



Summary of First Quarter of Fiscal Year Ending August 2025

U-NEXT HOLDINGS Co., Ltd.
(Tokyo Stock Exchange, Prime Market Code: 9418)

January 14, 2025

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1. Overview of 1 Q results of operations

Executive summary

New business segments beginning in FY2025 and data for the previous three years have been revised based on the new segments.

A good start in the first quarter for accomplishing the FY2025 forecast. New record highs for quarterly sales and net income.

All-time high quarterly earnings in the Content Distribution and Store & Facility Solutions segments.

Earnings down YoY in the Communication & Energy segment because of mainly capacity payments in Energy business.

Consolidated financial summary (vs. Forecast)

- Sales and earnings at all levels were more than 25% of the FY2025 forecasts.
- High progress rate for EBITDA-CAPEX is due to moving back some planned investments.

(Million yen)	FY2025 Forecast	FY2025 1 Q	Progress
Net Sales	360,000	91,928	26%
Operating Income	31,000	8,251	27%
Operating Margin (%)	8.6%	9.0%	-
Ordinary Income	30,000	8,277	28%
Profit or Loss attributable to owners of parent	16,700	4,567	27%
Profit of Loss attributable to owners of parent [Adjusted]	19,850	5,354	27%
EBITDA	42,500	10,819	25%
EBITDA Margin	11.8%	11.8%	-
EBITDA-CAPEX	10,300	4,233	41%

Consolidated financial summary (YoY)

Sales up 25% and earnings at all levels up about 10%.

(Million yen)	FY2024 1 Q	FY2025 1 Q	YoY	YoY (Ratio)
Net Sales	73,724	91,928	+18,205	+25%
Operating Income	7,478	8,251	+773	+10%
Operating Margin (%)	10.1%	9.0%	-	-
Ordinary Income	7,321	8,277	+956	+13%
Profit or Loss attributable to owners of parent	4,198	4,567	+368	+9%
Profit of Loss attributable to owners of parent [Adjusted]	4,984	5,354	+370	+7%
EBITDA	9,837	10,819	+982	+10%
EBITDA Margin	13.3%	11.8%	-	-
EBITDA-CAPEX	4,085	4,233	+148	+4%

Segment information (vs. Forecast)

- A strong start to FY2025, mainly in the Content Distribution and Store & Facility Solutions segments.
- Progress of the Communication & Energy segment operating income was low vs. the FY2025 forecast but was as expected for the first quarter.

(Million yen)		FY2025 Forecast	FY2025 1 Q	Progress
Content Distribution	Net Sales	122,100	30,572	25%
	Operating Income	9,800	3,189	33%
	Operating Margin	8.0%	10.4%	-
Store & Facility Solutions	Net Sales	93,100	25,623	28%
	Operating Income	14,700	5,101	35%
	Operating Margin	15.8%	19.9%	-
Communication & Energy	Net Sales	142,100	35,362	25%
	Operating Income	13,600	2,068	15%
	Operating Margin	9.6%	5.8%	-
Financial, Realty & Global	Net Sales	8,700	2,044	23%
	Operating Income	1,400	393	28%
	Operating Margin	16.1%	19.3%	-
Adjustment	Net Sales	-6,000	-1,673	28%
	Operating Income	-8,500	-2,501	29%

*The adjustment includes head office expenses, goodwill amortization, the elimination of inter-segment transactions and other items.

Segment information (YoY)

- Big increases in sales and earnings in the Content Distribution and Store & Facility Solutions segments.
- Earnings down in the Communication & Energy segment because of capacity payments and other reasons.
The adjustment deduction increased because of higher payments for M&A professional services and other items.

(Million yen)		FY2024 1 Q	FY2025 1 Q	YoY	YoY (Ratio)
Content Distribution	Net Sales	25,672	30,572	+4,900	19%
	Operating Income	2,205	3,189	+985	45%
	Operating Margin	8.6%	10.4%	-	-
Store & Facility Solutions	Net Sales	21,602	25,623	+4,022	19%
	Operating Income	3,559	5,101	+1,542	43%
	Operating Margin	16.5%	19.9%	-	-
Communication & Energy	Net Sales	25,937	35,362	+9,425	36%
	Operating Income	3,107	2,068	▲1,039	▲33%
	Operating Margin	12.0%	5.8%	-	-
Financial, Realty & Global	Net Sales	1,834	2,044	+210	11%
	Operating Income	376	393	+18	5%
	Operating Margin	20.5%	19.3%	-	-
Adjustment	Net Sales	-1,322	-1,673	▲351	27%
	Operating Income	-1,768	-2,501	▲733	41%

*The adjustment includes head office expenses, goodwill amortization, the elimination of inter-segment transactions and other items.

Net Sales/Operating Income/EBITDA

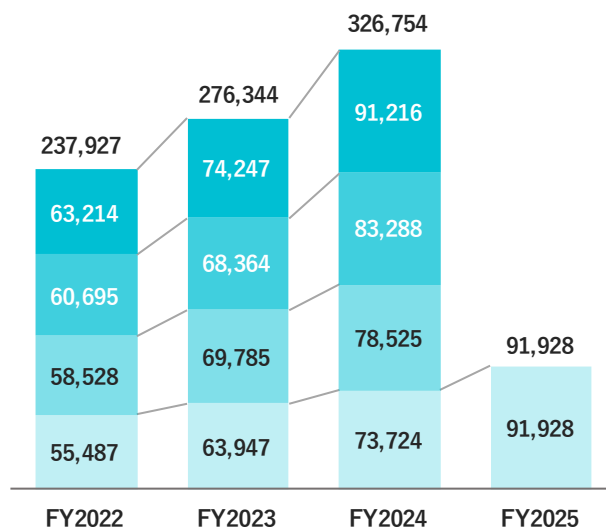
- Sales increased to a new all-time high for a quarter.
- Big QoQ increases in operating income and EBITDA, both setting new records for a first quarter.

(Million yen)

Net Sales

YoY +25% QoQ + 1 %

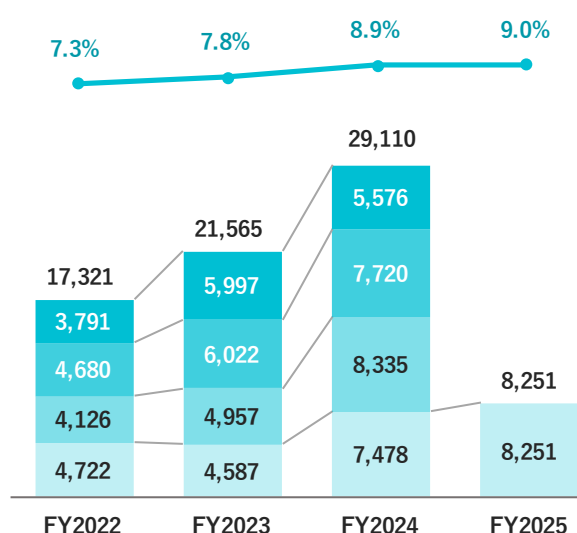
■ 1Q ■ 2Q ■ 3Q ■ 4Q



Operating Income / margin

YoY +10% QoQ +48%

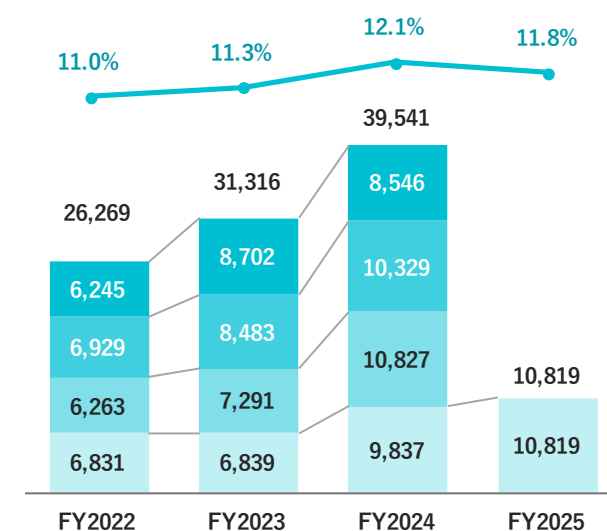
■ 1Q ■ 2Q ■ 3Q ■ 4Q — Operating margin (cumulative)



EBITDA / margin

YoY +10% QoQ +27%

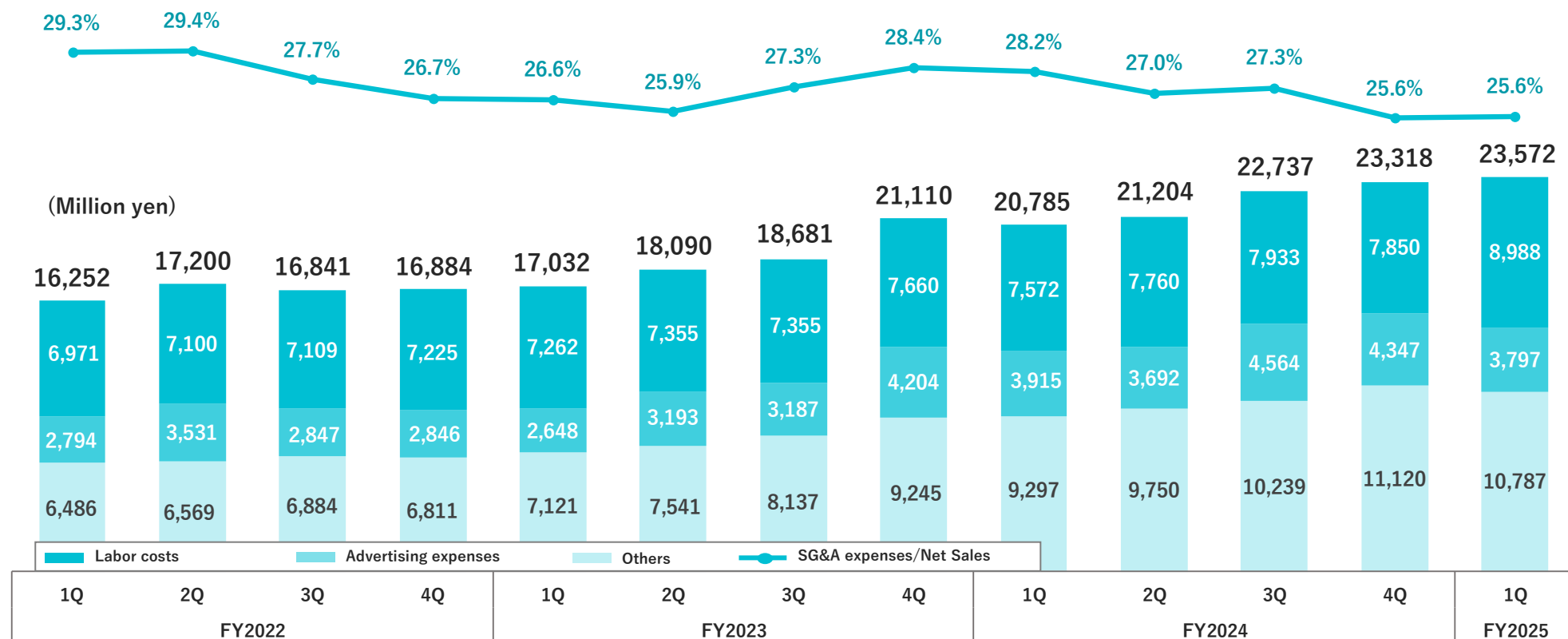
■ 1Q ■ 2Q ■ 3Q ■ 4Q — EBITDA margin (cumulative)



EBITDA = Operating Income + Depreciation + Amortization of goodwill

SG&A expenses

- SG&A expenses increased YoY because of the growth of business operations but remained below 30% of sales as the downward trend of this percent continues.
- Labor costs were mainly responsible for the small QoQ increase. Advertising expenses down because of a decline in group branding expenses.



SG&A ratio

YoY ▲ 3 pt
(Quarter)

QoQ ± 0 pt

SG&A

YoY +13%
(Quarter)

QoQ + 1 %

Net Income

Big QoQ increase to a new quarterly record.

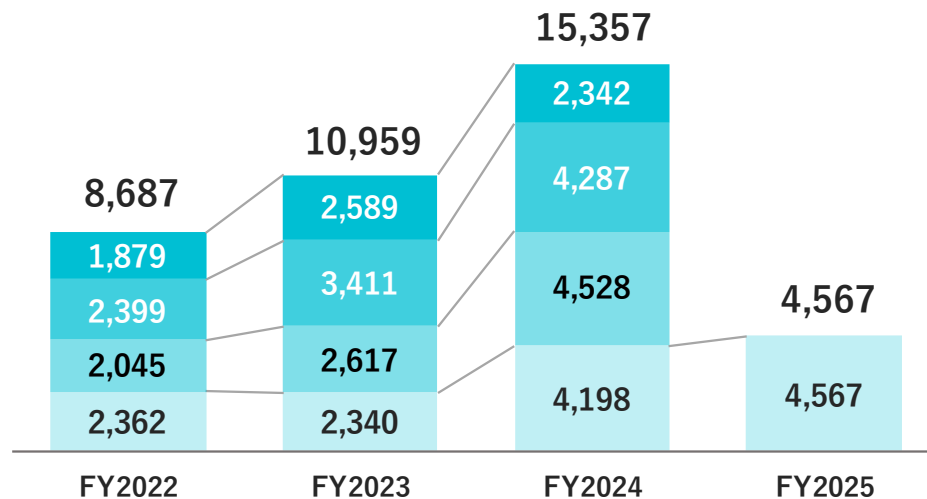
(Million yen)

Net Income

YoY + 9 %

QoQ +95%

1Q 2Q 3Q 4Q

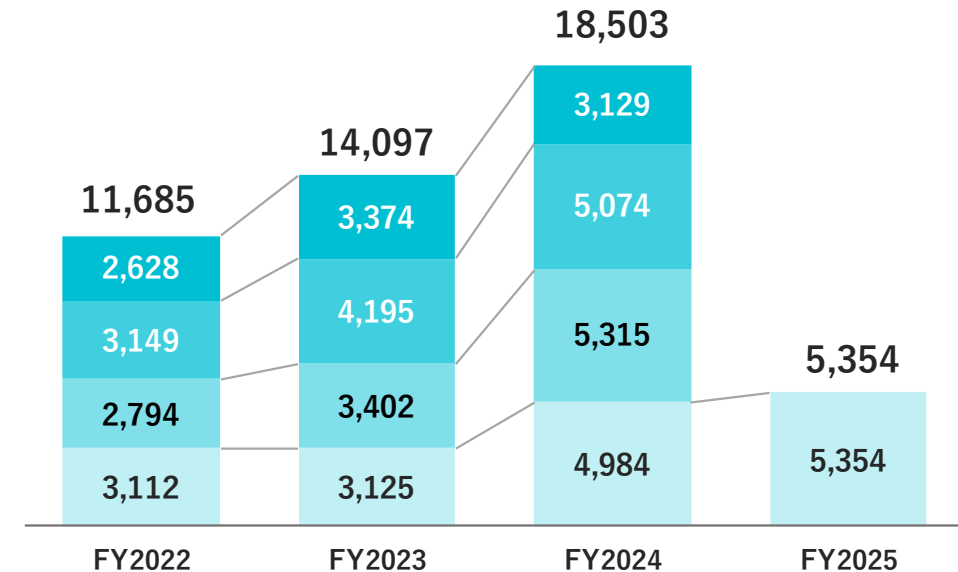


Net Income (Adjusted)

