

RareJob, Inc.

Financial Results for the Nine Months Ended December 31, 2021

February 14, 2022



Agenda

1. FY2022/3 3Q Result
2. FY2022/3 Plan
3. Purpose/Vision for the RareJob Group
4. Growth Strategy
5. Choice of the Prime Market of TSE

Appendix

1. FY2022/3 3Q Result

FY2022/3 3Q Results Summary

The AI automated scoring exam PROGOS® for English speaking have received more than 1.12 million applications at 31st January in 2022.

- Introduced by over 780 major companies and universities.

Net sales rose 2.8% year on year.

- B2C sales increased by 0.7% year on year due to sales generated by shikaku square, Inc. which joined in December 2021.
- B2B & B2School sales increased by 7.7% year on year which was driven by sales growth in B2B sector.

Operating income fell 52.2% year on year.

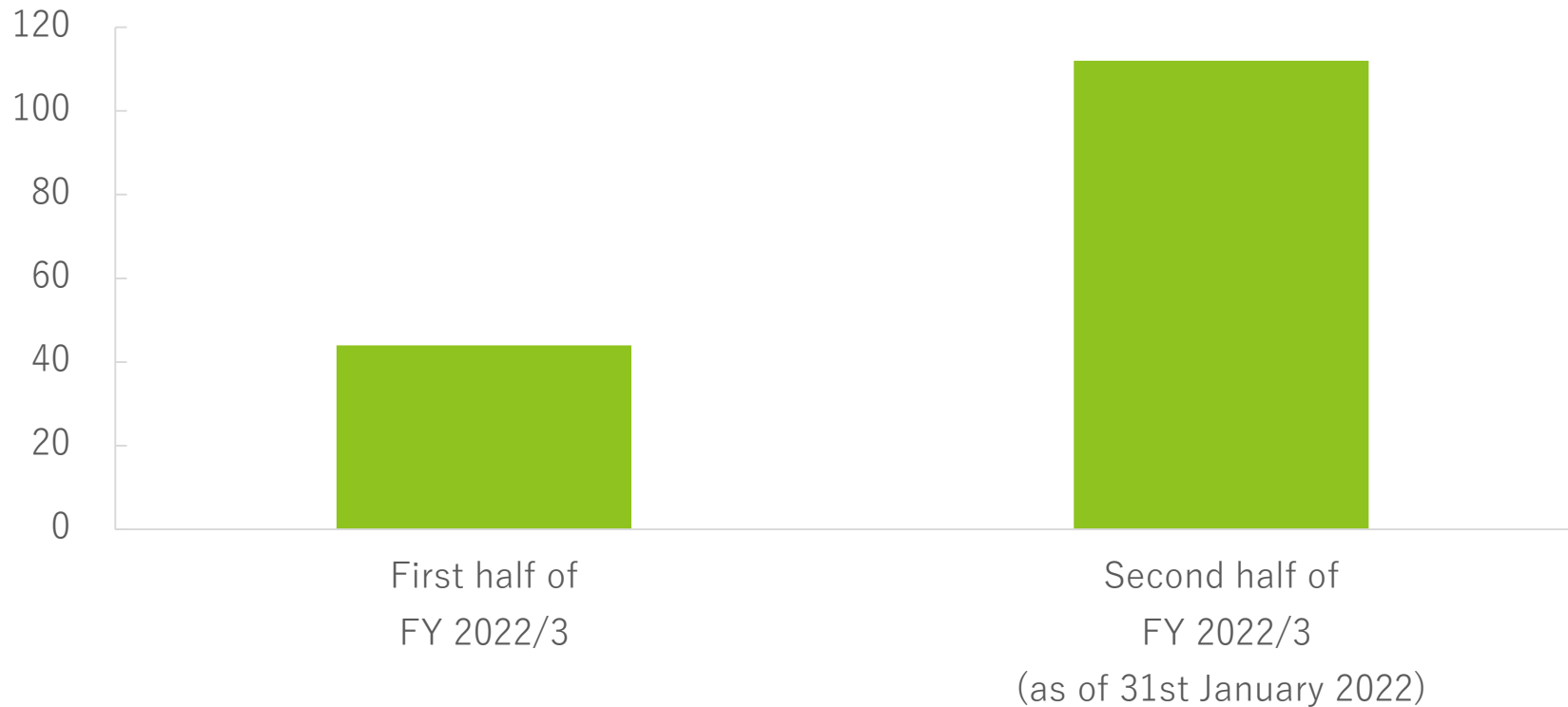
- Personnel expenses increased due to the promotion of recruitment activities for B2B sales team, which aims for net sales growth.

Net sales hit a record high for the third quarter.

The Transition of the Cumulative Number of Exam Applicants for PROGOS® in FY2022/3 (As of 31st January 2022)

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 1.12 million at 31st January 2022.

The cumulative number of exam applications (10 thousands)



PROGOS® introduced by over 780 major companies and universities

Financial Results for FY2022/3 3Q

Net sales rose by 2.8% and operating income fell by 52.2% year on year.
The upfront investment for human resources pushed down operating income.

(In JPY MM)

| | FY2021/3 3Q Cumulative | FY2022/3 3Q Cumulative | YoY |
|--|---------------------------|---------------------------|--------|
| Net sales | 4,019 | 4,132 | +2.8% |
| Operating income | 607 | 290 | -52.2% |
| Ordinary income | 574 | 257 | -55.2% |
| Net income attributable to owners of parent | 361 | 186 | -48.4% |

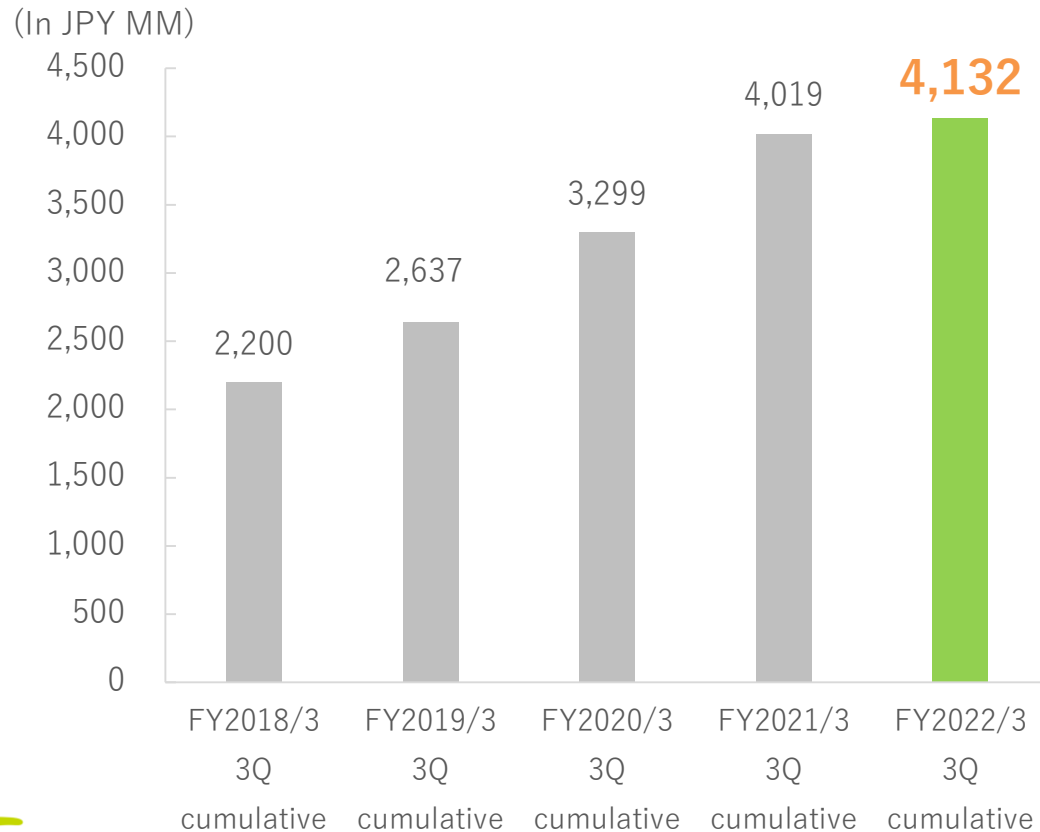
| | | | |
|------------------|-------|-------|---------|
| Operating margin | 15.1% | 7.0% | -8.1pt |
| ROE* | 30.3% | 12.3% | -18.0pt |

