



「働く」のすべてを、オープンに。
openwork

Business Plan and Growth Potential Explanatory Material

Openwork.Inc

2024.4

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Introduction



Company Profile

Company name	OpenWork Inc.
Location	39F, Shibuya Scramble Square, 2-24-12 Shibuya, Shibuya-ku, Tokyo 150-6139 Japan
Business	Working data platform business, including development and operation of "OpenWork," company review platform for changing jobs and finding employment
Establishment	June 2007
Capital stock	1,644 million yen (as of December 31, 2023)
Parent company	Link and Motivation Inc.
Representative	Haruki Ohsawa Chief Executive Officer
Number of employees	100 (as of December 31, 2023)

CORPORATE SLOGAN

The world we seek to create

Your life, your career, your way.

MISSION

The mission we will fulfill to achieve it

Creating a job market that unleashes the potential of each individual

The World OpenWork Seeks to Create



Because transparency of information is important for the future of the job market, we started OpenWork.

At a Glance

Sales

2,922 million yen
(December 31, 2023)

Operating profit

856 million yen
(December 31, 2023)

Operating profit margin

29.3%
(December 31, 2023)

openwork



Registered users

6.05 million
(YoY +14% / +780,000)

Company reviews, salaries & insight

16.2 million
(YoY +14% / +2million)

Review coverage of the Tokyo Stock Exchange

95%

Services and Revenue Structure



OpenWork, One of the Largest Company Review Services in Japan

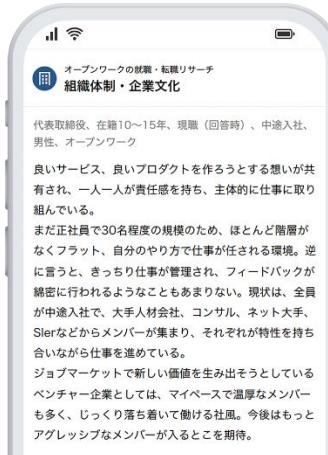
You can browse company data based on company reviews posted by employees and former employees.



Evaluation Score



Company Review



Monthly Overtime Hours / Percentage of Paid Vacation Taken



Total Company Reviews and Evaluation Scores:
16.20 million

Total Registered Users:
6.05 million

*As of December 31, 2023

How to Browse Company Reviews

You can browse company reviews for a certain period of time by doing the following.

Register a web resume	Enables job seeking using OpenWork
Post a review	500 Japanese characters or more
Register with a partner service	Register with a HR service, etc. introduced by OpenWork
Register as a paid member	¥1,000/month (excluding tax)

 **openwork**
Recruiting

OpenWork Sources of Revenue

- Referral fee income
- Monthly payments income

OpenWork Recruiting, a Direct Recruiting Service for Companies

OpenWork Recruiting allows you to meet a diverse range of talented people. It is the recruitment medium for an era of human resource management which converts job satisfaction into hiring power.

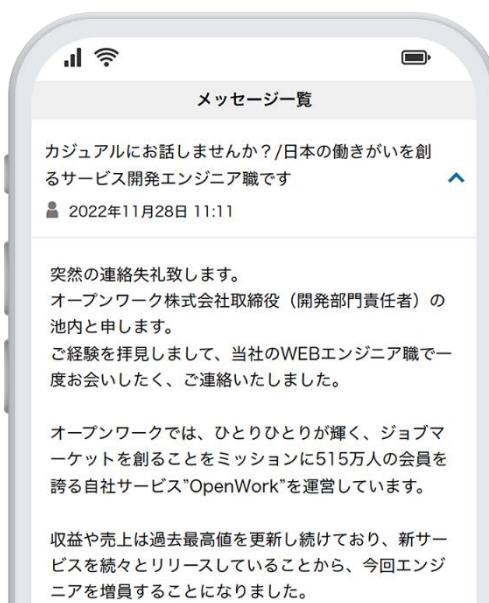
Job Listings

List jobs on your company's page



Send Scout Mails

Directly approach users



Conventional Model

Selection of a company based on information from advertisers

Information from the **company**

Jobs displayed mainly in order of **amount of listing fee**

Service Usage Costs

Initial fee/basic usage fee

Free

Recruitment performance-based fee*

¥800,000/person (excluding tax)

Job Openings

63,000

Registered Web Resumes

1.01 mil

Number of Contracted Companies

2,830

*As of December 31, 2023

openwork Recruiting

Selection of a company based on company reviews

Information based on **real reviews** from employees and former employees

Jobs displayed based on rating scores from employees

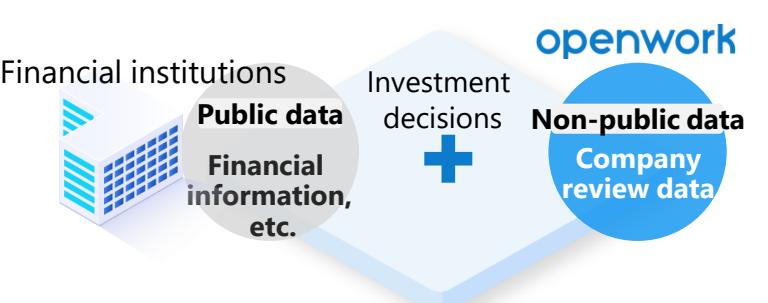
*For direct recruitment of working professionals by companies.

Different plans are available for students and recruitment via recruiting agencies.

*A job listing fee plan is also available besides recruitment performance-based fee.

「Alternative data service」 using company review data to solve new social issues

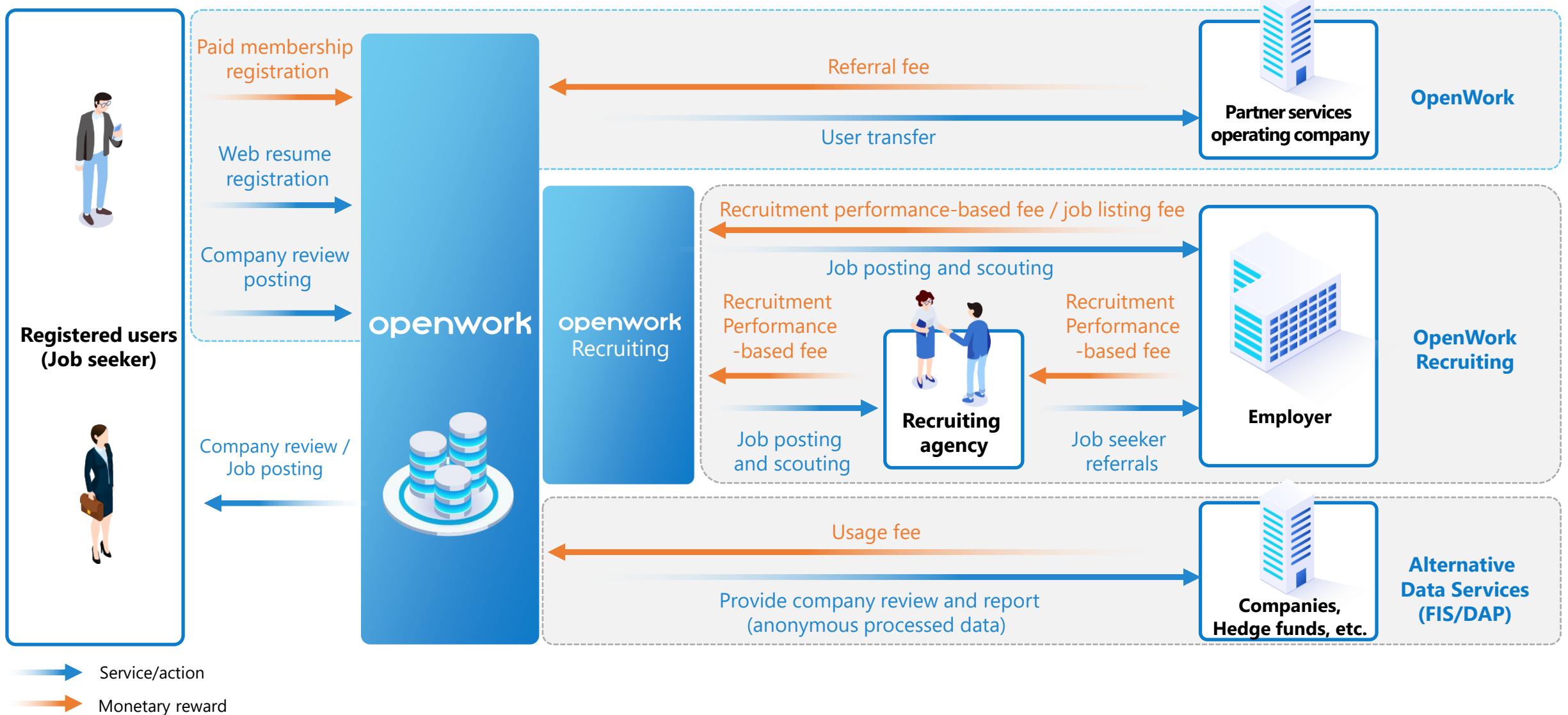
We are providing a new service in which our company review data is used to solve the sustainability issues of forecasting capital markets and visibility of organizational problems.

Alternative data* service		
Service name	FIS (Financial Indicator Service)	DAP (Data Analytics Platform)
Service details	OpenWork's company review data is anonymized and supplied for uses such as company share price forecasting	AI is used to analyze each company review and compile a report on organizational problems such as company culture and job satisfaction
Target clients	Domestic/overseas asset management companies *Currently provided to major overseas hedge funds and domestic asset management companies	All companies (on which there are reviews) *Currently being provided to selected companies as test marketing
Service image		

*New data where use cases had so far not developed

Business Structure

We have developed services based on OpenWork's data and users.

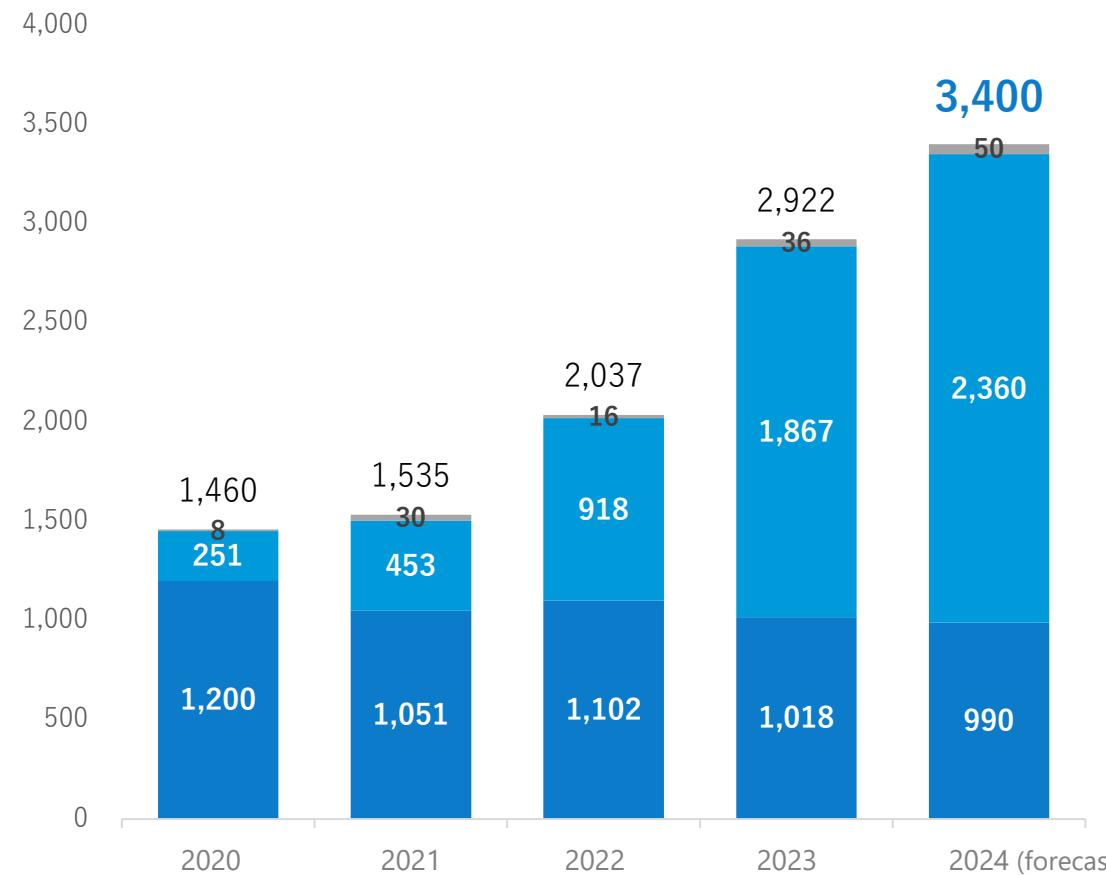


Steady Growth

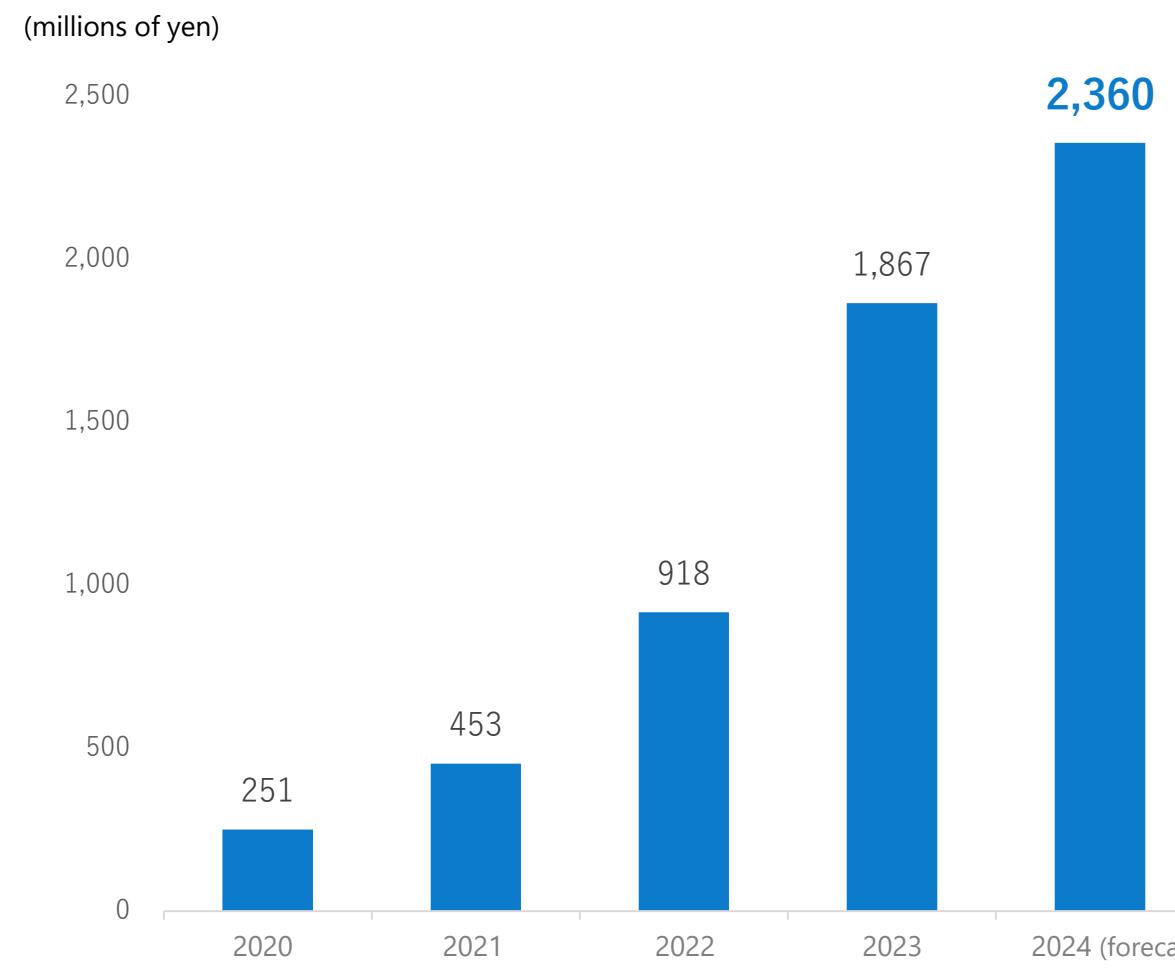
While maintaining stable operating revenue at OpenWork, we achieved high growth at OpenWork Recruiting. OpenWork Recruiting became the main source of operating revenue from FY2023.