YoY + 7 %

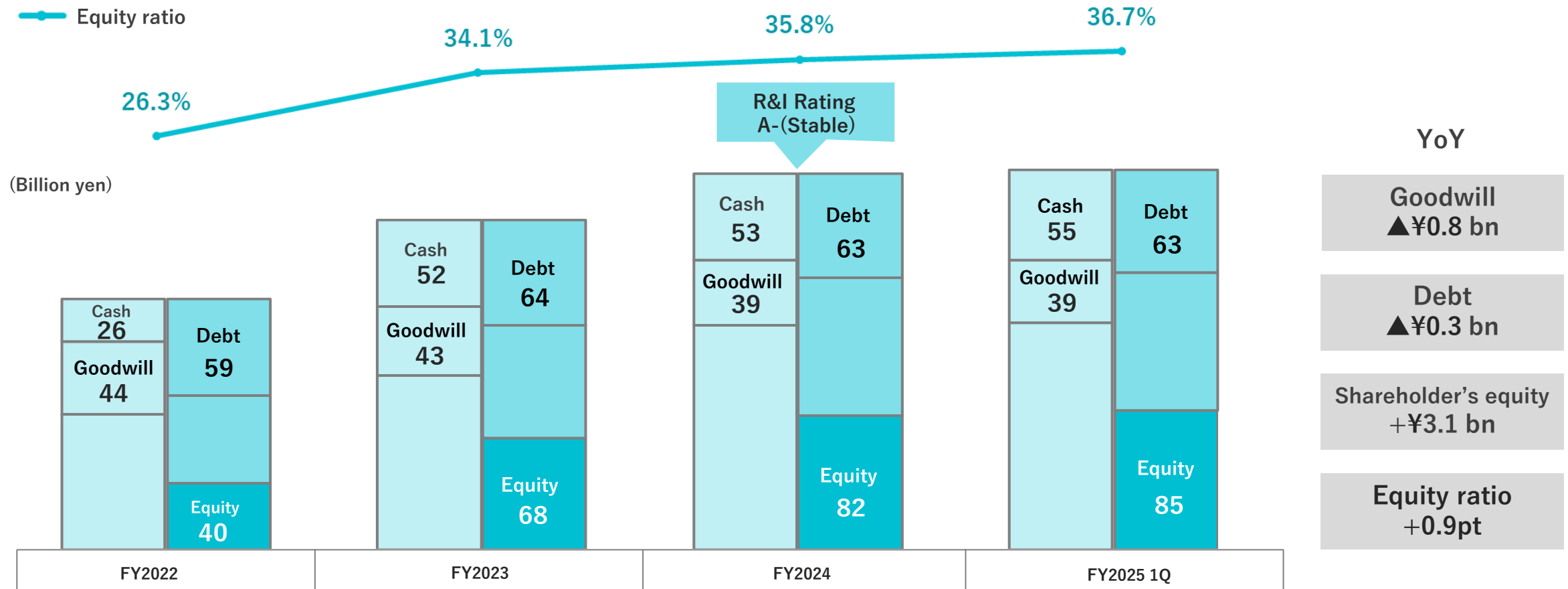
QoQ +71%

1Q 2Q 3Q 4Q



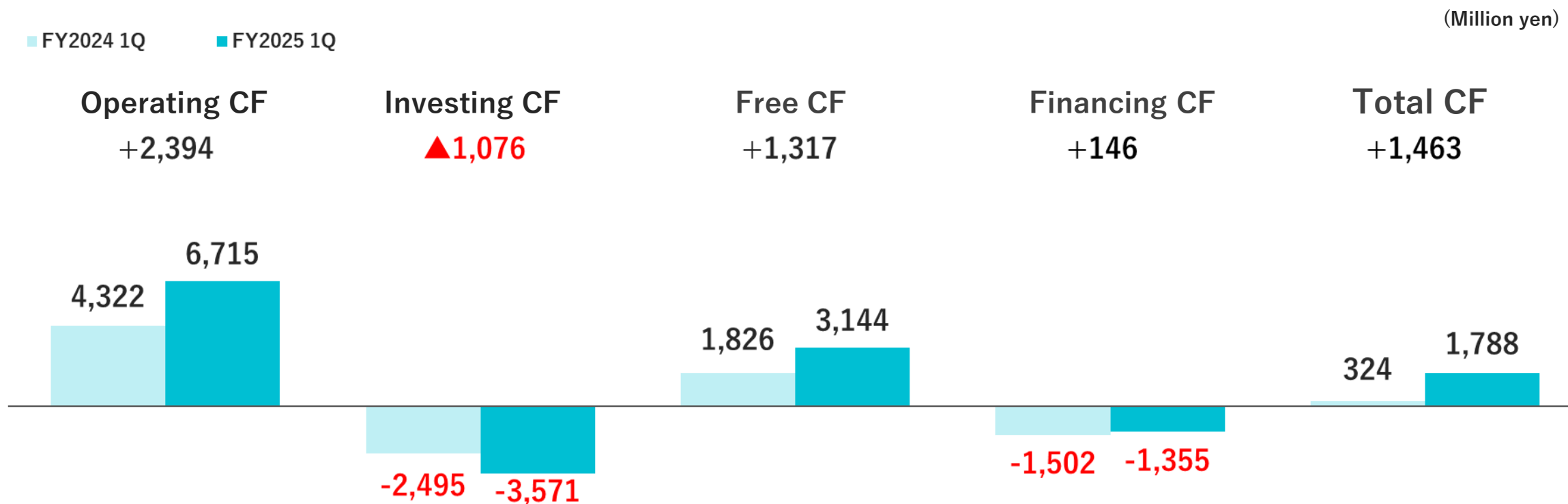
Consolidated balance sheet

The equity ratio increased to almost 37% because of strong earnings.



Consolidated cash flows (YoY summary)

- Operating CF : Major components are profit before income taxes (+¥0.8bn), working capital (+¥4.7bn) and income taxes paid (▲¥2.7bn).
- Investing CF : Business investments increased ¥0.9bn.
- Free CF : Increased ¥1.3bn mainly because of the increase in operating cash flow.
- Financing CF : A small change including a loan to purchase a retail space building (+¥0.5bn) and an increase in dividends paid (▲¥0.3bn).



Consolidated cash flows (YoY)

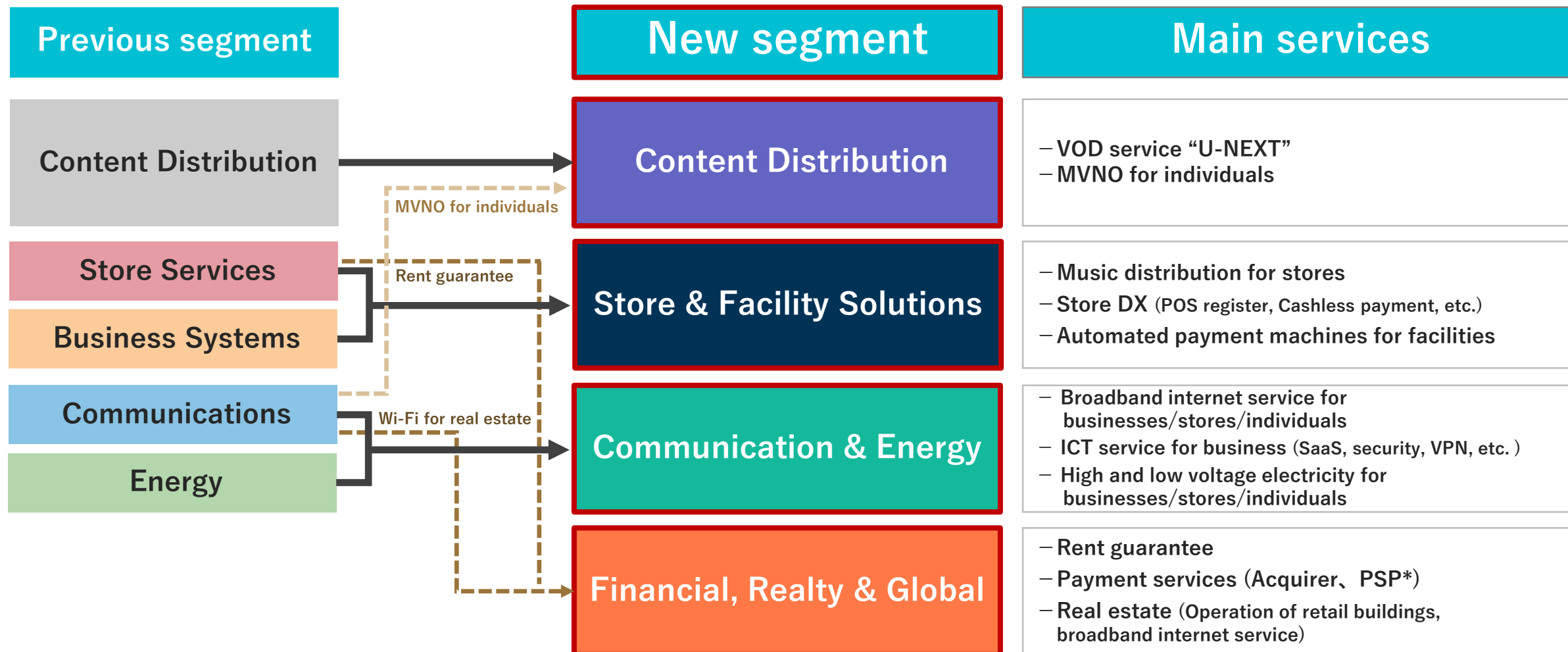
(Million yen)	FY2024 1Q	FY2025 1Q	Difference
Operating CF			
Profit before income taxes	7,319	8,114	+ 795
Depreciation	1,573	1,781	+ 207
Amortization of goodwill	785	786	+ 2
Interest expenses	121	160	+ 39
Loss on retirement of non-current assets	129	131	+ 2
Decrease (increase) in trade receivables	782	3,961	+ 3,179
Decrease (increase) in inventories	-902	-695	+ 206
Increase (decrease) in trade payables	-655	2,730	+ 3,386
Increase (decrease) in accounts payable	1,198	759	▲439
Increase (decrease) in contract liabilities	138	-265	▲404
Decrease (increase) in prepaid expenses	-3,332	-3,343	▲11
Others	733	-1,119	▲1,853
Subtotal	7,893	13,001	+ 5,109
Income taxes paid	-3,452	-6,128	▲2,676
Others	-118	-157	▲39
Operating CF	4,322	6,715	+ 2,394

(Million yen)	FY2024 1Q	FY2025 1Q	Difference
Investing CF			
Purchase of property, plant and equipment	-1,468	-2,236	▲768
Payments for retirement of property, plant and equipment	-172	-149	+ 23
Purchase of intangible assets	-946	-1,090	▲143
Purchase of shares of subsidiaries and associates	-77	-	+ 78
Others	170	-95	▲265
Investing CF	-2,495	-3,571	-1,076
Financing CF			
Proceeds from long-term borrowings	-	450	+ 450
Repayments of long-term borrowings	-780	-769	+ 12
Dividends paid	-691	-1,022	▲331
Others	-30	-14	+ 16
Financing CF	-1,502	-1,355	+ 146
Total CF	324	1,788	+ 1,464

*These figures have not been audited and are provided only for reference because of beginning in FY2024, U-NEXT is no longer voluntarily disclosing consolidated statements of cash flows in first and third quarter earnings announcements.

2. Segment information

Revised segments beginning in FY2025



A payment service provider (PSP) processes electronic payments between credit card and other companies and the stores, EC businesses and other member merchants of these companies.

Overview of business segments

BtoC

BtoB



Number of Subscribers
4.5M



Number of Stores 830K
(Restaurants · Retailers · Beauty salons)



Number of Facilities 30K
(Hotels · Hospitals)

Comprehensive solutions to support stores and facilities

Content Distribution

VOD service “U-NEXT”



SVOD market
share in
Japan*1
No.2

Largest
inventory*2
No.1

Store & Facility Solutions

Store Services

Music distribution, POS register,
Cashless payment, Catering robots, etc.



Market share of
music distribution
for stores in Japan*3
No.1

Business Systems

Automated payment machines, reception machine,
Operational Management systems etc.



Automated
payment machines
market share in
Japan*4
No.1

Communication & Energy

Communication

Broadband internet service,
ICT and cloud services etc.



Energy

High/Low voltage, green energy.



Financial, Realty & Global

Financial

- Cashless payments
- Credit/leases

Realty

- Real estate communication services
- Rent guarantees
- Operation of retail buildings

Global

(Currently working on a business plan)

*1 Video on Demand Market Five-year Forecast, GEM Partners

*2*GEM Partners, November 2024

*3 U-NEXT HOLDINGS assumptions

*4 U-NEXT HOLDINGS assumptions

U-NEXT
HOLDINGS

Summary of 1Q results of operations

Content Distribution

- (YoY) Sales and earnings up mainly due to more subscribers and higher ARPU.
- (QoQ) Sales and earnings up mainly due to 3 months of soccer package sales/earnings and a lower content cost ratio.

Store & Facility Solutions

- (YoY) Sales and earnings up mainly due to steady growth of store solution DX products and facility solution demand involving the new Japanese banknotes.
- (QoQ) Sales flat but earnings up mainly due to lower store solution depreciation expenses and marketing expenses.

Communication & Energy

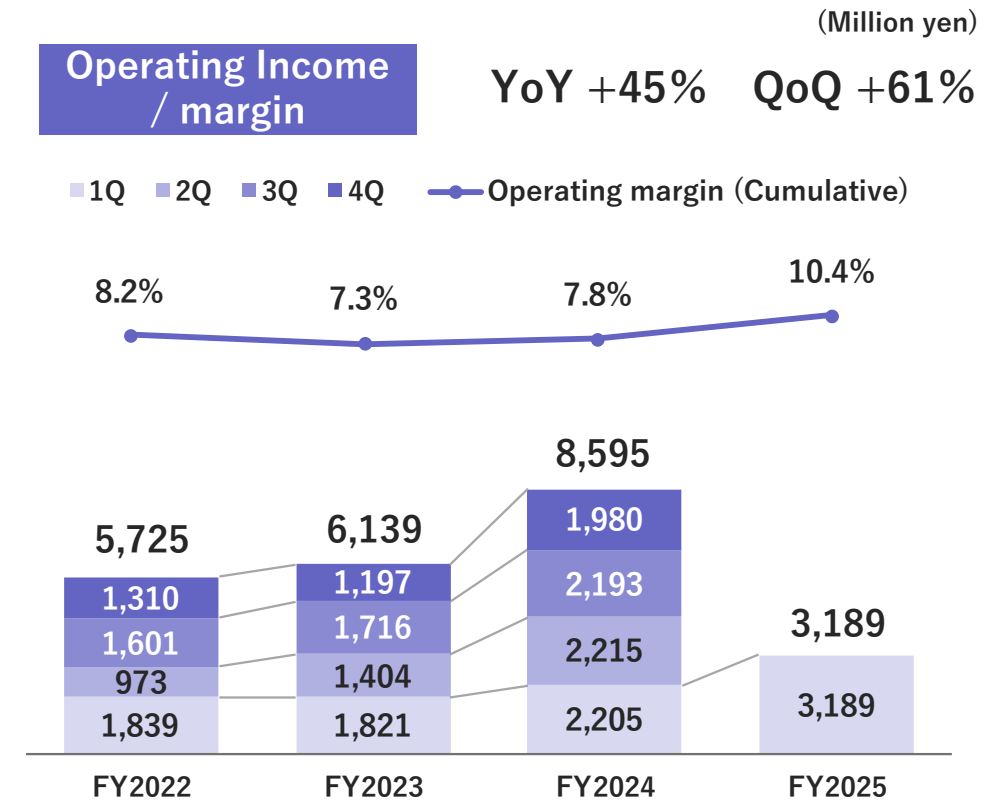
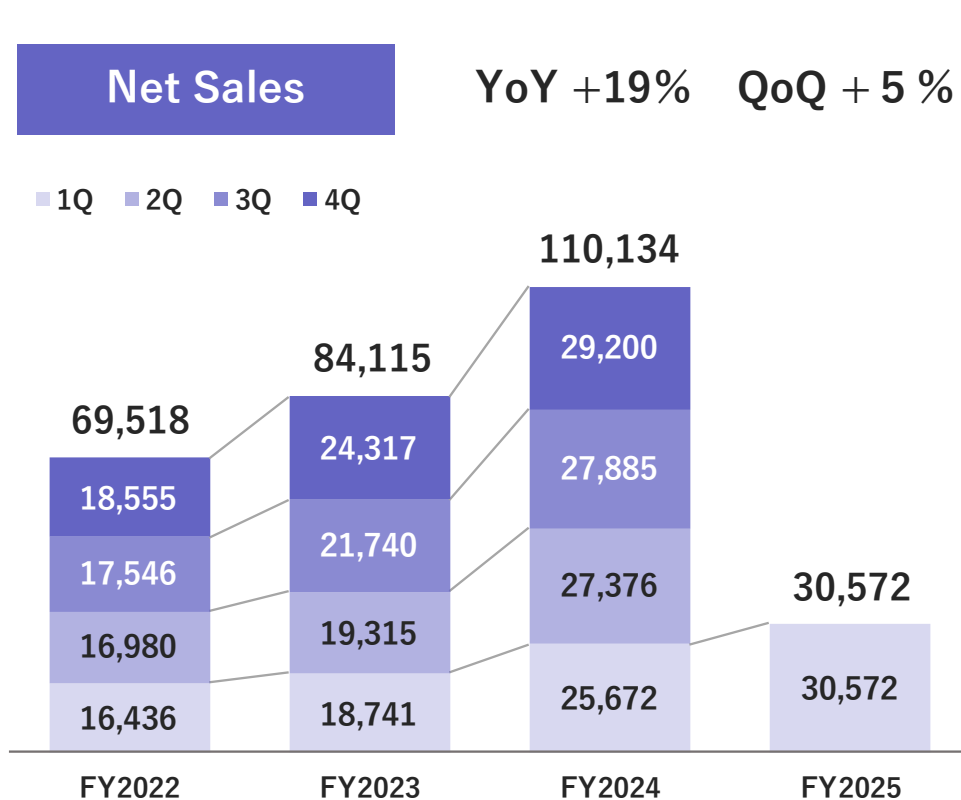
- (YoY) Sales up with the larger number of customers but earnings down because of capacity payments and other reasons.
- (QoQ) Basically no change in sales and earnings.

