
1H, Fiscal Year Ending March 2024

Financial Results

November 9, 2023



United, Inc.
(TSE Growth: code 2497)

Agenda

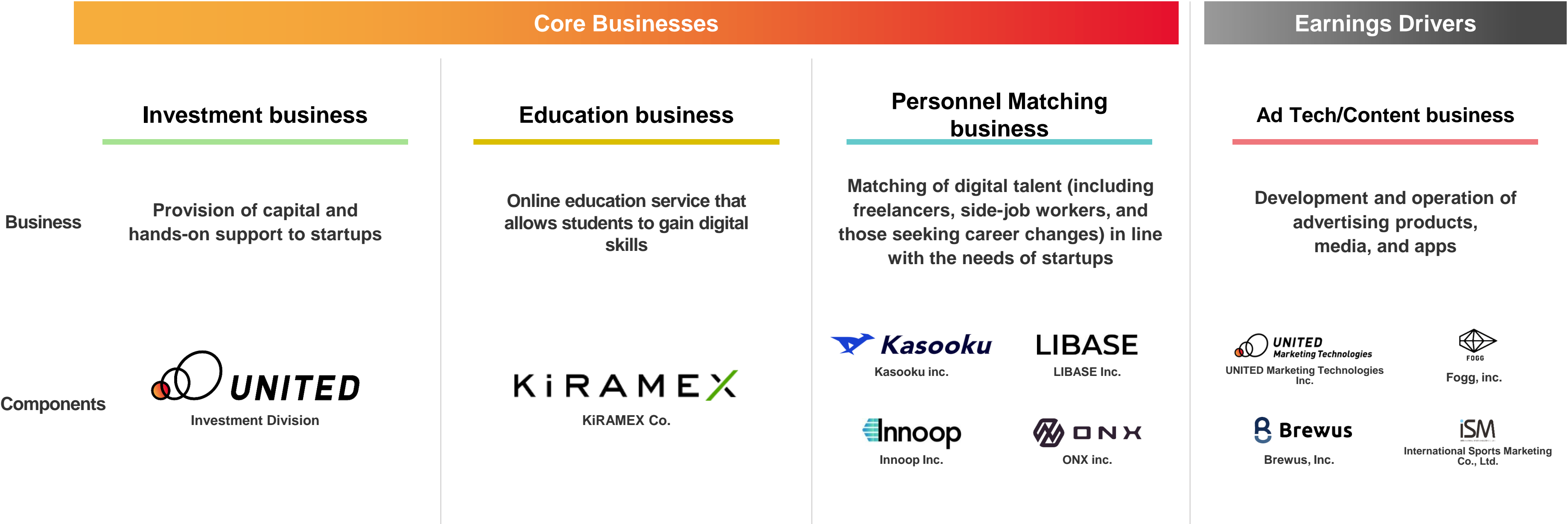
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Business Segments and Their Components



Sales and operating profit increased YoY as we have concentrated the sale of investment securities for FY03/24 in 1H.

Consolidated Operating Performance	Sales	¥9,170million (+38% YoY)
	Operating profit	¥5,368million (+71% YoY)

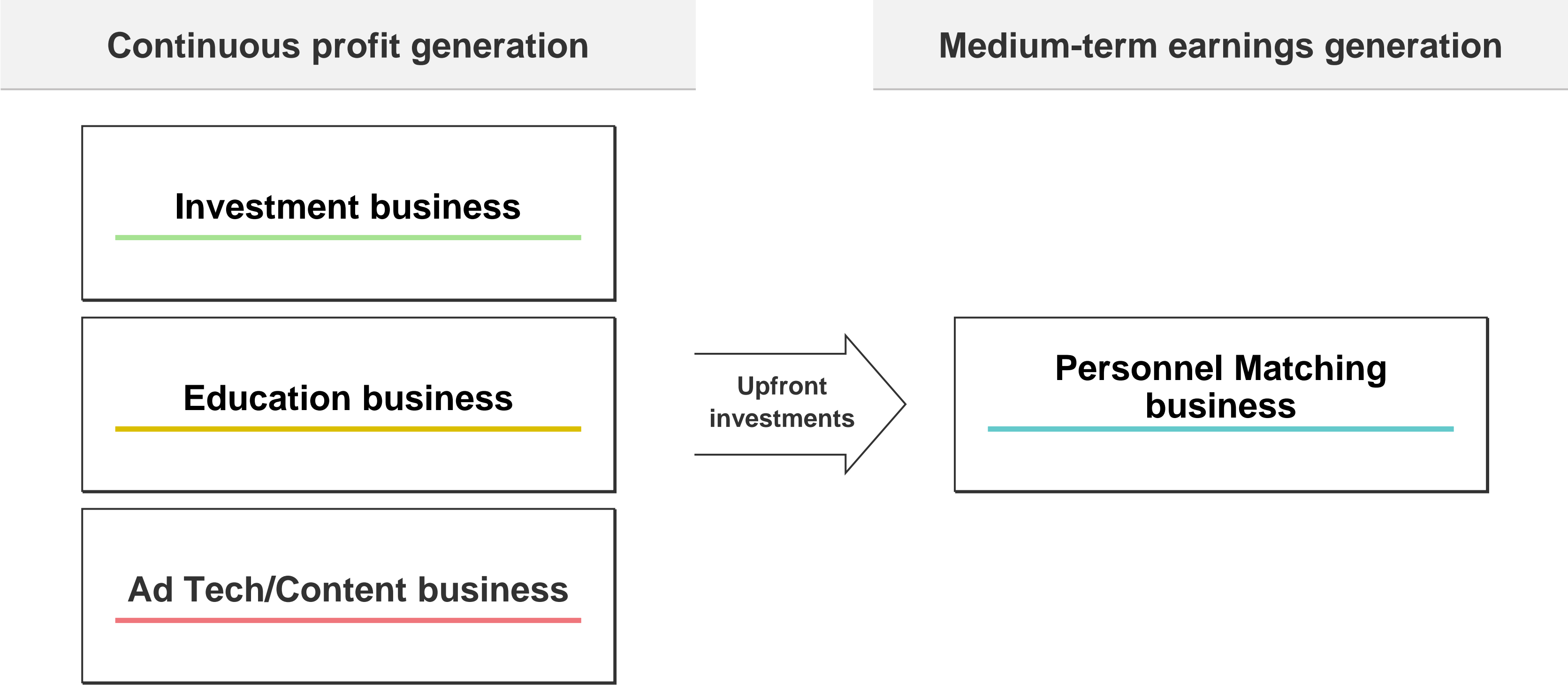
Core Businesses

	Investment	Sales	¥6,249 million (+78% YoY)	p.10 for details
		Operating profit	¥6,008 million (+82% YoY)	
	Education	Sales	¥657 million (-2% YoY)	p.18 for details
		Operating profit	-¥52 million (-¥107 million YoY)	
	Personnel Matching	Sales	¥242 million (+11% YoY)	p.23 for details
		Operating profit	-¥273 million (-¥153 million YoY)	

Earnings Drivers

	Ad Tech/Content	Sales	¥2,031 million (-9% YoY)	p.26 for details
		Operating profit	¥181 million (-43% YoY)	

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



Revision of Full-year FY03/24 Forecast due to the Recording of an Extraordinary Loss

As the business progress of subsidiaries* within the Personnel Matching business deviated from plans at the time of their acquisitions, we recorded the unamortized balance of goodwill as an extraordinary loss. Accordingly, we revised our full-year earnings forecast.

The forecast for dividend per share remains unchanged due to the adoption of a new policy (DOE of 4% or dividend payout ratio of 50%, whichever amount is larger) in FY03/24.

(Millions of yen)	Sales	Operating profit	Ordinary Profit	Net Income*	Dividend per share
Previous forecast (A)	13,150	5,000	5,000	3,300	¥48
Revised forecast (B)	13,150	5,000	5,000	2,650	¥48
Change (B) – (A)	-	-	-	-650	-
Change (%)	-	-	-	-20%	-

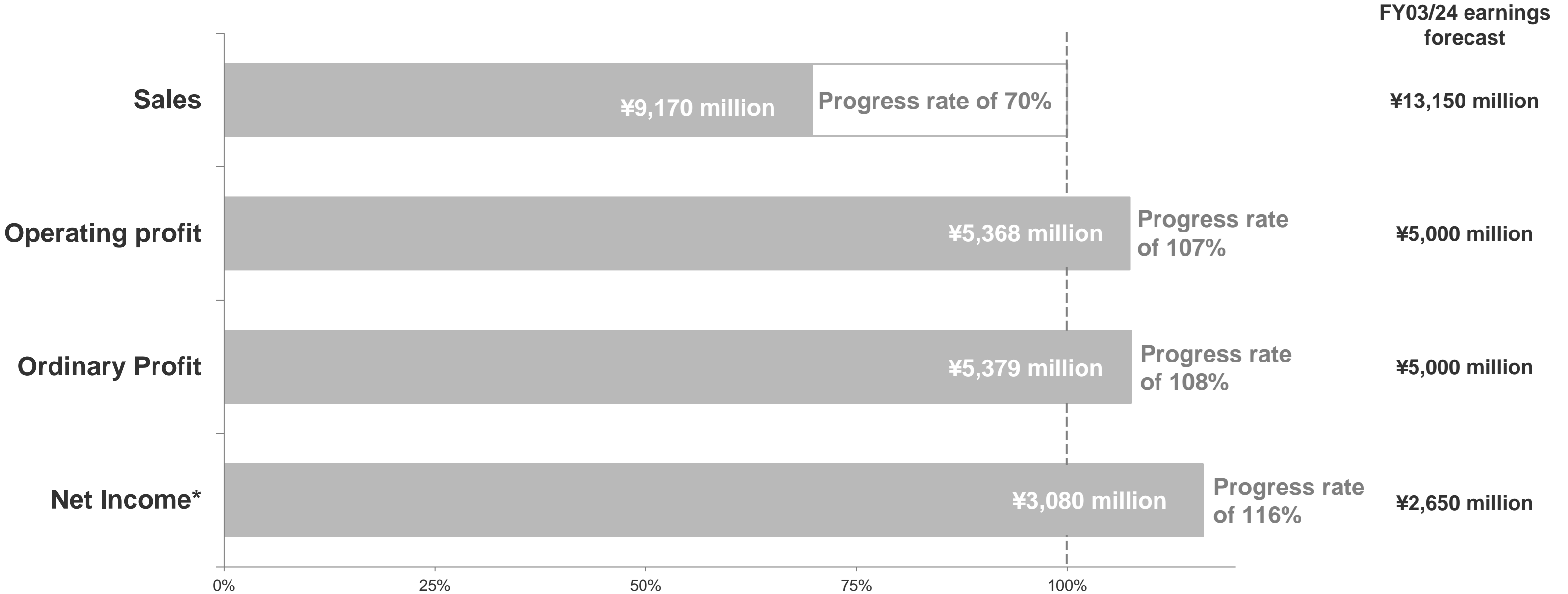
* Refers to net income attributable to owners of parent

* Kasooku inc., Cocodoru, Inc. (absorption-type merger with Kasooku in June 2023), LIBASE Inc.

1H Progress vs. Full-year FY03/24 Forecast

The progress rate for profit items from operating profit and below exceeded 100% versus our full-year targets since we sold securities in 1H, ahead of the full-year schedule.

Since our plan calls for continued investment in the Personnel Matching business in 2H and beyond, we left the full-year projections for sales, operating profit, and ordinary profit unchanged.



* Refers to net income attributable to owners of parent

Interim Dividend for FY03/24

Based on our new dividend policy,^{*1} we have decided as planned to pay an interim dividend of ¥24 per share, which includes the commemorative dividend in celebration of United’s 10th anniversary.

Details of Annual Dividends				
	FY03/24		FY03/23 ^{*2}	
	Interim	Year-End (forecast)	Interim	Year-End
Record date	September 30, 2023	March 31, 2024	September 30, 2022	March 31, 2023
Dividend per share (1H)	¥24.0	¥24.0	¥10.0	¥11.5
(1) Ordinary dividend portion	¥11.5 (DOE 4%)	¥11.5 (DOE 4%)	¥10.0	¥11.5
(2) Commemorative dividend portion	¥12.5	¥12.5	-	-
DOE (annual)	9.0% (forecast)		4.6%	
Payout ratio (Annual)	71.0% (forecast)		20.5%	

^{*1} In FY03/24, we changed our dividend policy from the previous “dividend payout ratio of 20%” to “DOE of 4% or dividend payout ratio of 50%, whichever amount is larger.”

^{*2} The figures factor in the stock split.

