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Third Quarter, Fiscal Year Ending March 2022

## Financial Results

February 8, 2021



United, Inc.  
(TSE Mothers: code 2497)

# Agenda

1	Financial Highlights of the First Nine Months of FY03/22	P1
2	Performance by Segment in Q3 FY03/22	P7
3	Appendix	P17

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# Segments and Their Businesses

## Growth drivers

We actively invest in these businesses, which we position as our future growth drivers.

### DX Platform Segment



Operates TechAcademy, an online programming school



Develops apps and systems



Offers consulting services to support digital transformation (DX)\* of companies



Operates JOOi, a crowdsourcing service specializing in designers

### Investment Segment



Invests in a wide range of startups with growth potential, from seed to early stage and middle to later stage companies

## Earnings drivers

We generate stable earnings in these businesses through operation focusing on profitability.

### Content Segment



Operates game apps such as CocoPPa Play and Crash Fever



Operates CHEERZ, a service to help invigorate artists' activities



Produces sports-related websites and plans and develops media



Plans and operates Dream Mail, a sweepstakes and gift site

### Ad Technology Segment



Operates Bypass, a DSP service specializing in smartphones; adstir, an SSP service specializing in smartphones; and HaiNa, an ad optimization network

# Financial Highlights of Q3 FY03/22

## Consolidated Operating Performance

Sales: **¥10,786 million (-1% YoY)**  
 Operating Income: **¥5,612 million (-1% YoY)**

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## Growth Drivers

### DX Platform Segment

Sales: **¥1,670 million (-13% YoY)**  
 Operating Income: **¥382 million (-¥391 million YoY)**

KIRAMEX Co.  
 Brewus, Inc.  
 DX Solution Division  
 LIBASE Inc.

For Details P8

### Investment Segment

Sales: **¥6,275 million (+7% YoY)**  
 Operating Income: **¥5,976 million (+7% YoY)**

VENTURE UNITED, inc.

For Details P11

## Earnings Drivers

### Content Segment

Sales: **¥2,121 million (+0% YoY)**  
 Operating Income: **¥334 million (-5% YoY)**

Plus U, Inc.  
 Fogg, inc.  
 International Sports Marketing Co., Ltd.  
 TREiS, inc.

For Details P15

### Ad Technology Segment

Sales: **¥722 million (-32% YoY)<sup>\*1</sup>**  
 Operating Income: **¥376 million (-22% YoY)**

UNITED Marketing Technologies Inc.

For Details P16

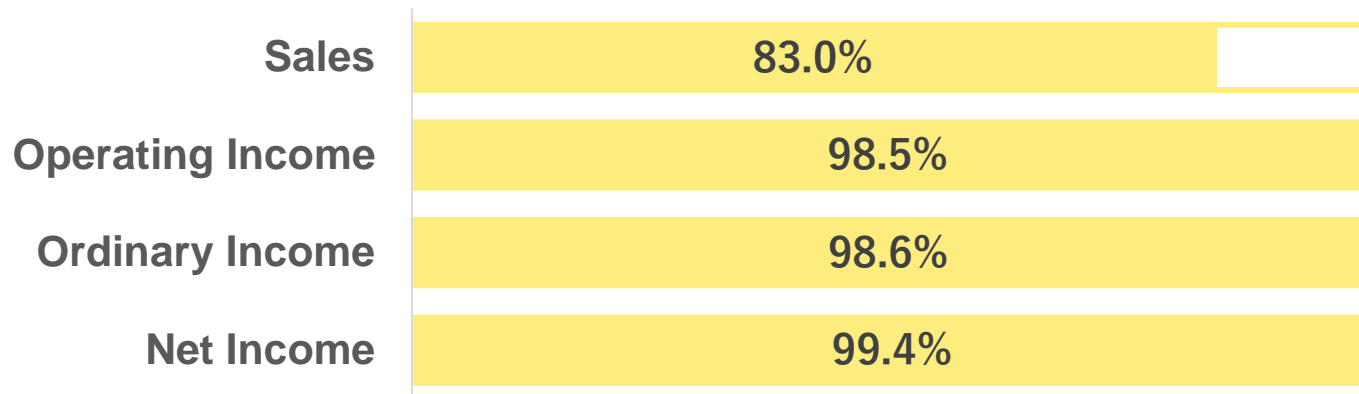
\*1 In accordance with the application of the new revenue recognition standard (ASBJ Statement No. 29 "Accounting Standard for Revenue Recognition" and ASBJ Guidance No. 30 "Guidance on Accounting Standard for Revenue Recognition") from FY03/22, prior year results for the Ad Technology Segment are calculated and presented using the same standard in this report for ease of comparison. Figures before the application of the new standard are presented in the consolidated financial statements and quarterly report disclosed on the same day as this report.

## Q3 Progress vs. Full-year FY03/22 Forecast

We have nearly reached the full-year targets for all profit lines from operating income and below. However, we decided to leave our forecast for the full year unchanged in light of our continued investment into the DX Platform Segment.