*Annual basis

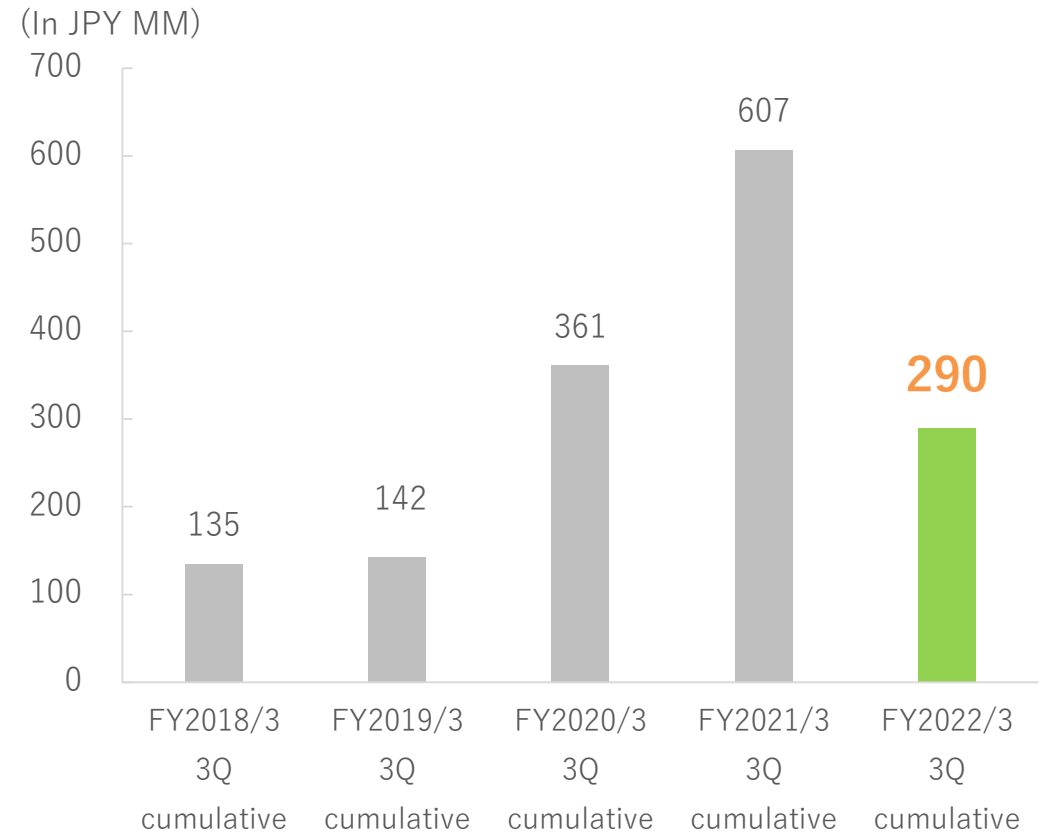
3Q Results for the Last Several Years

The sales growth has been limited compared to the rapid growth in FY 2021/3 due to the social change by the COVID-19 pandemic, however, net sales hit a record high for the third quarter.

Net sales



Operating income



Net Sales Breakdown for FY2022/3 3Q

B2C sales increased by 0.7% year on year due to sales generated by shikaku square, Inc. which joined in December 2021.

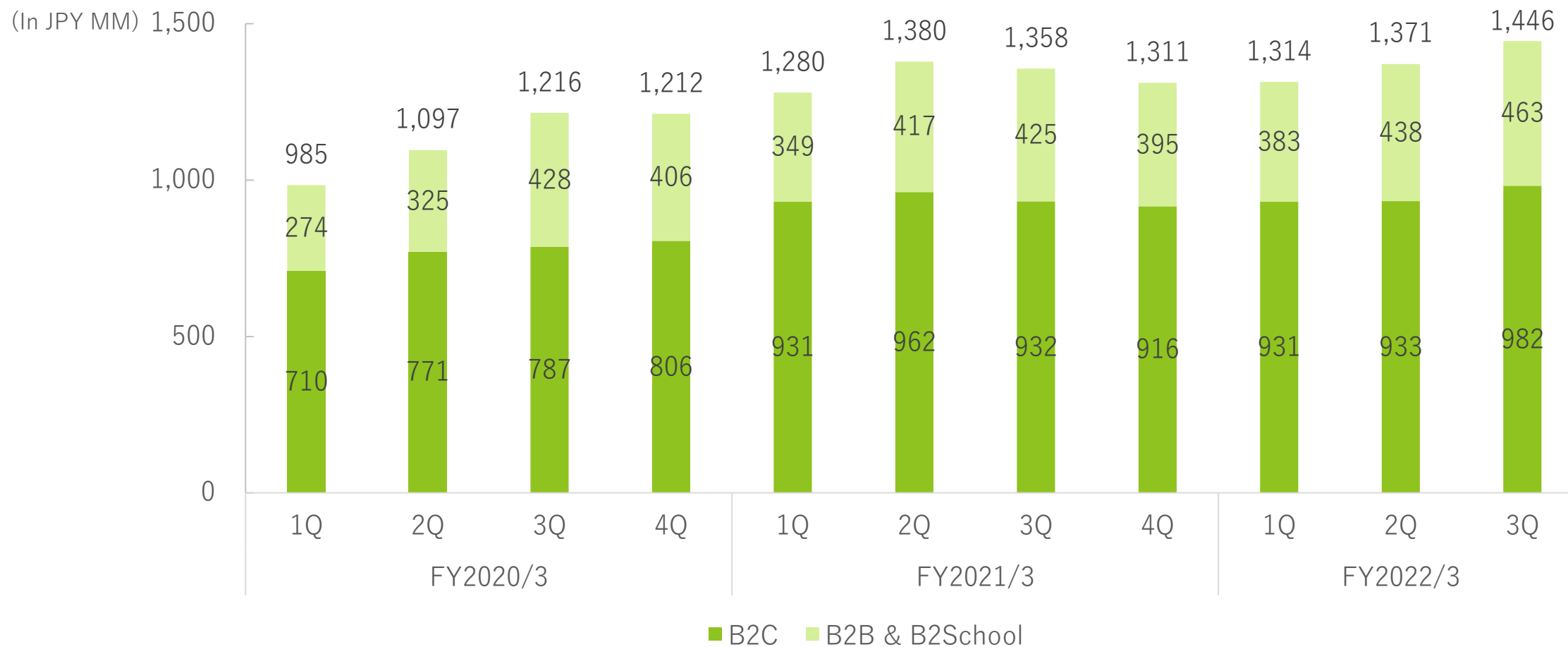
B2B & B2School sales increased by 7.7% year on year as the number of corporate clients and sale per client increased.

(In JPY MM)

| | FY2021/3 3Q Cumulative | FY2022/3 3Q Cumulative | YoY |
|---------------------------------------|---------------------------|---------------------------|-------|
| Net Sales | 4,019 | 4,132 | +2.8% |
| B2C Sales (constituent ratio) | 2,826 (70.3%) | 2,847 (68.9%) | +0.7% |
| B2B & B2School (constituent ratio) | 1,193 (29.7%) | 1,285 (31.1%) | +7.7% |

Breakdown of Quarterly Net Sales

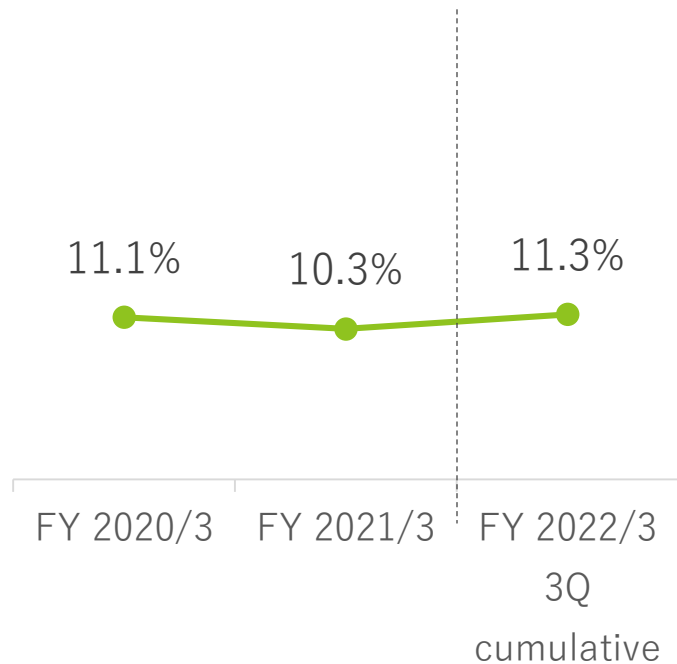
B2B sales has steadily increased in B2B & B2School sales.



