



Summary of Second Quarter of Fiscal Year Ending August 2026

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

April 13, 2026

Contents

1. Overview of 2 Q results of operations
2. Segment information
3. Topics
4. Appendix



JPX-NIKKEI 400

2021-2025年度選定



1. Overview of 2 Q results of operations

Executive summary

Sales and earnings at all levels were all-time highs for the first half of a fiscal year and for a quarter.

In Content Distribution, the fiscal year plan for the net increase in subscribers was almost achieved during the first half. Now aiming for big YoY earnings growth and even more in the second half when earnings comparisons are easier.

Store & Facility Solutions continued to growth. Pro forma earnings growth of 14% after adjusting for the one-time replacement demand due to new banknotes in FY2025 that added ¥1.6 billion to earnings.

Big QoQ earnings growth, partly due to seasonally high demand for electricity, in Communication & Energy. First half earnings in Financial, Realty & Global were more than 80% of the fiscal year forecast.

Consolidated financial summary (vs. Forecast)

- First half sales and earnings at all levels were more than 50% of the fiscal year forecasts.
- EBITDA-CAPEX is low mainly because of commercial buildings purchased earlier than planned and growth investment.

(Million yen)	FY2026 Forecast	FY2026 2 Q	Progress
Net Sales	424,000	212,823	50%
Operating Income	33,500	18,116	54%
Operating Margin	7.9%	8.5%	-
Ordinary Income	32,200	17,087	53%
Profit or Loss attributable to owners of parent	18,500	9,884	53%
Profit of Loss attributable to owners of parent [Adjusted]	22,000	11,611	53%
EBITDA	46,500	24,269	52%
EBITDA Margin	11.0%	11.4%	-
EBITDA-CAPEX	21,500	7,273	34%

Consolidated financial summary (YoY)

- Sales were up 14% and operating income was up 9%.
- EBITDA-CAPEX increased significantly because of higher earnings and lower investments for content and initiatives for growth.

(Million yen)	FY2025 2 Q	FY2026 2 Q	YoY	YoY (Ratio)
Net Sales	186,782	212,823	+26,041	14%
Operating Income	16,602	18,116	+1,514	9%
Operating Margin	8.9%	8.5%	-	-
Ordinary Income	16,615	17,087	+472	3%
Profit or Loss attributable to owners of parent	9,436	9,884	+448	5%
Profit of Loss attributable to owners of parent [Adjusted]	11,051	11,611	+560	5%
EBITDA	21,946	24,269	+2,323	11%
EBITDA Margin	11.7%	11.4%	-	-
EBITDA-CAPEX	2,226	7,273	+5,047	227%

Segment information (vs. Forecast)

The performance of all segments was solid in relation to the forecasts. Store & Facility Solutions, Financial, Realty & Global operating income and the adjustment were all much better than the forecasts.

(Million yen)		FY2026 Forecast	FY2026 2 Q	Progress
Content Distribution	Net Sales	136,300	70,617	52%
	Operating Income	11,100	5,782	52%
	Operating Margin	8.1%	8.2%	-
Store & Facility Solutions	Net Sales	96,900	47,505	49%
	Operating Income	16,300	8,729	54%
	Operating Margin	16.8%	18.4%	-
Communication & Energy	Net Sales	178,200	89,892	50%
	Operating Income	15,300	7,027	46%
	Operating Margin	8.6%	7.8%	-
Financial, Realty & Global	Net Sales	21,000	9,026	43%
	Operating Income	1,400	1,165	83%
	Operating Margin	6.7%	12.9%	-
Adjustment	Net Sales	-8,400	-4,219	50%
	Operating Income	-10,600	-4,588	43%

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

Segment information (YoY)

- Basically no change in Content Distribution earnings despite strong earnings one year earlier.
- Store & Facility Solutions downturns caused by the end of one-time replacement demand involving new banknotes (sales down ¥4.3bn, earnings down ¥1.6bn) were mostly offset by other growth.

(Million yen)		FY2025 2 Q	FY2026 2 Q	YoY	YoY (Ratio)
Content Distribution	Net Sales	62,455	70,617	+ 8,162	13%
	Operating Income	5,815	5,782	▲33	▲1%
	Operating Margin	9.3%	8.2%	-	-
Store & Facility Solutions	Net Sales	49,191	47,505	▲1,686	▲3%
	Operating Income	9,199	8,729	▲470	▲5%
	Operating Margin	18.7%	18.4%	-	-
Communication & Energy	Net Sales	73,784	89,892	+ 16,108	22%
	Operating Income	5,445	7,027	+ 1,582	29%
	Operating Margin	7.4%	7.8%	-	-
Financial, Realty & Global	Net Sales	4,936	9,026	+ 4,090	83%
	Operating Income	789	1,165	+ 376	48%
	Operating Margin	16.0%	12.9%	-	-
Adjustment	Net Sales	-3,584	-4,219	▲635	18%
	Operating Income	-4,648	-4,588	+ 60	▲1%

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

Net Sales/Operating Income/EBITDA

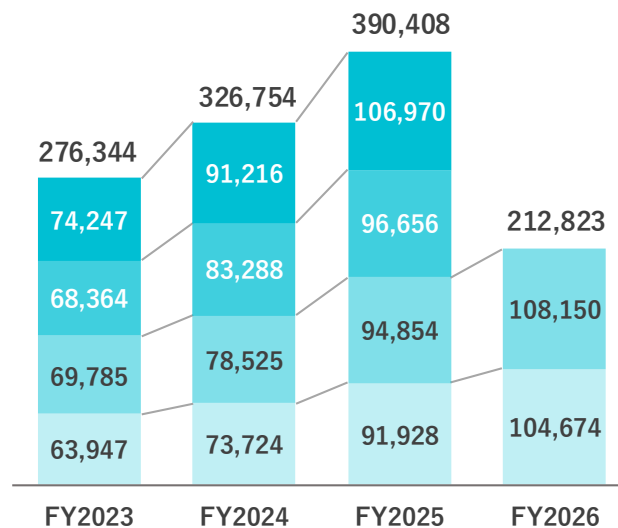
New first half/quarterly records for sales, operating income and EBITDA.

(Million yen)

Net Sales

YoY +14% QoQ + 3 %

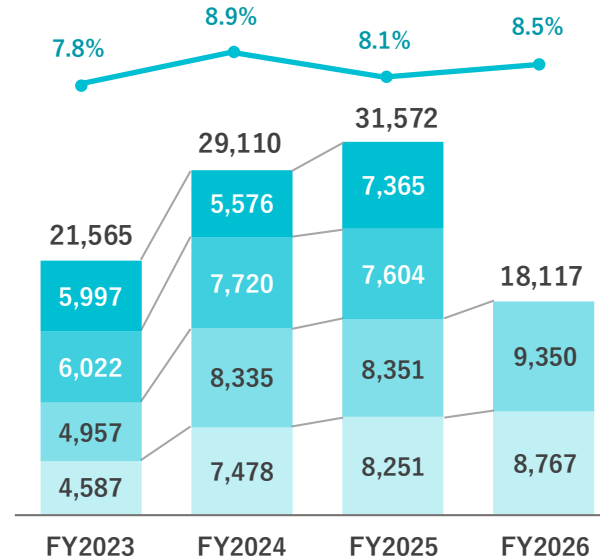
■ 1Q ■ 2Q ■ 3Q ■ 4Q



Operating Income / margin

YoY + 9 % QoQ + 7 %

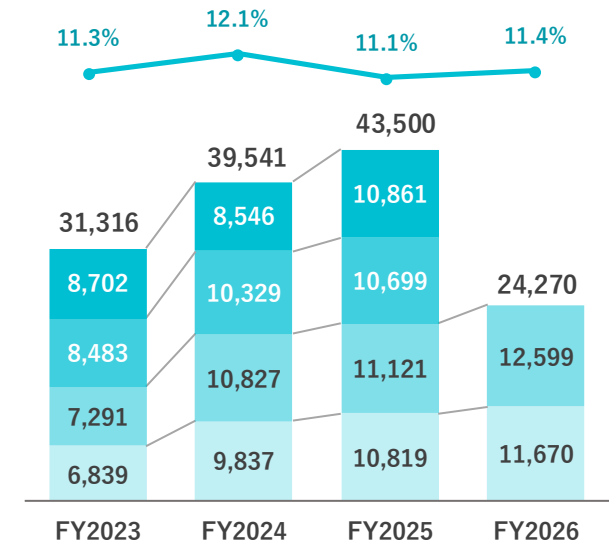
■ 1Q ■ 2Q ■ 3Q ■ 4Q — Operating margin (cumulative)



EBITDA / margin

YoY +11% QoQ + 8 %

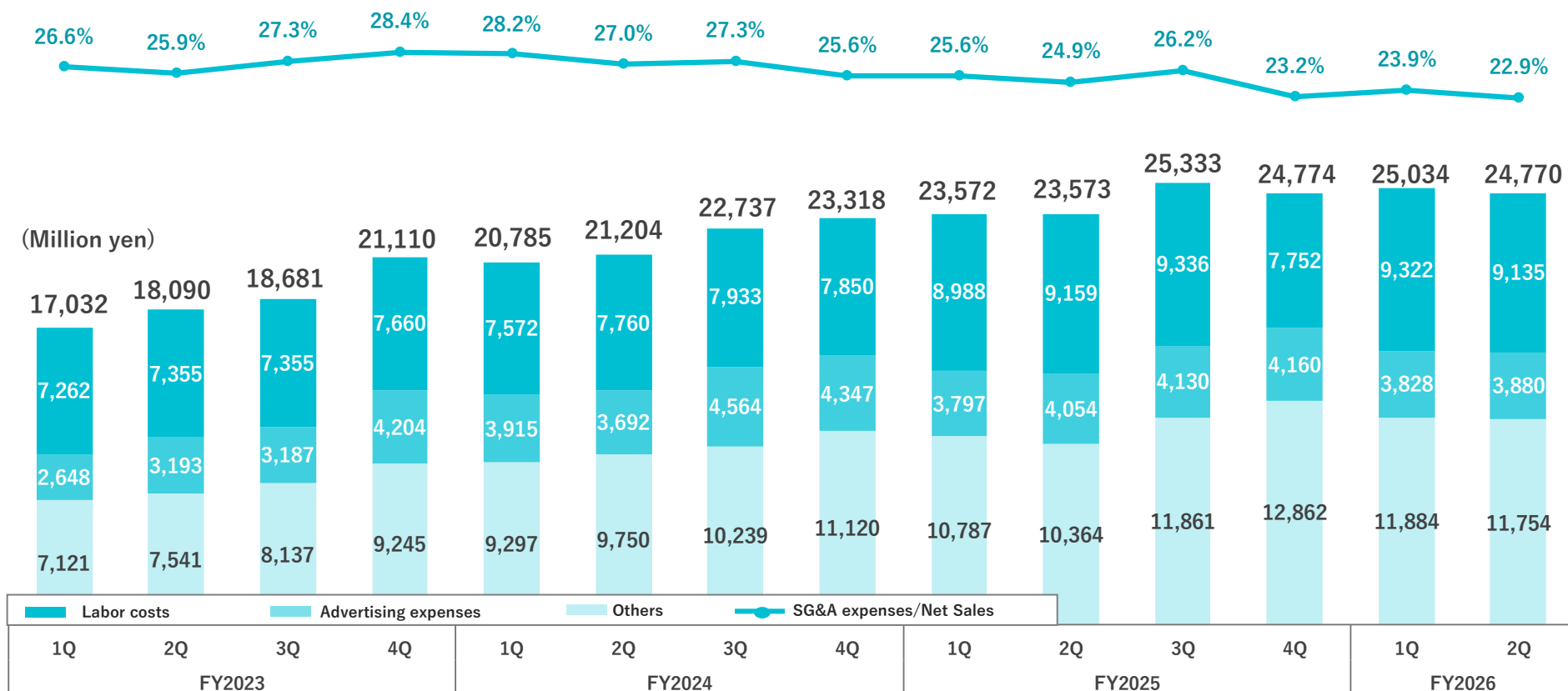
■ 1Q ■ 2Q ■ 3Q ■ 4Q — EBITDA margin (cumulative)



EBITDA = Operating Income + Depreciation + Amortization of goodwill

SG&A expenses

YoY increase due to growth of businesses but a small QoQ decrease.
Decreased to less than 23% of sales.



SG&A ratio

YoY ▲ 2 pt
(Quarter)

QoQ ▲ 1 pt

SG&A

YoY + 5 %
(Quarter)

QoQ ▲ 1 %

Net Income

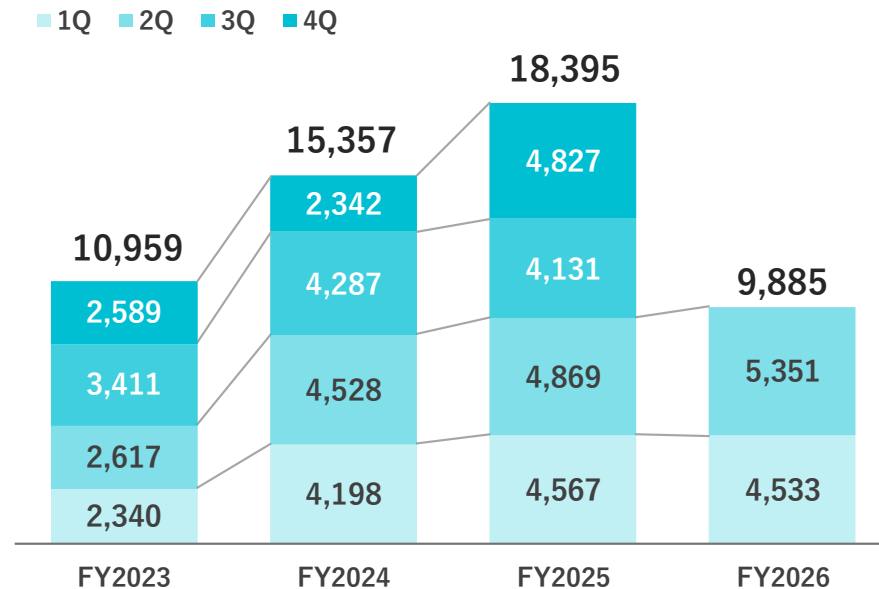
New first half/quarterly records due to the growth of operating income.

