



Summary of Second Quarter of Fiscal Year Ending August 2025

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

April 10, 2025

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1. Overview of 2Q results of operations

Executive summary

First half and quarterly record highs for sales and earnings at all levels.

Record-high first half performance for Content Distribution and Store & Facility Solutions.

All-time highs on a quarterly basis in Communication & Energy.

Despite expecting the impact of recent macroeconomic trends on our company to be minimal, no change in the FY2025 forecast.

Consolidated financial summary (vs. Forecast)

- First half sales and earnings at all levels were more than 50% of the FY2025 forecasts.
- EBITDA-CAPEX down mainly due to the purchase of stock of a subsidiary (¥3.2 billion).

(Million yen)	FY2025 Forecast	FY2025 2 Q	Progress
Net Sales	360,000	186,782	52%
Operating Income	31,000	16,608	54%
Operating Margin (%)	8.6%	8.9%	-
Ordinary Income	30,000	16,620	55%
Profit or Loss attributable to owners of parent	16,700	9,436	57%
Profit of Loss attributable to owners of parent [Adjusted]	19,850	11,062	56%
EBITDA	42,500	21,946	52%
EBITDA Margin	11.8%	11.7%	-
EBITDA-CAPEX	10,300	2,226	22%

Consolidated financial summary (YoY)

- Sales up 23% and high single-digit growth of earnings at all levels.
- EBITDA-CAPEX down mainly due to business investments (purchase of real estate and development of a new POS register service) and the purchase of stock of a subsidiary.

(Million yen)	FY2024 2 Q	FY2025 2 Q	YoY	YoY (Ratio)
Net Sales	152,249	186,782	+34,533	23%
Operating Income	15,813	16,608	+794	5%
Operating Margin (%)	10.4%	8.9%	-	-
Ordinary Income	15,323	16,620	+1,296	8%
Profit or Loss attributable to owners of parent	8,727	9,436	+709	8%
Profit of Loss attributable to owners of parent [Adjusted]	10,299	11,062	+763	7%
EBITDA	20,665	21,946	+1,280	6%
EBITDA Margin	13.6%	11.7%	-	-
EBITDA-CAPEX	7,850	2,226	▲5,623	▲72%

Segment information (vs. Forecast)

- Store & Facility Solutions and Financial, Realty & Global performance far exceeded the forecasts.
- Communication & Energy earnings were below half of the FY2025 forecast but higher than the first half forecast.

(Million yen)		FY2025 Forecast	FY2025 2 Q	Progress
Content Distribution	Net Sales	122,100	62,455	51%
	Operating Income	9,800	5,815	59%
	Operating Margin	8.0%	9.3%	-
Store & Facility Solutions	Net Sales	93,100	49,191	53%
	Operating Income	14,700	9,199	63%
	Operating Margin	15.8%	18.7%	-
Communication & Energy	Net Sales	142,100	73,784	52%
	Operating Income	13,600	5,445	40%
	Operating Margin	9.6%	7.4%	-
Financial, Realty & Global	Net Sales	8,700	4,936	57%
	Operating Income	1,400	795	57%
	Operating Margin	16.1%	16.1%	-
Adjustment	Net Sales	-6,000	-3,584	60%
	Operating Income	-8,500	-4,648	55%

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

Segment information (YoY)

- Higher sales and earnings in all segments except Communication & Energy.
- Communication & Energy sales up but earnings down mainly because of capacity payments. The 1H earnings decline is much smaller than at the end of the 1Q.

(Million yen)		FY2024 2 Q	FY2025 2 Q	YoY	YoY (Ratio)
Content Distribution	Net Sales	53,048	62,455	+9,406	18%
	Operating Income	4,420	5,815	+1,394	32%
	Operating Margin	8.3%	9.3%	-	-
Store & Facility Solutions	Net Sales	45,200	49,191	+3,990	9%
	Operating Income	7,893	9,199	+1,305	17%
	Operating Margin	17.5%	18.7%	-	-
Communication & Energy	Net Sales	52,700	73,784	+21,084	40%
	Operating Income	6,470	5,445	▲1,024	▲16%
	Operating Margin	12.3%	7.4%	-	-
Financial, Realty & Global	Net Sales	4,260	4,936	+676	16%
	Operating Income	733	795	+61	8%
	Operating Margin	17.2%	16.1%	-	-
Adjustment	Net Sales	-2,961	-3,584	▲623	21%
	Operating Income	-3,705	-4,648	▲943	25%

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

Net Sales/Operating Income/EBITDA

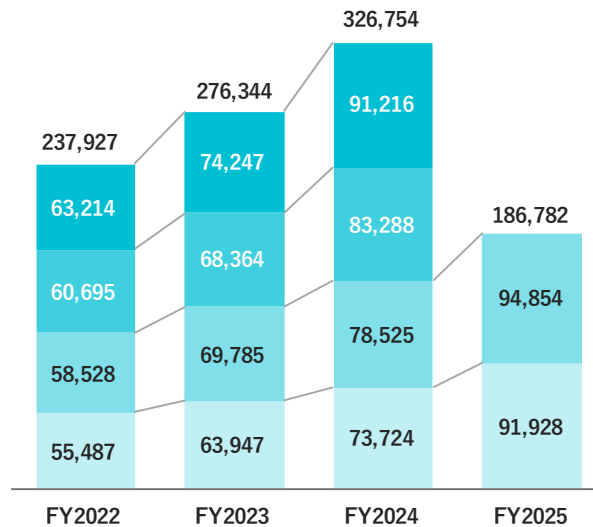
All-time quarterly and first half highs for sales, operating income and EBITDA.

(Million yen)

Net Sales

YoY +23% QoQ + 3 %

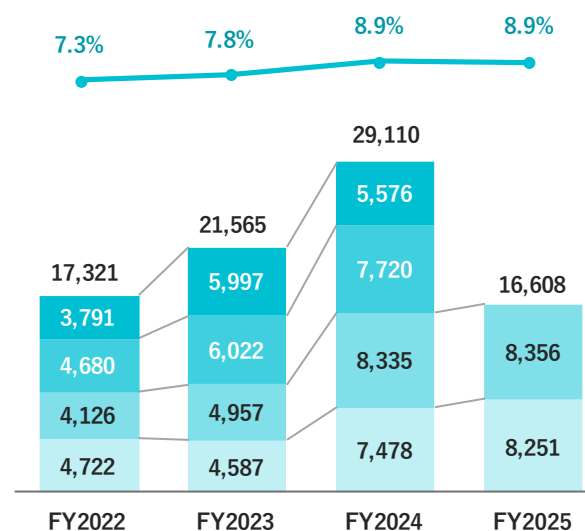
1Q 2Q 3Q 4Q



Operating Income / margin

YoY + 5 % QoQ + 1 %

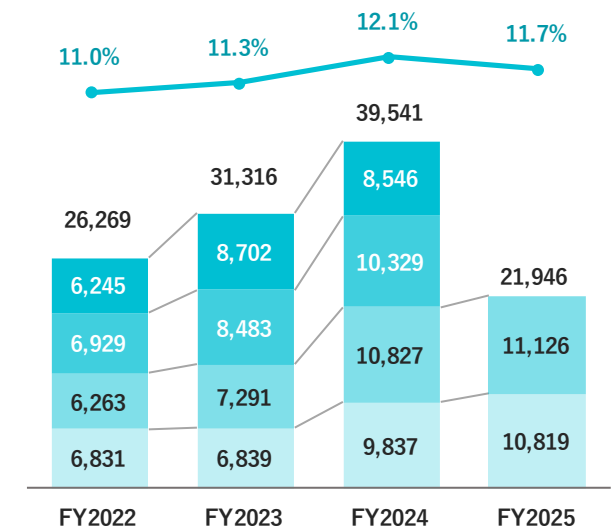
1Q 2Q 3Q 4Q Operating margin (cumulative)



EBITDA / margin

YoY + 6 % QoQ + 3 %

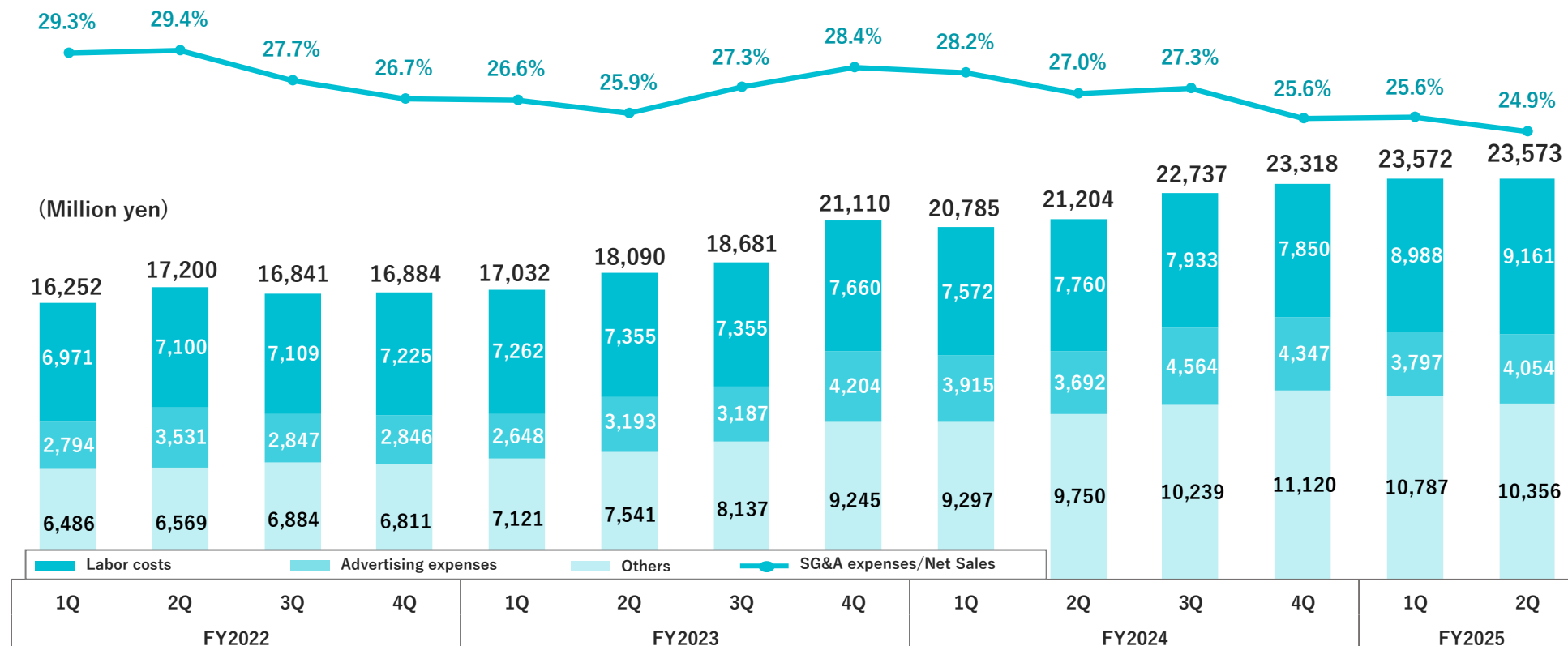
1Q 2Q 3Q 4Q EBITDA margin (cumulative)



EBITDA = Operating Income + Depreciation + Amortization of goodwill

SG&A expenses

- Expenses increased YoY because of the growth of business activities but decreased to below 25% of sales.
- No QoQ change as higher personnel and advertising expenses were offset by lower payments for M&A services and other items.



SG&A ratio

YoY ▲ 2 pt
(Quarter)

QoQ ▲ 0 pt

SG&A

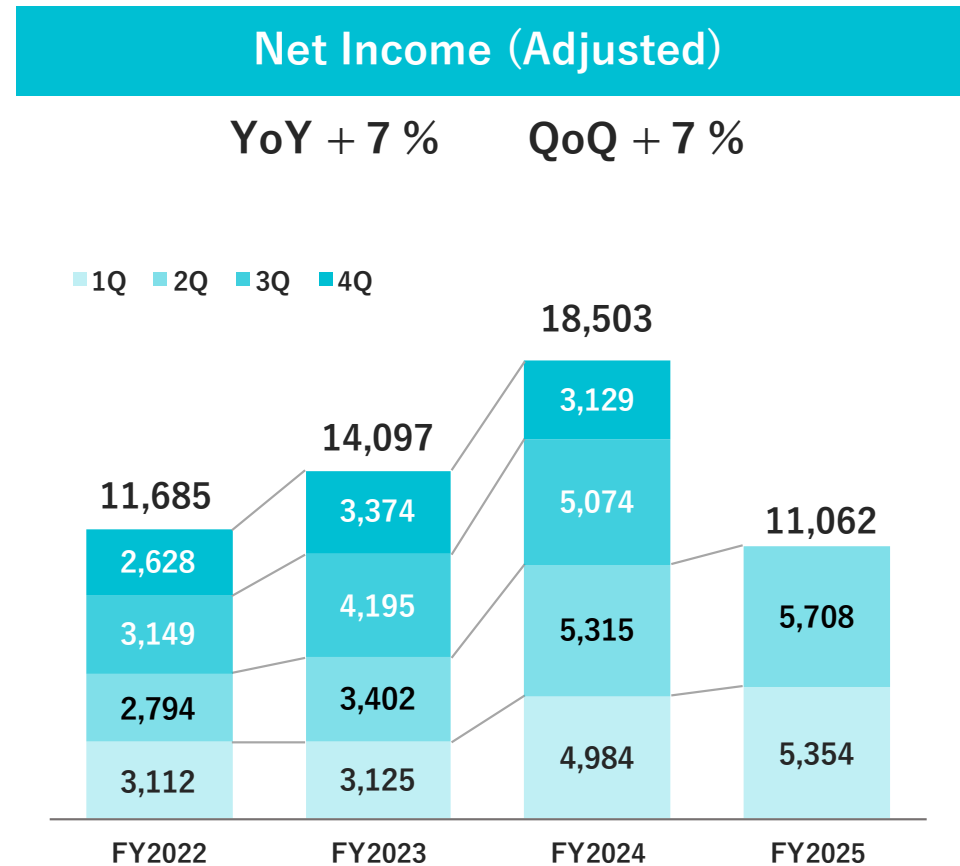
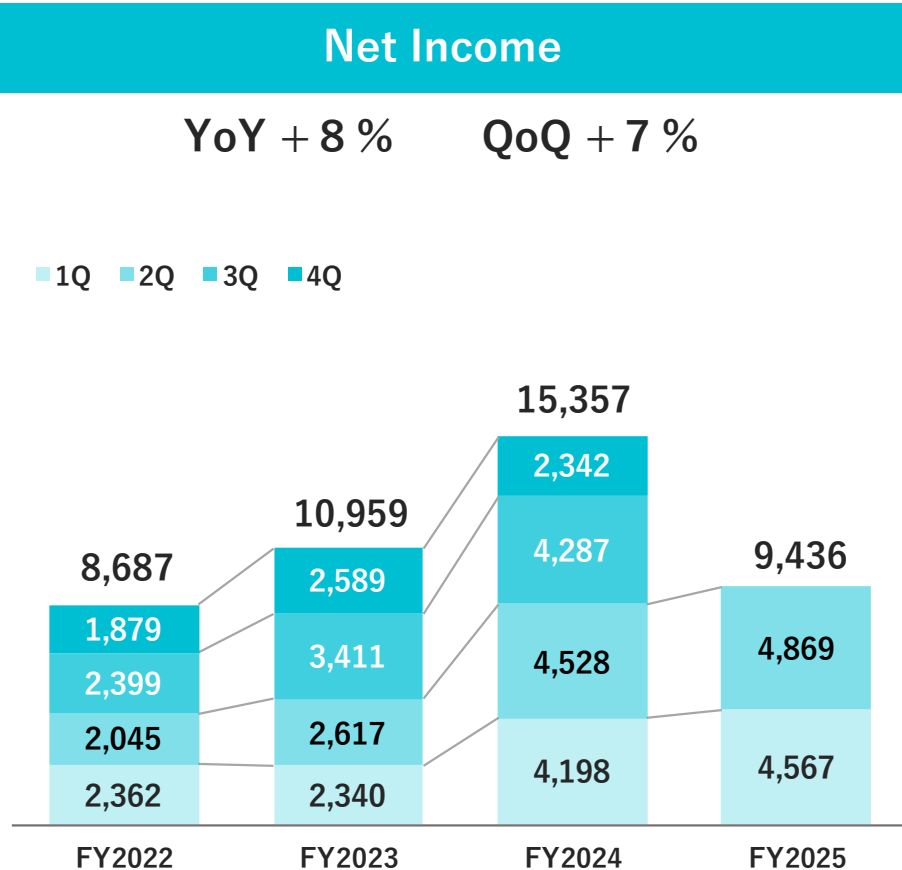
YoY +11%
(Quarter)

