

RareJob, Inc.

Financial Results for the Six Months Ended September 30, 2021

November 11, 2021



Agenda

1. FY2022/3 2Q Result
2. FY2022/3 Plan
3. Purpose/Vision for RareJob Group
4. Growth Strategy
5. M&A/Capital Alliances

Appendix

1. FY2022/3 2Q Result

FY2022/3 2Q Results Summary

The AI automated scoring exam PROGOS® for English speaking had received more than 0.94 million applications at 9th November toward the goal to get PROGOS® taken 1 million times in FY2022/3.

- Introduced by over 700 major companies and universities.

Net sales rose 0.9% year on year.

- B2C sales fell a bit year on year due to the repercussion of a soaring temporary demand because of COVID-19 last year.
- B2B & B2School sales increased by 7.1% year on year which was driven by sales growth in B2B sector.

Operating income fell 64.3% year on year.

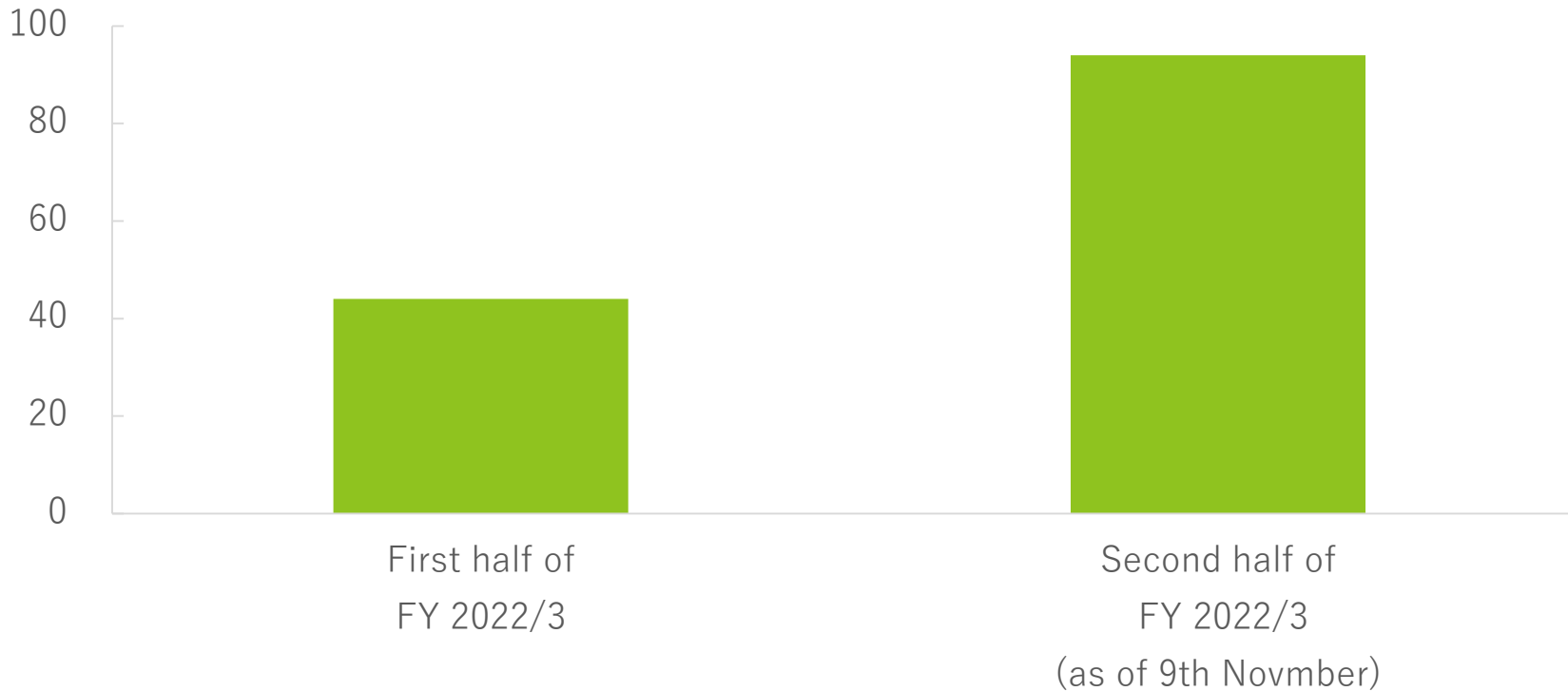
- Personnel expenses increased due to the promotion of recruitment activities for B2B sales team, which aims for net sales growth.

Net sales hit a record high for the second quarter.

The Transition of The Cumulative Number of Exam Applicants for PROGOS® in FY2022/3 (As of 9th November)

The number of PROGOS® applicants has been increasing at an accelerated pace toward the goal to get the exam taken 1 million times in FY2022/3. As a result, the number of applications has exceeded 0.94 million at 9th November.

The cumulative number of exam applications (10 thousands)



PROGOS® introduced by over 700 major companies and universities

Initiatives to Have PROGOS® Penetrate a Market (1/2) - Expansion to abroad

The free distribution of PROGOS® to Thai job applicants started by the partnership with the major Thai recruitment agency.

PROGOS



We expect PROGOS® will be taken 10,000 times with this partnership by the end of FY2022/3.

Initiatives to Have PROGOS® Penetrate a Market (2/2) – App Launch

A new app which enables users to take PROGOS® easily in 35 countries/regions launched.

Feature of the app

- Only 20 mins to take and only 2 mins to get results.
- Can take the exam online without worrying about time and place.
- Practical English speaking ability can be measured by the international standard CEFR.
- Users can receive feedback about learning advice that can be applied to daily English learning.
- Can see your growth path for English speaking as test history is recorded.
- Can take it once a day on the app for free.



Financial Results for FY2022/3 2Q

Net sales rose by 0.9% and operating income fell by 64.3% year on year. Net sales didn't grow well as we expected and the upfront investment for human resources pushed down operating income.

(In JPY MM)

	FY2021/3 2Q Cumulative	FY2022/3 2Q Cumulative	YoY
Net sales	2,661	2,686	+0.9%
Operating income	369	131	-64.3%
Ordinary income	365	99	-72.8%
Net income attributable to owners of parent	233	88	-62.2%

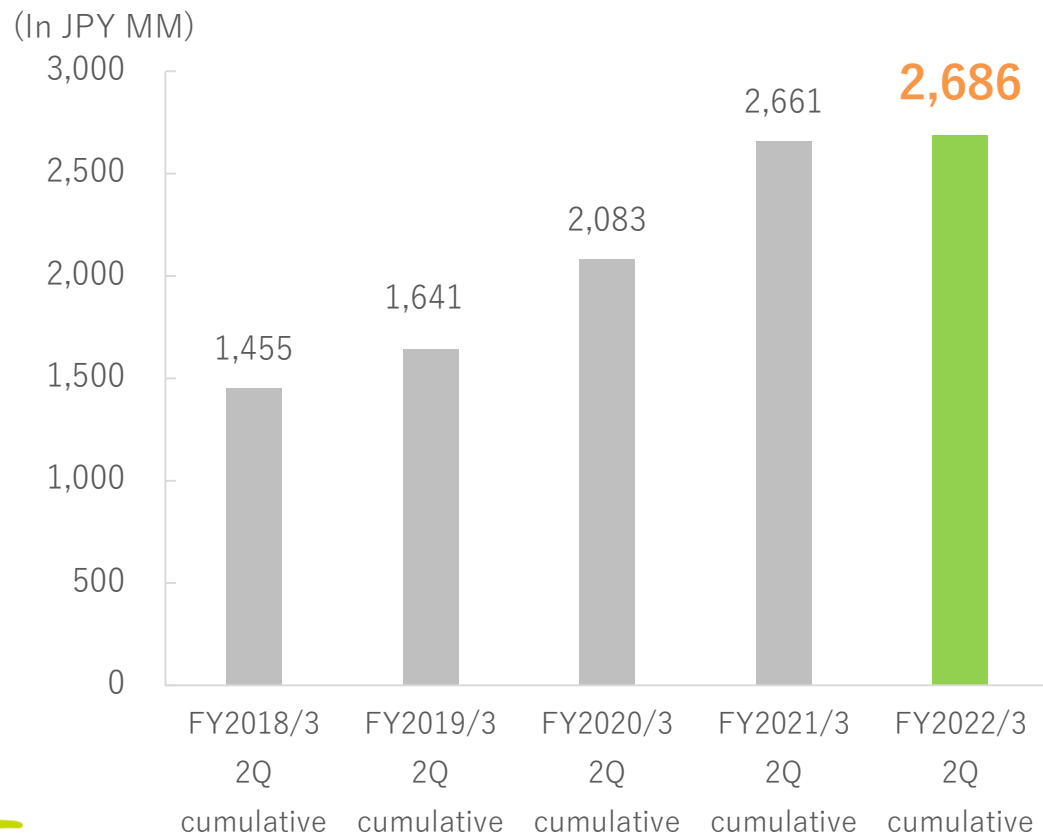
Operating margin	13.9%	4.9%	-9.0pt
ROE*	30.6%	9.1%	-21.5pt

*Annual basis

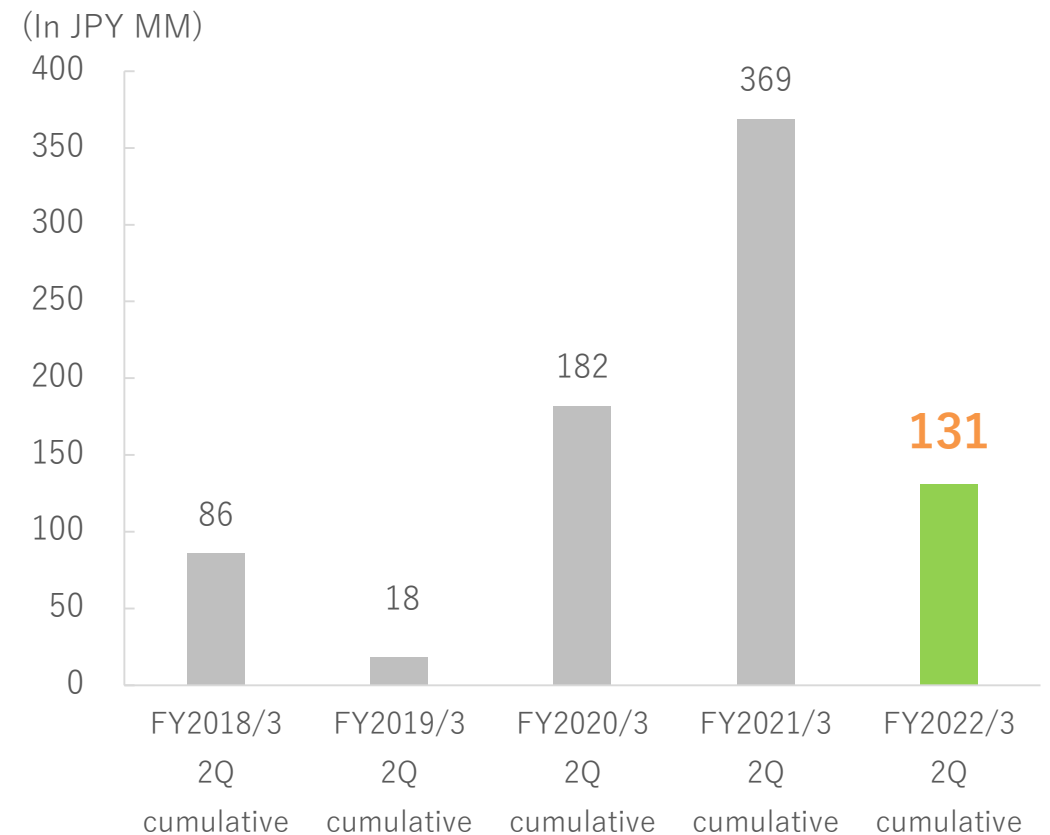
2Q Results for The Last Several Years

The sales growth was lower than our expectation, however, net sales hit a record high for the second quarter.

