

Financial Results for the Second Quarter Fiscal Year Ended December 31, 2024



Openwork inc.

2024.8.9

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01

Company Profile



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	1,649 million yen (as of June 30, 2024)
Parent company	Link and Motivation Inc.
Representative	Haruki Ohsawa Chief Executive Officer
Number of employees	118 (as of June 30, 2024)

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

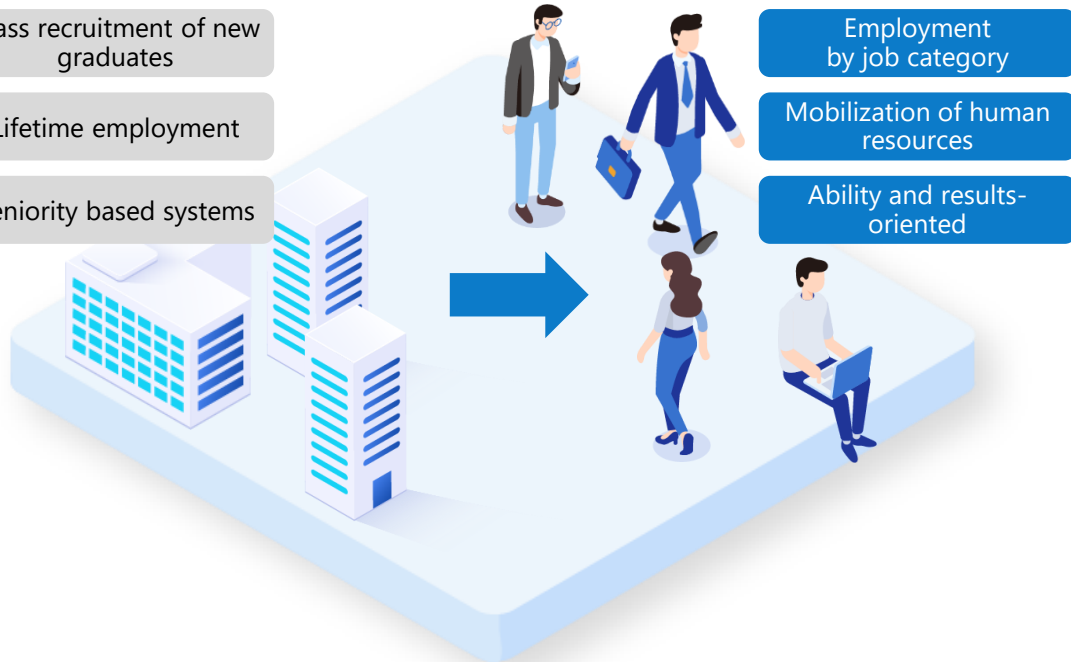
Situation

As society changes, the leading role of working is changing from company to individual.

Mass recruitment of new graduates

Lifetime employment

Seniority based systems



Issue

There is an inadequate framework for individual decision-making about work.

Advertising portrays images that are out of touch with the reality.

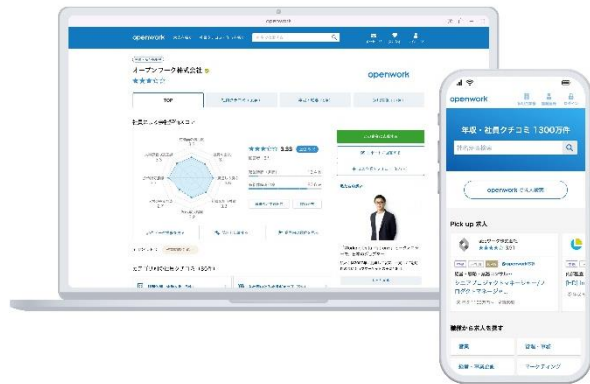
The actual conditions after joining the company are hidden from view.



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

OpenWork and OpenWork Recruiting

openwork



One of the largest
company review services in Japan



Number of Users
6.58 million

Number of
Registered
Web Resumes
1.19mil

Job Seeker
Information

Company
Information

Job Openings
70,000

openwork Recruiting



Recruitment service
that allows you to meet a diverse
range of talented people



Number of Contracted
Companies
3,300

*As of June 30, 2024

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

代表取締役、在籍10~15年、現職(回答時)、中途入社、男性、オープンワーク

良いサービス、良いプロダクトを作ろうとする想いが共有され、一人一人が責任感を持ち、主体的に仕事に取り組んでいる。

まだ正社員で30名程度の規模のため、ほとんど階層がなくフラット、自分のやり方で仕事が任せられる環境。逆に言うと、きっちり仕事が管理され、フィードバックが綿密に行われるようなことあまりない。現状は、全員が中途入社で、大手人材会社、コンサル、ネット大手、Sierなどからメンバーが集まり、それぞれが特性を持ち合いながら仕事を進めている。

ジョブマーケットで新しい価値を生み出そうとしているベンチャー企業としては、マイペースで温厚なメンバーも多く、じっくり落ち着いて働ける社風。今後はもっとアグレッシブなメンバーが入るとを期待。

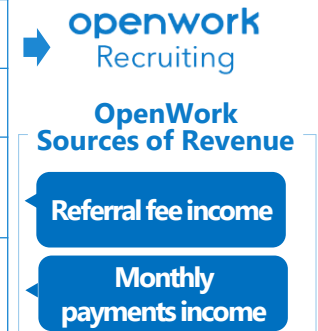
Monthly Overtime Hours / Percentage of Paid Vacation Taken



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	¥1,800/month (excluding tax) ※From July 1, 2024



Total Company Reviews and Evaluation Scores:

17.3 million

Total Registered Users:

6.58 million

*As of June 30, 2024

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.

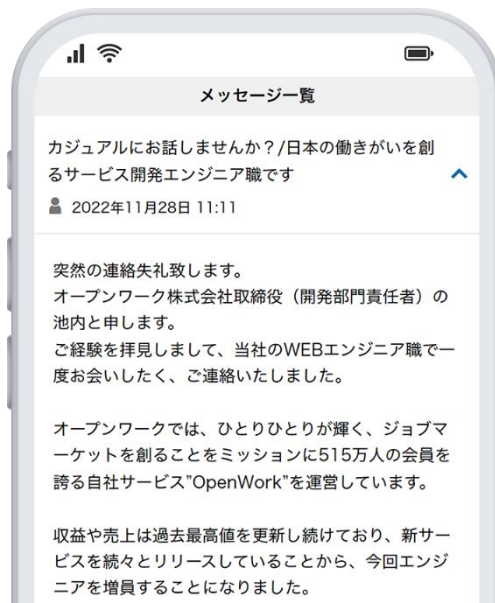
Job Listings

List jobs on your company's page

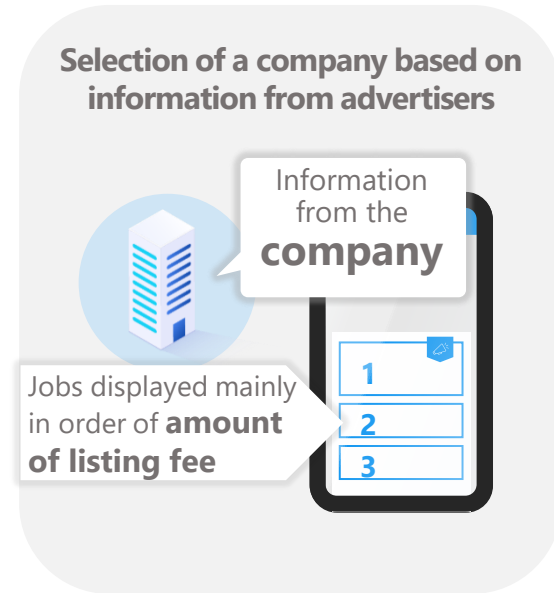


Send Scout Mails

Directly approach users



Conventional Model



openwork Recruiting



Service Usage Costs

Initial fee/basic usage fee	Free
Recruitment performance-based fee*	¥800,000/person (excluding tax)

*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.