QoQ + 0 %

Net Income

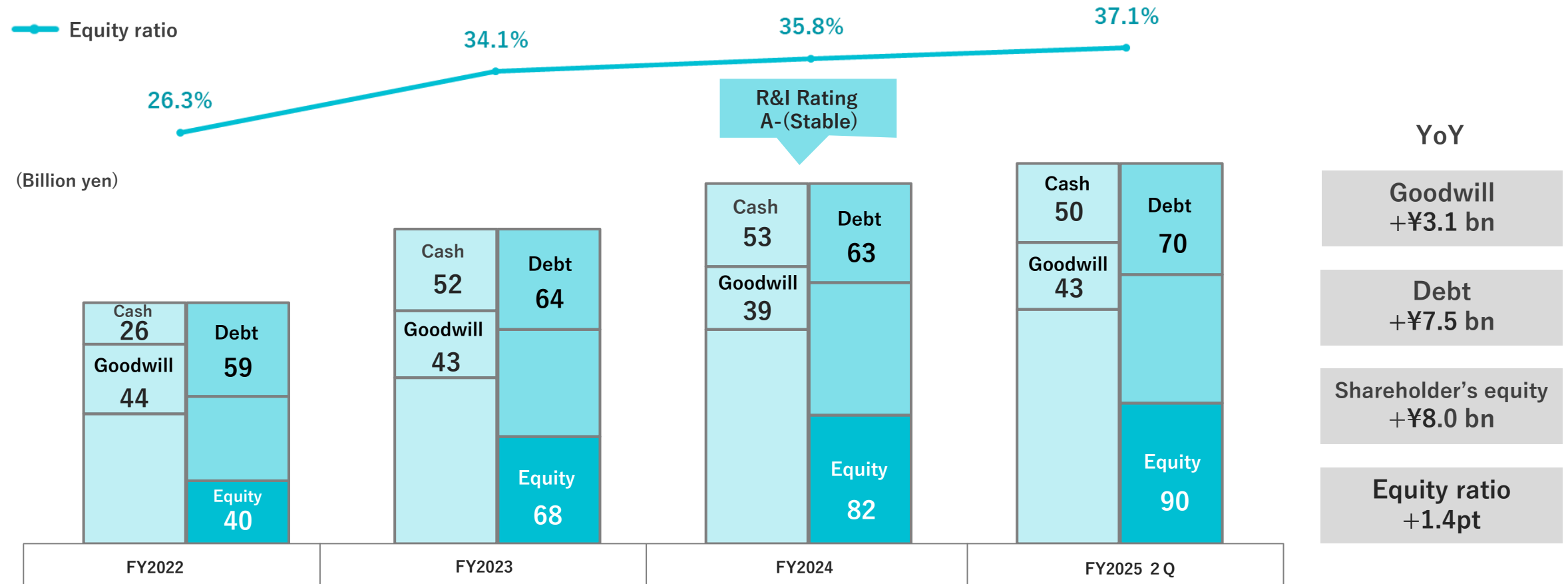
Increased YoY/QoQ and reached record highs for a first half and a quarter.

(Million yen)



Consolidated balance sheet

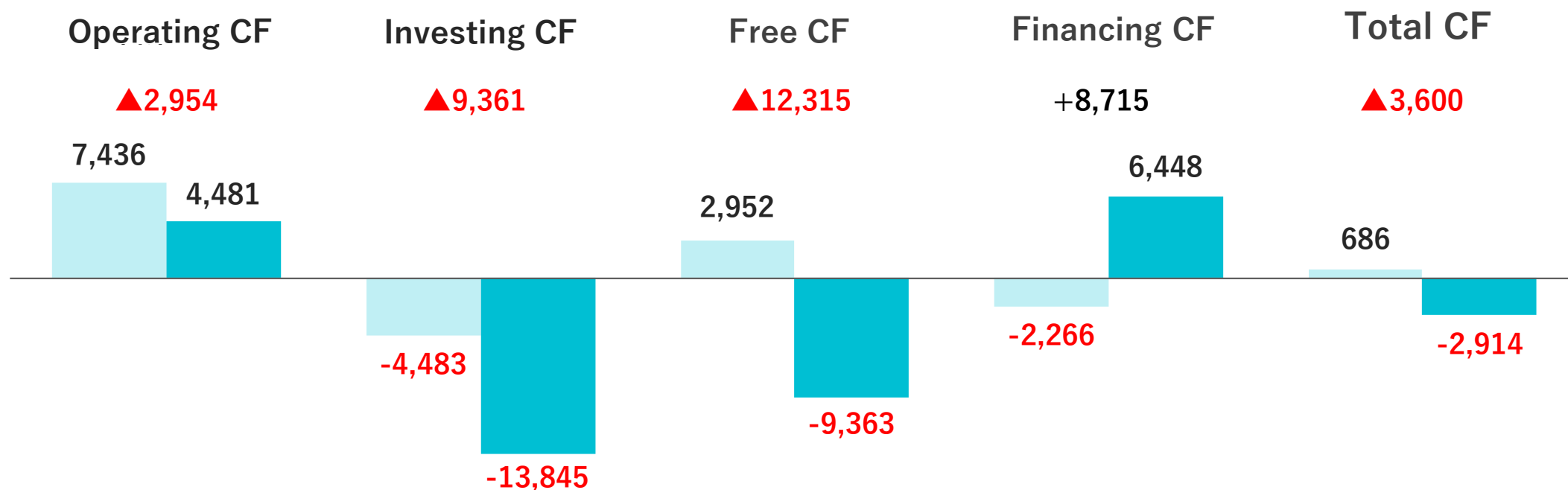
Equity ratio of more than 37% as debt and equity increased.



Consolidated cash flows (YoY summary)

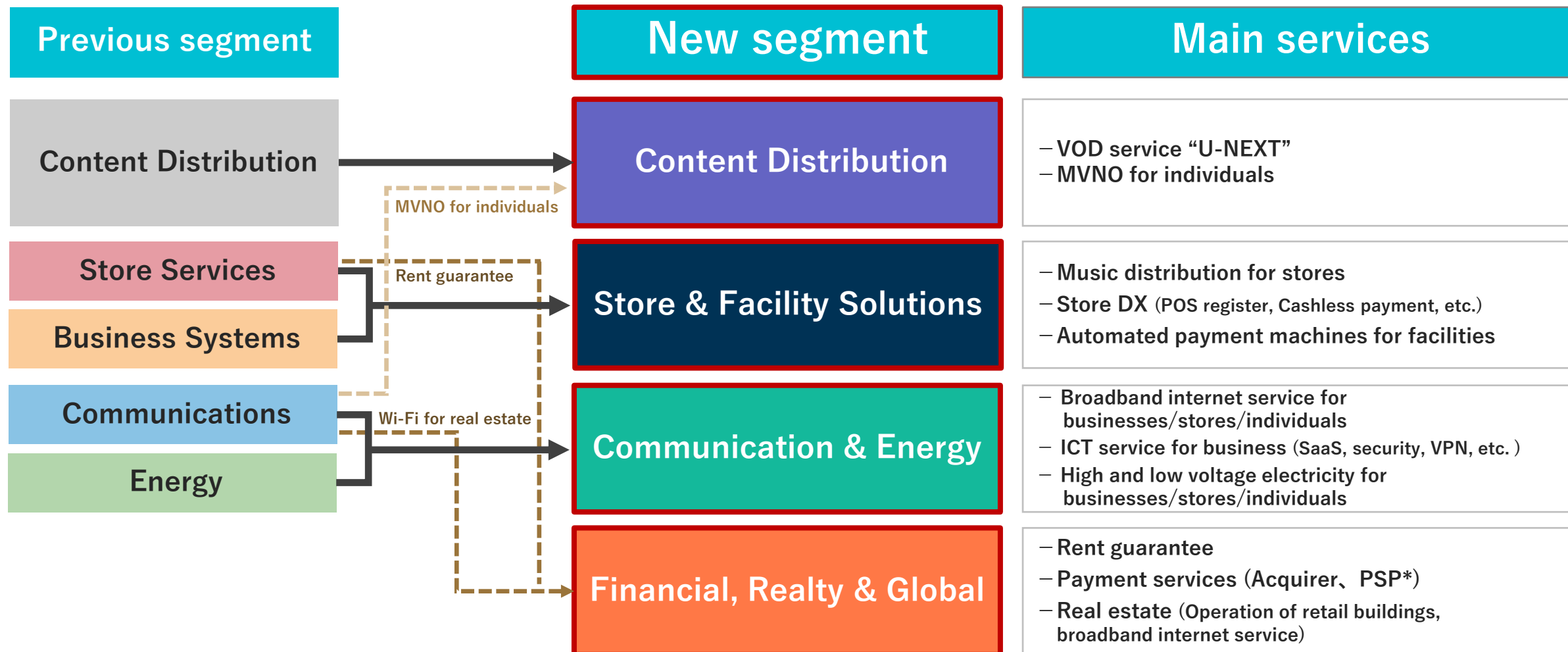
- Operating CF : Down with earnings up ¥1.1bn but income taxes payable up ¥3.7bn (including a 1.5 billion increase due to tax law revisions).
- Investing CF : Cash used increased as investments were up ¥6.0bn due mainly to the purchase of a commercial building and development of a new POS register and to ¥3.2bn purchase of subsidiary stock.
- Free CF : Down to negative ¥9.4bn as operating CF decreased and negative investing CF increased.
- Financing CF : New loans to fund subsidiary stock purchases (¥6.5bn) and purchase of a commercial building (¥2.6bn).

■ FY2024 2Q ■ FY2025 2Q



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
4.6M



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 2 Q results of operations

Content Distribution

(YoY) Big increases in sales and earnings due to 400,000 more subscribers and the popularity of the soccer package.
(QoQ) Sales increased but higher expenses for content and advertising reduced earnings.

Store & Facility Solutions

(YoY) Big increases in sales and earnings due to strong performance in store solutions of music distribution and DX services.
(QoQ) Sales and earnings down because of slow store solutions initial sales and decline in demand in facility solutions involving new Japanese banknotes.

Communication & Energy

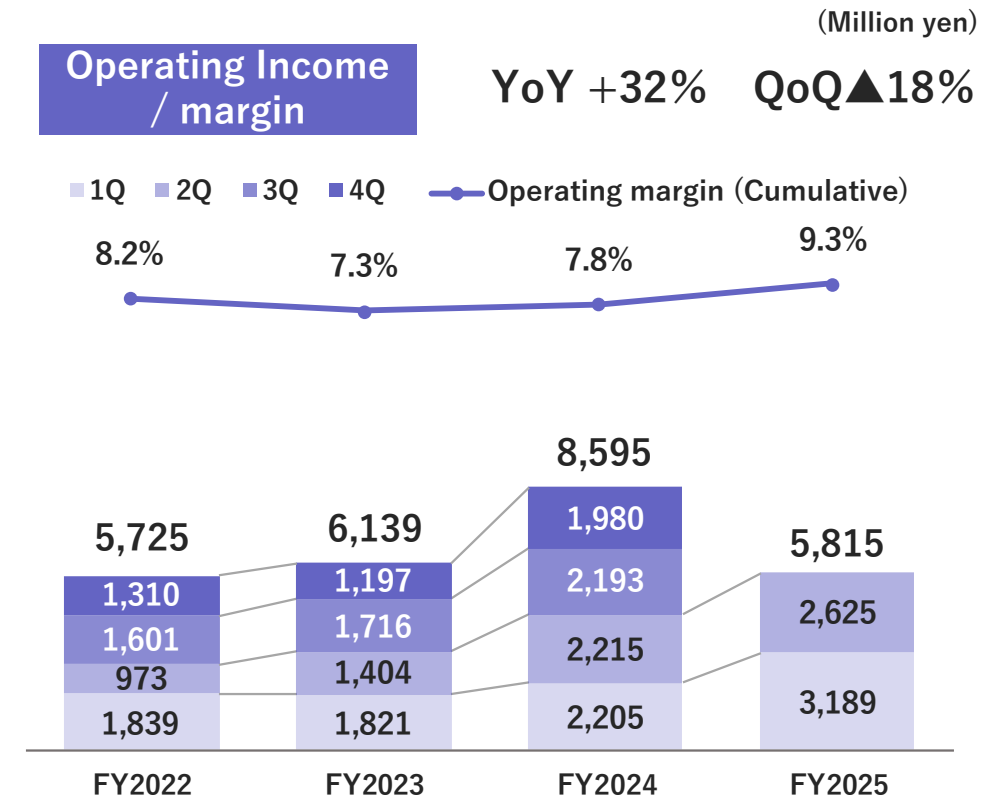
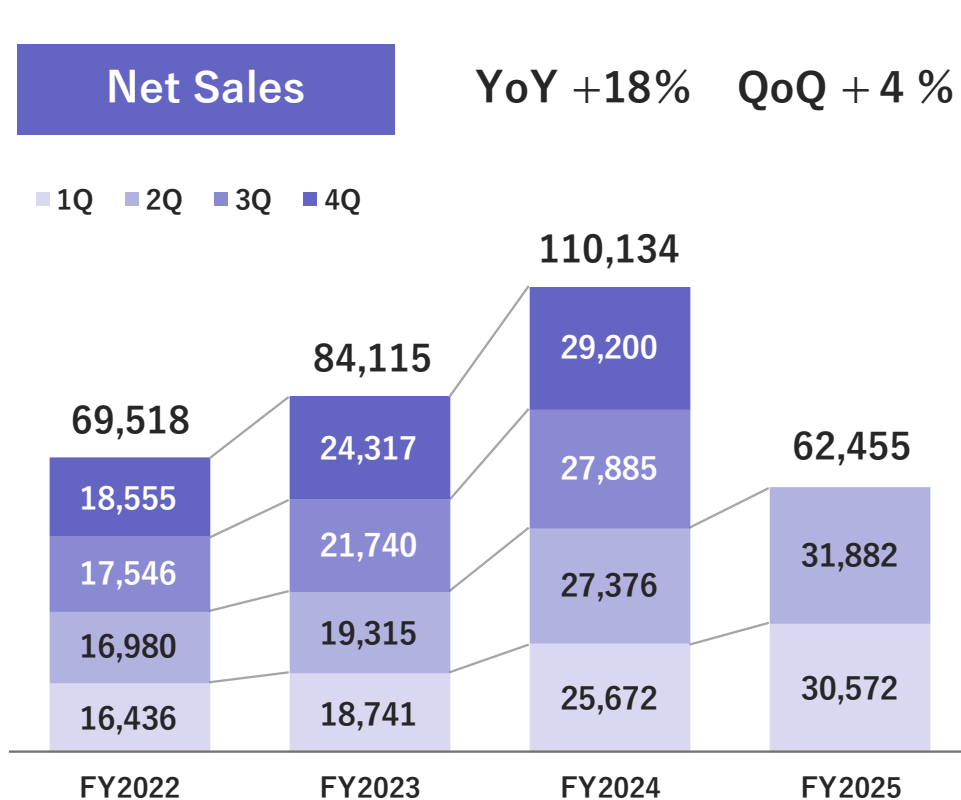
(YoY) Big increase in energy sales due to larger number of customers but higher expenses, mainly for capacity payments, brought down earnings.
(QoQ) Big increases in sales and earnings backed by seasonal upturn in electricity use during the winter.

Financial, Realty & Global

(YoY) Sales and earnings increased because of the growth of real estate communication services, rent guarantees and commercial building operations.
(QoQ) The cashless payment business that was acquired beginning in the 2 Q started with a small loss.

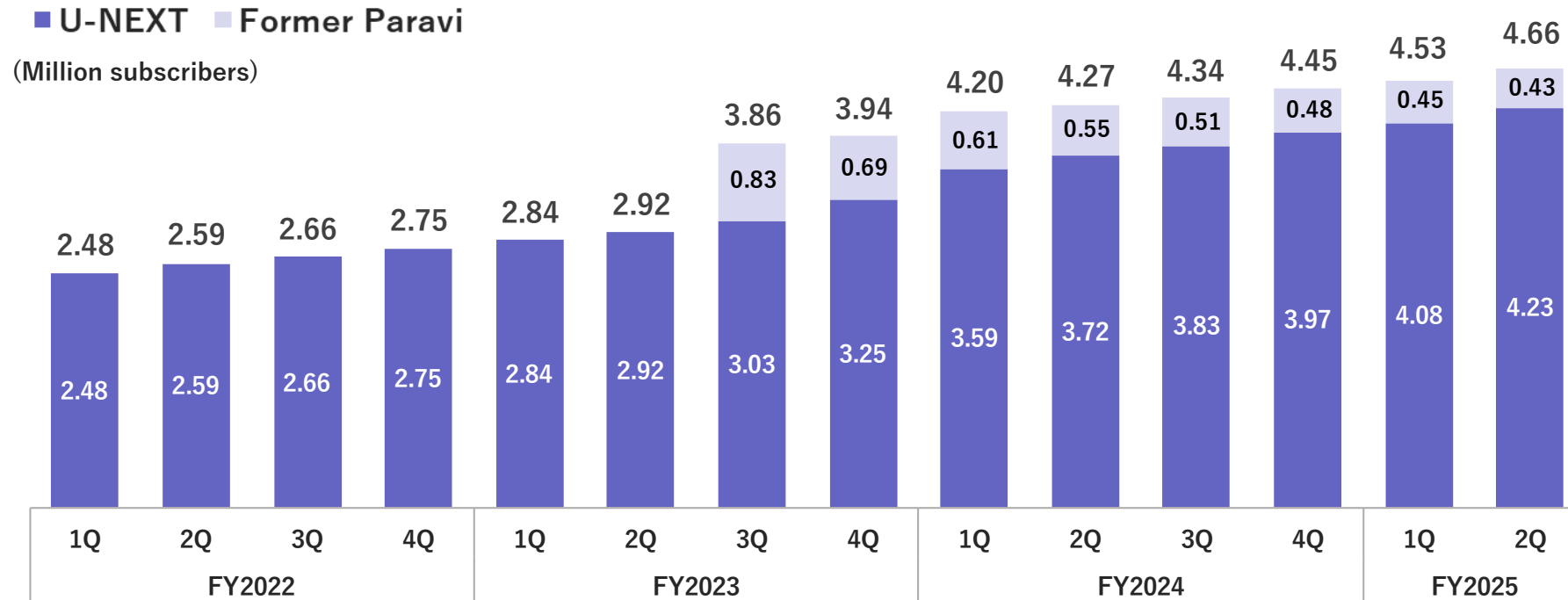
Content Distribution

- Record first half performance driven by more subscribers, the popularity of the soccer package and other factors.
- Earnings down QoQ because of higher expenses for content and advertising.



