



Q1 FY03/2025

Apr. 2024 — Jun. 2024

FINANCIAL RESULTS



YOUR GROWTH PARTNER.

for Startups, Inc.

TSE : Growth 7089

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Agenda

1. **FY03/25 1Q results overview**
2. **Business themes**
3. **Appendix**



for Startups, Inc. discloses IR information by email.
Anybody may register to receive such information.

1. FY03/25 1Q results overview

FY03/25 1Q results Executive summary

- Steady increase in revenue, performance in line with expectations despite profit decline following recording of office-related expenses
- New records set for orders received in both Talent Agency and Open Innovation, breaking through 1,000 million yen on quarterly basis for the first time
- Number of employees at end 1Q up 23 (including 13 new graduates) from end previous fiscal year to 217. Recruiting in Talent Agency in line with expectations

Net sales (Consolidated)

865 million yen
YoY +18.7%

Operating income (Consolidated)

78 million yen
YoY -22.4%

Orders (consolidated)

1,143 million yen
YoY +20.2%

Talent Agency net sales

810 million yen
YoY +18.9%

Open Innovation net sales

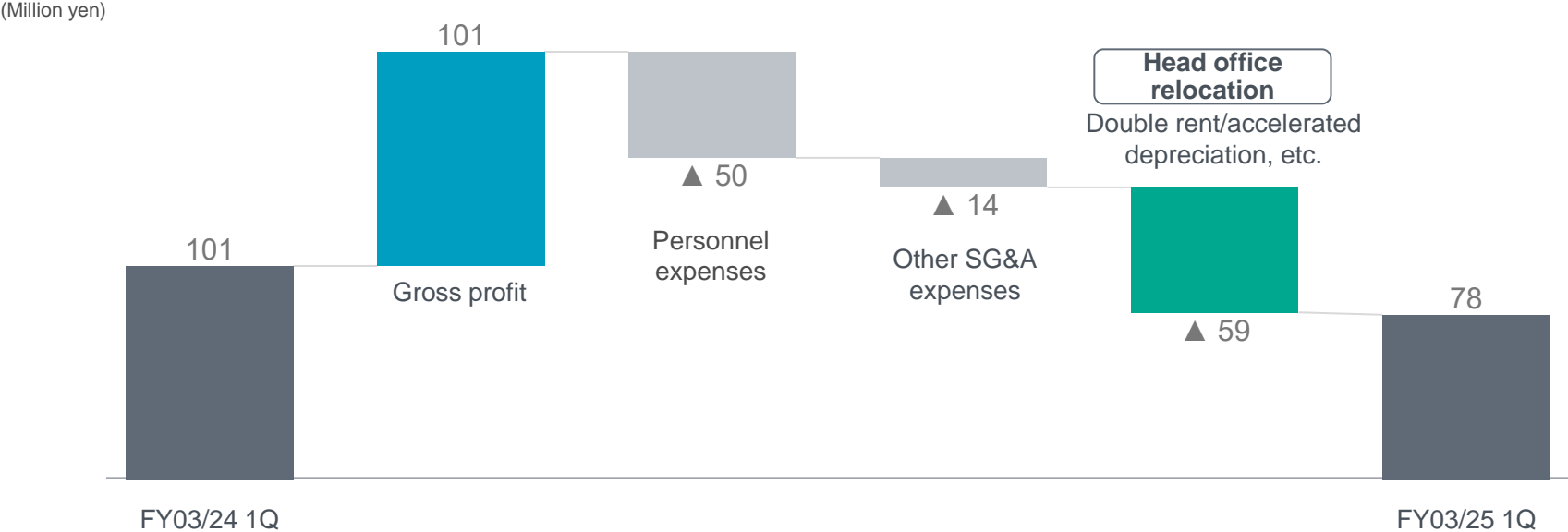
55 million yen
YoY +14.5%

Number of regular employees

217
YoY +23

Year-on-year comparison of 1Q operating profit

SG&A expenses increased 59 million yen due to one-off expenses following relocation of head office, pushing down profit year on year