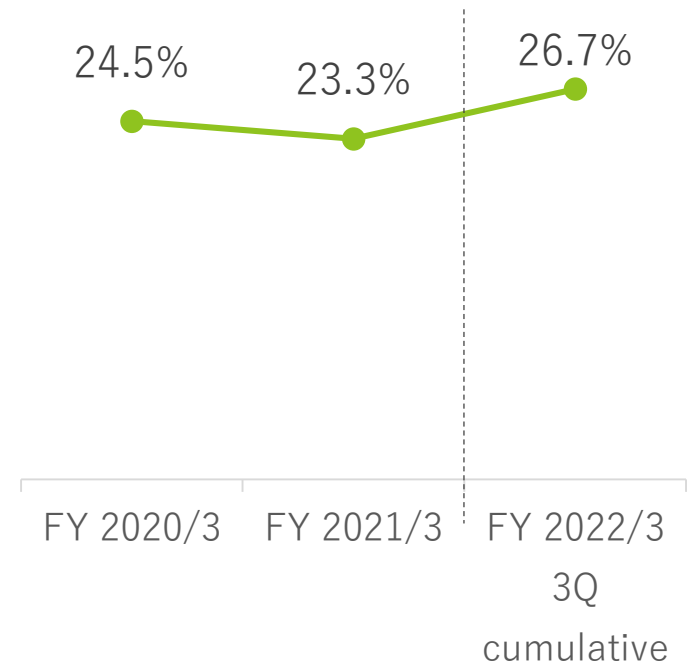
Transition of SG&A to Sales Ratio

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

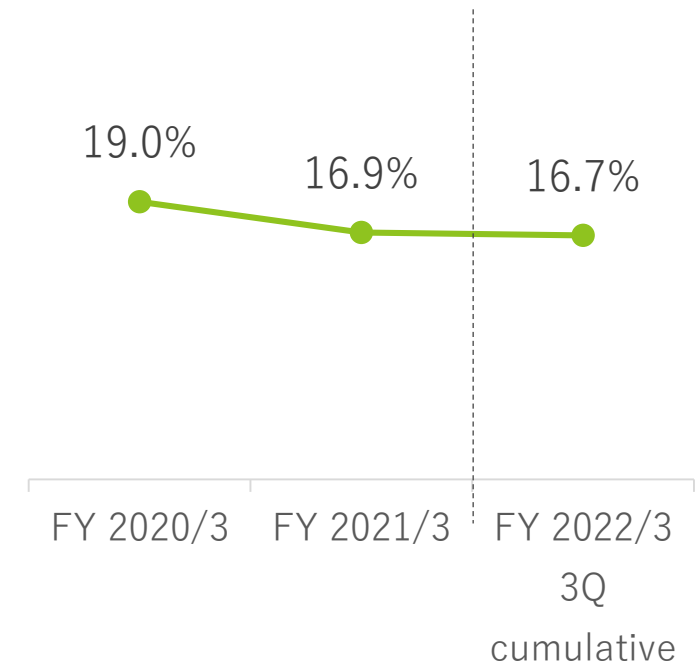
R&D* to sales ratio



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 a part of the amount is transferred to intangible assets. Figures for the FY2021/3 and the cumulative third quarter of FY 2022/3 take into account the reclassified data for SG&A and cost of sales.

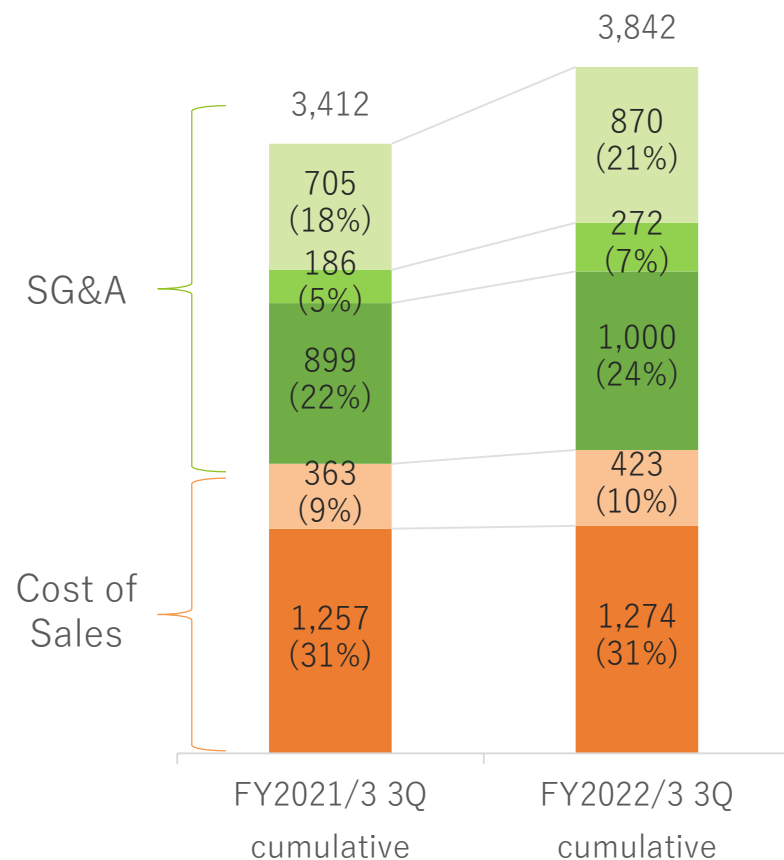
** Sales and Marketing: Including personnel costs for marketers and sales representatives and overhead costs

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

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

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 | +164 (+23.3%) | Expenses increased due to promotion of recruitment activities to hire salespeople mainly. In addition, engineer outsourcing expenses increased. |
| Advertising | +86 (+46.5%) | Advertising cost increased in B2C sector. |
| Personnel expenses (SG&A) | +101 (+11.2%) | Personnel expenses rose mainly due to an increase in the number of salespeople for B2B. |
| Other cost of sales | +60 (+16.5%) | Other cost of sales increased because purchase to provide training services increased. |
| Tutor fee (Cost of sales) | +17 (+1.4%) | Tutor fee increased year on year as shikaku square, Inc. joined in December 2021. |

*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 third quarter of FY2021/3 also reflects the reclassified data.

2. FY2022/3 Plan

FY2022/3 Plan and Progress

Progress against the revised forecast is on track.

(In JPY MM)

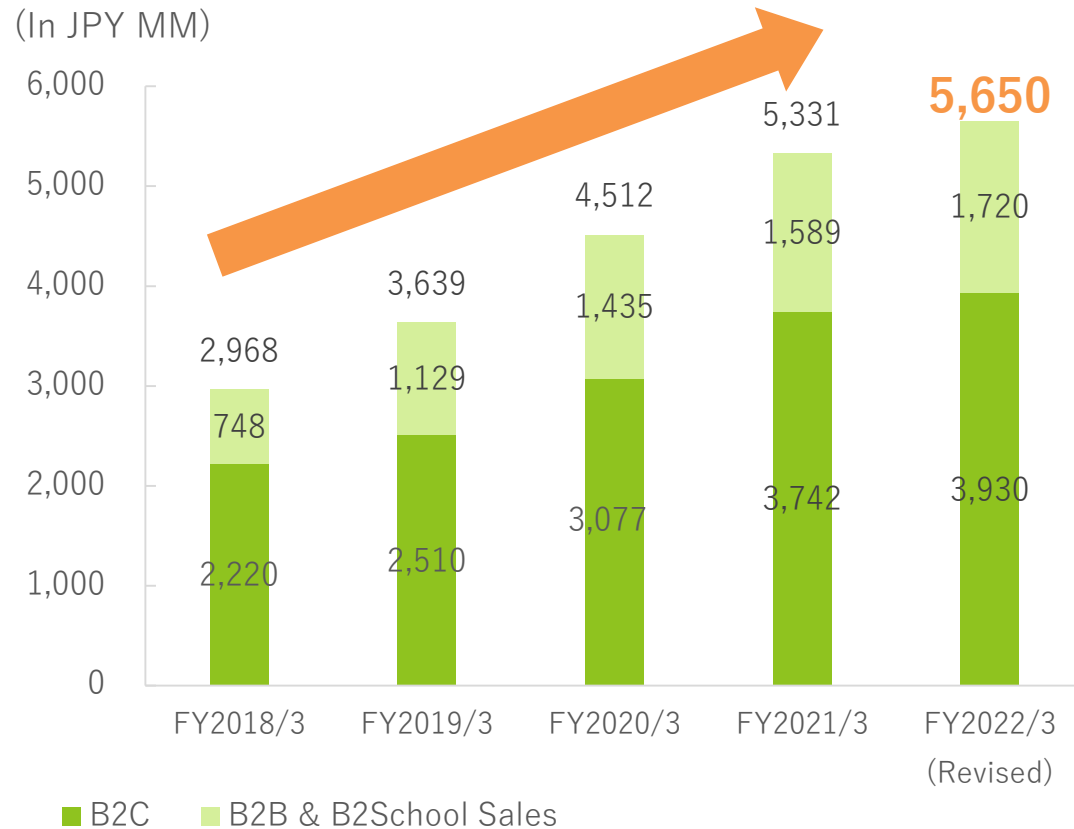
| | FY 2021/3 Results | FY 2022/3 Revised forecast | YoY | FY 2022/3 3Q cumulative | Progress |
|--|-------------------|----------------------------|--------|-------------------------|----------|
| Net sales | 5,331 | 5,650 | +6.0% | 4,132 | 73.1% |
| B2C Sales | 3,742 | 3,930 | +5.0% | 2,487 | 72.4% |
| B2B & B2School | 1,589 | 1,720 | +8.2% | 1,285 | 74.7% |
| Operating income | 669 | 250 | -62.6% | 290 | 116.1% |
| Ordinary income | 628 | 200 | -68.2% | 257 | 128.8% |
| Net income attributable to owners of parent | 391 | 120 | -69.3% | 186 | 155.4% |
| Operating margin | 12.5% | 4.4% | -8.1% | 7.0% | - |
| ROE* | 24.4% | - | - | 12.3% | - |