(Million yen)

Net Income

YoY + 5 %

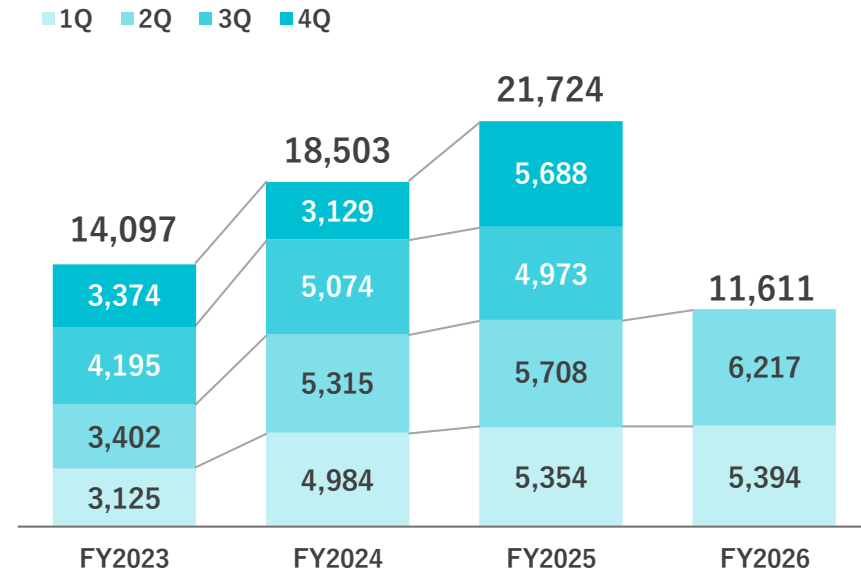
QoQ +18%



Net Income (Adjusted)

YoY + 5 %

QoQ +15%



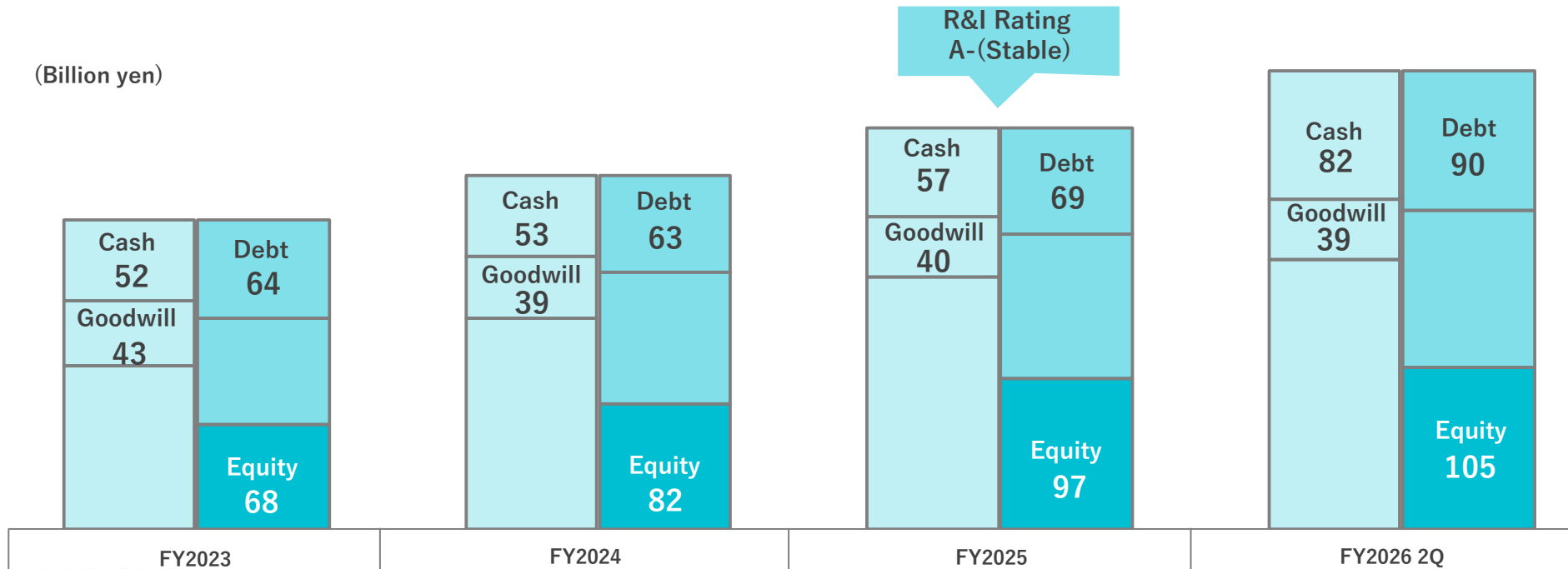
Consolidated balance sheet

Promoting the use of financial leverage, including the 20 billion yen raised through corporate bonds in Q1.

Equity ratio



(Billion yen)



Vs. prior fiscal year-end

Goodwill
▲¥0.7 bn

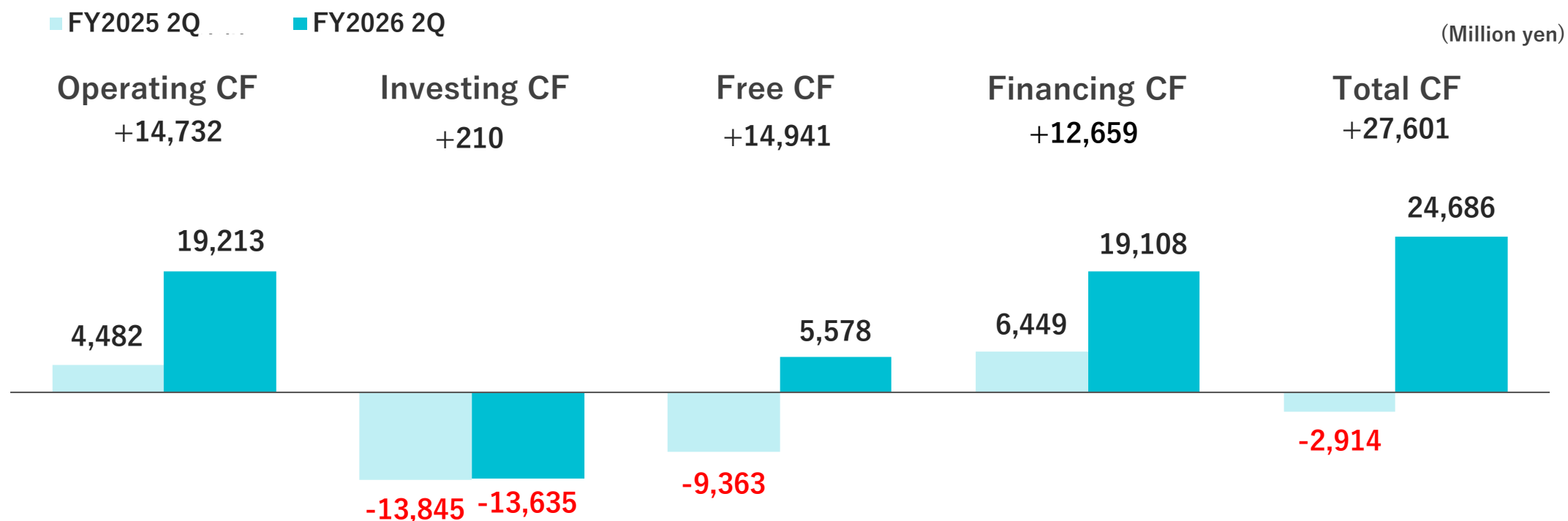
Debt
+¥20.8 bn

Shareholder's equity
+¥7.9 bn

Equity ratio
▲2.0pt

Consolidated cash flows (YoY summary)

- Operating CF : Big increase, including EBITDA +¥1.1bn, working capital +¥7.5bn and deposits +¥4.1bn.
- Investing CF : About the same as one year earlier.
- Financing CF : Cash provided mainly by the ¥20bn bond issue.



2. Segment information

Overview of business segments

BtoC

BtoB



Subscribers
5.15million



Stores 860k
(Restaurant · Retailers · Beauty salons, etc.)



Facilities 30k
(Hotels · Hospitals, etc.)

Comprehensive solutions to support stores and facilities

Content Distribution

VOD service “U-NEXT”



Market share of
SVOD in Japan
No. 2 *1

Contents
inventory
No. 1 *2

Store & Facility Solutions

Store Solutions

Music distribution, POS register, IP camera,
Wi-Fi, Catering robots, etc.



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

Market share of
paid mobile POS
system in Japan
No. 1 *4

Facility Solutions

Automated payment machines, Reception machine,
Operational Management systems for hotels, etc.



Market share of
Automated payment
machines in Japan
No. 1 *5

Communication & Energy

Communication

Broadband internet service, ICT and cloud services, etc.



Energy

High/Low voltage green energy,
Battery Storage for Solar Power Generation



Financial, Realty & Global

Financial

- Cashless payments
- Rent guarantees
- Insurance
- Credit/Leases

USEN PAY / USEN PAY⁺

Realty

- Real estate communication services
- Operation of retail buildings
- Real estate brokerage
- Master lease and Sublease Arrangement

Global

- In-store media / Halal food
- Food & beverage franchising support
- Tourism

* 1 Video on Demand Market Five-year Forecast, GEM Partners * 2 GEM Partners, December 2025 * 3, * 5 U-NEXT HOLDINGS assumptions * 4 Market share of Mobile POS system, Fuji Chimera Research Institute Inc.

U-NEXT
HOLDINGS

Summary of 2Q results of operations

Content Distribution

(YoY) No change in earnings due to continuing expenditures to strengthen the content lineup but strong sales growth due to more subscribers.
(QoQ) Sales and earnings up as the number of subscribers increases steadily.

Store & Facility Solutions

(YoY) Sales and earnings down, but the downturn caused by one-time demand involving new banknotes one year earlier was largely offset by other growth.
(QoQ) Sales and earnings down due to the end of a 1Q one-time factor that raised sales and earnings by ¥0.5bn each.

Communication & Energy

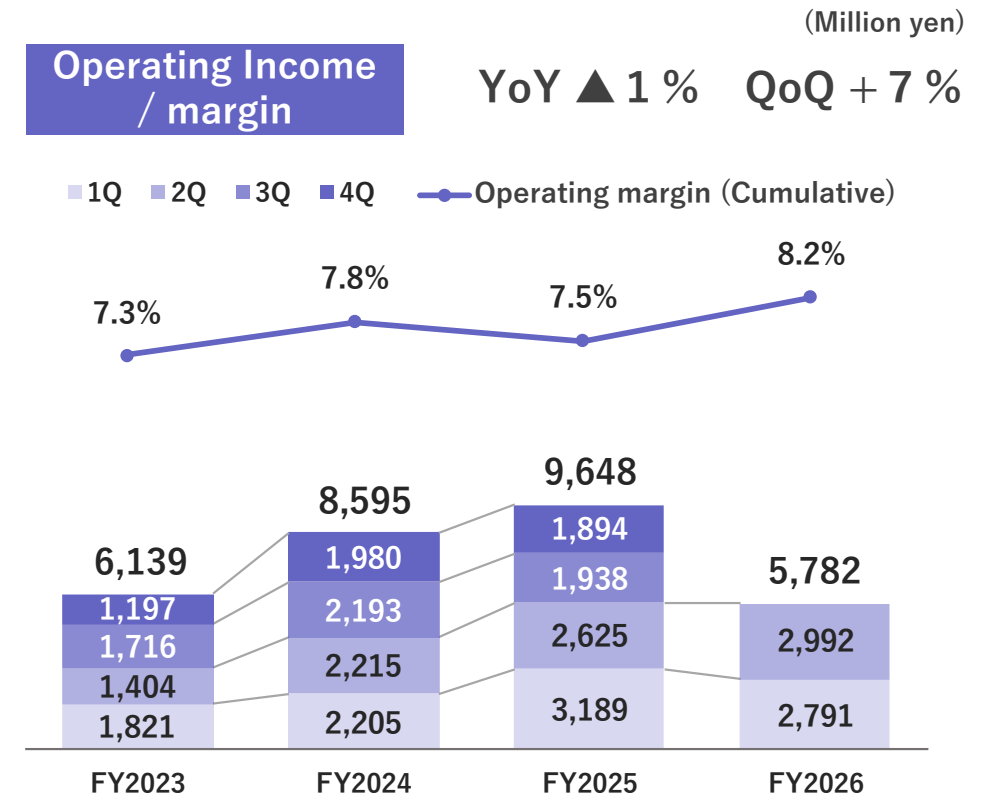
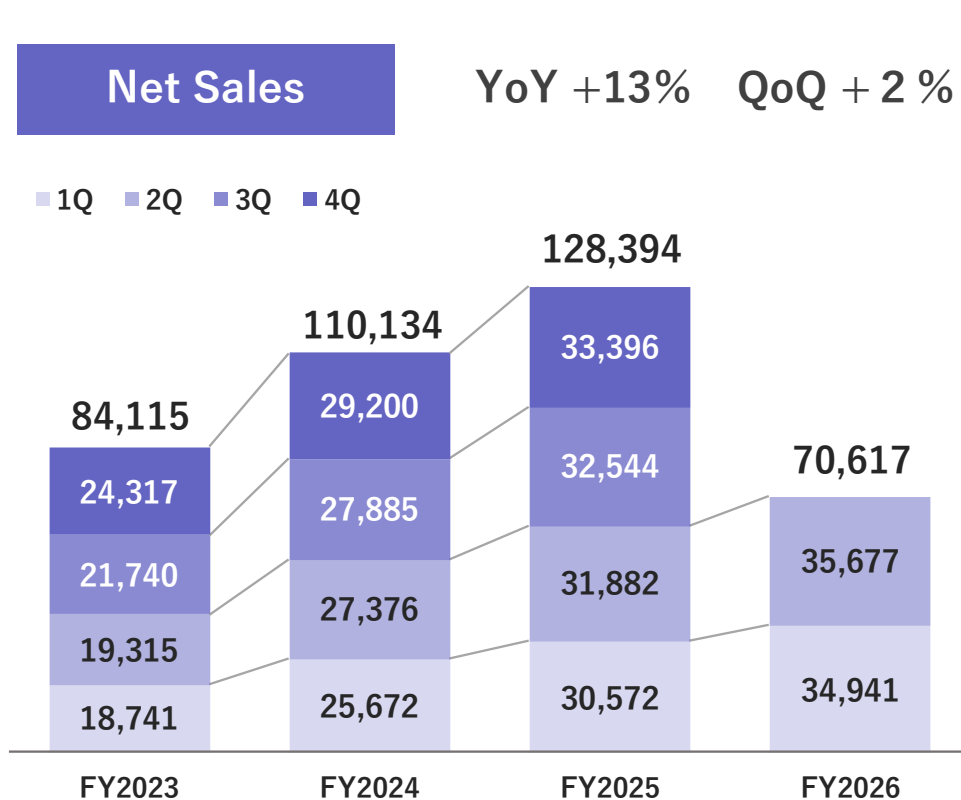
(YoY) Big increases in sales and earnings backed by steady communication growth, more energy customers and a decline in capacity payments.
(QoQ) Sales and earnings higher mainly because of a larger sales volume during seasonally strong demand for electricity.

Financial, Realty & Global

(YoY) Strong sales and earnings growth due to existing business growth and the inclusion of a newly consolidated subsidiary.
(QoQ) Sales and earnings increased as the number of contracts rose.

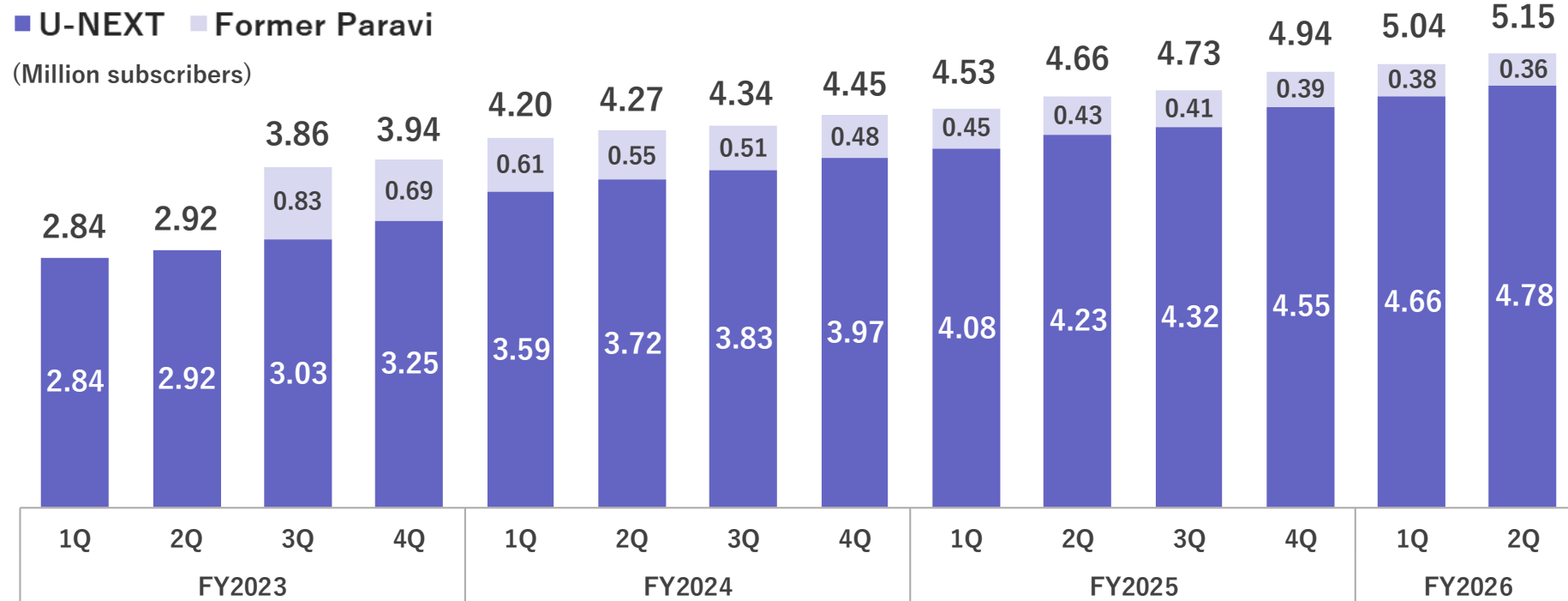
Content Distribution

- Strong YoY sales growth due to more subscribers but no change in earnings because of FY2025 measures to strengthen the content lineup, mainly sports.
- Sales and earnings increased QoQ as the number of subscribers rose.
- Due to the higher than planned number of subscribers, aiming for higher than planned YoY earnings growth in the second half, when earnings comparisons are easier.



