
Third Quarter, Fiscal Year Ending March 2021

Financial Results

February 4, 2021



United, Inc.
(TSE Mothers : code 2497)



Agenda

1	Financial Highlights of the First Nine Months of FY03/21	P 1
2	Performance by Segment in Q3 FY03/21	P 4
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Financial Highlights of Q3 FY03/21

Consolidated Operating Performance

Sales : ¥13,859 million (-13% YoY)
Operating Income : ¥5,693 million (+74% YoY)

Excluding the Investment Segment:

Sales: ¥8,000 million (-25% YoY)
Operating Income: ¥100 million (+¥1,712 million YoY)

Growth Drivers

DX Platform Segment

Sales: ¥1,897 million (+58% YoY)
Operating Income: ¥28 million (-77% YoY)

KIRAMEX Co.
Brewus, Inc.

Q3 quarterly earnings **P6**

Investment Segment

Sales: ¥5,858 million (+11% YoY)
Operating Income: ¥5,592 million (+15% YoY)

Investment Business
VENTURE UNITED, inc .

Q3 quarterly earnings **P13**

Earnings Drivers

Ad Technology Segment

Sales: ¥4,299 million (-17% YoY)
Operating Income: ¥626 million (+1% YoY)

App Install Ad
Web Ad
Marketing

Q3 quarterly earnings **P15**

Content Segment

Sales: ¥1,818 million (-58% YoY)
Operating Income: ¥184 million (+¥1,787 million YoY)

Fogg, inc.
International Sports
Marketing Co., Ltd.
TREiS, inc.

Q3 quarterly earnings **P16**

Consolidated P/L Statement

Gross profit increased 13% YoY due to continued growth of the DX Platform Segment and the recording of fund performance fees in the Investment Segment.

SG&A expenses dropped by 40% YoY due to a decrease in goodwill amortization and personnel expenses due to paring down the business portfolio in addition to cost reductions accompanying a shift to a telework system.

(Millions of yen)	Q3 FY03/20		Q3 FY03/21		YoY	
		Excl. Investment Segment		Excl. Investment Segment		Excl. Investment Segment
Sales	15,984	10,697	13,859	8,000	△ 13%	△ 25%
Gross profit	7,077	2,102	7,984	2,289	+13%	+9%
SG&A expenses	3,810	3,714	2,291	2,188	△ 40%	△ 41%
Goodwill amortization	791	791	86	86	△ 89%	△ 89%
Other	3,018	2,923	2,205	2,102	△ 27%	△ 28%
Operating Income	3,267	△ 1,612	5,693	100	+74%	+1,712
Non-operating income	7	7	92	92	+1,147%	+1,147%
Non-operating expenses	51	51	7	7	△ 43	△ 43
Ordinary Income	3,223	△ 1,655	5,777	185	+79%	+1,841
Extraordinary profit	89	89	18	18	△ 79%	△ 79%
Extraordinary loss	3,363	3,363	177	177	△ 95%	△ 95%
Profit before income taxes	△ 50	△ 4,930	5,619	27	+5,670	+4,957
Net Income [※]	402	N/A	3,850	N/A	+857%	N/A

Agenda

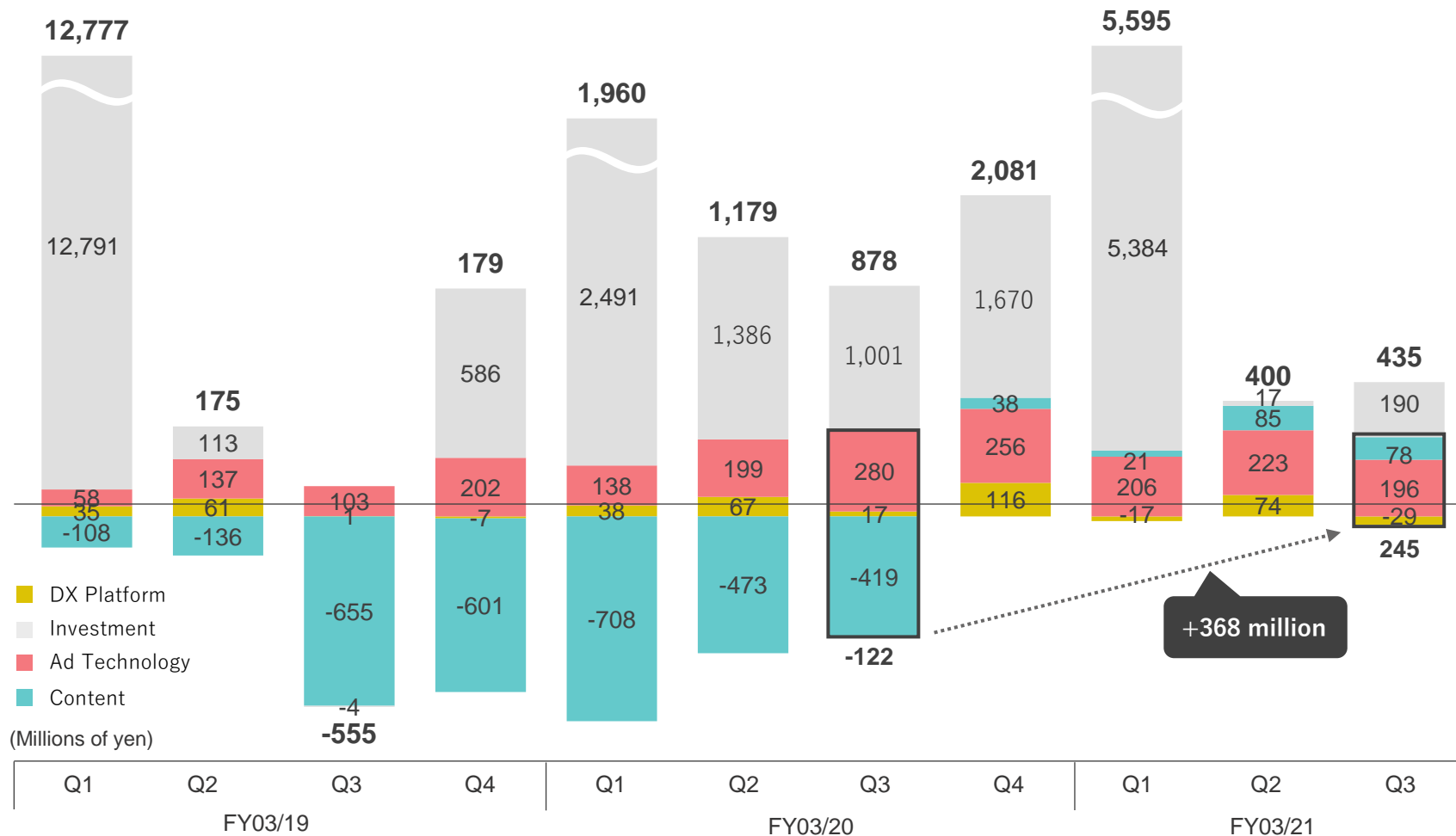
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Operating Income, by Segment

Operating income fell YoY in Q3 on increased costs stemming from the addition of development resources and stepping up promotions in the DX Platform Segment.

Meanwhile, the Content Segment returned to the black, causing the three-segment total (Investment Segment excluded) to increase by ¥368 million YoY.