*Annual basis

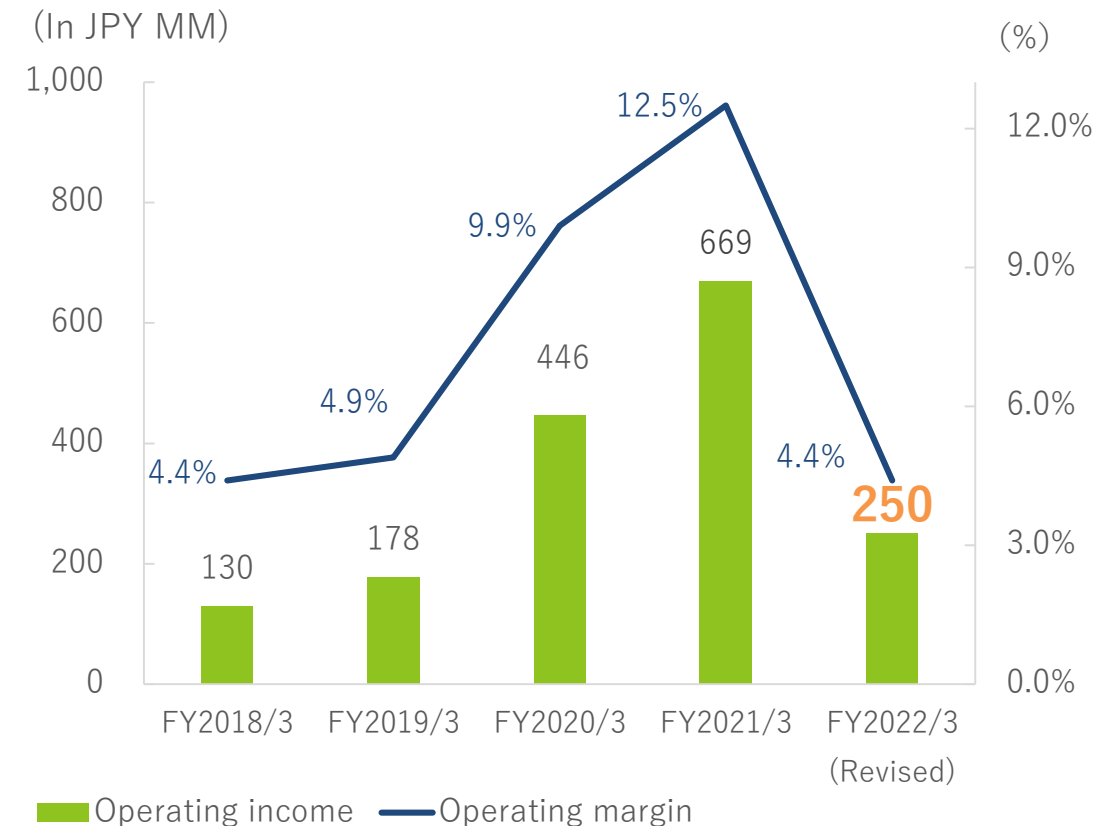
Net Sales and Operating Income Results

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.

Net sales



Operating income



Progress for Actions for FY2022/3

The acceleration of penetration of PROGOS®

- Introducing the test in large companies and universities and more than 1.12 million applications has been received as of now.

The expansion of B2B business

- Introducing English language training with PROGOS®.
- Suggesting more than 10 associated programs for the global leader development provided by partner companies in addition to English training to solve clients' problems in HR.

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 the RareJob Group

Purpose/Vision for the 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.



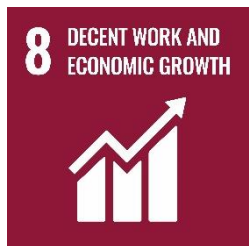
● Providing reasonable and high quality educations

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.

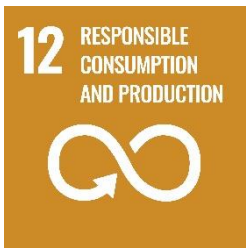
The classification for ESG: ● Environmental ● Social ● Governance

Initiatives for SDGs/ESG (2/2)



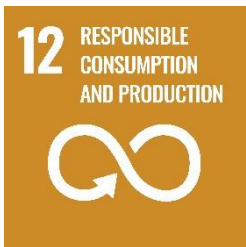
● Realization of the society where people can make full use of their abilities

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.



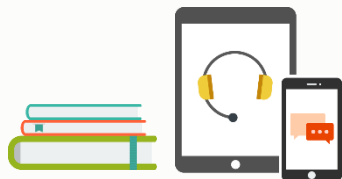
Registering a PROGOS® test result and qualifications as one of skills on the platform for job hunting to send with CV.

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.



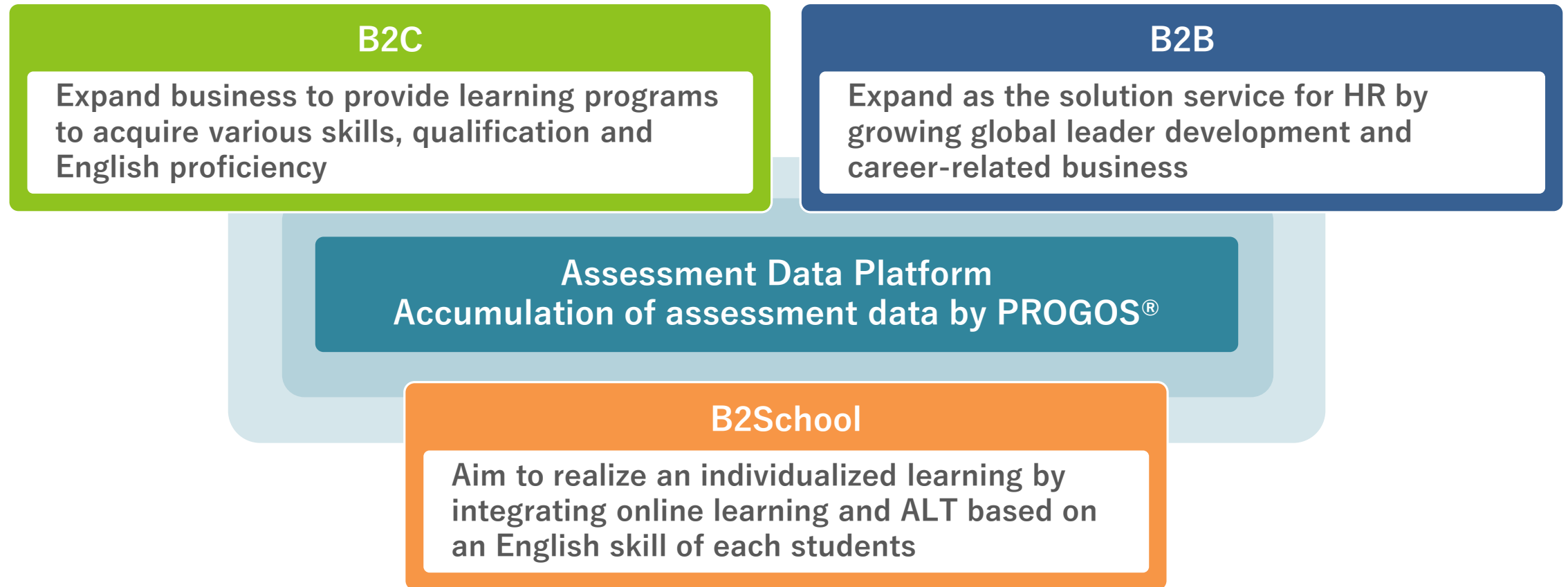
Learning English speaking with individualized learning plan and materials based on assessment results in the past.

