

RareJob, Inc.

Financial Results for the Nine Months Ended December 31, 2022

February 14, 2023



Agenda

1. FY2023/3 3Q Results
2. FY2023/3 Revised Plan
3. M&A in B2School business field
4. Growth Strategy

Appendix

1. FY2023/3 3Q Results

FY 2023/3 3Q Results Summary

The AI automated scoring exam PROGOS for an English speaking skill have been increasingly taken in a part of industries due to re-opened borders.

- The number of companies that introduced PROGOS is increased as manufacturers and trading companies actively dispatch expatriates and a hotel industry forecasts to increase needs due to a lifted travel restriction.

Net sales hit record highs for the third quarter and rose by 5.6% year on year.

- B2C sales increased by 3.7% due to sales generated by shikaku square, Inc. which joined in December 2021.
- B2B & B2School sales increased by 9.8% which was driven by combined proposals with training service provided by our partners.

Operating income fell by 39.0% year on year.

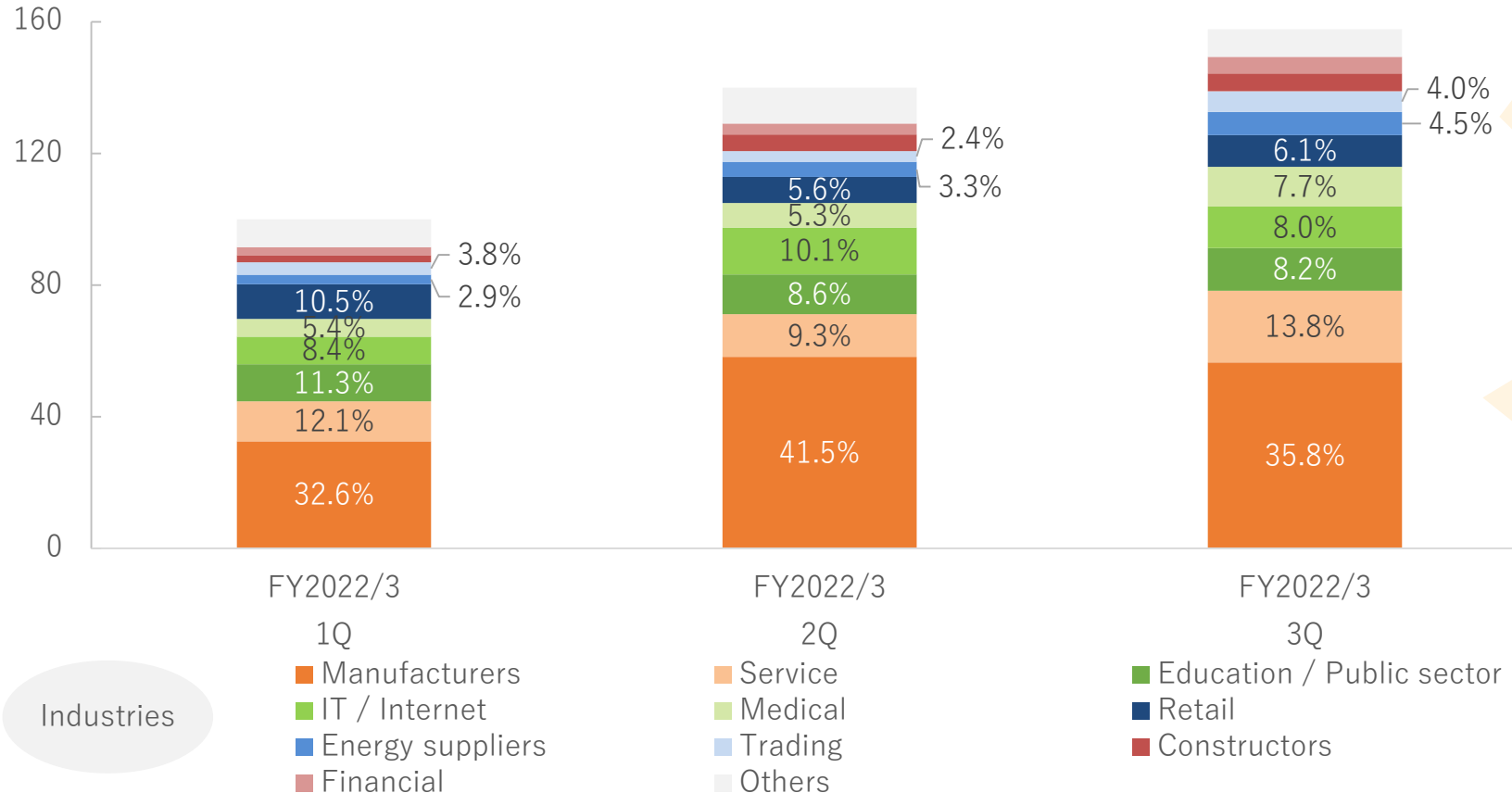
- Personnel expenses and advertisement cost increased due to shikaku square, Inc..

The number of companies introduced PROGOS

The number of companies in trading, manufacturers and hotel industries has increased due to a lifted travel restriction.

The number of companies introduced PROGOS

(%, FY2022/3 1Q is indexed as 100 and values are expressed as percentages by quarter.)



- Manufacturers and trading companies actively dispatch expatriates.

- Hotel industry forecasts to increase needs from overseas.

Industries

- Manufacturers
- Service
- Education / Public sector
- Retail
- Constructors
- Financial
- Energy suppliers
- Trading
- Medical
- IT / Internet
- Others

Financial Results for FY 2023/3 3Q

Net sales increased by 5.6% and operating income fell by 39.0% YoY.

(In JPY MM)

	FY 2022/3 3Q Cumulative	FY 2023/3 3Q Cumulative	YoY
Net sales	4,132	4,364	+5.6%
EBITDA*	475	415	-12.5%
Operating income	290	176	-39.0%
Ordinary income	257	229	-10.7%
Net income attributable to owners of parent	186	163	-12.2%

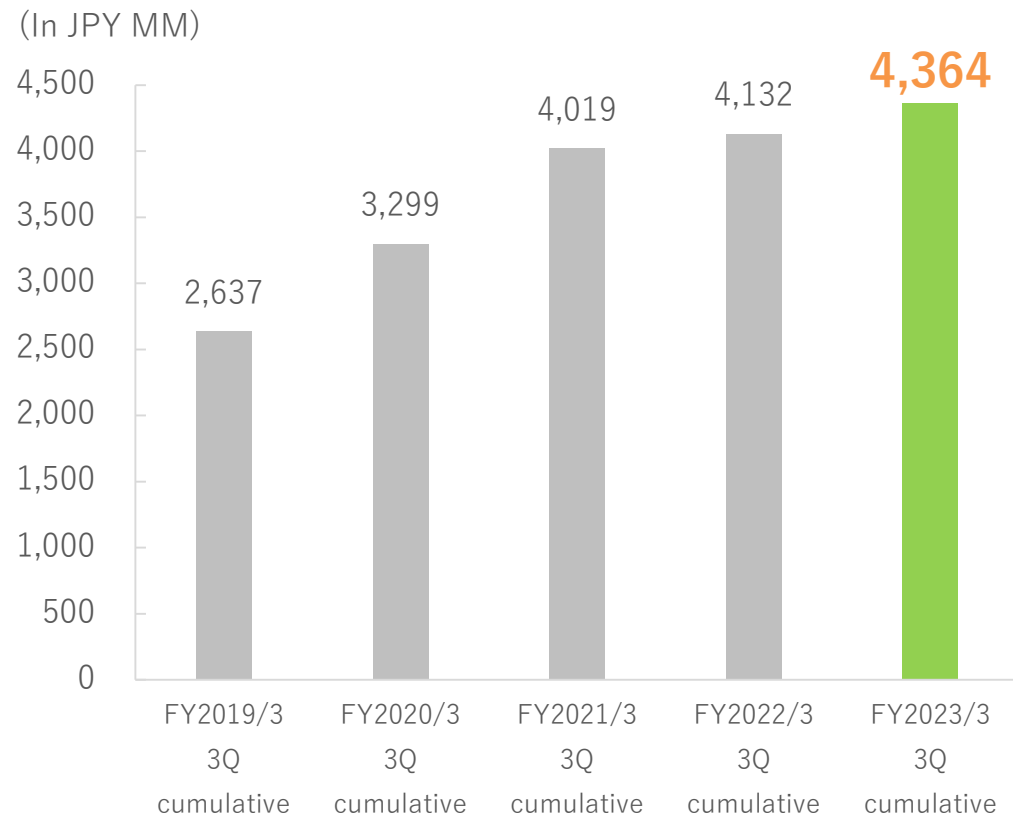
Operating margin	7.0%	4.1%	-2.9pt
ROE	12.3%	9.5%	-2.8pt