Content Distribution (Subscribers)

More than 4.6 million subscribers with increases of 390,000 YoY and 130,000 QoQ.



YoY

+390K
(+ 9 %)

QoQ

+130K
(+ 3 %)

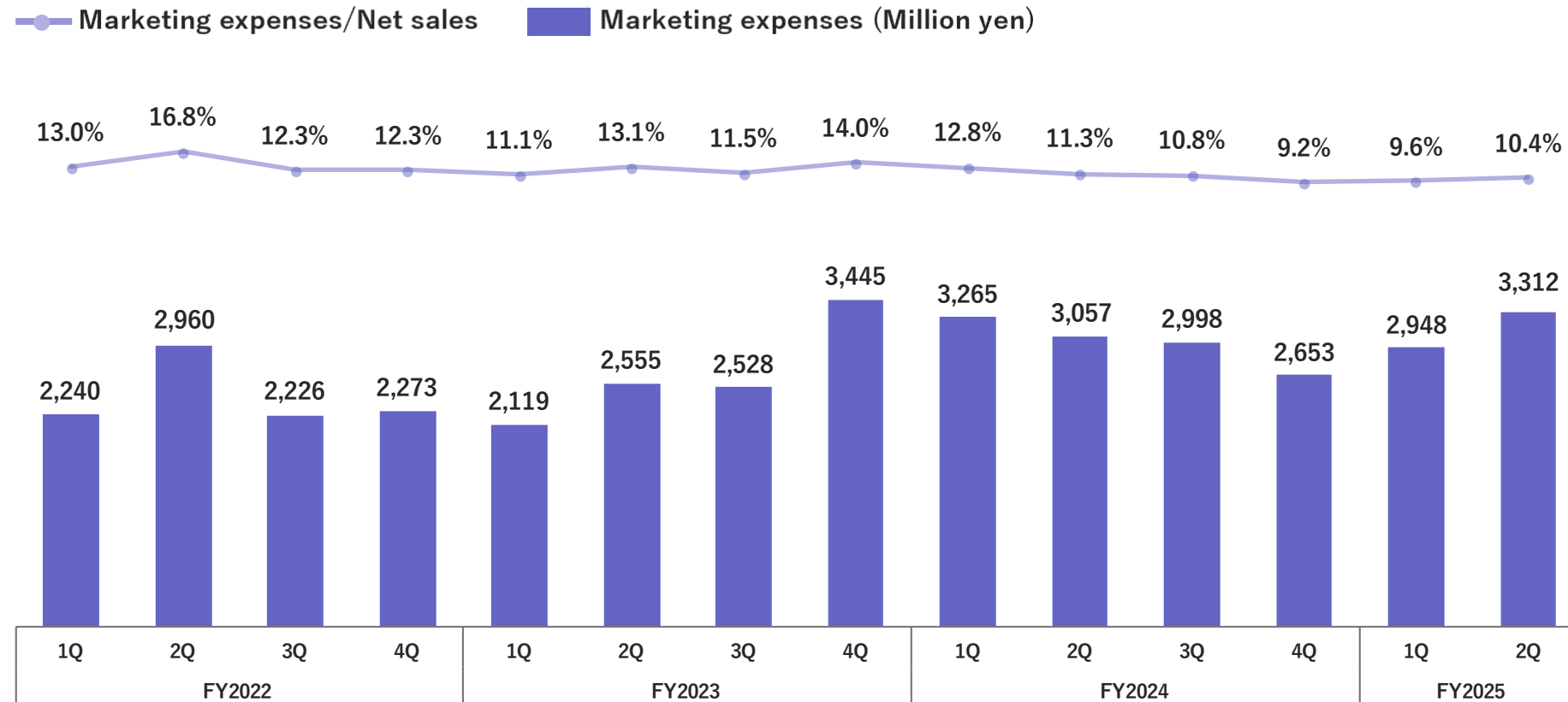
Net change
of QoQ (K)

U-NEXT	+95	+107	+69	+94	+88	+87	+107	+221	+333	+138	+109	+137	+106	+155
Paravi	-	-	-	-	-	-	+829	▲137	▲80	▲63	▲43	▲28	▲25	▲21

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

Content Distribution (Marketing expenses)

Up with the big increase in the number of new users attracted by the December start of distribution of combat sports and increased QoQ.



Marketing expenses

YoY + 8 %
(Quarter)

QoQ +12%

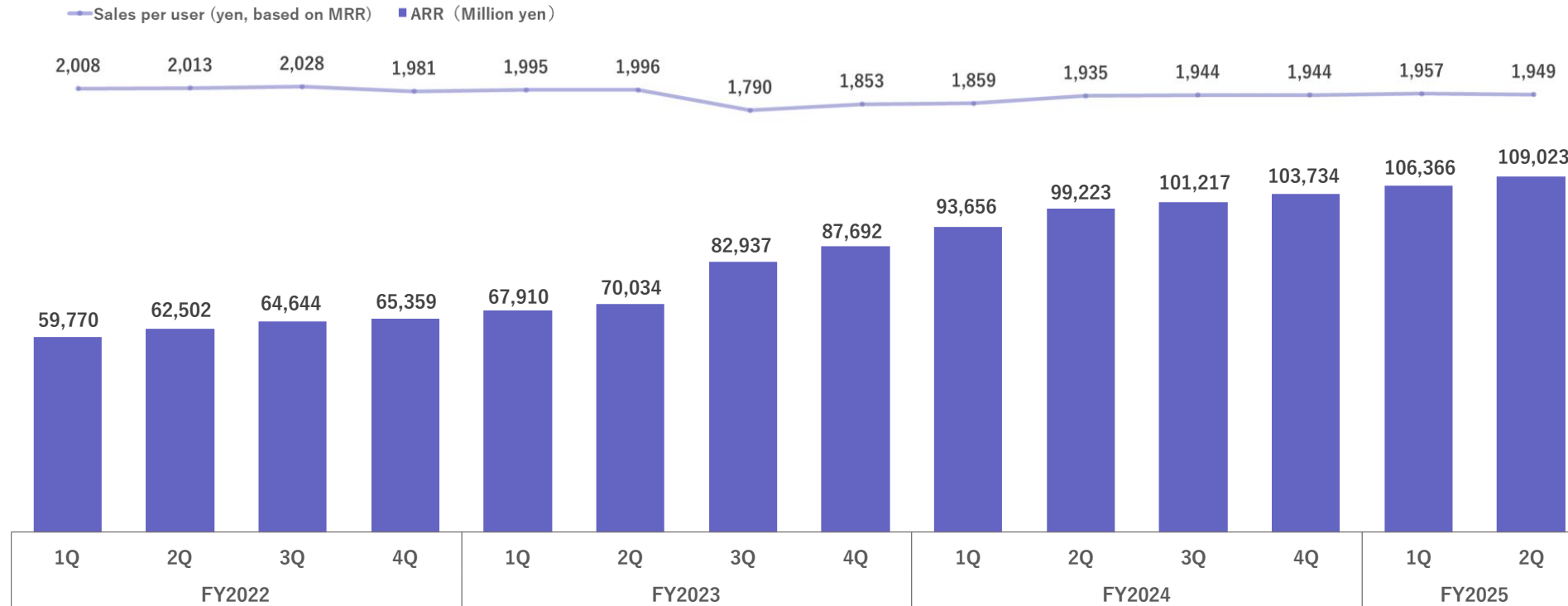
Marketing expenses ratio

YoY ▲0.9pt
(Quarter)

QoQ + 0.8pt

Content Distribution (ARR)

ARR is climbing steadily as the number of subscribers increases.



YoY

+¥9.8bn
(+10%)

QoQ

+¥2.7bn
(+ 2 %)

*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)

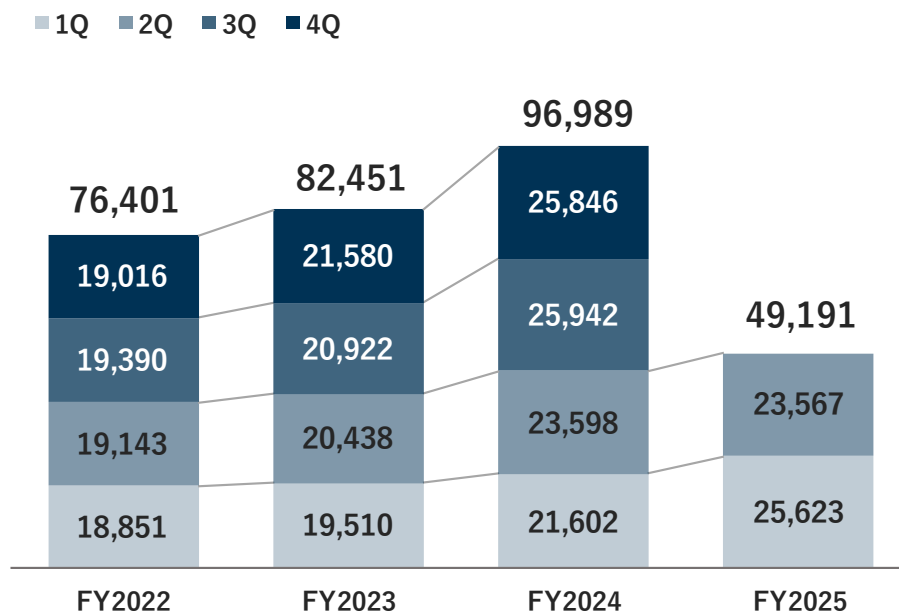
*Based on sales in the last month of each quarter.

Store & Facility Solutions

- Big YoY increase in store solutions due to music distribution and DX services; record-high earnings for a first half.
- Sales and earnings down QoQ because of slow store solutions initial sales and downturn in demand involving new Japanese banknotes in facility solutions.

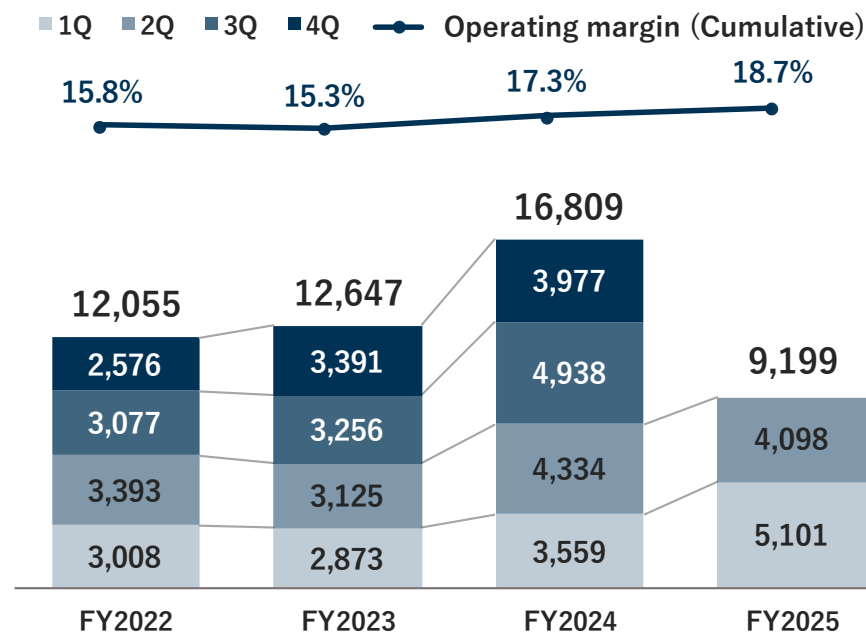
Net Sales

YoY + 9 % QoQ ▲ 8 %



Operating Income / margin

(Million yen)
YoY +17% QoQ ▲20%



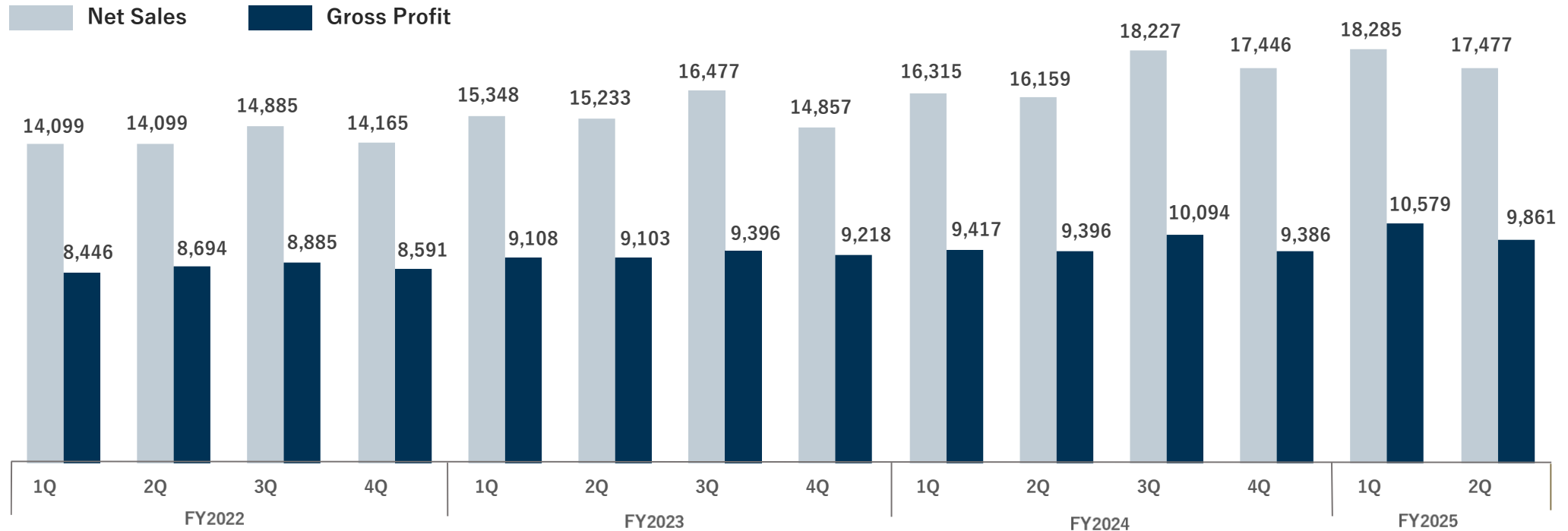
(1) Store Solutions

Sales and earnings are climbing despite the volatility of initial sales.

— Gross Profit Margin

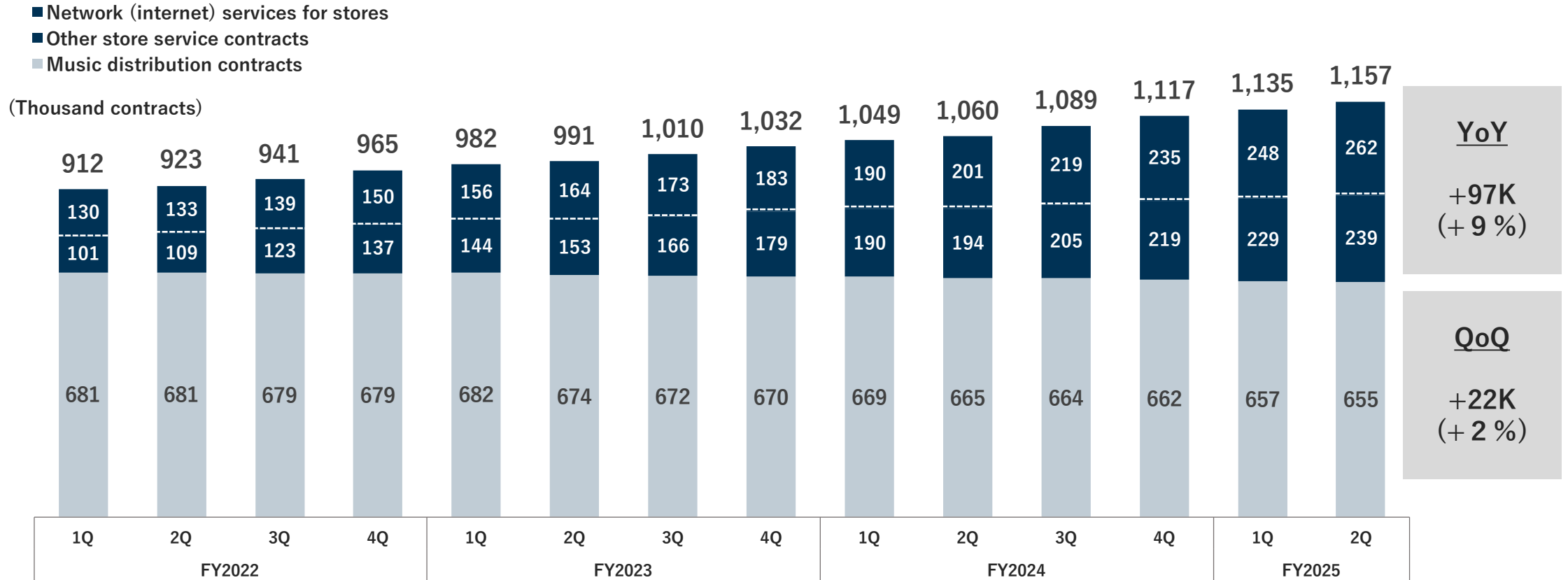


(Million yen)



(1) Store Solutions (Number of contracts)

Consistent increase in the number of contracts with net increases of 100,000 YoY and 20,000 QoQ.