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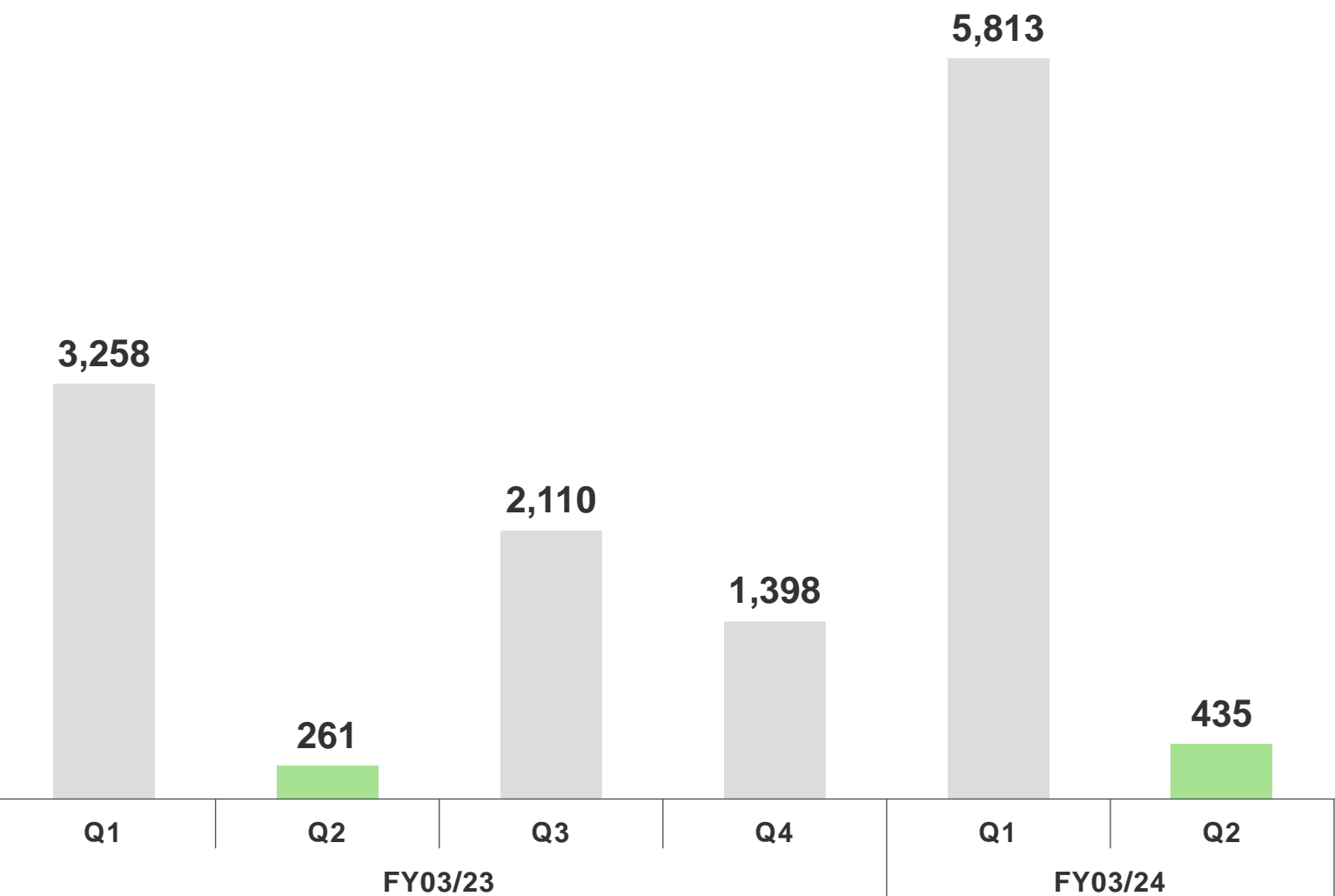
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Investment Business

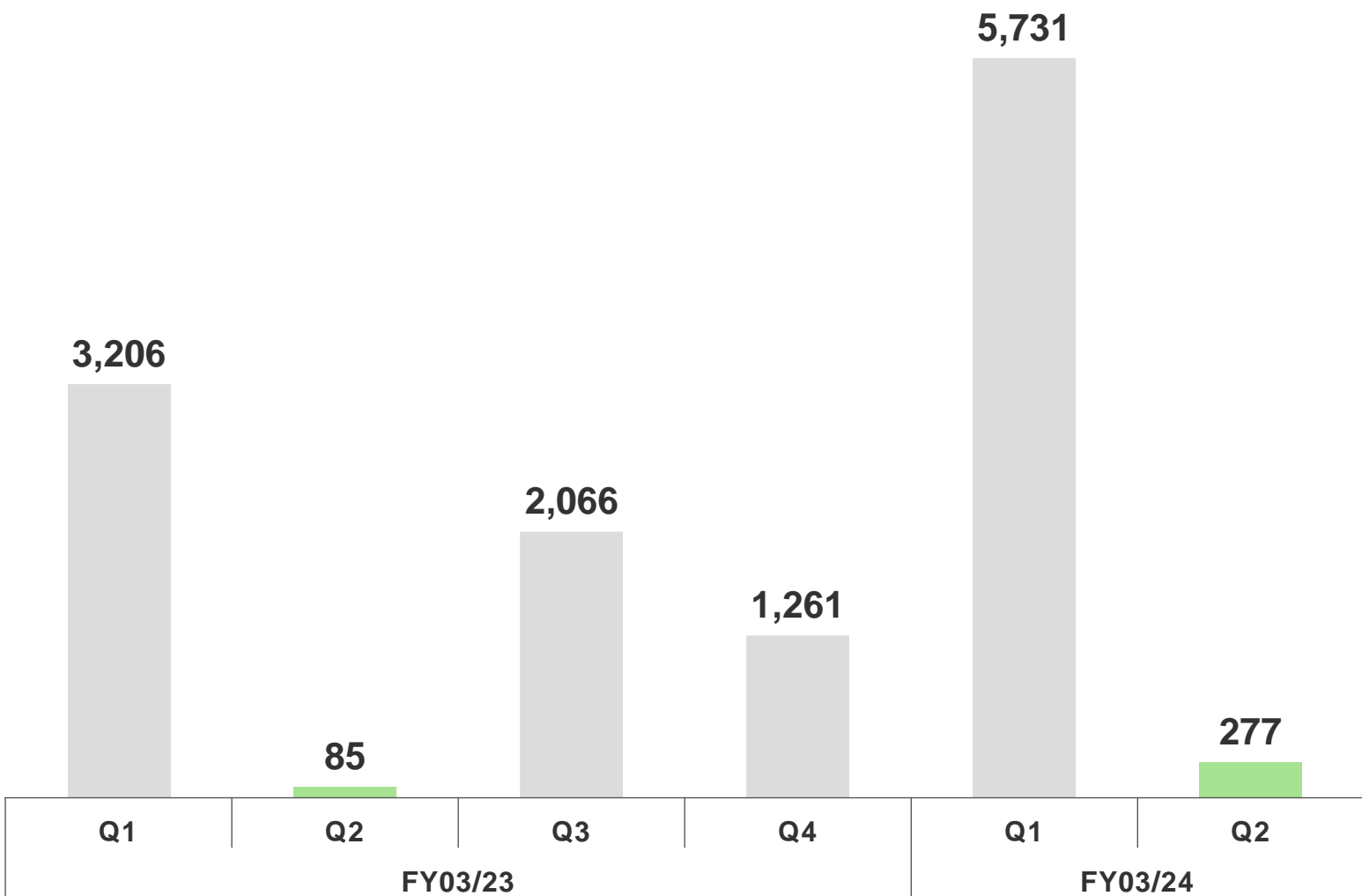
Investment Business: Sales and Operating Profit

Because of the nature of this business, quarterly performance is subject to high volatility, affected by the timing of the sale of shares we hold, among other factors. However, we expect full-year sales and operating profit to finish in line with the plan.

Sales Trend (Millions of yen)



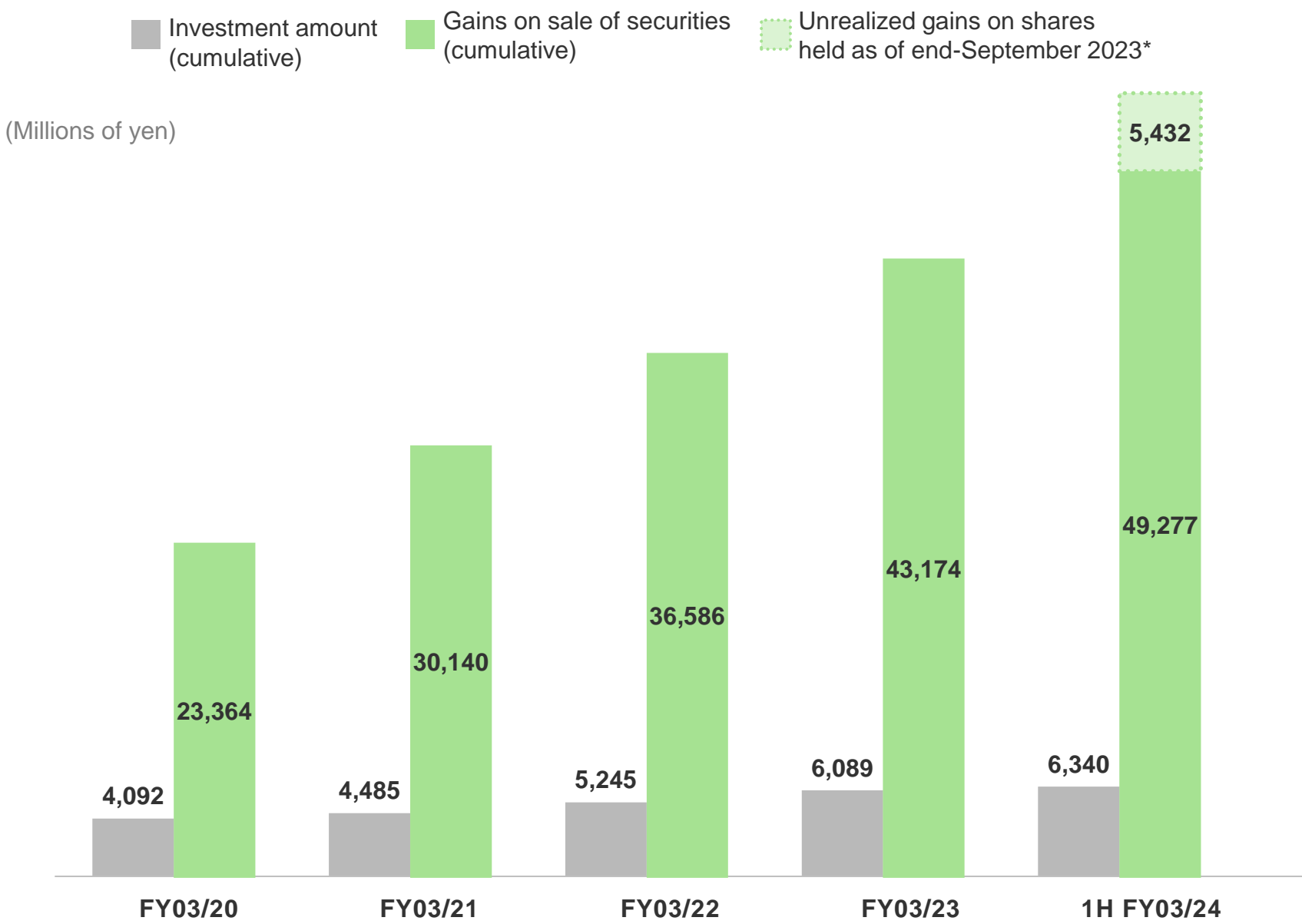
Operating Profit Trend (Millions of yen)



Investment Business: Investment Track Record

As of 1H FY03/24, we have invested a total of approximately ¥6.3 billion on a cumulative basis and our gains on sale of securities, combined with unrealized gains, stood at roughly ¥54.7 billion.

Investment Track Record (since January 2013)



*Figures for unlisted shares were calculated based on latest reports from the issuers.

Breakdown of Operational Investment Securities

	Investee Companies	As of September 30, 2023 (amount on BS)
Listed shares	<div>•Mercari, Inc.</div> <div>•Wonder Planet, Inc.</div> <div>•CyberBuzz, Inc.</div> <div>•Socialwire Co., Ltd.</div> <div>•Interworks Confidence Inc.</div> <div>•Excite Holdings Co., Ltd.</div>	Approx. ¥3.3 bn*
Unlisted shares	79 companies	Approx. ¥3.1 bn
LP investments	36 funds	Approx. ¥1.6 bn

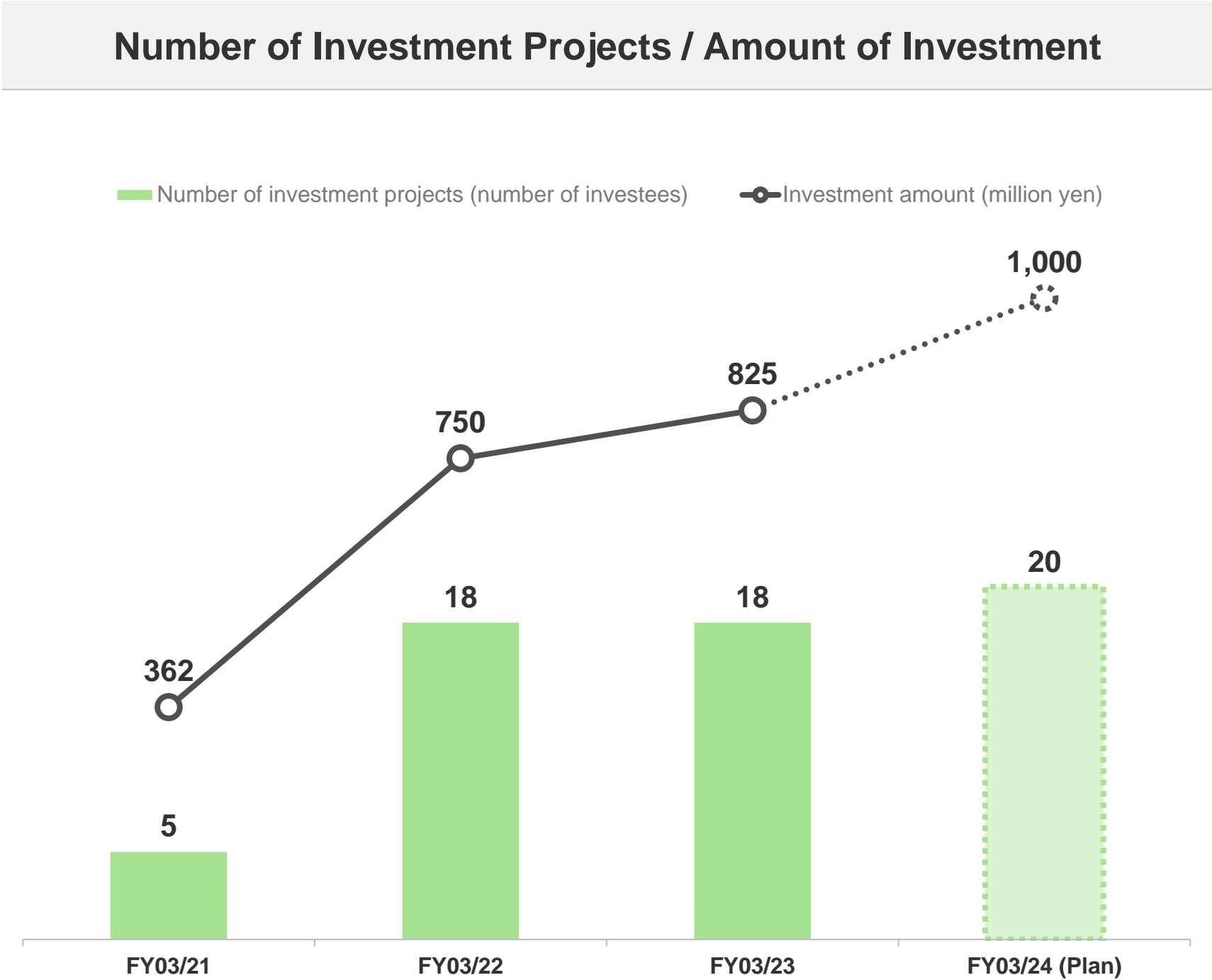
* We have forward contracts for some stocks. Including derivatives in the balance sheet, the amount was ¥3,934 million as of end-September 2023.

