
First Quarter, Fiscal Year Ending March 2024

Financial Results

August 8, 2023



United, Inc.
(TSE Growth: code 2497)

Maximize willpower and accelerate the betterment of society.

People who push themselves forward.
Businesses that move society forward.

The betterment of society is driven by people and
businesses with willpower.

Strong willpower is the source of energy that
changes society for the better.

UNITED will maximize this energy and willpower.

We will provide knowledge and opportunities to
people with willpower.
We will provide funds and know-how to businesses
with willpower.
And when both parties meet, their mutual growth
will spark even further growth.
This cycle of growth will enrich society.

We will move society in a better direction faster
with willpower.

We will maximize willpower and accelerate the
betterment of society.

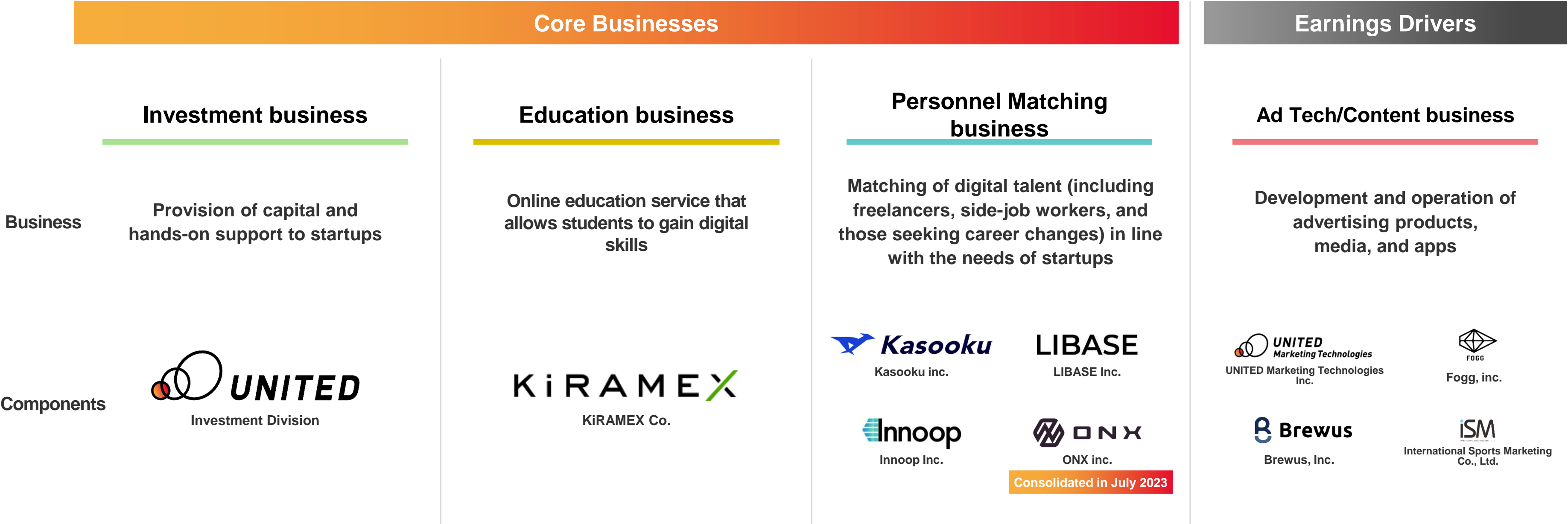
Agenda

1 Financial Highlights of Q1 FY03/24 p.4

2 Q1 FY03/24 Business Overview p.11

3 Appendix p.39

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Sales and operating profit increased YoY as the sale of investment securities concentrated in the quarter.

Consolidated Operating Performance	Sales	¥7,224 million (+51% YoY)
	Operating profit	¥5,361 million (+72% YoY)

Core Businesses

Investment	Sales	¥5,813 million (+78% YoY)	p.11 for details
	Operating profit	¥5,731 million (+79% YoY)	
Education	Sales	¥341 million (-6% YoY)	p.21 for details
	Operating profit	-¥17 million (-¥84 million YoY)	
Personnel Matching	Sales	¥113 million (+49% YoY)	p.28 for details
	Operating profit	-¥137 million (-¥88 million YoY)	

Earnings Drivers

Ad Tech/Content	Sales	¥959 million (-11% YoY)	p.36 for details
	Operating profit	¥68 million (-44% YoY)	

In order to drive medium-term growth for the Personnel Matching business, we will actively invest profits generated from our other businesses.

Continuous profit generation

Investment business

Education business

Ad Tech/Content business

Medium-term earnings generation

Upfront
investments

**Personnel Matching
business**

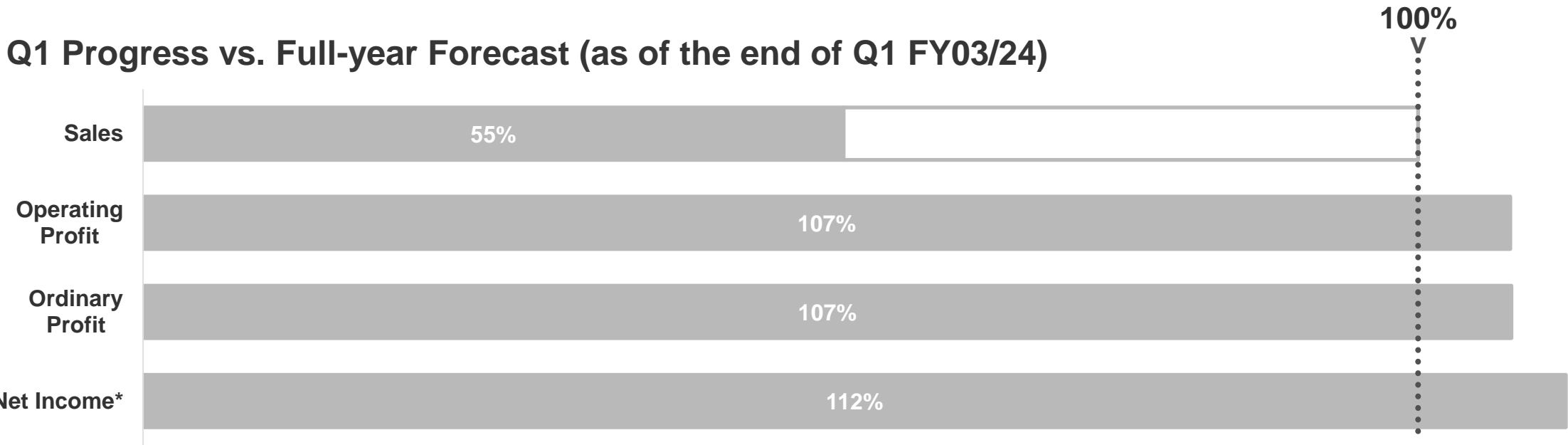
Q1 Progress vs. Full-year FY03/24 Forecast

The Q1 progress rates for profit items from operating profit and below exceeded 100% versus our full-year targets since we sold investment securities ahead of schedule.

As our plan calls for continued investment in the Personnel Matching business, we left the full-year earnings forecast unchanged.

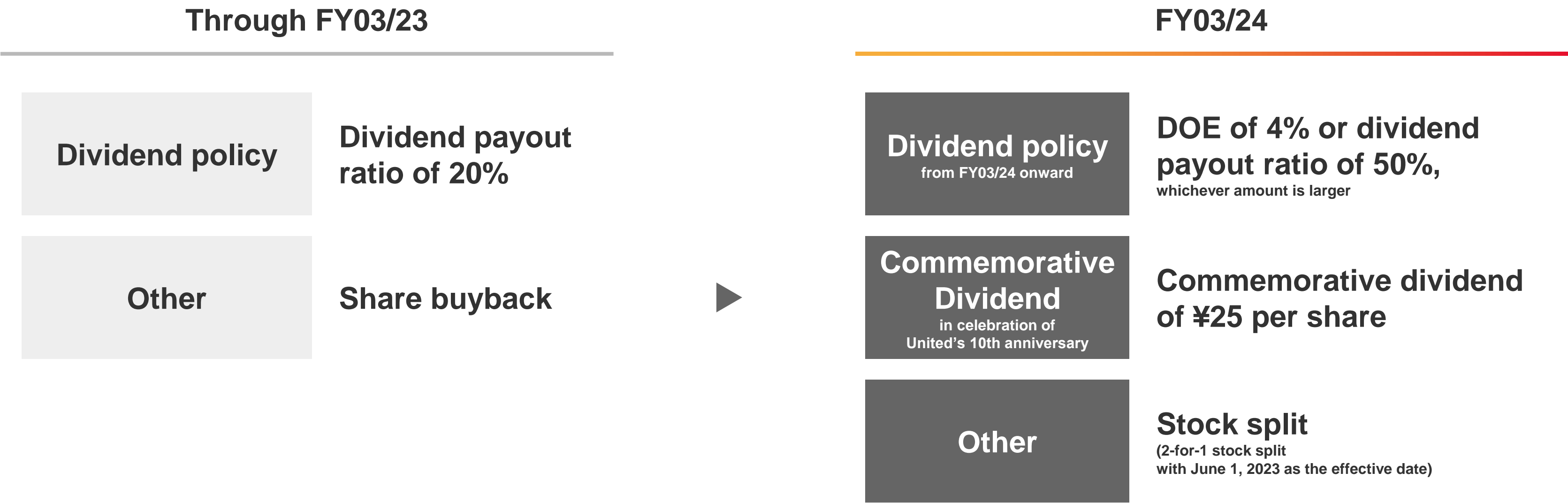
Consolidated Forecast

Sales	:	¥13,150 million
Operating profit	:	¥ 5,000 million
Ordinary Profit	:	¥ 5,000 million
Net Income*	:	¥ 3,300 million
EPS	:	¥79.50



* Refers to net income attributable to owners of parent

In addition to continued business investment, we expanded shareholder returns to improve our capital efficiency.



We expect dividend per share to increase by ¥26.5 YoY.
Total payout ratio is also projected to rise 12.3pt YoY.

Dividend per Share Forecast			
	Dividend Forecast (FY03/24)	Previous Fiscal Year* (FY03/23)	YoY
Ordinary dividend	¥23	¥21.5	+¥1.5
Commemorative dividend	¥25	-	+¥25
Total	¥48	¥21.5	+¥26.5
DOE	9.5%	4.6%	+4.9pt
Payout ratio	56.8%	20.5%	+36.3pt
Total payout ratio	56.8%	44.5%	+12.3pt

* Figures adjusted to reflect the stock split

Agenda

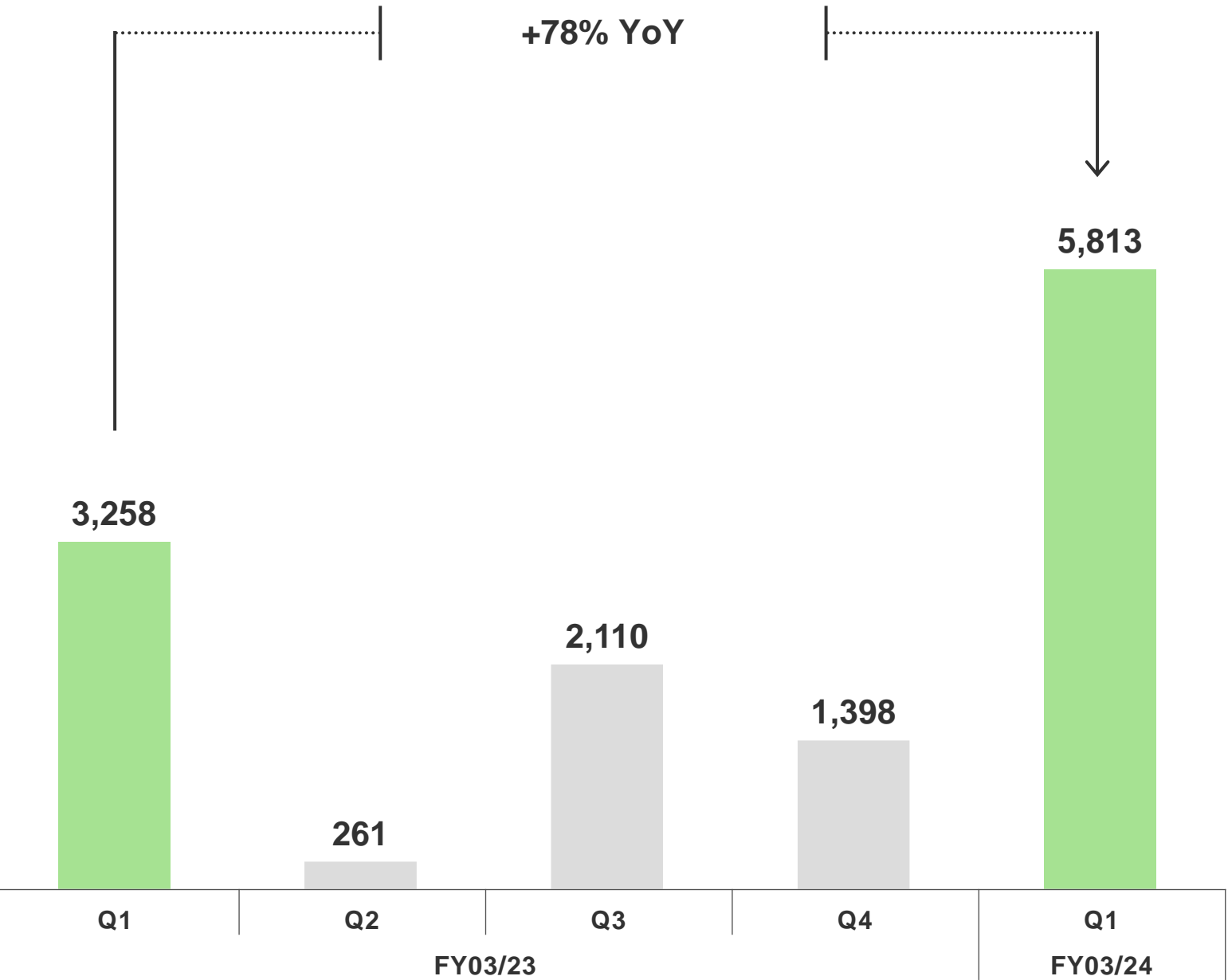
1	Financial Highlights of Q1 FY03/24	p.4
2	Q1 FY03/24 Business Overview	p.11
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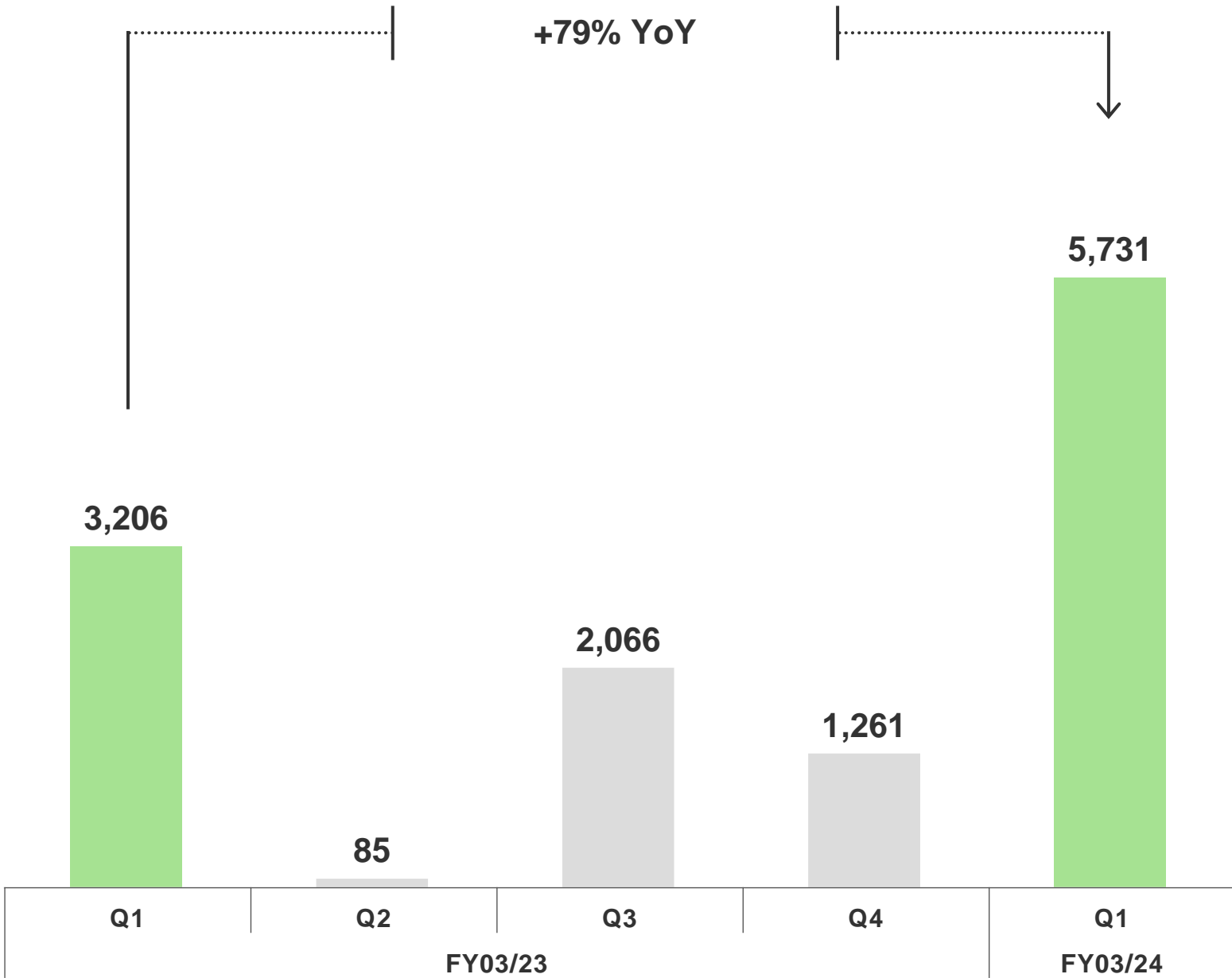
Investment Business