Job Openings

70,000

Registered Web Resumes

1.19mil

Number of Contracted Companies

3,300

*As of June 30, 2024

「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 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

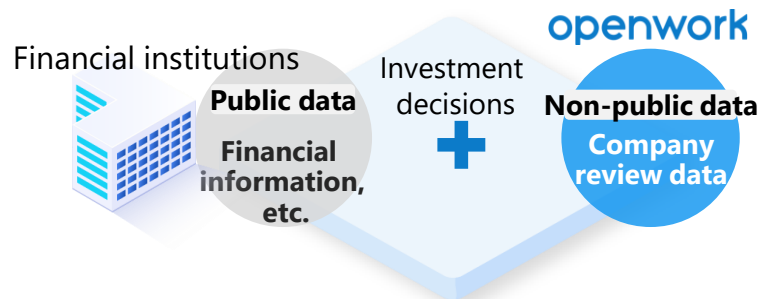
All companies

*Currently provided to major overseas hedge funds and domestic asset management companies

Service image

Employee evaluations are analyzed and used in ESG investing

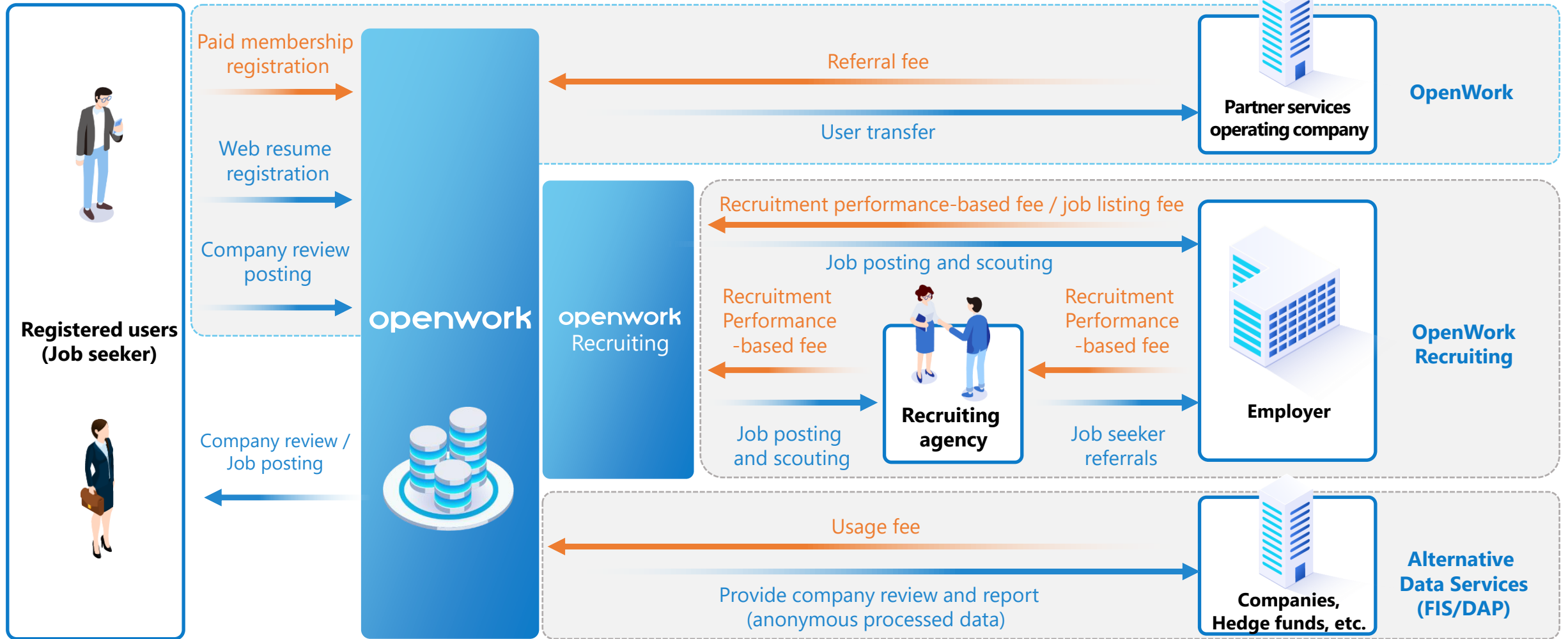
Supply of reports that visualize organizational problems for use in human capital disclosure, improving HR systems, etc.



*New data where use cases had so far not developed

Business Structure

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



- ➡ Service/action
- ➡ Monetary reward

02

Summary of the Financial Results for the Second Quarter Fiscal Year Ended December 31, 2024



Executive Summary

- ✓ Cumulative operating revenue totaled 1,688 million yen(+16.6% YoY), and Operating profit totaled 4.69 million yen(-7.9% YoY) . On a non-consolidated basis, 2Q operating revenue(910 million yen) and operating profit(399 million yen) both reached record highs. Compared 1Q(operating profit : 0.69 million yen, intensively invested to advertising), operating profit increased significantly.
- ✓ The full-year operating profit forecast(1,000 million yen) was not changed expecting increase in personnel expenses by hiring and advertising investment for next fiscal year.
- ✓ The new graduate recruitment market and the mid-career recruitment market both remains strong. The number of company review increased to 17.3 million(+14.4% YoY), and the number of web resumes increased to 1.19 million(+33.5% YoY). Due to TV commercials, The number of web resumes for working professional steadily increased.

Financial Results Summary

FYE Dec. 31, 2024
2Q results

Operating revenue

¥ **1,688**_{mn}

(+ 16.6% YoY, Full-year forecast achievement rate 49.7%)

Operating profit

¥ **469**_{mn}

(-7.9% YoY, Full-year forecast achievement rate 46.9%)

Operating revenue

¥ **520**_{mn}

(-4.3% YoY)

KPIs

User numbers

6.58_{mn}

(+ 14.5% YoY)

Review numbers

17.3_{mn}

(+ 14.4% YoY)

Details

Each KPIs increased steadily. Revenue decline was in line with expectations as adjusted for referrals to OpenWork Recruiting.

OpenWork
Recruiting

¥ **1,140**_{mn}

(+ 28.5% YoY)

Number of registered web resumes

1.19_{mn}

(+ 33.5% YoY)

Number of job listings

70,000

(+ 23.7% YoY)

The number of registered web resumes continued strong rise of more than 30%. The number of web resumes for working professional increased at the same level as 1Q, when usually the number of registration are highest in the year.

Highlights

Operating revenue up a steady 16.6% YoY. Revenue fall at OpenWork due to strategic factors and expected. Due to decrease of advertising expenses from 1Q, operating profits increased significantly and full-year operating profit forecast of whole company is on track.

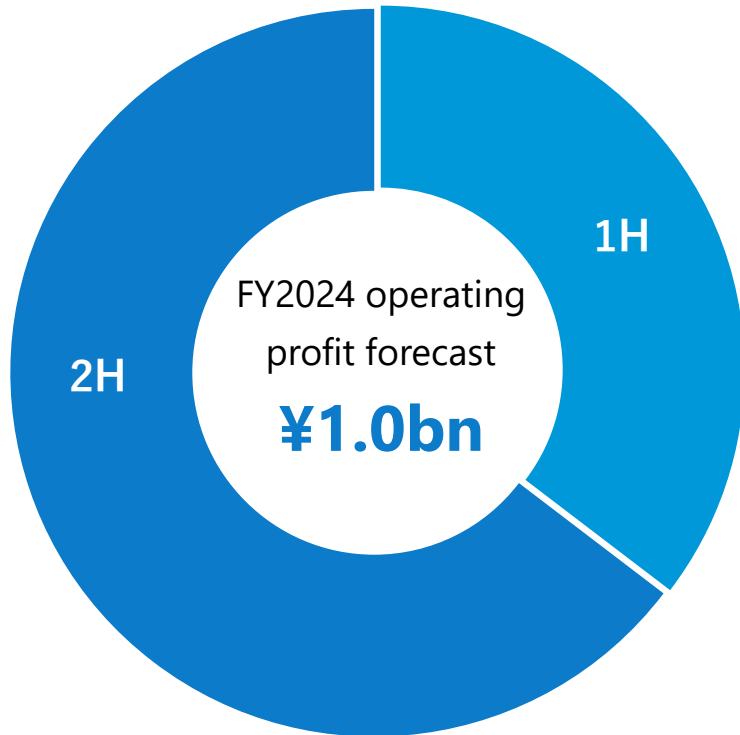
(millions of yen)

	2Q FY2023	2Q FY2024	YoY
Operating revenue	1,448	1,688	+16.6%
OpenWork	543	520	▲4.3%
OpenWork Recruiting	887	1,140	+28.5%
Others	17	28	+58.4%
Operating expenses	939	1,219	+29.8%
Operating profit	509	469	▲7.9%
Operating profit margin	35.2%	27.8%	▲7.4pt
Ordinary profit	507	470	▲7.4%
Net profit	348	321	▲7.8%

