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USEN & U-NEXT
GROUP



Consolidated Financial Results for the Nine Months Ended May 31, 2025 [Japanese GAAP]

July 10, 2025

Company name: U-NEXT HOLDINGS Co., Ltd.
Stock exchange listing: Tokyo Stock Exchange
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Scheduled date of commencing dividend payments: –
Availability of supplementary briefing materials on financial results: Available
Schedule of financial results briefing session: Not scheduled

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

1. Consolidated Financial Results for the Nine Months Ended May 31, 2025 (September 1, 2024 – May 31, 2025)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
May 31, 2025	283,438	20.3	24,206	2.9	23,952	4.1	13,567	4.3
May 31, 2024	235,537	16.5	23,533	51.2	23,006	56.9	13,014	55.5

(Note) Comprehensive income: Nine months ended May 31, 2025: ¥14,415 million [5.7%]
Nine months ended May 31, 2024: ¥13,632 million [62.0%]

	Basic earnings per share	Diluted earnings per share	EBITDA	Adjusted EPS
Nine months ended	Yen	Yen	Million yen %	Yen %
May 31, 2025	75.22	—	32,639 5.3	88.90 4.3
May 31, 2024	72.16	—	30,994 37.1	85.24 42.5

(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, 2024.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of May 31, 2025	252,717	103,744	36.7
As of August 31, 2024	228,962	92,033	35.8

(Reference) Equity: As of May 31, 2025: ¥92,759 million
As of August 31, 2024: ¥81,867 million

2. Dividends

	Annual dividend				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended August 31, 2024	—	16.00	—	17.00	33.00
Fiscal year ending August 31, 2025	—	7.00	—		
Fiscal year ending August 31, 2025 (Forecast)				7.00	14.00

(Notes) 1. Revision to the forecast for dividends announced most recently: None

2. The Company conducted a 3-for-1 stock split of common shares effective as of December 1, 2024. The amount of the dividends per share for the fiscal year ended August 31, 2024 represents the actual amount of the dividends before the stock split.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending August 31, 2025 (September 1, 2024 – August 31, 2025)

(% 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	360,000	10.2	31,000	6.5	30,000	5.9	16,700	8.7	92.58

	EBITDA		Adjusted EPS	
	Million yen	%	Yen	%
Full year	42,500	8.1	110.05	7.8

(Note) Revision to the financial results forecast announced most recently: None

*** Notes:**

- (1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 1 (NetMove Corporation), Excluded: – ()
(Note) For details, please refer to “(3) Notes to Quarterly Consolidated Financial Statements (Significant changes in the scope of consolidation)” on page 12 of the Attachments.
- (2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: Yes
(Note) For details, please refer to “(3) Notes to Quarterly Consolidated Financial Statements (Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements)” on page 12 of the Attachments.
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: Yes
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Retrospective restatement: None
(Note) For details, please refer to “(3) Notes to Quarterly Consolidated Financial Statements (Notes on changes in accounting policies)” on page 12 of the Attachments.
- (4) Total number of shares issued and outstanding (common shares)
1) Total number of shares issued and outstanding at the end of the period (including treasury shares):
May 31, 2025: 180,375,333 shares
August 31, 2024: 180,375,333 shares
2) Total number of treasury shares at the end of the period:
May 31, 2025: 355 shares
August 31, 2024: 291 shares
3) Average number of shares during the period:
Nine months ended May 31, 2025: 180,375,007 shares
Nine months ended May 31, 2024: 180,360,309 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 period, the total number of treasury shares at the end of the period, and the average number of shares during the period have been calculated assuming that the stock split was conducted at the beginning of the fiscal year ended August 31, 2024.
- (5) 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

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: Yes (voluntary)

* 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. Qualitative Information on Quarterly Financial Results (1) Explanation of Operating Results” on page 2 of the Attachments.