*Operating income + Depreciation + Depreciation on goodwill

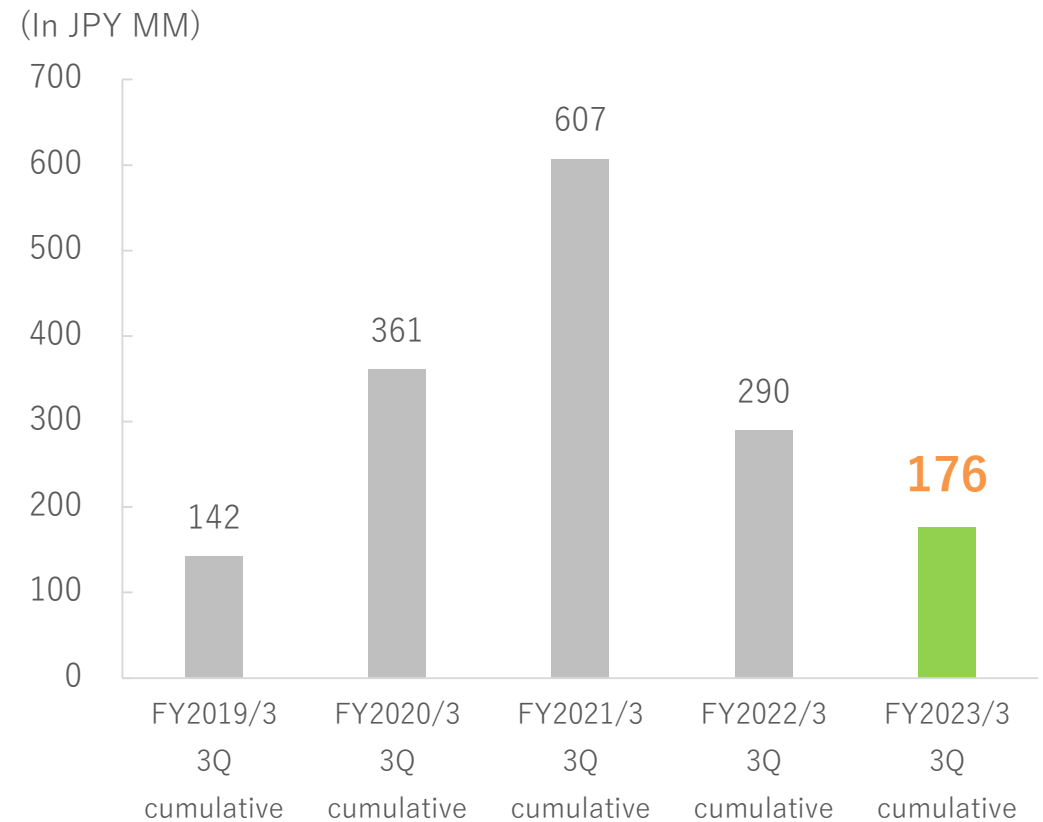
3Q Results for the last several years

Net sales reached a record high for the third quarter.

Sales



Operating income



Net Sales Breakdown for FY 2023/3 3Q

B2C sales increased by 3.7% due to sales generated by shikaku square, Inc. which joined in December 2021.

B2B & B2School sales increased by 9.8% which was driven by combined proposals with training service provided by our partners.

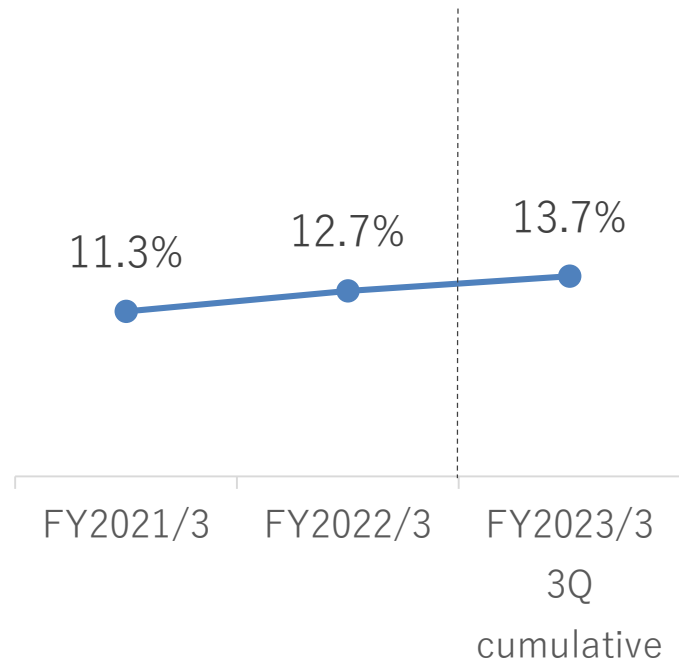
(In JPY MM)

	FY 2022/3 3Q Cumulative	FY 2023/3 3Q Cumulative	YoY
Net Sales	4,132	4,364	+5.6%
B2C (constituent ratio)	2,847 (68.9%)	2,952 (67.7%)	+3.7%
B2B & B2School (constituent ratio)	1,285 (31.1%)	1,411 (32.3%)	+9.8%

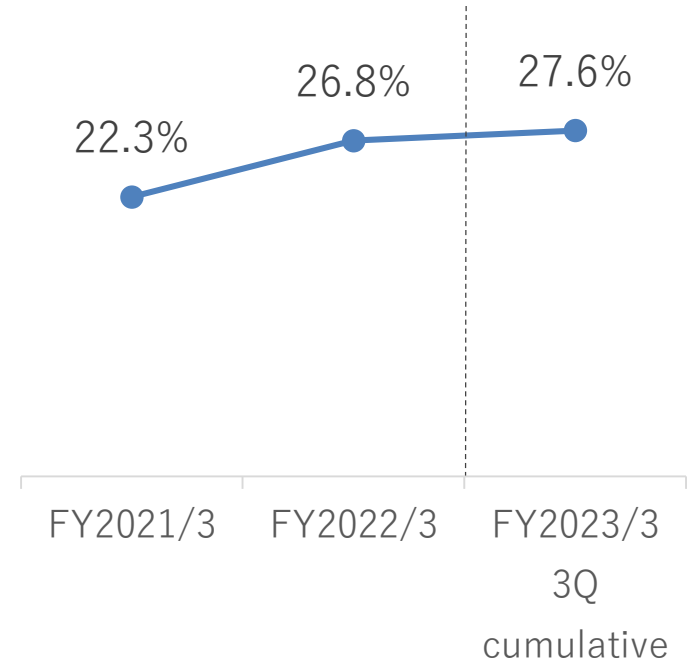
Transition of SG&A to Sales Ratio

Investments in R&D and S&M has been carried out for the growth strategy while making G&A expenses efficient.

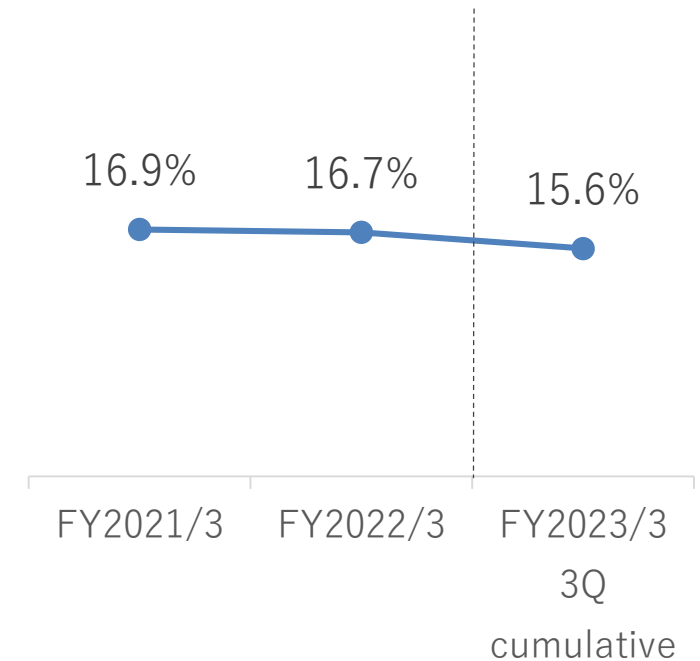
R&D¹⁾ Ratio



S&M²⁾ Ratio



G&A³⁾ Ratio



1) Research and Development Expenses including personnel expenses for engineers involved in research and development and common expenses. Figures do not take into account transfers to intangible assets.

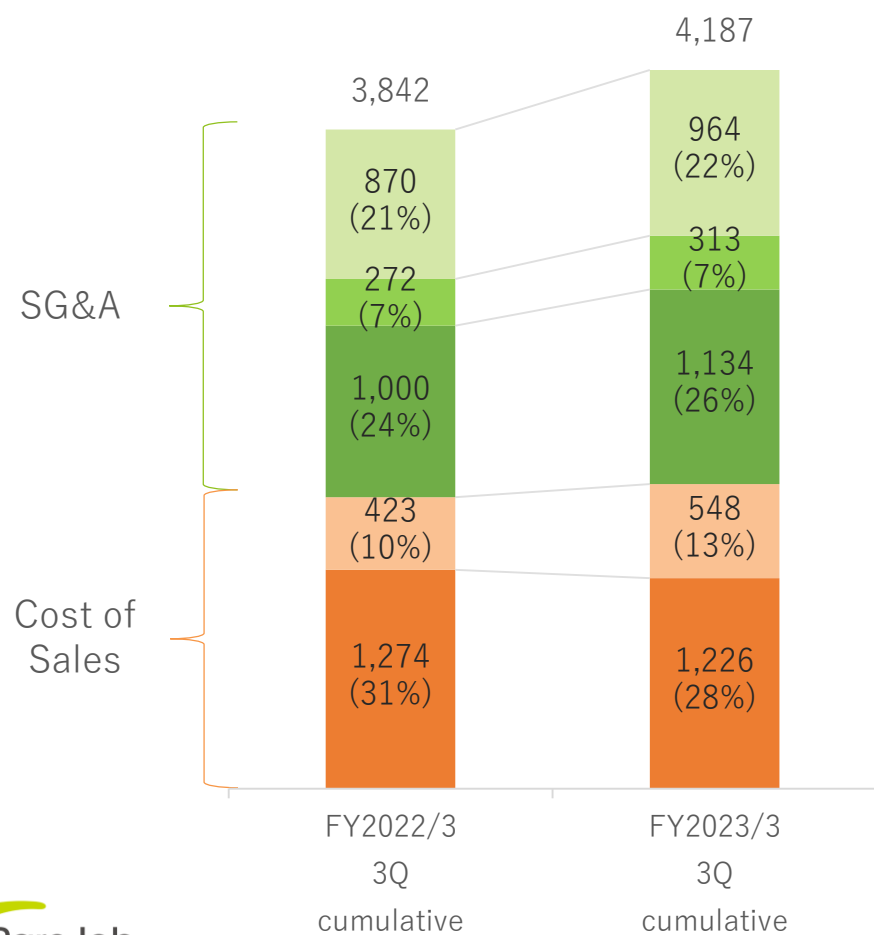
2) Sales and Marketing Personnel expenses for sales promotion and corporate sales personnel, and expenses including common costs.

