



TRYT Inc.

Tokyo Stock Exchange Growth Market (9164)

FY2023 Q2 Financial Results



TRYT

1. FY2023 Q2 Financial Results

2. Medium-term Management Plan

1.

FY2023 Q2 Financial Results

FY2023 Q2 Financial Results (Apr-Jun)

- Realized high revenue growth in FY2023 Q2
- Following increase in the revenue, adjusted EBITDA and adjusted net income achieved the same level of growth as revenue

Unit: JPY MM	FY2023 Q2	YoY
Revenue	18,473	+20%
Adjusted EBITDA*1	7,543	+20%
Adjusted net income*2	5,061	+20%

Progress on FY2023 Financial Forecast

- Progress of FY2023 H1 results on the full-year financial forecast are as follows: 55% for revenue, 85% for adjusted EBITDA, 101% for adjusted net income
- No change to the full-year financial forecast as our revenue and profits mainly occur in Q2 every year. In addition, we have taken into consideration the need to monitor job market trend post COVID-19

Unit: JPY MM	FY2023 H1	YoY	% of Progress	FY2023 Financial Forecast	YoY
Revenue	29,135	+21%	55%	52,676	+19%
Adjusted EBITDA	7,714	+24%	85%	9,094	+11%
Adjusted net income	4,832	+25%	101%	4,799	+8%

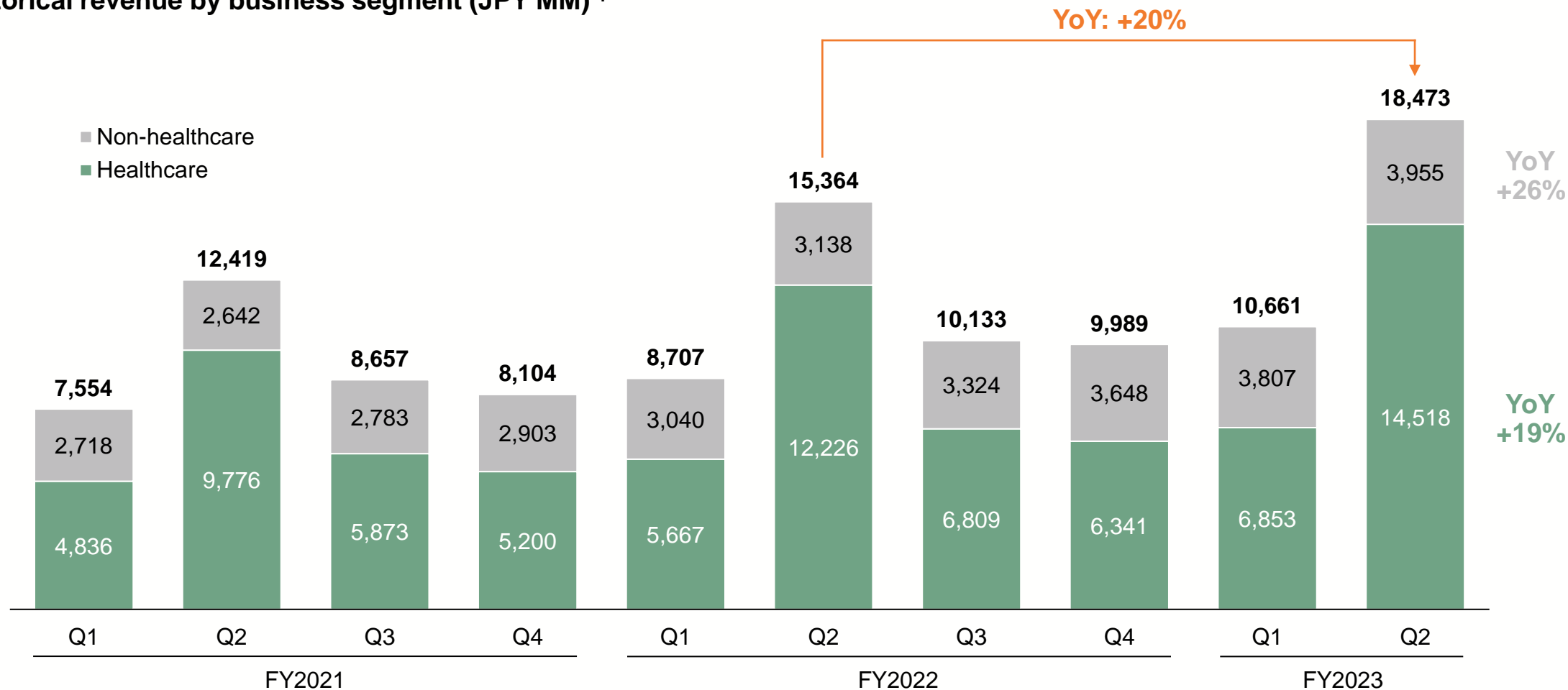
*1: Adjusted EBITDA = EBITDA + M&A related costs + refinance related costs (excluding financial costs) + IPO-related costs.

EBITDA = profit (loss) + income tax expense + financial expenses - financial revenue + depreciation (including right of use assets, customer related assets and other assets) + impairment of fixed assets / loss on disposal of fixed assets

*2: Adjusted net income = profit (loss) + amortization of customer related assets + M&A related costs + refinance related costs (excluding financial costs) + financial costs related to refinancing + IPO-related costs + tax and tax adjustments

Achieved growth of 19% YoY for healthcare, 26% for non-healthcare segment as FY2023 Q2 revenue

Historical revenue by business segment (JPY MM)*1

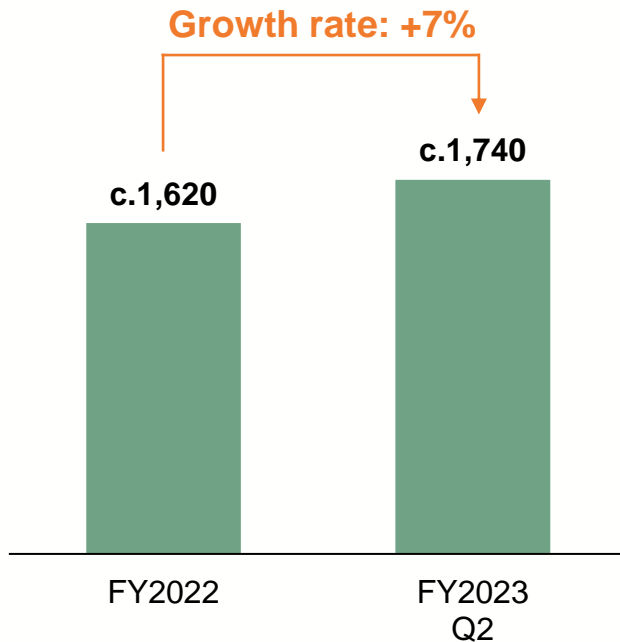


*1: Current TRYT merged former TRYT on December 1, 2021. FY2021 figures are simple sum aggregation of the financial results for the eleven-month period ended November 30, 2021 of former TRYT and the fiscal year ended December 31, 2021 of current TRYT (unaudited)