Content Distribution (Subscribers)

Almost achieved the fiscal year plan in the first half due to net subscriber increases of 480,000 YoY and 110,000 QoQ.



YoY

+480K
(+10%)

QoQ

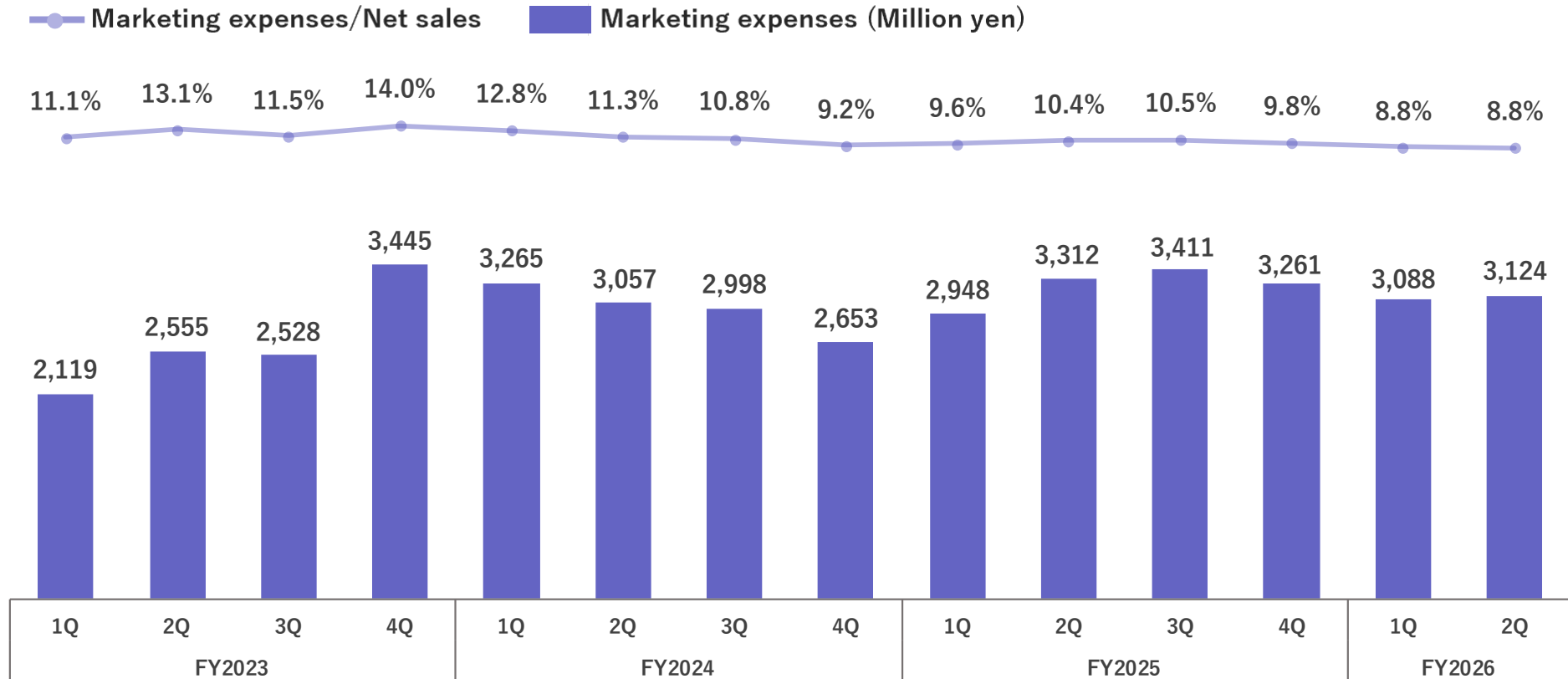
+110K
(+ 2 %)

Net change of QoQ (K)	U-NEXT	+88	+87	+107	+221	+333	+138	+109	+137	+ 106	+155	+87	+232	+ 109	+124
	Paravi	-	-	+829	▲137	▲80	▲63	▲43	▲28	▲25	▲21	▲20	▲17	▲16	▲15

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

Content Distribution (Marketing expenses)

As sales growth continues, no significant change in customer addition efficiency as marketing expenses decline as a pct. of sales.



Marketing expenses

YoY ▲5.7%
(Quarter)

QoQ +1.2%

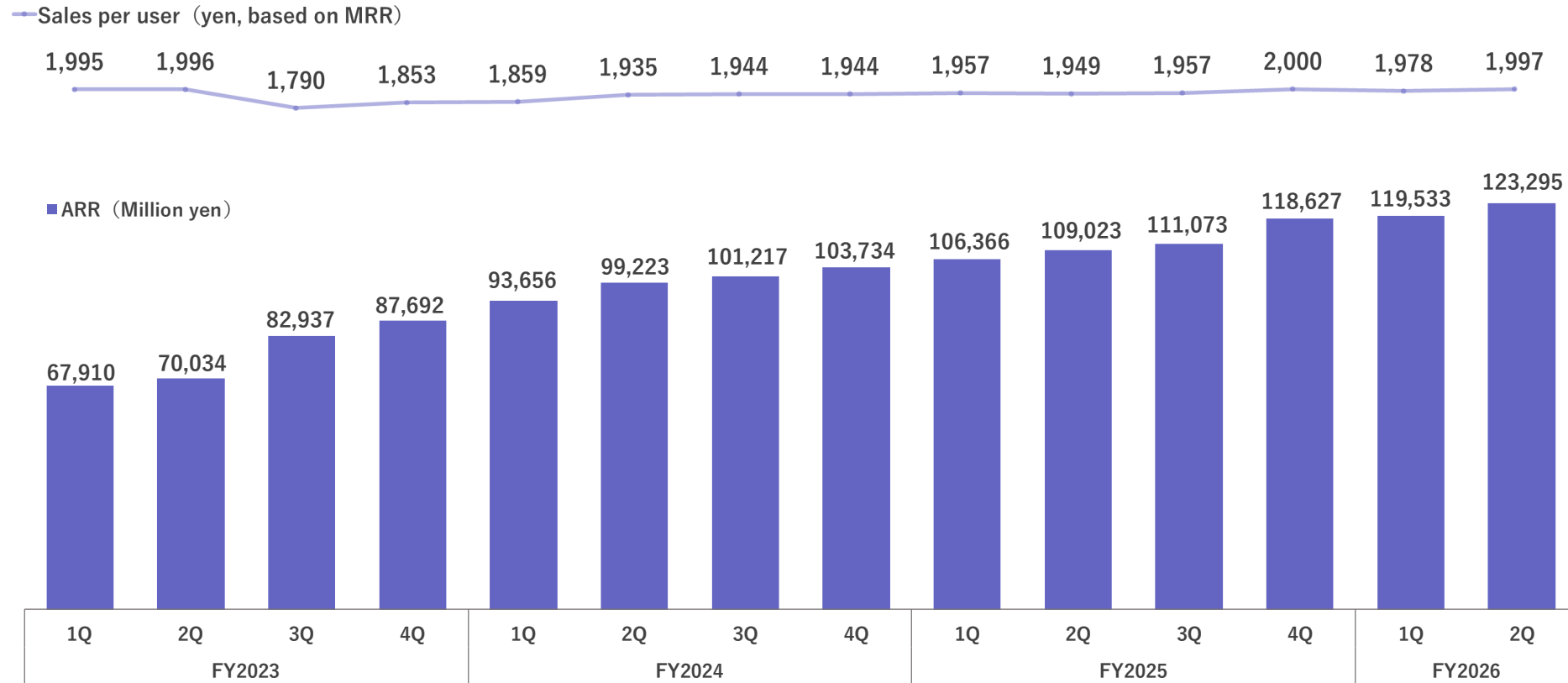
Marketing expenses ratio

YoY ▲1.6pt
(Quarter)

QoQ ▲0.1pt

Content Distribution (ARR)

ARR is increasing steadily as the number of subscribers increases.



YoY
+¥14.2bn
(+13%)

QoQ
+¥3.7bn
(+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)

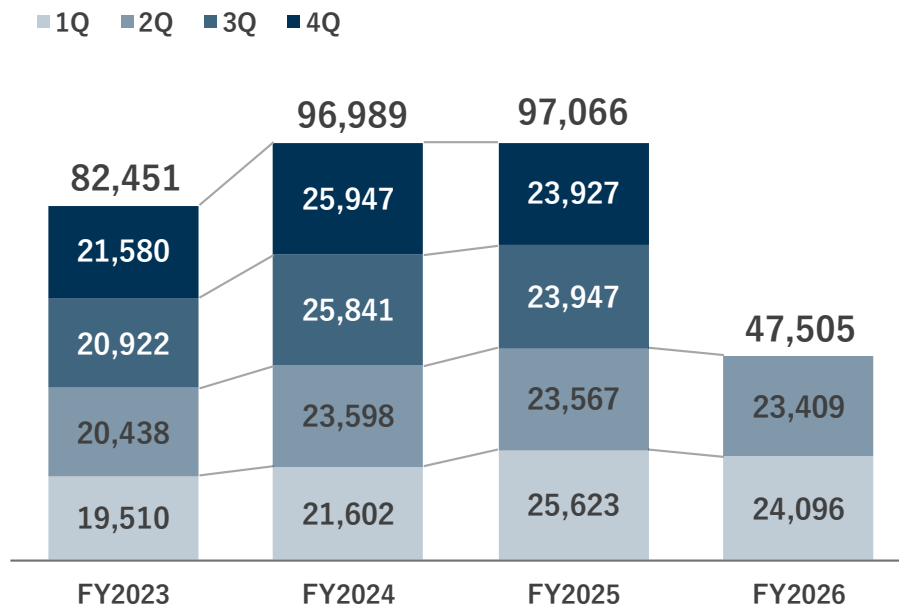
*Based on sales in the last month of each quarter.

Store & Facility Solutions

- Sales and earnings down YoY but the downturns caused by the end of one-time replacement demand due to new banknotes (sales down ¥4.3bn, earnings down ¥1.6bn) was largely offset by other growth.
*Growth was 14% for pro forma earnings of ¥7.6bn, which is FY2025 first half earnings of ¥9.2bn minus one-time demand earnings of ¥1.6bn.
- Sales and earnings down QoQ due to the end of a 1Q one-time factor that raised sales and earnings by ¥0.5bn each.

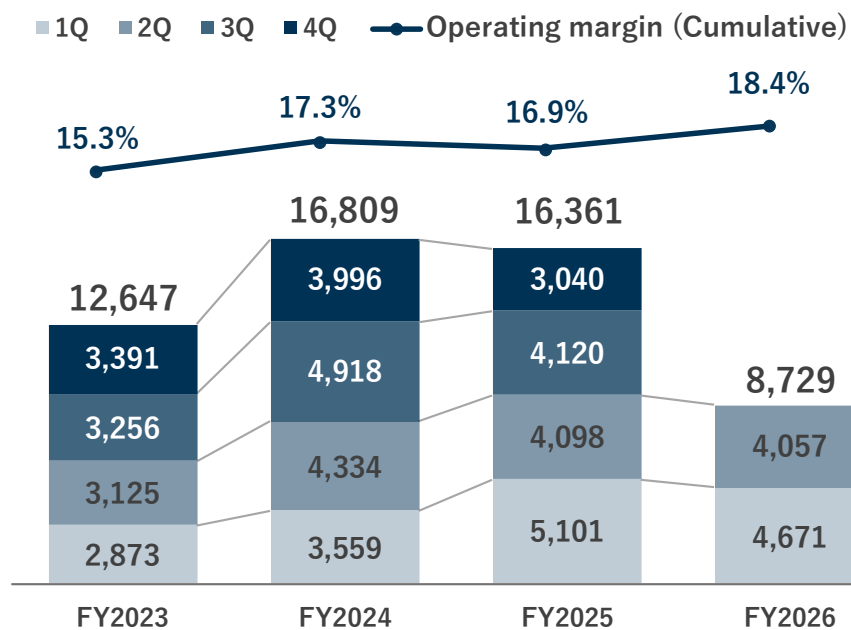
Net Sales

YoY ▲3.4% QoQ ▲3%



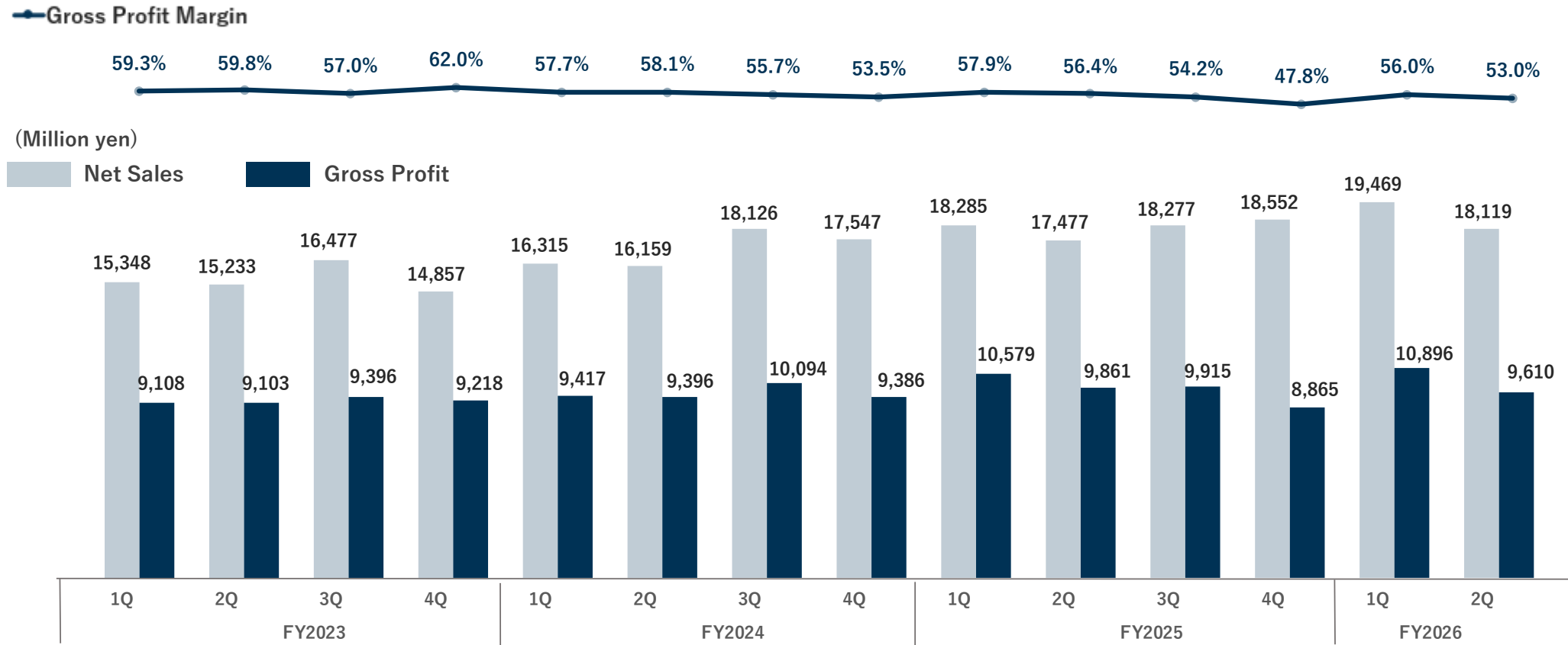
Operating Income / margin

(Million yen)
YoY ▲5% QoQ ▲13%



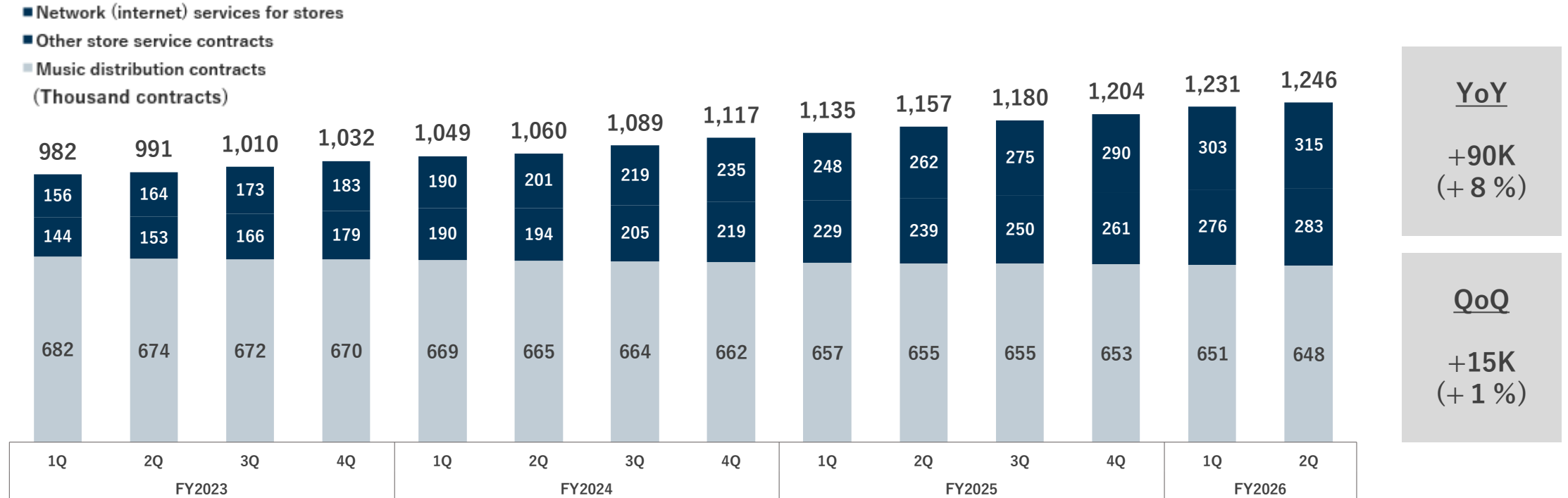
(1) Store Solutions

Generally stable performance, but sales and earnings decreased QoQ mainly because of weak product sales, partially due to one-time factors.



