Summary of Fiscal Year Ending August 2025

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

October 14, 2025

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JPX-NIKKEI 400

2021-2025年度選定

JPX PRIME 150

2024 IR Prime Business Award 優良企業奨励賞 Member of Japan Investor Relations Association

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1. Overview of FY2025 results of operations

Executive summary

Record-high sales* and operating income for the ninth consecutive year with sales up 19% and operating income up 8%.

*FY8/18 (8 months) results converted to 12-month equivalents

Record-high performance of Content Distribution and Communication & Energy. No change in Store & Facility Solutions despite the end of demand involving new banknotes in Japan.

Higher Financial, Realty & Global operating income due to growth of existing businesses and despite a loss at the newly acquired cashless payment processing business caused by large expenditures to attract new customers.

A sound base for future earnings as subscribers, contracts and other KPI continued to increase in all segments.

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Consolidated financial summary (vs. Forecast)

- Sales and earnings at all levels matched or exceeded the forecasts.
- The big increase in EBITDA-CAPEX was caused by the slower than planned pace of investments, including delays with M&A deal closings.

(Million yen)	FY2025 Forecast	FY2025 Results	Ratio
Net Sales	360,000	390,408	108%
Operating Income	31,000	31,571	102%
Operating Margin (%)	8.6%	8.1%	-
Ordinary Income	30,000	30,900	103%
Profit or Loss attributable to owners of parent	16,700	18,395	110%
Profit of Loss attributable to owners of parent [Adjusted]	19,850	21,724	109%
EBITDA	42,500	43,500	102%
EBITDA Margin	11.8%	11.1%	-
EBITDA-CAPEX	10,300	16,887	164%

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Consolidated financial summary (YoY)

- Sales increased 19% and operating income increased 8%.
- The big increase in profit attributable to owners of parent is attributable to one-time factors that reduced income tax, primarily the use of losses carried forward involving the group's reorganization and losses on sales of real estate.

(Million yen)	FY2024	FY2025	YoY	YoY (Ratio)
Net Sales	326,754	390,408	+63,654	19%
Operating Income	29,110	31,571	+2,461	8%
Operating Margin (%)	8.9%	8.1%	-	-
Ordinary Income	28,321	30,900	+2,579	9%
Profit or Loss attributable to owners of parent	15,357	18,395	+3,038	20%
Profit of Loss attributable to owners of parent [Adjusted]	18,503	21,724	+3,221	17%
EBITDA	39,541	43,500	+3,959	10%
EBITDA Margin	12.1%	11.1%	-	-
EBITDA-CAPEX	13,371	16,887	+3,516	26%

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Segment information (vs. Forecast)

- Sales increased in all segments and segment operating income matched or exceeded the plans by more than 10%.
- The adjustment is surplus expenses involving measures to build a stronger organization, including a larger workforce due to the growth of business operations.

(Million yen)		FY2025 Forecast	FY2025 Results	Ratio
Content Distribution	Net Sales	122,100	128,394	105%
	Operating Income	9,800	9,648	98%
	Operating Margin	8.0%	7.5%	-
Store & Facility Solutions	Net Sales	93,100	97,066	104%
	Operating Income	14,700	16,361	111%
	Operating Margin	15.8%	16.9%	-
Communication & Energy	Net Sales	142,100	161,295	114%
	Operating Income	13,600	13,186	97%
	Operating Margin	9.6%	8.2%	-
Financial, Realty & Global	Net Sales	8,700	11,115	128%
	Operating Income	1,400	1,484	106%
	Operating Margin	16.1%	13.4%	-
Adjustment	Net Sales	-6,000	-7,463	124%
	Operating Income	-8,500	-9,109	107%

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

Segment information (YoY)

- Strong sales and earnings growth in Content Distribution and Communication & Energy were the main reasons for higher consolidated sales and earnings.
- No change in Store & Facility Solutions despite the drop in demand involving new banknotes.
- Higher Financial, Realty & Global earnings as existing business growth offset a loss in the newly acquired cashless payment processing business due to expenditures to add customers.

(Million yen)		FY2024	FY2025	YoY	YoY (Ratio)
Content Distribution	Net Sales	110,134	128,394	+18,260	17%
	Operating Income	8,595	9,648	+1,053	12%
	Operating Margin	7.8%	7.5%	-	-
Store & Facility Solutions	Net Sales	96,793	97,066	+273	0%
	Operating Income	16,778	16,361	▲417	▲2%
	Operating Margin	17.3%	16.9%	-	-
Communication & Energy	Net Sales	117,194	161,295	+44,101	38%
	Operating Income	11,574	13,186	+1,612	14%
	Operating Margin	9.9%	8.2%	-	-
Financial, Realty & Global	Net Sales	9,141	11,115	+1,974	22%
	Operating Income	1,394	1,484	+90	6%
	Operating Margin	15.3%	13.4%	-	-
Adjustment	Net Sales	-6,509	-7,463	▲954	15%
	Operating Income	-9,232	-9,109	+123	▲1%

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

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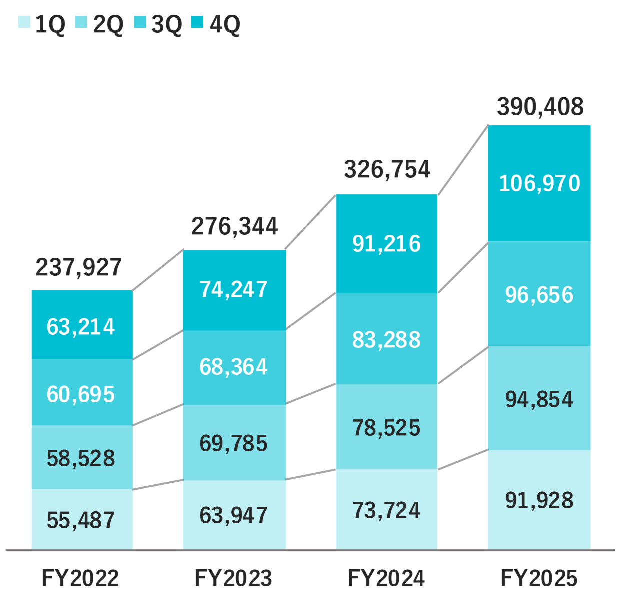
Net Sales/Operating Income/EBITDA

- All-time high sales, operating income and EBITDA.
- Small QoQ operating income decline was caused mainly by Store & Facility Solutions weakness.

(Million yen)

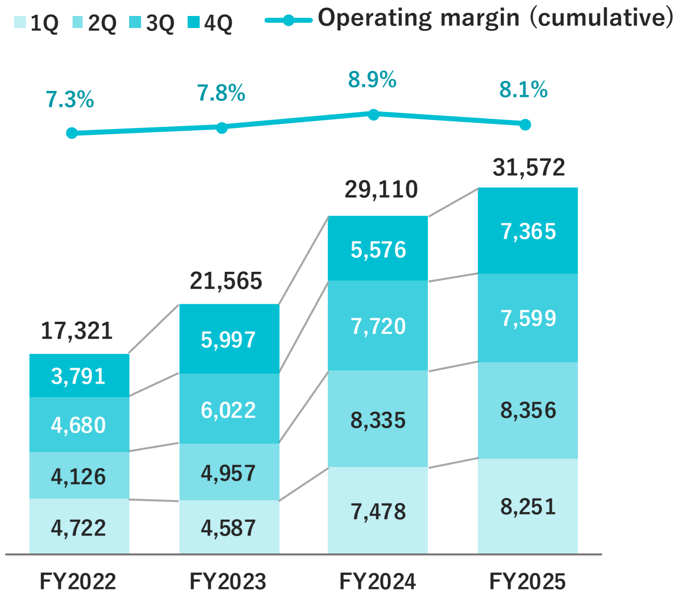
Net Sales

YoY +19%　　QoQ +11%



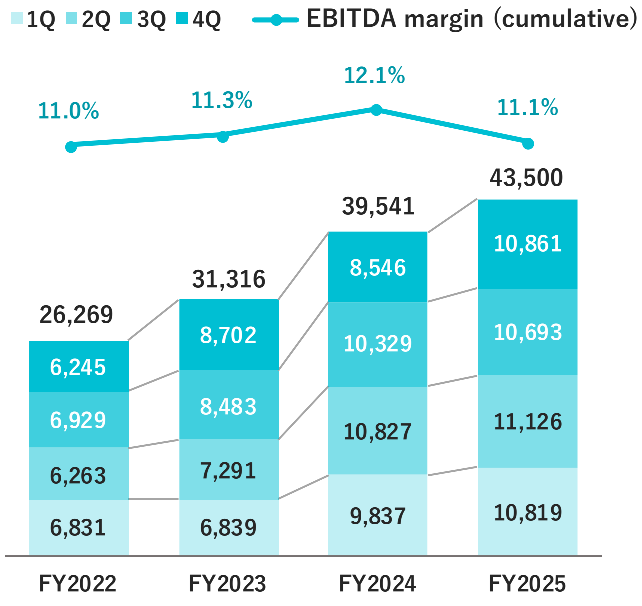
Operating Income / margin

YoY +8%　　QoQ ▲3%



EBITDA / margin

YoY +10%　　QoQ +2%



EBITDA = Operating Income + Depreciation + Amortization of goodwill

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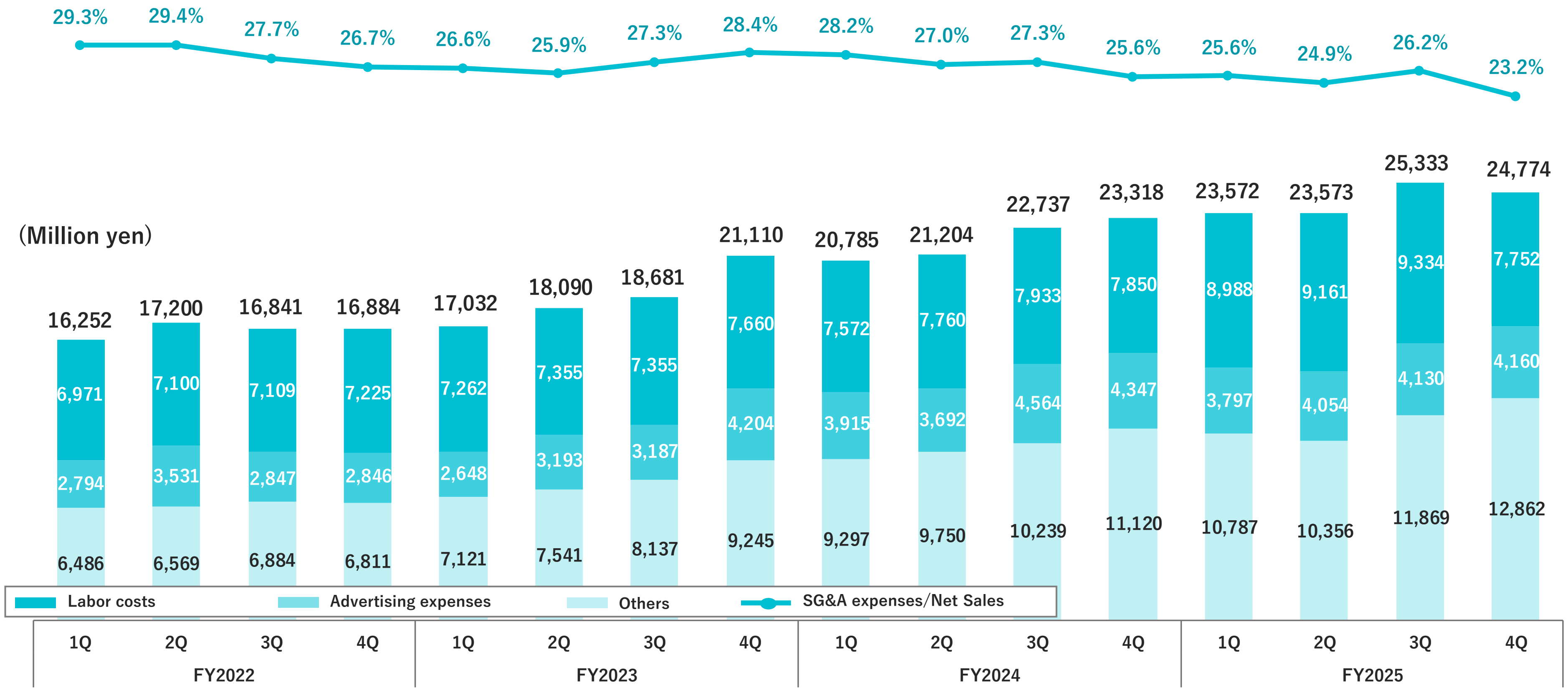
SG&A expenses

- In the 4Q, the classification of some depreciation was changed from SG&A expenses to cost of sales, reducing SG&A expenses by about ¥800 million. Without this change, there was a QoQ increase of about ¥200 million.
- Reclassifications of some items between personnel expenses and other expenses totaling about ¥1.8 billion had no effect on total SG&A expenses.



SG&A ratio

YoY ▲2.4pt
(Quarter)

QoQ ▲ 3 pt

SG&A

YoY +6.2%
(Quarter)

QoQ ▲ 2 %

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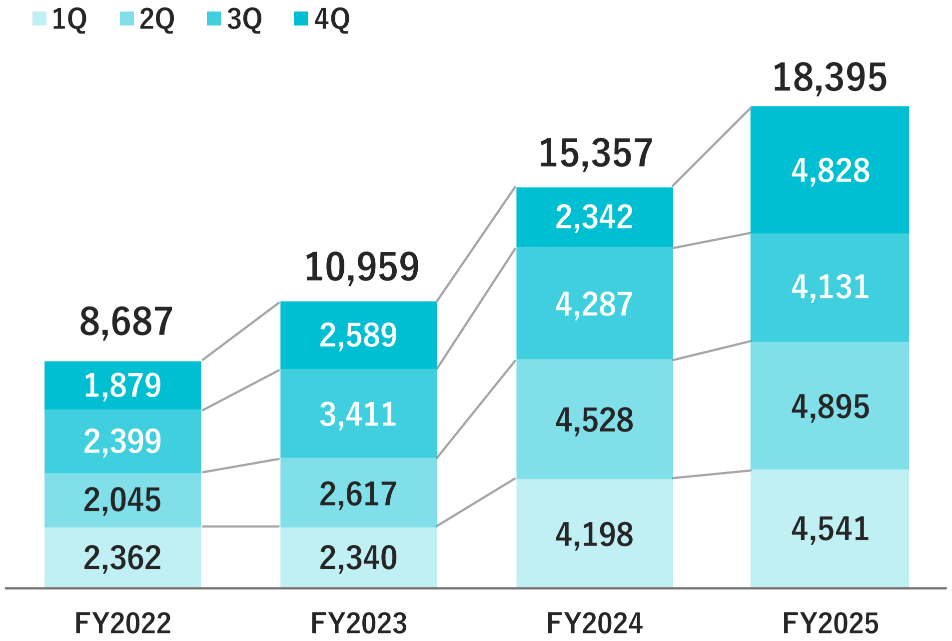
Net Income

Big YoY and QoQ increases as earnings increased to a new record.