(Method of obtaining supplementary briefing materials on financial results)

Briefing materials on the financial results will become available on July 10, 2025 on TDnet and the Company’s website.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

With the aspirations to make the future even better with entertainment and technology for the future of everyone in society, the Group has adopted the corporate slogan “NEXT for U” and aims to grow into a corporate group that will garner trust and anticipation from even more people.

From September 2024, the Group’s four business segments are: the Content Distribution Business through which we offer video distribution services and an MVNO service for individuals, the Store & Facility Solution Business through which we offer store digital transformation (DX) services and music distribution services for commercial stores and facilities, as well as automated payment machines and front operation management systems, among others, for medical institutions and hotels, the Communication & Energy Business through which we offer networks and security services for offices, distribute internet services, etc., and offer high- and low-voltage electricity for commercial stores and commercial facilities, and the Financial, Realty & Global Business through which we offer various services, including guarantee, insurance, realty, financial payment services.

The Group believes that a variety of customers it serves are its greatest assets, including those in the B to B market, such as commercial stores, hotels, hospitals, and small- to medium-sized offices, and those in the B to C market, to which the Group provides video distribution and communications services.

As important management themes, the Group is focusing its efforts on newly offering financial and realty services, in addition to existing services, as one-stop solutions to assist with and solve management issues in the B to B market and delivering valuable experiences to more customers through enhanced quality and services centered on “U-NEXT” in the B to C market.

During the nine months ended May 31, 2025, the Japanese economy showed signs of gradual recovery owing to several reasons, such as improvements in corporate earnings, employment and income situations and an increase in demand generated by foreign visitors to Japan. Meanwhile, the business environment surrounding our customers has remained challenging due to multiple factors, including soaring prices of various goods and services and severe labor shortages, as well as a cloud of uncertainty that has begun to hang over corporate earnings attributable to the tariff policies pursued by the Trump administration in the U.S.

Under these circumstances, the Group divided its business domain into sectors and assigned executives to reflect the growth of its business domain and scale. By further clarifying their roles and functions, the Group aims for strategic planning and organizational development from a cross-organizational perspective, flexible and swift business operations, and generation of new synergies across the sectors.

In addition, to strengthen the sustainability as a company, the Group has also focused on building an organization that fosters leaders of the next generation. At the same time, the Group has 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. 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 nine months ended May 31, 2025, net sales were ¥283,438 million (up 20.3% year on year), operating profit was ¥24,206 million (up 2.9% year on year) and ordinary profit was ¥23,952 million (up 4.1% year on year). In addition, profit attributable to owners of parent was ¥13,567 million (up 4.3% year on year).

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

Please note that some reportable segments have changed from the three months ended November 30, 2024. For details of the changes, please refer to “2. Matters on changes in reportable segments, etc.” in “(Segment

information, etc.)” under “(3) Notes to Quarterly Consolidated Financial Statements” from “2. Quarterly Consolidated Financial Statements and Principal Notes.”

<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 the “U-NEXT” video distribution service and the “y.u mobile” MVNO service.

As of April 2025, “U-NEXT,” which provides abundant titles with unlimited viewing, offers more than 360,000 video titles such as movies and drama series, including rental titles, over 1.18 million e-books, including comics and book titles, and 200 plus magazines. “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 nine months ended May 31, 2025, video distribution services are continuing to take root as part of daily life. However, they are also subject to the process of selection and concentration by consumers.

In addition, fluctuations in the foreign exchange rates have a certain impact on content procurement costs.

Under these circumstances, “U-NEXT” has worked to enhance its distribution lineup with a wide variety of content, including popular content from overseas, including K-pop and K-drama content, drama series and variety programs currently broadcast on Tokyo Broadcasting System Television (TBS) and TV TOKYO, European soccer, domestic and overseas combat sports, golf tours, and other sports content, music, and live streaming.

Furthermore, in addition to videos, music, and live performances, we are also making an effort to enhance our lineup of e-books. We are strengthening our effort to develop and create video adaptations of original intellectual property with the aim of offering attractive and highly satisfying services.

