



Q3 FY03/2025

Apr. 2024 — Dec. 2024

FINANCIAL RESULTS



YOUR GROWTH PARTNER.

for Startups, Inc.

TSE : Growth 7089

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Agenda

1. FY03/25 3Q results overview
2. Appendix



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

1. FY03/25 3Q results overview

Progress in both sales and profits fell short of plans. Recruitment was strong, but delays in developing/getting people started led to greater-than-expected declines in productivity

Steady improvements we expected for the business environment and a recovery in demand are both lagging assumptions from the start of the fiscal year, and multiple services are behind plan

Net Sales (9 months)

2,675 million yen
(+9.5% YoY)

Operating Income (9 months)

202 million yen
(-21.6% YoY)

Orders (9 months)

3,011 million yen
(+7.5% YoY)

Number of regular employees

222
(+28 YoY)

Talent Agency/Employee placements

- Orders and recruitment in 1H proceeded in line with plans
- We focused on developing human resources/making people effective as quickly as possible. We had expected a certain decline in productivity but HR development expenses were higher than anticipated, causing a decrease in overall productivity
→ Orders were firm up to October, but fell significantly in November. Despite a recovery in December, issues have come to light

Talent Agency/Recruitment consulting

- Demand recovery we initially assumed for 3Q has slipped to 4Q, leading to shortfall versus plan. Currently progress in 4Q is ahead of plan

Open Innovation

- STARTUP DB and conference fell short of plans. The recovery in momentum we foresaw when making plans was not attained
- Public Affairs saw the loss of some existing large orders but covered these with other projects, and is back in line with plan



Taking steps to improve productivity per person

Analysis of factors (1)

The first factor is the HR development method. This fiscal year, making good progress in attracting personnel and with the external environment beginning to improve, we needed to switch to growing the number of placements, but were slow to shift to a volume approach. This resulted in development expenses being higher and the speed of development being lower than expected

FY03/24 (previous FY)
“Quality-focused” management/development policy bore fruit



FY03/25 (FY in progress)
Continuation of previous FY policy is the cause

Background (external environment)

- Deterioration in funding environment for startups
- Leaner management is demanded of companies, high-level individuals become mainstream of recruitment

Management policy

- With the above in mind, we implement a full-fledged development process for those eligible, seeking to achieve increases by raising the conversion rate on orders received

Latent issues

- As a result of attracting higher-quality clients, volume of work handled per person decreases
- Depending on the person the number of interviews (opportunities to practice) with the job applicant declines significantly, leading to lengthening of time spent developing/getting people started in some cases

Result

- The strategy of carefully selecting job applicants bears fruit, enabling us to hit performance targets even in a challenging business environment, but leads to latent issues

Background (external environment)

- Environment for startup funding bottomed, signs of recovery emerge
- Signs of resumption in recruitment activity at major customers that stopped hiring in previous FY

Management policy

- Development is the theme, as in previous fiscal year. Promote unusually able employees to management, work to develop personnel into effective employees as quickly as possible.

Issues come to light

- Despite steady recruitment of Human Capitalists, we did not change development methods, which accelerated the decline in the volume of job applicants handled by each person
- Being unable to complete development during the onboarding period after joining the Company, additional development became required, which increased the burden on high performers

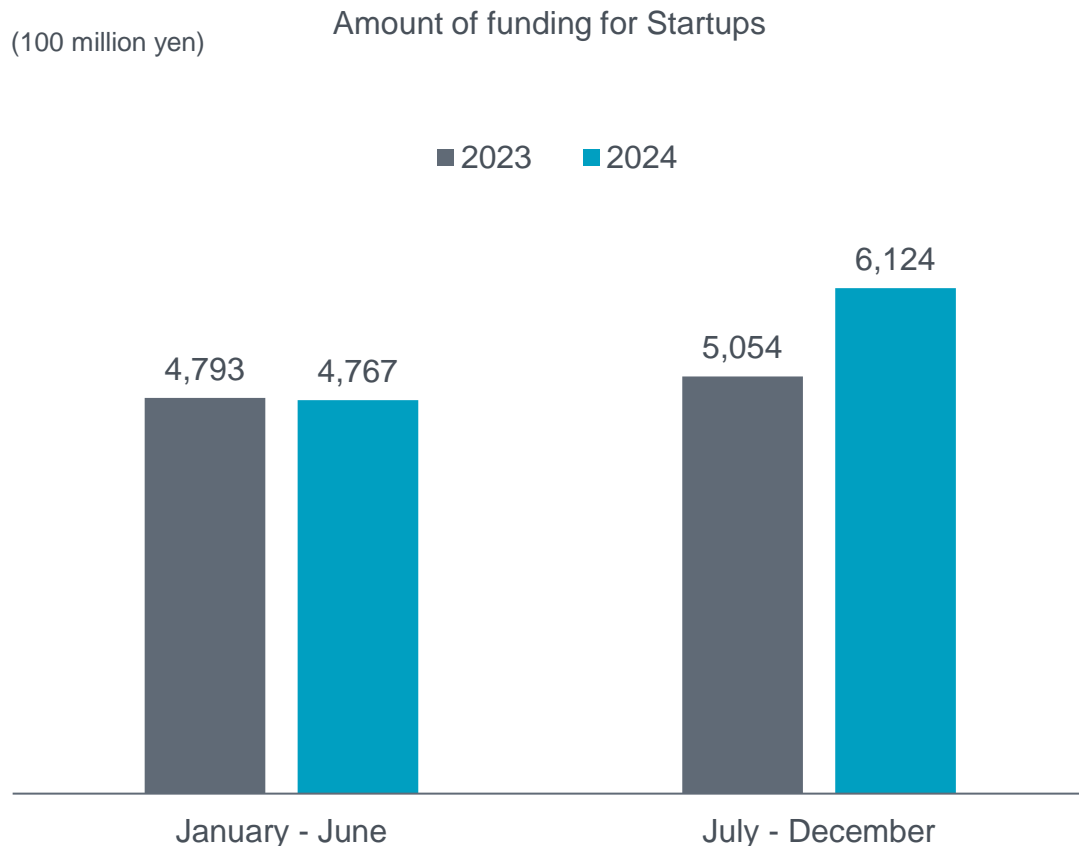
Result

- As a result of the above, productivity fell more than expected, the effects of which emerged in 3Q