(Million yen)

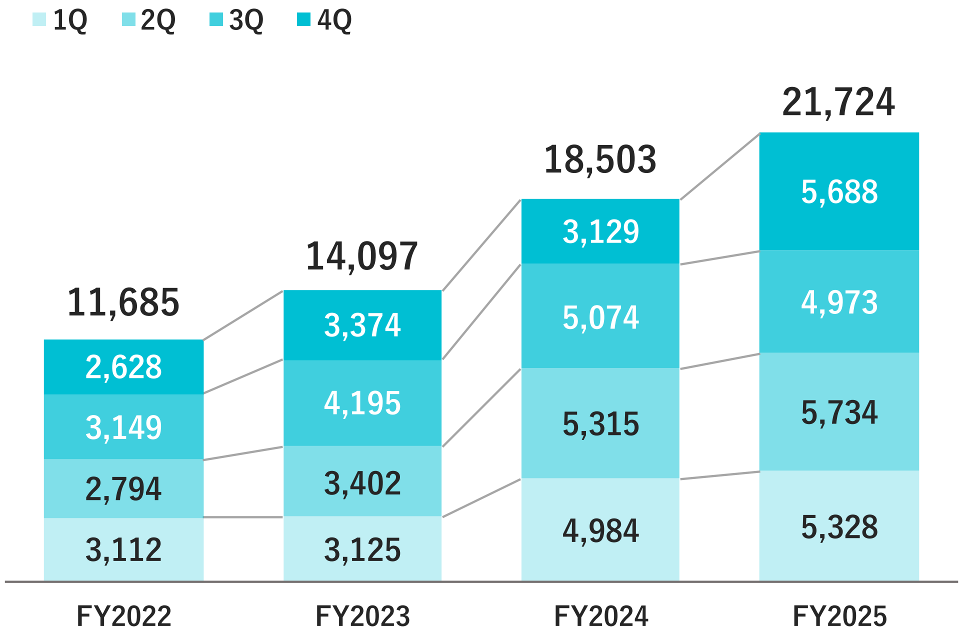
Net Income

YoY +20%　　QoQ +17%



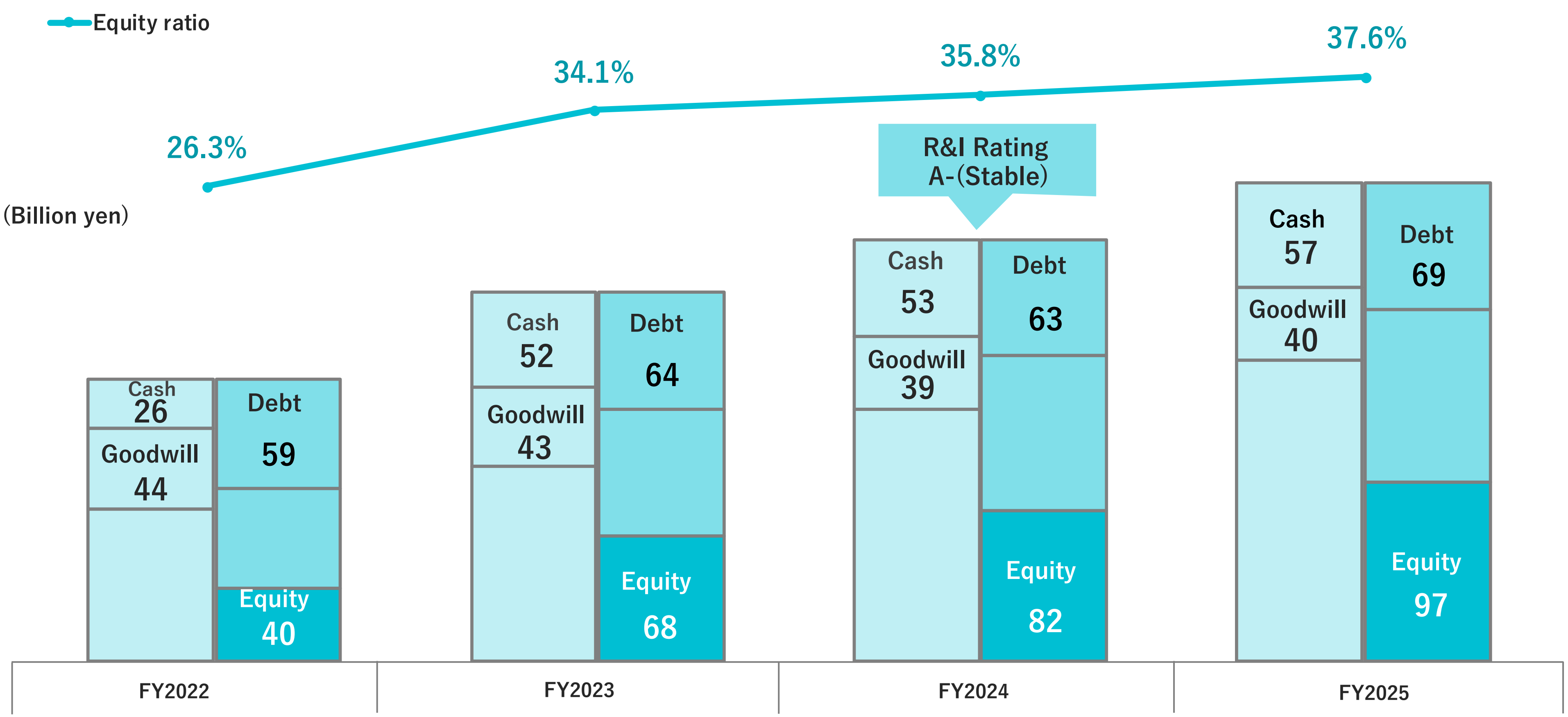
Net Income (Adjusted)

YoY +17%　　QoQ +14%



Consolidated balance sheet

Well-balanced growth as sales and earnings increased as the equity ratio rose to 37.6%.



YoY

Goodwill +¥0.5 bn
Debt +¥5.9 bn
Shareholder's equity +¥15.7 bn
Equity ratio +1.8pt

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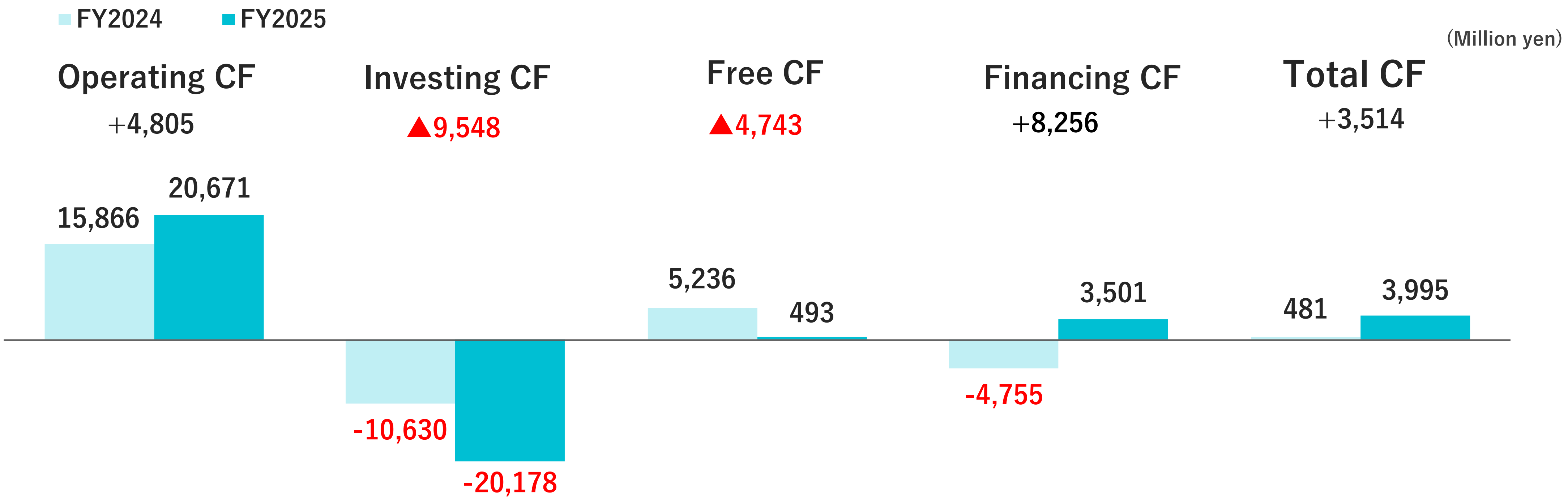
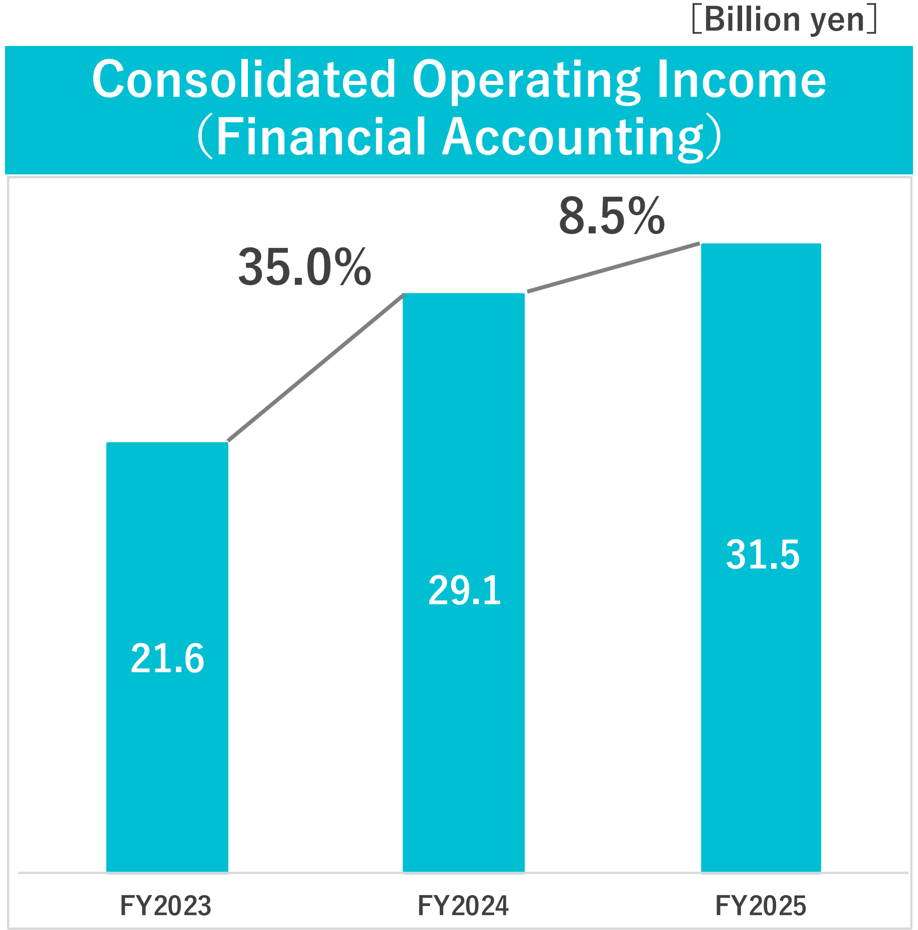
Consolidated cash flows (YoY summary)

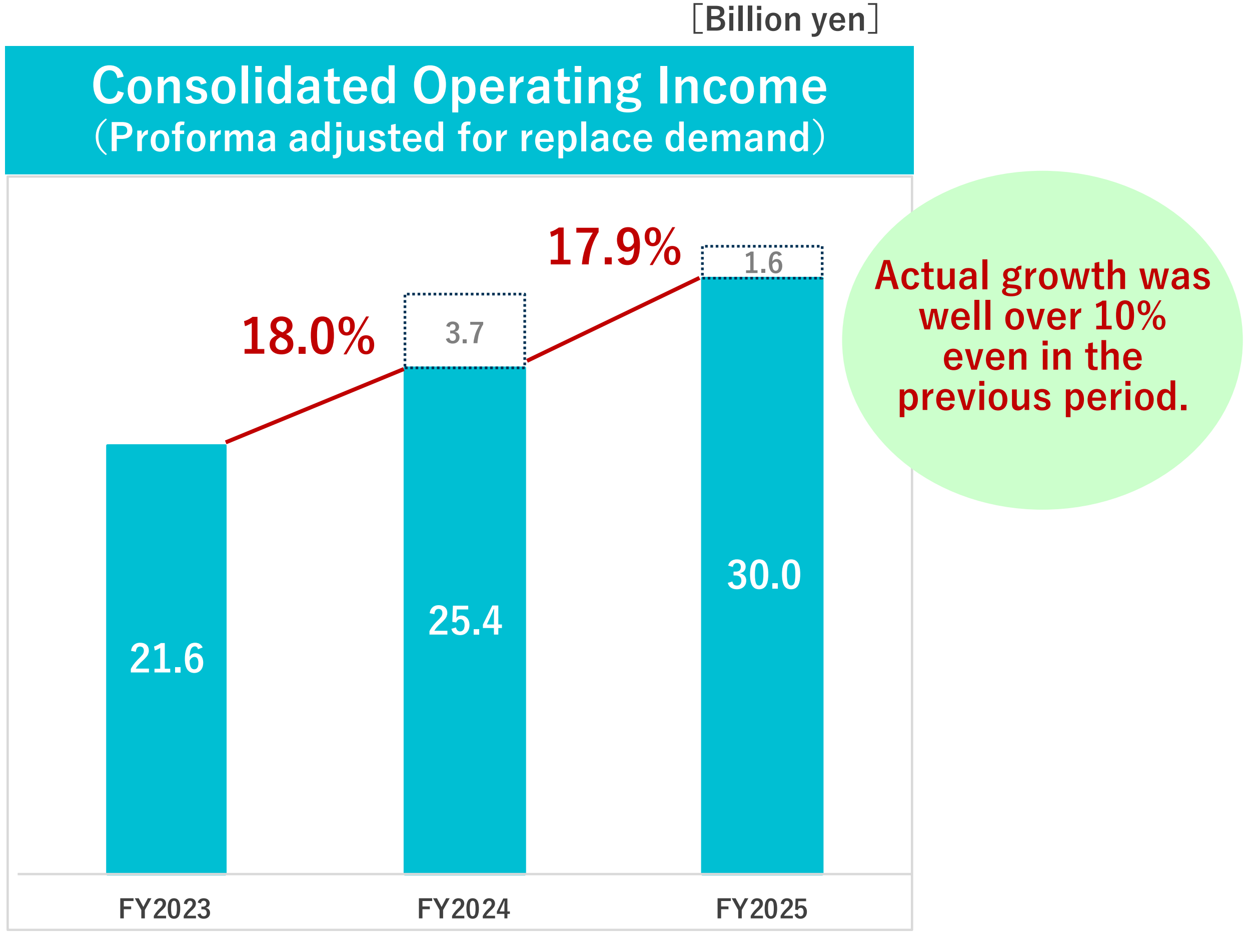
- Operating CF : Cash provided increased; major components are pretax (+¥2.8bn), **Content Distribution Rights** (+¥6.8bn) and income taxes paid (-¥5.4bn).
- Investing CF : Cash used increased; major components are business investments, including a commercial bldg. purchase and development of a new POS register (-¥6.8bn) and investments for growth, including M&A (-¥2.9bn).
- Free CF : Almost no change as investments were held to the level of business cash flows.
- Financing CF : Cash provided because of loans of ¥9.1 billion for M&A and commercial building purchase.



The impact of replace demand by new banknotes

Pro-forma growth rate during the past two years after eliminating the contribution of temporary demand created by Japan's new banknotes.





2. Segment information of FY2025

Overview of business segments

BtoC

Subscribers
4.94million

Content Distribution

VOD service “U-NEXT”

Market share of SVOD in Japan No. 2 *1

Contents inventory No. 1 *2

BtoB

Stores 830k
(Restaurant・Retailers・Beauty salons, etc.)

Facilities 30k
(Hotels・Hospitals, etc.)

Comprehensive solutions to support stores and facilities

Store & Facility Solutions

Store Solutions

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

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

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

Facility Solutions

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

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

Communication & Energy

Communication

Broadband internet service, ICT and cloud services, etc.

ビジネスを支えるUSENのICTソリューション
USEN GATE 02

USEN 光+

Energy

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

未来の世界を守ろう
U-POWER

Financial, Realty & Global

Financial

- Cashless payments
- Insurance
- Credit/Leases

USEN PAY / USEN PAY+

Realty

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

Global

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

*1 Video on Demand Market Five-year Forecast, GEM Partners *2 GEM Partners, November 2024 *3 ,*5 U-NEXT HOLDINGS assumptions *4 Market share of Mobile POS system, Fuji Chimera Research Institute Inc.

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Summary of FY2025 results of operations

Content Distribution	(YoY) Record-high performance with 500,000 more subscribers and popularity of the soccer package. (QoQ) QoQ net subscriber increase of more than 200,000 for the first time in seven quarters, raising subscribers to more than 500,000.
Store & Facility Solutions	(YoY) No change despite the decline in demand in facility solutions involving new banknotes. (QoQ) Sales unchanged but earnings down due to higher depreciation and one-time product valuation losses.
Communication & Energy	(YoY) Record-high performance because of strong energy sector growth; steady communication sales and earnings growth. (QoQ) Big increases in energy sales and earnings because of high temperatures during the peak summer electricity use period.
Financial, Realty & Global	(YoY) Higher sales and earnings despite a cashless payment processing loss caused by up-front expenditures. (QoQ) No change in sales but operating income decreased due to higher cashless payment business SG&A expenses and other reasons.