Operating revenue by service

(millions of yen)
■ OpenWork ■ OpenWork Recruiting ■ Others



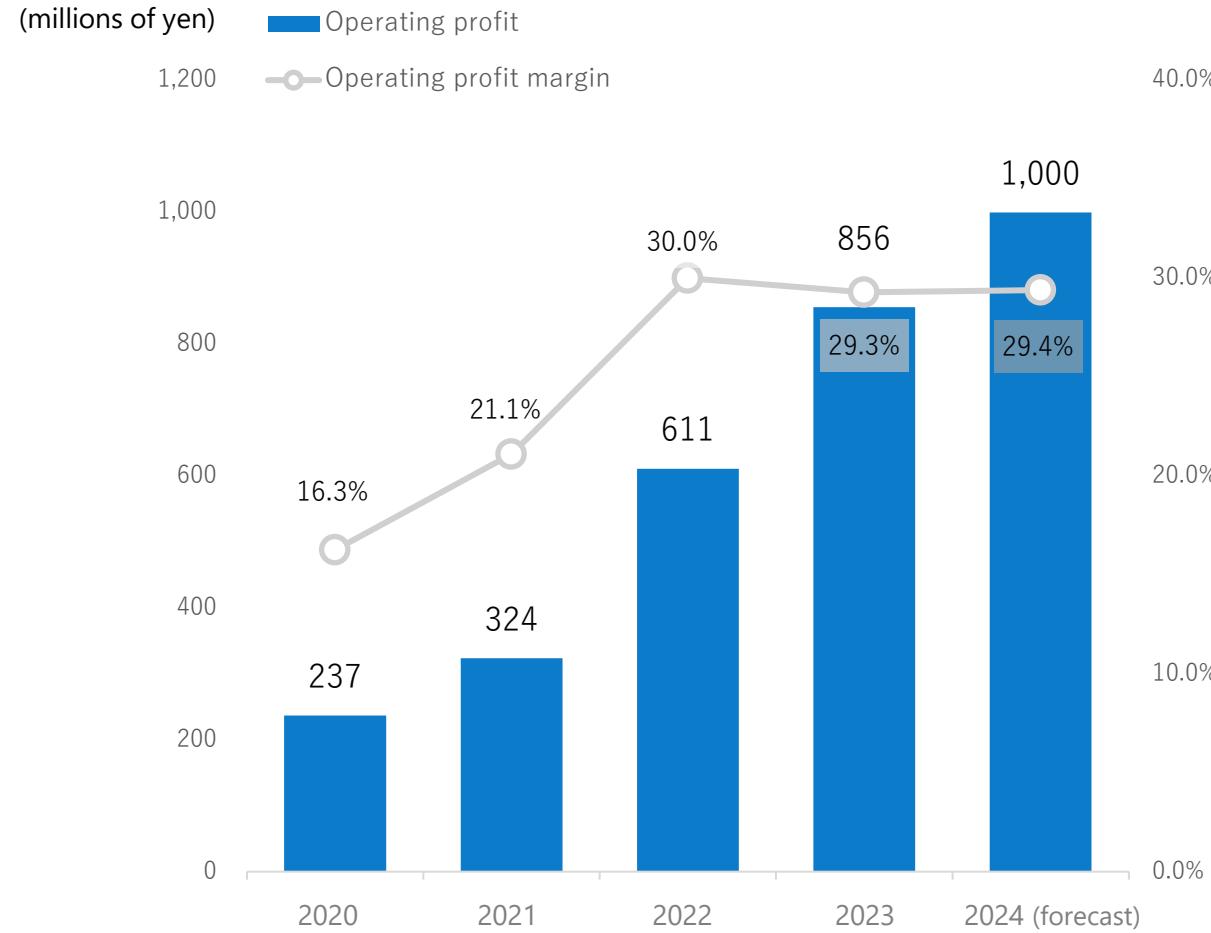
Operating revenue at OpenWork Recruiting



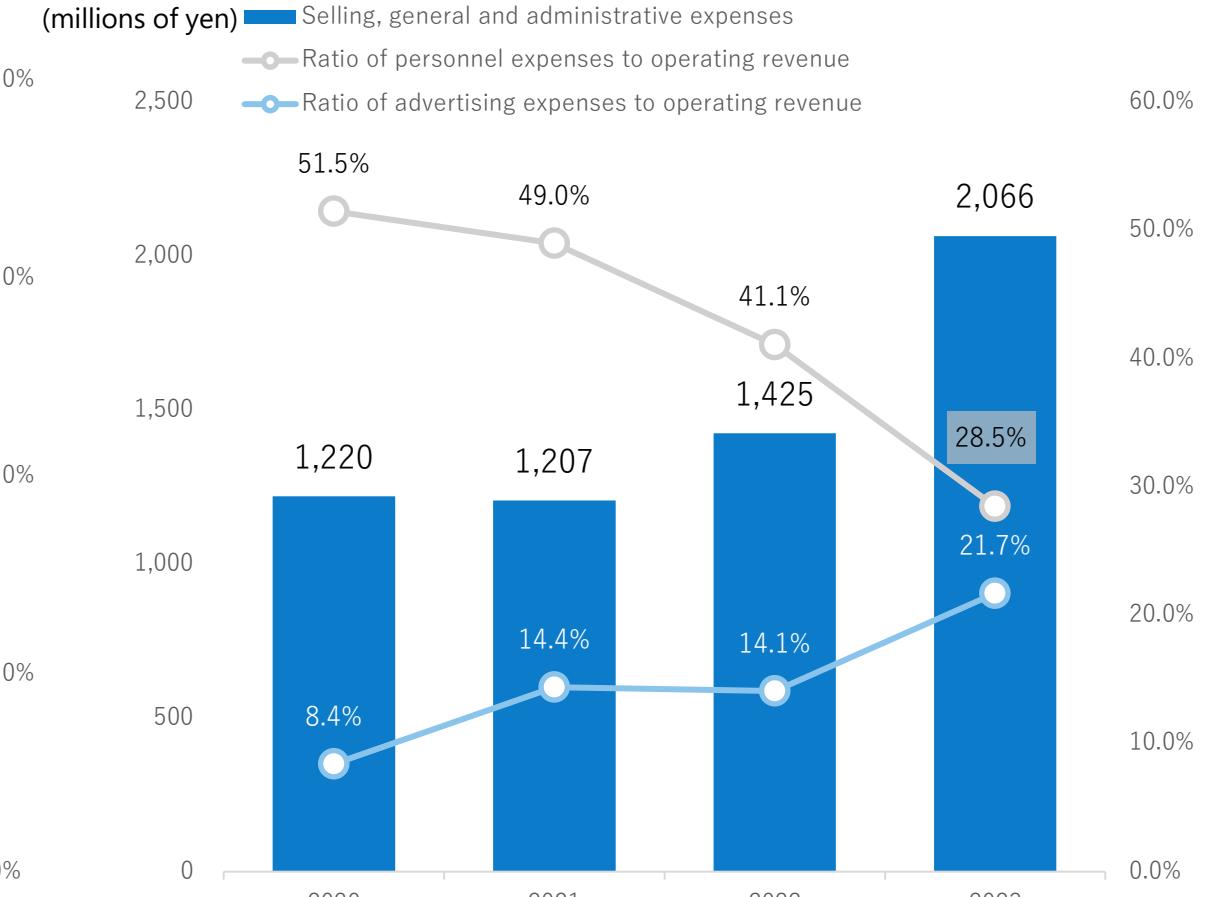
Stable Profitability Through Disciplined Cost Control

Operating profit margin stabilized at around 30% due to growth at OpenWork Recruiting.

Operating profit /Operating profit margin



Selling, general and administrative expenses
Ratio of personnel expenses/
advertising expenses to operating revenue



Company Strengths



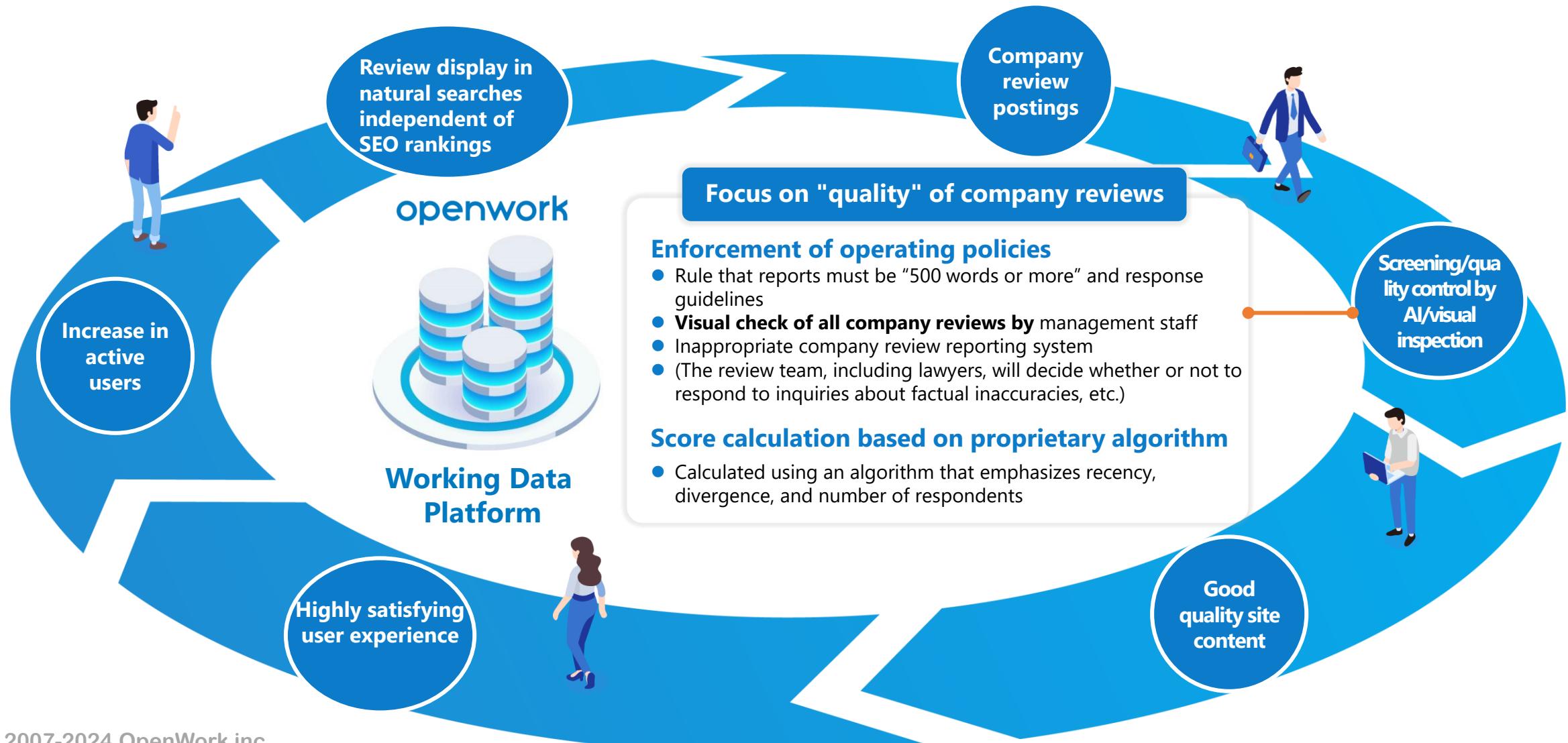
- 1 One of the largest job matching platforms in Japan
- 2 Competitive advantage due to high value offerings and broad market opportunities
- 3 Unique business model to accelerate growth
- 4 Growth potential as a working data platform

1

One of the largest job matching platforms in Japan

High-quality company reviews create network effects

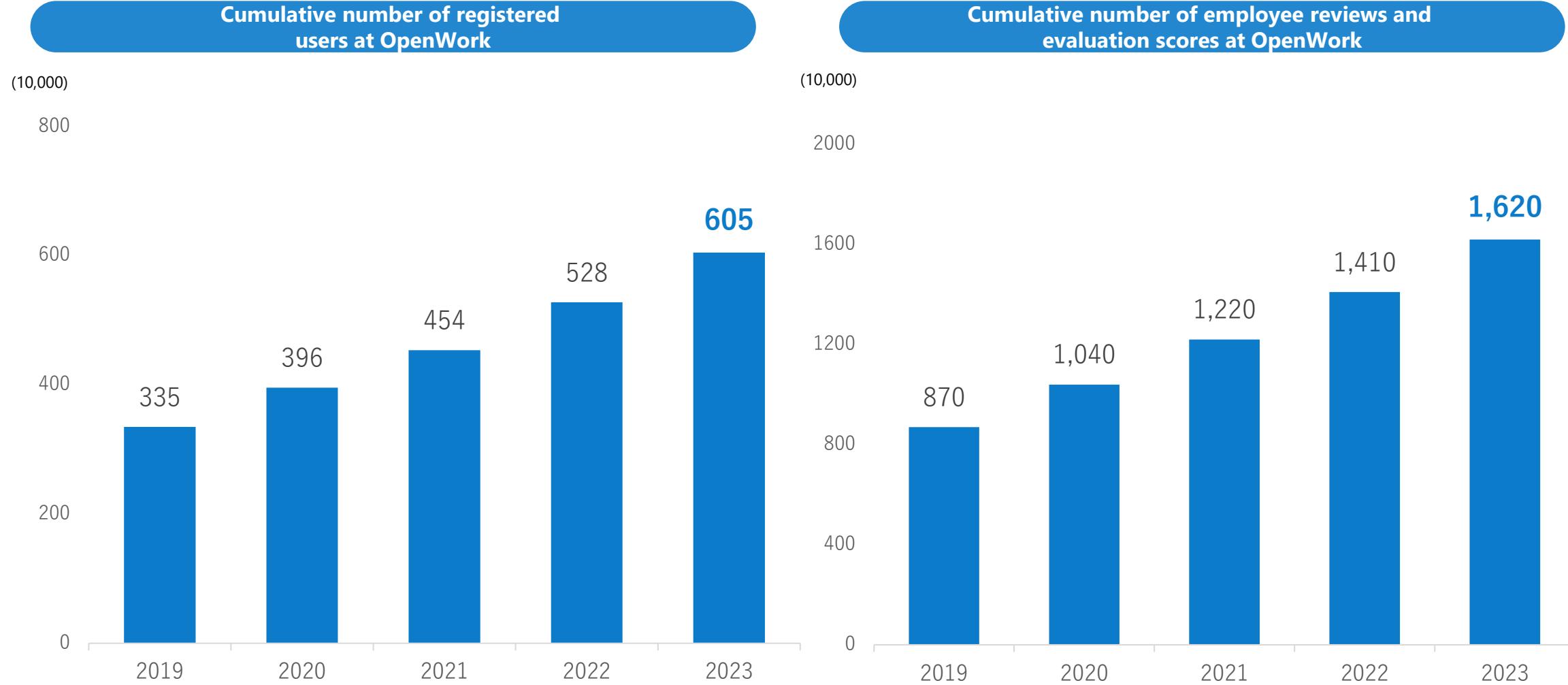
We have established an ecosystem in which high-quality company review information is displayed at the top of natural searches to encourage an influx of users. This creates an inflow of users without depending on advertising.