We offered exclusive live streaming of boxing triple world title matches and “ONE 172: Takeru vs. Rodtang,” a combat sports event in March 2025 and the Billie Jean King Cup, the World Cup of women’s tennis, in April 2025.

In May 2025, together with Warner Bros. Discovery, we announced that we will distribute Japanese content to various countries in the world on “Max,” a video distribution service. As a result, Max users all around the world will be able to access high-quality Japanese content.

As a result, net sales and operating profit of the Content Distribution Business for the nine months ended May 31, 2025 were ¥94,998 million (up 17.4% year on year) and ¥7,754 million (up 17.2% 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., and U'S MUSIC Co., Ltd. The business offers music distribution and store DX services to stores and payment machines and management systems to facilities, among others.

In our music distribution service, we provide commercial stores, chain stores, and individual customers across Japan with music, information, etc. through optimal infrastructure, using dedicated receiving terminal devices.

In our store DX services, we provide to stores solutions necessary for store management, which include the “USEN Regi” POS cash register, support services for restaurants to attract customers, Wi-Fi, IP cameras, and digital signage. For such facilities as business hotels, leisure hotels, hospitals, clinics, and golf courses, we develop, manufacture, sell, and maintain automated payment machines, hotel management systems, reception machines, guidance display machines, etc.

USEN Camera Solutions Co., Ltd. launched its business specialized in camera solutions by consolidating camera businesses previously managed by multiple group companies from the current fiscal year. In addition, we spun off a division of field engineers of USEN CORPORATION into a separate company named USEN FIELDING Co., Ltd. It has newly obtained a construction business license and now takes charge of audio-related installation work and other field operations for a variety of solutions on a one-stop basis, including electricity, communications, POS cash registers, cameras, Karaoke machines, and robots.

During the nine months ended May 31, 2025, USEN CORPORATION launched in March 2025 a high-performance POS system “USEN Regi” for restaurants developed jointly with NTT DATA Japan Corporation. Multilingual mobile ordering and tablet ordering systems, which will be the solutions for the needs of attending foreign visitors to Japan, can also be introduced independently. We will thus further contribute to improving efficiency of restaurant operations.

In addition, we supported the MUSIC AWARDS JAPAN 2025, one of the largest international music awards in Japan, which was hosted by the Japan Culture and Entertainment Industry Promotion Association and held in May 2025. The Oshi-Katsu Request Artist of the Year powered by USEN, a special award created by USEN CORPORATION garnered over 40 million votes from fans.

In May 2025, USEN-ALMEX INC. launched “ATOI,” a guidance robot for clinics. The clinic industry is also facing labor shortages. This robot, which is capable of autonomously navigating through the clinic facility to perform various tasks in place of administrative staff, such as requesting patients to fill out medical questionnaires, scheduling their next appointments, and guiding them through the facility, is the first of its kind in the industry.

As a result, net sales and operating profit of the Store & Facility Solution Business for the nine months ended May 31, 2025 were ¥73,138 million (up 3.0% year on year) and ¥13,320 million (up 4.0% 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 communications business, and U-POWER Co., Ltd. in charge of the energy business.

For corporate customers, USEN ICT Solutions CORPORATION primarily provides services through our “USEN GATE 02” brand and proposes and sells ICT environment construction services as a “multi-service vendor” of ICT solutions, capitalizing on our strengths in that we are capable of proposing network, security, and cloud services comprehensively.

In addition, USEN Smart Works CORPORATION provides a variety of cloud services (SaaS service) to companies to support employees’ work styles in offices and also provides attentive support after service introduction.

For commercial stores, USEN NETWORKS Co., Ltd. mainly offers a variety of services according to the needs of customers, such as “USEN Hikari plus,” an optical line service provided by the Company; “USEN NET,” an ISP; and a next-generation IP telephone service.

U-POWER Co., Ltd. offers “U-POWER,” “USEN Electricity,” and “USEN GAS” services and has been promoting greener energy to be consumed by stores and facilities to help companies achieve ESG management and SDGs.