Sales and operating profit were up YoY as we sold investment securities ahead of schedule versus our full-year plan.
On a full-year basis, we expect earnings to finish in line with the plan.

Sales Trend (Millions of yen)



Operating Profit Trend (Millions of yen)



We newly invested in three companies.

GauG Inc.



Company	GauG Inc.
Established	October 2021
Representative	Naoto Maeda
Business	Operator of GauG, a community platform for gamers
Investment executed	April 2023

Scenario Inc.



Company	Scenario Inc.
Established	January 2021
Representative	Shun Yokoyama
Business	Developer and provider of Liferary job-change service
Investment executed	June 2023

REXIT Inc.



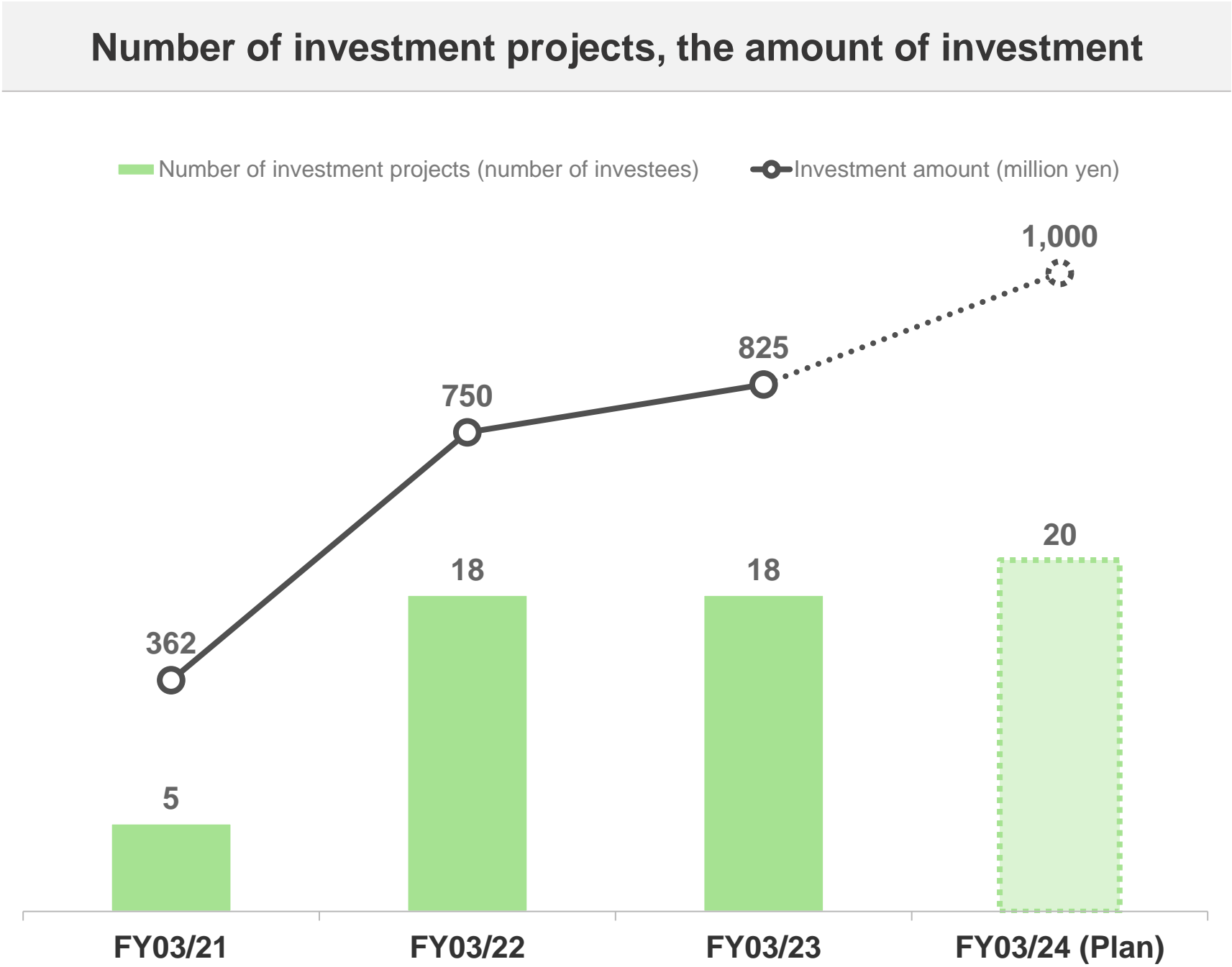
Company	REXIT Inc.
Established	May 2016
Representative	Masaki Ando
Business	Operator of “tokihana,” offering personal support in selecting wedding venues
Investment executed	July 2023

Investment Business: Expanding the Number of Investment Projects

Drawing on our two competitive advantages, we will boost the number of investment projects for promising startups.

We plan to invest a total of ¥1.0 billion* in 20 companies this fiscal year.

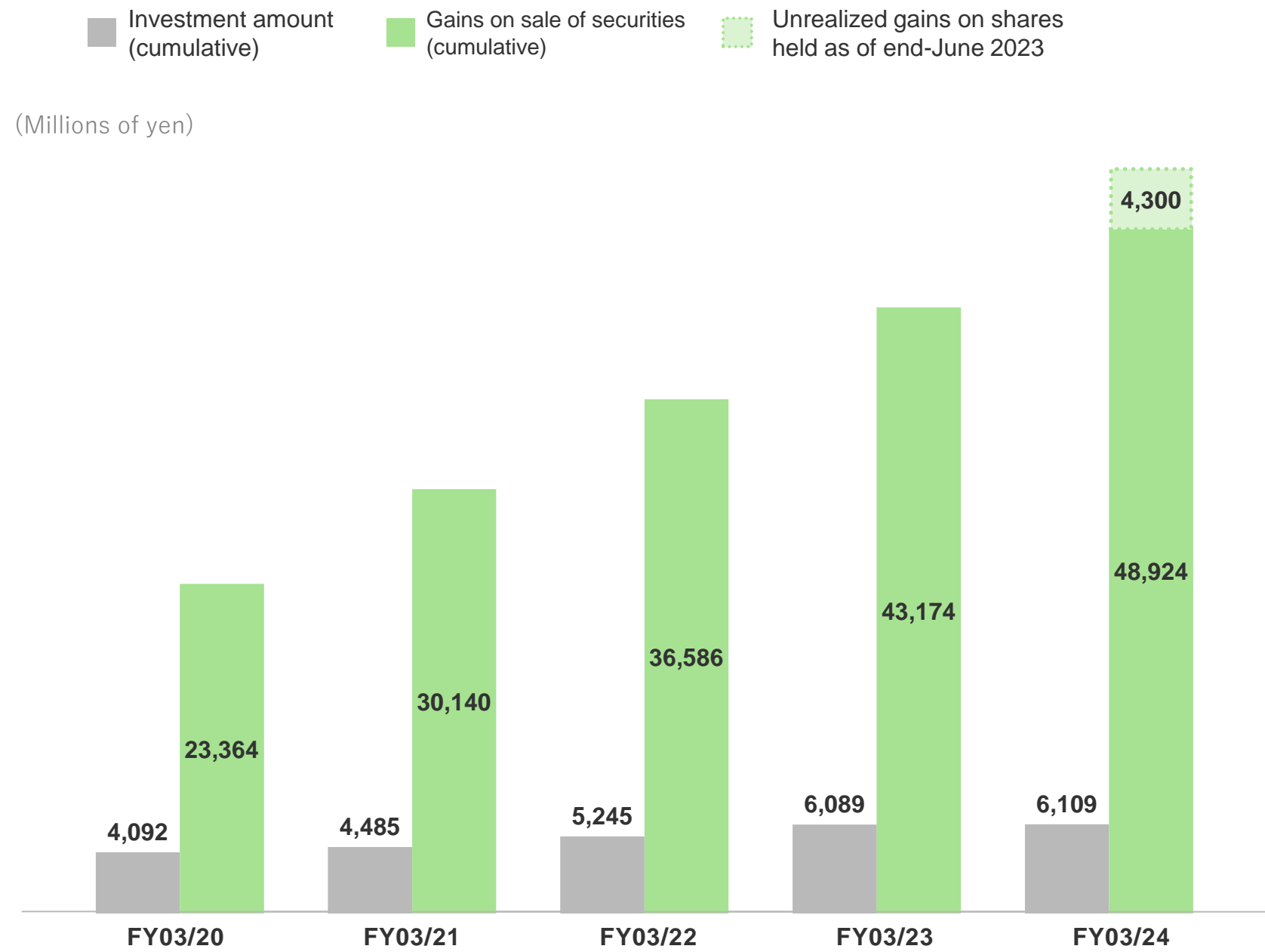
Competitive advantages	
Investments using own funds	<ul style="list-style-type: none">• We can invest with flexibility, without having to limit the amount of capital provided or the ratio of stake acquired per project.• We can invest in business domains that require time for growth because, unlike other VC funds, there is no need to limit the investment period.
Reach to a wide range of startups	<ul style="list-style-type: none">• We have access to a wide range of startups thanks to our track record of numerous investments and exits, the network we established with venture capitalists and top management of startups, and our investment in 36 external funds as an LP.



* Equivalent to the scale of a ¥4 billion-plus fund (if committed over three years)

As of Q1 FY03/24, we have invested a total of approximately ¥6.1 billion on a cumulative basis and our gains on sale of securities, combined with unrealized gains, stood at roughly ¥53.2 billion.

Investment Track Record (since January 2013)



Breakdown of Operational Investment Securities

	Investee Companies	As of June 30, 2023 (amount on BS)
Listed shares	•Mercari, Inc. •Wonder Planet, Inc. •CyberBuzz, Inc. •Socialwire Co., Ltd. •Confidence Inc. •Excite Holdings Co., Ltd.	Approx. ¥3.7 bn *
Unlisted shares	76 companies	Approx. ¥3.0 bn
LP investments	36 funds	Approx. ¥1.5 bn

*We have forward contracts for some stocks. Including derivatives in the balance sheet, the amount was **¥4,297 million** as of end-June 2023.