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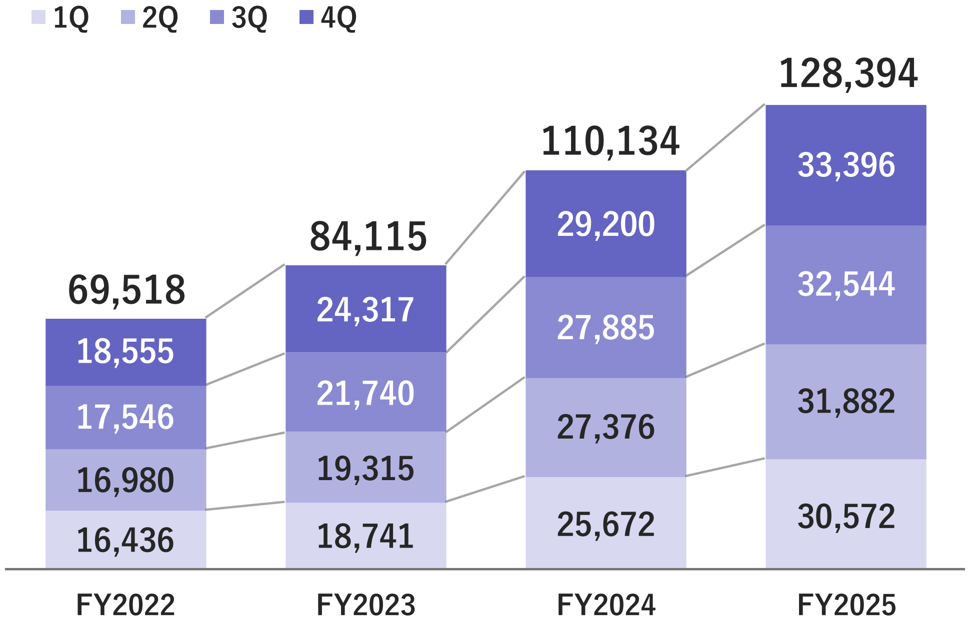
Content Distribution

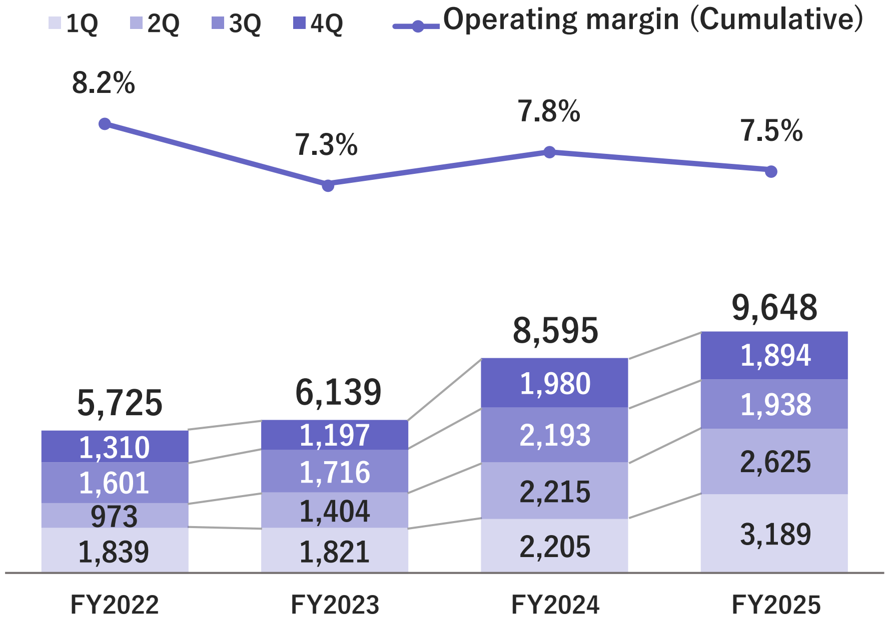
- Record-high performance including YoY growth in subscribers and the popularity of the soccer package.
- No QoQ change in operating income partly due to lower sales during the summer break of European soccer leagues.

(Million yen)

Net Sales YoY +17% QoQ + 3 %



Operating Income / margin YoY +12% QoQ ▲2 %



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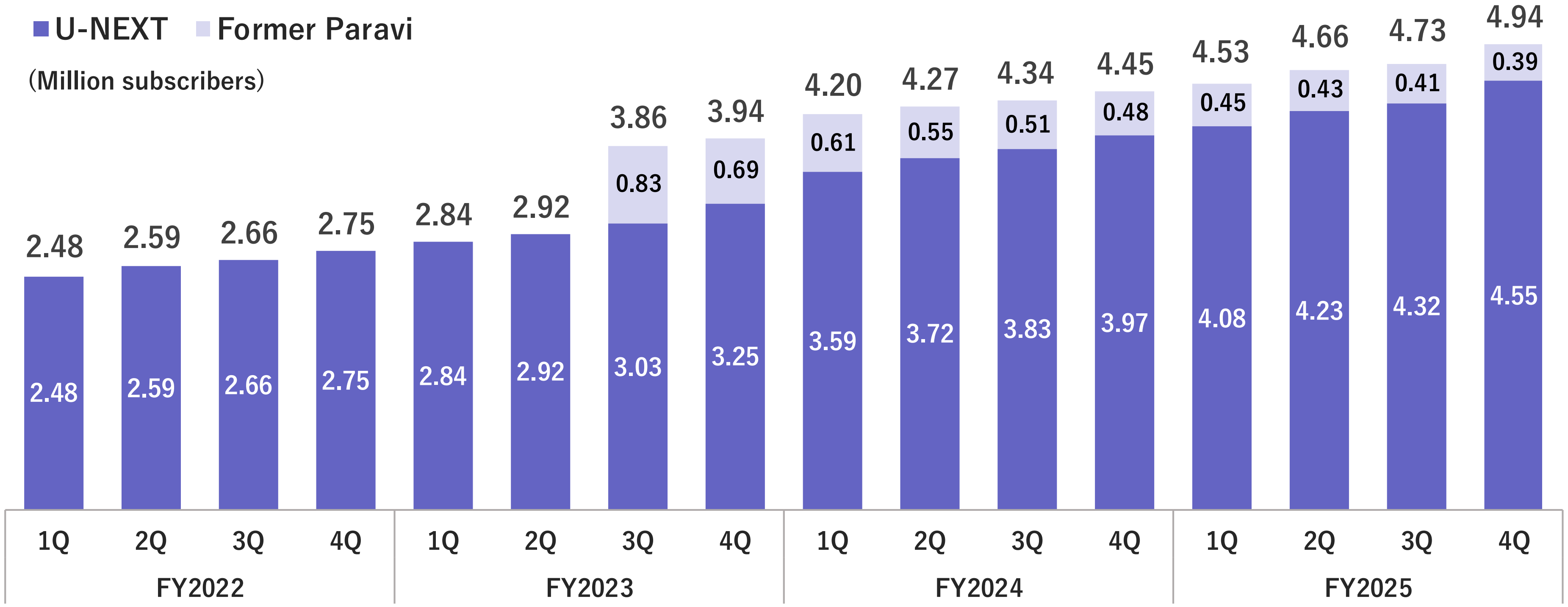
Content Distribution (Subscribers)

Subscribers now approaching 5.0 million following YoY growth of over 500,000 and, for the first time in seven quarters, QoQ growth of over 200,000.



YoY

+490K
(+11%)

QoQ

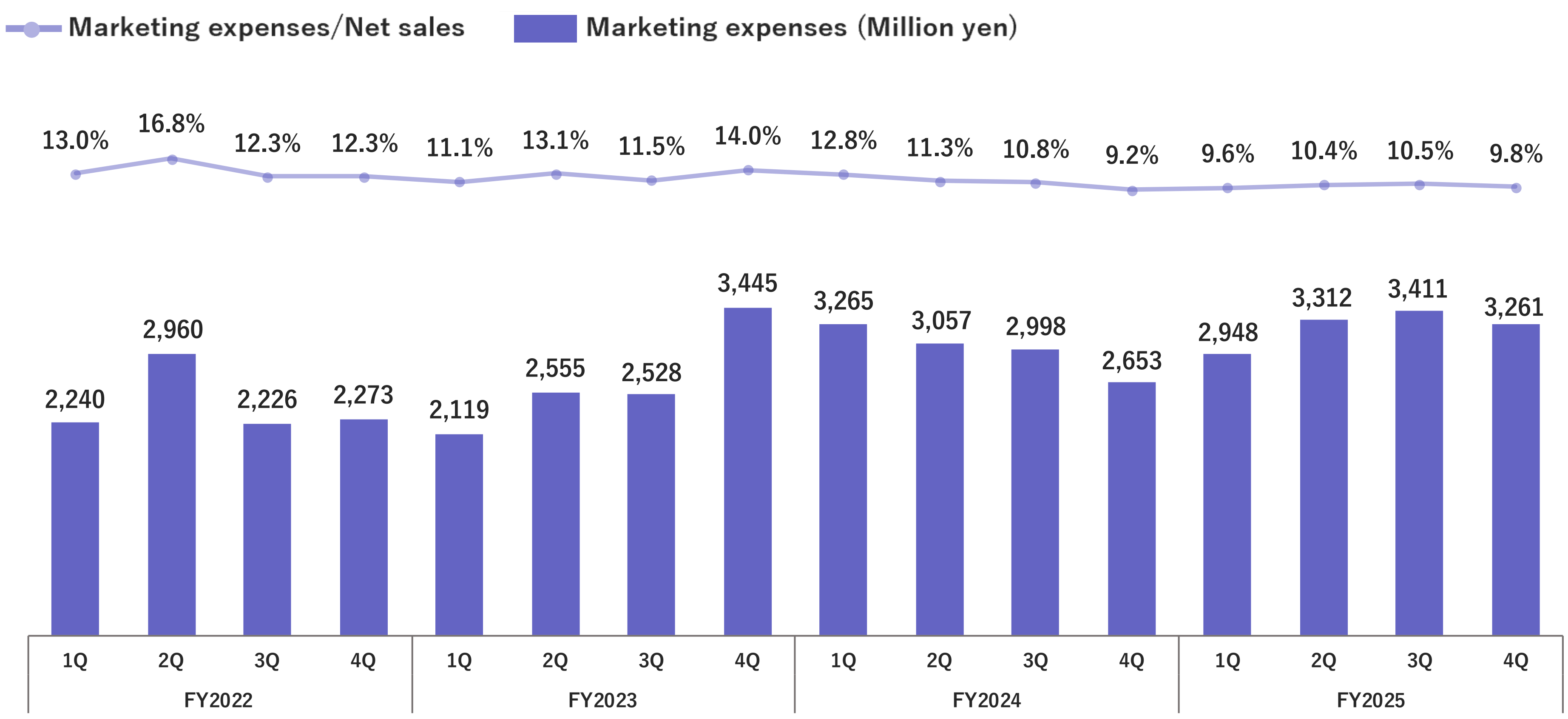
+210K
(+5%)

Net change of QoQ (K)																	
	U-NEXT	+95	+107	+69	+94	+88	+87	+107	+221	+333	+138	+109	+137	+106	+155	+87	+232
	Paravi	-	-	-	-	-	-	+829	▲137	▲80	▲63	▲43	▲28	▲25	▲21	▲20	▲17

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

Content Distribution（Marketing expenses）

QoQ decrease because of a net user increase due to natural inflows and other efficient additions of users.



Marketing expenses

YoY (Quarter) +22.9%

QoQ ▲4.4%

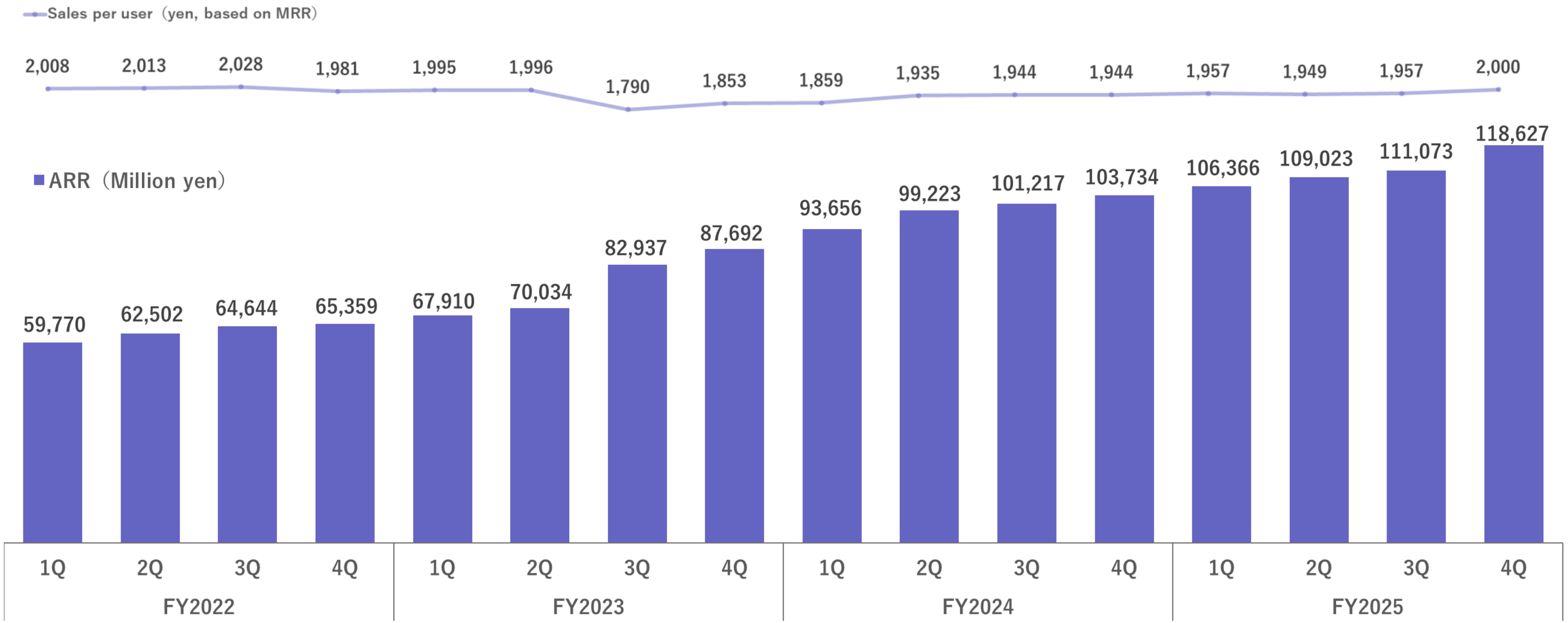
Marketing expenses ratio

YoY (Quarter) + 0.6pt

QoQ ▲0.7pt

Content Distribution (ARR)

Unit prices and ARR increased because of price revisions for users selecting certain payment methods.



YoY

+¥14.8bn
(+14%)

QoQ

+¥7.5bn
(+7%)

*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.

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Content Distribution (Topics)

- Started the Mobile set Plan.
- Launched Rakuten saikyo U-NEXT on October 1. Plan to begin offering U-NEXT MOBILE in November.

Press release:
https://www.unext.co.jp/ja/press-room/mobile-set-plan-2025-10-01

■ The Mobile set Plan

✓ Rakuten saikyo U-NEXT and U-NEXT MOBILE give subscribers access to more than 350,000 video programs, 210 magazines and 3,700 children's books.

✓ Rakuten saikyo U-NEXT is a plan for users who want unlimited capacity for no worries about data capacity.

✓ U-NEXT MOBILE is a plan that allows U-NEXT monthly payment plan users to utilize the 1,200 points they receive every month for a data capacity of 20GB by paying only an additional ¥300.

■ U-NEXT MOBILE

✓ A new MVNO service provided by U-NEXT.