3) General and Administrative Corporate department personnel costs and expenses, including common costs.

Expenses (Cost of Sales and SG&A) Breakdown for FY 2023/3 3Q

Personnel expenses rose due to an increase of employees by the merger of shikaku square, Inc.

(In JPY MM, expenses sales ratio in parentheses)



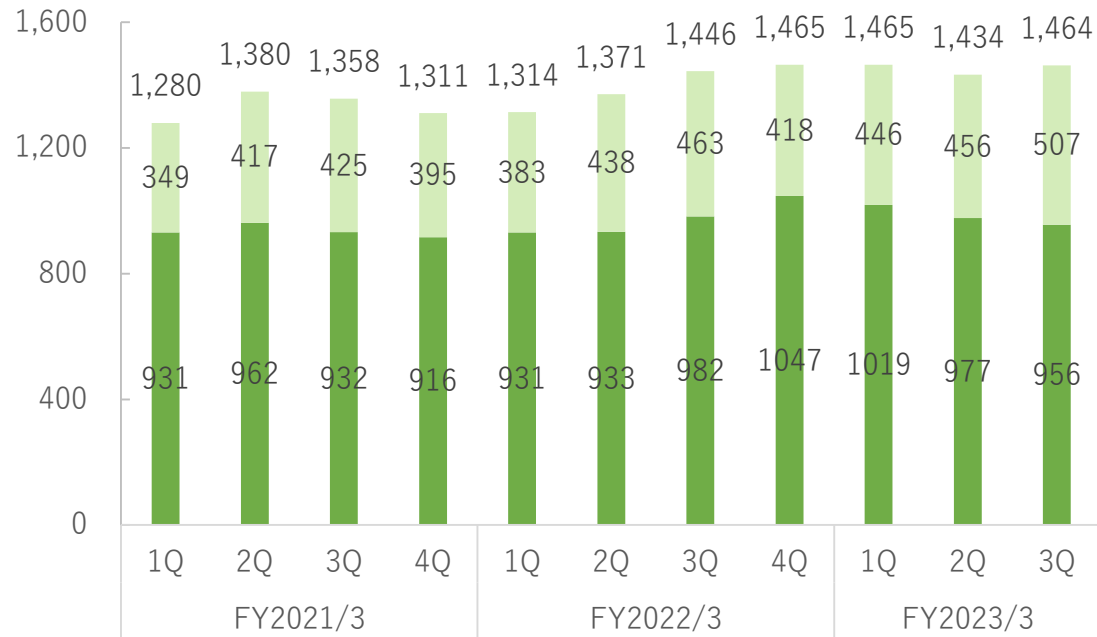
Expenses	YoY (ratio)	Factors
Other SG&A	+93 (+10.7%)	Depreciation on goodwill increased as shikaku square, Inc. joined the group.
Advertising	+40 (+15.0%)	Cost for shikaku square, Inc. increased while cost for B2C RareJob Eikaiwa decreased.
Personnel expenses (SG&A)	+133 (+13.3%)	The number of employees increased in shikaku square, Inc.
Other cost of sales	+125 (+29.7%)	Other cost of sales increased because purchase to provide training services increased.
Tutor fee (Cost of sales)	-48 (-3.8%)	Tutor's fees decreased as the number of lessons per user decreased.

Breakdown of Quarterly Net Sales and Expenses (Cost of Sales and SG&A)

B2B & B2School sales has been increasing though a seasonal factor has been seen.

Net sales

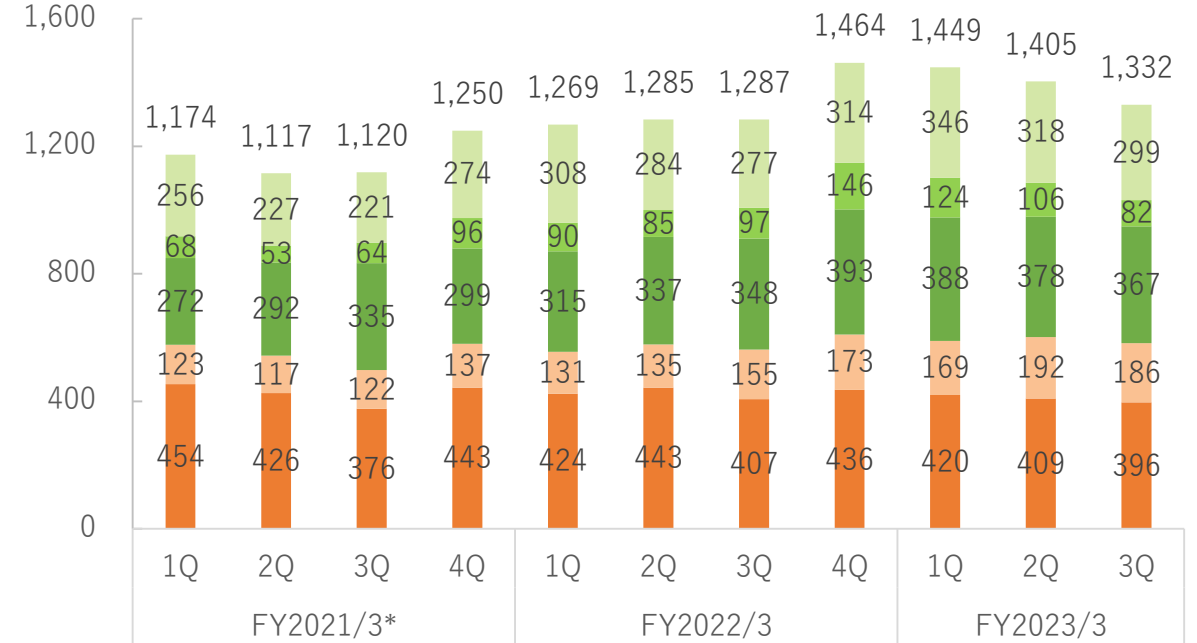
(In JPY MM)



■ B2C ■ B2B & B2School

Cost

(In JPY MM)



■ Tutor fee(Cost of sales) ■ Labor cost(SG&A) ■ Advertising ■ Other SG&A
 ■ Other cost of sales

*Consideration has been given to changing the display method.

2. FY2023/3 Revised Plan

FY 2023/3 Revised Plan

The guidance for sales and incomes were revised upward due to acquisition of ISC Co.,Ltd., a good progress of BORDERLINK, INC. and cost optimization of existing businesses.

(In JPY MM)

	Initial Guidance for FY 2022/3	Revised Guidance for FY 2022/3	Change YoY
Net sales	6,000	6,800	+800
B2C Sales	4,100	3,810	-290
B2B & B2School Sales	1,900	2,990	+1,090
EBITDA	386	605	+219
Operating income	50	230	+180
Ordinary income	80	410	+330
Net income Attributable to owners of parent	0	310	+310
Operating margin	0.8%	3.4%	+2.6pt
ROE*	0%	13.2%	+13.2pt

*Annual basis

FY 2023/3 Revised Plan and Progress

The progress of cumulative sales for 3Q has met our initial expectation. Incomes will be secured while we keep investment.

(In JPY MM)

	FY 2022/3 Results	Revised Guidance for FY 2022/3	FY 2023/3 3Q Cumulative	Progress
Net sales	5,598	6,800	4,364	64.2%
B2C Sales	3,894	3,810	2,952	77.5%
B2B & B2School Sales	1,704	2,990	1,411	47.2%
EBITDA	581	605	415	68.7%
Operating income	291	230	176	77.0%
Ordinary income	242	410	229	56.1%
Net income Attributable to owners of parent	184	310	163	52.8%
Operating margin	5.2%	3.4%	4.1%	
ROE*	9.1%	13.2%	9.5%	

