

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



Openwork inc.

2024.11.13

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Quarter Fiscal Year Ended December 31, 2024
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# 01 Company Profile



# Company Profile

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<b>Company name</b>	OpenWork Inc.
<b>Location</b>	39F, Shibuya Scramble Square, 2-24-12 Shibuya, Shibuya-ku, Tokyo 150-6139 Japan
<b>Business</b>	Working data platform business, including development and operation of "OpenWork," company review platform for changing jobs and finding employment
<b>Establishment</b>	June 2007
<b>Capital stock</b>	1,649 million yen (as of September 30, 2024)
<b>Parent company</b>	Link and Motivation Inc.
<b>Representative</b>	Haruki Ohsawa Chief Executive Officer
<b>Number of employees</b>	122 (as of September 30, 2024)

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# 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

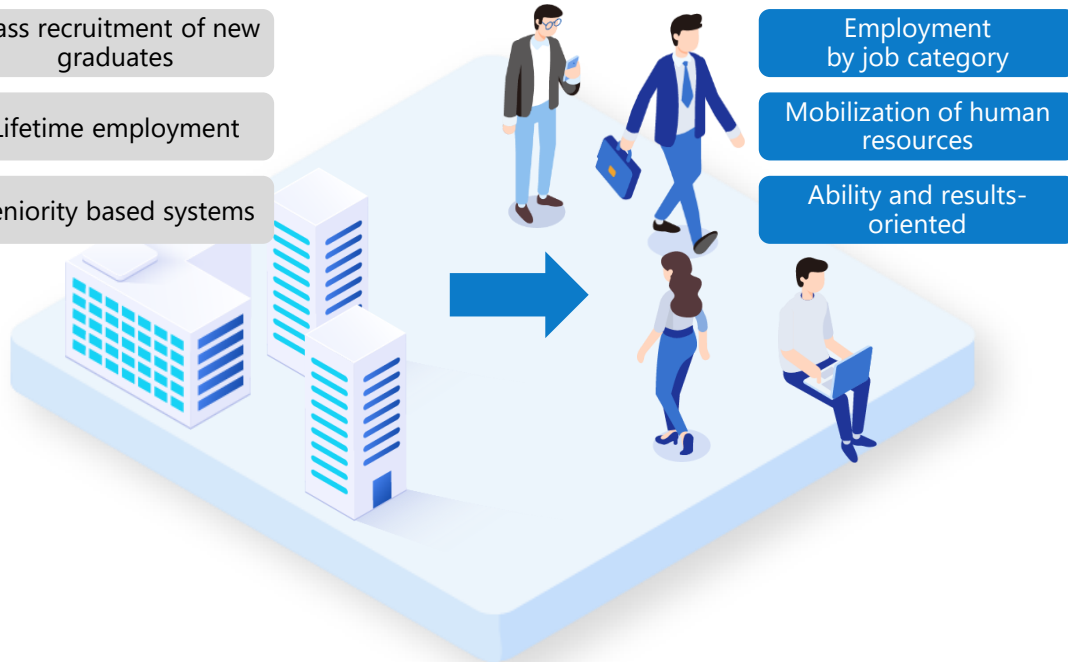
Situation

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  
**6.77 million**

Number of  
Registered  
Web Resumes  
**1.26mil**

Job Seeker  
Information

Company  
Information

Job Openings  
**82,000**

## openwork Recruiting



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



Number of Contracted  
Companies  
**3,500**

# 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。

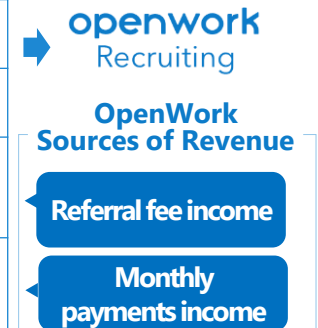
## Monthly Overtime Hours / Percentage of Paid Vacation Taken



## 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)



Total Company Reviews and Evaluation Scores:

**17.9 million**

Total Registered Users:

**6.77 million**

\*As of September 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.

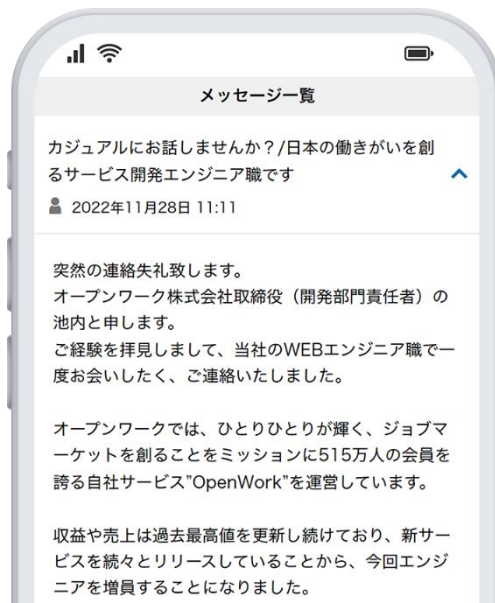
## Job Listings

List jobs on your company's page

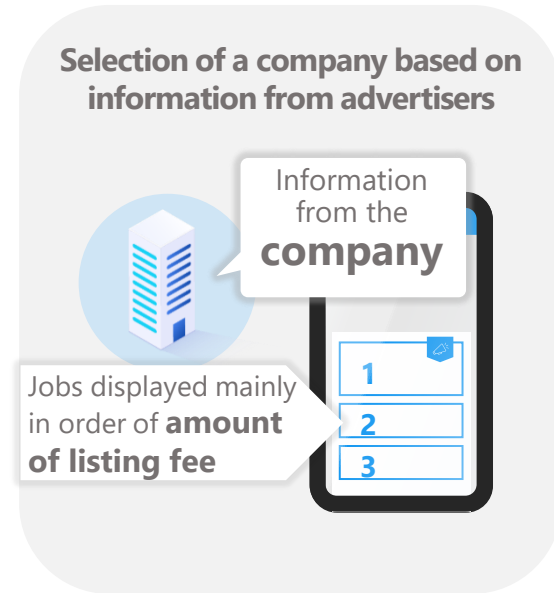


## Send Scout Mails

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

82,000

Registered Web Resumes

1.26mil

Number of Contracted Companies

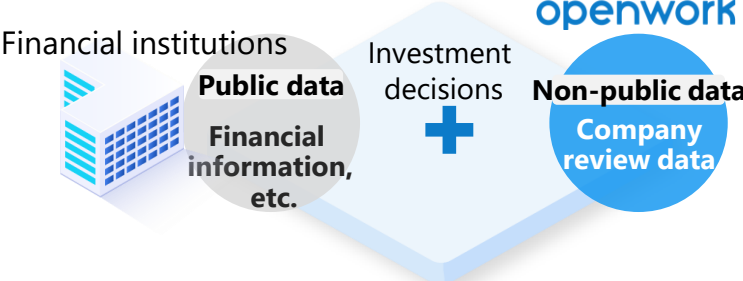

3,500

\*As of September 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.