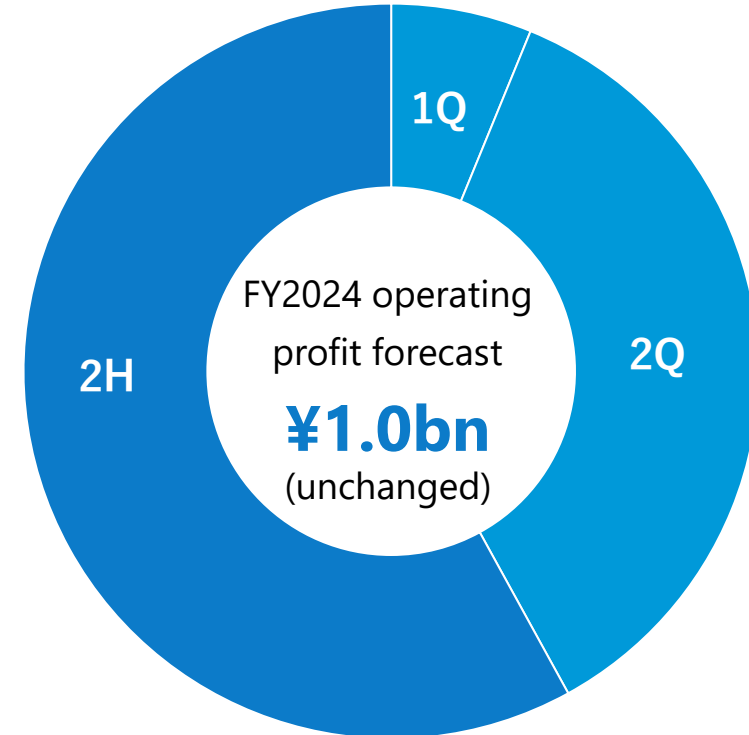
Progress of Operating Profit and Forecast

Result of the first half slightly exceeded forecast. There is no change in full-year forecast.

HoH split in FY2024 operating profit forecast
(disclosed February 13, 2024)

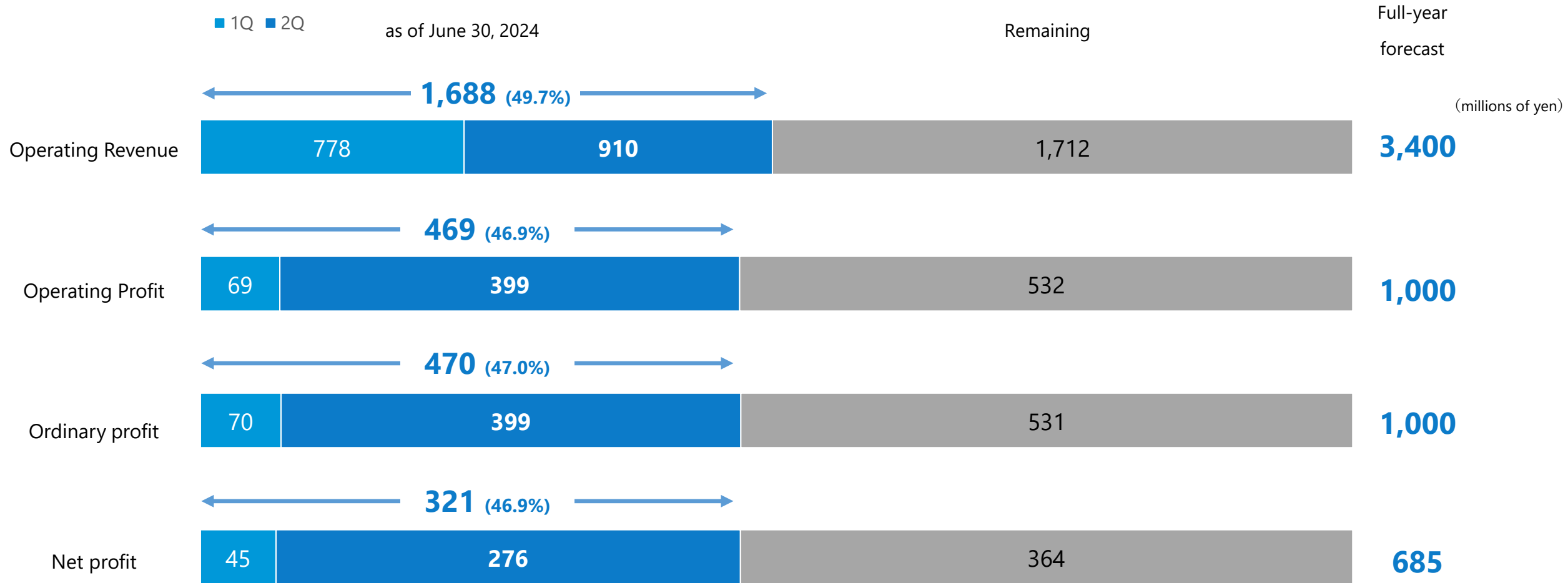


Result and Forecast as of June 30, 2024



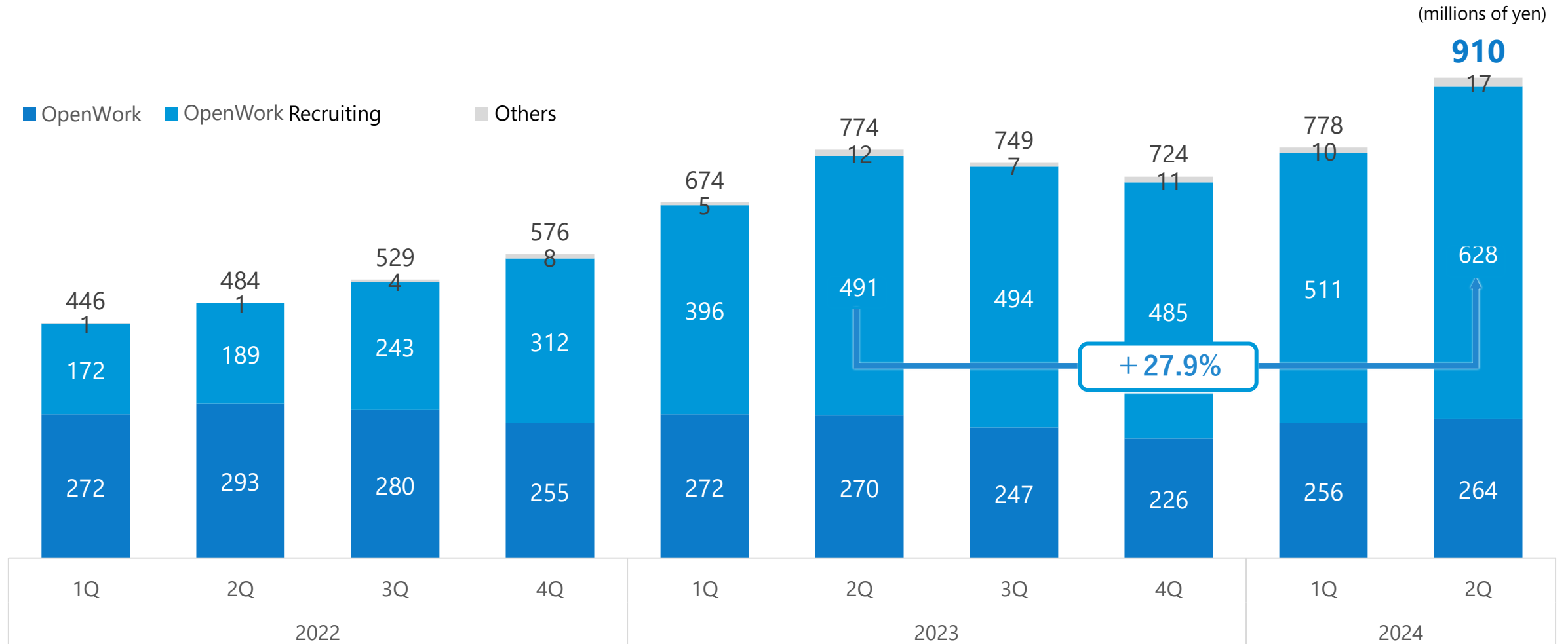
Slightly exceeded forecast due to postponement of some expenses. These expenses will be used as planned during the fiscal year, there is no change in the profit forecast.