1 One of the largest job matching platforms in Japan

One of the largest company review services in Japan with 6.05 million registered users

Registered users of OpenWork, base of Operating revenue of OpenWork and OpenWork Recruiting, and the number of company reviews, core of working data, increased steadily.

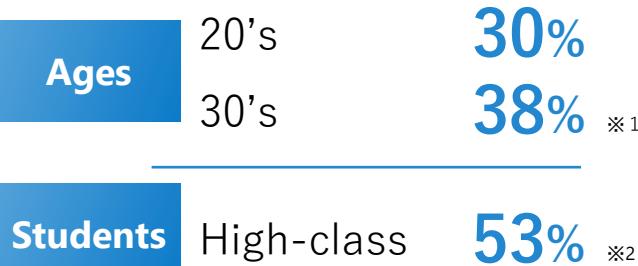


2

Competitive advantage due to high value offerings and broad market opportunities

Four Reasons Why OpenWork Recruiting is Chosen

Highly talented people



※1 : As of December 31, 2022

※2 : Graduated from National University, Waseda, Keio, Sophia, ICU, G-MARCH, Tokyo University of Science, Kansai, Kansai Gakuin, Doshisha and Ritsumeikan in 2022.

Mismatches can be prevented

Percentage of respondents who felt a gap after joining the companies



Data from OpenWork Inc.
September 2020, March 2021, August 2021
771 samples
Users past 6 months from joining new companies

Recruiting Brand

Comparing Scores from Other Companies

Company A
Company B



Low recruiting costs



※Different plans are available for students and recruitment via recruiting agencies.

Realization of User Retention through Early Attachment

A unique service whose availability to both potential and actual jobseekers sets it apart from existing job search services

Be able to connect with users for a longer time than other recruitment services

**Unconscious
Inactive period**

**Agonizing
Assessment period**

Search period

**Change of
occupation**

- Thinking about your career
- Satisfaction with the current situation

- Gain objective understanding of the environment
- Weigh factors for a change in job

- Preventing mismatches
- Providing information on job openings, etc.

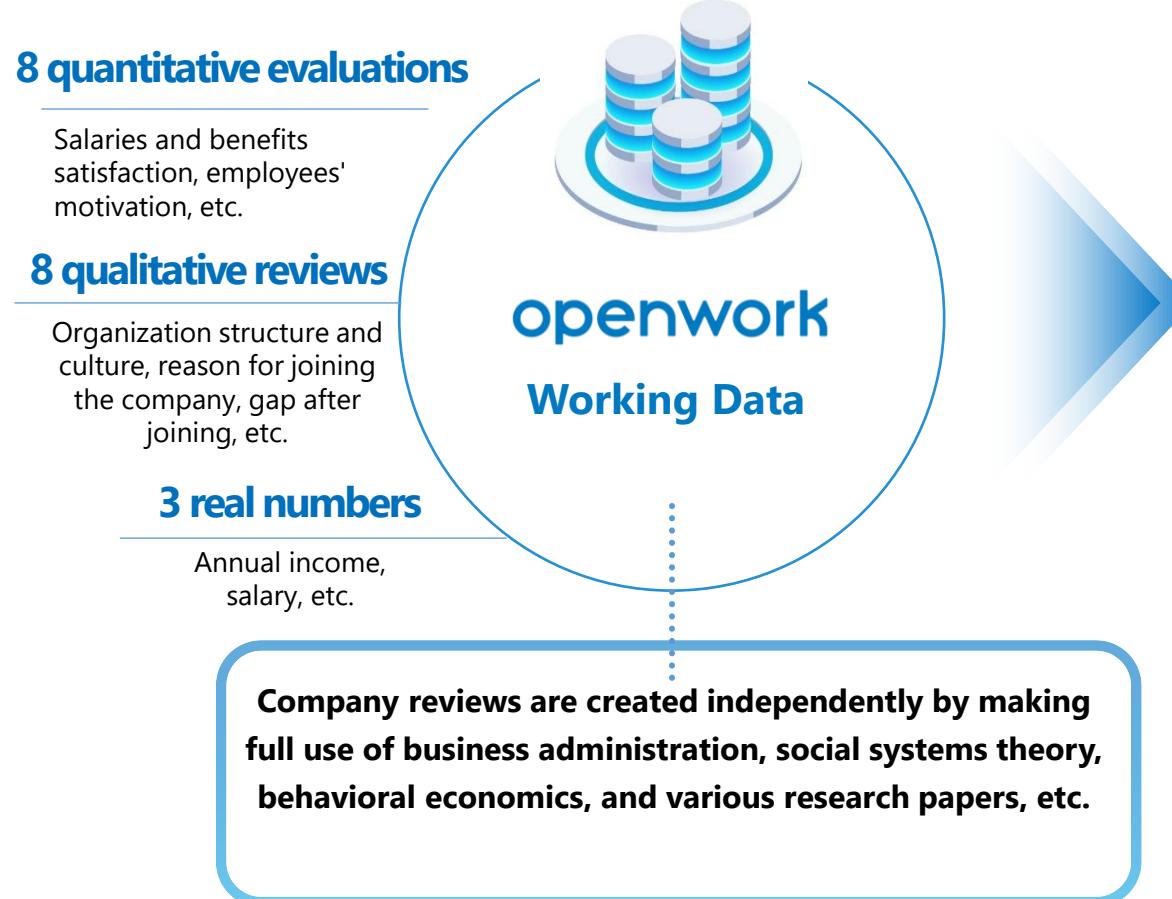


OpenWork

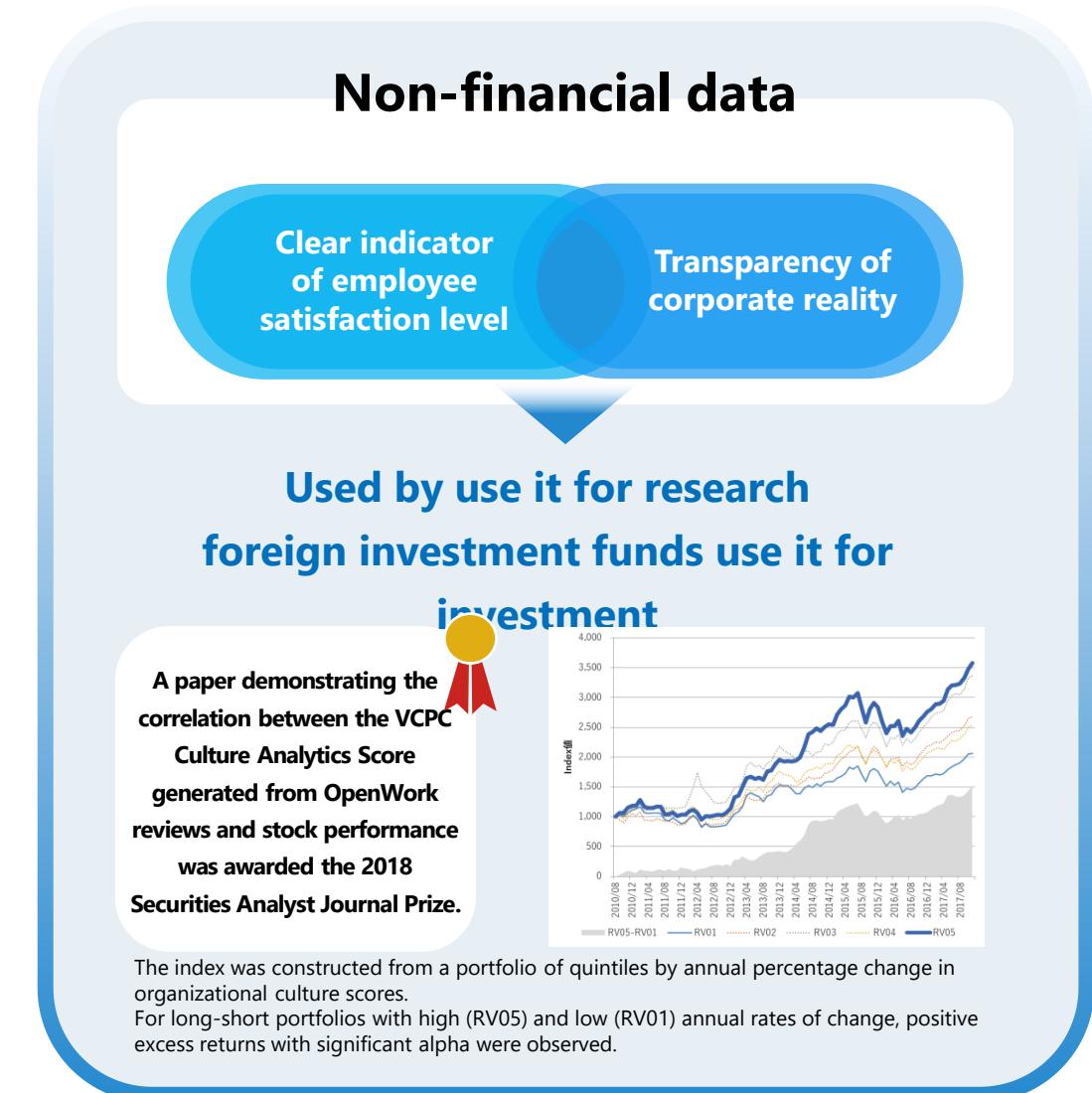
**Existing Job Search
Services**

The Quality of Our Working Data is recognized by External Organizations

High quality that is recognized by research institutions and investment funds



Note 1: *Analysis of the relationship between corporate organizational culture and financial performance using company employee reviews, a joint study by Hironori Nishii and Hiroshi Tsuda.

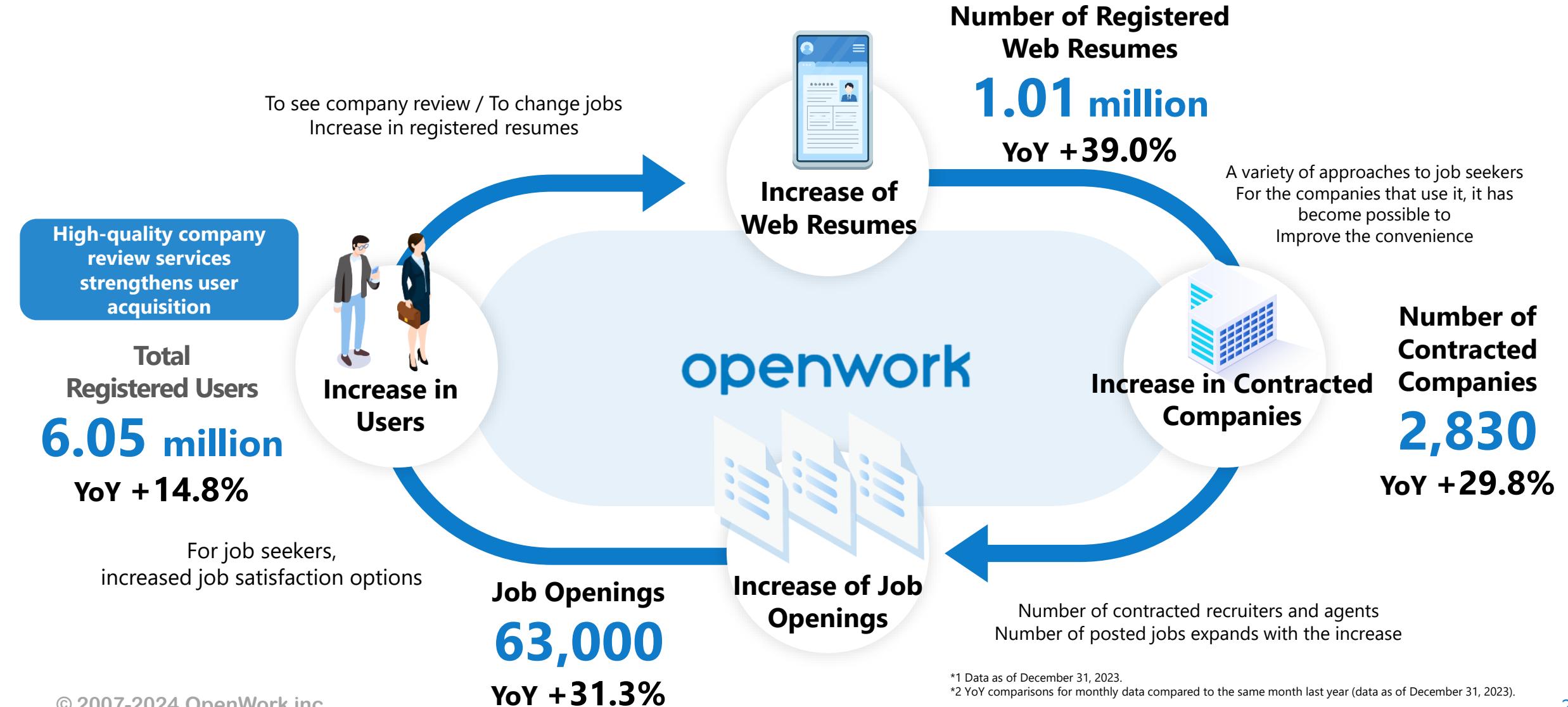


3

Unique business model to accelerate growth

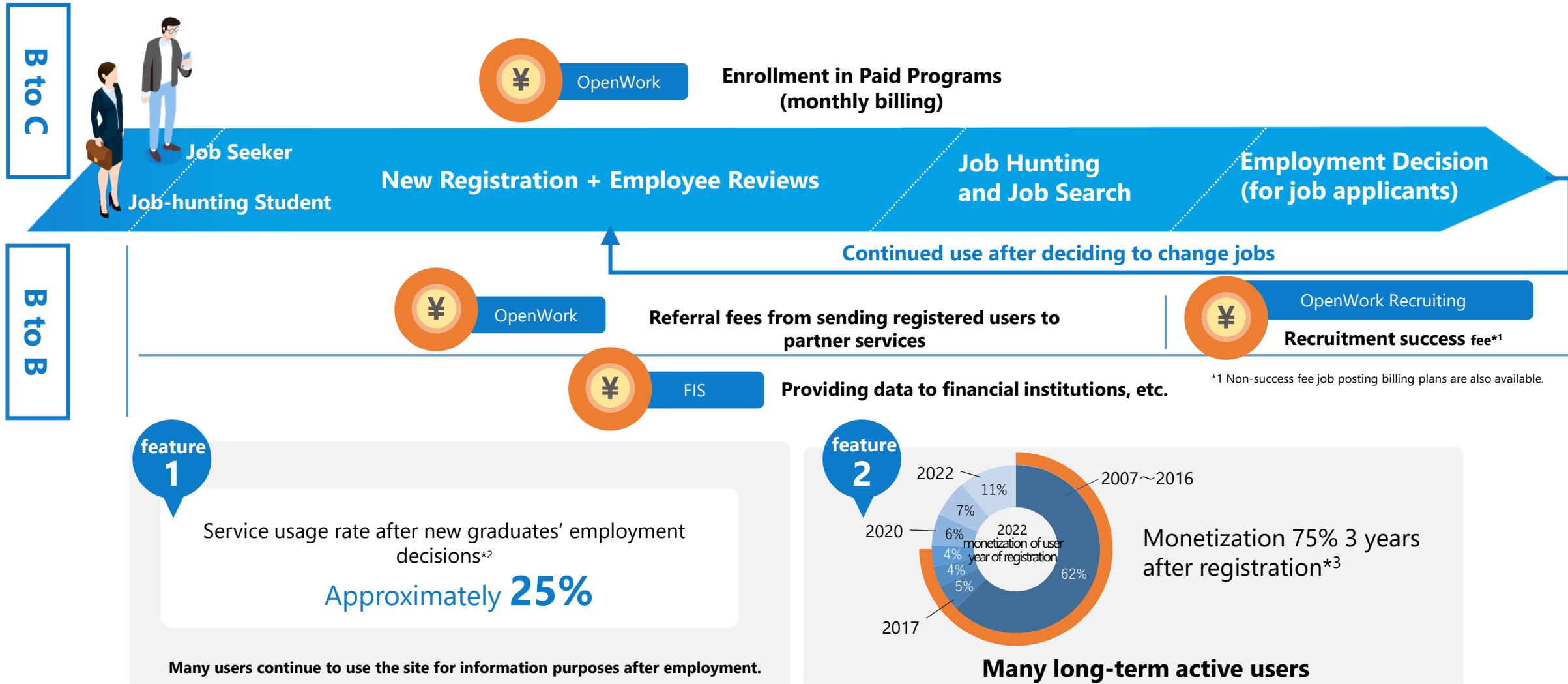
Autonomous Growth Model Accelerates Platform Expansion

High-quality company review services attract users and allow the platform to grow autonomously.