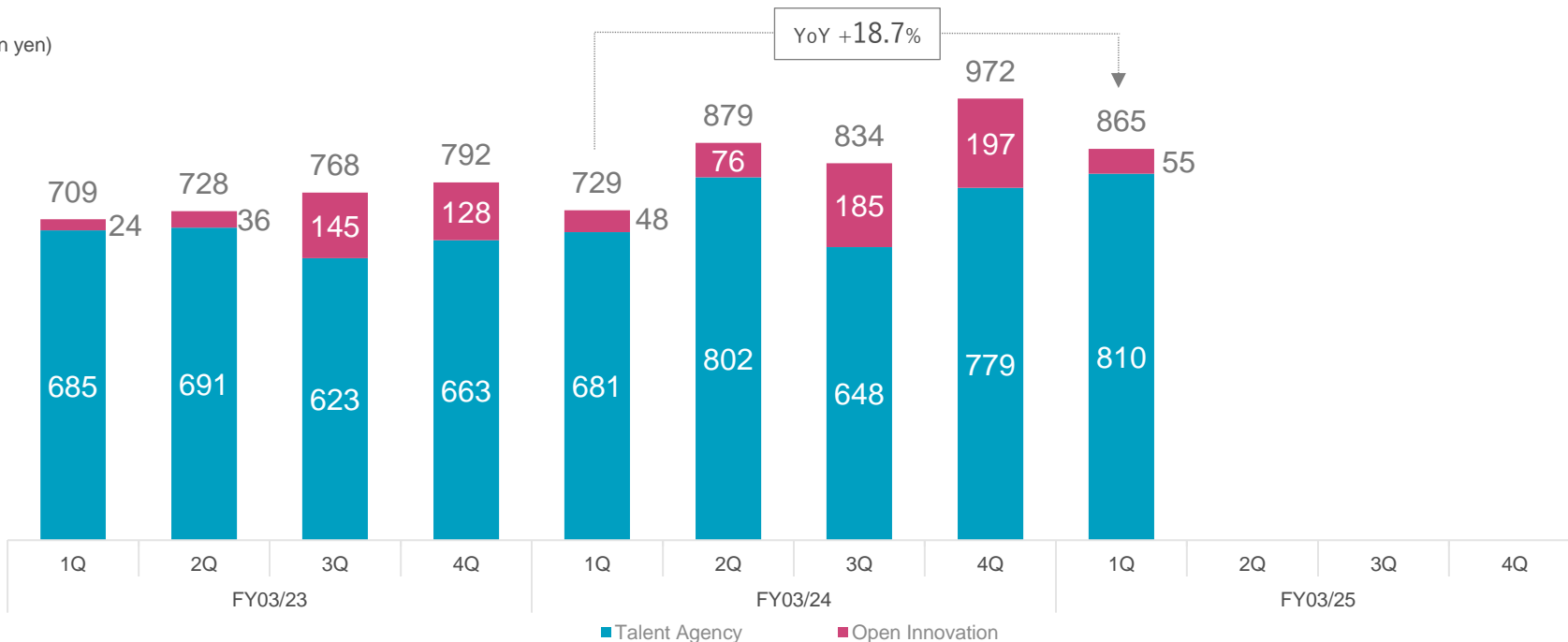


Company as a whole (consolidated) | Change in quarterly net sales over time

Talent Agency set a new record for quarterly net sales

Open Innovation net sales likely to be disproportionately weighted to second half due to revenue recognition issues related to inspection of services provided taking place at the end of fiscal year

(Million yen)

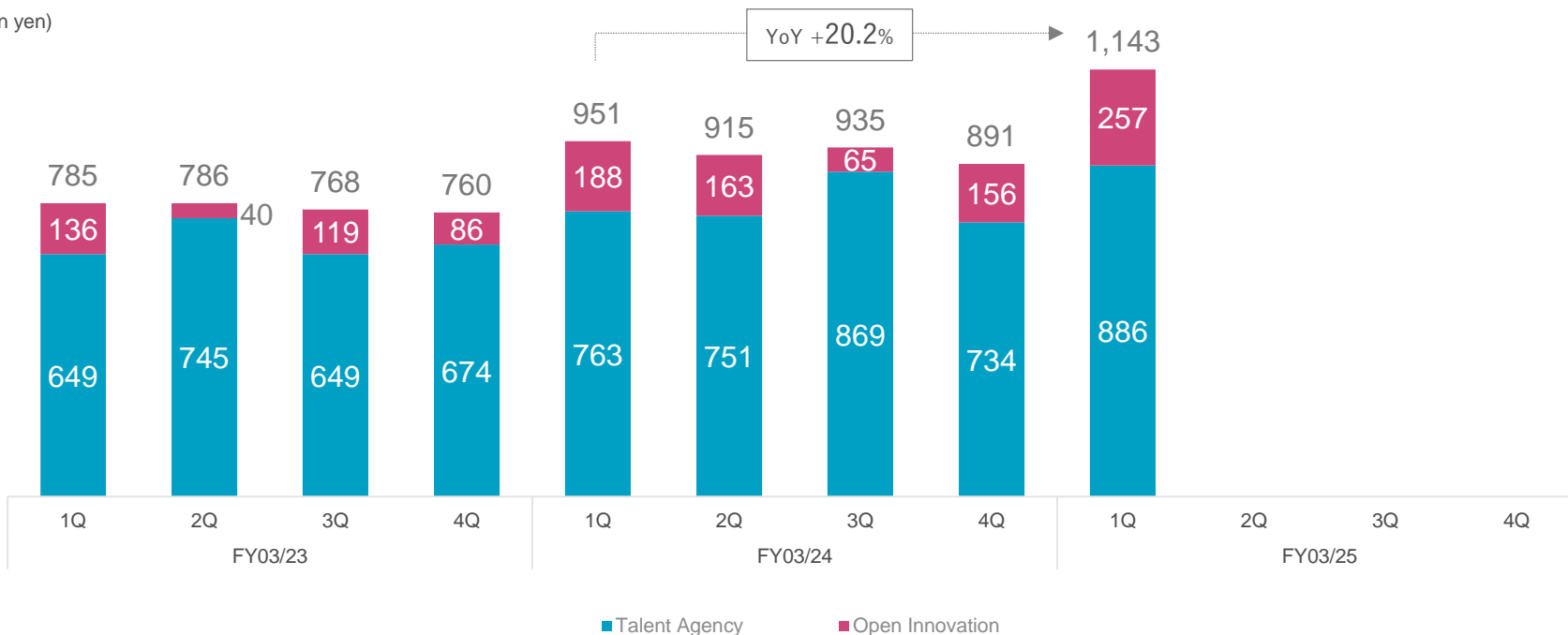


Company as a whole (consolidated) | Change in quarterly orders received over time

Both services set new quarterly records, together exceeding 1,000 million yen. Tailwind from resumption of recruiting activities by major existing customer

Open Innovation benefiting from growth in STARTUP DB orders

(Million yen)



Company as a whole (consolidated) | Change in joiners and leavers over time

Due to effects of controlling hiring activity in previous fiscal year to reflect market conditions, number of new graduates down year on year, but 3 still scheduled to join later this fiscal year