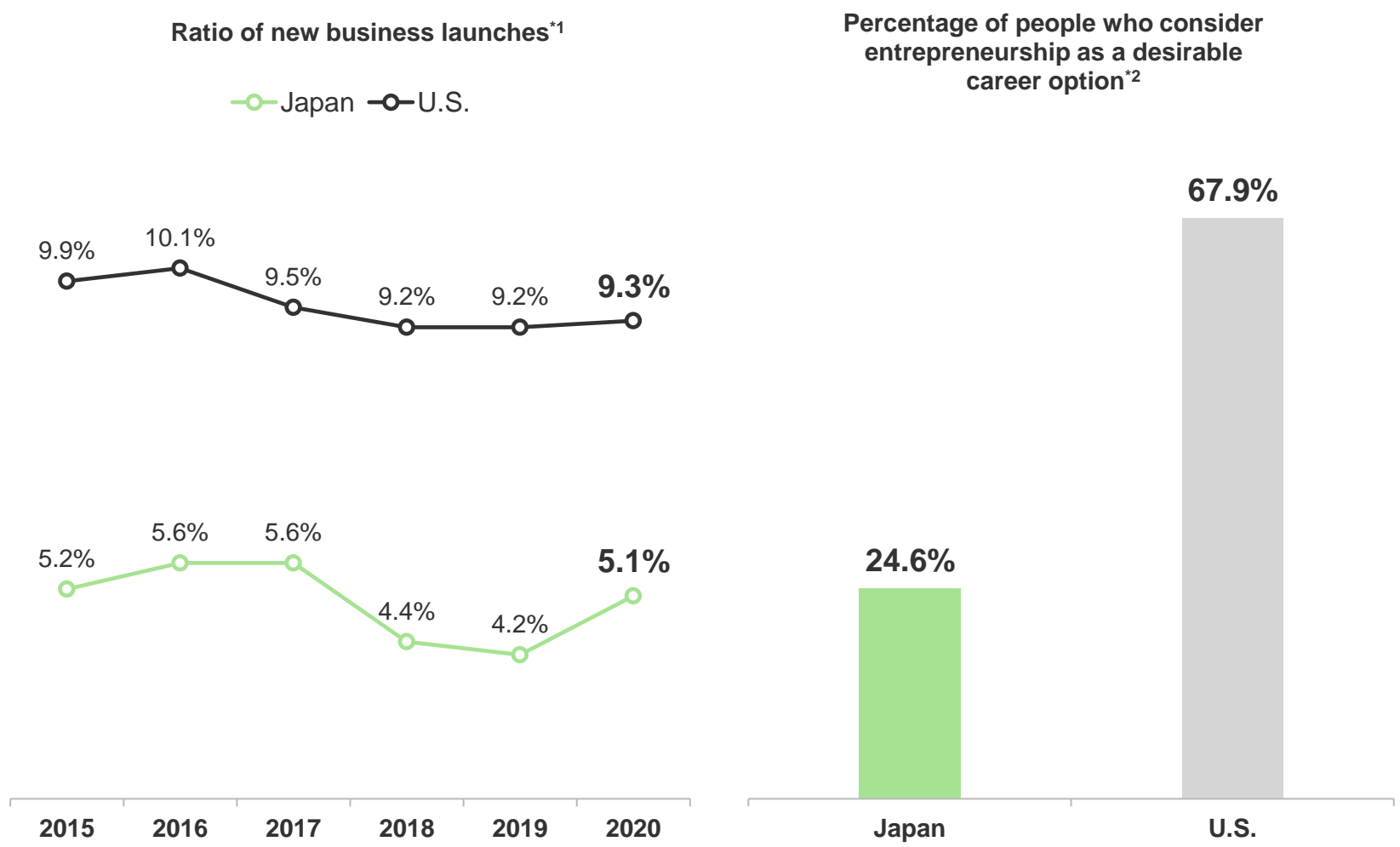
We provide funds and know-how to entrepreneurs with willpower in order to raise the success rate of startups.

- **Fostering startups is vital to the Japanese economy.**
- **United will raise the success rate of startups and accelerate their growth by providing funds and support.**

In keeping with our purpose statement, we focus on investment in seed- to early-stage startups. We seek to enhance the value of startups by stepping up our efforts to provide hands-on support.

Reason behind our focus on seed- to early-stage startups

The ratio of new business launches and the percentage of people aspiring to start their own businesses are both low in Japan. To create new industries, it is crucial to invest and provide support from an early stage.



Source:
*1 [2022 White Paper on Small and Medium Enterprises in Japan](#) and [2023 White Paper on Small and Medium Enterprises in Japan](#) by The Small and Medium Enterprise Agency
*2 [Collection of Basic Data regarding Startups](#) by the Cabinet Secretariat, Government of Japan

Hands-on support

Examples of support offered by UVS*3, our investee support organization

Formulation of business strategy/plan, financing support, formulation and execution of organizational strategy, digital marketing support, etc.

Matching of talent and startups through business collaboration

Collaboration with the Personnel Matching business

*3 UNITED Venture Success. Investee support organization comprised of venture capitalists and consultants

The Japanese government has set forth “the enhancement of support toward startups” as a major agenda in its so-called Big-Boned Policy and formulated the Startup Development Five-Year Plan, which targets ¥10 trillion in startup investments by fiscal 2027. Seeing this as a chance to expand investment opportunities, we are executing investments at an accelerated pace.

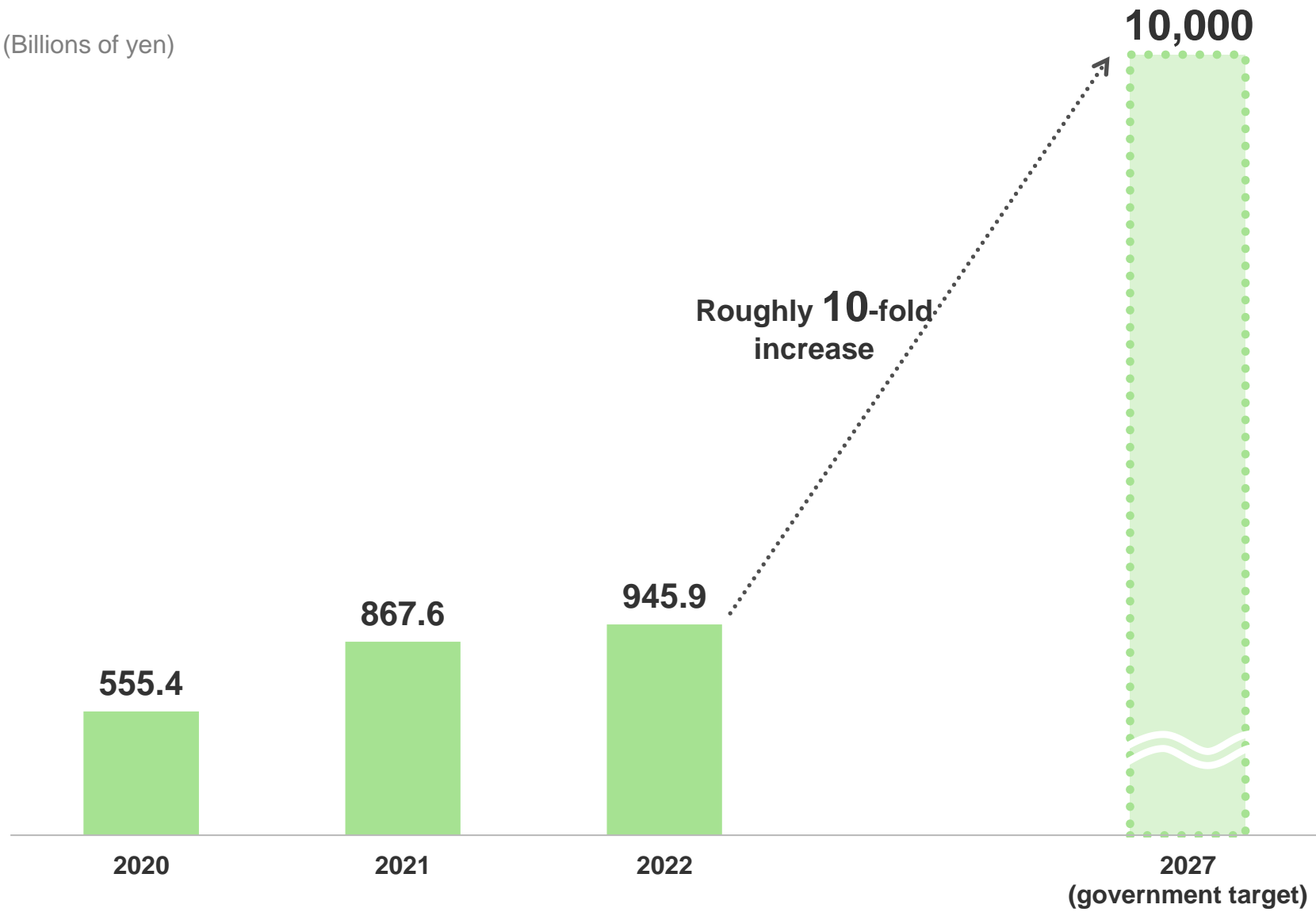
Three pillars of the Startup Development Five-Year Plan

Pillar 1 Develop human resources and put in place networks that enable establishment of startups

Pillar 2 Strengthen funding for startups and diversify exit strategies

Pillar 3 Promote open innovation





















































Amount invested in domestic startups/government target



Source: [Startup Development Five-year Plan \(draft\)](#) by the Cabinet Secretariat, Government of Japan

Source: [Japan Startup Finance 2022](#), “Amount of Funds Raised by Domestic Startups,” by INITIAL, Inc.
[Japan Startup Finance 1H 2023 \(Latest Edition\)](#) by INITIAL, Inc.

Investment Business: Major Startup Investments

Post IPO	Middle to Later Stage		Seed to Early Stage				
							
							
							
							
							
							
							

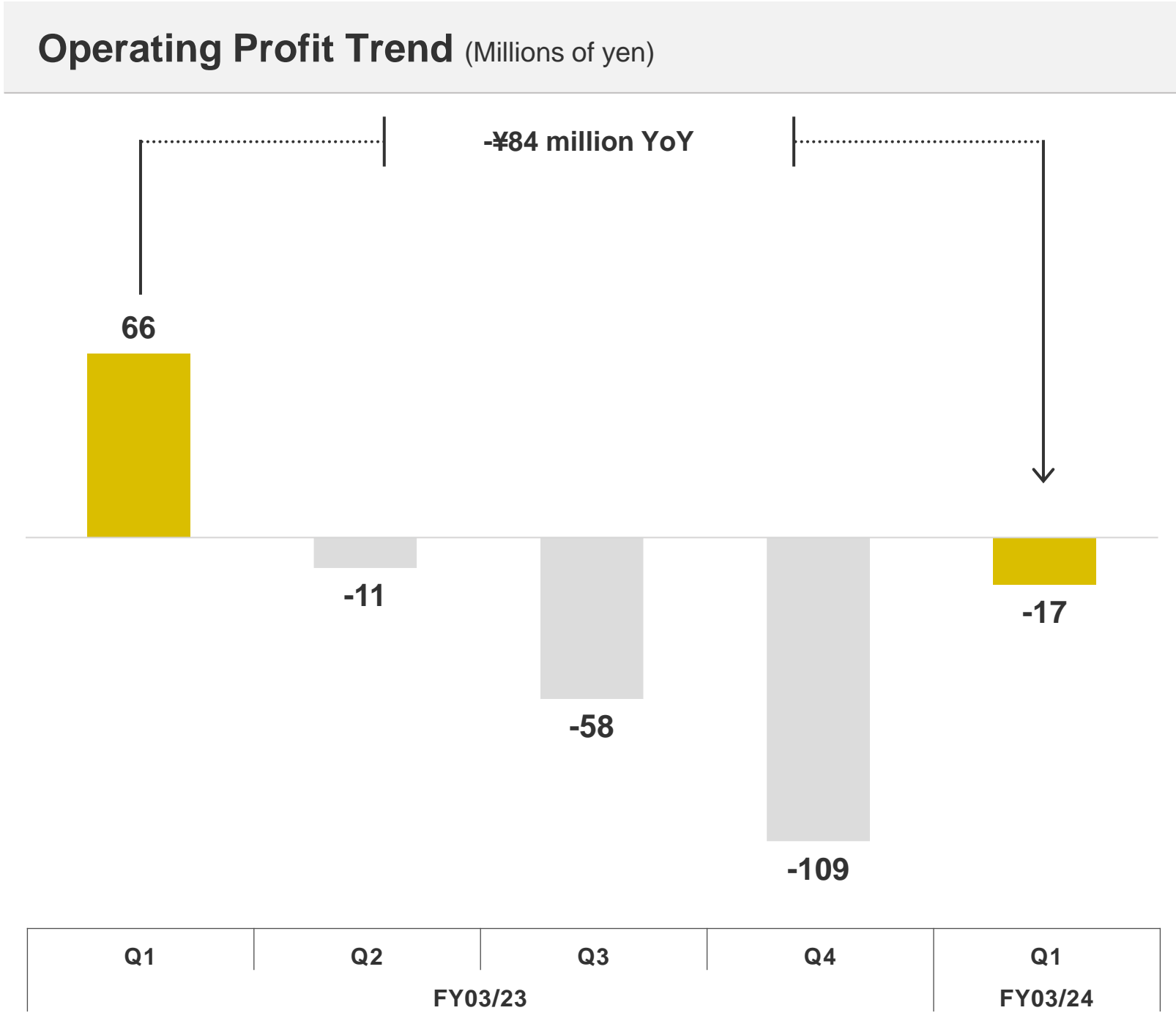
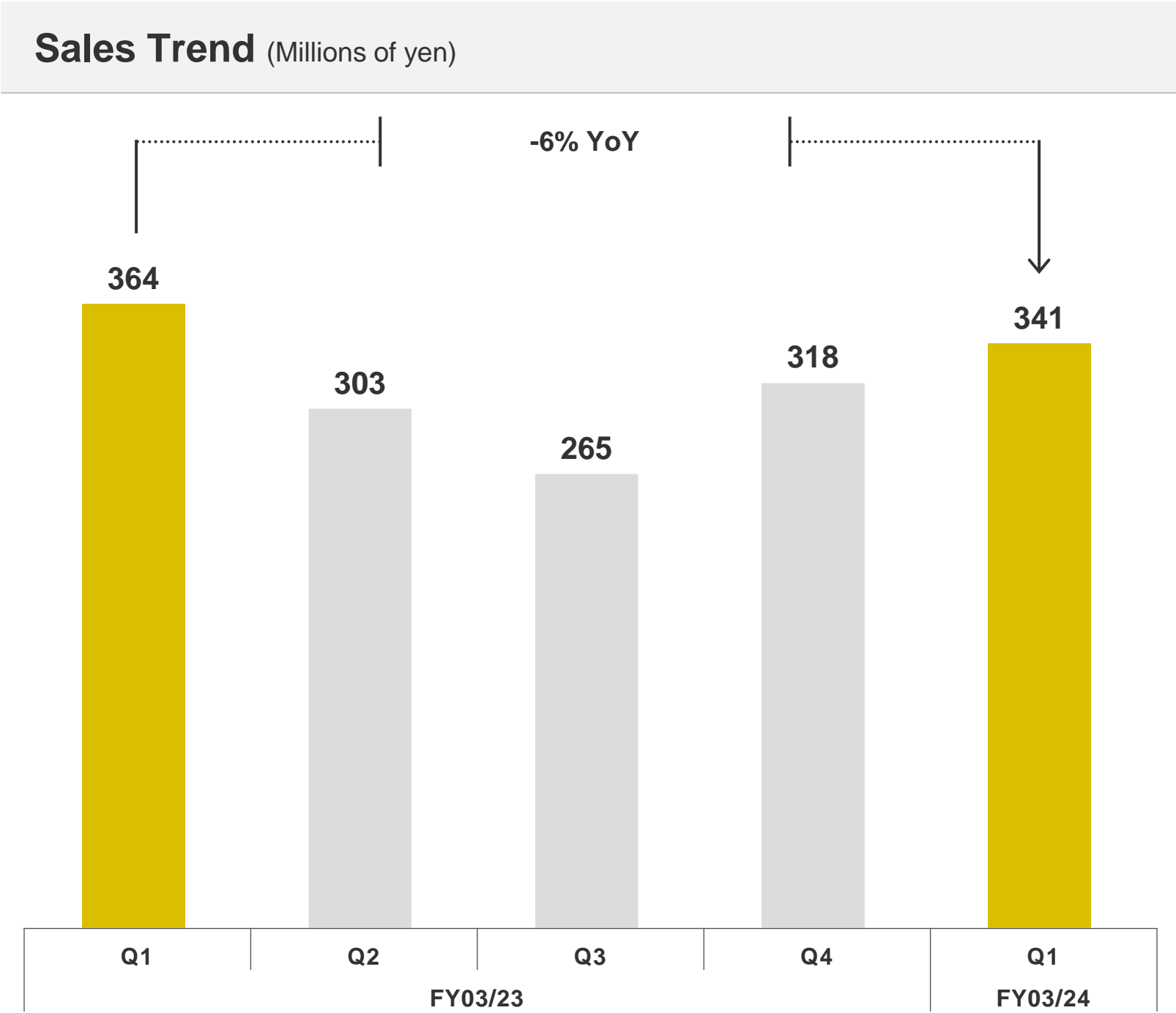
We expect to record gains on distribution from the multiple external funds (36 in total) we invest in as an LP. These funds also serve as our source of new investment projects, as they allow us to reach out to over 1,000 startups.