Sales



Operating income



Net Sales Breakdown for FY2022/3 2Q

B2C sales fell a bit year on year due to the repercussion of a soaring temporary demand because of COVID-19 last year.

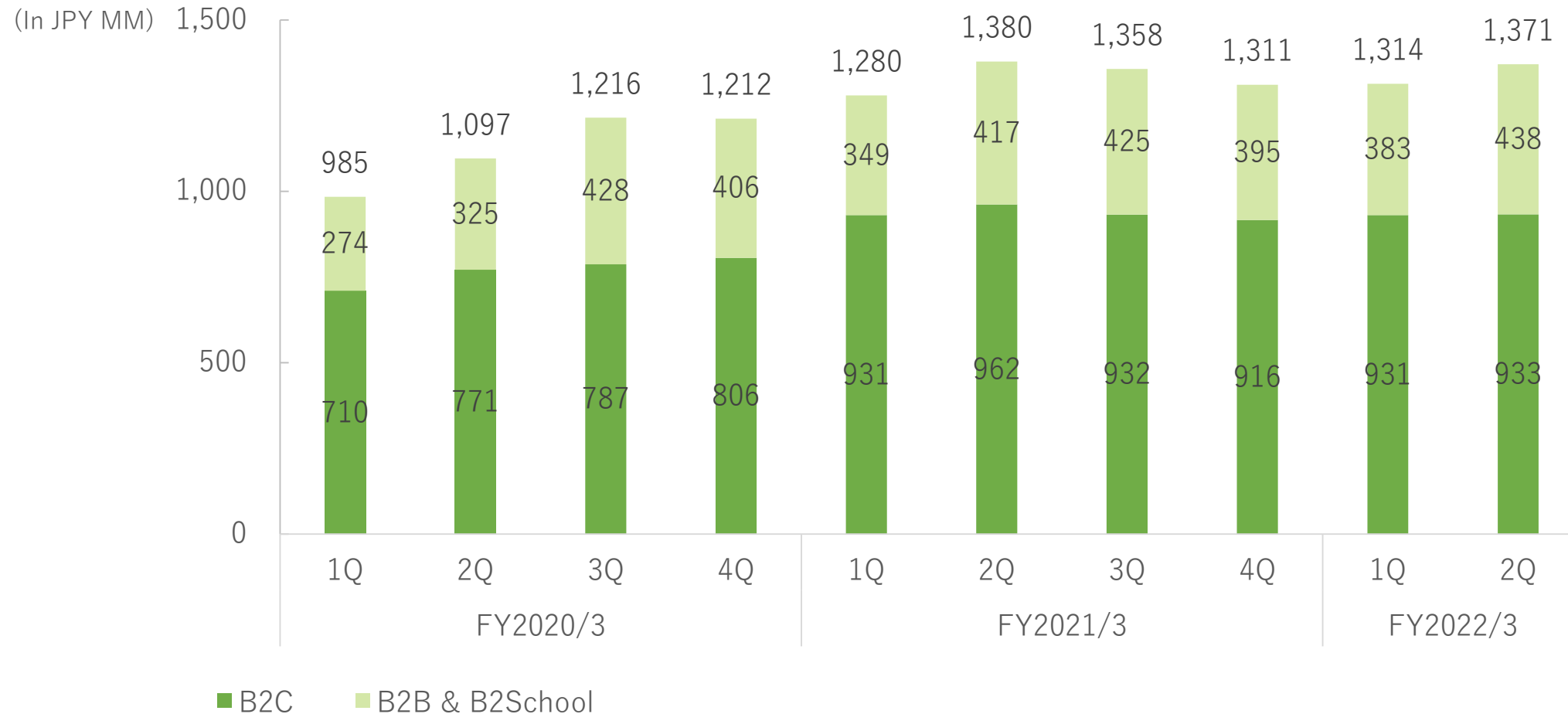
B2B & B2School sales increased by 7.1% year on year as the number of corporate clients and sale per client increased.

(In JPY MM)

	FY2021/3 2Q Cumulative	FY2022/3 2Q Cumulative	YoY
Net Sales	2,661	2,686	+0.9%
B2C Sales (constituent ratio)	1,893 (71.2%)	1,864 (69.4%)	-1.5%
B2B & B2School (constituent ratio)	767 (28.8%)	821 (30.6%)	+7.1%

Breakdown of Quarterly Net Sales

Though the revenue for B2C got on the track for growth again, the stagnation of a market affected the revenue growth.

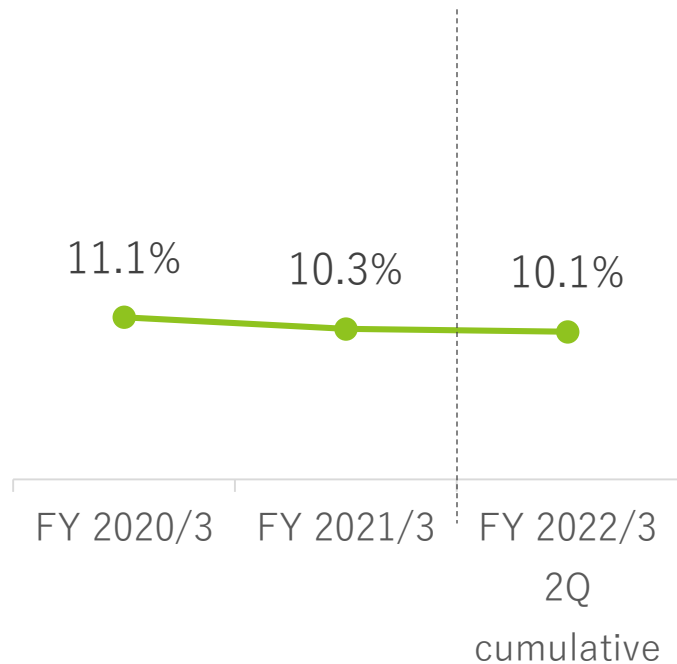


■ B2C ■ B2B & B2School

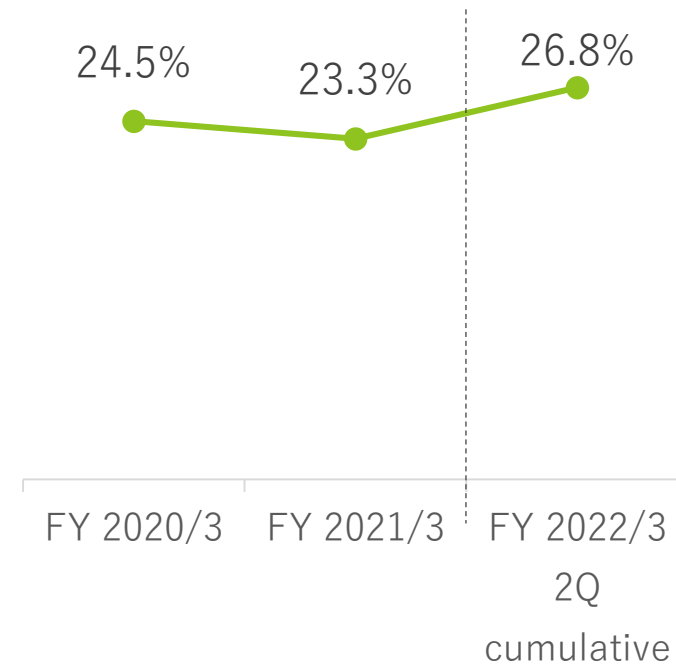
Transition of SG&A to Sales Ratio

Since the first quarter of FY2022/3, the ratio of S&M to net sales has been high due to the investment in B2B sales team heavily.

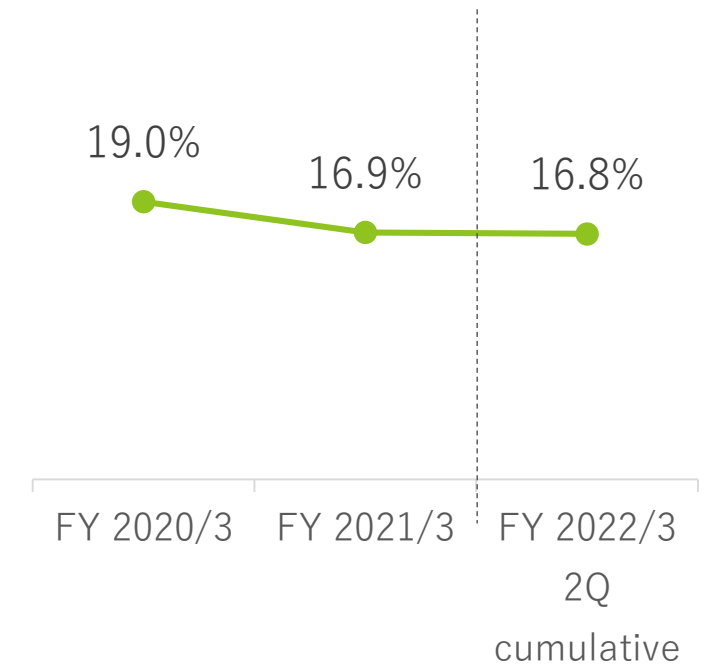
R&D* to sales ratio



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 FY2021/3 and the cumulative second quarter of FY 2022/3 take into account the reclassified data for SG&A and cost of sales.