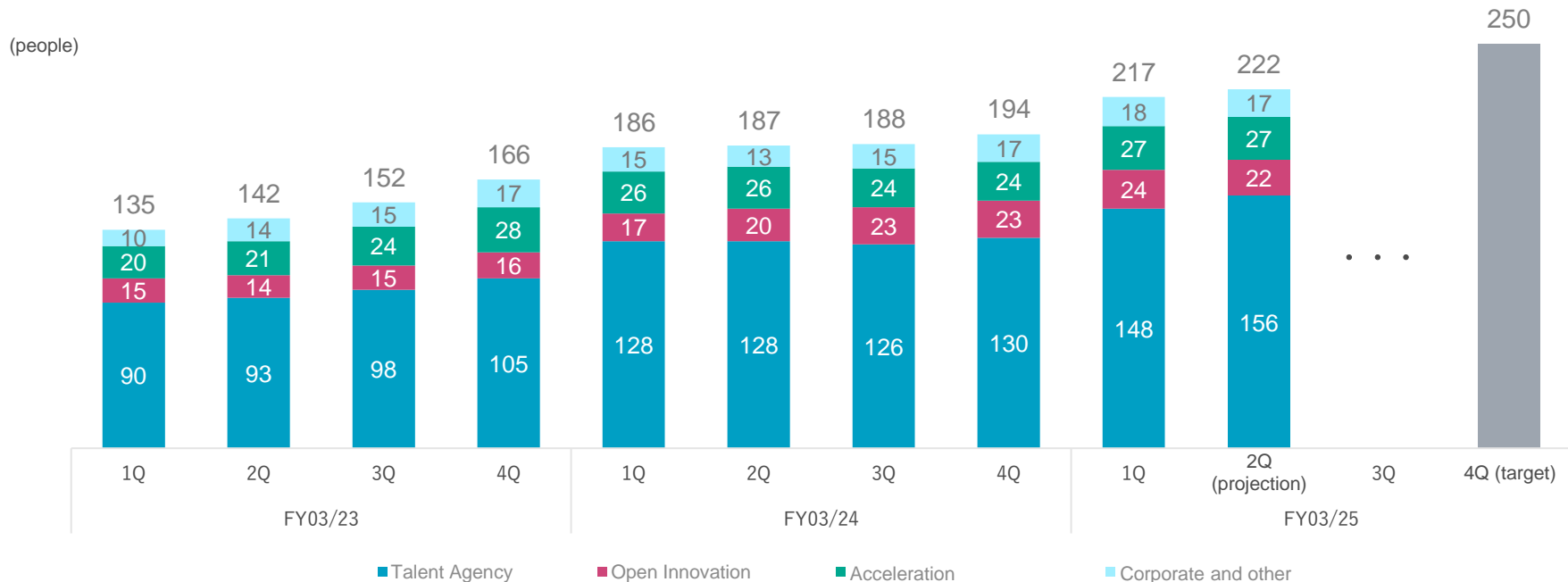
Number of mid-career joiners in 1Q up 3x year on year, business plan progressing as expected

| | Number of employees at end of previous fiscal year | Number of midcareer joiners <small>*including changes in form of employment</small> | Number of new graduate joiners | Number resigning | Number of employees at end of fiscal year |
|---------------------|--|--|--------------------------------|------------------|---|
| FY03/22 (full year) | 87 | 45 | 8 | 25 | 115 |
| FY03/23 (full year) | 115 | 60 | 13 | 22 | 166 |
| FY03/24 (full year) | 166 | 52 | 21 | 45 | 194 |
| FY03/24 (1Q) | 166 | 6 | 21 | 7 | 186 |
| FY03/25 (1Q) | 194 | 20 | 13 | 10 | 217 |

Company as a whole (consolidated) | Change in number of employees over time

As of July 31, outlook for number of employees at end 2Q is 222

Recruitment in most important area, Talent Agency, on pace to hit targets



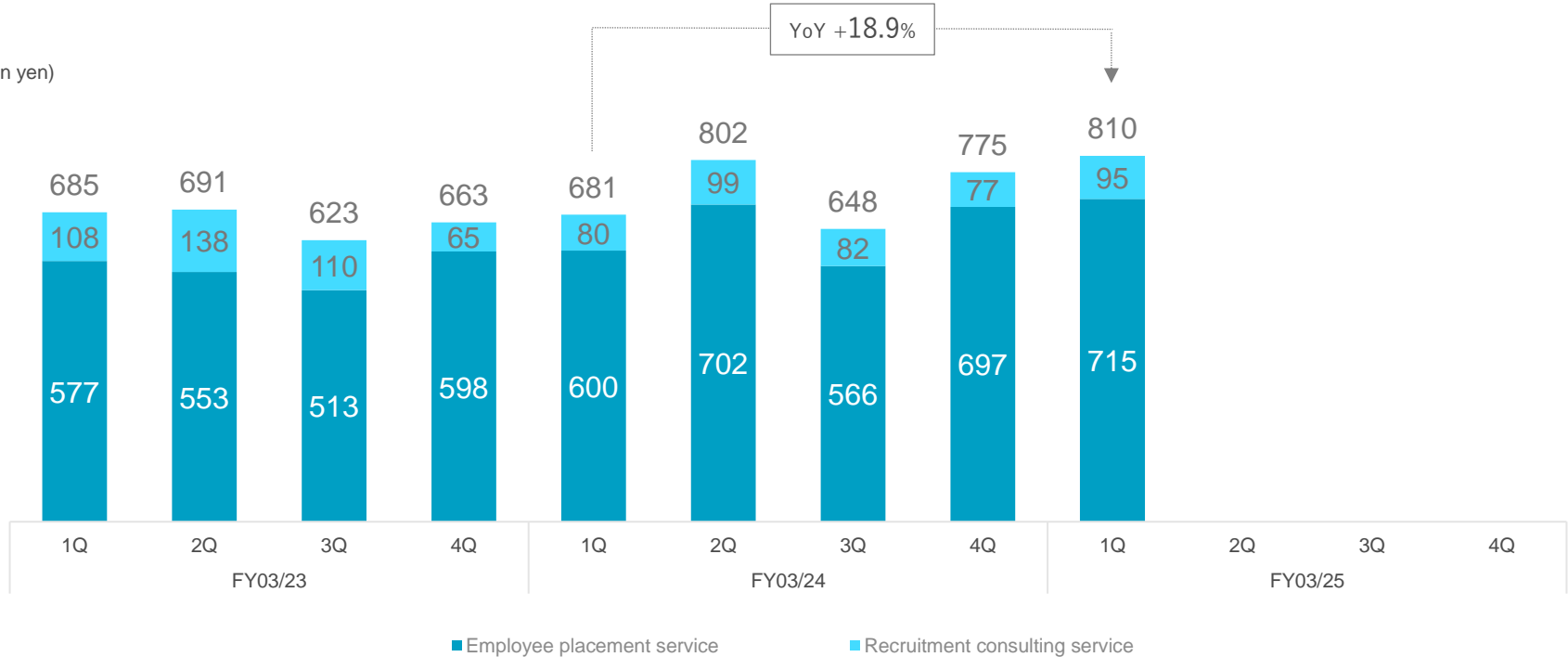
Note: includes employees on leave for maternity, childcare, etc. The Acceleration Division is responsible for the Human Resources Division and the Development and Design Division.