During the nine months ended May 31, 2025, services for corporate customers, the sales agency business, and the Company’s own optical line service continued to demonstrate robust performance.

At USEN NETWORKS Co., Ltd., through collaborations and efforts with various companies, we continued to see a steady increase in the number of new customers acquired for “USEN Hikari plus,” an optical line service for corporations provided by the Company. We are striving to make a shift from a model of acquiring one-shot fees to a model of acquiring running revenue, and the number of customers is steadily rising. In addition, in March 2025, we started to provide users of “USEN Hikari 01,” an optical line service, with “Rental Wireless Routers” with which they can effortlessly establish a wireless LAN environment.

U-POWER Co., Ltd. acquired all shares of Kukoku Energy, Inc. (currently U-POWER GREEN MARKETING Co., Ltd.) from Enellink Holdings, Inc. and made it a subsidiary in May 2025. As the movement toward achieving a decarbonized society accelerates, we will increase the pace of our business growth by swiftly and flexibly addressing the needs of our customers, aim to strengthen the organizational structure and functions of our retail electricity business within the Group, and work to provide more diverse and higher value-added electricity services.

As a result, net sales and operating profit of the Communication & Energy Business for the nine months ended May 31, 2025 were ¥112,876 million (up 38.5% year on year) and ¥8,754 million (down 8.5% year on year), respectively.

<Financial, Realty & Global 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., and USEN Fintech Co., Ltd.

The Financial, Realty & Global Business is expected to achieve significant growth and generate synergies with existing businesses. We have therefore positioned this business as a new business to grow with the aim of creating a fourth pillar of our business. We provide services, including installment sales, leases, cashless payment, non-life insurance, rent guarantee, commercial building management, and realty brokerage.

In addition, in the Global Business, we have established a new company in Malaysia as the halal food market is expected to expand rapidly. We will utilize the knowledge and know-how of the virtual restaurant business that the Group has developed in Japan to manufacture and sell Halal-certified food and operate a food delivery brand franchise business in Islamic regions, primarily in Southeast Asia.

In the nine months ended May 31, 2025, U-NEXT LIVING PARTNERS Co., Ltd. offered sales agency services for broadband lines primarily to residents of condominiums and apartment houses and worked to develop new sales channels and expand the range of products it carries. In addition, driven by the growing demand for IoT functions of condominiums, IoT related products to new condominiums and other properties and Wi-Fi bulk installation services were steadily sold.

USEN TRUST Co., Ltd. focuses primarily on the rent guarantee business and offers a wide variety of realty-related services, including an agency service for store solution services of USEN CORPORATION. In May 2025, we launched “Residence Rent Guarantee,” a rent guarantee service for residential properties. In an effort to draw on the strengths of the Group, we offer premium benefits of “U-NEXT” as part of the service. We also deliver a sense of security and trust at the time of signing the rental agreement. We thus provide services tailored to the respective needs of real estate agents, property owners, and tenants.

USEN REALTY Co., Ltd. has launched a commercial building management business in earnest and been acquiring realty properties. In pursuit of the “Unique Yet Universal,” we manage DX renovation, tenant leasing, and other operations to create “a better future for cities and communities.”

USEN Fintech Co., Ltd. provides Spayd, a cashless payment service, and offers a variety of OEM and ODM solutions to other companies’ brands. In May 2025, we succeeded USEN CORPORATION’s payment-related business through an absorption-type company split.

As a result, net sales and operating profit of the Financial, Realty & Global Business for the nine months ended May 31, 2025 were ¥8,004 million (up 18.4% year on year) and ¥1,220 million (down 0.3% year on year), respectively.

(2) Explanation of Financial Position

1) Status of assets, liabilities and net assets

(Assets)

Total assets at the end of the third quarter of the fiscal year ending August 31, 2025 increased by ¥23,754 million compared with the end of the previous fiscal year to ¥252,717 million.