High LTV Due to Extensive Revenue Opportunities and User Stickiness

High LTVs are achieved due to diverse revenue points and a large number of long-term active users.

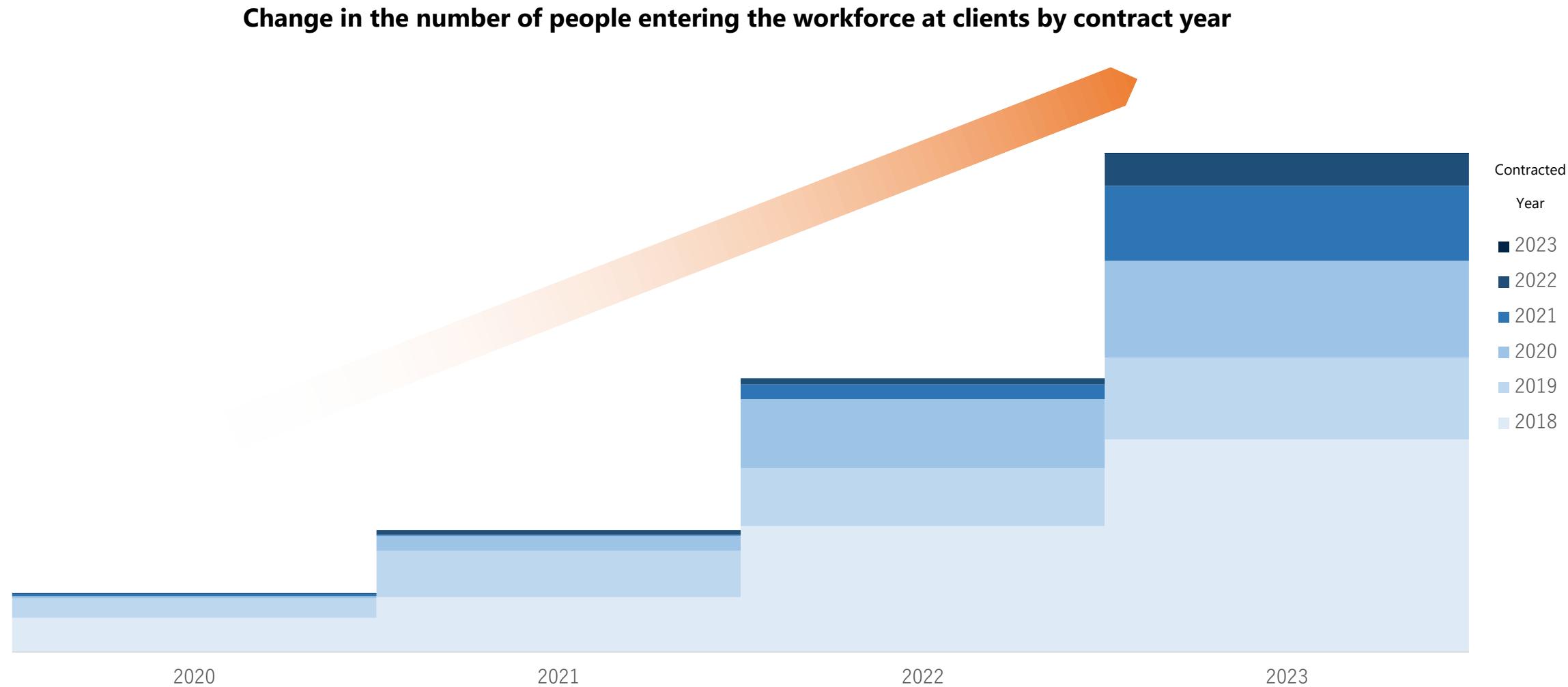


*² Percentage of 21 graduate who had updated their registered career status from student to adult and continued to use the service as of the end of September 2022.

*³ Monetization by any of the following means: paying membership fees, registration for affiliated services, and employment decisions through OpenWork Recruiting.

Recurring Revenue-weighted Cumulative Business Model

Companies tend to make hiring decisions on an ongoing basis, resulting in a revenue structure heavily weighted to recurring revenue and supporting stable earnings growth.



4

Growth potential as a working data platform

Facilitation of Labor Mobility : Transition to a Society Based on Mutual Choice

We anticipate progress in the transition from the conventional era, in which individuals and companies are "bound" to each other and changing jobs is prone to risk, to the era of "choosing" each other with a mutually open attitude.

Society based on mutual constraints

Ultra & long-term employment based on the premise of "serving out one's time"



Interdependency



Guarantee of status represented by systems such as lifetime employment and seniority

Society based on mutual choice

Choice can be made according to the skills required by the company based on open information and the individual's preferred career



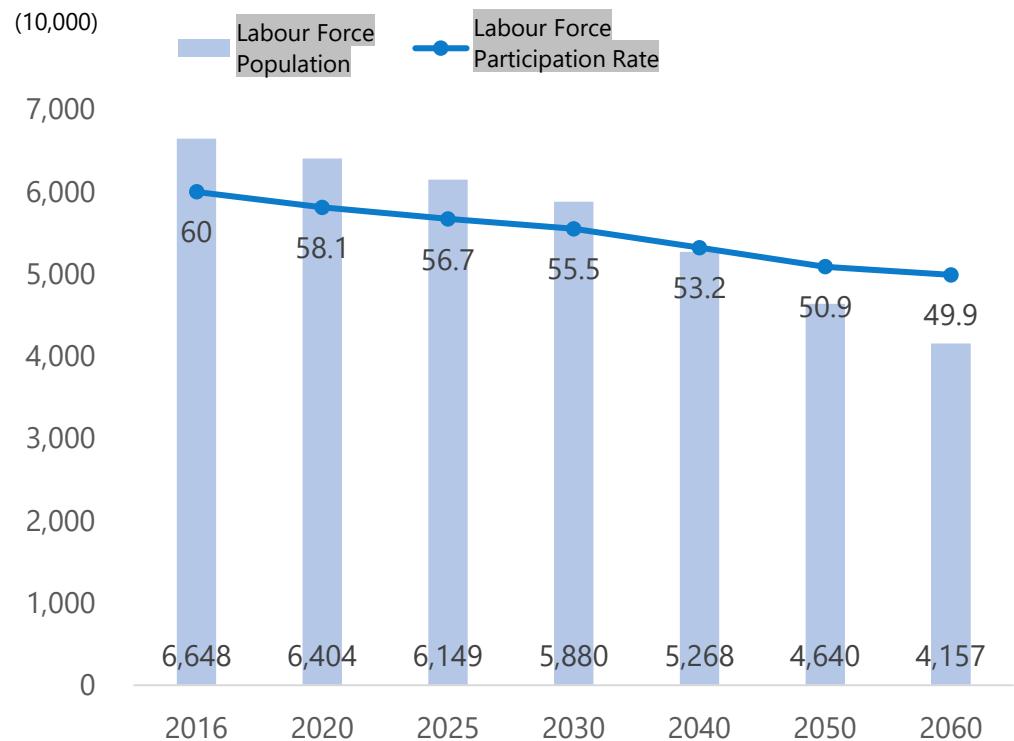
A relationship of mutual choice on equal footing, subject to mobility

(Reference) Macro Environment Promotes a Society Based on Mutual Choice

Macro environmental factors such as the declining domestic labor force and sluggish wage growth also drive the transition to a society based on mutual choice.

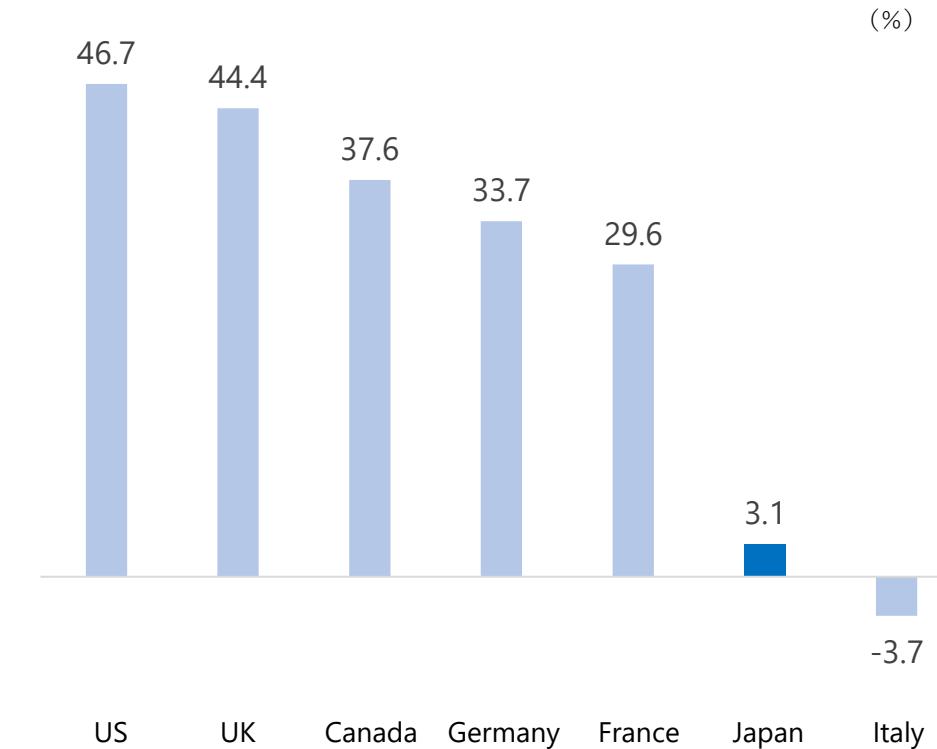
Declining labor force

Domestic labor force



Sluggish wage growth

Wage growth rates in G7 countries 1991~ 2020

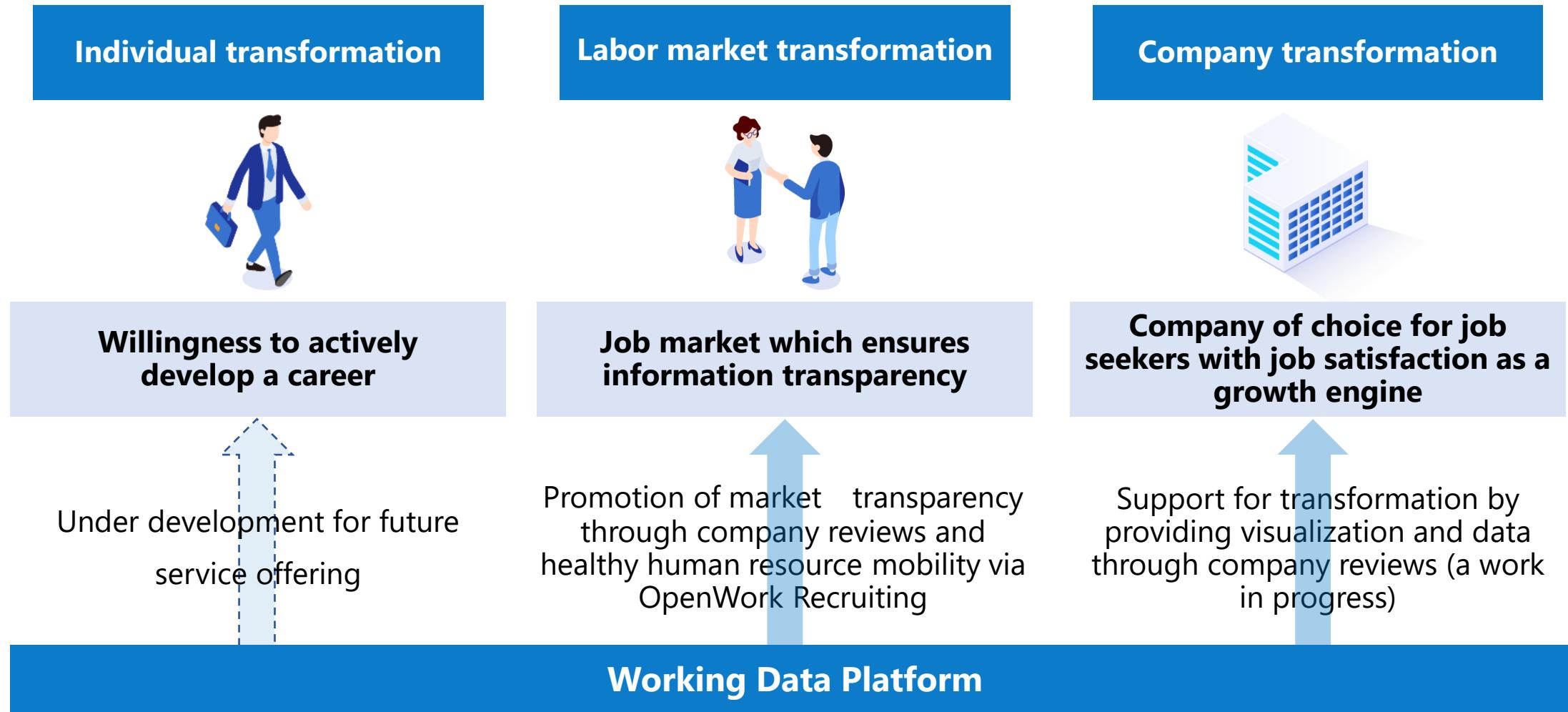


Source : Compiled by the Company based on the Ministry of Internal Affairs and Communications' "Labor Force Survey Annual Report" (2016) and the National Institute of Population and Social Security Research's "Population Projections for Japan" (2017).

Source: Compiled by the Company based on the Ministry of Health, Labour and Welfare's "Labour Economic Analysis, 2022 Edition . 1991 ~ 2020, with 1991 as 0.

Facilitation of Labor Mobility : OpenWork's Initiatives for a Society Based on Mutual Choice

The 3 key points for the attainment of a society based on mutual choice are individuals, labor markets, and companies. So far, we have taken a 2 point approach - labor markets and companies- based on extensive working data.



Direction of OpenWork's Business Development

OpenWork's services are broken down and redefined into four domains according to their respective roles, in order to drive the attainment of a society based on mutual choice.

