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USEN & U-NEXT
GROUP



October 14, 2026

Consolidated Financial Results for the Fiscal Year Ended August 31, 2026 [Japanese GAAP]

Company name: U-NEXT HOLDINGS Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Code number: 9418

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Scheduled date of Annual General Meeting of Shareholders: November 27, 2026

Scheduled date of commencing dividend payments: November 30, 2026

Scheduled date of filing annual securities report: November 26, 2026

Availability of supplementary briefing materials on financial results: Available

Schedule of financial results briefing session: Scheduled (for analysts and institutional investors)

(Amounts are rounded down to the nearest million yen.)

1. Consolidated Financial Results for the Fiscal Year Ended August 31, 2026

(September 1, 2025 – August 31, 2026)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended August 31, 2026	469,957	20.4	30,255	(4.2)	28,169	(8.8)	14,959	(18.7)
August 31, 2025	390,408	19.5	31,571	8.5	30,900	9.1	18,395	19.8

(Note) Comprehensive income: Fiscal year ended August 31, 2026: ¥16,663 million [(14.0)%]

Fiscal year ended August 31, 2025: ¥19,379 million [21.3%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales	EBITDA		Adjusted EPS	
	Yen	Yen	%	%	%	Million yen	%	Yen	%
Fiscal year ended August 31, 2026	82.93	—	14.5	9.2	6.4	46,071	5.9	103.74	(13.9)
August 31, 2025	101.99	—	20.5	12.6	8.1	43,500	10.0	120.44	17.4

(Reference) Equity in earnings (losses) of affiliates: Fiscal year ended August 31, 2026: ¥85 million

Fiscal year ended August 31, 2025: ¥55 million

(Notes) 1. Information on diluted earnings per share is not provided as there were no shares with dilutive effect.

2. The Company conducted a 3-for-1 stock split of common shares effective as of December 1, 2024.

Accordingly, the figures for basic earnings per share are calculated assuming that the stock split was conducted at the beginning of the fiscal year ended August 31, 2025.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of August 31, 2026	354,335	125,053	30.9	606.21
As of August 31, 2025	259,782	108,708	37.6	540.94

(Reference) Equity: As of August 31, 2026: ¥109,344 million

As of August 31, 2025: ¥97,571 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year-end
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
August 31, 2026	23,743	(44,240)	25,633	62,836
August 31, 2025	20,671	(20,178)	3,501	56,882

2. Dividends

	Annual Dividend					Total dividends (annual)	Dividend payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended August 31, 2025	—	7.00	—	8.50	15.50	2,795	15.2	3.1
Fiscal year ended August 31, 2026	—	8.50	—	8.50	17.00	3,066	20.5	3.0
Fiscal year ending August 31, 2027 (Forecast)	—	9.50	—	9.50	19.00		20.8	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending August 31, 2027 (September 1, 2026 – August 31, 2027)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	524,000	11.5	32,500	7.4	30,700	9.0	16,500	10.3	91.47

	EBITDA		Adjusted EPS	
	Million yen	%	Yen	%
Full year	53,100	15.3	112.54	8.5

* Notes:

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 1 (XING INC.), Excluded: – ()

(Note) For details, please refer to “(5) Notes to Consolidated Financial Statements (Change in the scope of consolidation or the scope of adoption of the equity method)” on page 15 of the Attachments.

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(3) Total number of shares issued and outstanding (common shares)

1) Total number of shares issued and outstanding at the end of the year (including treasury shares):

August 31, 2026: 180,375,333 shares

August 31, 2025: 180,375,333 shares

2) Total number of treasury shares at the end of the year:

August 31, 2026: 423 shares

August 31, 2025: 423 shares

3) Average number of shares during the year:

Fiscal year ended August 31, 2026: 180,374,910 shares

Fiscal year ended August 31, 2025: 180,374,987 shares

(Note) The Company conducted a 3-for-1 stock split of common shares effective as of December 1, 2024. Accordingly, the total number of shares issued and outstanding at the end of the year, the total number of treasury shares at the end of the year, and the average number of shares during the year have been calculated assuming that the stock split was conducted at the beginning of the fiscal year ended August 31, 2025.

(4) Calculation method of management indices

- EBITDA: Operating profit + Depreciation + Amortization of goodwill
 - * The amounts of depreciation and amortization of goodwill represent figures on the Statements of Cash Flows.
- Adjusted EPS: Adjusted profit (i.e., Profit attributable to owners of parent + Amortization of goodwill) / Average number of shares during the period

(Reference) Summary of Non-Consolidated Financial Results**Non-Consolidated Financial Results for the Fiscal Year Ended August 31, 2026****(September 1, 2025 – August 31, 2026)****(1) Non-Consolidated Operating Results** (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
August 31, 2026	15,261	9.0	7,303	8.4	5,772	(1.8)	5,055	8.9
August 31, 2025	14,003	(13.7)	6,737	(20.6)	5,876	(27.4)	4,640	(40.7)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
August 31, 2026	28.03	—
August 31, 2025	25.73	—

(Notes) 1. Information on diluted earnings per share is not provided as there were no shares with dilutive effect.

2. The Company conducted a 3-for-1 stock split of common shares effective as of December 1, 2024.

Accordingly, the figures for basic earnings per share are calculated assuming that the stock split was conducted at the beginning of the fiscal year ended August 31, 2025.

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of August 31, 2026	156,943	51,923	33.1	287.86
As of August 31, 2025	122,787	49,892	40.6	276.60

(Reference) Equity: As of August 31, 2026: ¥51,923 million

As of August 31, 2025: ¥49,892 million

* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.* Explanation on the proper use of financial results forecast and other notes

(Notes on forward-looking statements, etc.)