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

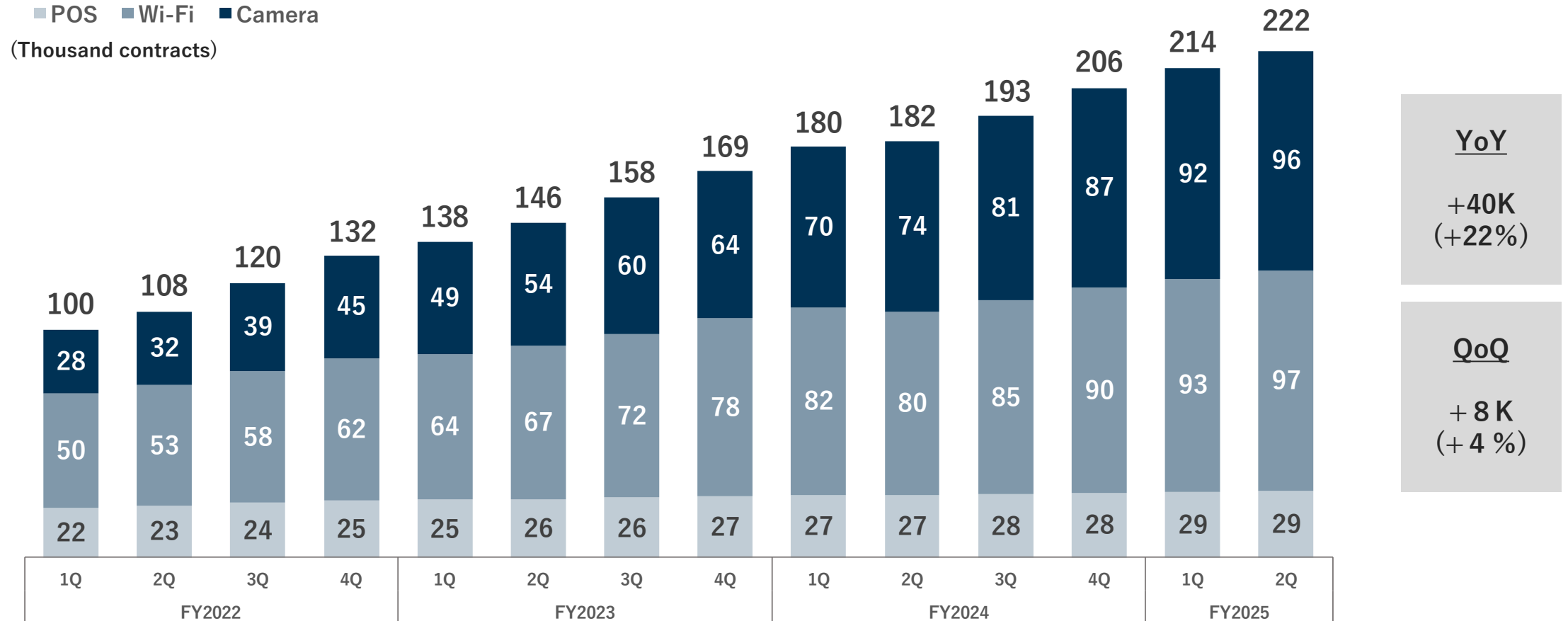
*Network (internet) services for stores are part of the Communication & Energy segment.

*Other store services no longer include cashless payment services in all fiscal years shown. This service has changed to GMV disclosure in the Finance, Realty & Global segment.

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

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

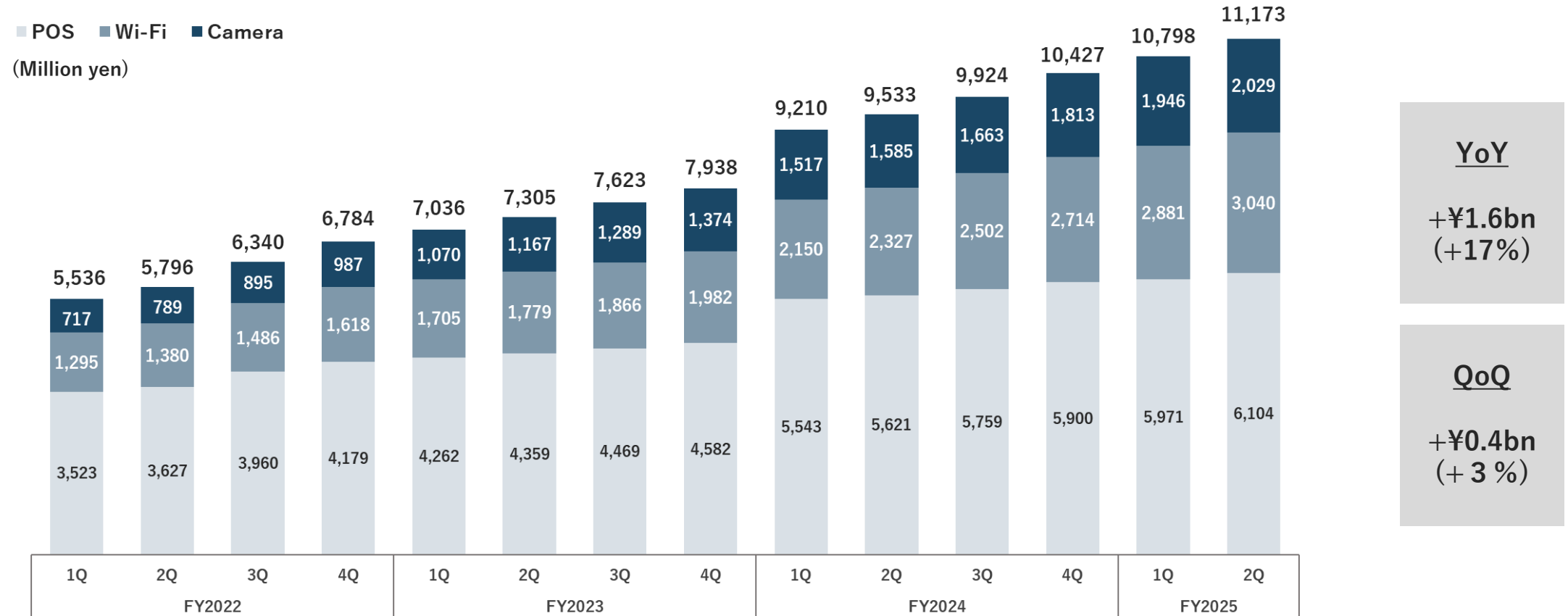
Increases of 40,000 YoY and 10,000 QoQ backed by the steady growth of all three products.



* Contracts for three major products are included in other store service contracts on page 23.

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

ARR is increasing consistently as the number of contracts climbs.

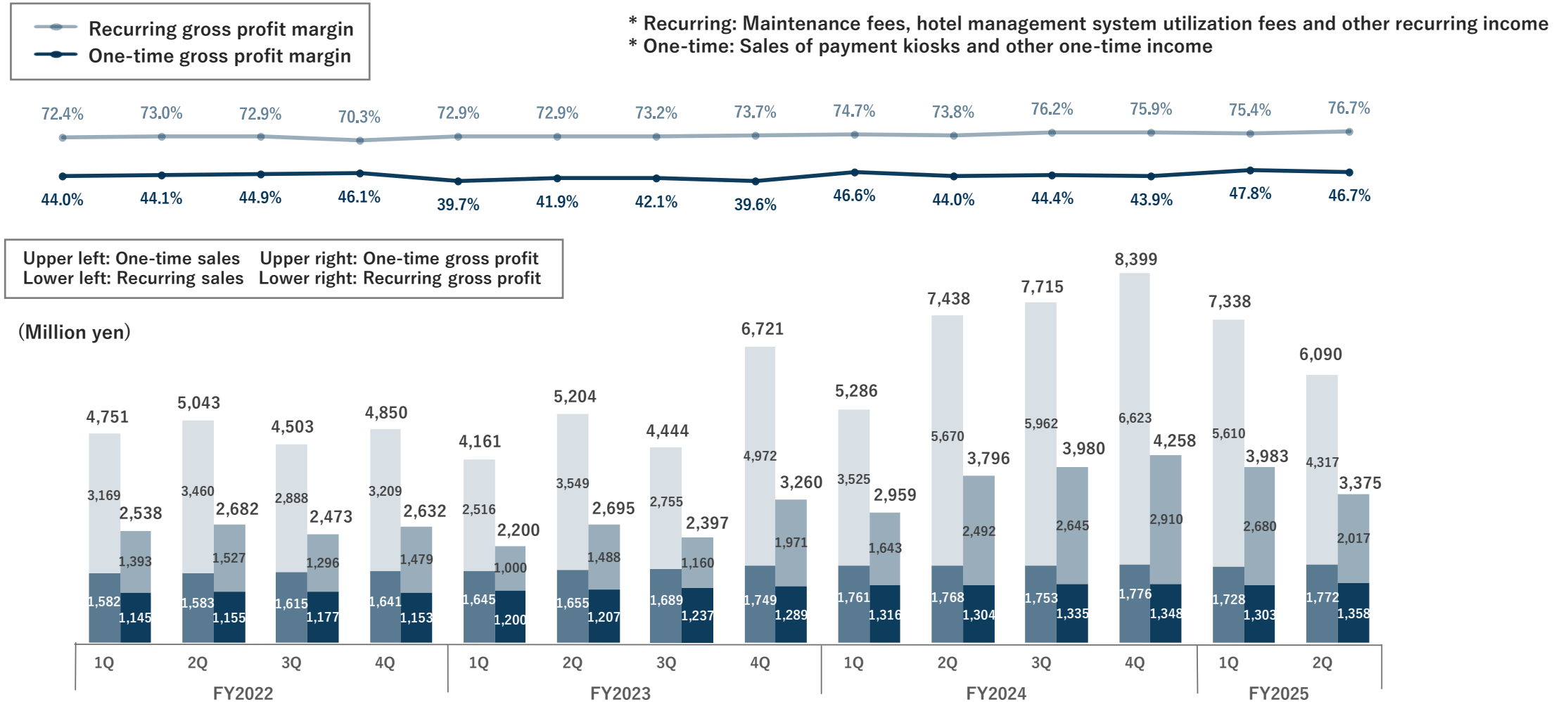


*Annual Recurring Revenue : Monthly recurring revenue multiplied by 12.

*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.

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

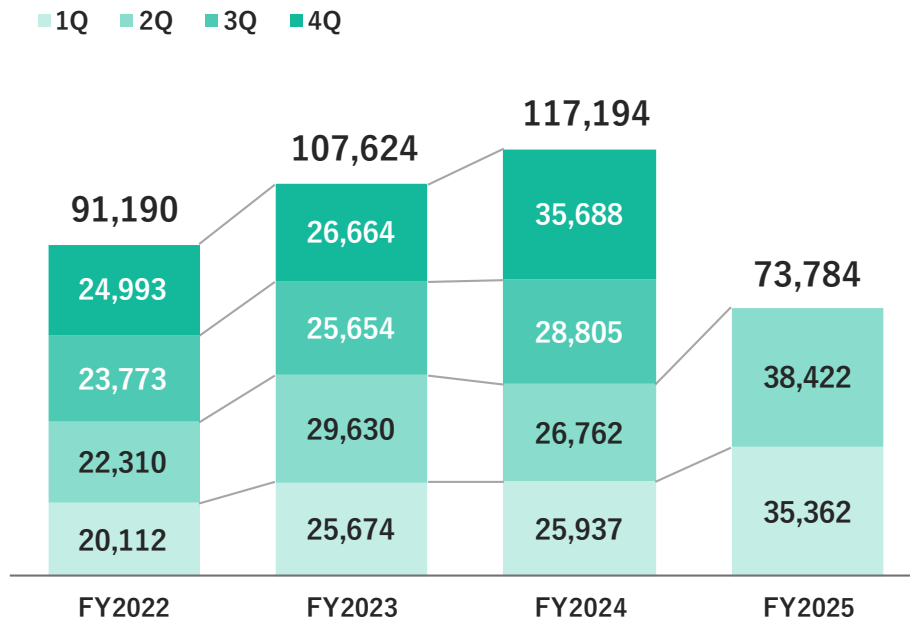


Communication & Energy

- Record-high quarterly earnings mainly because of the growth of the energy business.
- Earnings down YoY because of higher capacity payments but a big QoQ earnings increase due to the seasonal increase in electricity use.