The review platform that is the basis of each service = openwork

**“Individual transformation”
(under development)**



New services to support individuals' long-term career development

**“Labor market transformation”
OpenWork Recruiting**



Facilitation of human resources movement through OpenWork Recruiting

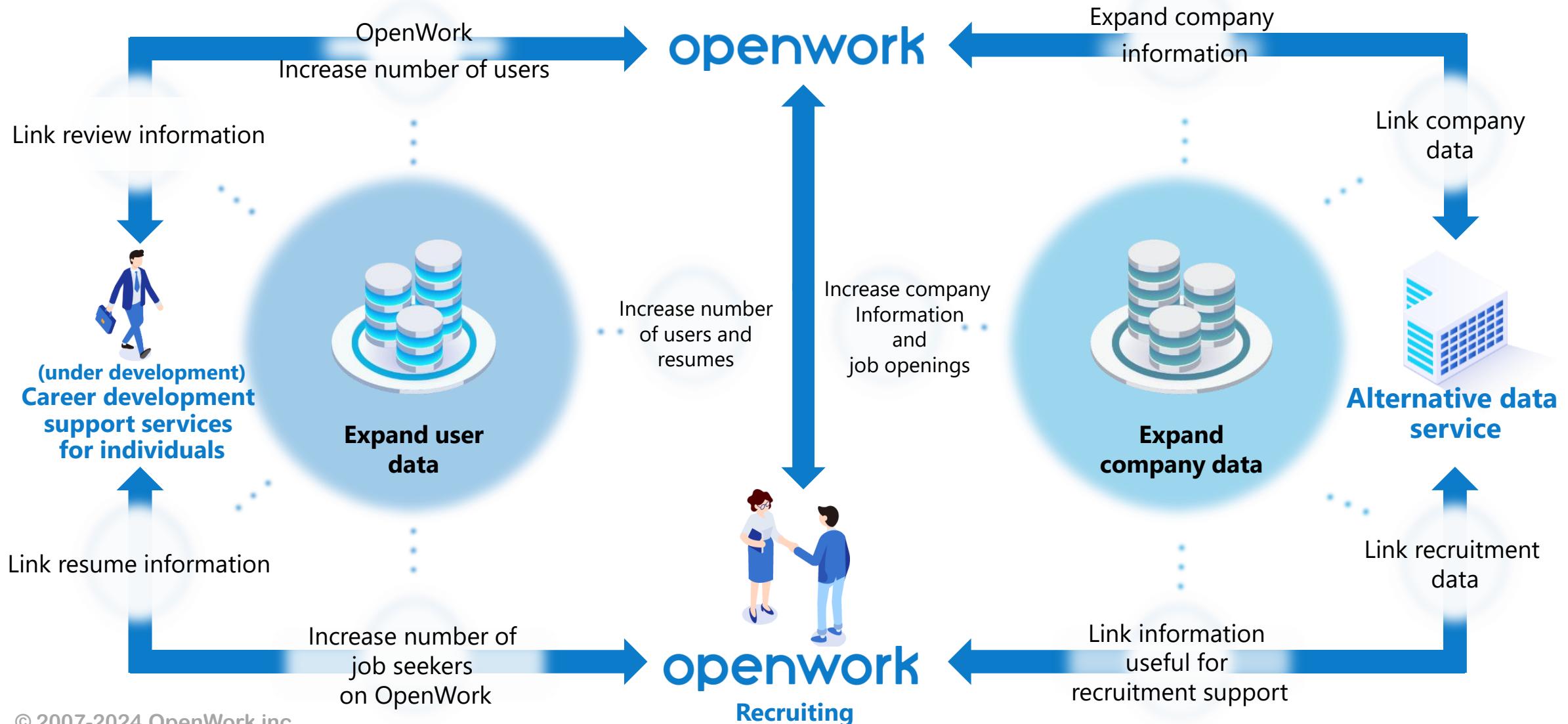
**“Company transformation”
Alternative data service**



Promotion of company self-transformation by providing working data

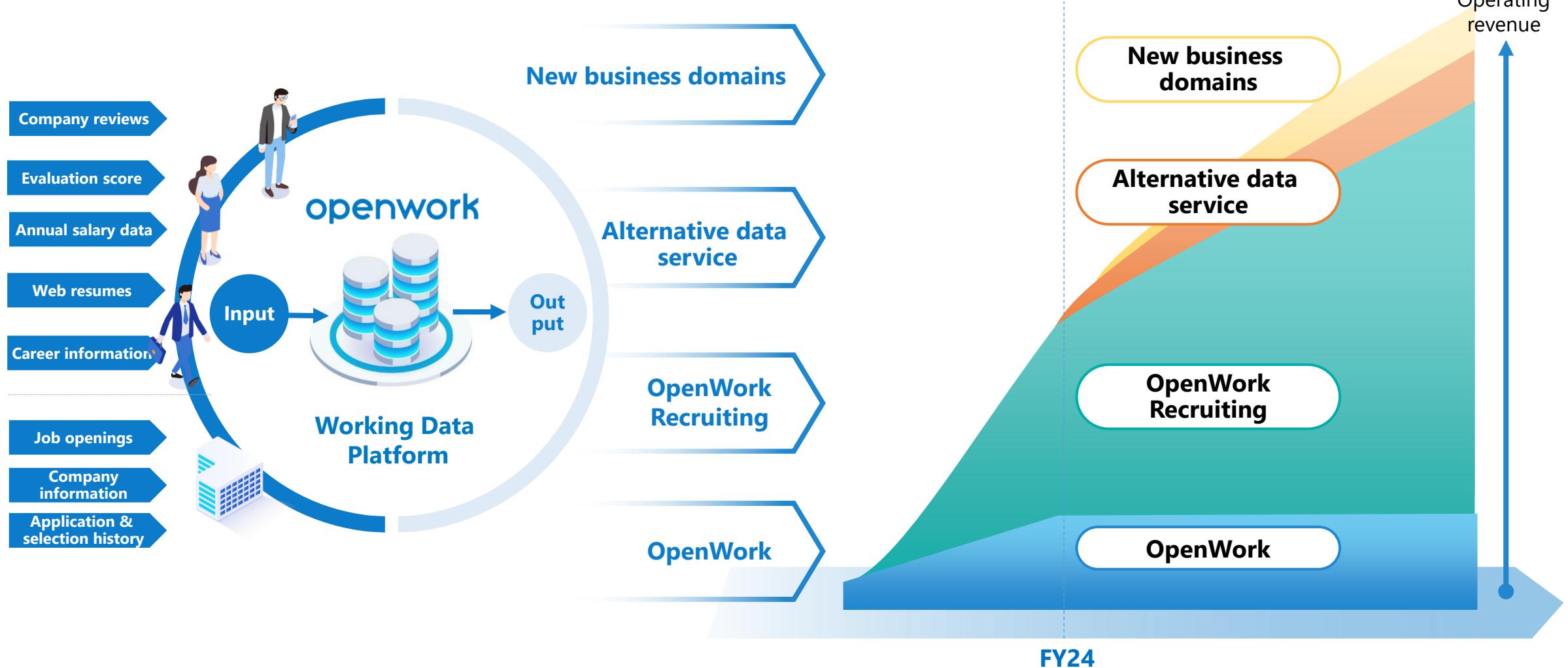
(Reference) Collaboration among the four domains

Data collaboration with each of the 4 core domains to enhance the Working Data Platform, the Company's core domain.



Concept of Future Growth

With OpenWork and OpenWork Recruiting as stable revenue sources, grow revenue by developing services that utilize existing working data and services in new domains based on expansion of working data.



Future Policies in Each Domain

Domain	Direction	Growth Strategies	Contribution to profit
OpenWork	Aim to maximize platform value as a starting point for career consideration centred on corporate research	<ul style="list-style-type: none">✓ Further improve quality of data including external sources and reliability of ratings✓ Expand information collected and categories	Medium (Strategic tapering off)
OpenWork Recruiting	Move from a start-up period to a growth period building on our strengths. Aim to expand share by simultaneously promoting competitive homogenization and differentiation	<ul style="list-style-type: none">✓ Improve matching accuracy by enhancing recommendation function✓ Strengthen new graduates business	Large (New graduates business is small)
Alternative data service (FIS/DAP)	Develop markets against the backdrop of increasing importance of capital markets and human capital management	<ul style="list-style-type: none">✓ Expand sales channels in untapped financial markets such as Europe and Asia✓ Full-scale rollout of review reports (DAP)	Small (Small scale for the time being)
New domains	Summarize concepts, develop service prototypes, and verify feasibility	<ul style="list-style-type: none">✓ Build infrastructure for data accumulation, collection, and utilization, with collaboration with other 3 domains in mind rather than standalone profits	Undecided



Earnings Forecasts for the Fiscal Year Ending December 31, 2024



Assumptions Underlying FY2024 Earnings Forecasts

External environment		Internal environment	
Company review service market	✓ No major changes.		
Recruitment market (mid-career)	✓ Both corporate recruiting and job-seeking activities remain strong due to labor shortages and expanding needs for mid-career hires. ✓ Hiring has returned to a normal level after the surge seen following Covid-19.	Business issues	✓ Temporary pause in rapid growth at OpenWork Recruiting. ✓ Based on the number of job openings and registered users, there is strong potential to enhance revenue growth by improving efficiency. ✓ We need to continue marketing investment to further improve awareness of OpenWork Recruiting.
Recruitment market (new graduates)	✓ Companies remain eager to hire. Opportunities are great given that about half of all new graduate job seekers register with OpenWork*.	Structures and human resources	✓ Completed management system development in each service area in FY2023. FY2024 focus on securing execution capabilities.
Alternative data market	✓ High global marketability, but caution needed on the outlook given the emerging nature of this business.	Finance	✓ Cash-on-hand is almost ¥6bn and allocation and uses are under consideration.

※ Source : <https://www.openwork.co.jp/press/20240201140421> (Japanese only)

FY2024 Full-Year Earnings Forecasts

Forecast moderate increase in all-company operating revenue on pause in rapid growth at OpenWork Recruiting. Expect to be able to maintain operating profit margin at around 30% while implementing strategies for the next growth phase.

(millions of yen)

	FY2023	FY2024 forecast	YoY
Operating revenue	2,922	3,400	+16.3%
OpenWork	1,018	990	-2.8%
OpenWork Recruiting	1,867	2,360	+26.4%
Others	36	50	+37.1%
Operating expenses	2,066	2,400	+16.2%
Operating profit	856	1,000	+16.8%
Operating profit margin	29.3%	29.4%	+0.1pt
Ordinary profit	854	1,000	+17.1%
Net profit	613	685	+11.6%

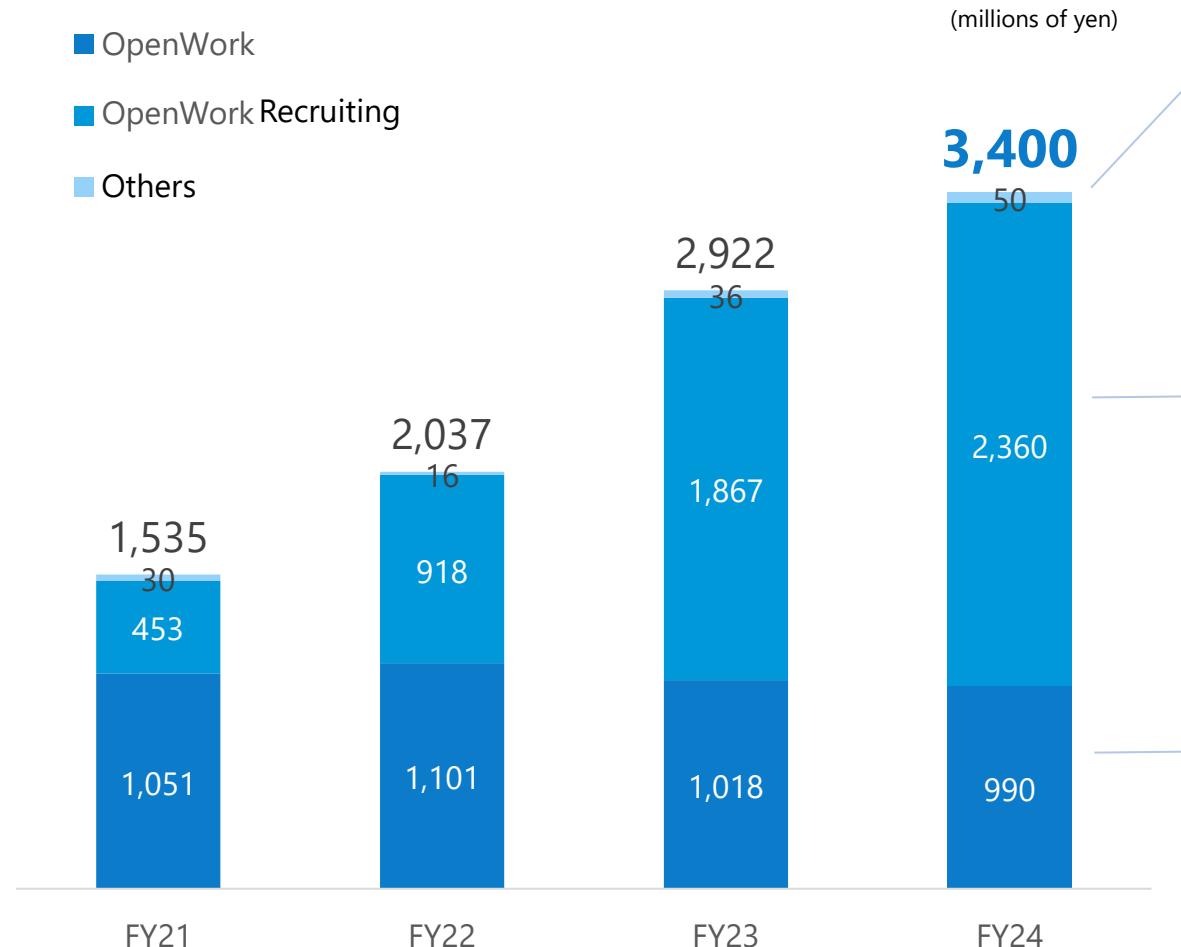
FY2024 Operating Revenue Forecasts by Service

Main revenue source to shift to OpenWork Recruiting. Target ongoing stable growth in this service while implementing measures to expand the company's market share. Focus on laying the groundwork for growth in Alternative Data Service using structures established in FY2023.

■ OpenWork

■ OpenWork Recruiting

■ Others



(millions of yen)

Alternative Data Service (FIS/DAP)

Focus on strengthening internal structures, enhancing alliances for sales routes, and expansion in overseas client base. Expect revenue contribution to still be small.

OpenWork Recruiting

Expect stable growth on pause in major project acquisitions that supported rapid expansion through 2Q FY2023. Focus on measures to stimulate future growth.

OpenWork

Forecast basically unchanged revenue due to work on balancing referrals to OpenWork Recruiting.

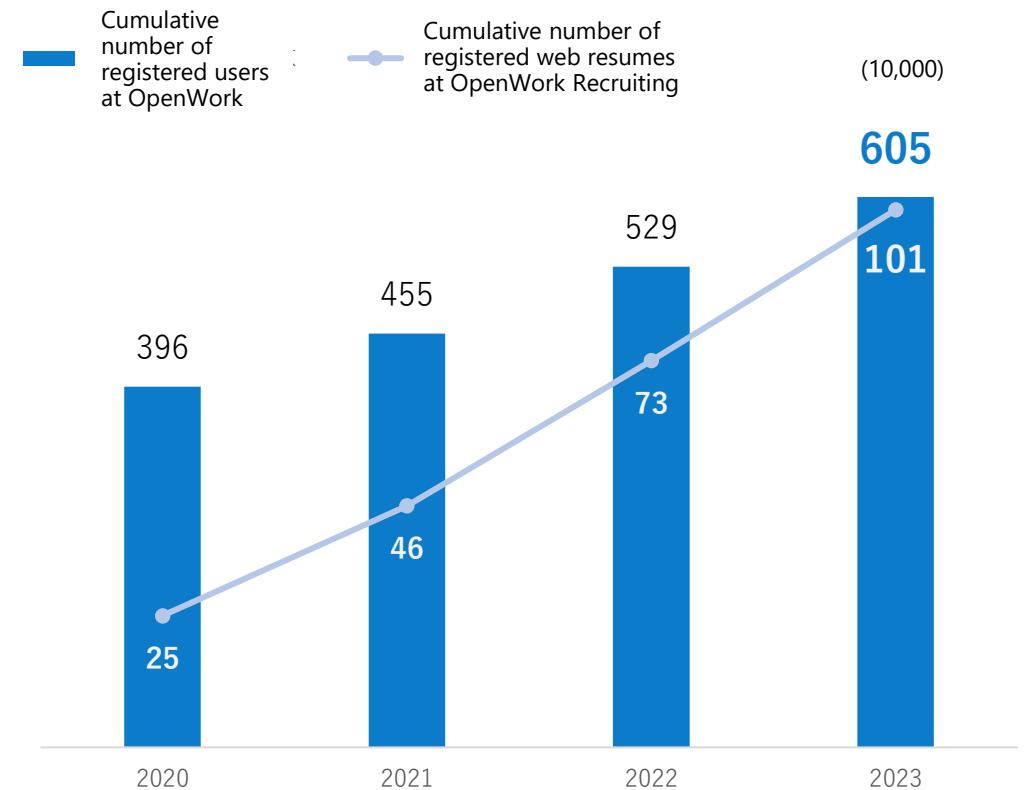
(Reference) Target Market Size and Potential of OpenWork Recruiting

Despite a still small track record in the mid-career recruitment market, the number of users of OpenWork and OpenWork Recruiting is among the largest at domestic recruitment services and we have high potential for revenue growth.