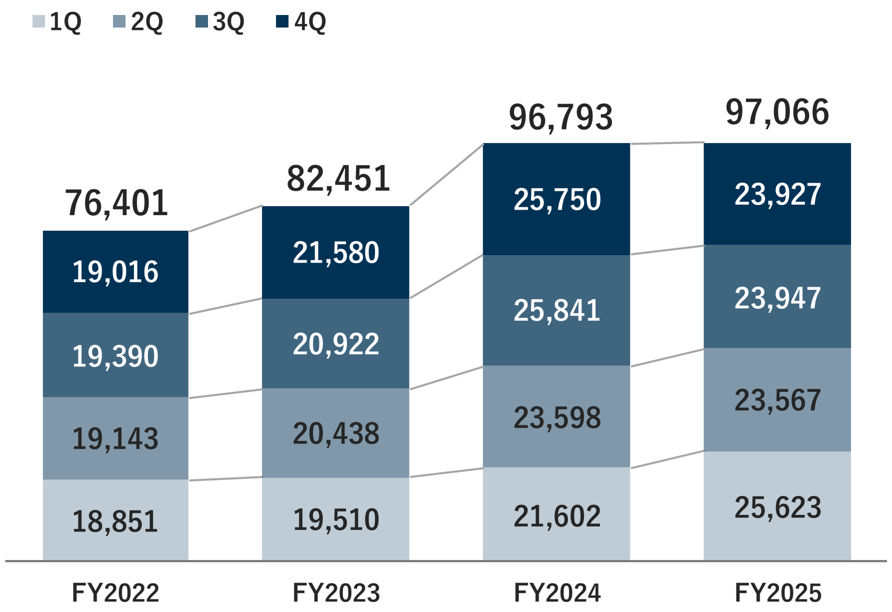
✓ Users can pay for only the mobile service, but combining U-NEXT MOBILE and U-NEXT is more cost efficient.

Store & Facility Solutions

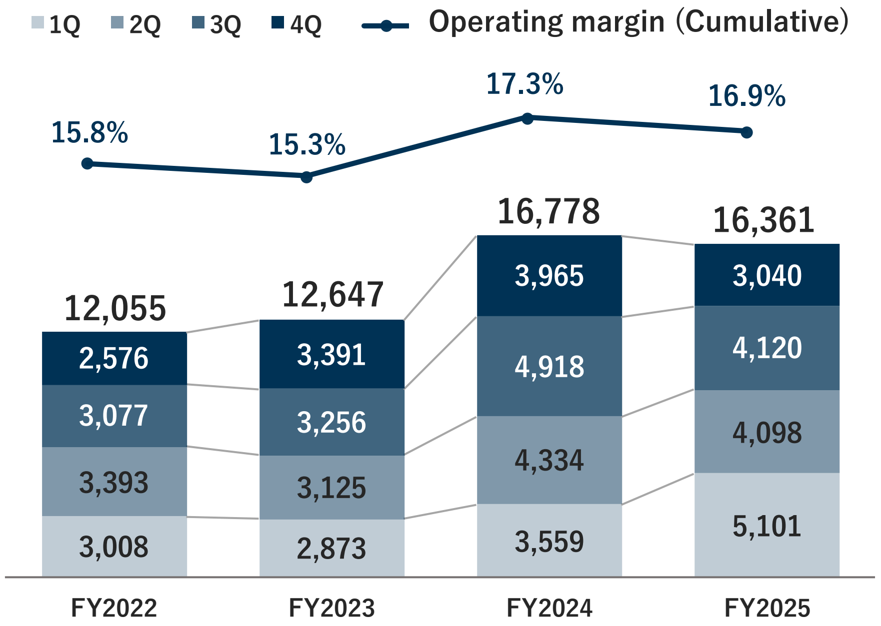
- No YoY change in facility solutions despite drop in demand involving new banknotes (sales down ¥5bn, operating income down ¥2bn).
- No QoQ change in sales but earnings decreased mainly because of higher depreciation and a one-time product valuation loss.

(Million yen)

Net Sales YoY +0.3% QoQ ▲0.1%

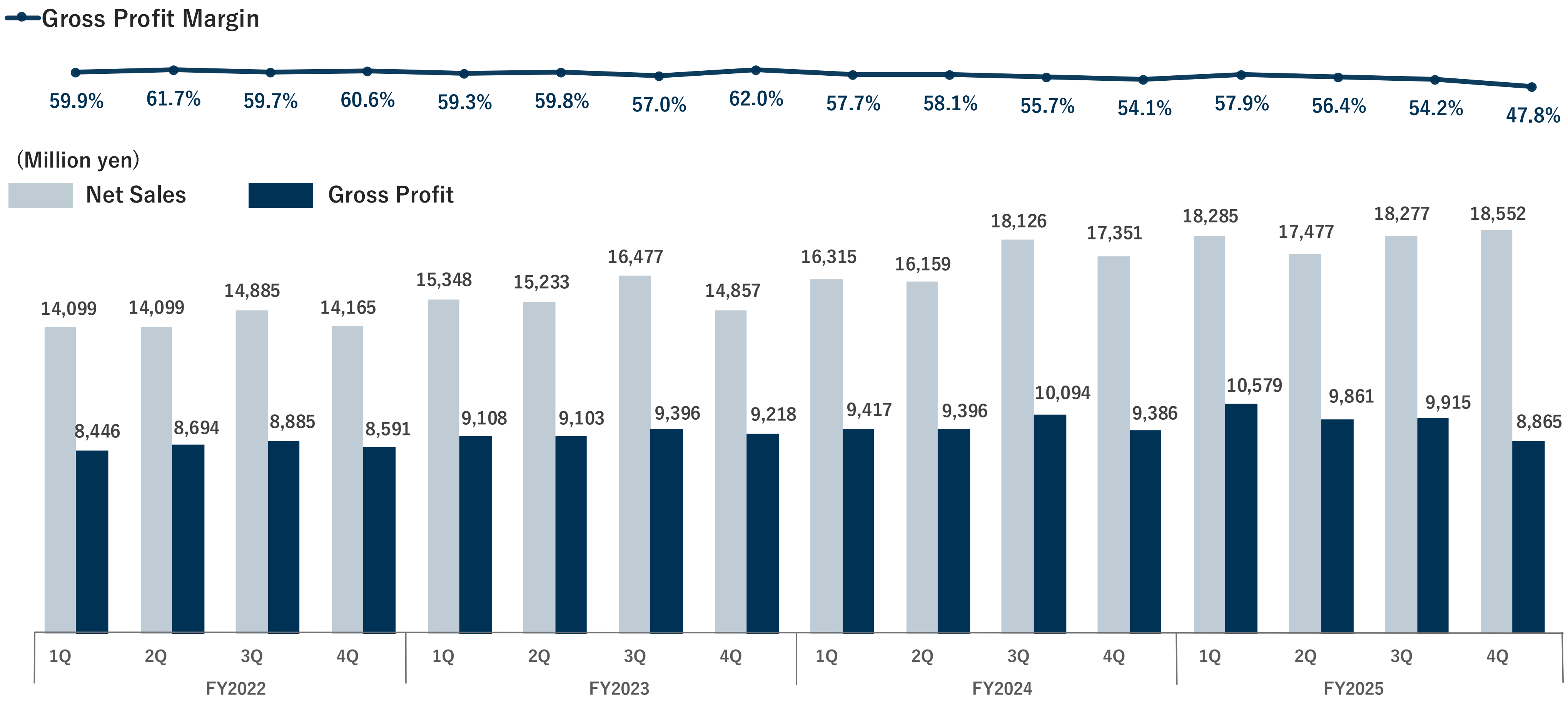


Operating Income / margin YoY ▲2.5% QoQ ▲26.2%



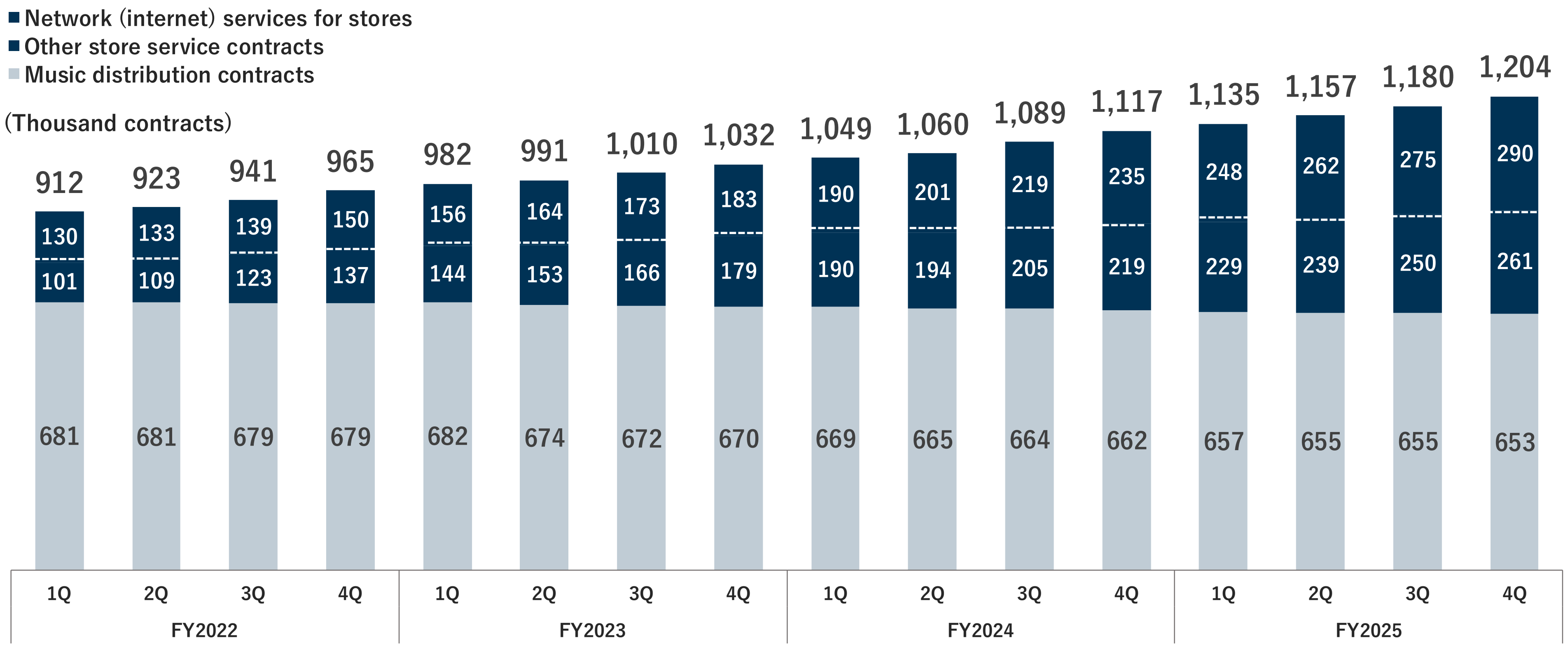
(1) Store Solutions

Expenses increased by about ¥800 million in the 4Q due to the reclassification of some depreciation from SG&A expenses to cost of sales.



(1) Store Solutions (Number of contracts)

Up 90,000 YoY and 20,000 QoQ.



YoY

+87K
(+8%)

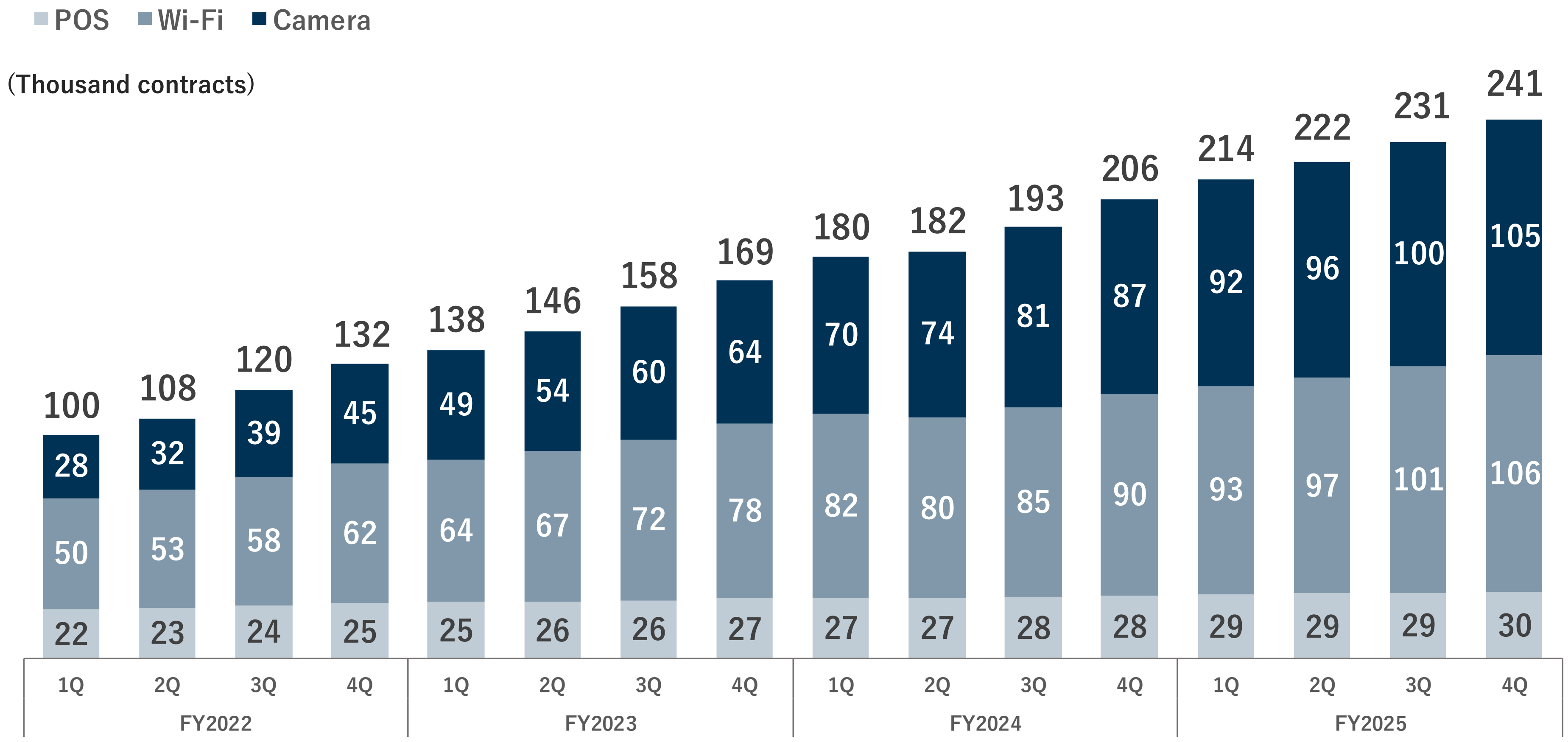
QoQ

+24K
(+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 35,000 YoY and 10,000 QoQ as the steady growth of all products continues.



YoY

+35K
(+17%)

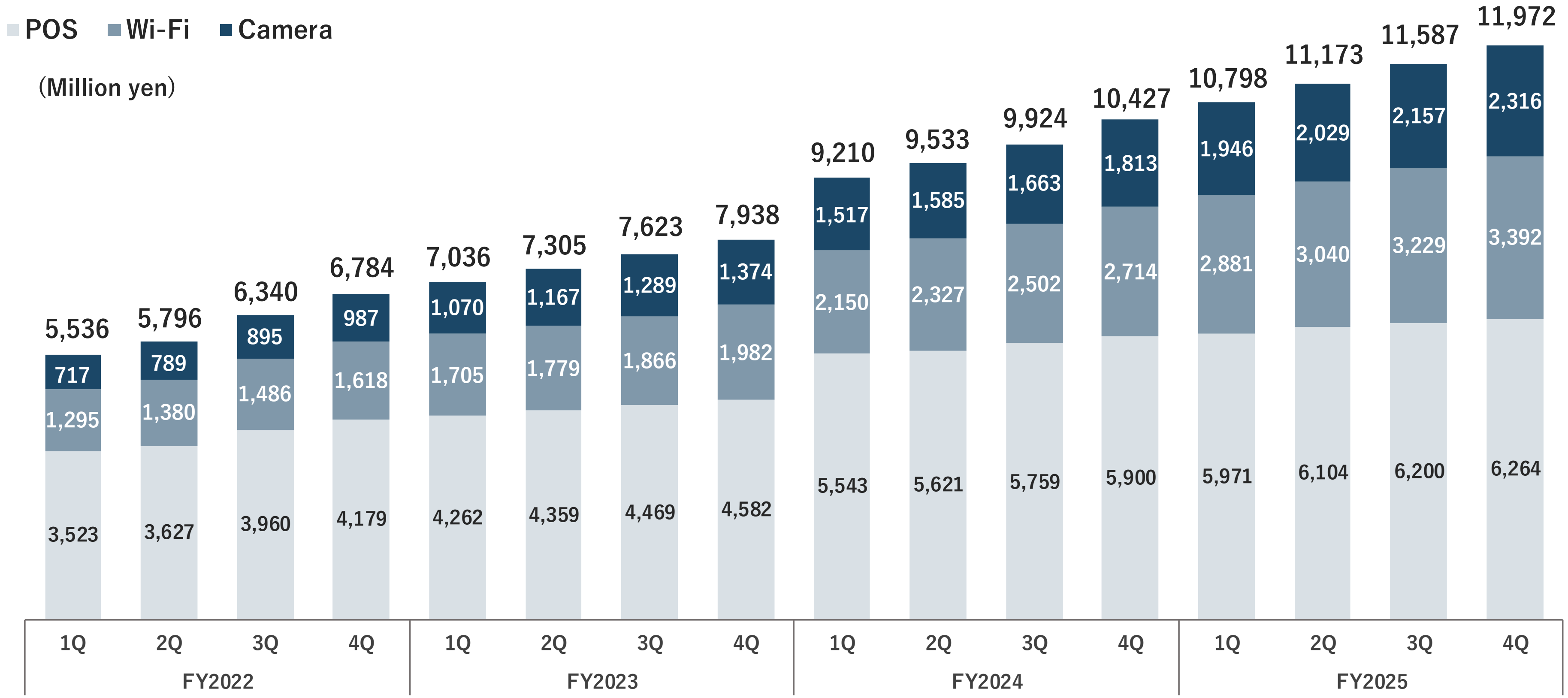
QoQ

+10K
(+4%)

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

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

ARR is increasing consistently as the number of contracts rises.