Investment Business: Strategy for FY03/24

Drawing on our two competitive advantages, we will boost the number of investment projects in promising startups. We plan to invest a total of ¥1.0 billion*1 in 20 companies this fiscal year.

As the lead investor*2, we will step up investment execution and bolster our hands-on support.

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.



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

*2 The largest investor in the investment round

We executed investment as the lead investor in Tokuiten Inc., which works on the automation of organic farming, making full use of technology.

Business Overview



Company	Tokuiten Inc.
Established	August 2021
Representative	Ryuichiro Toyoshi
Business	Grows organic cherry tomatoes; sells in-house developed robots for use in farming
Investment executed	August 2023

Business

The company grows organic cherry tomatoes, utilizing AI and robots.
Through the automation of farming, it seeks to promote organic farming and resolve the labor shortages caused by the aging of farmers.



Farming robot, Titan, leverages AI and remote control to handle farm work independently.

Investment Business: New Investees (2)

TOUCHSPOT Inc.



Established	September 2015
Representative	Taichi Mizushima
Business	Provides support to elevate and improve efficiency of the 2B sales processes
Investment executed	September 2023

O Ltd.



Established	September 2019
Representative	a_haru
Business	Developer of a 3D computer graphics creator tool that uses the metaverse
Investment executed	July 2023

UTAITE Co., Ltd.










































Established	December 2022
Representative	Masashi Kurata
Business	Developer and operator of 2.5D IPs
Investment executed	October 2023

Light-Right Inc.



Established	January 2020
Representative	Ryuta Saito
Business	Operator of “relay,” a business succession matching platform
Investment executed	August 2023

Investment Business: Major Startup Investments

Post IPO	Middle to Later Stage		Seed to Early Stage				
				Gotoschool inc.		Ms.Engineer	MentaRest
		Stockmark 					
	Paytner		Liferary		xxxxnese	Anyplace	
		<u>inglewood</u>			ATOM ica	PLAYTH!NK	
	SOCIAL INTERIOR	Biophilia inc.					
			 Fairy Devices				
	GRACIA						GATARI Inc.

Investment Business: Major Funds LP Investments

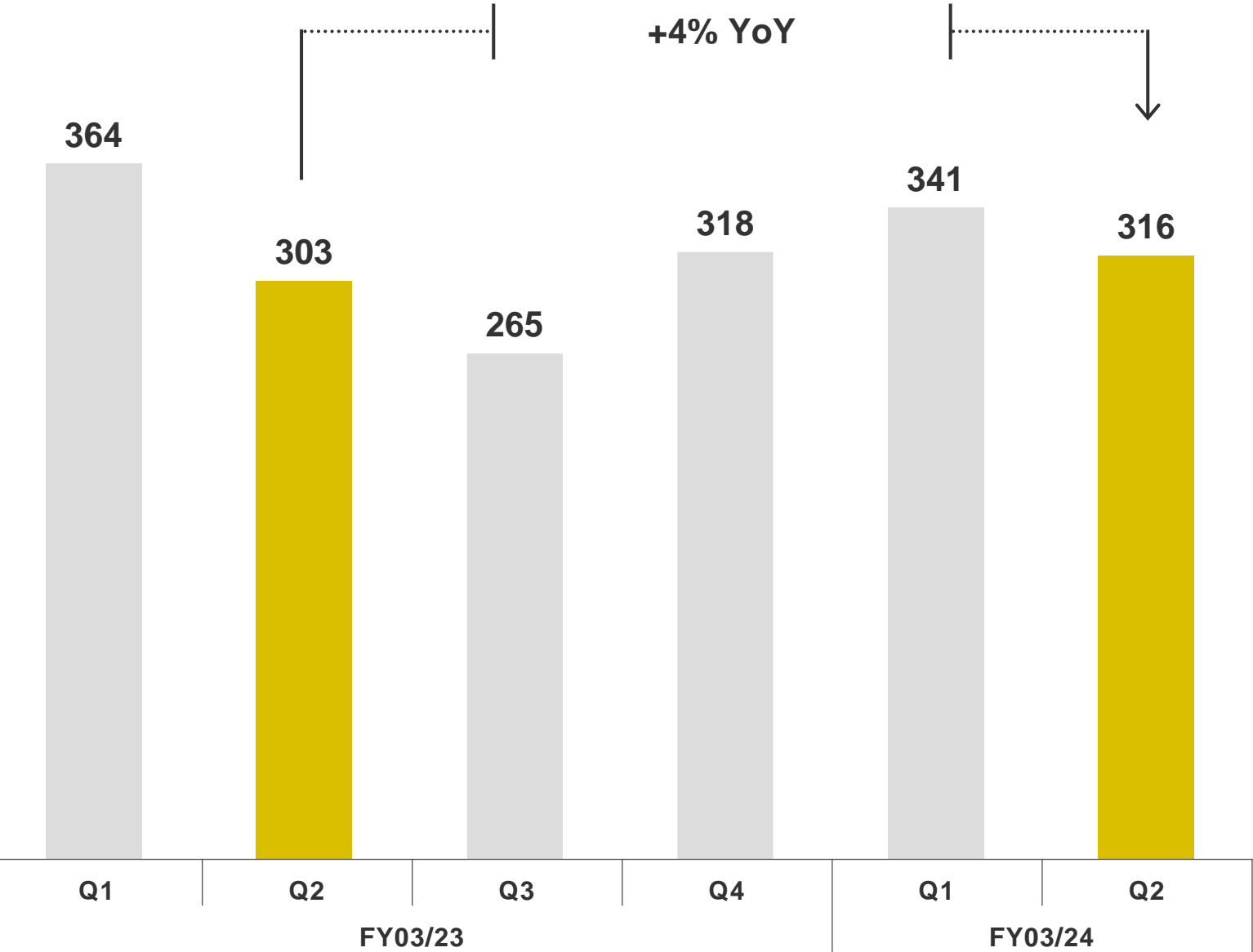
We expect to record gains on distribution from the multiple external funds (36 in total) we invest in as an LP. These funds also serve as our source of new investment projects, as they allow us to reach out to over 1,000 startups.

Major Funds We Invest in as LP				
				
				
				
				
				

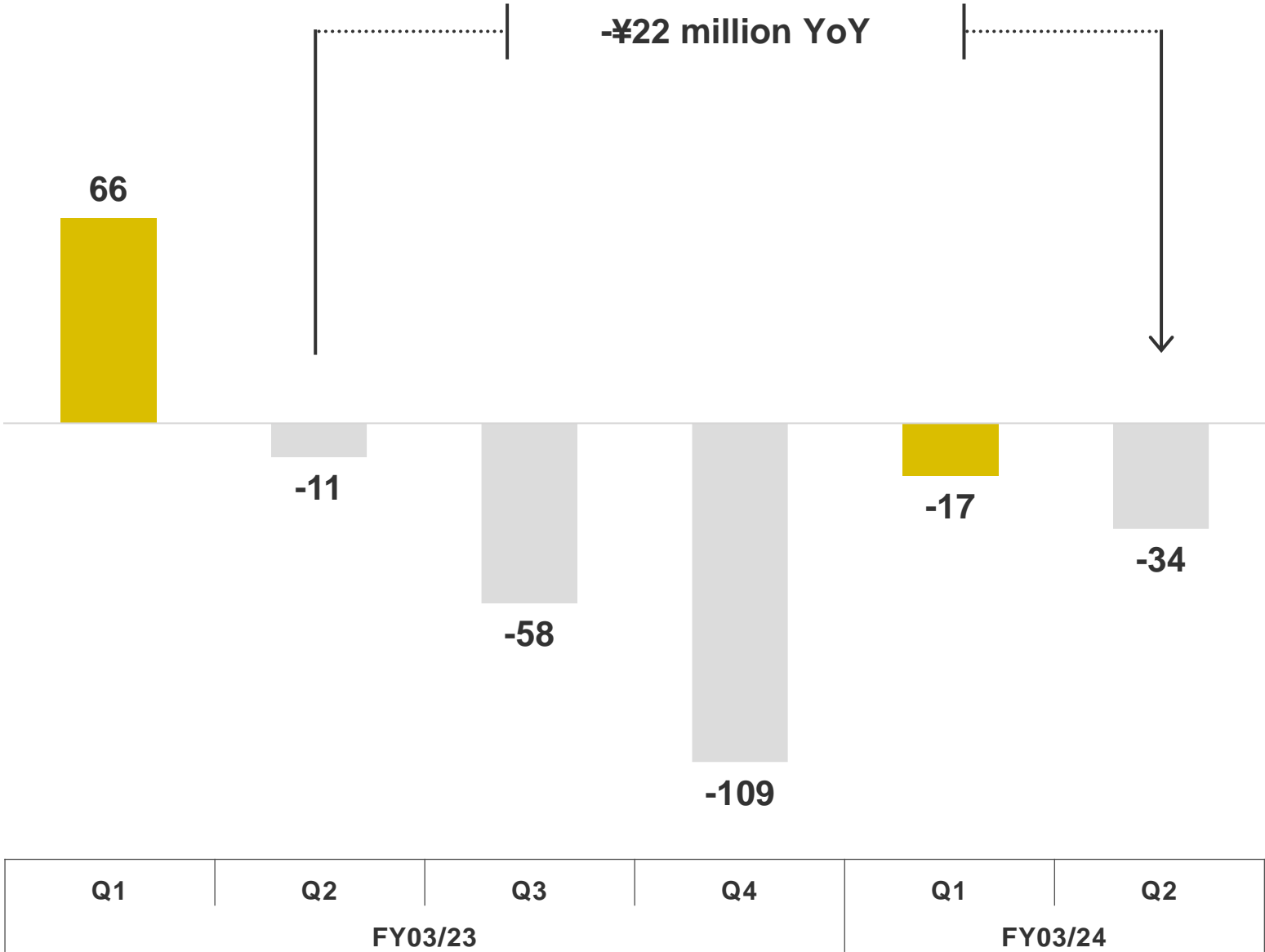
Education Business

Q2 sales grew YoY on expansion of the Generative AI course.
The operating loss widened YoY since we temporarily increased our ad investment to bolster student acquisition for the Generative AI course.

Sales Trend (Millions of yen)



Operating Profit Trend (Millions of yen)



In FY03/24, we will pursue further growth by focusing on LINE Yahoo TechAcademy and generative AI-related courses.

Focus business (1)–Line Yahoo TechAcademy

LINEヤフー テックアカデミー

(LINE Yahoo TechAcademy)

Students gain practical skills that are based on
LINE Yahoo's expertise.

Focus business (2)–Generative AI-related courses

Began in June 2023

First Prompt Engineering Course

Began in Sep. 2023

LLM Application Development Course

Students gain the skills to utilize AI in
actual work.

Education Business: Focus Business (1)—LINE Yahoo TechAcademy

We began accepting student applications to the LINE Yahoo TechAcademy* from October 12, 2023.

Students can obtain skills that would allow those with no previous experience in programming to work as corporate web engineers. They are also offered support in their career-change activities.

LINE Yahoo TechAcademy was chosen for the Reskilling-based Career Development Support Program led by the Ministry of Economy, Trade and Industry.

LINEヤフー テックアカデミー (LINE Yahoo TechAcademy)

Practical curriculum

Students can gain the skills to work actively as a web engineer in just four months, taking advantage of the practical technologies of LINE Yahoo.

Support from active engineers

Personal mentors offer one-on-one study support.

Career-change support

Dedicated career counselors support students' career-change as web engineers.

* Name changed from Yahoo! TechAcademy

Education Business: Focus Business (2)—Generative AI-related Courses

In addition to the First Prompt Engineering Course for those studying generative AI for the first time, we began offering a new practical course for engineers who develop applications that use LLM*.