<b>Consolidated Forecast</b>	<b>Sales:</b>	<b>¥13,000 million</b>	<b>(+3% YoY)</b>
	<b>Operating Income:</b>	<b>¥5,700 million</b>	<b>(+2% YoY)</b>
	<b>Ordinary Income:</b>	<b>¥5,700 million</b>	<b>(+1% YoY)</b>
	<b>Net Income:</b>	<b>¥3,900 million</b>	<b>(+5% YoY)</b>
	<b>EPS:</b>	<b>¥186.00</b>	<b>(+11% YoY)</b>

### Q3 Progress vs. Full-year Forecast



# Consolidated P/L Statement

SG&A expenses decreased 16% YoY, owing largely to the office downsizing we carried out in FY03/21.

(Millions of yen)	Q3 FY03/21	Q3 FY03/22	YoY
Sales	10,941	10,786	-1%
Gross profit	7,984	7,526	-6%
SG&A expenses	2,291	1,913	-16%
Operating Income	5,693	5,612	-1%
Non-operating income	92	12	-86%
Non-operating expenses	7	6	-21%
Ordinary Income	5,777	5,619	-3%
Extraordinary profit	18	-	-100%
Extraordinary loss	177	-	-100%
Profit before income taxes	5,619	5,619	-0%
Quarterly net Income *	3,850	3,875	+1%

## Status of Share Repurchase

We are currently repurchasing shares to increase our capital efficiency and stock value.  
All shares being repurchased at this time are slated for cancellation at the end of March 2022.

Status of share repurchase (As of December 31, 2021)	
Class of shares repurchased	Common shares of United, Inc.
Total number of shares repurchased	1,189,500 shares (59% of the upper limit of 2,000,000 shares)
Total purchase price	¥2,010 million (67% of the upper limit of ¥3,000 million)
Period of repurchase	From May 12, 2021 to December 31, 2021 (Repurchase period ends on February 28, 2022)
Method of repurchase	Market purchase on the Tokyo Stock Exchange (Market purchase based on discretionary dealing contract)
Cancellation of own shares (Scheduled for end of March 2022)	
Cancellation of shares being repurchased	All of the shares being repurchased at this time will be subject to cancellation (In the event the repurchase reaches the upper limit of 2,000,000 shares, the cancellation would amount to <b>8.9%</b> of the total number of issued shares as of December 31, 2021)

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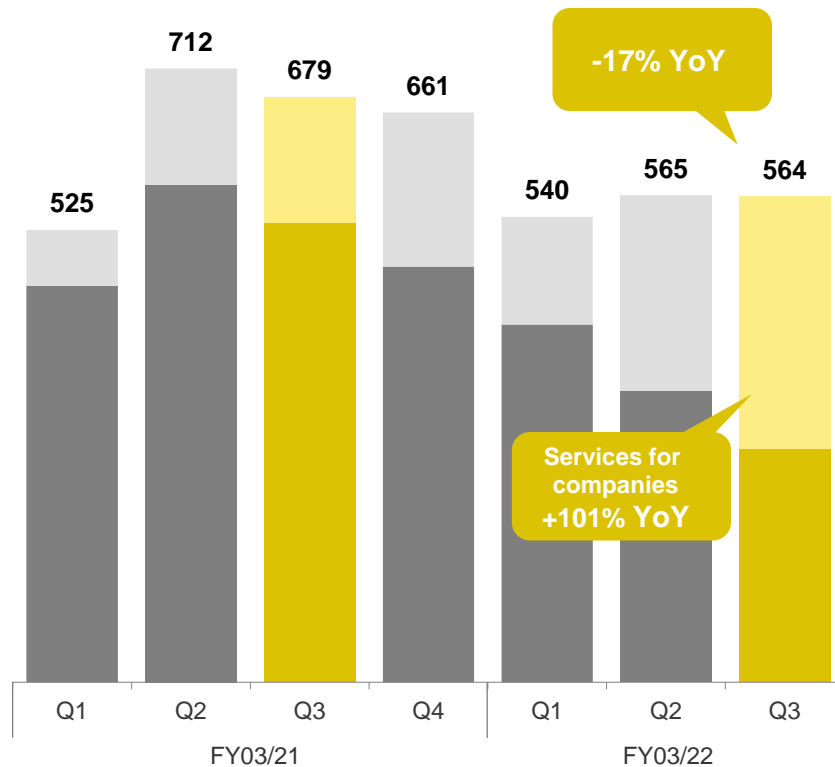