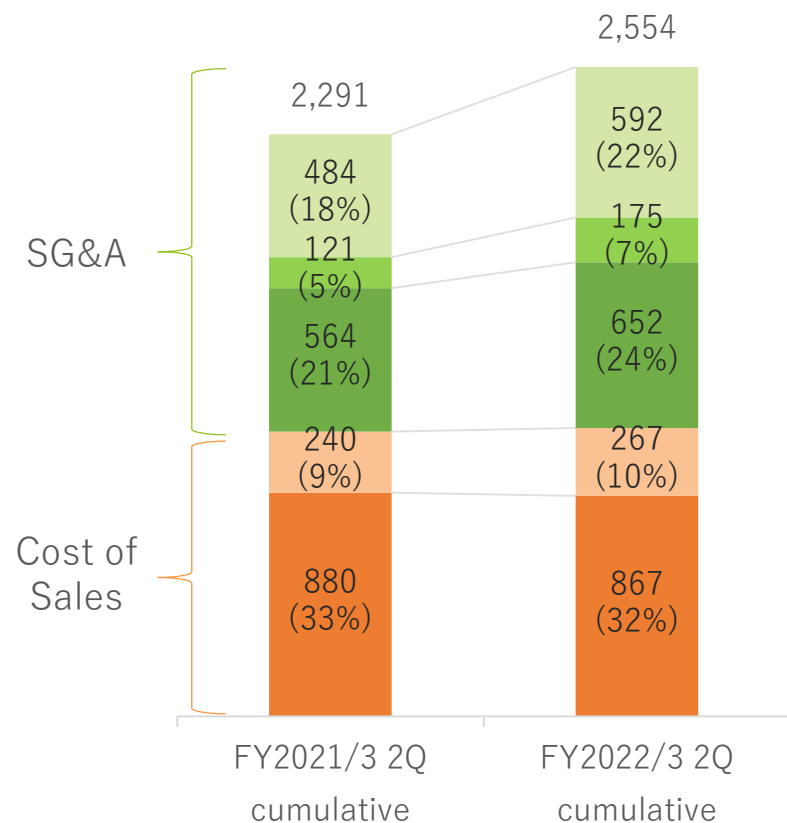
** Sales and Marketing: Including personnel costs for marketers and sales representatives and overhead costs

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

Expenses (Cost of Sales and SG&A) Breakdown for FY2022/3 2Q*

Tutor fees (cost of sales) decreased as the number of lessons per member decreased year on year due to the stabilization of the 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	+108 (+22.3%)	Expenses increased due to promotion of recruitment activities to hire salespeople mainly. In addition, engineer outsourcing expenses increased.
Advertising	+53 (+44.2%)	Advertising cost increased in B2C sector.
Personnel expenses (SG&A)	+87 (+15.6%)	Personnel expenses rose mainly due to an increase in the number of salespeople for B2B.
Other cost of sales	+26 (+11.0%)	Tutor fee decreased as the number of lessons per member decreased year on year due to the stabilization of the impact of COVID-19 for our business.
Tutor fee (Cost of sales)	-13 (-1.5%)	

*Expenses related to system operations were previously included in "SG&A", but we decided to reclassify them as "cost of sales since the first quarter. As a result of this change, the expenses for the cumulative second quarter of FY2021/3 also reflects the reclassified data.

2. FY2022/3 Plan

FY2022/3 Revision of Earnings Forecast

With the contraction of sales growth potential due to the stagnation of a market, net sales and income both are revised downward. The dividend forecast is not amended.

(In JPY MM)

	FY2021/3 Results	FY2022/3 Previous forecast	FY2022/3 Revised forecast	Change
Net sales	5,331	6,500	5,650	-850
B2C Sales	3,742	4,080	3,930	-150
B2B & B2School Sales	1,589	2,420	1,720	-700
Operating income	669	800	250	-550
Ordinary income	628	760	200	-560
Net income <small>Attributable to owners of parent</small>	391	530	120	-410
Operating margin	12.5%	12.3%	4.4%	-7.9pt
ROE*	24.4%	Above 10.0%		-

*Annual basis

Reasons for FY2022/3 Revision of Earnings Forecast and Steps to Expand Our Business from now on

Implementing actions to expand sales based on the assumption that demand has been temporarily decline in a market.

Reasons for the revision for sales

B2C

- Temporary decline in learning English speaking needs due to overseas travel restrictions.

B2B

- Corporate training has been deferred due to COVID-19.
- Recently hired salespeople are still struggling to perform fully.

Steps to expand our business

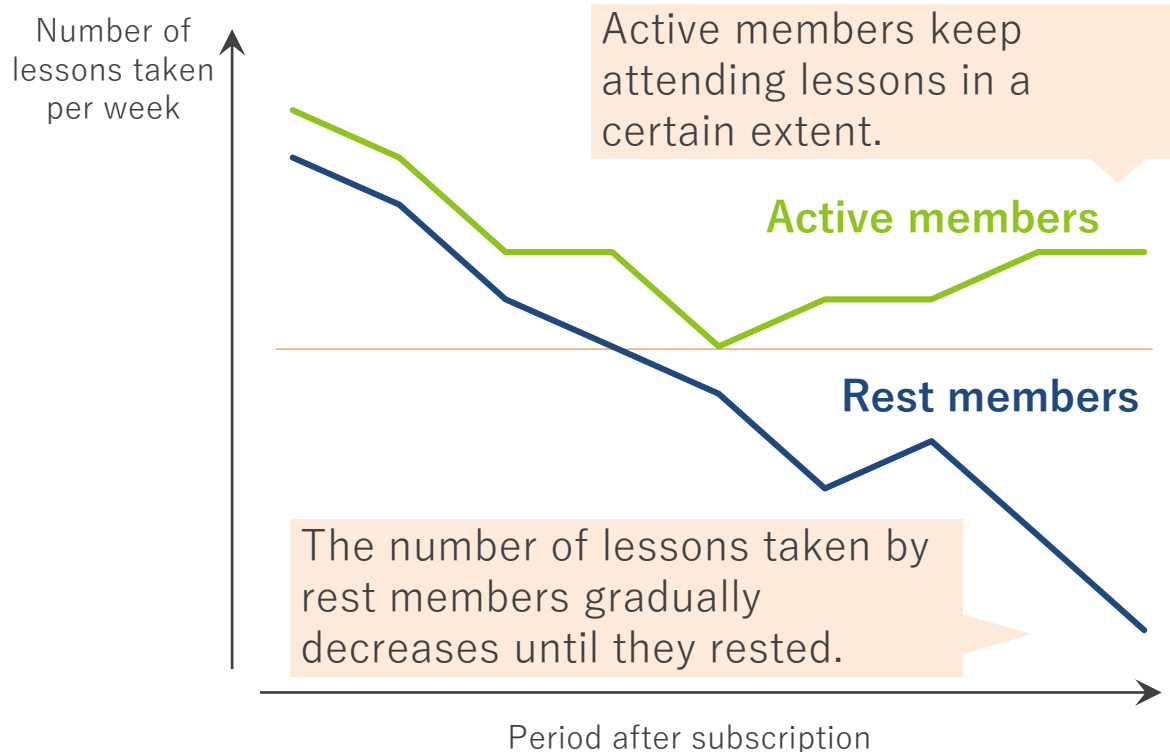
- For adults, aiming to keep members on and try to make rest members subscribe again because the expansion of new members acquisition is difficult due to the market environment.
- For students/kids, aiming to expand our business as the market is relatively firm.
- Strengthening proposals for training programs after introduction of PROGOS®.
- Improving performance of recently hired salespeople by focusing on selected products.

Continue to invest in human resources and system for mid-long term growth.

Initiatives in the B2C Business – How to Keep Subscribed Members

Providing support and promoting to take a lesson for members who will possibly leave our service soon.

How the number of lessons of active / possible rest members are changed



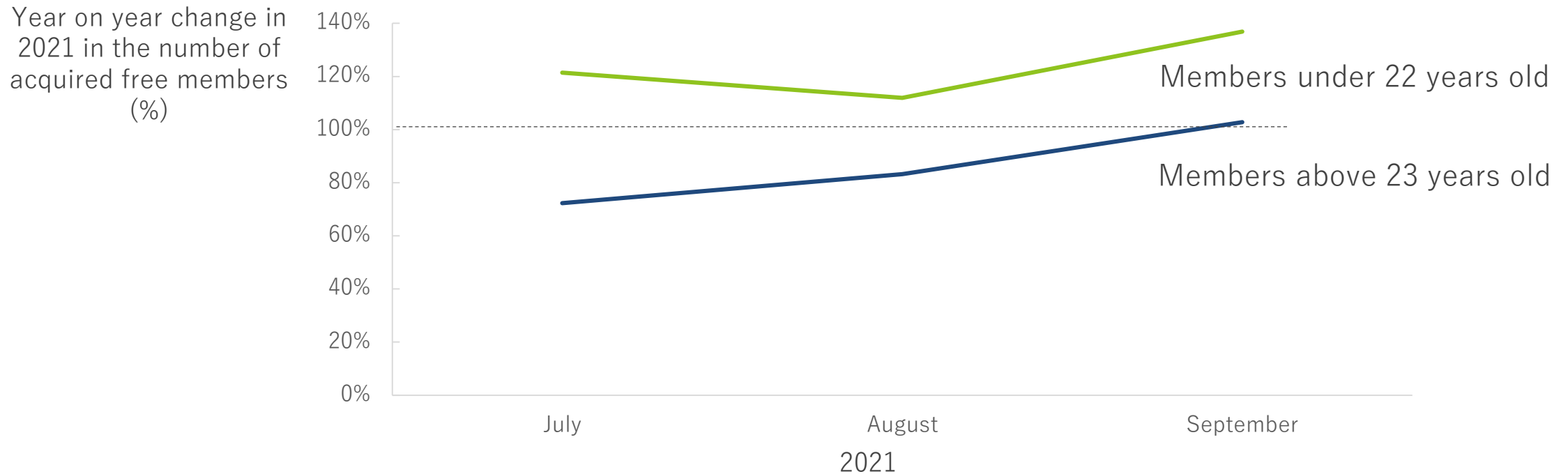
How to keep subscribed members

Identify possible rest members who take less number of lessons below the certain level and try to retain them by pushing approach.

Incentives for new members to make them take lessons regularly will be introduced to prevent them from being away from our service.

