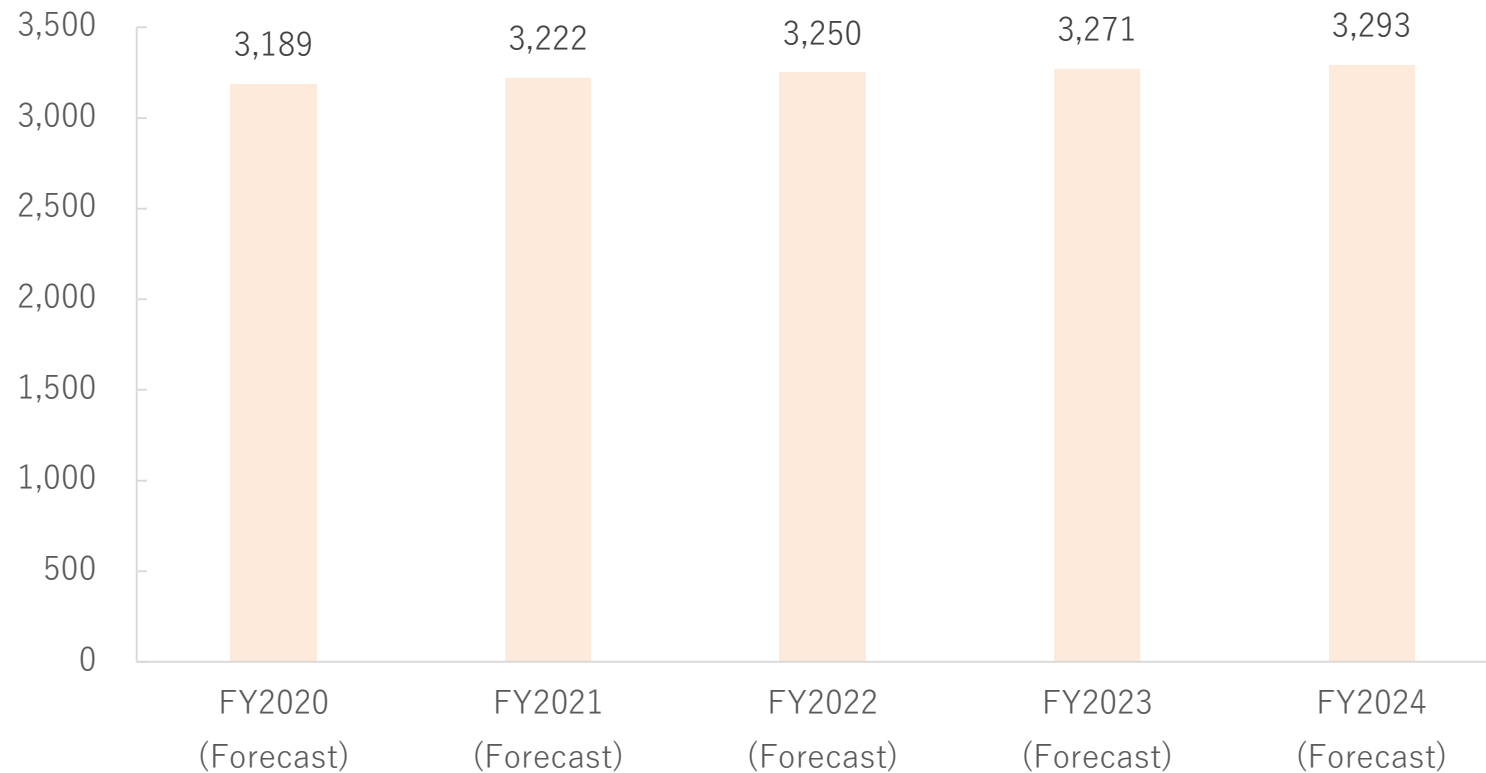
Source :

- 1) Yano Research Institute conducted a survey on the human resources business market in 2020.
- 2) Yano Research Institute, "Business Training Service Market and Outlook 2020"

School Business Market Size

School business market¹⁾

(In JPY 100MM)



Source :

1) Yano Research Institute, "School Business Market 2020"

Disclaimer

- This material has been prepared by the Company for the purpose of informing investors of the current status of RareJob, Inc. (hereinafter referred to as "RareJob").
- The materials and information provided in this document include so-called "forward-looking statements". These forward-looking statements are based on current expectations, forecasts and assumptions that involve risks and are subject to uncertainties that could cause actual results to differ materially from those discussed in the forward-looking statements.
- These risks and uncertainties include general domestic and international economic conditions, such as general industry and market conditions, interest rate and currency exchange rate fluctuations.
- We assume no obligation to update or revise the forward-looking statements contained in this announcement, even in the event of new information or future events.

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