Talent Agency | Net sales

Quarterly net sales for employee placements hit new record

Demand for consulting on recovery trend, but due in part to changes in external environment has not yet returned to level of FY03/23

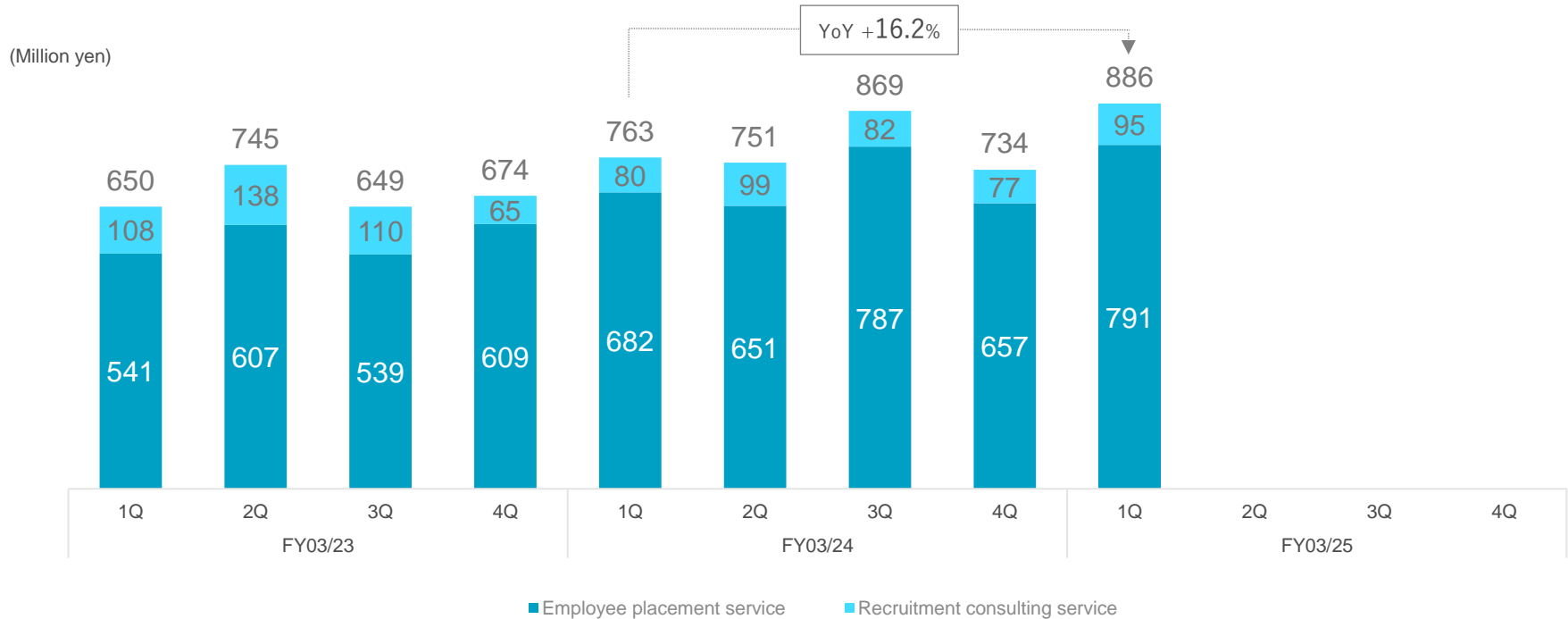
(Million yen)



Talent Agency | Orders received

While impacted by shortfall in employee recruitments in previous fiscal year, improvements in productivity pushed orders received to new record

Tailwind in some areas from resumption of recruiting activities by major existing customer



Talent Agency | Constituent elements of net sales

While number of placements hit a new record, unit price maintained at previous-year level

Number of companies at which employees placed, which we began disclosing this fiscal year, continues to rise on an annual basis due in part to winning of new customers

| | FY03/22 | | | | FY03/23 | | | | FY03/24 | | | | FY03/25 | | | |
|--|---------|-------|-------|-------|---------|-------|-------|-------|---------|-------|-------|-------|---------|----|----|----|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Number of placements | 178 | 179 | 154 | 174 | 179 | 152 | 142 | 178 | 153 | 190 | 154 | 188 | 195 | - | - | - |
| Unit price (thousand yen) | 2,740 | 2,795 | 2,831 | 2,902 | 3,290 | 3,601 | 3,594 | 3,395 | 3,981 | 3,738 | 3,854 | 3,703 | 3,767 | - | - | - |
| Number of companies at which employees placed for the above number of placements | 71 | 82 | 76 | 84 | 74 | 86 | 72 | 85 | 87 | 104 | 92 | 104 | 107 | - | - | - |
| Finalized annual salary (% total) >=¥10m | 16.4 | 12.9 | 15.6 | 16.8 | 23.5 | 25.7 | 24.6 | 19.7 | 30.1 | 31.6 | 29.9 | 26.6 | 28.2 | - | - | - |
| Finalized annual salary (% total) >=¥8m <¥10m | 17.5 | 18.5 | 17.5 | 15.6 | 17.9 | 23.7 | 23.9 | 20.2 | 21.6 | 18.9 | 18.2 | 22.3 | 23.6 | - | - | - |
| Finalized annual salary (% total) >=¥6m <¥8m | 27.7 | 33.7 | 29.9 | 34.7 | 38.0 | 30.9 | 33.1 | 38.8 | 32.7 | 33.2 | 34.4 | 30.9 | 32.8 | - | - | - |
| Finalized annual salary (% total) <¥6m | 38.4 | 34.8 | 37.0 | 32.9 | 20.7 | 19.7 | 18.3 | 21.3 | 15.7 | 16.3 | 17.5 | 20.2 | 15.4 | - | - | - |