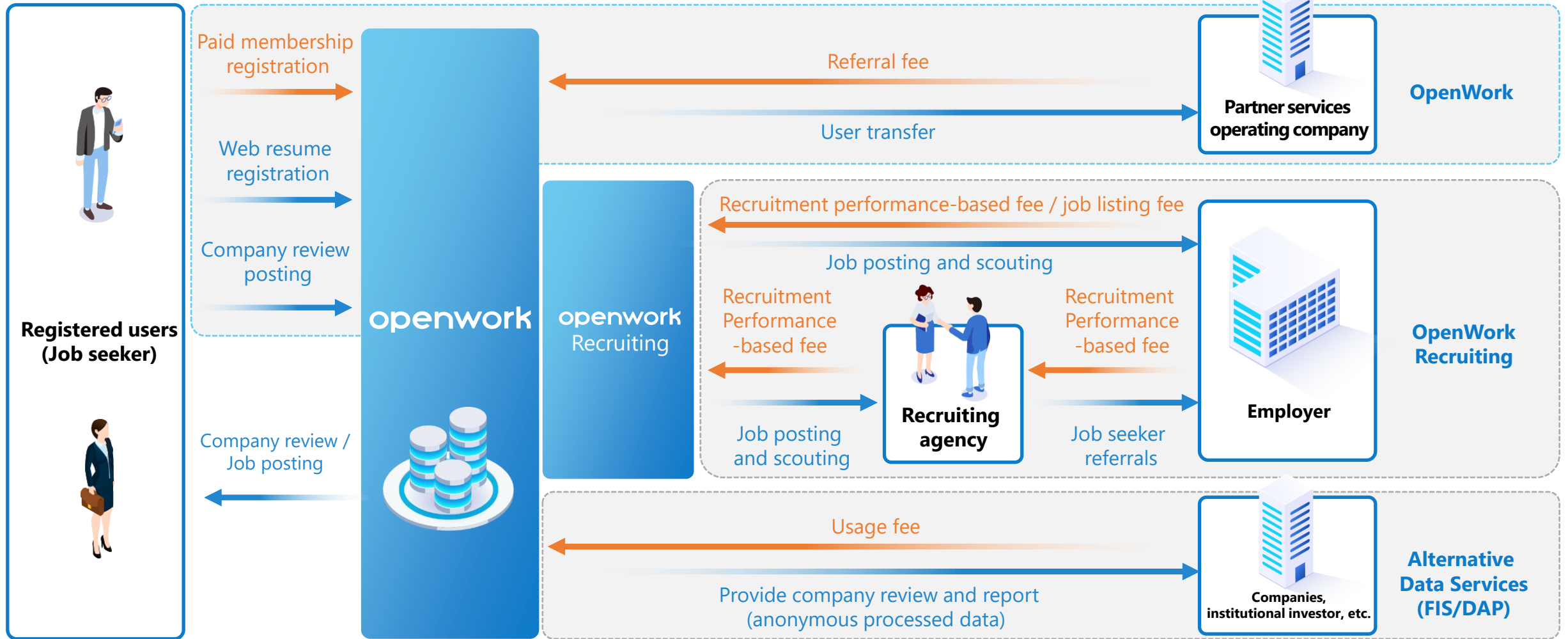
## Alternative data\* service

Service name	FIS (Financial Indicator Service)	DAP (Data Analytics Platform)
Service details	OpenWork's company review data is supplied for <b>uses such as company share price forecasting</b>	AI is used to analyze each company review and <b>compile a report on organizational problems</b> such as company culture and job satisfaction
Target clients	<p><b>Domestic/overseas asset management companies</b></p> <p>*Currently provided to major domestic/overseas hedge funds and asset management companies</p>	<p><b>All companies</b></p>
Service image	<p>Employee evaluations are analyzed and used in ESG investing</p> 	<p>Supply of reports that visualize organizational problems for use in human capital disclosure, improving HR systems, etc.</p> 

\*New data where use cases had so far not developed

# Business Structure

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



# 02

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



# Financial Results Summary

FYE Dec. 31, 2024  
3Q results

Operating revenue

¥ **2,646**<sub>mn</sub>

(+20.4% YoY, Full-year forecast achievement rate 77.9%)

Operating profit

¥ **922**<sub>mn</sub>

(+20.8% YoY, Full-year forecast achievement rate 92.2%)

OpenWork

Operating revenue

¥ **785**<sub>mn</sub>

(-0.8% YoY)

KPIs

User numbers

**6.77**<sub>mn</sub>

(+14.7% YoY)

Review numbers

**17.9**<sub>mn</sub>

(+14.6% YoY)

OpenWork  
Recruiting

¥ **1,810**<sub>mn</sub>

(+31.0% YoY)

Number of registered  
web resumes

**1.26**<sub>mn</sub>

(+33.5% YoY)

Number of  
contracted companies

**3,500**

(+29.3% YoY)

Number of  
job listings

**82,000**

(+36.4% YoY)

## Executive Summary

- ✓ OpenWork Recruiting steady in both mid-career and new graduate market. Due to The number of changing jobs using OpenWork Recruiting in 3Q almost same as 2Q and increase of sales in upsell products, **Operating revenue of OpenWork Recruiting in 3Q reached record highs(670 million yen).**
- ✓ Operating Revenue of OpenWork was same level as 2Q. No impact from price increasing in paid membership. Operating revenue and operating income, mainly from OpenWork and OpenWork Recruiting, **continued to reach record highs, as in 2Q.**
- ✓ For next fiscal year, investment in personnel expenses by hiring, advertising, and marketing will be concentrated in 4Q, **The full-year operating profit forecast (1,000 million yen) was not changed.**
- ✓ In the mid-career recruitment market, both the number of job seekers and jobs-to-applicants declined slightly, but OpenWork Recruiting remains steady. The number of company review increased to 17.9 million(+14.6% YoY), and the number of web resumes increased to 1.26 million(+32.6% YoY).

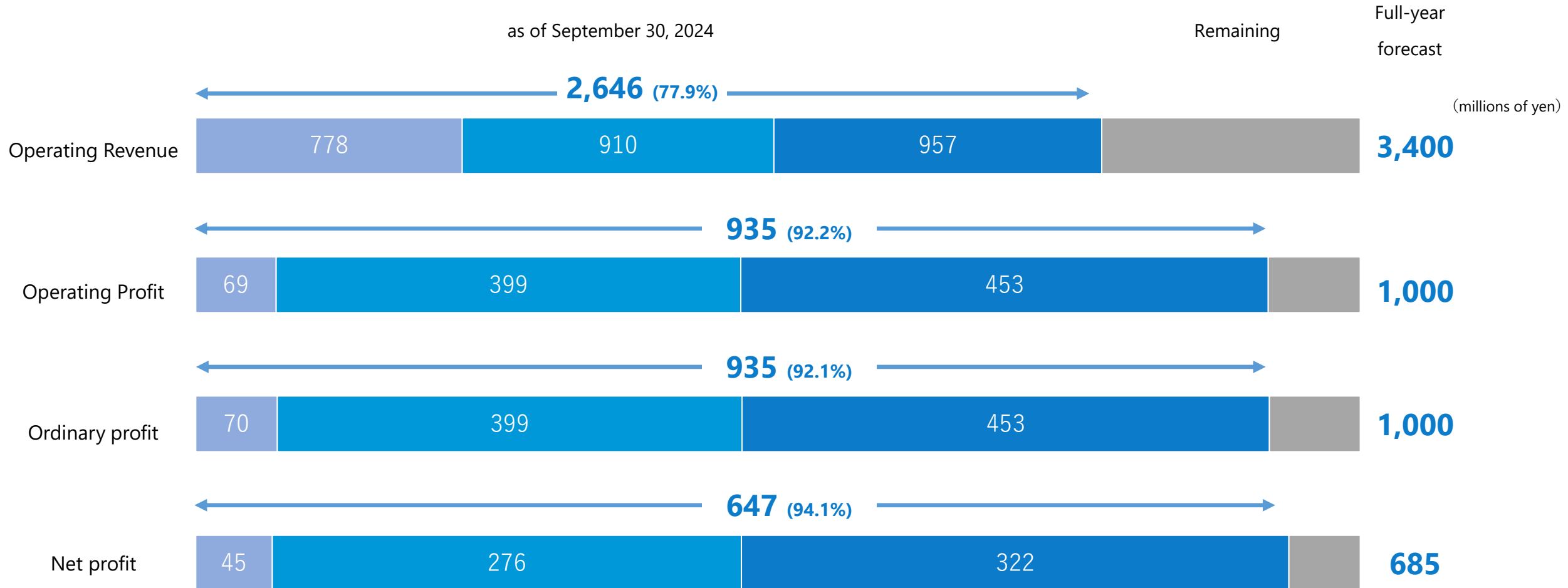
## Highlights

Revenue fall at OpenWork due to strategic factors and expected. Due to postponement of some sales and marketing investment to 4Q, Operating profit temporarily exceeded the plan. But it is expecting to be done by the end of this fiscal year and full-year operating profit forecast of whole company is not changed.