Financial, Realty & Global

- (YoY) Real estate communication and rent guarantee sales and earnings increased and sales/earnings from retail buildings started in FY2025.
- (QoQ) Earnings up following low earnings in FY2024 4Q caused by a one-time addition to the allowance in rent guarantee business.

Content Distribution

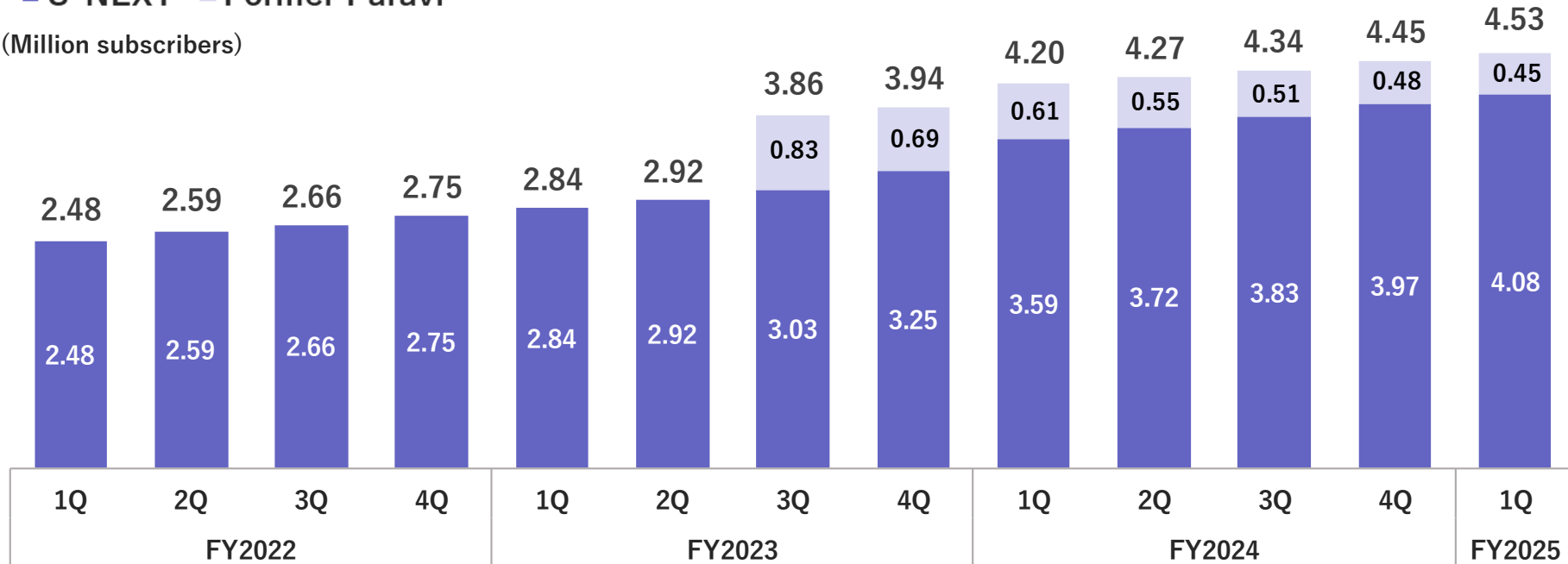
- New quarterly records for sales and earnings with a first quarter operating margin above 10%.
- Growth is backed by a consistent increase in the number of subscribers and three months of sales and earnings from the soccer package, which was only in one month of FY2024 4Q.



Content Distribution (Subscribers)

More than 4.5 million with increases of 330,000 YoY and 80,000 QoQ.

■ U-NEXT ■ Former Paravi
(Million subscribers)



YoY

+330K
(+ 8 %)

QoQ

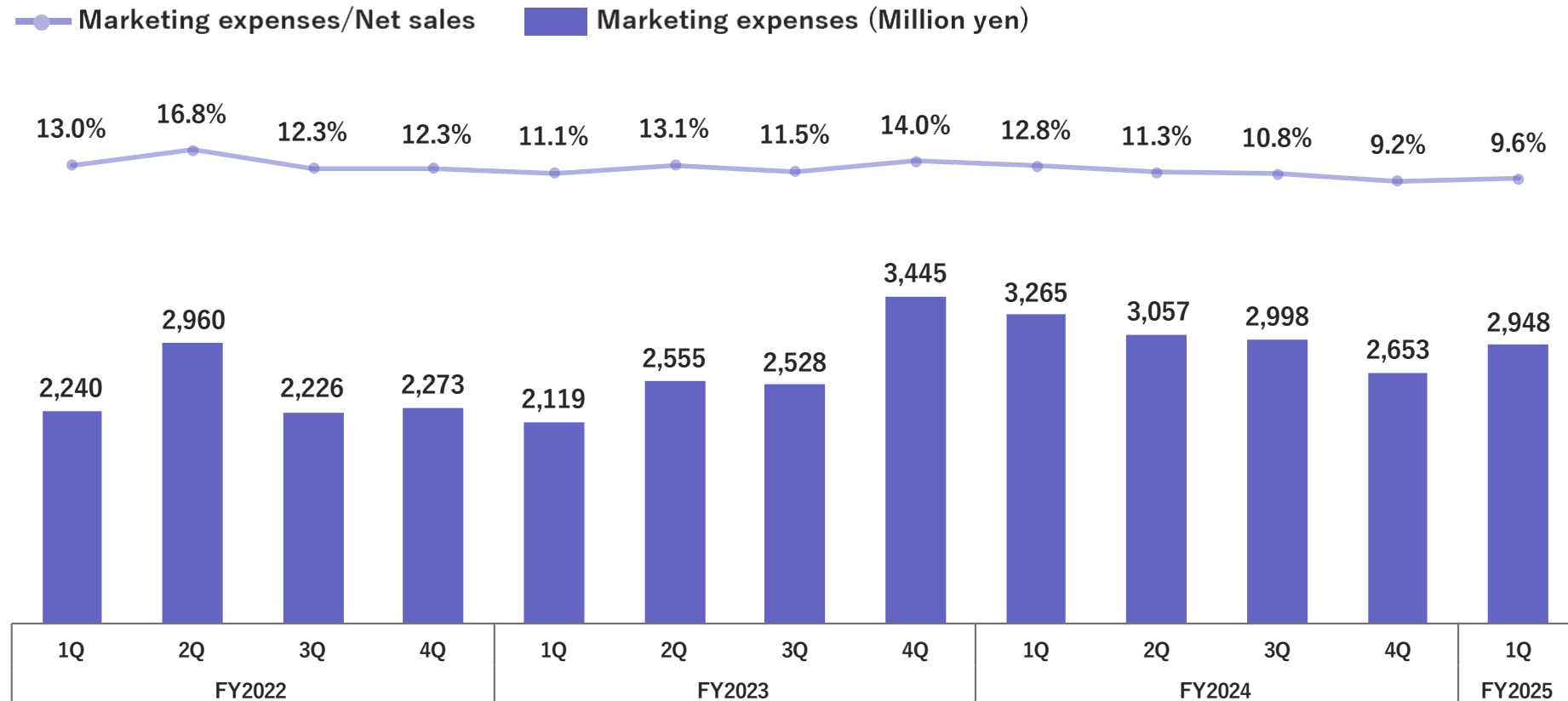
+80K
(+ 2 %)

Net change of QoQ (K)	U-NEXT	+95	+107	+69	+94	+88	+87	+107	+221	+333	+138	+109	+137	+106
	Paravi	-	-	-	-	-	-	+829	▲137	▲80	▲63	▲43	▲28	▲25

*Includes monthly point service and other subscribers associated with business alliance partners.

Content Distribution (Marketing expenses)

- Up QoQ in part because of the FY2024 4Q ¥0.6bn reversal of device advertising expenses.
- Marketing expenses are below 10% as these expenses continue to decrease as a percent of sales.



Marketing expenses

YoY ▲10%
(Quarter)

QoQ +11%

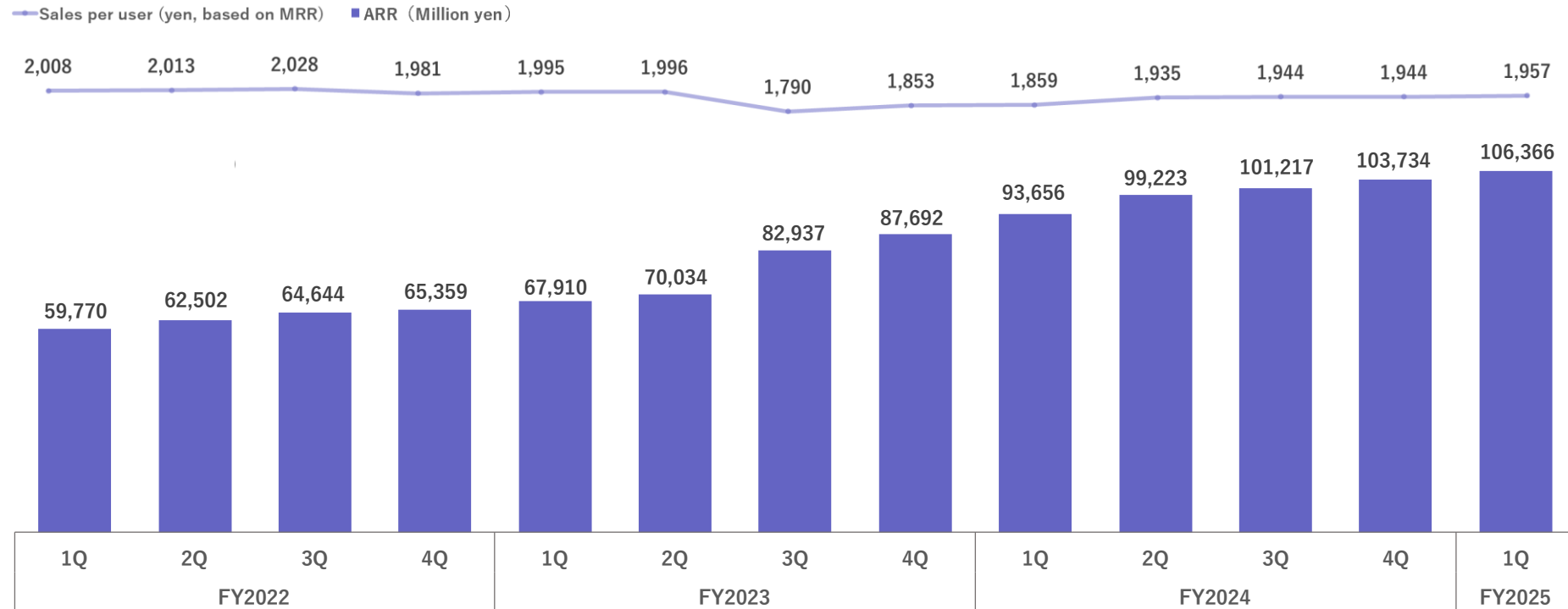
Marketing expenses ratio

YoY ▲3.2pt
(Quarter)

QoQ + 0.4pt

Content Distribution (ARR)

- MRR is slowly increasing because of a change in the percentages of U-NEXT and former Paravi subscribers vs. all subscribers.
- ARR is increasing consistently as the number of subscribers climbs.



YoY

+¥12.7bn
(+14%)

QoQ

+¥2.6bn
(+ 3 %)

*Annual Recurring Revenue : Monthly recurring revenue multiplied by 12.

*Monthly Recurring Revenue : Portion of U-NEXT service sales derived from fees paid on a regular basis.

(excludes PPV and other one-time sales, includes music distribution and other related services with monthly fees)

*Based on sales in the last month of each quarter.

Content Distribution (Topics)

Start of the U-NEXT Soccer Package for businesses.



初の法人プラン「U-NEXT サッカーパック」提供開始

*The U-NEXT Soccer Package

- Live/delayed viewing of professional soccer league games, including some games of the English Premier League and LALIGA EA SPORTS in Spain.
- Started in August 2024 for individuals with a monthly fee of ¥2,600 (including tax).

Press Release:

<https://unext-hd.co.jp/newsrelease/2024/10/u-next-soccer-pack.html>

Summary

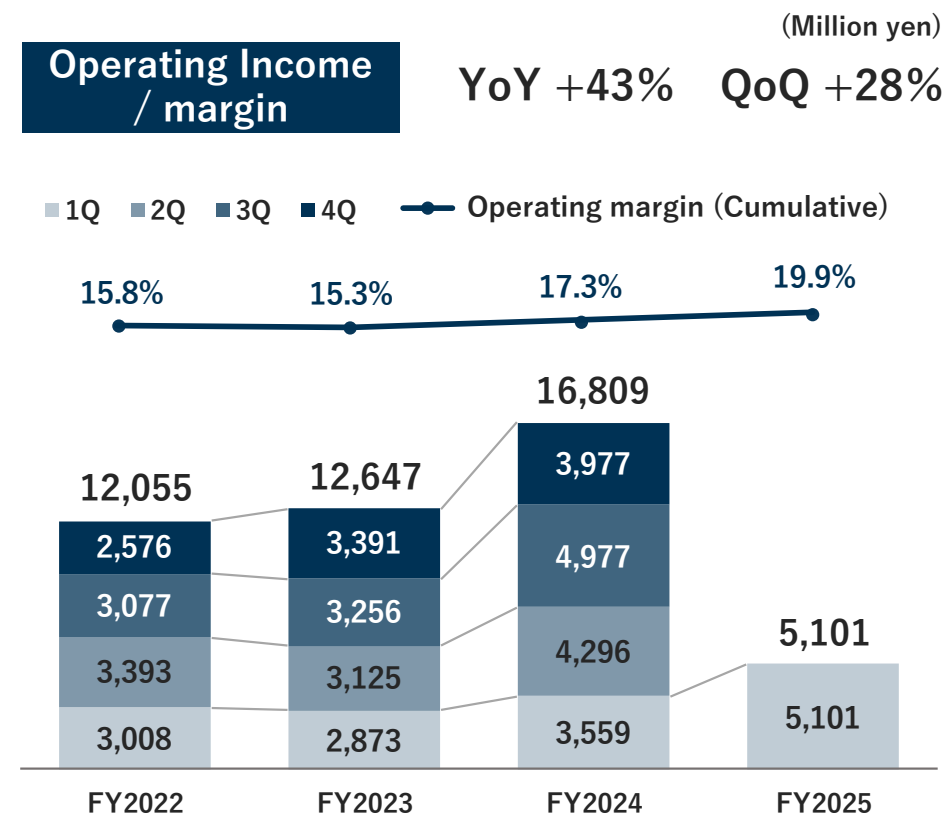
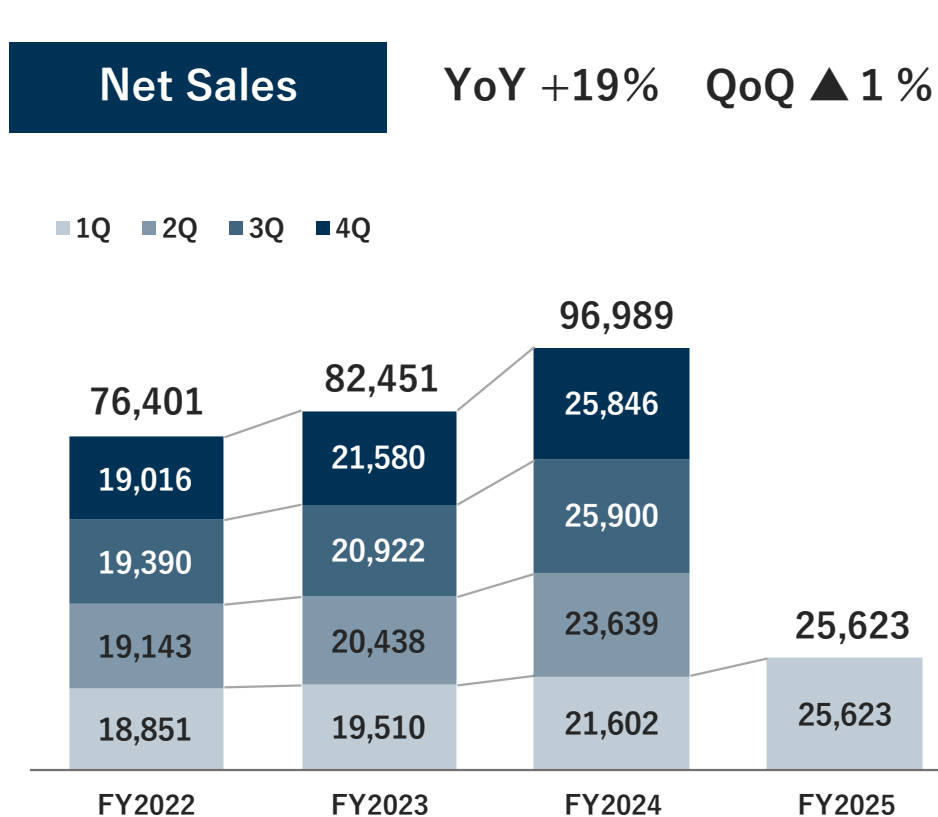
- U-NEXT's first plan for hotels, stores, sports bars and other businesses.
- Benefits from USEN&U-NEXT GROUP synergies by using group companies USEN and USEN-ALMEX for sales of services for the DX of stores and facilities.

U-NEXT Soccer Package for stores

- Soccer games shown on smart TVs and can also be used for entertainment at stores, including entertainment with customer participation.
- A service plan including a smart TV and a plan with only the provision of soccer games.

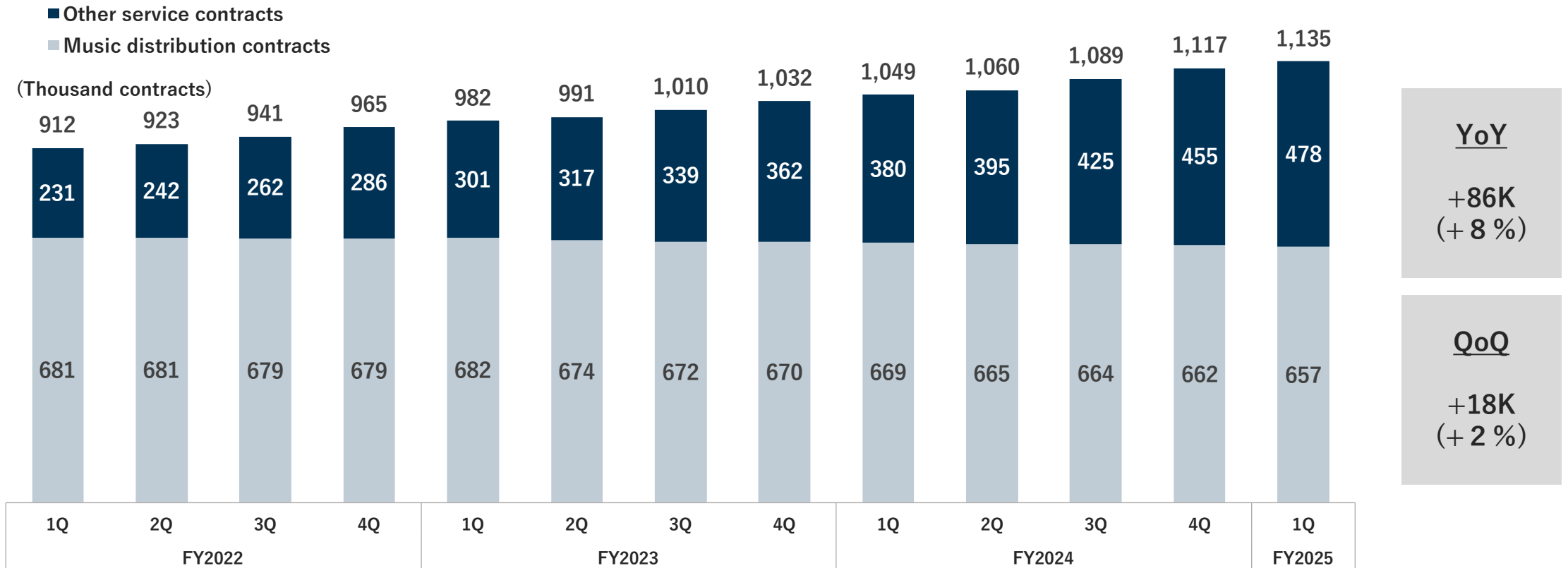
Store & Facility Solutions

- Sales up ¥2.0bn each for store and facility solutions, increasing to a new quarterly record.
- No QoQ change in sales but earnings increased primarily because of lower depreciation expenses and a decline in marketing expenses following the high level of marketing activities in FY2024 4Q.



(1) Store Solutions (Number of contracts)

Increased 90,000 YoY and 20,000 QoQ.



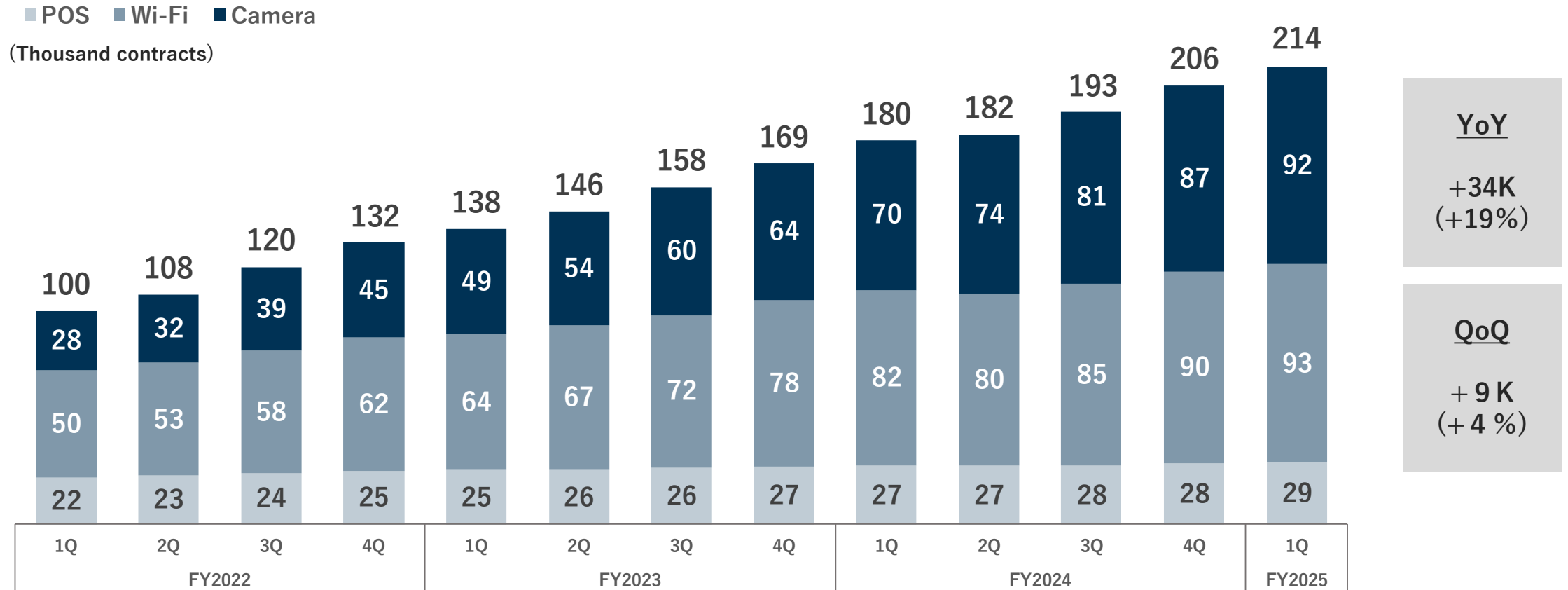
*Other store services are the sum of network services, POS registers, Wi-Fi, IP cameras, table service robots, digital signage and food delivery franchising.

*Other store services no longer include cashless payment services in all fiscal years shown. This service is to be changed to GMV disclosure in the Finance, Realty & Global segment following the M&A deal that has been announced.

*Contracts are counted separately for individual services even when they are by the same customer.

(1) Store Solutions (Contracts for three major products)

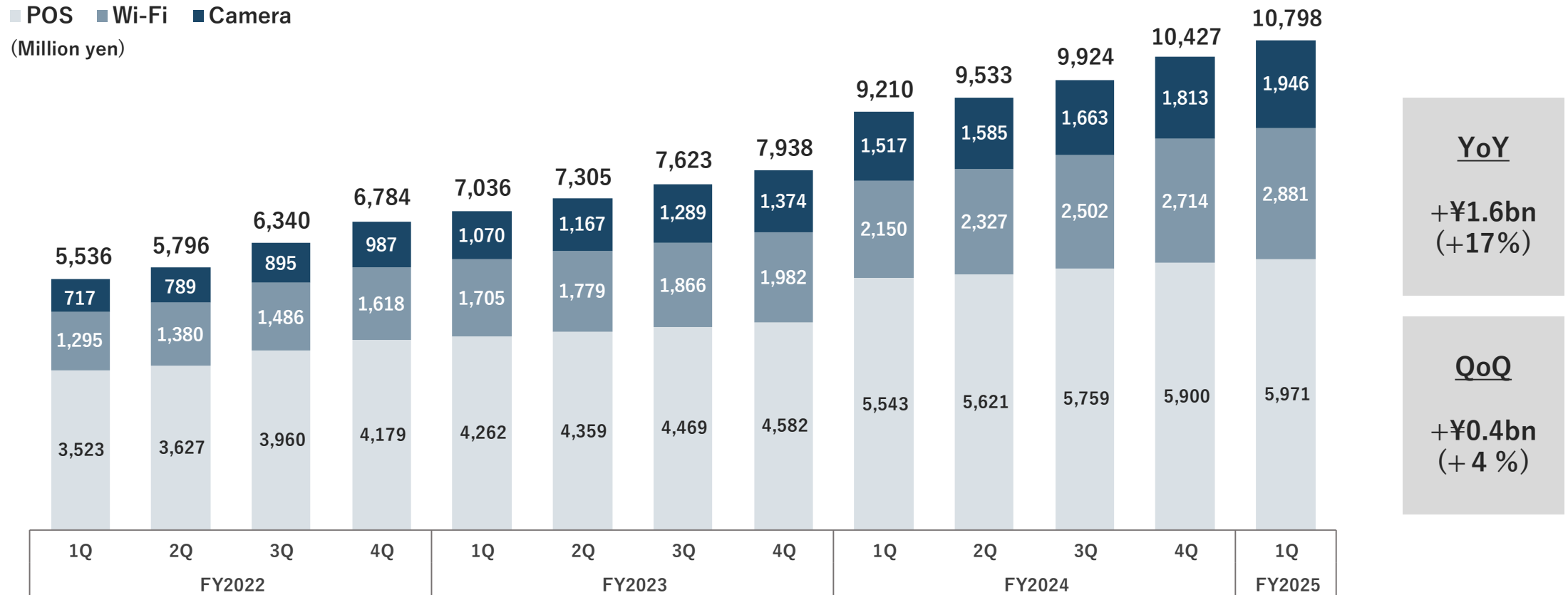
Steady growth for all three products with increases of 30,000 YoY and 10,000 QoQ.



* Contracts for three major products are included in other service subscribers on page 24.

(1) Store Solutions (ARR for three major products)

Consistent ARR growth with the increasing number of contracts.



*Annual Recurring Revenue : Monthly recurring revenue multiplied by 12.

*Monthly Recurring Revenue : Sales from services with continuous fees, excluding sales fees and other sales from one-time activities.

*Based on sales in the last month of each quarter.

(1) Store Solutions (Topics)

Started sales of “USEN PAY+”, a cashless payment service combined with a simplified register that can perform cash management too.



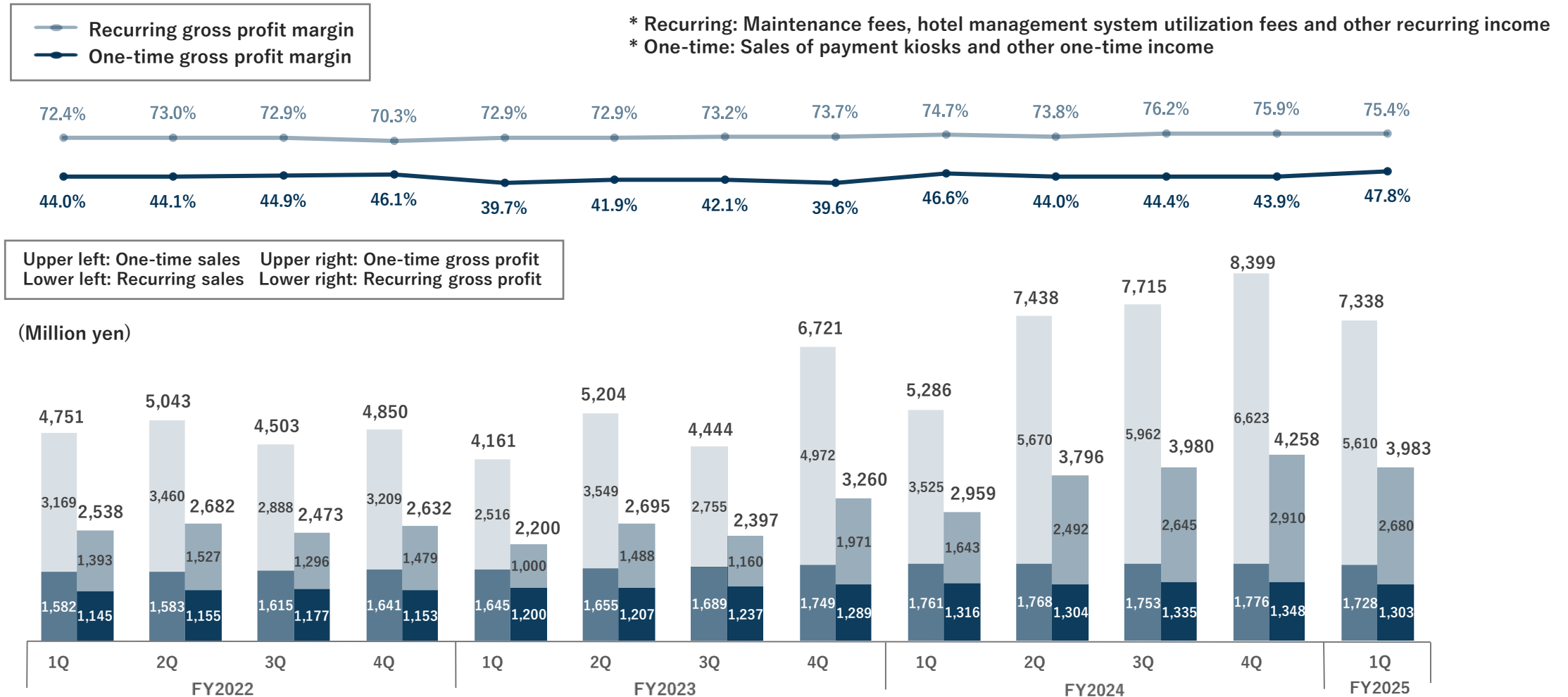
Summary

- A cashless payment unit with a simplified register app for cash management; a packaged service with peripherals needed for accounting.
- Able to handle requirements for accepting both cash and cashless payments.