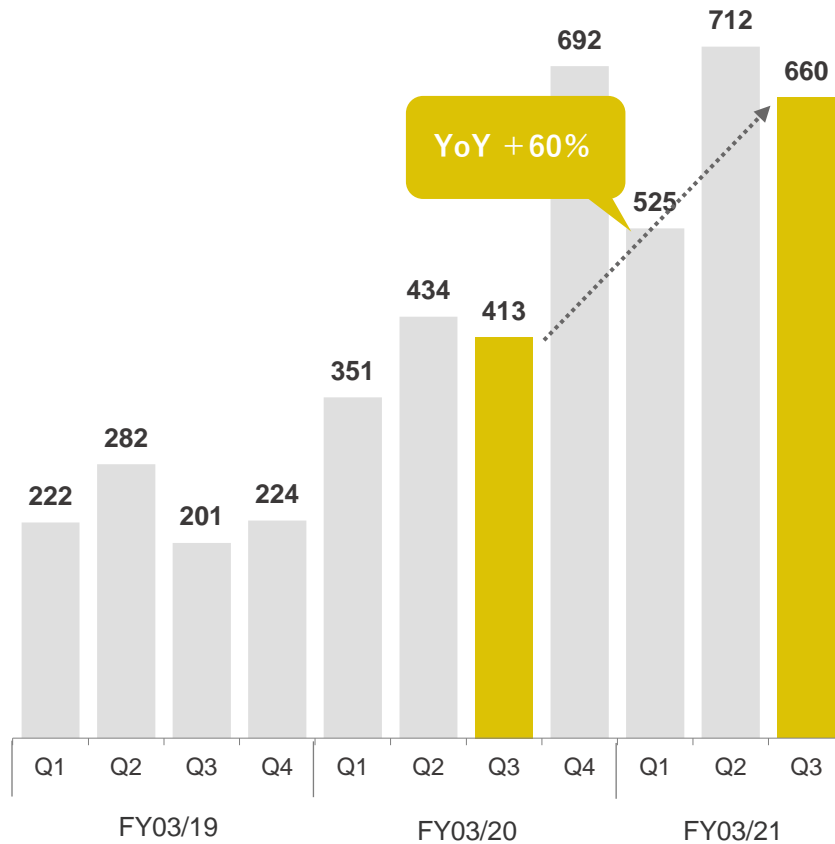


DX Platform Segment: Sales and Operating Income

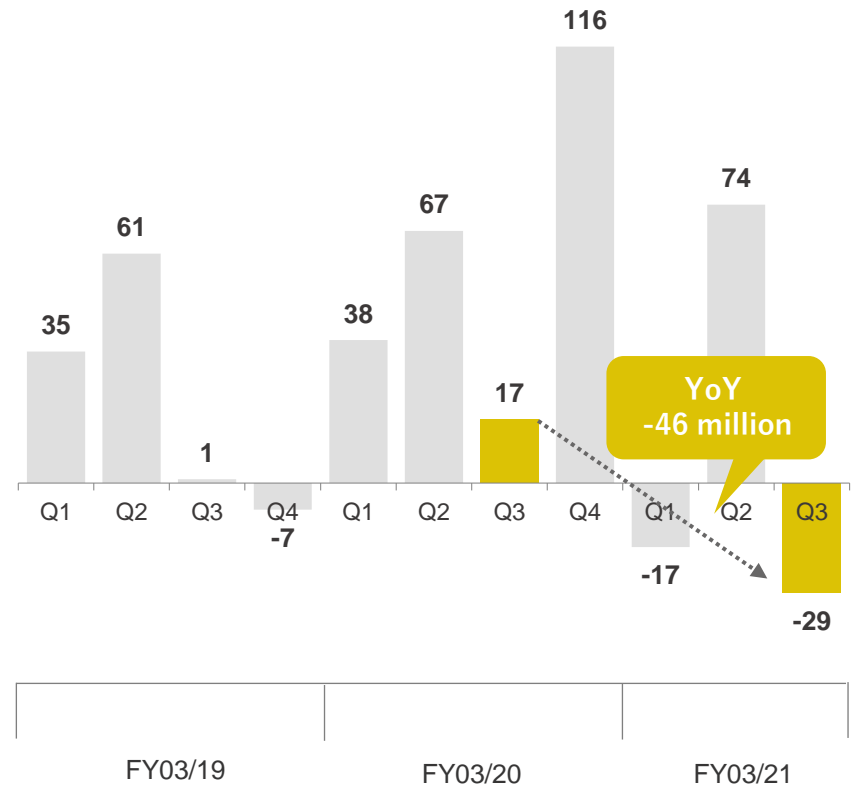
Q3 sales increased 60% YoY due to continued growth of KiRAMEX Co.

Operating income fell by ¥46 million YoY due an increase in costs caused by the addition of development resources at Brewus, Inc. and stepping up promotions of KiRAMEX Co.

Sales Trend (Millions of yen)



Operating Income Trend (Millions of yen)



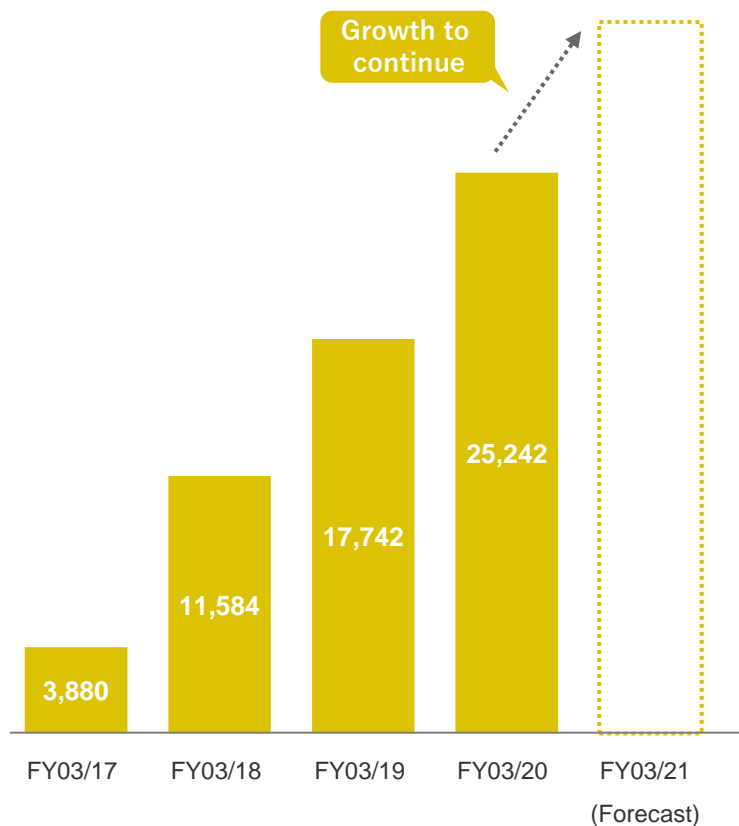
Highlights of KiRAMEX Co.

Q3 sales increased 88% YoY on continued business growth.

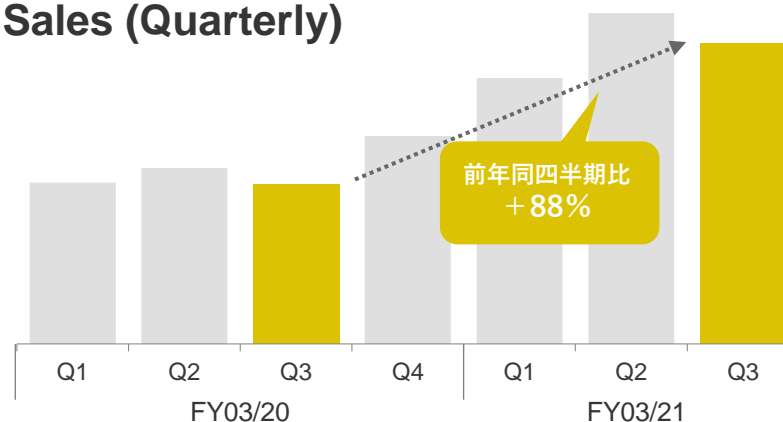
Operating income increased 91% YoY even after stepping up promotions.

From Q4 onward, our policy is to emphasize expansion of the top line, and we plan to further step up promotions.