(millions of yen)

	3Q FY2023	3Q FY2024	YoY
Operating revenue	2,198	<b>2,646</b>	+20.4%
OpenWork	791	<b>785</b>	▲0.8%
OpenWork Recruiting	1,381	<b>1,810</b>	+31.0%
Others	24	<b>50</b>	+104.7%
Operating expenses	1,434	<b>1,724</b>	+20.2%
Operating profit	763	<b>922</b>	+20.8%
Operating profit margin	34.7%	<b>34.8%</b>	+0.1pt
Ordinary profit	761	<b>923</b>	+21.2%
Net profit	524	<b>644</b>	+22.8%

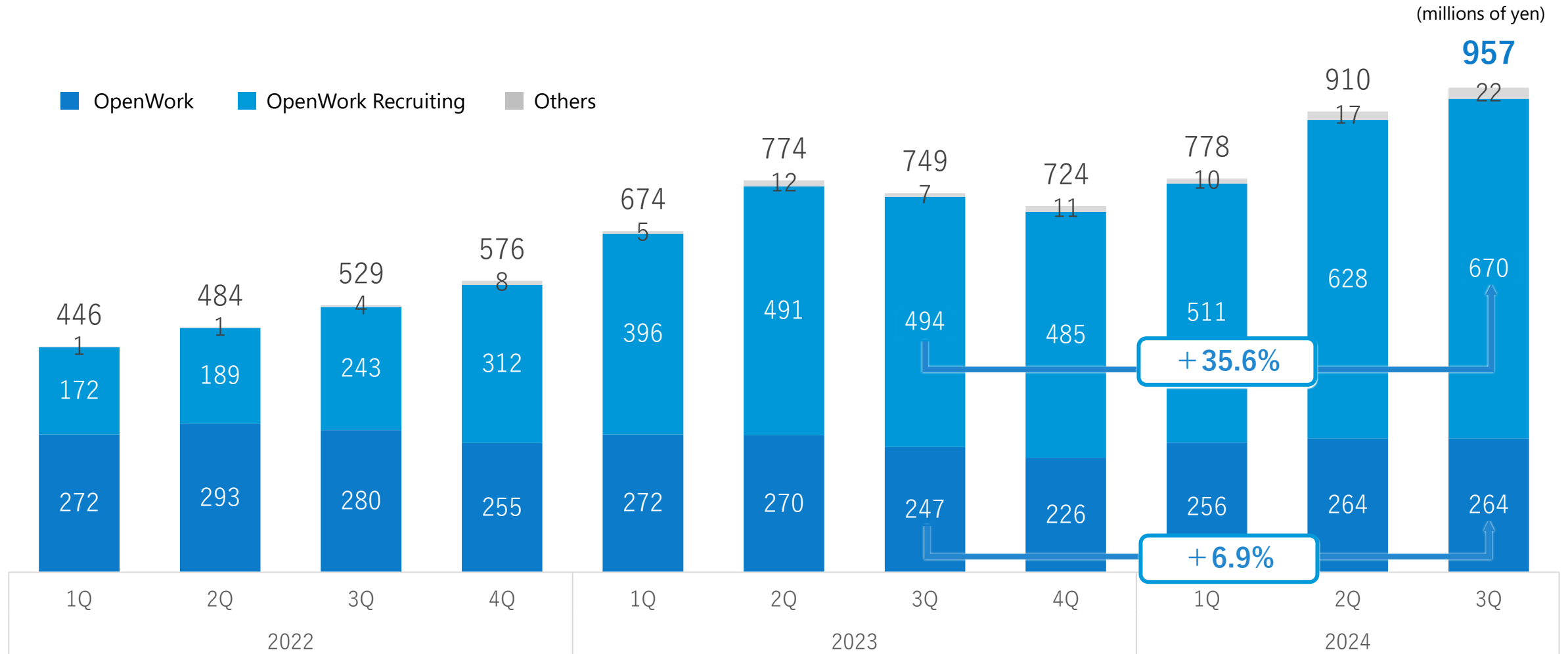
# (Reference) Progress of Operating Revenue and Profit against Full-year Forecasts





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

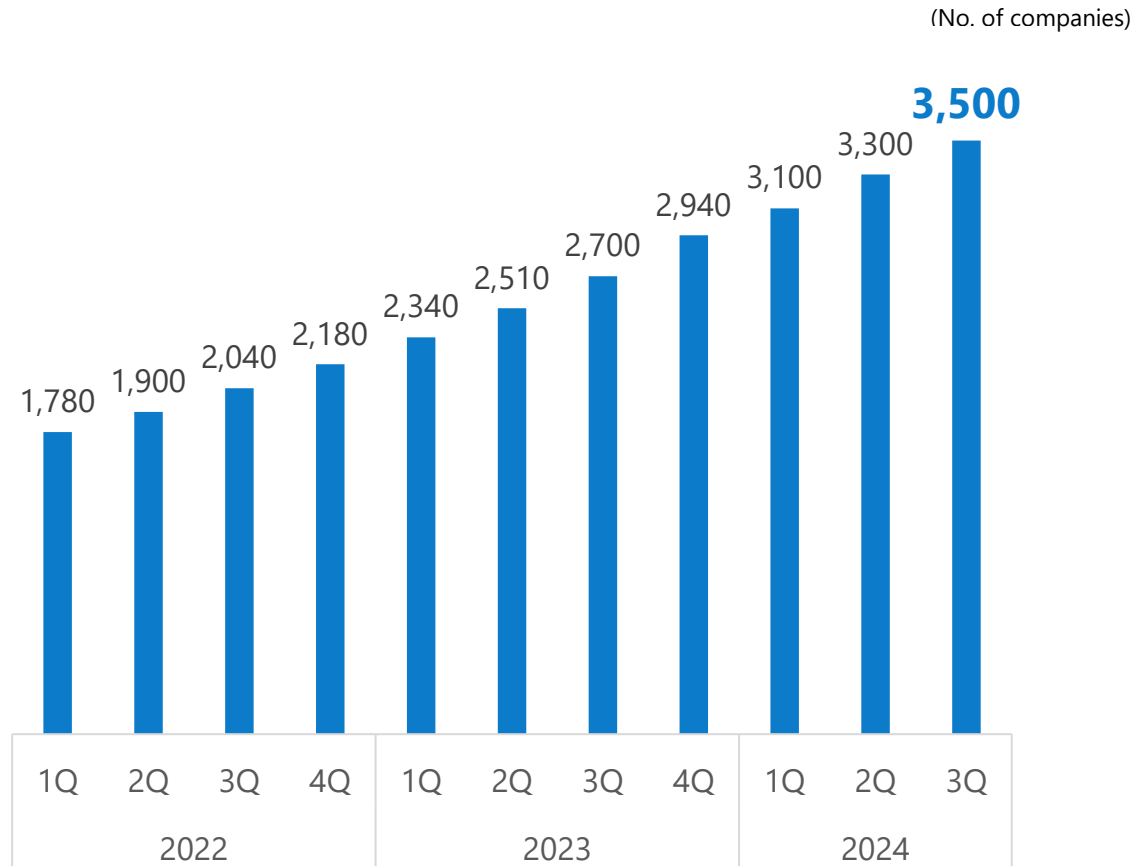
Revenue of OpenWork remained stable, Revenue of OpenWork Recruiting continued to grow as 2Q and reached record high.