The earnings forecasts and other forward-looking statements herein are based on information available to the Company and certain assumptions deemed reasonable as at the date of publication of this document, and the Company does not in any way guarantee the achievement of the projections. In addition, actual results may differ significantly from these forecasts due to various factors. For preconditions for the financial results forecast and notes on the use thereof, etc., please refer to “1. Overview of Operating Results, etc. (4) Future Outlook” on page 6.

Supplementary briefing materials on financial results for the fiscal year ended August 31, 2026 will be filed on TDnet on October 14, 2026, and also posted on the Company’s website. The Company plans to hold a financial results briefing session for institutional investors on October 15, 2026.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

Driven by the aspiration to make the future even better for everyone in society through entertainment and technology, the Group has adopted the corporate slogan “NEXT for U” and continues to strive to become a corporate group that earns the trust and meets the expectations of more people.

The Group’s business comprises the following four business segments: the Content Distribution Business which consists of multiple services including “U-NEXT,” which distributes videos, e-books, etc., primarily to individual users, the Store & Facility Solution Business through which we offer digital transformation (DX) solutions and music distribution services as well as automated payment machines and commercial karaoke services, among others, to commercial stores and facilities, such as medical institutions and hotels, the Communication & Energy Business through which we offer ICT solutions such as internet connection, high- and low-voltage electricity, etc. to commercial stores, small- to medium-sized offices, among others, and the Financial, Realty & Global Business through which we offer various services, including guarantee, cashless payment, insurance, etc. mainly to commercial stores, sell equipment and provide brokerage services to realty businesses, as well as manage commercial buildings on our own.

The Group believes that its greatest asset is its diverse customer base built through business-to-business (B to B) and business-to-consumer (B to C) businesses, comprising commercial stores, medical institutions, hotels, small- to medium-sized offices, and individuals, among others. As important management themes, the Group is focusing its efforts on enhancing services that meet market needs and offering them as one-stop solutions to assist with and solve customers’ management issues in a comprehensive manner in B to B business and delivering valuable experiences to more users through expanded lineup of content and bundled services, and enhanced service quality in B to C business.

During the fiscal year under review, the environment surrounding the Company saw signs of a recovery in consumer spending as the employment and income situations continued to improve. Meanwhile, the outlook remains uncertain due to soaring resource and energy prices caused by the materialization of geopolitical risks, concerns about inflation driven by the prolonged weakness of the yen, as well as interest rate trends.

Under these circumstances, the Group will aim to maintain and expand the earnings base for the Group as a whole by drawing on its diversified business portfolio and executing flexible strategies either at individual business units or across the Group to respond to rapidly changing business environments.

In addition, to strengthen the sustainability as a company, the Group has focused on building organizations that foster leaders of the next generation. At the same time, the Group has also strived to establish organizations and systems that enable it to continuously provide innovative services in response to various needs and issues of its customers.

Furthermore, based on the belief that the most important management resources for a company’s sustainable growth are its human resources, the Group has also made an effort to create an employee-friendly environment. As part of the effort, the Group has raised compensation levels for younger employees with the aim of increasing competitiveness in the employment market and enhancing employee engagement. Going forward, we will continue investing in the younger generation, who will shoulder the responsibility of shaping the future.

As a result, regarding the financial results for the fiscal year under review, net sales were ¥469,957 million (up 20.4% year on year), operating profit was ¥30,255 million (down 4.2% year on year) and ordinary profit was ¥28,169 million (down 8.8% year on year). In addition, profit attributable to owners of parent was ¥14,959 million (down 18.7% year on year).

The Group’s net sales (including inter-segment sales or transfers) and operating profit by segment are outlined below.

<Content Distribution Business>

The Content Distribution Business is operated by U-NEXT Co., Ltd. and Y.U-mobile Co., Ltd., our consolidated subsidiaries, and provides and sells “U-NEXT,” a distribution platform service of videos and e-books, among others, and “U-NEXT MOBILE” and “y.u mobile,” our own MVNO services.

As of October 2026, “U-NEXT,” which provides abundant titles with unlimited viewing, offers more than 500,000 video titles such as movies and drama series, including rental titles, over 1.37 million e-books, including comics and book titles, 210 magazines, and more than 4,700 children’s books. “U-NEXT,” which allows users to seamlessly enjoy watching and reading with a single app, offers an entertainment experience crossing the borders of genres.

During the fiscal year under review, we rolled out “World Golf Pack,” which is a package that provides comprehensive access to the world’s major golf tours and tournaments, in December 2025. In June 2026, “MOTIONCRAFTS,” our original content for kids, won the top prize in the non-fiction category for ages 7 to 10 at PRIX JEUNESSE, an international festival of children’s TV programs that is considered to be the “Academy Award for children’s programming.”

In terms of external partnerships and M&As, we launched “Rakuten Saikyo U-NEXT” in alliance with Rakuten Mobile, Inc. in October 2025. In April 2026, we established StudioMonowa, Inc. as a joint venture with South Korean entertainment company CJ ENM Co., Ltd. and TBS Holdings, Inc. to further strengthen our content lineup. In June of the same year, we acquired animation production company GoHands CO., LTD. as a wholly owned subsidiary, to further strengthen and add layers to our revenue structure through IP-related businesses. In August, we entered into a comprehensive strategic partnership agreement with NBCUniversal, one of the world’s leading media and entertainment companies, covering Japan.