Note: Excludes part of employee placement service sales (operations outsourced to the Company, etc.) and the impact of repayments

Company as a whole (consolidated) | FY03/25 Full-year forecasts

No change to figures already disclosed

| (Million yen) | FY03/24 | FY03/25 | YoY |
|--|---------|---------|---------|
| Net sales | 3,416 | 4,100 | + 20.0% |
| Operating income | 423 | 450 | + 6.3% |
| Ordinary profit | 428 | 450 | + 5.0% |
| Profit attributable to owners of parent | 385 | 310 | - 19.7% |

2. Business themes

Public Affairs | Beginning new initiatives with local governments

This fiscal year we are focusing on new local government initiatives. In addition to projects for Yamanashi and Gifu prefectures, we have been outsourced a project from Kita Kyushu, which is one of the eight startup ecosystem hub cities

Kita Kyushu City - Corporate Transformation/Startup Growth Support Project



Yamanashi Prefecture - Acceleration Program Project

Gifu Prefecture - Support Project for Unearthing / Accelerating Technology Startups



Public Affairs | Initiatives with Fukuoka City

Below is an excerpt from a discussion between Soichiro Takashima, the mayor of Fukuoka City, who was the driver of the “Startup City Fukuoka” declaration in 2012 that positioned startup support at the heart of the city’s government, and for Startups President Yuichiro Shimizu



From expanding the base to forging ahead to make a social impact - Fukuoka City and for Startups are taking on the challenge together

Mayor of Fukuoka
Soichiro Takashima

for Startups, Inc.
President and CEO
Yuichiro Shimizu

Article can be
found [here](#)



- What initiatives has Fukuoka City undertaken and how have they developed?

(Soichiro Takashima)

First, in order to facilitate new business models and technologies that had not been considered under existing laws and regulations, we obtained the designation of national strategic special zone for the Fukuoka City National Strategic Special Zone for Global Startups & Job Creation. To enable the flexible creation of new businesses in Japan, we decided to make Fukuoka the starting point for the change.

In 2017, we opened the Fukuoka Growth Next (FGN) public-private startup support facility, which utilizes the former Fukuoka City Daimyo Elementary School. This has been positioned at the core of measures for supporting startups in the city.

Fukuoka City startups have been growing steadily, with for example iQPS Inc. being listed in December 2023, and many other companies preparing for IPO. However, we are now in the phase of what we call “aiming higher,” which means setting more ambitious goals and creating companies that will be representative of and become the driving force behind Fukuoka’s startup ecosystem. Another of the pillars of this project is the “social” aspect. These are startups that seek to resolve social issues. The reality is that when I talk to the individuals who gather at FGN with the intention of taking on various challenges, I get a genuine sense that there has been an increase in the number of people who are interested not only in raising valuations but also in the social significance of what they are doing and in discovering the meaning of their own lives.

- Are there any immediate issues that you are facing as you work towards realizing your goals under the two conceptual pillars of “aiming higher” and “social”?

(Soichiro Takashima)

Human resources are the main issue by far. More than ten years have passed since Fukuoka started supporting startups, and it has led to IPOs, and the number of pre-IPO companies has increased. However, once they get to this stage, if they don’t go to Tokyo it is difficult for them to get advice about listing from financial institutions, and the reality is that they all end up going to the capital. It is hard to find human resources locally who can provide them with advice. This has become an issue precisely because we have entered this current phase. So functions for matching human resources tailored to the current phase and situation have become urgently necessary, and it is here that we hope for Startups will be able to provide assistance.

We have published the First Half of 2024 Investment Trend Report. Online seminar scheduled to be livestreamed on August 21

STARTUP DB

徹底解説

2024 上半期国内
スタートアップ 投資動向

2024 8/21 WED ONLINE 12:30 - 14:00



株) クロービス・キャピタル・パートナーズ
代表パートナー
今野 穰

インキュベイトファンド
代表パートナー
村田 祐介

フォースタートアップス (株)
代表取締役
志水 雄一郎

In this seminar, while visualizing in graphical form the results of such proprietary research as trends in funding amounts and by investor type, and examples of major funding and exits that have been attracting attention, we will also provide commentary from two venture capitalists who are active on the front line of the industry.

For registration, see [here](#)



Conference | Holding of GRIC 2024

GRIC 2024, the conference whose purpose is to raise Japan's startup ecosystem to global standards, will be held in November. This will be the first time it has been held over three days