# DX Platform Segment: Sales and Operating Income

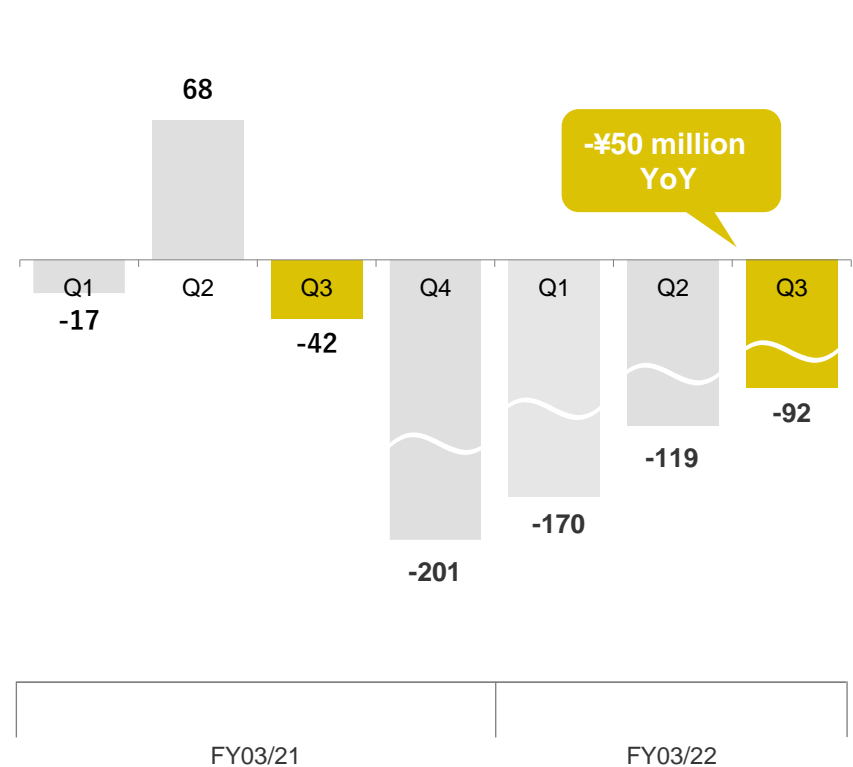
Sales in services for companies continued to grow as we proactively expanded our business areas. In services for individuals, rivals increased in tandem with market growth, and sales at TechAcademy continued to fall due to intensified competition for securing student enrolment. In Q4, we expect to sustain business growth through continued expansion of services for companies and value enhancement in services for individuals.

## Sales Trend (Millions of yen)

- Services for companies
- Services for individuals



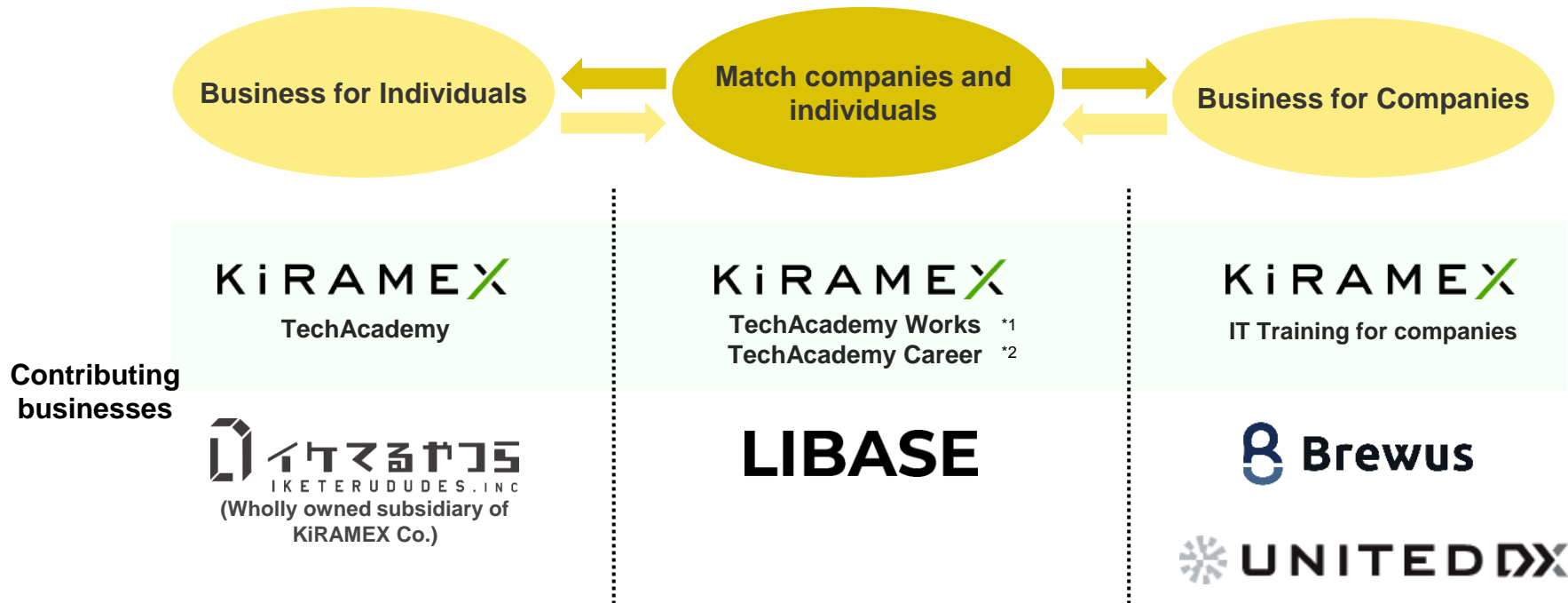
## Operating Income Trend (Millions of yen)



# DX Platform Segment: Overall Policy

We will promote the digital transformation (DX) of individuals and companies, and advance DX in society as a platform that can also match the two.