Going forward, we will continue to build a solid business foundation by expanding the lineup of attractive content, in addition to strengthening IP-related businesses and businesses in adjacent fields that have high affinity with our existing services.

As a result, net sales and operating profit of the Content Distribution Business for the fiscal year under review were ¥144,460 million (up 12.5% year on year) and ¥11,276 million (up 16.9% year on year), respectively.

<Store & Facility Solution Business>

The Store & Facility Solution Business is operated by the following consolidated subsidiaries: USEN CORPORATION, USEN-ALMEX INC., USEN Camera Solutions Co., Ltd., USEN FIELDING Co., Ltd., USEN Techno-Service Co., Ltd., WannaEat CO., LTD., USEN Contact Center Co., Ltd., U’S MUSIC Co., Ltd., USEN MEDIA PROMOTION Co., Ltd., and XING INC.

This is a business that contributes to both enhancing operational efficiency and increasing sales by providing comprehensive and practical solutions to management issues faced by a wide variety of stores and facilities including restaurants and retail stores. The main services for stores include a music distribution service, which has been offered for more than 60 years since its founding and holds an overwhelming share of the domestic market, as well as DX services, including “USEN Regi,” a POS cash register, “USEN AIR Series,” commercial Wi-Fi that requires no installation work, “USEN Camera,” an IP camera, and “USEN Signage,” digital signage.

The primary services for facilities, such as leisure hotels, business hotels, hospitals, clinics, and golf courses, include manufacture, sales, and maintenance of automated payment machines, automated reception machines for returning patients, guidance display machines, etc. and provision of hotel management systems. Furthermore, in the karaoke business, which we added through M&A in April 2026, we manufacture and sell commercial karaoke equipment for karaoke boxes and night economy venues under the “JOYSOUND” brand. We have established a multi-dimensional service delivery system by drawing on the expertise we have accumulated throughout our business history and the organic collaboration of multiple highly specialized companies in the Group.

Primary initiatives we rolled out during the fiscal year under review in our efforts to promote store DX services included the launch, in December 2025, of “USEN Ticket & Pay,” a self-ordering kiosk for restaurants jointly developed by LG Electronics Japan Inc. and USEN CORPORATION. This product is a solution that combines

functions of a ticket vending machine and a self-payment machine and simultaneously addresses the restaurant industry's needs to achieve labor savings and higher average spending per customer. In May 2026, we launched "Glass Level Detection Service" and "USEN AI Restaurant Manager," new services for restaurants that utilize AI. The "Glass Level Detection Service" uses an AI sensor camera mounted on a serving robot to detect and determine how much is left in the glass at customer tables in real time and prompts customers to order their next drink, thereby helping increase sales at client restaurants. The "USEN AI Restaurant Manager" uses AI agents specializing in restaurant management to help improve the efficiency of restaurant operations based on the accumulated data from restaurants.

Going forward, we aim to contribute to the further development of our customers by promoting digitalization and utilization of AI in the operation of stores and facilities and creating an environment where employees who work there can focus on their duties that require hospitality.

As a result, net sales and operating profit of the Store & Facility Solution Business for the fiscal year under review were ¥110,614 million (up 14.0% year on year) and ¥16,849 million (up 3.0% year on year), respectively.

<Communication & Energy Business>

The Communication & Energy Business is operated by the following consolidated subsidiaries: USEN NETWORKS Co., Ltd., USEN ICT Solutions CORPORATION, USEN Smart Works CORPORATION, TACT INC., U-MX Co., Ltd., USEN WORKING Co., Ltd., USEN WORK WELL Co., Ltd., and U-NEXT Co., Ltd. in charge of the communication business, and U-POWER Co., Ltd. in charge of the energy business.

In the communication business, USEN ICT Solutions CORPORATION and USEN Smart Works CORPORATION provide ICT solution services to corporate customers as multi-service vendors under the "USEN GATE02" brand, to meet growing needs for stable, high-quality leased lines, security enhancements, remote access, groupware and other services. USEN NETWORKS Co., Ltd. provides services to commercial stores and individuals such as "USEN Hikari," an optical line service provided by the company, "USEN NET," an ISP service, and a next-generation IP telephone service. We place a particular focus on selling optical lines for commercial stores provided by USEN NETWORKS Co., Ltd. as an infrastructure service to facilitate cross-selling of DX services offered by our Store & Facility Solution Business.

In the energy business, we offer "U-POWER" and "USEN Electricity" services as an electricity retailer and have been promoting greener energy consumption in order to help corporate customers achieve ESG management and SDGs. We also contribute to their cost reduction. In addition, for individual customers, we provide "U-POWER GREEN Home," an electricity service that is substantially derived from renewable energy.

Primary initiatives we rolled out during the fiscal year under review included the launch in September 2025 by USEN ICT Solutions CORPORATION of "USEN GATE02 Premier Internet (R)" that utilizes network service provided by Rakuten Mobile, Inc. and the launch in January 2026 by USEN NETWORKS Co., Ltd. of "USEN home AIR," a wireless home router for individual customers that requires no installation work, in collaboration with WirelessGate, Inc.

In addition, starting in January 2026, U-POWER Co., Ltd. expanded its "GREEN Home Family Plan," an electricity plan sourced from renewable energy, to strengthen its sales efforts toward family households in addition to single-person households, which had been its primary customer segment. In May of the same year, U-POWER Co., Ltd. also started a collaboration with UPDATER, Inc., aiming to break away from reliance on imported fossil fuels and expand the use of renewable energy that brings both corporate growth and decarbonization.

