Summary of Third Quarter of Fiscal Year Ending August 2025

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

July 10, 2025

Contents

1. Overview of 3Q results of operations

Executive summary

Record-high sales and earnings at all levels for the first three quarters of a fiscal year.

Record performance for the first three quarters for Content Distribution and Store & Facility Solutions.

Store & Facility Solutions and Financial, Realty & Global performance is ahead of the pace to achieve the FY forecasts and the other two segments are performing generally in line with the FY forecasts.

No change in the FY2025 forecast due to the outlook for a larger than expected 4Q downturn in demand in Store & Facility Solutions following high demand created by new banknote designs and to the possibility of lower than planned profitability of the energy business.

Consolidated financial summary (vs. Forecast)

- Sales and earnings at all levels were more than 75% of the FY2025 forecast.
- EBITDA-CAPEX is higher than the FY2025 forecast after three quarters because capital expenditures are below the plan.

(Million yen)	FY2025 Forecast	FY2025 3Q	Progress
Net Sales	360,000	283,438	79%
Operating Income	31,000	24,206	78%
Operating Margin (%)	8.6%	8.5%	-
Ordinary Income	30,000	23,952	80%
Profit or Loss attributable to owners of parent	16,700	13,567	81%
Profit of Loss attributable to owners of parent [Adjusted]	19,850	16,035	81%
EBITDA	42,500	32,639	77%
EBITDA Margin	11.8%	11.5%	-
EBITDA-CAPEX	10,300	10,681	103%

Consolidated financial summary (YoY)

- Sales increased 20% and earnings increased between 3% and 5%.
- EBITDA-CAPEX decreased because of the purchase of a commercial building, the development of a new POS register system, M&A and other reasons.

(Million yen)	FY2024 3Q	FY2025 3Q	YoY	YoY (Ratio)
Net Sales	235,537	283,438	+47,901	20%
Operating Income	23,533	24,206	+673	3%
Operating Margin (%)	10.0%	8.5%	-	-
Ordinary Income	23,006	23,952	+946	4%
Profit or Loss attributable to owners of parent	13,014	13,567	+553	4%
Profit of Loss attributable to owners of parent [Adjusted]	15,373	16,035	+662	4%
EBITDA	30,994	32,639	+1,645	5%
EBITDA Margin	13.2%	11.5%	-	-
EBITDA-CAPEX	12,025	10,681	▲1,344	▲11%

Segment information (vs. Forecast)

- Store & Facility Solutions and Financial, Realty & Global progress is ahead of the forecast.
- Communication & Energy operating income progress is below 75% but sales and earnings are about the same as the forecast for the first three quarters.

(Million yen)		FY2025 Forecast	FY2025 3 Q	Progress
Content Distribution	Net Sales	122,100	94,998	78%
	Operating Income	9,800	7,754	79%
	Operating Margin	8.0%	8.2%	-
Store & Facility Solutions	Net Sales	93,100	73,138	79%
	Operating Income	14,700	13,320	91%
	Operating Margin	15.8%	18.2%	-
Communication & Energy	Net Sales	142,100	112,876	79%
	Operating Income	13,600	8,754	64%
	Operating Margin	9.6%	7.8%	-
Financial, Realty & Global	Net Sales	8,700	8,004	92%
	Operating Income	1,400	1,220	87%
	Operating Margin	16.1%	15.3%	-
Adjustment	Net Sales	-6,000	-5,580	93%
	Operating Income	-8,500	-6,843	81%

*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 Content Distribution and Store & Facility Solutions.
- Communication & Energy earnings decreased because of capacity payments that started in the 3Q of FY2024.

(Million yen)		FY2024 3Q	FY2025 3Q	YoY	YoY (Ratio)
Content Distribution	Net Sales	80,933	94,998	+14,065	17%
	Operating Income	6,614	7,754	+1,140	17%
	Operating Margin	8.2%	8.2%	-	-
Store & Facility Solutions	Net Sales	71,042	73,138	+2,096	3%
	Operating Income	12,812	13,320	+508	4%
	Operating Margin	18.0%	18.2%	-	-
Communication & Energy	Net Sales	81,506	112,876	+31,370	38%
	Operating Income	9,566	8,754	▲812	▲8%
	Operating Margin	11.7%	7.8%	-	-
Financial, Realty & Global	Net Sales	6,761	8,004	+1,243	18%
	Operating Income	1,224	1,220	▲4	0%
	Operating Margin	18.1%	15.3%	-	-
Adjustment	Net Sales	-4,705	-5,580	▲875	19%
	Operating Income	-6,684	-6,843	▲159	2%

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

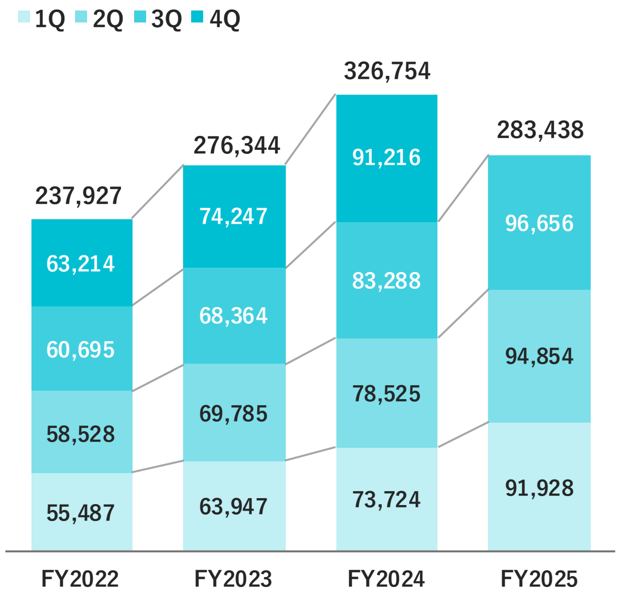
Net Sales/Operating Income/EBITDA

- All-time high sales, operating income and EBITDA for the first three quarters of a fiscal year.
- Content Distribution was the main reason that 3Q operating income was down from the 2Q.

(Million yen)

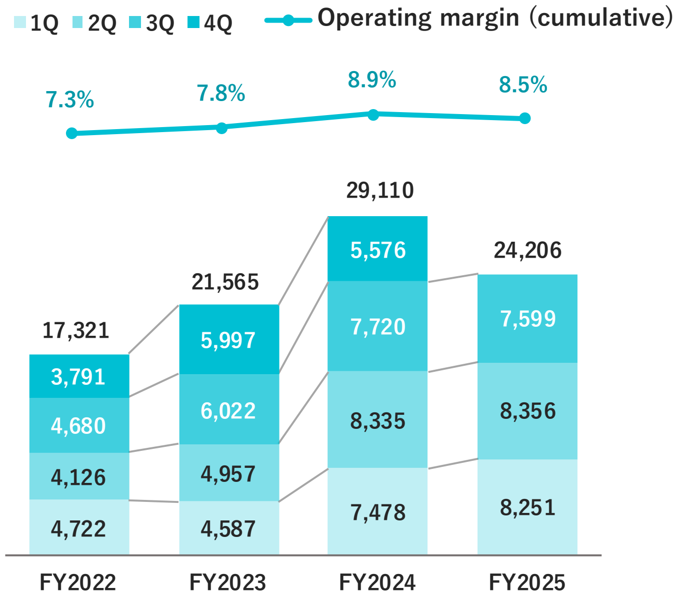
Net Sales

YoY +20%　QoQ +2%



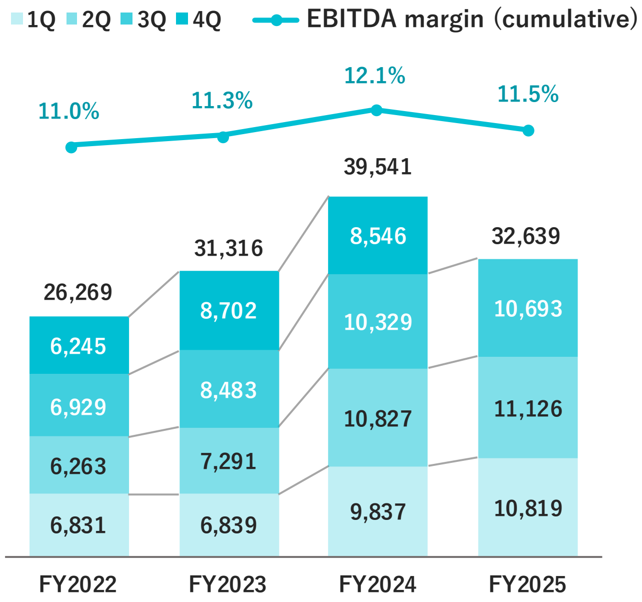
Operating Income / margin

YoY +3%　QoQ ▲9%



EBITDA / margin

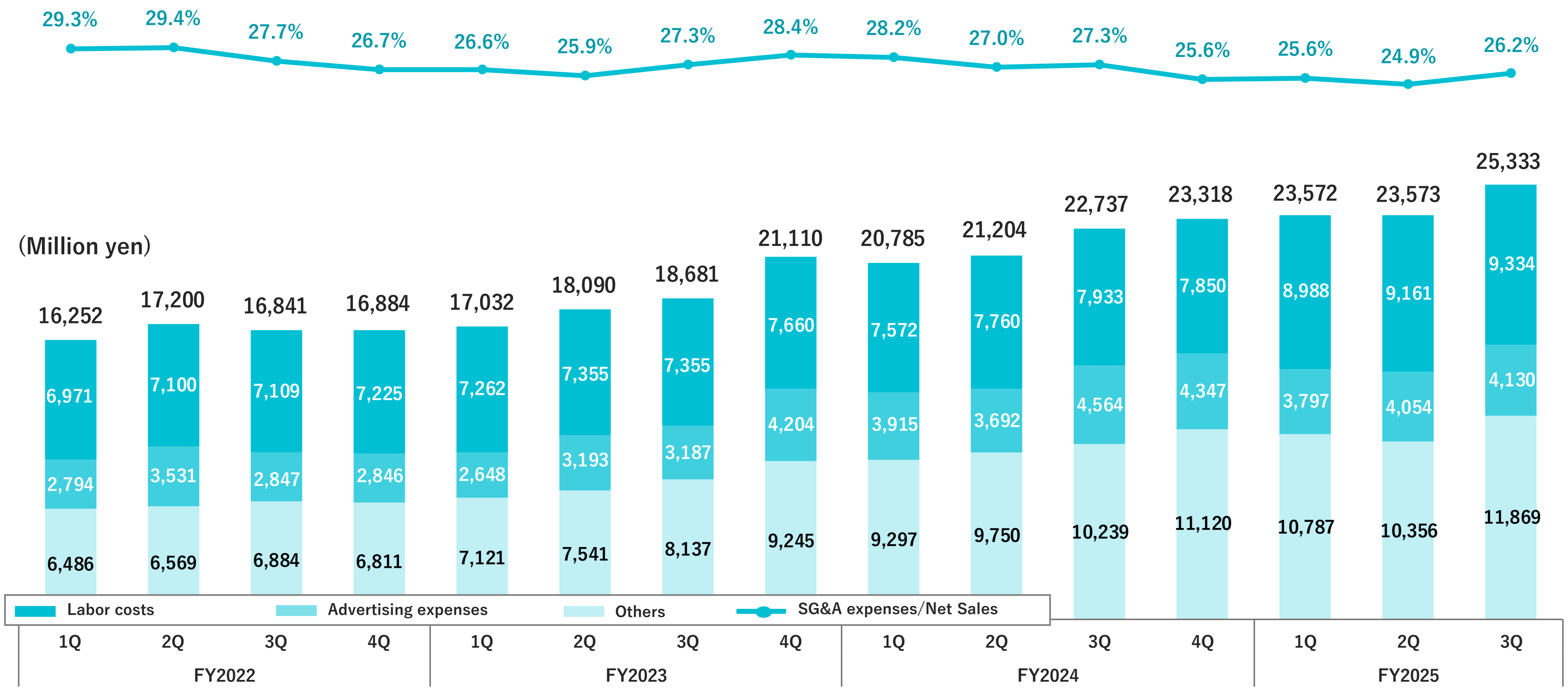
YoY +5%　QoQ ▲4%



EBITDA = Operating Income + Depreciation + Amortization of goodwill

SG&A expenses

- Increased YoY/QoQ because of the growth of business operations but remained below 30% of sales.
- A big QoQ increase in other SG&A expenses in the 3Q, but no effect on operating income because the cause was the reclassification of some cost of sales expenses.



SG&A ratio

YoY ± 0 pt
(Quarter)

QoQ + 1 pt

SG&A

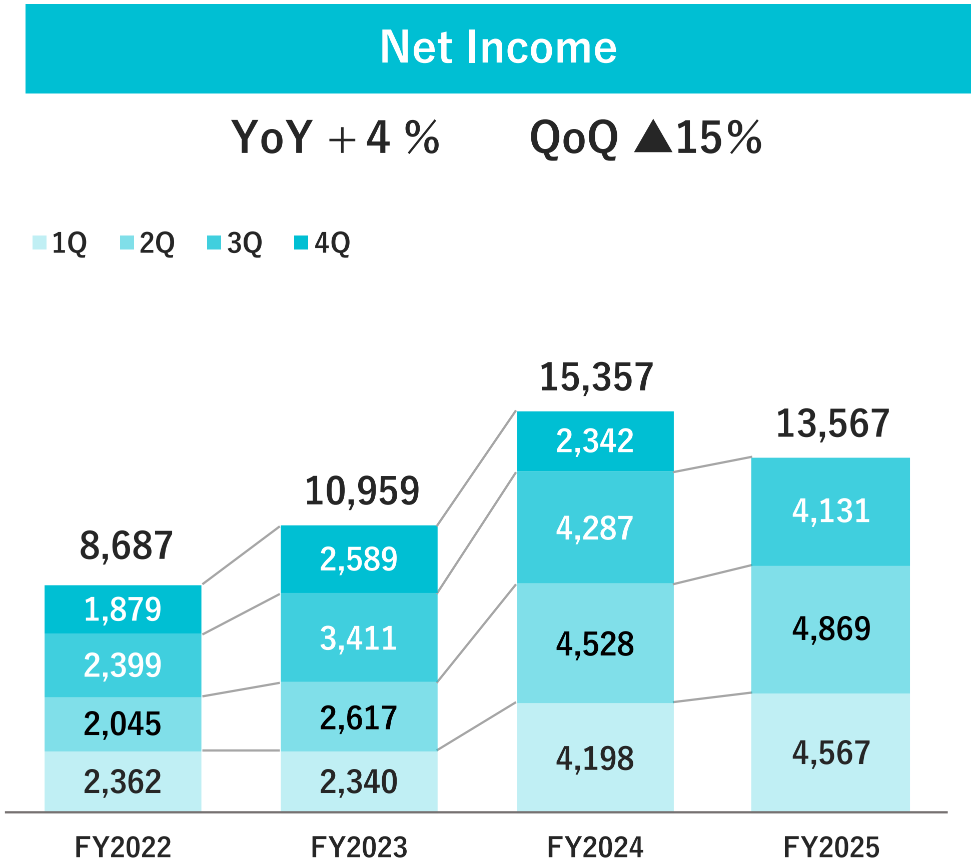
YoY +13%
(Quarter)

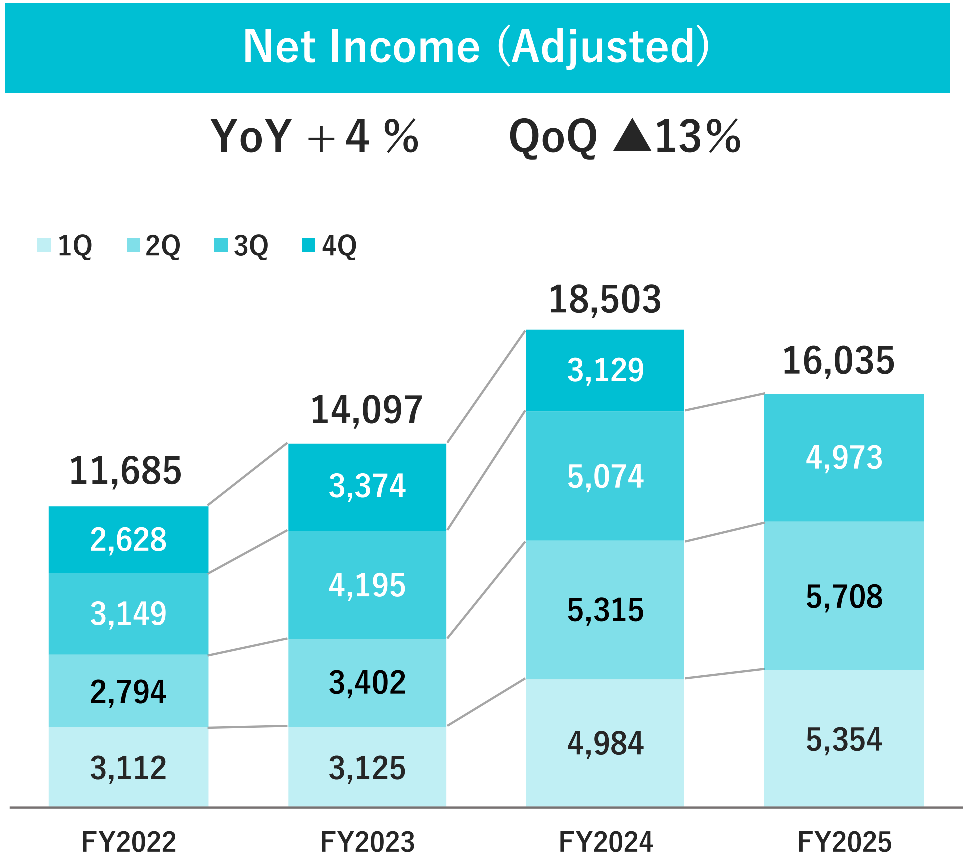
QoQ + 9 %

Net Income

Record-high net income for the first three quarters due to the strong operating income.