Major Funds We Invest in as LP				
				
				
				
				
				

Education Business

Education Business: Sales and Operating Profit

Sales declined YoY as we offered the Generative AI course at a special price* when we launched the program. Operating profit was down YoY owing to an increase in advertising cost for the Generative AI course and expenses associated with bolstering the business structure.

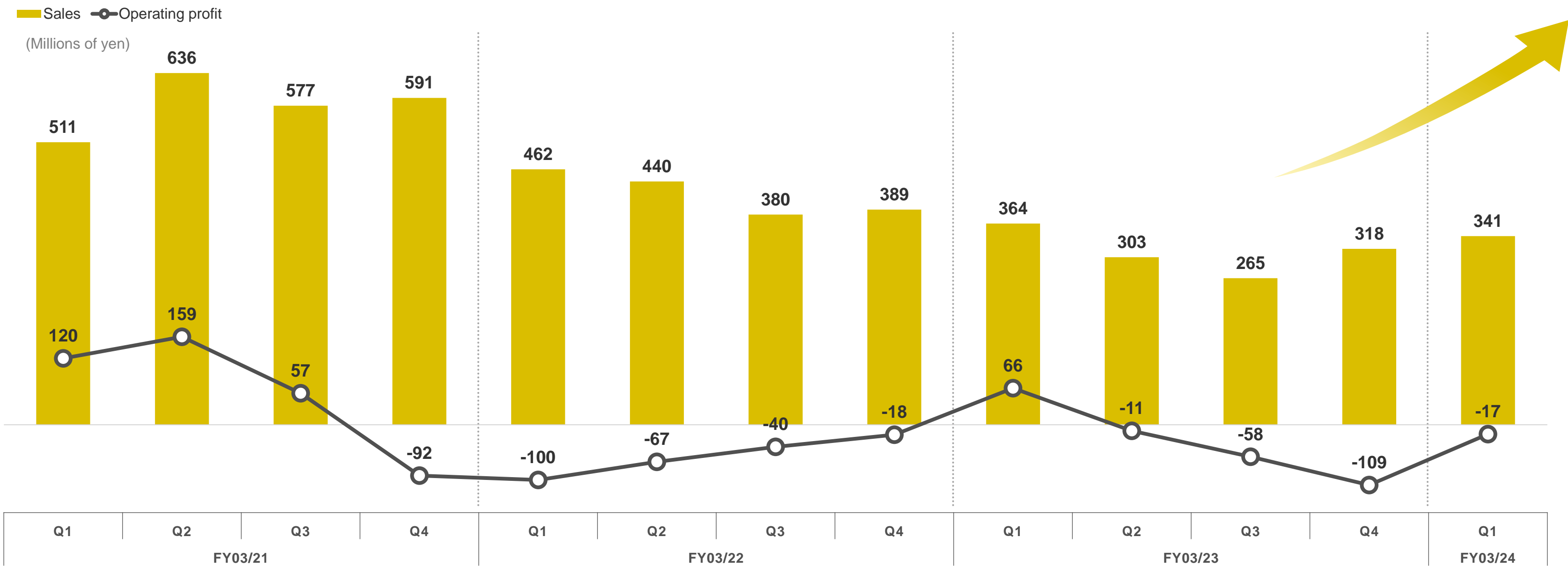


* The First Prompt Engineering Course (ordinarily priced at ¥149,600) was offered for ¥55,000 from April 17 to May 28, 2023.

Education Business: Toward Regrowth

Since Q4 FY03/23, we have focused on Yahoo! TechAcademy and First Prompt Engineering Course with a plan to achieve regrowth.

- TechAcademy expanded due to the COVID-19 pandemic
 - Ran a TV commercial (Q4)
- Efficiency in securing TechAcademy students declined due to increased number of competitors
- Curbed ad investment
 - Focused on TechAcademy Works
- Launched Yahoo! TechAcademy (Q4)
 - Launched Generative AI course (Q1)



In FY03/23, we focused on TechAcademy Works, which offers practical work opportunities, to provide more added value to our students.

In FY03/24, we will focus on Generative AI initiatives as well as the Yahoo! TechAcademy.

FY03/23

In addition to taking courses, students gain practical skills by participating in actual development projects.



learning



practice



FY03/24

Students gain the skills to utilize AI in actual work.
Students gain practical skills that are based on
Yahoo Japan's expertise.




First Prompt
Engineering Course

* We will focus on the above while continuing TechAcademy Works.

Yahoo! TechAcademy was chosen for the Reskilling-based Career Development Support Program* led by the Ministry of Economy, Trade and Industry.
In fall 2023, we plan to begin accepting student applications for the second year.




Yahoo! TechAcademy offers practical curriculum that allows students to obtain the skills required in the internet industry.
Students can acquire practical skills that are based on Yahoo Japan’s expertise, and are offered support during their career-change processes.




Practical curriculum

Students acquire necessary skills in four months through practical training that draws on the expertise of Yahoo! JAPAN



One-on-one instructions and lectures

Career support through one-on-one instructions and lectures by Yahoo! JAPAN engineers



Career-change support

Meticulous career-change support for those with no experience

* A program that integrates “career consulting” in which employed workers can consult about their careers, “reskilling” in which such workers can take reskilling sessions based on the consultation, and “career-change support” in which such workers can receive career-change support based on the career consultation and reskilling sessions provided.

**We provide an environment for growth
to people with willpower.**

**We enrich society with opportunities and people
who continue to pursue self-actualization.**

- **As the pace of changes in society accelerates, it becomes increasingly difficult to survive with knowledge and skills in just one area.**
- **We provide an environment that fosters wisdom so that individuals can realize what they aspire with strong will.**
- **Rather than simply providing wisdom, we also provide a place where that wisdom can be applied, thereby creating opportunities for individuals to achieve continued growth.**

To solve the shortage of digital talent, we seek to improve the skillsets of prospective talent by providing education and practical work opportunities.

By focusing on Generative AI, we provide the learning necessary for the future era.

Educate prospective digital talent

We offer a wide range of courses from introductory courses for non-engineers to courses involving practical training.



An online school that teaches programming and app development to individual and corporate customers.



Service that allows students to acquire practical skills based on Yahoo's expertise

Provide practical work opportunities

We support skill enhancement and career change by providing practical work opportunities.



Service where graduates and mentors collaborate on corporate development projects

Provide learning that can be applied to the coming era

We provide the learning that one needs in a society where the spread of technology/AI is progressing rapidly.

First Prompt Engineering Course

Students gain the skills to utilize Generative AI in real-life work.

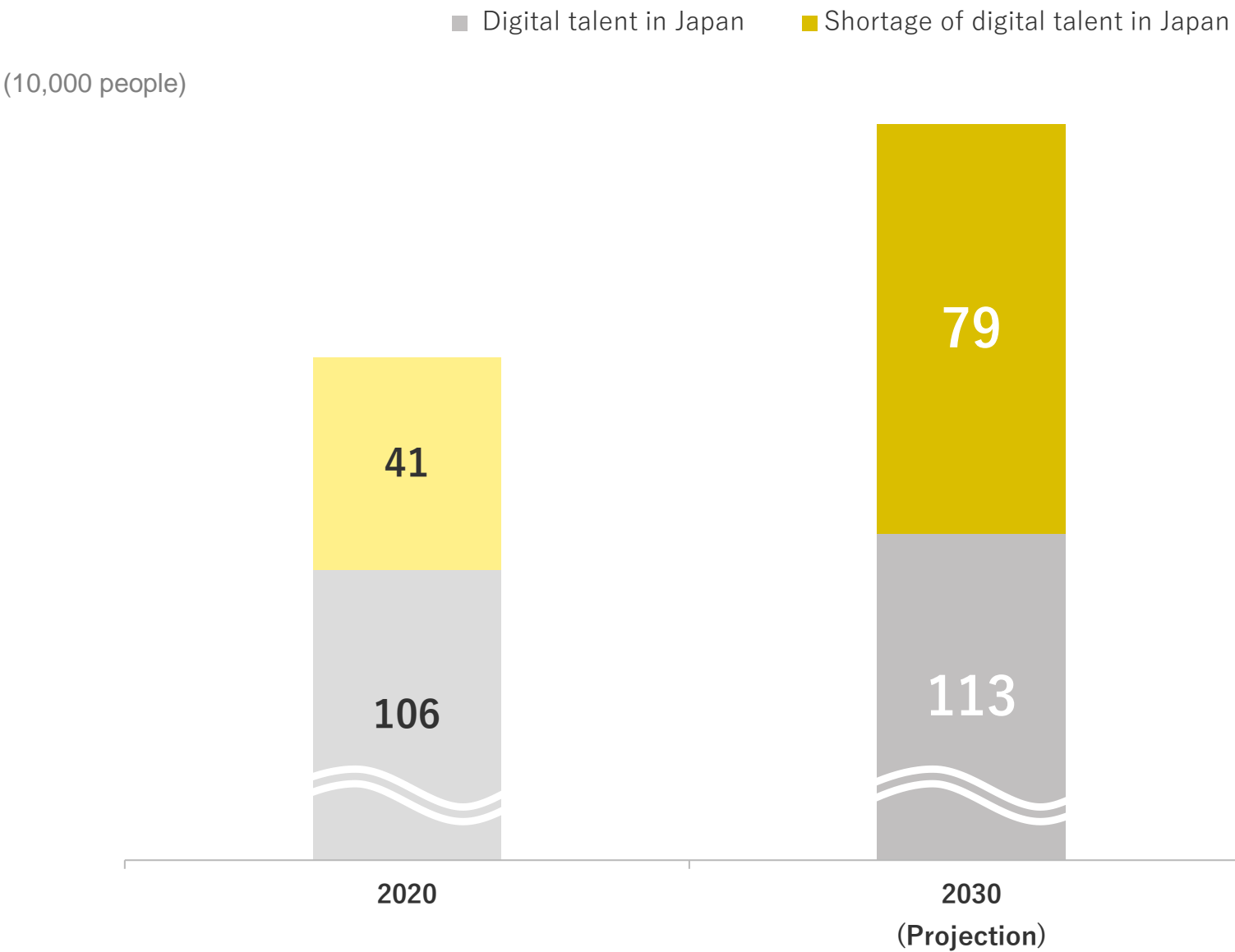


Students gain knowledge on deep learning and machine learning necessary for building AI.

We plan on implementing new initiatives such as the launch of a course on how to incorporate Generative AI in businesses.

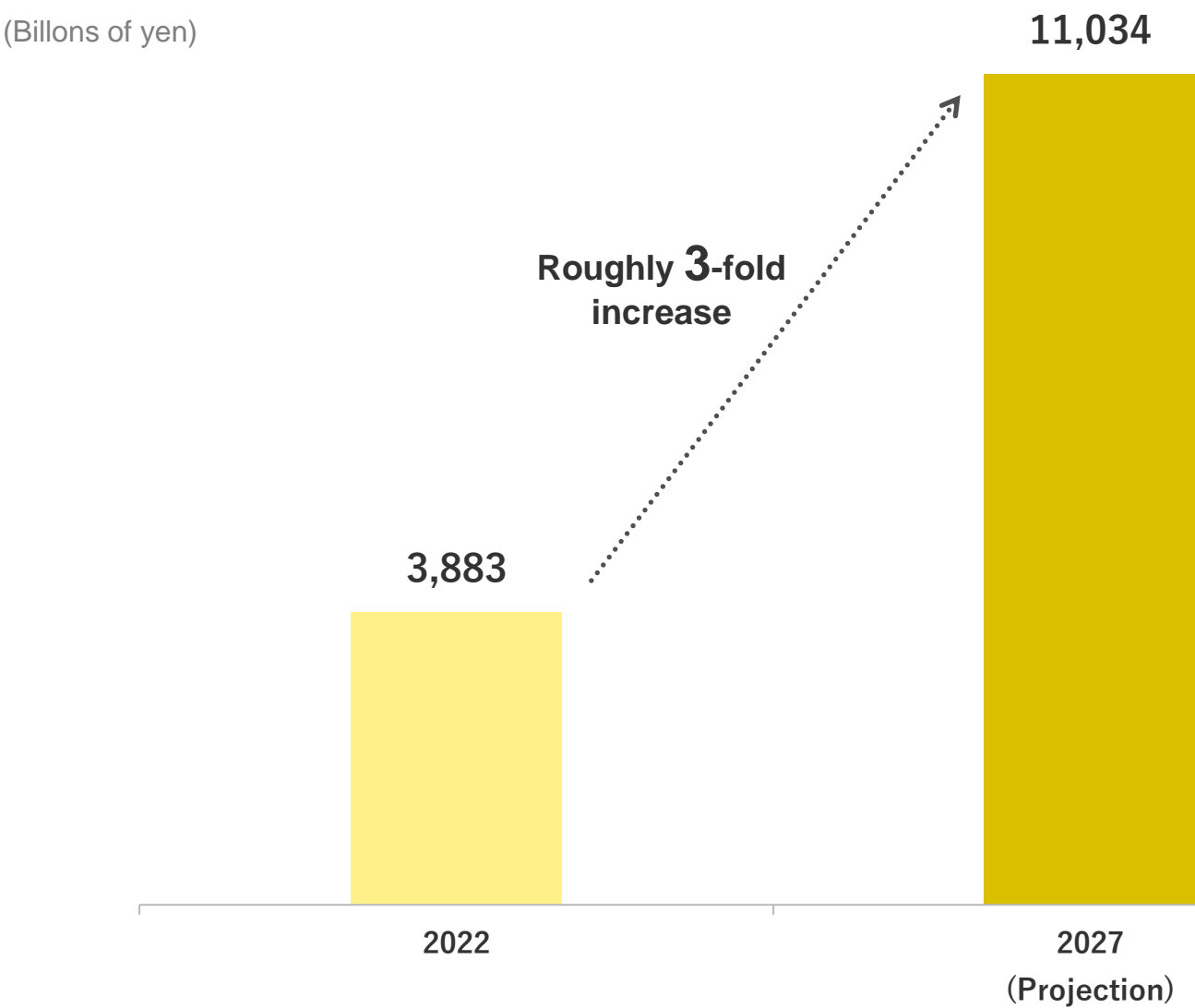
In 2030, the pool of digital talent in Japan will be short by about 800 thousand people.
With the AI market expanding, the need to foster digital talent will rise.