Features

- (1) First sale in Japan of the A920MAX payment terminal, which has the latest technologies, for business use
- (2) Centralizes all accounting procedures
- (3) Physical keyboard can be connected
- (4) Sales management function
- (5) Reasonable levels of some payment processing fees

(2) Facility Solutions (One-time sales/Recurring sales)



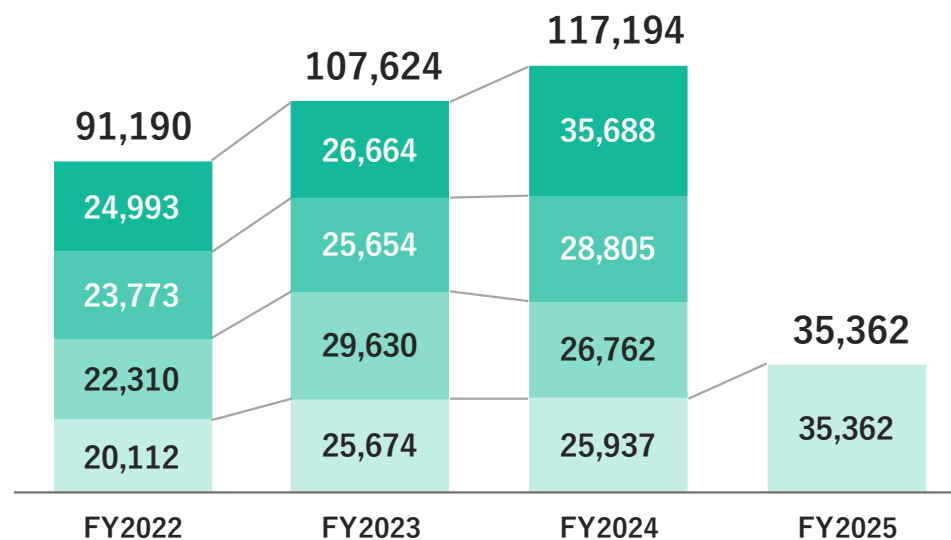
Communication & Energy

- No QoQ change in sales and operating income.
- Sales up YoY for communication and energy but earnings down because of capacity payments and other reasons.

Net Sales

YoY +36% QoQ ▲ 1 %

1Q 2Q 3Q 4Q

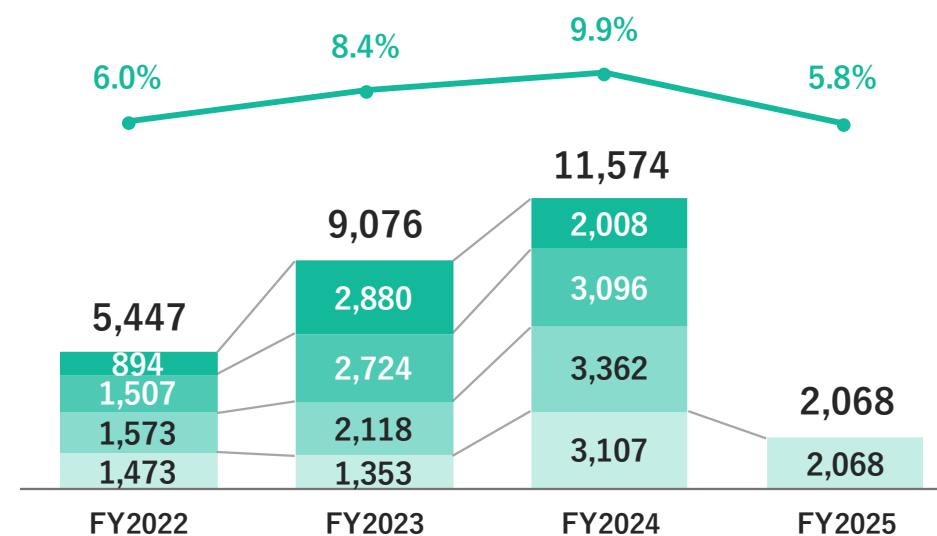


Operating Income / margin

(Million yen)

YoY ▲33% QoQ + 3 %

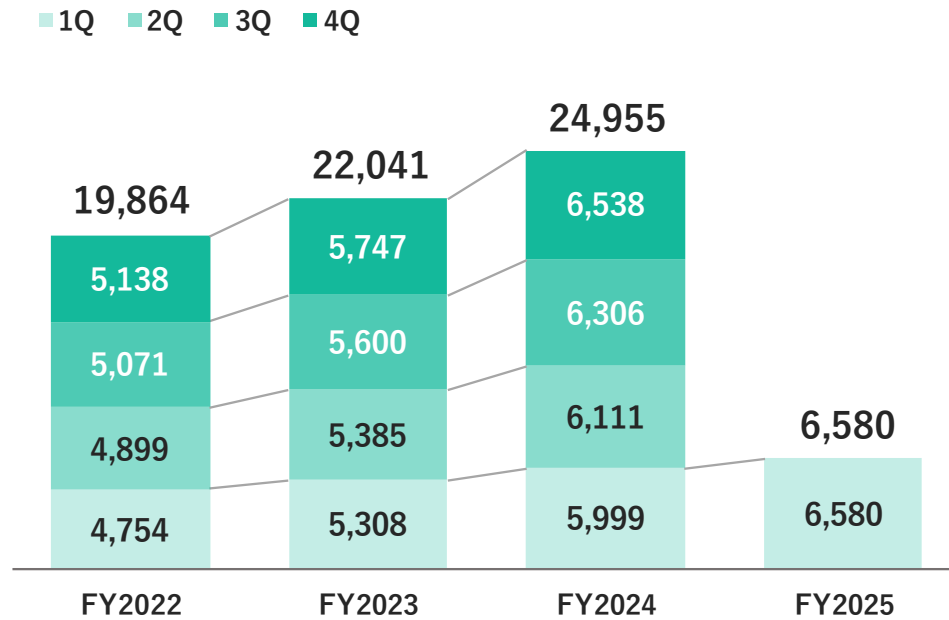
1Q 2Q 3Q 4Q Operating margin (Cumulative)



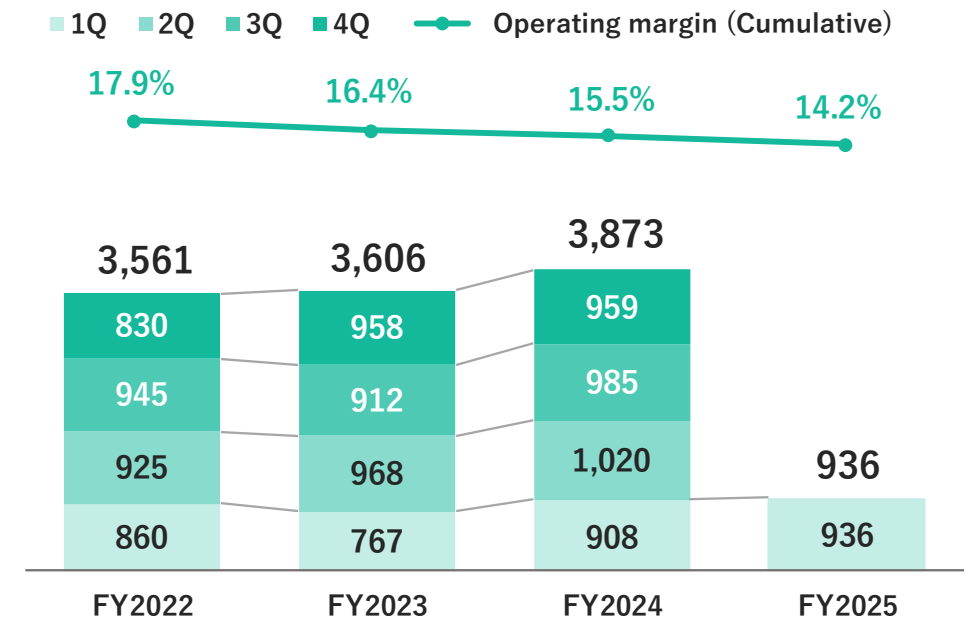
(1) Communication: ICT service for business

No QoQ change but YoY sales and earnings growth continues.

Net Sales YoY +10% QoQ + 1 %

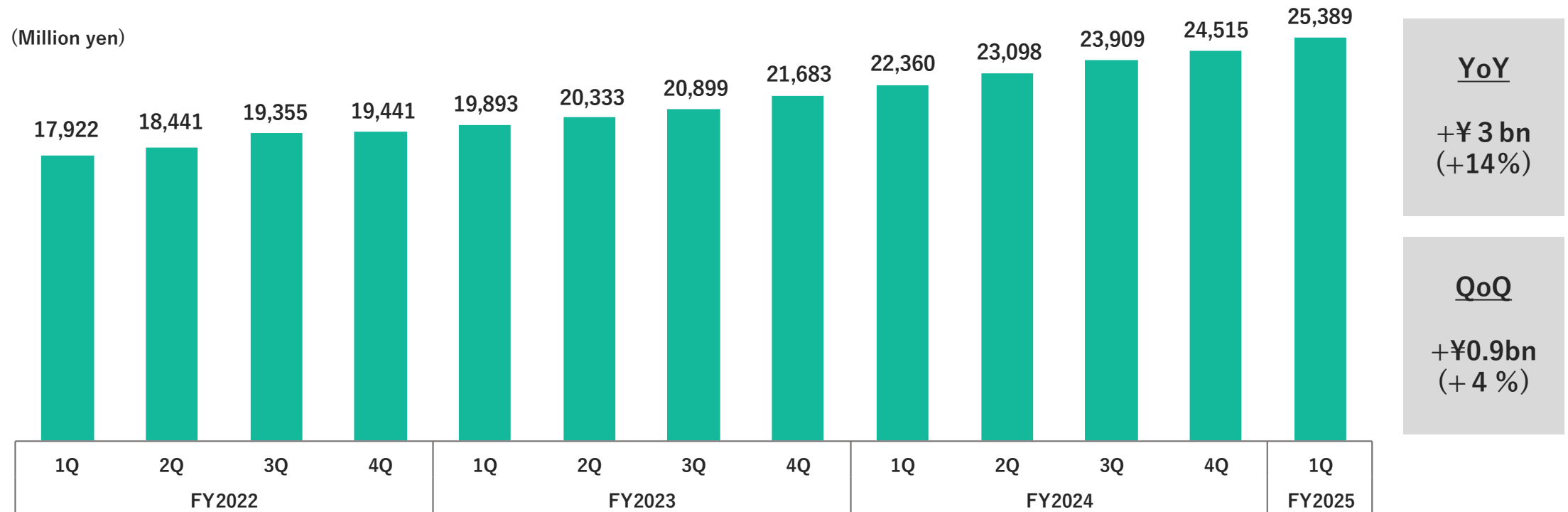


Operating Income / margin YoY + 3 % QoQ ▲ 2 % (Million yen)



(1) Communication: ICT service for business (ARR)

ARR is increasing steadily too because most sales are from recurring sources.



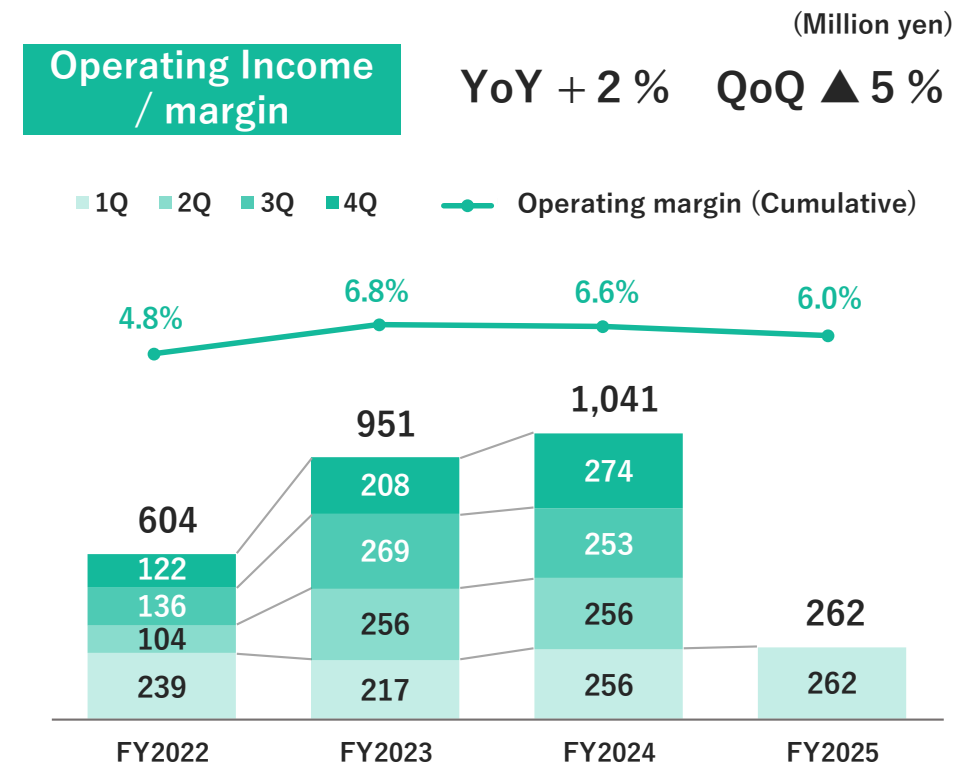
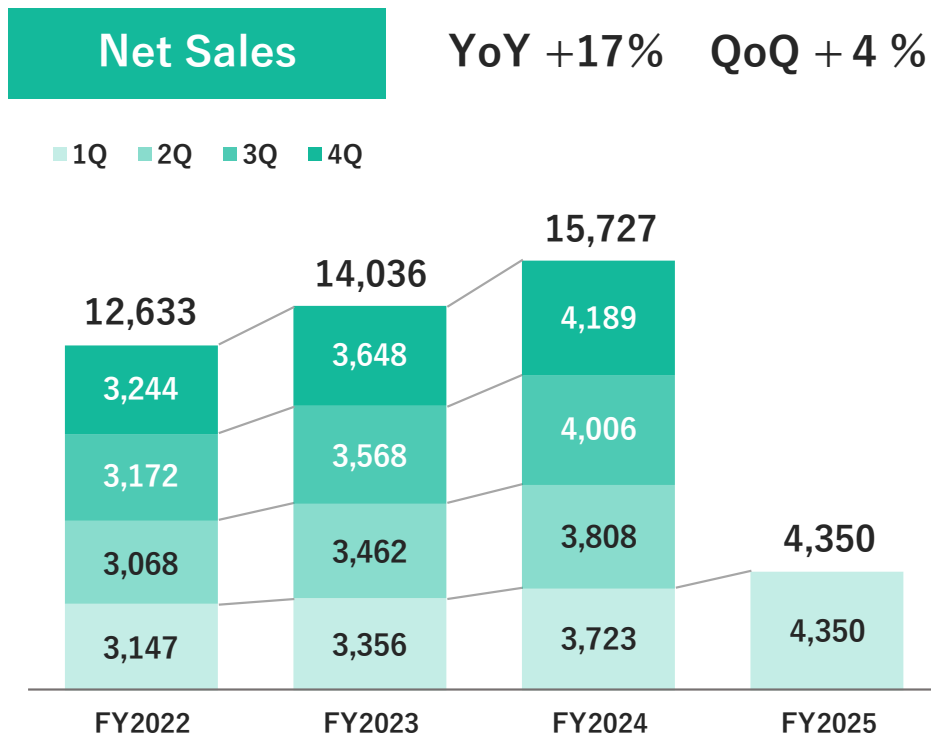
*Annual Recurring Revenue: Monthly recurring revenue multiplied by 12.