(1) Store Solutions (Number of contracts)

Steady growth in the number of customers is continuing; contracts increased 90,000 YoY and 20,000 QoQ.

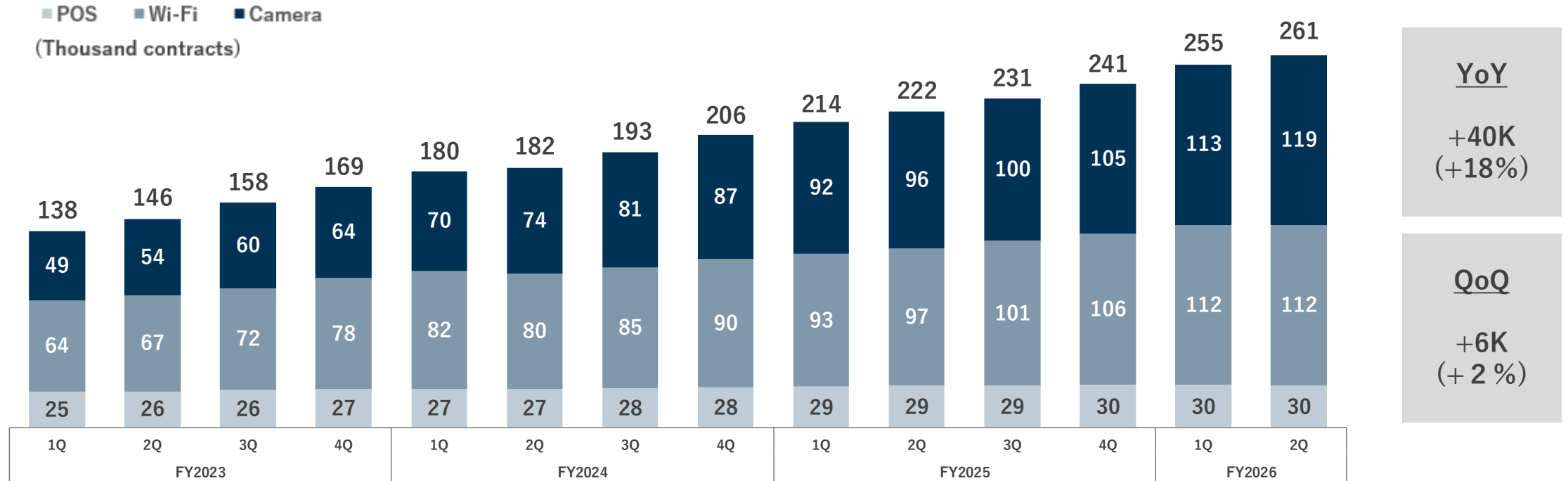


*Other store services are the sum of network services, POS registers, Wi-Fi, IP cameras, table service robots, digital signage and food delivery franchising.

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

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

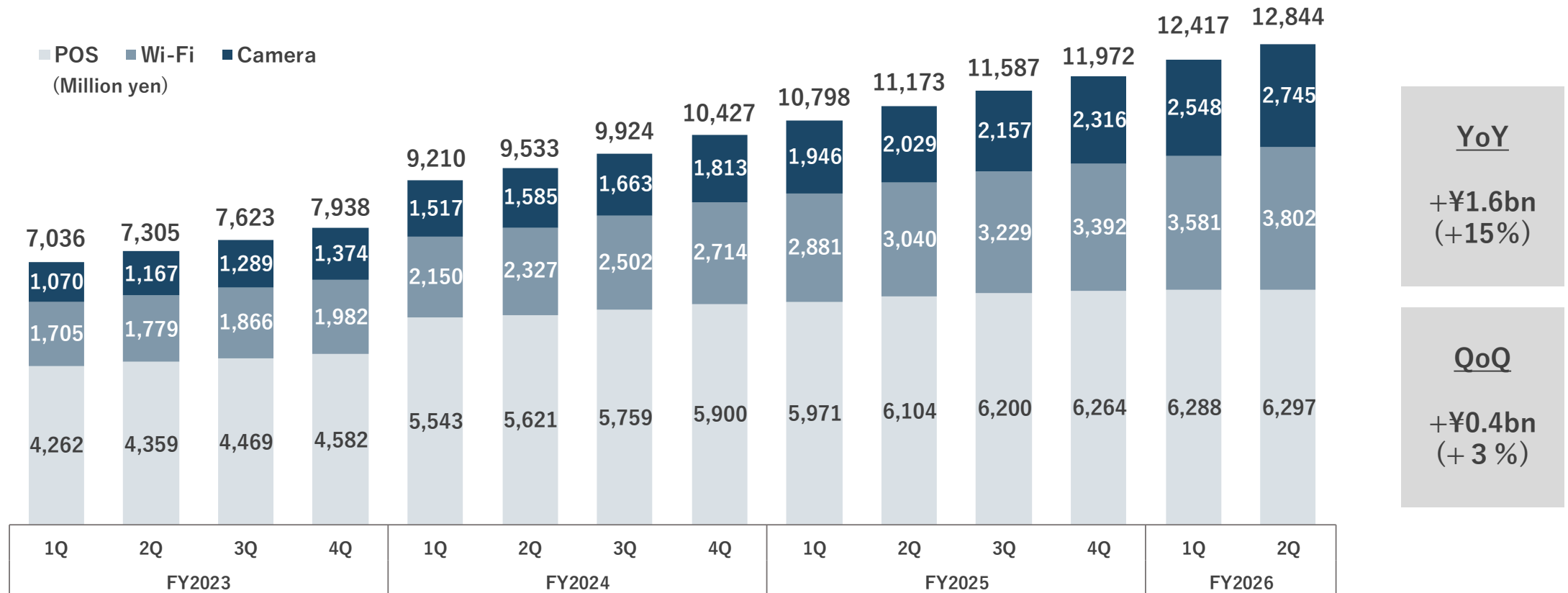
Contracts increased 40,000 YoY and 10,000 QoQ, mainly for cameras.



* Contracts for three major products are included in other store service contracts on page 22.

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

ARR is growing steadily with the 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.

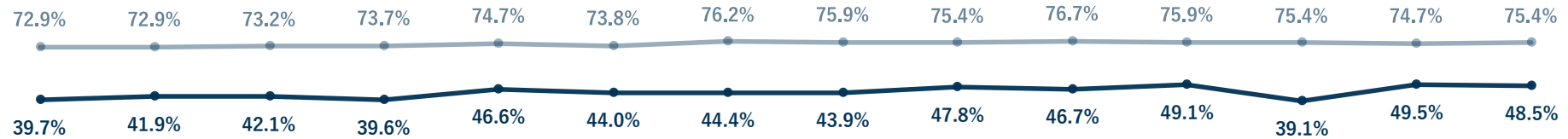
*Based on sales in the last month of each quarter.

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



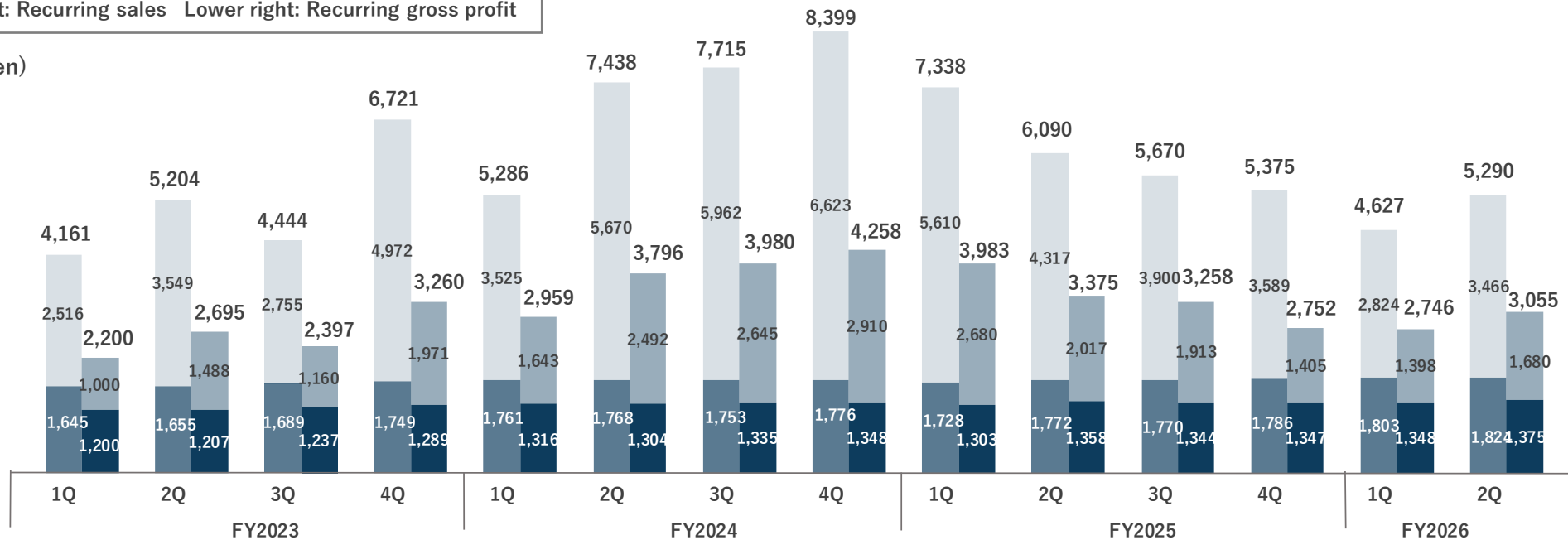
* Recurring: Maintenance fees, hotel management system utilization fees and other recurring income

* One-time: Sales of payment kiosks and other one-time income



Upper left: One-time sales Upper right: One-time gross profit
 Lower left: Recurring sales Lower right: Recurring gross profit

(Million yen)

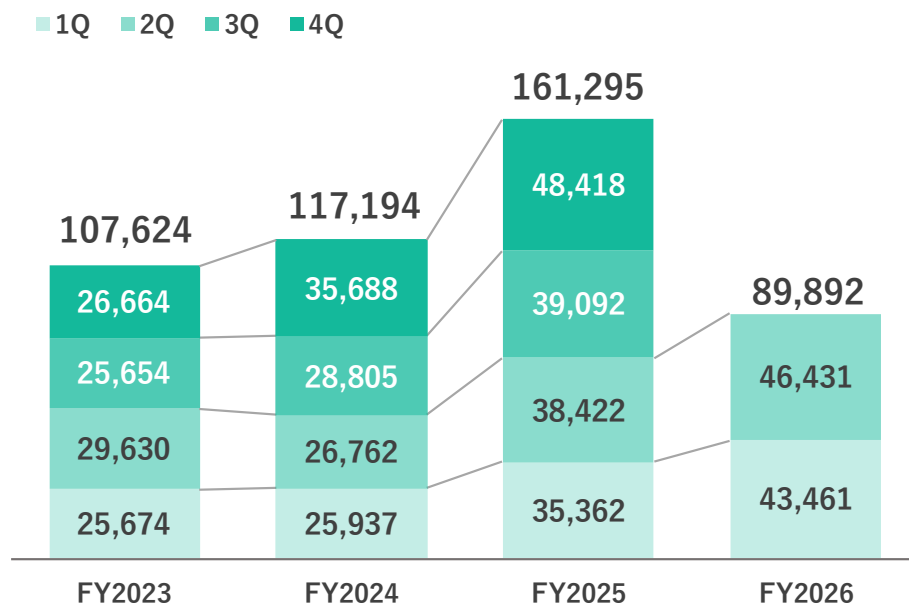


Communication & Energy

- Steady YoY communication growth. Strong energy sales and earnings growth due to more customers and lower capacity payments.
- Sales and earnings up QoQ mainly because of a larger energy sales volume due to seasonally strong demand for electricity.

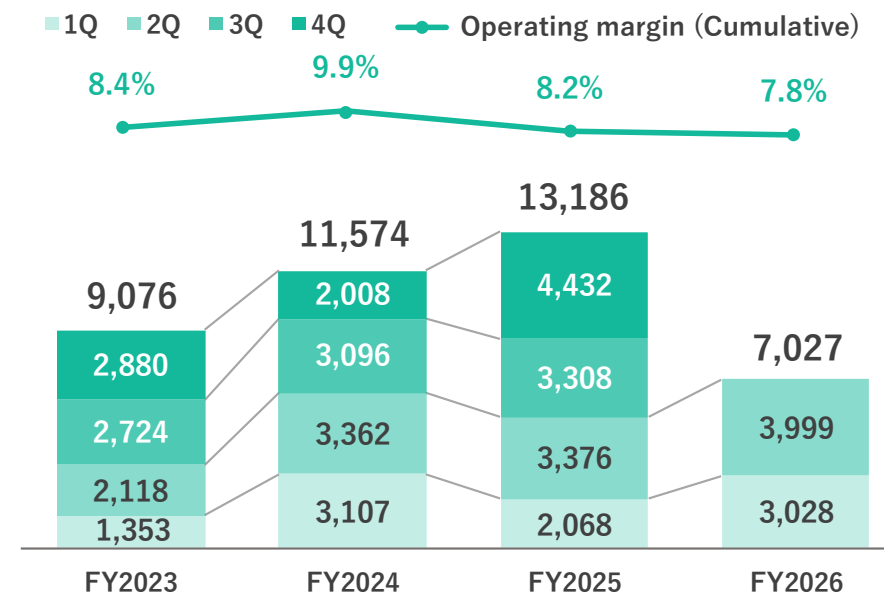
Net Sales

YoY +22% QoQ + 7 %



Operating Income / margin

(Million yen)
YoY +29% QoQ +32%



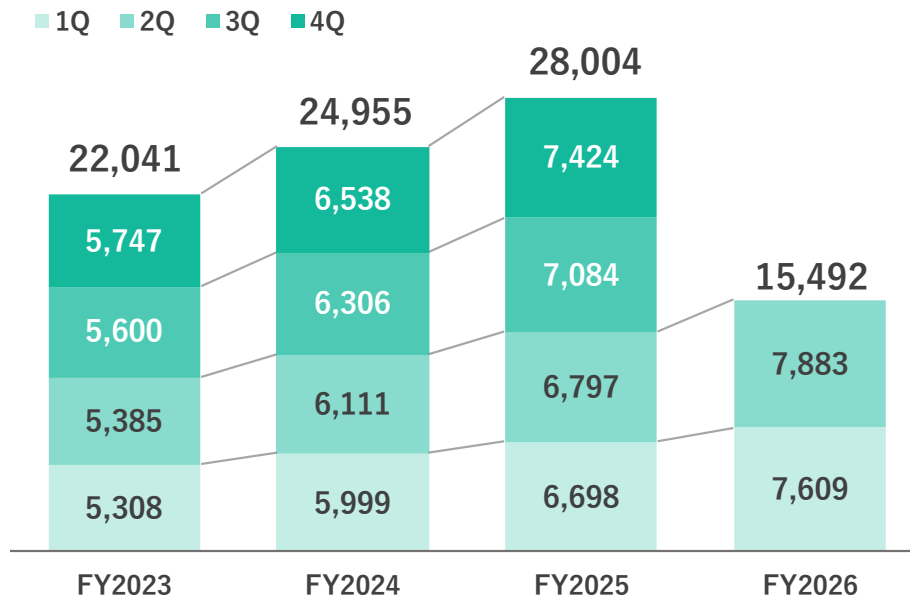
(1) Communication: ICT service for business

Record-high first half/quarterly sales and earnings as steady growth continues.