New

Began in June 2023		First Prompt Engineering Course	
Overview		The course aims to provide students with an understanding of LLM and have them gain skills that can be used in actual work.	
Target students		<ul style="list-style-type: none">• Those who wish to use generative AI in business• Those who wish to relearn digital skills• Those interested in reskilling	

Began in Sep. 2023		LLM Application Development Course	
Overview		The course allows students to learn the basics of Python and gain skills to develop and implement LLM-based applications.	
Target students		<ul style="list-style-type: none">• Engineers involved in development using LLM• Engineers seeking to achieve fusion of data processing and natural language processing• Engineers seeking to step up from beginner-level skills in Python	

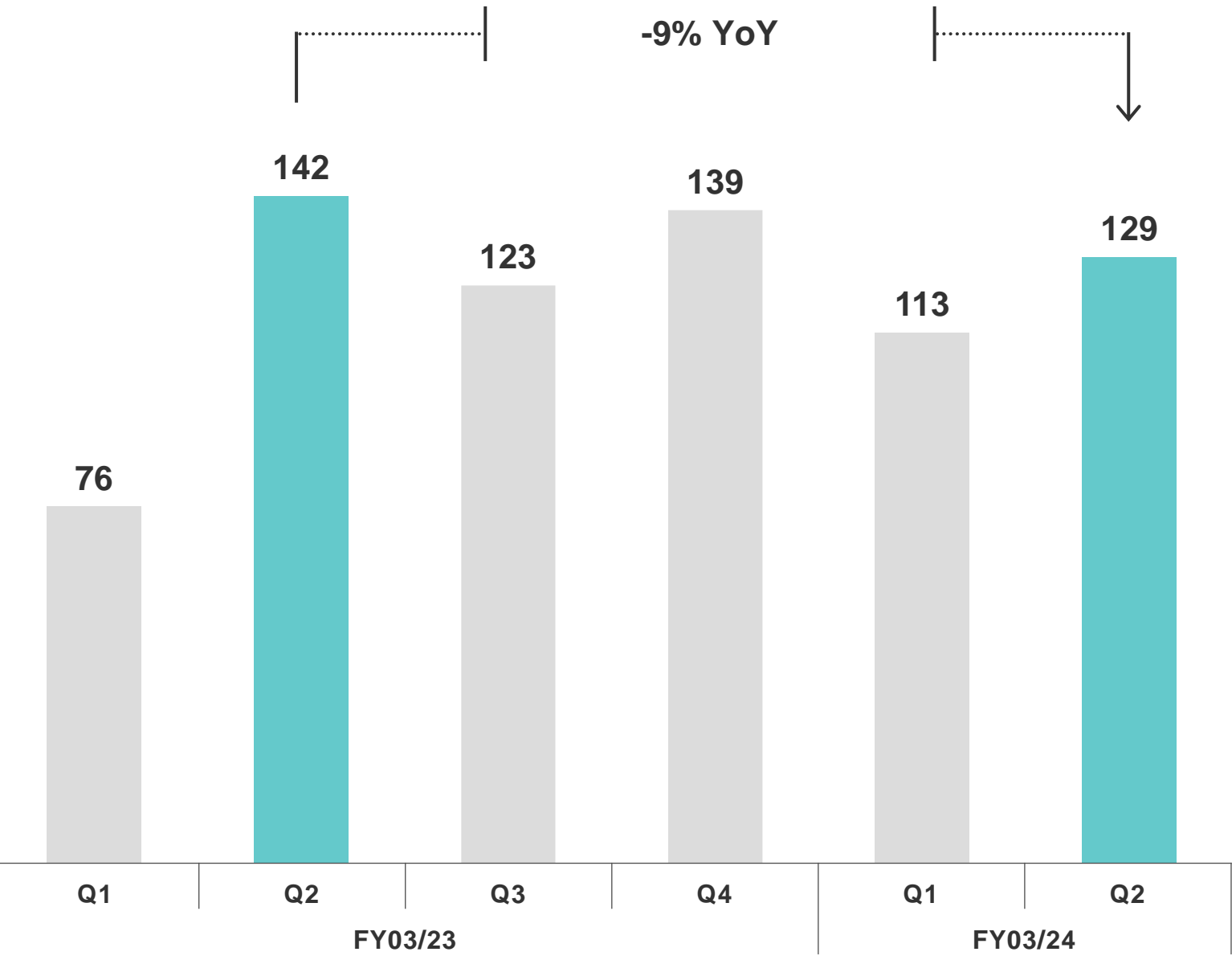
* LLM: Short for large language model. A deep learning model that learns language patterns from massive text data and performs text-related tasks, such as text generation and summarization, with high accuracy

Personnel Matching Business

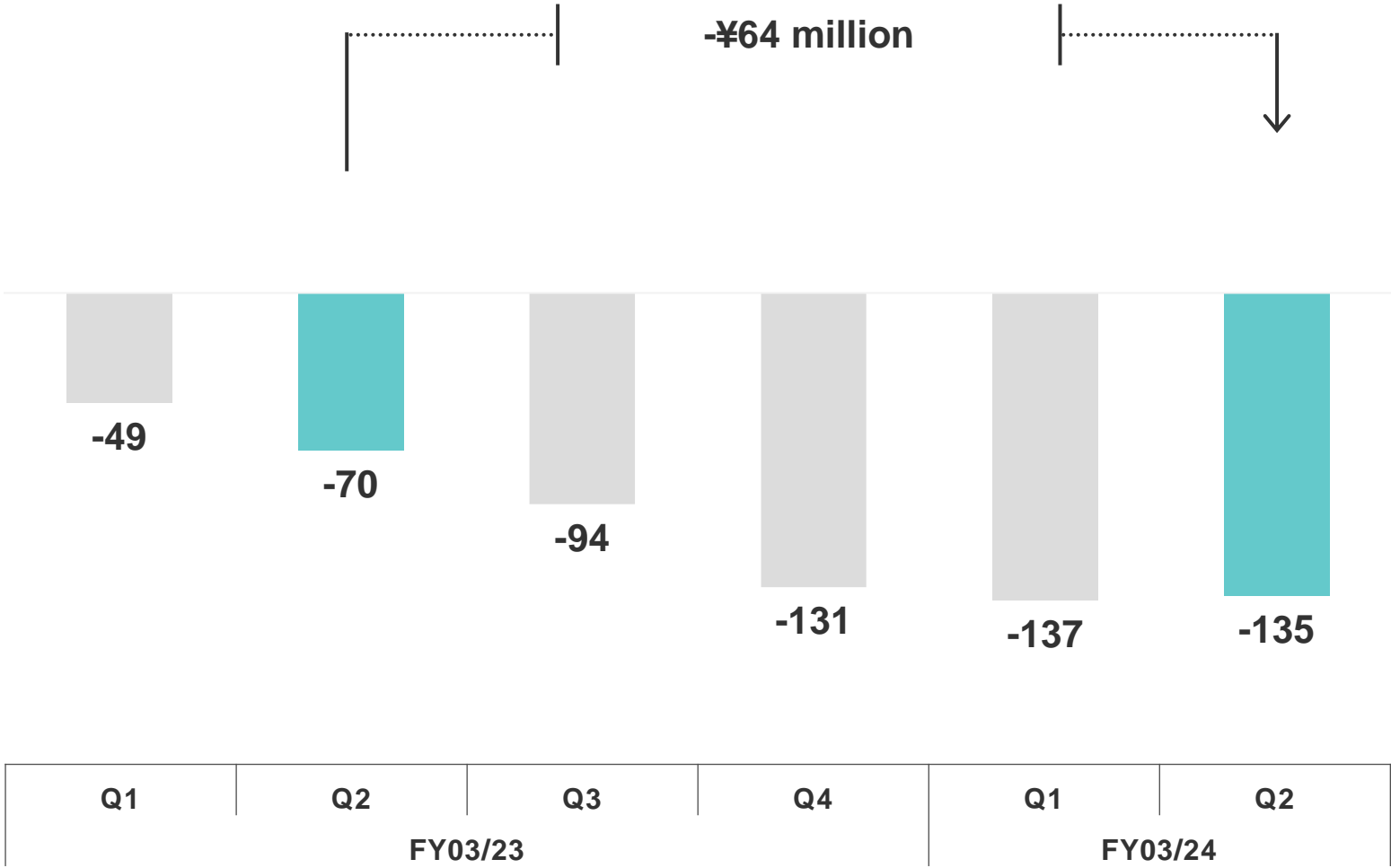
Personnel Matching Business: Sales and Operating Profit

Although the Innoop Inc. business grew, the integration of Cocodoru, Inc.* did not progress smoothly. Consequently, quarterly sales and operating profit of the segment as a whole were down YoY. We have merged Cocodoru, Inc. with Kasooku inc. to pursue business expansion.

Sales Trend (Millions of yen)



Operating Profit Trend (Millions of yen)

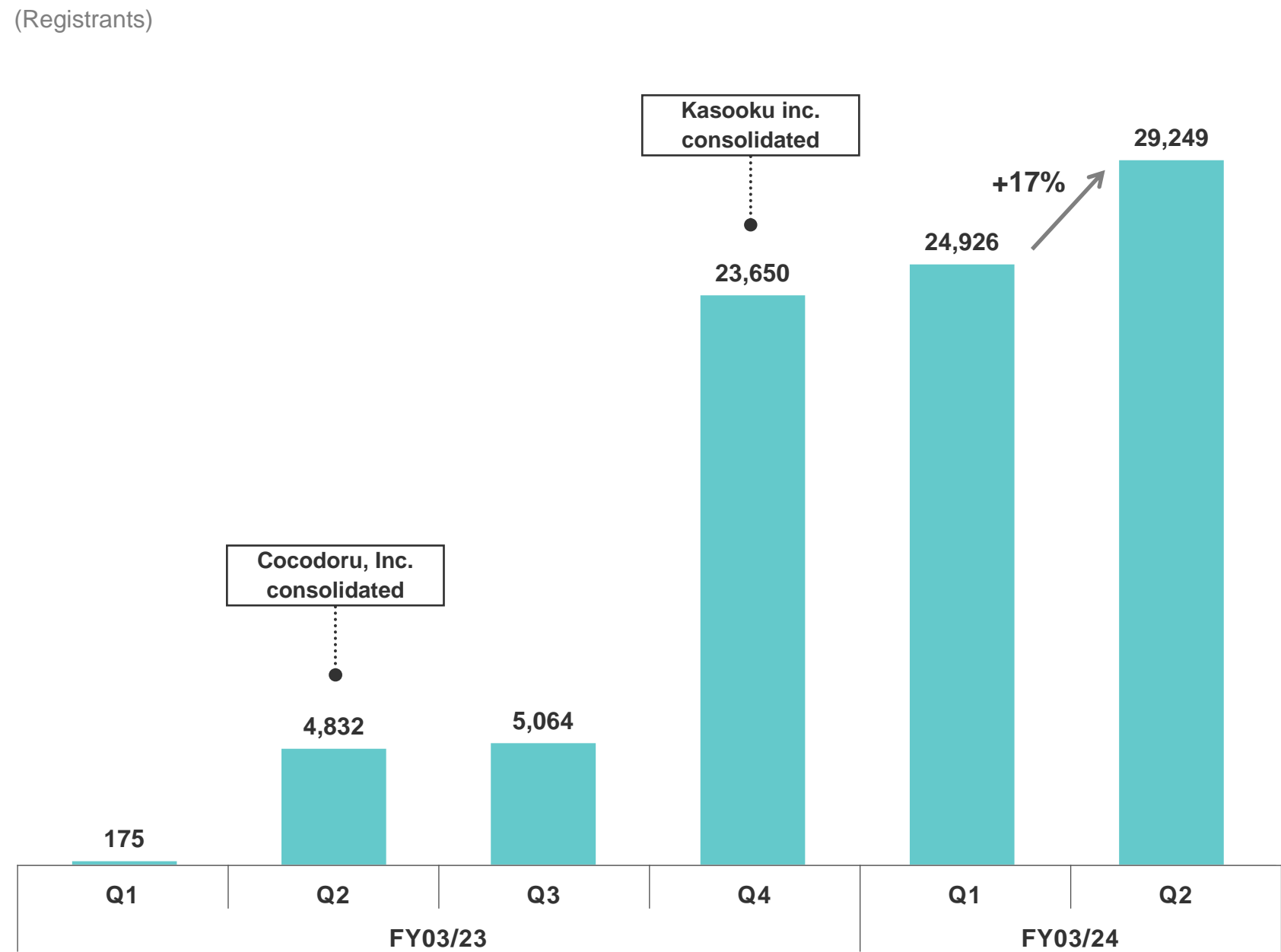


* Absorption-type merger with Kasooku inc. in June 2023

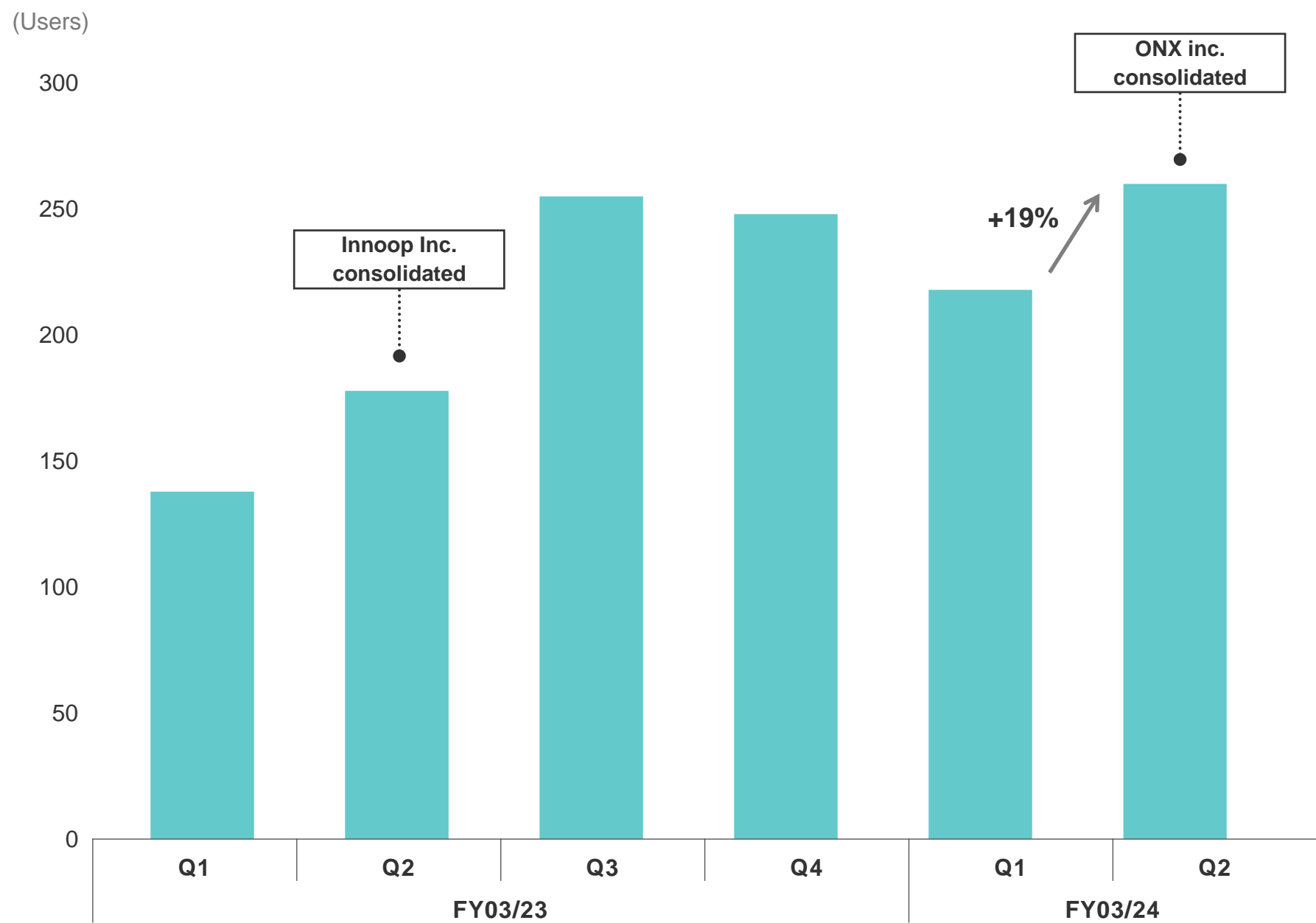
Personnel Matching Business: Increasing the Number of Registrants and Corporate Users

The number of registrants* increased QoQ as Kasooku inc. strengthened its effort to win registrants. The number of corporate users was up QoQ thanks to the expansion of Innoop Inc. and the acquisition of ONX inc.