The # of sales personnel in healthcare placement business as of the end of FY2023 Q2 has steadily grown since the end of FY2022. Non-healthcare business has also realized continuous increase in the # of staffing employees

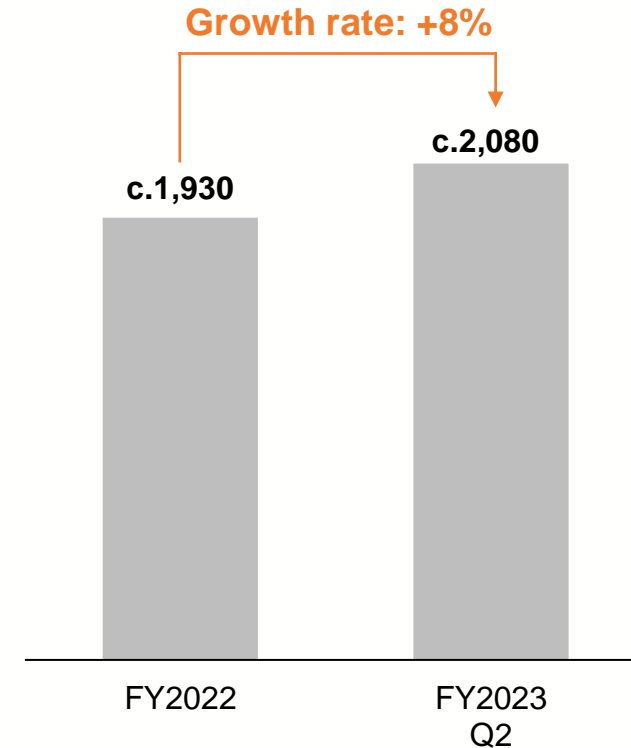
Healthcare placement

of sales personnel as of the end of each fiscal period (Person)^{*1,2}



Non-healthcare

of staffing employees as of the end of each fiscal period (Person)^{*1,3}



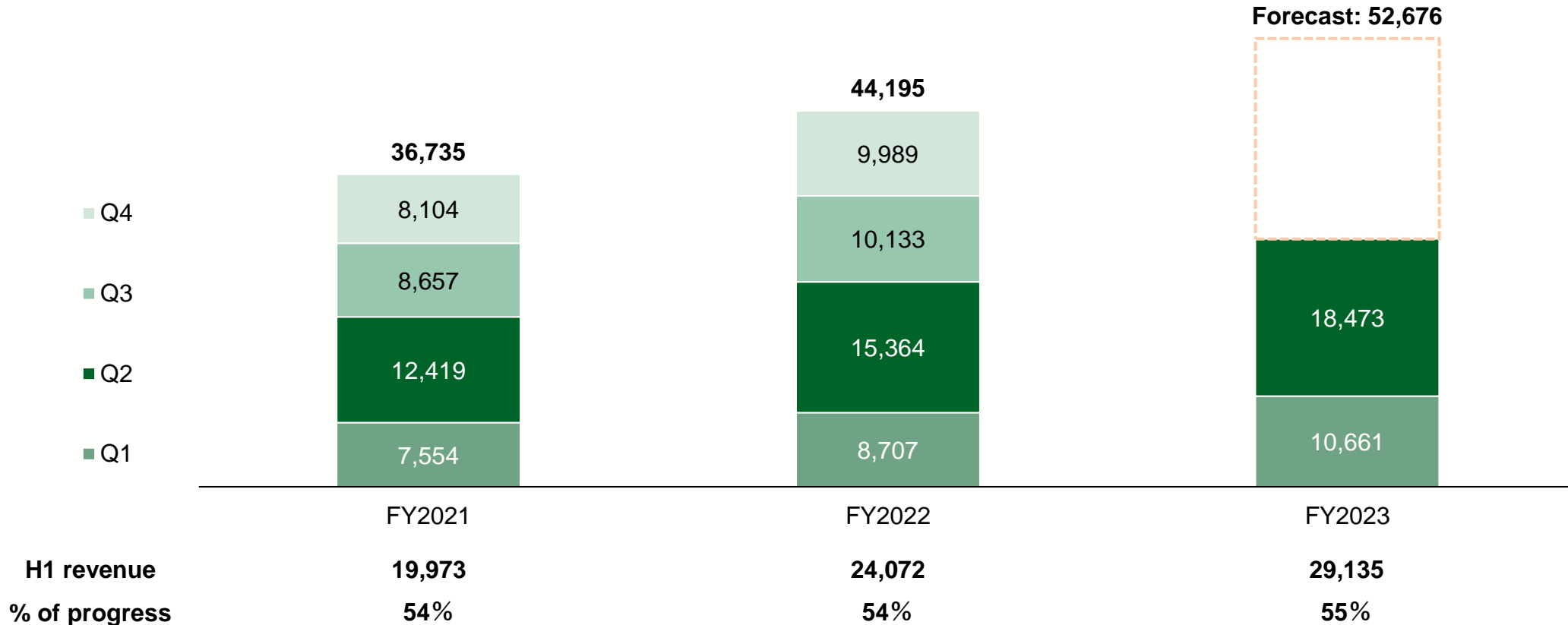
*1: Rounded to the tens place

*2: Number of sales personnel as of the end of each fiscal period. Figures are only for sales personnel engaged in the healthcare placement business. Sales personnel includes career advisors, sales planning, etc.