For the time being, we will focus on strengthening our ability to match individuals and companies in order to encourage the spread of DX for both. Thereafter, we will aim for growth of the DX Platform Segment as a whole.



\*1 TechAcademy Works provides TechAcademy graduates with the opportunity to gain practical experience before finding a job or starting their own business by working with mentors on real-world projects.

\*2 TechAcademy Career provides career support to TechAcademy graduates and recruitment support to companies.

## DX Platform Segment: Strengthening the Education Quality of TechAcademy

TechAcademy, managed by KiRAMEX Co., formed a business alliance with Techpit, Inc., which operates Techpit, a marketplace specializing in learning materials for programming.

### Business alliance

The business alliance aims to offer higher-value-added services to students and companies by utilizing TechAcademy's over 1,000 active engineers serving as mentors, and Techpit's rich collection (over 140 kinds) of practical learning content



Representative: Representative Director Kohei Yamada

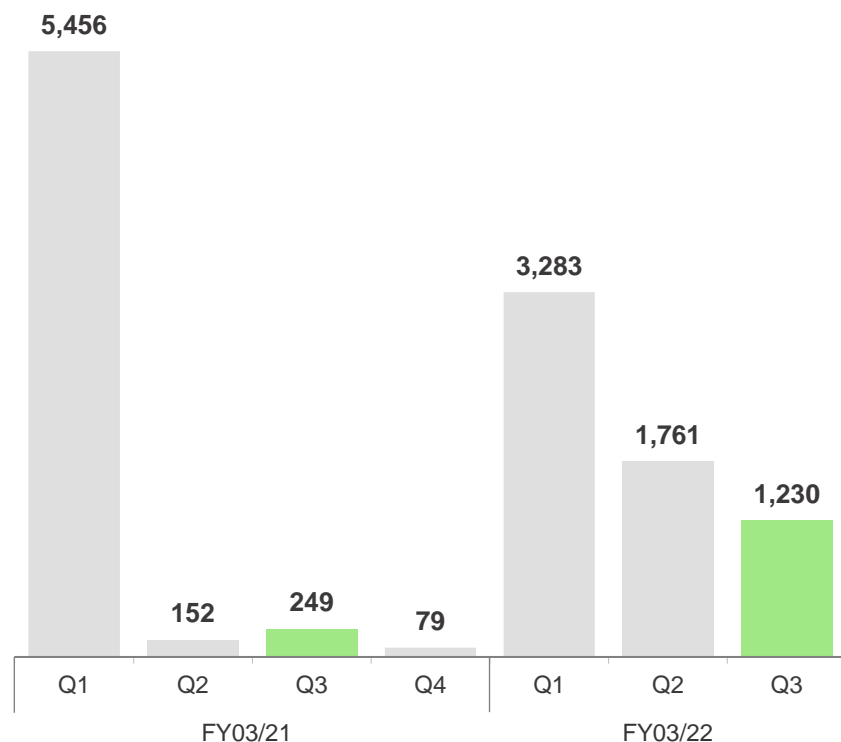
Business: Operates Techpit, a marketplace for programming learning materials. Offers over 140 kinds of learning content to individuals and companies



# Investment Segment: Sales and Breakdown of Operational Investment Securities

We completed the sale of securities in line with the full-year plan, and recorded gains on distribution from fund investment as LP.

## Sales Trend (Millions of yen)







## Breakdown of Operational Investment Securities

	Investee Companies	As of December 31, 2021 (amount on BS)
Listed shares	Mercari, Inc. Wonder Planet, Inc. Cyber · Buzz, Inc. Socialwire Co., Ltd., etc.	Approx. ¥25.7 bn*
Unlisted shares	More than 55 companies	Approx. ¥2.9 bn
Investment in funds as LP	31 funds	Approx. ¥1.5 bn

\*Of this amount, operational investment securities related to Mercari totaled ¥25,022 million (2.7% of shares held, as of December 31, 2021). Listed shares are marked to market. Unlisted shares are valued at investment book value.


# Investment Segment: New Startup Investments

In Q3, we made new investments in four startups.

Investee companies	Business description
<p><b>C2C PTE. LTD.</b></p> 	<p>Provides systems that support the matching of service providers and users, primarily in C2C businesses</p>
<p><b>ventus Inc.</b></p> 	<p>Supports fan business in sports and entertainment through digital trading cards</p>
<p><b>HOMMA Group Inc.</b></p> 	<p>Offers housing that integrates unique proprietary architectural design with in-house developed smart-home technology</p>
<p><b>Biophilia Inc.</b></p> 	<p>Develops and sells fresh pet food CoCo Gourmet</p>

# Investment Segment: Major Startup Investments

We expect to achieve consistent capital gains by continuing to invest widely in promising startups.