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

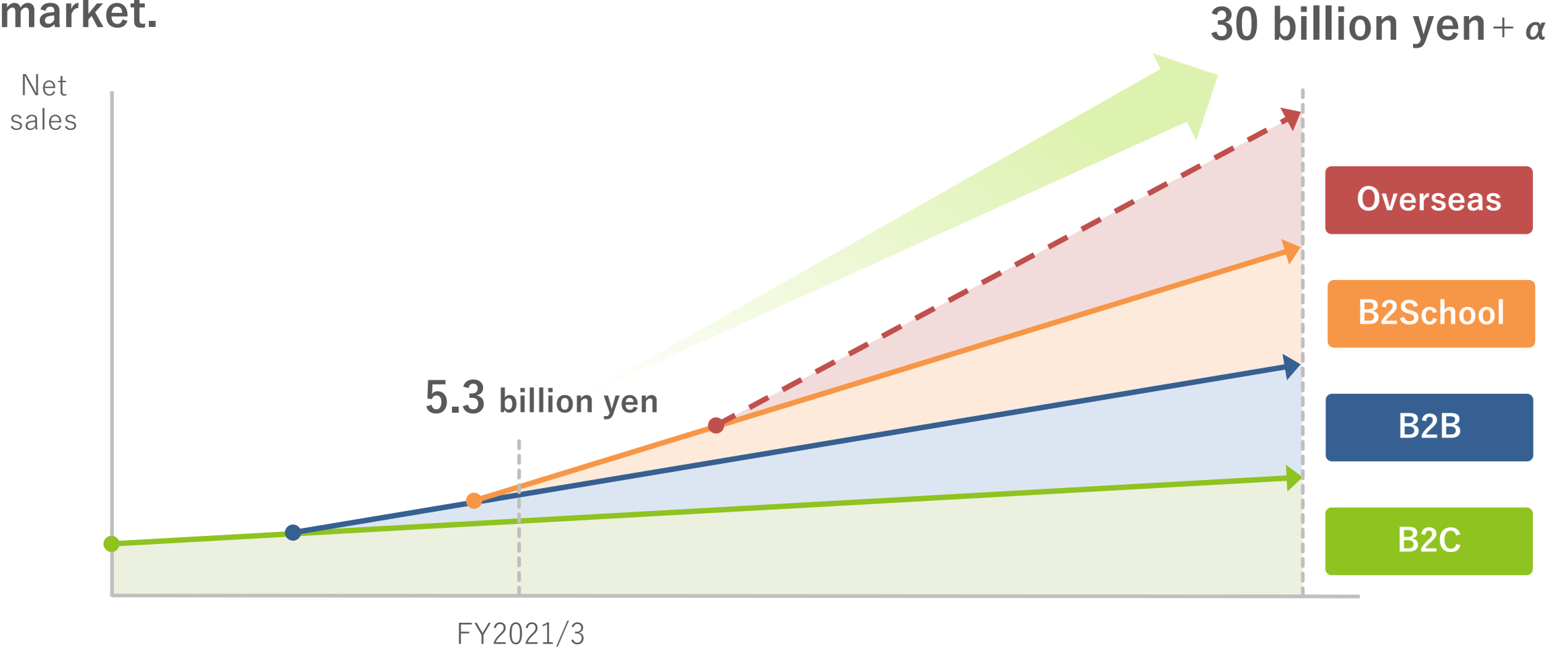
Expanding the target of assessments from not only speaking but also reading, listening and writing English skills to other language and global business skills.



Assessment Data Platform
Accumulation of assessment data by PROGOS®

Timeline for Business Growth

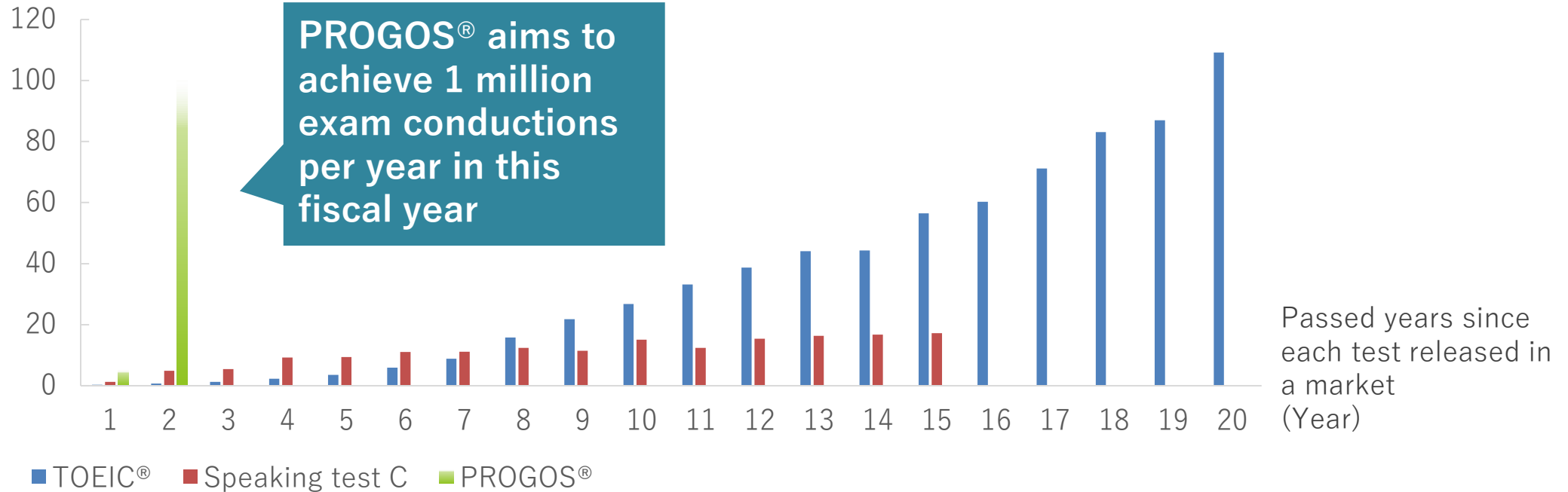
Aiming for business growth by raising the presence of PROGOS® as one of major assessments and gaining competitive advantage in each market.



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)

