
Fiscal Year Ending March 2022

Financial Results

May 11, 2022



United, Inc.
(TSE Growth: code 2497)

Agenda

- 1 Financial Highlights of FY03/22 P1
- 2 Performance by Segment FY03/22 P7
- 3 FY03/23 Outlook P16
- 4 Appendix P23

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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 CHEERZ, a service to help invigorate artists' activities



Operates game apps such as CocoPPa Play and Crash Fever



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

* Digital transformation refers to the process of companies transforming their products, services, and business models based on the needs of customers and society by using data and digital technology in response to drastic changes in the business environment, as well as transforming the business itself, organization, processes, and corporate culture and climate to establish a competitive advantage. (Ministry of Economy, Trade and Industry, "DX Promotion Index")

Financial Highlights of FY03/22

Consolidated Operating Performance

Sales: ¥12,714 million (+1% YoY)*
Operating Income: ¥5,738 million (+2% YoY)

Growth Drivers

DX Platform Segment

Sales: ¥2,335 million (-9% YoY)
Operating Income: -¥382 million (-¥189 million YoY)

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

For Details **P8**

Investment Segment

Sales: ¥6,580 million (+11% YoY)
Operating Income: ¥6,206 million (+10% YoY)

VENTURE UNITED, inc.

For Details **P9**

Earnings Drivers

Content Segment

Sales: ¥2,886 million (+4% YoY)
Operating Income: ¥418 million (-10% YoY)

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

For Details **P13**

Ad Technology Segment

Sales: 917 million (-31% YoY)*
Operating Income: ¥453 million (-24% YoY)

UNITED Marketing Technologies Inc.

For Details **P15**

*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.

FY03/22 Results vs. Forecast

Results were generally in line with forecast.

EPS rose 8% YoY thanks to the repurchase and retirement of treasury shares.*

	Forecast	Actual	Forecast	YoY
Sales	13,000 million yen	12,714 million yen	-2%	+1%
Operating Income	5,700 million yen	5,738 million yen	+1%	+2%
Ordinary Income	5,700 million yen	5,757 million yen	+1%	+2%
Net Income*	3,900 million yen	3,825 million yen	-2%	+3%
EPS	186.00 yen	181.26 yen	-3%	+8%

* Refers to net income attributable to owners of parent

*Details shown on page 24: Results of Repurchases and Retirement Shares in FY03/22

Consolidated P/L Statement

SG&A expenses down 12% YoY owing to office downsizing accompanying a shift to working from home and lower personnel expenses.

(Millions of yen)	FY03/21	FY03/22	YoY
Sales	12,609	12,714	+1%
Gross profit	8,590	8,363	-3%
SG&A expenses	2,983	2,625	-12%
Operating Income	5,606	5,738	+2%
Non-operating income	48	26	-46%
Non-operating expenses	9	7	-26%
Ordinary Income	5,645	5,757	+2%
Extraordinary profit	20	64	+218%
Extraordinary loss	177	10	-94%
Profit before income taxes	5,488	5,811	+6%
Net Income*	3,728	3,825	+3%

* Refers to net income attributable to owners of parent

Dividend for FY03/22

We plan to pay a year-end dividend of ¥20 in accordance with our consolidated payout ratio target of 20%. This will bring the full-year dividend up to ¥37.0.*

Details of Annual Dividends				
	FY03/22		FY03/21	
	Interim	Year-End	Interim	Year-End
Record date	Sep.30, 2021	Mar.31, 2022	Sep.30, 2020	Mar.31, 2021
Dividend per share (interim)	¥17.0	¥20.0	¥15.0	¥19.0
Dividend per share (full year)	¥37.0		¥34.0	
Total annual dividends	¥764 million		¥750 million	
Payout ratio (Annual)	20.0%		20.1%	

*To be decided at the 25th Annual General Meeting of Shareholders to be held in late June 2022.