YoY

+¥1.5bn
(+15%)

QoQ

+¥0.4bn
(+3%)

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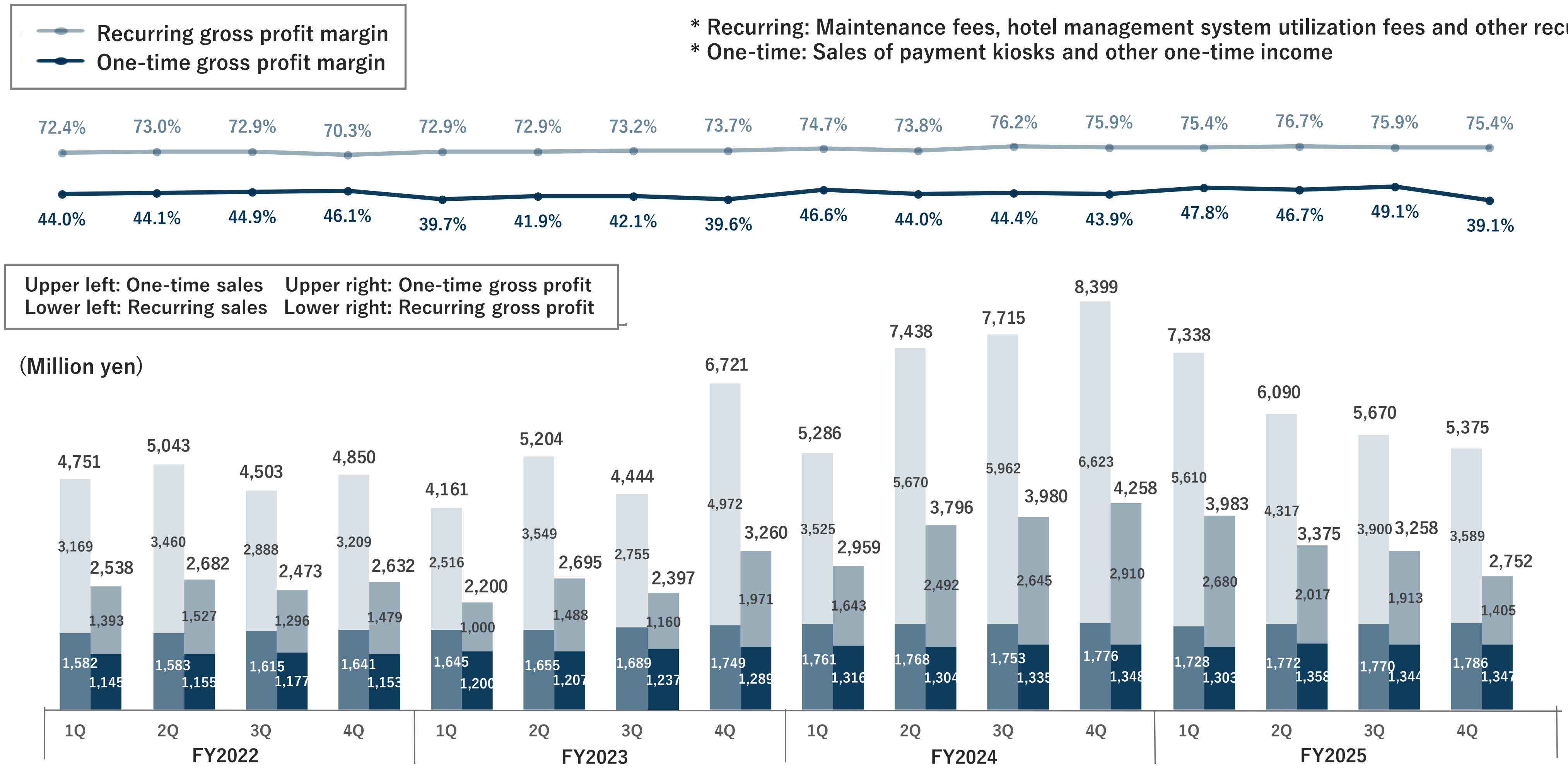
(2) Facility Solutions (One-time sales/Recurring sales)

* Recurring: Maintenance fees, hotel management system utilization fees and other recurring income
* One-time: Sales of payment kiosks and other one-time income

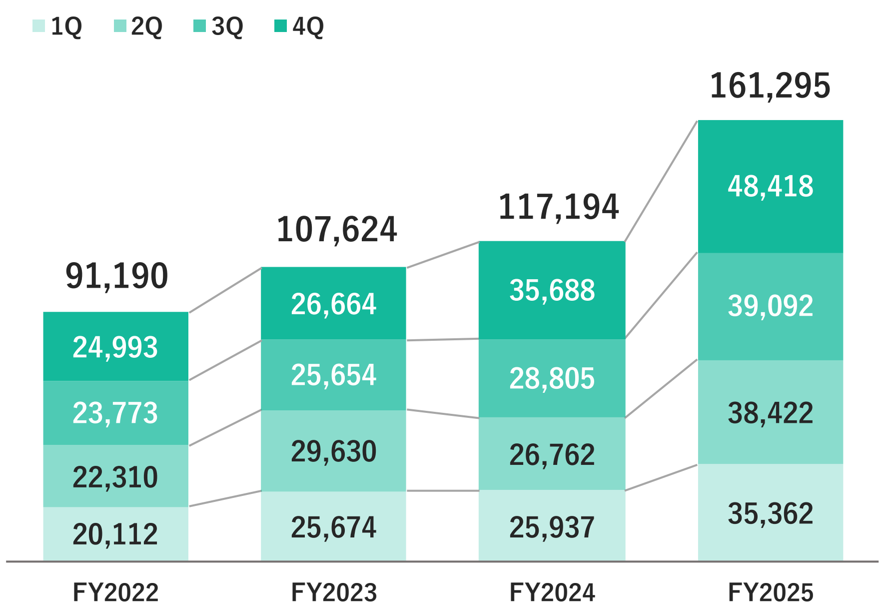


Communication & Energy

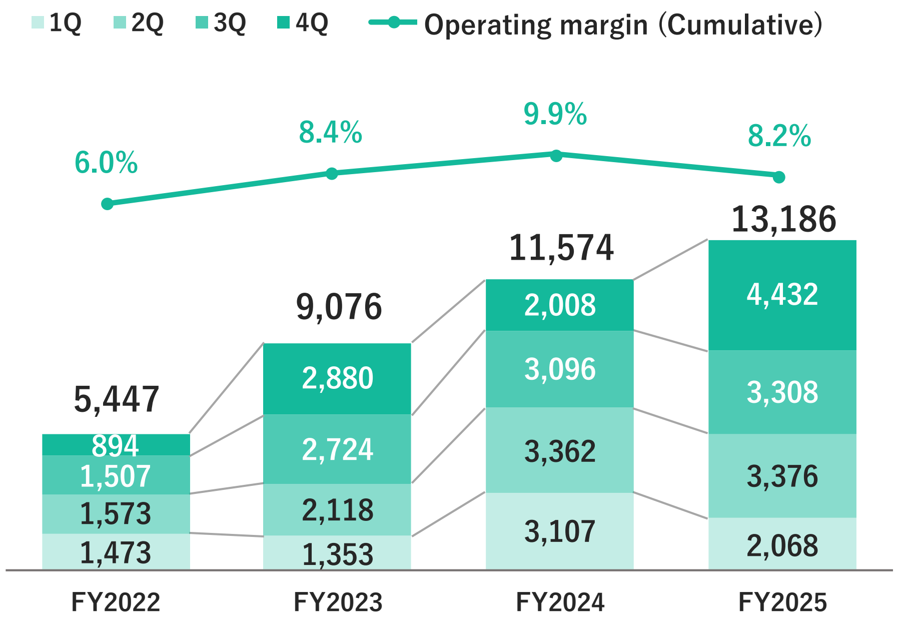
- All-time high performance due to the strong YoY energy growth. Communication sales and earnings are increasing too.
- Very big energy sales and earnings growth QoQ due to hot summer weather as communication earnings continue to increase.

(Million yen)

Net Sales YoY +38% QoQ +24%



Operating Income / margin YoY +14% QoQ +34%

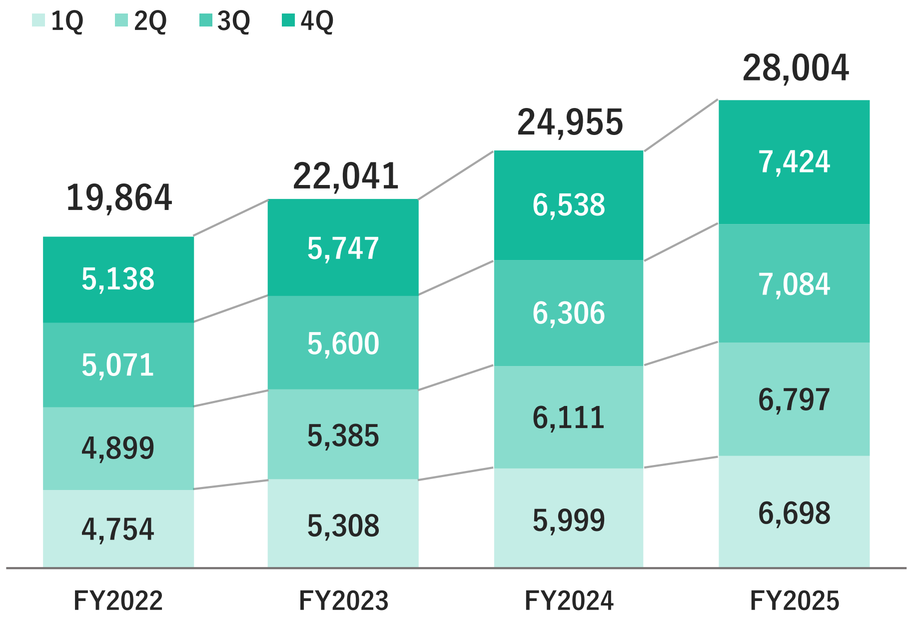


(1) Communication: ICT service for business

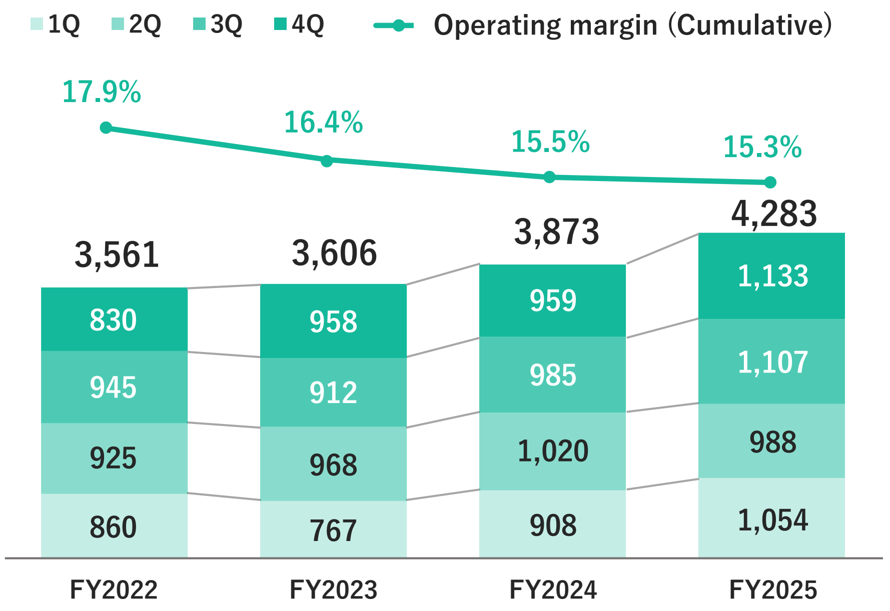
YoY and QoQ sales and earnings growth mainly because of the consistent growth of SaaS services.

(Million yen)

Net Sales YoY +12% QoQ 5 %



Operating Income / margin YoY +11% QoQ + 2 %



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

Steady ARR growth backed by the growth of recurring sales.

YoY

+¥3.1bn
(+13%)

QoQ

+¥0.7bn
(+3%)

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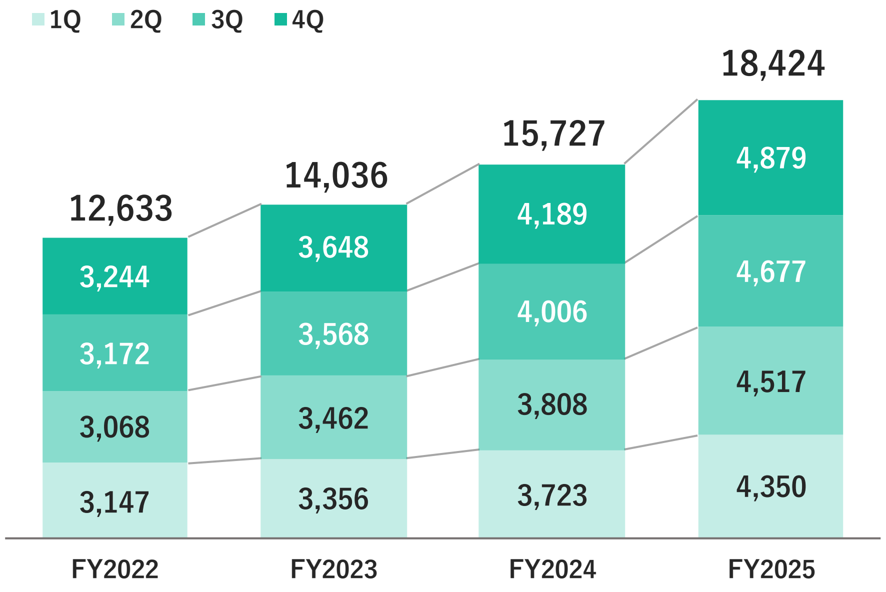
(1) Communication: Broadband internet service for stores and individuals

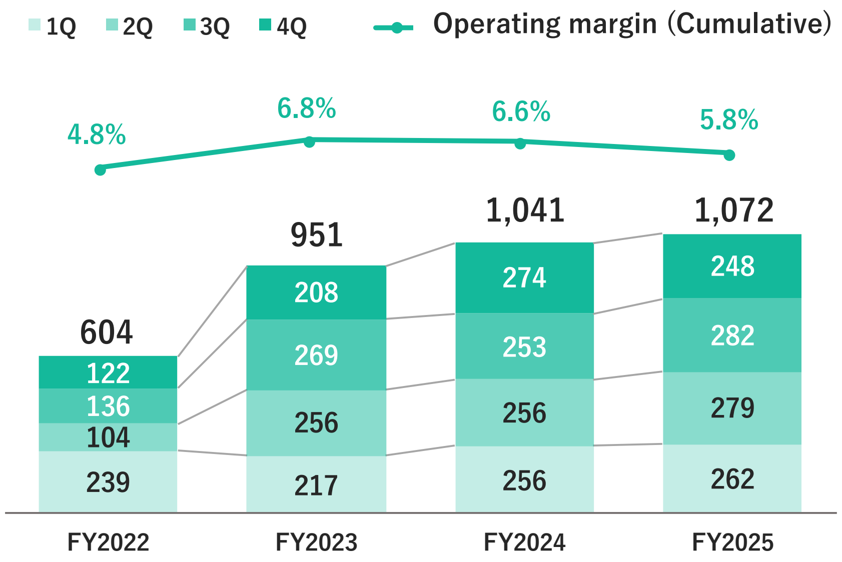
Sales increased with the number of customers but earnings decreased slightly because of expenses to strengthen web sales and marketing activities.