Initiatives in the B2C Business - Trends in the English Learning Market for Students/Kids

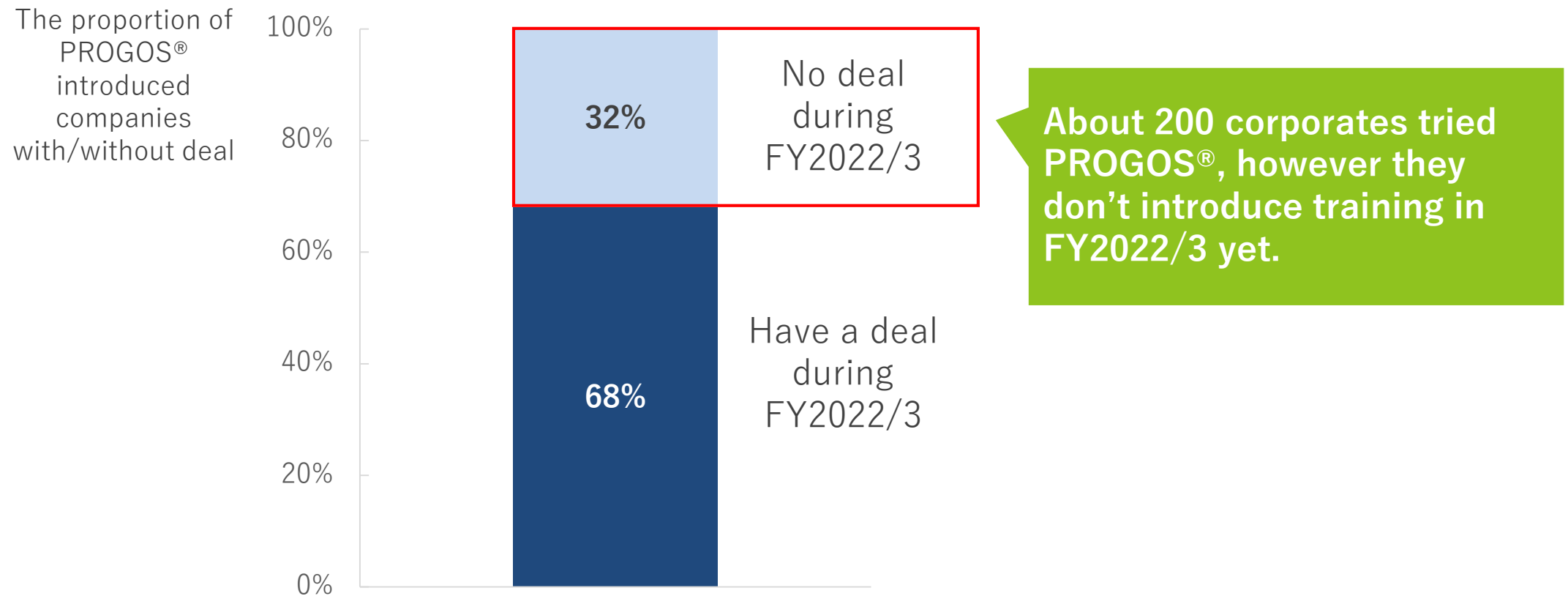
The market for students/kids has been growing without seeing no decline trend for English learning needs.



Aim to acquire new members by more intensive promotion in the market and collaboration with partners

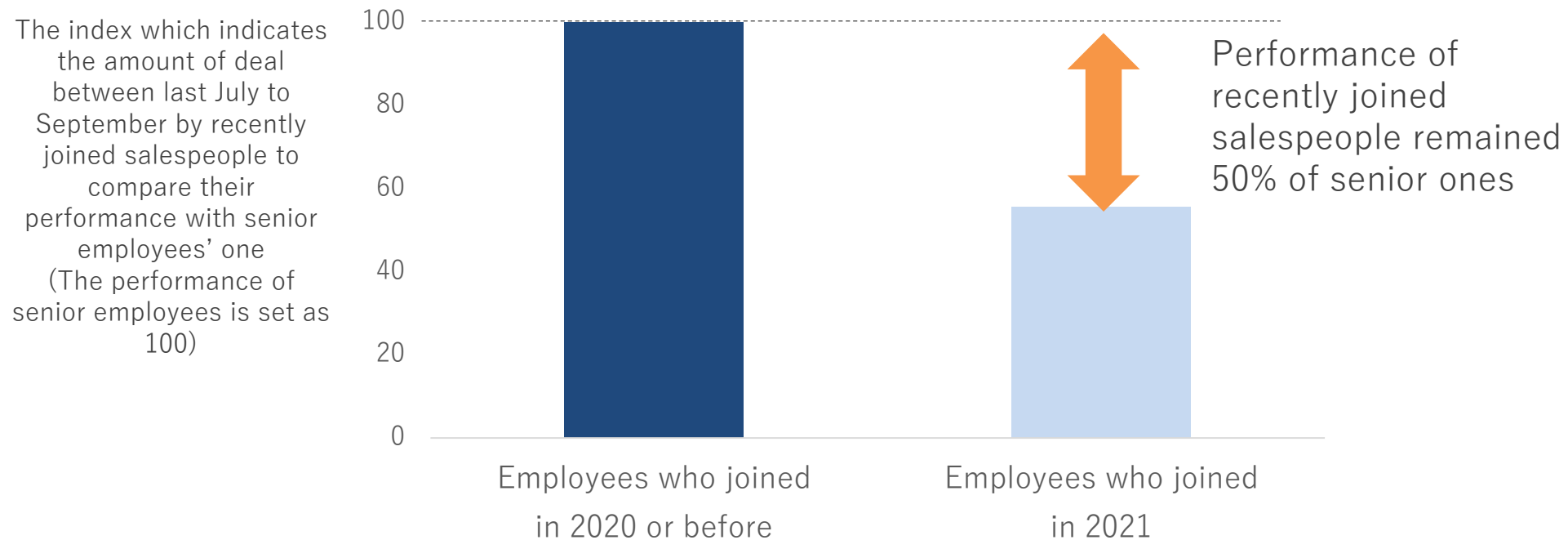
Initiatives in the B2B Business - Potential of PROGOS® Introduced Clients

Introduction of corporate training will be promoted toward potential corporate clients which tried PROGOS® without introducing training, which accounts for 32% of about 700 corporates already tried PROGOS®.



Initiatives in The B2B Business - Improving Performance of Recently Joined Salespeople

Need to improve recently hired salespeople who joined in 2021 as soon as possible.

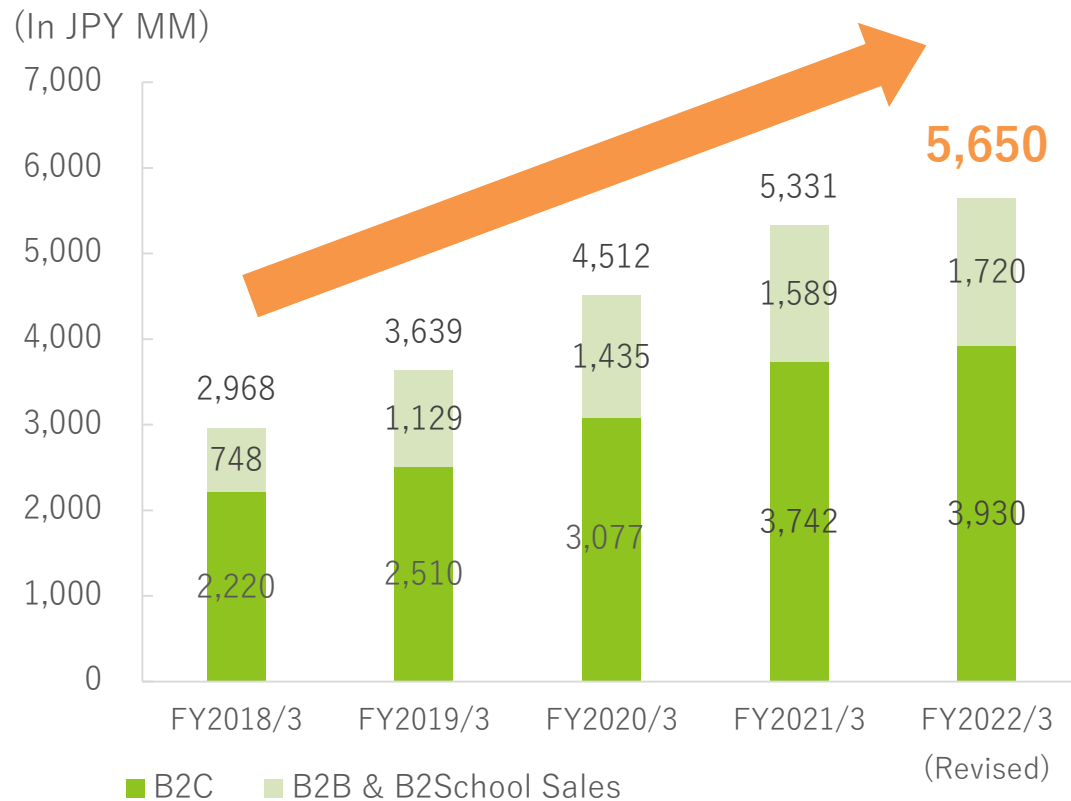


Strengthen performance of recently joined salespeople by narrowing down their proposal products