Analysis of factors (2)

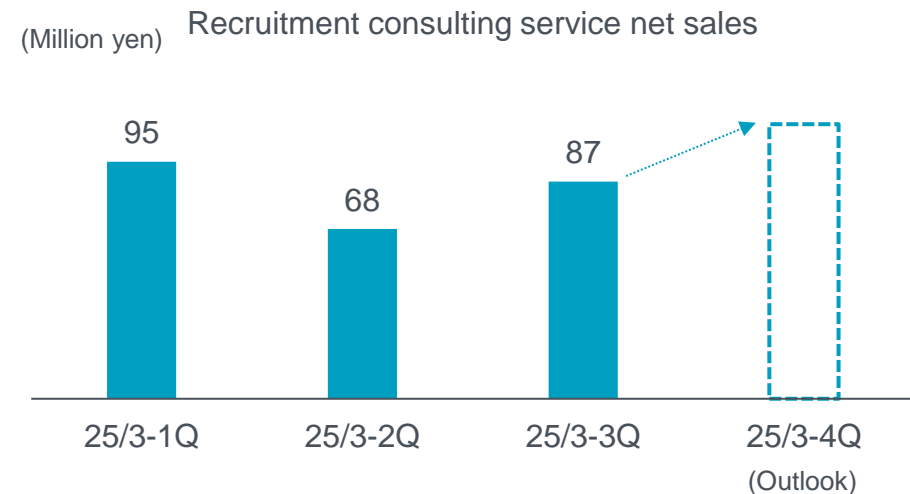
The second factor is external in nature. The recovery in demand for strengthening recruitment and in the market that we expected at the start of the fiscal year has been delayed, which has impacted various services

Funding amounts recovered in the second half of 2024. Our analysis is that progress in the recruitment consulting service in 4Q is above the planned level but “delayed”



Source: STARTUP DB (as of January 23, 2025), including funding other than equity, such as debt

- Funding amounts rose approximately 10% year on year in 2024. It rallied in the second half of the year but the recovery has been slightly slower than we expected at the start of the fiscal year
- The environment/general momentum for Japanese startups is still weak, and data sales at STARTUP DB and income from conference sponsors fell short of expectations
- The recruitment consulting service, which is affected by demand for strengthening recruitment for startups, recovered in 4Q. It looks likely come in ahead of plan



Improving productivity per person is a key theme. Within that, the focus is on the number of converted placements per person. We are already working on improvement activities, and as of the date of disclosure are already seeing signs of progress in quantitative indicators. There are no important issues in terms of the environment or number of placements on the side of either job applicants or job offerors, so we conclude that what is important is resolving our own issues

Key theme: Enhancing productivity per person

1. Implement shift in recruitment policy

Switch to a pace of recruitment that takes into account the situation with regard to developing/getting people started

2. Improve development methods

While maintaining conversion rates at a certain level, we will shift awareness towards quantitative indicators

3. Implement shift in strategy for attracting customers

In addition to using existing external databases, strengthen internal systems for attracting customers/CRM systems

Revision to earnings forecasts

We have revised our full-year earnings forecast downward to 3.7 billion yen in revenue and 370 million yen in operating profit.

From the next fiscal year onward, we are implementing various initiatives to achieve revenue and profit growth through improved productivity.

(Million yen)	Previous forecast	Revised forecast	Change from previous forecast	FY03/24 result	YoY
Net sales	4,100	3,700	- 9.8%	3,416	+ 8.3%
Operating income	450	370	- 17.8%	423	- 12.6%
Ordinary profit	450	365	- 18.9%	428	- 14.8%
Profit attributable to owners of parent	310	265	- 14.5%	385	- 31.3%

Share repurchases (Expansion of Repurchase Limit)

In September 2024, considering the overall financial situation and stock market trends, we initiated the repurchase of our own shares as part of our shareholder return policy.

Based on recent stock price trends and the progress of the repurchase, we announced today the expansion of the share repurchase limit.

Share repurchases

As part of our shareholder returns initiative, we will expand the share repurchases that we began this fiscal year. While keeping the distributable amount in mind, we intend to flexibly implement such repurchases going forward, depending on the situation.

	Previously	After revision
Repurchase amount	300 million yen	400 million yen
Number of shares to be repurchased	250,000 shares	350,000 shares
Period of repurchase	From September 9, 2024, to September 8, 2025	