Expanding shortage of digital talent



Source: [2008 Survey on Infrastructure Development and IT Personnel Supply and Demand related to Japan's Data-driven Society](#), a report by Mizuho Information & Research Institute, Inc.

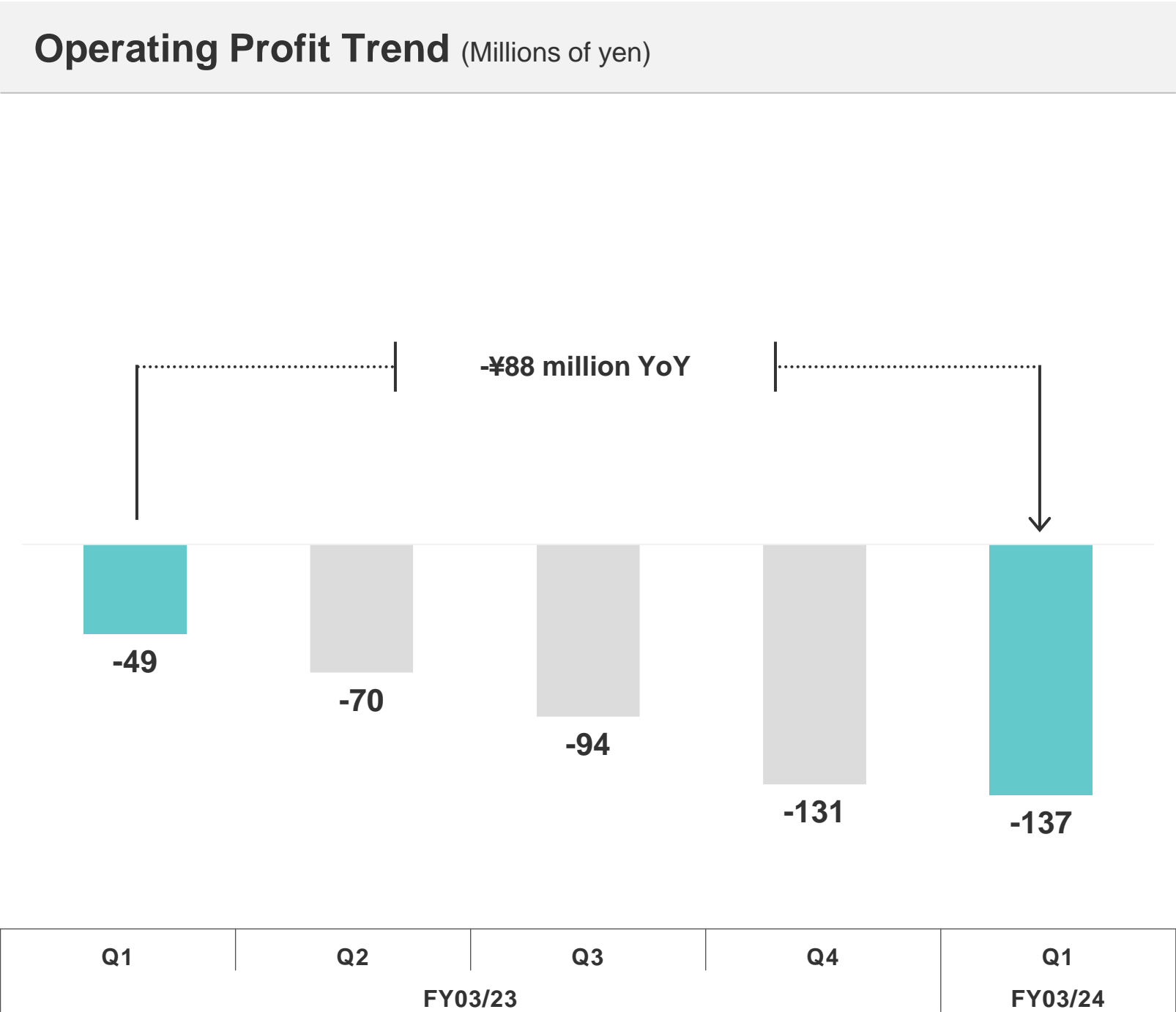
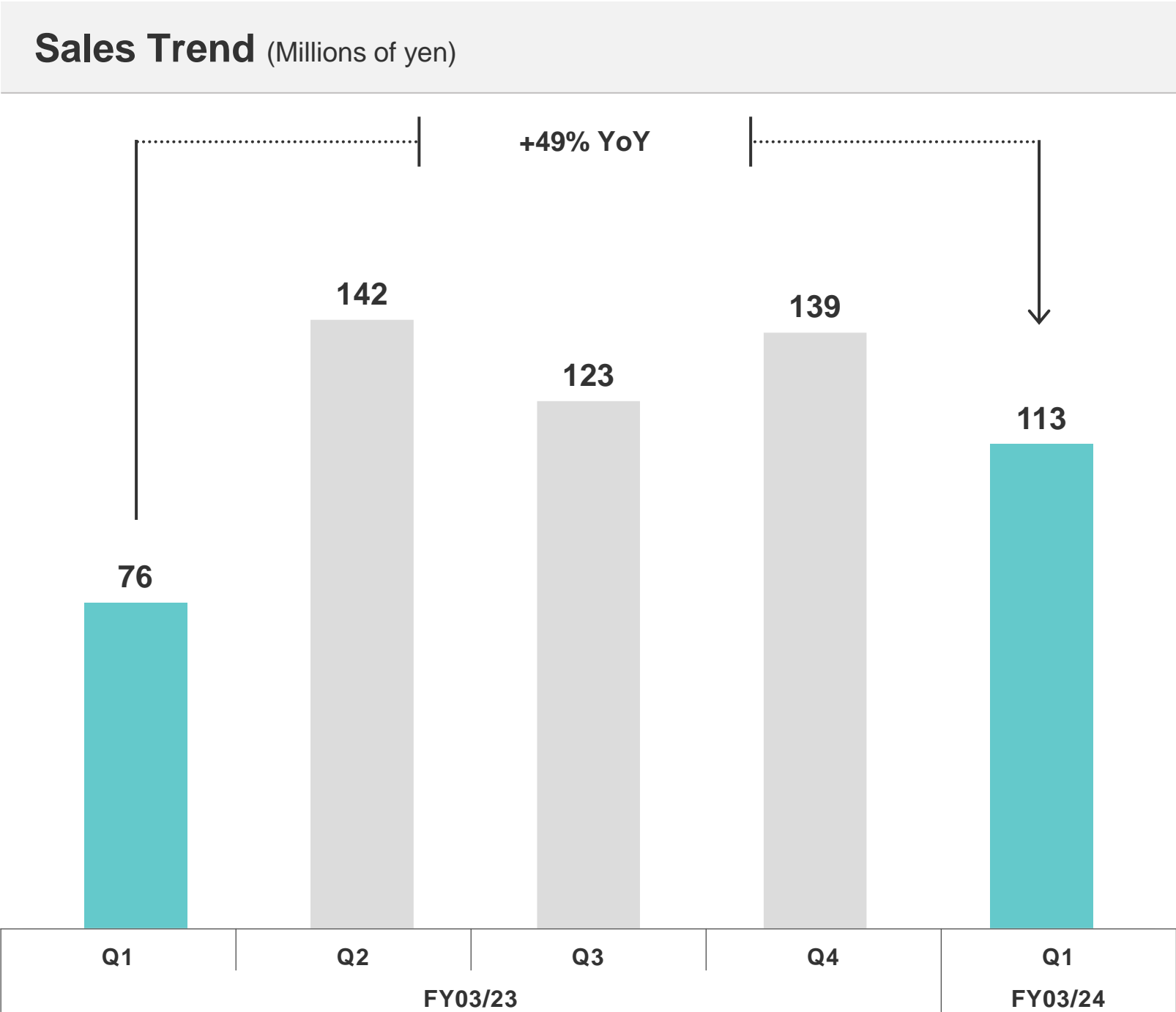
Outlook on the AI systems market in Japan



Source: [Japan Artificial Intelligence Systems Forecast, 2023–2027](#) by IDC Japan

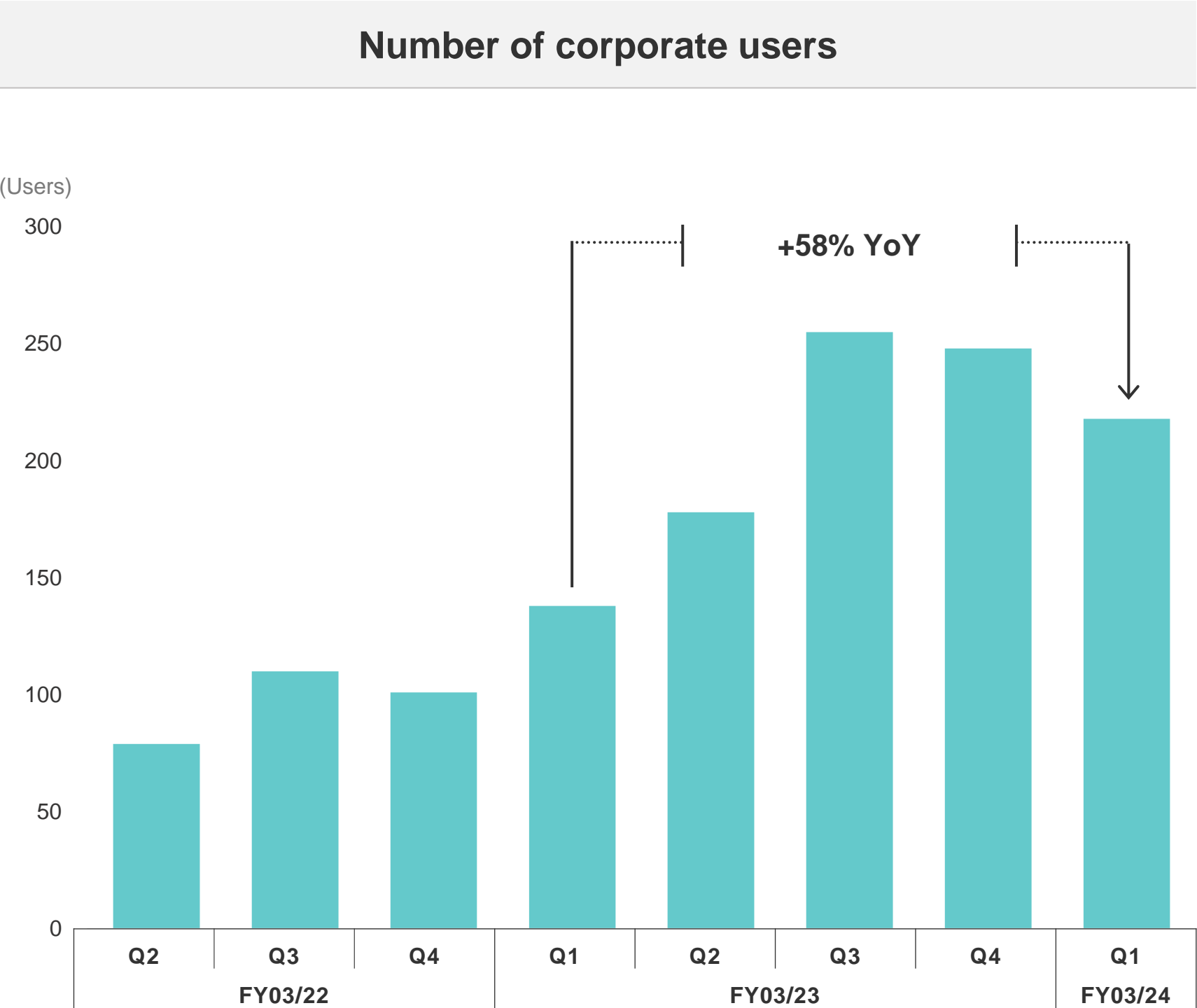
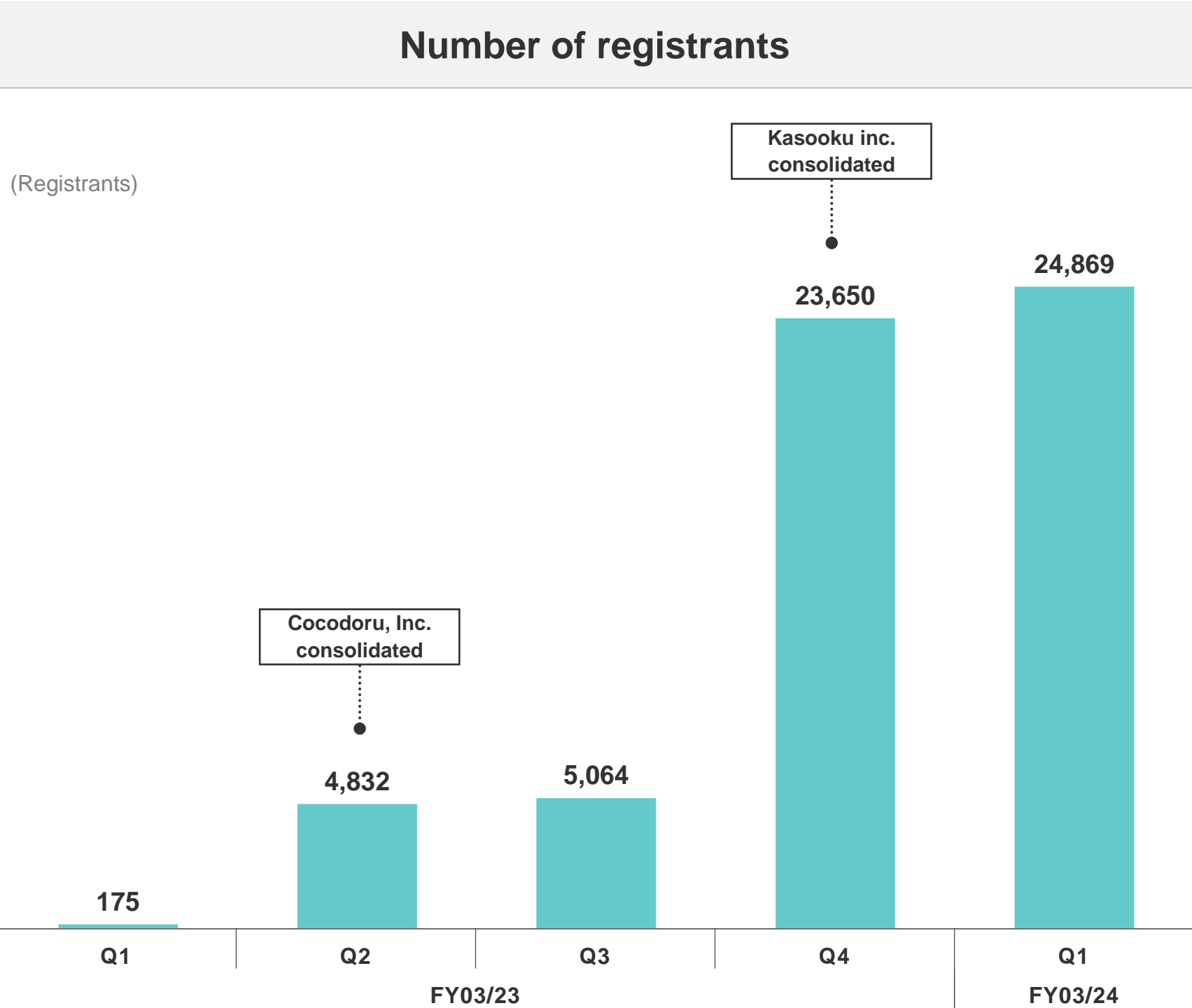
Personnel Matching Business

Sales increased YoY due to the three M&A transactions we executed in FY03/23.
Operating loss widened YoY owing to increases in goodwill amortization and advertising expenses associated with Kasooku inc.