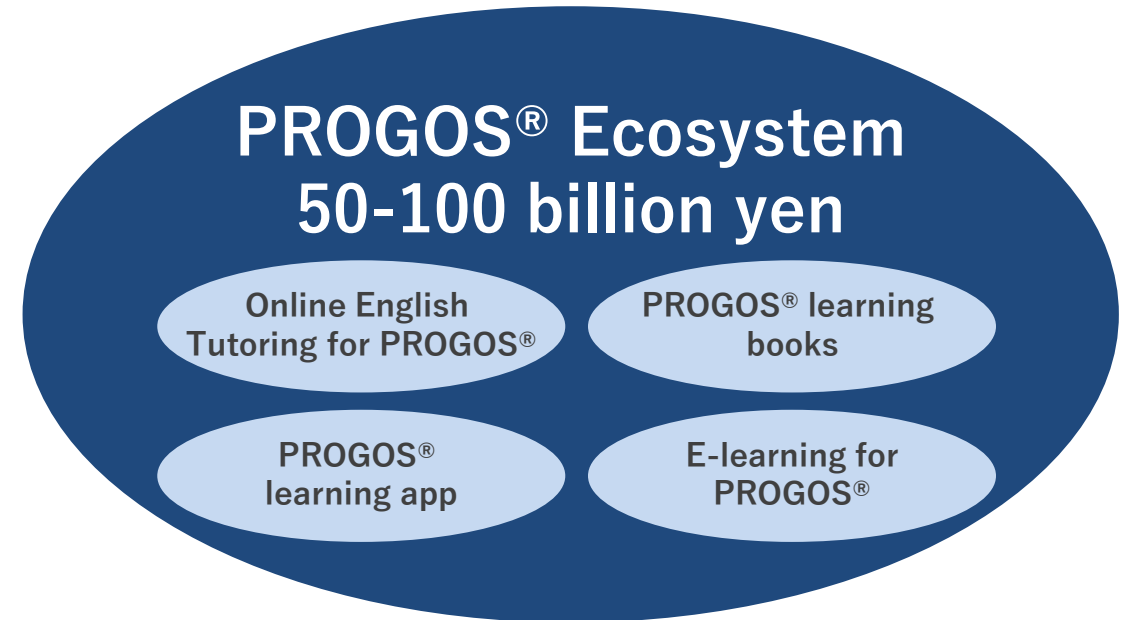
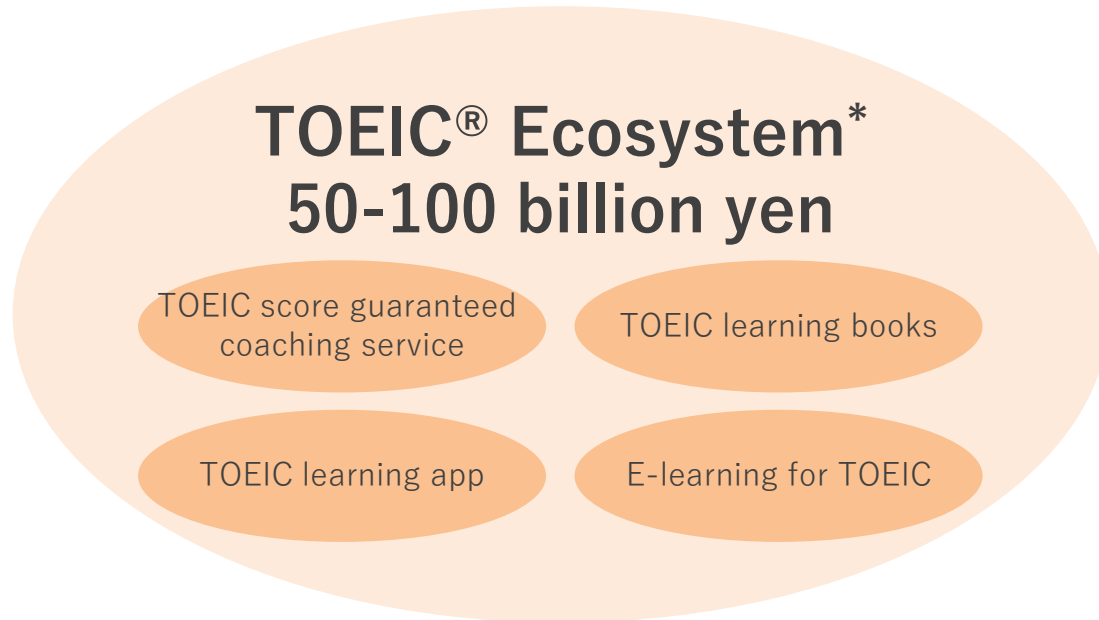


PROGOS[®] will replace TOEIC[®] and represent English assessments in Japan

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. Choice of the Prime Market of TSE

Reasons for the Choice of the Prime Market of TSE

- With "Chances for everyone, everywhere." as our group vision, RareJob, Inc. has been running our business to realize the world where everyone can unlock their potentials to be valued.
- In November 2020, we changed the listed market to the First Section of TSE in order to achieve our vision more quickly by increasing our fundraising flexibility and improving our recognition and credibility to increase our corporate value.
- With regard to the selection of the listed market under the new market classification of TSE, we chose the prime market. This is because the concept of the market, "For companies which have appropriate levels of market capitalization (liquidity) to be investment instruments for many institutional investors, commit to sustainable growth and improvement of medium- to long-term corporate value"* , corresponds with the future direction of RareJob.

Notes:

*The Tokyo Stock Exchange, "Overview of Market Restructuring"

Initiatives to Meet Criteria for Listing Maintenance to the Prime Market of TSE

Compliance with listing maintenance criteria

The current compliance with listing maintenance criteria for the prime market is mentioned below, and the criterion for “tradable share market cap” has not been met.

| | The number of tradable shares (units) | Tradable share market cap (In JPY MM) | Tradable share ratio (%) |
|-----------------------------------|---------------------------------------|---------------------------------------|--------------------------|
| RareJob (as of the reference day) | 46,110 | 8,856 | 48.3 |
| Criteria | 20,000 | 10,000 | 35 |
| Current compliance | Pass | Fail | Pass |

Initiatives to meet criteria

1. Improving corporate value by implementing the mid-term growth plan
2. Strengthening IR activities
3. Enhancing corporate governance
4. Improving shareholder returns

Detail for the initiatives was published on 13th December 2021 on the plan aiming at meeting criteria for the prime market.

Appendix



Company outline

Established: October 18, 2007

Capital: 606,699 thousand Yen (As of December 31, 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.

shikaku square, Inc.

Group Vision

Chances for everyone, everywhere.

Director

Gaku Nakamura, Co-founder and CEO

Seishi Yasunaga, Director

Toshiyuki Fujita, Director

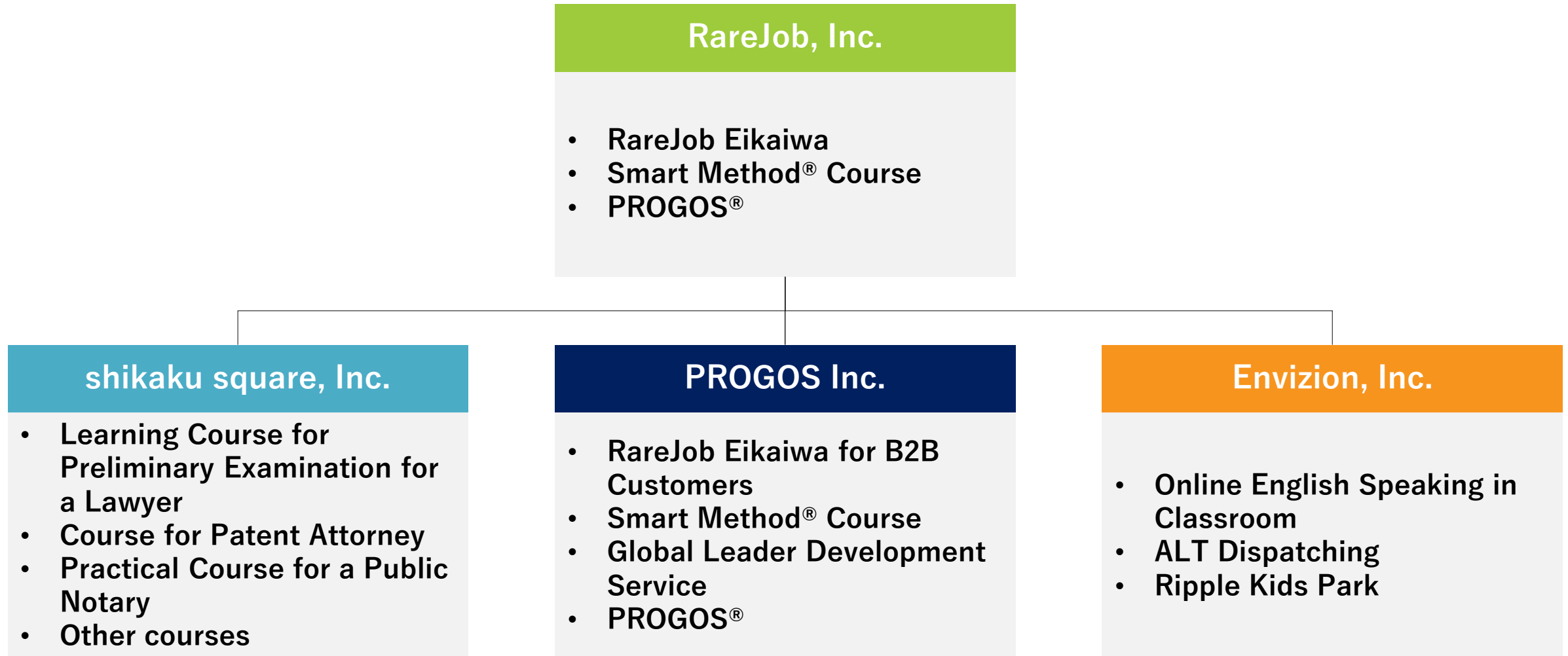
Takao Mihara, Outside Director*

Jun Narimatsu, Outside Director *

Miki Igarashi, Outside Director*

(* Audit and Supervisory Committee Member)