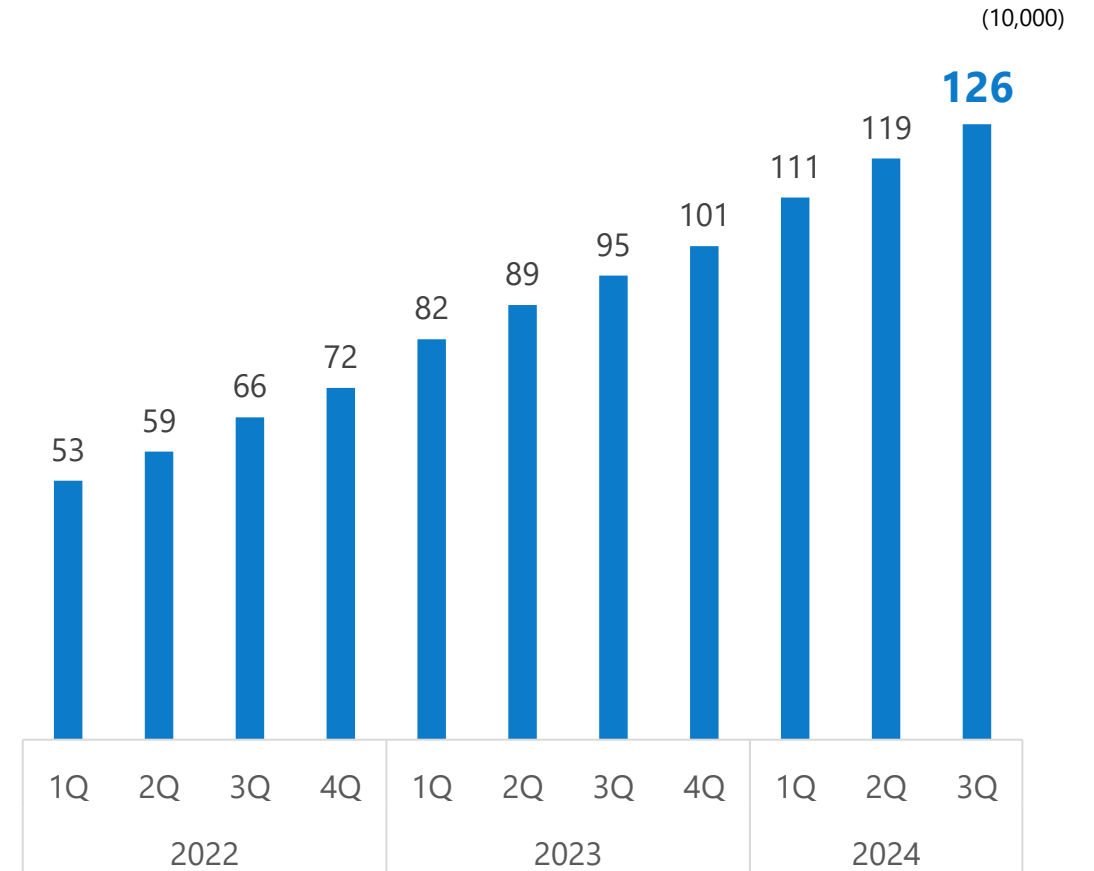
# KPIs for OpenWork Recruiting

Solid increases in both number of contracted companies and cumulative number of registered web resumes, surpassing 3,500 and 1.26mn respectively by end of 3Q.

## Number of contracted companies



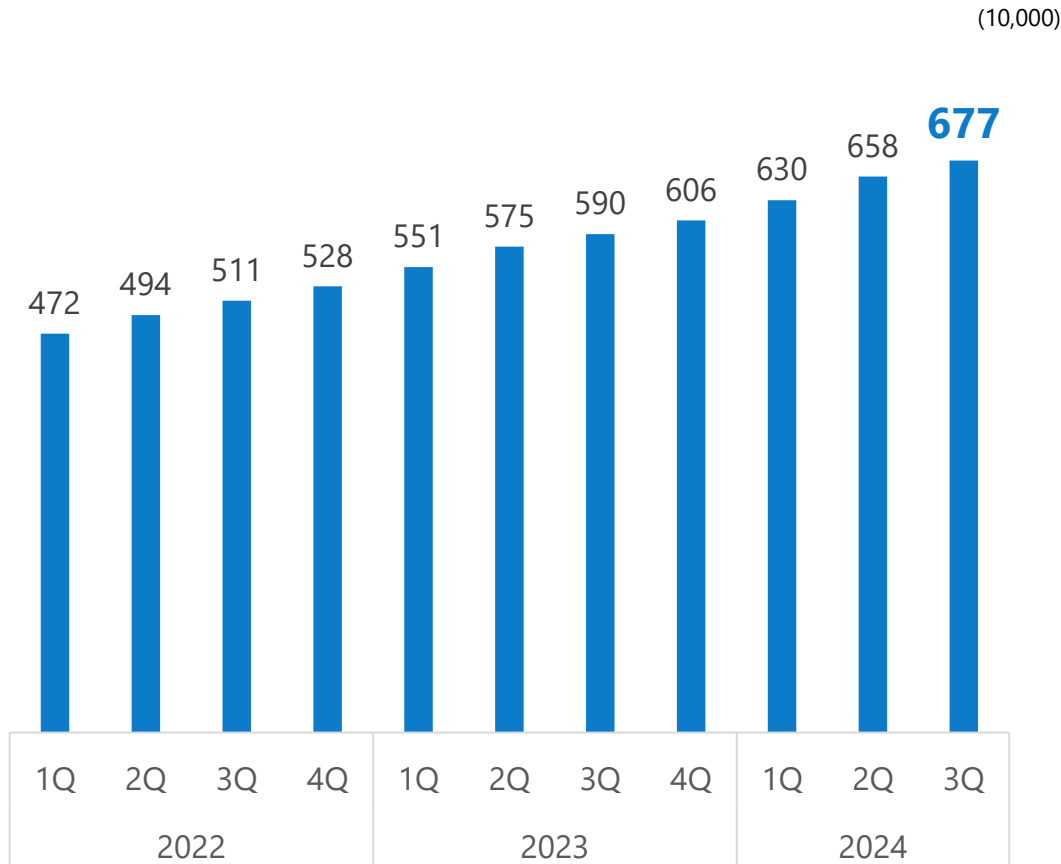
## Cumulative number of registered web resumes



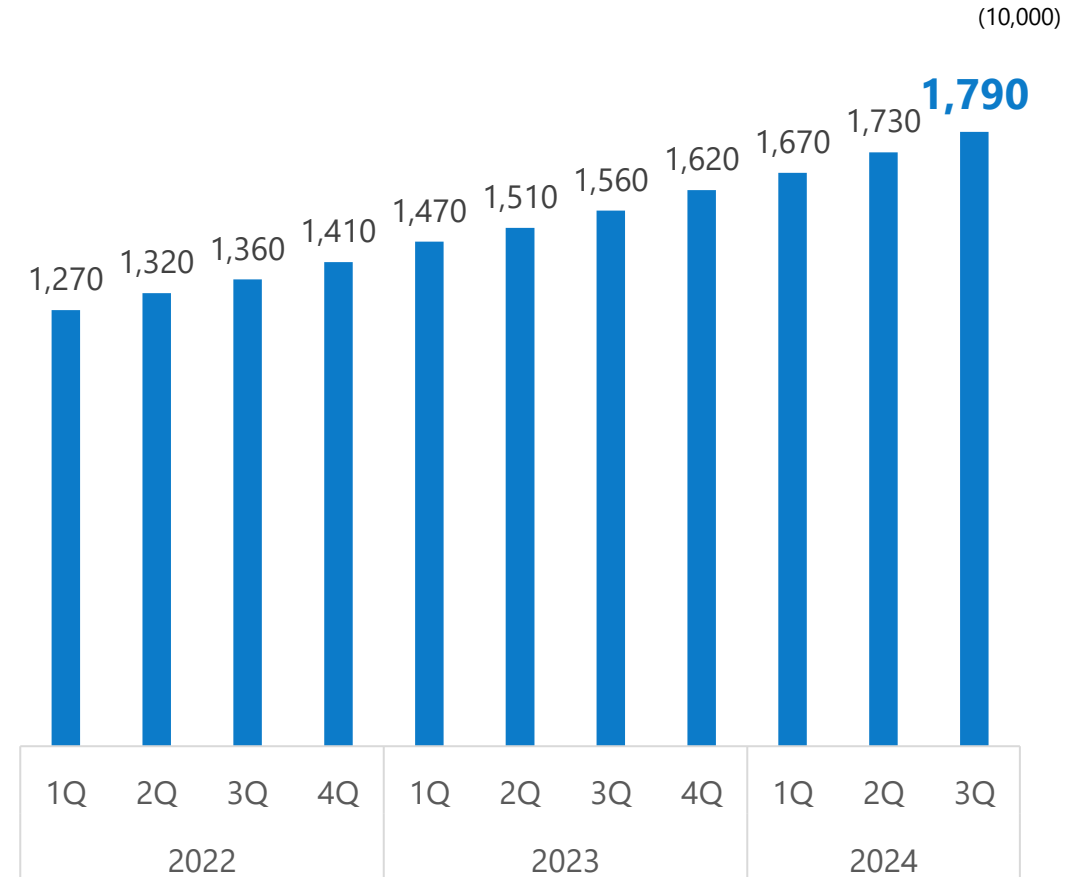
# KPIs for OpenWork

Cumulative number of registered users surpasses 6.77mn, cumulative number of employee reviews and evaluation scores surpasses 17.9mn. Steady increase in platform value.