Personnel Matching Business: Promoting Growth of Existing Businesses

The number of registrants* have continued to increase due to the M&A transactions executed since FY03/23. Although the number of corporate users rose YoY, it fell QoQ as the integration of Cocodoru, Inc. did not progress smoothly. In FY03/24, we will merge Cocodoru with Kasooku, reorganize, and aim for business expansion once again.



* Job seekers registered with our services

We made ONX inc. a subsidiary to strengthen business in the HR domain.

Business overview

Operates “Carry Up,” a referral service specializing in freelance HR professionals. HR professionals who have passed ONX’s screening process provide support spanning formulation to execution of HR strategies.



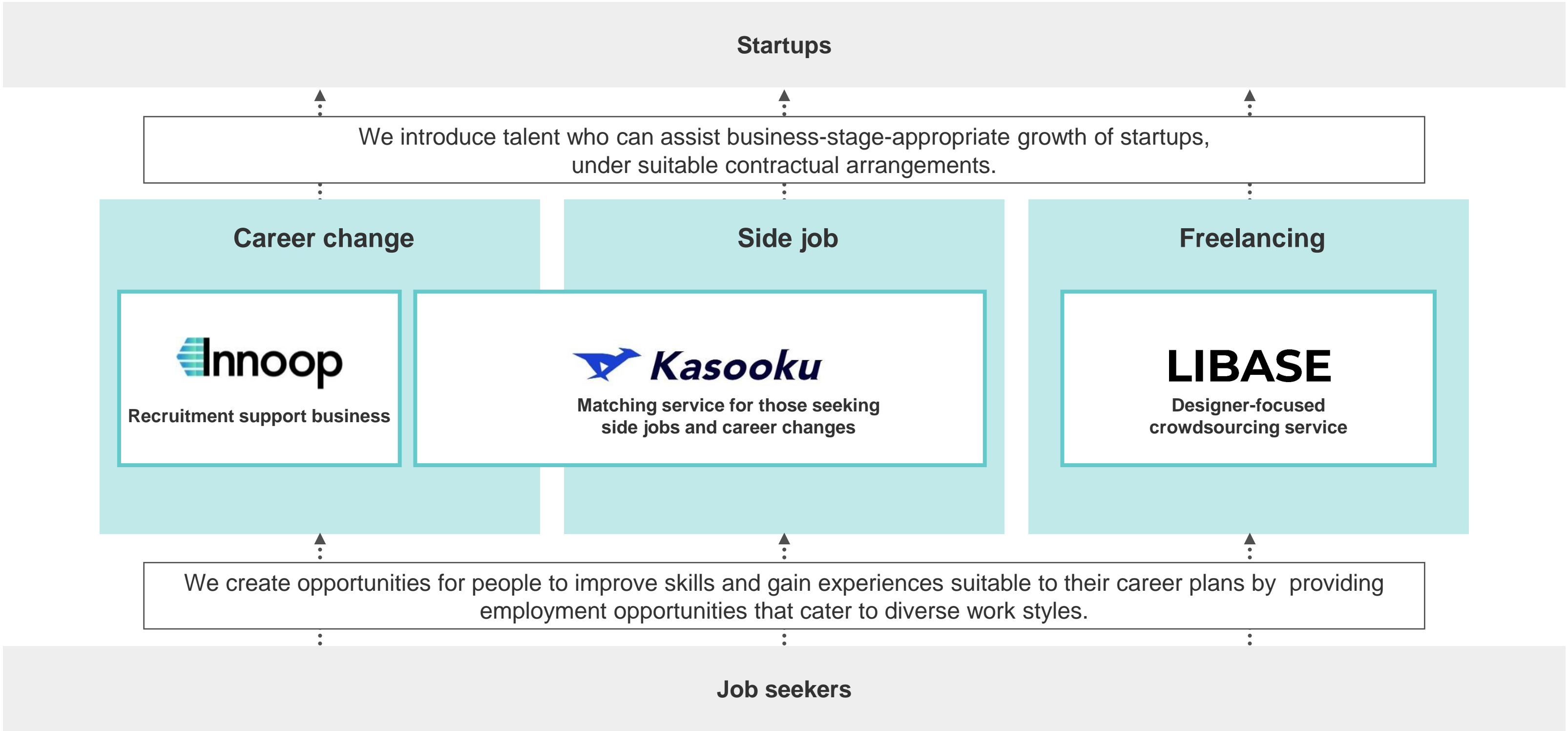
Company	ONX inc.
Established	August 2021
Representative	Representative Director: Yoshiki Baba
Business	Matching service specializing in freelance HR professionals
Share transfer date	July 2023

We create opportunities where people with willpower and businesses with willpower can come together.

- **We contribute to the creation of new industries by introducing superior talent to startups.**
- **In anticipation of Japan's shrinking workforce, we promote optimum allocation of human resources by boosting employment mobility.**
- **We provide opportunities where individuals can improve their skills through various work and gain experience as a businessperson.**

We focus on startups, and match personnel based on contractual arrangements (career change, side job, freelancing, etc.) that suit the startups' needs.

We seek to boost employment mobility and contribute to the creation of new industries by offering job seekers work opportunities of diverse formats.

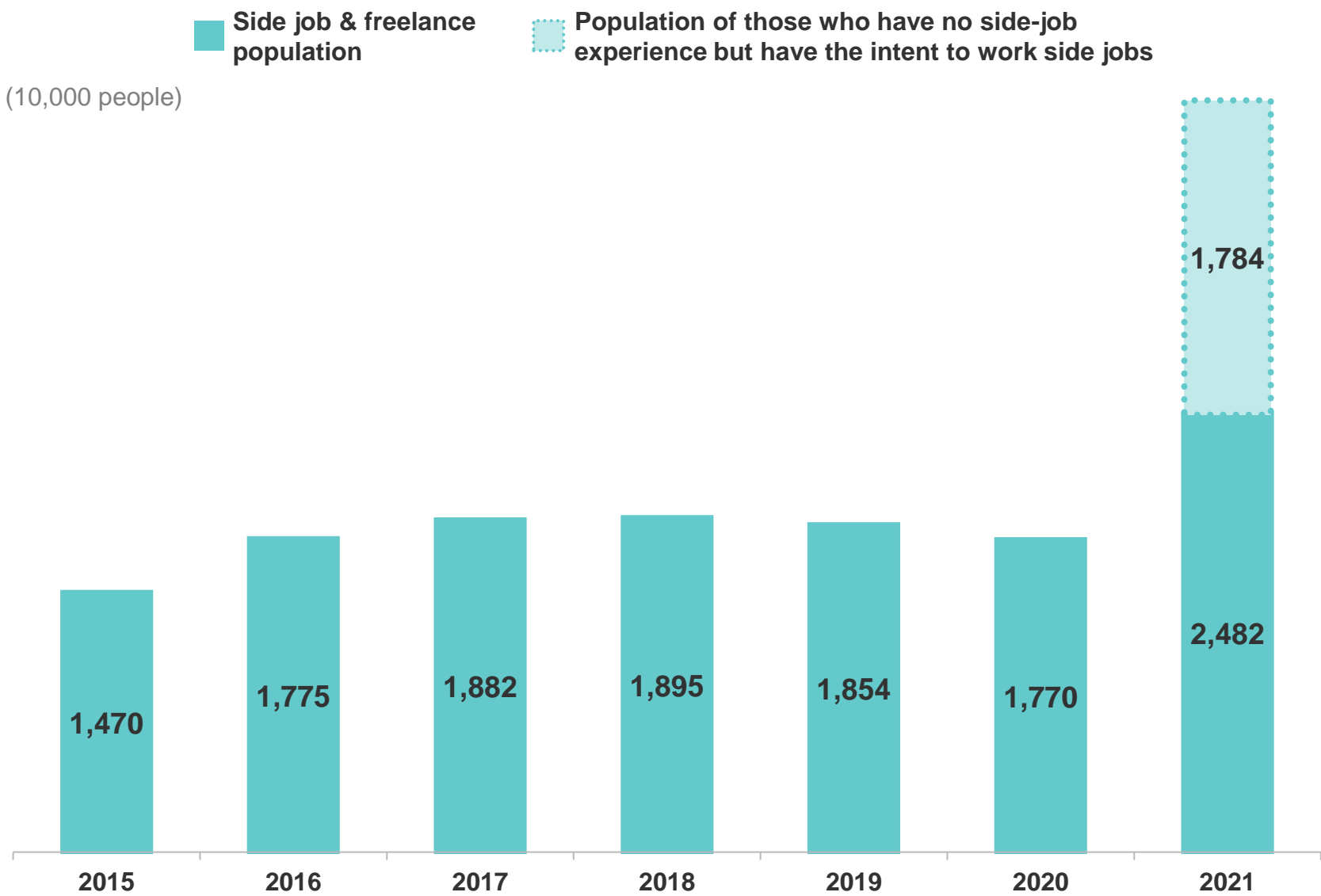


Personnel Matching Business Market Environment

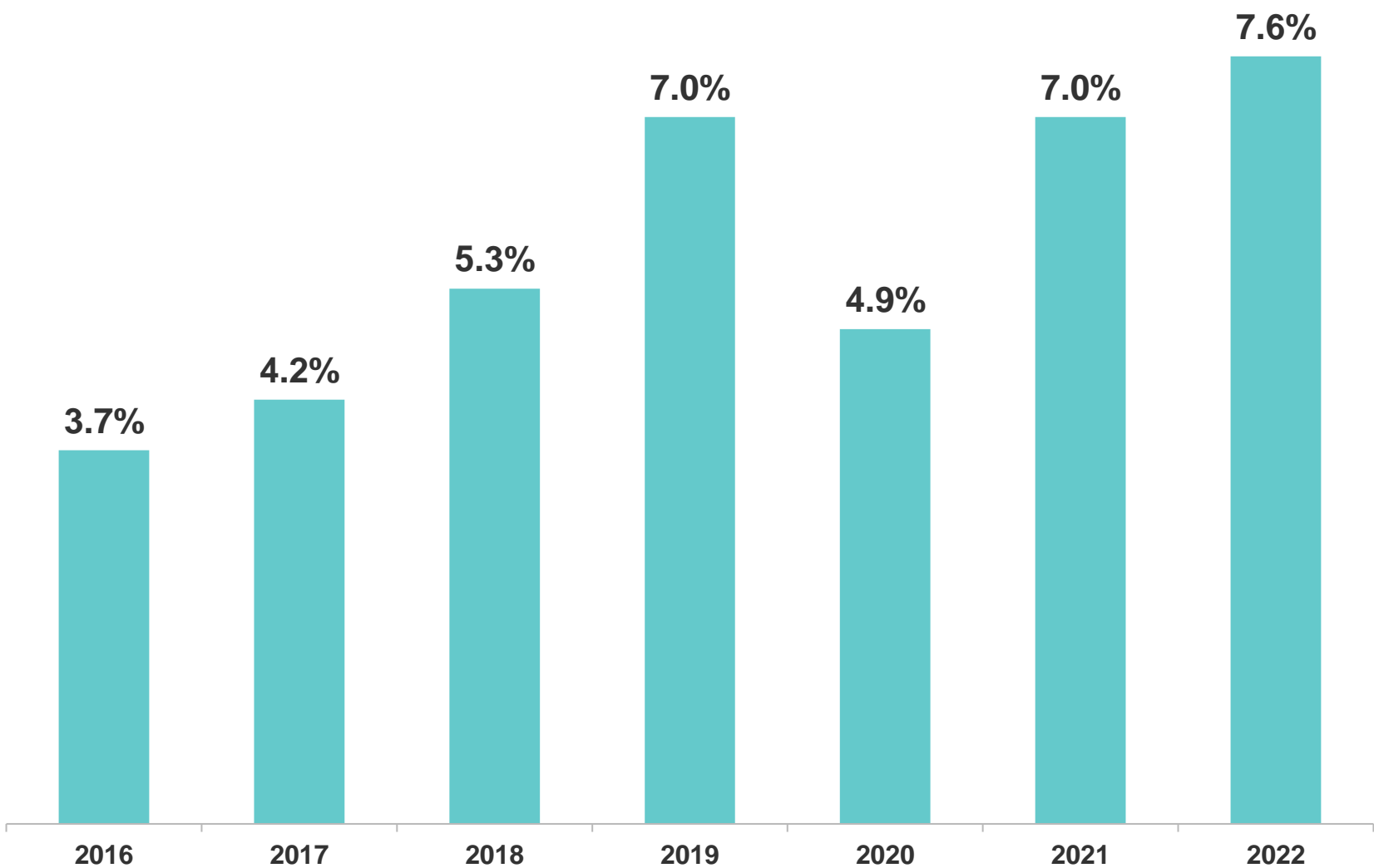
The population of side-job workers and freelancers has increased on the back of workstyle reforms and widespread adoption of remote work.

The ratio of workers changing jobs is rising due to work style diversification and a change in people’s values concerning work. We expect to see employment mobility expand moving forward.

Side-job and freelance population



Ratio of workers who have changed jobs during the year



Sources:

[New Freelance Fact-Finding Investigation Report 2021–2022](#), “Segment-specific Trends,” by Lancers, Inc.

[Freelance Fact-Finding Investigation Report 2021](#), “Increase of Side-job and Multiple-job Workers,” by Lancers, Inc.