(Million yen)

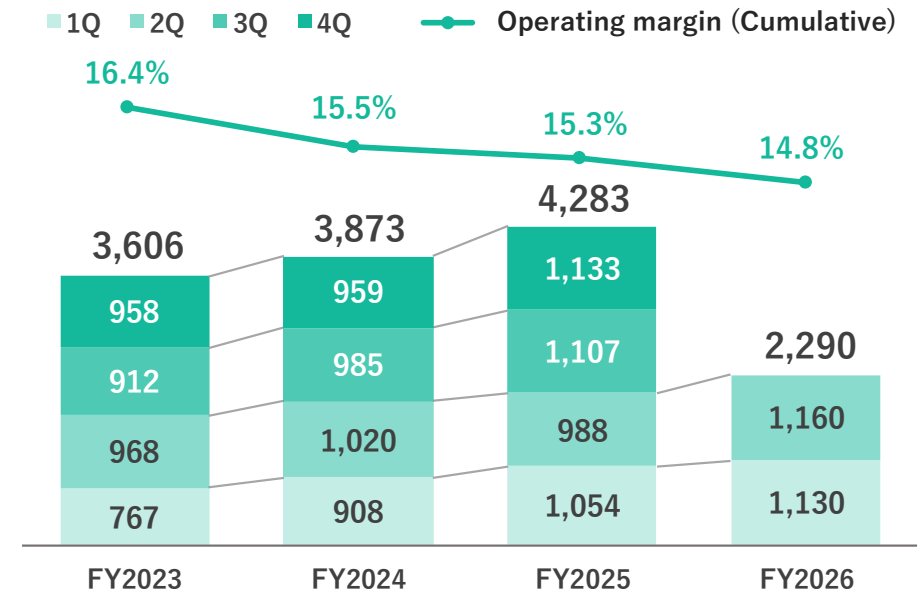
Net Sales

YoY +15% QoQ + 4 %



Operating Income / margin

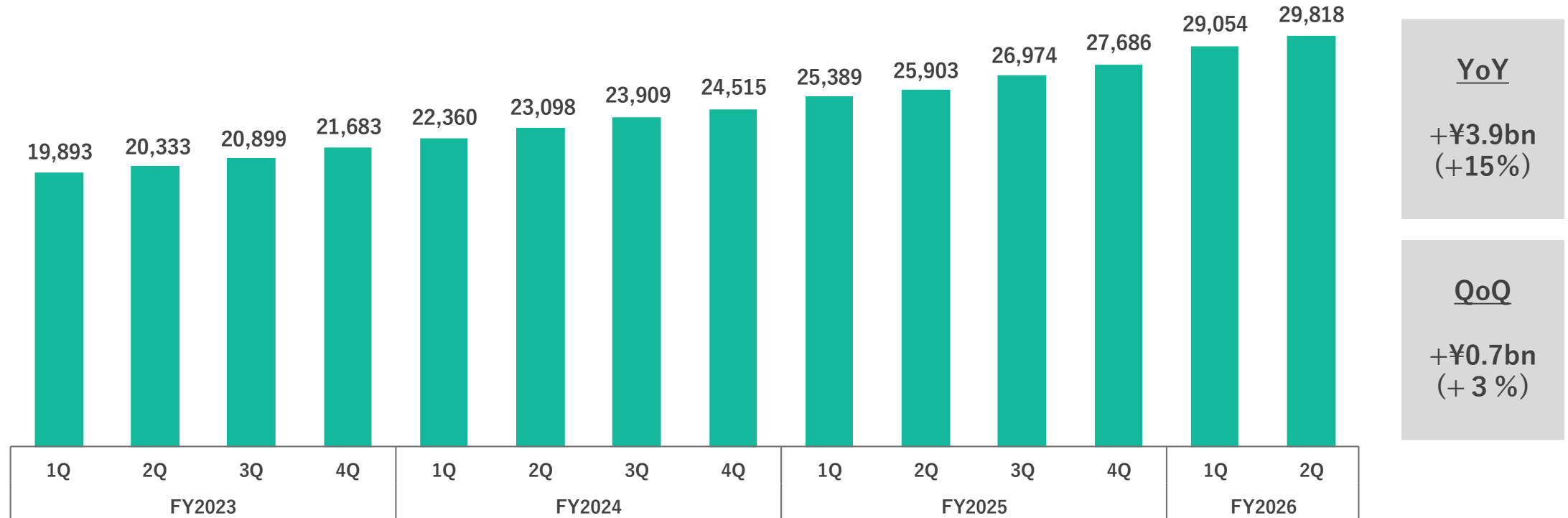
YoY +12% QoQ + 3 %



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

Consistent growth of ARR too because most sales are recurring.

(Million yen)



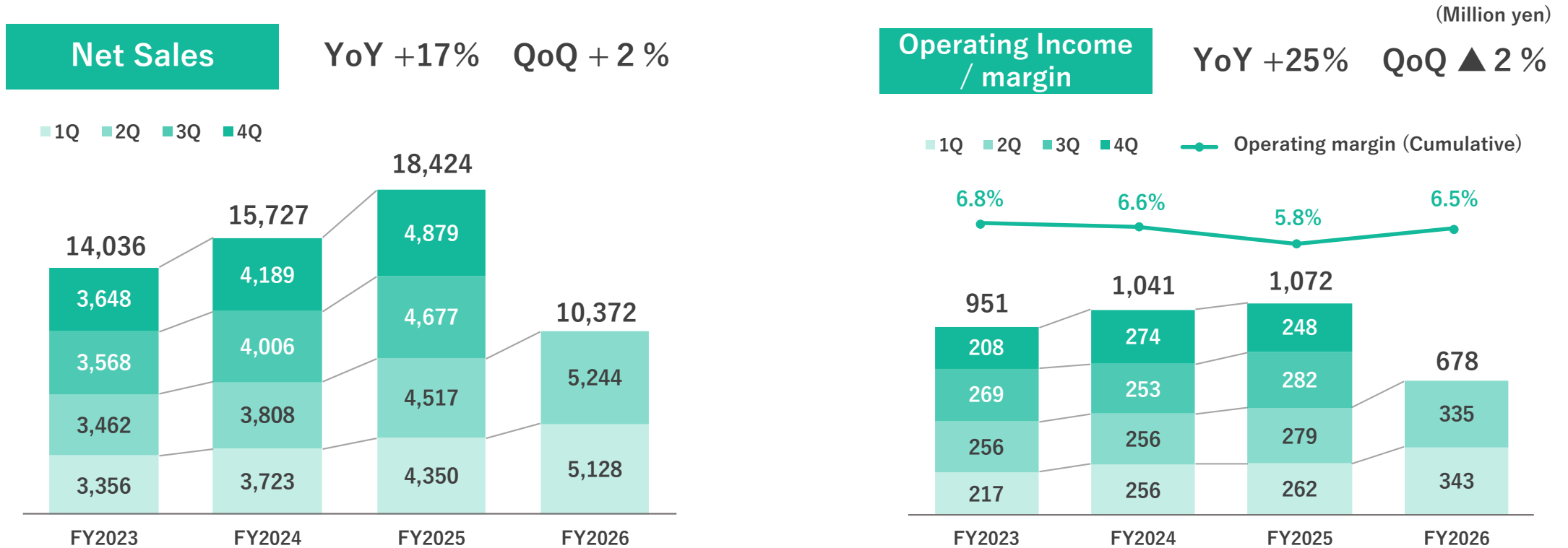
*Annual Recurring Revenue: Monthly recurring revenue multiplied by 12.

*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.

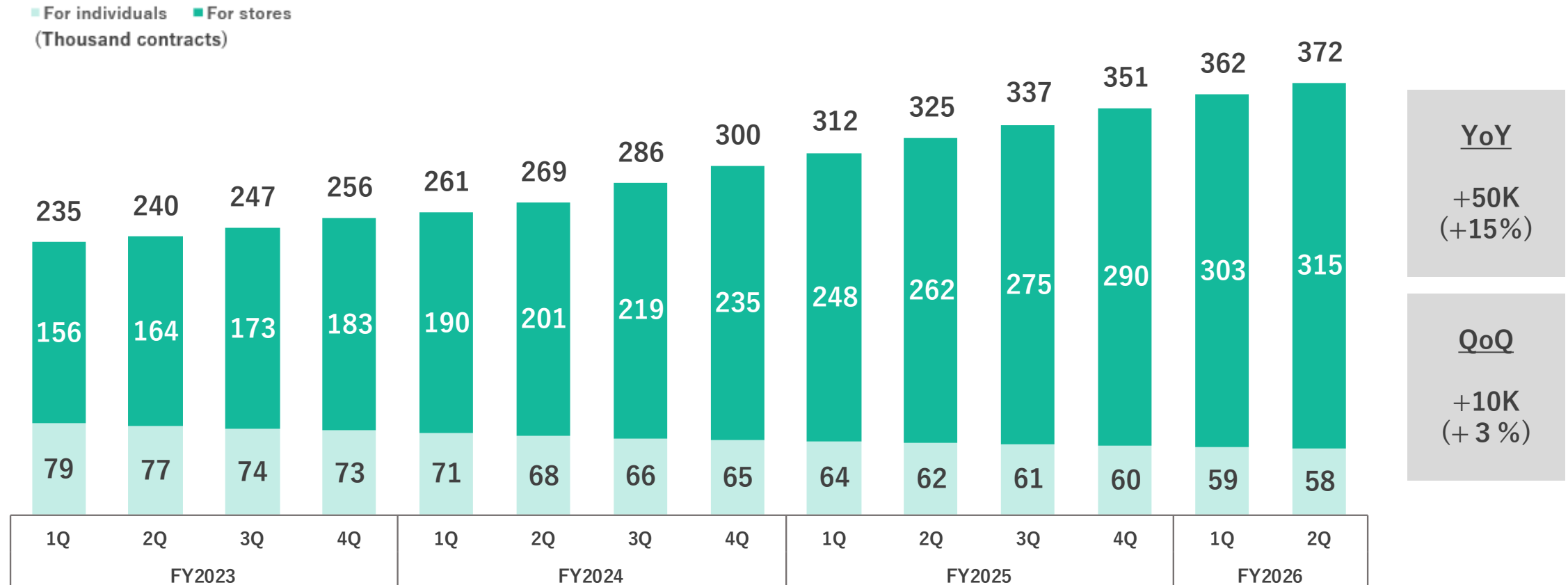
(1) Communication: Internet service for stores and individuals

Big increase in sales to stores but no change in earnings due to a higher cost of sales ratio.



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

Number of contracts continues to climb due to more contracts with stores.



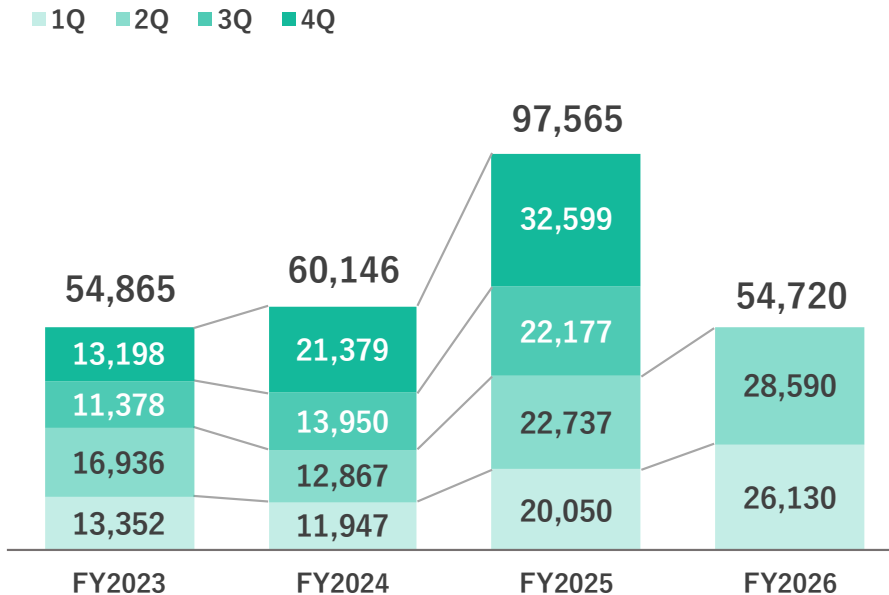
* Contracts for stores and BtoBtoC models, which are part of the above graph, are included in other service subscribers on page 22.

(2) Energy

- Sales up YoY due to more customers; big increase in earnings in part because of lower capacity payments since the 3Q FY2025.
- Big QoQ increase in earnings mainly due to an increase in the sales volume during seasonally strong demand for electricity.

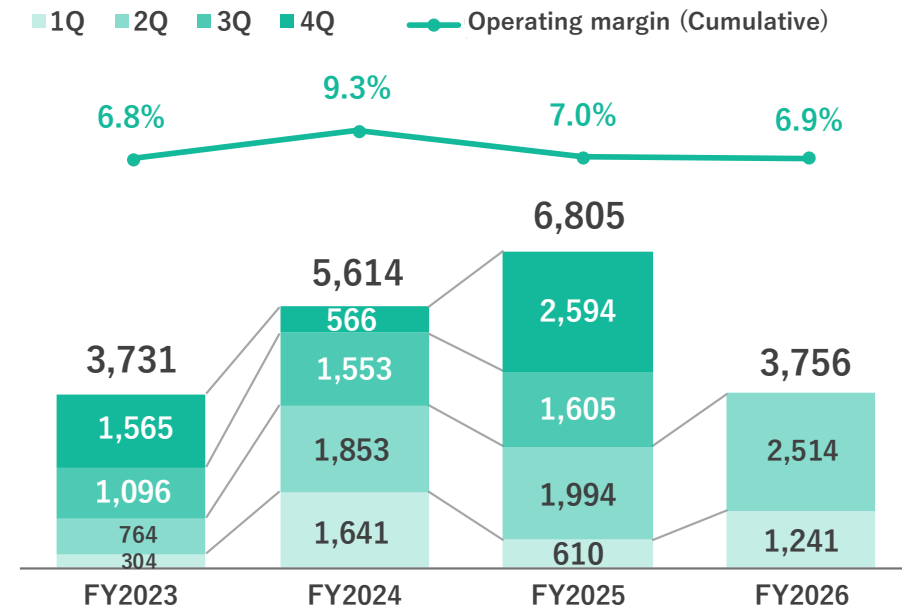
Net Sales

YoY +28% QoQ + 9 %



Operating Income / margin

(Million yen)
YoY +44% QoQ +103%



(2) Energy (Number of contracts)

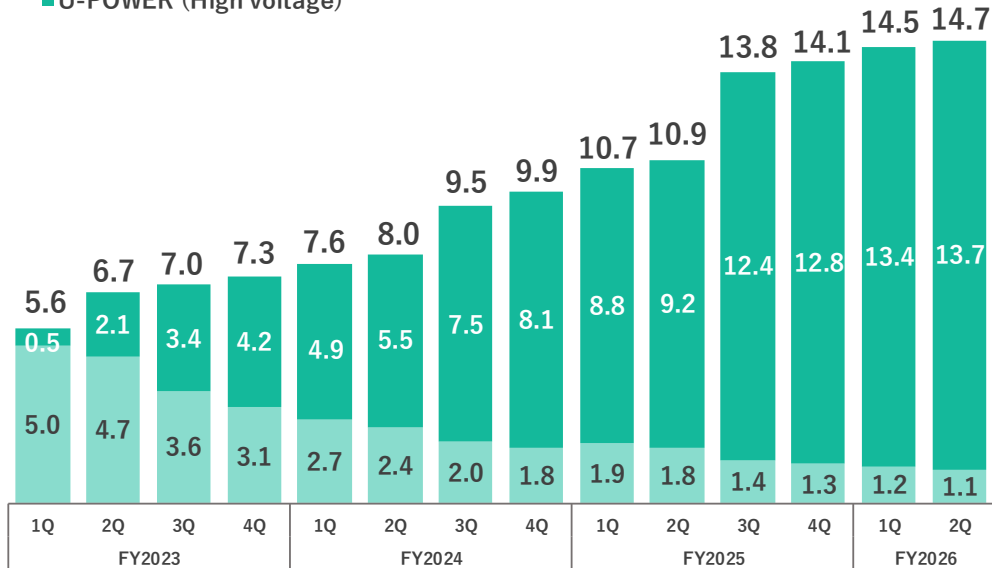
More high-voltage and low-voltage contracts at U-POWER are driving growth.