(Million yen)





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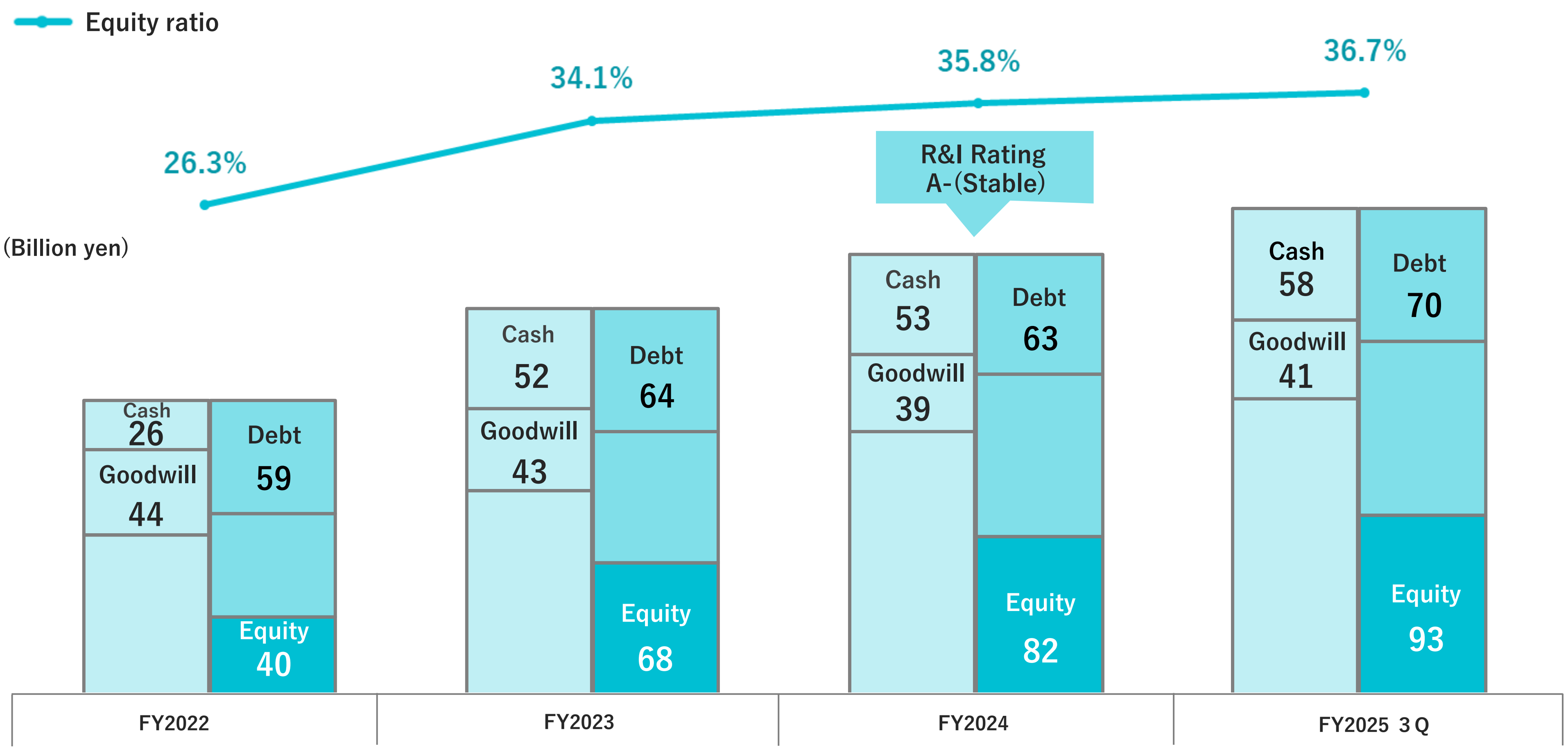
Consolidated balance sheet

Maintaining financial soundness as all balance sheet items increased together.



YoY

Goodwill +¥1.4 bn

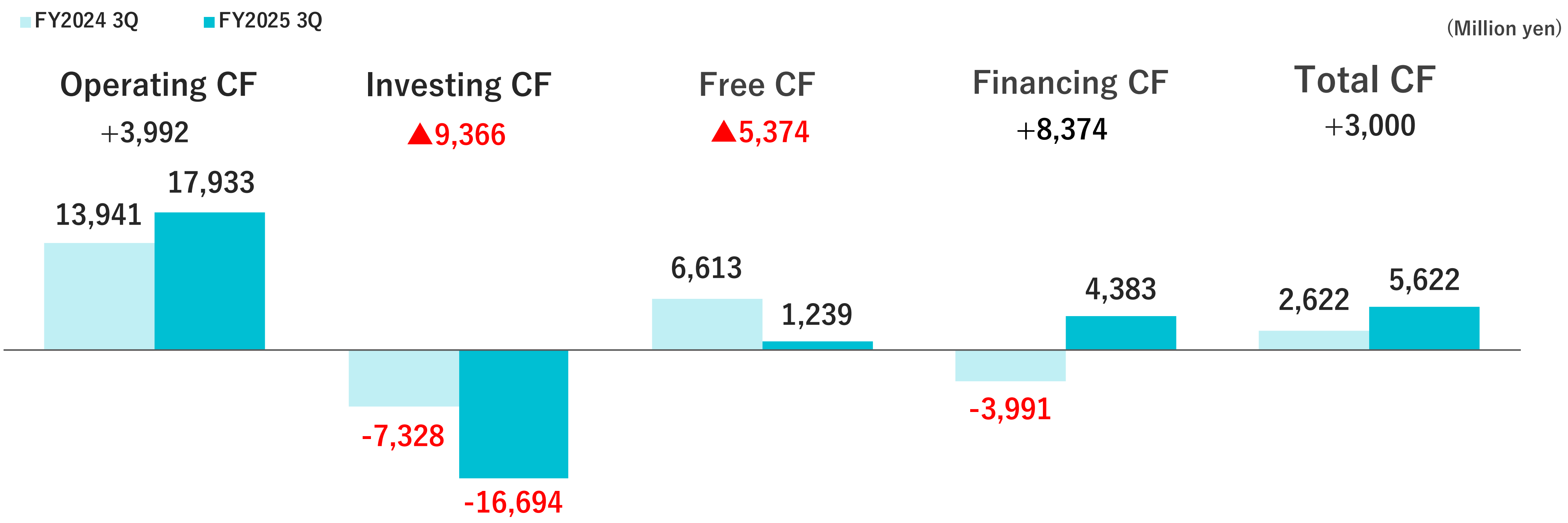
Debt +¥6.7 bn

Shareholder's equity +¥10.9 bn

Equity ratio +0.9pt

Consolidated cash flows（YoY summary ）

- Operating CF : YoY increase in cash provided: Pretax profit +¥800mn, depreciation/goodwill +¥1,000mn, prepaid expenses +¥6,700mn, income taxes paid -¥5,600mn.
- Investing CF : YoY increase in cash used: Higher business investments（commercial building, new POS register）-¥6,000mn, M&A -¥3,100mn.
- Free CF : Down ¥5,400mn YoY as higher cash used in investing activities offset the increase in operating cash flows.
- Financing CF : Up ¥840mn YoY: Higher dividends -¥600mn, borrowings for M&A and commercial building purchase +9,100mn.



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Consolidated cash flows (YoY)

(Million yen)	FY2024 3Q	FY2025 3Q	Difference
Operating CF			
Profit before income taxes	22,626	23,413	+787
Depreciation	5,101	5,964	+863
Amortization of goodwill	2,359	2,467	+108
Interest expenses	375	570	+195
Loss on retirement of non-current assets	467	464	▲3
Decrease (increase) in trade receivables	-3,398	357	+3,755
Decrease (increase) in inventories	-1,707	-1,705	+2
Increase (decrease) in trade payables	3,849	2,626	▲1,223
Increase (decrease) in accounts payable	804	-207	▲1,011
Increase (decrease) in contract liabilities	1,727	782	▲945
Decrease (increase) in prepaid expenses	-13,100	-6,388	+6,712
Others	49	537	+488
Subtotal	19,153	28,880	+9,727
Income taxes paid	-4,847	-10,414	▲5,567
Others	-364	-532	▲168
Operating CF	13,941	17,933	+3,992

(Million yen)	FY2024 3Q	FY2025 3Q	Difference
Investing CF			
Purchase of property, plant and equipment	-4,201	-7,668	▲3,467
Payments for retirement of property, plant and equipment	-501	-469	+32
Purchase of intangible assets	-2,711	-5,300	▲2,589
Purchase of shares of subsidiaries and associates	-71	-3,215	▲3,144
Others	156	-42	▲198
Investing CF	-7,328	-16,694	▲9,366
Financing CF			
Proceeds from long-term borrowings	-	9,050	+9,050
Repayments of long-term borrowings	-2,280	-2,333	▲53
Dividends paid	-1,653	-2,284	▲631
Others	-57	-48	+9
Financing CF	-3,991	4,383	+8,374
Total CF	2,622	5,622	+3,000

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

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2. Segment information

Revised segments beginning in FY2025

Previous segment	New segment	Main services
Content Distribution	Content Distribution (MVNO for individuals)	– VOD service "U-NEXT" – MVNO for individuals
Store Services Business Systems	Store & Facility Solutions	– Music distribution for stores – Store DX (POS register, Cashless payment, etc.) – Automated payment machines for facilities
Communications Energy	Communication & Energy	– Broadband internet service for businesses/stores/individuals – ICT service for business (SaaS, security, VPN, etc.) – High and low voltage electricity for businesses/stores/individuals
	Financial, Realty & Global (Rent guarantee) (Wi-Fi for real estate)	– Rent guarantee – Payment services (Acquirer、PSP*) – Real estate (Operation of retail buildings, broadband internet service)

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.

ビジネスを支えるUSENのICTソリューション
USEN GATE 02

Energy

High/Low voltage, green energy.

未来の世界を守ろう
U-POWER

×

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

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Summary of 3Q 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 with the number of subscribers but expenses to strengthen the content lineup lowered earnings.
Store & Facility Solutions	(YoY) Sales and earnings up as Store Solutions growth offset the end of upturn in Facility Solution demand due to new banknotes. (QoQ) Sales and earnings up as higher store solutions sales and earnings offset the downturn in demand involving new banknotes.
Communication & Energy	(YoY) Big increase in sales but earnings were down mainly because of capacity payments in the energy business. (QoQ) No change because of higher Communication sales and earnings and lower energy sales and earnings.
Financial, Realty & Global	(YoY) Big increase in sales because of a new consolidated subsidiary but no change in earnings due to up-front losses for upcoming business activities. (QoQ) Sales and earnings increased as the consistent growth of all services continues.

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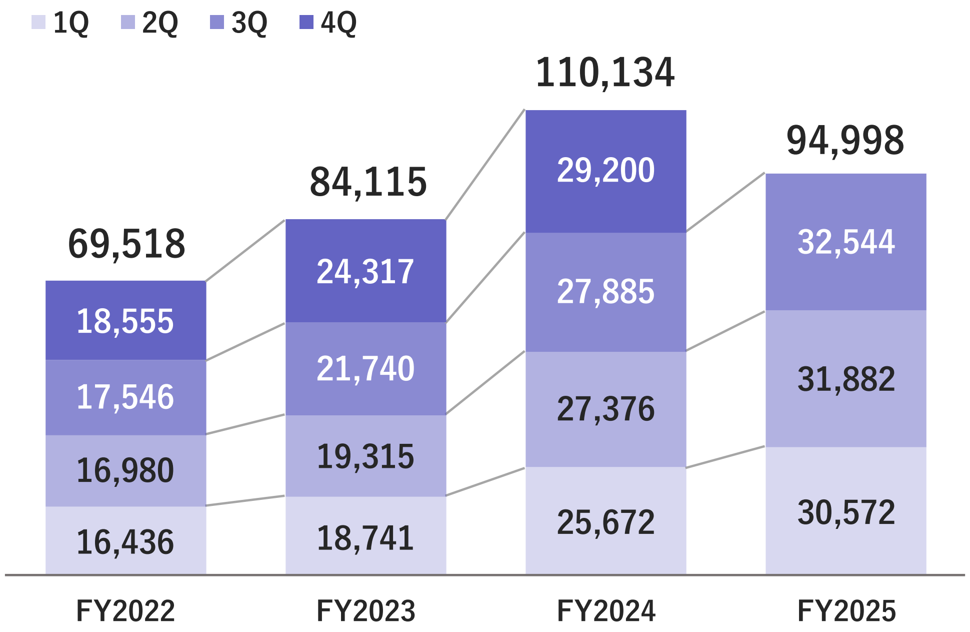
Content Distribution

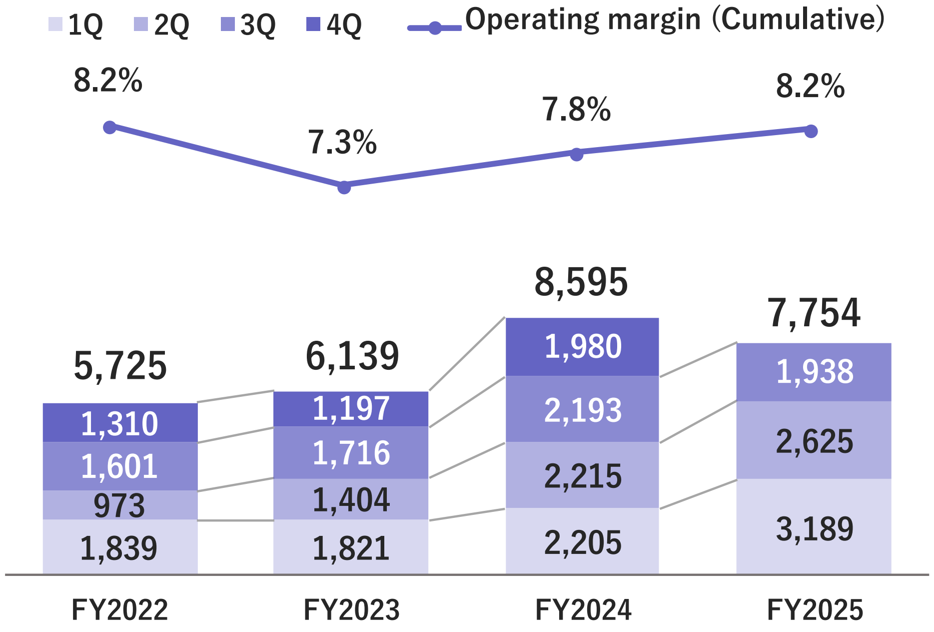
- Record-high sales and earnings for the first three quarters mainly because of more subscribers and the soccer package.
- Earnings down QoQ because of a higher cost of sales caused by expenditures to strengthen the lineup of content.