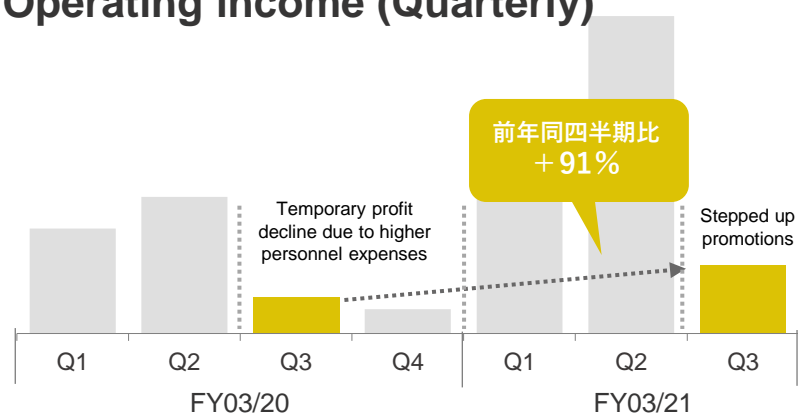
Number of Students (FY)*



Sales (Quarterly)



Operating income (Quarterly)

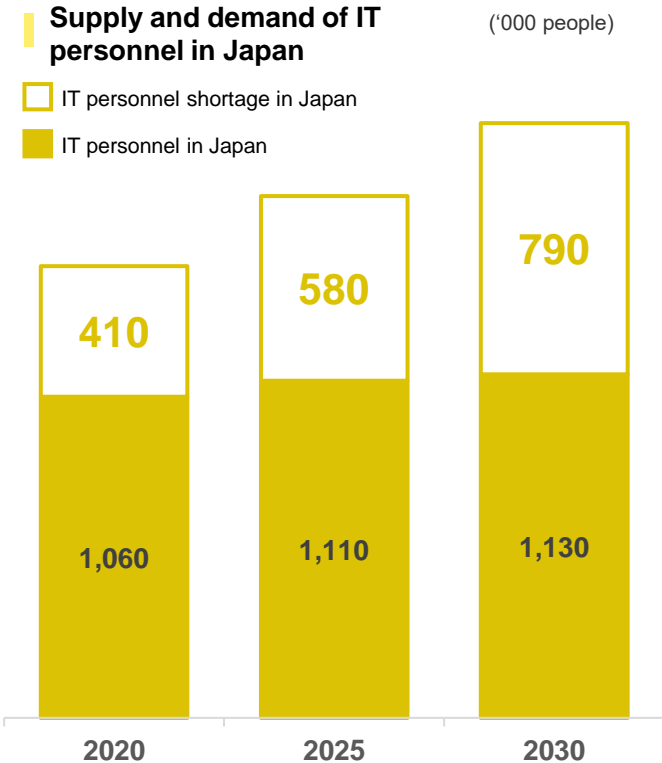


*Total for paying/free members of Online Bootcamp and corporate training.

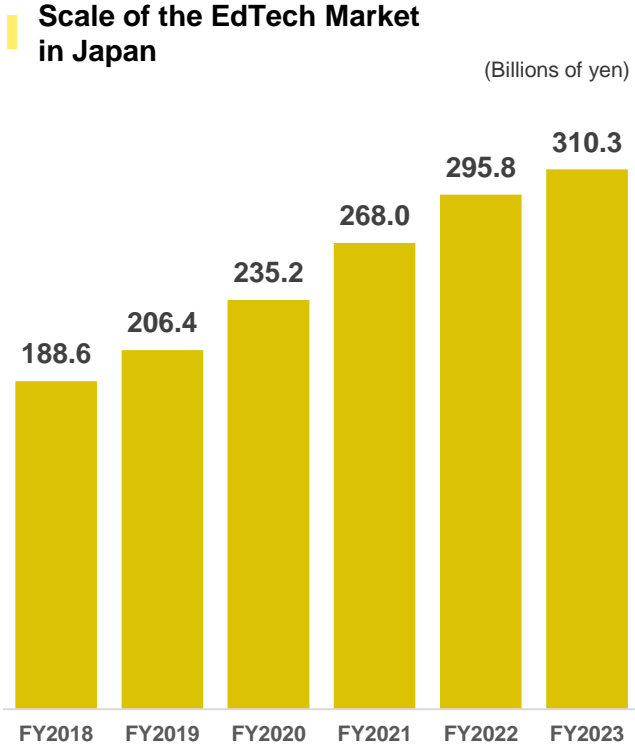
KiRAMEX Co.'s growth drivers: Increase in demand for online programming education

As personnel shortages in the domestic IT field become more severe, demand to train IT personnel is increasing, and we expect demand for programming education to expand moving forward. Further, the diffusion of online study programs is accelerating due to growth of the EdTech market.

Expanding IT Personnel Shortages ^{*1}



Growing EdTech Market ^{*2}



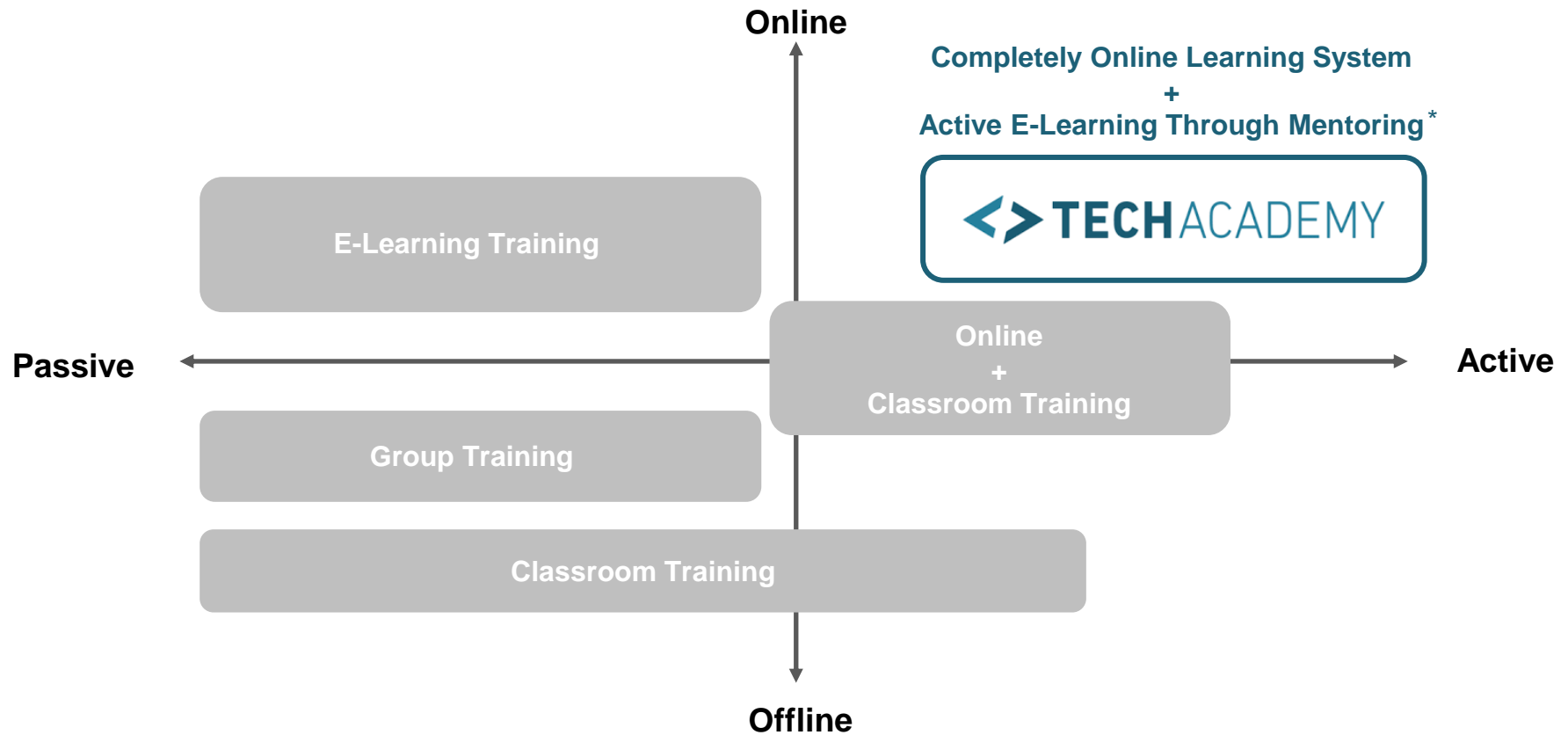
*1: Ministry of Economy, Trade and Industry "Survey on Supply and Demand of IT Human Resources" (2019). IT personnel defined as including systems consultants and designers, software creators, and other information processing and communication engineers.