Number of Registrants



Number of Corporate Users

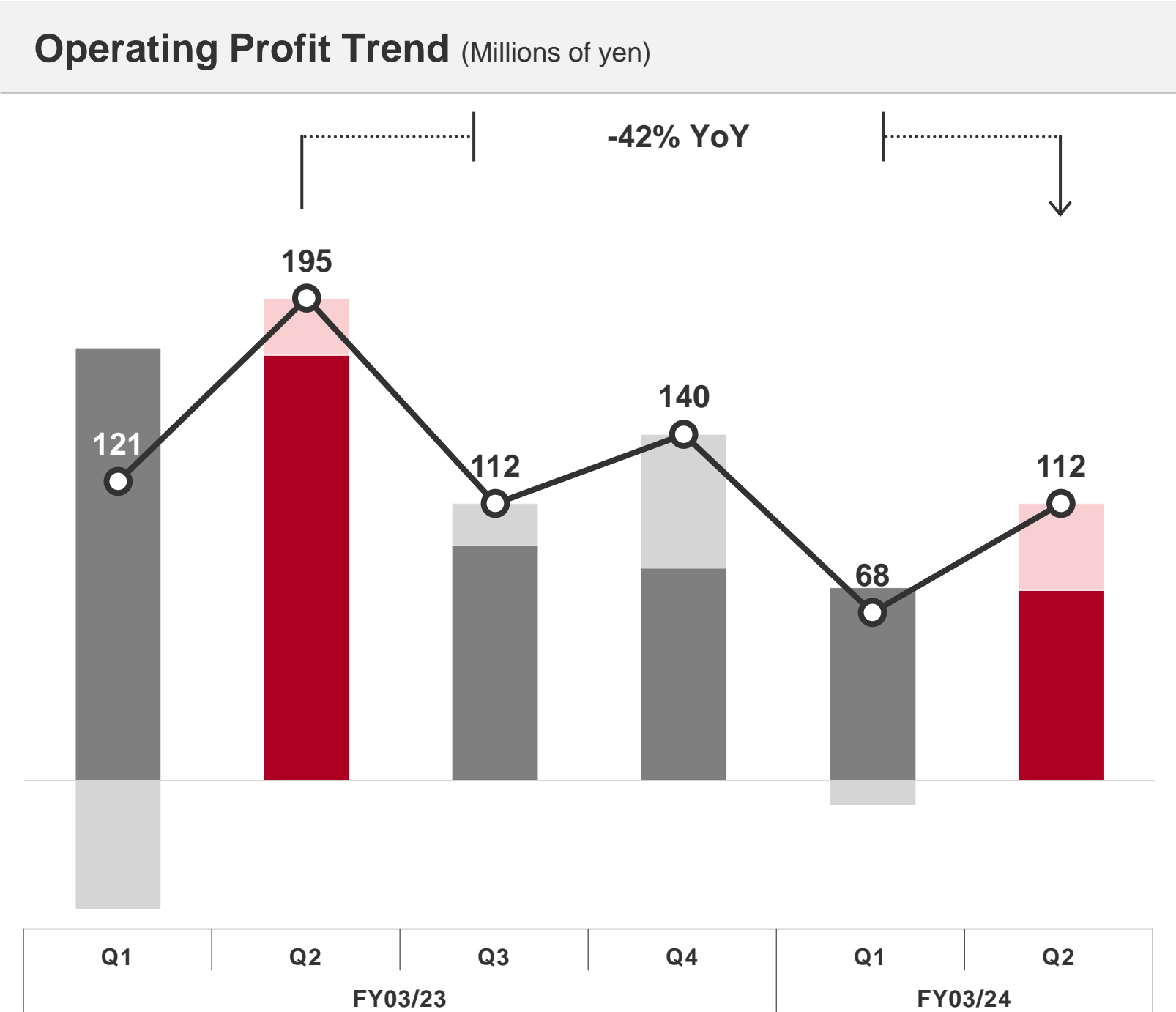
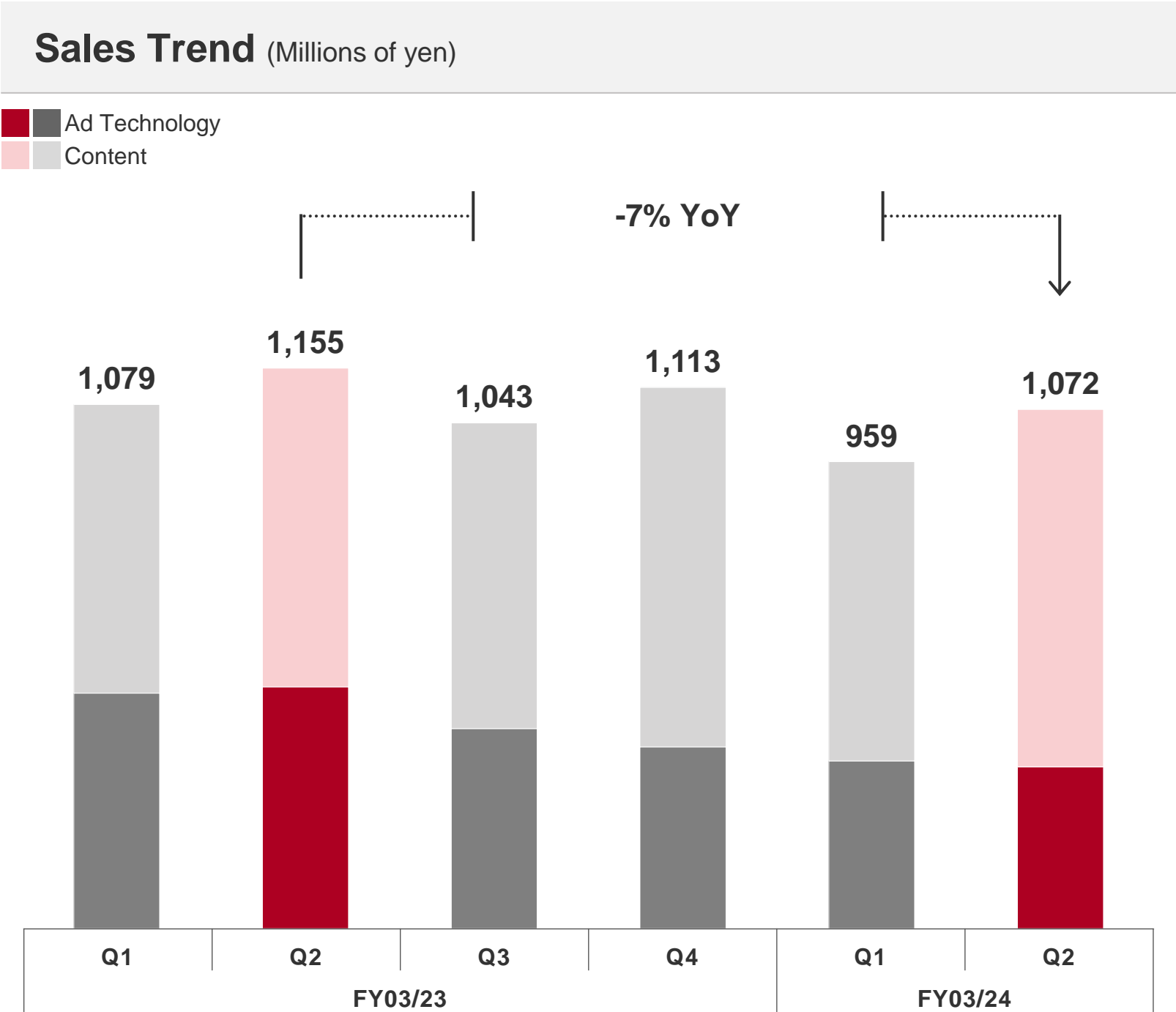


* Job seekers registered with our services

Ad Tech/Content Business

Ad Tech/Content Business: Sales and Operating Profit

In the Content business, Q2 sales increased YoY mainly due to business growth at Fogg, inc.
In the Ad Tech business*, Q2 sales and operating profit fell YoY as advertisers' ad budgets concentrated in 1H FY03/23.
For the segment as a whole, we expect to continue generating profit moving forward.



*UNITED Marketing Technologies, Inc.

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Summary of Consolidated P/L Statement for 1H FY03/24

(Millions of yen)	1H FY03/23	1H FY03/24	YoY (%)
Sales	6,637	9,170	+38.2%
Gross profit	4,501	7,062	+56.9%
SG&A expenses	1,365	1,694	+24.1%
Operating Profit	3,136	5,368	+71.2%
Non-operating profit	20	17	-16.1%
Non-operating expenses	10	6	-43.9%
Ordinary Profit	3,146	5,379	+71.0%
Extraordinary profit	359	-	-
Extraordinary losses	2	570	+21,302.8%
Profit before income taxes	3,503	4,808	+37.3%
Net Income*	2,374	3,080	+29.7%

*Refers to net income attributable to owners of parent

Consolidated P/L Statement for Q2 FY03/24, by Business

(Millions of yen)	Q2 FY23/03	Q2 FY03/24	Difference	
			YoY (Amount)	YoY (%)
Sales	1,861	1,946	+85	+5%
Investment	261	435	+173	+66%
Education	303	316	+12	+4%
Personnel Matching	142	129	-13	-9%
Ad Tech/Content	1,155	1,072	-83	-7%
Other	-2	-6	-4	-
Gross Profit*¹	705	821	+115	+16%
Investment	103	319	+215	+208%
Education	100	101	+0	+1%
Personnel Matching	48	40	-8	-17%
Ad Tech/Content	453	365	-87	-19%
Other	-1	-6	-5	-
SG&A Expenses	694	814	+120	+17%
Operating Profit	11	6	-4	-39%
Investment	85	277	+191	+224%
Education	-11	-34	-22	-
Personnel Matching	-70	-135	-64	-
Ad Tech/Content	195	112	-82	-42%
Other	-187	-213	-25	-
Ordinary Profit	21	13	-8	-39%
Net Income*²	-24	-604	-580	-

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

Assets, liabilities, and net assets decreased mainly due to mark-to-market valuation and sale of listed shared held.

(Millions of yen)	End of FY03/23 (March 31, 2023)	End of Q2 FY03/24 (September 30, 2023)	Difference
Current assets	27,891	27,324	-567
Cash & deposits	13,370	16,142	+2,771
Operating investment securities	11,236	8,216	-3,020 ^{*1}
Non current assets	4,426	2,677	-1,748
Amortization of goodwill	905	273	-632 ^{*2}
Total assets	32,318	30,002	-2,316
Current liabilities	2,777	3,300	+523
Non current liabilities	2,893	1,218	-1,675
Deferred tax liabilities	2,838	1,163	-1,674 ^{*1}
Total liabilities	5,671	4,519	-1,151
Net assets	26,647	25,482	-1,164
Unrealized gain on securities	3,934	1,673	-2,260 ^{*1}

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

Operational investment securities -¥3,248 million

Deferred tax liabilities -¥910 million

Unrealized gain on securities -¥2,305 million.

*2 Of this amount, the impact of extraordinary losses recorded was -¥570 million

Net cash provided by operating activities rose YoY due to an increase in sale of securities.
Net cash used in financing activities fell YoY owing to a decline in expenses associated with the repurchase of shares.

(Millions of yen)	1H FY03/23	1H FY03/24	Difference
Cash flow from operating activities	^{*1} 2,490	^{*2} 4,288	+1,797
Cash flow from investing activities	-581	^{*3} -1,114	-533
Cash flow from financing activities	^{*4} -1,479	-402	+1,077
Cash and cash equivalents at end of period	12,595	16,142	+3,547

*1 The amount factors in ¥3,275 million from sale of operational investment securities and -¥1,057 million from income taxes paid
*2 The amount factors in ¥6,187 million from sale of operational investment securities and -¥1,251 million from income taxes paid
*3 The amount factors in ¥1,000 million spent on purchase of investment securities
*4 The amount factors in -¥1,001 million from share repurchase and -¥402 million from cash dividends paid

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.