*3: Number of staffing employees as of the end of each fiscal period

Realized FY2023 H1 progress of 55% towards FY2023 revenue forecast, representing favorable results comparing to the past 2 years

Historical quarterly revenue (JPY MM)*1



*1: FY2021 figures are simple sum aggregation of the financial results for the eleven-month period ended November 30, 2021 of former TRYT and the fiscal year ended December 31, 2021 of current TRYT (unaudited)

Summary of FY2023 Q2 consolidated statement of profit or loss

Realized high revenue growth in FY2023 Q2. For FY2023 H1, adjusted EBITDA and adjusted net income have achieved higher growth over revenue

Consolidated statement of profit or loss

Unit: JPY MM	FY2022 Q2	FY2023 Q2	YoY	FY2022 H1	FY2023 H1	YoY
Revenue	15,364	18,473	+20%	24,072	29,135	+21%
Cost of sales	3,372	4,326	+28%	6,609	8,468	+28%
Gross profit	11,991	14,147	+18%	17,463	20,666	+18%
SG&A	6,400	7,038	+10%	12,457	13,757	+10%
Other income	21	39	+80%	86	61	-29%
Other expenses	20	5	-72%	40	7	-82%
Operating profit	5,593	7,142	+28%	5,052	6,962	+38%
Profit	3,948	4,973	+26%	3,425	4,673	+36%
EBITDA*¹	5,945	7,479	+26%	5,690	7,613	+34%
Adjusted EBITDA*²	6,289	7,543	+20%	6,240	7,714	+24%
Adjusted net income*³	4,220	5,061	+20%	3,878	4,832	+25%
Gross profit margin	78%	77%	-1%pt	73%	71%	-2%pt
Adjusted EBITDA margin	41%	41%	-0%pt	26%	26%	+1%pt
Adjusted net income margin	27%	27%	-0%pt	16%	17%	+0%pt

*1: EBITDA = profit (loss) + income tax expense + financial expenses - financial revenue + depreciation (including right of use assets, customer related assets and other assets) + impairment of fixed assets / loss on disposal of fixed assets

*2: Adjusted EBITDA = EBITDA + M&A related costs + refinance related costs (excluding financial costs) + IPO-related costs

*3: Adjusted net income = profit (loss) + amortization of customer related assets + M&A related costs + refinance related costs (excluding financial costs) + financial costs related to refinancing + IPO-related costs + tax and tax adjustments

Summary of FY2023 Q2 consolidated statement of financial position

Net debt / adjusted EBITDA in FY2023 Q2 decreased to 3.8x, following the increase of cash and cash equivalents

Consolidated statement of financial position

Unit: JPY MM	FY2022	FY2023 Q1	FY2023 Q2
Cash and cash equivalents	2,300	2,251	6,066
Trade receivables	3,394	4,114	4,431
Others	803	539	673
Total current assets	6,497	6,905	11,171
Property, plant and equipment	11,130	11,304	11,603
Goodwill	51,412	51,412	52,056
Intangible assets	3,405	3,403	3,418
Others	2,192	2,261	2,597
Total non-current assets	68,140	68,381	69,676
Total assets	74,638	75,287	80,848
Accounts payable - other	1,429	1,922	2,293
Current portion of long-term borrowings ^{*1}	2,100	1,489	1,500
Lease liabilities	885	846	868
Others	6,123	7,093	7,940
Total current liabilities	10,538	11,351	12,602
Long-term borrowings	31,620	31,533	30,599
Lease liabilities	9,653	9,867	10,118
Others	1,798	1,807	1,827
Total non-current liabilities	43,072	43,208	42,545
Total liabilities	53,611	54,560	55,148
Total equity	21,026	20,726	25,699
Total liabilities and equity	74,638	75,287	80,848
Net debt^{*2} / adjusted EBITDA^{*3}	5.1x	4.9x^{*4}	3.8x^{*4}

*1: Includes short-term borrowings

*2: Net debt = borrowings + current lease liabilities + non-current lease liabilities - cash and cash equivalents

*3: Adjusted EBITDA = EBITDA + M&A related costs + refinance related costs (excluding financial costs) + IPO-related costs.

EBITDA = profit (loss) + income tax expense + financial expenses - financial revenue + depreciation (including right of use assets, customer related assets and other assets) + impairment of fixed assets / loss on disposal of fixed assets

*4: Net debt as of end of each fiscal period / adjusted EBITDA for the last 12 months as of end of each fiscal period

2.