High voltage

YoY +35% QoQ +1 %

(Thousand customer accounts)

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

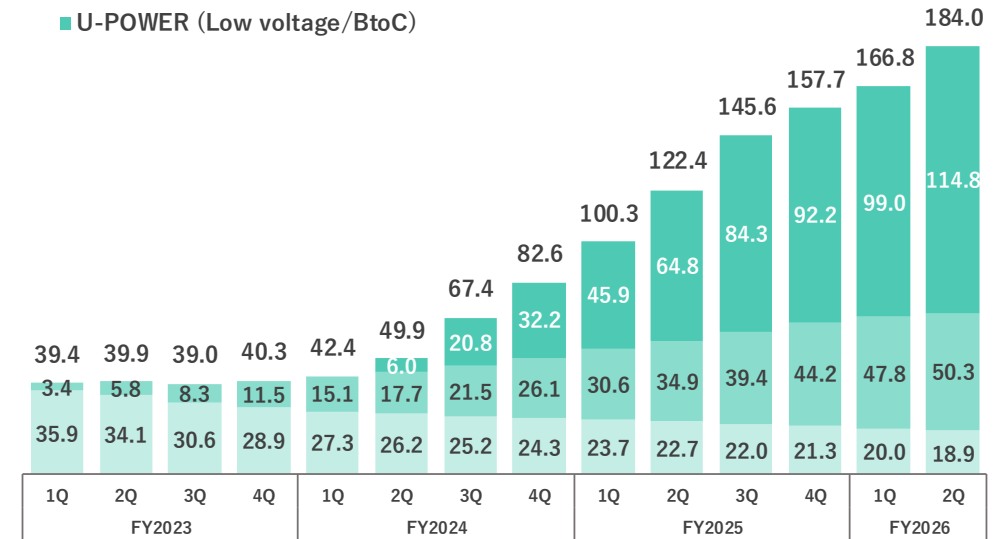


Low voltage

YoY +50% QoQ +10%

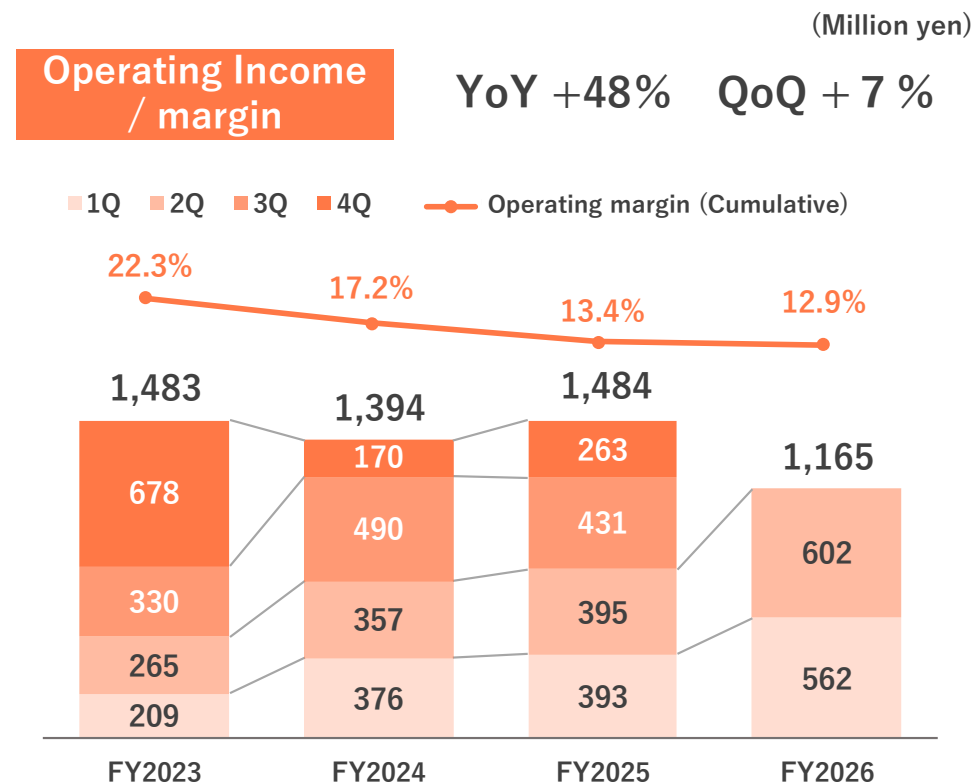
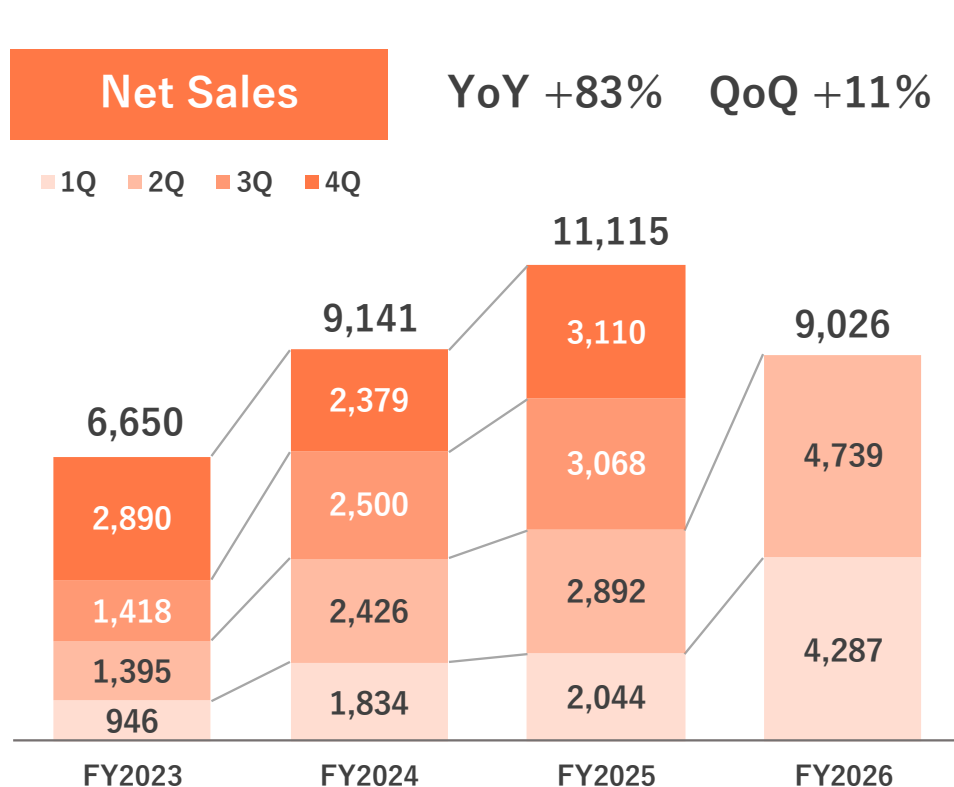
(Thousand customer accounts)

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



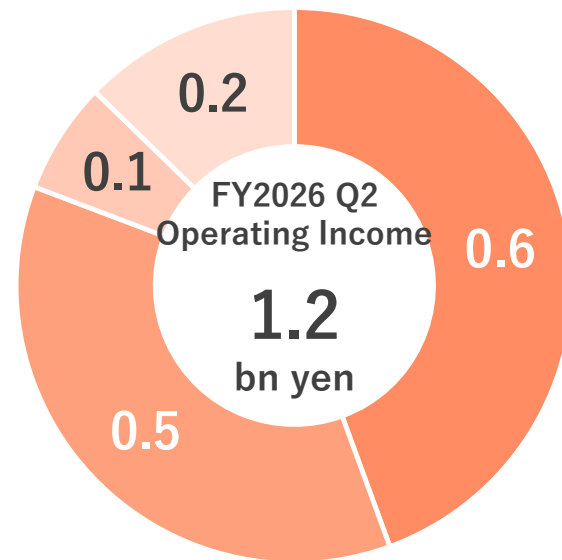
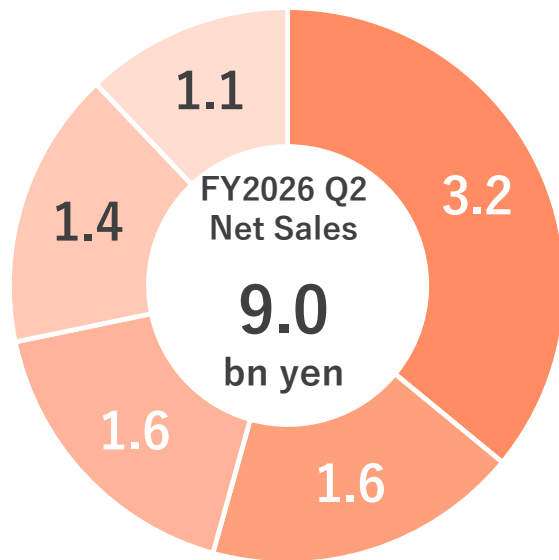
Financial, Realty & Global

- Strong sales and earnings growth due to existing business growth and the inclusion of a newly consolidated subsidiary.
- Sales and earnings increased QoQ as the number of contracts rose.



Financial, Realty & Global (Sales and earnings composition)

Although sales composition is diverse, communication services for real estate and rent guarantees are still more than 80% of earnings.

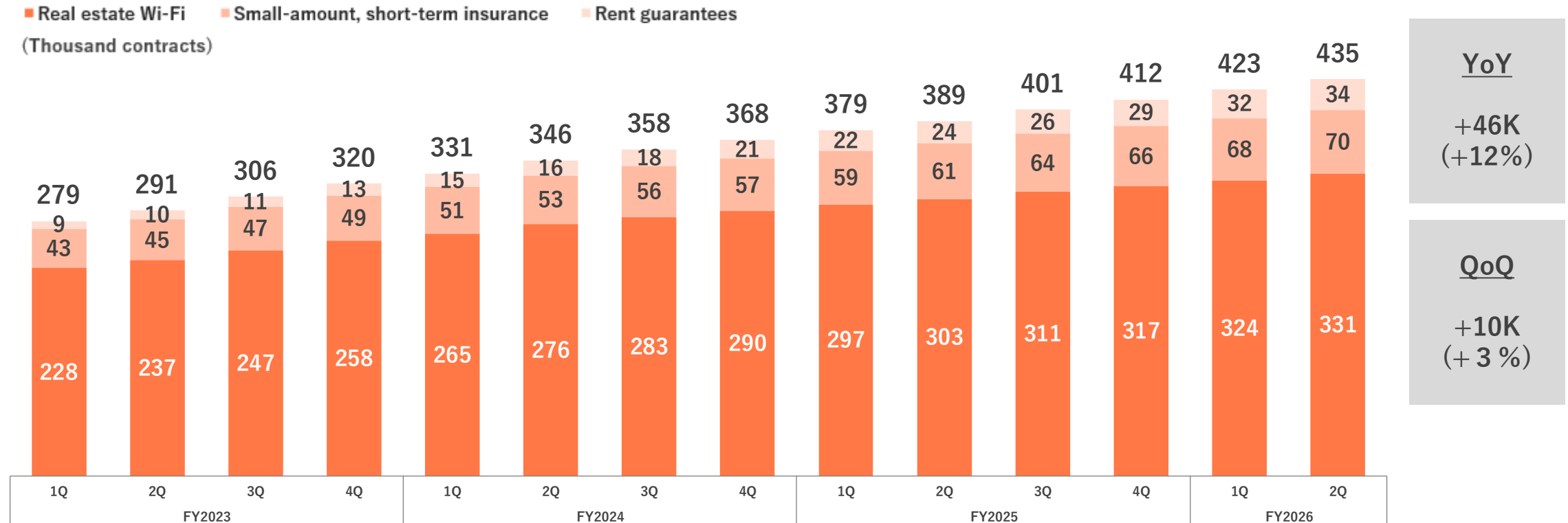


- Real estate communication services
- Rent guarantees
- Cashless payments
- Insurance
- Real estate (Operation of retail buildings/brokerage)

* Cashless payment posted an operating loss of 0.1 billion yen.

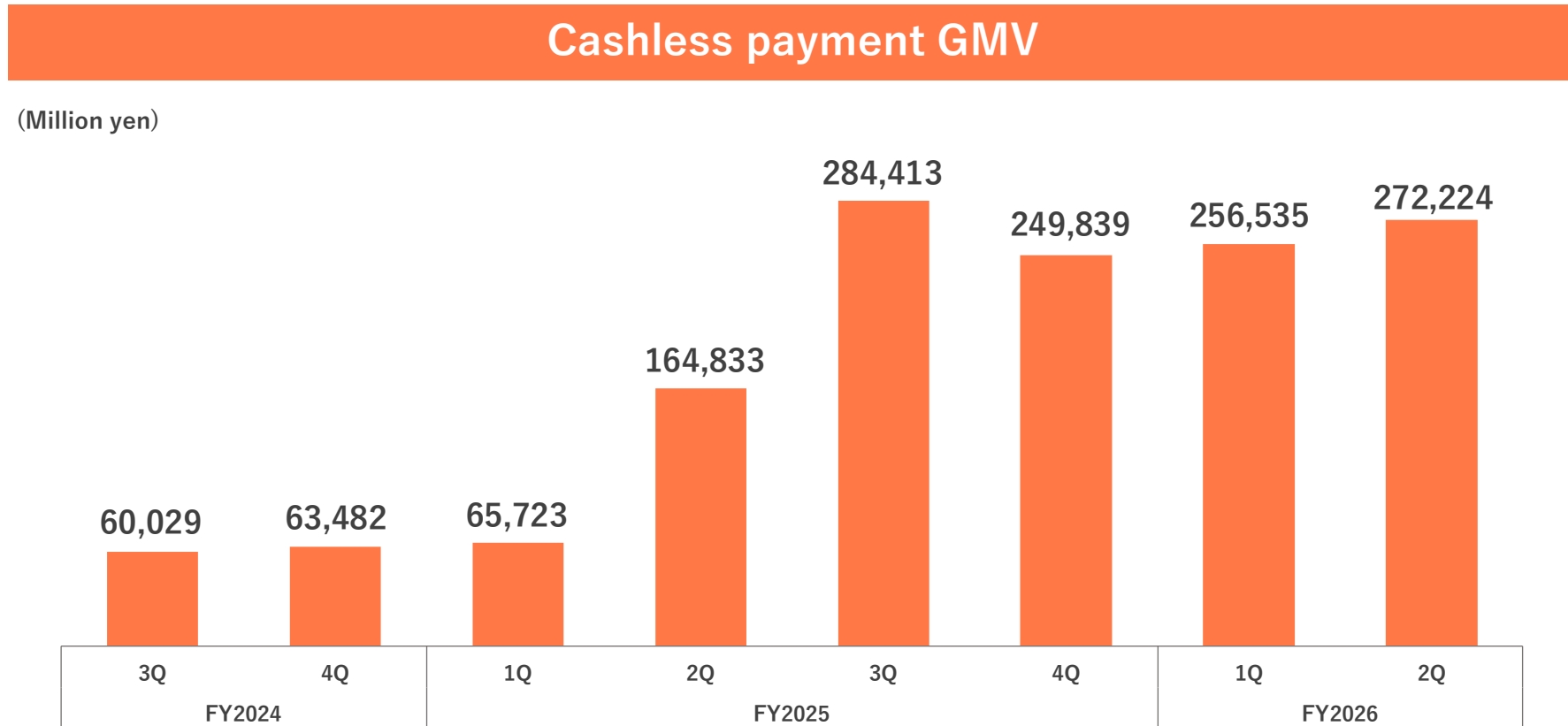
Financial, Realty & Global (Contracts for major products)

Up 50,000 YoY and 10,000 QoQ as steady growth continues in all categories.