*2: Nomura Research Institute's growth forecasts for EdTech spending in "Current Status of and Issues in the EdTech Market" (2018)

KiRAMEX Co.'s growth drivers.: Unique Position

By combining active e-learning with fully online programs, for which demand is anticipated in the future, we have achieved differentiation with conventional programs such as in-person classes and passive learning formats, and created a unique position in the market.

We have also built multiple advantages over the players competing in the same field.



*A learning style that combines a philosophy of active learning through two-way communication with online learning (e-learning), in contrast to the traditional approach whereby students passively absorb knowledge from an instructor.

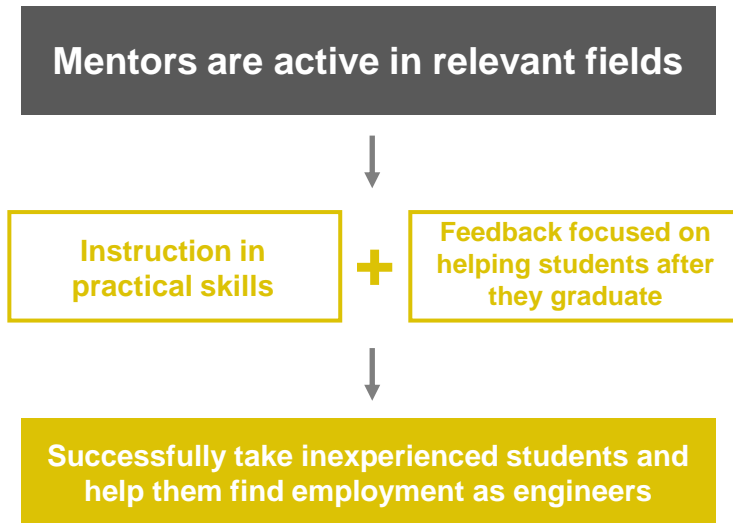
KIRAMEX Co.'s Competitive Advantage: Acquisition of Practical Skills from Engineers Employed in Relevant Fields

Using engineers employed in relevant fields as mentors makes it possible for students to acquire practical skills.

Thanks to high-quality learning, the number of companies looking to recruit our graduates is increasing.

Acquisition of Practical Skills

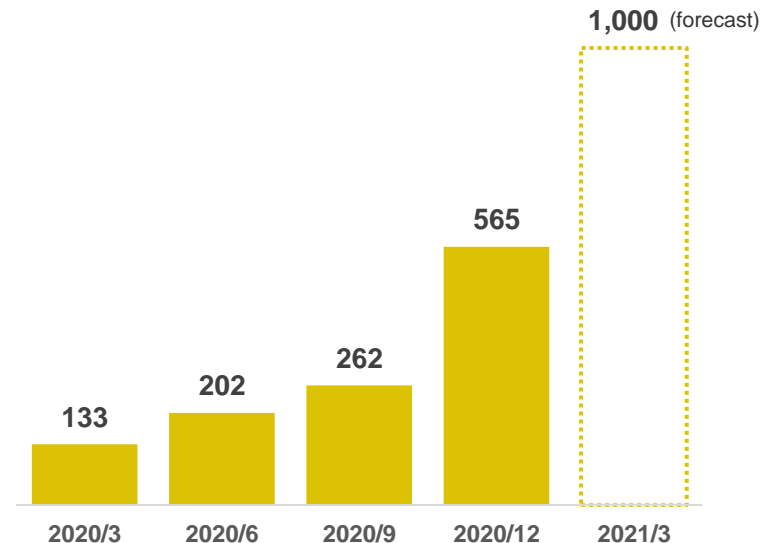
Effect of instruction from engineers employed in relevant fields



High-quality Learning Affirmed by Rising Number of Companies Recruiting Our Graduates

Companies intending to recruit graduates*

(Number of Companies)



*Number of companies indicating their intention to hire TechAcademy graduates at the end of each quarter

KiRAMEX Co.'s Competitive Advantage: the Number of Courses in the Industry

KiRAMEX Co. offers more than 50 courses where students can learn cutting-edge technologies such as AI and blockchain, in addition to basic apps and web development.



KiRAMEX Co.: Business Tie-Up with CAMELORS, Inc. and Let Inc.

KiRAMEX Co. forged business tie-ups with multiple companies in other industries to enhance TechAcademy's services and expand the course selection.

Business Tie-Up with CAMELORS, Inc.



By partnering with CAMELORS Inc., which operates SOKUDAN, a service that matches human resources such as engineers with companies, we will help to create opportunities for TechAcademy graduates to take on freelance projects.

Representative **CAMELORS, Inc.**

Yasuyuki Tane

Business

Development and operation of SOKUDAN, a matching platform for outsourced work

Business Tie-Up with Let Inc.



By collaborating with Let Inc., which runs e-commerce service "Let," we established a TechAcademy course for training personnel in the e-commerce field for employment at producers and individual retailers across Japan.

Representative **Let Inc.**

Katsuaki Sato

Business

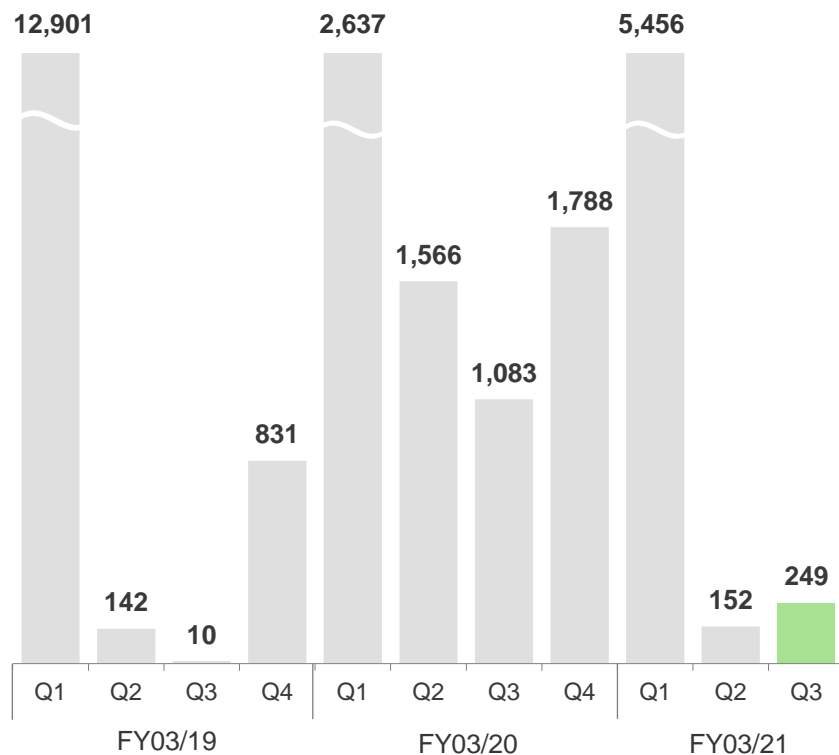
Development and operation of Let, a marketplace for imperfect merchandise.

Investment Segment: Sales and Breakdown of Operational Investment Securities

The segment achieved Q3 sales of ¥249 million mainly on fund performance fees recorded by Venture United, Inc.