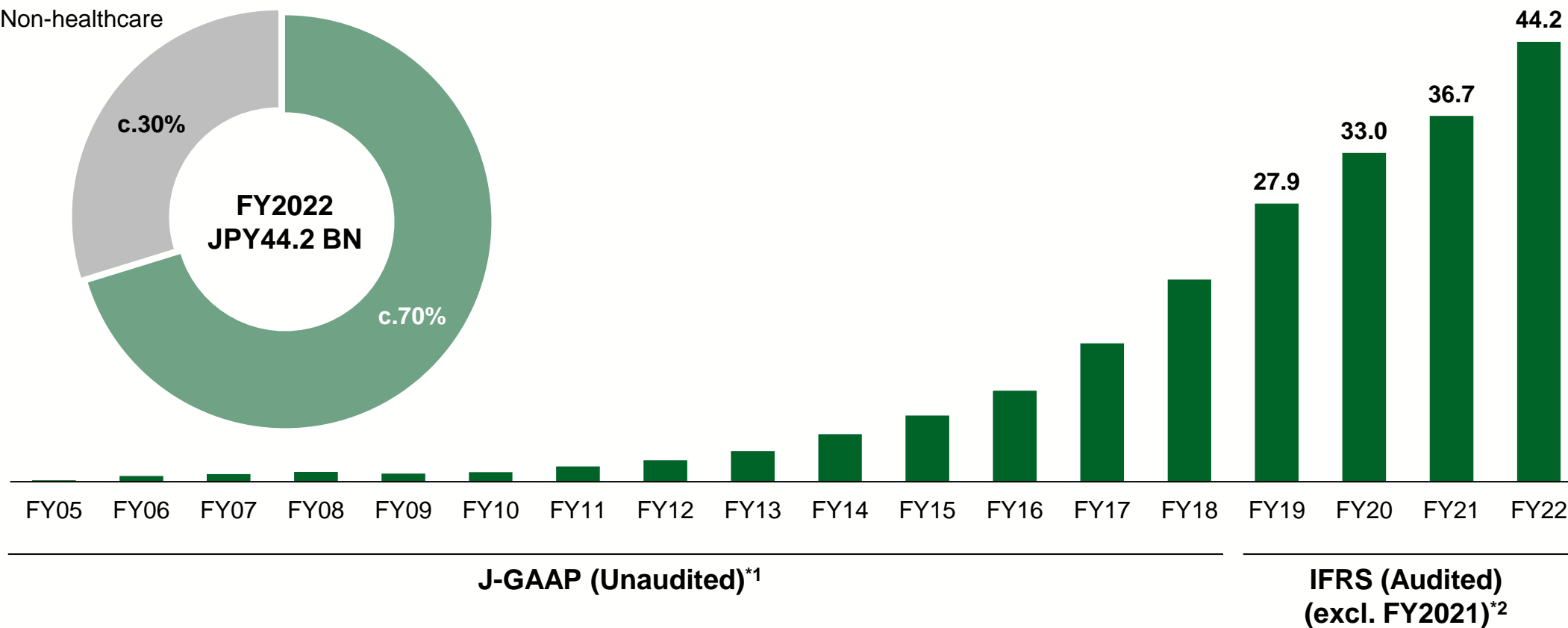
Medium-term Management Plan

We create a future where everyone has a fulfilling life by solving the issues faced by essential industries with a focus on healthcare and welfare industry

Continuously exhibited strong topline growth by focusing on the healthcare business

Historical revenue (JPY BN)

- Healthcare
- Non-healthcare

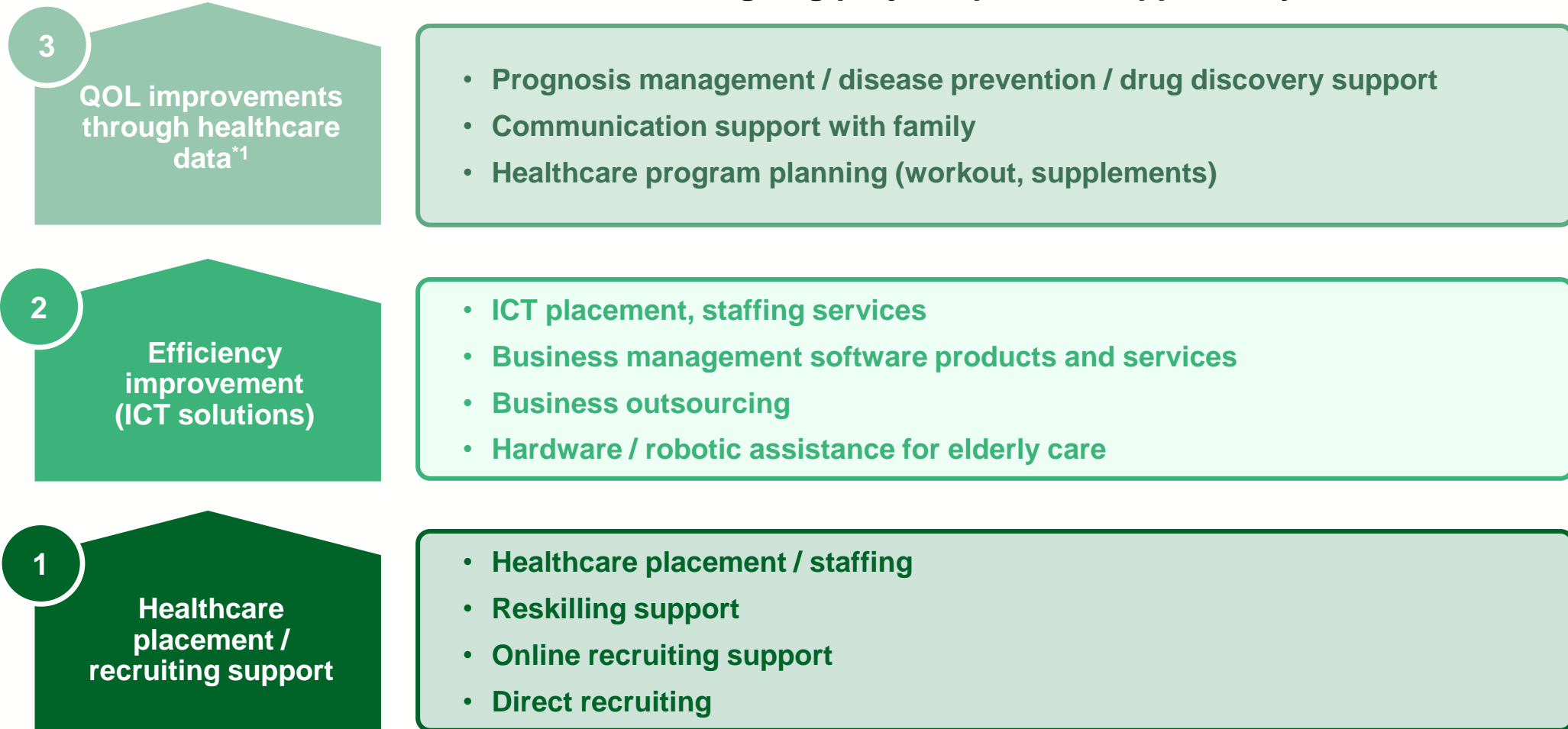


*1: FY2005 to FY2018 figures are on J-GAAP basis of former TRYT. Financials from FY2005 to FY2013 were calculated by summing up the yearly financials of our subsidiaries without adjusting fiscal year periods and are based on Japanese tax accounting standards. FY2014 to FY2018 were calculated on a proforma basis as if our subsidiaries' close of accounts being December, by summing up their monthly financials and are based on management accounting standards

*2: FY2019 and FY2020 figures are on audited basis of former TRYT. FY2021 figures are simple sum aggregation of the financial results for the eleven-month period ended November 30, 2021 of former TRYT and the fiscal year ended December 31, 2021 of current TRYT (unaudited)

Expand business areas beyond placement / recruiting support

Ongoing project / potential opportunity



*1: Prognosis management, disease prevention, drug discovery support, communication support with family, healthcare program planning (workout, supplements) are services that are planned to be released by FY2025 or later

2-1.

Structural market growth in healthcare and welfare recruiting

2-2.