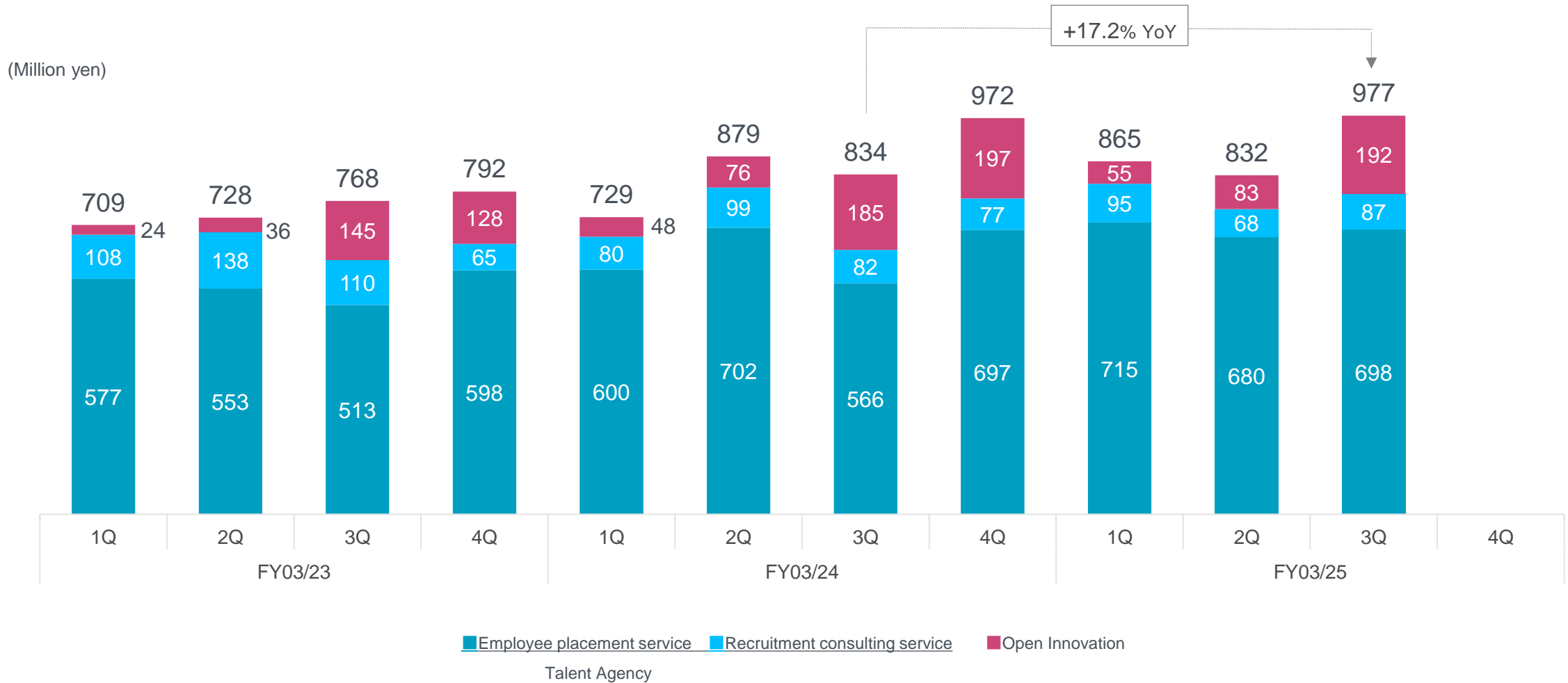
Year-on-year comparison of operating income for first nine months

Our plans had assumed a small increase in profit by this point in time, but profit came in lower



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

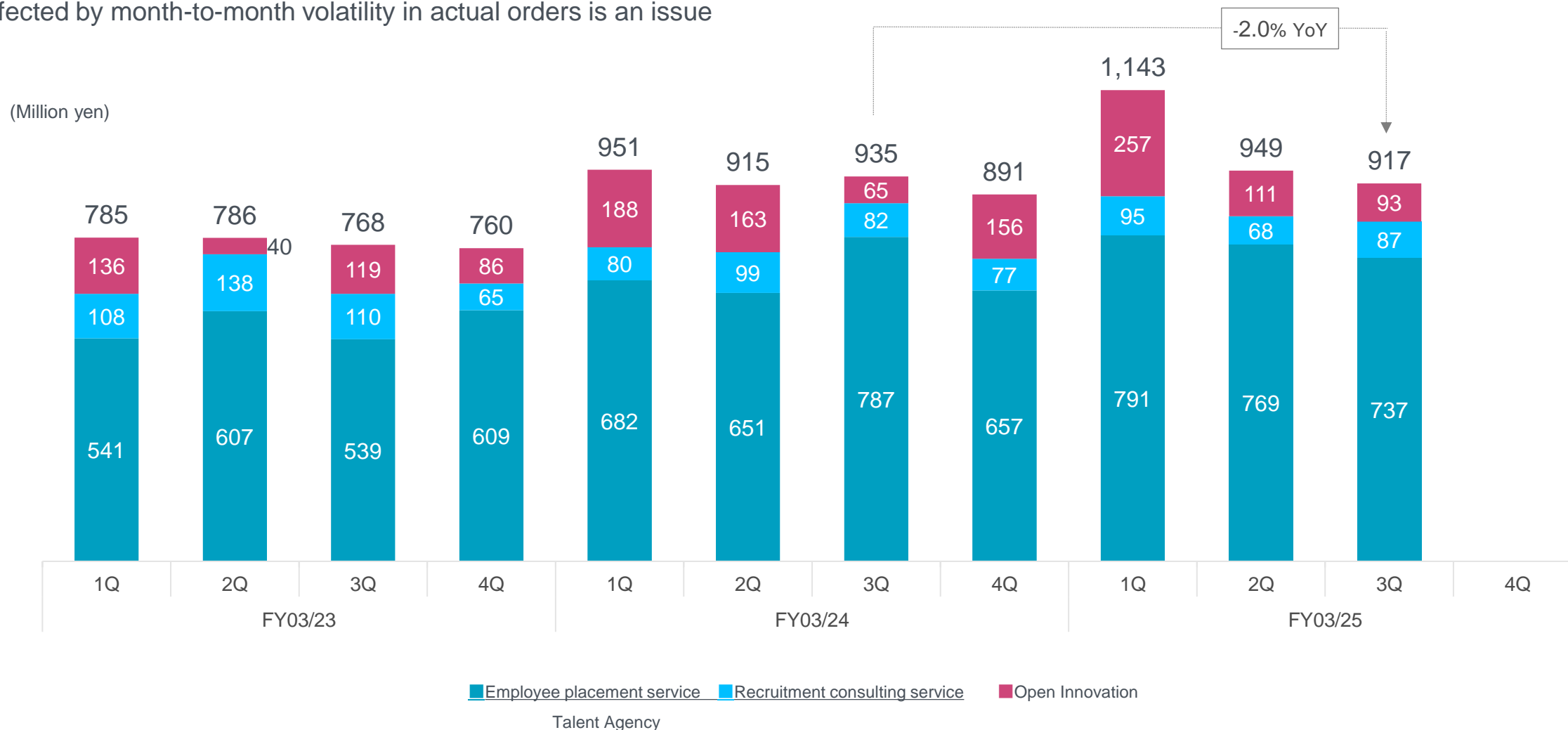
Due in part to the delay of net sales that had been expected for 2Q, the employee placement service for 3Q came in at +21.4% year on year
 Open Innovation recorded income from sponsors as a result of holding the conference