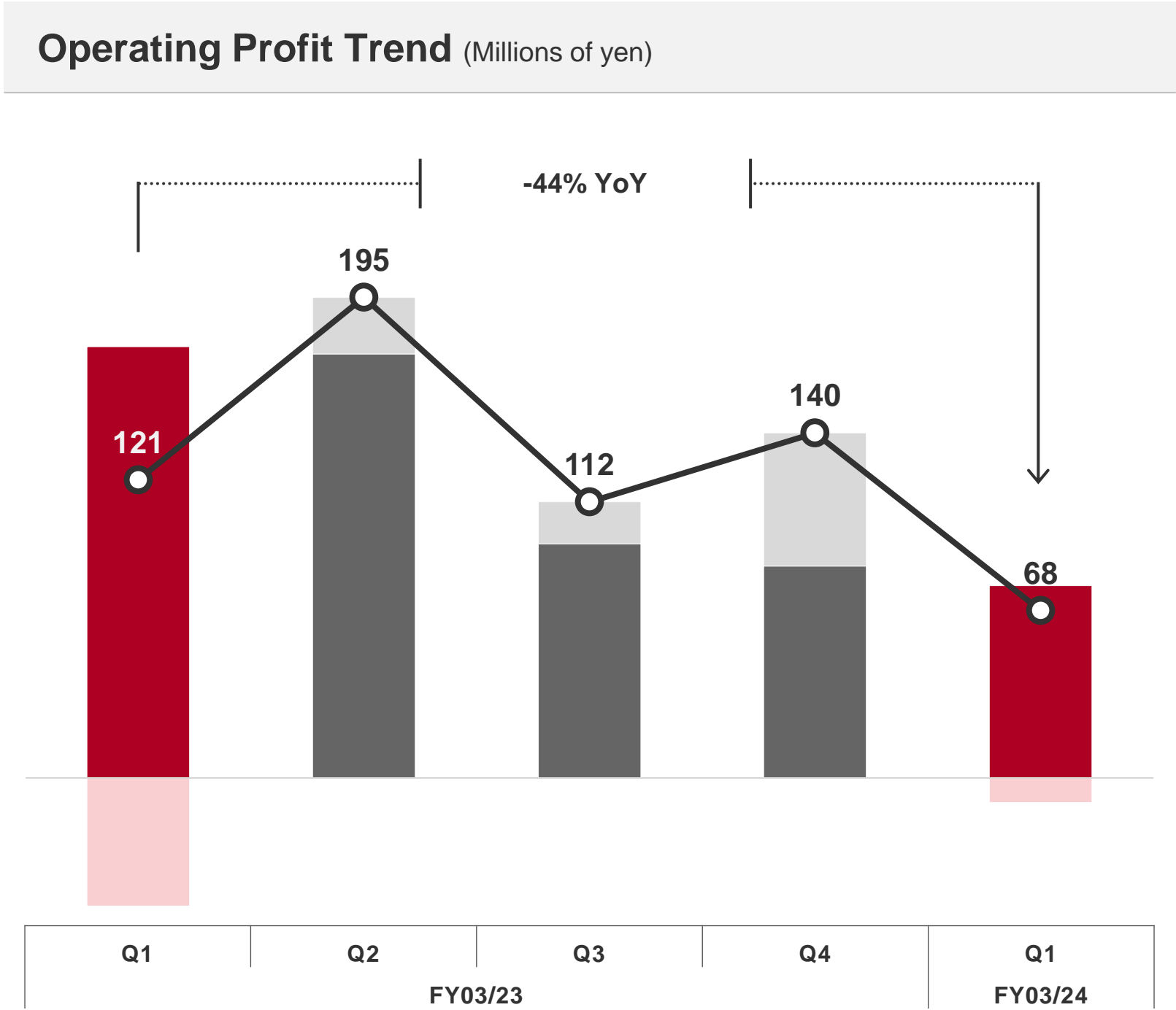
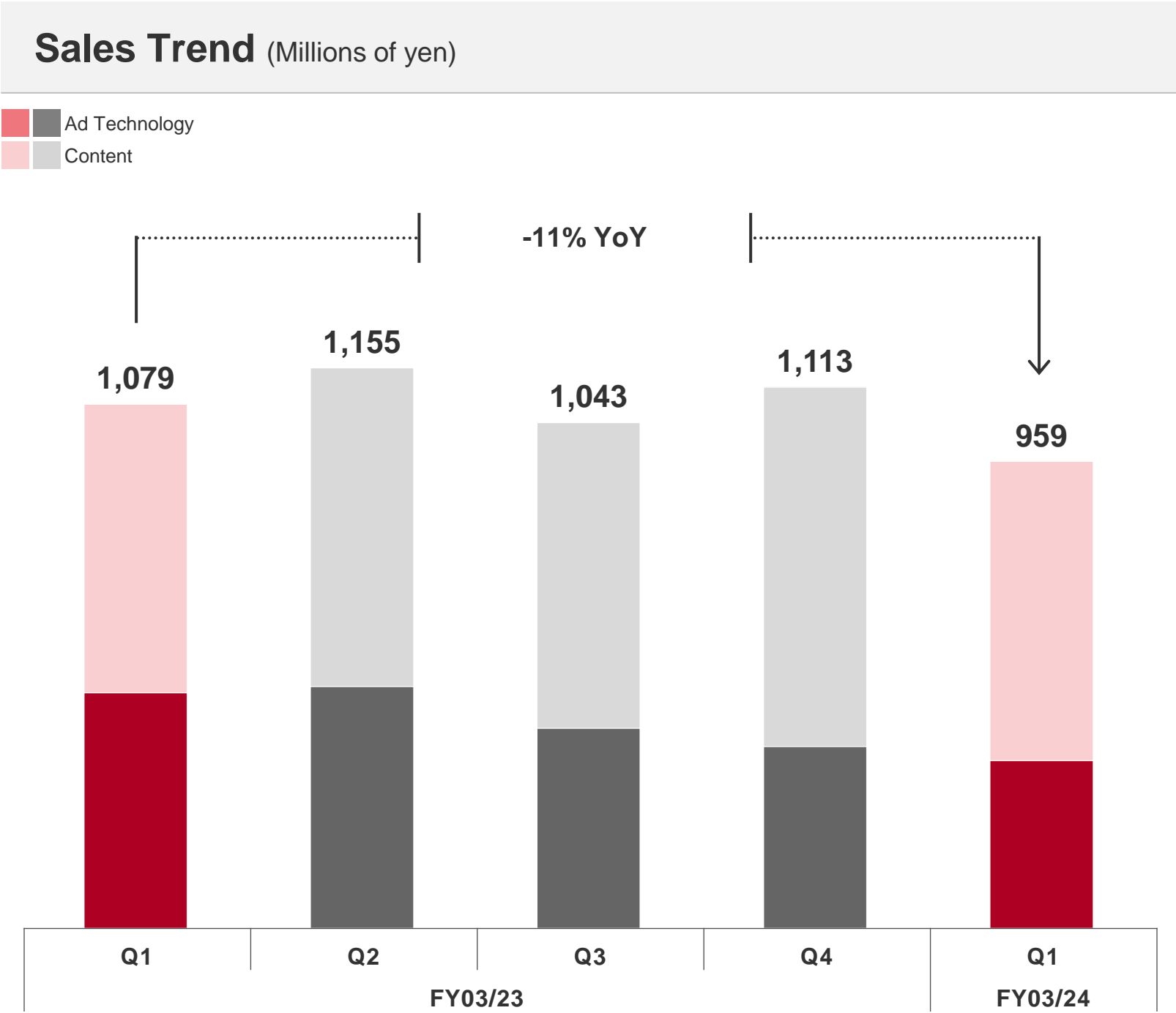
[Freelance Fact-Finding Investigation Report 2018](#), “Trends in the Economic Scale and Population of Side-job Workforce,” by Lancers, Inc.

[“CrowdWorks Conducts Survey on Side Jobs.”](#) by CrowdWorks, Inc.

Source: [2023 Survey on Job Change Trends \(2022 Results\)](#) by Mynavi

Ad Tech/Content Business

Sales and operating profit fell YoY in the Ad Technology business since advertisers’ ad budgets concentrated in 1H FY03/23.



*UNITED Marketing Technologies Inc.

Agenda

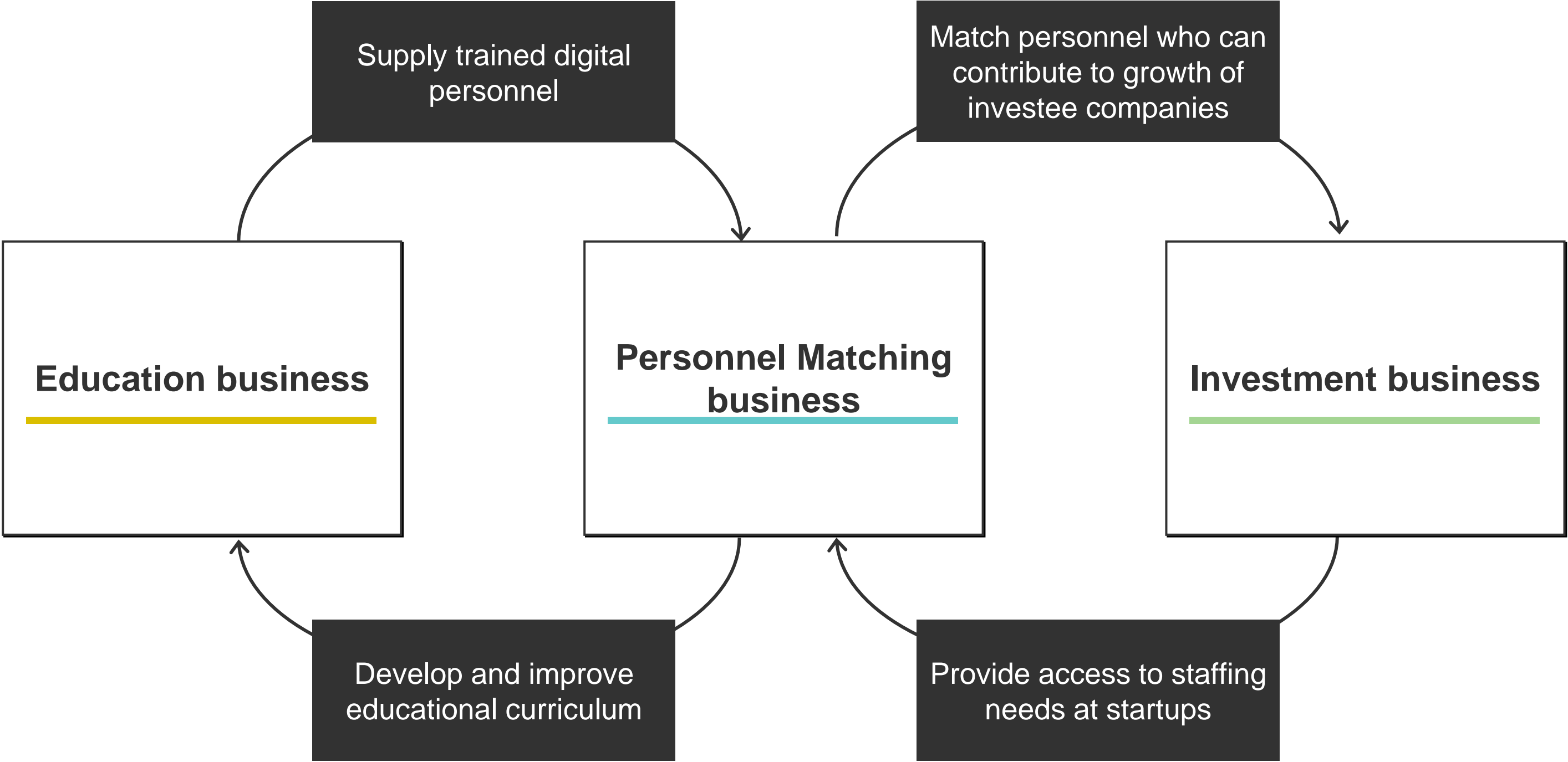
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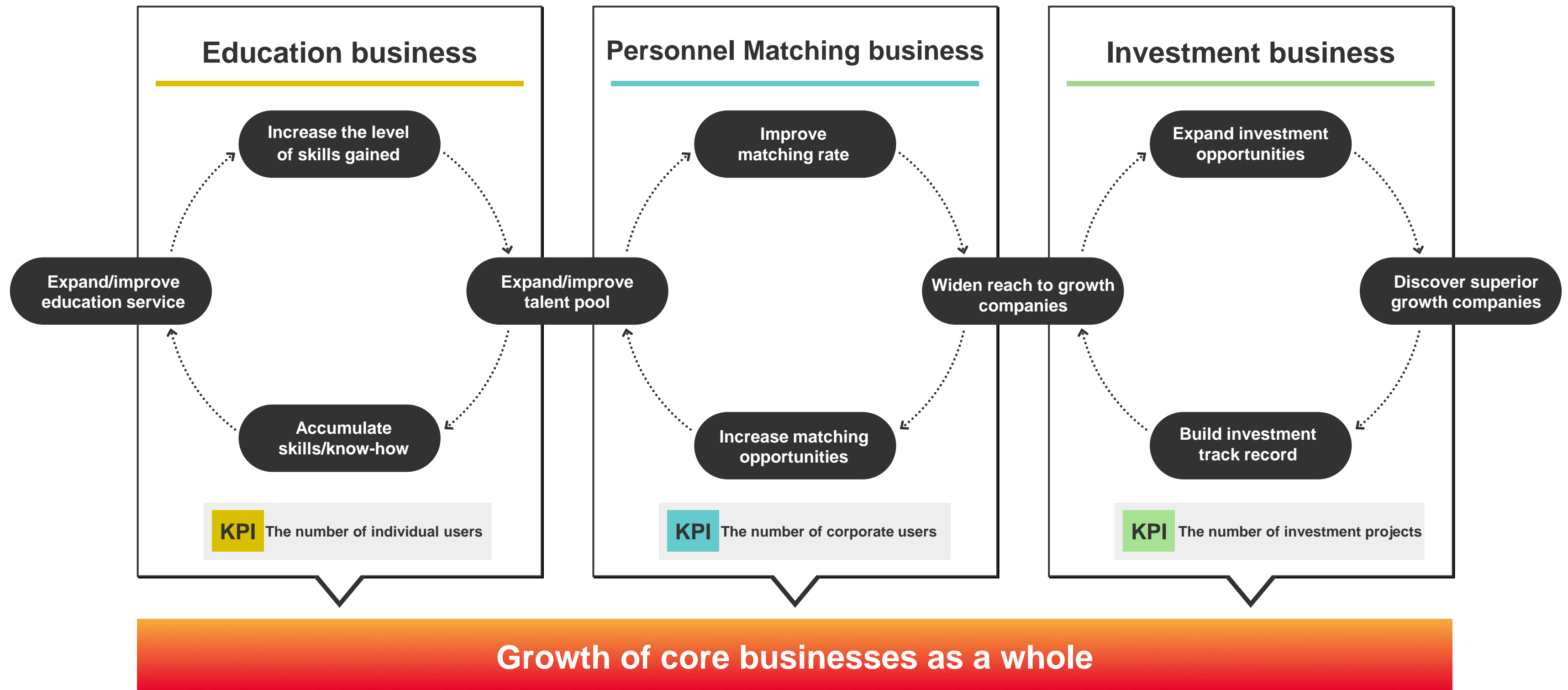
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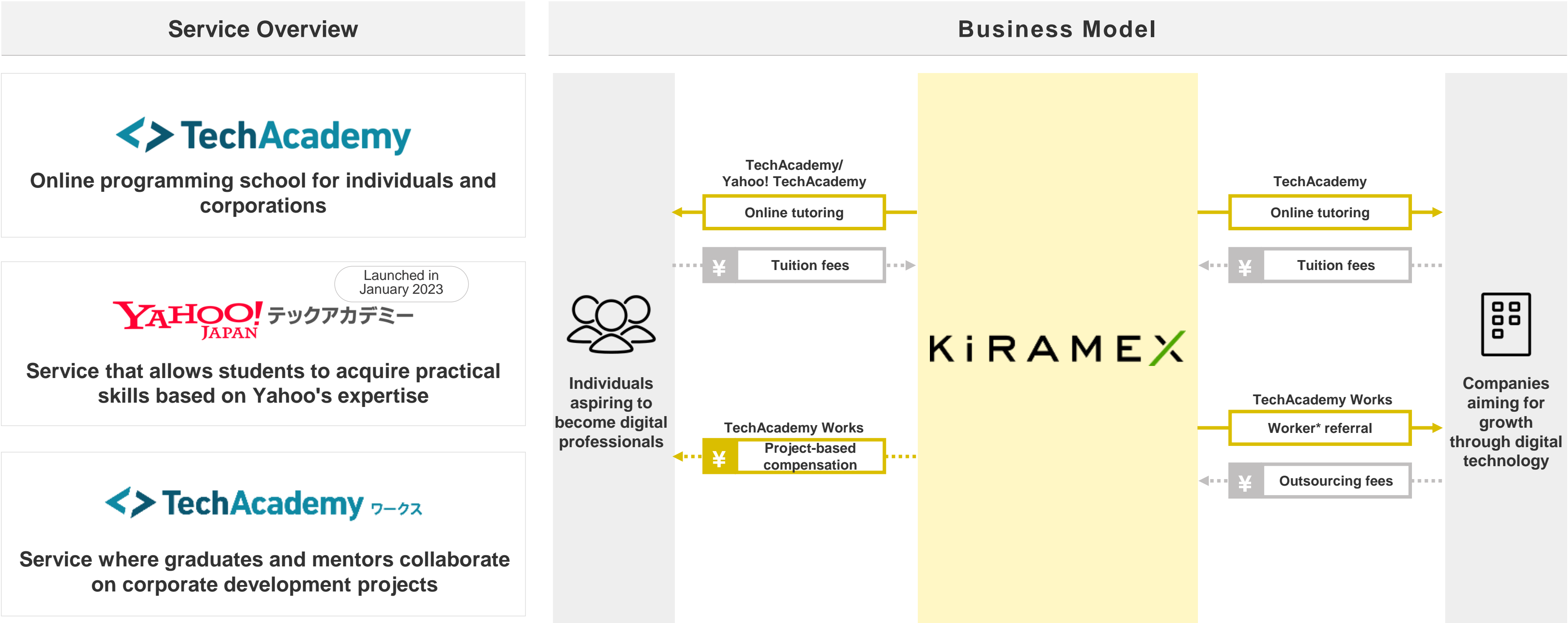
We will create synergies by strengthening collaboration of our core businesses.