At end-Q2, operational investment securities totaled ¥28,773 million.*

Sales Trend (Millions of yen)



Breakdown of Operational Investment Securities

	Investee Companies	As of December 30, 2020 (amount on BS)
Listed shares	Mercari, Inc. SOCIALWIRE Co., Ltd. CyberBuzz, Inc.	Approx. ¥24.7 Bn
Unlisted shares	More than 50 companies	Approx. ¥2.7 Bn
Investment in funds as LP	More than 25 funds	Approx. ¥1.4 Bn

* Of this amount, operational investment securities related to Mercari totaled ¥24,018 million (3.3% of voting rights held, as of December 30, 2020). Unlisted shares are valued at investment book value; listed shares are marked to market.

Investment Segment: Investment Portfolio

Major Directly Invested Start-ups

Post IPO

mercari ビザスク

SocialWire Group CyberBuzz

Middle ~ Later

dely WonderPlanet

excite FIREBUG
Entertainment Startup

GRACIA

MONOKABU

ネタイイ
NEXT INNOVATION

Seed ~ Early

Studyplus Findy

subslife Jiraffe

SORA

Hacobu™

Payke

Full Kaiten PoliPoli

Major Invested Funds as LP

XTech Ventures East Ventures

anri SKYLAND VENTURES if IncubateFund

INFINITY VENTURES Samurai Incubate Inc.

CyberAgent Capital WIL
WORLD INNOVATION LAB

GMO VENTURE PARTNERS

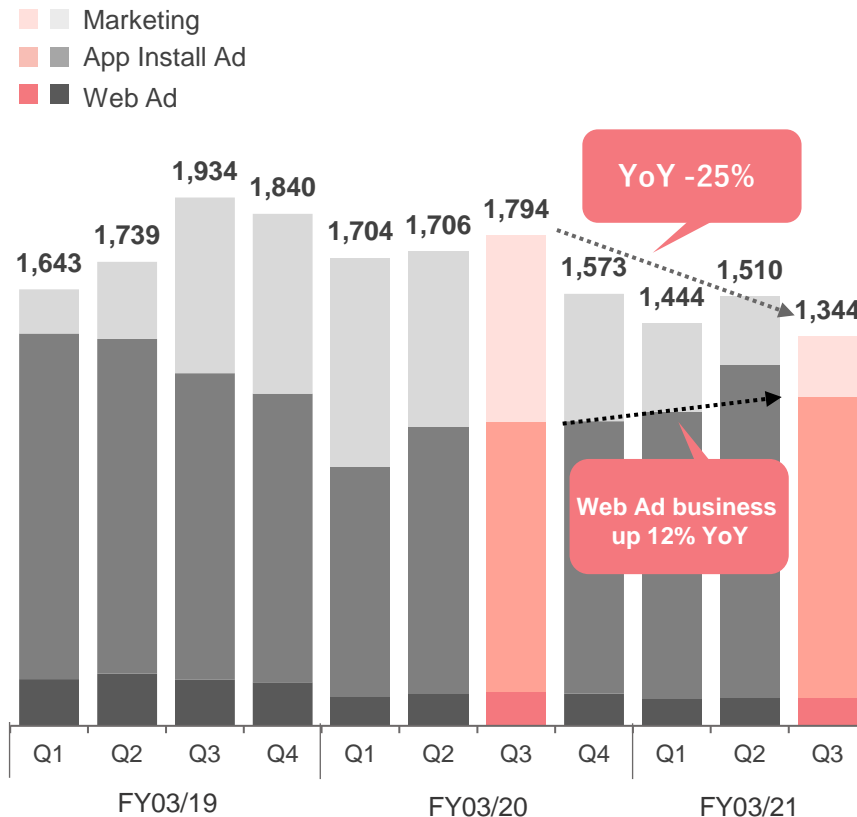
THE SEED Full Commit Partners @START
Space @START Fund

Ad Technology Segment: Sales and Operating Income

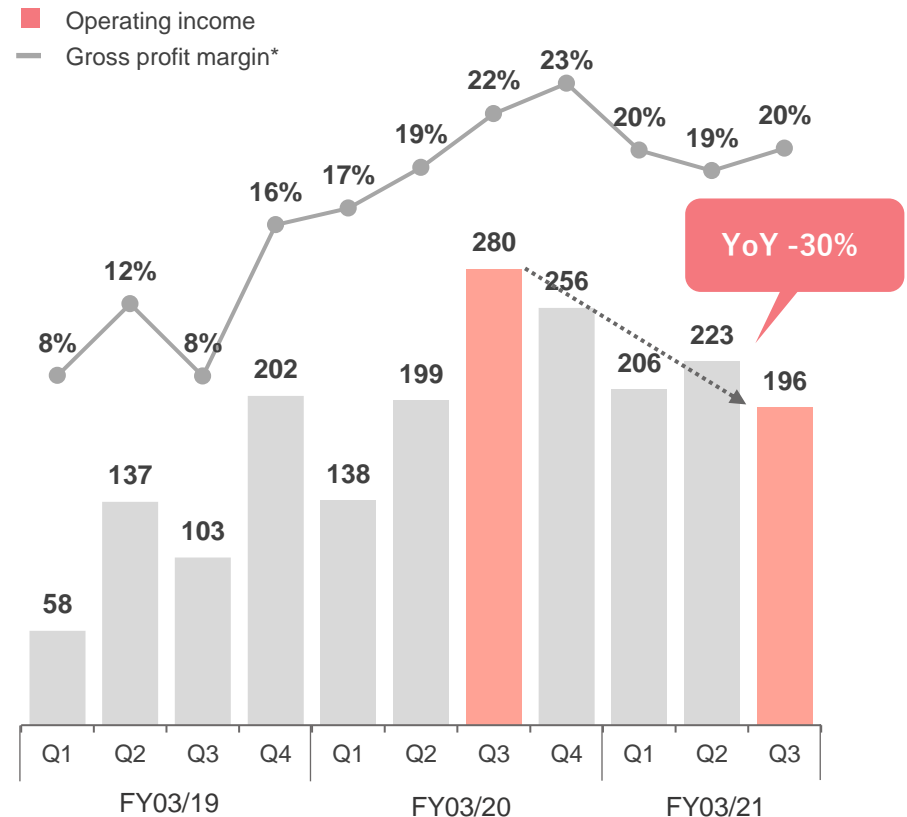
Both sales and operating income decreased YoY in Q3 due to contraction in the App Install Ad business, which we plan to discontinue within the current fiscal year.

Meanwhile, sales in the Web Ad business, which will be continued, increased by 12% YoY.

Sales Trend (Millions of yen)



Operating Income Trend (Millions of yen)



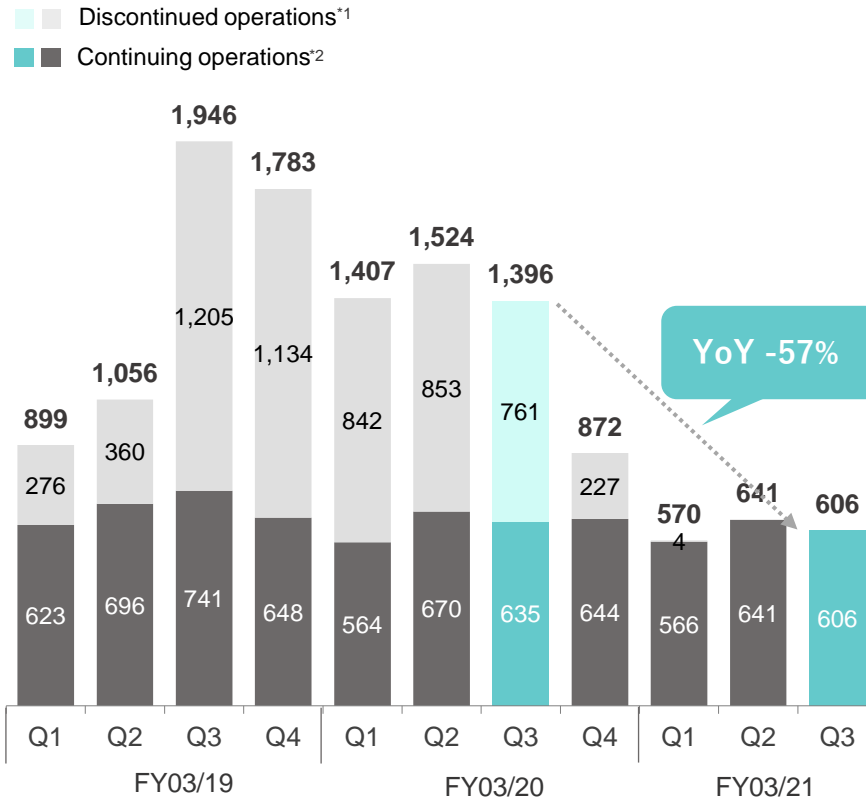
* Gross profit margin trends excluding the marketing business.