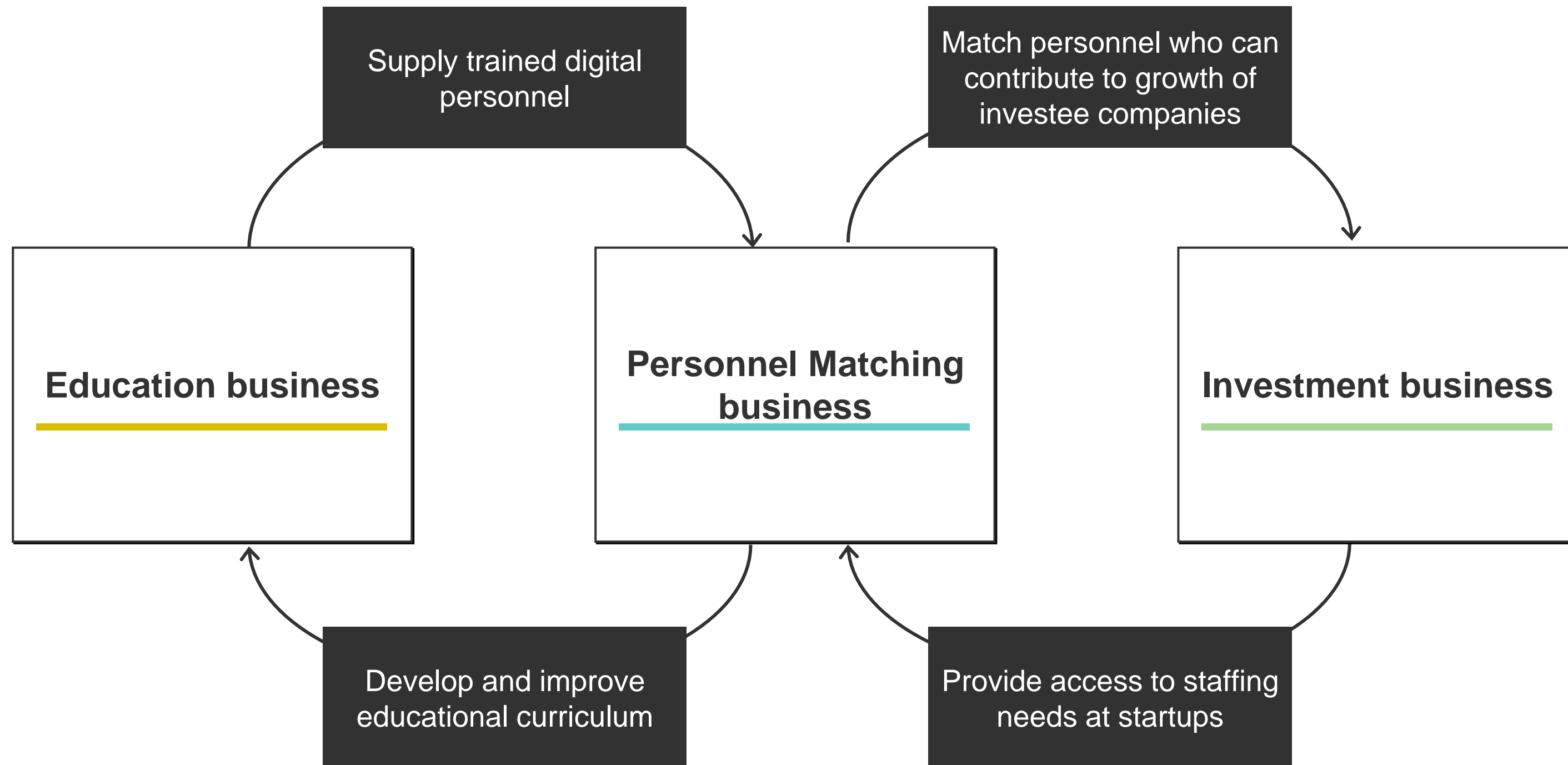
This cycle of growth will enrich society.

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

We will maximize willpower and accelerate the
betterment of society.

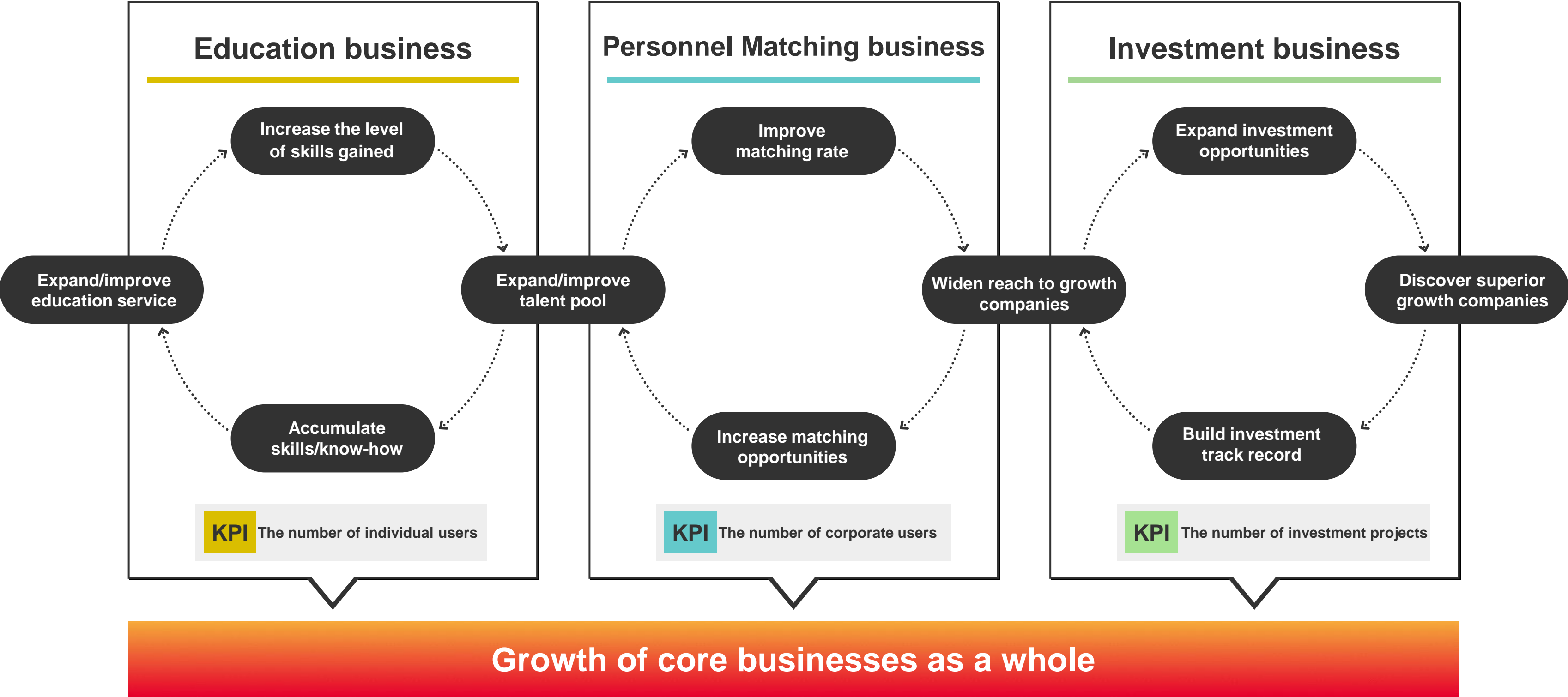
Collaboration of the Core Businesses

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



Growth Mechanism

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



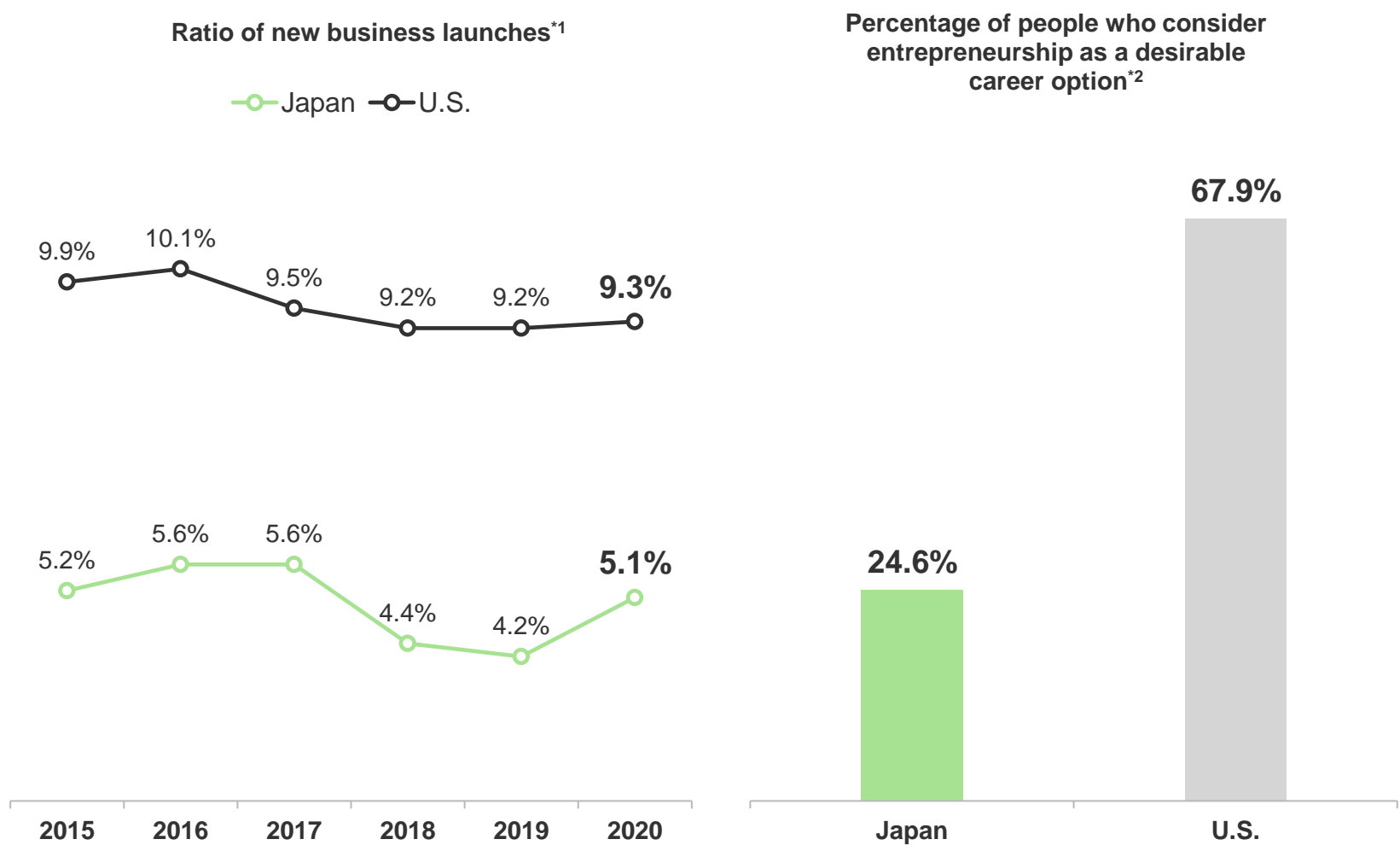
We provide funds and know-how to entrepreneurs with willpower in order to raise the success rate of startups.

- **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

Investment Business: Market Environment

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.

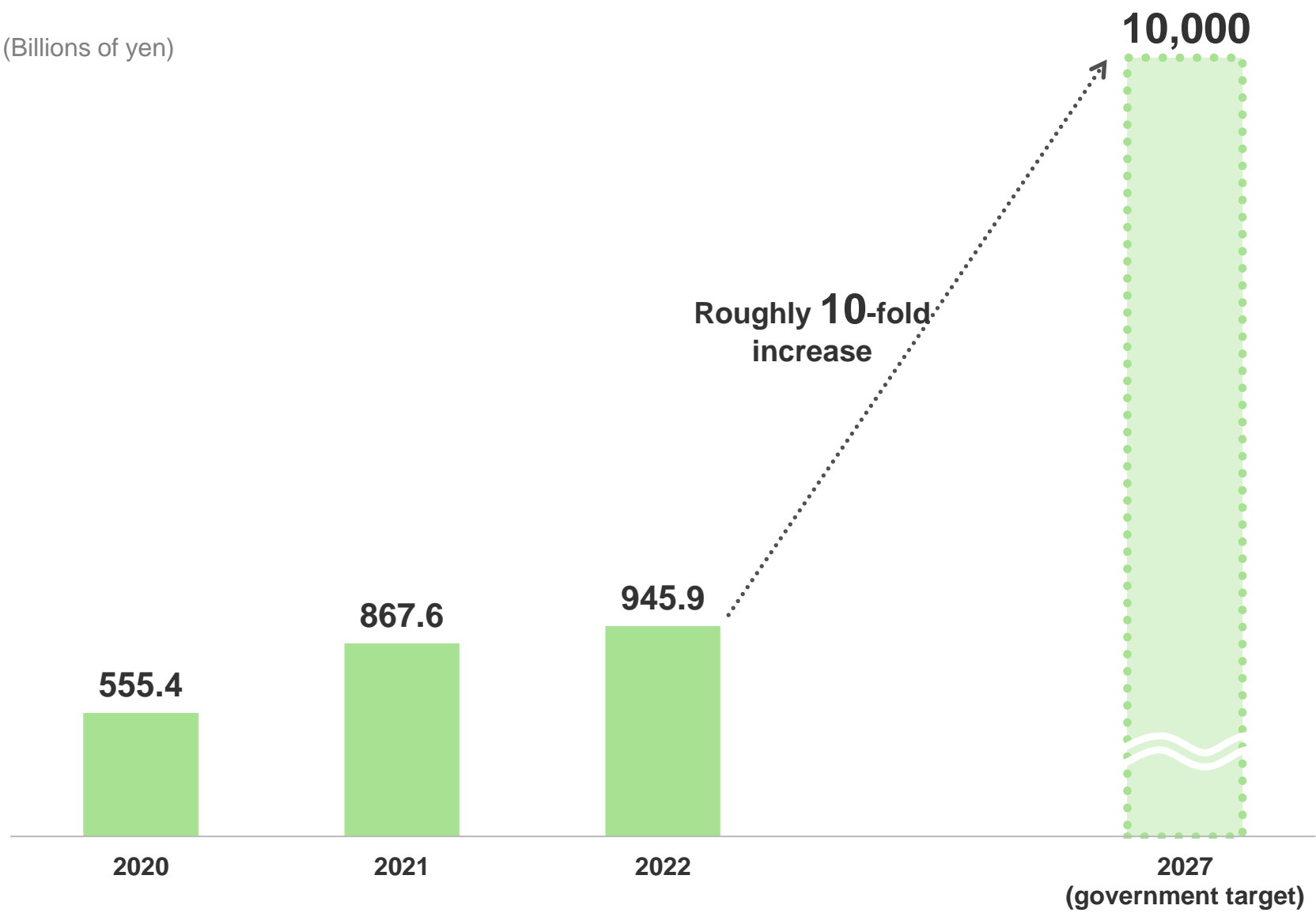
Three pillars of the Startup Development Five-Year Plan

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

**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.**

Education Business: Initiatives

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.