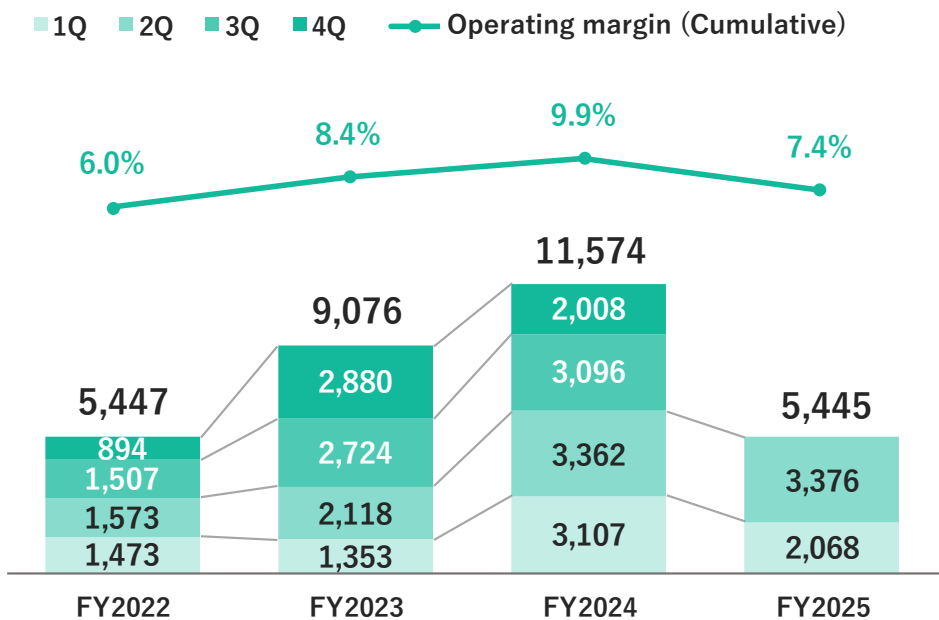
Net Sales

YoY +40% QoQ + 9 %



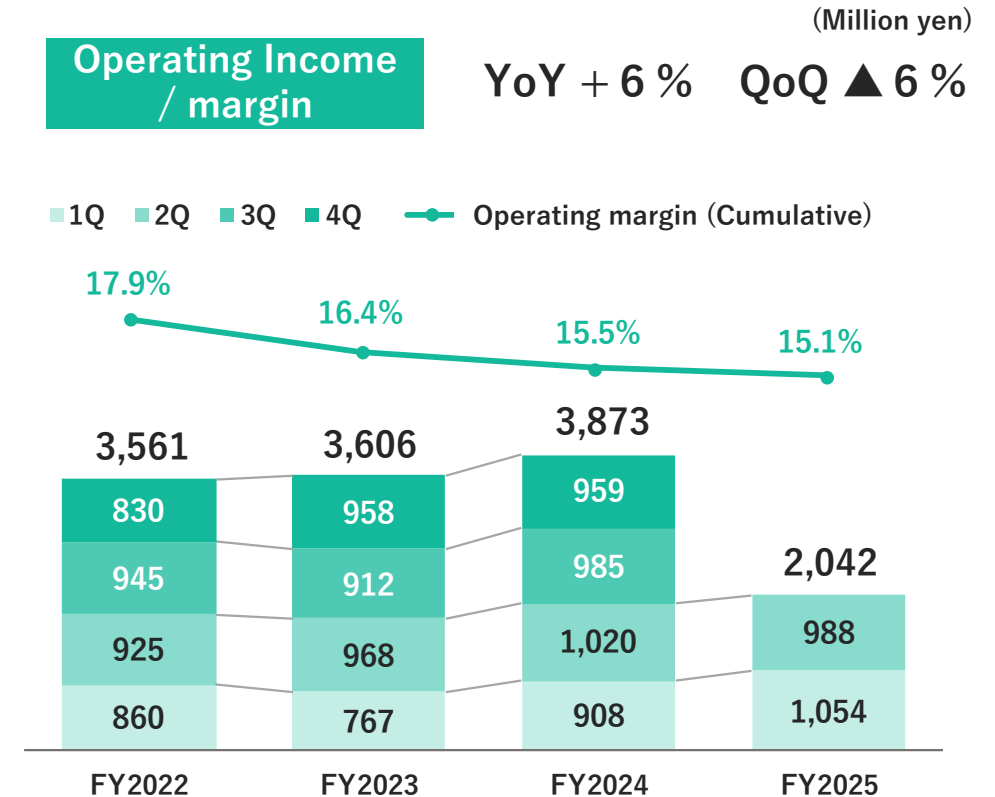
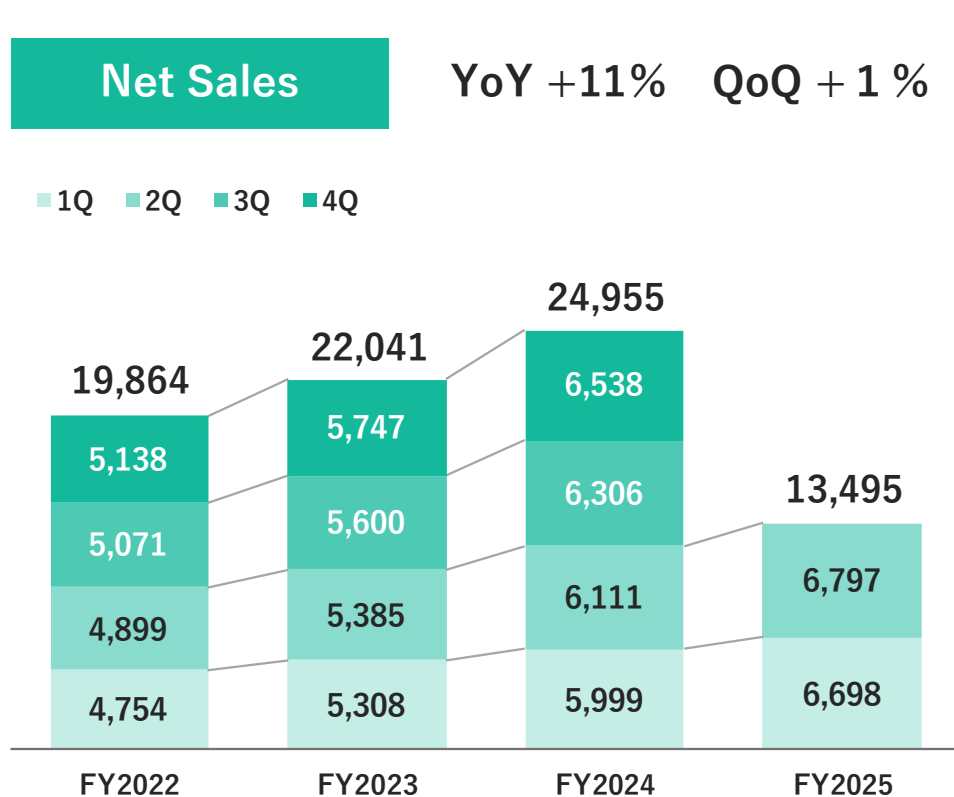
Operating Income / margin

(Million yen)
YoY ▲16% QoQ + 63%



(1) Communication: ICT service for business

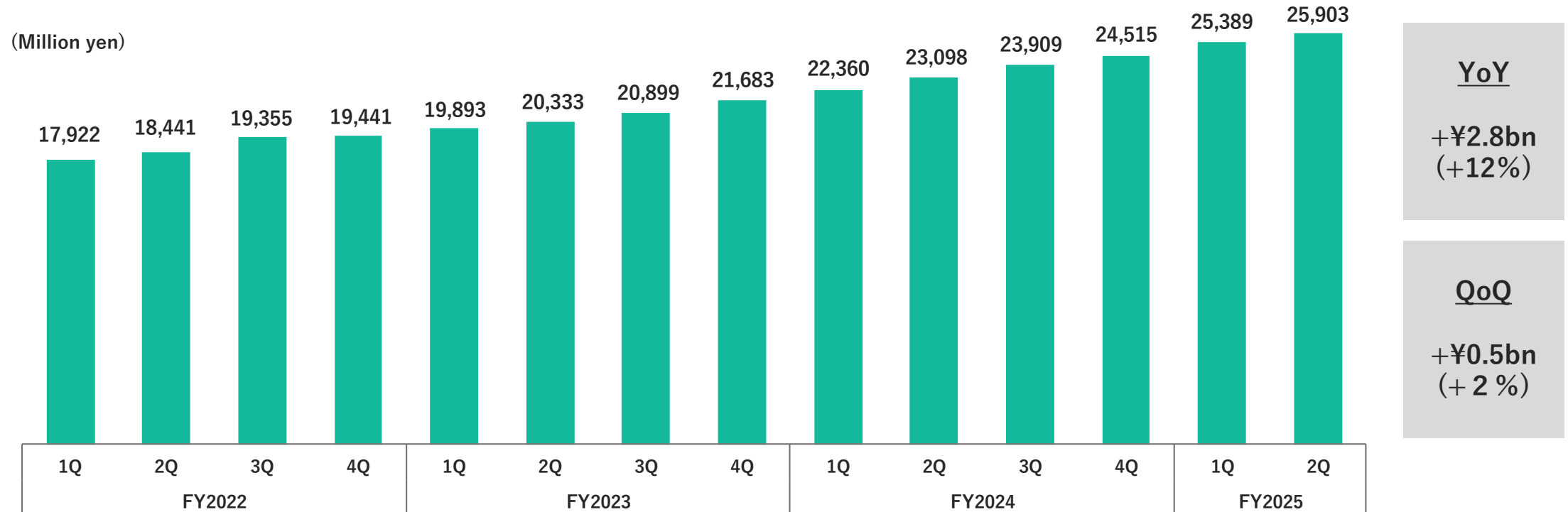
Sales and earnings are climbing YoY, primarily driven by the stable growth of SaaS services.



*Due to an omission in the Q1 financial consolidation process following the group reorganization at the beginning of the fiscal year ending August 2025, we have retrospectively revised the figures, resulting in an increase in both net sales and operating income.

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

ARR climbing steadily with the growth of recurring sales.



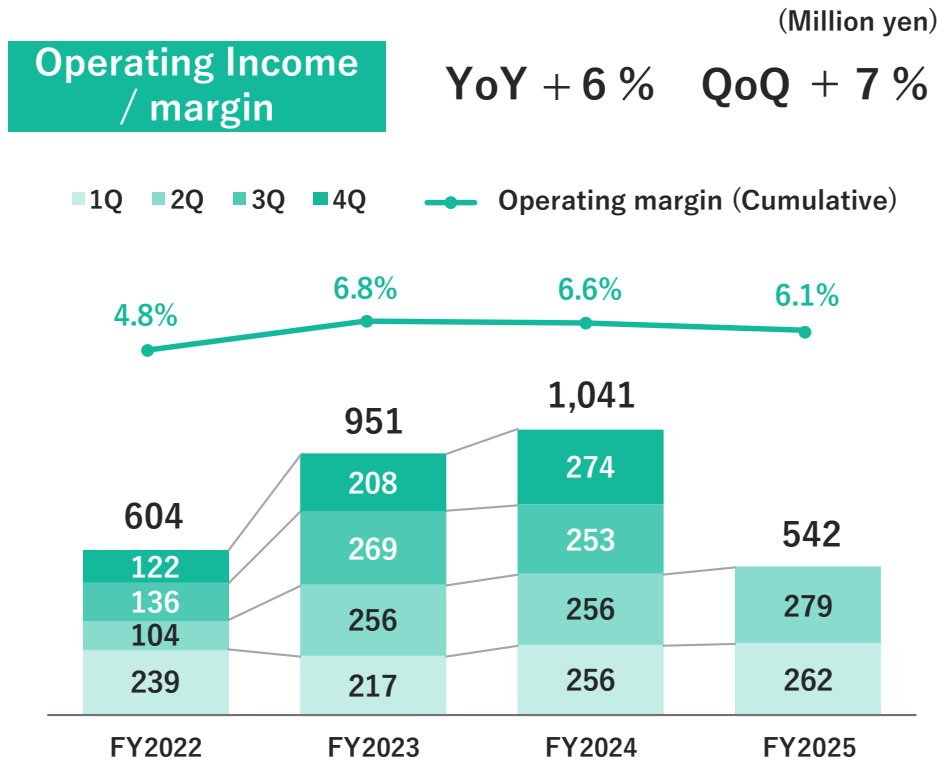
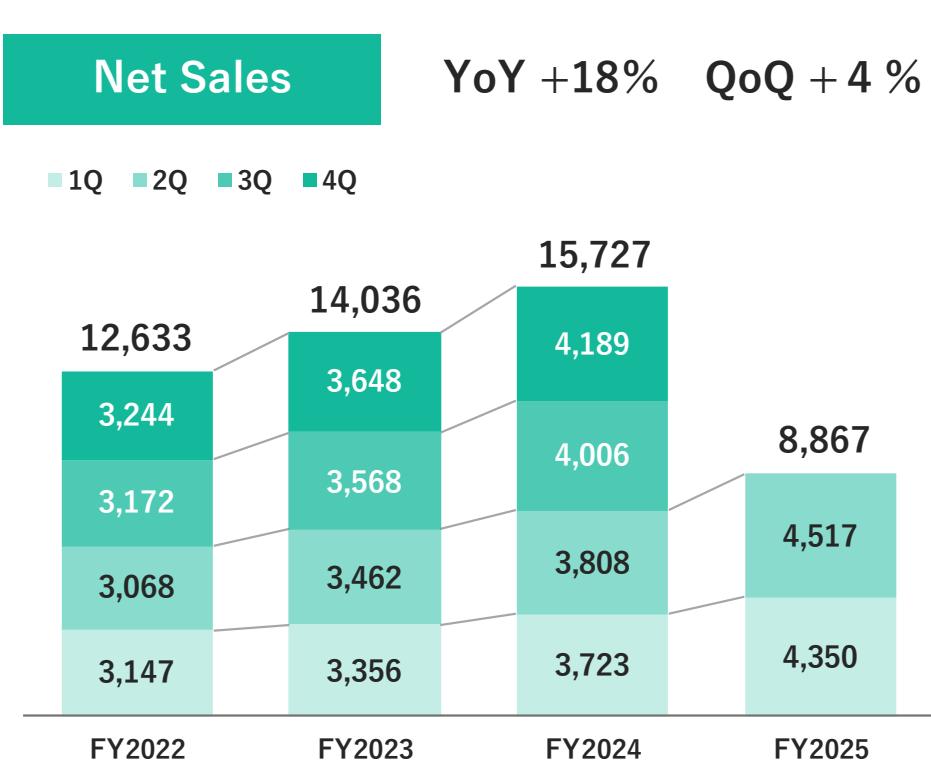
*Annual Recurring Revenue: Monthly recurring revenue multiplied by 12.

*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.

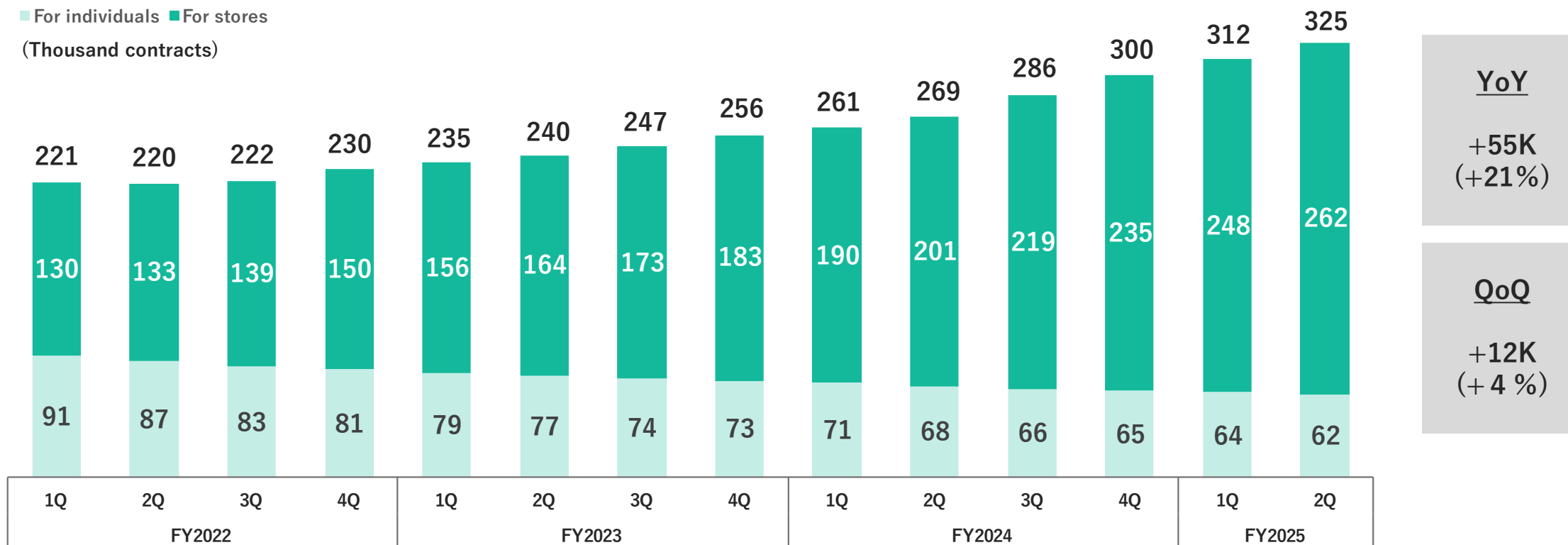
(1) Communication: Broadband internet service for stores and individuals

Steady growth YoY/QoQ of sales and earnings due to the consistently strong performance of store broadband services.



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

Steady growth in the number of broadband service contracts as the increase in services for stores far offset the decline in services for individuals.



* Contracts for stores and BtoBtoC models, which are part of the above graph, are included in other service subscribers on page 23.

(2) Energy

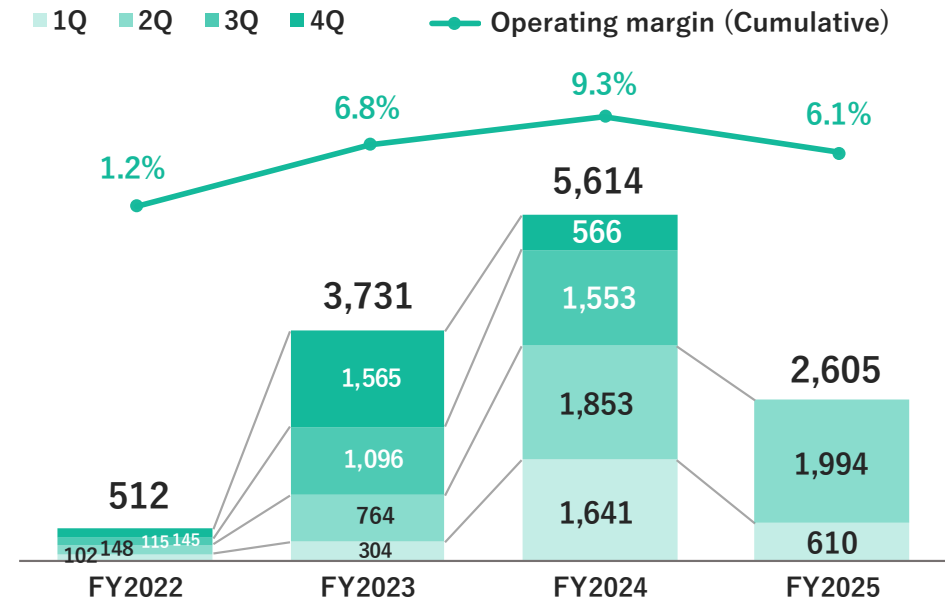
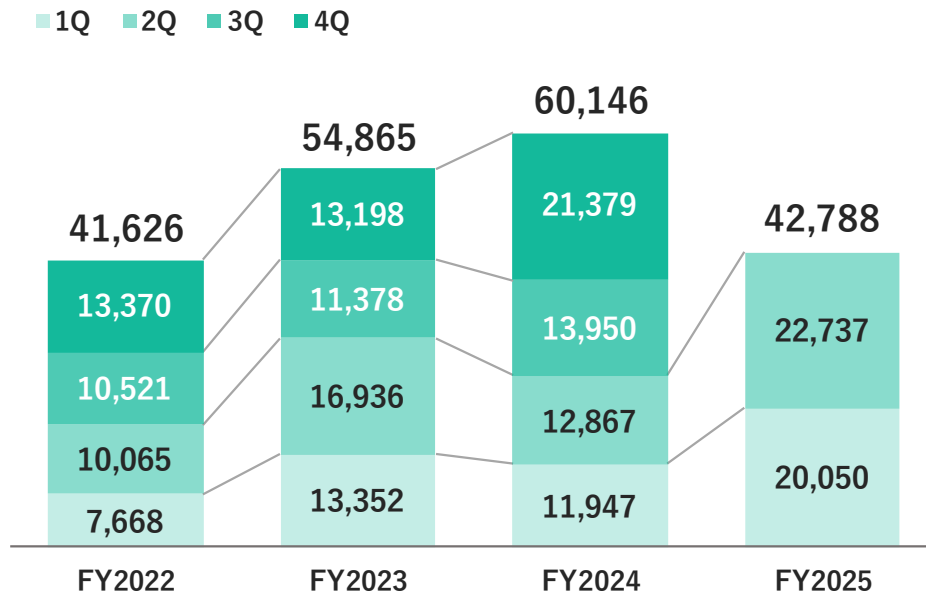
- Capacity payments raised expenses but record-high quarterly sales mainly because of a larger number of customers.
- Earnings decreased YoY because of capacity payments but a big QoQ earnings increase because of high electricity usage during the winter .