Current assets increased by ¥14,261 million compared with the end of the previous fiscal year to ¥164,479 million mainly due to an increase in cash and deposits of ¥5,761million, an increase in notes and accounts receivable - trade of ¥80 million, an increase in inventories of ¥1,732 million, and an increase in prepaid expenses of ¥6,227 million.

Non-current assets increased by ¥9,493 million compared with the end of the previous fiscal year to ¥88,237 million mainly due to an increase in property, plant and equipment of ¥3,758 million, an increase in intangible assets of ¥6,532 million, and a decrease in investments and other assets of ¥797 million.

(Liabilities)

Current liabilities increased by ¥5,236 million compared with the end of the previous fiscal year to ¥76,765 million.

Non-current liabilities increased by ¥6,807 million compared with the end of the previous fiscal year to ¥72,206 million mainly due to an increase in long-term borrowings of ¥6,629 million and a decrease in retirement benefit liability of ¥75 million.

(Net assets)

Net assets increased by ¥11,711 million compared with the end of the previous fiscal year to ¥103,744 million mainly due to increases in retained earnings of ¥10,863 million and in non-controlling interests of ¥819 million.

2) Status of cash flows

The information is omitted as quarterly consolidated statements of cash flows for the nine months ended May 31, 2025 have not been prepared.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

In regard to the consolidated financial results forecast, the full-year consolidated financial results forecast remains unchanged from that announced in the consolidated financial results dated October 10, 2024.

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable. Actual results may differ significantly from those forecasts due to various factors.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of August 31, 2024	As of May 31, 2025
Assets		
Current assets		
Cash and deposits	52,738	58,499
Notes and accounts receivable - trade	41,246	41,327
Inventories	11,302	13,034
Prepaid expenses	40,694	46,922
Other	4,624	5,179
Allowance for doubtful accounts	(387)	(483)
Total current assets	150,218	164,479
Non-current assets		
Property, plant and equipment	21,056	24,815
Intangible assets		
Goodwill	39,490	40,883
Other	7,704	12,844
Total intangible assets	47,194	53,727
Investments and other assets		
Other	16,609	15,408
Allowance for doubtful accounts	(6,117)	(5,713)
Total investments and other assets	10,491	9,694
Total non-current assets	78,743	88,237
Total assets	228,962	252,717
Liabilities		
Current liabilities		
Notes and accounts payable - trade	30,989	34,462
Electronically recorded obligations - operating	2,697	1,980
Current portion of long-term borrowings	3,066	3,153
Income taxes payable	6,392	5,010
Other provisions	614	846
Other	27,769	31,312
Total current liabilities	71,529	76,765
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term borrowings	49,822	56,451
Provision for related facility repairs	63	54
Retirement benefit liability	2,246	2,171
Other	3,266	3,528
Total non-current liabilities	65,399	72,206
Total liabilities	136,928	148,972

(Million yen)

	As of August 31, 2024	As of May 31, 2025
Net assets		
Shareholders' equity		
Share capital	99	99
Capital surplus	29,786	29,786
Retained earnings	51,843	62,707
Treasury shares	(0)	(0)
Total shareholders' equity	81,729	92,593
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	40	80
Remeasurements of defined benefit plans	97	85
Total accumulated other comprehensive income	138	166
Non-controlling interests	10,166	10,985
Total net assets	92,033	103,744
Total liabilities and net assets	228,962	252,717

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
For the Nine Months Ended May 31

(Million yen)

	For the nine months ended May 31, 2024	For the nine months ended May 31, 2025
Net sales	235,537	283,438
Cost of sales	147,277	186,752
Gross profit	88,260	96,685
Selling, general and administrative expenses	64,726	72,478
Operating profit	23,533	24,206
Non-operating income		
Penalty income	74	118
Reversal of allowance for doubtful accounts	—	424
Share of profit of entities accounted for using equity method	50	115
Other	114	130
Total non-operating income	239	789
Non-operating expenses		
Interest expenses	375	570
Foreign exchange losses	237	226
Other	153	247
Total non-operating expenses	767	1,044
Ordinary profit	23,006	23,952
Extraordinary income		
Gain on sale of investment securities	165	31
Other	0	0
Total extraordinary income	165	31
Extraordinary losses		
Loss on retirement of non-current assets	467	464
Other	77	105
Total extraordinary losses	545	569
Profit before income taxes	22,626	23,413
Income taxes	8,937	9,026
Profit	13,689	14,387
Profit attributable to non-controlling interests	674	819
Profit attributable to owners of parent	13,014	13,567