### Cumulative number of registered users at OpenWork



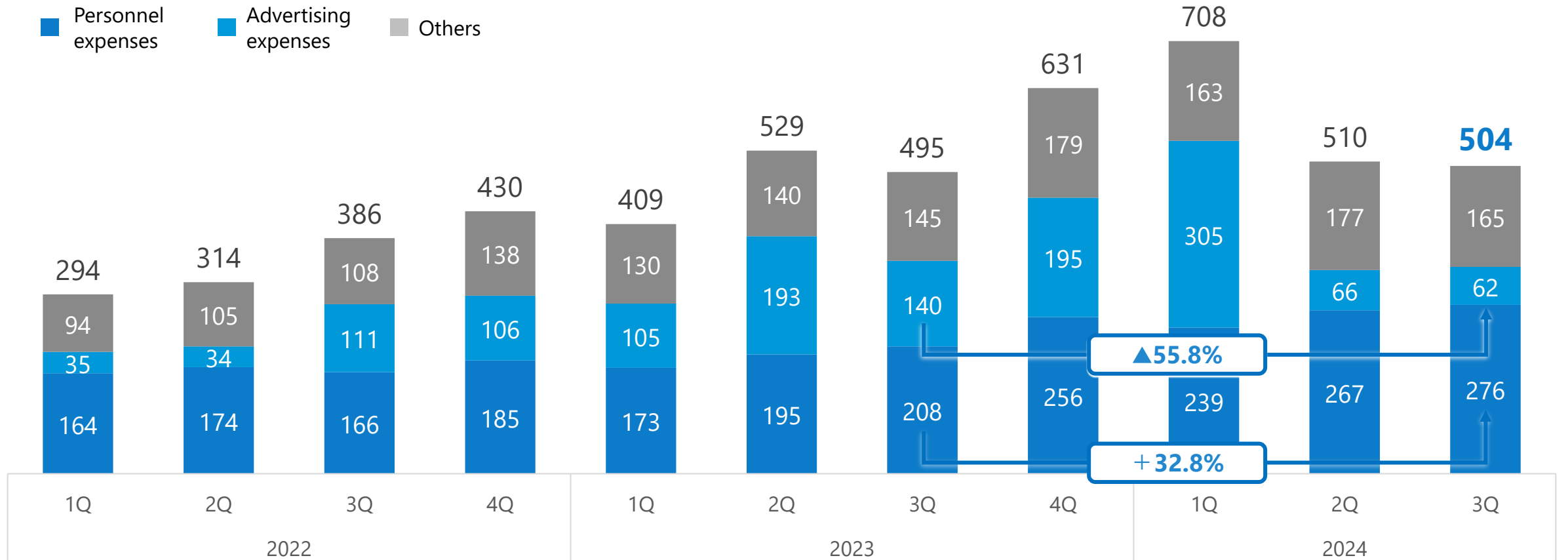
### Cumulative number of employee reviews and evaluation scores at OpenWork



# Change in Operating Expenses

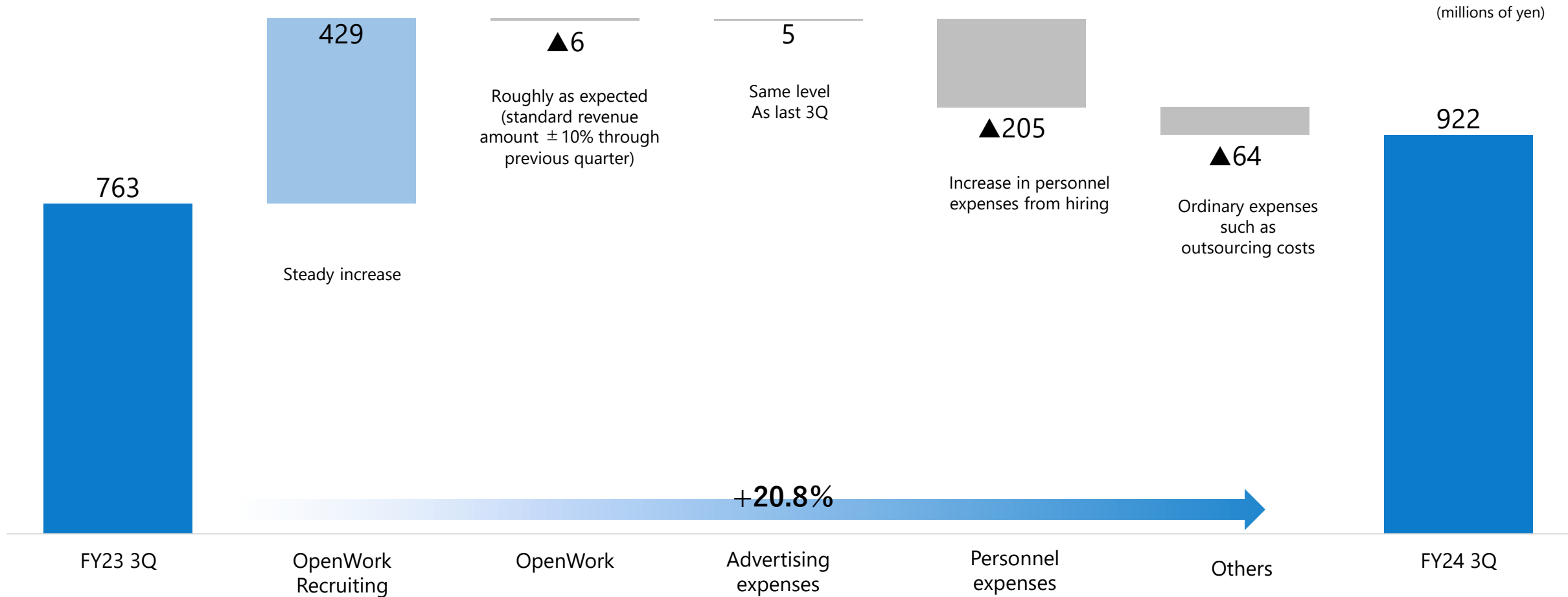
Advertising expenses in 3Q were mainly for web marketing and same level as 2Q. Personnel expenses increased due to continued hiring, and the others decreased from 2Q due to the difference in one-time expenses.

(millions of yen)



# Factors for Change in Operating Profit

Advertising expenses at the end of 3Q was same as last 3Q. Managing the increase rate of other costs against the growth of Revenue in Openwork Recruiting, Growth ratio of operating profit reached over 20%.



## Corporate Actions (Share Repurchase)

Repurchase shares in preparation for a flexible capital strategy in the future, based on comprehensive consideration of stock price trends, financial condition, and other factors.