The Service Organization of the RareJob Group



RareJob Eikaiwa

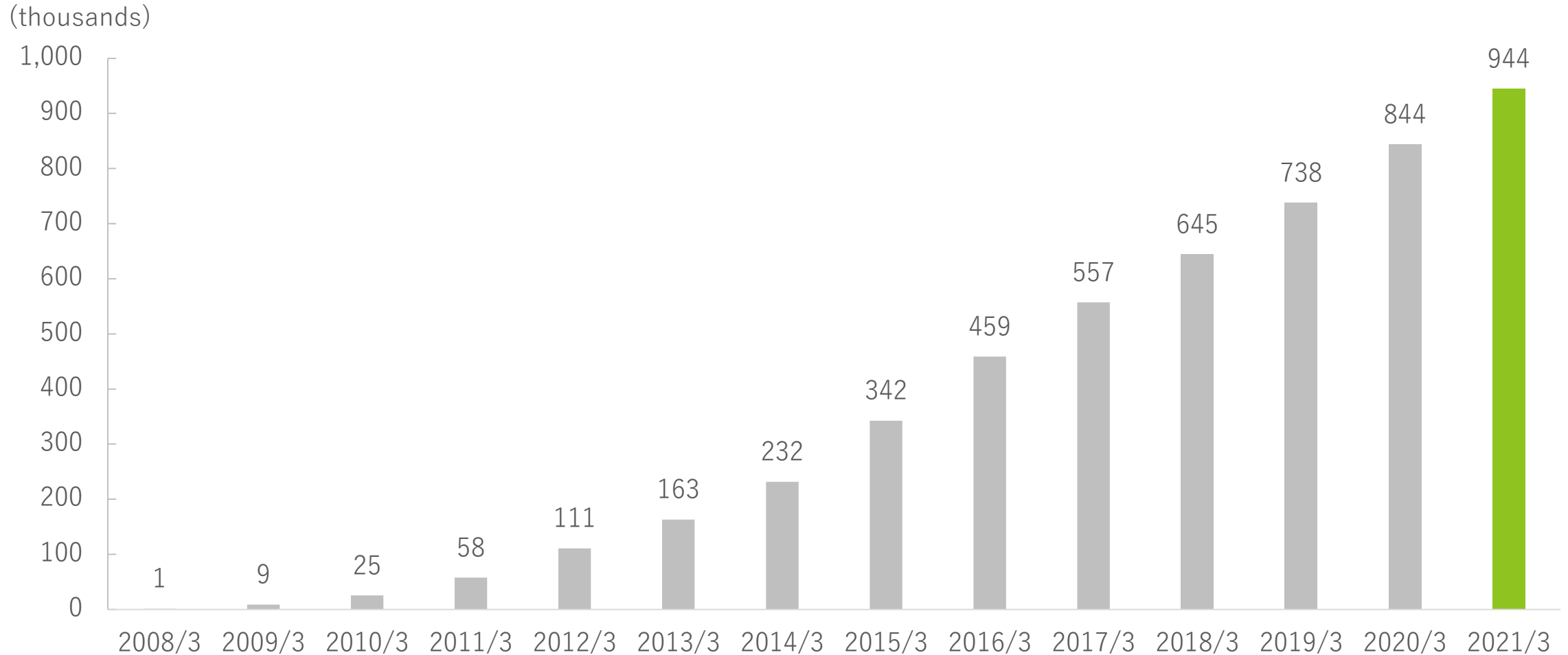
You can speak English one-on-one everyday, regardless of location or time. Online English tutoring service have more than 1 million cumulative free subscribers.



- 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.

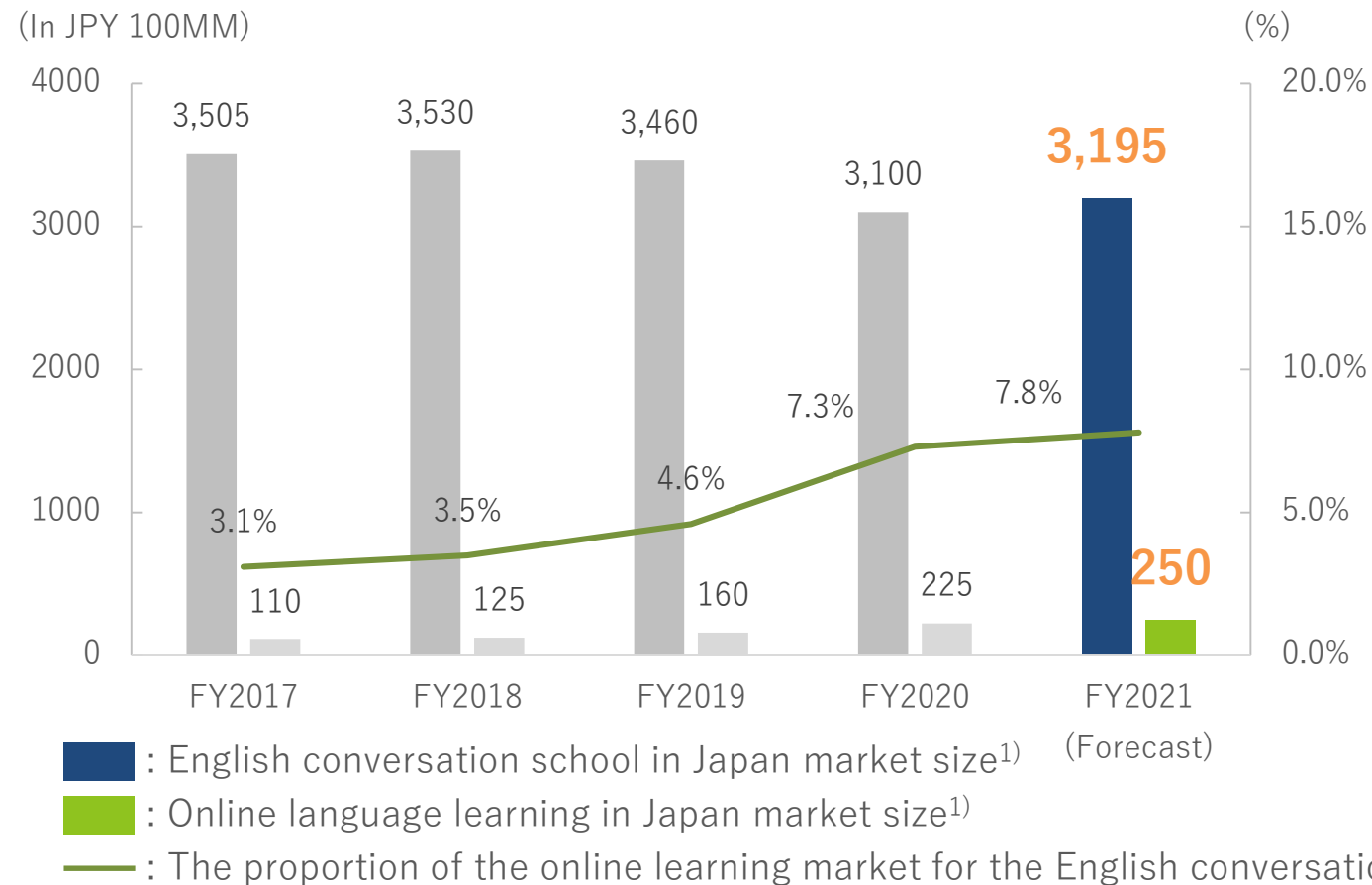
Cumulative RareJob Eikaiwa Free Membership

The cumulative number of free members has grown steadily, which is over 1 million as of now.



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.