(Million yen)

Net Sales YoY +17% QoQ＋2％



Operating Income / margin YoY +17% QoQ ▲26%



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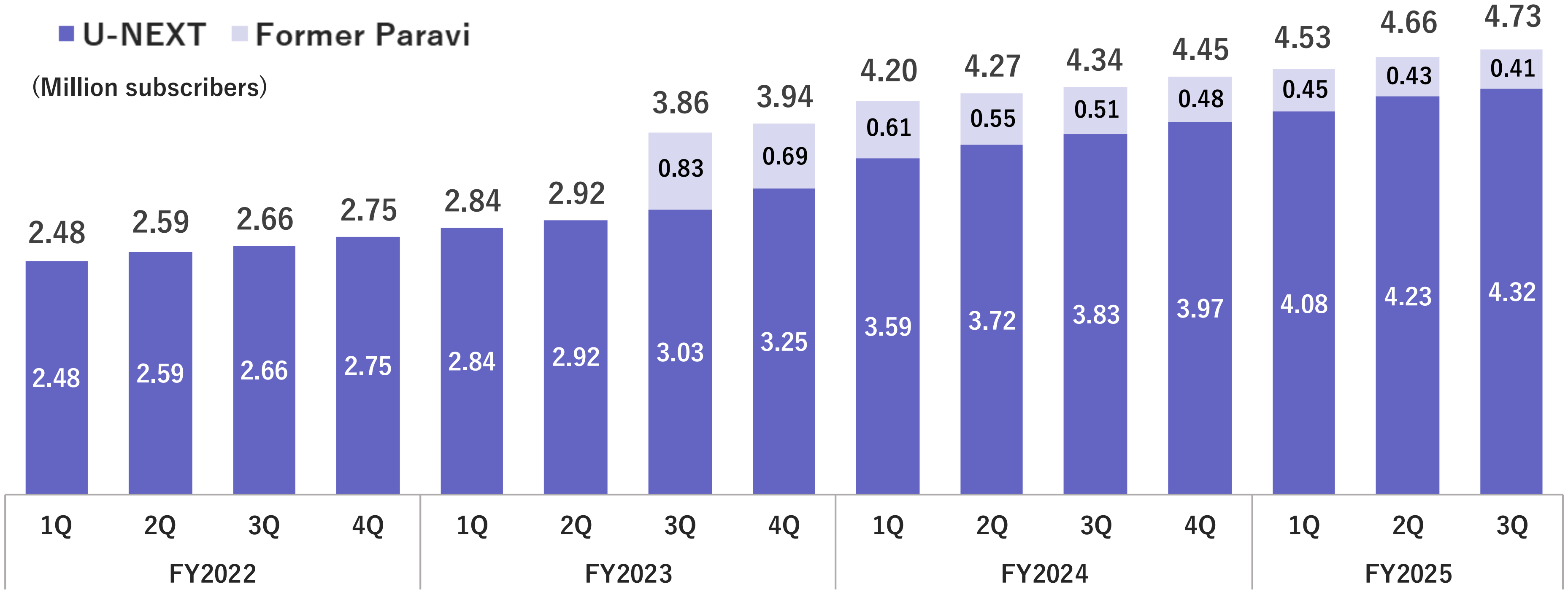
Content Distribution (Subscribers)

Subscribers now more than 4.7 million following YoY growth of 390,000 and QoQ growth of 70,000.



YoY

+390K
(+9%)

QoQ

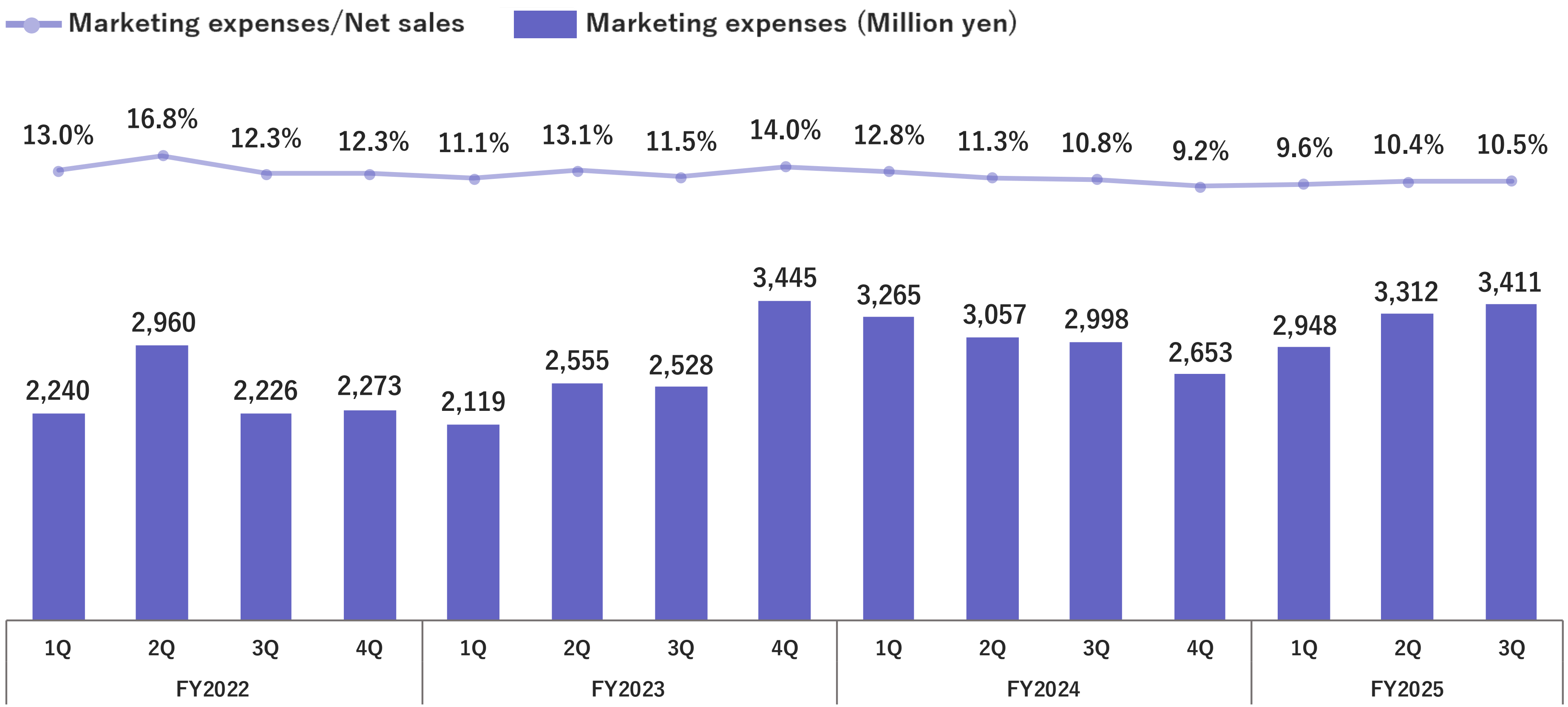
+70K
(+1%)

Net change of QoQ (K)	FY2022 1Q	2Q	3Q	4Q	FY2023 1Q	2Q	3Q	4Q	FY2024 1Q	2Q	3Q	4Q	FY2025 1Q	2Q	3Q
U-NEXT	+95	+107	+69	+94	+88	+87	+107	+221	+333	+138	+109	+137	+106	+155	+87
Paravi	-	-	-	-	-	-	+829	▲137	▲80	▲63	▲43	▲28	▲25	▲21	▲20

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

Content Distribution (Marketing expenses)

The QoQ net subscriber increase was smaller but expenses increased due to a small increase in the cost of acquiring new subscribers.



Marketing expenses

YoY (Quarter) +14%

QoQ + 3 %

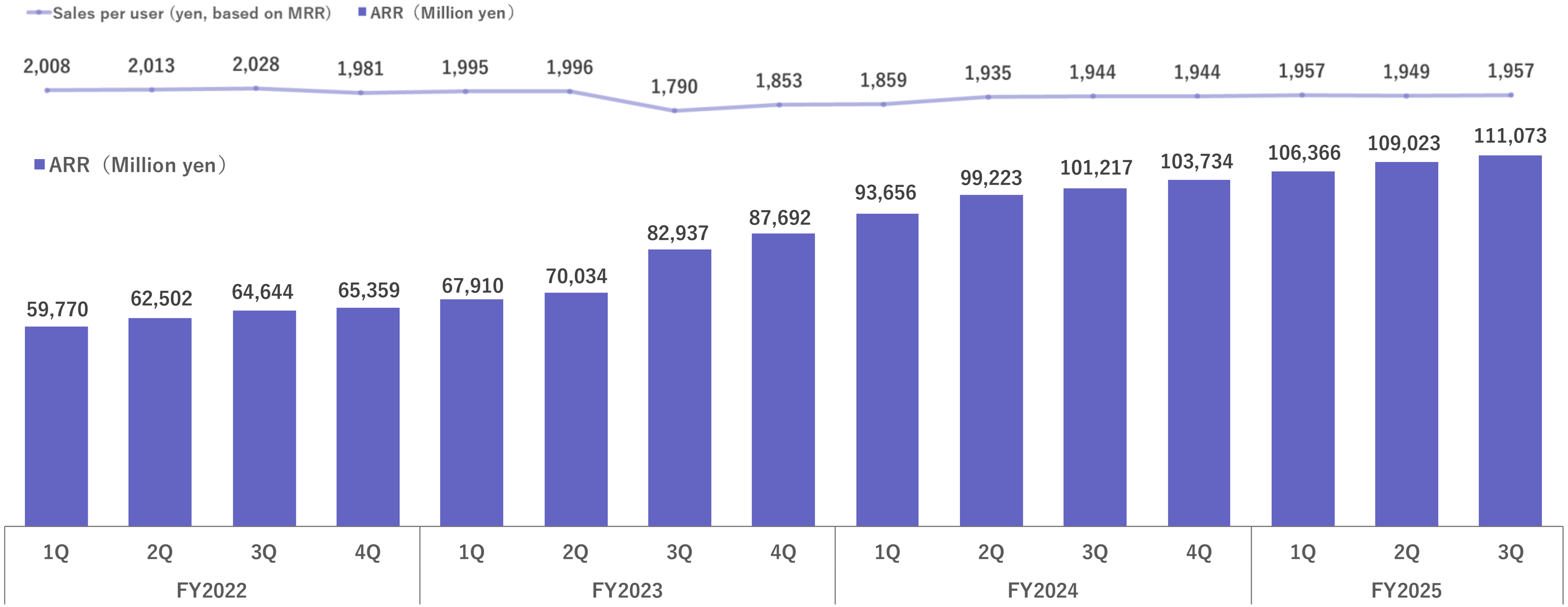
Marketing expenses ratio

YoY (Quarter) ▲0.4pt

QoQ + 0.1pt

Content Distribution (ARR)

Steady increase in the ARR as the number of subscribers rises.



YoY

+¥9.8bn
(+10%)

QoQ

+¥2.0bn
(+ 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.

Content Distribution (Topics)

Worldwide distribution using Max of drama programs of TBS and TV Tokyo.

■Summary

- ✓ Uses the partnerships of U-NEXT in Japan and other countries. Global distribution by using the Max streaming platform of Warner Brothers Discovery.
- ✓ Distribution will begin in the second half of 2025 with the U.S., Brazil and SE Asia and then expand to other regions.
- ✓ Starting with 10 popular drama programs of TBS and TV Tokyo.
- ✓ Planning to add Japanese movies, anime, variety shows and other quality intellectual property for global distribution.

Press release: https://www.unext.co.jp/ja/press-room/japanese-content-to-stream-internationally-on-max-2025-05-22

Content Distribution (Topics)

- Signed agreement in principle for a business alliance with Rakuten Mobile.
- Alliance will be used to offer Rakuten Saikyo U-NEXT, a new package combining U-NEXT services with the Rakuten Saikyo Plan.

Press release:
https://www.unext.co.jp/ja/press-room/rakuten-mobile-2025-06-23

■Features of Rakuten Saikyo U-NEXT

✓ A package with unlimited giga use for unlimited viewing*1 of U-NEXT content.
✓ Plan to sign an alliance contract in October 2025 and start selling the new service soon afterward.

*1 To ensure fair service for all users, data speeds may be subject to management.

「Rakuten Saikyo Plan」 Monthly fee ¥2,880 (plus tax) ＋ 「U-NEXT」 Monthly fee ¥1,990 (plus tax)

↓

Rakuten Saikyo U-NEXT
Monthly fee ¥3,880 (plus tax)

Saving of ¥990

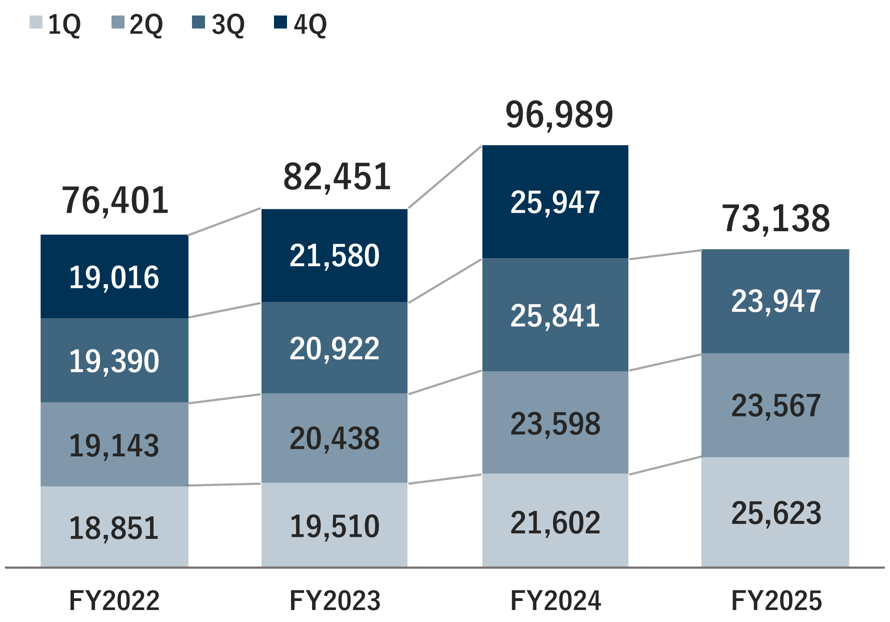
*Using the Rakuten Mobile family discount.
*Not eligible to receive the 1,200 points/month offered when subscribing to a standard U-NEXT service.

Store & Facility Solutions

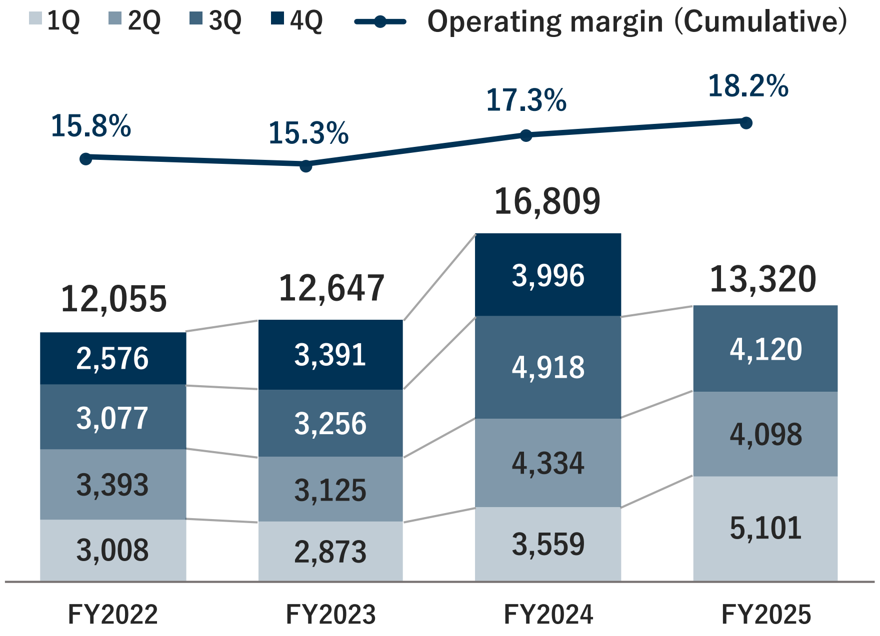
- Record-high performance in the first three quarters as Store Solutions growth offset the downturn in Facility Solutions demand involving new banknotes.
- Sales and earnings increased QoQ because of Store Solutions growth.