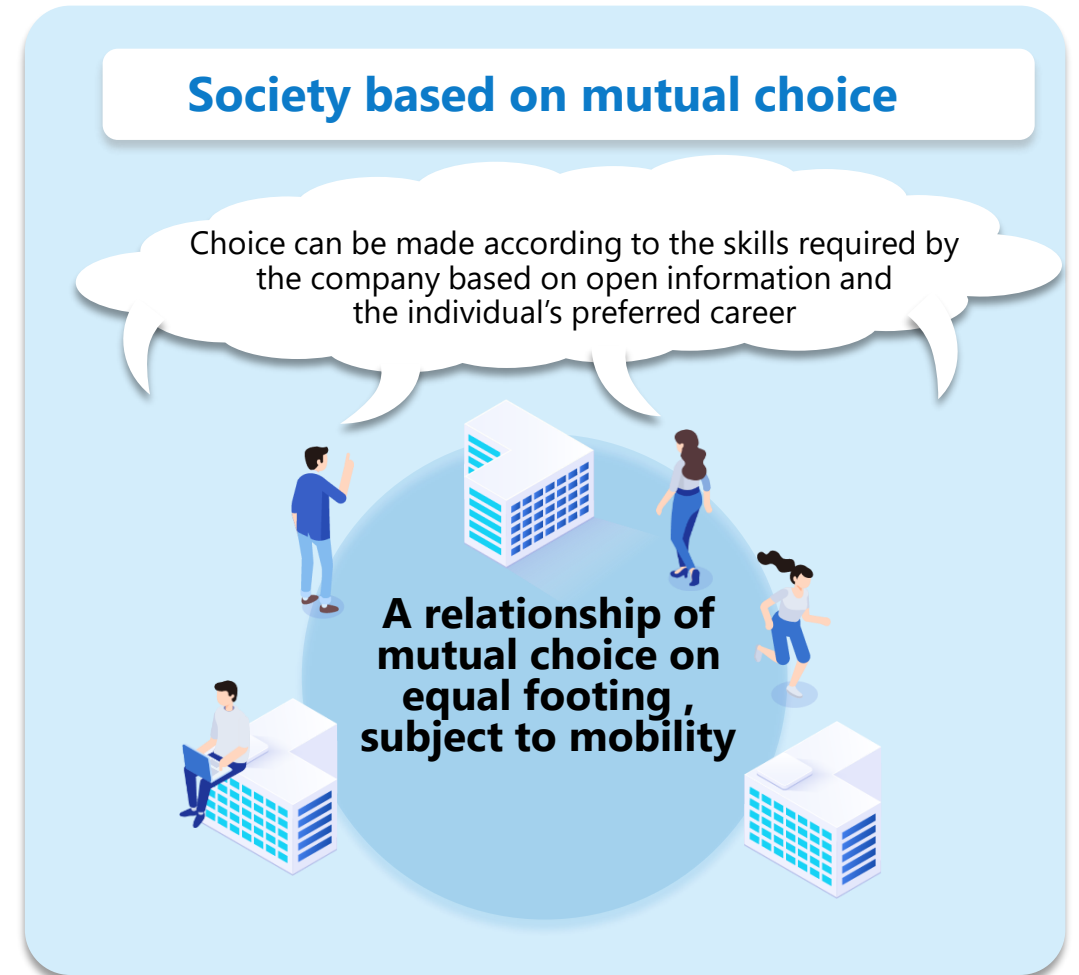
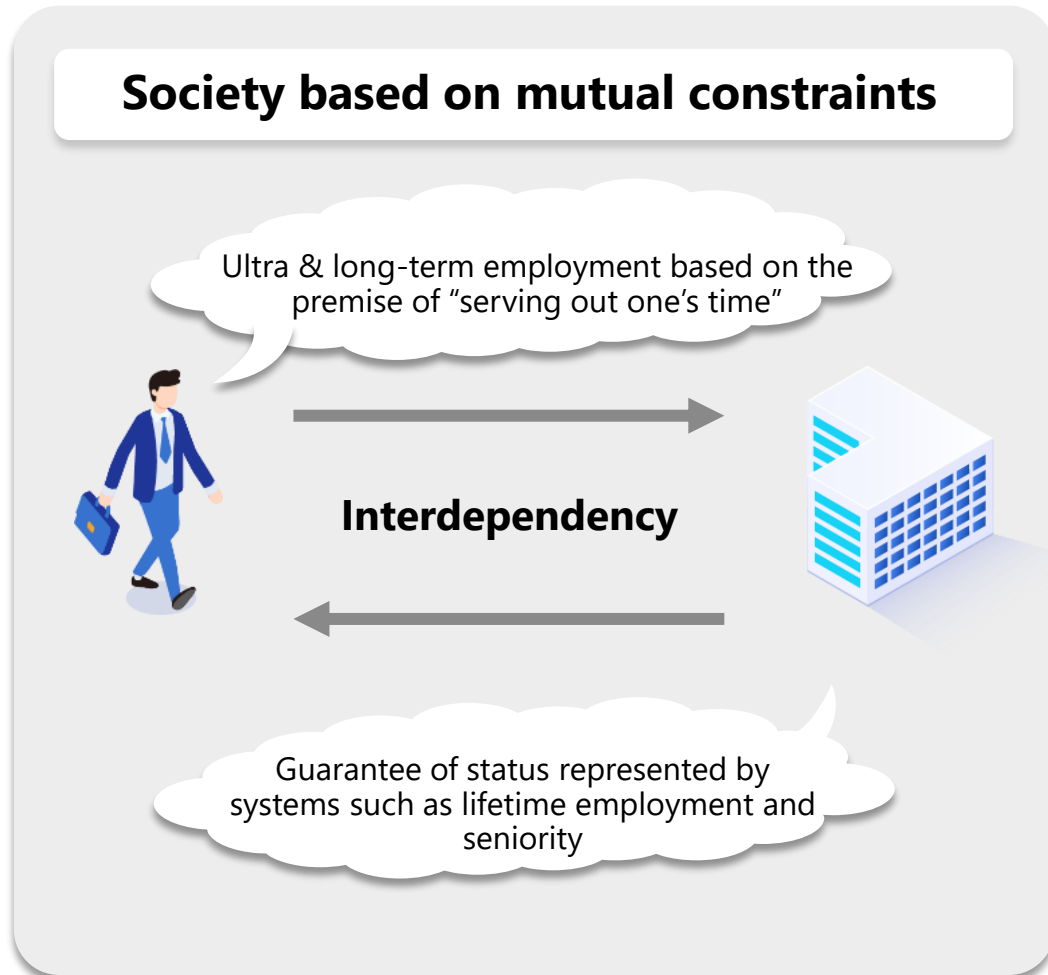
Actions	Detail	Resolution Date	Repurchase period
Share Repurchase	Repurchase shares in preparation for a flexible capital strategy in the future (Number of shares to be repurchased : 900,000 shares / Total amount : 550 million yen)	2024/11/13	2024/11/14~ 2025/7/31

# 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.





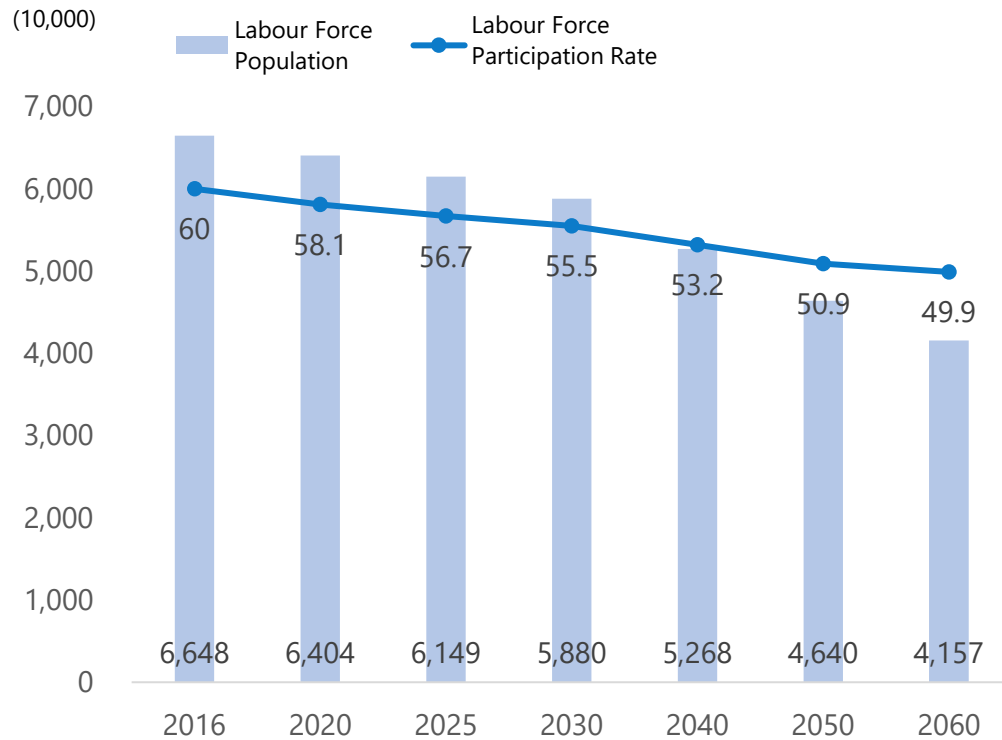
# (Reference) Macro Environment Promotes a Society Based on Mutual Choice

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.