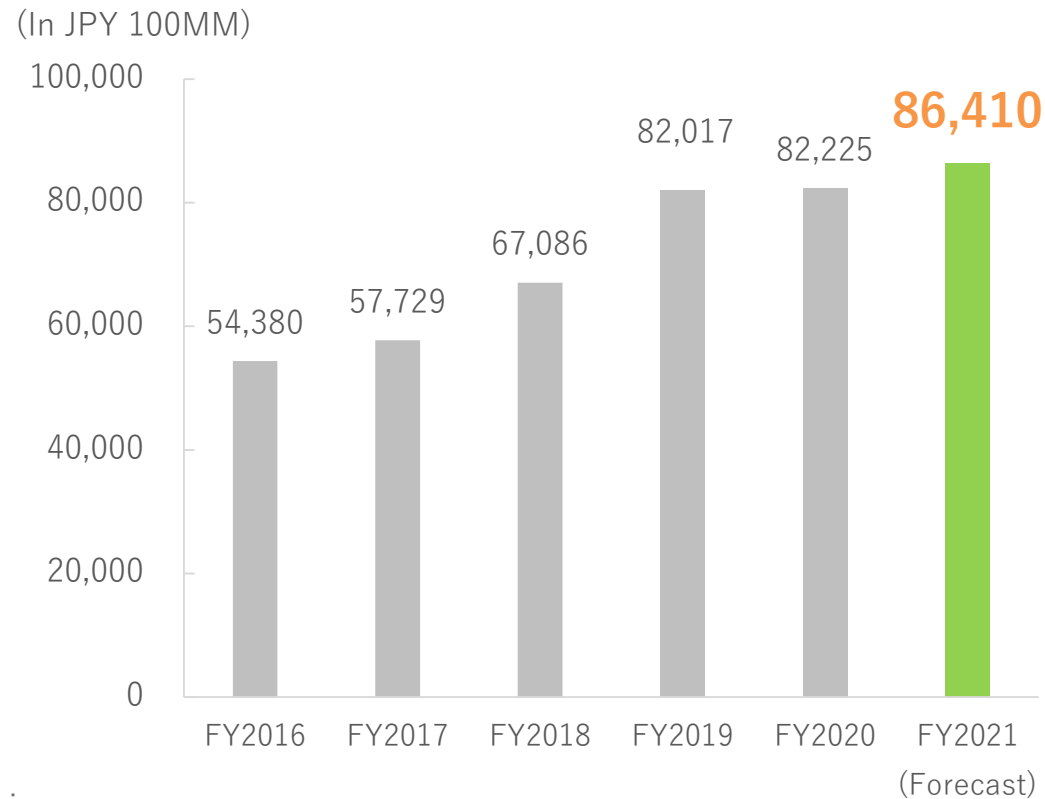


1) Yano Research Institute

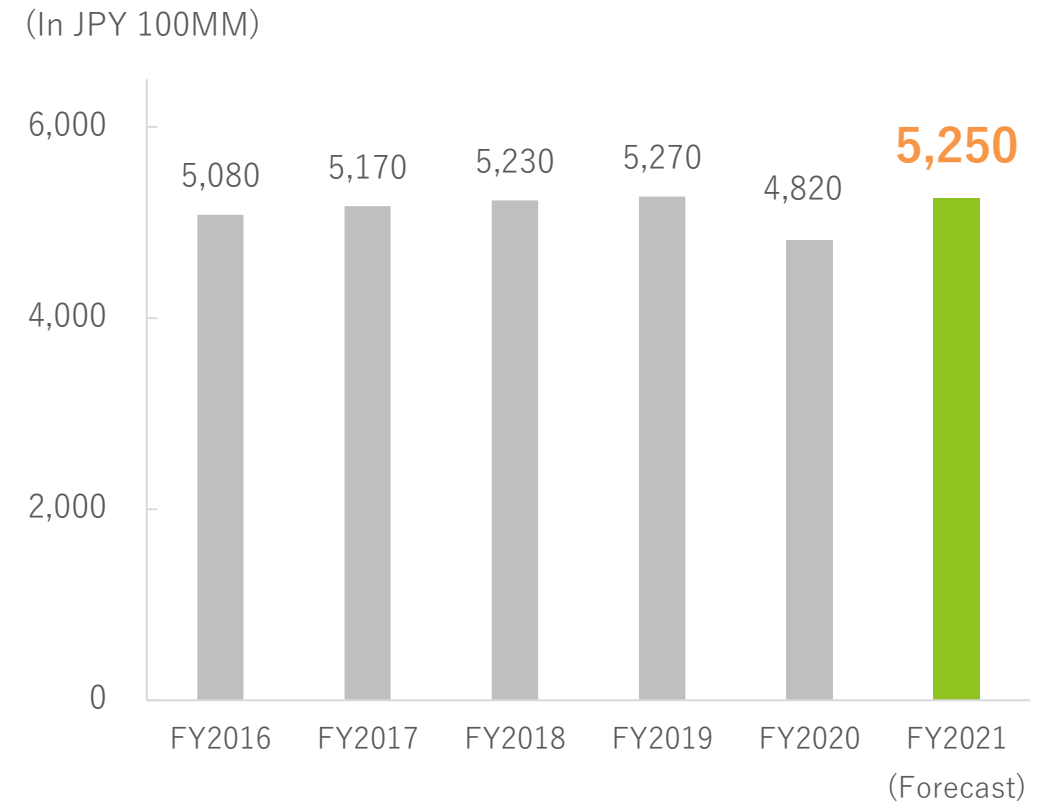
HR Business Market Size

HR business* market size¹⁾

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



Corporate training market size²⁾

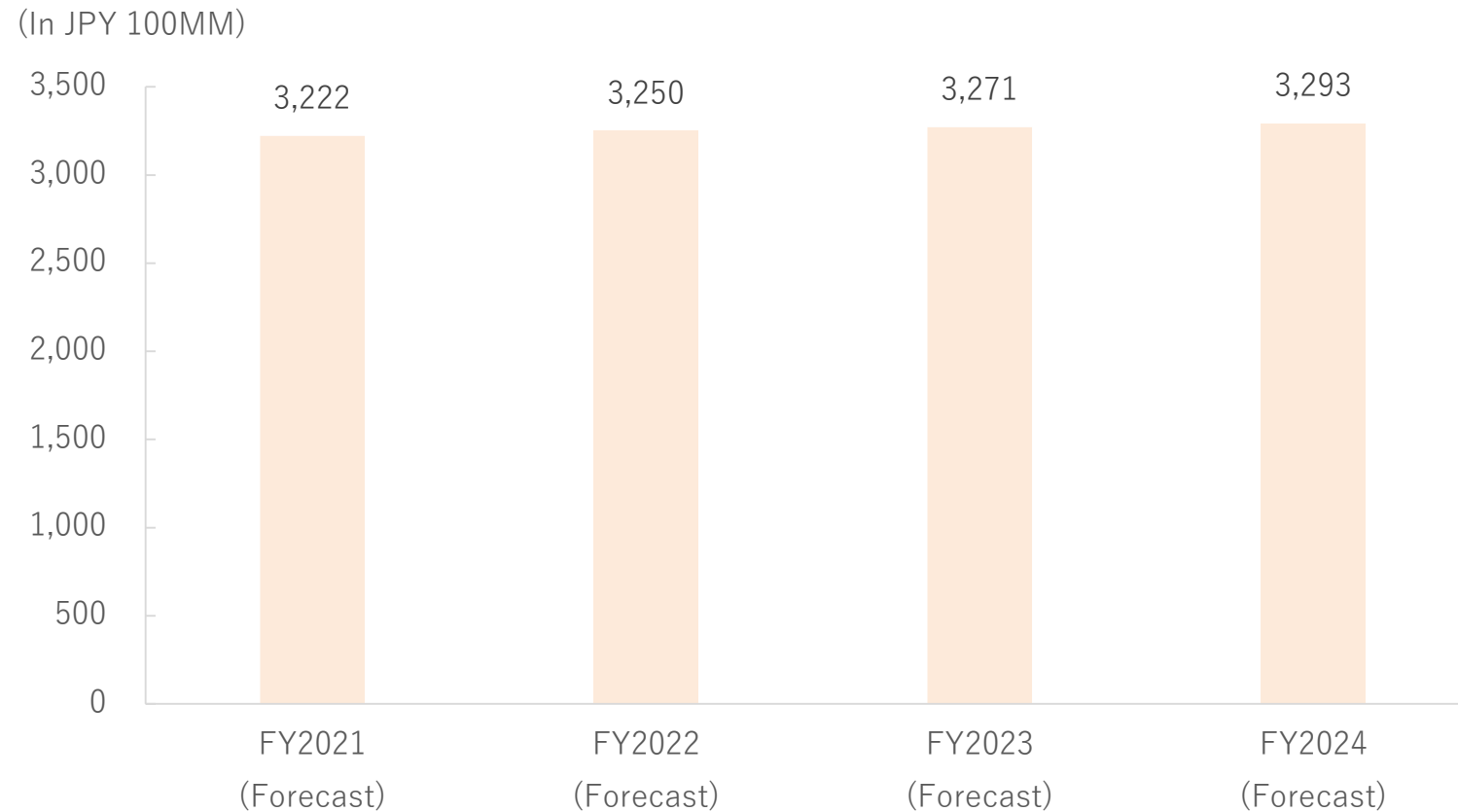


Source :

- 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⁾



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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