Main programs from the 2023 event



Offline stage



Online session



Pitch contest



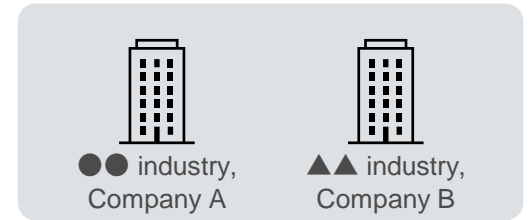
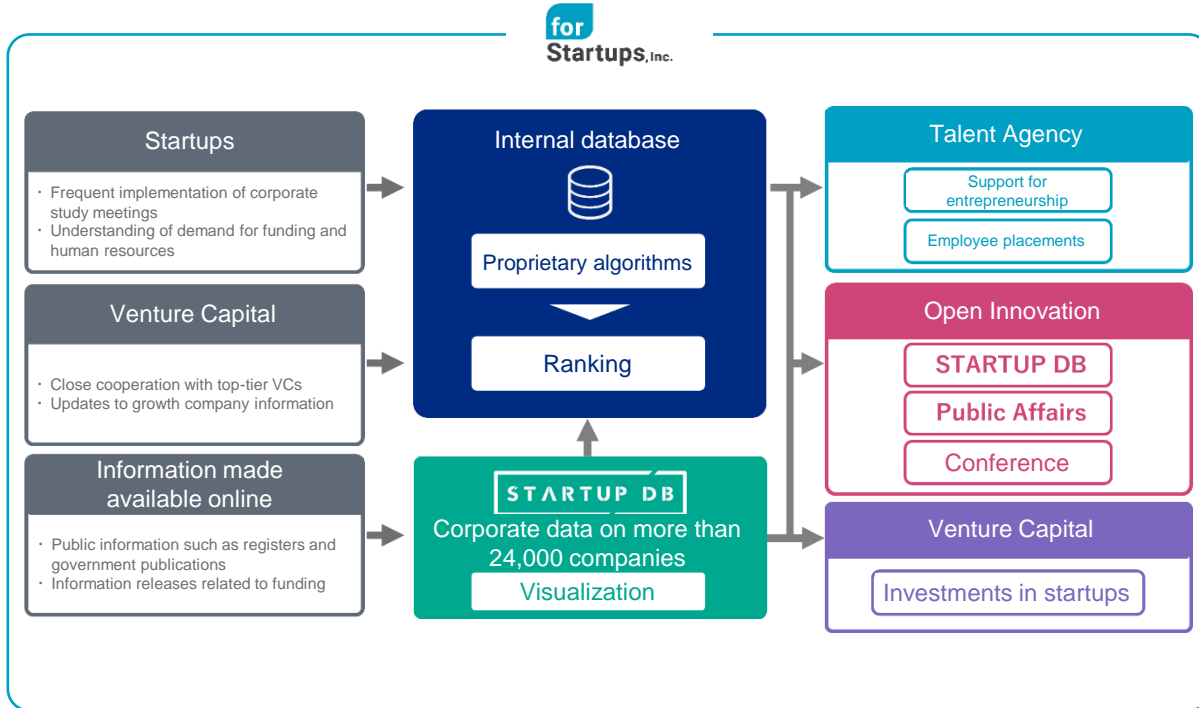
FIRE SIDE CHAT

5th conference to be held in November 2024



Progress in new businesses and alliances, etc.

Currently collaborating with multiple operating companies, etc. We are moving forward with activities that leverage our strengths in preparation for the creation of new businesses



Business alliances/
collaborations

Development of startup ecosystem

3. Appendix

Company overview

| | |
|---|---|
| Company name | for Startups, Inc. |
| Established | September 2016 |
| Location of head office | 36F, Izumi Garden Tower, 1-6-1 Roppongi, Minato-ku, Tokyo |
| Number of regular employees | 217 (as of June 30, 2024) |
| Capital | ¥238 million (as of June 30, 2024) |
| Nature of business | Growth industry support - Talent Agency & Open Innovation business - Venture Capital business |
| Listed market | Tokyo Stock Exchange Growth market (securities code: 7089) |
| Employment placement business authorization no. | 13-Yu 307946 |
| Group companies | for Startups Capital Inc. Syngress, Inc. |



Group photo of officers and employees of the Company at the "for Startups Thanks Festival" held on April 10, 2024

Support for entrepreneurship

We support the starting of businesses primarily by supporting entrepreneur candidates in cooperation with venture capital firms

So far we have announced the provision of support to seven companies



Established August 2016
YOURMYSTAR, Inc.



Established July 2017
Graffer, Inc.



Established February 2019
Blue Practice Co., Ltd.



Established April 2019
TERASS Inc.



Established November 2020
Yuimedi, Inc.



Established April 2021
NABLA Mobility Inc.

FAEGER

株式会社フェイガー

Established July 2022
FAEGER Co., Ltd.

Talent Agency | Track record in supporting employee placements

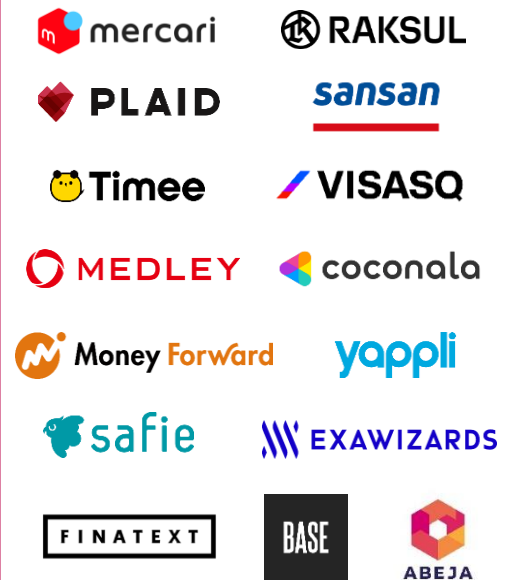
Unlisted startups



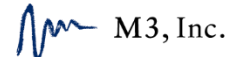
Ecosystem builders (VC, innovation campuses)



Startups that were listed while we were providing support



Companies already listed



Talent Agency | Examples of support provided

We have published representative examples of support provided by our Talent Agency on the “Challengers” corporate website



Timee, Inc.

<Excerpt from article>
Ryo Ogawa, Representative Director

At that time my perception of agents was that they were difficult to deal with. For high-level individuals, the fee would rise to several million yen. Three years ago we had procured funding of around 300 million yen, so for example 3 million yen would be 1%. I found it difficult to pay such amounts.

It was when we recruited high-level individuals such as the CFO through for Startups that I had a change of awareness. I felt that we had managed to massively reduce the time required. My sense was that although we could not avoid this particular road, we had shortened the distance we needed to walk. More than anything, startups have finite time. The turning point was when I realized that, under circumstances in which we were required to be extraordinarily selective and focused, using money in this way was actually extremely rational. Rather than investing my emotions, the results were worth paying a certain fee for.



KAKEHASHI Inc.