In the energy business, performance declined significantly in the second half of the fiscal year under review due to a sharp rise in power procurement costs primarily driven by the situation in the Middle East that arose in February 2026. A recovery plan is under way to improve the revenue structure, including a review of transaction terms with customers and sales agencies.

As a result, net sales and operating profit of the Communication & Energy Business for the fiscal year under review were ¥199,459 million (up 23.7% year on year) and ¥9,533 million (down 27.7% year on year), respectively.

<Financial, Realty & Global Business>

The Financial, Realty & Global Business is a growth domain in which we aim to create a fourth pillar of our business while also generating synergies with our three existing businesses. This business is operated by the following: U-NEXT LIVING PARTNERS Co., Ltd., USEN TRUST Co., Ltd., USEN REALTY Co., Ltd., USEN PAY Co., Ltd., USEN Fintech Co., Ltd., USEN Properties Co., Ltd. and USEN Insurance Group Co., Ltd.

The Financial Business primarily serves commercial stores and provides cashless payment services based mainly on face-to-face payment methods using dedicated terminal devices, rent guarantee services, and non-life insurance, among others. In the rent guarantee domain, we are working to expand our service lineup on a rolling basis. Our efforts include the provision of “TENALEAD,” a service that matches tenant properties between realty brokers and store owners in order to establish a point of contact with store owners at an earlier stage of business, and the launch of “Residence Rent Guarantee” for individual residents.

In the Realty Business, we provide sales agency services of communication lines and Wi-Fi services for condominium and apartment house developers, and procure and sell IoT related products such as smart locks. We also offer commercial building management, realty brokerage, and subleasing services.

In the Global Business, Amane Asia Sdn. Bhd., a halal food manufacturing subsidiary established in Malaysia in anticipation of future growth in the Muslim population, opened its first directly operated restaurant, “Pizza AMANE Tokyo,” in March 2026. We aim to expand business in the Islamic world by providing Japanese-quality “food” made exclusively with halal ingredients.

Primary initiatives we rolled out during the fiscal year under review included the succession of the acquiring business in the cashless payment domain from SBI Sumishin Net Bank, Ltd. (currently DOCOMO SMTB Net Bank, Inc.) through an absorption-type company split in February 2026. As this has established a framework that enables us to provide end-to-end services to partner stores together with a cashless payment agency service business which had become our subsidiary through an earlier M&A, we will aim to further increase productivity and added value. In the rent guarantee domain, in April of the same year, SHIN NIHON CREDIT GUARANTEE CO., LTD., which mainly engages in individual rent guarantee services, became a wholly owned subsidiary. By combining the acquired business with the know-how and business foundation that the Group has cultivated through the provision of rent guarantees to store tenants, we aim to provide high-quality services to more customers.

As a result, net sales and operating profit of the Financial, Realty & Global Business for the fiscal year under review were ¥24,277 million (up 118.4% year on year) and ¥2,156 million (up 45.3% year on year), respectively.

(2) Overview of Financial Position for the Fiscal Year under Review

(Assets)

Total assets at the end of the fiscal year under review increased by ¥94,552 million compared with the end of the previous fiscal year to ¥354,335 million.

Current assets increased by ¥60,628 million compared with the end of the previous fiscal year to ¥232,986 million mainly due to increases in cash and deposits of ¥5,954 million, in notes and accounts receivable - trade, and contract assets of ¥42,661 million, in inventories of ¥2,680 million, and in content distribution rights of ¥5,642 million.

Non-current assets increased by ¥33,924 million compared with the end of the previous fiscal year to ¥121,349 million mainly due to increases in property, plant and equipment of ¥9,165 million, in intangible assets of ¥14,603 million, and in investments and other assets of ¥10,156 million.

(Liabilities)

Current liabilities increased by ¥46,365 million compared with the end of the previous fiscal year to ¥126,171 million.

Non-current liabilities increased by ¥31,842 million compared with the end of the previous fiscal year to ¥103,110 million mainly due to increases in bonds payable of ¥20,000 million, in long-term borrowings of ¥7,872 million, and in retirement benefit liability of ¥2,787 million.

(Net assets)

Net assets increased by ¥16,345 million compared with the end of the previous fiscal year to ¥125,053 million mainly due to increases in retained earnings of ¥11,432 million and in non-controlling interests of ¥4,571 million.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents (hereinafter referred to as “net cash”) on a consolidated basis at the end of the fiscal year under review was ¥62,836 million, an increase of ¥5,954 million compared with the end of the previous fiscal year, including an increase in cash and cash equivalents resulting from inclusion of a subsidiary in consolidation of ¥817 million. Primary factors for this were as follows.

(Cash flows from operating activities)

Net cash provided by operating activities for the fiscal year under review was ¥23,743 million (¥20,671 million provided for the previous fiscal year). Primary factors for this were the recording of profit before income taxes of ¥27,088 million, depreciation of ¥12,063 million, amortization of goodwill of ¥3,752 million, income taxes paid of ¥11,096 million, increases in trade receivables of ¥39,867 million, in inventories of ¥89 million, and in trade payables of ¥39,711 million, decreases in electronically recorded obligations - operating of ¥514 million and in accounts payable - other of ¥1,943 million, and an increase in content distribution rights of ¥5,642 million.

(Cash flows from investing activities)

Net cash used in investing activities for the fiscal year under review was ¥44,240 million (¥20,178 million used for the previous fiscal year). Primary factors for this were decreases in net cash of ¥12,555 million due to purchase of property, plant and equipment, ¥8,518 million due to purchase of intangible assets, and ¥17,354 million due to purchase of shares of subsidiaries resulting in change in scope of consolidation.