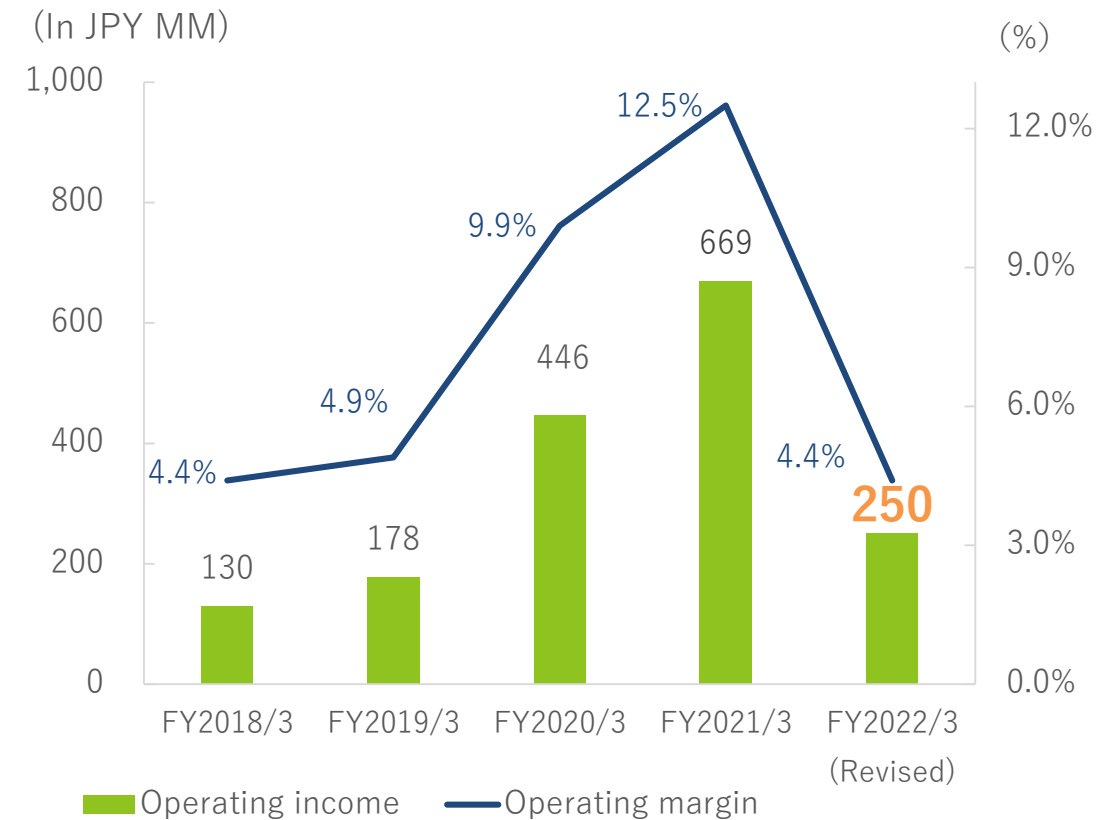
Net Sales and Operating Income Results

Net sales has increased for the 14 consecutive fiscal years since our establishment. Operating income will fall year on year due to the investment for the future.

Sales



Operating income



Actions for FY2022/3

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 language training with PROGOS®
- Introducing training for the global leader development and associated programs in addition to English 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. Purpose/Vision for RareJob Group

Purpose/Vision for RareJob Group

Purpose

The realization of the world where everyone can unlock their potentials to be valued.

Vision

Chances for everyone, everywhere.

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.



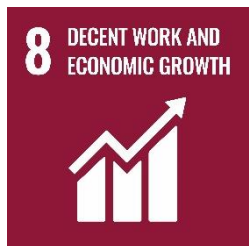
● Providing reasonable and high quality educations

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.

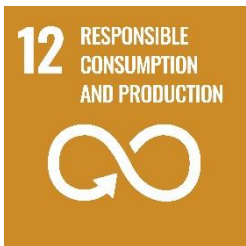
The classification for ESG: ● Environmental ● Social ● Governance

Initiatives for SDGs/ESG (2/2)



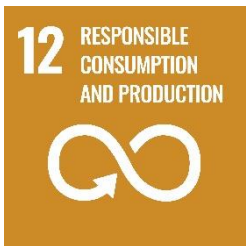
● Realization of the society where people can make full use of their abilities

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

4. Growth strategy

What RareJob Is Aiming for

**Become The Platform to Develop
Skilled People 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 with acquired English skills.



Recruiting skilled people based on the database which shows English proficiency, skills and qualifications.



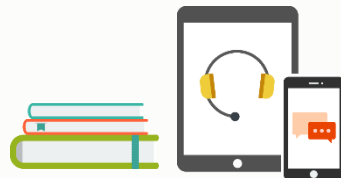
Registering a PROGOS® test result and qualifications as one of skills on the platform for job hunting to send with CV.

University students



Assessment Data platform

Setting necessary skills and qualifications based on the database for a future career and learning based on an assessment result.



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



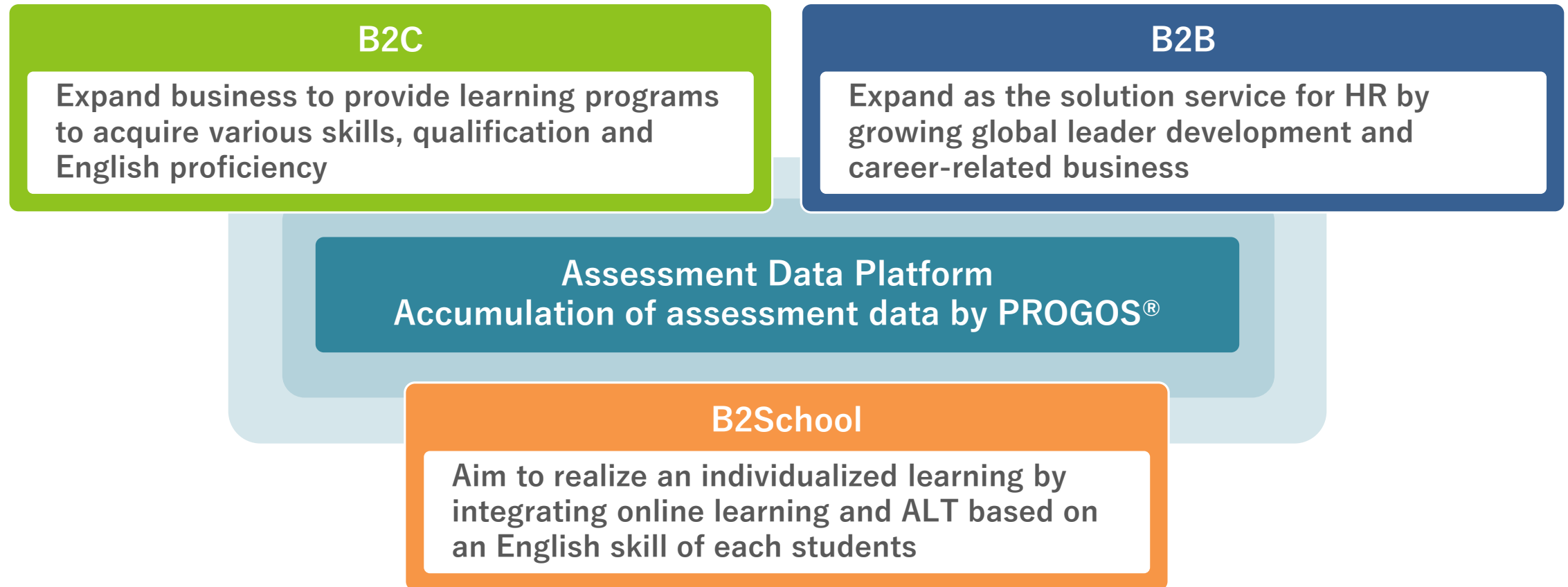
Learning English speaking with individualized learning plan and materials based on assessment results in the past.

Students between 6 to 18 years old



The Overview of The Growth Strategy

PROGOS® and assessment data collected from each business should be at the heart of the strategy as the source of the competitive advantage.



The Strategy for The Assessment Data Platform

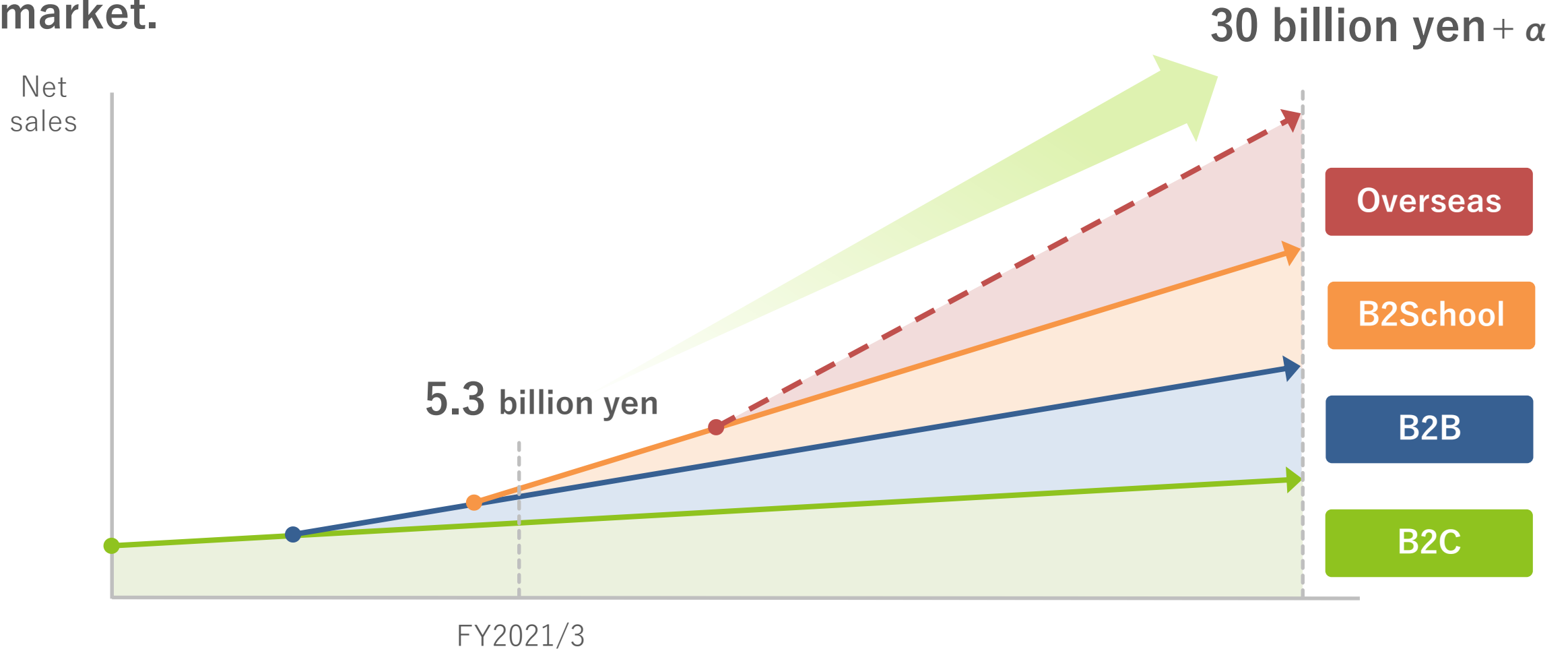
Expanding the target of assessments from not only speaking but also reading, listening and writing English skills to other language and global business skills.