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

Orders received in the employee placement service fell significantly short for November as a standalone month. In the previous fiscal year December recorded the highest ever level of orders received, so there was a year-on-year decline

On the other hand January of the previous fiscal year recorded the lowest ever level of orders received, so building a structure that is not affected by month-to-month volatility in actual orders is an issue



Talent Agency | Constituent elements of net sales

The ratio of those with a salary of ten million yen or more has increased, which enabled us to maintain a high unit price, but has also led to stagnation in placements

Change to management approach that focuses on number of placements converted

	FY03/23				FY03/24				FY03/25			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Number of placements	179	152	142	178	153	190	154	188	195	171	177	—
Unit price (thousand yen)	3,290	3,601	3,594	3,395	3,981	3,738	3,854	3,703	3,767	4,009	3,989	—
Number of companies at which employees placed for the above number of placements	74	86	72	85	87	104	92	104	107	91	101	—
Finalized annual salary (% total) >=¥10m	23.5	25.7	24.6	19.7	30.1	31.6	29.9	26.6	28.2	31.6	35.0	—
Finalized annual salary (% total) >=¥8m <¥10m	17.9	23.7	23.9	20.2	21.6	18.9	18.2	22.3	23.6	19.9	20.3	—
Finalized annual salary (% total) >=¥6m <¥8m	38.0	30.9	33.1	38.8	32.7	33.2	34.4	30.9	32.8	32.7	29.9	—
Finalized annual salary (% total) <¥6m	20.7	19.7	18.3	21.3	15.7	16.3	17.5	20.2	15.4	15.8	14.7	—

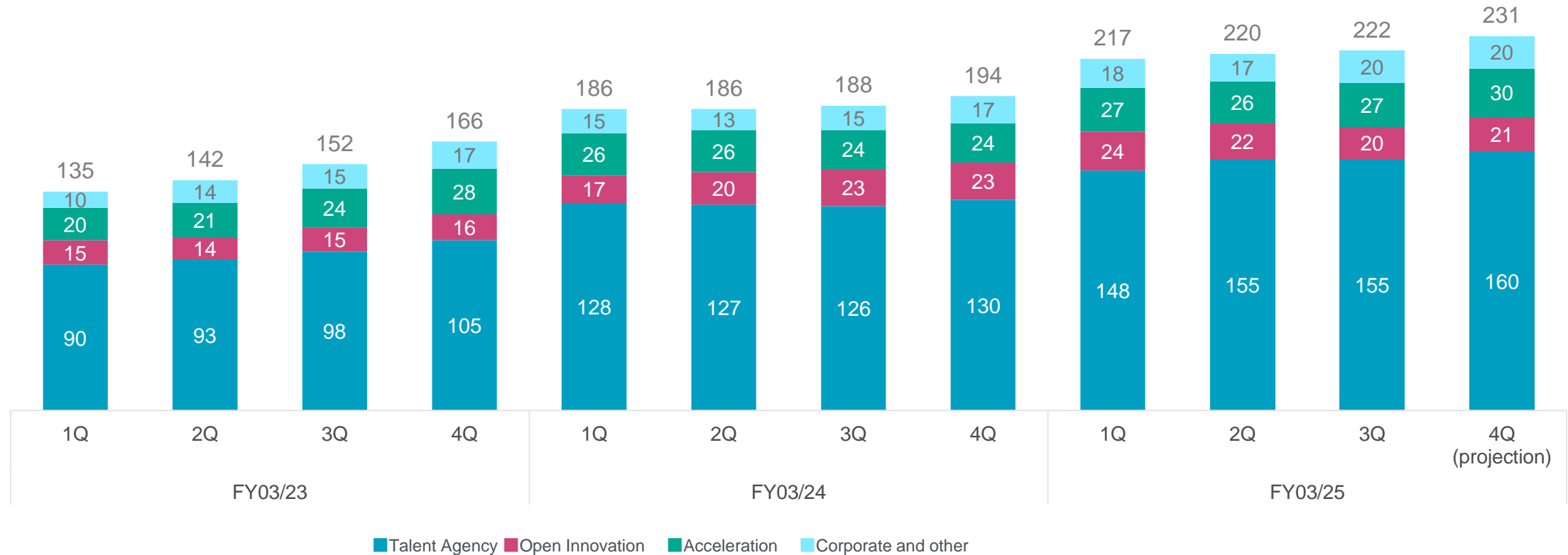
Note: Excludes part of employee placement service sales (operations outsourced to the Company, etc.) and the impact of repayments

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

Due in part to the decline in productivity becoming striking, we have changed our policy for recruitment this fiscal year. We now expect to come in at around 230 for the end of the fiscal year

Although we will have new graduates joining in April, our policy will be to not pursue net increases through mid-career hires, and to instead commit to productivity

(people)



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.