Post IPO	Middle to later stage		Seed to early stage			
						
						
						
						
						
						

# Investment Segment: Major Funds We Invest in as LP

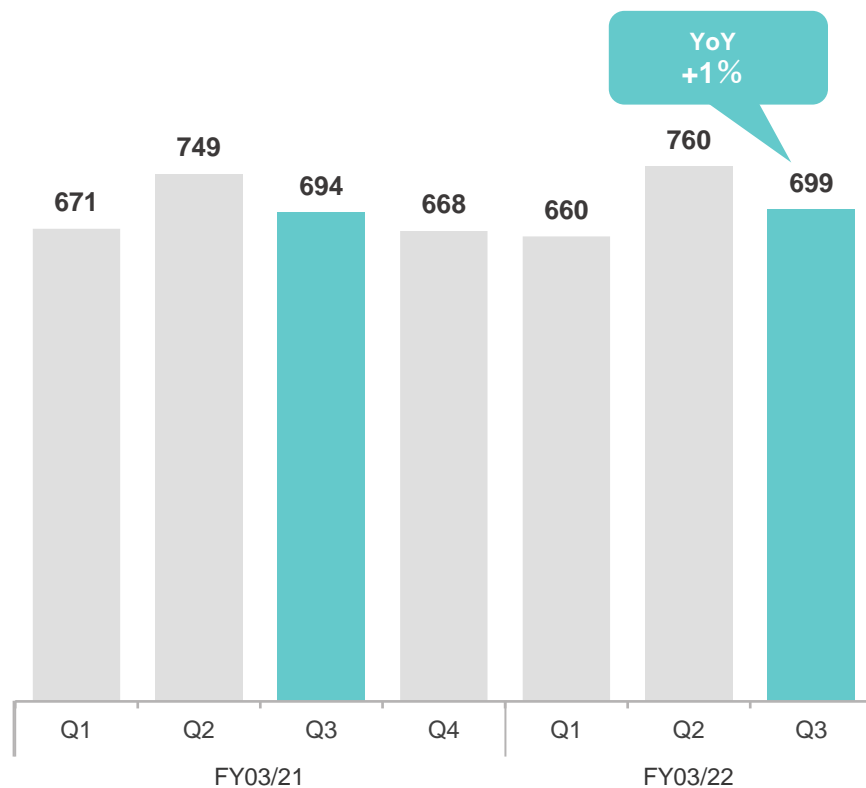
We expect to record gains on distribution from the multiple external funds we invest in as an LP. These funds, which allow us to reach out to over 1,000 startups, also serve as our source of new investment projects.



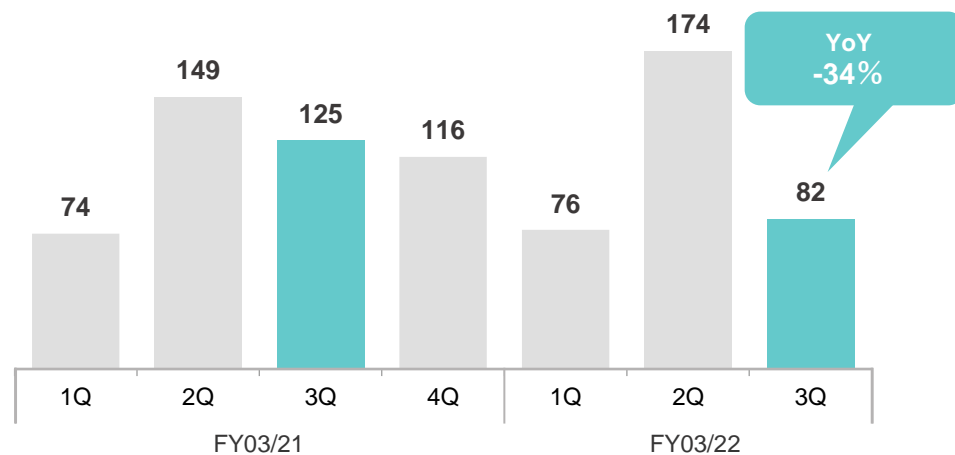
# Content Segment: Sales and Operating Income

Sales were up 1% YoY, while operating income declined 34% YoY. However, these YoY changes follow the typical trend of our performance in previous years, and we expect the full-year results to come in as planned.