Content Segment: Sales and Operating Income

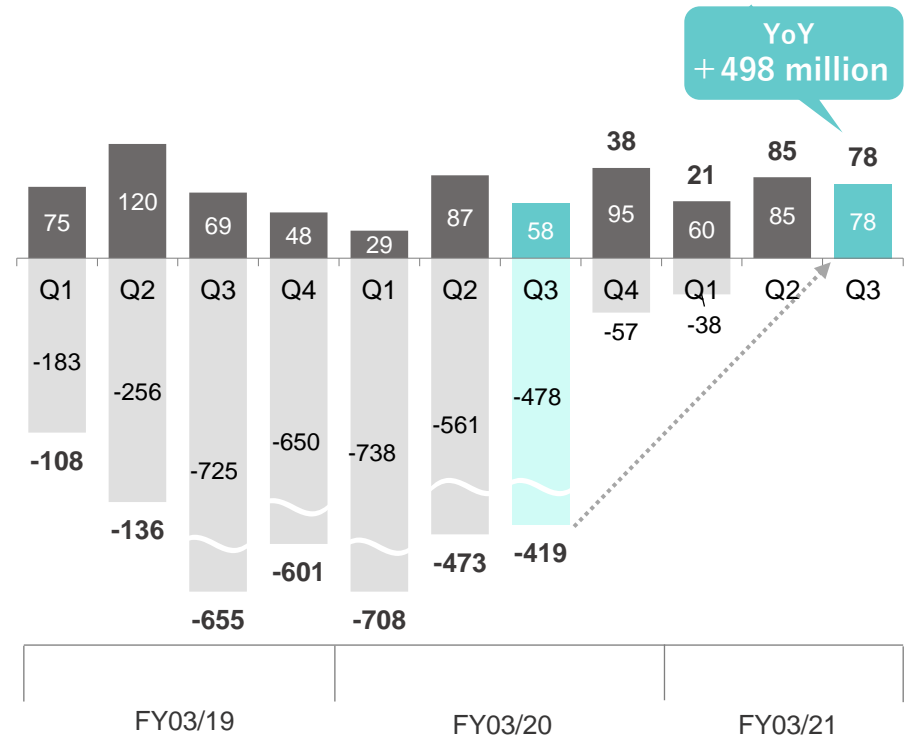
Q3 sales were down 57% YoY as we pared down the business portfolio.

Operating income increased by ¥498 million YoY due to the discontinuation of some operations and a certain amount of earnings generation in the areas in which we will continue to operate.

Sales Trend (Millions of yen)



Operating Income Trend (Millions of yen)



*1: Smarprise, Inc., ALAN-PRODUCTS, Inc., RAPS Inc., CocoPPa Dolls, etc.

*2: Fogg, inc., TREiS, inc., International Sports Marketing Co., Ltd., CocoPPa Play

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FY03/21: Full-Year Consolidated Forecast

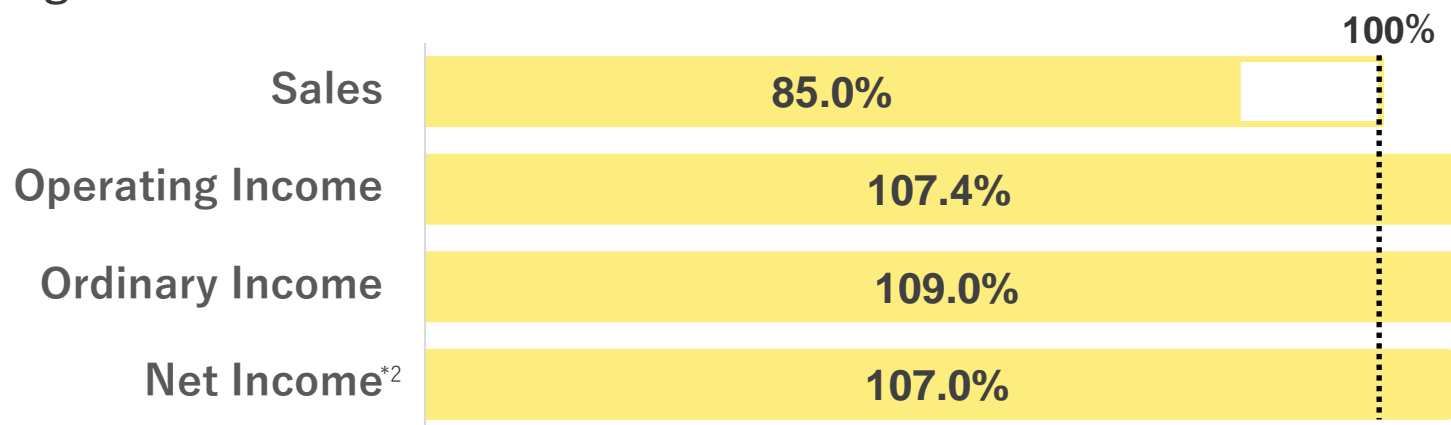
Operating income, ordinary income, and net income have surpassed the full-year earnings forecast. However, we expect to record an operating loss in Q4 as we step up promotions of KiRAMEX Co. and finish the fiscal year in line with plan.

Consolidated Forecast ^{*1}

Net income expected to increase 156% YoY in the absence of the extraordinary loss from business portfolio consolidation recorded in FY03/20

Sales:	¥16,300 million	(YoY -22%)
Operating Income:	¥5,300 million	(YoY +4%)
Ordinary Income:	¥5,300 million	(YoY +4%)
Net Income^{*2}:	¥3,600 million	(YoY +156%)

Progress toward the full-Year Consolidated Forecast



*1 Earnings forecasts are formulated based on actual results through Q2 and other available information and forecasts.

*2 Refers to net income attributable to owners of parent.

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Consolidated P/L Statement Q3 FY03/21

(Millions of yen)	Q3 FY03/20	Q2 FY03/21	Q3 FY03/21	Difference	
				YoY	QoQ
Sales	4,679	3,013	2,850	△ 39%	△ 5%
DX Platform Segment	413	712	660	+60%	△ 7%
Investment Segment	1,083	152	249	△ 77%	+63%
Ad Technology Segment	1,794	1,510	1,344	△ 25%	△ 11%
Content Segment	1,396	641	606	△ 57%	△ 5%
Other Segment	△ 8	△ 3	△ 10	△ 2	△ 7
Gross Profit	1,843	925	931	△ 49%	+1%
DX Platform Segment	134	234	150	+11%	△ 36%
Investment Segment	1,024	82	208	△ 80%	+152%
Ad Technology Segment	455	334	307	△ 32%	△ 8%
Content Segment	228	275	264	+16%	△ 4%
Other Segment	0	△ 2	△ 0	△ 0	+1
SG&A expenses	1,204	760	703	△ 42%	△ 8%
Operating Income	639	164	227	△ 64%	+39%
DX Platform Segment	17	74	△ 29	△ 46	△ 103
Investment Segment	1,001	17	190	△ 81%	+1,007%
Ad Technology Segment	280	223	196	△ 30%	△ 12%
Content Segment	△ 419	85	78	+498	△ 9%
Other Segment	△ 239	△ 236	△ 208	+31	+28
Ordinary Income	644	256	217	△ 66%	△ 15%
Net Income *	△ 870	16	127	+998	+673%