2. Appendix

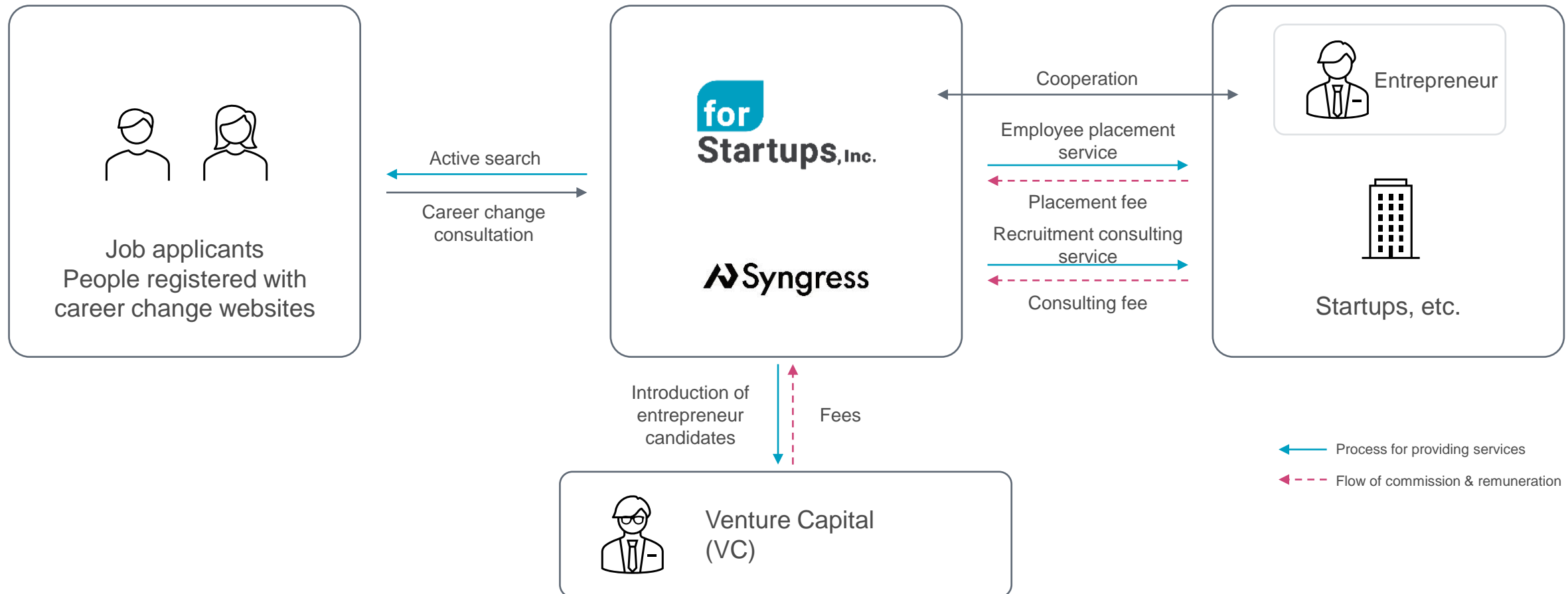
Company name	for Startups, Inc.
Established	September 2016
Location of head office	31F Azabudai Hills Mori JP Tower, 1-3-1 Azabudai, Minato-ku, Tokyo (as of December 31, 2024)
Number of regular employees	222 (as of December 31, 2024)
Capital	238 million yen (as of December 31, 2024)
Nature of business	Growth industry support services centered on employee placements for startups
Listed market	Tokyo Stock Exchange Growth market (securities code: 7089)
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

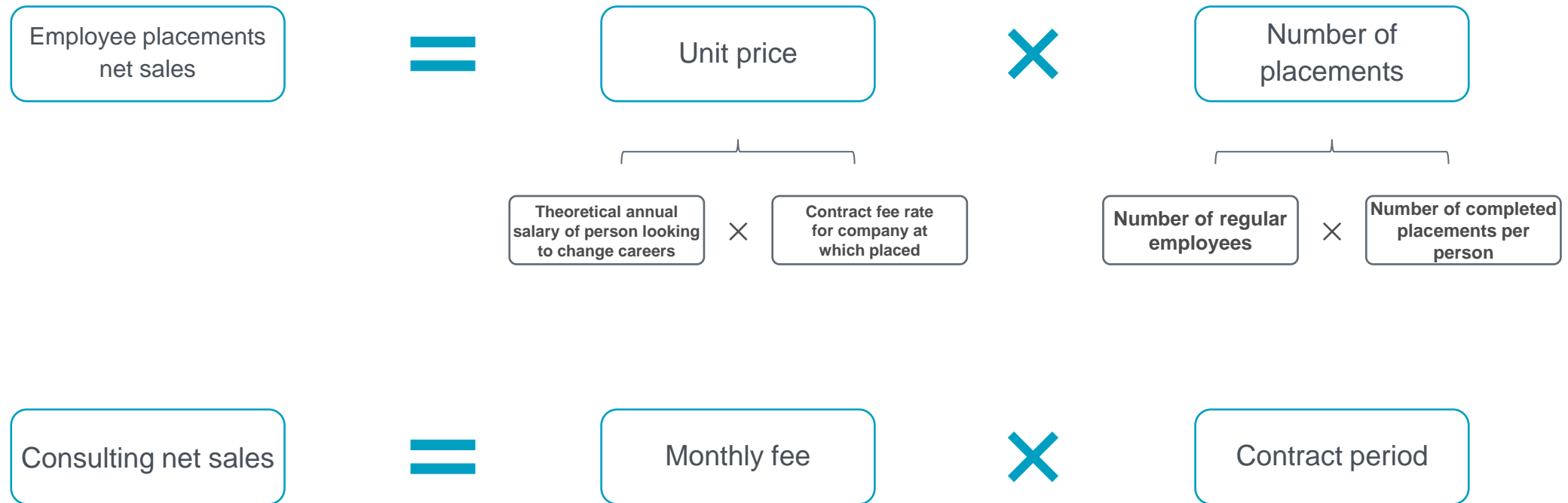
Employee placement service for startups, etc. is the main pillar of earnings

Together with VC we also provide support for entrepreneurship, as well as a consulting service



Employee placement fees are calculated by multiplying the theoretical annual salary of the person looking to change careers by the fee rate

Consulting fees are, as a rule, calculated by multiplying a fixed monthly amount by the contract period



Talent Agency | Companies for which we have a track record of providing HR support (not exhaustive)

Unlisted companies



Listed companies



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

We recruited a total of 122 persons out of a total of just under 1,000 regular employees via for Startups, a rate of more than 10%, and they have become part of our team. Moreover, they are all key personnel. They really have introduced us to some outstanding human resources. I think it was through the active participation of these people that we were able to list the company. Recently, team members working on business strategy who were recruited via for Startups have become absolutely essential personnel. They have what it takes to sketch growth strategies for the future and propel them forward. It is because we have such people that we can invest in discontinuous growth. When outstanding individuals come to interview open for positions that we had not noticed were necessary, or for positions that we had thought were desirable but not right now, it makes us aware of the things that we could do if they were on board by enabling us to join the dots to create a line.



RAKSUL INC.