(Million yen)

Net Sales YoY +3 % QoQ +2 %

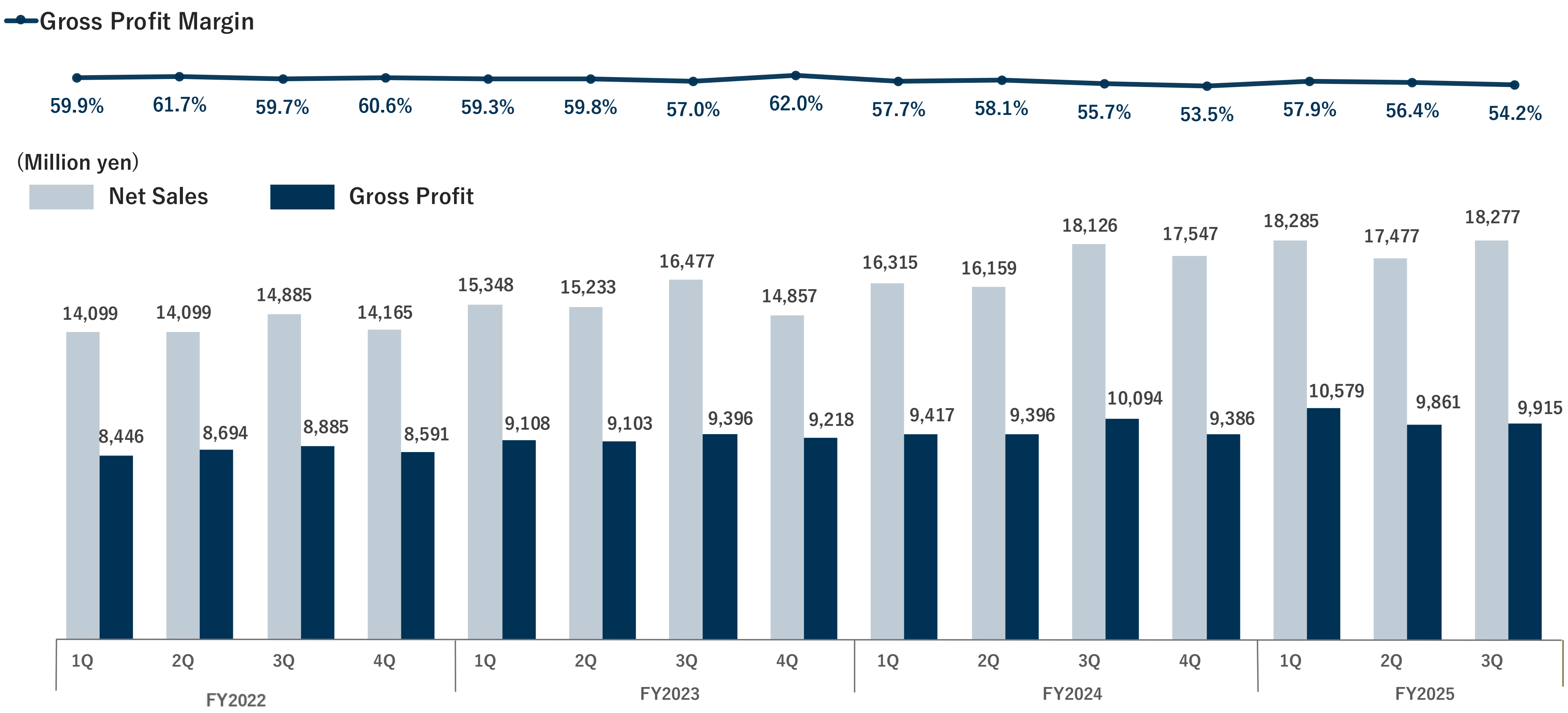


Operating Income / margin YoY +4 % QoQ +1 %



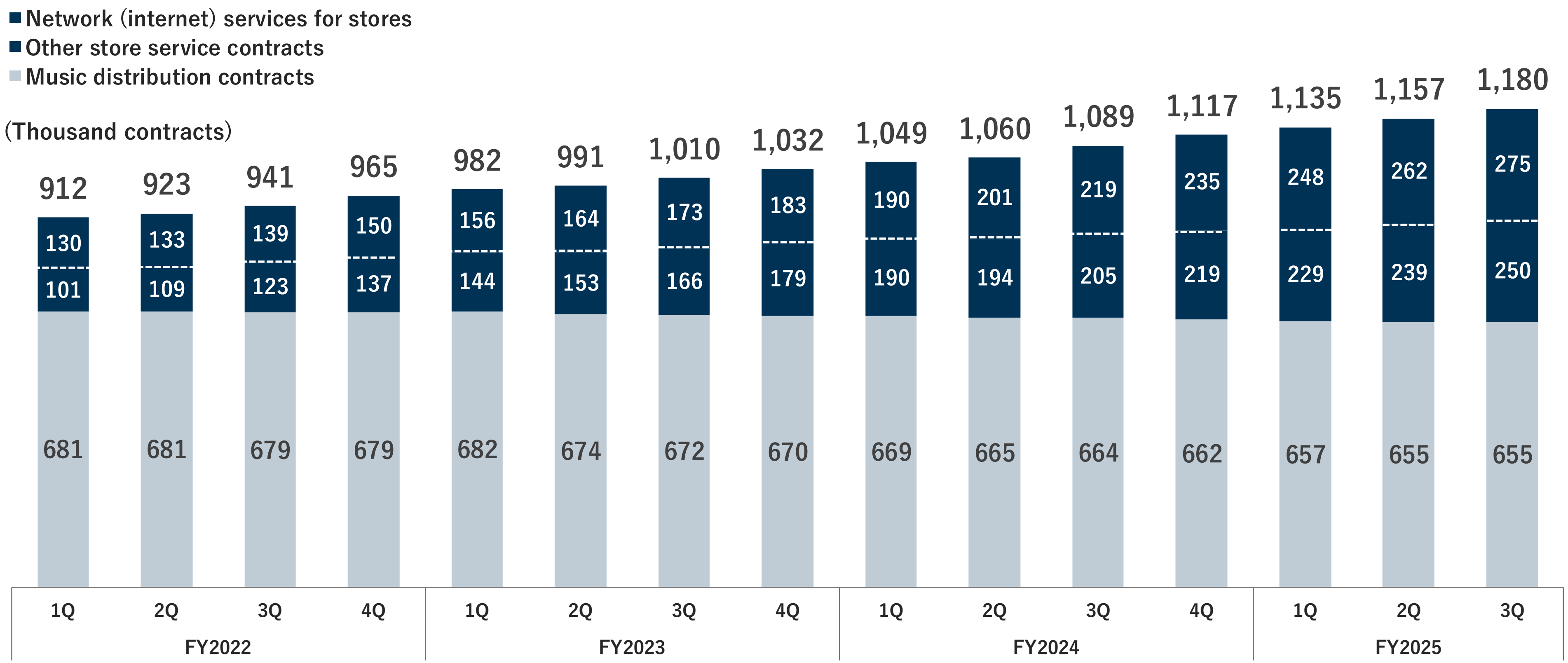
(1) Store Solutions

QoQ sales and earnings growth backed mainly by sales of hardware and external construction sales.



(1) Store Solutions (Number of contracts)

Increased 90,000 YoY and 20,000 QoQ.



YoY

+91K
(+8 %)

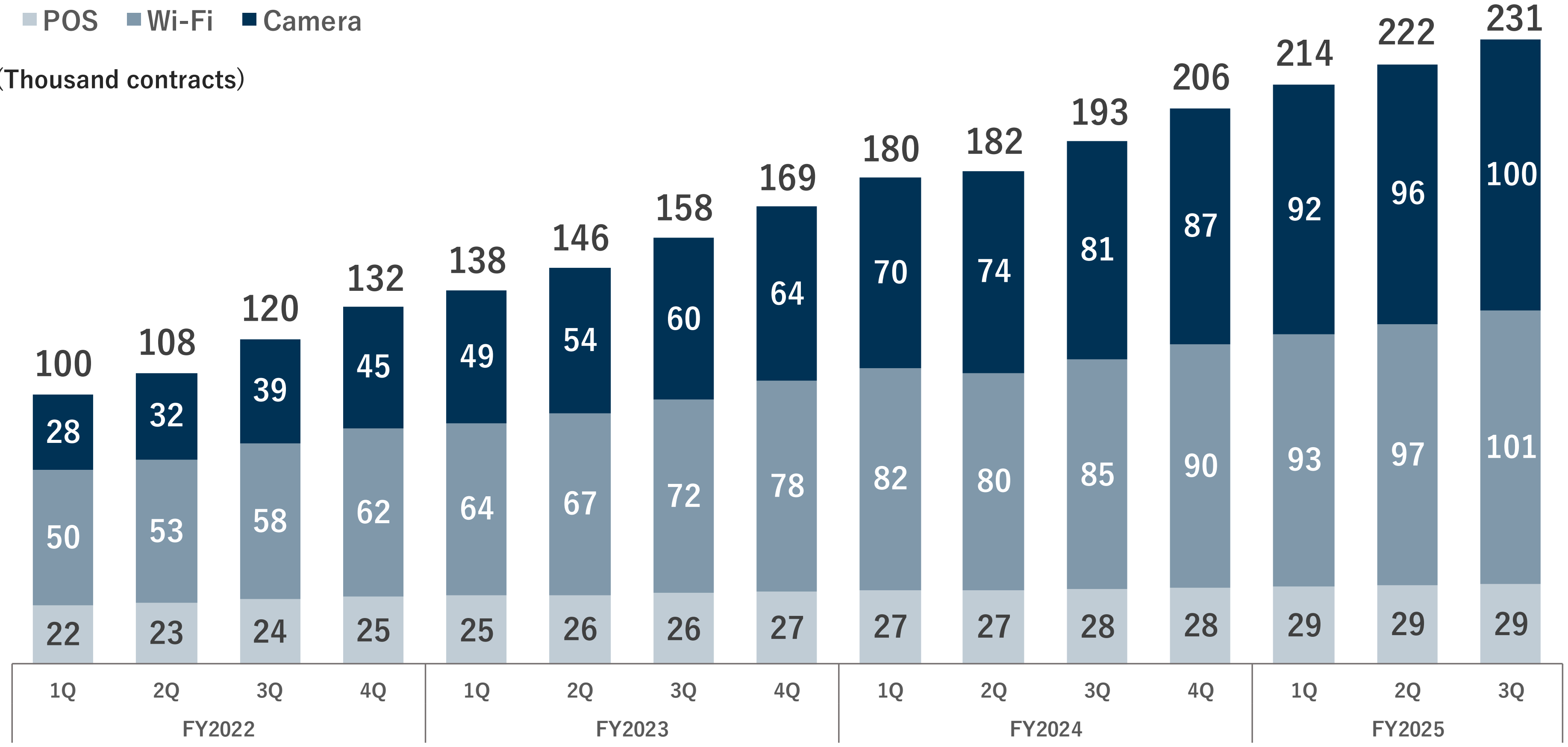
QoQ

+23K
(+2 %)

*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)

Up 40,000 YoY and 10,000 QoQ as the steady growth of all products continues.



YoY

+38K
(+20%)

QoQ

+9K
(+4%)

* Contracts for three major products are included in other store service contracts on page 26.

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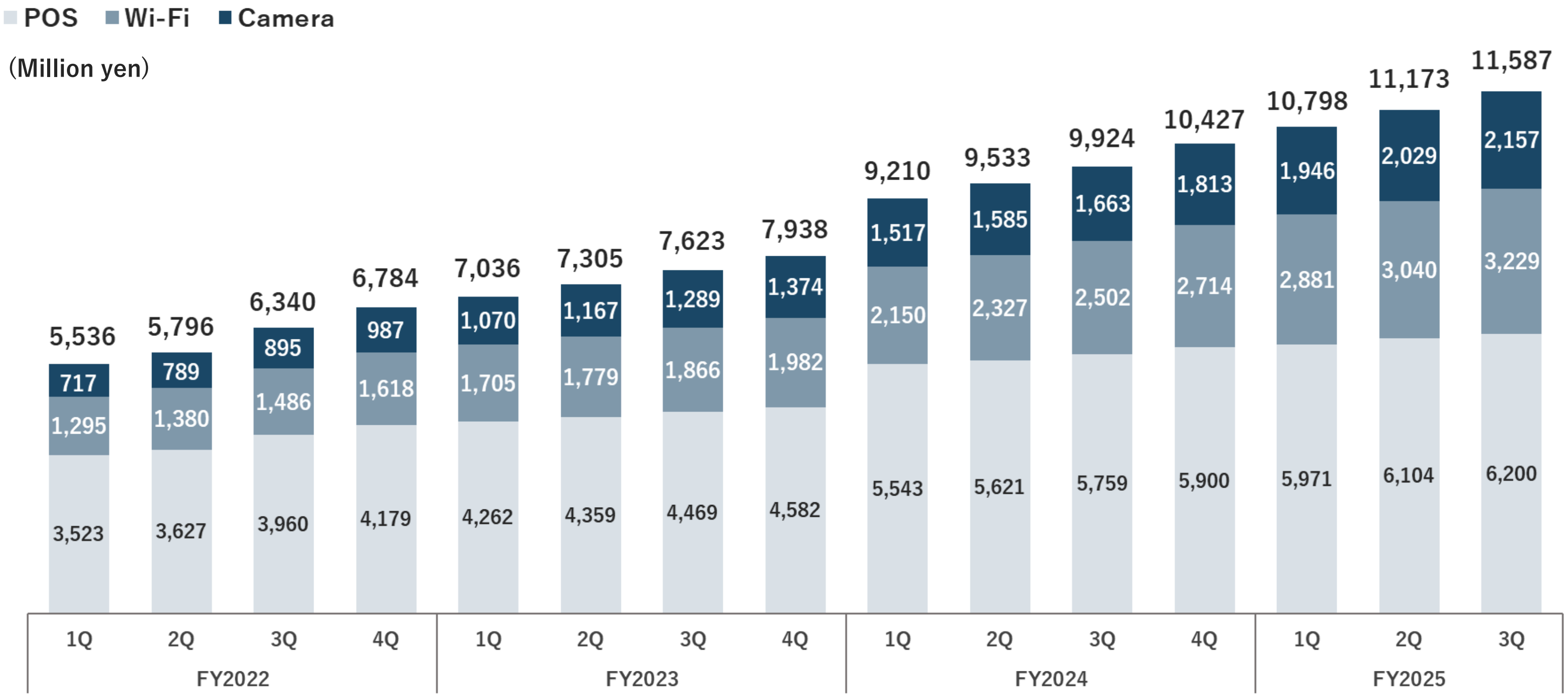
(1) Store Solutions (ARR for three major products)

ARR increasing steadily in tandem with the number of contracts.



YoY

+¥1.6bn
(+17%)

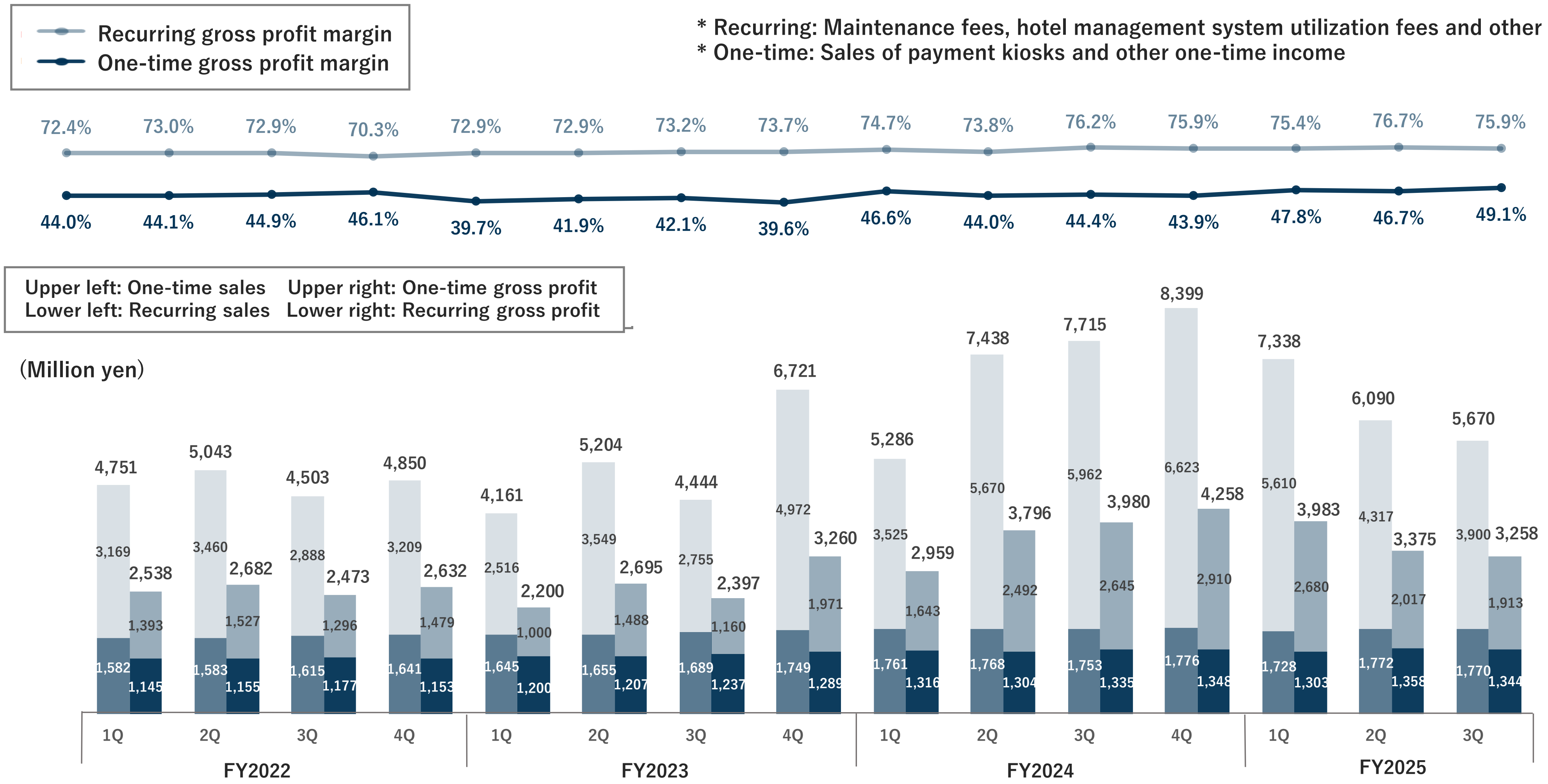
QoQ

+¥0.4bn
(+4 %)