Size of mid-career recruitment market



Cumulative number of registered users at OpenWork and cumulative number of registered web resumes at OpenWork Recruiting



※1 MIC 「Labour Force Survey (Employed person wishing to change the present job or to have additional job by age, status in employment type of employment, duration of employment contract, industry, occupation and education)」

※2 Figure for FY2023

Investment in growth

Take financial risks within acceptable limits in order to achieve further growth in addition to organic growth

✓ **M&A investment**

- Actively consider deals that contribute to the enhancement of the working data platform and the provision of services based on this platform.

※Core value provision of OpenWork = Accumulation of data related to "working" and development of services utilizing this data

✓ **Investment in other business assets**

- Increase the scale of promotion and develop new services.

Securing cash-on-hand

Retention of cash at a level sufficient to maintain regular business operations

- Retain earnings for working capital and investment in business continuity based on performance and outlook.

Shareholder returns

Focus on growth rather than shareholder returns for the time being

- Allocating funds to growth as we presume capital market expectations are based on our status as a "growth company"



Sustainability



OpenWork's Human Capital Disclosure Policy for Long-term Growth

Utilize non-financial information as a management indicator to help build the organization

Indicator ①



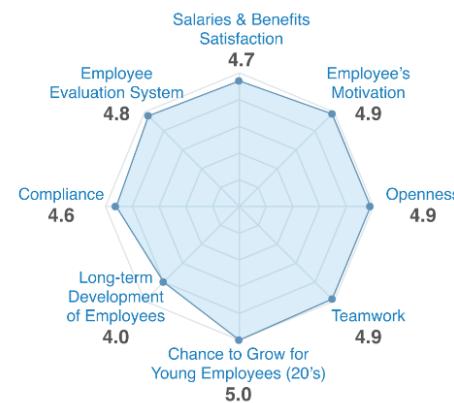
Proven correlation between OpenWork's company review information and share prices

8 quantitative ratings

Satisfaction with salaries & benefits, employee morale, etc.

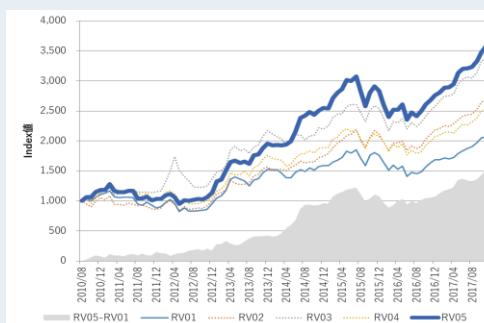
8 qualitative ratings

Organizational structure and culture, gap between reasons for joining the company and reality after joining, etc.



Correlation between VCPC Culture Analytics Score and Stock Performance

A paper demonstrating the correlation between the VCPC Culture Analytics Score generated from OpenWork reviews and stock performance was awarded the 2018 Securities Analyst Journal Prize.



Indicator ②



Surveys used in research on "engagement and corporate performance"

エンゲージメントスコア	エンゲージメント・レーティング
67以上	AAA
67未満	AA
61未満	A
58未満	BBB
55未満	BB
52未満	B
48未満	CCC
45未満	CC
42未満	C
39未満	DDD
33未満	DD



OpenWork's Human Capital Information and its Challenges

Independent indicators of human capital remained high, but targets were not met.



Target

Overall rating
3.5 (top 3%)

ES (engagement score)
AAA (highest ranking)

Result

February 2023→February 2024
3.33 → 3.30 (top 6%)

February 2023→February 2024
AA → AA (2nd highest of 11 levels of ranking)

Current
FY plan

KPI : ES for General Managers "A" (3rd highest of 11 levels of ranking) → **improve to "AA"**

Background : Business and organization expansion resulted in an increase in the number of GMs in 2023. The ES for GMs is A, lower than the company-wide average.

In order to achieve sustainable growth, the ES for GMs will be positioned as a KPI.

Measures :

Enhance onboarding training for new GMs.

Introduce measures to support improvement of management skills for all managers

Social contribution activities : Introduction of initiatives in “job satisfaction” in the education field

Some of the company's employees gave a class to around 110 second-year high school students at Nitobe Bunka College to encourage them to think about job satisfaction.



[Nitobe Bunka College]

Founded in 1927. With the aim of fostering Happiness Creators, the college offers an education that values the individuality of each student. A comprehensive educational institution that operates everything from preschools to junior colleges.

[Code for Everyone]

An NPO that is working to eliminate disparities in information education in both school education and social education.

[Outline of implementation]

As part of the engagement week included in the “Information 1” class at Nitobe Bunka High School, we provided some of the content for the Career Talk class to help connect school education to professional life.

Number of employees participated: 11

Student satisfaction rating: 4.5 out of 5

【Impressions (※selections)】

■ From students

- "My values have changed, not a complete change but rather I've broadened my thinking. It felt good to feel like I could grow more."
- "I don't hear about work from people who are already working, so the Career Talk taught me that in a person's life there are options like this. I think it was time well spent."

■ From the teacher in charge

"I was very impressed by the enthusiasm with which all the employees treated the students. I felt that every word was filled with real feeling, that they routinely put thought into their work, and that this must be rooted in OpenWork's culture, which I would like to imitate."



Risk Information



Risk Factors

The following are the main items that we consider to be potential risk factors in the development of our business.

Considered Risks

Major Risk Factor	Major Risks	Likelihood of occurrence	Impact	Countermeasures
Inappropriate company review posting on OpenWork website	When users post employee company reviews on the OpenWork website, there is a possibility that inappropriate postings may occur, such as infringements on the honor, privacy, or other rights of third parties or violations of the law. In the event of trouble arising from inappropriate postings by users, we may be held legally liable, and the reputation of the site may be damaged, which may affect our business development and performance.	Low	Low	Company reviews are posted by users as their subjective opinions about the company based on their own experiences. The Company cannot guarantee the accuracy, currency, usefulness, or any other aspect of the posted content. The Company stipulates in its Terms of Use for users that posting of content that defames or slanders a third party is prohibited and has taken steps to alert users to this prohibition by clearly indicating it on the posting screen and in the Report Response Guidelines. In addition, all postings are screened by AI-based machines and visually by dedicated staff, and if any violation of law or slanderous content is found, the posting is promptly removed from the database.
Occurrence of system trouble	Since our services are provided via the Internet, there is a possibility of communication network failures due to natural disasters or accidents, system failures due to hardware or software defects or accidents, and unauthorized access by third parties. System failures, etc., that disrupt the provision of our services may affect our business development and operating results.	Low	Middle	The Company conducts regular backups and monitors operational status, maintains various regulations and manuals for system development and operation, and takes measures to prevent unauthorized access.

※For other risks, please refer to "Business and Other Risks" in the Annual Securities Report.

Appendix



Financial Results Summary

FYE Dec. 31, 2023
Full-year results

Operating revenue

¥ 2,922 mn

(+43.5% YoY, Full-year forecast achievement rate 102.5%)

*Revised forecast achievement rate. Achievement rate vs. initial guidance 114.5%

Operating profit

¥ 856 mn

(+40.0% YoY, Full-year forecast achievement rate 104.4%)

*Profit forecast not revised, so rate of achievement unchanged

OpenWork

Operating revenue

¥ 1,018 mn

(-7.6% YoY)

KPIs

User numbers

6.05 mn

(+14.8% YoY)

Review numbers

16.20 mn

(+14.5% YoY)

Details

Solid rise of around 15% in each KPI indicating platform value.
Revenue decline of around 8% was in line with expectations as adjusted for referrals to OpenWork Recruiting.

OpenWork Recruiting

Operating revenue

¥ 1,867 mn

(+103.3% YoY)

KPIs

Number of registered web resumes

1.01 mn

(+39.0% YoY)

Details

Number of job listings

63,000

(+31.3% YoY)

Continued strong rise of more than 30% in each KPI.
Growth of more than 100% YoY as seasonal impact in 2H smaller than expected.

Highlights

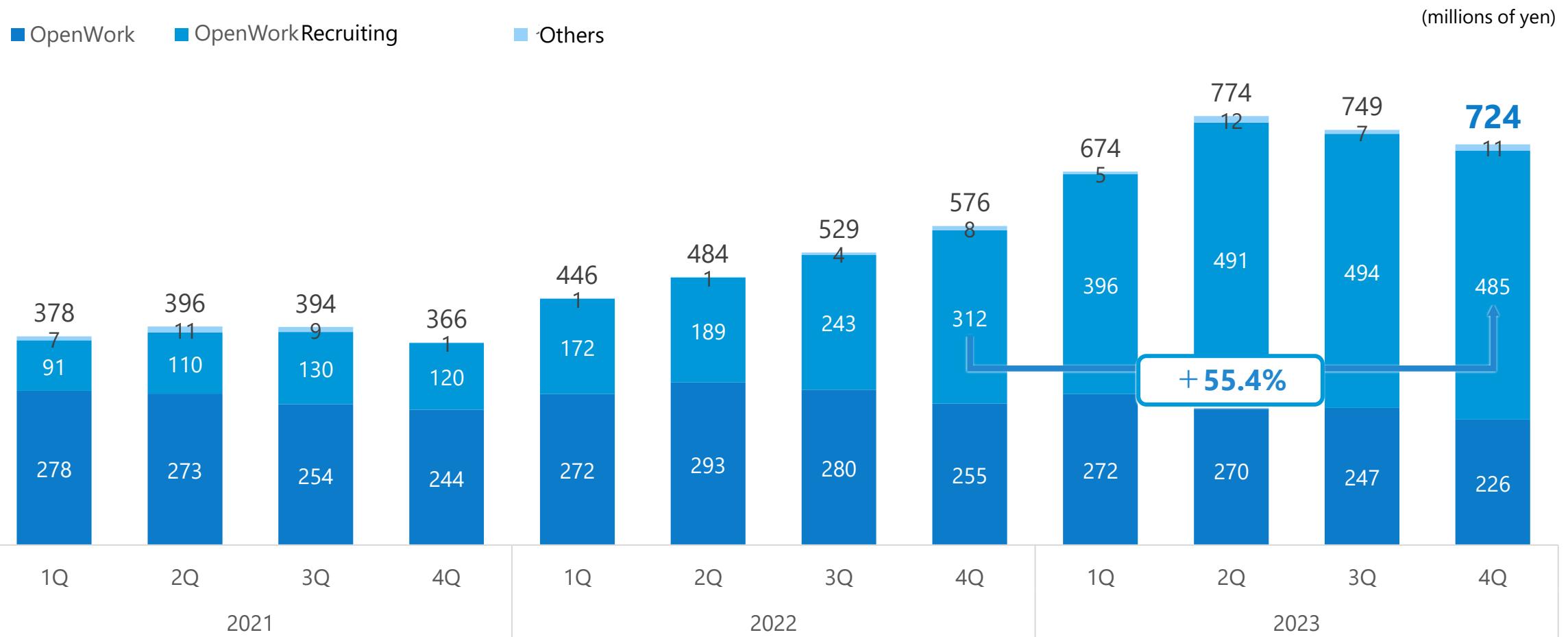
Operating revenue up a strong 43.5% YoY. Revenue fall at OpenWork due to strategic factors and expected. Revenue at OpenWork Recruiting roughly doubled YoY, growing into main business in place of OpenWork.

(millions of yen)

	Full year			Quarterly		
	FY2022	FY2023	YoY	4Q FY2022	4Q FY2023	YoY
Operating revenue	2,037	2,922	+43.5%	576	724	+25.6%
OpenWork	1,102	1,018	-7.6%	255	226	-11.3%
OpenWork Recruiting	918	1,867	+103.3%	312	485	+55.4%
Others	16	36	+122.8%	8	11	+39.5%
Operating expenses	1,425	2,066	+44.9%	430	631	+46.5%
Operating profit	611	856	+40.0%	145	93	-36.2%
Operating profit margin	30.0%	29.3%	-0.7pt	25.3%	12.8%	-12.5pt
Ordinary profit	590	854	+44.7%	123	92	-24.8%
Net profit	403	613	+52.3%	82	89	+8.7%

Change in Earnings (change in quarterly operating revenue by service)

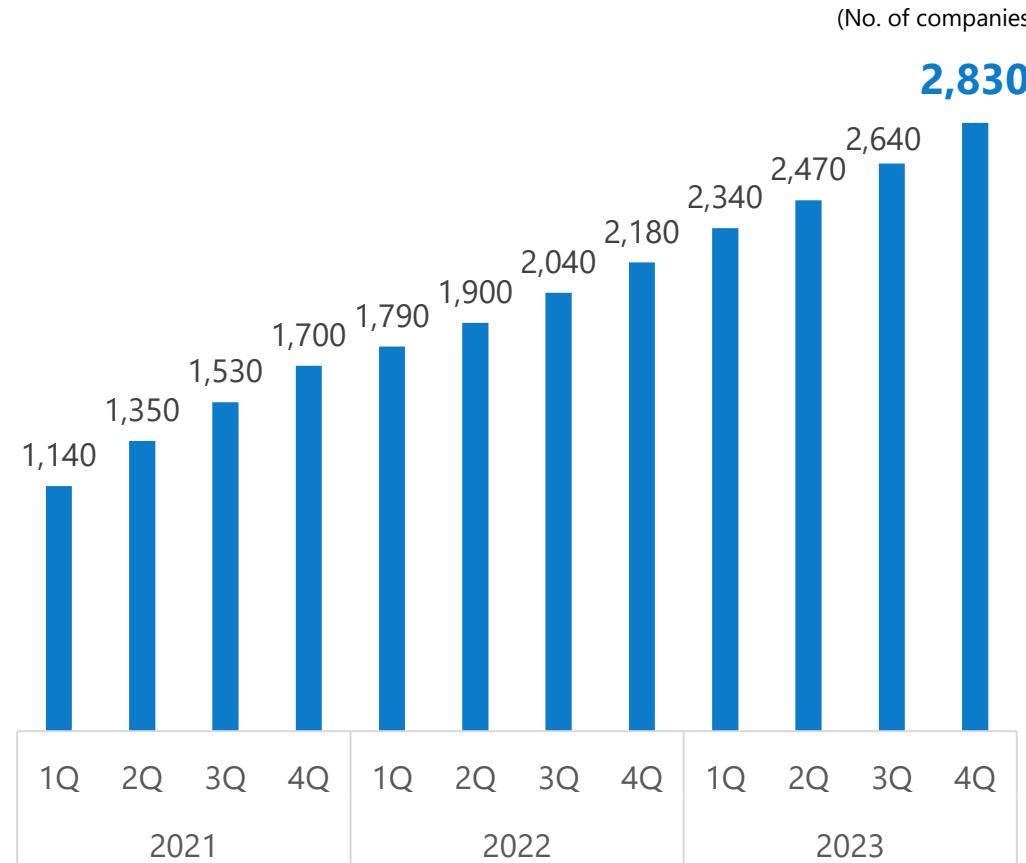
Revenue at OpenWork Recruiting down slightly from 3Q FY2023 on seasonal impact, but up a solid 55% YoY.
Revenue fall at OpenWork due to strategic factors (one-time factors and within scope of expectations).