Net Sales

YoY +72% QoQ +13%

Operating Income / margin

(Million yen)
YoY ▲25% QoQ +226%



(2) Energy (Number of contracts)

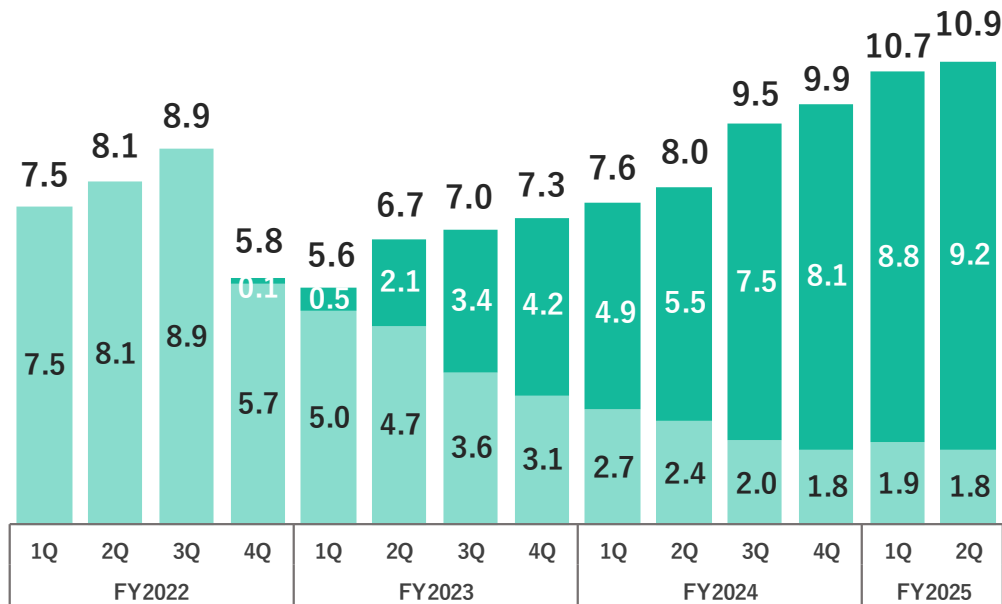
Steady increase at U-POWER in the number of high-voltage and low-voltage contracts.

High voltage

YoY +37 QoQ + 2 %

(Thousand customer accounts)

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

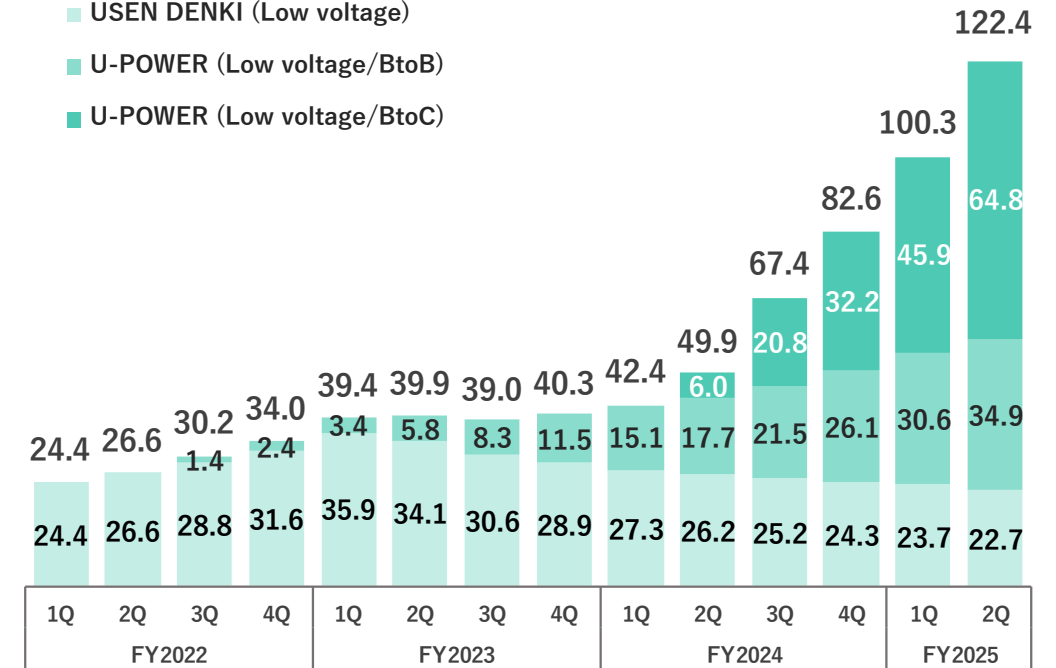


Low voltage

YoY +145% QoQ +22%

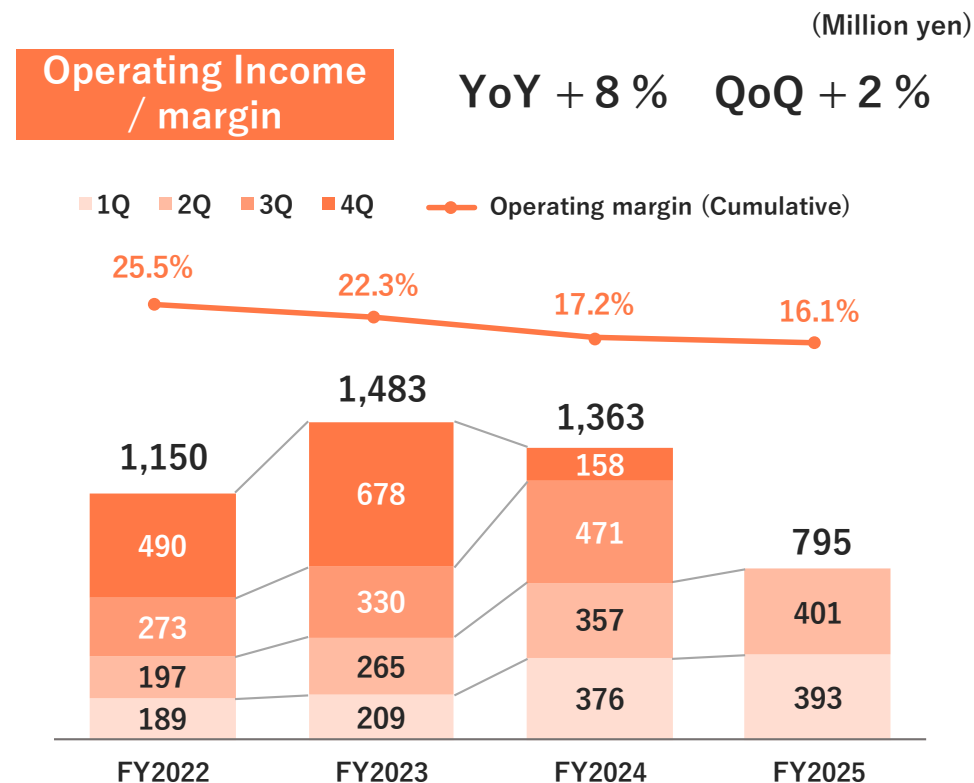
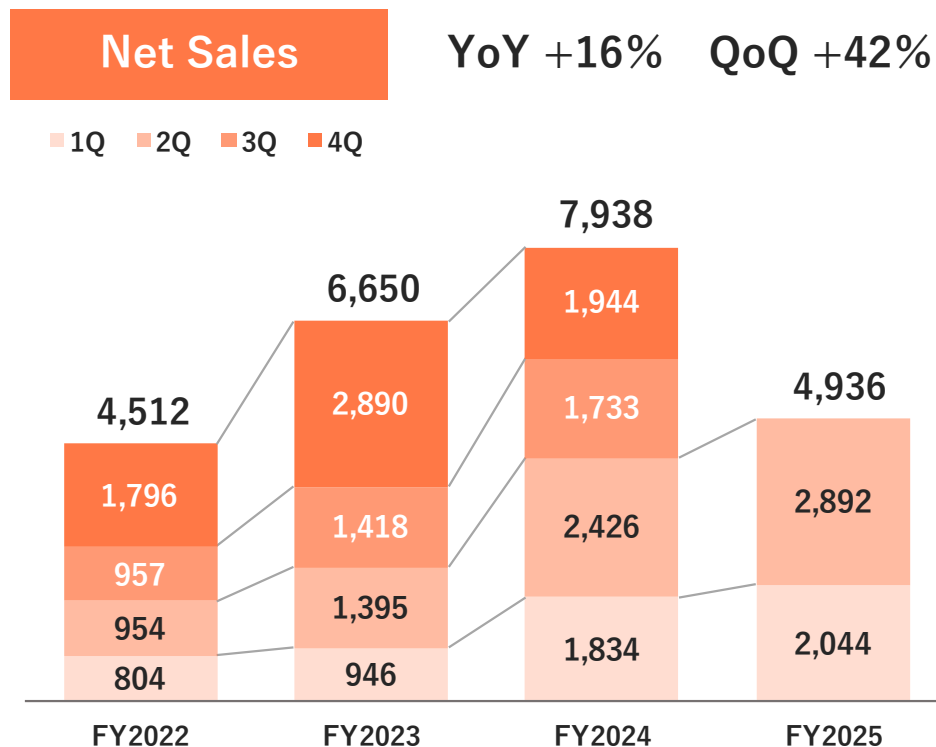
(Thousand customer accounts)

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



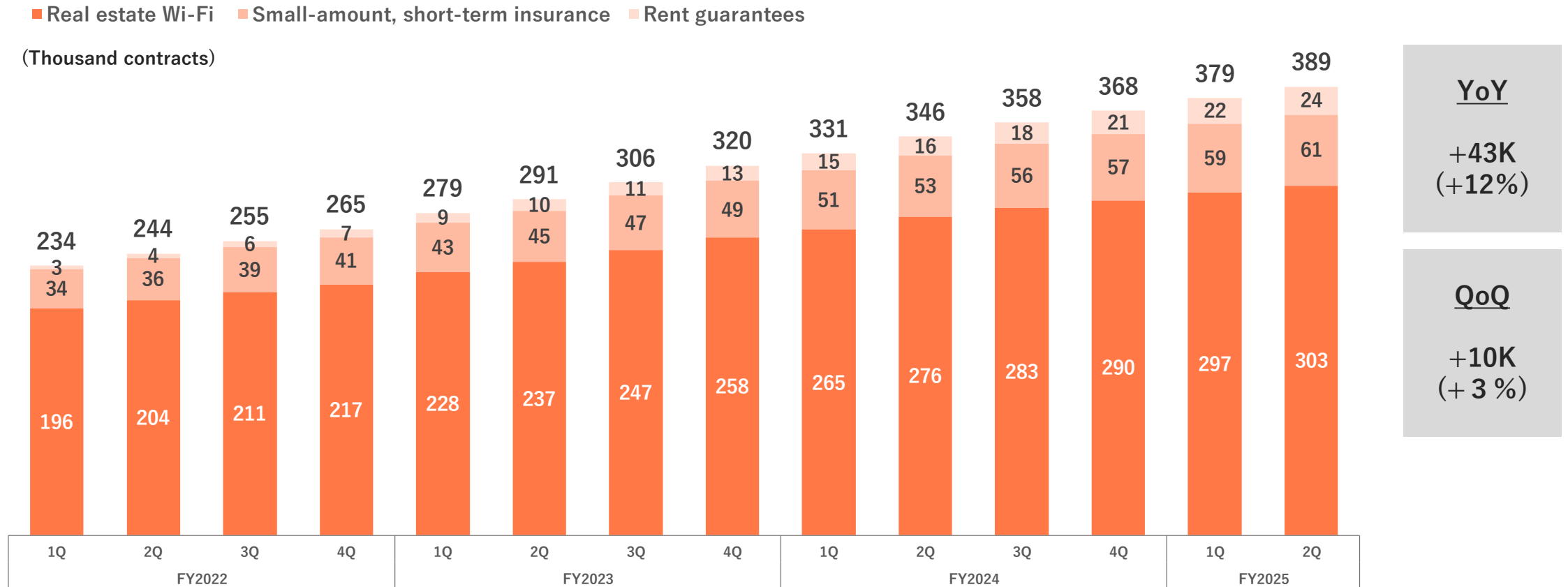
Financial, Realty & Global

- YoY/QoQ sales and earnings growth for real estate communications, rent guarantees and commercial building operations.
- The cashless payment business is included in the consolidated financial statements beginning with the 2Q (see TOPICS).



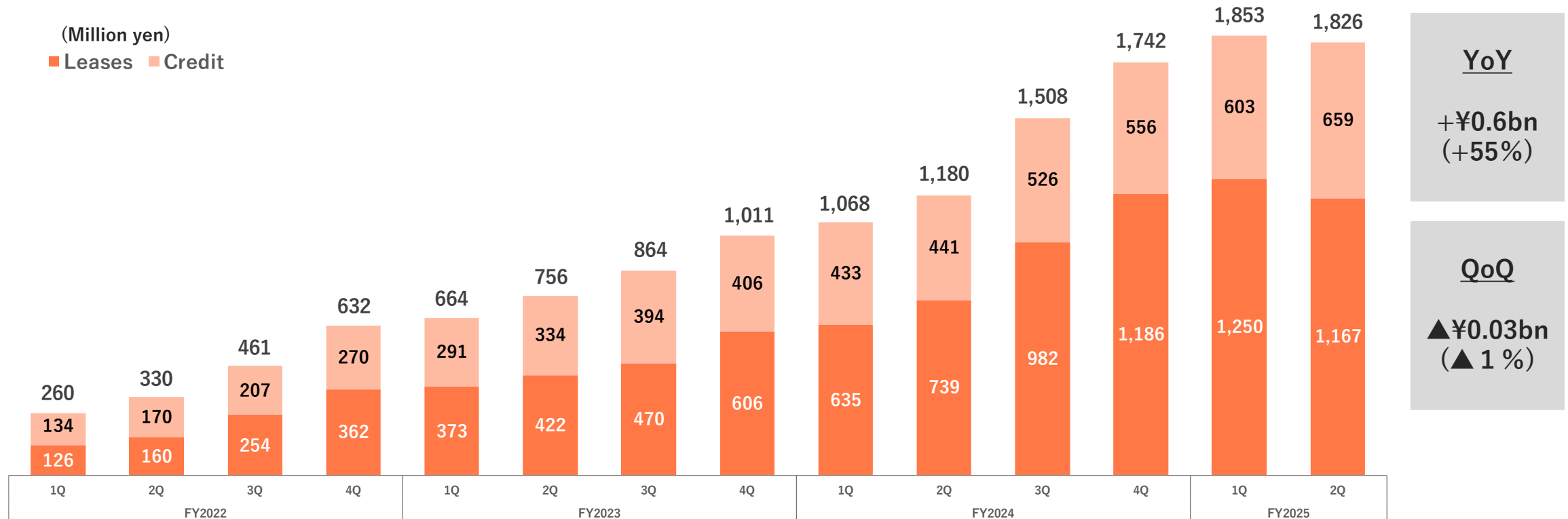
Financial, Realty & Global (Contracts for major products)

Consistent growth of all three products with contracts up 40,000 YoY and 10,000 QoQ.



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

Due to sluggish new lease originations, the total balance, including credit, remained flat.