(Reference) Progress of Operating Revenue and Profit against Full-year Forecasts



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

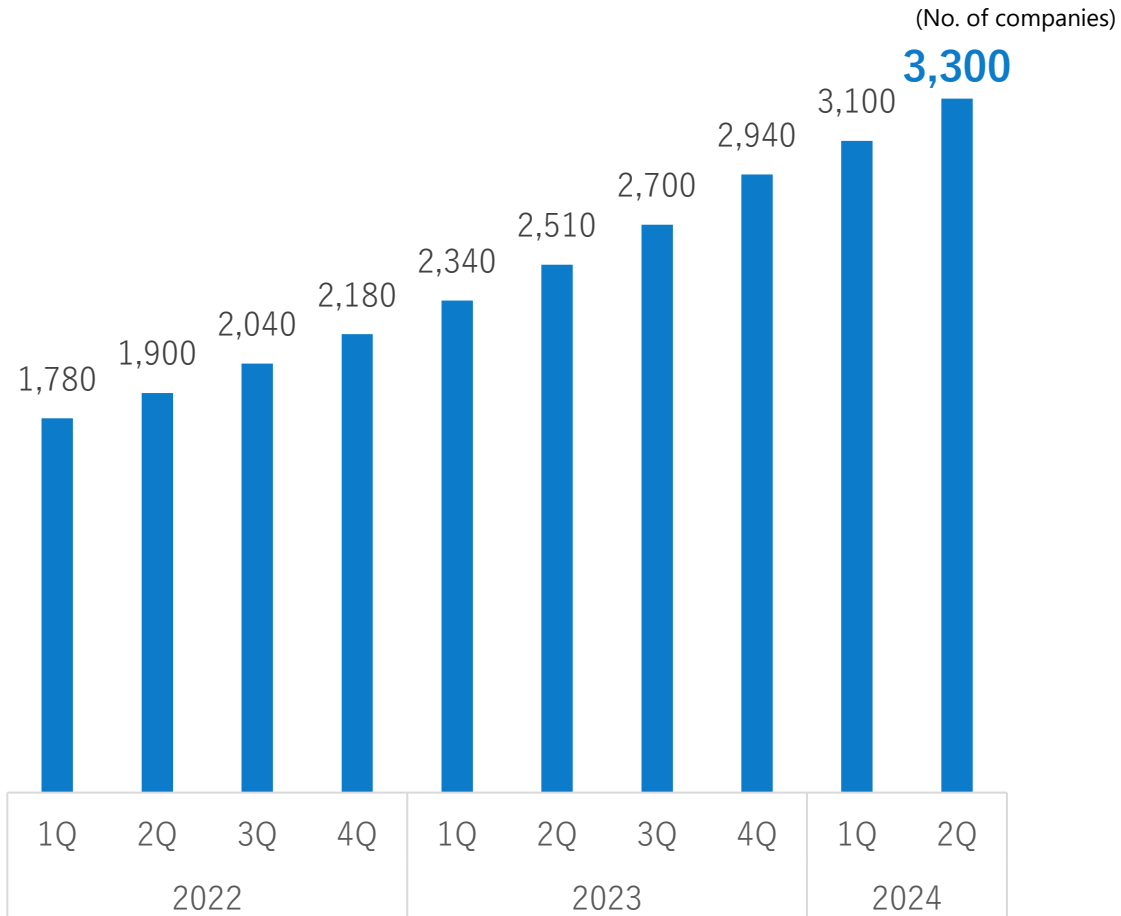
Although growth at OpenWork Recruiting moderated, Revenue of OpenWork Recruiting reached record high and continue steady growth.



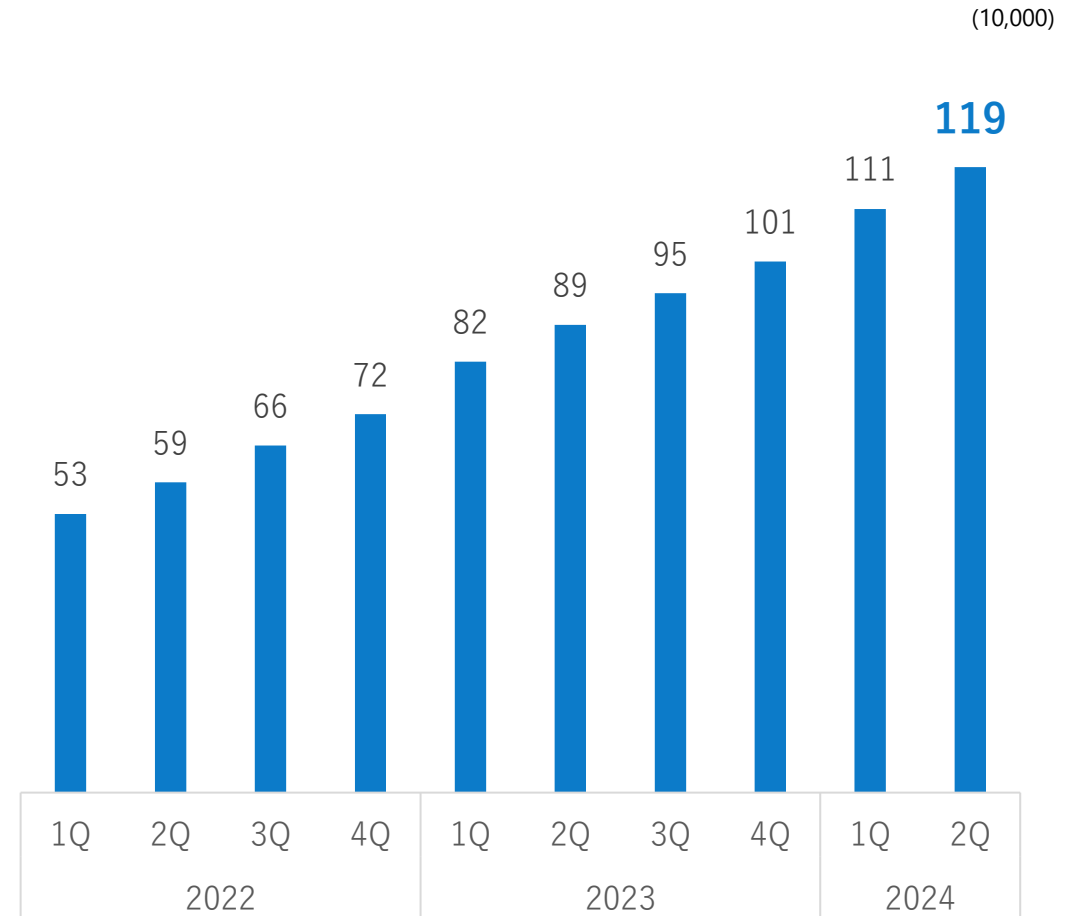
KPIs for OpenWork Recruiting

Solid increases in both number of contracted companies and cumulative number of registered web resumes, surpassing 3,300 and 1.19mn respectively by end of 2Q.

Number of contracted companies



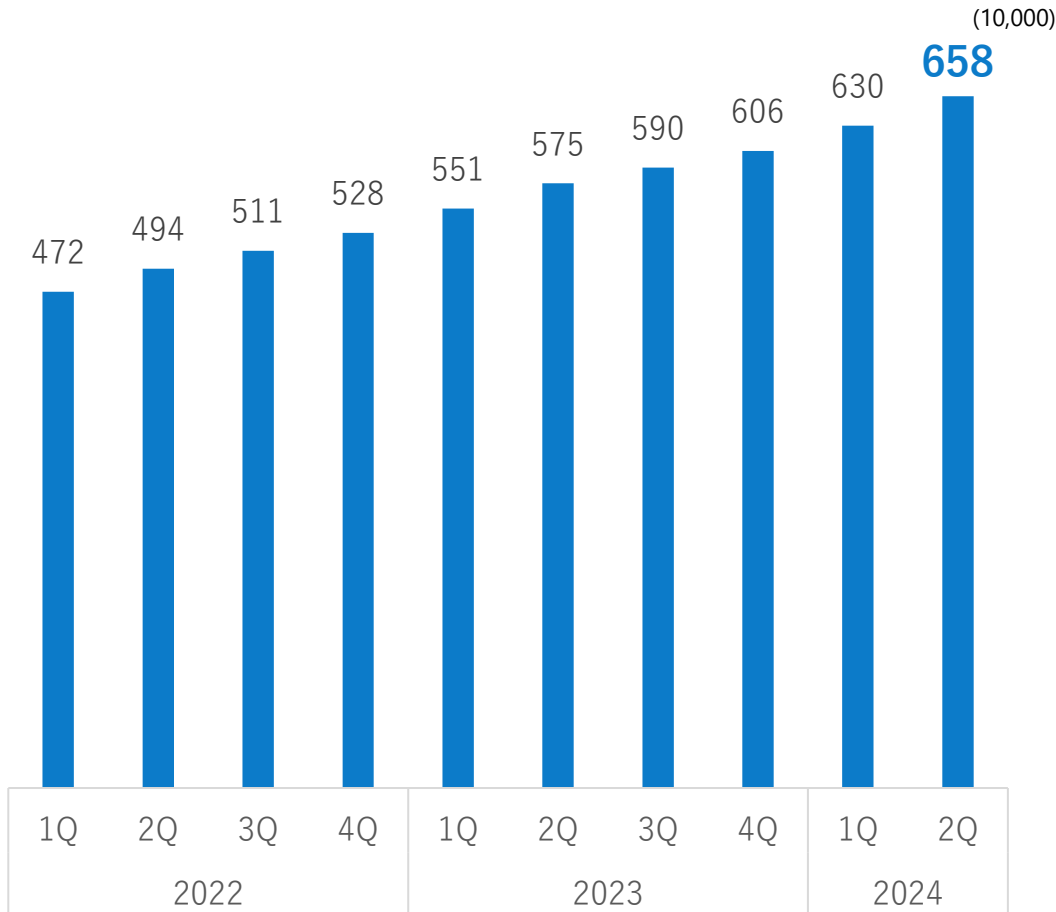
Cumulative number of registered web resumes