*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

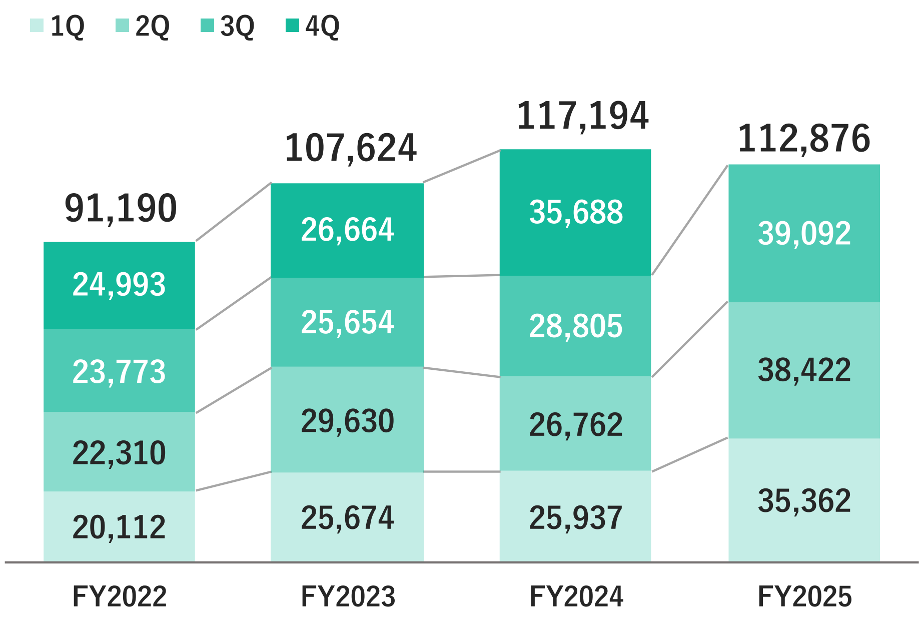


Communication & Energy

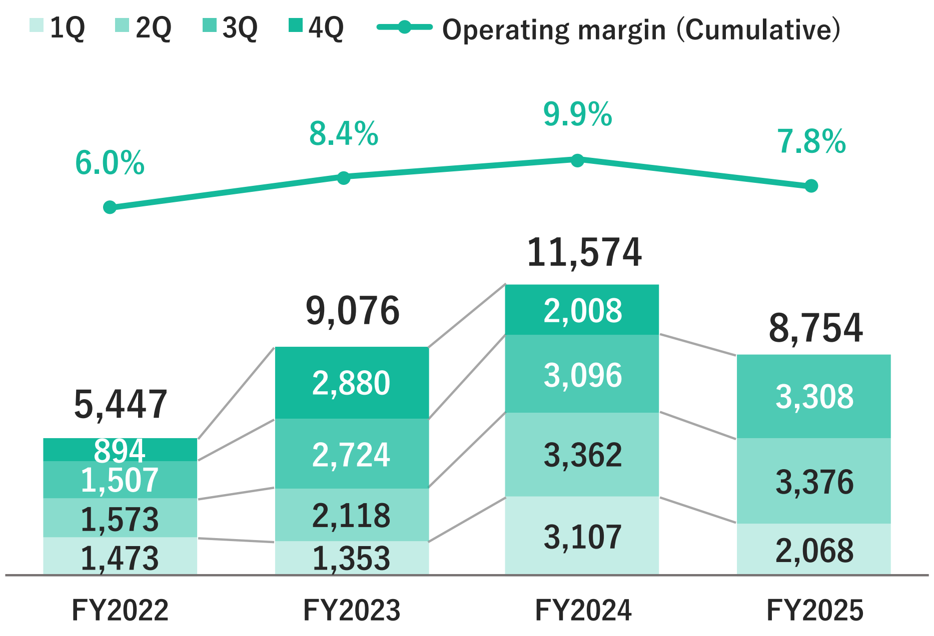
- Big YoY sales growth but earnings down mainly because of energy capacity payments that started in the 3Q of FY2024.
- No QoQ sales and earnings change with Communication sales and earnings up and energy sales and earnings down.

(Million yen)

Net Sales YoY +38% QoQ +2%



Operating Income / margin YoY ▲8% QoQ ▲2%

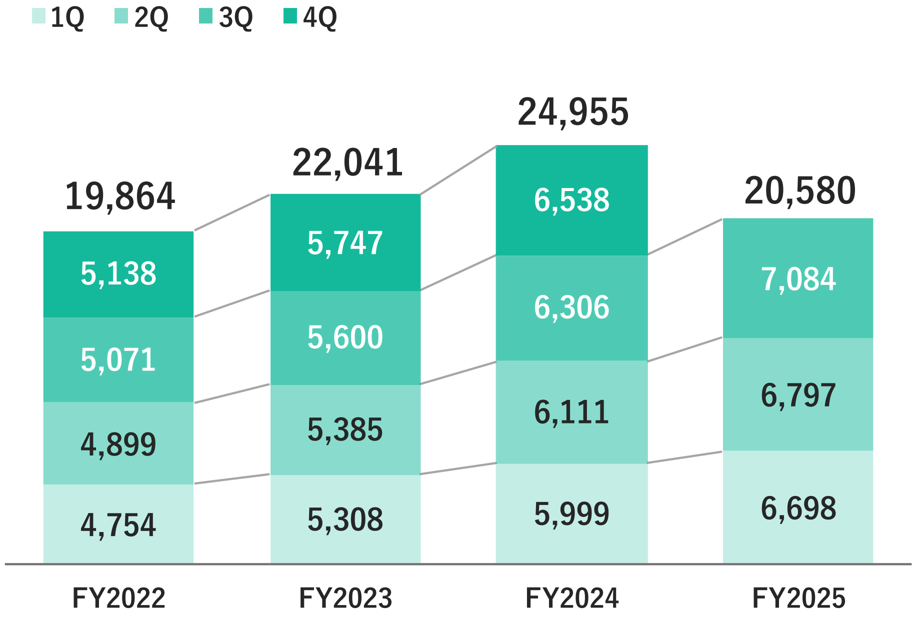


(1) Communication: ICT service for business

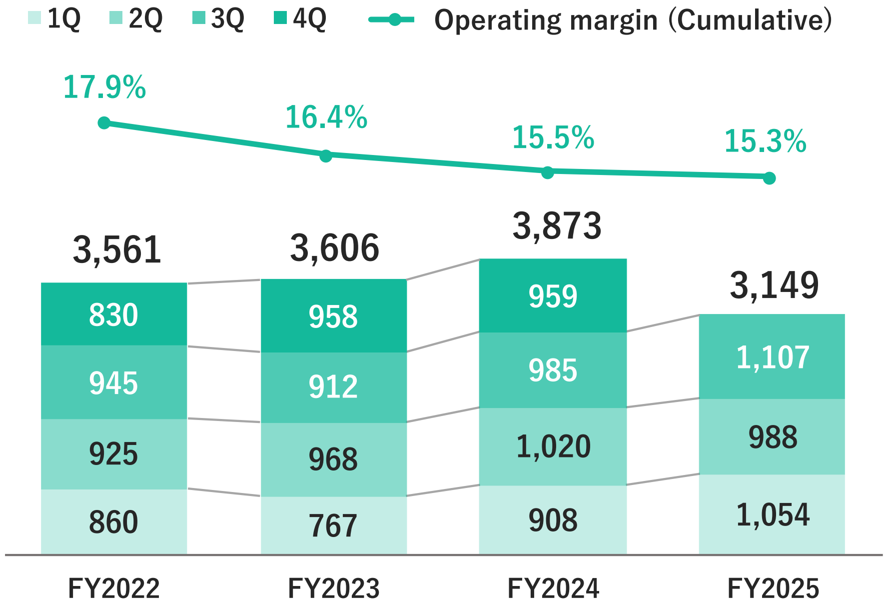
Sales and earnings up YoY/QoQ with the steady growth of SaaS services.

(Million yen)

Net Sales YoY +12% QoQ +4 %

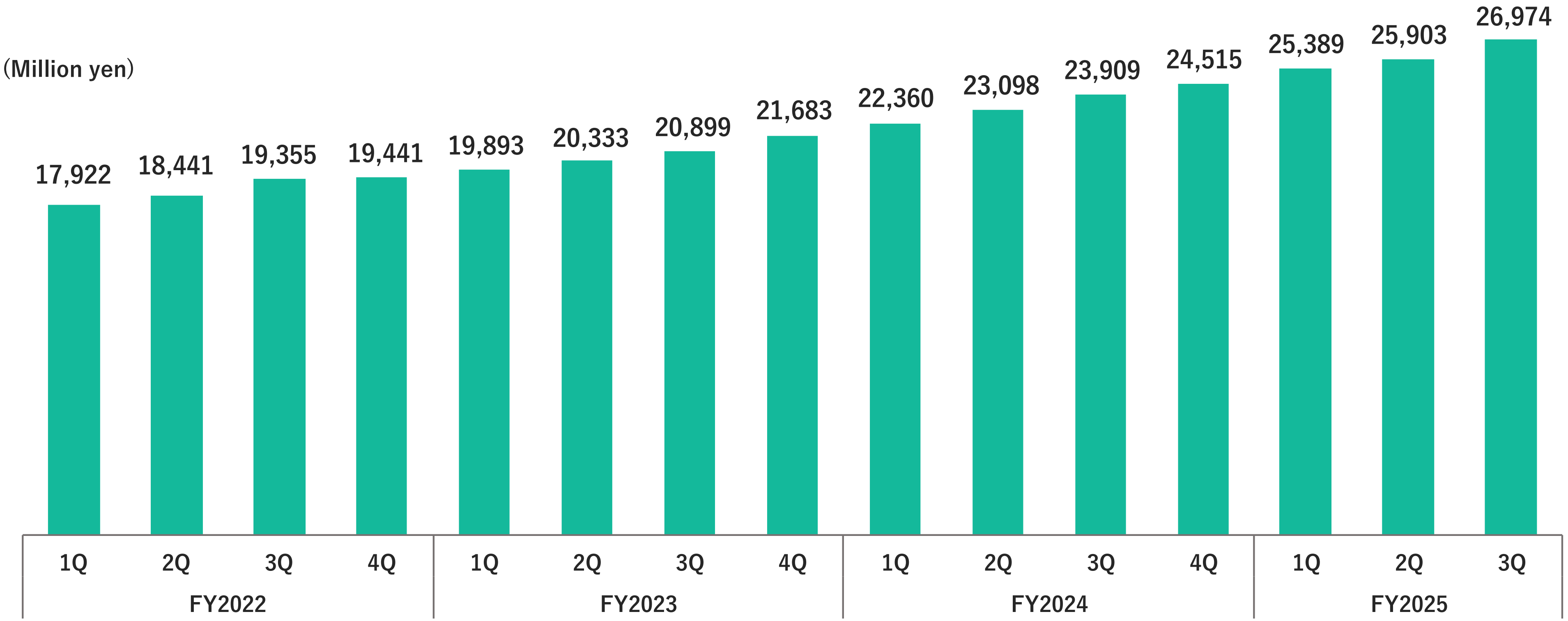


Operating Income / margin YoY +8 % QoQ +12%



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

Consistent increase in ARR backed by the growth of recurring revenue.



YoY

+¥3.0bn
(+13%)

QoQ

+¥1.0bn
(+4 %)

*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.

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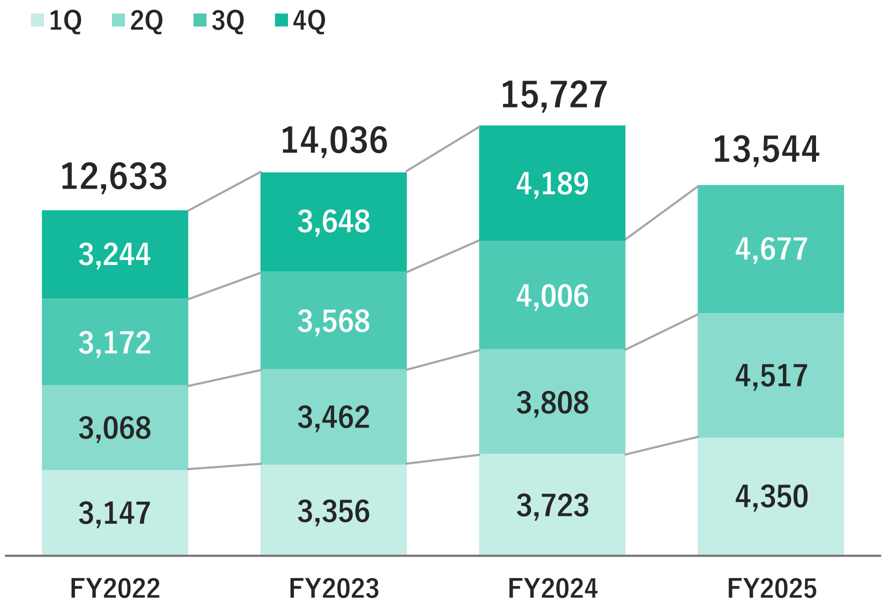
(1) Communication: Broadband internet service for stores and individuals

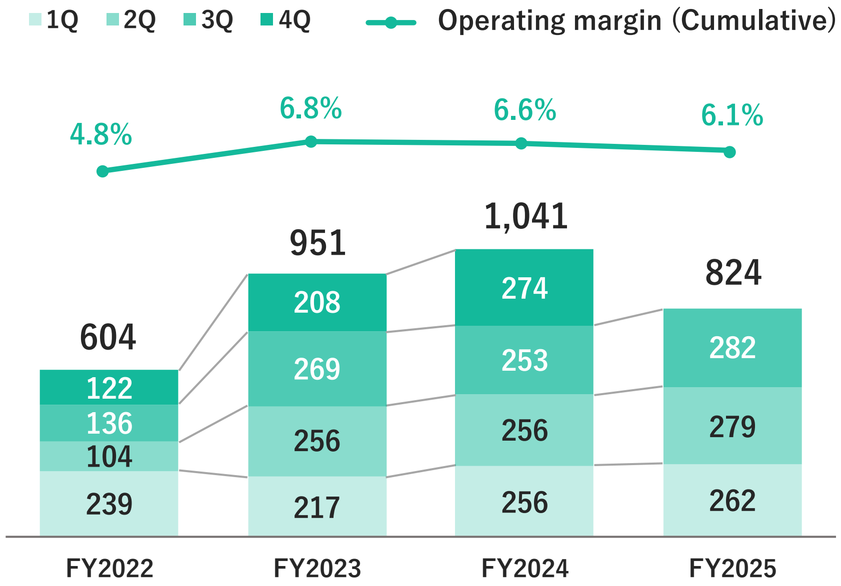
Sales and earnings up YoY/QoQ mainly due to the growth of services for stores.