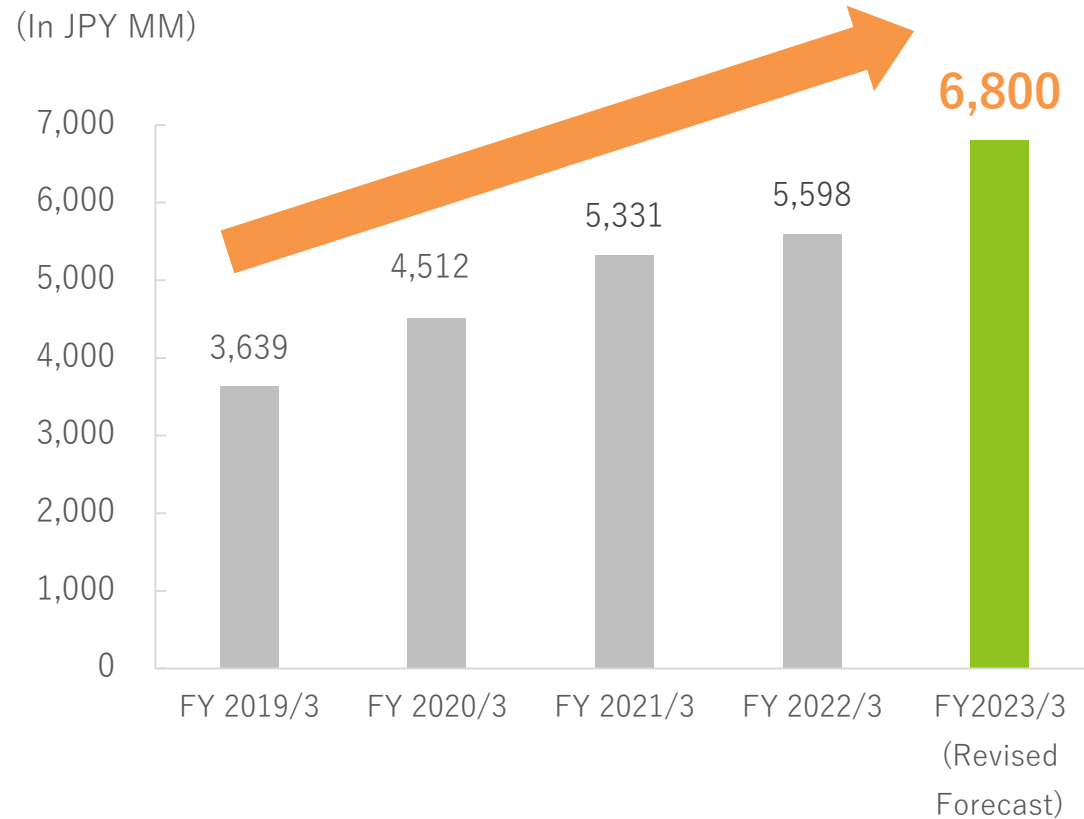
*Annual basis

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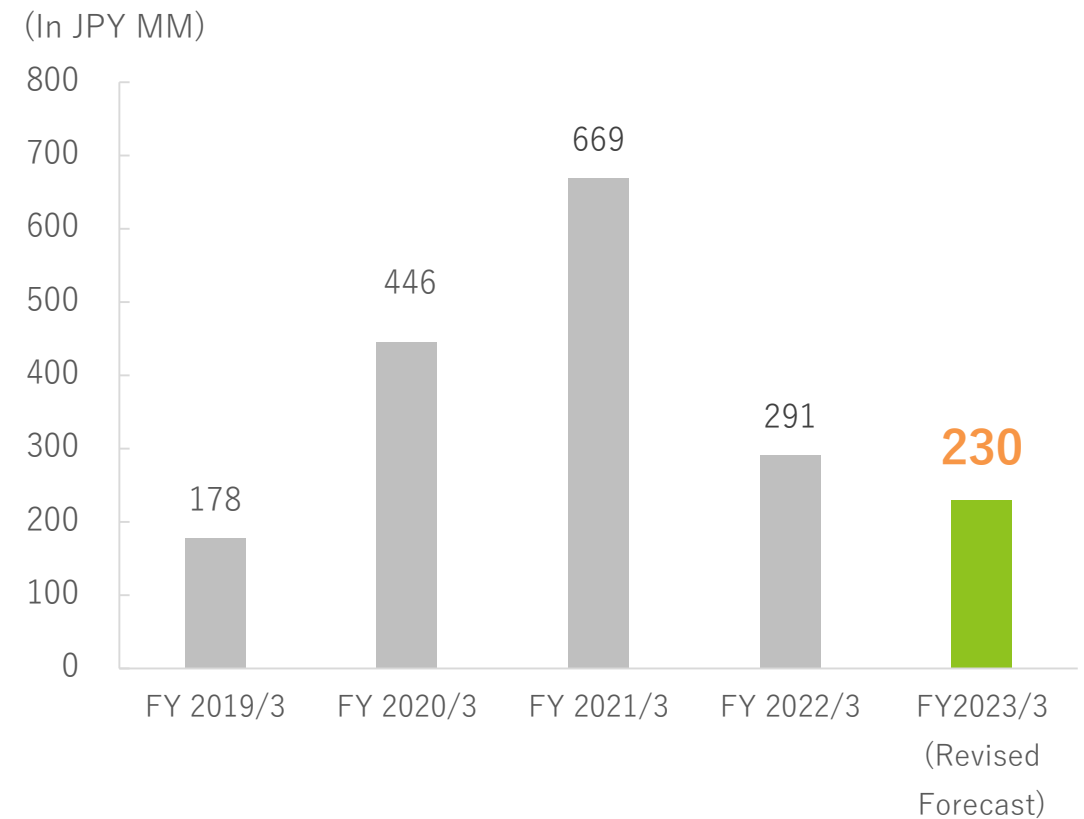
Net sales and operating income results

Net sales has increased for the 15 consecutive fiscal years since our establishment.

Net sales



Operating income



Actions for FY2023/3

The acceleration of penetration of PROGOS

- Introduction cases to HR system of major companies have been piled up.

Service development for PROGOS evolution

- Global Business skill assessment is under development with support from outside experts.

Price revision for RareJob Eikaiwa

- The price increase associated with the learning experience update will increase our profit margin.

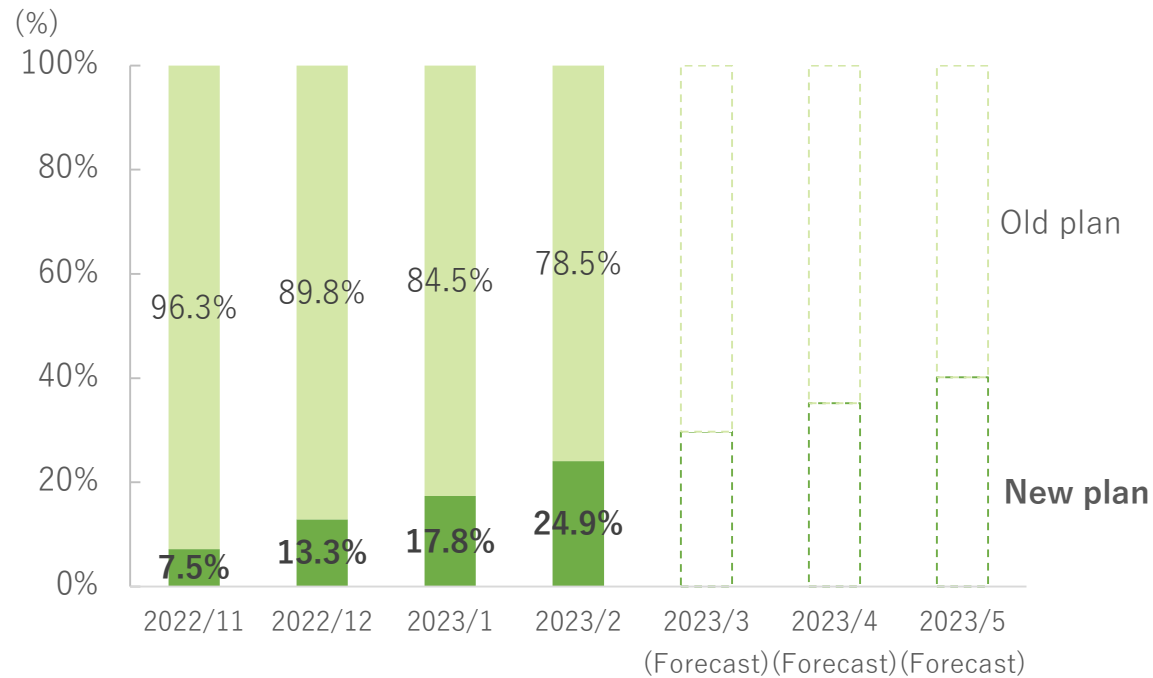
Evolving a business model for B2B

- Sales have increased by collaborating with partners to promote proposals for wide range of training programs.

Situation for RareJob Eikaiwa after price revision

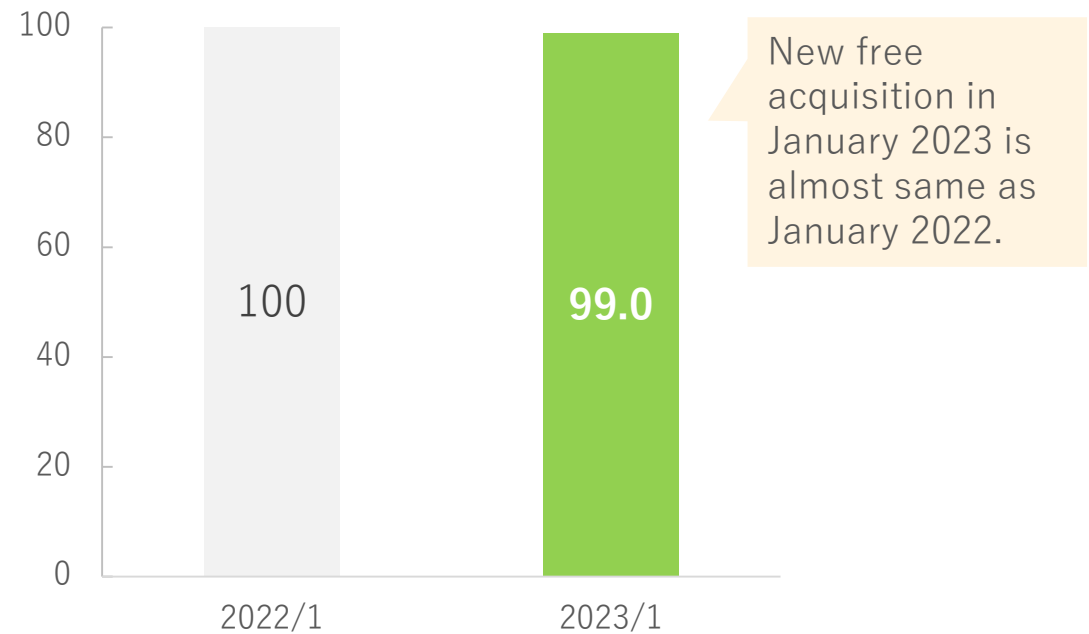
Transition to the new plan is in a good progress and drawback of price revision hasn't been seen.