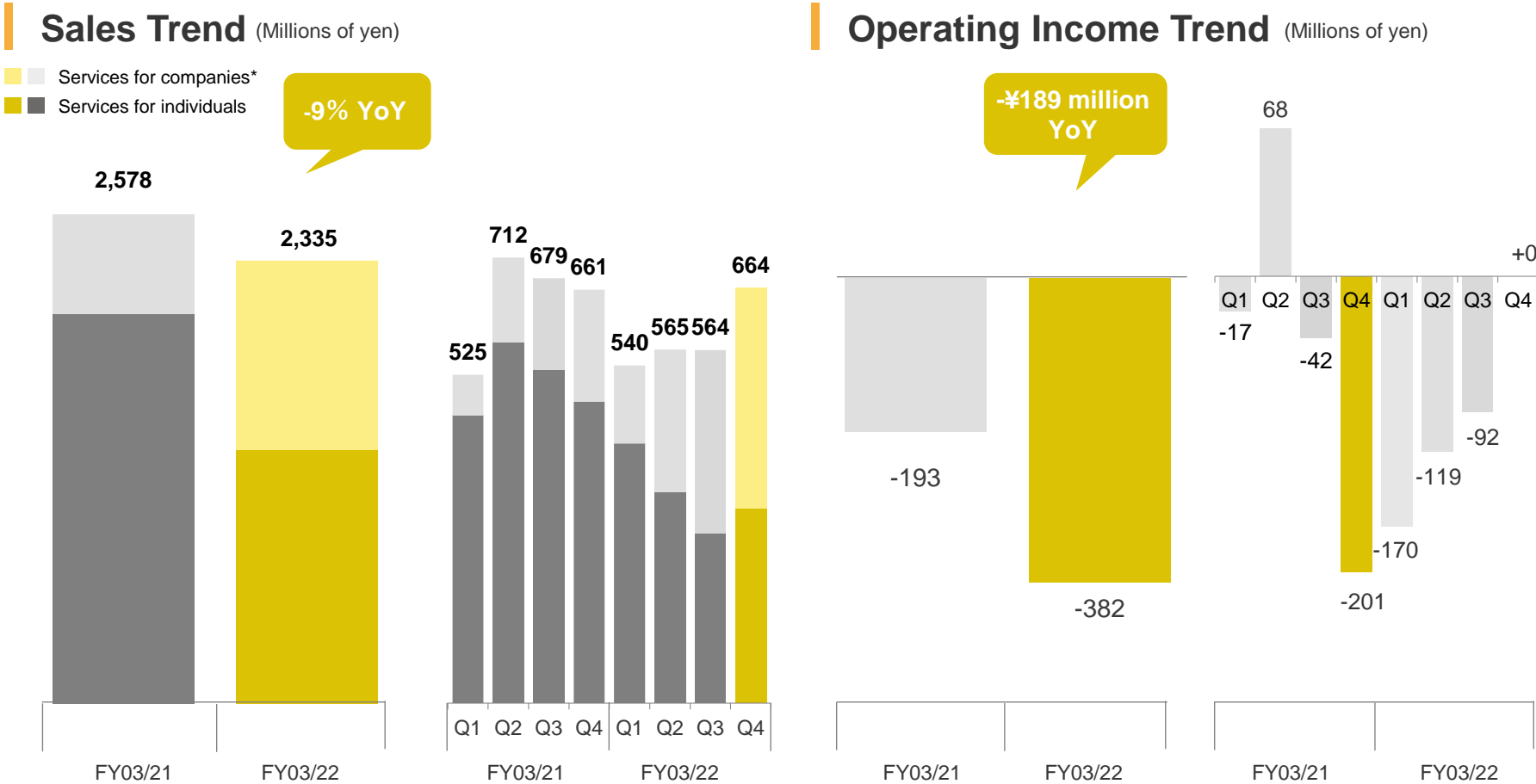
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DX Platform Segment: Sales and Operating Income

Full-year sales in services for companies continued to grow thanks to M&A and proactive expansion of business areas. On the other hand, at TechAcademy business for individuals, the number of competitors increased in tandem with market growth, which lead to lower efficiency in securing student enrollment and resulted in lower segment sales and operating income. In the three-month period of Q4, the segment turned profitable thanks to a surge in sales booked by the corporate business, Brewus Inc.