(Million yen)

Net Sales YoY +17% QoQ +4 %



Operating Income / margin YoY +8 % QoQ +1 %



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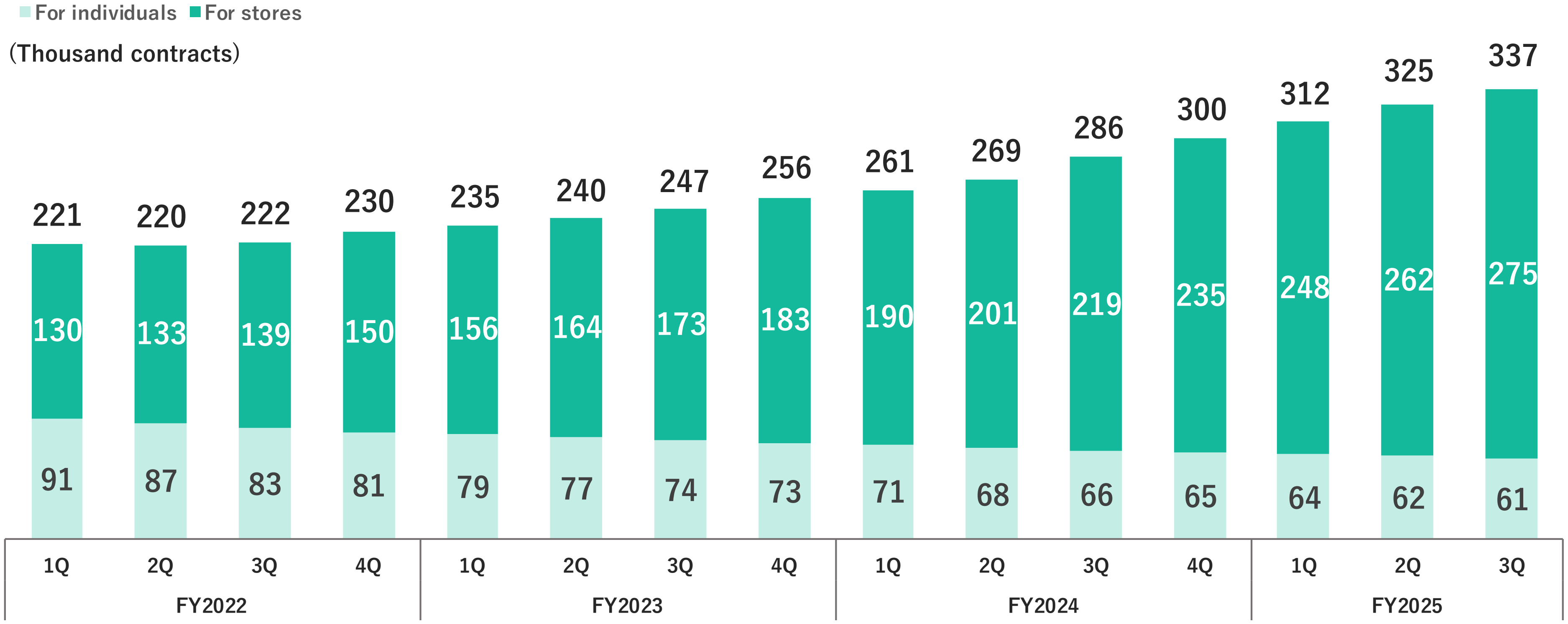
Consistent increase in the number of internet service contracts for stores.



YoY

+51K
(+18%)

QoQ

+12K
(+4%)

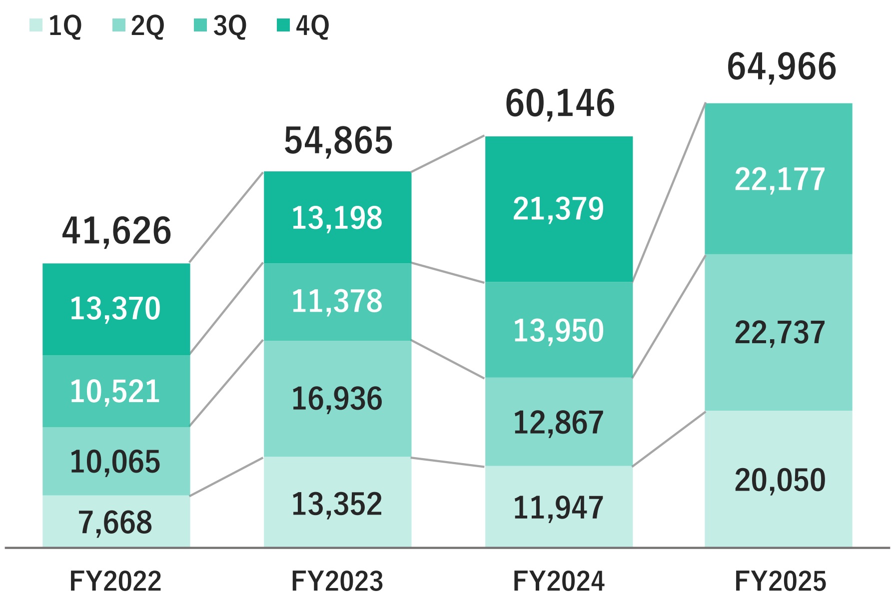
*Contracts for stores and BtoBtoC models, which are part of the above graph, are included in other service subscribers on page 24.

(2) Energy

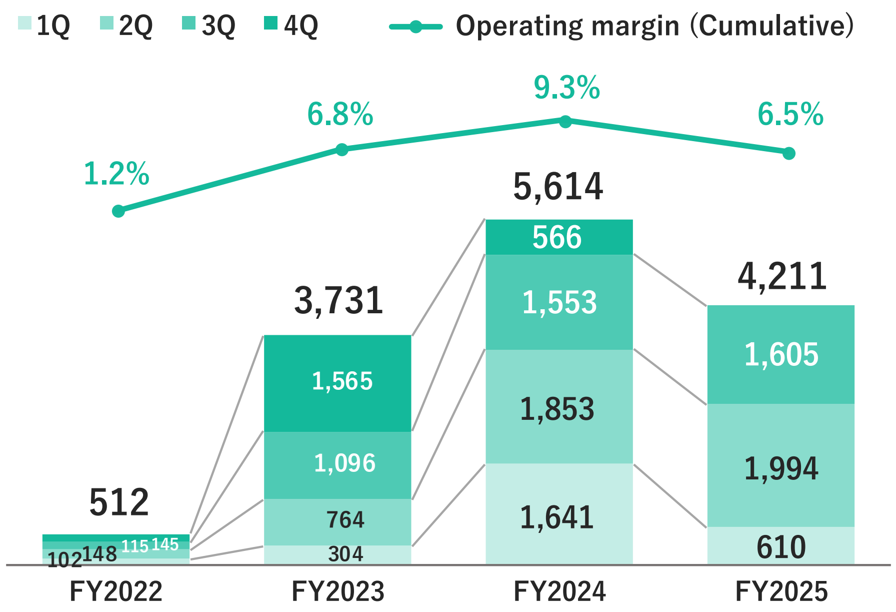
- Big YoY sales growth because of more customers; earnings decreased mainly because of capacity payments that started in the 3Q of FY2024.
- QoQ sales decrease caused by a seasonal decline in electricity use and the earnings decline also reflects higher fees for acquiring new customers.

(Million yen)

Net Sales YoY +68% QoQ ▲2%



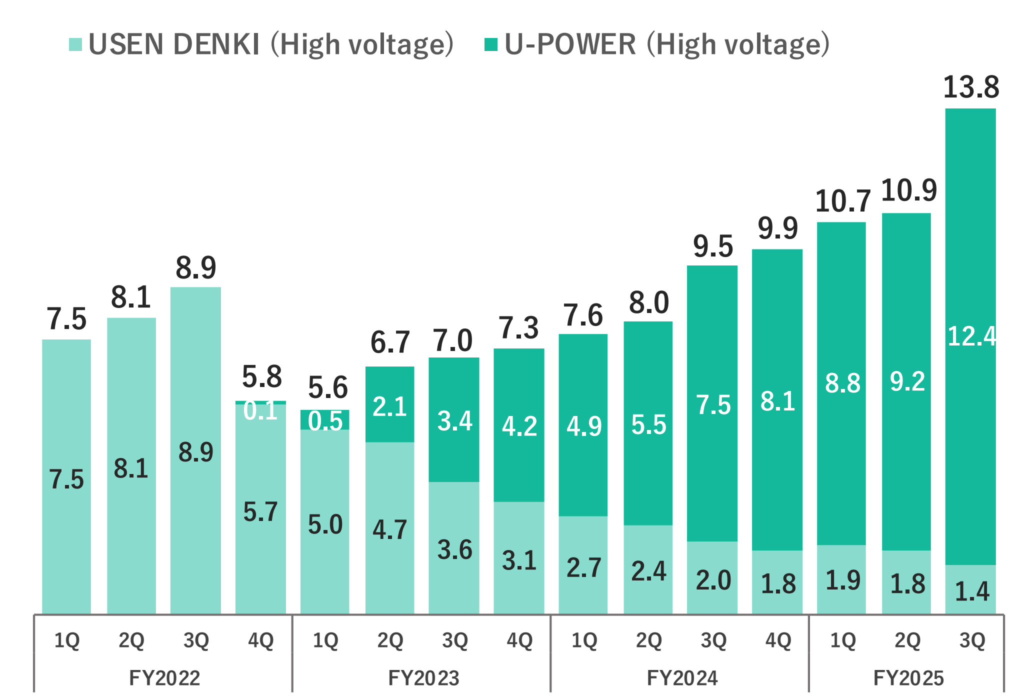
Operating Income / margin YoY ▲17% QoQ ▲20%



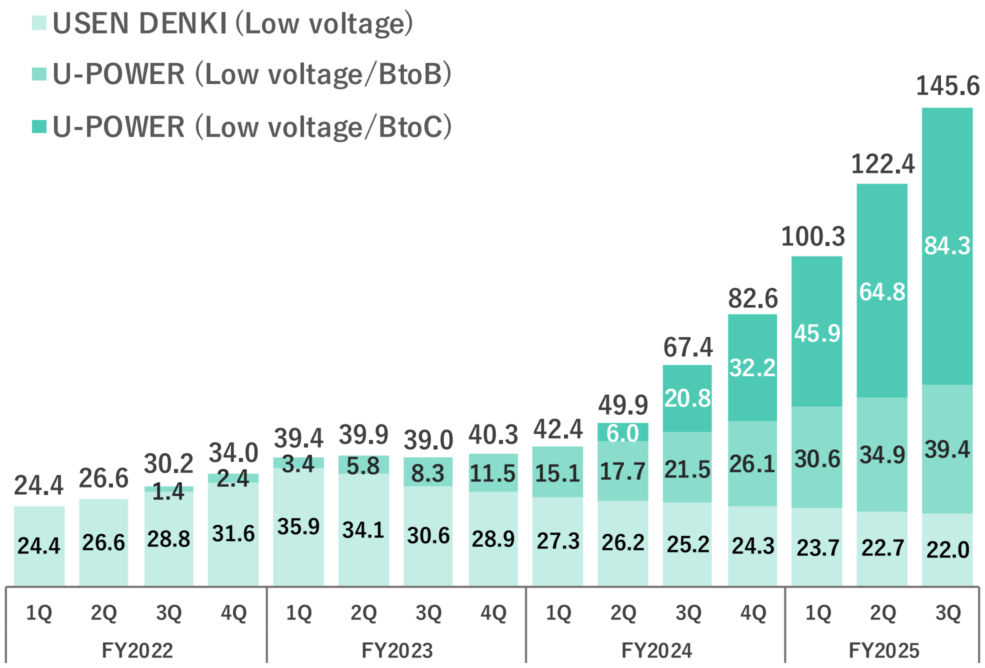
(2) Energy (Number of contracts)

Big increase in the number of high voltage customers in part due to the start of energy sales resulting from competitive bids for contracts with local governments and other organizations.

High voltage YoY +45% QoQ +26%

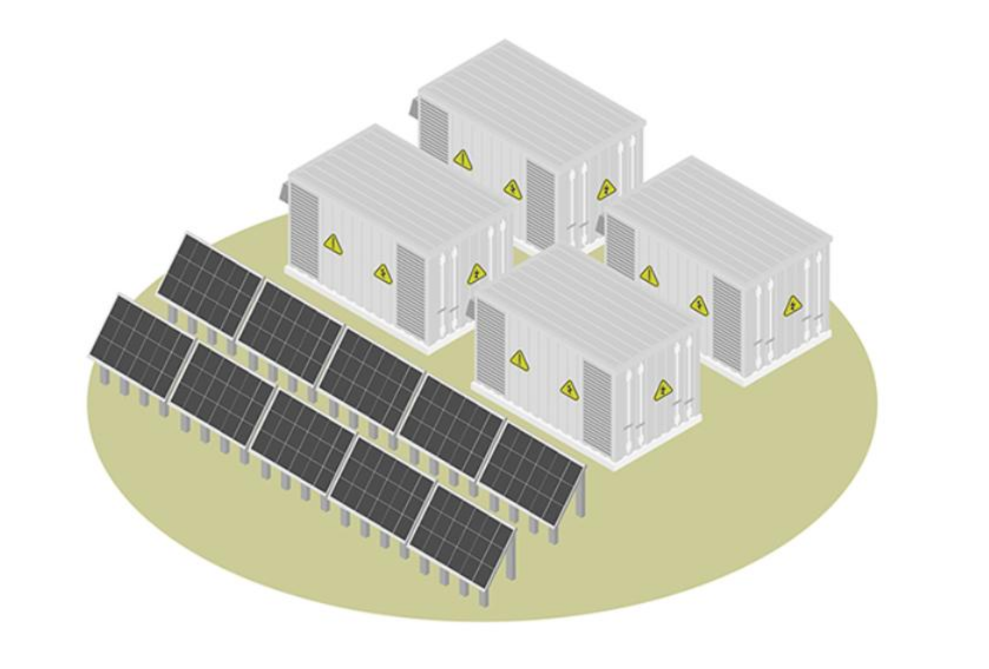


Low voltage YoY +116% QoQ +19%



(2) Energy (Topics)

- Supplied at no cost large storage batteries for a solar power facility in Kyushu.
- Start of a business for maximizing renewable energy earnings by eliminating output restrictions and assisting with the change to feed-in premiums (FIP).



*Example of a solar power facility with large storage batteries

Press release:
https://unext-hd.co.jp/newsrelease/2025/06/upower-largeess-freeprovision.html

■Summary of the new service

- ✓ Supply at no cost of storage batteries and assistance for the change from utility purchases of electricity from renewable sources at a fixed price (feed-in tariff*1) to purchases at variable prices determined by the market (feed-in premium*2).
- ✓ Electricity is temporarily stored for sale later when demand is high. This time shift sale of electricity*3 eliminates output restrictions and increases earnings.

*1 Utilities are required to purchase during a designated period electricity from renewable sources at a fixed price determined by the Japanese government.
*2 A new scheme to support the sale of electricity by using the market price plus a premium (subsidy) for purchases of electricity from renewable sources.
*3 Maximizes earnings by releasing and selling electricity when the market price for power is high.

■Upcoming activities

- ✓ Consider expanding operations beyond Kyushu to other areas of Japan.
- ✓ Full-scale start of an aggregation business*4 that uses storage batteries.
- ✓ Enhance our comprehensive energy services through promoting the greater use of renewable energy and synergies with our own retail electricity division.

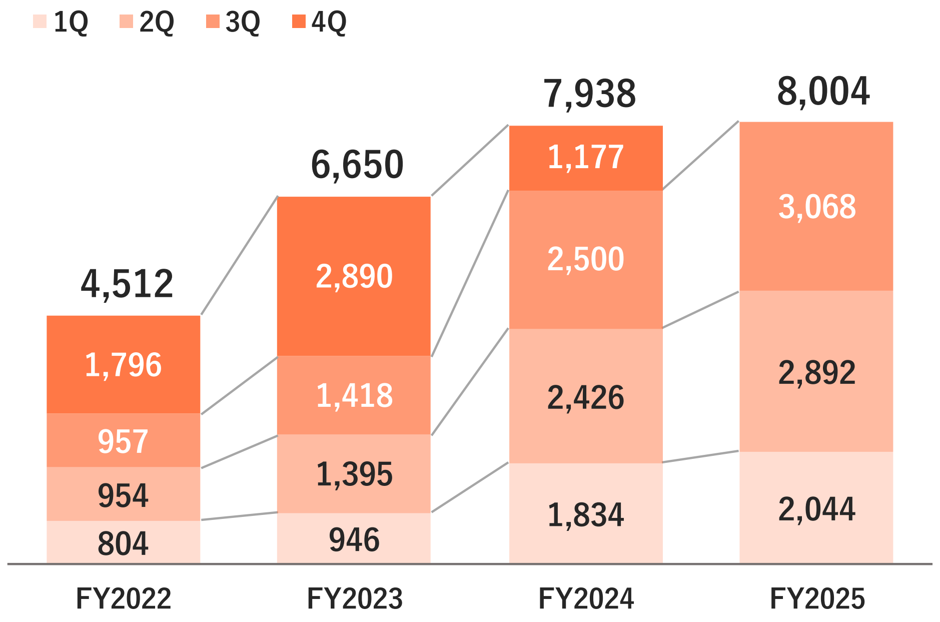
*4 A business that combines many small producers and users of electricity to create a single large market for electricity.