Competitive advantage in quality & quantity of placement strengthening DR

2-3.

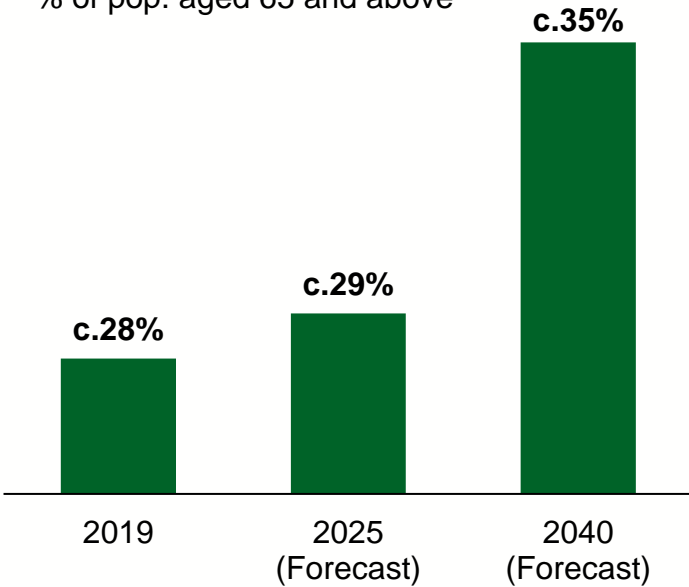
Proven track record of M&A



Japan is expected to face a widening chronic need of elderly care workers as a result of an increasing elderly population

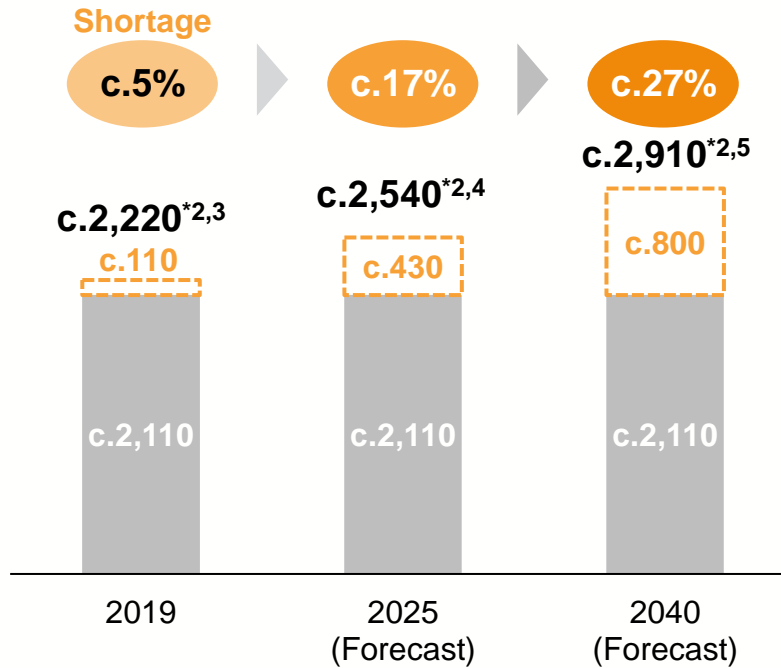
Increase in elderly population, % of pop. aged 65 and above*1

■ Increase in elderly population, % of pop. aged 65 and above



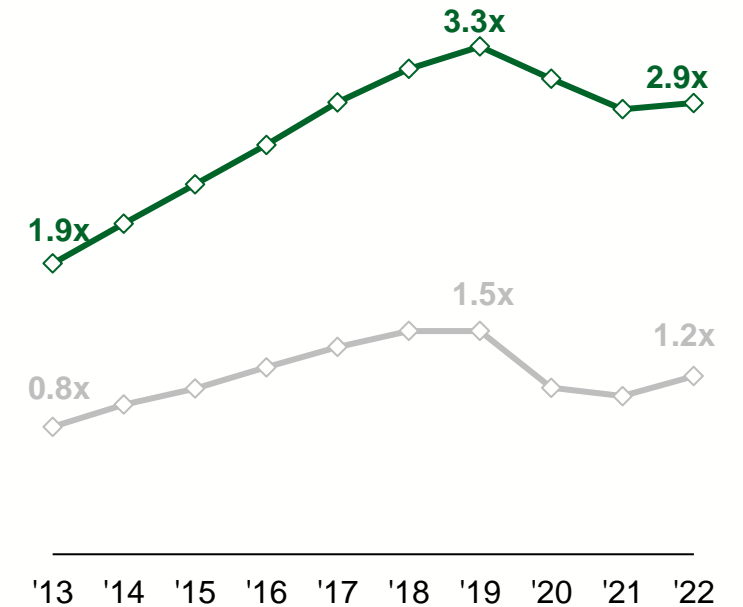
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Chronic and growing shortage of elderly care workers (K)



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Consistent high demand for healthcare and welfare workers*6



■ Additional elderly care worker needs
■ # of elderly care workers (2019)

◆ Job-to applicant ratio (Healthcare and welfare)
◆ Job-to applicant ratio (All occupations)

*1: Elderly population refers to the population aged 65 and above. % of the elderly population among total population in 2019: Ministry of Internal Affairs and Communications, "Population estimates" (finalized on October 1, 2019).
For 2025 and 2040: Cabinet Office, "2023 White paper on aging society (summary)"

*2: The actual number of elderly care workers in 2019 is based on "Number of elderly care workers (2019)" by Ministry of Health, Labour, and Welfare (MHLW), mentioned in "Number of elderly care worker required based on the 8th elderly care insurance plan" (July 9, 2021)

*3: The number of elderly care workers required in 2019 is estimated by the Company. It is calculated based on the requirement of keeping the ratio of elderly care workers in elderly care welfare facilities and elderly care insurance facilities to elderly care residents to be at least 1:3. In addition, the Company has referred to "Major staffing standards for elderly care welfare facilities and elderly care insurance facilities", "Compensation standard for elderly care welfare facilities (special nursing homes for the elderly) (direction of examination)" by the MHLW (October 30, 2021). As the number of people certified as requiring elderly care (support) in 2019 was c.6,670K from *2, the number of elderly care workers needed is estimated as (c.6,670K / 3 =) c.2,220K