(Cash flows from financing activities)

Net cash provided by financing activities for the fiscal year under review was ¥25,633 million (¥3,501 million provided for the previous fiscal year). Primary factors for this were an increase in net cash of ¥12,422 million due to proceeds from long-term borrowings, a decrease in net cash of ¥3,465 million due to repayments of long-term borrowings, an increase in net cash of ¥20,000 million due to issuance of bonds, and a decrease in net cash of ¥3,066 million due to dividends paid.

(4) Future Outlook

The Group aims to make the most of its management assets, namely its stable customer base for video content, music content, a variety of IoT products, network infrastructure, and other services, and will maintain its strong direct selling systems. At the same time, by making full use of various sales channels such as telemarketing, web marketing, and agency networks, the Group will further strengthen its service creation capabilities, growth potential, and profit generation capabilities.

With regard to the consumption behavior and corporate activities that change due to various factors, as well as rapidly changing technological and social environments, the Group believes that it is important to quickly capture the needs and business opportunities in the market by making full use of technologies such as IoT and AI and work to maximize shareholder value and corporate value through sustainable profit growth under swift decision-making.

Under a holding company structure, the Group will make a united effort to promote DX inside and outside the Group, share customer assets, and maximize Group synergies.

Based on the above, the financial results forecast for the next fiscal year is as follows.

(Consolidated)		(Million yen)		
	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Fiscal year ending August 31, 2027 (Forecast)	524,000	32,500	30,700	16,500
Fiscal year ended August 31, 2026 (Result)	469,957	30,255	28,169	14,959

2. Basic Policy on Selection of Accounting Standards

The Group has adopted corporate accounting standards generally accepted in Japan (Japanese standards). Regarding the adoption of the International Financial Reporting Standards (IFRS), we are currently collecting and examining relevant information and have not yet determined the future adoption.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of August 31, 2025	As of August 31, 2026
Assets		
Current assets		
Cash and deposits	56,882	62,836
Notes and accounts receivable - trade, and contract assets	48,927	91,589
Inventories	12,196	14,876
Content distribution rights	42,196	47,839
Other	12,603	16,611
Allowance for doubtful accounts	(448)	(767)
Total current assets	172,358	232,986
Non-current assets		
Property, plant and equipment		
Buildings and structures	36,371	36,733
Accumulated depreciation and impairment	(24,637)	(25,573)
Buildings and structures, net	11,734	11,160
Land	4,889	7,777
Other	7,763	14,615
Total property, plant and equipment	24,387	33,552
Intangible assets		
Goodwill	40,022	46,482
Other	13,159	21,303
Total intangible assets	53,182	67,786
Investments and other assets		
Investment securities	1,508	6,087
Long-term loans receivable	4,656	968
Retirement benefit asset	-	527
Deferred tax assets	5,459	7,745
Other	3,909	6,221
Allowance for doubtful accounts	(5,680)	(1,539)
Total investments and other assets	9,854	20,010
Total non-current assets	87,424	121,349
Total assets	259,782	354,335

(Million yen)

	As of August 31, 2025	As of August 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	36,559	77,491
Electronically recorded obligations - operating	1,539	1,025
Current portion of long-term borrowings	3,153	4,236
Income taxes payable	6,692	7,380
Contract liabilities	11,144	12,579
Provision for loss on guarantees	730	989
Other provisions	124	629
Other	19,862	21,838
Total current liabilities	79,805	126,171
Non-current liabilities		
Bonds payable	10,000	30,000
Long-term borrowings	55,663	63,535
Retirement benefit liability	2,236	5,023
Other	3,368	4,551
Total non-current liabilities	71,268	103,110
Total liabilities	151,074	229,281
Net assets		
Shareholders' equity		
Share capital	99	99
Capital surplus	29,786	29,786
Retained earnings	67,534	78,967
Treasury shares	(0)	(0)
Total shareholders' equity	97,420	108,853
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	87	133
Remeasurements of defined benefit plans	63	358
Total accumulated other comprehensive income	150	491
Non-controlling interests	11,137	15,708
Total net assets	108,708	125,053
Total liabilities and net assets	259,782	354,335

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Million yen)

	For the fiscal year ended August 31, 2025	For the fiscal year ended August 31, 2026
Net sales	390,408	469,957
Cost of sales	261,583	329,986
Gross profit	128,825	139,970
Selling, general and administrative expenses	97,253	109,715
Operating profit	31,571	30,255
Non-operating income		
Interest income	85	213
Dividend income	9	99
Share of profit of entities accounted for using equity method	55	85
Reversal of allowance for doubtful accounts	458	53
Other	163	100
Total non-operating income	772	552
Non-operating expenses		
Interest expenses	786	1,348
Commission expenses	113	351
Foreign exchange losses	373	649
Other	172	288
Total non-operating expenses	1,444	2,638
Ordinary profit	30,900	28,169
Extraordinary income		
Gain on sale of non-current assets	145	7
Gain on sale of investment securities	78	—
Other	—	0
Total extraordinary income	223	8
Extraordinary losses		
Impairment losses	228	18
Loss on retirement of non-current assets	792	1,056
Other	0	15
Total extraordinary losses	1,021	1,090
Profit before income taxes	30,101	27,088
Income taxes - current	10,602	11,682
Income taxes - deferred	132	(915)
Total income taxes	10,734	10,767
Profit	19,366	16,320
Profit attributable to non-controlling interests	971	1,361
Profit attributable to owners of parent	18,395	14,959