Financial, Realty & Global

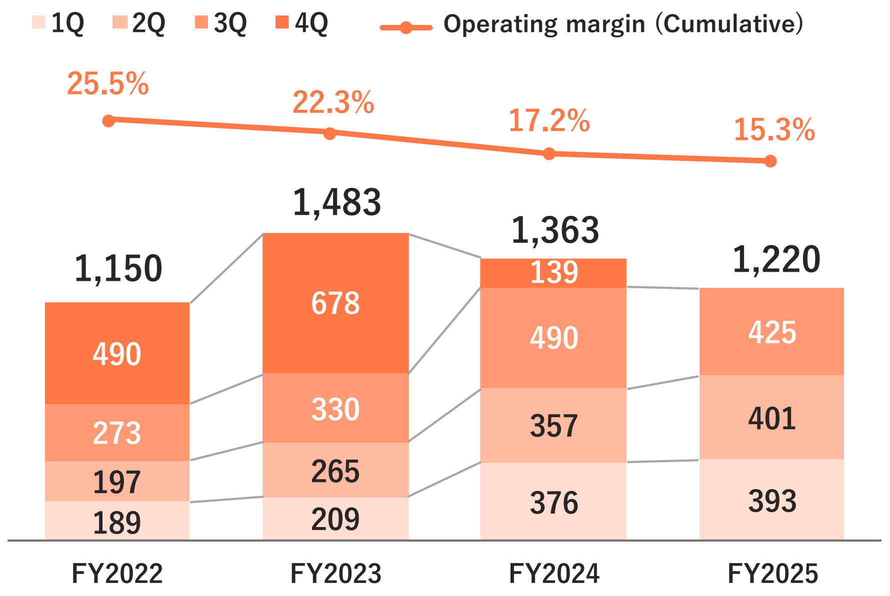
- A big increase in sales resulting from the consolidation in the 2Q of a cashless payment subsidiary. Earnings mostly unchanged because of up-front losses for activities for growth.
- QoQ sales and earnings increased as all services continue to grow steadily.

(Million yen)

Net Sales YoY +18% QoQ +6%

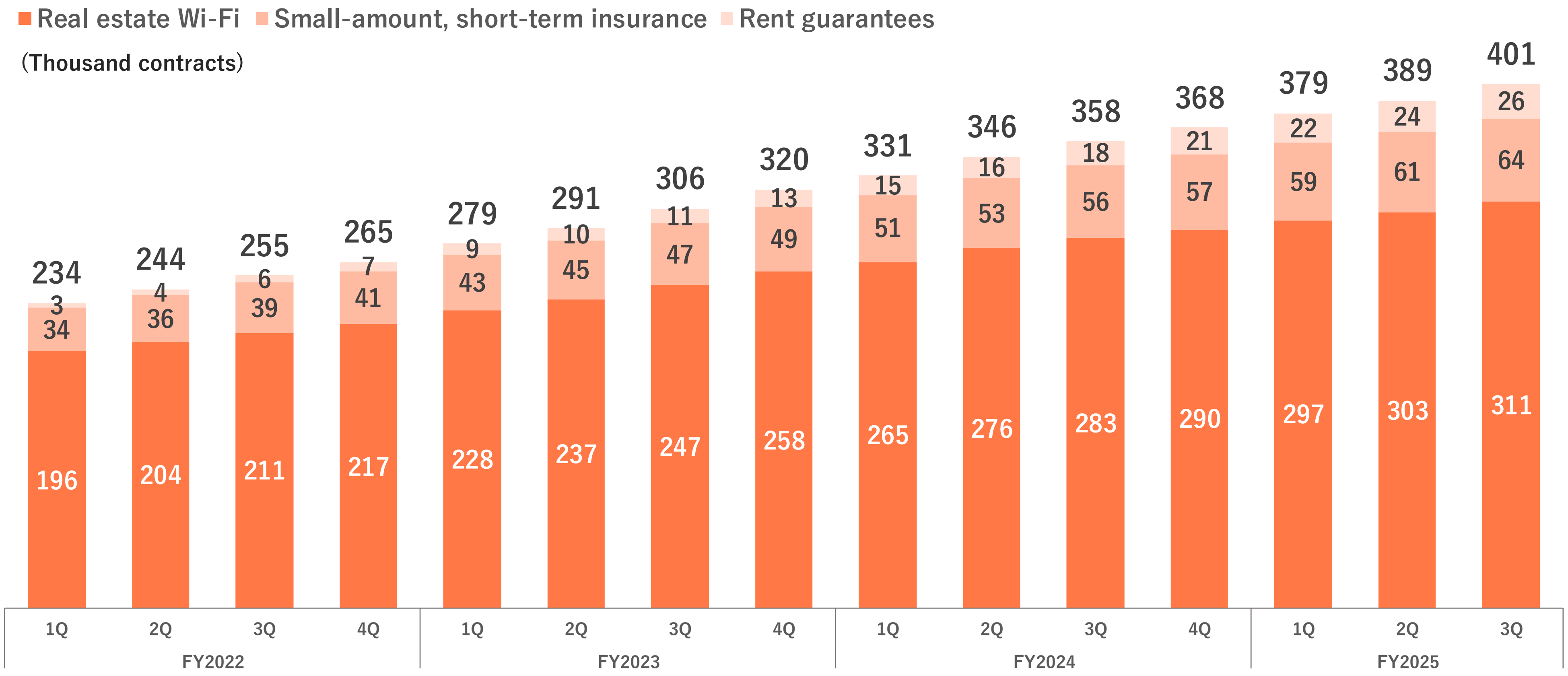


Operating Income / margin YoY +0% QoQ +6%



Financial, Realty & Global (Contracts for major products)

Up 40,000 YoY and 10,000 QoQ due to the consistent growth of all products.



YoY

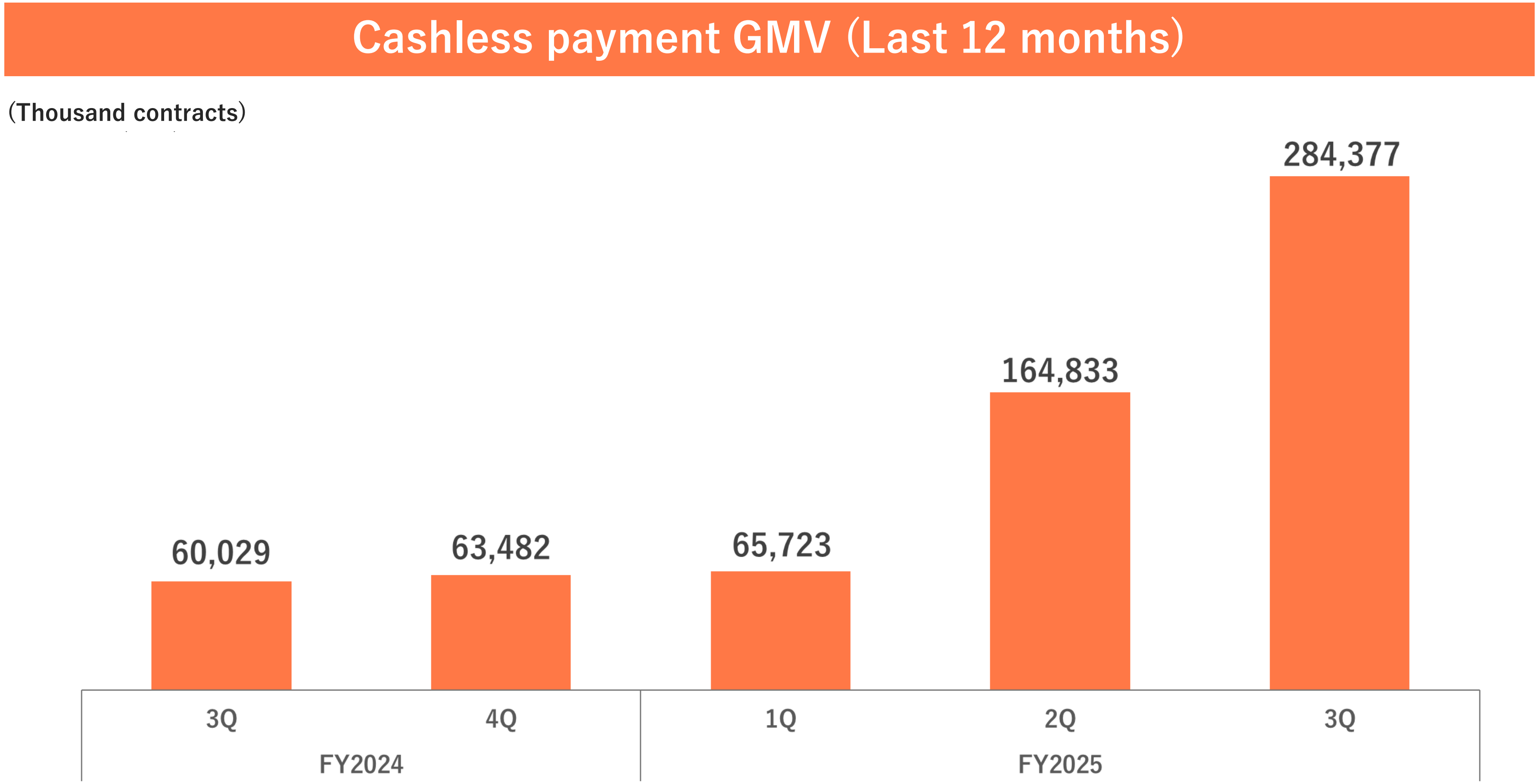
+44K
(+12%)

QoQ

+13K
(+3%)

(1) Financial (GMV)

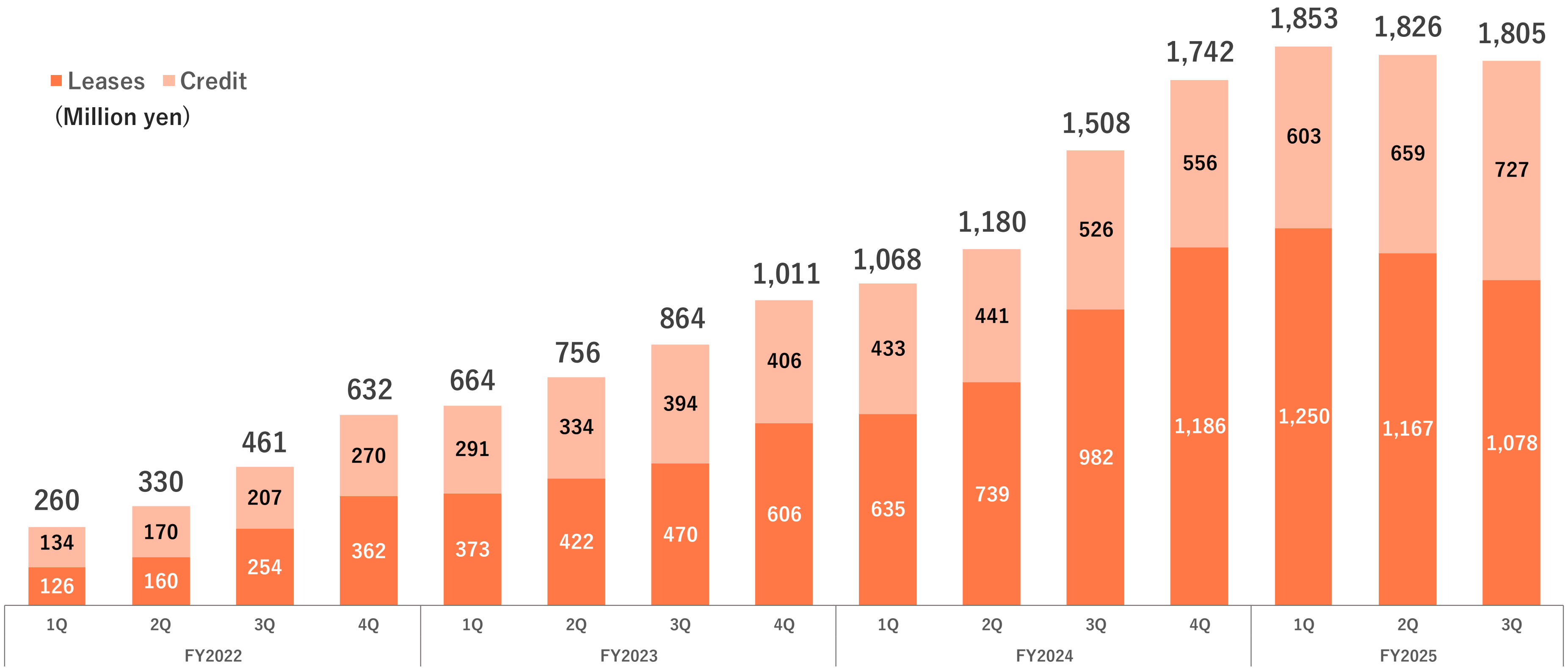
Steady growth of gross merchandise value (GMV) as the number of member stores climbs.



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

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

A small decrease in outstanding leases and credit because of the lower volume of new leases.



YoY

+¥0.3bn
(+20%)

QoQ

▲¥0.02bn
(▲1 %)

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

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3. Appendix

Registration of Bond Issue and Provisional Issuer Rating

Bond issue registration submitted on June 20, 2025 and provisional rating received from R&I.

■Summary of the bond issue registration

Item:	
Amount (*)	¥30,000 million
Period	June 28, 2025 to June 27, 2027
Use of funds	Capital expenditures, investments, purchase of real estate, repayment of loans, redemption of bonds, working capital

*Maximum amount of bonds issued during the issue period

■Provisional rating

Type of rating	Rating	Outlook
Issuer registration (corporate bonds)	A-	Stable

R&I's website: https://www.r-i.co.jp/news_release_cfp/2025/06/news_release_cfp_20250627_23650_jpn.pdf

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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, Novemver 2024

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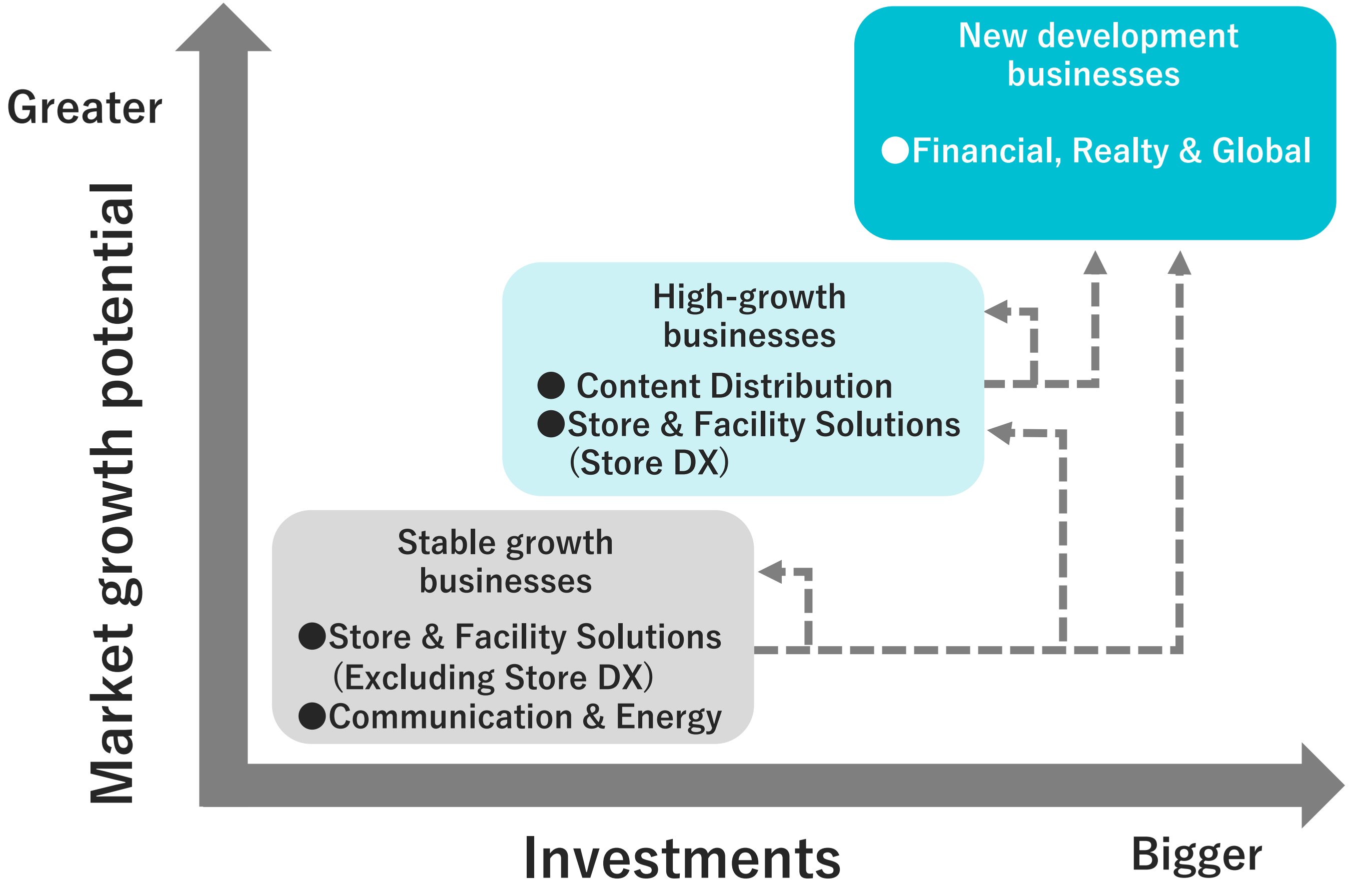
Portfolio management

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

【Disclosure segments】

- Content Distribution
- Store & Facility Solutions
- Communication & Energy
- Financial, Realty & Global



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 e change 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.