## Sales Trend (Millions of yen)



## Operating Income Trend (Millions of yen)



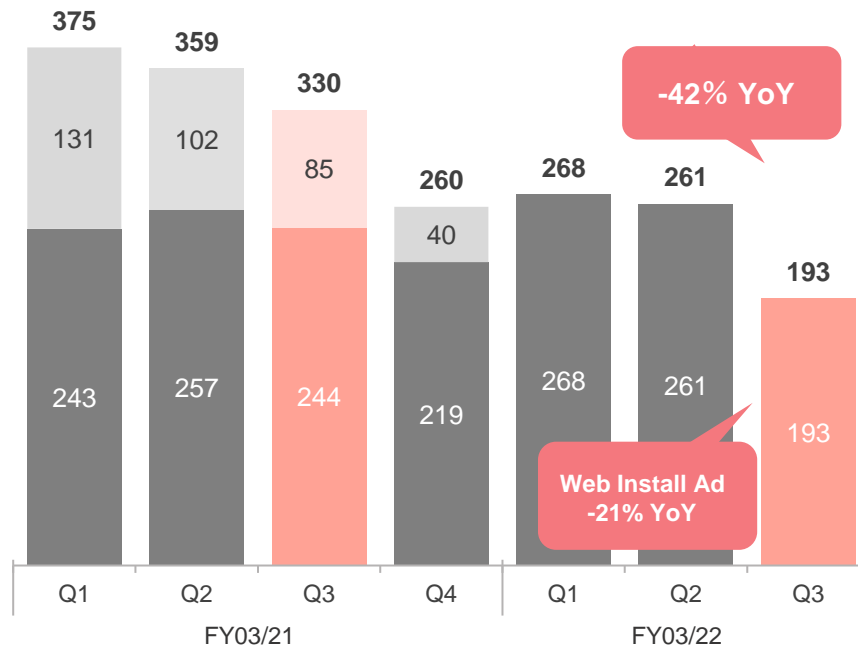


# Ad Technology Segment: Sales and Operating Income

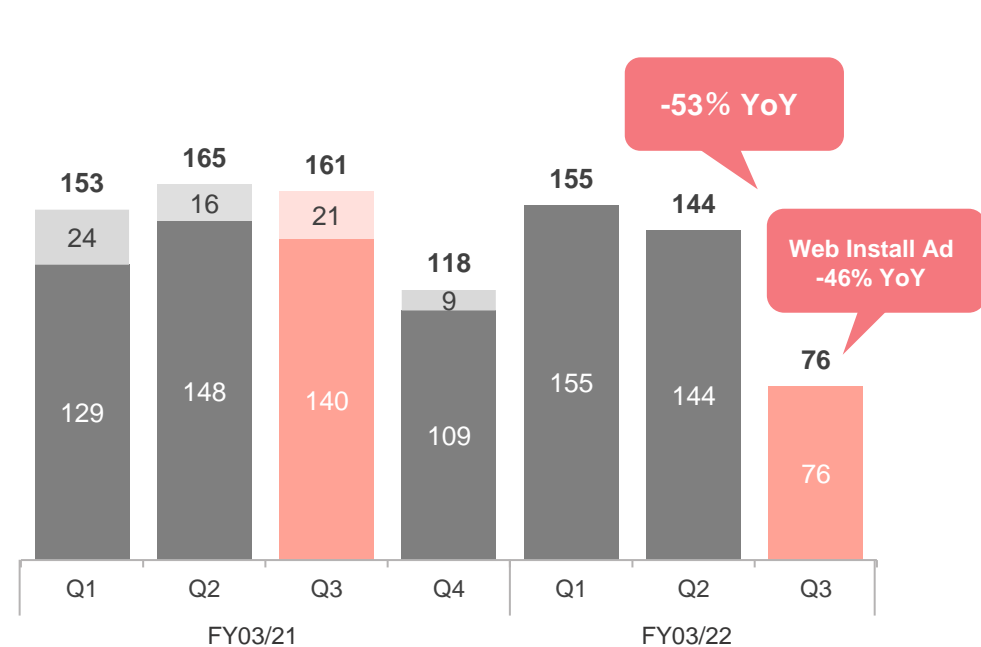
Sales and operating income fell YoY in Web Install Ad, our continuing business, as major advertisers temporarily reined in advertising expenditures in reaction to the falloff of stay-at-home-related spending seen a year ago. We expect performance to recover from Q4 onward and full-year results to come in as planned.

## Sales Trend (Millions of yen)

- App Install Ad (Discontinued)
- Web Install Ad (Continuing)



## Operating Income Trend (Millions of yen)



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# Consolidated P/L Statement for Q3 FY03/22

(Millions of yen)	Q3 FY03/21	Q2 FY03/22	Q3 FY03/22	Difference	
				YoY	QoQ
Sales	1,943	3,347	2,686	+38%	-20%
DX Platform Segment	679	565	564	-17%	-0%
Investment Segment	249	1,761	1,230	+393%	-30%
Content Segment	694	760	699	+1%	- 8%
Ad Technology Segment	330	261	193	- 42%	- 26%
Other Segment	-10	-1	-1	-	-
Gross Profit	931	2,213	1,661	+78%	- 25%
DX Platform Segment	156	93	83	- 46%	- 11%
Investment Segment	208	1,602	1,220	+485%	- 24%
Content Segment	320	324	231	- 28%	- 29%
Ad Technology Segment	246	193	126	- 49%	- 35%
Other Segment	-	-	-	-	-
SG&A Expenses	703	657	608	-14%	-8%
Operating Income	227	1,556	1,053	+363%	-32%
DX Platform Segment	-42	-119	-92	-	-
Investment Segment	190	1,577	1,196	+529%	-24%
Content Segment	125	174	82	-34%	-53%
Ad Technology Segment	161	144	76	-53%	-47%
Other Segment	-208	-221	-208	-	-
Ordinary Income	217	1,544	1,066	+390%	-31%
Quarterly net Income*	127	1,086	728	+472%	-33%