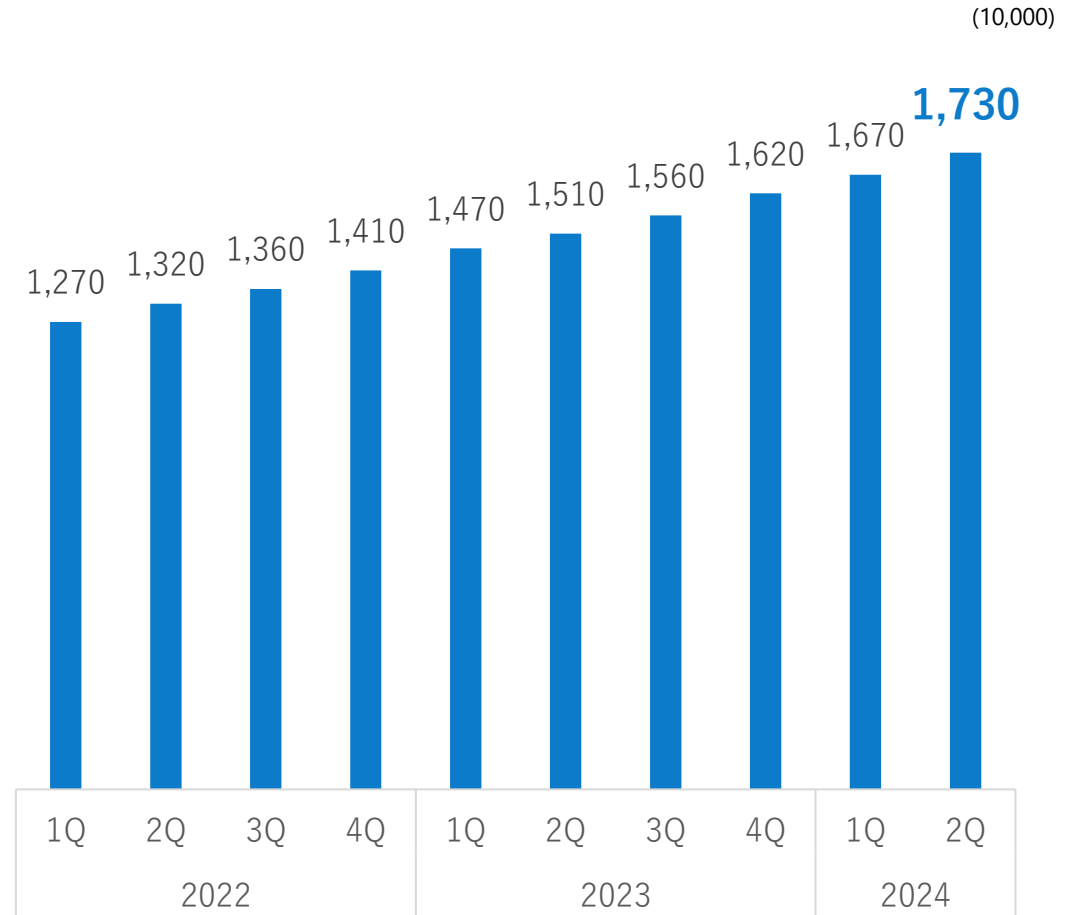
KPIs for OpenWork

Cumulative number of registered users surpasses 6.58mn, cumulative number of employee reviews and evaluation scores surpasses 17.3mn. Steady increase in platform value.