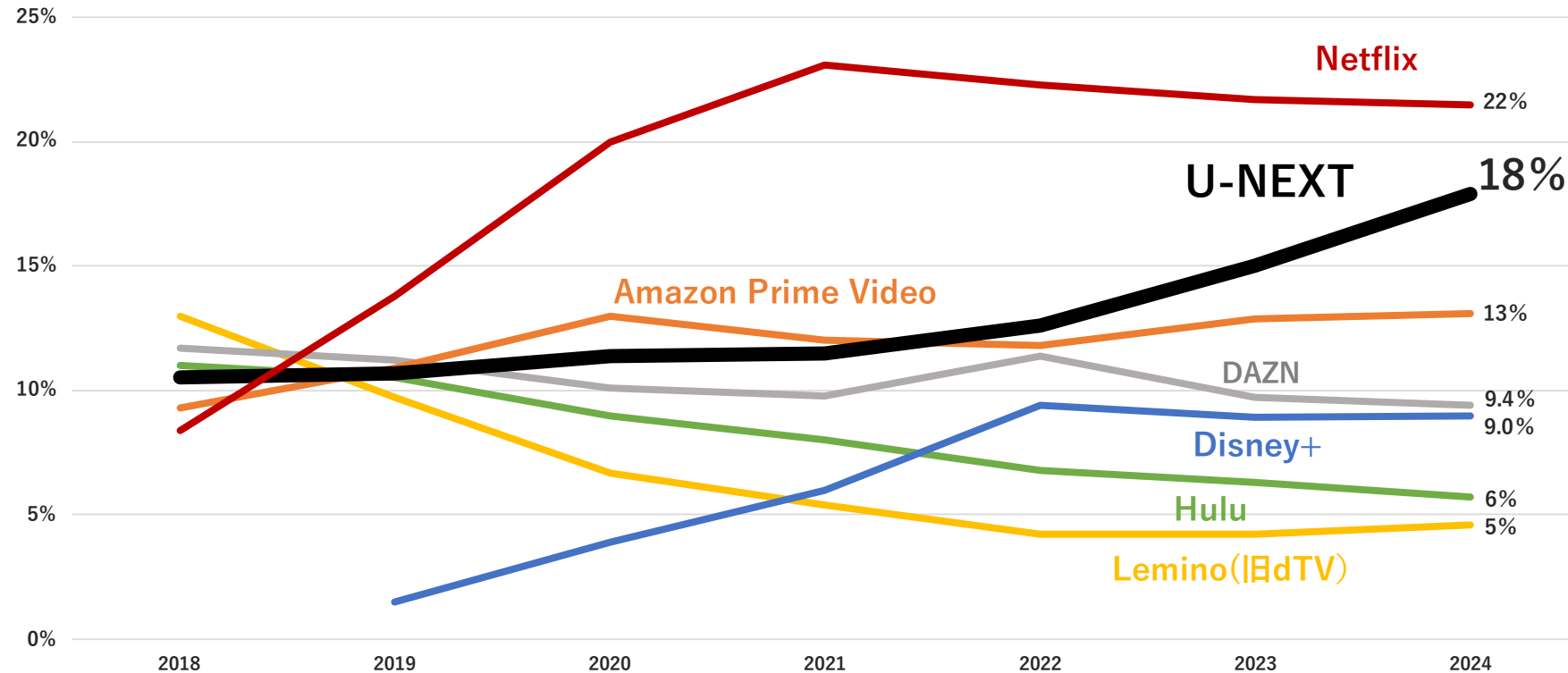


* USEN FINANCIAL Co., Ltd., which conducts the financial business mentioned above, is currently an equity-method affiliate.

3. Topics

Content Distribution (Market Share)

- Ranks first among Japanese companies and second after Netflix.
- The only service with constant market share growth, increasing from 15% to 18% during the past year.



Source: Video on Demand Market Five-year Forecast, GEM Partners
Market share by total amount paid by consumers for video distribution services

Content Distribution (More Golf Content)

- Acquired exclusive rights for all four major men's golf tournaments and the Japanese women's golf tour.
- The first-ever distribution in Japan of all four major golf tournaments on a single platform.
- Stream all golf content as unlimited viewing with no extra fee.



Press release: <https://www.unext.co.jp/ja/press-room/golf-lineup-2025-02-18>

■ The four major men's golf tournaments

The world's most prestigious golf tournament comprised of the four major championships: Masters Tournament, The Open Championship, the PGA Championship and U.S. Open.

■ The Japan women's golf tour

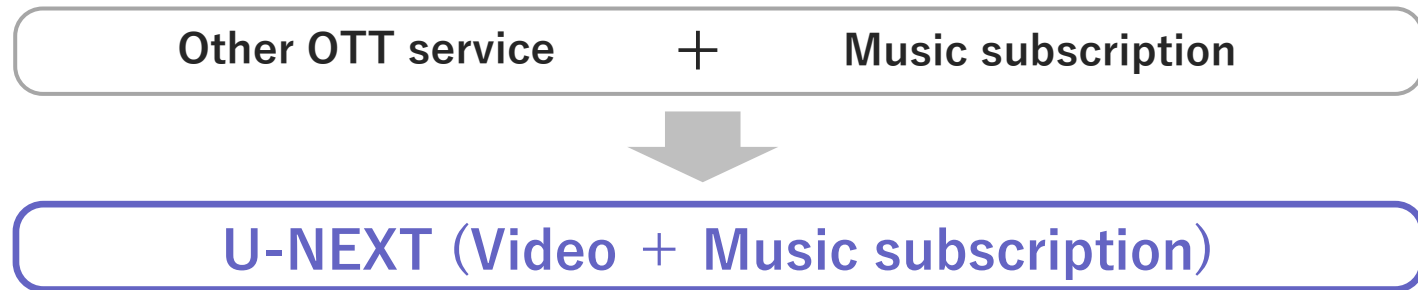
Every year, the Ladies Professional Golfers Association of Japan holds many tournaments throughout Japan.

Content Distribution (Music Subscription Service)

- U-NEXT plans to add a music subscription service*.
- “Video + Music” will be available for a monthly subscription fee when using U-NEXT point.



■ Acquiring users of other OTTs and music subscriptions for U-NEXT



■ Other features

- ✓ Unique hybrid of live music performances + music videos + music in one single service.
- ✓ Enjoy the same music lineup available on other music platforms for a standalone monthly fee of 980 JPY.

*The Launch date is undecided and the pricing structure and service details are based on current assumptions and may be subject to change in the future

Store & Facility Solutions (New Register Service)

- Have developed “USEN Regi”, a new POS register service for the food and beverage sector, with NTT Data.
- The goal is to raise the number of contracts from the current level of about 30,000 to 100,000 within the next few years.

USEN | **U-NEXT HOLDINGS** **NTT DATA**



Press release : <https://unext-hd.co.jp/newsrelease/2025/03/usen-nttdata-regi.html>

Strengths of the new service

- ✓ Implemented multilingual support that can be utilized for both inbound customers and foreign employees.
- ✓ Compared to previous OEM offerings, the following has become easier, significantly improving service scalability and flexibility.
 - ① Enhancement development for feature expansion.
 - ② Integration with surrounding services.
(including our own and third-party services)

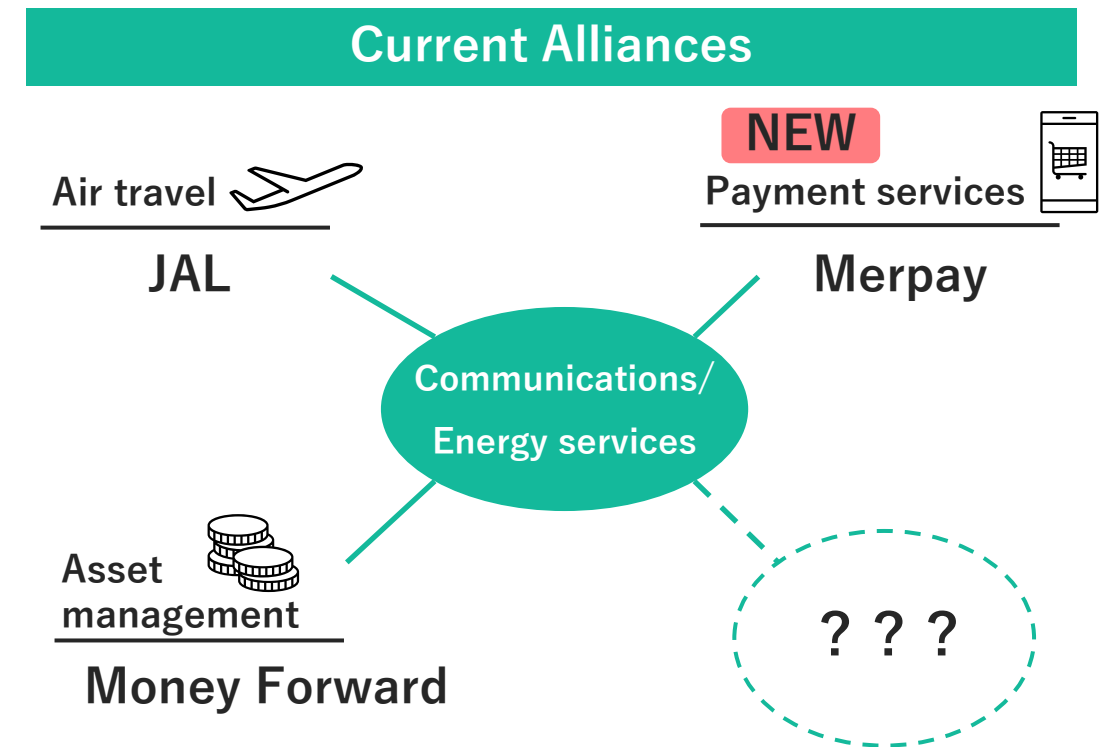
Communication & Energy (Alliance expansion)

- Collaboration with Merpay, and Started internet and electricity service plans that give users Mercari Points.
- A stronger B2B2C scheme by establishing alliances with companies that have individual end users.



Press release :

<https://unext-hd.co.jp/newsrelease/2025/02/merpay-usennetworks-upower.html>



Financial, Realty & Global (Tenant matching service)

- Launched “Tenalead” service to match real estate companies with individuals and businesses looking for locations for new stores and restaurants.
- Build relationships with newly opened stores in the upstream points to drive cross-selling of group offerings.

待つだけで
テナント物件情報が
どんどん届く

テナントを導くマッチングサイト

テナリード



Number of exhibitor member
registrations

appx. **1,700** cases

Number of offers

appx. **350** cases

Number of registered merchants
(Real estate companies)

appx. **3,500** cases

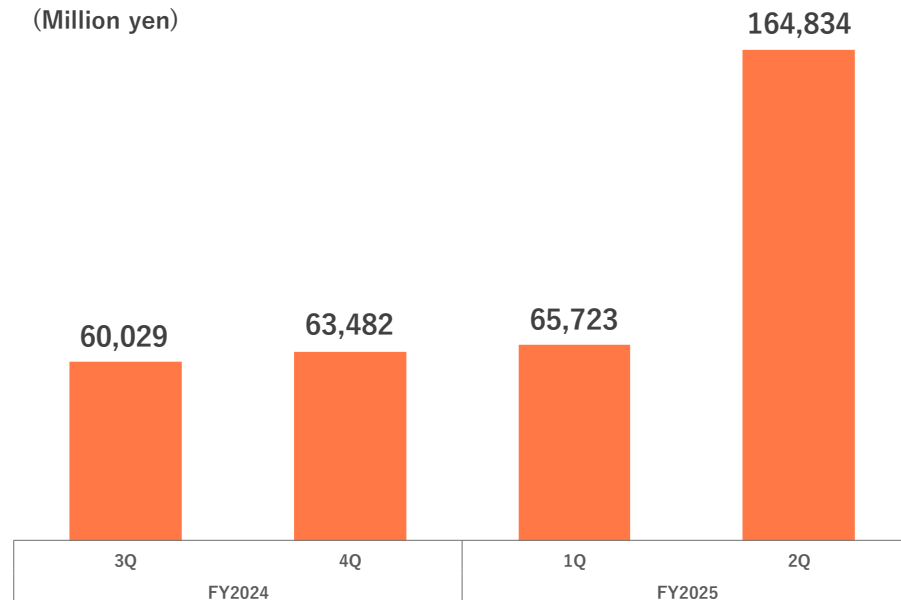
Press release : <https://unext-hd.co.jp/newsrelease/2024/12/usen-trust-tenalead.html>

*as of March 2025 for all of the above

Financial, Realty & Global (New consolidation of a subsidiary)

- NetMove (currently USEN FinTech) was consolidated starting in December 2024.
- Despite the burden of losses due to customer acquisition costs and goodwill amortization, we expect to be profitable next fiscal year.

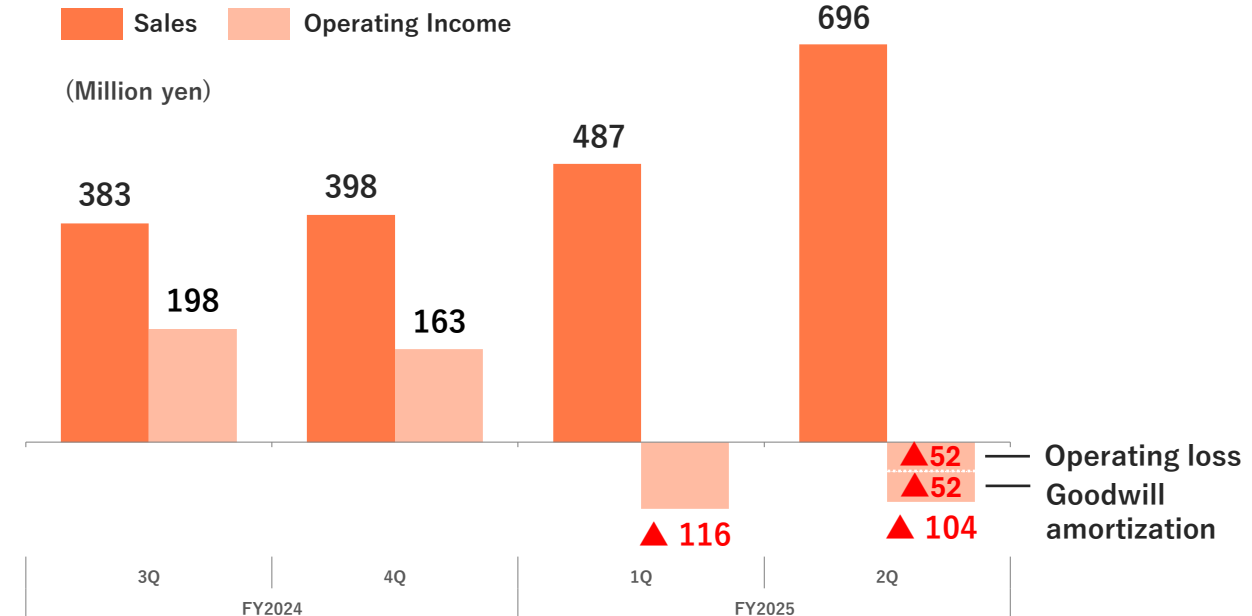
Cashless payment GMV (LTM)



*GMV (Gross Merchandise Value) : Total Transaction Value

*This page shows only payment service provider (PSP) information and does not include the acquiring business that is expected to close.

Financial performance of cashless (LTM)



*From FY2025, we will enhance our marketing functions specifically for cashless services.

*The above includes USEN's profit and loss (recorded in store solutions) that is scheduled to be transferred to USEN FinTech in Q3.

4 . Appendix

Integrated Report 2024 has been released !

<CEO's Message>



<Sustainability initiatives>



<Overview of strategy>



<Message from an outside director>



Results of operations and other financial information with explanations of strategies, ESG and many other subjects in a single publication.

Integrated Report 2024 is available here ↓

https://ssl4.eir-parts.net/doc/9418/ir_material_for_fiscal_ym9/174135/00.pdf

Feedback

Please take the time to give us your thoughts and suggestions for improvements to make our Integrated Report even better.

<https://forms.gle/zUeJV74TTigN6vXJ9>



U-NEXT
HOLDINGS

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.