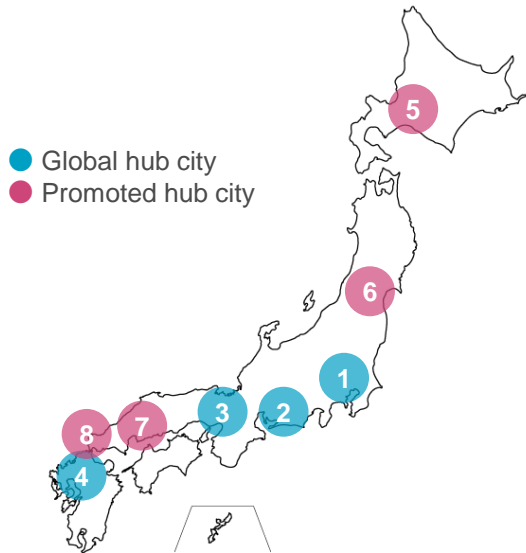
<Excerpt from article>
Takashi Nakagawa, Representative Director & CEO

Our problem at the time was that members of the management team were getting too closely involved in the recruitment process. As you might expect, when management speaks they can be very effective in attracting people simply by virtue of being able to talk about the future. Even so, when you think about the number of people we want to recruit, there are limits to a recruitment system based only on the management team. In order to succeed in recruiting from all directions, it was important for all members of the organization to become able to perform recruitment activities. The most important theme at the time was to shift to a structure, based around the hiring managers of each team, that allowed us to approach recruitment as an organization. By reviewing the interview story with for Startups and driving a detailed feedback cycle, while at the same time providing specific points for improvement to hiring managers, we gradually became able to conduct productive interviews. This had a significant impact.

Seven out of the eight startup ecosystem hub cities designated by the Cabinet Office of Japan have outsourced projects to us or welcomed our participation as a collaborating institution

Supporting national policy for creating startups in all regions of Japan, including Tokyo

Startup ecosystem hub cities (8 in total)



Cabinet Office of Japan: "Strategies for creation of startup ecosystem to compete with the world top ecosystems"
<https://www8.cao.go.jp/cstp/openinnovation/ecosystem/index.html>

Main achievements

1 Startup Ecosystem Tokyo Consortium

Tokyo Project for the Support of Next-Generation Communications Technology Startups

3 Osaka-Kyoto-Hyogo-Kobe Consortium

Union of Kansai Governments Kansai Startup Ecosystem Information Dissemination Project

Osaka Prefecture Overseas Promotion Model Project

6 Sendai Startup Ecosystem Promotion Council

MICHINOKU ACADEMIA STARTUP PLATFORM Participation as a collaborating institution

8 Kita Kyushu City SDGs Startup Ecosystem Consortium

Kita Kyushu City Corporate Transformation/Startup Growth Support Project

2 Central Japan Startup Ecosystem Consortium

Hamamatsu City

- Startup Business Growth Project
- Next Innovator Development Project

Aichi Prefecture

- Joint project with National University of Singapore
- Deep Tech Promotion Project

4 Fukuoka Startup Consortium

Fukuoka City

- Fukuoka City Startup Support Facilities Operator Project

7 Hiroshima Strategy Council to Promote Regional Innovation

Hiroshima Prefecture Services for establishing "Hiroshima Unicorn 10" project environment

Chugoku Bureau of Economy, Trade and Industry Chugoku Region Monozukuri Small and Medium-Sized Enterprise Business Startup Support Project

We have formed a fund that aims to provide startups with a combination of support for both people and funding
It will invest in the further growth potential of the startups to which the Talent Agency service has provided HR support

Overview of fund

| | |
|---------------------------------|--|
| Name of fund | for Startups No.1 Limited Liability Investment Partnership |
| Purpose for which formed | To create synergies with the Talent Agency service of the Company, and to provide even more robust support to growth industries |
| Total investment | Up to 1,500 million yen |
| Investors | for Startups Capital Inc. Sumitomo Mitsui Banking Corporation SMBC Strategic Equity Stake No.4 Investment Project Limited Partnership etc. |
| Investment targets | Primarily domestic startups and venture companies <Middle/late stage startups and startups receiving support for entrepreneurship> |



for Startups Capital

No.1 fund investees



★ ★ YOURMYSTAR



POCKETALK



_KNOWLEDGE WORK

Strengths: network that includes some of Japan's leading players

Our customers include closely watched entrepreneurs and startups of the kind that appear in the Forbes Japan's Startup of the Year rankings

We have established an environment in which we are able to obtain extremely valuable qualitative information, including the building of relationships with investors

*Entrepreneurs and investors who have visited the Company (sample)



Study Meetings: Frequently hold study meetings with entrepreneurs and investors. Promote support based on a deep understanding built on primary information through sharing of the latest information and mutual discussion



Thanks Festival: Leading entrepreneurs, investors, government officials and media in Japan are invited to our Group offices several times a year. Strengthening the growth industry community through information exchange



Networking Events: Networking events for investors at one of the world's largest startup conferences, as well as open innovation events for large companies held at our offices

Company as a whole (consolidated) | Change in quarterly profit and loss/SG&A expenses over time

| | FY03/22 | | | | FY03/23 | | | | FY03/24 | | | | FY03/25 | | | |
|-------------------------------------|---------|-----|-----|-----|---------|-----|-----|-----|---------|-----|-----|-----|---------|----|----|----|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Net sales | 525 | 569 | 537 | 716 | 709 | 728 | 768 | 792 | 729 | 879 | 834 | 972 | 865 | – | – | – |
| Cost of sales | 110 | 126 | 110 | 126 | 123 | 137 | 125 | 154 | 110 | 148 | 265 | 167 | 145 | – | – | – |
| Gross profit | 414 | 442 | 426 | 590 | 585 | 591 | 643 | 637 | 618 | 730 | 568 | 805 | 720 | – | – | – |
| SG&A expenses | 302 | 301 | 327 | 454 | 421 | 437 | 473 | 539 | 517 | 527 | 615 | 639 | 641 | – | – | – |
| Personnel expenses | 230 | 229 | 240 | 255 | 301 | 302 | 326 | 365 | 376 | 386 | 379 | 427 | 426 | – | – | – |
| Recruitment expenses | 8 | 7 | 6 | 13 | 15 | 19 | 10 | 26 | 11 | 17 | 14 | 27 | 22 | – | – | – |
| Rent expenses on land and buildings | 19 | 23 | 28 | 42 | 32 | 32 | 32 | 32 | 32 | 32 | 32 | 32 | 54 | – | – | – |
| Depreciation | 1 | 1 | 14 | 15 | 4 | 5 | 3 | 3 | 3 | 3 | 20 | 29 | 28 | – | – | – |
| Other SG&A expenses | 41 | 39 | 39 | 127 | 67 | 77 | 101 | 111 | 93 | 88 | 168 | 122 | 108 | – | – | – |
| Operating income | 112 | 140 | 98 | 136 | 163 | 153 | 169 | 97 | 101 | 202 | -46 | 165 | 78 | – | – | – |