(Million yen)

Net Sales YoY +17% QoQ + 4 %

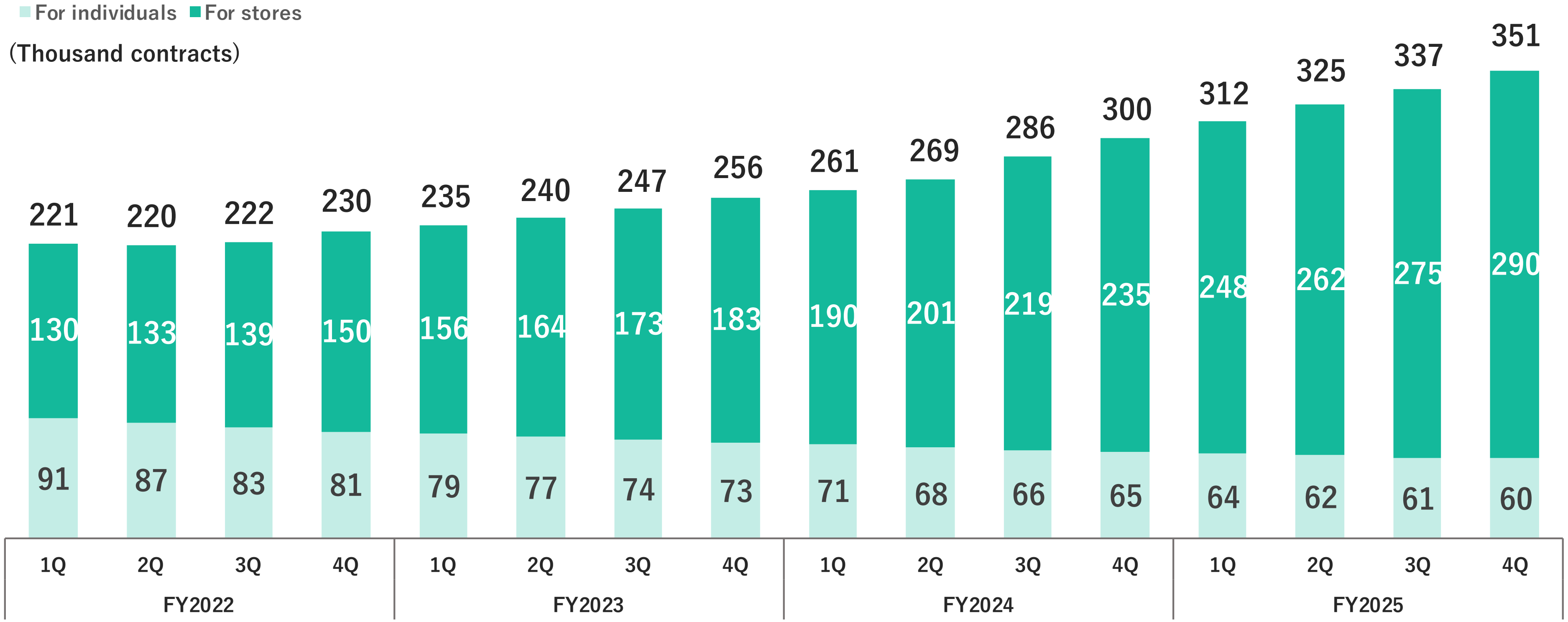


Operating Income / margin YoY + 3 % QoQ ▲12%



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

Steady increase in the number of contracts for store internet services.



YoY

+50K
(+17%)

QoQ

+14K
(+4 %)

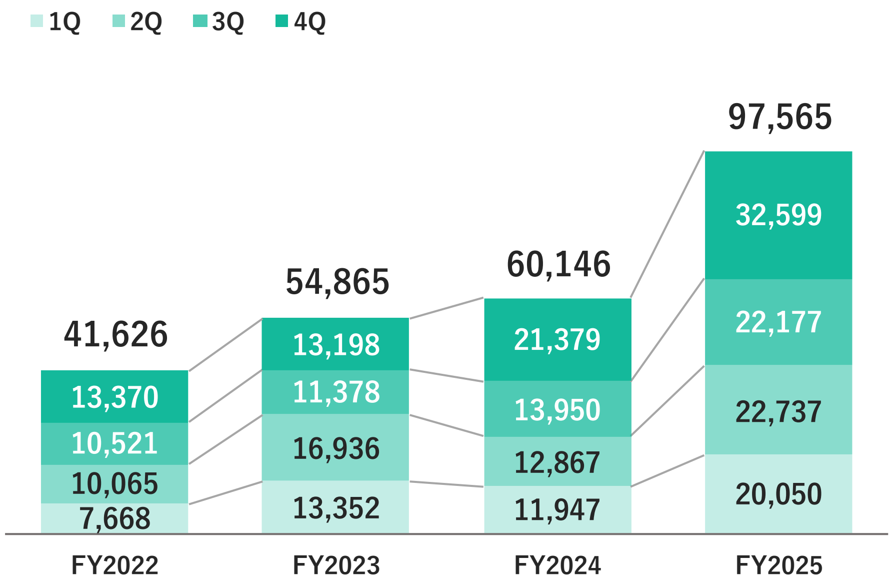
*Contracts for stores and BtoBtoC models, which are part of the above graph, are included in other service subscribers on page 24.

(2) Energy

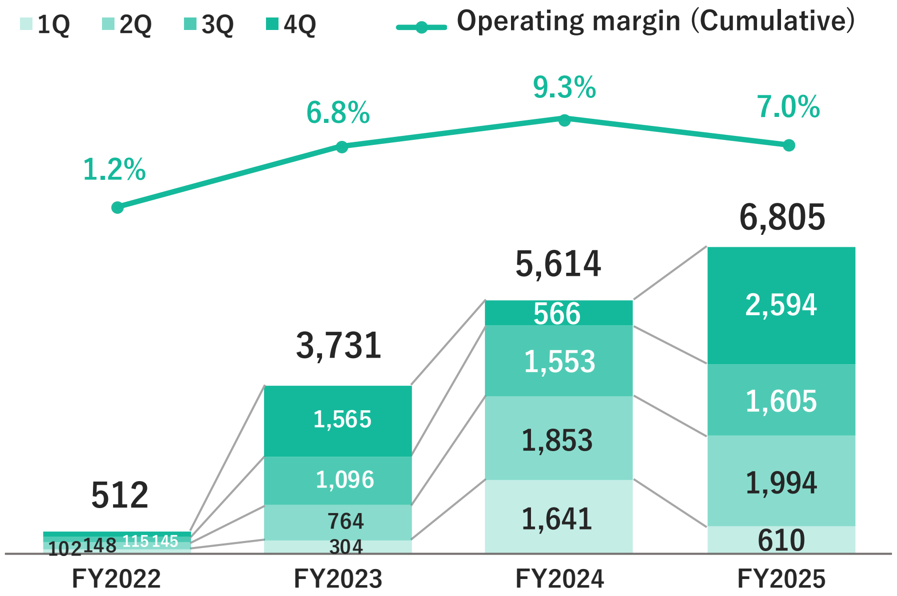
Sales and earnings up YoY due to more customers and QoQ due to hot summer weather.

(Million yen)

Net Sales YoY +62% QoQ +47%



Operating Income / margin YoY +21% QoQ +62%

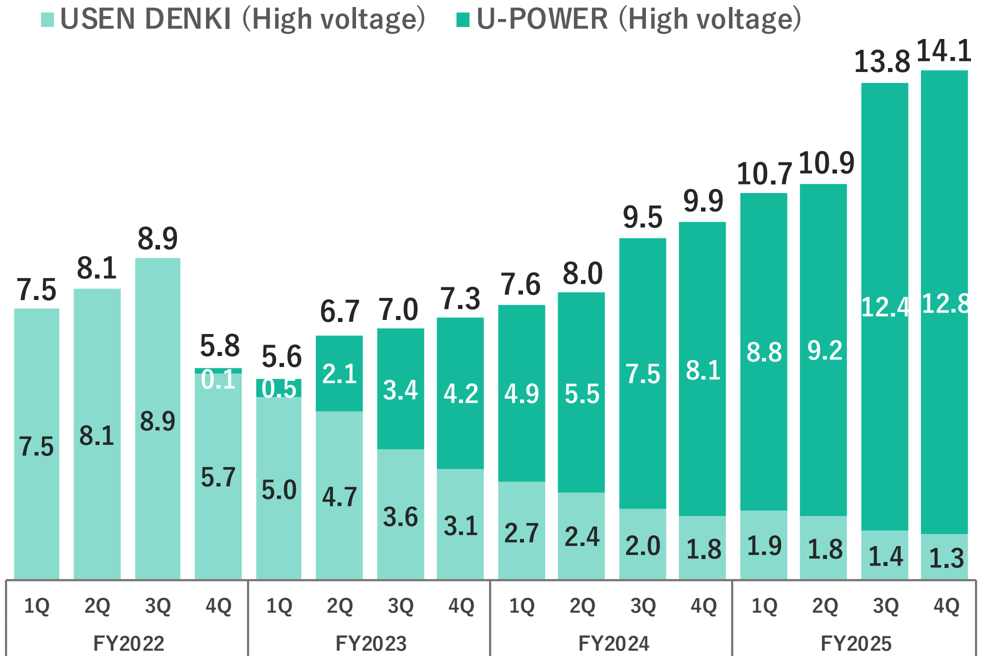


(2) Energy (Number of contracts)

Steady growth of the number of both high and low voltage contracts.

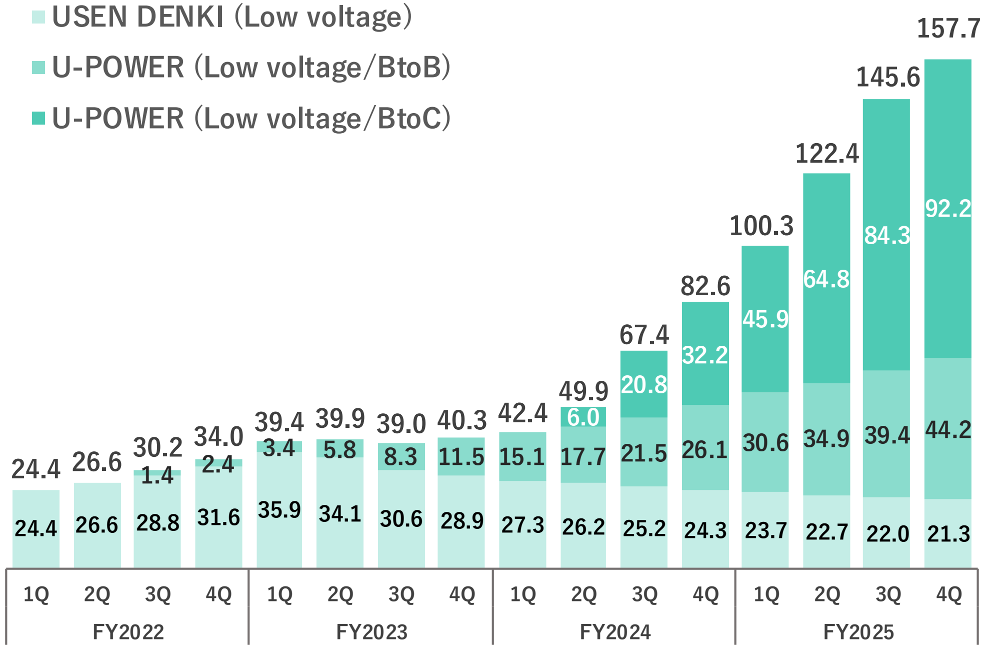
High voltage YoY +42% QoQ + 2 %

(Thousand customer accounts)



Low voltage YoY +91% QoQ + 8 %

(Thousand customer accounts)



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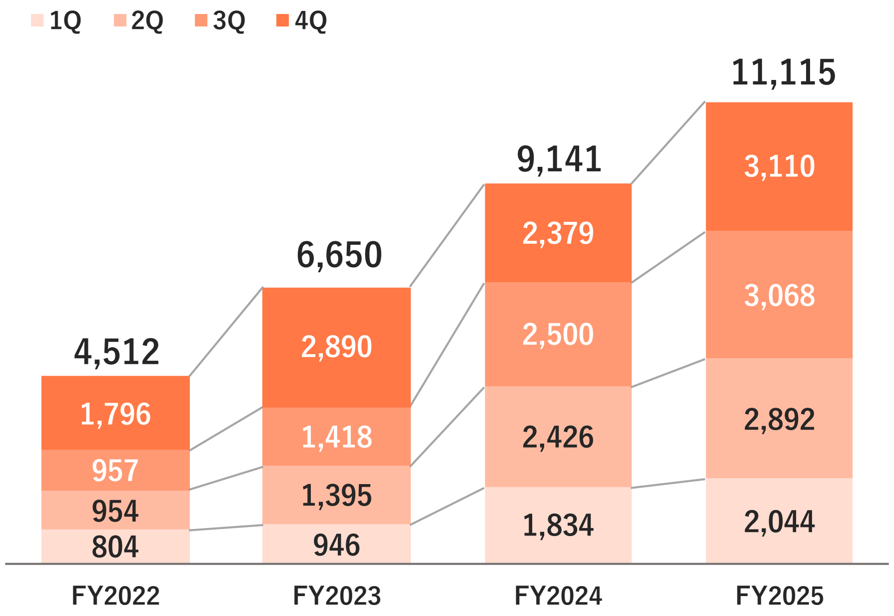
Financial, Realty & Global

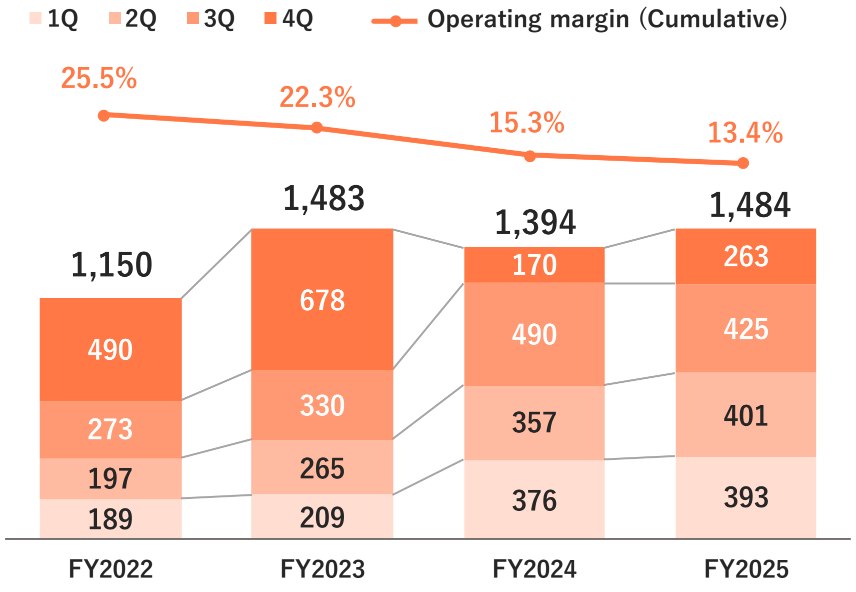
- Sales and earnings increased YoY despite a loss in the newly consolidated cashless payment processing business caused by up-front expenses.
- No change in sales QoQ but higher SG&A expenses due to the cashless payment business and other factors reduced earnings.