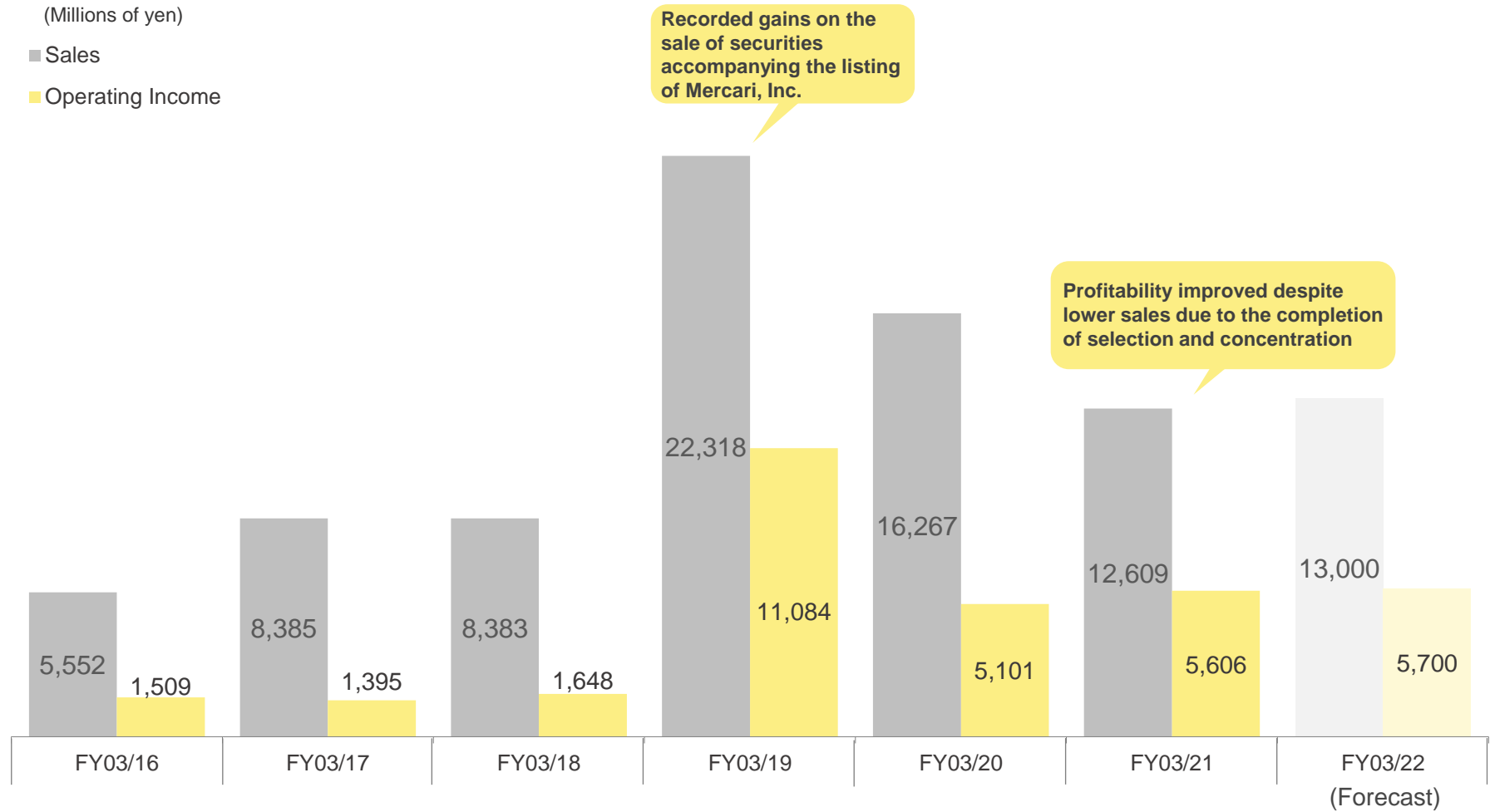
\* Refers to net income attributable to owners of parent

## Consolidated Balance Sheet for Q3 FY03/22

(Millions of yen)	End of FY03/21 (March 31, 2021)	End of Q3 FY03/22 (December 31, 2021)	Difference
Current Assets	46,115	44,958	-1,156
Cash & Deposits	13,774	12,962	-811 *
Operating Investment Securities	30,953	30,012	-941
Non Current Assets	1,240	2,009	+768
Amortization of Goodwill	-	346	+346
<b>Total Assets</b>	<b>47,356</b>	<b>46,968</b>	<b>-387</b>
Current Liabilities	3,114	2,635	-479
Non Current Liabilities	8,206	7,846	-359 *
Deferred Tax Liabilities	8,098	7,756	-342
<b>Total Liabilities</b>	<b>11,321</b>	<b>10,482</b>	<b>-838</b>
<b>Net Assets</b>	<b>36,034</b>	<b>36,486</b>	<b>+451 *</b>
Unrealized Gain on Securities	18,571	17,621	-950

\* Of this amount, the impact of revaluation (mark-to-market) and disposal of operational investment securities (listed shares) was as follows: operational investment securities, +¥1,562 million; deferred tax liabilities, +¥458 million; and valuation difference on available-for-sale securities, +¥1,038 million.