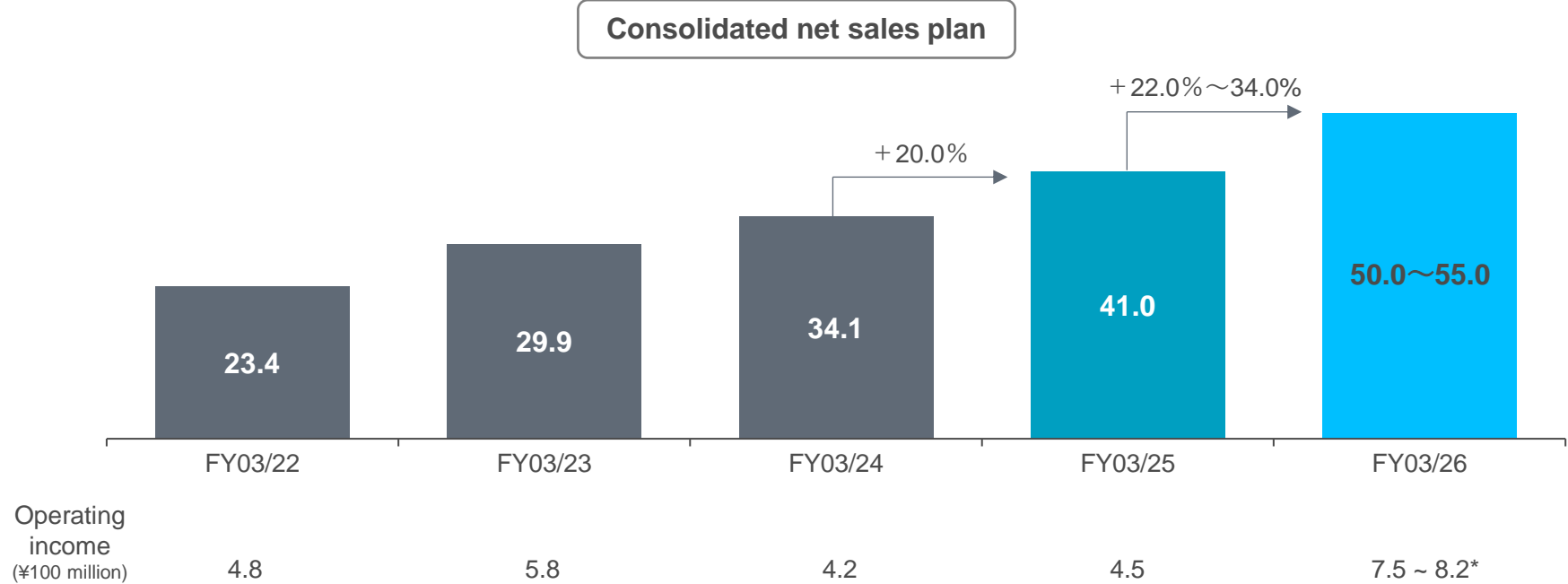
Note: Amounts of less than ¥1m are omitted; preparation of consolidated accounts began in 2Q FY03/22; personnel expenses include bonuses, etc.; recruitment expenses are the sum of introduction fees and fees for advertising positions

Company as a whole (consolidated) | Change in quarterly profit and loss/SG&A expenses over time

| | FY03/20 | FY03/21 | FY03/22 | FY03/23 | FY03/24 | FY03/25 1Q |
|--|---------|---------|---------|---------|---------|------------|
| Total current assets | 953 | 1,309 | 2,167 | 2,567 | 2,582 | 2,606 |
| Cash and deposits | 816 | 1,042 | 1,717 | 1,745 | 1,655 | 1,897 |
| Operational investment securities | – | – | 154 | 463 | 378 | 378 |
| Total non-current assets | 177 | 148 | 401 | 402 | 659 | 595 |
| Total assets | 1,130 | 1,457 | 2,569 | 2,969 | 3,241 | 3,202 |
| Total current liabilities | 325 | 466 | 1,016 | 779 | 696 | 599 |
| Total non-current liabilities | – | 83 | 66 | – | – | – |
| Total net assets | 805 | 908 | 1,485 | 2,190 | 2,545 | 2,602 |
| Shareholders' equity | 804 | 907 | 1,317 | 1,767 | 2,174 | 2,234 |
| Non-controlling interests | – | – | 165 | 405 | 338 | 331 |
| Equity ratio | 71.2 | 62.3 | 51.3 | 59.5 | 67.1 | 69.8 |

Company as a whole (consolidated) | Medium-term performance targets

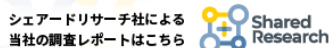
We are aiming for more than 5,000 million yen in consolidated net sales by FY03/26 (no change)



*Assumes 15% profit margin level

Shared Research

We believe that company analysis reports written from a third-party perspective by Shared Research are a useful reference for investors considering investment decisions.



<https://sharedresearch.jp/ja/companies/7089>

QA Station

Information from past Q&A sessions with investors information has been listed on QA Station. Please use the following URLs for further details.

IRに関連する
Q&A一覧はこちら



<https://www.qastation.jp/>

Activities on behalf of individual investors

We are strengthening the provision of information aimed at deepening the understanding of the Company by investors, including appearances at IR seminars held for individual investors.

IR note



IR seminar



Distribution of IR emails

for Startups, Inc. distributes IR information such as timely disclosure and statutory disclosure items by email. Please use the following URL to register.



<https://www.magicalir.net/7089/irmail/index.php>

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