Quarterly Consolidated Statements of Comprehensive Income
For the Nine Months Ended May 31

(Million yen)

	For the nine months ended May 31, 2024	For the nine months ended May 31, 2025
Profit	13,689	14,387
Other comprehensive income		
Valuation difference on available-for-sale securities	(56)	39
Remeasurements of defined benefit plans, net of tax	(0)	(11)
Total other comprehensive income	(57)	28
Comprehensive income	13,632	14,415
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,957	13,595
Comprehensive income attributable to non-controlling interests	674	819

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Significant changes in the scope of consolidation)

The company has excluded USEN Media CORPORATION and CANSYSTEM. CO., LTD. from the scope of consolidation due to an absorption-type merger as of September 1, 2024, in which USEN CORPORATION, a consolidated subsidiary, was the surviving company, and USEN Media CORPORATION and CANSYSTEM. CO., LTD. were the disappearing companies.

Also, during the six months ended February 28, 2025, the Company acquired all shares of NetMove Corporation (its trade name was changed to USEN Fintech Co., Ltd. as of March 1, 2025) and made it a wholly owned subsidiary of the Company. Accordingly, the company was included in the scope of consolidation.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Notes on changes in accounting policies)

(Application of "Accounting Standard for Current Income Taxes," Etc.)

The Company has applied the "Accounting Standard for Current Income Taxes" (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the "Revised Accounting Standard of 2022") and other relevant ASBJ regulations from the beginning of the first quarter of the fiscal year ending August 31, 2025. Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of paragraph 65-2 (2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022). The impact to the quarterly consolidated financial statements due to this change in accounting policies is minimal.

(Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements)

Tax expenses are calculated by making a reasonable estimate of the effective tax rate after applying tax effect accounting to profit before income taxes for the fiscal year, including the third quarter of the fiscal year ending August 31, 2025, and multiplying the profit before income taxes by this estimated effective tax rate.

(Segment information, etc.)

[Segment information]

I. Nine months ended May 31, 2024 (From September 1, 2023 to May 31, 2024)

1. Information on net sales and profit (loss) and information on disaggregation of revenue by reportable segment

(Million yen)

	Reportable segment					Adjustment (Note 1)	Amount recorded in the quarterly consolidated statements of income (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	8,542	29,446	12,443	2,829	53,261	3	53,265
Goods transferred over a certain period of time	72,095	40,932	66,189	1,607	180,824	39	180,864
Revenue from contracts with customers	80,638	70,378	78,633	4,436	234,086	43	234,130
Other revenue (Note 3)	—	—	—	1,407	1,407	—	1,407
Net sales to outside customers	80,638	70,378	78,633	5,843	235,493	43	235,537
Inter-segment sales or transfers	295	663	2,872	917	4,749	(4,749)	—
Total	80,933	71,042	81,506	6,761	240,243	(4,705)	235,537
Segment profit	6,614	12,812	9,566	1,224	30,218	(6,684)	23,533

(Notes) 1. The adjustment for segment profit of ¥(6,684) 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.

2. Segment profit is adjusted with operating profit reported in the quarterly consolidated statements of income.

3. Other revenue is revenue based on the Accounting Standard for Financial Instruments (ASBJ Statement No. 10; July 4, 2019).

2. Information on impairment loss on non-current assets and goodwill by reportable segment

Not applicable.