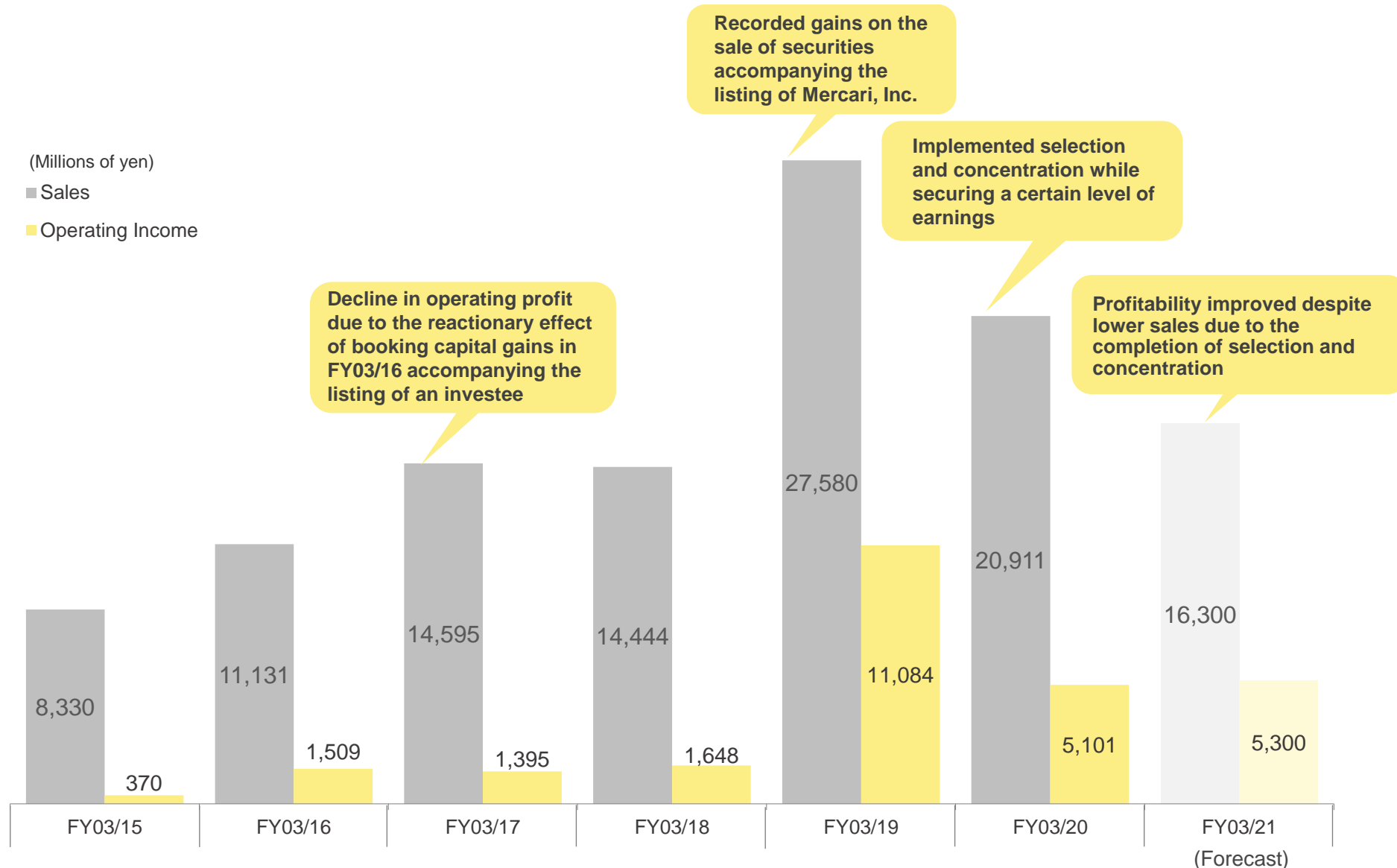
*: Refers to net income attributable to owners of parent.

Consolidated Balance Sheet for End of Q3 FY03/21

(Millions of yen)	End of FY03/20 (Mar. 31, 2020)	End of Q3 FY03/21 (September. 30, 2020)	Difference
Current Assets	32,000	43,830	+11,829
Cash & Deposits	8,381	13,403	+5,021
Operating Investment Securities	20,992	28,773	+7,780*
Non Current Assets	1,591	1,314	△ 276
Amortization of Goodwill	114	28	△ 86
Total Assets	33,592	45,145	+11,553
Current Liabilities	2,124	3,156	+1,031
Non Current Liabilities	4,935	7,423	+2,487
Deferred Tax Liabilities	4,582	7,298	+2,715*
Total Liabilities	7,060	10,579	+3,519
Net Assets	26,532	34,566	+8,033
Unrealized Gain on Securities	11,662	16,991	+5,329*

* : Of this amount, the impact of revaluation (mark-to-market) and disposal of operational investment securities (listed shares) was as follows:
operational investment securities +¥7,772 million, deferred tax liabilities +¥2,379 million, valuation difference on available-for-sale securities: +¥5,392 million

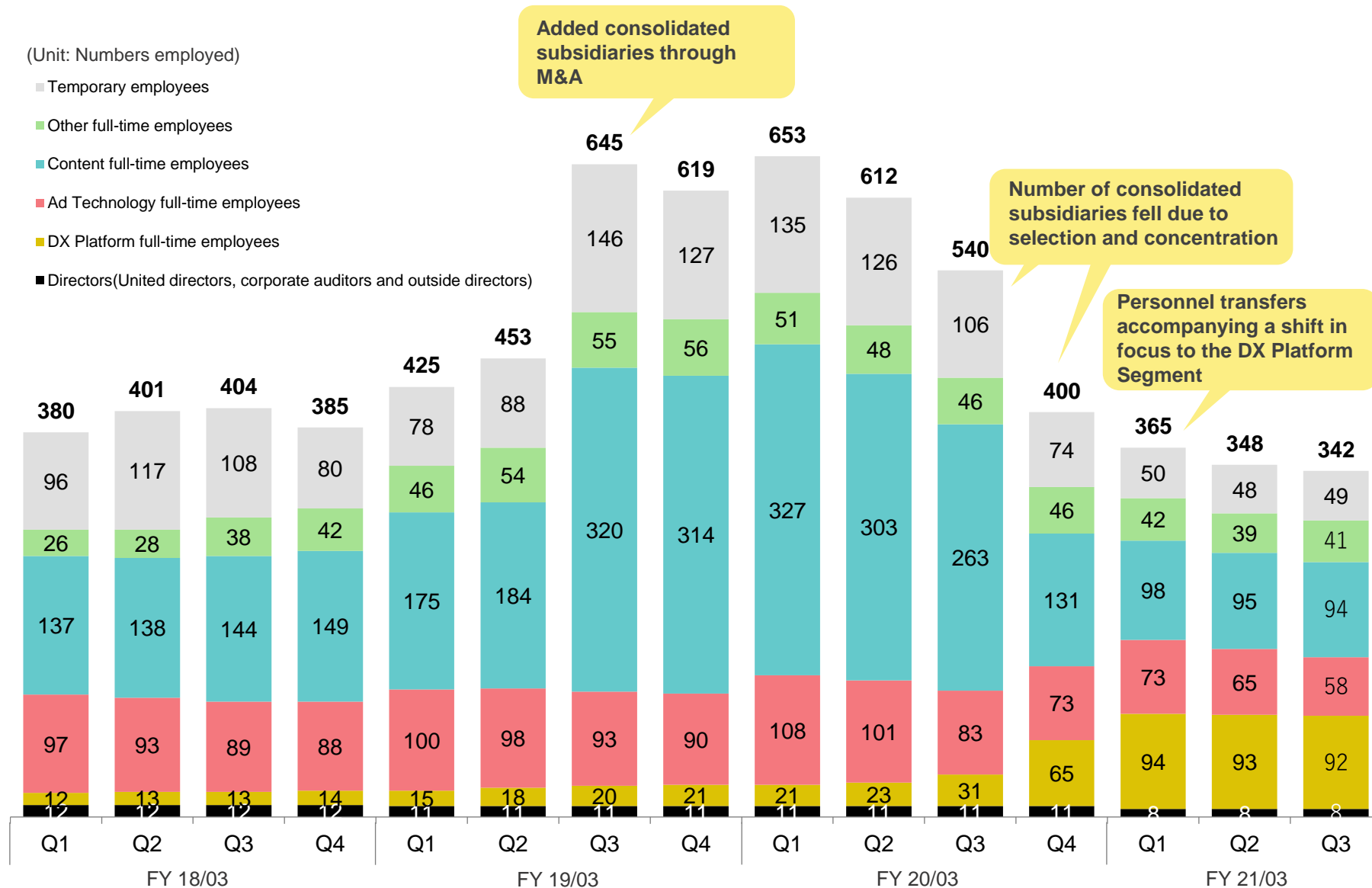
Consolidated Sales and Operating Income in Previous Fiscal Years