LINEヤフー テックアカデミー
(LINE Yahoo TechAcademy)

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**

LLM app development course

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

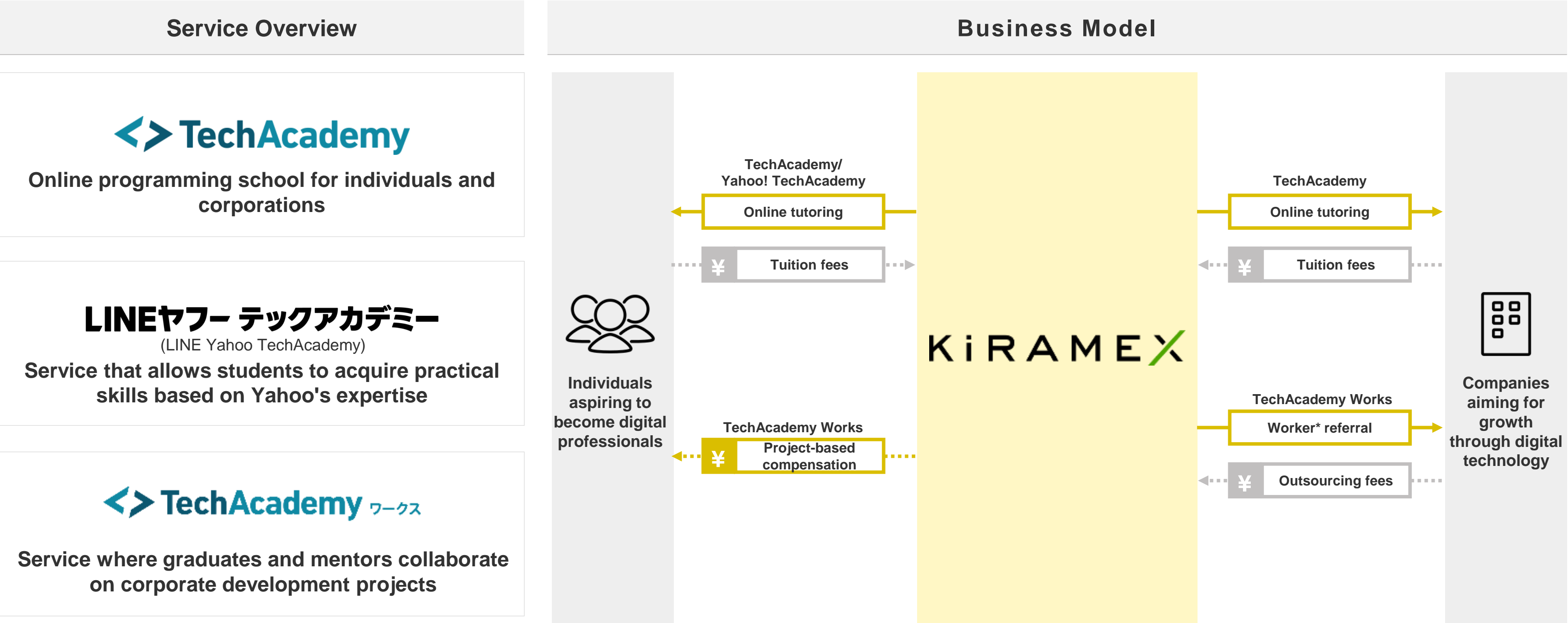


Students gain knowledge on deep learning and machine learning necessary for building AI.

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

Education Business: Service Overview & Business Model

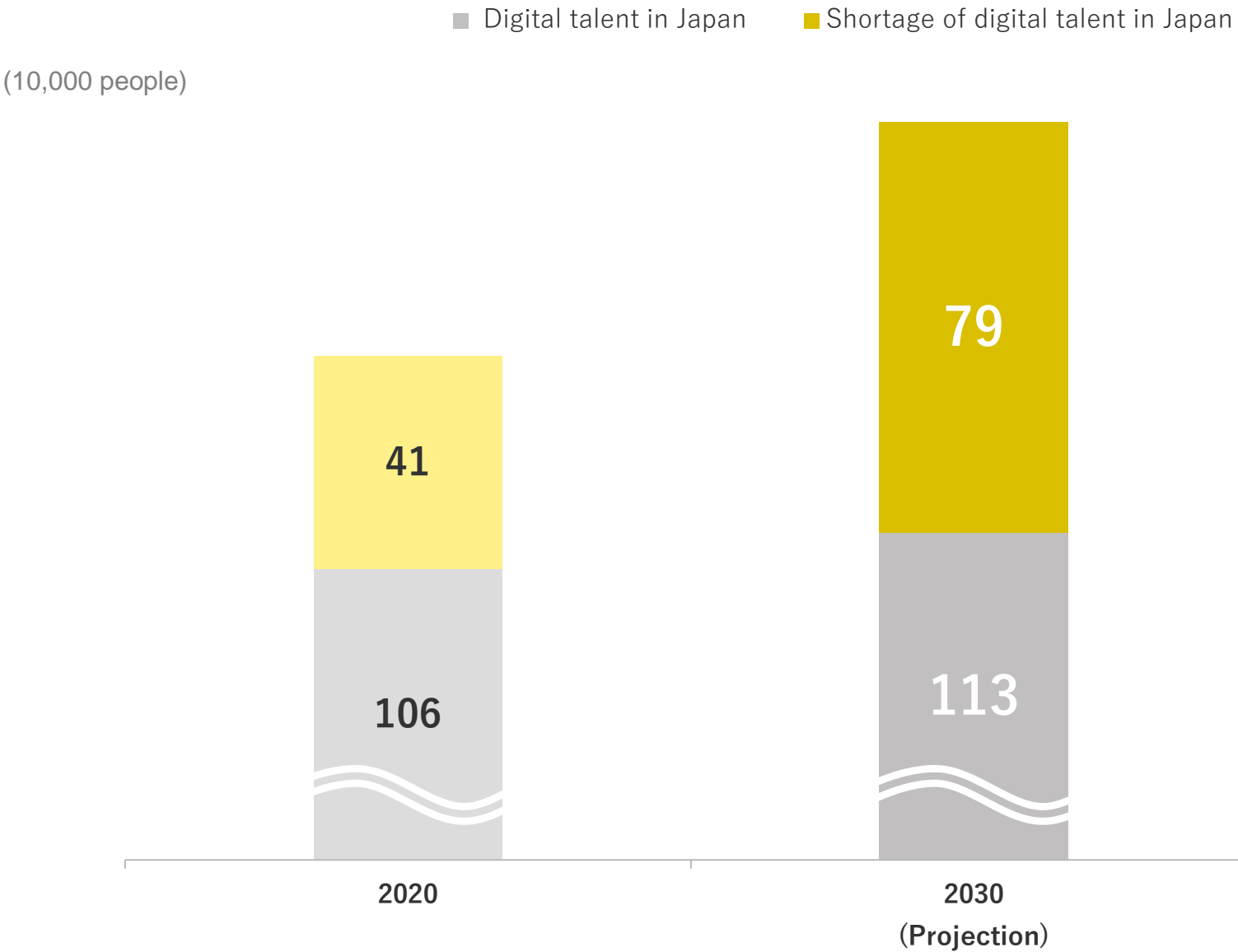
We operate the online school TechAcademy, where students can learn programming and app development, and we offer TechAcademy Works, which provides practical work opportunities for acquiring hands-on skills and supports career changes.



*TechAcademy graduates working on TechAcademy Works projects

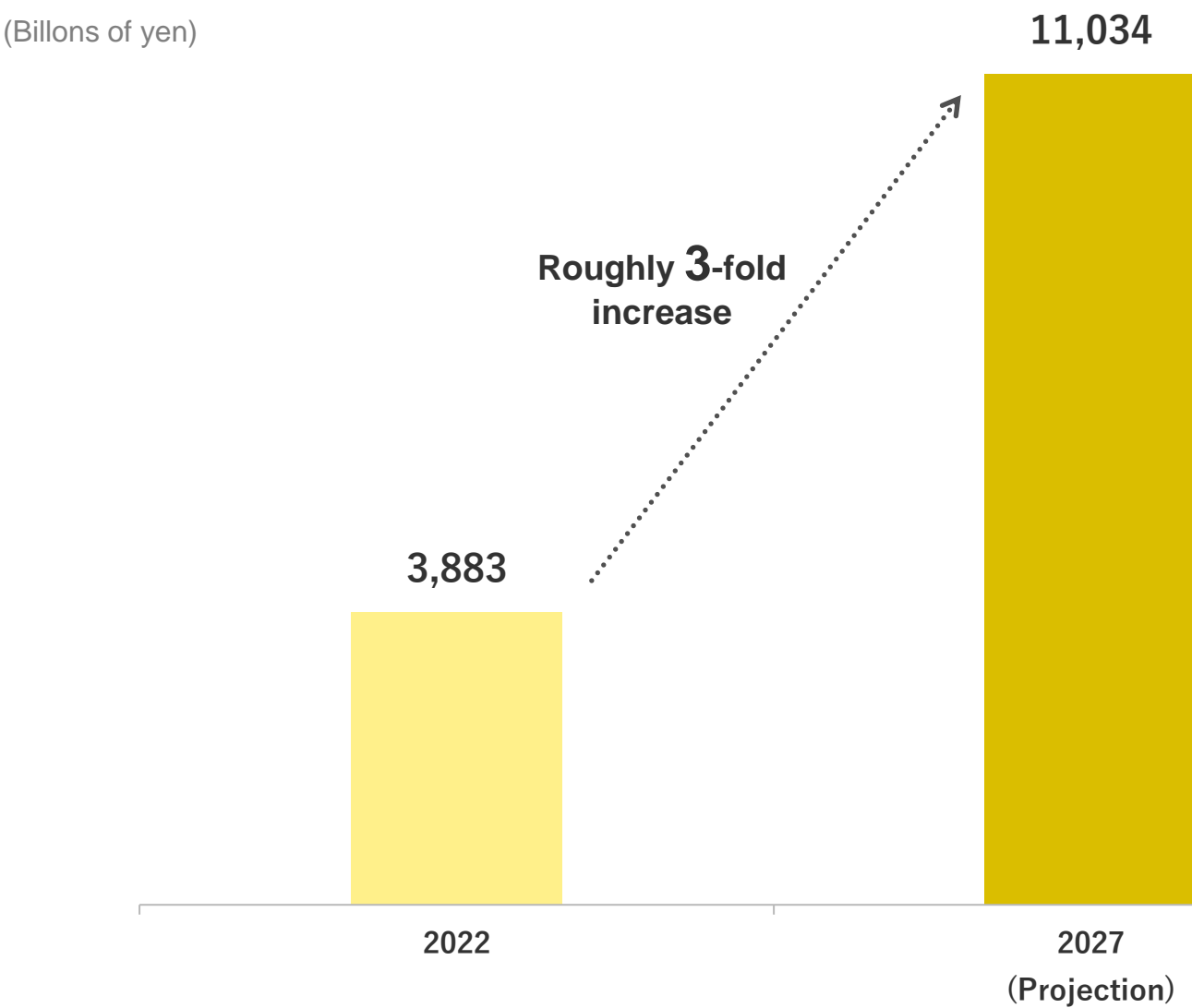
In 2030, the pool of digital talent in Japan will be short by about 800 thousand people.
With the AI market expanding, the need to foster digital talent will rise.