Assessment Data Platform
Accumulation of assessment data by PROGOS®

Timeline for Business Growth

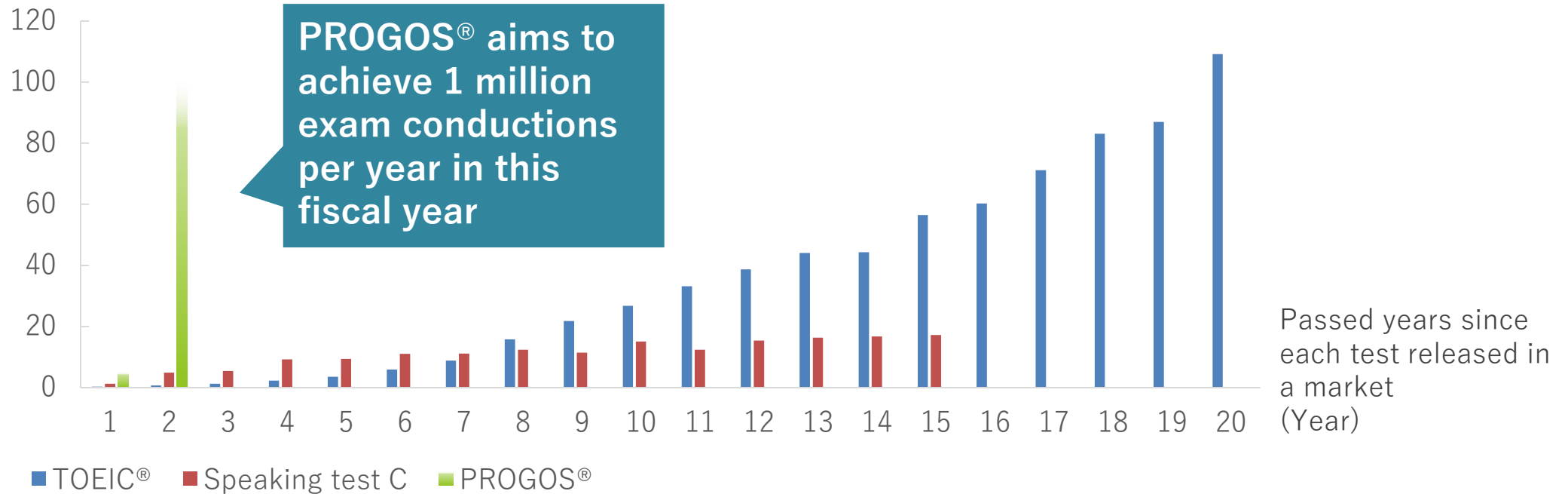
Aiming for business growth by raising the presence of PROGOS[®] as one of major assessments and gaining competitive advantage in each market.



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)

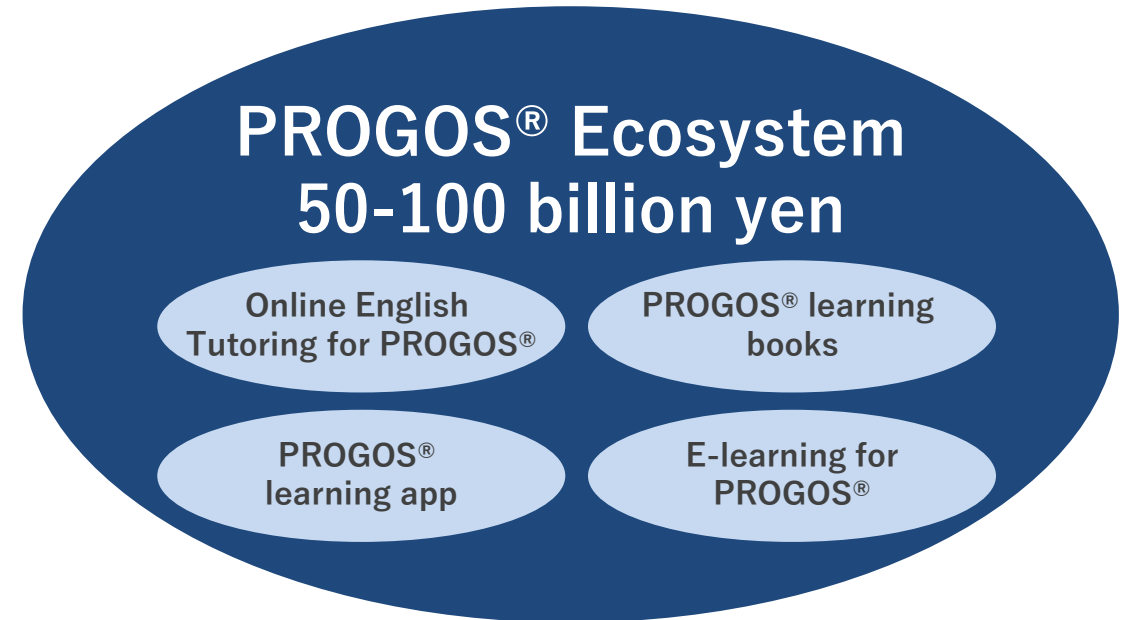
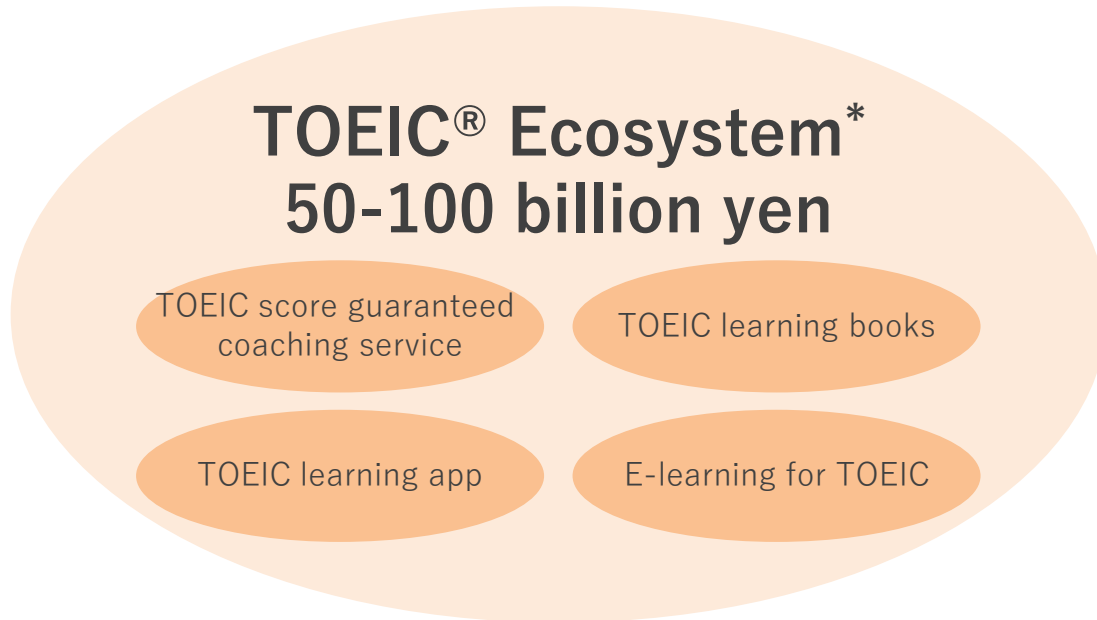


PROGOS[®] will replace TOEIC[®] and represent English assessments in Japan

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

Creation of PROGOS® Ecosystem

PROGOS® is expected to create a market of the same size as TOEIC® ecosystem, which is worth tens of billions yen.



Expect to earn approximately 20% (10-20 billion yen) of the PROGOS® ecosystem as the revenue of the RareJob group

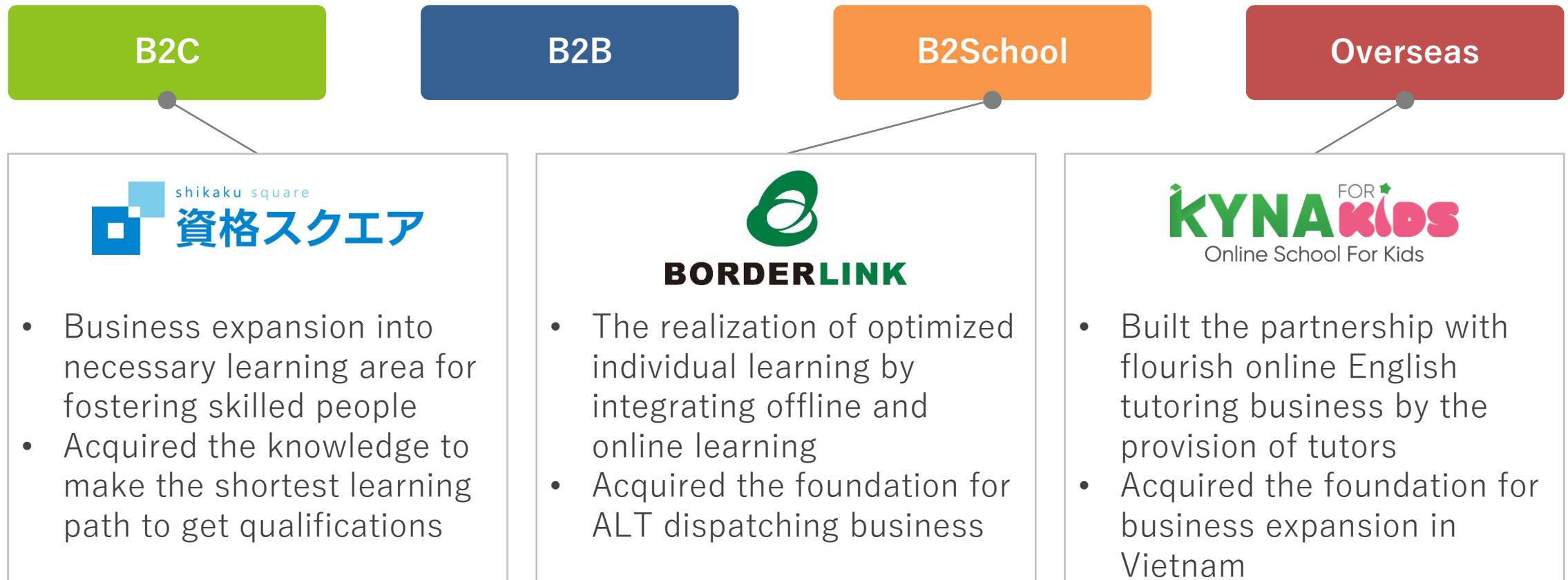
Notes:

* Estimated by RareJob using the average cost of language learning for TOEIC examinees (4,000 yen per month) and the number of TOEIC examinees (2 million persons per year)
“TOEIC” is the registered trademark of the U.S. Educational Testing Service (ETS).