Proportion of subscribers for old and new plans



The number of new free members

(The adjusted number* of acquisition in January 2022 is indexed as 100)



*The number of acquisition excluding the campaign period to acquire new free members

3. M&A in B2School business field

Establishment of K12 Holdings, Inc. and Acquisition of ISC Co.,Ltd.

K12 Holdings, Inc. was established as a subsidiary of the RareJob group to expand our business in K12* field and ISC Co.,Ltd. was acquired.

Summary

Establishment of K12 Holdings, Inc.

- The purpose is to enable our business to make a quick decision spontaneously in *K12 field where needs for English education have been increased.

Acquisition of ISC Co.,Ltd.

- Synergy will be generated by integrating knowledge for online English learning by RareJob and knowledge for preschool children education by ISC.

Summary for ISC Co.,Ltd.

CEO

Naomi Yamamoto

Business

- Nursery
- Child development support
- Educational program (WithBook)
- Product development support for children and consulting services
- Childcare support program for companies

Financial Results

- Sales: 3.25 billion yen (FY22/3)
- Ordinary income: 0.03 billion yen (FY22/3)

Strategy for K12 field will be published in April 2023.

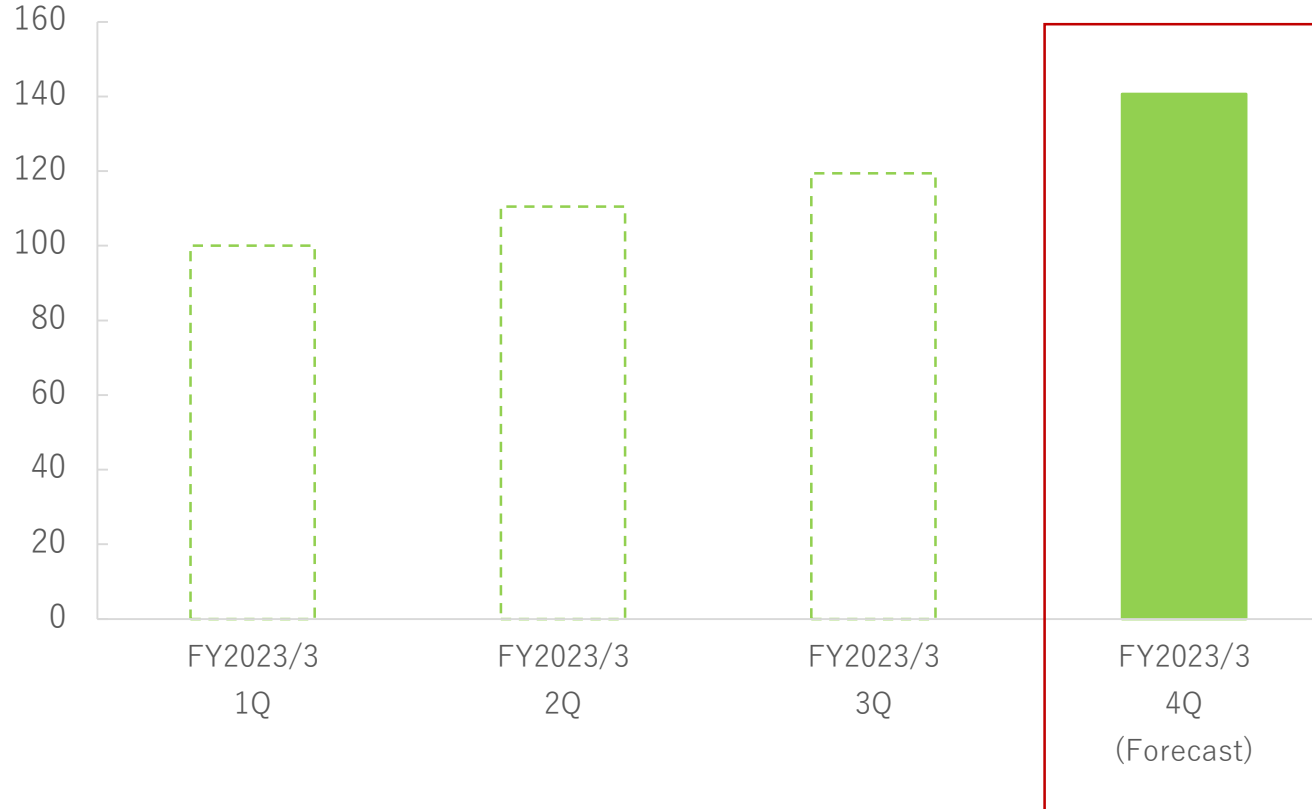
*K12: The period of education from preschool (kindergarten age) to high school.

Contribution of ISC Co.,Ltd. to financial results of FY2023/3

The financial results of ISC Co.,Ltd. are taken into account only for the fourth quarter. Contribution to sales and income is great for this quarter as sales are leaned toward the fourth quarter due to the feature of nursery business.

Net sales

(Net sales indexed with sales in 1Q FY2023 as 100)



Both sales and profits will be mainly accounted for the fourth quarter due to the higher utilization rate of nursery schools toward the latter part of the fiscal year and the fact that subsidies from local governments are concentrated in March.

4. Growth Strategy

Purpose/Vision for the RareJob Group

Purpose

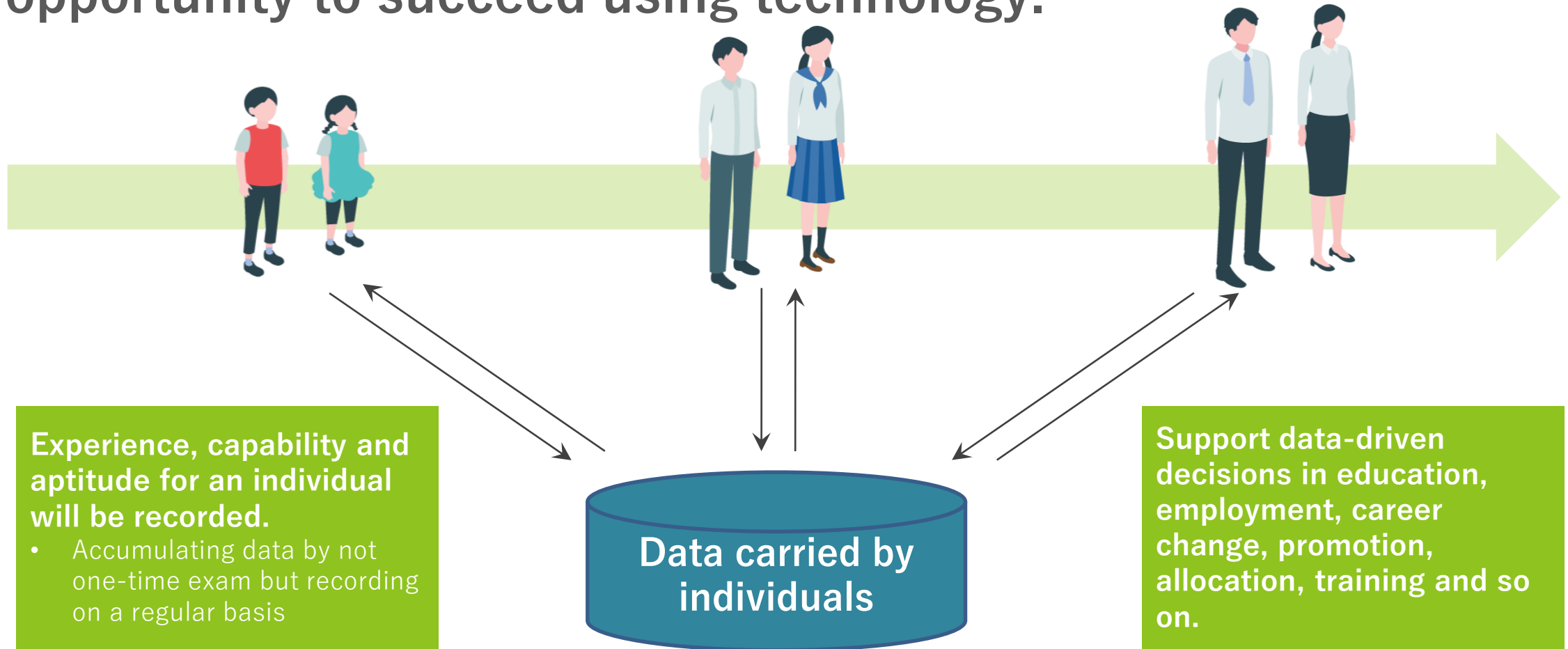
The realization of the world where everyone can unlock their potentials to be valued.

Vision

Chances for everyone, everywhere.