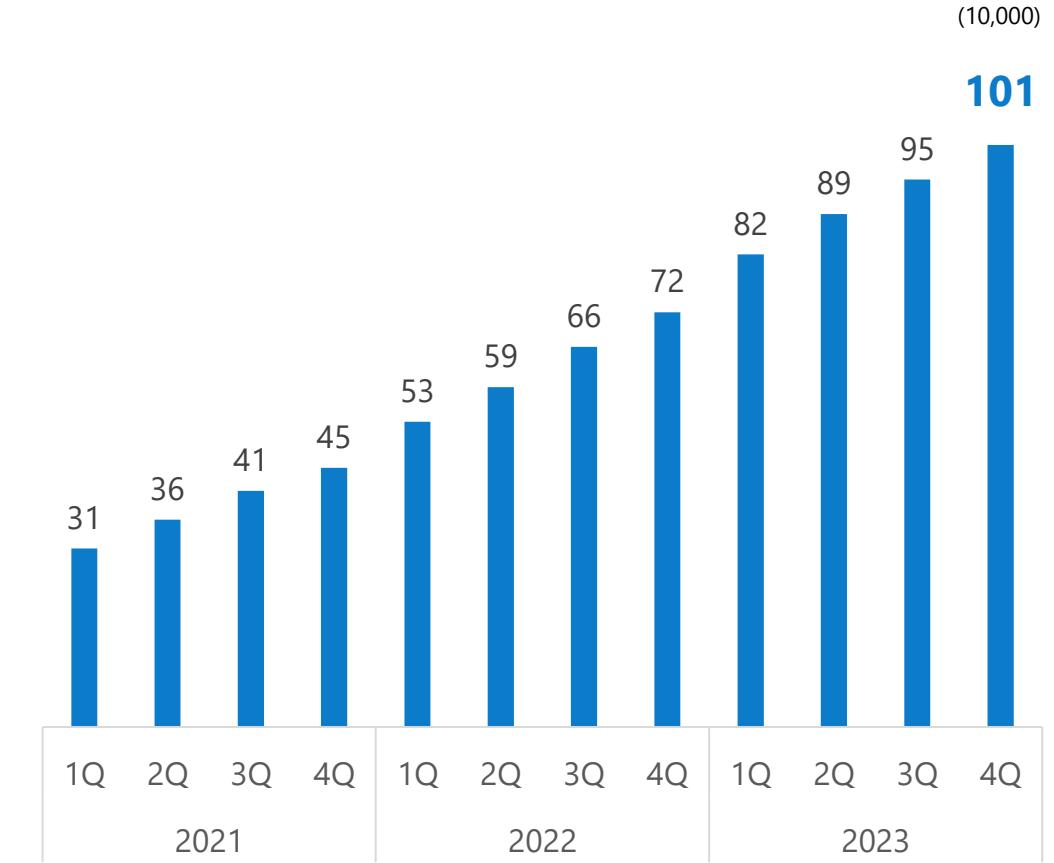
KPIs for OpenWork Recruiting

Solid increases in both number of contracted companies and cumulative number of registered web resumes, surpassing 2,800 and 1mn respectively by year-end.

Number of contracted companies



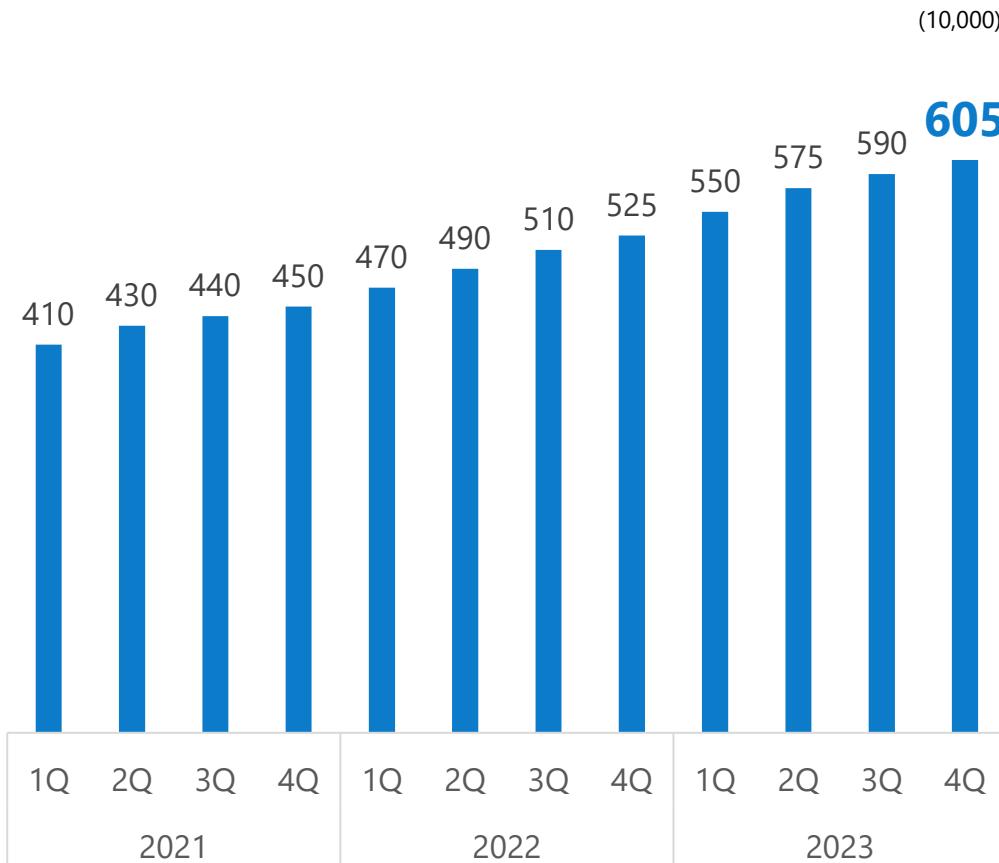
Cumulative number of registered web resumes



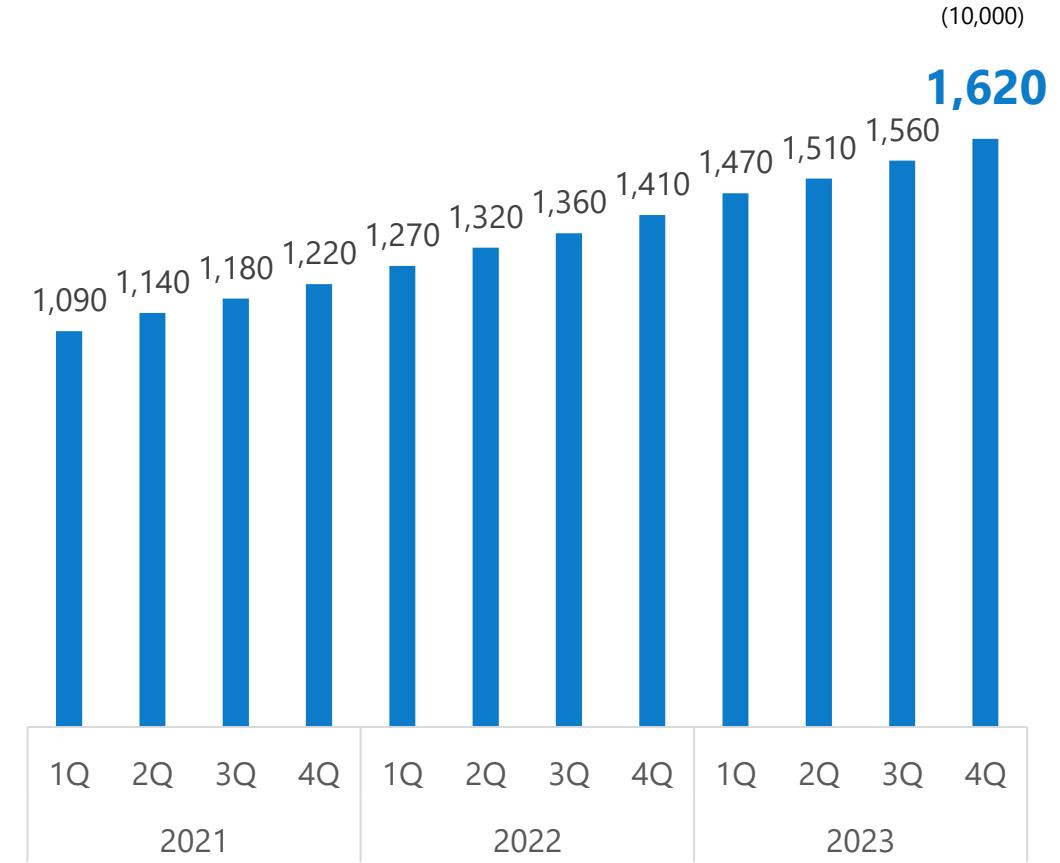
KPIs for OpenWork

Cumulative number of registered users surpasses 6mn, cumulative number of employee reviews and evaluation scores surpasses 16mn. Steady increase in platform value.

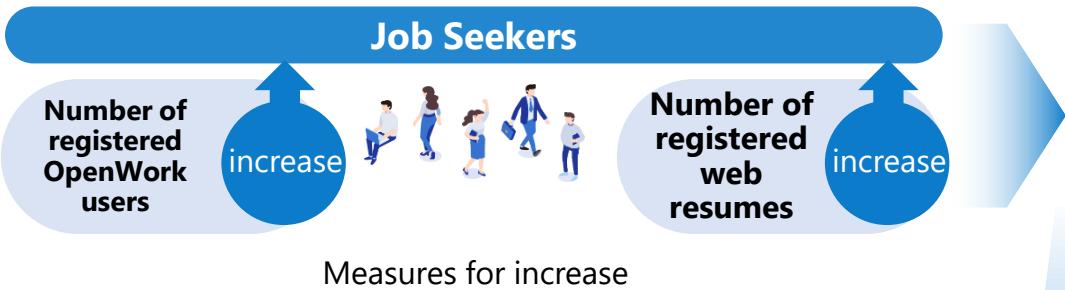
Cumulative number of registered users at OpenWork



Cumulative number of employee reviews and evaluation scores at OpenWork



Progress on Growth Strategies (Progress on Information Disclosed on March 30, 2023)



Increasing the number of registered users

- ✓ Maintain quality of company reviews and evaluation scores
- ✓ Increase the number of company reviews and evaluation scores
- ✓ Improve usability of the OpenWork application
- ✓ Raise awareness of OpenWork

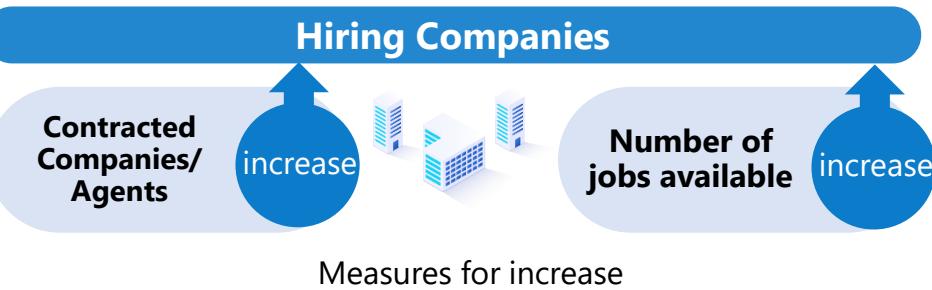
Increasing the number of registered web resumes

- ✓ Increase variety and attractiveness of opening jobs
- ✓ Develop functions useful for changing/getting new jobs
- ✓ Raise awareness of OpenWork Recruiting as a job change and employment site
- ✓ Enhance advertising investment for users with a strong interest in job changing

Accelerate matching between companies and job seekers

The number of registered OpenWork users rose by 15% and the number of web resumes by 40%* due to continuous functional expansion of OpenWork and promotional investment.

*YoY at end-December 2023.



Direct proposals to hiring companies

- ✓ Acquire new job openings from companies with high evaluation scores
- ✓ Prioritize acquisition of new job openings that have a high affinity with registered users
- ✓ Increase the number of companies able to successfully recruit by expanding company information

Job change with recruiting agents

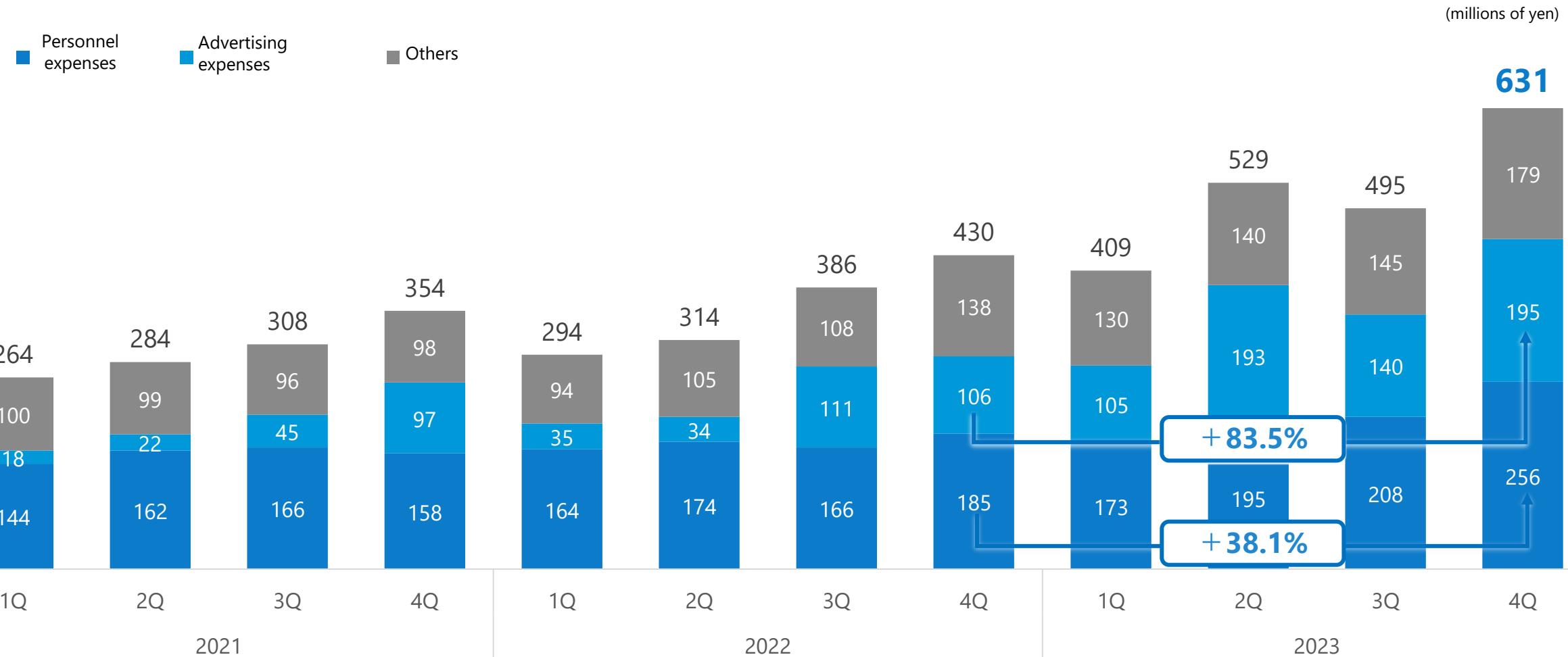
- ✓ Pursue contracts with new agents and identify quality agents based on user evaluations
- ✓ Attract new job opening by allowing only quality agents to post jobs on OpenWork
- ✓ Prioritize acquisition of quality agents that have many job openings in occupations where we have lots of registered users

Both the number of contracted companies and the number of job openings rose by 30%* due to continuous development of hiring companies and recruiting agents and recruiting performance.