II. Nine months ended May 31, 2025 (From September 1, 2024 to May 31, 2025)

1. Information on net sales and profit (loss) and information on disaggregation of revenue by reportable segment

(Million yen)

	Reportable segment					Adjustment (Note 1)	Amount recorded in the quarterly consolidated statements of income (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	8,513	29,236	13,401	2,986	54,137	—	54,137
Goods transferred over a certain period of time	86,197	42,618	96,182	2,283	227,281	40	227,322
Revenue from contracts with customers	94,711	71,854	109,583	5,270	281,419	40	281,459
Other revenue (Note 3)	—	—	—	1,978	1,978	—	1,978
Net sales to outside customers	94,711	71,854	109,583	7,248	283,398	40	283,438
Inter-segment sales or transfers	287	1,284	3,293	756	5,621	(5,621)	—
Total	94,998	73,138	112,876	8,004	289,019	(5,580)	283,438
Segment profit	7,754	13,320	8,754	1,220	31,050	(6,843)	24,206

- (Notes) 1. The adjustment for segment profit of ¥(6,843) 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.
2. Segment profit is adjusted with operating profit reported in the quarterly 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).

2. Matters on changes in reportable segments, etc.

(Changes in reportable segments)

The Company had introduced a sector-based framework for our internal management system, and by the internal reorganization implemented on September 1, 2024, the roles and functions according to the services of each business of the Group have been clarified, and internal management and operational control systems based on the sector-based framework have been established. Accordingly, in the first quarter of the fiscal year ending August 31, 2025, the Company changed its reportable segments. They previously consisted of the Content Distribution Business, the Store Services Business, the Communications Business, the Business Systems Business, and the Energy Business. They now consist of the Content Distribution Business, the Store & Facility Solution Business, the Communication & Energy Business, and the Financial, Realty & Global Business.

The segment information for the nine months ended May 31, 2024 has been recategorized based on the reportable segments used for the nine months ended May 31, 2025.

3. Information on impairment loss on non-current assets and goodwill by reportable segment

Not applicable.

(Notes on statements of cash flows)

Quarterly consolidated statements of cash flows for the nine months ended May 31, 2025 have not been prepared. Depreciation (including amortization of intangible assets except for goodwill) and amortization of goodwill for the nine months ended May 31, 2024 and 2025 are as follows:

	For the nine months ended May 31, 2024	For the nine months ended May 31, 2025
Depreciation	5,101 million yen	5,964 million yen
Amortization of goodwill	2,359 million yen	2,467 million yen

Independent Auditor's Interim Review Report on Quarterly Consolidated Financial Statements
(English Translation)

July 10, 2025

To the Board of Directors of U-NEXT HOLDINGS Co., Ltd.

BDO Sanyu & Co.

Tokyo Office

Suzue Masuda	Certified Public Accountant	Designated Partner Engagement Partner
Hiroaki Nakanishi	Certified Public Accountant	Designated Partner Engagement Partner
Satoru Yoshida	Certified Public Accountant	Designated Partner Engagement Partner

Conclusion

We have performed an interim review on the Quarterly Consolidated Financial Statements of U-NEXT HOLDINGS Co., Ltd. (the “Company”) presented in the Attachments of the Quarterly Consolidated Financial Results, which comprise the Quarterly Consolidated Balance Sheets as of May 31, 2025, Quarterly Consolidated Statements of Income and Comprehensive Income for the nine months then ended, and the Notes to Quarterly Consolidated Financial Results.

In our interim review, nothing has come to our attention that causes us to believe that the aforementioned Quarterly Consolidated Financial Statements are not prepared, in all material respects, in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange, Inc. and accounting standards that are generally accepted in Japan for quarterly financial statements with omissions of certain disclosure items permitted by the Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements.

Basis for Conclusion

We conducted an interim review in accordance with interim review standards generally accepted in Japan. Our responsibility under those standards is further described in the section titled “Auditor’s Responsibility in the Interim Review of the Quarterly Consolidated Financial Statements” in this report. We are independent of the Company and its consolidated subsidiaries in accordance with the professional ethics regulations in Japan and have fulfilled our other ethical responsibilities as an auditor. We believe that we have obtained evidence to provide a basis for our conclusion.