5. M&A/Capital Alliances

Executed M&A/Capital Alliances

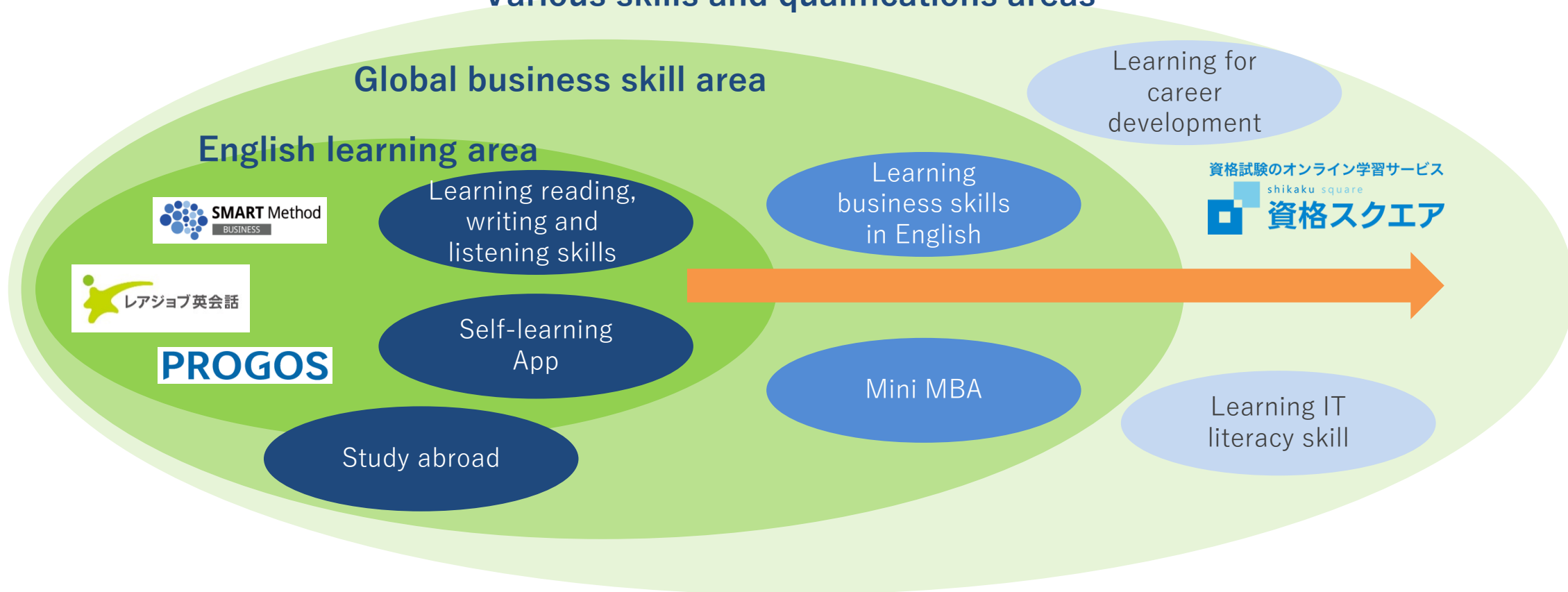
Broadening capability of the RareJob group to accelerate our growth strategy by utilizing M&A.



Background for The Merger of shikaku square, Inc. - Further Development of B2C business of RareJob

Starting with English tutoring service, we will expand learning service areas for people to succeed.

Various skills and qualifications areas



Background for the Capital Alliance with BORDERLINK, INC. - What We Aim for in the B2School Business

In addition to the provision of online English learning programs of RareJob group, the development of PROGOS® for kids and ALT dispatching to classrooms will be offered.

Offline English learning

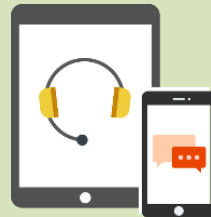
- Teaching to keep learners motivated



Provision of ALT

This is realized by investing in BORDERLINK

Development of PROGOS® for Kids



Methods to evaluate learning outcomes

- Using AI to provide more accurate and easier evaluation methods with lower cost

Online English learning

- Providing practical exercises optimized for individual students' progress



Provision of online English tutoring service for kids by the RareJob Group

Appendix



Company outline

Established: October 18, 2007

Capital: 606,699 thousand Yen (As of September 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 Eikaiwa

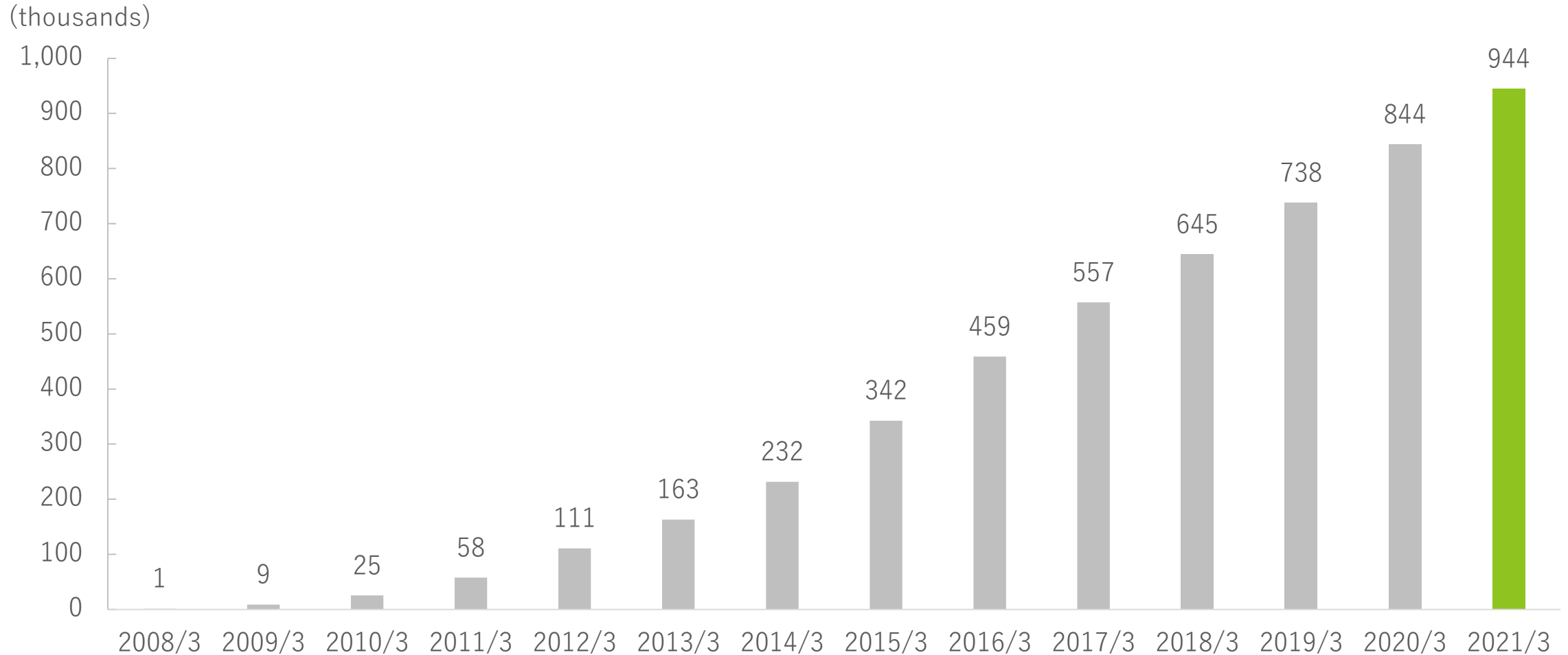
You can speak English one-on-one everyday, regardless of location or time. Online English tutoring service with more than 900 thousand cumulative free subscribers.



- 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 6,380 yen (including tax) per month for everyday English conversation.

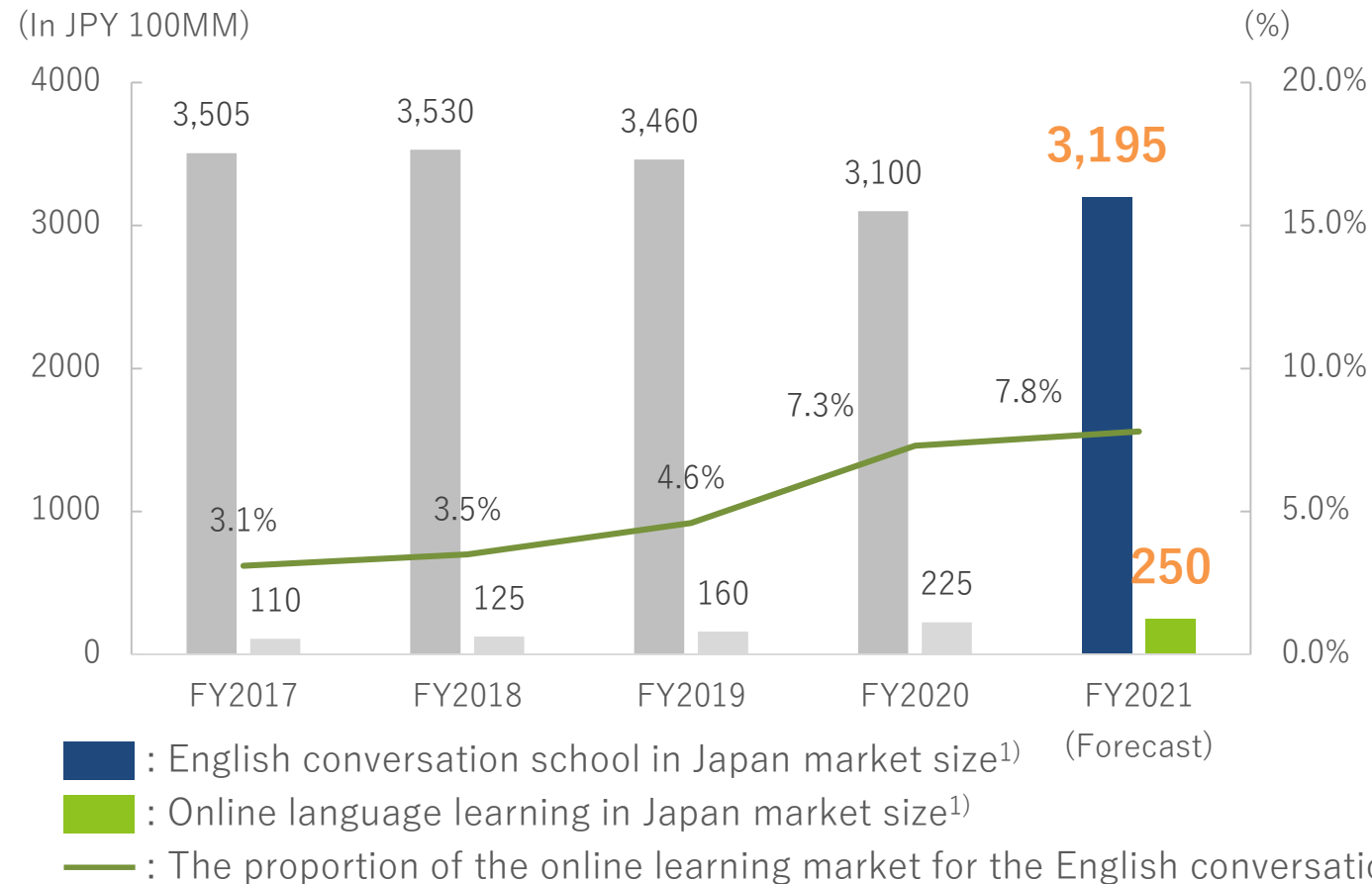
Cumulative RareJob Eikaiwa Free Membership

The cumulative number of free members has grown steadily, which is getting close to 1 million.