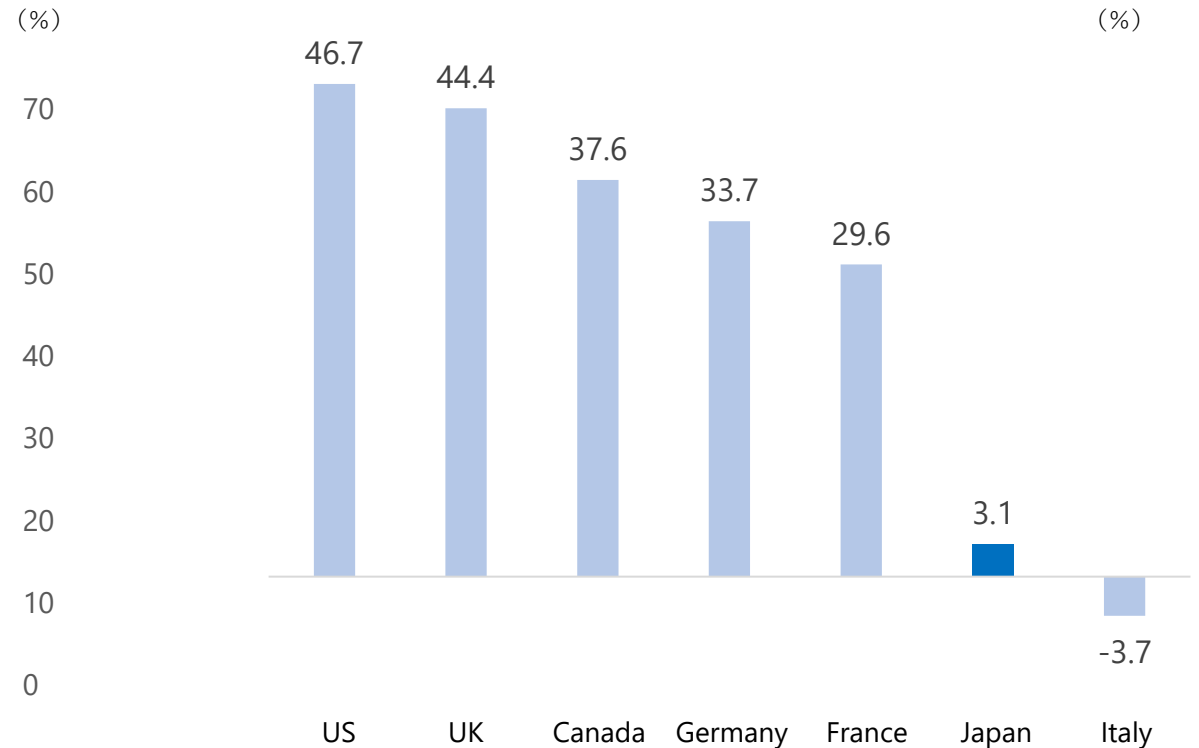
## Declining labor force

## Sluggish wage growth

### Domestic labor force



### Wage growth rates in G7 countries 1991~ 2020

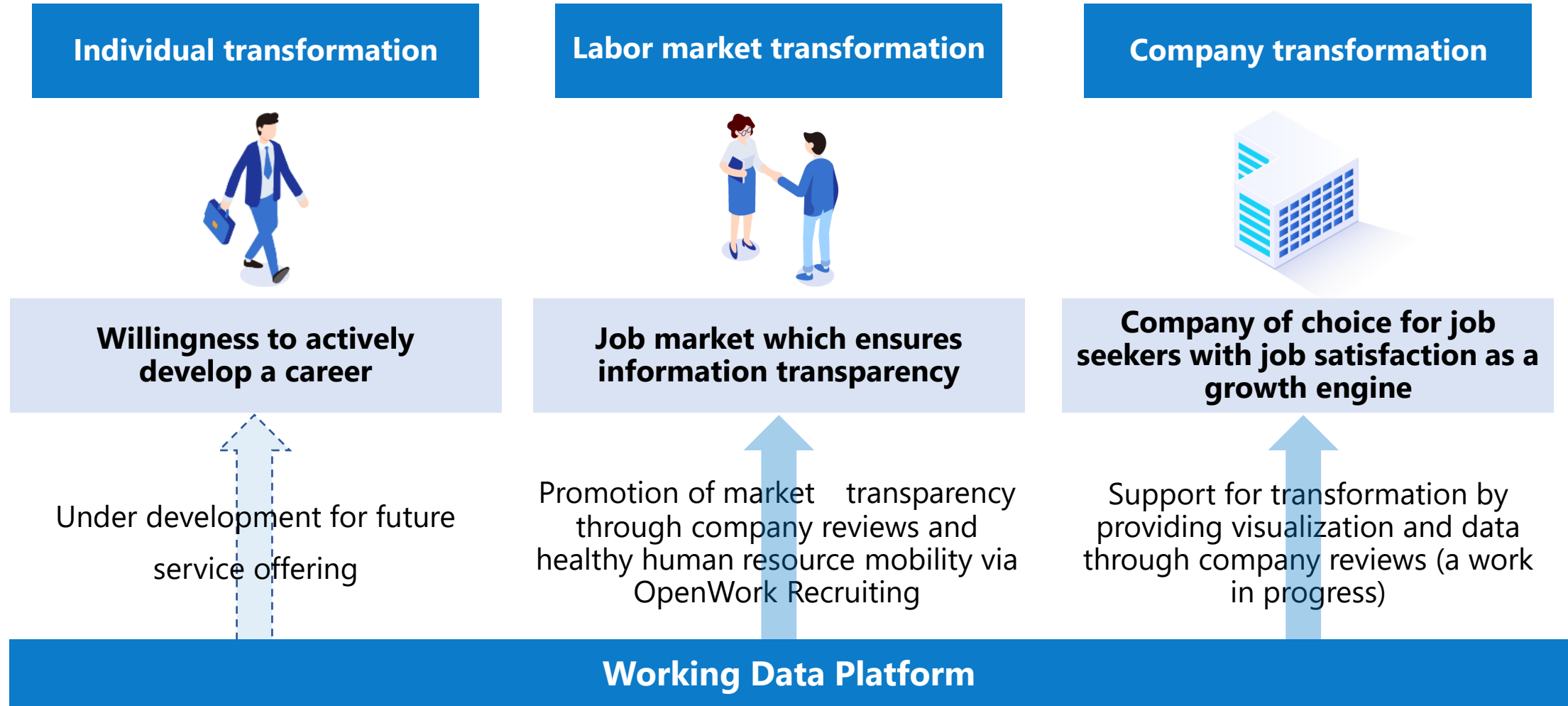


Source : Compiled by the Company based on the Ministry of Internal Affairs and Communications' "Labor Force Survey Annual Report" (2016) and the National Institute of Population and Social Security Research's "Population Projections for Japan" (2017).