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended August 31, 2025	For the fiscal year ended August 31, 2026
Profit	19,366	16,320
Other comprehensive income		
Valuation difference on available-for-sale securities	46	47
Remeasurements of defined benefit plans, net of tax	(33)	295
Total other comprehensive income	12	342
Comprehensive income	19,379	16,663
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	18,408	15,300
Comprehensive income attributable to non-controlling interests	971	1,363

(3) Consolidated Statements of Changes in Net Assets

For the fiscal year ended August 31, 2025 (From September 1, 2024 to August 31, 2025)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	99	29,786	51,843	(0)	81,729
Changes during period					
Dividends of surplus			(2,284)		(2,284)
Profit attributable to owners of parent			18,395		18,395
Purchase of treasury shares				(0)	(0)
Increase (decrease) in change of scope of consolidation			(419)		(419)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	15,691	(0)	15,690
Balance at end of period	99	29,786	67,534	(0)	97,420

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	40	97	138	10,166	92,033
Changes during period					
Dividends of surplus					(2,284)
Profit attributable to owners of parent					18,395
Purchase of treasury shares					(0)
Increase (decrease) in change of scope of consolidation					(419)
Net changes in items other than shareholders' equity	46	(33)	12	971	983
Total changes during period	46	(33)	12	971	16,674
Balance at end of period	87	63	150	11,137	108,708

For the fiscal year ended August 31, 2026 (From September 1, 2025 to August 31, 2026)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	99	29,786	67,534	(0)	97,420
Changes during period					
Dividends of surplus			(3,066)		(3,066)
Profit attributable to owners of parent			14,959		14,959
Increase (decrease) in change of scope of consolidation			(459)		(459)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	11,432	—	11,432
Balance at end of period	99	29,786	78,967	(0)	108,853

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	87	63	150	11,137	108,708
Changes during period					
Dividends of surplus					(3,066)
Profit attributable to owners of parent					14,959
Increase (decrease) in change of scope of consolidation					(459)
Net changes in items other than shareholders' equity	45	295	340	4,571	4,912
Total changes during period	45	295	340	4,571	16,345
Balance at end of period	133	358	491	15,708	125,053

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended August 31, 2025	For the fiscal year ended August 31, 2026
Cash flows from operating activities		
Profit before income taxes	30,101	27,088
Depreciation	8,599	12,063
Amortization of goodwill	3,328	3,752
Increase (decrease) in allowance for doubtful accounts	(376)	346
Increase (decrease) in provision for loss on guarantees	271	259
Increase (decrease) in retirement benefit liability	(10)	(448)
Interest and dividend income	(95)	(312)
Interest expenses	786	1,348
Impairment losses	228	18
Loss on retirement of non-current assets	885	1,056
Loss (gain) on sale of non-current assets	(145)	(7)
Decrease (increase) in trade receivables	(7,242)	(39,867)
Decrease (increase) in inventories	(866)	(89)
Increase (decrease) in trade payables	5,398	39,711
Increase (decrease) in electronically recorded obligations - operating	(1,115)	(514)
Increase (decrease) in accounts payable - other	(1,967)	(1,943)
Decrease (increase) in content distribution rights	(6,757)	(5,642)
Other, net	558	(941)
Subtotal	31,582	35,875
Interest and dividends received	95	312
Interest paid	(786)	(1,348)
Income taxes paid	(10,219)	(11,096)
Net cash provided by (used in) operating activities	20,671	23,743
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,458)	(12,555)
Proceeds from sale of property, plant and equipment	262	60
Payments for retirement of property, plant and equipment	(658)	(405)
Purchase of intangible assets	(6,822)	(8,518)
Proceeds from sale of investment securities	196	0
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(3,215)	(17,354)
Purchase of shares of subsidiaries and associates	(400)	(2,933)
Payments for acquisition of businesses	—	(1,000)
Other, net	(82)	(1,534)
Net cash provided by (used in) investing activities	(20,178)	(44,240)
Cash flows from financing activities		
Proceeds from long-term borrowings	9,050	12,422
Repayments of long-term borrowings	(3,121)	(3,465)
Proceeds from issuance of bonds	—	20,000
Dividends paid	(2,284)	(3,066)
Other, net	(141)	(256)
Net cash provided by (used in) financing activities	3,501	25,633
Net increase (decrease) in cash and cash equivalents	3,995	5,136
Cash and cash equivalents at beginning of period	52,738	56,882
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	148	817
Cash and cash equivalents at end of period	56,882	62,836

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Change in the scope of consolidation or the scope of adoption of the equity method)

During the third quarter of the fiscal year ended August 31, 2026, the Company acquired shares of XING INC. and made it a consolidated subsidiary. Accordingly, XING INC. was included in the scope of consolidation.

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

(1) Method for determining reportable segments

The reportable segments of the Group are the components of the Group for which discrete financial information is available and they are regularly reviewed by the Board of Directors to make decisions on management resource allocation and to assess performance.

The Group has adopted a holding company system. The Company, the Group's holding company, formulates management strategies of the Group and manages the business performance of its subsidiaries responsible for each business. Furthermore, for each of the business companies that are the subsidiaries of the Company, the Company formulates comprehensive strategies about the products and services that each company handles and operates business activities.

Taking into account business scale and significance in the Group strategies, the Group has positioned the Content Distribution Business, the Store & Facility Solution Business, the Communication & Energy Business, and the Financial, Realty & Global Business as its core businesses, and designated them as reportable segments.