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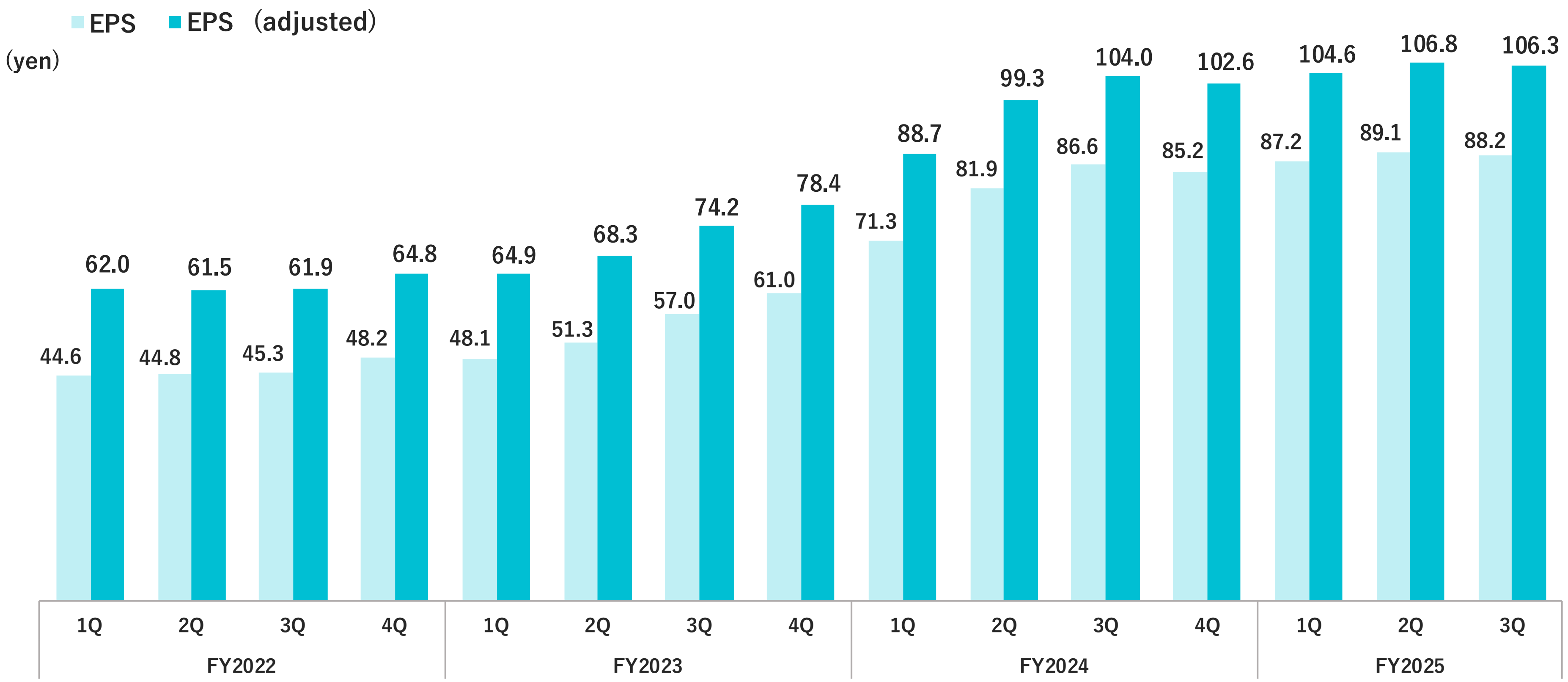
EPS (LTM)

Basically unchanged because net income was about the same as one year earlier.



EPS (adjusted)

YoY (Quarter) +¥2.2

QoQ ▲¥0.6

EPS

YoY (Quarter) +¥1.6

QoQ ▲¥1

*LTM: Last Twelve Month

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Consolidated balance sheet

- Current assets: Increase in cash and deposits is a seasonal change due to the receipt of annual payments for many services; content purchasing expenditures are mostly responsible for higher prepaid expenses.
- Non-current assets: Purchase of a commercial building raised property, plant and equipment; higher other intangible assets are mainly attributable to software for the development of a new POS register and the use of purchase price allocation for the reclassification of some goodwill recognized during FY2025 to customer-related assets.
- Liabilities: Other current liabilities increased mainly due to higher payables; long-term loans payable increased due to new loans for M&A and the purchase of a commercial building.

(Million yen)	FY2024	FY2025 3Q	Difference
(Assets)			
Current assets	**150,218**	**164,479**	**+14,261**
Cash and deposits	52,738	58,499	+5,761
Notes and accounts receivable-trade	41,246	41,327	+81
Inventories	11,302	13,034	+1,732
Prepaid expenses	40,694	46,922	+6,228
Other	4,236	4,695	+459
Non-current assets	**78,743**	**88,237**	**+9,494**
Property, plant and equipment	**21,056**	**24,815**	**+3,759**
Intangible assets	**47,194**	**53,727**	**+6,533**
Goodwill	39,490	40,883	+1,393
Other	7,704	12,844	+5,140
Investment and other assets	**10,491**	**9,694**	**▲797**
Total assets	**228,962**	**252,717**	**+23,755**

(Million yen)	FY2024	FY2025 3Q	Difference
(Liabilities)			
Current liabilities	**71,529**	**76,765**	**+5,236**
Notes and accounts payable-trade	33,686	36,442	+2,756
Short-term loans payable	-	-	-
Current portion of long-term loans payable	3,066	3,153	+87
Other	34,776	37,170	+2,394
Non-current liabilities	**65,399**	**72,206**	**+6,807**
Bonds payable	10,000	10,000	-
Long-term loans payable	49,822	56,451	+6,629
Other	5,576	5,754	+178
Total liabilities	**136,928**	**148,972**	**+12,044**
(Net assets)			
Shareholder's equity	**81,729**	**92,593**	**+10,864**
Capital stock	99	99	-
Capital surplus	29,786	29,786	-
Retained earnings	51,843	62,707	+10,864
Treasury stock	-0	0	0
Valuation and translation adjustments	**138**	**166**	**+28**
Non-controlling interests	**10,166**	**10,985**	**+819**
Total net assets	**92,033**	**103,744**	**+11,711**
Total liabilities and net assets	**228,962**	**252,717**	**+23,755**

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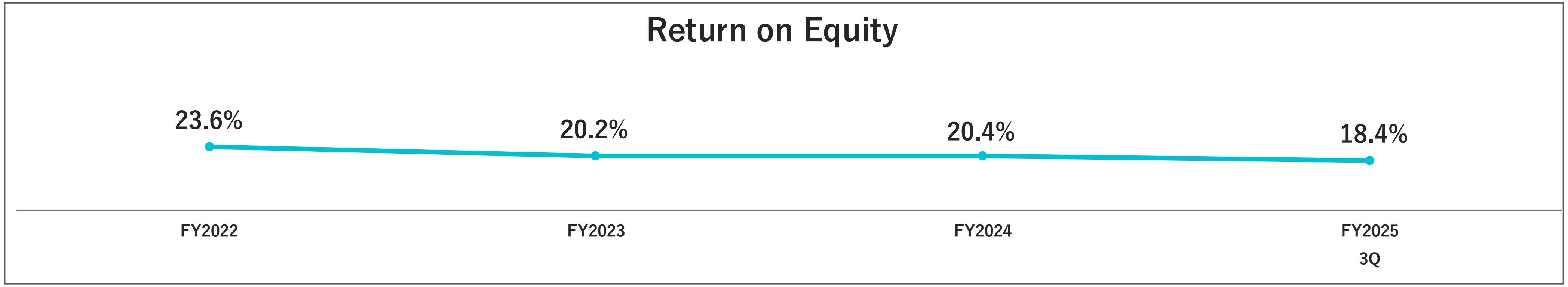
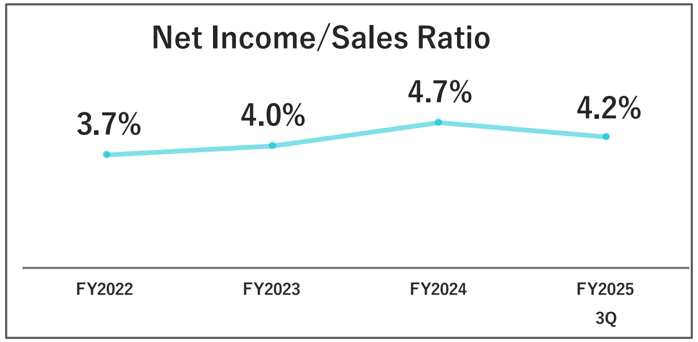
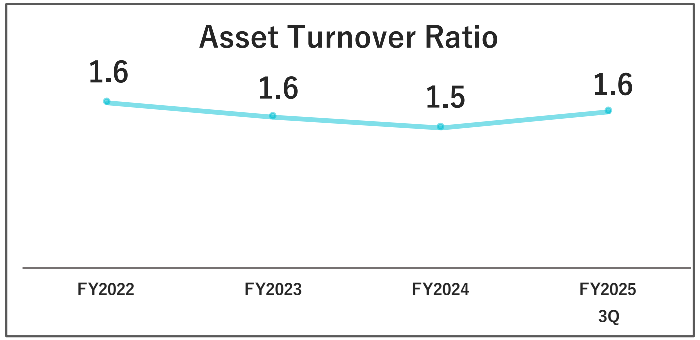
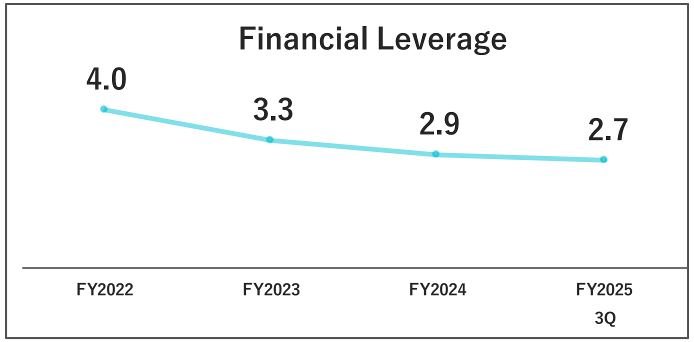
Return on equity (LTM)

A small decrease mainly due to lower profitability but still high.









*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)

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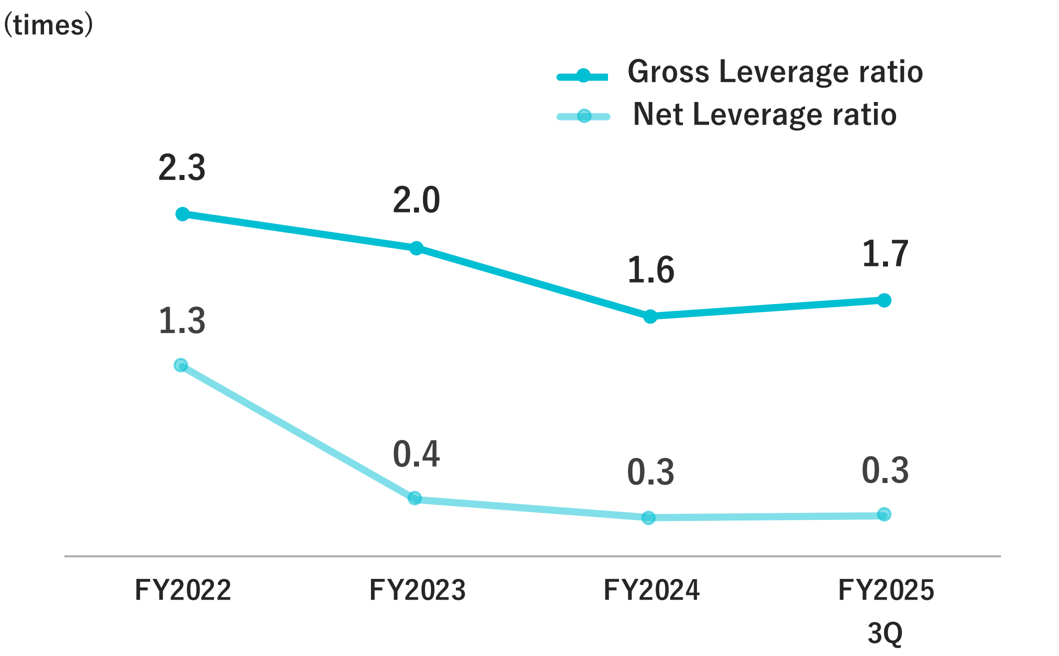
Leverage ratio (LTM)/Debt/Equity ratio

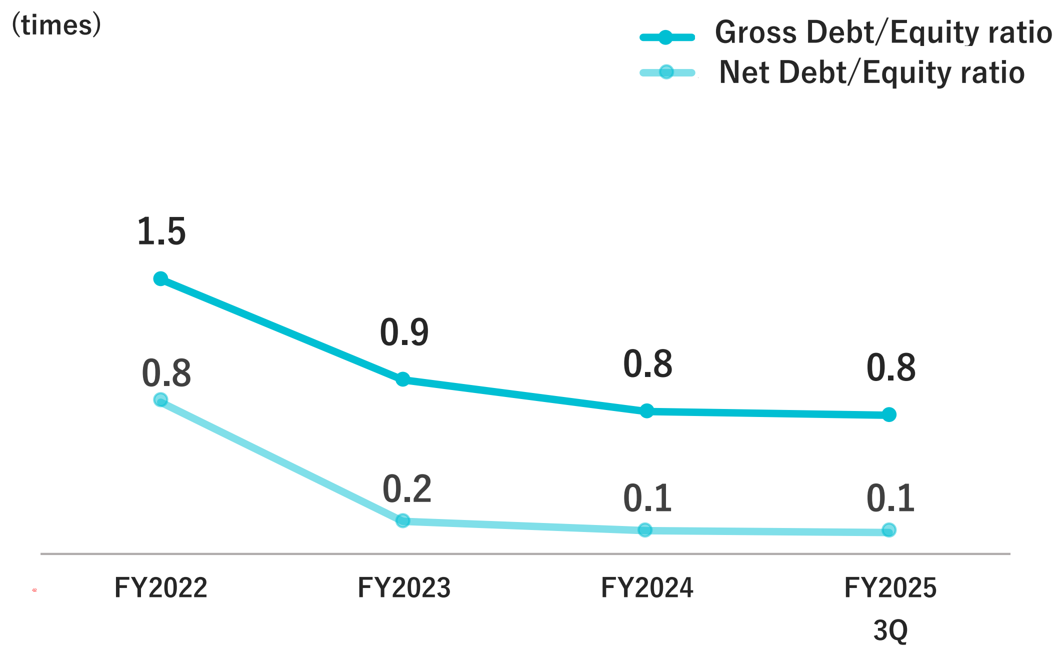
Basically no change from one year earlier in the leverage and debt/equity ratios.

Leverage Ratio (LTM)



*LTM: Last Twelve Month
*Gross Leverage ratio: Debt / EBITDA
*Net Leverage ratio: (Debt－Cash) / EBITDA

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%	

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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,
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Selected for FY2021-2024