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**



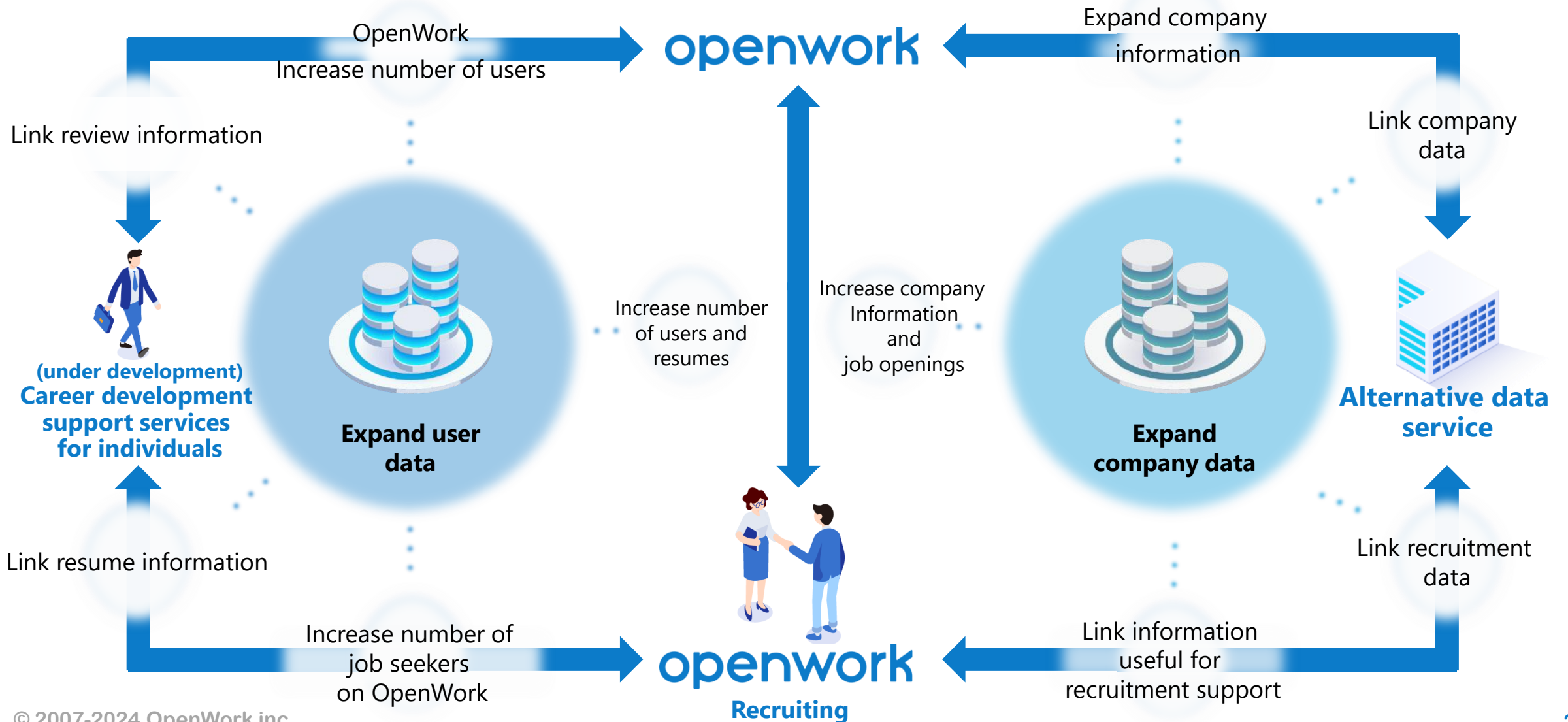
Promotion of company self-transformation by providing working data

# Future Policies in Each Domain

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

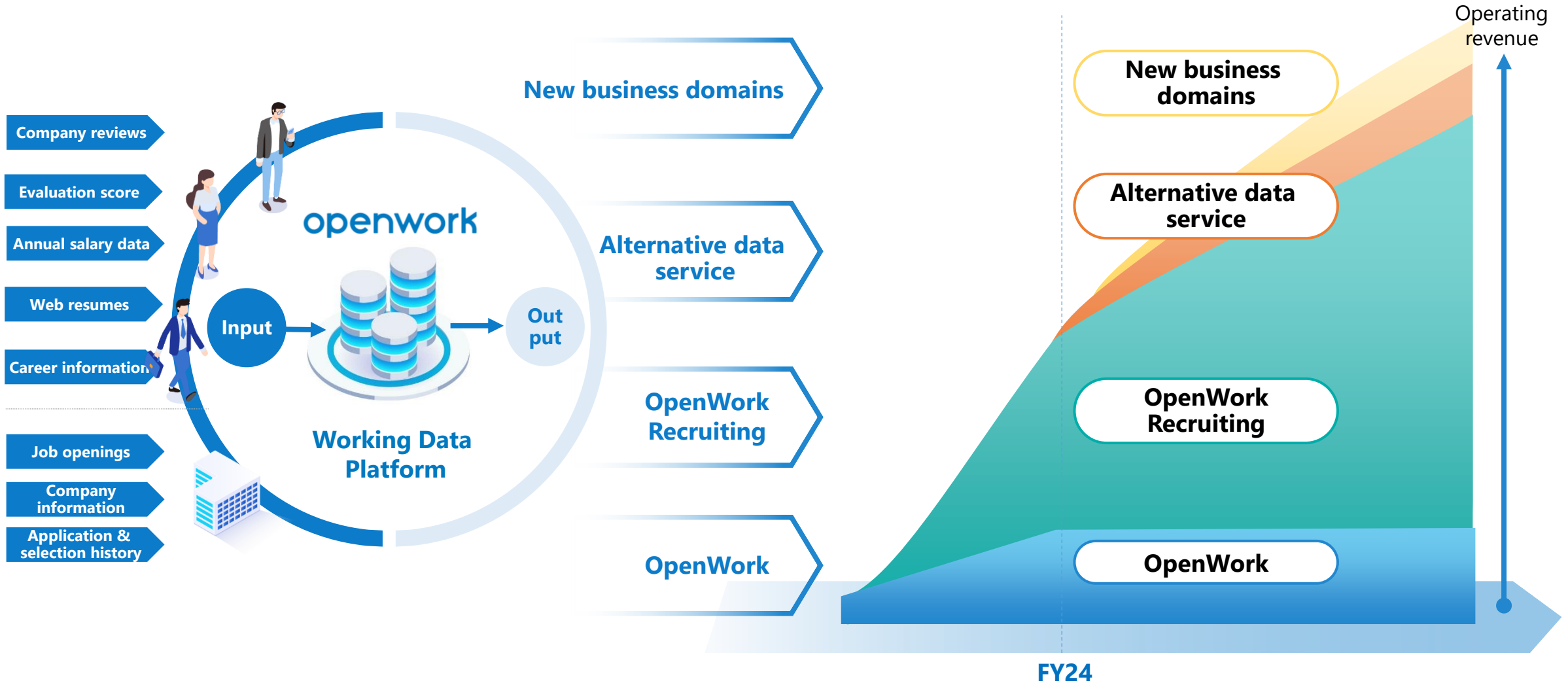
# (Reference) Collaboration among the four domains

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 3Q
Current assets	6,231	<b>6,787</b>
Cash and deposits	5,954	<b>6,304</b>
Accounts receivables *1	253	<b>413</b>
Others	24	<b>69</b>
Fixed assets	157	<b>204</b>
Tangible fixed assets	22	<b>31</b>
Investments and other assets	135	<b>173</b>
<b>Total assets</b>	<b>6,389</b>	<b>6,992</b>

\*1 Advance payment of expenses + others

## Liabilities and net assets

(millions of yen)	End-FY2023	FY2024 3Q
Current liabilities	665	<b>551</b>
Accounts payable	227	<b>65</b>
Income taxes payable	167	<b>176</b>
Contract liabilities	102	<b>153</b>
Provision for bonuses *2	70	<b>40</b>
Others	97	<b>114</b>
<b>Total liabilities</b>	<b>665</b>	<b>551</b>
<b>Total net assets</b>	<b>5,724</b>	<b>6,441</b>
<b>Total liabilities and net assets</b>	<b>6,389</b>	<b>6,992</b>

\*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.