(2) Type of products and services belonging to each reportable segment

The Content Distribution Business is operated by U-NEXT Co., Ltd. and Y.U-mobile Co., Ltd., our consolidated subsidiaries, and provides and sells "U-NEXT," a distribution platform service of videos and e-books, among others, and "U-NEXT MOBILE" and "y.u mobile," our own MVNO services.

The Store & Facility Solution Business is operated by the following consolidated subsidiaries: USEN CORPORATION, USEN-ALMEX INC., USEN Camera Solutions Co., Ltd., USEN FIELDING Co., Ltd., USEN Techno-Service Co., Ltd., WannaEat CO., LTD., USEN Contact Center Co., Ltd., U'S MUSIC Co., Ltd., USEN MEDIA PROMOTION Co., Ltd., and XING INC., and contributes to both enhancing operational efficiency and increasing sales by providing comprehensive and practical solutions to management issues faced by a wide variety of stores and facilities including restaurants and retail stores.

The Communication & Energy Business is operated by the following consolidated subsidiaries: USEN NETWORKS Co., Ltd., USEN ICT Solutions CORPORATION, USEN Smart Works CORPORATION, TACT INC., U-MX Co., Ltd., USEN WORKING Co., Ltd., USEN WORK WELL Co., Ltd., and U-NEXT Co., Ltd. in charge of the communication business, and U-POWER Co., Ltd. in charge of the energy business.

The Financial, Realty & Global Business is operated by the following consolidated subsidiaries: U-NEXT LIVING PARTNERS Co., Ltd., USEN TRUST Co., Ltd., USEN REALTY Co., Ltd., USEN PAY Co., Ltd., USEN Fintech Co., Ltd., USEN Properties Co., Ltd. and USEN Insurance Group Co., Ltd.

2. Method for calculating the amounts of net sales, profit (loss), assets, liabilities and other items by reportable segment

The accounting methods of reportable segments are the same as those adopted for the preparation of the consolidated financial statements.

Profit of reportable segments is stated on an operating profit basis.

3. Information on net sales, profit (loss), assets, liabilities and other items by reportable segment
Fiscal year ended August 31, 2025 (From September 1, 2024 to August 31, 2025)

(Million yen)

	Reportable segment					Adjustment (Note 1)	Amount recorded in consolidated financial statements (Note 2)
	Content Distribution Business	Store & Facility Solution Business	Communica- tion & Energy Business	Financial, Realty & Global Business	Total		
Net sales							
Goods transferred at a point in time	11,755	38,146	17,942	4,401	72,246	—	72,246
Goods transferred over a certain period of time	116,235	57,140	135,672	3,111	312,159	55	312,214
Revenue from contracts with customers	127,990	95,287	153,615	7,512	384,406	55	384,461
Other revenue (Note 3)	—	—	3,210	2,736	5,946	—	5,946
Net sales to outside customers	127,990	95,287	156,825	10,249	390,353	55	390,408
Inter-segment sales or transfers	404	1,778	4,469	866	7,518	(7,518)	—
Total	128,394	97,066	161,295	11,115	397,871	(7,463)	390,408
Segment profit	9,648	16,361	13,186	1,484	40,681	(9,109)	31,571
Segment assets	81,157	66,284	51,391	18,787	217,620	42,162	259,782
Other items							
Depreciation	1,253	6,414	230	228	8,126	473	8,599

(Notes) 1. Details of the adjustment are as follows:

- (1) The adjustment for segment profit of ¥(9,109) million is the elimination of inter-segment transactions and corporate expenses not allocated to each reportable segment. Corporate expenses are mainly selling, general and administrative expenses that are not attributable to reportable segments. The adjustment for segment assets of ¥42,162 million represents corporate assets not allocated to segments and elimination of inter-segment transactions.
- (2) The adjustment for depreciation of ¥473 million represents the depreciation of corporate assets not allocated to each reportable segment.
2. Segment profit is reconciled to operating profit reported in the consolidated statements of income.
3. Other revenue is revenue based on the Accounting Standard for Financial Instruments (ASBJ Statement No. 10; July 4, 2019) and the Accounting Standard for Lease Transactions (ASBJ Statement No. 13; March 30, 2007). The Company applies discounts to electricity and gas charges at discount prices per unit determined by the government under the “Program for Mitigating Drastic Price Fluctuations of Electricity and Gas,” which is administered pursuant to the “Comprehensive Economic Measures for Overcoming Price Increases and Revitalizing the Economy” and the “Comprehensive Economic Measures for Completely Overcoming Deflation.” Other revenue includes subsidies received from the government to fund the discounts.

Fiscal year ended August 31, 2026 (From September 1, 2025 to August 31, 2026)

(Million yen)

	Reportable segment					Adjustment (Note 1)	Amount recorded in consolidated financial statements (Note 2)
	Content Distribution Business	Store & Facility Solution Business	Communica- tion & Energy Business	Financial, Realty & Global Business	Total		
Net sales							
Goods transferred at a point in time	14,753	37,283	21,770	5,891	79,699	6	79,705
Goods transferred over a certain period of time	129,285	66,946	168,261	10,356	374,849	73	374,922
Revenue from contracts with customers	144,038	104,229	190,032	16,248	454,549	79	454,628
Other revenue (Note 3)	—	3,468	4,304	7,556	15,329	—	15,329
Net sales to outside customers	144,038	107,698	194,337	23,804	469,878	79	469,957
Inter-segment sales or transfers	421	2,916	5,122	473	8,933	(8,933)	—
Total	144,460	110,614	199,459	24,277	478,812	(8,854)	469,957
Segment profit	11,276	16,849	9,533	2,156	39,816	(9,560)	30,255
Segment assets	84,604	90,332	66,632	67,090	308,659	45,675	354,335
Other items							
Depreciation	1,973	8,956	241	451	11,622	440	12,063