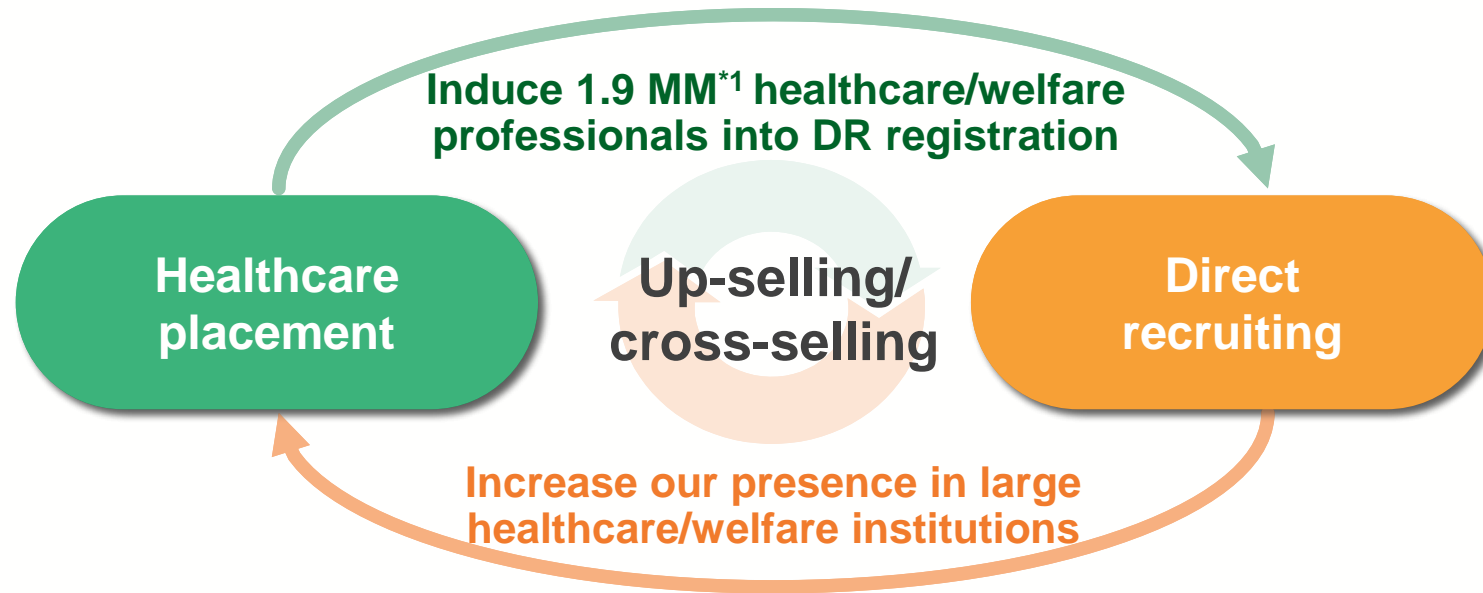
*4: The sum of the number of elderly care workers required in 2019 estimated by the Company from *3 and additional number of elderly care workers needed based on the discrepancy between the number of elderly care workers needed as of 2025 and the number of actual elderly care workers in 2019 from *2. This number is based on "Number of elderly care worker required based on the 8th elderly care insurance plan"

*5: The sum of the number of elderly care workers required in 2019 estimated by the Company from *3 and additional number of elderly care workers needed based on the discrepancy between the number of elderly care workers needed as of 2040 and the number of actual elderly care workers in 2019 from *2. This number is based on "Number of elderly care worker required based on the 8th elderly care insurance plan"

*6: MHLW, "The status of general job placements (actual)". Healthcare and welfare include occupations for elderly care services, public health nurses, midwives, nurses and professional occupation for social welfare (includes childcare)

Capture further market opportunities through the provision of both placement and direct recruiting services to cover wider range of customer needs

Unique synergy between two businesses



- 1 # of registered healthcare/welfare professionals: c.1.9 MM
- 2 Detailed understanding of needs through consulting with our career advisors

- 1 Meet diversified needs of healthcare/welfare institutions that aim to save on recruiting costs
- 2 Encourage these healthcare/welfare institutions to utilize our placement

DR target segment

	Mid-to-small institutions (with limited HR function)	Large institutions (with HR function)
Veteran	Healthcare placement (support to cover limited HR function)	Healthcare placement (qualified talent needs)
Inexperienced		Direct recruiting (low cost hiring needs)