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

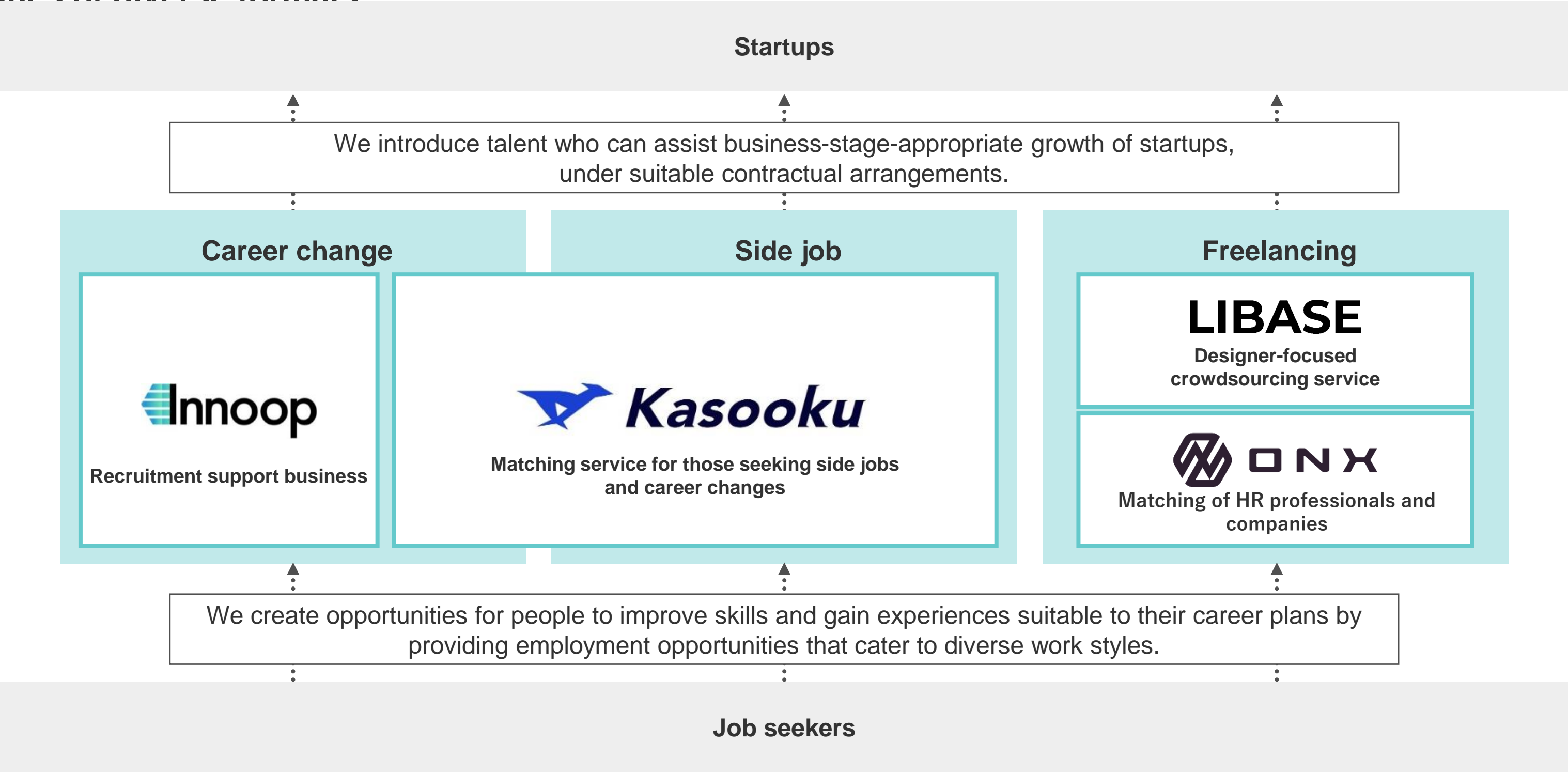
We create opportunities where people with willpower and businesses with willpower can come together.

- **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.**

Personnel Matching Business: Initiatives

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



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.

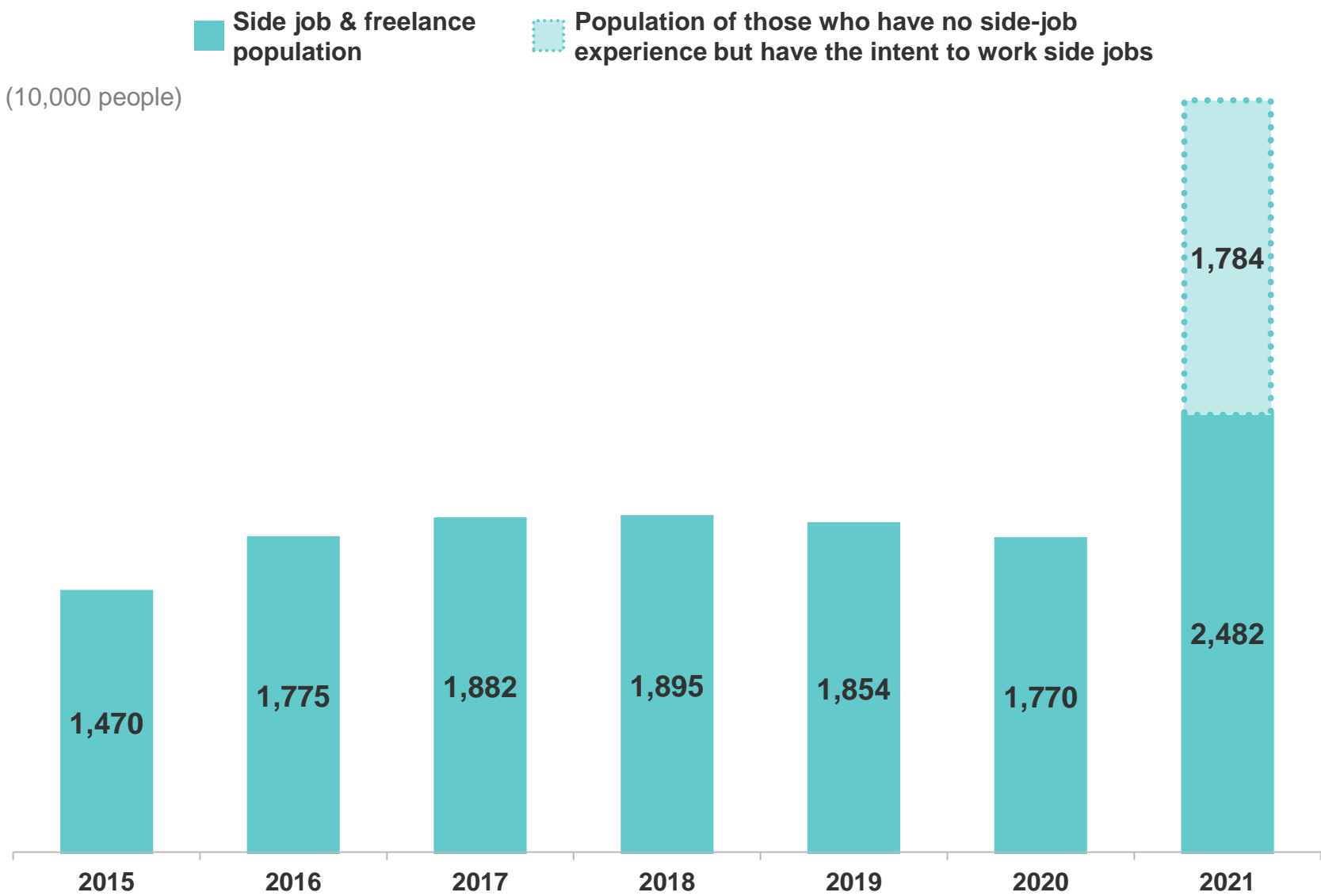


Personnel Matching Business Market Environment

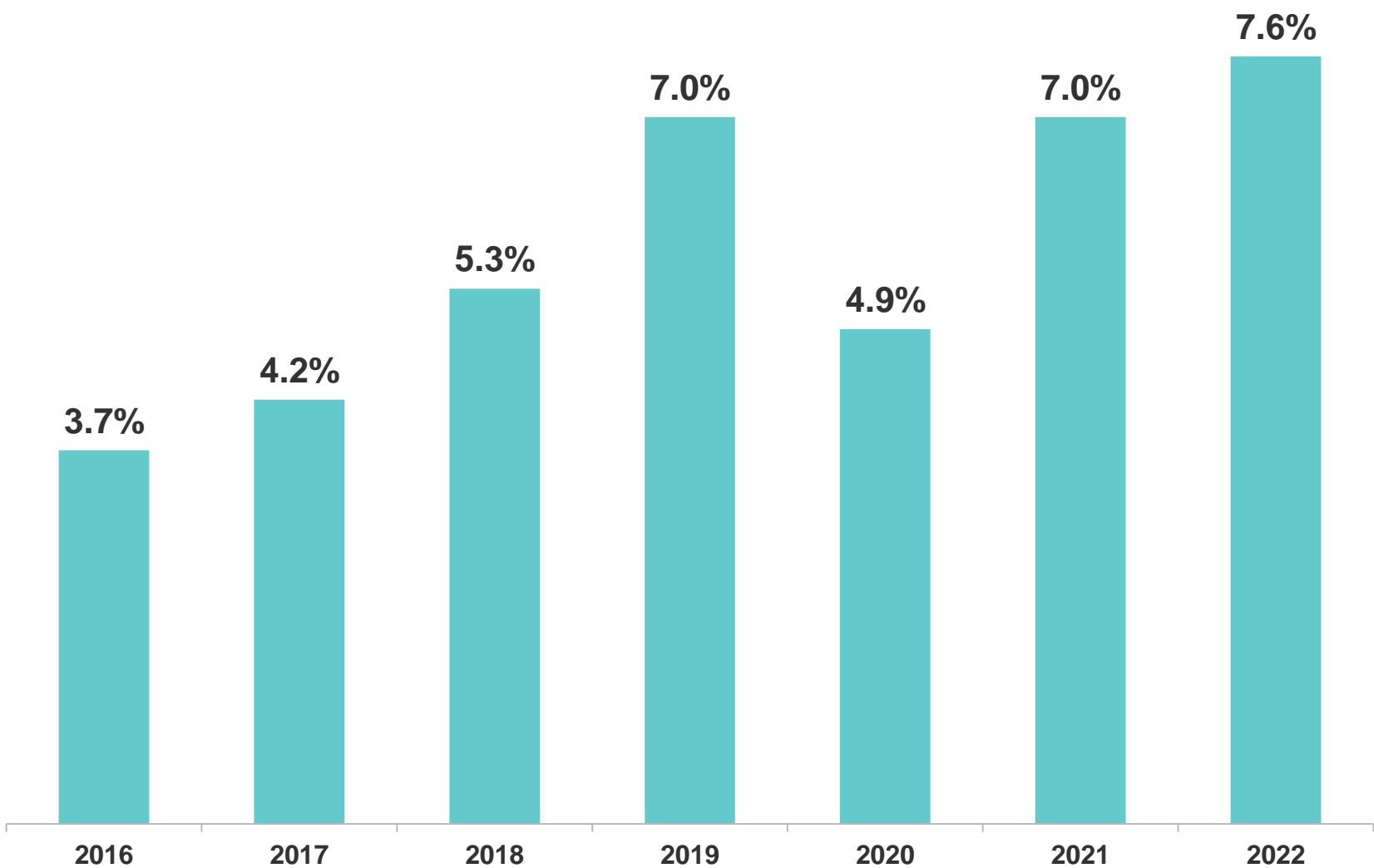
The population of side-job workers and freelancers has increased on the back of workstyle reforms and widespread adoption of remote work.

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



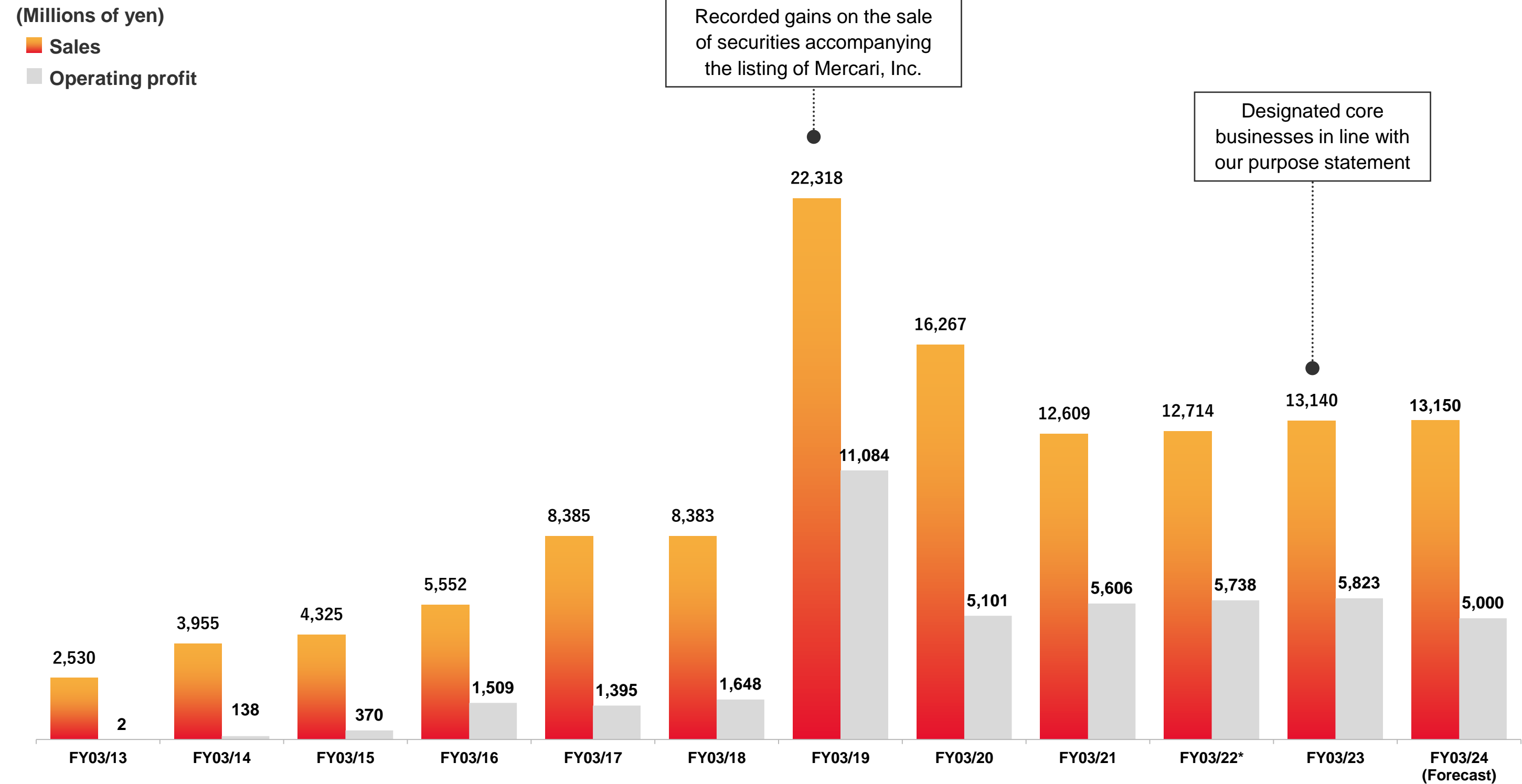
Ratio of workers who have changed jobs during the year



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

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

- Temporary employees
- Headquarters divisions full-time employees
- Ad Tech/Content full-time employees
- Personnel Matching full-time employees
- Education full-time employees
- Investment full-time employees
- Officers (Directors and corporate auditors of parent, including outside directors/auditors)

(Numbers employed)