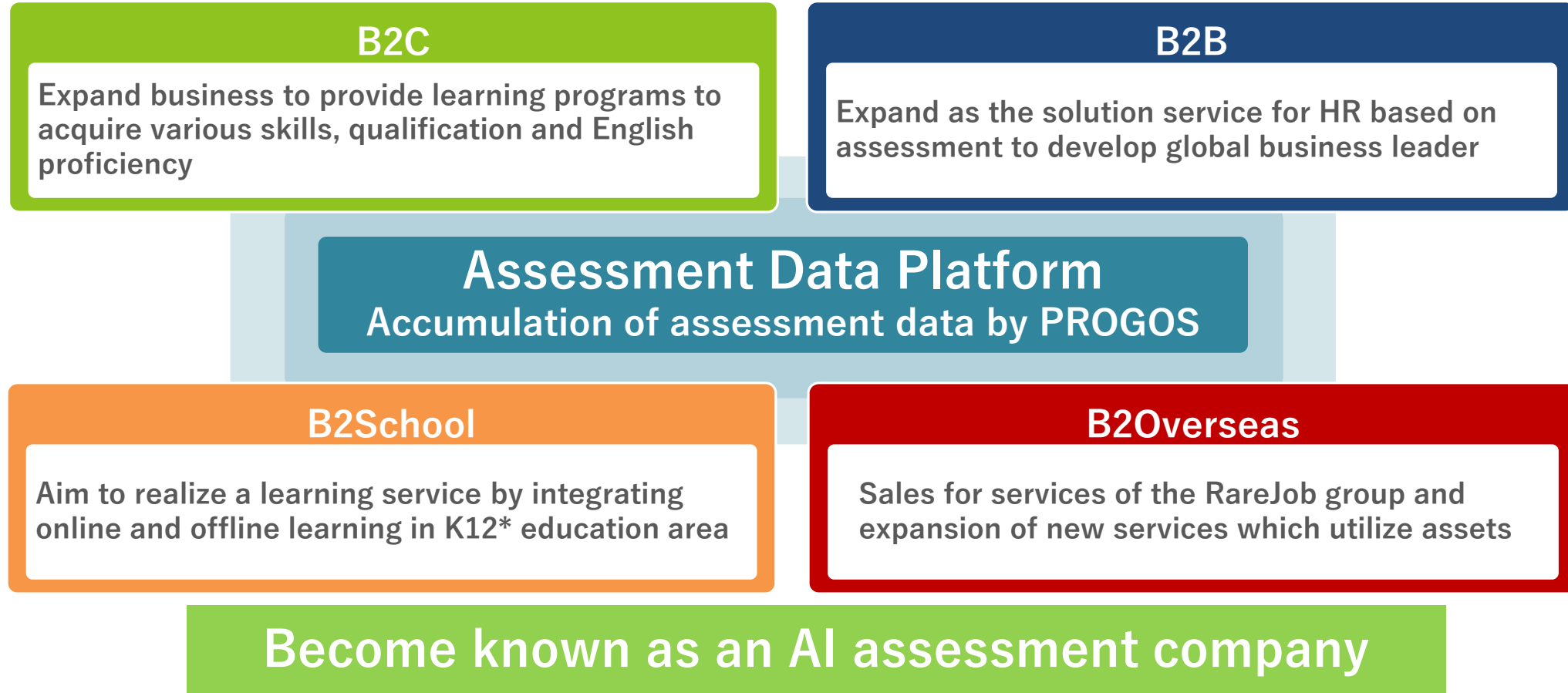
The Image of the World which RareJob Wants to Realize

What we aim for is the world that everyone can find an opportunity to succeed using technology.



Growth Strategy Summary

Business strategies are built in each area with PROGOS as a source of our competitive advantage.



*K12: The period of education from preschool (kindergarten age) to high school.

The Strategy for the Assessment Data Platform

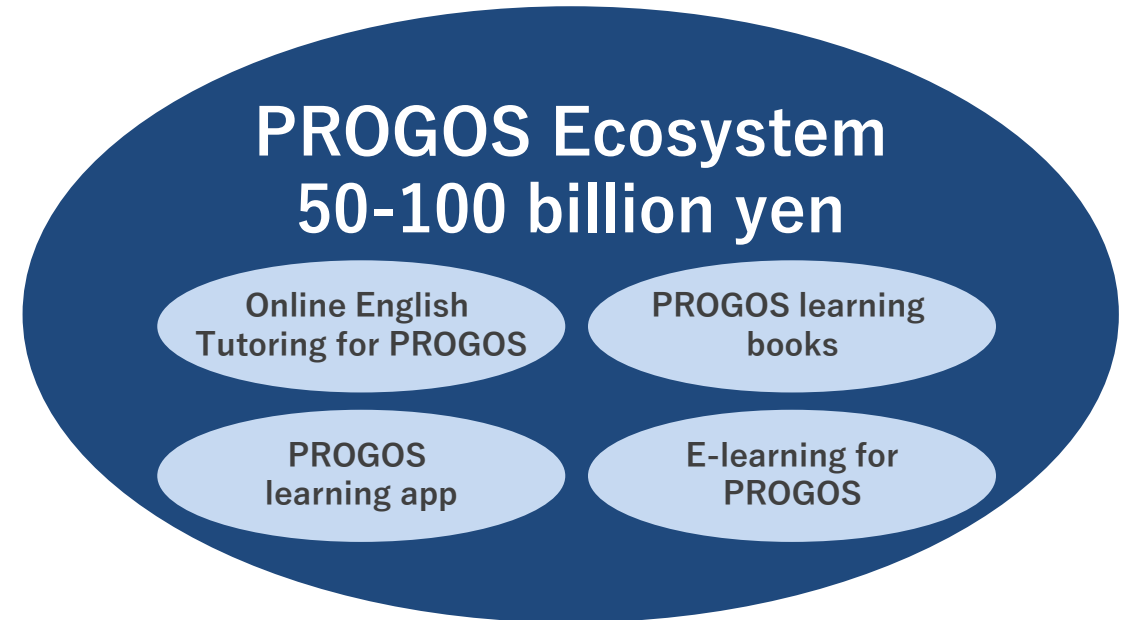
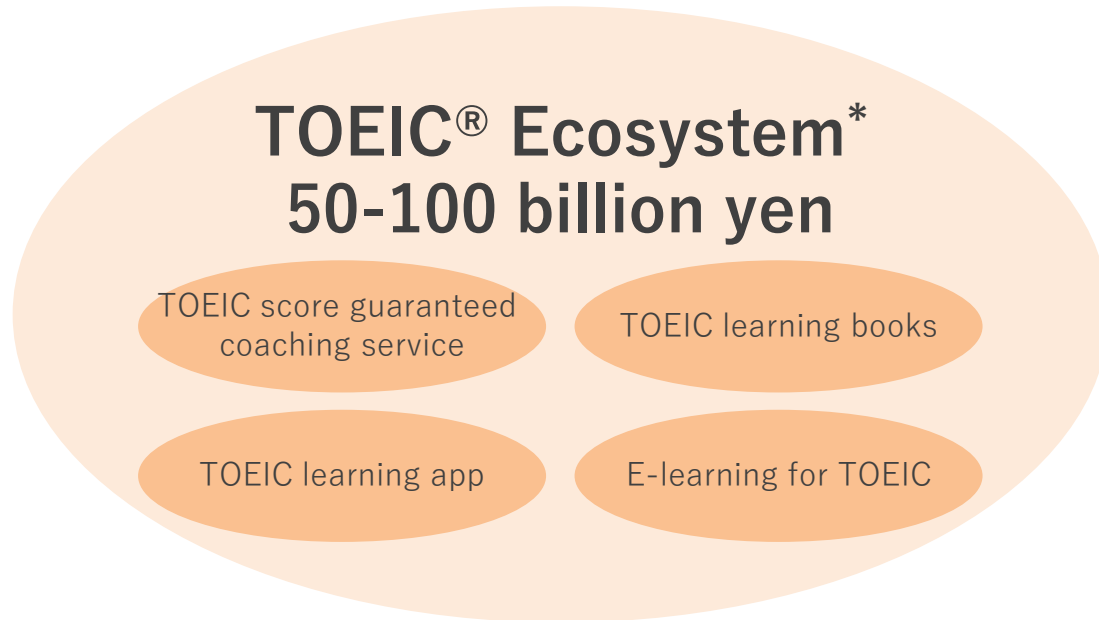
Expanding the target of assessments from not only speaking but also reading, listening and writing English skills to global business skills.



Assessment Data Platform
Accumulation of assessment data by PROGOS

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.