<Excerpt from article>
Representative Director, President and Group CEO
Yo Nagami

I believe that the most important engine of growth is people, and for Startups is a partner with which we have built that engine. (Omitted) I hope that, going forward, we will be able to consult with for Startups and work together to find new members for our team. You might say that for Startups is a partner in our transformation. Over the past year, for Startups has been a deeply reassuring presence for our business. A strong track record goes without saying, but it is also important to be able to, so to speak, get inside the mentality of the CEO to some extent. On this project, this agenda of tech recruitment was extremely important for me, so I am very satisfied, I see for Startups as being very dependable, and really feel that they are a partner to the CEO.

Talent Agency | Examples of support provided

We have published representative examples of support provided by our Talent Agency on the “[EVANGÉ](#)” and “[Challengers](#)” corporate websites

Titles omitted



Timee
Director and CFO



Mercari Marketplace
COO



SmarHR
CPO



PLAID
Executive Officer



GO
Executive Officer



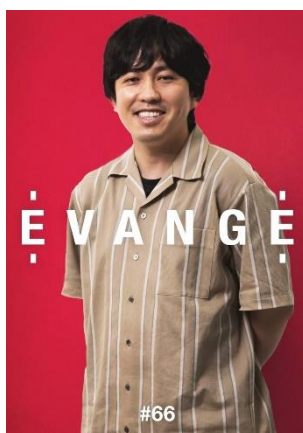
Yappli
Executive Officer



Safie
CPO



Timee
Executive Officer



Finatext Holdings
Director and CTO



VisasQ
Executive Officer, CFO



PLAID
Executive Officer



ispace
Director & CFO



SmarHR
COO, Board
Member



Coconala
CEO

Strengths | Network that includes some of Japan's leading ecosystem builders

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

The ability to understand the situation of startups that are not required to disclose information, and generate proposals accordingly

Quantitative information on funding, etc.



Feedback/growth strategies straight from entrepreneurs



Ability to resolve issues through HR support

Database

We operate STARTUP DB, which contains details of more than 25,000 startups



STARTUP DB

Network

- 200 study meetings for entrepreneurs held every year
- Also operate Thanks Festival and conference



Entrepreneurs attending study meeting

Support track record/know-how

We have provided support to several hundred startups. Even though the details of companies and services differ, recruitment issues tend to be similar



Entrepreneurs, etc. who have attended our study meetings

We develop a feel for the kind of management desired by startups, and execute effective support

Talent Agency | Initiatives to support 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.

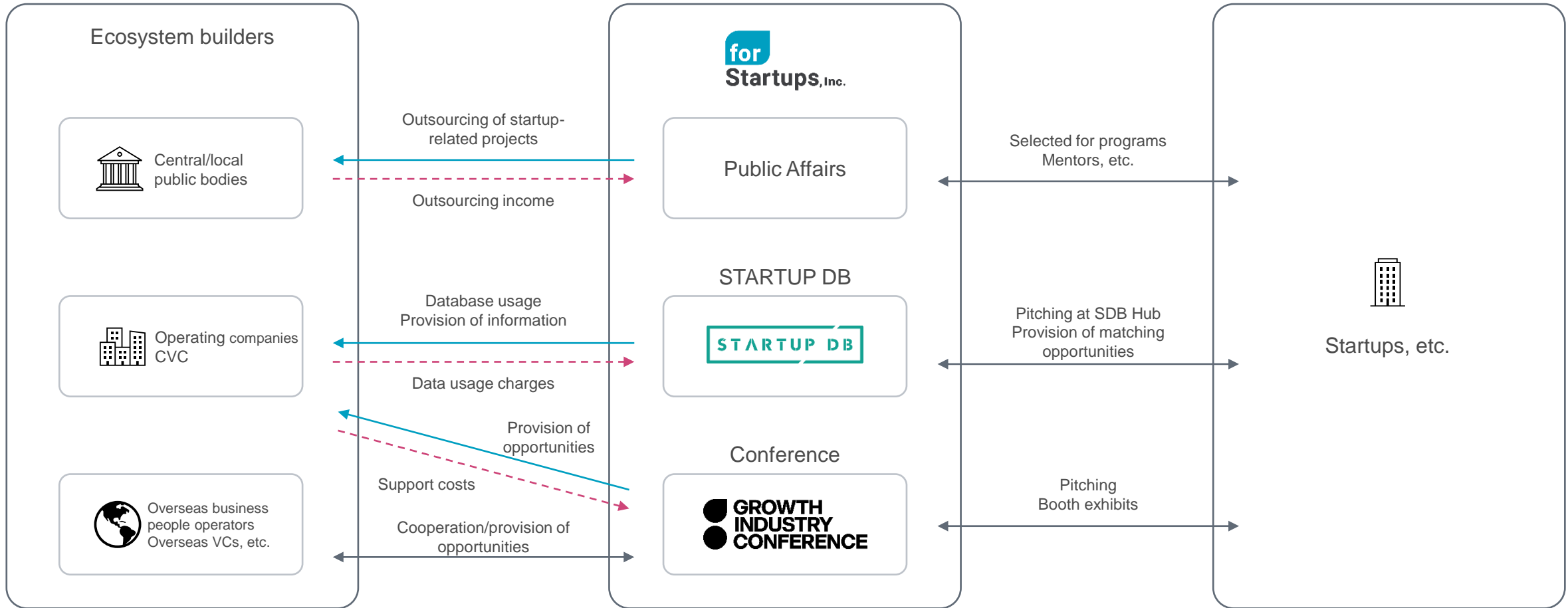


株式会社フェイガー

Established July 2022

FAEGER Co., Ltd.