Cumulative number of registered users at OpenWork

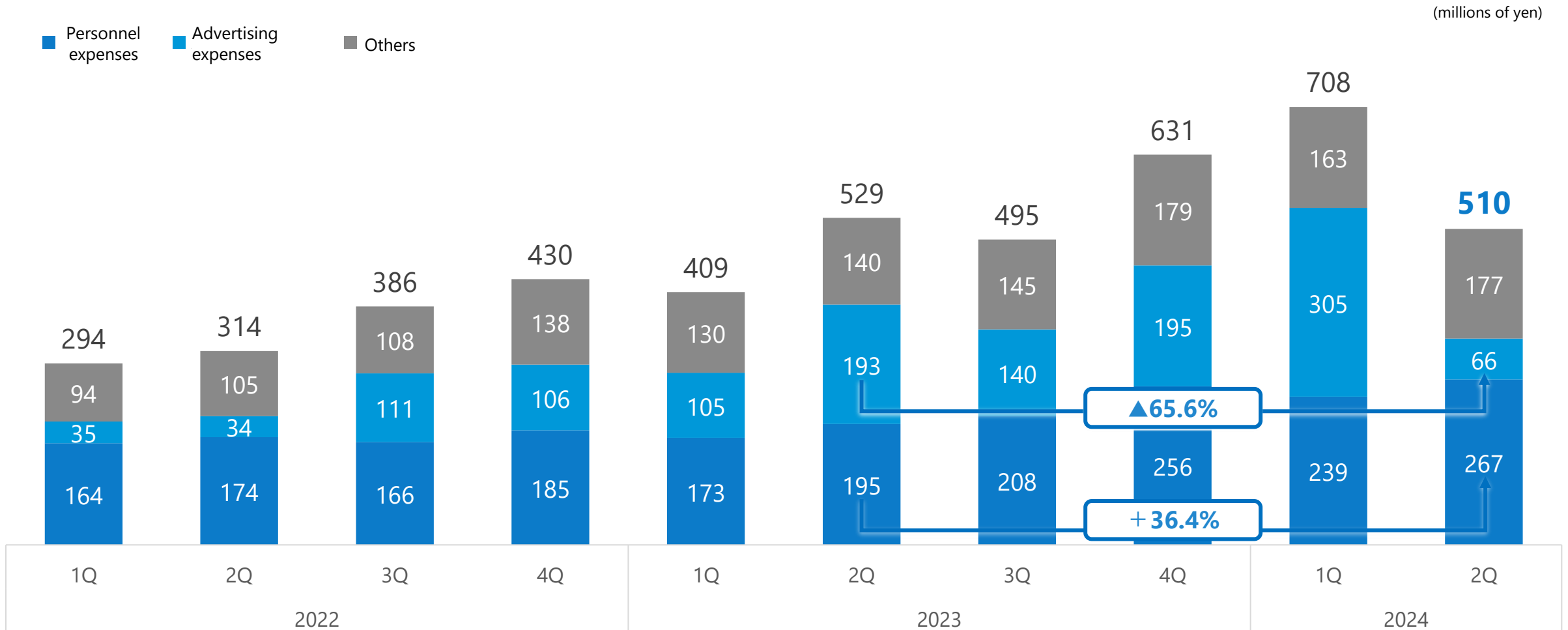


Cumulative number of employee reviews and evaluation scores at OpenWork



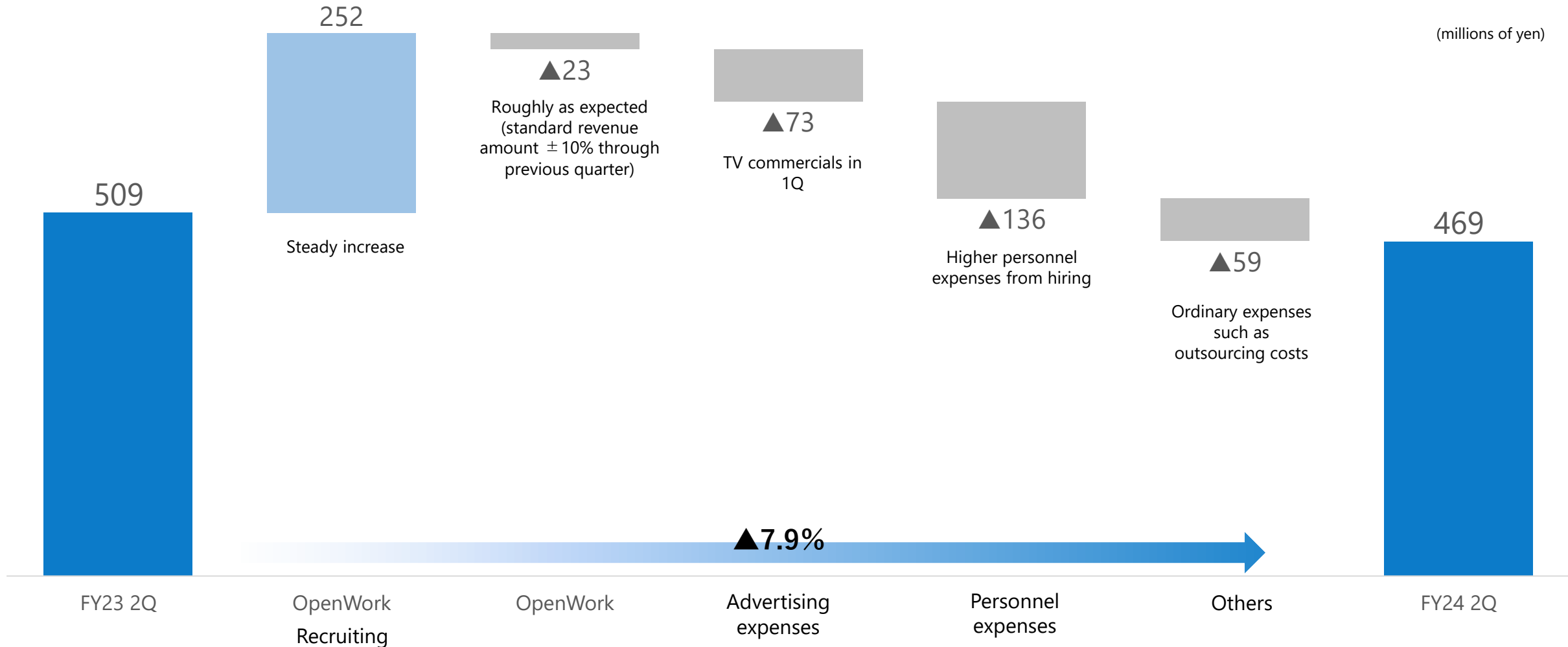
Change in Operating Expenses

Advertising expenses in 2Q were mainly for web marketing. And significantly decreased from previous 2Q and the current 1Q, when large investments were made in TV Commercials. Personnel expenses increased due to continued active hiring in sales and product teams from previous fiscal year.



Factors for Change in Operating Profit

The impact of advertising investment on operating profit was reduced, and the rate of YoY decline in operating profit also narrowed significantly (-73.5% in 1Q→7.9% in 2Q). The pace of increase in other expenses was normal.

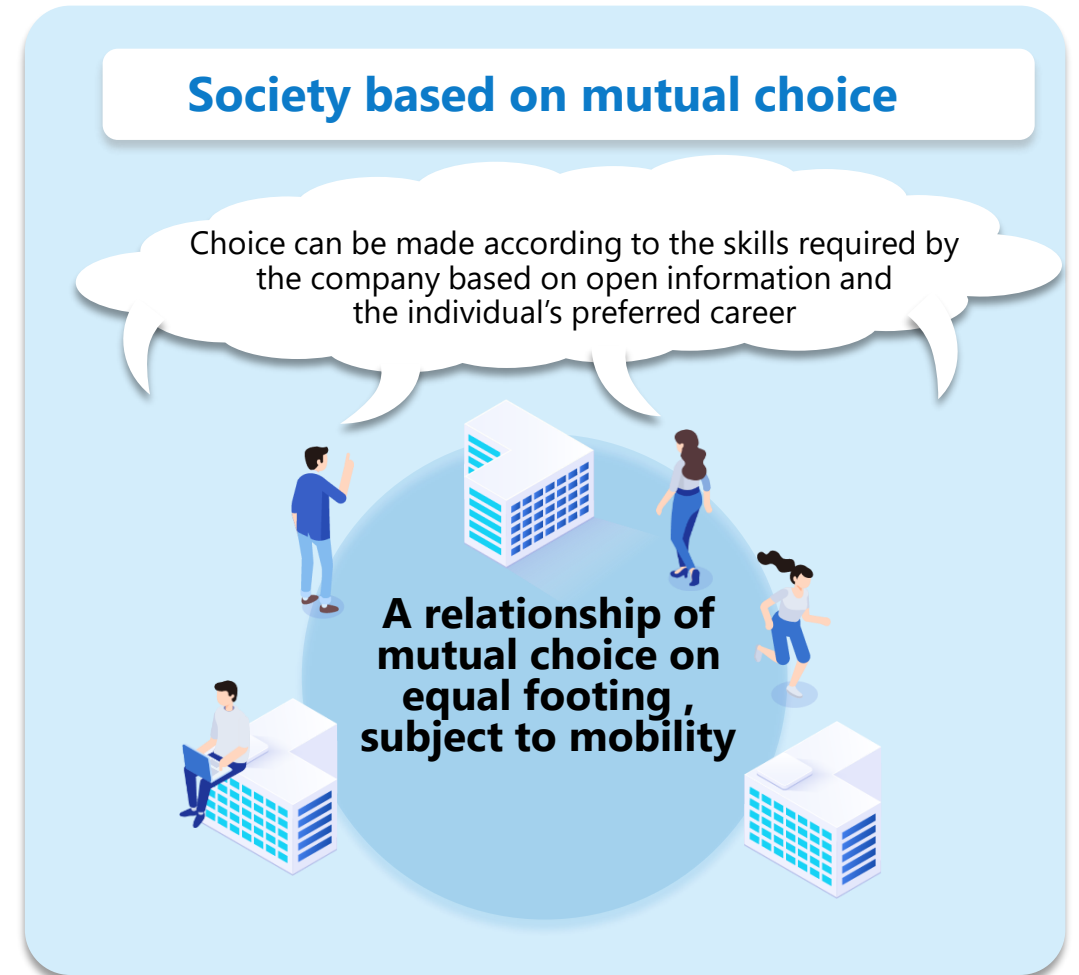
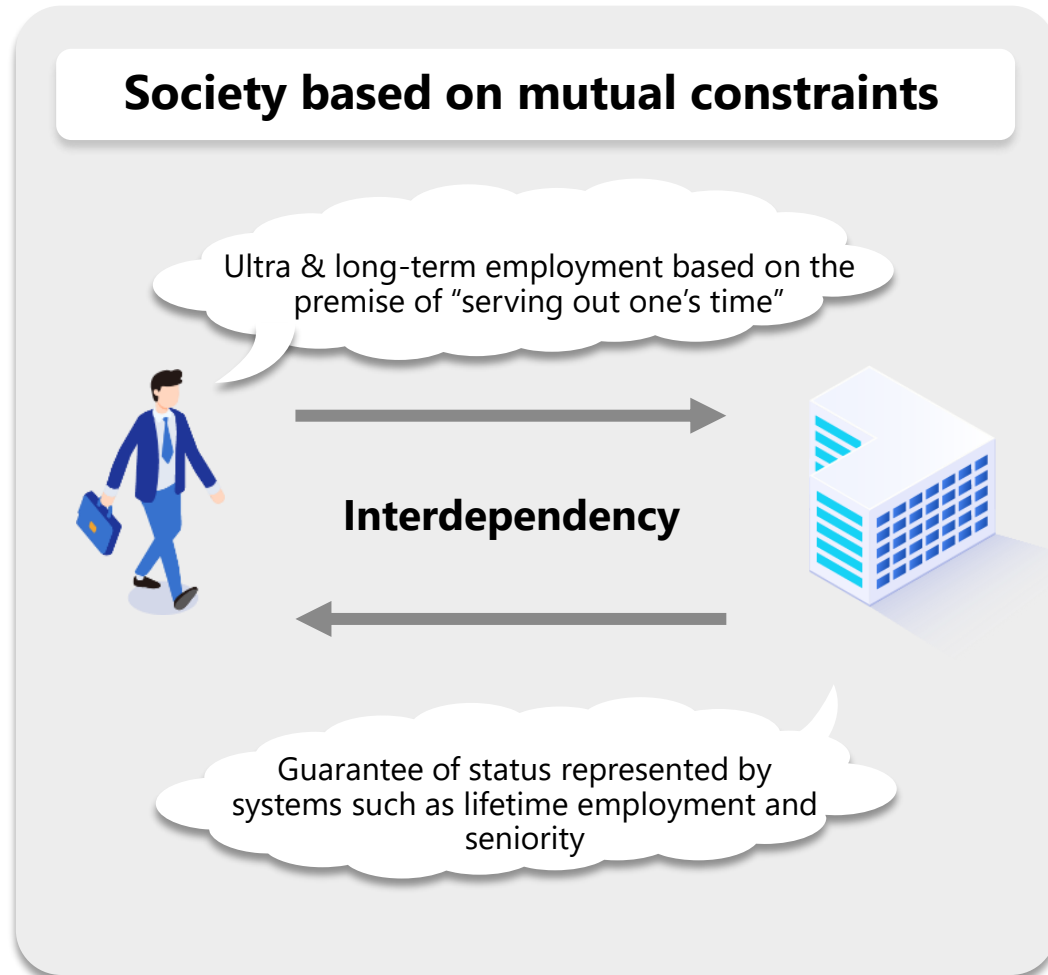


Appendix



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.