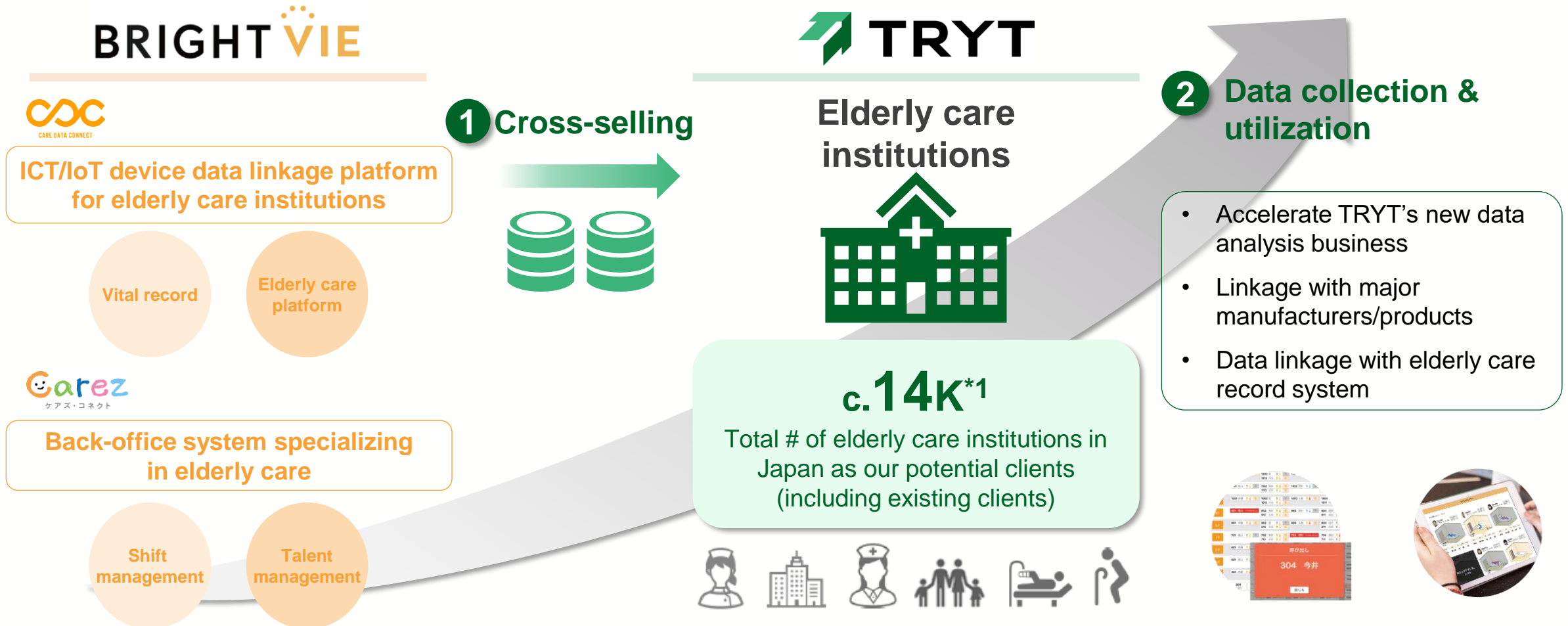
*1: As of the end of July 2023

Proven track record in executing M&A and partnerships in line with our growth strategy

	Target	Services	Achievement post acquisition/partnership
M&A	Aug 2021 	HR tech	<ul style="list-style-type: none"> ✓ Experienced engineering team ✓ Development of basic function for direct recruiting
	Jan 2022 	Childcare placement	<ul style="list-style-type: none"> ✓ Contributed to forming top position in childcare placement industry ✓ Developed childcare direct recruiting business
	Jun 2023 	ICT platform & back-office software provider in healthcare & welfare industry	<ul style="list-style-type: none"> ✓ ICT/IoT platform, back-office cloud system focused on elderly care ✓ PMI in progress
Partnership	Feb 2022 ND Software	Elderly care reimbursement claim system	<ul style="list-style-type: none"> ✓ Entered into digital service area ✓ Demonstrated the ability to cross-sell following the cross-sale of ND Software products
	Jan 2023 Rehab	AI-based rehabilitation planning	<ul style="list-style-type: none"> ✓ Increased digital service lineup

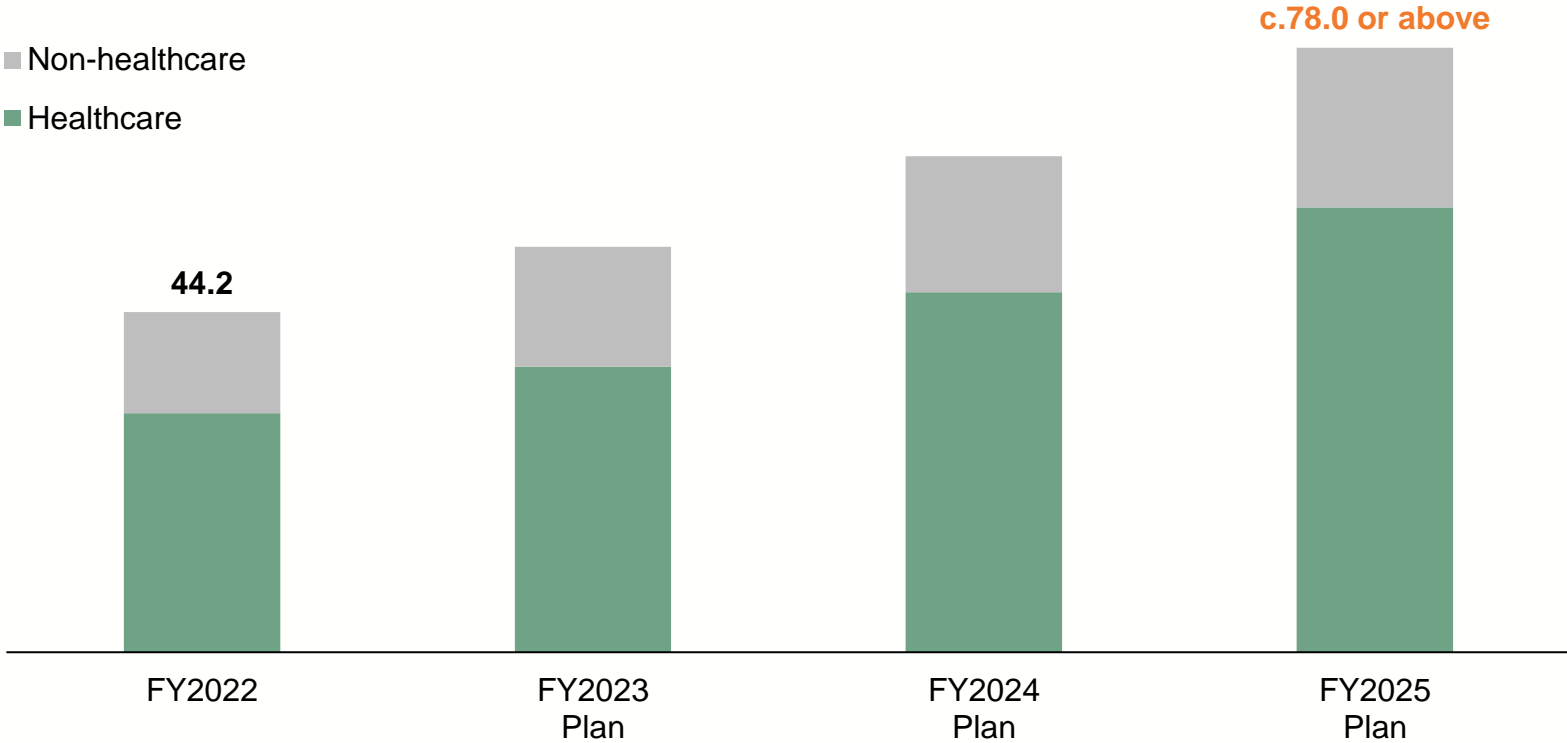
Development of ICT business is accelerated by cross-selling bright vie's products to our existing clients and further collection & utilization of healthcare data managed by bright vie