(Notes) 1. Details of the adjustment are as follows:

- (1) The adjustment for segment profit of ¥(9,560) million is the elimination of inter-segment transactions and corporate expenses not allocated to each reportable segment. Corporate expenses are mainly selling, general and administrative expenses that are not attributable to reportable segments. The adjustment for segment assets of ¥45,675 million represents corporate assets not allocated to segments and elimination of inter-segment transactions.
- (2) The adjustment for depreciation of ¥440 million represents the depreciation of corporate assets not allocated to each reportable segment.
2. Segment profit is reconciled to operating profit reported in the consolidated statements of income.
3. Other revenue is revenue based on the Accounting Standard for Financial Instruments (ASBJ Statement No. 10; July 4, 2019) and the Accounting Standard for Lease Transactions (ASBJ Statement No. 13; March 30, 2007). The Company applies discounts to electricity and gas charges at discount prices per unit determined by the government under the “Support Program for Reducing the Burden of Electricity and Gas Charges” and other programs, which are administered pursuant to the “Comprehensive Economic Measures to Build a ‘Strong Japanese Economy.’” Other revenue includes subsidies received from the government to fund the discounts and revenues from insurance contracts and similar arrangements that meet the definition under the Insurance Act.

[Related information]

Fiscal year ended August 31, 2025 (From September 1, 2024 to August 31, 2025)

1. Information by product and service

This information is omitted as the classification is the same as that of reportable segments.

2. Geographical information

(1) Net sales

This information is omitted as net sales to outside customers in Japan exceed 90% of the net sales reported in the consolidated statements of income.

(2) Property, plant and equipment

This information is omitted as the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment reported in the consolidated balance sheets.

3. Information by principal customer

This information is omitted as we have no single outside customer that accounts for 10% or more of the net sales reported in the consolidated statements of income.

Fiscal year ended August 31, 2026 (From September 1, 2025 to August 31, 2026)

1. Information by product and service

This information is omitted as the classification is the same as that of reportable segments.

2. Geographical information

(1) Net sales

This information is omitted as net sales to outside customers in Japan exceed 90% of the net sales reported in the consolidated statements of income.

(2) Property, plant and equipment

This information is omitted as the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment reported in the consolidated balance sheets.

3. Information by principal customer

This information is omitted as we have no single outside customer that accounts for 10% or more of the net sales reported in the consolidated statements of income.

[Information on impairment loss on non-current assets by reportable segment]

Fiscal year ended August 31, 2025 (From September 1, 2024 to August 31, 2025)

(Million yen)

	Reportable segment					Corporate and elimination	Total
	Content Distribution Business	Store & Facility Solution Business	Communication & Energy Business	Financial, Realty & Global Business	Total		
Impairment losses	—	146	82	—	228	—	228

Fiscal year ended August 31, 2026 (From September 1, 2025 to August 31, 2026)

(Million yen)

	Reportable segment					Corporate and elimination	Total
	Content Distribution Business	Store & Facility Solution Business	Communication & Energy Business	Financial, Realty & Global Business	Total		
Impairment losses	—	18	—	—	18	—	18

[Information about amortization of goodwill and unamortized balance by reportable segment]

Fiscal year ended August 31, 2025 (From September 1, 2024 to August 31, 2025)

(Million yen)

	Reportable segment					Corporate and elimination	Total
	Content Distribution Business	Store & Facility Solution Business	Communication & Energy Business	Financial, Realty & Global Business	Total		
Amortization during the year	—	639	15	165	820	2,508	3,328
Balance at the end of the year	—	7,496	124	3,554	11,176	28,846	40,022

Fiscal year ended August 31, 2026 (From September 1, 2025 to August 31, 2026)

(Million yen)

	Reportable segment					Corporate and elimination	Total
	Content Distribution Business	Store & Facility Solution Business	Communication & Energy Business	Financial, Realty & Global Business	Total		
Amortization during the year	—	931	64	248	1,243	2,508	3,752
Balance at the end of the year	—	16,759	77	3,306	20,144	26,337	46,482

[Information on gain on negative goodwill by reportable segment]

Fiscal year ended August 31, 2025 (From September 1, 2024 to August 31, 2025)

Not applicable.

Fiscal year ended August 31, 2026 (From September 1, 2025 to August 31, 2026)

Not applicable.

(Per share information)

	For the fiscal year ended August 31, 2025	For the fiscal year ended August 31, 2026
Net assets per share	540.94 yen	606.21 yen
Basic earnings per share	101.99 yen	82.93 yen

(Notes) 1. Information on diluted earnings per share is not provided as there were no shares with dilutive effect.

2. The Company conducted a 3-for-1 stock split of common shares effective as of December 1, 2024.

Accordingly, the figures for basic earnings per share are calculated assuming that the stock split was conducted at the beginning of the fiscal year ended August 31, 2025.

3. Basis for calculation of basic earnings per share and diluted earnings per share is as follows.

	For the fiscal year ended August 31, 2025	For the fiscal year ended August 31, 2026
Basic earnings per share		
Profit attributable to owners of parent (Million yen)	18,395	14,959
Amount not attributable to common shareholders (Million yen)	—	—
Profit attributable to owners of parent related to common stock (Million yen)	18,395	14,959
Average number of shares during the period (Shares)	180,374,987	180,374,910

(Significant subsequent events)

Not applicable.