*YoY at end-December 2023.

Change in Operating Expenses

Operating revenue surpassed initial forecast, allowing additional 4Q investment in marketing such as TV commercials. Pace of personnel expenses accelerating to strengthen hiring for even greater growth at OpenWork Recruiting.



Planned Use of Funds Raised by IPO (Progress on Information Disclosed on March 30, 2023)

Black: disclosure statement of March 30,2023 Blue: status as of end-FY2023

We plan to use the estimated total net proceeds of ¥1,751.278mn, the sum of the estimated net proceeds of ¥1,332.2mn and the maximum estimated proceeds of ¥419.078mn from the capital increase via third-party allotment, as (1) personnel and recruiting expenses for expansion of the Company's business, and (2) advertising expenses to increase awareness of our services and to grow earnings.

① Personnel and recruiting expenses for the expansion of business

We consider it important to scale up the "OpenWork" and "OpenWork Recruiting" services. We plan to allocate ¥785mn in FY2023 for recruiting and personnel expenses to strengthen organizational structure in business and engineering positions.

→ FY2023 personnel expenses were approximately ¥834mn, and the investment was made as planned.

② Advertising expenses to raise awareness of services and increase revenues

To improve recognition of OpenWork Recruiting as a job change and employment site and to increase its revenue, we plan to allocate ¥389mn in FY2023 for branding promotions such as mass advertising, and for advertising and publicity expenses for distribution of web advertisements aimed at attracting users who are highly motivated to change jobs..

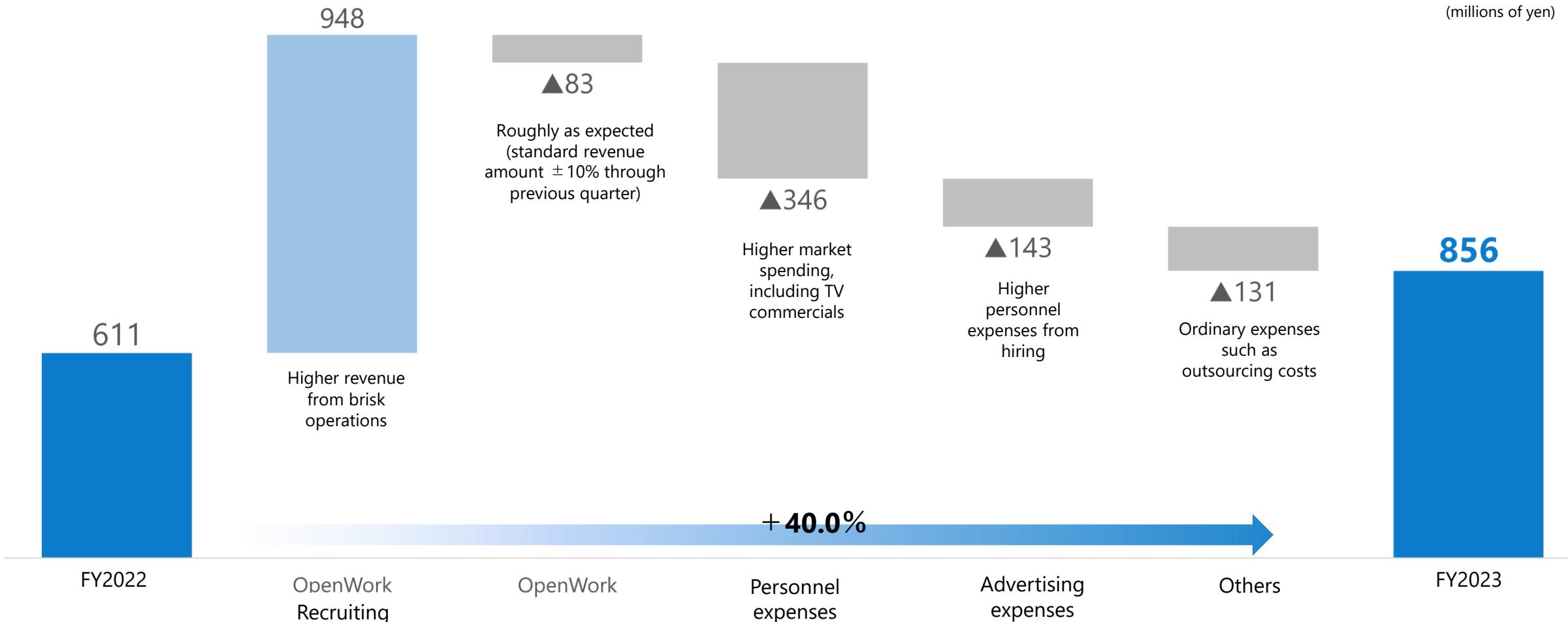
→ We recorded advertising expenses of approximately ¥635mn in FY2023. Due to business performance being expected to exceed the original forecast, investment in advertising expenses was higher than the above plan.

The remaining amount will be used as working capital to cover personnel and hiring expenses for business expansion in FY2024 and beyond. Until the specific time of appropriation, the Company's policy is to invest in highly secure financial instruments.

→ There is no change in the stated policy for the remaining amount.

Factors for Change in Operating Profit

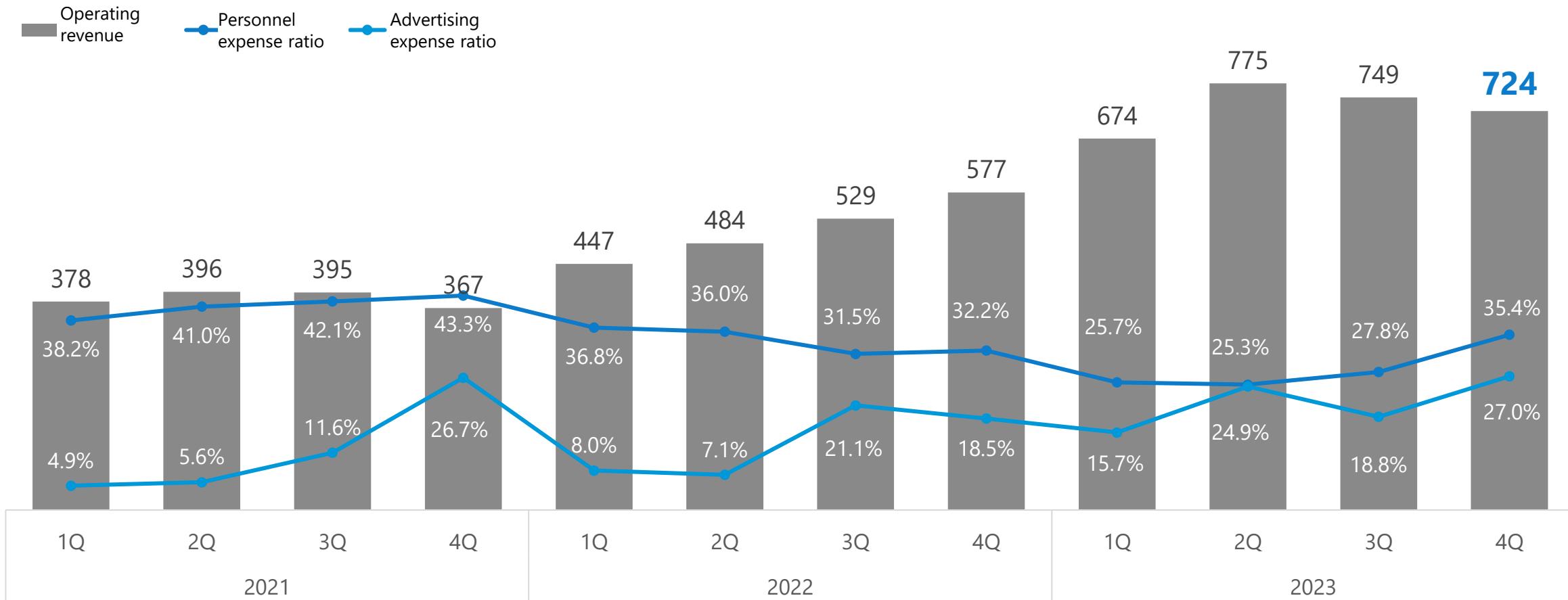
Brisk operating revenue at OpenWork Recruiting throughout the year offsets revenue fall at OpenWork, increased promotional spending, and stronger hiring, allowing booking of profit growth of 40% YoY.



Change in Operating Cost Ratios to Operating Revenue

4Q FY2023 personnel expense ratio raised to 1Q-2Q FY2022 level to strengthen capabilities from FY2024 onward. Advertising expense ratio raised to standard of more than 15% on start of TV commercials to add to existing online marketing.

(millions of yen)



(Reference) Main TV Commercials Aired in FY2023

Aired different types of commercials in FY2023, including animations and infomercials.

Resulted in increase in name recognition and diversification in routes for obtaining web resumes, which were previously almost all from search engine optimization.

Main commercials aired in FY2023



「Job change lecture」 version

Aired: June-July

Area: Tokyo metropolitan area, Kansai



Infomercial paired with TV drama "The Expert of Changing Jobs"

Aired: July-September

Area: Tokyo metropolitan area, Kansai



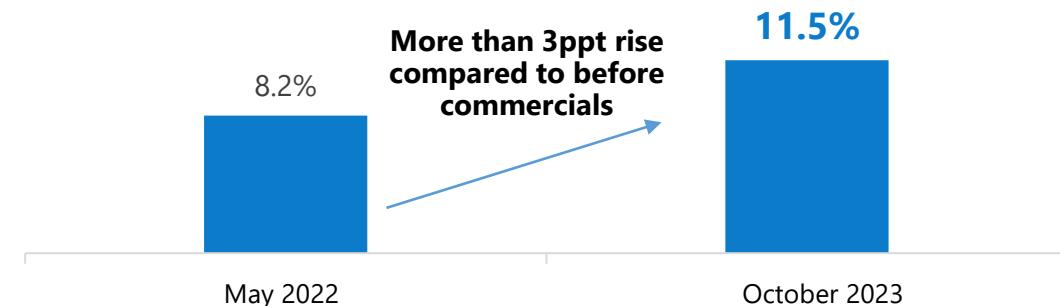
「That's it! I've decided」 version

Aired: December

(year-end special TV program slots)

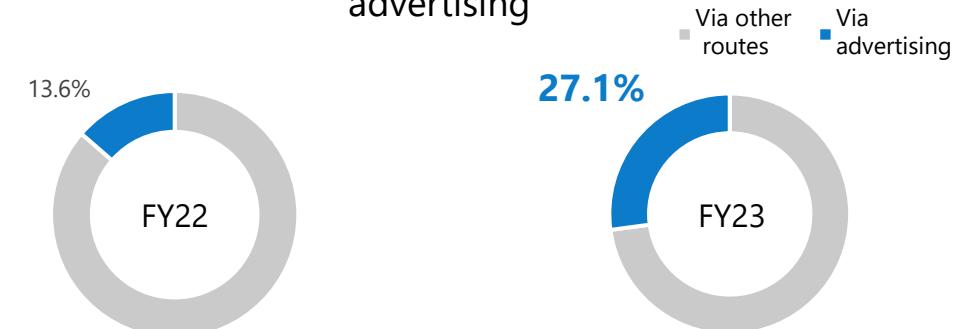
Area: Tokyo metropolitan area, Kansai

OpenWork name recognition rate



Survey conditions: Conducted by Dentsu Macromill Insight Inc, on around 20,000 working people in the Kanto and Kansai urban areas. Name recognition rate: the proportion of people who said they had heard of OpenWork's job change services.

Proportion of new web resume registrations via advertising



Resume acquisitions via advertising almost doubled, enabling progress on web resume acquisitions that is not solely dependent on search engine optimization

* Resumes of working adult users only

Balance Sheet

Equity ratio around 90% and financial position solid. Abundant cash-on-hand of around ¥6bn.

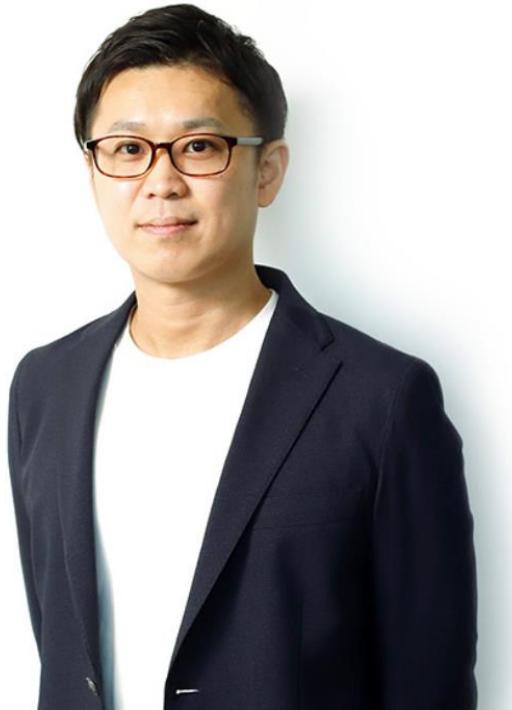
Assets			Liabilities and net assets		
(millions of yen)	End-FY2022	End-FY2023	(millions of yen)	End-FY2022	End-FY2023
Current assets	5,015	6,231	Current liabilities	461	665
Cash and deposits	4,797	5,954	Accounts payable	95	227
Accounts receivables ^{*1}	202	253	Income taxes payable	181	167
Others	15	24	Contract liabilities	51	102
Fixed assets	114	157	Provision for bonuses ^{*2}	54	70
Tangible fixed assets	12	22	Others	79	97
Investments and other assets	102	135	Total liabilities	461	665
Total assets	5,129	6,389	Total net assets	4,667	5,724
Total liabilities and net assets					
5,129					

*1 Advance payment of expenses + others

*2 Expenses payable + provision for directors' bonuses + others

Message from the CEO

We would like to accelerate transformation in the Japanese labor market through OpenWork.



Haruki Ohsawa

Chief Executive Officer

I feel that Japan's biggest social issue is a job market that is not evolving.

There have been reports that individual labor productivity and engagement are low even in comparison with other countries. One cause of this is the mutually binding relationships between companies and individuals as symbolized by seniority based systems, mass recruitment of new graduates, and lifelong employment.

Through the ever-evolving power of technology, we hope to create a highly transparent job market that enables individuals to set themselves challenges with peace of mind.

We want to contribute to solving this problem which is unique to Japan.

OpenWork will accelerate transformation in the Japanese jobs market.

Haruki Ohsawa joined Link and Motivation, Inc. after graduating from The University of Tokyo Graduate School.

After serving as manager of the organizational HR consulting business for small- and medium-sized venture companies, he was appointed as General Manager of the Planning Department. He was responsible for new business establishment, business management, and human resources. He assumed the position of Director and Vice President of OpenWork Inc. in November 2019 and the position of Representative Director and President in April 2020.

Authored work : Excellent companies based on 13 million company reviews, Toyo Keizai Inc.

「働く」のすべてを、オープンに。



The information in this document includes forward-looking statements. These forward-looking statements are based on information available to the Company at the time of publication and certain assumptions judged to be reasonable, and involve risk and uncertainty. The Company does not guarantee the realization of these statements or future performance, and actual results may differ materially from forward-looking statements.

The factors affecting the aforementioned actual performance include general industry and market conditions, as well as general conditions in the domestic and international economies, such as interest rate and foreign exchange fluctuations.

As stated above, the forward-looking statements in this document are current as of when the document was prepared, and the Company has no obligation or policy to update the content to the latest information at any time.