(1) Financial (GMV)

Steady growth of gross merchandise value (GMV) as the number of member stores climbs.



*The impact of the M&A inclusion on FY2025 is two months in 2Q and three months in 3Q.

3. Topics

Content Distribution (A stronger content lineup)

Continuing to purchase original programs and exclusive rights and use other actions for a stronger lineup.

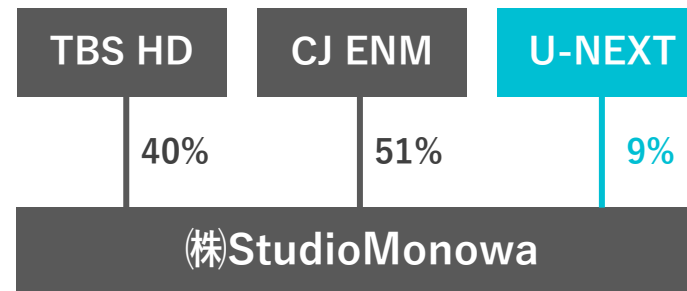
A big global project

<Chiruran : Shinsengumi Requiem>



- A joint project of TBS/U-NEXT/THE SEVEN.
- Following a two-night broadcast on the TBS network, subsequent episodes will be streamed exclusively on our platform every week.
- The largest yet activity in the Japanese drama category for U-NEXT.
- Will be distributed to more than 100 countries using HBO Max starting on May 9.

Joint establishment of content production company



- U-NEXT has established a content production company with the CJ Group, which produced “Crash Landing on You” and the Oscar-winning “Parasite,” and the TBS Group, which has widely recognized content production expertise.
- Distribution of content produced by the new company is expected to enable U-NEXT to provide subscribers with more added value.

Exclusive distribution rights for popular content

<VIVANT Season 2>



- Two-cour broadcast on the TBS network starting July.
- U-NEXT holds the exclusive rights for catch-up distribution linked to terrestrial TV broadcasts, excluding TVer.
- Considering the distribution of related content.

Store & Facility Solutions (XING Group acquisition and collaboration)

U-NEXT purchased 70% of the stock of XING on April 1, 2026.
Collaboration with this new subsidiary is expected to produce synergies.

BtoC

- Live streaming of U-NEXT-procured content on XING's "miruhaco" video distribution service for karaoke rooms.

<Japan soccer friendship games>



3/29 vs. Scotland and
3/31 vs. England were viewed in
about 320 karaoke rooms despite
the late-night times of the games
in Japan.

* miruhaco: <https://miruhaco.jp/>

- Also considering services in the home karaoke market sector.

<World tour of TWICE>



4/28 Performance
at MUFG Stadium
(Japan National Stadium)

BtoB

- Planning on the following activities starting in May.

- (1) Begin providing JOYSOUND karaoke to about 19,000 partner companies throughout Japan.

Uses the U-NEXT Group's ability to establish relationships with newly opened stores.

- (2) Start using XING sales activities to also sell the products and services of the U-NEXT Group.

Expected to contribute to ARPU growth.

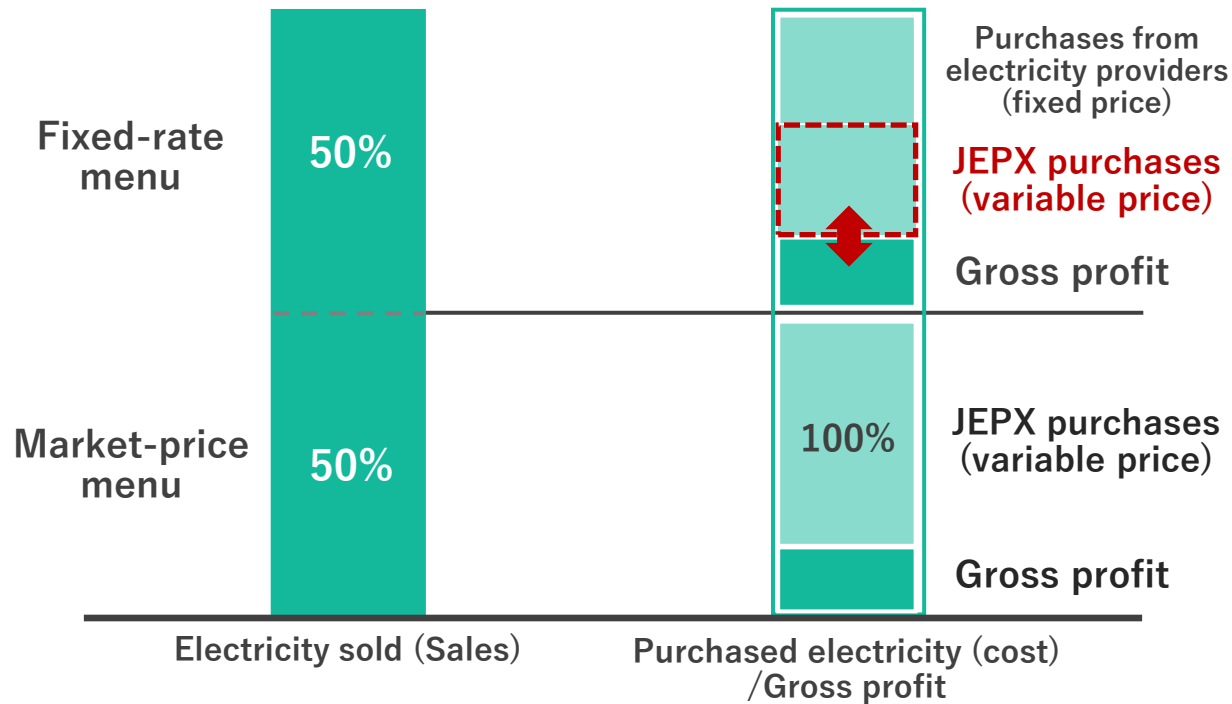
- (3) Leveraging our top domestic market share in automated payment machines to accelerate the rollout of JOYSOUND in the leisure hotel market.

- Also considering joint activities involving the development of karaoke equipment and other businesses.

Communication & Energy (Middle East conflicts: Profit structure and impact on performance)

A certain degree of earnings risk exists for fixed-rate menus, given the energy price volatility caused by the Middle East situation.

Profit structure in 1H FY2026



- Fixed-rate menu: **Fixed sale price** for each unit of electricity used.

- Purchases from electricity providers use fixed prices.
As a result, **gross profit per unit of electricity used does not change.**

* In actual transactions, “fuel cost adjustments” exist as a component separate from the fixed unit price. These adjustments reflect fuel price fluctuations in procurement costs, which are then passed through to selling prices several months later. During phases of short-term surges in energy prices, this mechanism results in the incurrence of upfront costs for a certain period.

- Purchases using JEPX have varying prices.
As a result, **gross profit per unit of electricity used varies.**

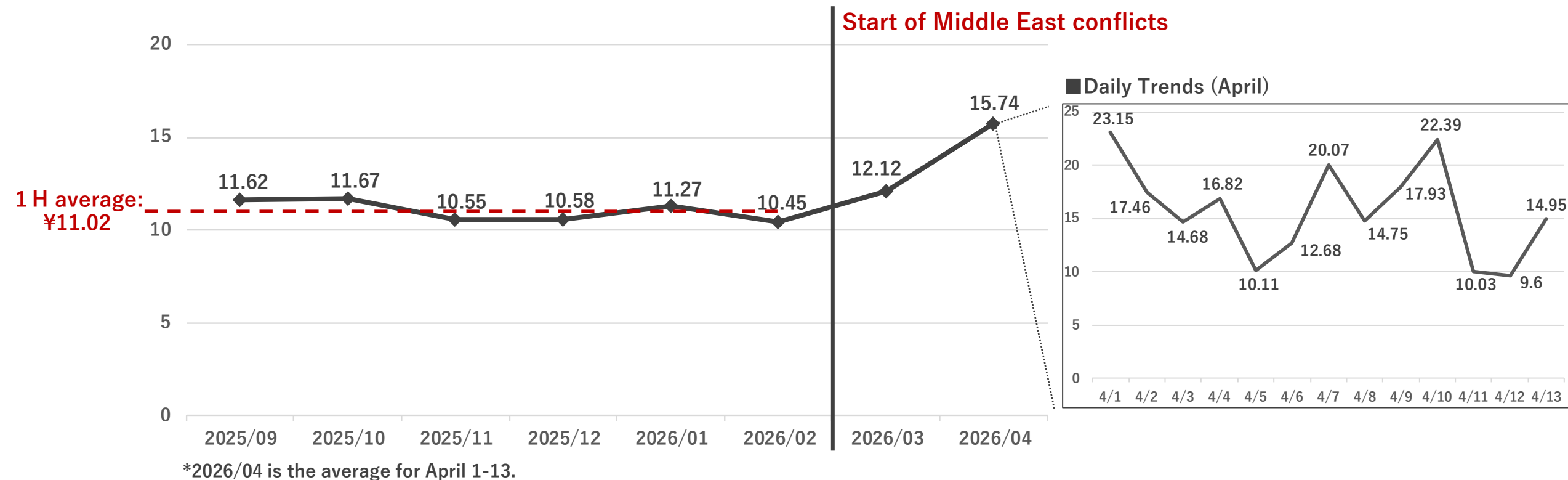
- Market price menu: **A fixed margin is added** to the cost of purchasing electricity.

- There is **always a gross profit** regardless of changes in the cost of purchasing electricity using JEPX.

Communication & Energy (Middle East conflicts: Effect on JEPX prices)

Profit sensitivity to JEPX price: An estimated -450 million yen impact per 1-yen increase, based on the assumption that 2 H sales volume is equivalent to 1 H.

Price on the JEPX System (Yen)



Communication & Energy (Middle East conflicts: Other companies, U-NEXT actions)

Due to the current business climate, U-NEXT is placing priority on minimizing the risk of losses rather than on maximizing lifetime value by adding more customers.
As a result, U-NEXT has implemented or is considering the following actions.

Recent actions of other companies

- No new special high voltage/high voltage customers.
- Cancellation/revision of estimates given to potential customers.
- Strict control of estimate expiration dates.
- Suspension of renewals for existing customers.

U-NEXT actions

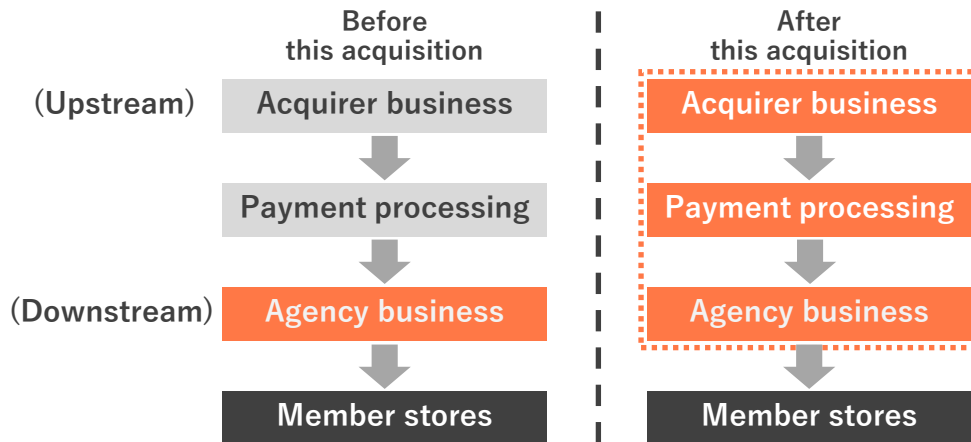
- Stopped high voltage, fixed rate menu sales.
(sales stopped on March 7)
- Considering revisions of prices for high voltage, fixed rate customers after thoroughly explaining the current business climate or changing these customers to a different menu.

Financial, Realty & Global (Completion of M&A, start of guarantee service)

Strengthen and expand businesses in sectors targeted for growth.

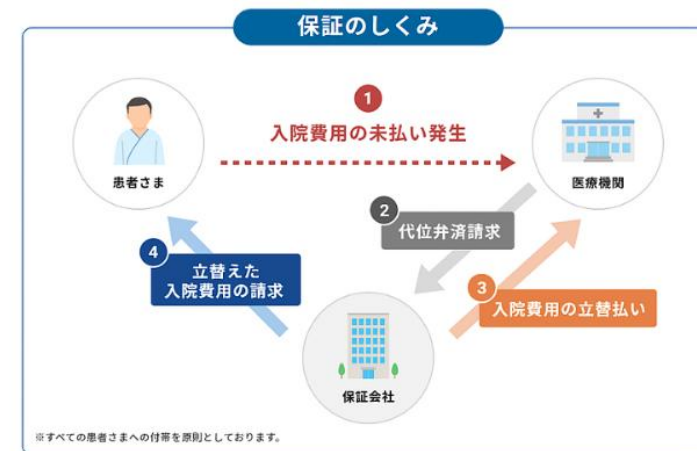
Completion of M&A for the cashless payment business

- U-NEXT purchased a card payment acquirer business in February 2026 using an absorption and divestiture. Including the payment processing business that U-NEXT already has, this completes M&A activity involving the cashless payment business announced in September 2024.
- Extending this business to upstream services is expected to increase earnings as well as improve productivity and enable speedy and flexible business strategies.



Hospital bill payment guarantee service

- U-NEXT used rent guarantee know-how to start a hospital bill payment guarantee service in March 2026 called U-Medical.
- The service protects hospitals from the risk of unpaid medical bills and the need to collect amounts owed when caring for non-Japanese patients or individuals without sufficient financial resources. The service also eliminates the need for patients to find a third party to guarantee payments.



4. Appendix

Segment overview

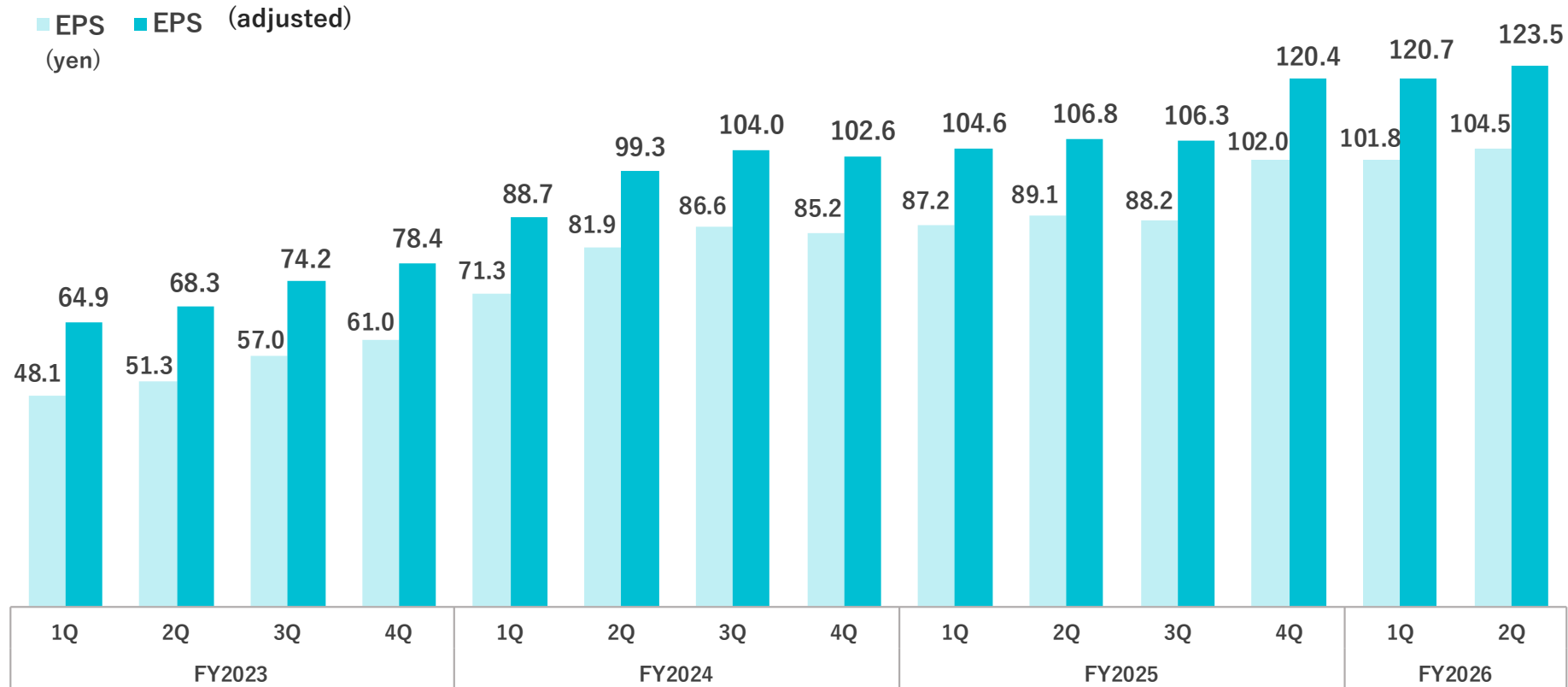
	Competitive edge	Growth strategy
Content Distribution	✓ Achieving high ARPU by offering a hybrid model of unlimited viewing and pay-per-use, as well as points equivalent to ¥1,200 per month. ✓ A comprehensive end-to-end operating model encompassing procurement, marketing and development. ✓ Integrated marketing covering the internet, mass media and conventional channels.	✓ Even more competitive content by providing hybrid content that includes exclusive programs within both entertainment and live-streamed sports and music events. ✓ Build a base for original IP centered on e-book publishing. ✓ Increase ARPU by offering more optional plans. ✓ More alliances with external partners.
Store & Facility Solutions	✓ Stable profit structure backed by a solid customer base established over 60 years. ✓ Nationwide sales and engineering team ; these internal resources facilitate fully integrated operations encompassing proposal, delivery and maintenance services. ✓ A partner network of 18,000 companies for sending customers to our group. ✓ Expanding market by leveraging the high versatility of automated payment machines.	✓ 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. ✓ Offer two electricity services : the fixed-rate plan "USEN Denki" and the market-price-linked plan "U-POWER". ✓ Switch with flexibility to electricity services for customers that reflect changes in power procurement costs.	✓ 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 commercial building category ; no office / residential properties. ✓ The priority is services for foreign tourists in Japan rather than overseas operations.	✓ Provide cashless payment processing that includes payment acquiring and payment services; more customers by increasing convenience and more cross-selling opportunities for Group products and services. ✓ In addition to receiving lease payments from tenants, create opportunities for cross-selling other Group products. ✓ Create businesses targeting foreign tourists in Japan, while also challenge ourselves to create overseas businesses.