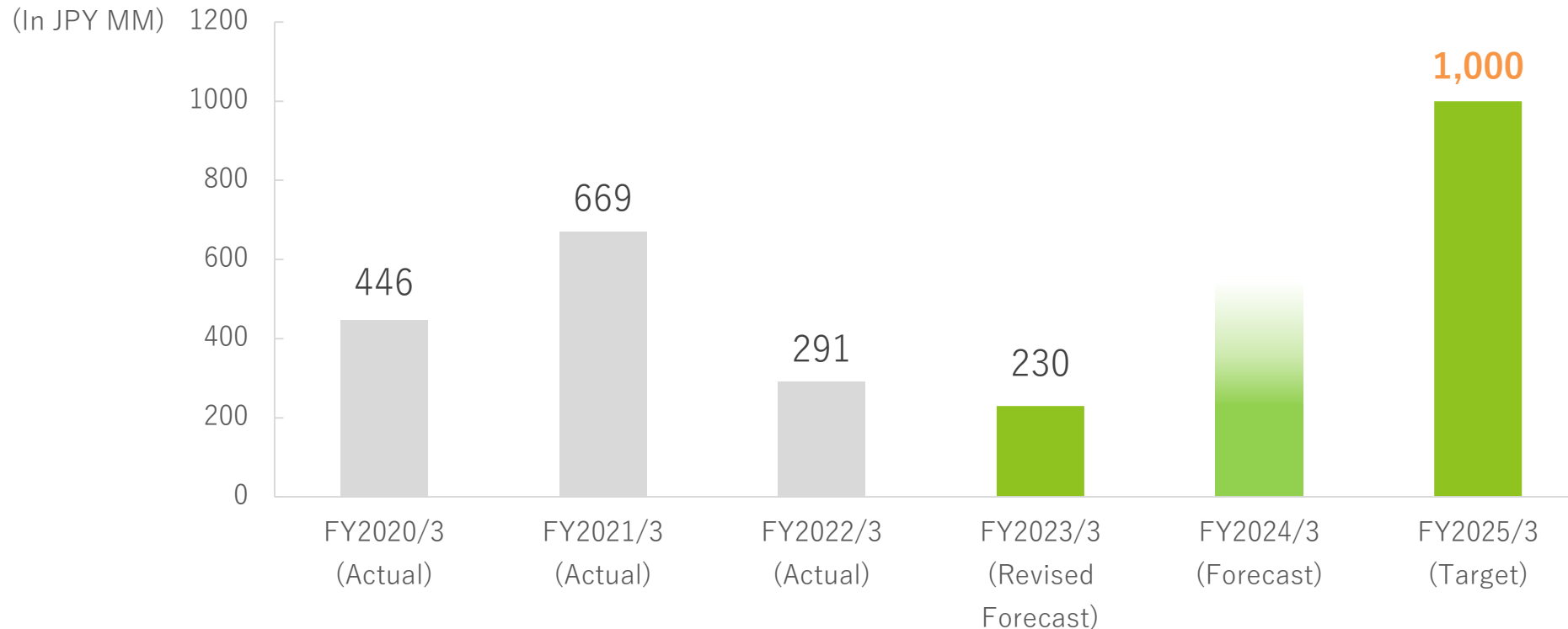
Expect to earn approximately 20% (10-20 billion yen) of the PROGOS ecosystem as the revenue of the RareJob group

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).

Target: Operating Income

We set 1 billion yen operating income for FY 2025/3 as the management target to aim for increasing corporate value by profit generation.



Business scale was expanded due to M&A in B2School business field, so the possibility to achieve the target is increased.

Appendix



Company outline

Established: October 18, 2007

Capital: 627,953 thousand Yen (As of December 31, 2022)

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

Prime Market of Tokyo Stock Exchange
(Securities Code: 6096)

Consolidated subsidiaries

RareJob Philippines, Inc.

RIPPLE KIDS EDUCATIONAL SERVICES, INC.

Rarejob English Assessment, Inc.

Envizion, Inc.

PROGOS Inc.

shikaku square, Inc.

RareJob Technologies, Inc.

Group Vision

Chances for everyone, everywhere.

Director

Gaku Nakamura, Co-founder and CEO

Seishi Yasunaga, Director

Takao Mihara, Outside Director*

Jun Narimatsu, Outside Director *

Miki Igarashi, Outside Director*

(* Audit and Supervisory Committee Member)

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.



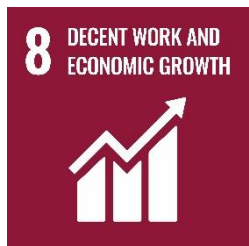
● Providing reasonable and high quality educations

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.

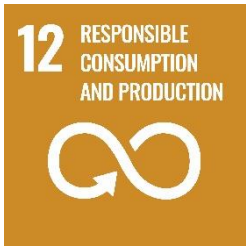
The classification for ESG: ● Environmental ● Social ● Governance

Initiatives for SDGs/ESG (2/2)



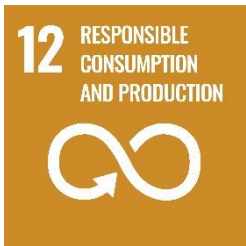
● Realization of the society where people can make full use of their abilities

Our goal is to create the society in which both students and 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.

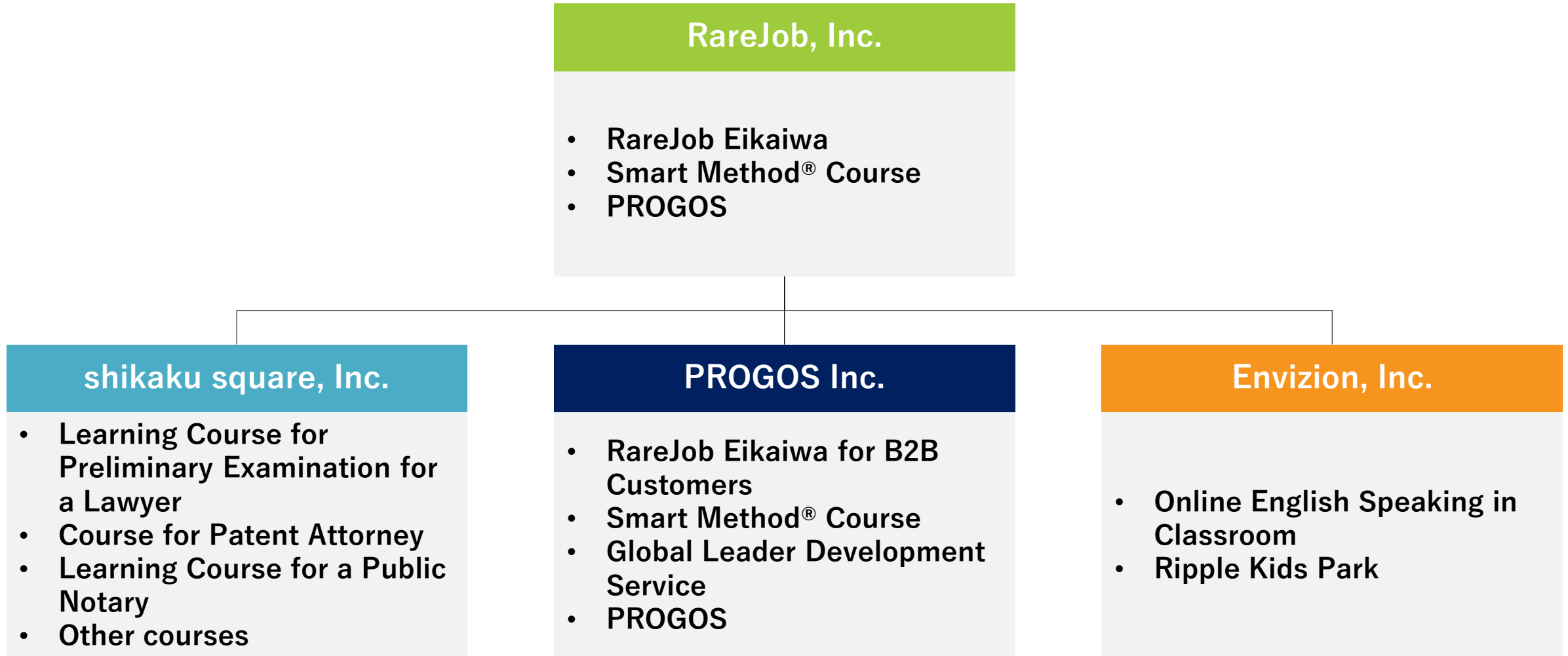


● Corporate governance

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

The Service Organization of the RareJob Group



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.



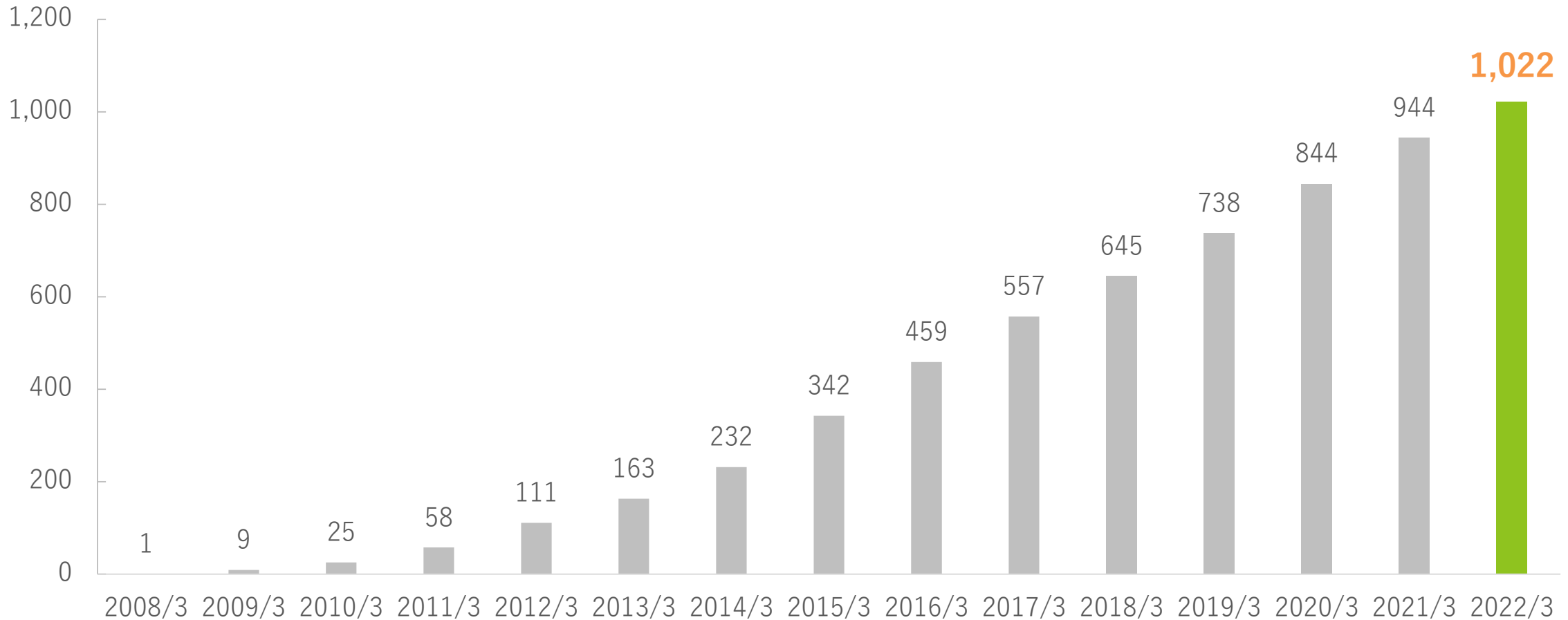
- 6,000 Philippine tutors registered with about 1% hiring rate.
- The Lesson Room, a proprietary system, can be used from the website and apps.
- Lesson hours are from 6 o'clock in the early morning to 1 o'clock in the middle of the night. Reservations can be made up to 5 minutes before the lesson.
- The 25-minute plan for daily English conversation is 7,980 yen (including tax) per month for everyday English conversation.