*Monthly Recurring Revenue: Sales from services with continuous fees, excluding sales fees and other sales from one-time activities.

*Based on sales in the last month of each quarter.

(1) Communication: Broadband internet service for stores and individuals

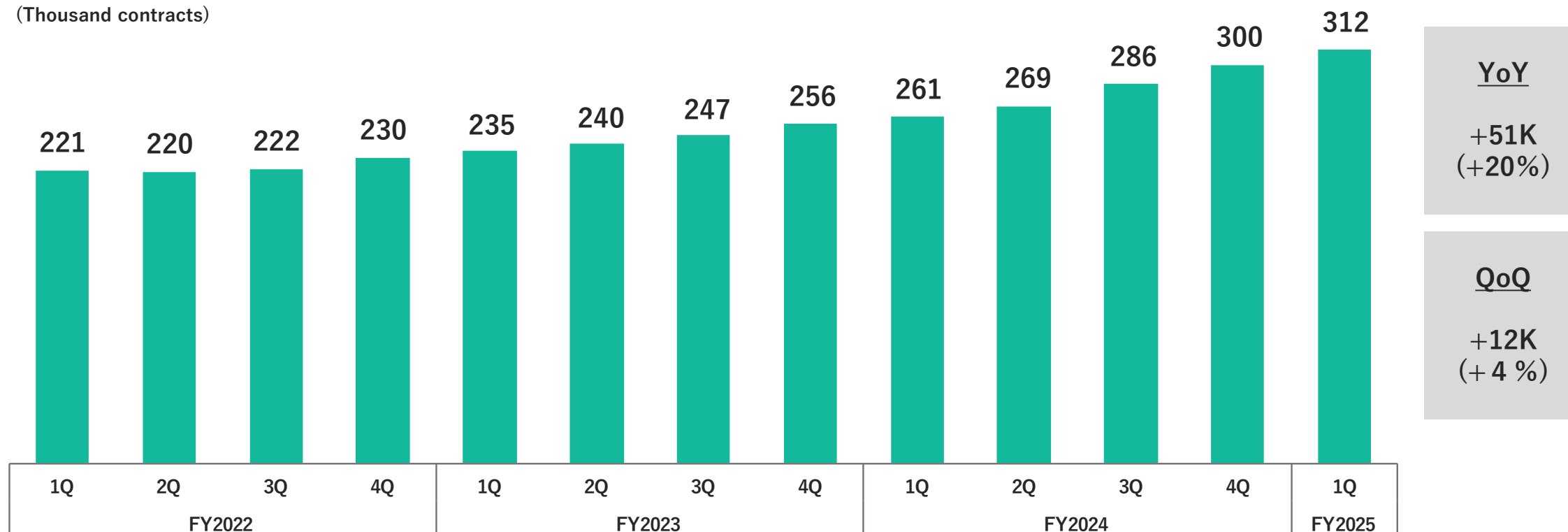
- Consistent YoY growth of sales and earnings
- Sales up QoQ but a small earnings decrease caused by higher personnel and outsourcing expenses.



(1) Communication: Broadband internet service for stores and individuals (Number of contracts)

Steady increase in the number of contracts, mainly for stores.

(Thousand contracts)



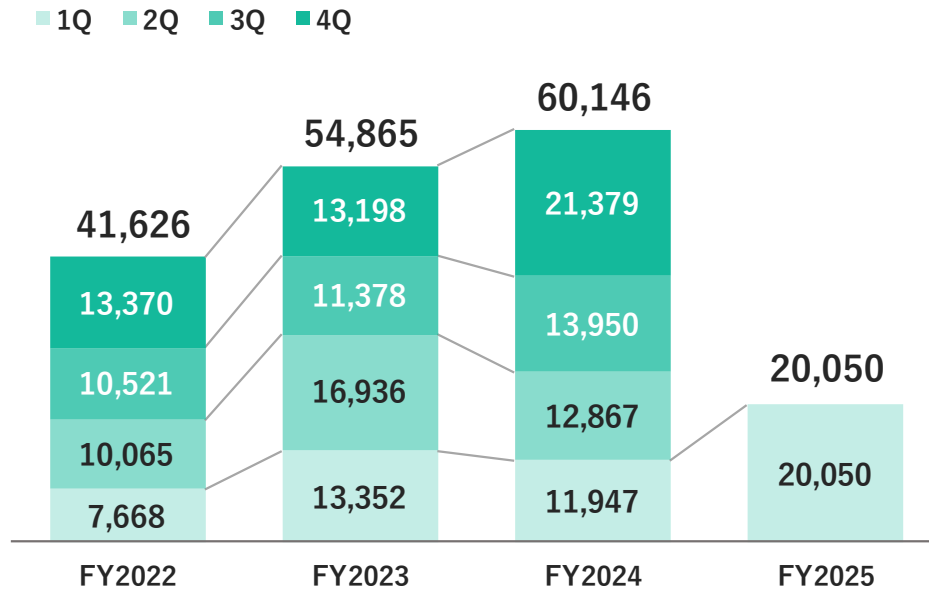
* Contracts for stores and BtoBtoC models, which are part of the above graph, are included in other service subscribers on page 24.

(2) Energy

- Sales down QoQ because of a seasonal decline in electricity use but a small increase in earnings.
- Big YoY increase in sales mainly due to a larger number of customers but earnings down mainly because of capacity payments.

Net Sales

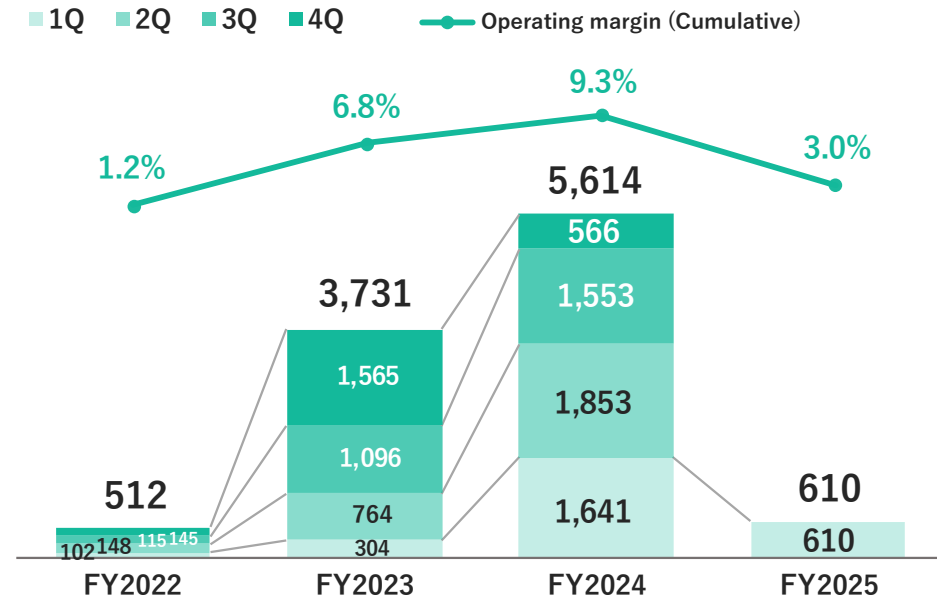
YoY +68% QoQ ▲ 6 %



Operating Income / margin

(Million yen)

YoY ▲63% QoQ + 8 %



(2) Energy (Number of contracts)

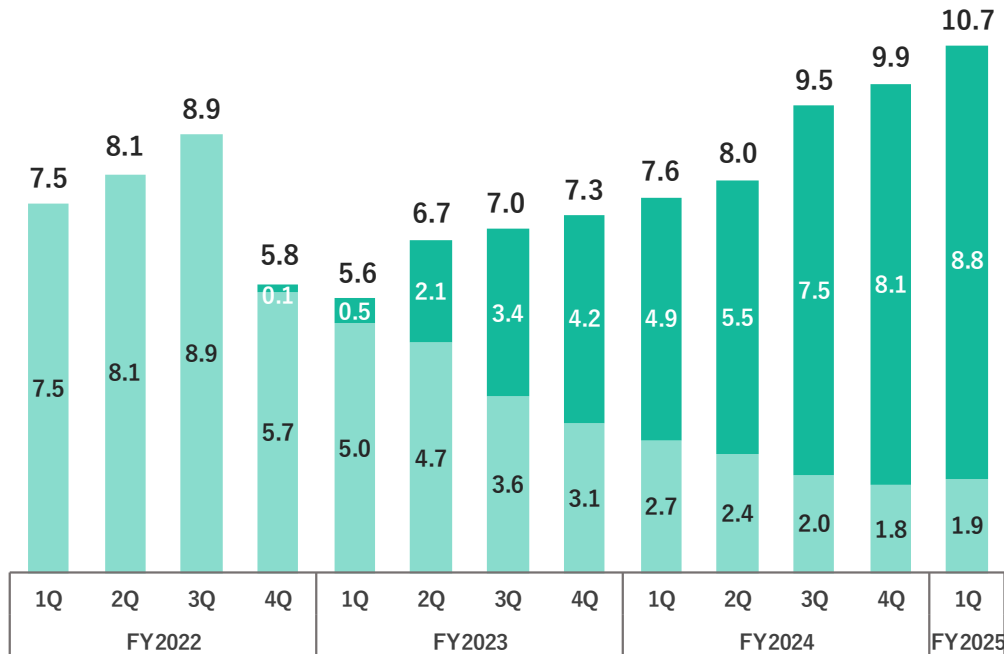
Contracts surpassed 10,000 for high voltage customers and 100,000 for low voltage customers as U-POWER continues to grow.

High voltage

YoY +40% QoQ + 8 %

(Thousand customer accounts)

■ USEN DENKI (High voltage) ■ U-POWER (High voltage)

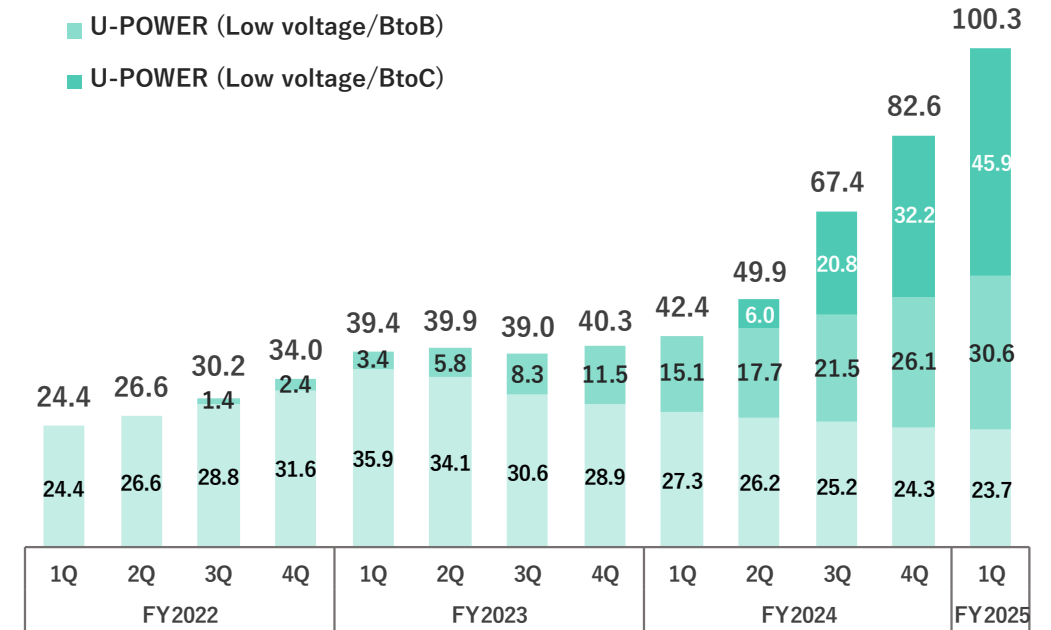


Low voltage

YoY +137% QoQ +21%

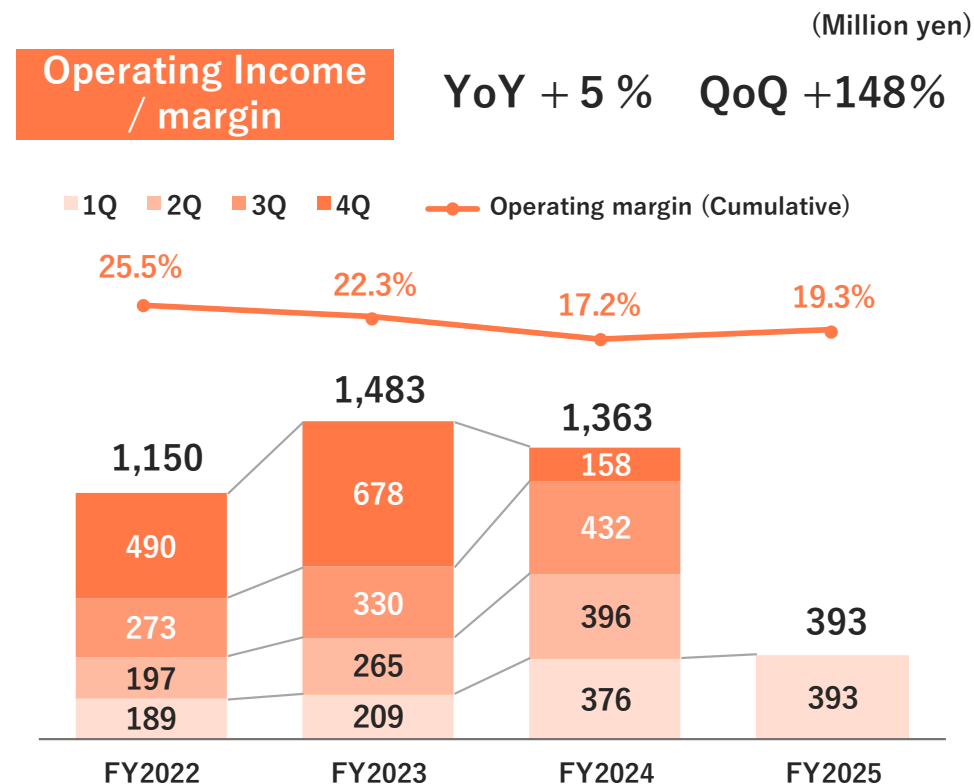
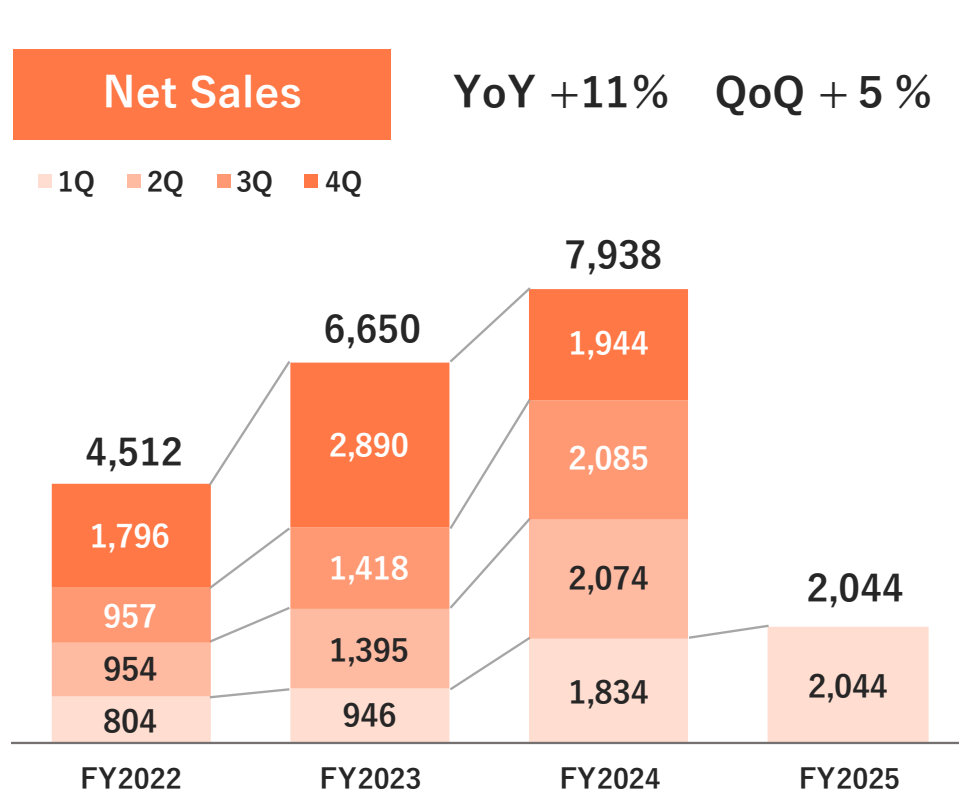
(Thousand customer accounts)