FY2026 Forecast (Key points)

Content Distribution	● Annual net increase in users of 210,000 (U-NEXT +270,000, former Paravi -60,000). ● Forecast for average exchange rate: US\$1=¥147. ● Small decrease in advertising/marketing expenses in part due to the outlook for a smaller net increase in users than in FY2025. ● Expect no change in fixed expenses, including other system expenses and personnel expenses, and higher profitability due to leverage.
Store & Facility Solution	● Estimated impact of the decline in payment kiosk replacement demand is decreases of ¥4.3 billion for sales and ¥1.6 billion for operating income. ● After excluding the effects of this demand downturn, the plan is sales growth of ¥4.2 billion and earnings growth of ¥1.5 billion. ● The steady growth of DX services for stores is expected to remain the main source of store solutions growth.
Communication & Energy	● Forecast steady growth of recurring income to continue in the ICT for stores and broadband internet services for individuals/stores categories. ● Forecast net annual increases of 100 for high voltage and 97,000 for low voltage (15,000 companies and 82,000 individuals) customers. ● Smaller capacity payments than in FY2025, which will increase earnings. ● In the energy business, forecast sales growth of ¥10.9 billion and earnings growth of ¥1.5 billion.
Financial, Realty & Global	● Forecast sales and earnings growth backed by the steady growth of communication services for real estate, rent guarantees and commercial building operations. ● For cashless payment processing, forecast an operating loss of ¥800 million as FY2026 is a year for up-front expenditures. ● An insurance subsidiary and real estate subsidiary (subleasing, brokerage) were newly consolidated at the beginning of FY2026. Together, the two companies are expected to contribute ¥300 million to earnings.
Adjustment	● Expect cost increase mainly in personnel expenses and office occupancy costs, etc.

EPS (LTM)

A small increase due to the YoY growth of net income.



**EPS
(adjusted)**
YoY +¥16.8
(Quarter)
QoQ +¥2.9

EPS
YoY +¥15.4
(Quarter)
QoQ +¥2.7

*LTM: Last Twelve Month

Consolidated balance sheet

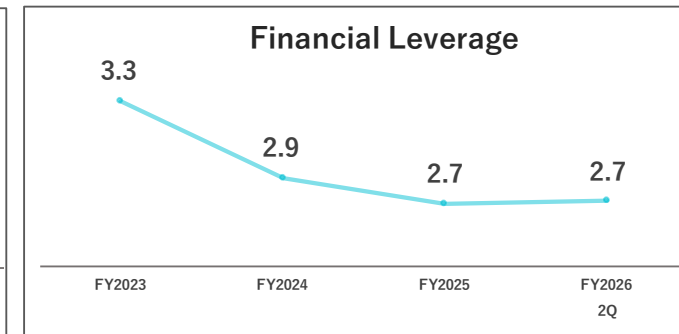
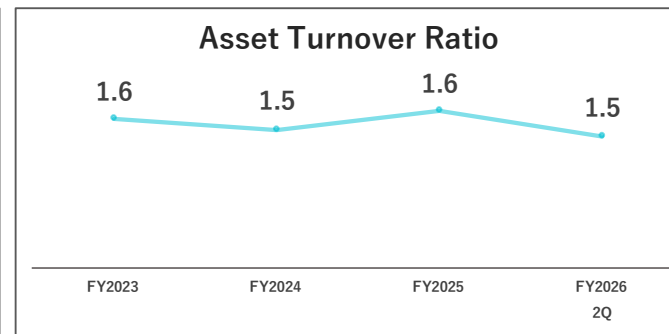
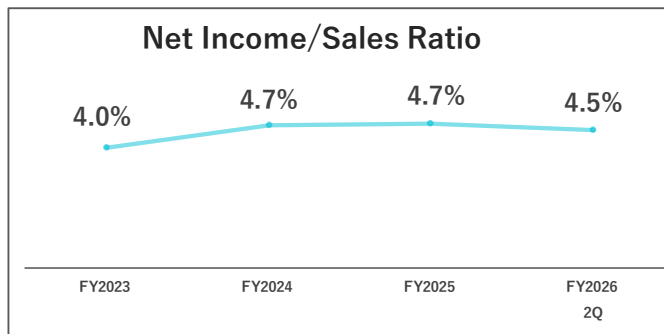
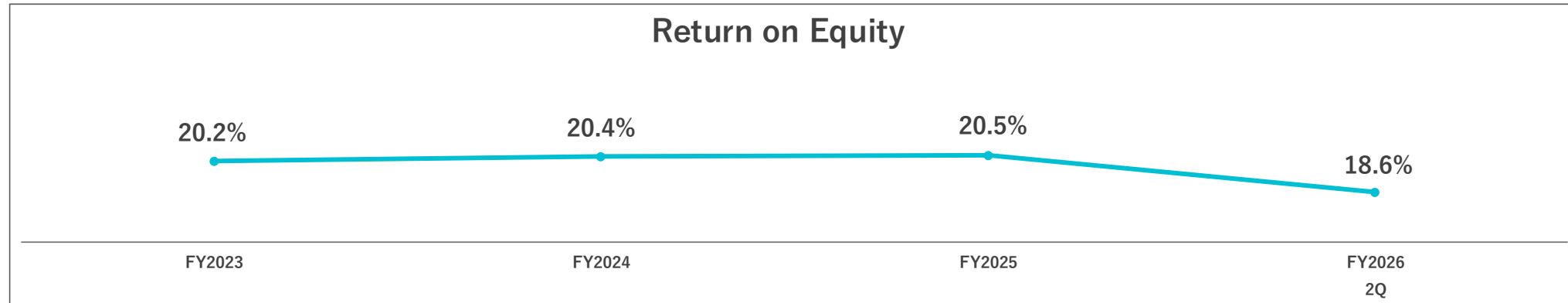
- **Current assets:** Cash and deposits increased mainly because of the ¥20bn bond issue.
- **Fixed assets:** Increased mainly due to commercial bldg. acquisition (property), software (intangible assets) and deferred tax assets (other).
- **Liabilities:** Other current liabilities increased mainly because of deposits in the cashless payment business.

(Million yen)	FY2025	FY2026 2Q	Difference
(Assets)			
Current assets	172,358	199,283	+ 26,925
Cash and deposits	56,882	82,386	+ 25,504
Notes and accounts receivable-trade	48,927	44,716	▲4,211
Inventories	12,196	13,113	+ 917
Content Distribution rights	42,196	46,165	+ 3,969
Other	12,157	12,903	+ 746
Non-current assets	87,424	97,260	+ 9,836
Property, plant and equipment	24,387	28,205	+ 3,818
Intangible assets	53,182	55,402	+ 2,220
Goodwill	40,022	39,296	▲726
Other	13,159	16,106	+ 2,947
Investment and other assets	9,854	13,651	+ 3,797
Total assets	259,782	296,543	+ 36,761

(Million yen)	FY2025	FY2026 2Q	Difference
(Liabilities)			
Current liabilities	79,805	87,248	+7,443
Notes and accounts payable-trade	38,098	38,001	▲97
Short-term loans payable	-	-	-
Current portion of long-term loans payable	3,153	3,236	+83
Other	38,553	46,010	+7,457
Non-current liabilities	71,268	92,118	+ 20,850
Bonds payable	10,000	30,000	+ 20,000
Long-term loans payable	55,663	56,404	+ 741
Other	5,604	5,714	+ 110
Total liabilities	151,074	179,367	+ 28,293
(Net assets)			
Shareholder's equity	97,420	105,277	+ 7,857
Capital stock	99	99	-
Capital surplus	29,786	29,786	-
Retained earnings	67,534	75,391	+ 7,857
Treasury stock	-0	-0	-
Valuation and translation adjustments	150	152	+2
Non-controlling interests	11,137	11,747	+ 610
Total net assets	108,708	117,176	+ 8,468
Total liabilities and net assets	259,782	296,543	+ 36,761

Return on equity (LTM)

A small ROE decrease caused by declines in the net income/sales ratio and asset turnover ratio.



*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

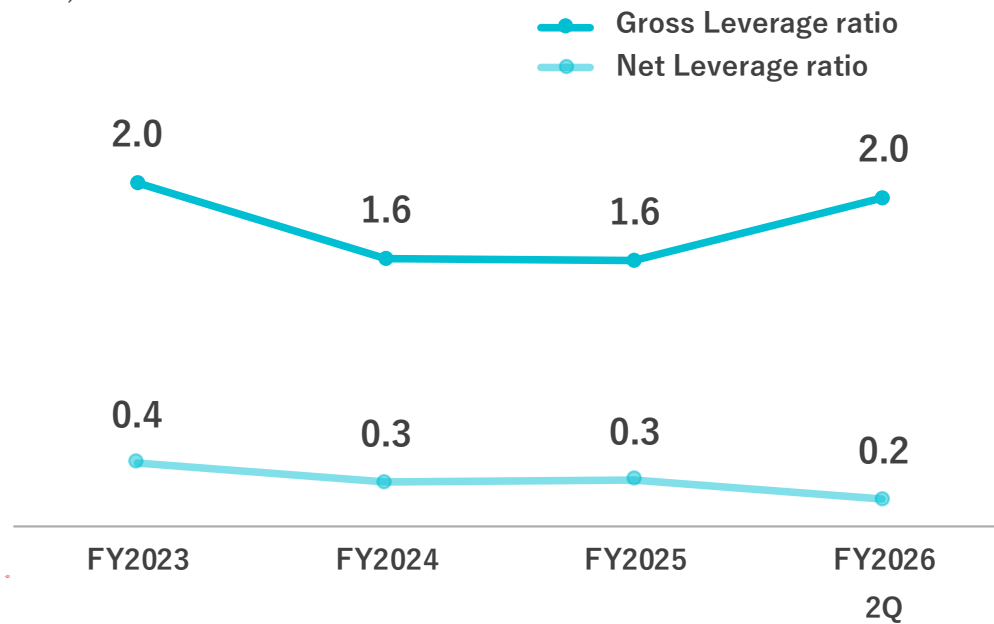
*Financial Leverage: Total assets / (Net assets – Subscription rights to shares – Non-controlling interests)

Leverage ratio (LTM)/Debt/Equity ratio

The gross leverage ratio and gross debt/equity ratio increased because of the ¥20 billion bond issue.

Leverage Ratio (LTM)

(times)



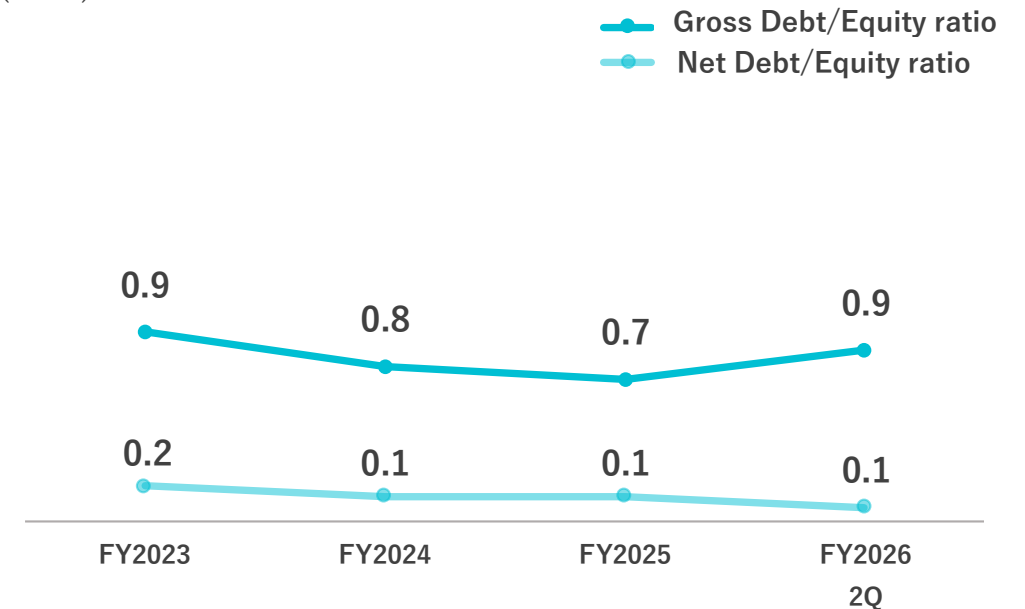
*LTM : Last Twelve Month

*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)		FY2023 Actual	FY2024 Actual	FY2025 Actual	FY2026 Forecast	Remarks
ROE	① = ② / ③	20.2%	20.4%	20.5%	17.6%	A small increase in FY2025
Net Income	- ②	110	154	184	185	
Shareholder's equity (Average)	- ③	540	749	896	1,051	
ROIC	④ = (⑤ × (1 - ⑥)) / (③ + ⑦)	11.9%	13.5%	12.9%	11.7%	A small decrease in FY2025
Operating Income	- ⑤	216	291	314	335	
Effective tax rate	- ⑥	36%	36%	36%	36%	
Shareholder's equity (Average)		540	749	896	1,051	
Debt (Average)	- ⑦	617	634	659	786	Additional fund procurement in FY2026 is under consideration
Cost of capital	⑧ = ⑨ + (⑩ × ⑪)	10.6%	7.2%	7.0%	7.4%	Almost no change from FY2024 to FY2025
10-year Japanese gov't bond	- ⑨	0.7%	0.9%	1.6%	2.0%	Rates at fiscal year end (estimate for FY2026)
Market risk premium	- ⑩	7.0%	5.5%	5.1%	5.1%	Fiscal year average
Shareholder beta	- ⑪	1.42	1.15	1.07	1.07	60 months with 95% confidence interval
WACC	⑫ = ⑧ × ⑬ + ⑭ × ⑮	5.9%	4.5%	4.6%	4.9%	
Cost of shareholder's equity		10.6%	7.2%	7.0%	7.4%	
Shareholders' equity ratio	- ⑬	52%	57%	59%	56%	
Cost of debt	- ⑭	0.8%	1.0%	1.2%	1.6%	Anticipate an increase in Japan's policy rate
Debt to Total Assets	- ⑮	48%	43%	41%	44%	
Equity spread	① - ⑧	9.5%	13.3%	13.5%	10.2%	
EVA spread	④ - ⑫	6.1%	8.9%	8.3%	6.8%	

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.