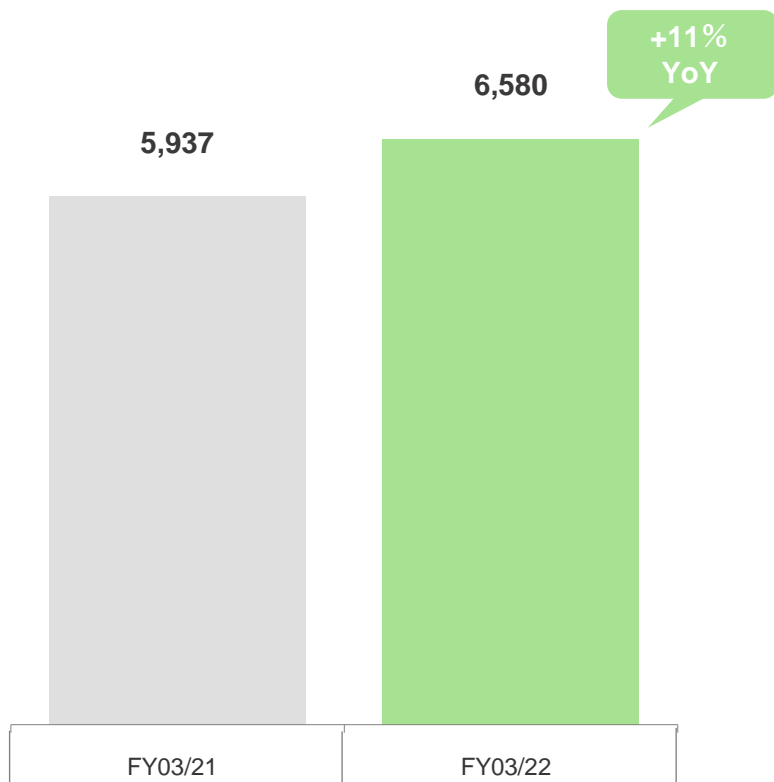


*Details shown on page 25: Breakdown of DX Platform Segment

Investment Segment: Sales and Breakdown of Operational Investment Securities

Segment sales rose 11% YoY on the back of gains on sales of investment securities and gains on distributions from investment in funds as LP.

Sales Trend (Millions of yen)



Breakdown of Operational Investment Securities

	Investee Companies	As of March 31, 2022 (amount on BS)
Listed shares	Mercari, Inc. Wonder Planet, Inc. CyberBuzz, Inc. Socialwire Co., Ltd., etc.	Approx. ¥14.1 bn*
Unlisted shares	More than 60 companies	Approx. ¥3 bn
Investment in funds as LP	34 funds	Approx. ¥1.7 bn

*Of this amount, operational investment securities related to Mercari totaled ¥13,513 million (2.6% of shares held, as of March 31, 2022). Listed shares are marked to market. Unlisted shares are valued at investment book value.

Investment Segment: New Investments

In Q4, we made new investments in three startups (18 companies in FY03/22).

New Investments in Q4 FY03/22

Craftie

Craftie inc.

Subscription service for handmade kits

<https://craftie.co.jp/>

PlusOne

PlusOne, Inc.

Online English learning service using VR devices

<https://www.plusone.space/company>



nat Inc.

3D scanning app using LiDAR sensors for renovation businesses

<https://www.natincs.com/>

New Investments in FY03/22

inglewood



SOELU

Biophilia inc.



Muscle Deli

& LANDART

● Lisa Technologies Inc.



meetcareer

C2C

Craftie



H O M M A



HOSHIGUMI



LifeLab

PlusOne

Investment Segment: Major Startup Investments

VENTURE UNITED, inc. was merged into our Investment Division in April 2022 to strengthen the organization. We will further focus on investing in and boosting the value of “seed- to early-stage” companies by strengthening cooperation with the DX Solution Division.

Post IPO	Middle to later stage		Seed to early stage			
mercari	 dely	 excite	Mrk & Co	 meetcareer	 Fairy Devices	 hubble
 WonderPlanet	Biophilia inc.	 cluster	 Lisa Technologies Inc.	 PoliPoli	GATARI Inc.	 azit
 CyberBuzz	inglewood	GRACIA	 LifeLab	 C2C	 KitchHike	KiHeiTai Inc.
 SocialWire Group	FIREBUG Entertainment Startup	 Travel Book	 Journey	& LANDART	SOCIAL INTERIOR	 ventus
 Confidence	 Findy	 SOELU	 HARMONIA	 Jiraffe	 translimit	 PlusOne NEW
	 Studyplus	 ネグイ! NEXT GENERATION	 HOSHIGUMI	 Matcher	 Minimal Bean to Bar Chocolate	 HOMMA
	 ONESTORY オンラインストーリー		 ARANCIONE	 FULL KAITEN	 Campingcar	 Craftie NEW