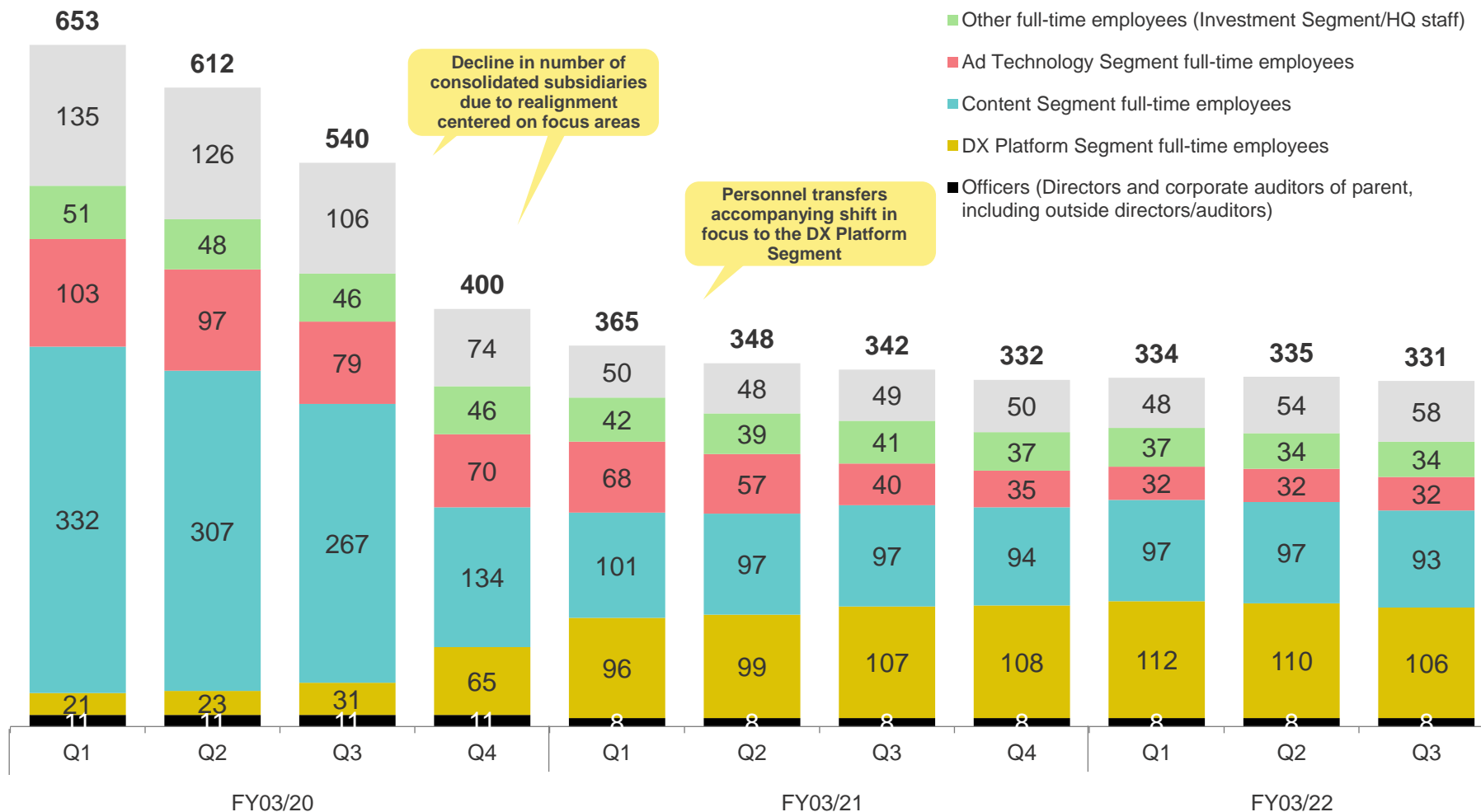
# Consolidated Sales and Operating Income in Previous Fiscal Years



# Number of Consolidated Employees and Directors

(Numbers employed)

- Temporary employees
- Other full-time employees (Investment Segment/HQ staff)
- Ad Technology Segment full-time employees
- Content Segment full-time employees
- DX Platform Segment full-time employees
- Officers (Directors and corporate auditors of parent, including outside directors/auditors)



Decline in number of consolidated subsidiaries due to realignment centered on focus areas

Personnel transfers accompanying shift in focus to the DX Platform Segment



**UNITED**