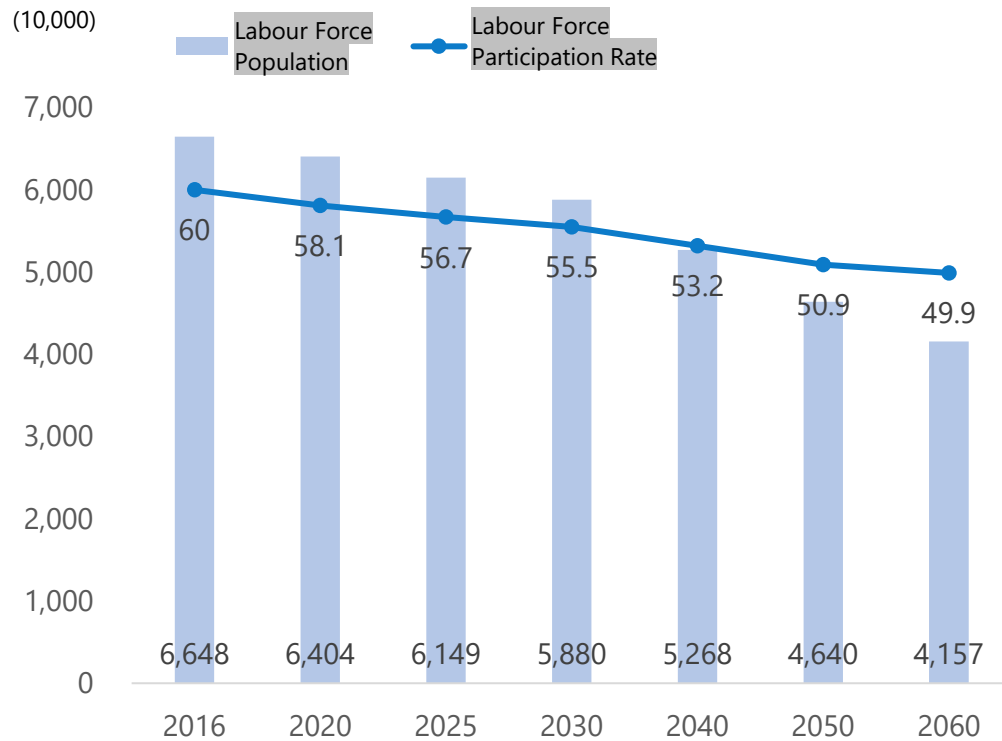
(Reference) Macro Environment Promotes a Society Based on Mutual Choice

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.

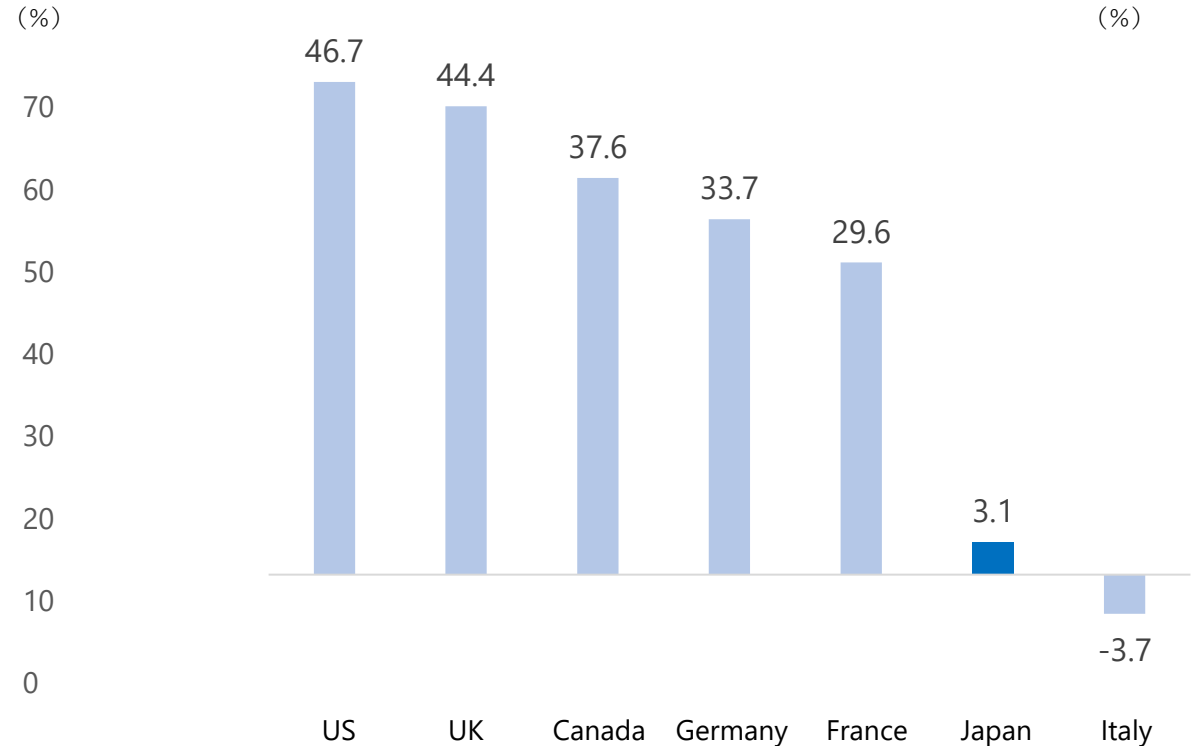
Declining labor force

Sluggish wage growth

Domestic labor force



Wage growth rates in G7 countries 1991~ 2020

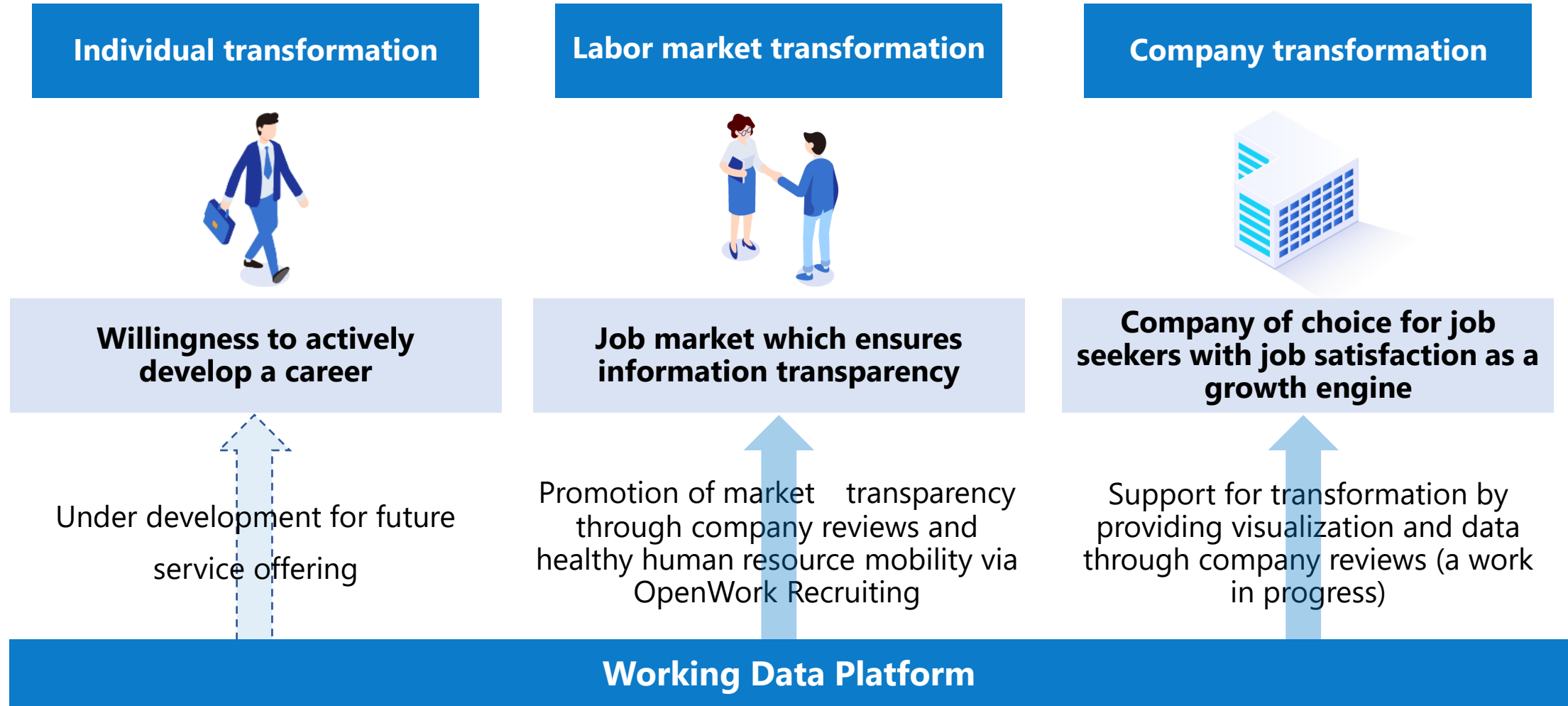


Source : Compiled by the Company based on the Ministry of Internal Affairs and Communications' "Labor Force Survey Annual Report" (2016) and the National Institute of Population and Social Security Research's "Population Projections for Japan" (2017).