English-related Business Market Size

The online English learning market accounts for only 7% of the English conversation school in Japan market, which means a huge potential for future growth in the online market.

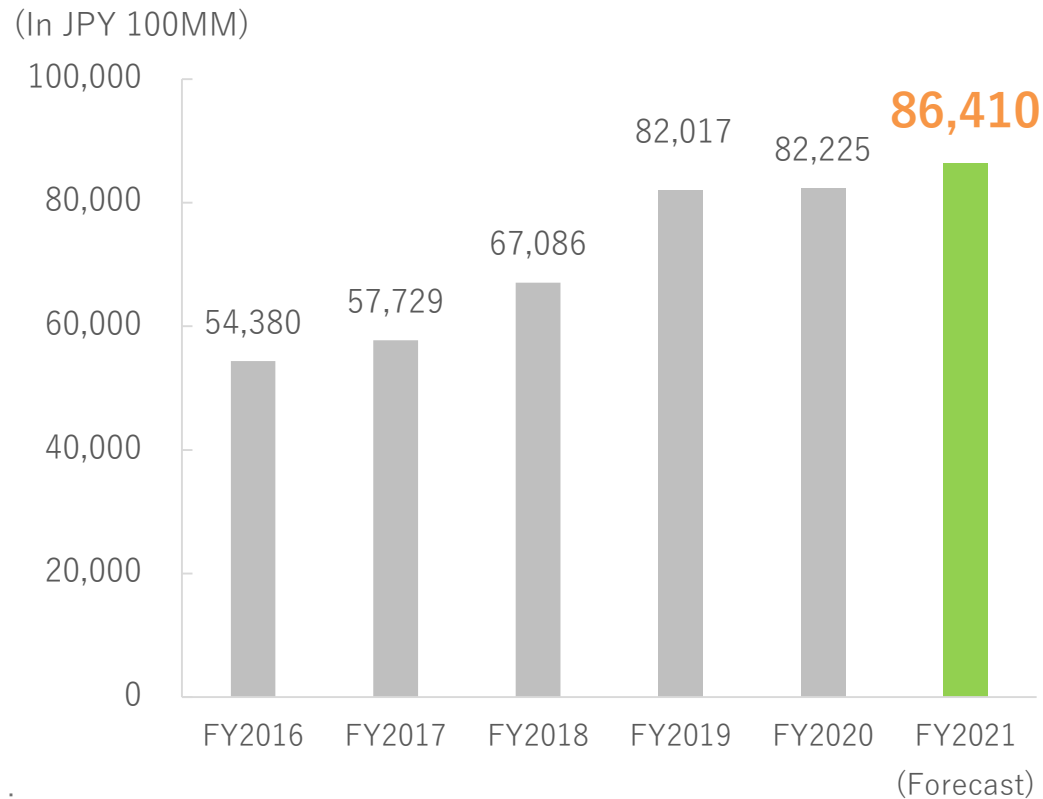


1) Yano Research Institute

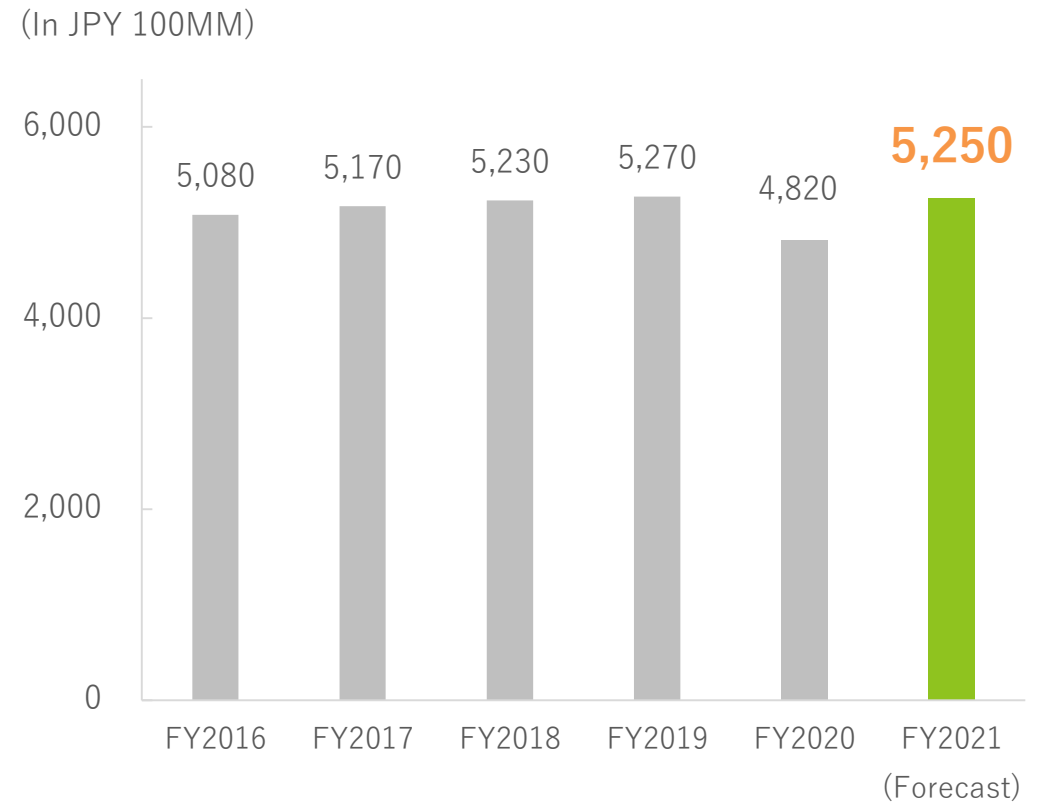
HR Business Market Size

HR business* market size¹⁾

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



Corporate training market size²⁾



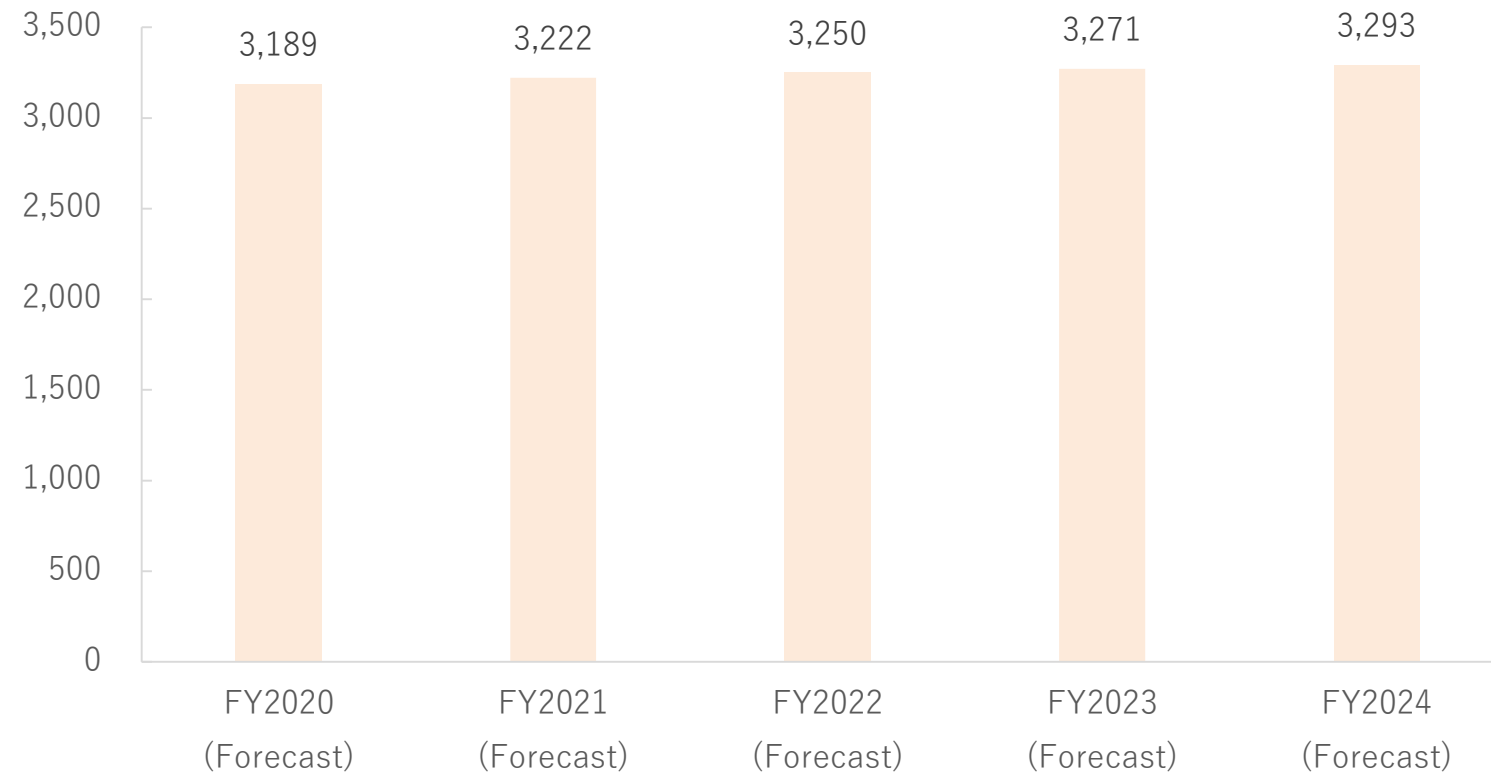
Source :

- 1) Yano Research Institute conducted a survey on the human resources business market in 2021
- 2) Yano Research Institute, "Business Training Service Market and Outlook 2021"

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.

Contact Information

RareJob Investor Relations
MAIL:ir@rarejob.co.jp