This operates the Public Affairs business, which engages in startup-related projects for central and local public bodies with the objective of developing Japan's startup ecosystem, STARTUP DB, which brings together corporate information on more than 25,000 startups, and the GRIC global growth industries conference

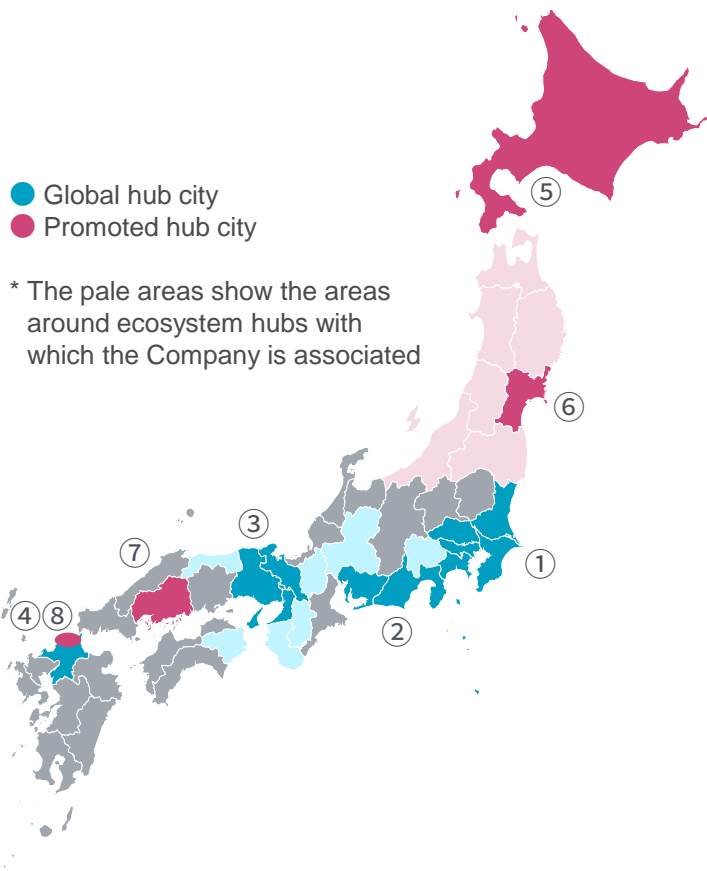


← Process for providing services
 ← Flow of commission & remuneration

Public Affairs past achievements

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



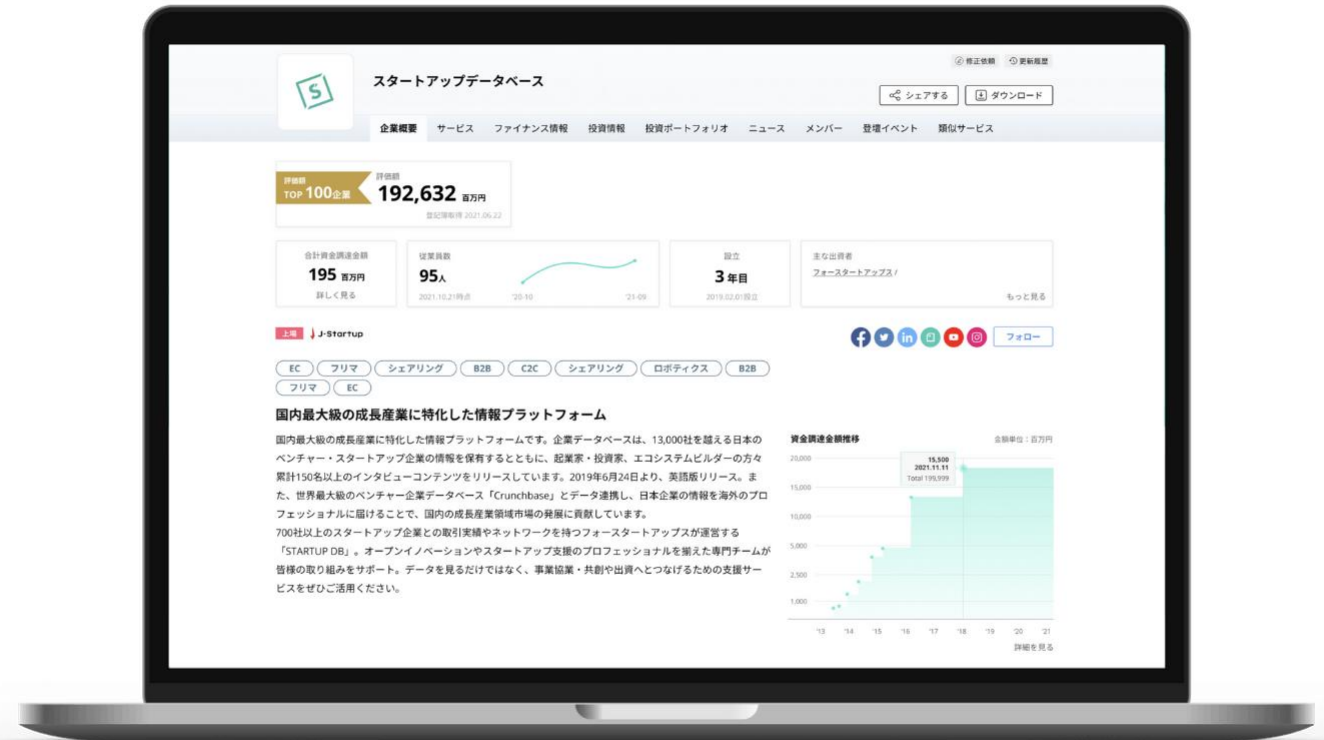
Global hub city		Promoted hub city	
① Startup Ecosystem Tokyo Consortium	Tokyo	Project for the Support of Next-Generation Communications Technology Startups	⑥ Sendai Startup Ecosystem Promotion Council
② Central Japan Startup Ecosystem Consortium	Aichi Prefecture	<ul style="list-style-type: none"> Joint project with National University of Singapore Deep Tech Promotion Project 	⑦ Hiroshima Strategy Council to Promote Regional Innovation
	Hamamatsu City	<ul style="list-style-type: none"> Startup projects to promote cooperation with regions Innovation creation/dissemination services that seek to resolve social issues 	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
③ Osaka-Kyoto-Hyogo-Kobe Consortium	Union of Kansai Governments	Kansai Startup Ecosystem Information Dissemination Project	⑧ Kita Kyushu City SDGs Startup Ecosystem Consortium
	Osaka Business Development Agency	Services for drawing up plans and execution plans for startup-related events	Kita Kyushu City Corporate Transformation/Startup Growth Support Project
④ Fukuoka Startup Consortium	Fukuoka City	Fukuoka City Startup Support Facilities Operator Project	

STARTUP DB

Platform specializing in growth industries, with more than **25,000** companies

STARTUP DB is one of the largest information platforms in Japan, bringing together such data as startup overviews, funding information, valuations, patent information

It is not limited to startup information, and also contains data on investors, investment company portfolios, and GP/LP, etc.