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



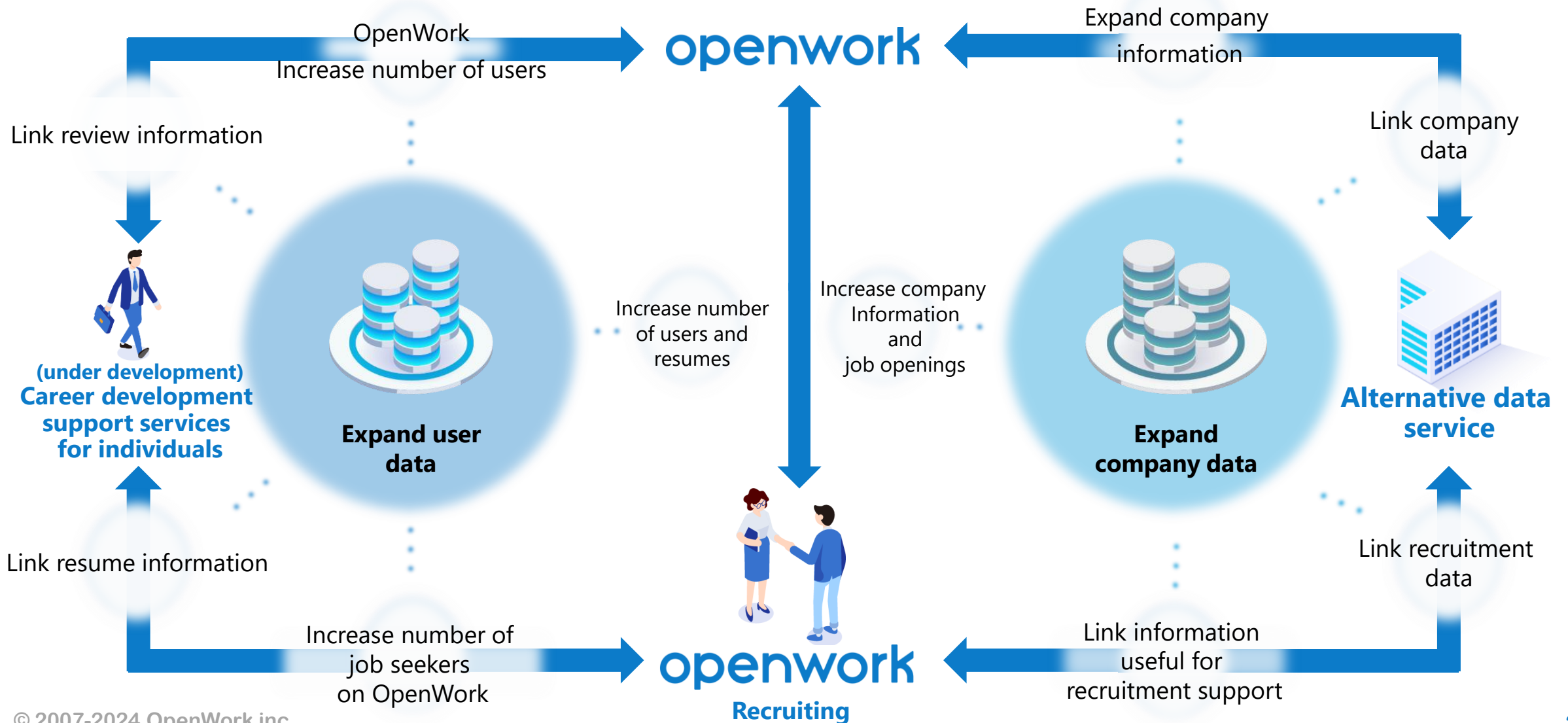
Promotion of company self-transformation by providing working data

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

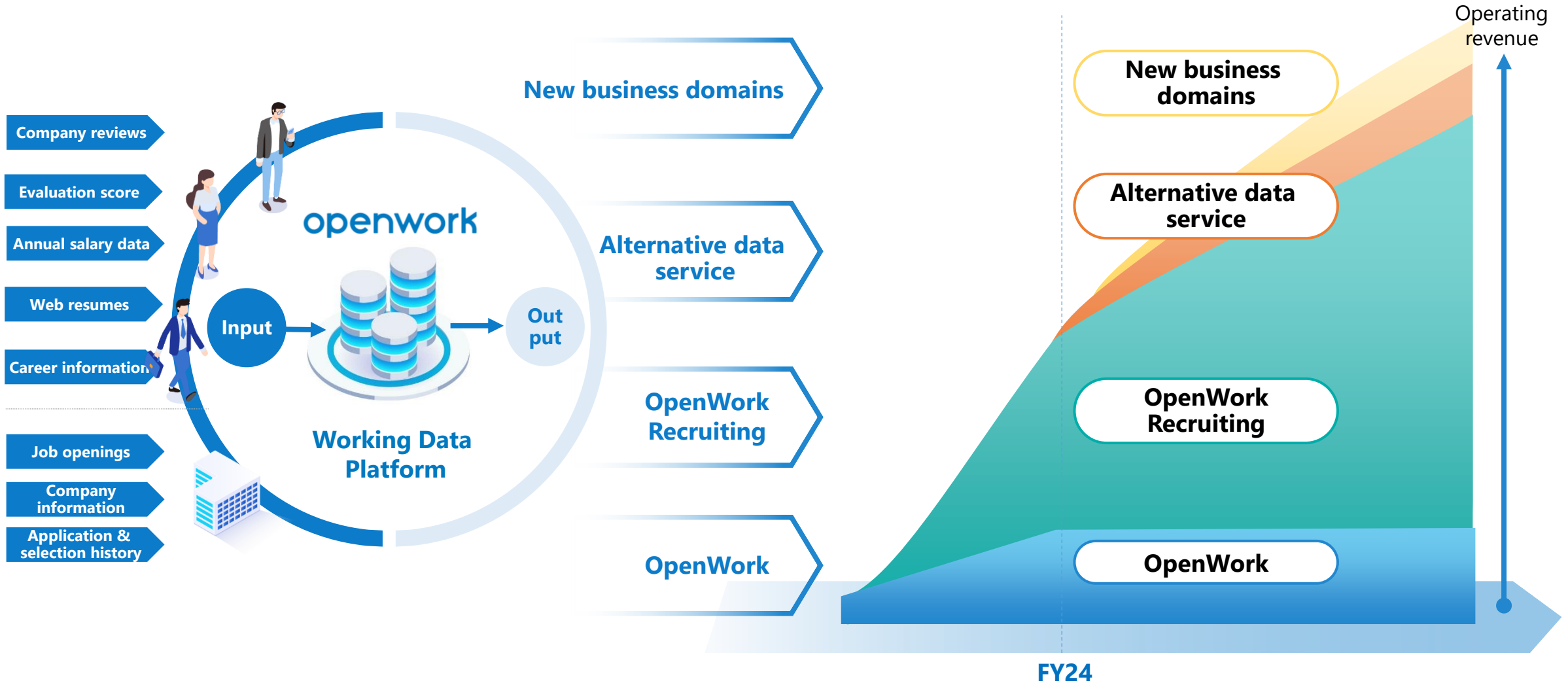
(Reference) Collaboration among the four domains

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.



Balance Sheet

Equity ratio around 90% and financial position solid. Continued abundance of cash-on-hand.

Assets

(millions of yen)	End-FY2023	FY2024 2Q
Current assets	6,231	6,423
Cash and deposits	5,954	5,956
Accounts receivables *1	253	383
Others	24	82
Fixed assets	157	191
Tangible fixed assets	22	30
Investments and other assets	135	161
Total assets	6,389	6,615

*1 Advance payment of expenses + others

Liabilities and net assets

(millions of yen)	End-FY2023	FY2024 2Q
Current liabilities	665	496
Accounts payable	227	94
Income taxes payable	167	160
Contract liabilities	102	126
Provision for bonuses *2	70	38
Others	97	76
Total liabilities	665	496
Total net assets	5,724	6,118
Total liabilities and net assets	6,389	6,615

*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 a forementioned 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.