■ USEN DENKI (Low voltage)
■ U-POWER (Low voltage/BtoB)
■ U-POWER (Low voltage/BtoC)



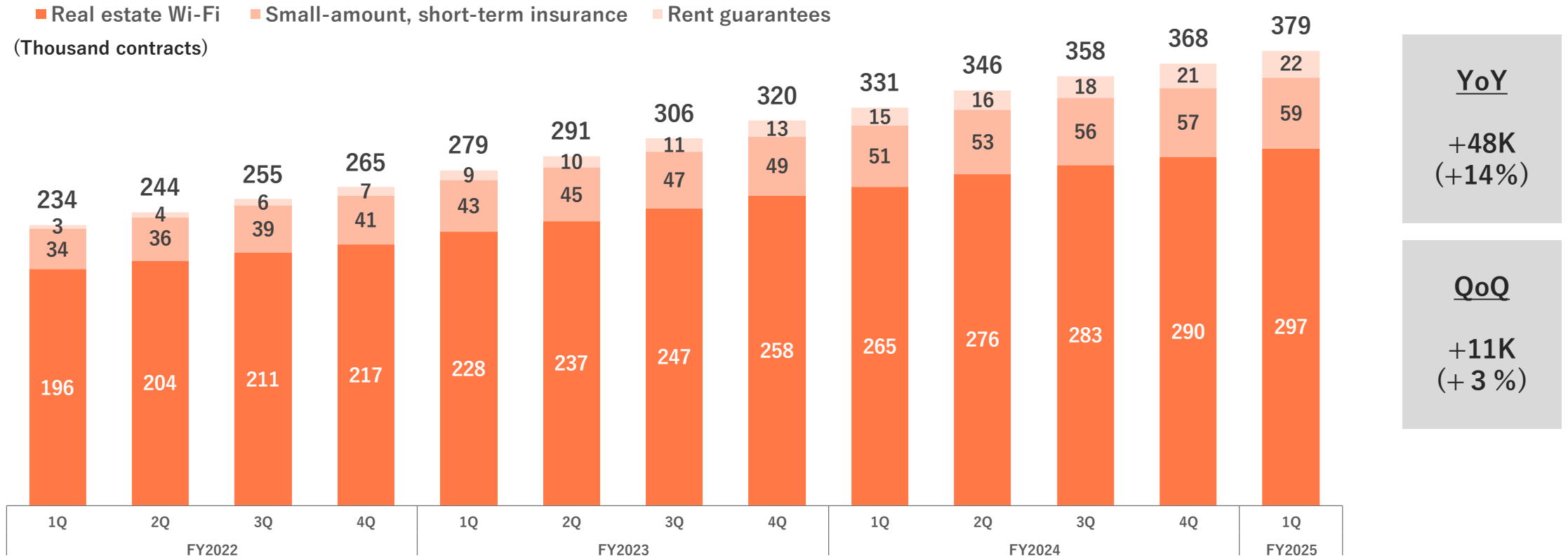
Financial, Realty & Global

- Real estate communication and rent guarantee sales and earnings increased YoY/QoQ and the first contribution of retail building operations in FY2025 1Q.
- Big increase in earnings QoQ following low earnings in FY2024 4Q caused by a one-time addition to the allowance in rent guarantee business.



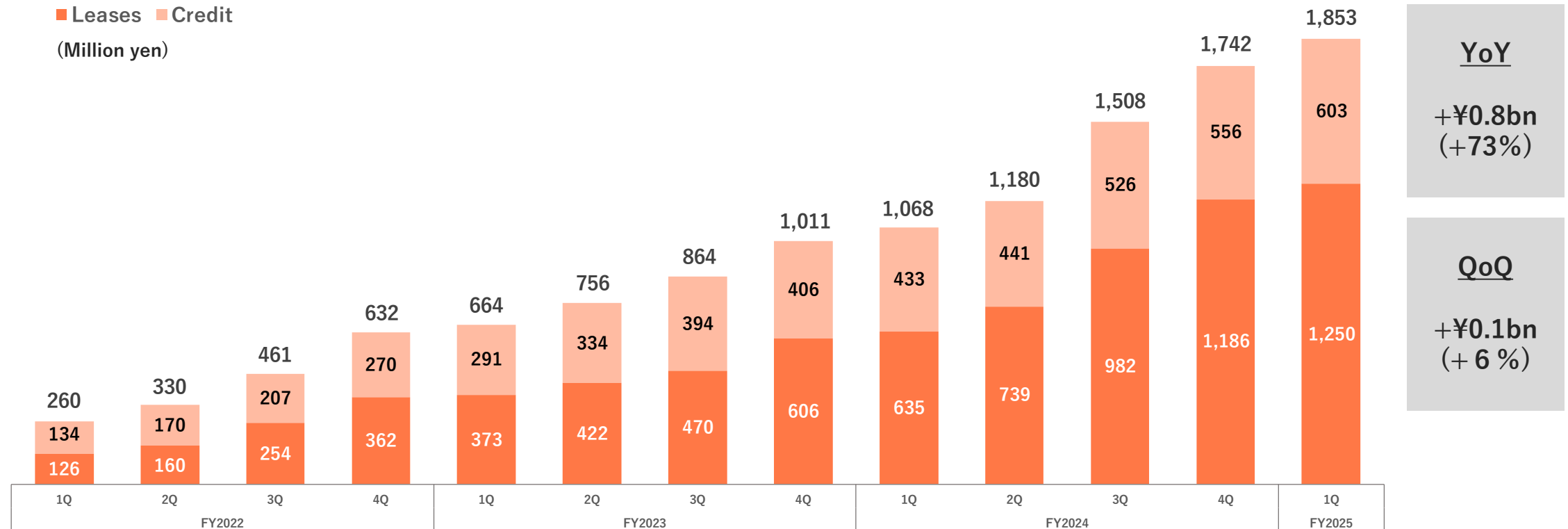
Financial, Realty & Global (Contracts for major products)

Consistent growth of all products with increases of 50,000 YoY and 10,000 QoQ.



(1) Financial (Leases / Credit for small-midsize companies and stores)

Credit extended to stores is increasing steadily; income from this business is recognized using the equity method.



3. Appendix

Topics: Outstanding IR Company 2024 – U-NEXT's first selection for this award

U-NEXT received a Prime Business Award in the Outstanding IR Company 2024 awards of the Japan Investor Relations Association.



- The Japan Investor Relations Association is a private-sector non-profit organization with the goals of increasing investor relations activities in Japan and improving the quality of these activities.
- The Outstanding IR Company 2024 awards recognize companies that have a sound understanding of the objectives of investor relations, conduct many investor relations activities, receive the strong support of market participants, and excel in terms of investor relations in other ways.

*Related Releases: <https://ssl4.eir-parts.net/doc/9418/tdnet/2528357/00.pdf>



- Reason for selection of U-NEXT (excerpt from Japan Investor Relations Association news release)
 - U-NEXT is increasing the provision of information that gives people an understanding of the company's diverse business activities, gives thorough explanations of reasons for changes in sales and earnings, progress regarding KPI goals and other subjects at information meetings, and has an IR section that replies quickly to questions from investors.
 - U-NEXT supplies materials with explanations of business segment business models, competitive superiority and other items and has activities to add new investor categories.
 - U-NEXT has many events and other activities by senior executives, enabling investors to hear the goals of these executives and giving investors many opportunities for a dialogue with management.

Segment overview

	Competitive edge	Growth strategy
Content Distribution	✓ No.2*1 market share in Japan. Unlimited viewing coverage with the absolute No.1*2 in content volume in Japan. ✓ Achieving high ARPU by offering a hybrid model of unlimited viewing and pay-per-use, as well as points equivalent to ¥1,200 per month. ✓ Integrated marketing covering the internet, mass media and conventional channels. ✓ Quick and flexible development capability due to a team of highly skilled engineers.	✓ A competitive edge due to the size of the content lineup rather than the production of original content. ✓ Unparalleled service that allows users to seamlessly enjoy the different categories of videos, books, and music and concerts, all in one app. ✓ Further expansion of exclusive titles. ✓ Enlarging and upgrading the sports and music category to make it a core category with movies, anime and dramas.
Store & Facility Solutions	✓ No.1 market share in Japan in the markets for providing music to stores and automatic payment kiosks to a variety of facilities. ✓ Stable profit structure backed by a solid customer base established during 60 years. ✓ Nationwide sales team of 1,400 and engineering team of 1,100; these internal resources facilitate fully integrated operations encompassing order receipt, delivery and maintenance services. ✓ A partner network of 17,000 companies for sending customers to these partners.	✓ Use a platform of communication environments for upselling more than 60 IoT/DX products and services. ✓ Focus on newly opened stores, where there is a high ratio of contracts for packages of services; use a cycle of stores that close and stores that open to replace these stores to establish upselling. ✓ Developing white space for business hotels/general hospitals/small and medium-sized medical institutions. ✓ Assemble a lineup of services that matches customers' needs.
Communication & Energy	✓ Provides multivendor ICT services by using a sales team for corporate customers. ✓ Uses direct sales and a network of 250 sales agents to sell broadband services to stores. ✓ Two categories of services: USEN DENKI for fixed-rate electricity and U-POWER for variable rate electricity. ✓ Able to revise with flexibility the lineup of electricity services in response to changes in the cost of purchasing electricity.	✓ Goal is steady growth backed by a lineup of corporate ICT services that match customers' needs. ✓ Increase sales of broadband services for stores to create more DX/IoT product cross-selling opportunities. ✓ Cost reductions with the electricity services, leading to cross-selling of other Group's products. ✓ The Group's diverse sales channels and large number of customers can be used effectively to sell electricity, which is essential for every home and business.
Financial, Realty & Global	✓ A variety of financial services for stores. ✓ Specializes in the retail/commercial building category; no office or residential properties. ✓ Global activities are mainly activities targeting demand involving foreign tourists in Japan; no emphasis on overseas operations.	✓ Provision of integrated cashless payment service, including acquirer and payment processing activities; more customers due to greater convenience and more opportunities for cross-selling other Group products. ✓ In addition to receiving lease payments from tenants, create opportunities for cross-selling other Group products. ✓ Create services and businesses that span demand involving foreign tourists in Japan and the use of the U-NEXT Group's resources.

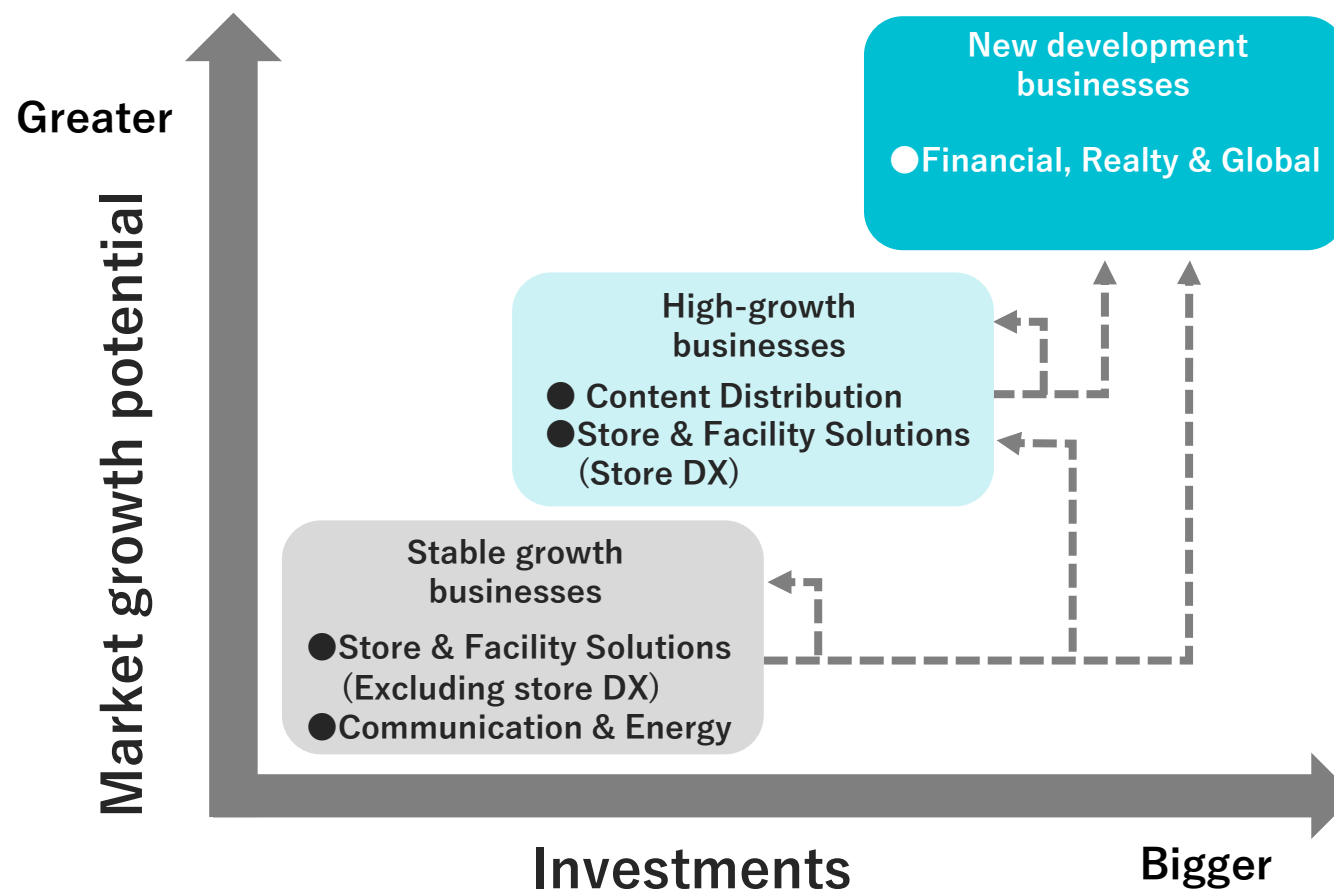
*Source: *1 GEM Partners Video on Demand Market Five-year Forecast Reports

*2 GEM Partners, September 2024

Portfolio management

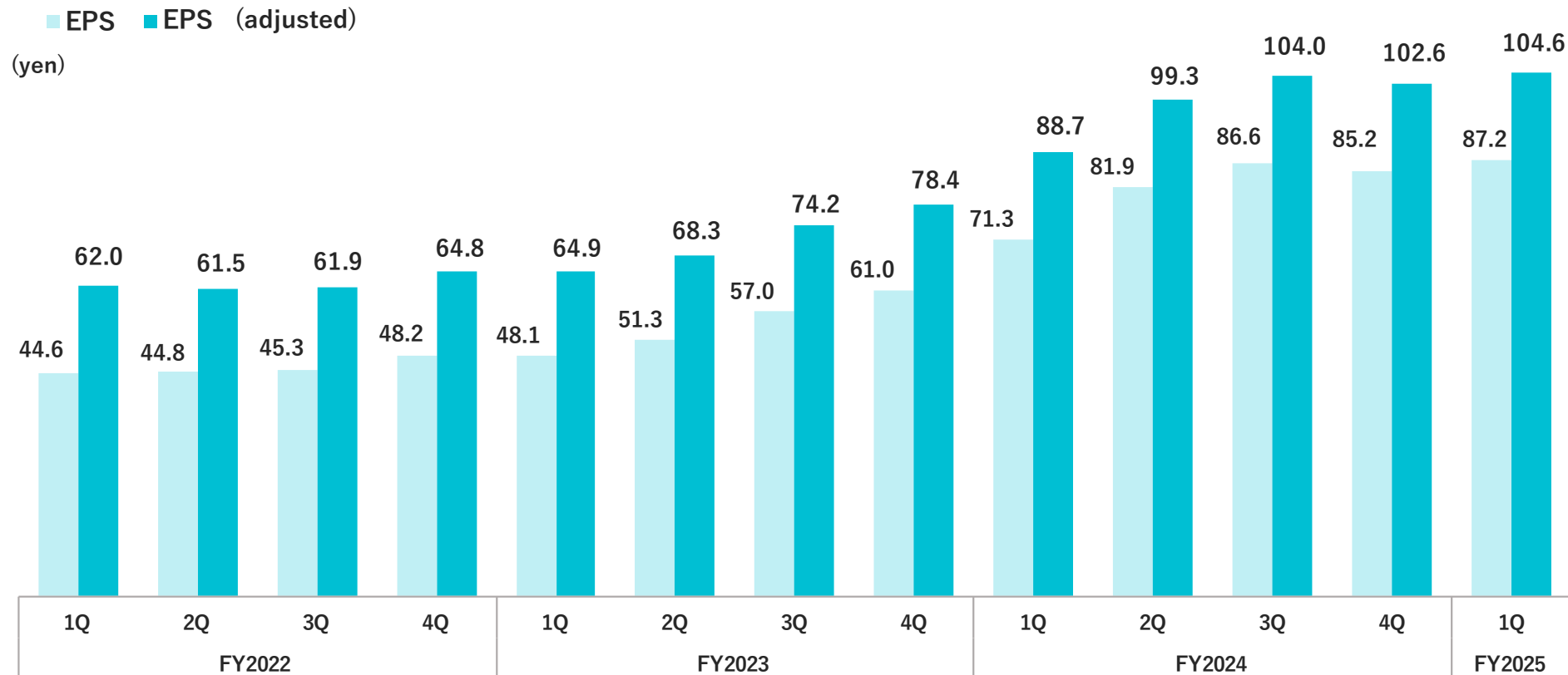
Sustained growth backed by use of stable business cash flows for large investments for High-growth businesses and New development businesses.