Open Innovation | State of STARTUP DB usage

Has been adopted mainly by large companies seeking to create new businesses or enhance their competitiveness, and by CVC/VC. It is also used by organizations in a wide range of industries, such as financial institutions and survey companies

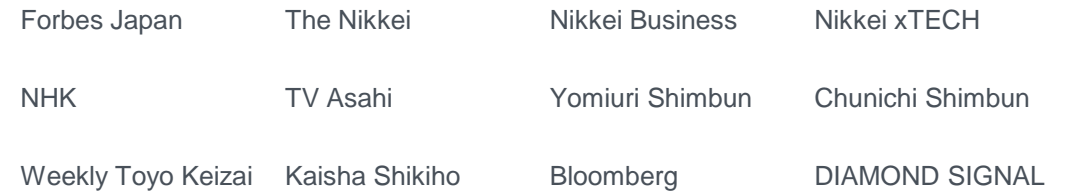
We provide information to the media, finance institutions, governmental agencies, and global databases, and conduct joint research with universities

Users of the service (partial list)



Collaboration, etc. with media

Media (not exhaustive)



Governmental and public institutions

Use by local government and collaboration, etc. with Cabinet Office, NEDO (National Research and Development Agency), JST, and others

Academia/academic research

Entered into a collaboration agreement with Keio University
Also making inroads at other universities



Overseas

First business alliance for a Japanese company with Crunchbase, one of the world's largest startup databases



In November 2024 we held GRIC2024, one of the largest startup conferences in Japan



▲ Opening session on GRIC STAGE



▲ SKY STAGE sessions were full throughout

2024

PARTNERS

GRIC2024

FOUNDING PARTNER

KEARNEY				NOMURA	
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GOLD

			AaaS for start up				
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SILVER

							エフベスト		
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COPPER

		0-1 Booster	・Y・U・K・A・I・ ENGINEERING				一住用不動産 住友不動産		
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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 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>



Investee companies as of December 31, 2024

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

Other SG&A expenses is higher than for a normal year due to fixtures and consumables expenses following the office relocation, and the expenses associated with holding the conference

	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	832	977	—
Cost of sales	110	126	110	126	123	137	125	154	110	148	265	167	145	145	158	—
Gross profit	414	442	426	590	585	591	643	637	618	730	568	805	720	686	818	—
SG&A expenses	302	301	327	454	421	437	473	539	517	527	615	639	641	608	772	—
Personnel expenses	230	229	240	255	301	302	326	365	376	386	379	427	426	419	457	—
Recruitment expenses	8	7	6	13	15	19	10	26	11	17	14	27	22	15	25	—
Rent expenses on land and buildings	19	23	28	42	32	32	32	32	32	32	32	32	54	95	64	—
Depreciation	1	1	14	15	4	5	3	3	3	3	20	29	28	28	8	—
Other SG&A expenses	41	39	39	127	67	77	101	111	93	88	168	122	108	48	216	—
Operating income	112	140	98	136	163	153	169	97	101	202	-46	165	78	77	45	—

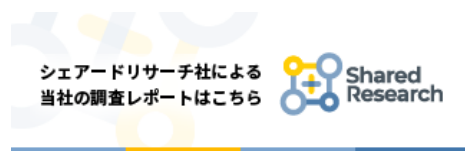
Note: Amounts of less than ¥1m are omitted; preparation of consolidated accounts began in 2Q FY03/22; personnel expenses include bonuses, etc.; recruitment expenses are the sum of introduction fees and fees for advertising positions

Company as a whole (consolidated) | Change in quarterly balance sheet over time

(Million yen)	FY03/20	FY03/21	FY03/22	FY03/23	FY03/24	FY03/25		
						1Q	2Q	3Q
Total current asset	953	1,309	2,167	2,567	2,582	2,606	3,172	2,522
Cash and deposits	816	1,042	1,717	1,745	1,655	1,897	2,382	1,739
Operational investment securities	—	—	154	463	378	378	378	378
Total non-current assets	177	148	401	402	659	595	660	972
Total assets	1,130	1,457	2,569	2,969	3,241	3,202	3,833	3,525
Total current liabilities	325	466	1,016	779	696	599	808	678
Total non-current liabilities	—	83	66	—	—	—	456	427
Total net assets	805	908	1,485	2,190	2,545	2,602	2,568	2,419
Shareholders' equity	804	907	1,317	1,767	2,174	2,234	2,211	2,064
Non-controlling interests	—	—	165	405	338	331	325	319
Equity ratio	71.2	62.3	51.3	59.5	67.1	69.8	57.7	58.6

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>

Consolidation of QA information

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/>

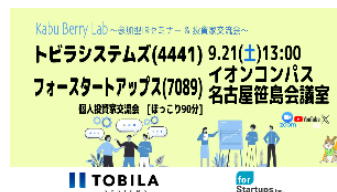
Activities on behalf of individual investors

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>

These materials contain forward looking statements. These statements are based on no more than the information available at the time the statements were created. Furthermore, such statements do not constitute a guarantee of future results, and incorporate risks and uncertainties. Be aware that actual results may differ significantly from forecasts due to changes in the environment and other factors.

Factors that could affect the actual results mentioned above include but are not limited to economic conditions both in Japan and overseas, and trends in the industries in which the Company is involved.

Going forward, in the event that new information emerges or future developments, etc. arise, the Company accepts no responsibility for updating or revising any forward looking information whatsoever contained in these materials.

In addition, information contained in these materials on subjects unrelated to the Company is quoted from published information and other sources. The Company has not verified the accuracy or appropriateness, etc., of this information and offers no guarantees in that regard.