Expected synergies between TRYT and bright vie



Revenue growth is expected to be driven by the core healthcare placement business

Revenue during medium-term management plan (JPY BN)

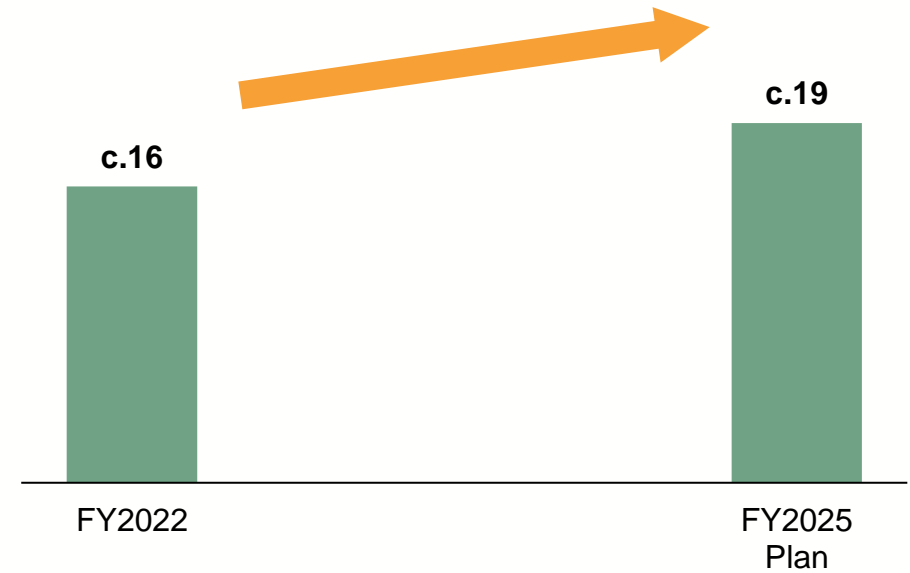


Aim to build a foundation of robust revenue growth through increase in the # of sales personnel and their productivity improvements

Healthcare placement

of sales personnel (Person)*1

Revenue per sales personnel (JPY MM)*3



*1: Annual average number of sales personnel for each fiscal period. Figures are only for sales personnel engaged in the healthcare placement business

*2: Turnover rate = number of people leaving / (number of employees at the start of FY2022 + number of new employees + change in the number of employees due to internal transfers). FY2025 figure is an assumption in the medium-term management plan

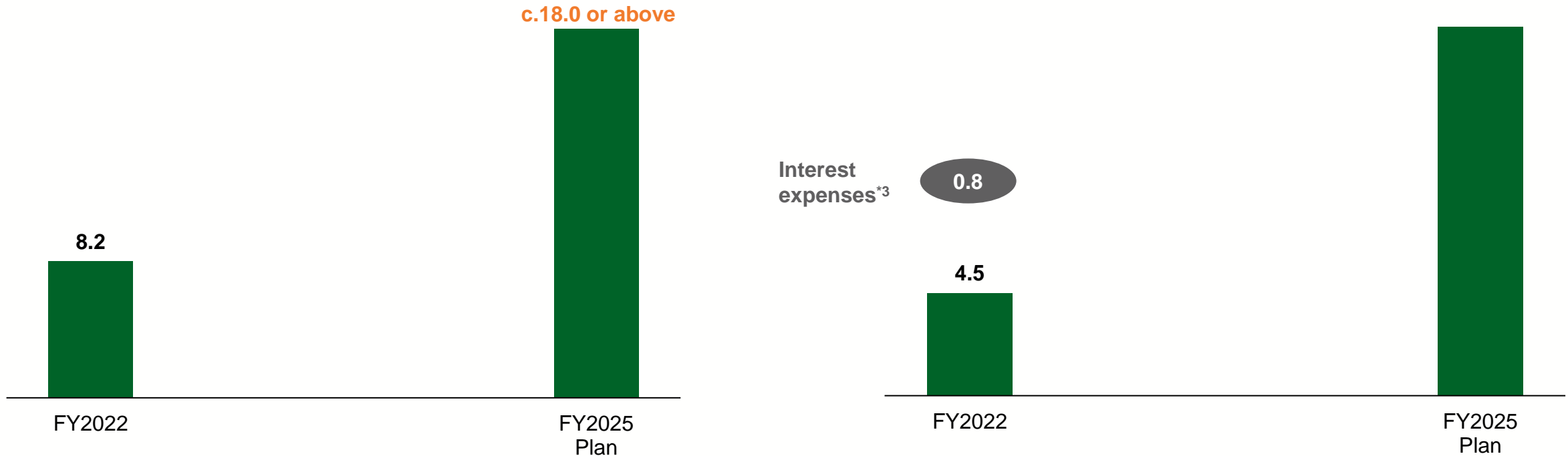
*3: Revenue per sales personnel is calculated by dividing healthcare placement revenue by the annual average number of sales personnel engaged in the healthcare placement business

Aim to accelerate net income growth by the reduction of interest expenses, in addition to the adjusted EBITDA growth through combination of macroeconomic factors, various operational improvement initiatives, and expansion of new businesses

Illustrative historical and medium-term plan for adjusted EBITDA and adjusted net income (JPY BN)^{*1,2}

Adjusted EBITDA

Adjusted net income



^{*1}: Adjusted EBITDA = EBITDA + M&A related costs + refinance related costs (excluding financial costs) + IPO-related costs.

EBITDA = profit (loss) + income tax expense + financial expenses - financial revenue + depreciation (including right of use assets, customer related assets and other assets) + impairment of fixed assets / loss on disposal of fixed assets

^{*2}: Adjusted net income = profit (loss) + amortization of customer related assets + M&A related costs + refinance related costs (excluding financial costs) + financial costs related to refinancing + IPO-related costs + tax and tax adjustments

^{*3}: Interest expenses include lease liabilities

This material contains forward-looking statements, reflecting Company's assumptions, forecast and plans for the future based on the information available to the Company. There can be no assurance that the relevant forward-looking statements will be achieved. Significant differences may arise between respective forward-looking statements due to various factors, including changes in the economic conditions, changes in the needs of healthcare/welfare institutions and preference of healthcare/welfare professionals, competition, changes in the legal and regulatory environment, and other factors. The Company has no obligation to update any information contained in this material based on any subsequent events.

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