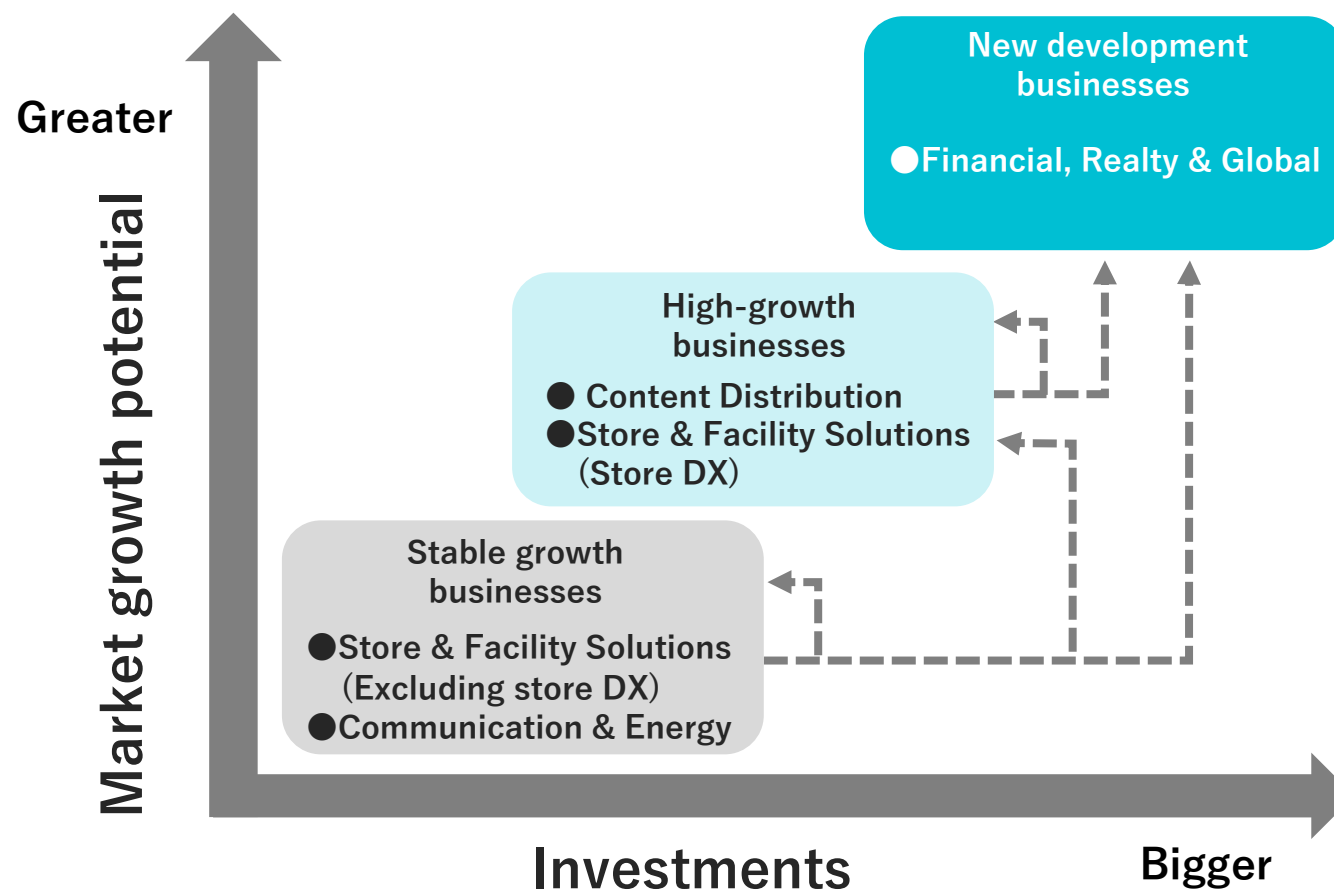
*Source: *1 GEM Partners Video on Demand Market Five-year Forecast Reports

*2 GEM Partners, November 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】

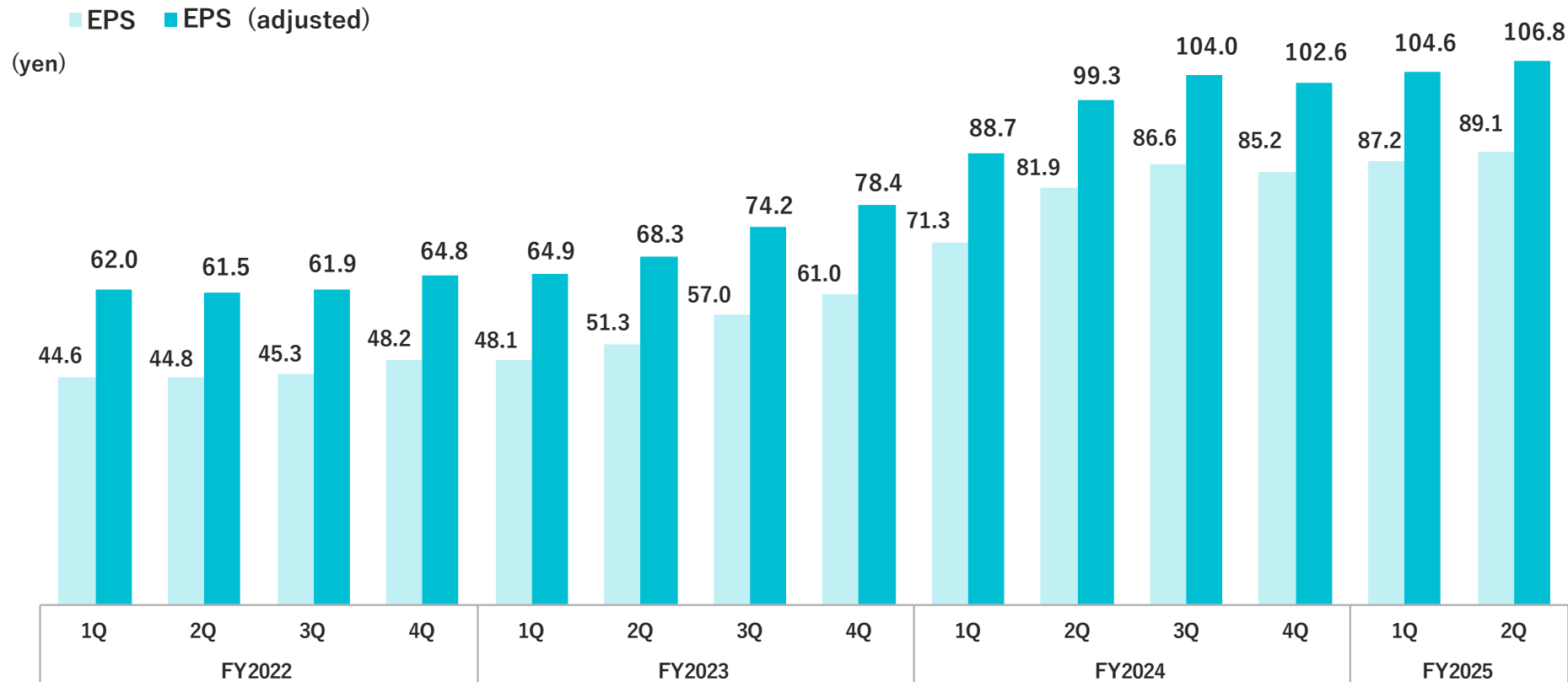


FY2025 Forecast (Key points)

Content Distribution	● YoY increase in subscribers of 300,000. (+400,000 at U-NEXT and -100,000 at the former Paravi) ● Forecasts use an exchange rate of ¥155/US. ● No change in marketing expenses vs. FY2024. ● Profitability improved with no change in profit structure despite increases in system costs and personnel expenses.
Store & Facility Solutions	● Estimated drop impact in replacement demand for automatic pay machines is -¥5.0 bn in sales and -¥2.5 bn in profit. ● Excluding the above factors, on an adjusted basis, sales are expected to increase by ¥1.0 bn and profit by ¥0.5 bn. ● Store solution: Music distribution sales increased slightly due to price revision, and DX for stores grew stably. ● Facility solution: Partially offsetting the drop in one-time sales by increasing of recurring revenues.
Communication & Energy	● Stable growth in recurring revenue of ICT Service and Broadband internet service for stores and individuals. ● YoY increase in customers of 100 at high voltage, +38,000 at low voltage (BtoB +4,000, BtoC +34,000). ● Cost increase impact of capacity payments, which occurs 5 months in FY2024 and 12 months in FY2025, is ¥3.3 bn. ● The cost increases will be passed on to customers through price increases, resulting in sales increase of ¥20.0 bn and profit increase of ¥1.7 bn YoY.
Financial, Realty & Global	● Increase in sales and earnings due to stable growth in rent guarantee business. ● Newly consolidated a commercial building management subsidiary from the beginning of FY2025, contributing to sales/profit (plans to acquire 5 additional properties during FY2025). ● Cashless payment business M&A (completed in FY2025) proceeds are not factored in. (Sales increase is expected to have a limited impact on profit and loss due to goodwill amortization expenses)
Adjustment	● Decrease in branding costs in FY2024. (FY2025 branding costs will be determined based on business conditions.) ● Increase in personnel expenses and commissions paid.

EPS (LTM)

A small YoY increase because of higher net income.



**EPS
(adjusted)**
YoY +¥7.5
(Quarter)
QoQ +¥2.2

EPS
YoY +¥7.2
(Quarter)
QoQ +¥1.9

*LTM: Last Twelve Month

Consolidated balance sheet

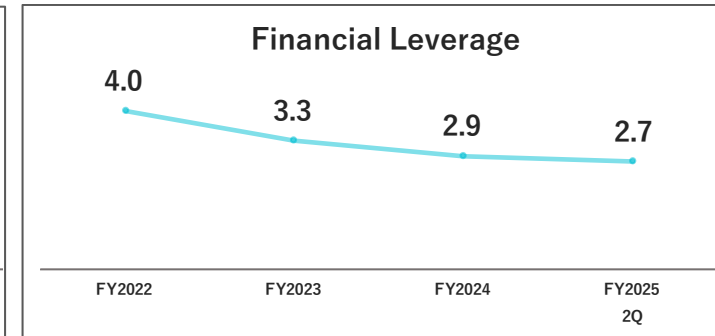
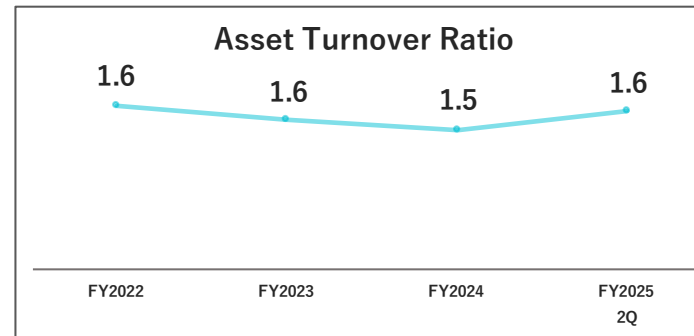
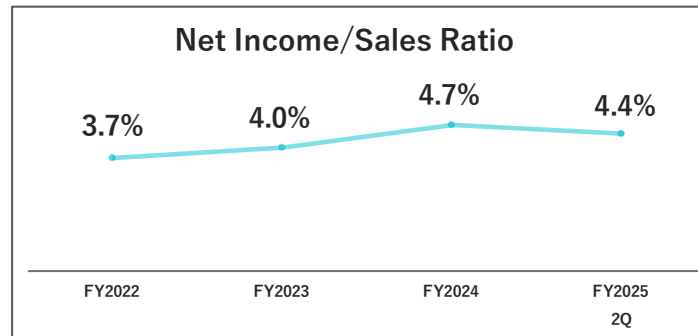
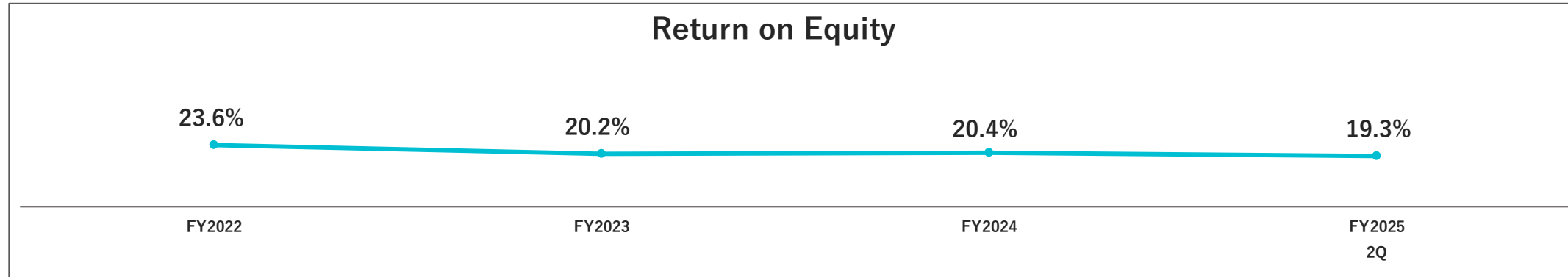
- **Current assets:** Expenditures for acquiring content are the main reason for higher prepaid expenses.
- **Non-current assets:** Property, plant and equipment up because of the purchase of a commercial building; intangible assets up because of software for developing the new POS register service.
- **Liabilities:** Current assets and other liabilities increased mainly because of new long-term loans to fund acquisitions and the purchase of a commercial building; trade payables decreased.
- **Net assets:** Equity increased because of the growth of retained earnings, offset somewhat by deductions for dividend payments.

(Million yen)	FY2024	FY2025 2Q	Difference
(Assets)			
Current assets	150,218	154,331	+4,112
Cash and deposits	52,738	49,962	▲2,775
Notes and accounts receivable-trade	41,246	39,768	▲1,478
Inventories	11,302	12,650	+1,348
Prepaid expenses	40,694	47,305	+6,611
Other	4,236	4,643	+406
Non-current assets	78,743	87,673	+8,930
Property, plant and equipment	21,056	24,743	+3,686
Intangible assets	47,194	53,286	+6,091
Goodwill	39,490	42,563	+3,072
Other	7,704	10,722	+3,018
Investment and other assets	10,491	9,644	▲847
Total assets	228,962	242,004	+13,042

(Million yen)	FY2024	FY2025 2Q	Difference
(Liabilities)			
Current liabilities	71,529	68,630	▲2,898
Notes and accounts payable-trade	33,686	32,765	▲921
Short-term loans payable	-	-	-
Current portion of long-term loans payable	3,066	3,153	+87
Other	34,776	32,711	▲2,064
Non-current liabilities	65,399	72,689	+7,290
Bonds payable	10,000	10,000	-
Long-term loans payable	49,822	57,240	+7,417
Other	5,576	5,449	▲127
Total liabilities	136,928	141,319	+4,391
(Net assets)			
Shareholder's equity	81,729	89,724	+7,994
Capital stock	99	99	-
Capital surplus	29,786	29,786	-
Retained earnings	51,843	59,838	+7,994
Treasury stock	-0	-0	-0
Valuation and translation adjustments	138	164	+26
Non-controlling interests	10,166	10,795	+629
Total net assets	92,033	100,685	+8,651
Total liabilities and net assets	228,962	242,004	+13,042

Return on equity (LTM)

Only small changes in all three components of the return on equity.



*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)

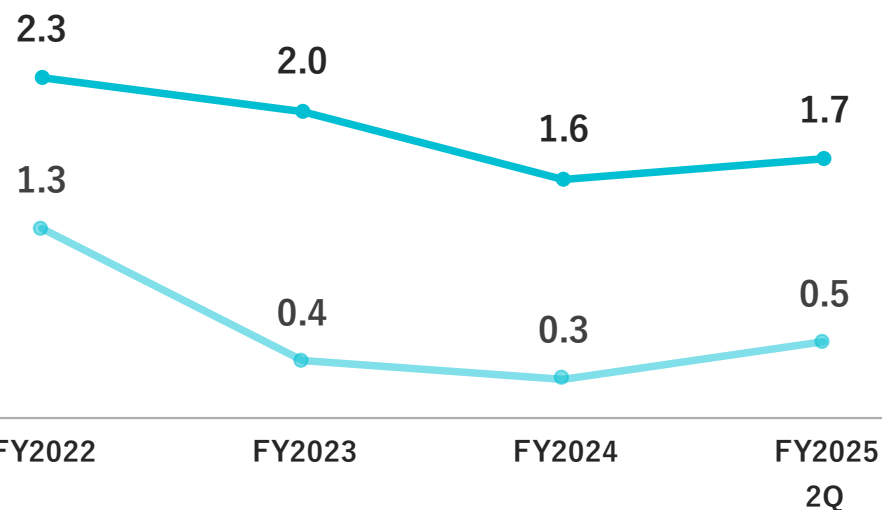
Leverage ratio (LTM)/Debt/Equity ratio

Small upturns in the leverage and debt/equity ratios as debt and equity increased.

Leverage Ratio (LTM)

(times)

— Gross Leverage ratio
— Net Leverage ratio



*LTM : Last Twelve Month

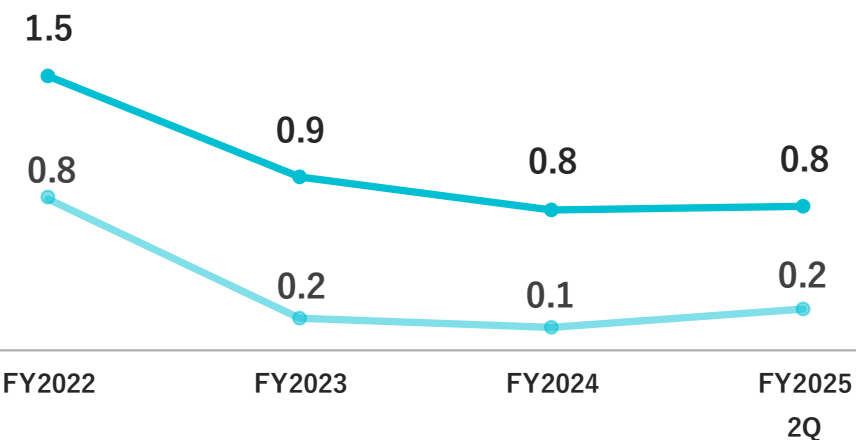
*Gross Leverage ratio : Debt / EBITDA

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

Debt/Equity Ratio

(times)

— Gross Debt/Equity ratio
— Net Debt/Equity ratio



*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 debt	- 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%	

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