Number of Consolidated Employees and Directors

(Unit: Numbers employed)

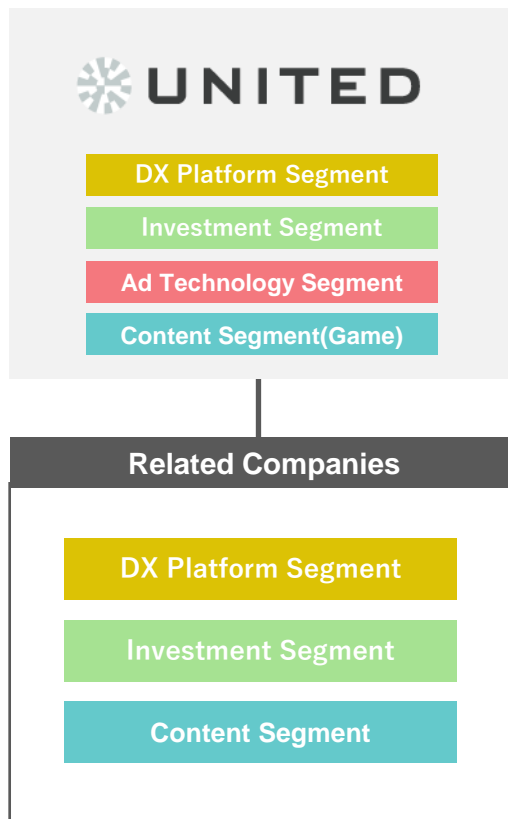
- Temporary employees
- Other full-time employees
- Content full-time employees
- Ad Technology full-time employees
- DX Platform full-time employees
- Directors (United directors, corporate auditors and outside directors)



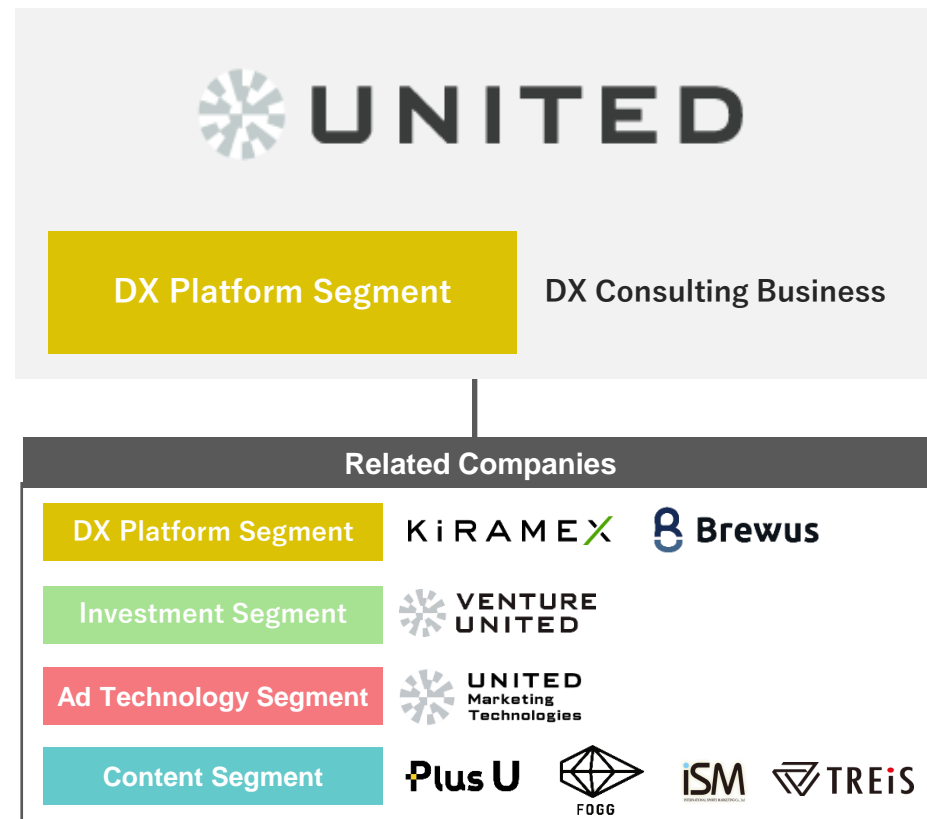
Corporate Structure

To further strengthen the DX Platform Segment, which we are focusing on as a growth driver, we split off the Ad Technology Segment and the Game business, and consolidated the Investment Segment under Venture United, Inc. With these moves, the parent company will focus on the DX Platform Segment as its main business.

Before the Change



From FY02/21



DX Platform Segment: Group Companies and business overview

The logo for KiRAMEX, featuring the word "KiRAMEX" in a bold, black, sans-serif font. The letter "X" is stylized with a green diagonal line through it.

KiRAMEX Co.

Online Programming Education Business

Operation of a range of services (e.g., career support for students, media management) centered on TechAcademy, an online school where students learn about programming and app development

The logo for Brewus, featuring a blue stylized "B" icon followed by the word "Brewus" in a bold, black, sans-serif font.

Brewus, Inc.

App and System Development Business

Development across a wide range of domains focusing on apps.

The logo for United, featuring a grey stylized sunburst icon followed by the word "UNITED" in a bold, black, sans-serif font.

DX Consulting Business

Consulting services to support DX of companies

Ad Technology Segment: Group Companies and business overview



UNITED Marketing Technologies Inc.
Operates the following ad technology products

Products



DSP specializing smartphones



SSP specializing smartphones



Ad network optimizing ad effectiveness

Content Segment: Group Companies and business overview

The logo for Plus U, Inc. features the word "Plus U" in a bold, black, sans-serif font. A small yellow square is positioned to the left of the letter "P".

Plus U ,Inc.

Operates games such as CocoPPa Play and Crash Fever

The logo for Fogg, inc. consists of a stylized diamond shape on the left, composed of several intersecting lines. To the right of the diamond, the word "FOGG" is written in a bold, black, sans-serif font.

Fogg, inc.

Operates CHEERZ, a service to help invigorate artists' activities

The logo for International Sports Marketing Co., Ltd. features the letters "ISM" in a bold, black, sans-serif font. A small blue dot is placed above the letter "i". Below "ISM", the full name "INTERNATIONAL SPORTS MARKETING Co., Ltd." is written in a smaller, black, sans-serif font.

International Sports Marketing Co., Ltd.

Produces sports-related websites and plans and develops media

The logo for TREiS, inc. features a stylized diamond shape on the left, composed of several intersecting lines. To the right of the diamond, the word "TREiS" is written in a bold, black, sans-serif font. The letter "i" is lowercase and has a red dot above it.

TREiS, inc.

Plans and operates Dream Mail, a sweepstakes and gift site