(Million yen)

Net Sales YoY +22% QoQ +1 %

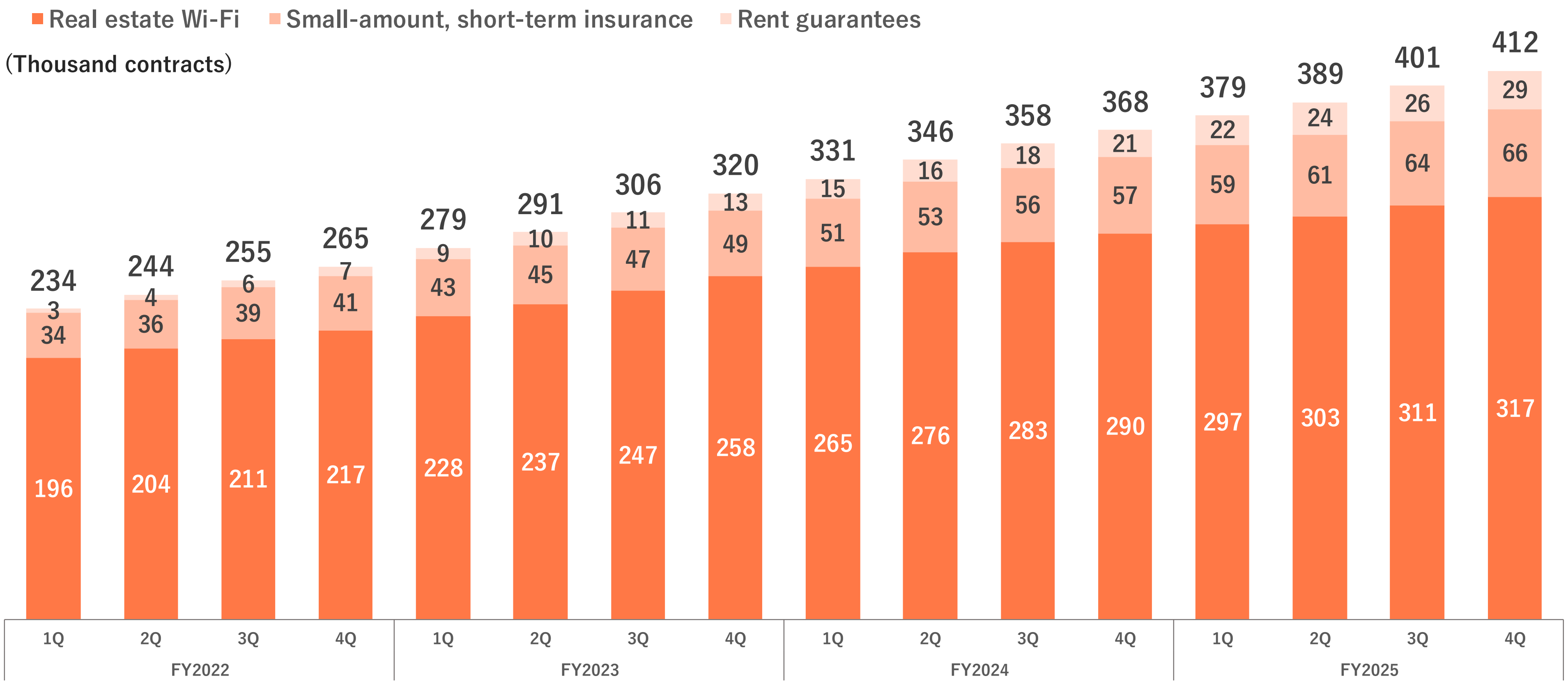


Operating Income / margin YoY +6 % QoQ ▲38%



Financial, Realty & Global (Contracts for major products)

Up 40,000 YoY and 10,000 QoQ due to steady growth in all product categories.



YoY

+44K
(+12%)

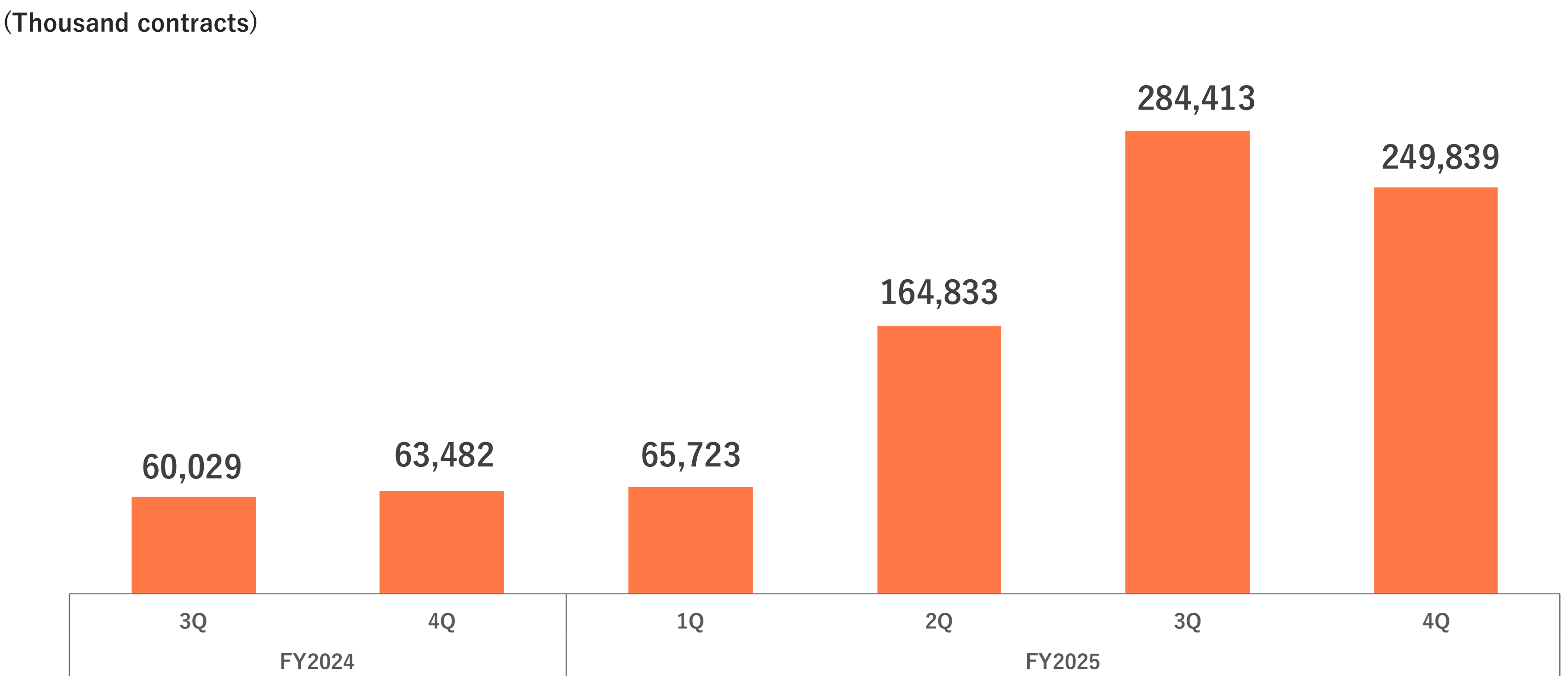
QoQ

+11K
(+ 3 %)

(1) Financial (GMV)

A big increase in the number of member stores but a small GMV decline following the end of the welcome/farewell party season.

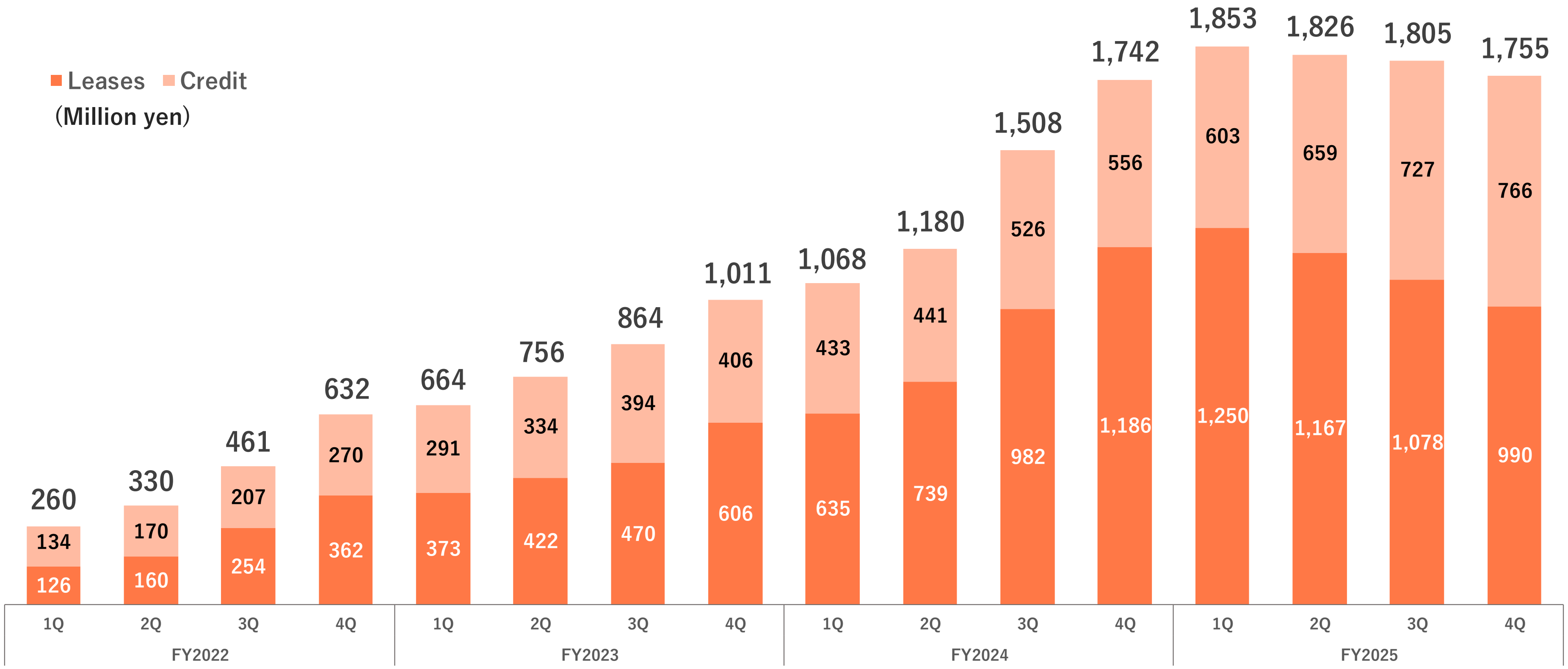
Cashless payment GMV



*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)

The number of new leases increased but outstanding leases and credit are declining due to the increasing involvement of other companies.



YoY

+¥0.01bn
(+1%)

QoQ

▲¥0.05bn
(▲3%)

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

3. FY2026 forecast

FY2026 Forecast

- Although the drop in demand involving new banknotes will still affect performance somewhat in FY2026, the forecast is sales growth of 9% and operating income growth of 6%.
- Forecast an increase in income attributable to owners of parent that is smaller than the increase in ordinary income because one-time factors reduced taxes.

Million yen	FY2025 Results	FY2026 Forecast	Difference	Ratio
Net Sales	390,408	424,000	+33,592	+9%
Operating Income	31,571	33,500	+1,929	+6%
Operating Margin (%)	8.1%	7.9%	▲0.2pt	-
Ordinary Income	30,900	32,200	+1,300	+4%
Profit or Loss attributable to owners of parent	18,395	18,500	+105	+1%
Profit of Loss attributable to owners of parent [Adjusted]	21,724	22,000	+276	+1%
EBITDA	43,500	46,500	+3,000	+7%
EBITDA margin	11.1%	11.0%	▲0.1pt	-
EBITDA-CAPEX	16,887	21,500	+4,613	27%

FY2026 Forecast (Business segments)

Million yen		FY2025 Results	FY2026 Forecast	Difference	Ratio
Content Distribution	Net Sales	128,394	136,300	+7,906	+6%
	Operating Income	9,648	11,100	+1,452	+15%
	Operating Margin	7.5%	8.1%	+0.6pt	-
Store & Facility Solution	Net Sales	97,066	96,900	▲166	+0%
	Operating Income	16,361	16,300	▲61	+0%
	Operating Margin	16.9%	16.8%	▲0.1pt	-
Communication & Energy	Net Sales	161,295	178,200	+16,905	+10%
	Operating Income	13,186	15,300	+2,114	+16%
	Operating Margin	8.2%	8.6%	+0.4pt	-
Financial, Realty & Global	Net Sales	11,115	21,000	+9,885	+89%
	Operating Income	1,484	1,400	▲84	▲6%
	Operating Margin	13.4%	6.7%	▲6.7pt	-
Adjustment	Net Sales	-7,463	-8,400	▲937	+13%
	Operating Income	-9,109	-10,600	▲1,491	+16%

*The adjustment includes head office expenses, goodwill amortization, the elimination of inter-segment transactions and other items.
*FY2024 figures are provisional numbers prior to the completion of an examination by the independent auditor.

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FY2026 Forecast (Key points)

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

FY2026 Dividend forecast

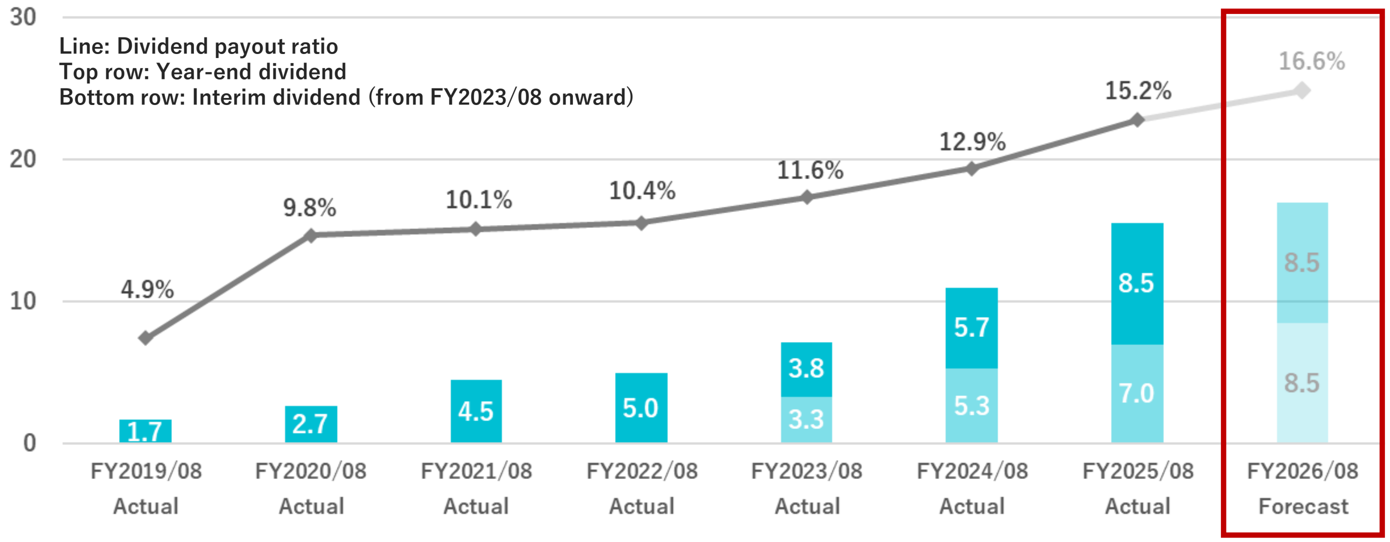
■Policy for Shareholder Distributions

As outlined in the new mid-term management plan announced today, our policy for returning value to investors remains unchanged from previous practice.
We will prioritize enhancing corporate value through growth investments over providing income gains via dividends.
*We aim to achieve a dividend payout ratio of 20-30% by the final fiscal year of the mid-term plan (August 2030) and will continue to increase dividends.

■Dividend per share

＜Fiscal year ending August 2025＞
Confirmed year-end dividend：**¥8.5**

＜Fiscal year ending August 2026＞
Forecasted interim dividend：**¥8.5**
Forecasted year-end dividend：**¥8.5**



* Per-share dividends are adjusted to reflect the three-for-one stock split of common shares implemented on December 1, 2024.