【Disclosure segments】



EPS (LTM)

A small increase due to YoY growth of net income.



EPS
(adjusted)

YoY +¥2.0
(Quarter)

QoQ +¥12.3

EPS

YoY +¥2.0
(Quarter)

QoQ +¥12.3

*LTM: Last Twelve Month

Consolidated balance sheet

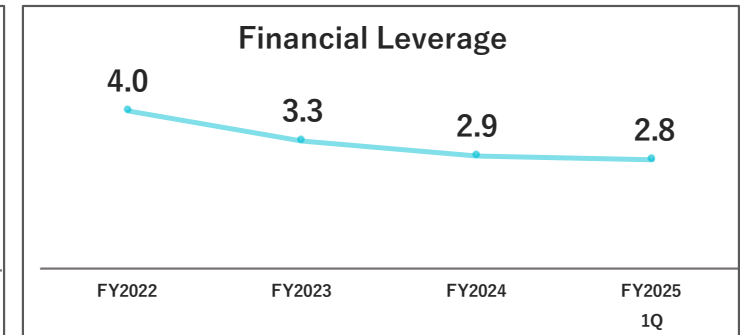
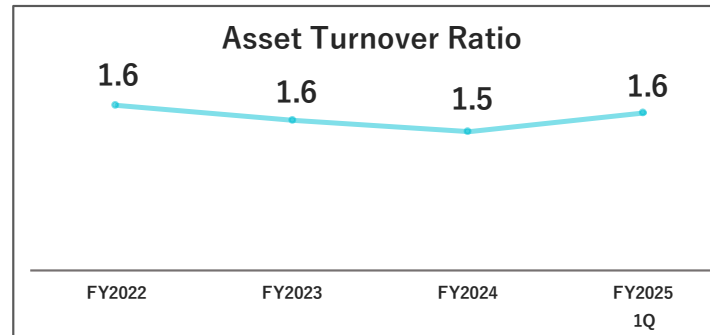
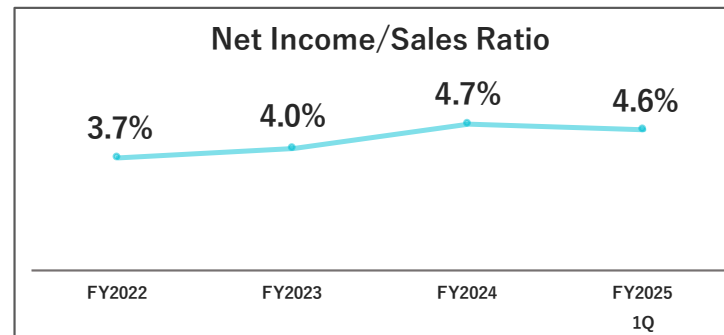
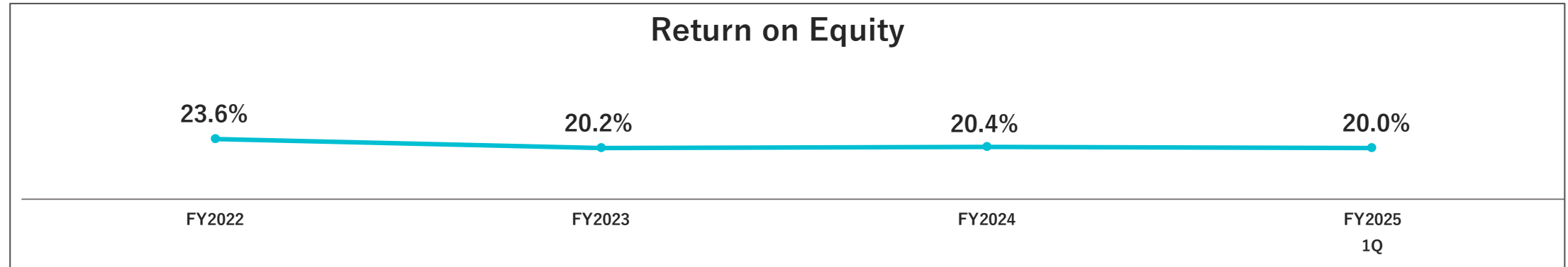
- **Current assets:** Receivables down due to a seasonal change in electricity use; prepaid expenses up due mainly to content procurement expenditures.
- **Non-current assets:** No change overall with some changes in individual items.
- **Liabilities:** Payables up due to delays of some payments because the 1Q ended on a weekend; other current liabilities down mainly because of a decrease in income taxes payable.
- **Net assets:** Equity is increasing as net income remains strong, with dividend payments offsetting some of this increase.

(Million yen)	FY2024	FY2025 1Q	Difference
(Assets)			
Current assets	150,218	152,601	+ 2,383
Cash and deposits	52,738	54,665	+ 1,927
Notes and accounts receivable-trade	41,246	37,471	▲3,775
Inventories	11,302	11,998	+ 696
Prepaid expenses	40,694	44,048	+ 3,353
Other	4,236	4,418	+ 182
Non-current assets	78,743	78,693	▲50
Property, plant and equipment	21,056	21,889	+ 832
Intangible assets	47,194	46,978	▲216
Goodwill	39,490	38,703	▲787
Other	7,704	8,275	+ 571
Investment and other assets	10,491	9,825	▲667
Total assets	228,962	231,294	+ 2,332

(Million yen)	FY2024	FY2025 1Q	Difference
(Liabilities)			
Current liabilities	71,529	70,855	▲674
Notes and accounts payable-trade	33,686	36,417	+ 2,730
Short-term loans payable	-	-	-
Current portion of long-term loans payable	3,066	3,081	+ 15
Other	34,776	31,357	▲3,419
Non-current liabilities	65,399	64,954	▲444
Bonds payable	10,000	10,000	± 0
Long-term loans payable	49,822	49,488	▲334
Other	5,576	5,466	▲110
Total liabilities	136,928	135,810	▲1,118
(Net assets)			
Shareholder's equity	81,729	84,855	+ 3,125
Capital stock	99	99	± 0
Capital surplus	29,786	29,786	± 0
Retained earnings	51,843	54,968	+ 3,125
Treasury stock	-0	-0	± 0
Valuation and translation adjustments	138	135	▲2
Non-controlling interests	10,166	10,493	+ 327
Total net assets	92,033	95,484	+ 3,450
Total liabilities and net assets	228,962	231,294	+ 2,332

Return on equity (LTM)

No significant changes in ROE and three components.



*Return on Equity: Net Income/Sales ratio × Asset Turnover ratio × Financial Leverage

*Net Income/Sales ratio: Profit or Loss attributable to owners of parent / Net Sales

*Asset Turnover Ratio: Net Sales / Total assets

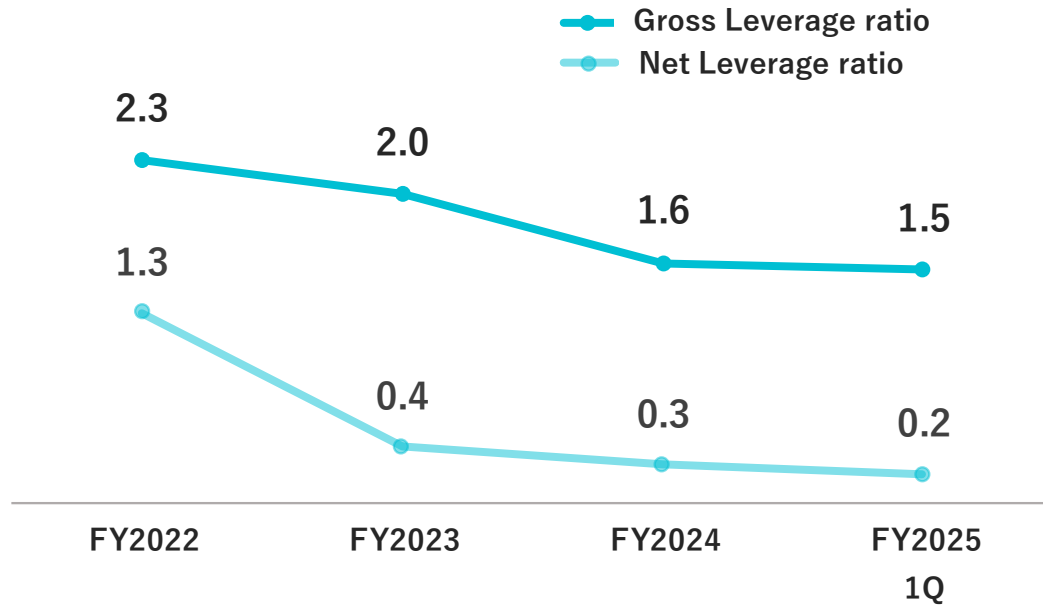
*Financial Leverage: Total assets / (Net assets – Subscription rights to shares – Non-controlling interests)

Leverage ratio (LTM)/Debt/Equity ratio

Small decreases in the leverage ratio and debt/equity ratio because of increases in EBITDA and equity.

Leverage Ratio (LTM)

(times)



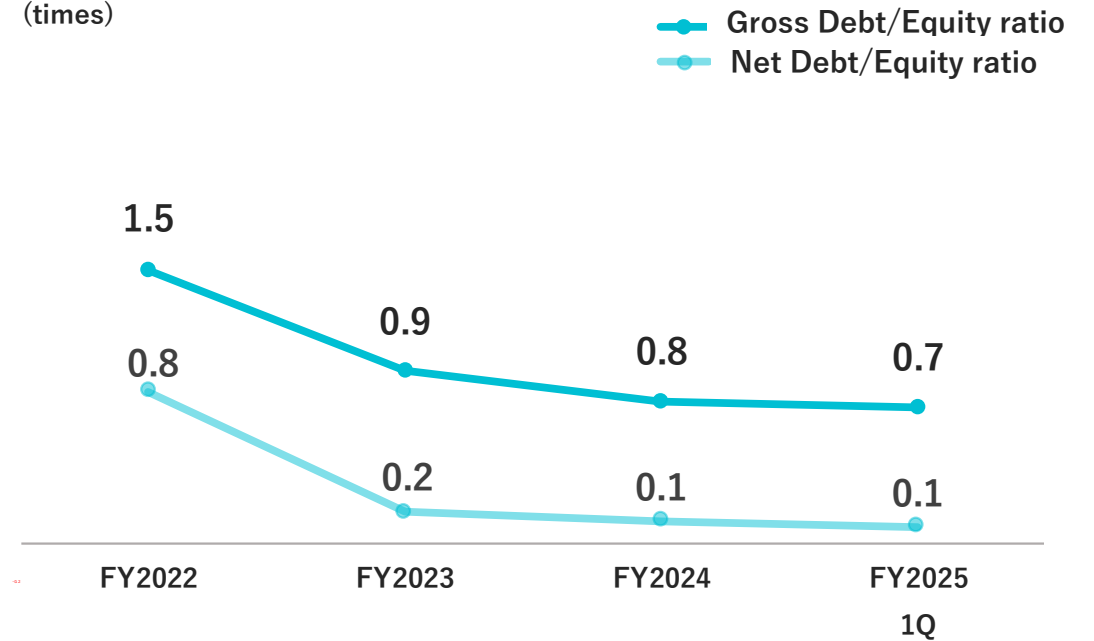
*LTM : Last Twelve Month

*Gross Leverage ratio : Debt / EBITDA

*Net Leverage ratio : (Debt – Cash) / EBITDA

Debt/Equity Ratio

(times)



*Gross Debt/Equity ratio : Debt / Shareholder's equity

*Net Debt/Equity ratio : (Debt – Cash) / Shareholder's equity

Equity spread & EVA spread

(Billion yen)		FY2022 Actual	FY2023 Actual	FY2024 Actual	FY2025 Forecast	Remarks
ROE	① = ② / ③	23.6%	20.2%	20.4%	18.8%	Small increase in FY2024
Net Income	- ②	8.7	11.0	15.4	16.7	
Shareholder's equity (Average)	- ③	36.5	54.0	74.9	88.9	
ROIC	④ = (⑤ × (1 - ⑥)) / (③ + ⑦)	11.3%	11.9%	13.5%	12.7%	Big increase in FY2024
Operating Income	- ⑤	17.3	21.6	29.1	31.0	
Effective tax rate	- ⑥	36%	36%	36%	36%	
Shareholder's equity (Average)		36.5	54.0	74.9	88.9	
Debt (Average)	- ⑦	61.7	61.7	63.4	66.7	Increased because of funds procured for M&A and real estate purchases
Cost of capital	⑧ = ⑨ + (⑩ × ⑪)	10.3%	10.6%	7.2%	7.2%	FY2024 was down significantly from previous year (no change expected in FY2025)
10-year Japanese gov't bond	- ⑨	0.2%	0.7%	0.9%	0.9%	Based on the last day of each fiscal year
Market risk premium	- ⑩	7.4%	7.0%	5.5%	5.5%	Average of each fiscal year
Shareholder beta	- ⑪	1.36	1.42	1.15	1.15	60 months with 95% confidence interval
WACC	⑫ = ⑧ × ⑬ + ⑭ × ⑮	4.8%	5.9%	4.5%	4.5%	Equity ratio is increasing (more financial soundness)
Cost of shareholder's equity		10.3%	10.6%	7.2%	7.2%	
Shareholders' equity ratio	- ⑬	40%	52%	57%	58%	
Cost of dept	- ⑭	1.1%	0.8%	1.0%	0.9%	
Debt to Total Assets	- ⑮	60%	48%	43%	42%	
Equity spread	① - ⑧	13.3%	9.5%	13.3%	11.6%	
EVA spread	④ - ⑫	6.5%	6.1%	8.9%	8.2%	

*To eliminate the short-term volatility of shareholder beta, only 60 months is used. Previously, beta was calculated using 52 weeks, 104 weeks, 36 months and 60 months periods.

Forward-looking Statements

This presentation includes opinions, forecasts and other statements that are based on the judgments of management when this presentation was prepared.

As this information incorporates risk factors and other uncertainties, U-NEXT HOLDINGS makes no promise that this information is accurate or complete.



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Selected for FY2021-2024