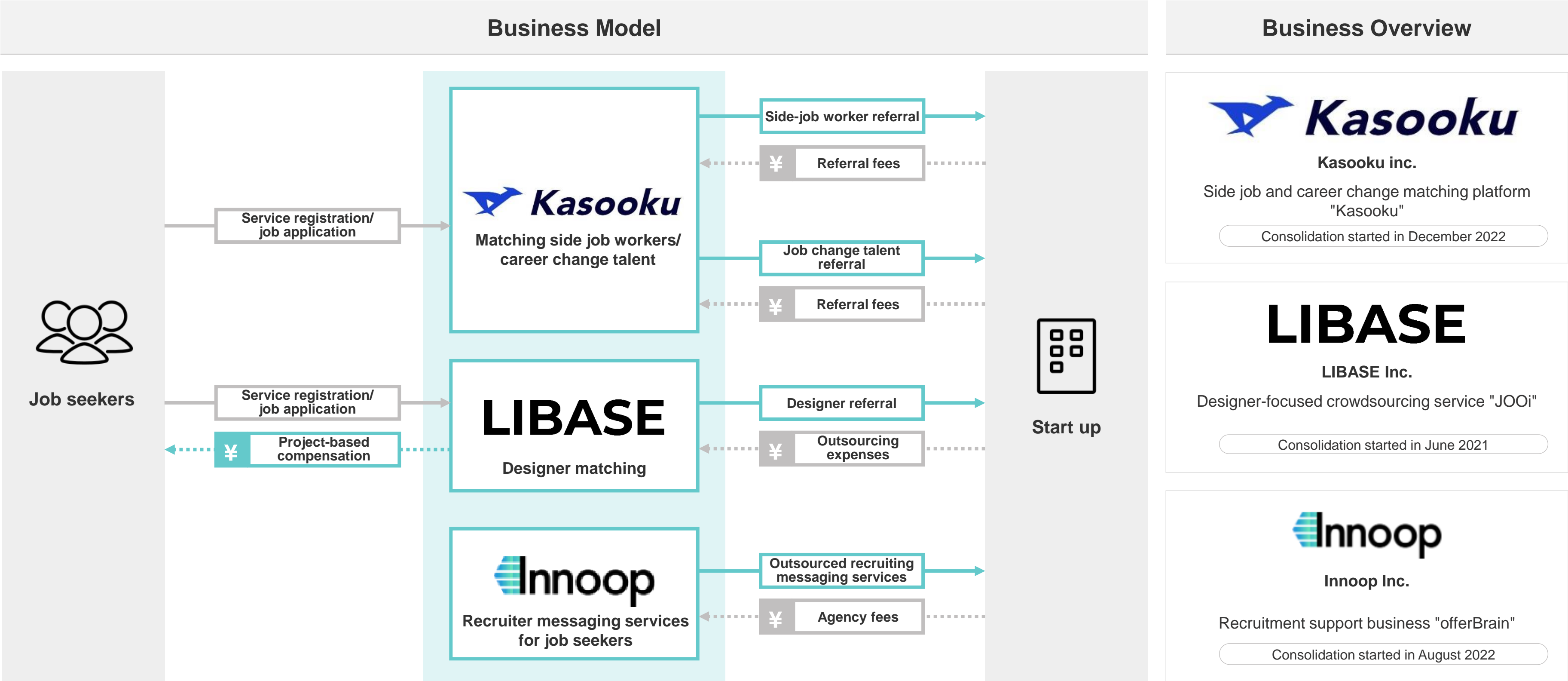
We will build a unique growth mechanism where the growth of each core business will lead to mutual enhancement of competitive strengths and KPIs.



We operate the online school TechAcademy, where students can learn programming and app development, and we offer TechAcademy Works, which provides practical work opportunities for acquiring hands-on skills and supports career changes.



As the core company of the Personnel Matching business, Kasooku inc. focuses on matching digital professionals in the areas of career changes, side jobs, and freelancing with growth-oriented companies.



Summary of Consolidated P/L Statement for Q1 FY03/24

(Millions of yen)	Q1 FY03/23	Q1 FY03/24	YoY (%)
Sales	4,776	7,224	+51.3%
Gross profit	3,796	6,241	+64.4%
SG&A expenses	670	880	+31.2%
Operating Profit	3,125	5,361	+71.6%
Non-operating profit	9	8	-11.8%
Non-operating expenses	9	3	-66.1%
Ordinary Profit	3,125	5,366	+71.7%
Extraordinary profit	359	-	-
Extraordinary losses	2	-	-
Profit before income taxes	3,481	5,366	+54.1%
Net Income*	2,399	3,685	+53.6%

*Refers to net income attributable to owners of parent

Consolidated P/L Statement for Q1 FY03/24, by Business

(Millions of yen)	Q1 FY23/03	Q1 FY03/24	Difference	
			YoY (Amount)	YoY (%)
Sales	4,776	7,224	+2,448	+51%
Investment	3,258	5,813	+2,555	+78%
Education	364	341	-23	-6%
Personnel Matching	76	113	+37	+49%
Ad Tech/Content	1,079	959	-119	-11%
Other	-2	-4	-1	-
Gross Profit*1	3,796	6,241	+2,445	+64%
Investment	3,226	5,777	+2,550	+79%
Education	171	118	-53	-31%
Personnel Matching	18	28	+9	+50%
Ad Tech/Content	380	321	-58	-15%
Other	-0	-3	-3	-
SG&A Expenses	670	880	+209	+31%
Operating Profit	3,125	5,361	+2,236	+72%
Investment	3,206	5,731	+2,524	+79%
Education	66	-17	-84	-
Personnel Matching	-49	-137	-88	-
Ad Tech/Content	121	68	-53	-44%
Other	-221	-282	-61	-
Ordinary Profit	3,125	5,366	+2,241	+72%
Net Income*2	2,399	3,685	+1,286	+54%

*1 Cost of sales for each business mainly includes advertising, outsourcing, and personnel expenses

*2 Refers to net income attributable to owners of parent

Decrease in assets and liabilities mainly due to mark-to-market valuation and sale of listed shares held.

(Millions of yen)	End of FY03/23 (March 31, 2023)	End of Q1 FY03/24 (June 30, 2023)	Difference
Current Assets	27,891	28,298	+406
Cash & Deposits	13,370	17,145	+3,774
Operating Investment Securities	11,236	8,386	-2,849 ^{*1}
Non Current Assets	4,426	2,272	-2,153
Amortization of Goodwill	905	848	-57
Total Assets	32,318	30,571	-1,746
Current Liabilities	2,777	3,125	+348
Non Current Liabilities	2,893	1,301	-1,592
Deferred Tax Liabilities	2,838	1,247	-1,590 ^{*2}
Total Liabilities	5,671	4,427	-1,243
Net Assets	26,647	26,143	-503
Unrealized Gain on Securities	3,934	1,912	-2,021 ^{*3}

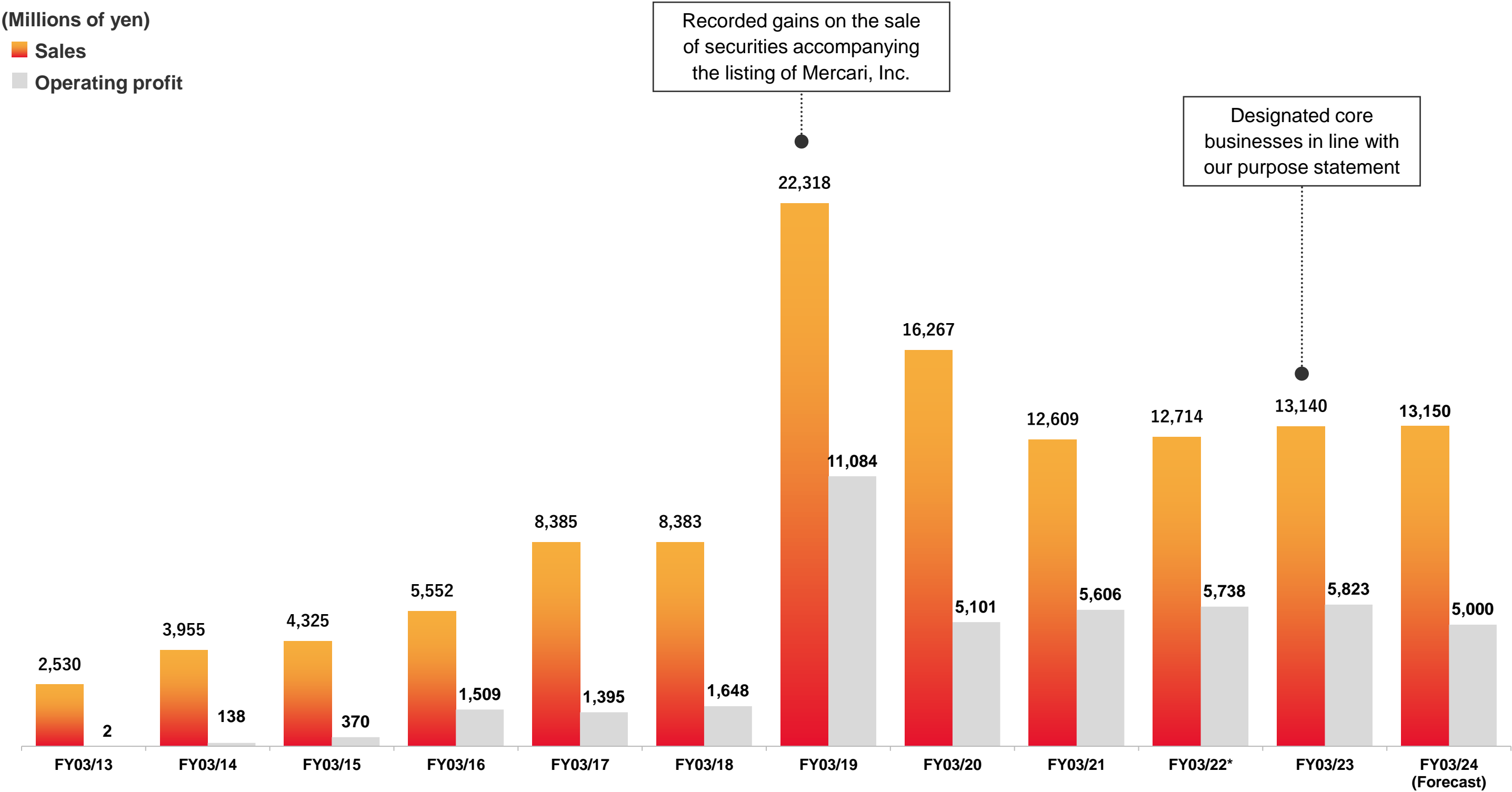
Note) Of this amount, the impact of revaluation (mark-to-market) and disposal of operational investment securities (listed shares) were as follows:

*1 Operational investment securities -¥2,869 million

*2 Deferred tax liabilities -¥805 million

*3 Unrealized gain on securities -¥2,033 million.

Sales and Earnings (FY03/13–FY03/24)



*We adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) and the ASBJ Guidance No. 30 (Implementation Guidance on Accounting Standard for Revenue Recognition) from FY21. In this document, we applied this standard to the past earnings of the Ad Technology business in order to make the comparison easier.

Number of Consolidated Employees and Directors