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4. Appendix

Segment overview

	Competitive edge	Growth strategy
Content Distribution	✓ Achieving high ARPU by offering a hybrid model of unlimited viewing and pay-per-use, as well as points equivalent to ¥1,200 per month. ✓ A comprehensive end-to-end operating model encompassing procurement, marketing and development. ✓ Integrated marketing covering the internet, mass media and conventional channels.	✓ Even more competitive content by providing hybrid content that includes exclusive programs within both entertainment and live-streamed sports and music events. ✓ Build a base for original IP centered on e-book publishing. ✓ Increase ARPU by offering more optional plans. ✓ More alliances with external partners.
Store & Facility Solutions	✓ Stable profit structure backed by a solid customer base established over 60 years. ✓ Nationwide sales and engineering team ; these internal resources facilitate fully integrated operations encompassing proposal, delivery and maintenance services. ✓ A partner network of 18,000 companies for sending customers to our group. ✓ Expanding market by leveraging the high versatility of automated payment machines.	✓ Use a platform of communication environments for upselling more than 60 IoT/DX products and services. ✓ Focus on newly opened stores, where there is a high ratio of contracts for packages of services ; use a cycle of stores that close and stores that open to replace these stores to establish upselling. ✓ Developing white space for business hotels/general hospitals/small and medium-sized medical institutions. ✓ Assemble a lineup of services that matches customers' needs.
Communication & Energy	✓ Provides multivendor ICT services by using a sales team for corporate customers. ✓ Uses direct sales and a network of 250 sales agents to sell broadband services. ✓ Offer two electricity services : the fixed-rate plan “USEN Denki” and the market-price-linked plan “U-POWER”. ✓ Switch with flexibility to electricity services for customers that reflect changes in power procurement costs.	✓ Goal is steady growth backed by a lineup of corporate ICT services that match customers' needs. ✓ Increase sales of broadband services for stores to create more DX/IoT product cross-selling opportunities. ✓ Cost reductions with the electricity services, leading to cross-selling of other Group's products. ✓ The Group's diverse sales channels and large number of customers can be used effectively to sell electricity, which is essential for every home and business.
Financial, Realty & Global	✓ A variety of financial services for stores. ✓ Specializes in the commercial building category ; no office / residential properties. ✓ The priority is services for foreign tourists in Japan rather than overseas operations.	✓ Provide cashless payment processing that includes payment acquiring and payment services; more customers by increasing convenience and more cross-selling opportunities for Group products and services. ✓ In addition to receiving lease payments from tenants, create opportunities for cross-selling other Group products. ✓ Create businesses targeting foreign tourists in Japan, while also challenge ourselves to create overseas businesses.

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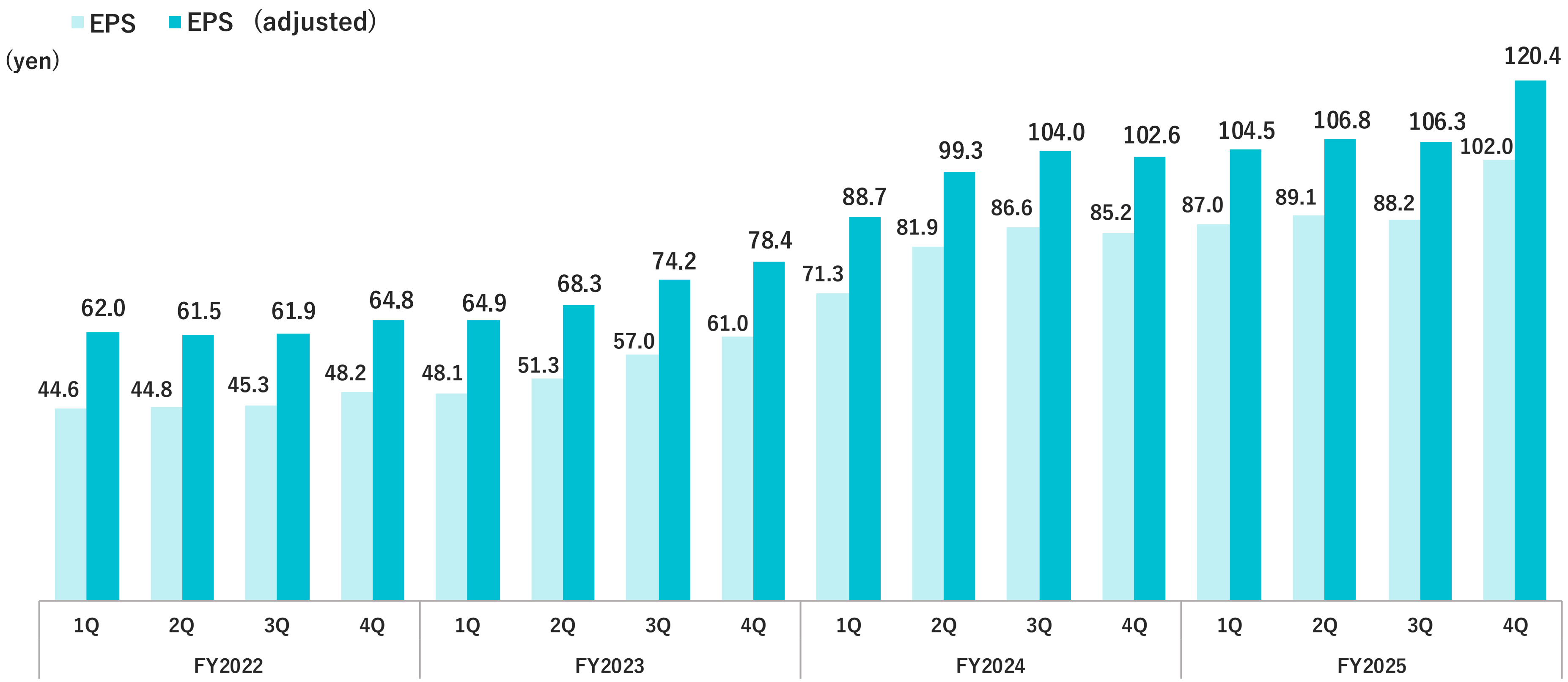
EPS (LTM)

Big YoY increase due to the growth of net income



EPS (adjusted)

YoY +¥17.8
(Quarter)

QoQ +¥14.2

EPS

YoY +¥16.8
(Quarter)

QoQ +¥ 13.8

*LTM: Last Twelve Month

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Consolidated balance sheet

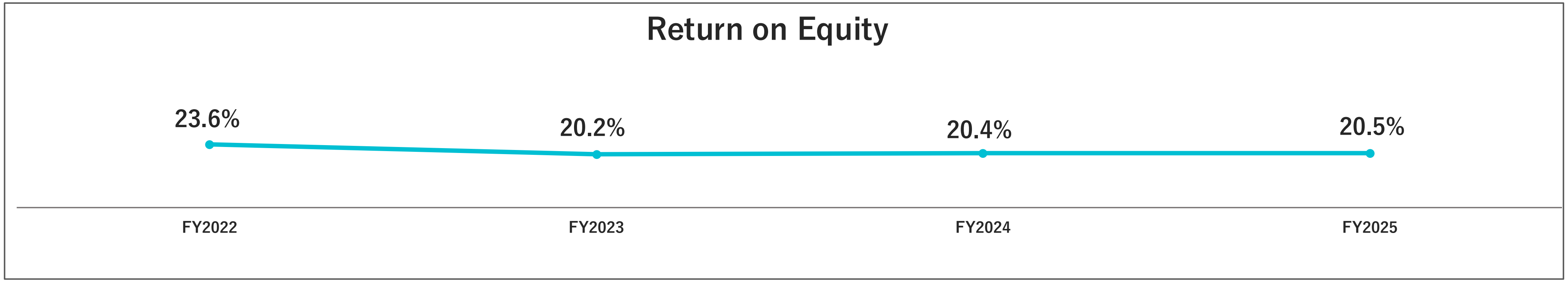
- Current assets: Most receivables growth is energy; content procurement accounts for most of the prepaid expense increase.
- Fixed assets: Property, plant and equipment up mainly due to commercial building acquisition; intangible and other assets up mainly because of new cash register development software and more customer assets resulting from M&A activity.
- Liabilities: Content is most of the increase in payables; higher long-term loans for M&A activity and commercial building acquisition.
- Net assets: Equity increased because of the growth of retained earnings, which was reduced somewhat by dividend payments.

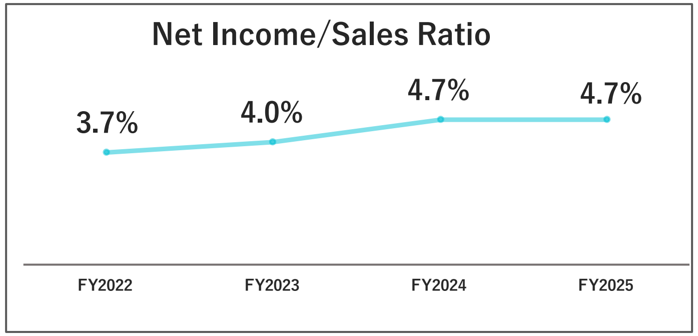
(Million yen)	FY2024	FY2025	Difference
(Assets)			
Current assets	**150,218**	**172,358**	**22,140**
Cash and deposits	52,738	56,882	4,144
Notes and accounts receivable-trade	41,246	48,927	7,681
Inventories	11,302	12,196	894
Prepaid expenses	35,439	42,196	6,757
Other	9,493	12,157	2,664
Non-current assets	**78,743**	**87,424**	**8,681**
Property, plant and equipment	**21,056**	**24,387**	**3,331**
Intangible assets	**47,194**	**53,182**	**5,988**
Goodwill	39,490	40,022	532
Other	7,704	13,159	5,455
Investment and other assets	**10,491**	9,854	▲637
Total assets	**228,962**	**259,782**	**30,820**

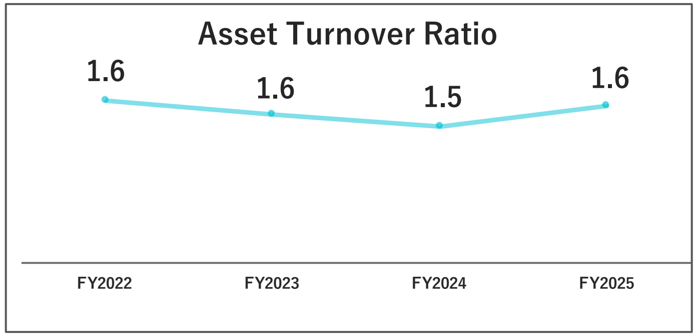
(Million yen)	FY2024	FY2025	Difference
(Liabilities)			
Current liabilities	**71,529**	**79,805**	**8,276**
Notes and accounts payable-trade	33,686	38,098	4,412
Short-term loans payable	-	-	-
Current portion of long-term loans payable	3,066	3,153	87
Other	34,776	38,553	3,777
Non-current liabilities	**65,399**	**71,268**	5,869
Bonds payable	10,000	10,000	0
Long-term loans payable	49,822	55,663	5,841
Other	5,576	5,621	45
Total liabilities	**136,928**	**151,074**	**14,146**
(Net assets)			
Shareholder's equity	**81,729**	**97,420**	15,691
Capital stock	99	99	0
Capital surplus	29,786	29,786	0
Retained earnings	51,843	67,534	15,691
Treasury stock	0	0	0
Valuation and translation adjustments	**138**	**150**	**12**
Non-controlling interests	**10,166**	**11,137**	**971**
Total net assets	**92,033**	**108,708**	**16,675**
Total liabilities and net assets	**228,962**	**259,782**	**30,820**

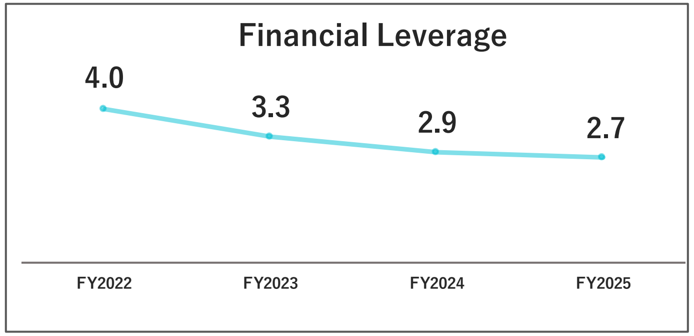
Return on equity (LTM)

No significant change in the ROE, which remained above 20%, and the three indicators related to the ROE.









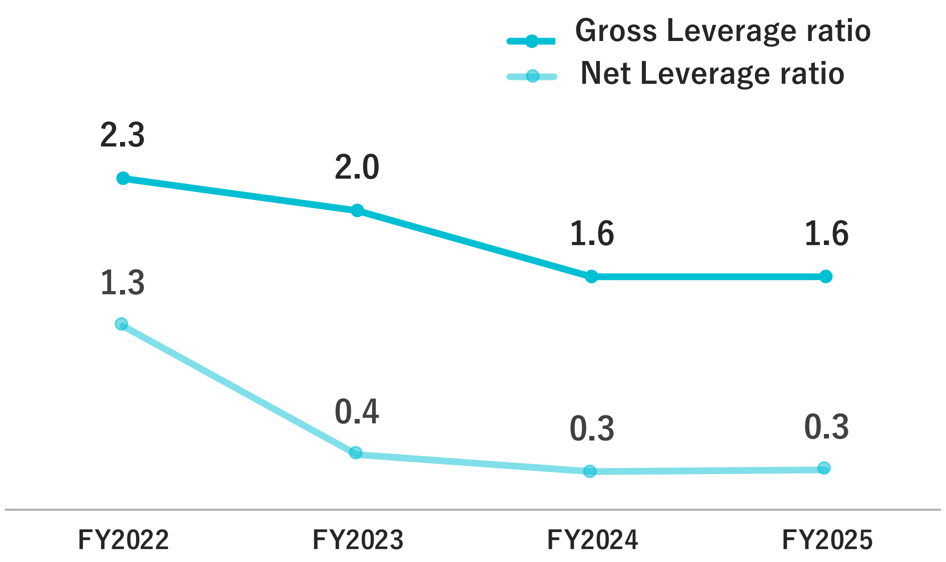
*Return on Equity: Net Income/Sales ratio × Asset Turnover ratio × Financial Leverage
*Net Income/Sales ratio: Profit or Loss attributable to owners of parent /Net Sales
*Asset Turnover Ratio: Net Sales / Total assets
*Financial Leverage: Total assets / (Net assets – Subscription rights to shares – Non-controlling interests)

Leverage ratio (LTM)/Debt/Equity ratio

No change in the leverage ratio and debt/equity ratio.

Leverage Ratio (LTM)

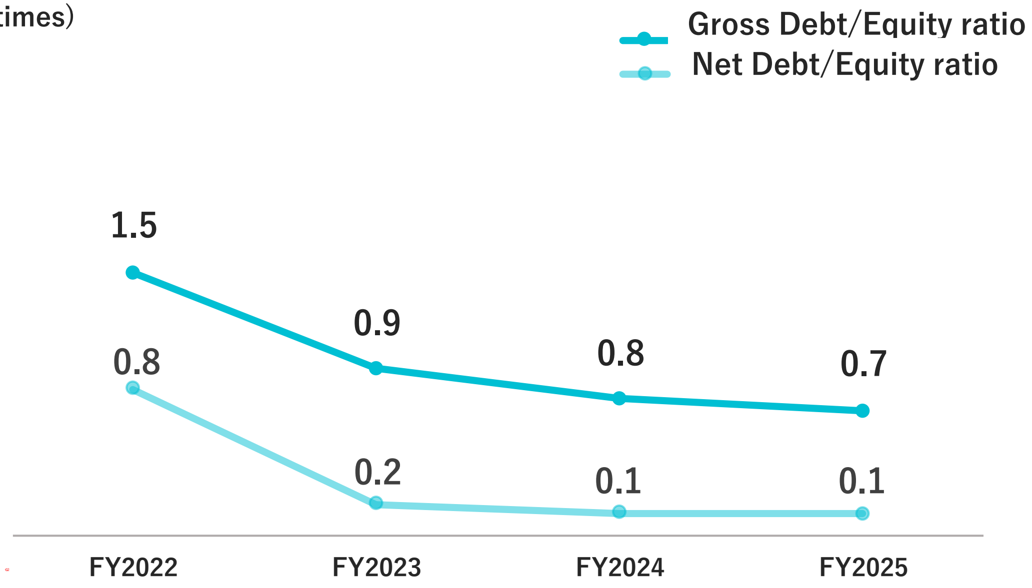
(times)



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

Debt/Equity Ratio

(times)



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

Equity spread & EVA spread

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

Forward-looking Statements

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As this information incorporates risk factors and other uncertainties,
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