Cumulative RareJob Eikaiwa Free Membership



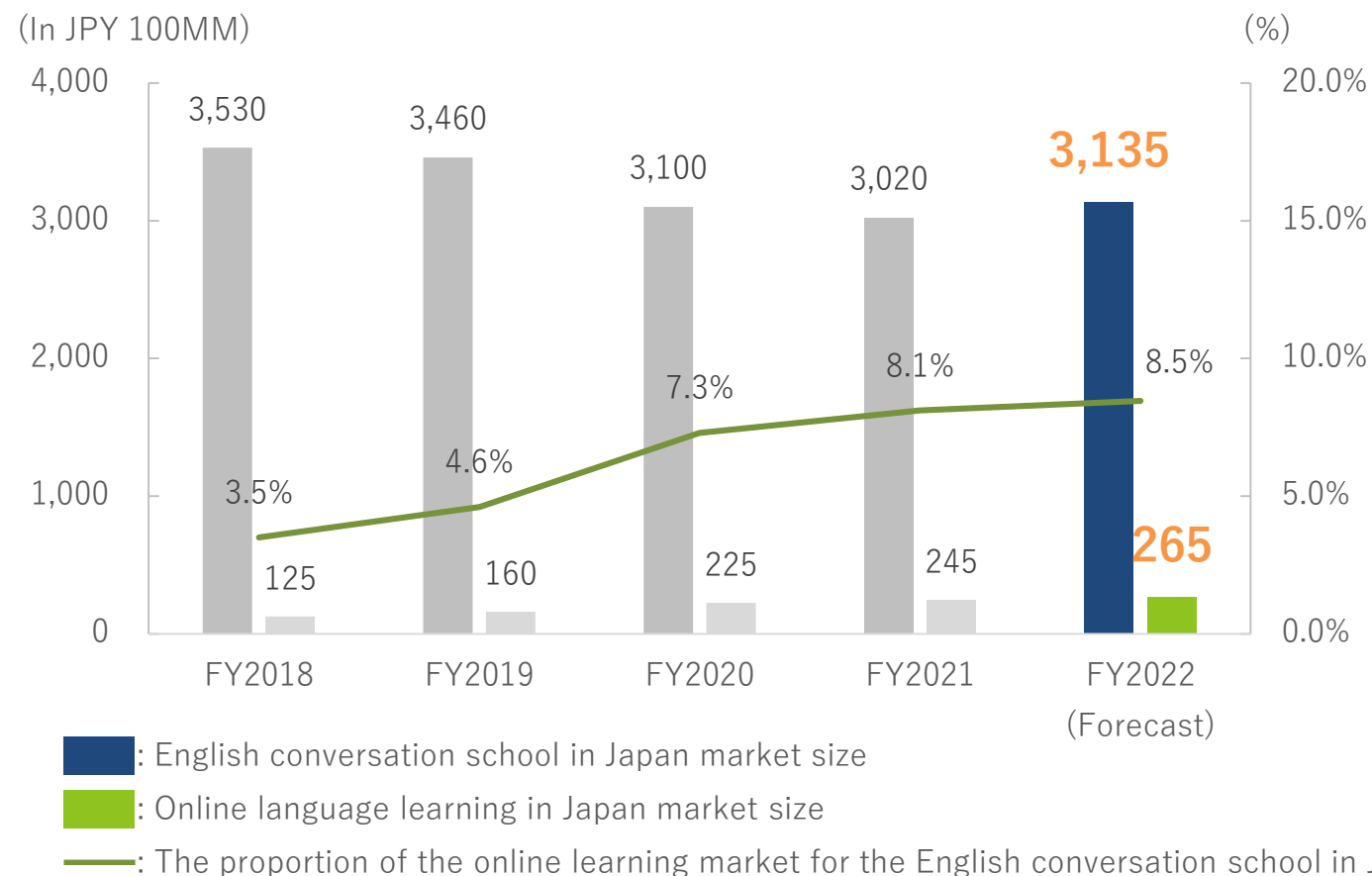
The cumulative number of free members has grown steadily, which is over 1 million as of now.

(Thousands)



English-related Business Market Size

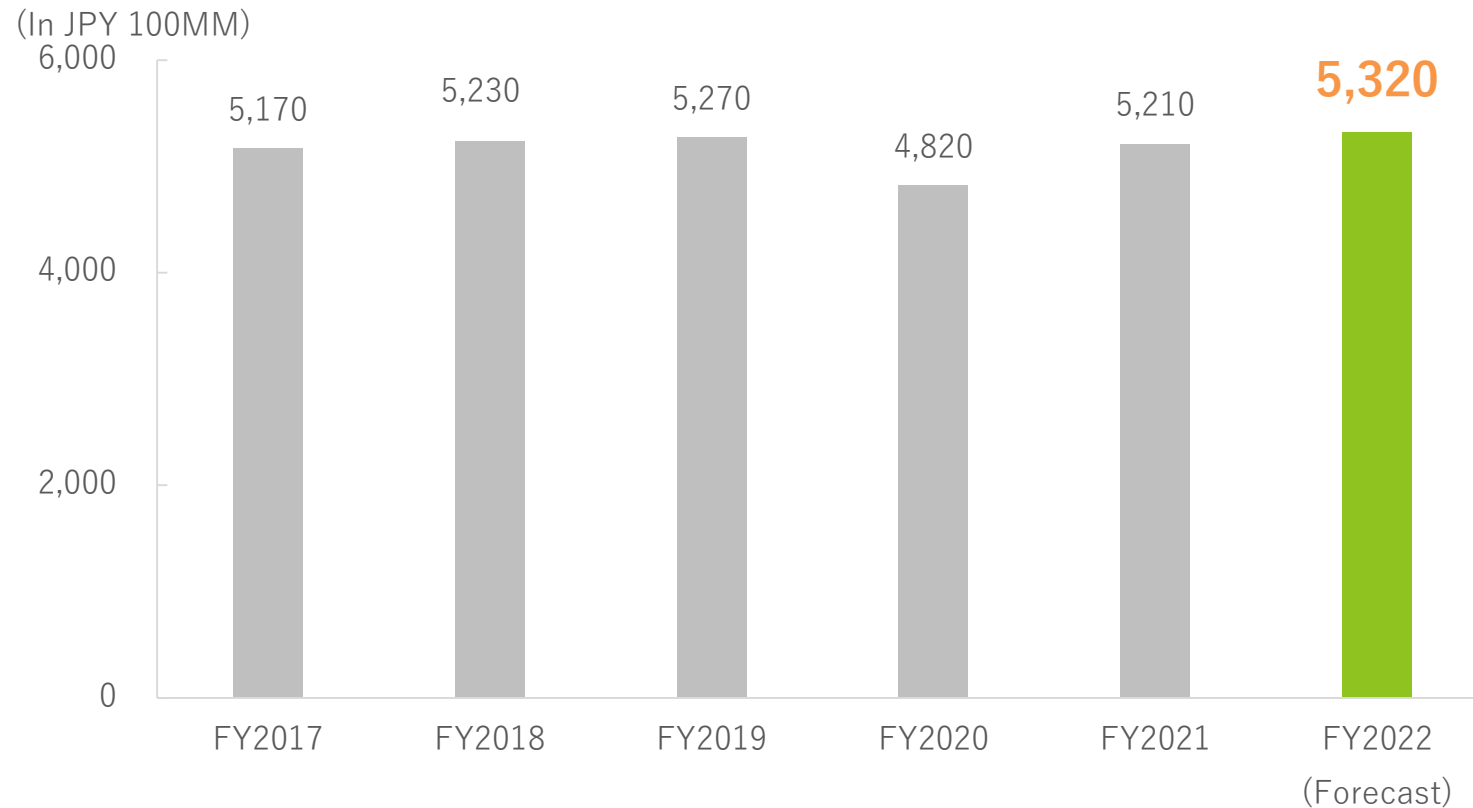
The online English learning market accounts for only 8% of the English conversation school in Japan market, which means a huge potential for future growth in the online market.



Source: Yano Research Institute, "Language learning business report 2022"

Corporate training market size

The market size has been recovering since the decline caused by COVID-19 pandemic.



Source :
Yano Research Institute, "Business Training Service Market and Outlook 2022"

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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