Responsibilities of Management, Audit & Supervisory Board Members, and the Audit & Supervisory Board for the Quarterly Consolidated Financial Statements

Management is responsible for the preparation of the Quarterly Consolidated Financial Statements in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange, Inc. and accounting standards that are generally accepted in Japan for quarterly financial statements with omissions of certain disclosure items permitted by the Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements. This includes designing and operating such internal control as management determines necessary to enable the preparation of the Quarterly Consolidated Financial Statements that are free from

material misstatement, whether due to fraud or error.

In preparing the Quarterly Consolidated Financial Statements, management is responsible for assessing whether it is appropriate to prepare the Quarterly Consolidated Financial Statements based on a going concern assumption and disclosing, if necessary, matters related to going concern in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange, Inc. and accounting standards that are generally accepted in Japan for quarterly financial statements with omissions of certain disclosure items permitted by the Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the execution of duties by Directors in designing and operating the financial reporting process.

Auditor's Responsibility in the Interim Review of the Quarterly Consolidated Financial Statements

Our responsibility is to express a conclusion in an interim review report from an independent perspective on the Quarterly Consolidated Financial Statements based on our interim review as an independent auditor.

We make professional judgment and maintain professional skepticism throughout the interim review process in accordance with the interim review standards generally accepted in Japan to do the following.

- Make inquiries, primarily with management and persons responsible for financial and accounting matters, and apply analytical procedures and other interim review procedures. Such a review is substantially less in scope than an audit of the financial statements for the fiscal year conducted in conformity with auditing standards generally accepted in Japan.
- Conclude based on the evidence obtained on whether anything has come to our attention that causes us to believe that the Quarterly Consolidated Financial Statements are not prepared in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange, Inc. and accounting standards that are generally accepted in Japan for quarterly financial statements with omissions of certain disclosure items permitted by the Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements if we determine that a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. In addition, if we determine that a material uncertainty exists, we are required to draw attention in our auditor's interim review report to notes to the Quarterly Consolidated Financial Statements, or if such notes are inadequate, to express a qualified or adverse conclusion. Our conclusions are based on evidence obtained up to the date of our interim review report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether anything has come to attention that causes us to believe that the presentation of and notes to the Quarterly Consolidated Financial Statements are not prepared in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange, Inc. and accounting standards that are generally accepted in Japan for quarterly financial statements with omissions of certain disclosure items permitted by the Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements.
- Obtain evidence regarding financial information of the Company and its consolidated subsidiaries as a basis for expressing a conclusion on the Quarterly Consolidated Financial Statements. We are responsible for the direction, supervision, and implementation related to the interim review on the Quarterly Consolidated Financial Statements. We remain solely responsible for our conclusion.

We report to Audit & Supervisory Board Members and the Audit & Supervisory Board on the planned scope and timing of the interim review and significant interim review findings.

We also report to Audit & Supervisory Board Members and the Audit & Supervisory Board that we have complied with the regulations in Japan on professional ethics regarding independence as well as matters that are reasonably considered to have an impact on the auditor's independence, and where applicable, measures taken to eliminate inhibiting factors or safeguards applied to reduce them to an acceptable level.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its engagement partners do not have any interest in the Company and its consolidated subsidiaries that is required to be disclosed by the Certified Public Accountants Act of Japan.

End

Notes:

1. The original copy of the above Independent Auditor's Interim Review Report is in the custody of the Company (a company that discloses quarterly financial results).
2. The XBRL data and HTML data are excluded from the scope of the interim review.
3. This is an English translation of the Independent Auditor's Interim Review Report, originally prepared in Japanese, prepared only for the convenience of the reader. BDO Sanyu & Co. have not applied any such procedures, nor have they performed an audit on the English version of the quarterly consolidated financial statements for the above-mentioned period.