Investment Segment: Major Funds We Invest in as LP

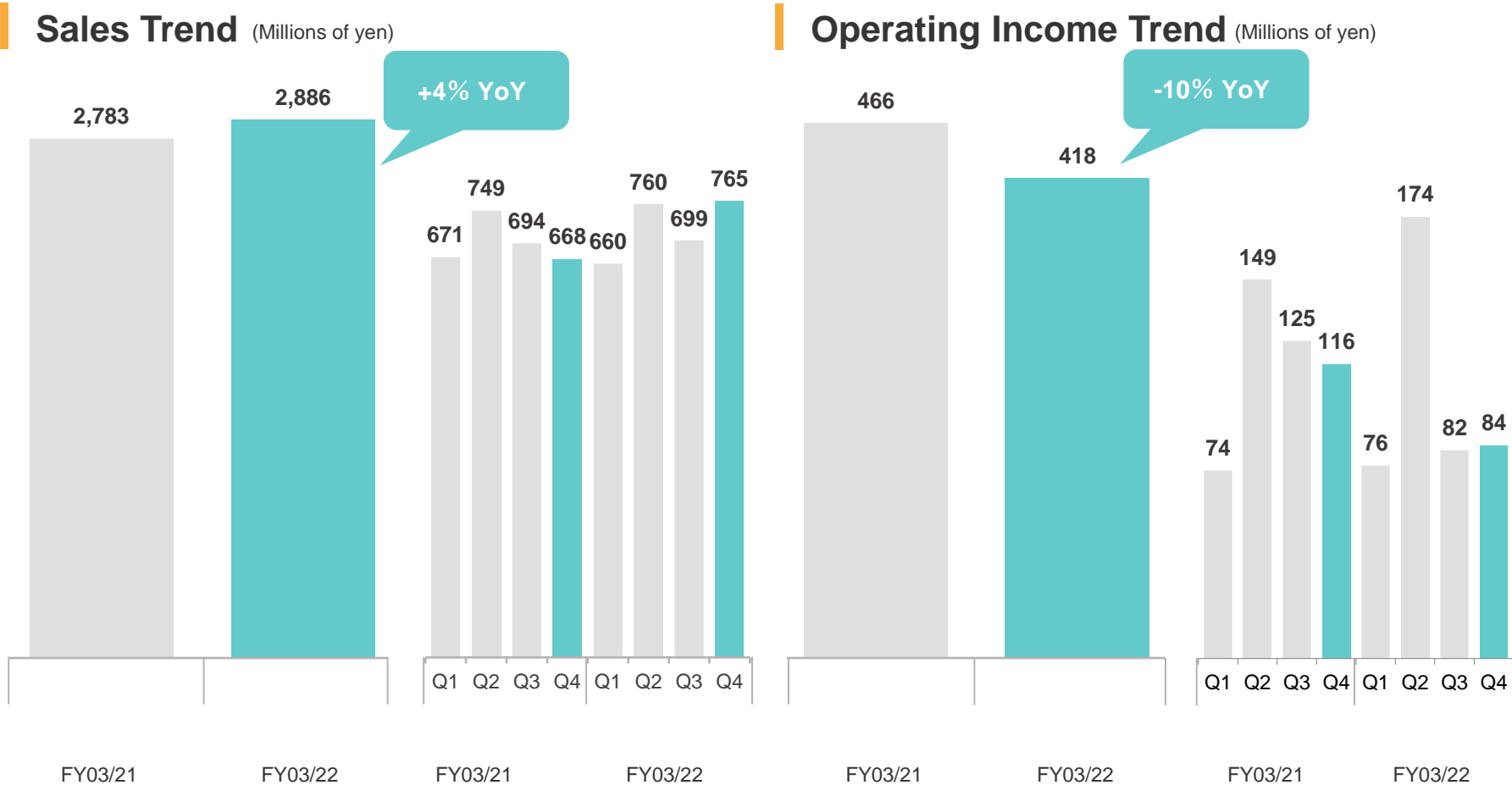
We expect to record gains on distribution from the multiple external funds we invest in as an LP. These funds, which allow us to reach out to over 1,000 startups, also serve as our source of new investment projects.

Funds we invest in as LP



Content Segment: Sales and Operating Income

Sales rose 4% YoY on the back of higher sales at International Sports Marketing Co., Ltd. and TREiS, inc.
On the other hand, operating income fell 10% YoY due to investment in new service development at Fogg, inc.



Dissolution of Business Alliance for Crash Fever

On May 1, 2022, our subsidiary Plus U Inc. and our investment company WonderPlanet Inc. dissolved their business alliance in the joint business of game app Crash Fever (hereinafter "this game"), and the joint operating rights* were transferred to WonderPlanet Inc.

As a shareholder of WonderPlanet Inc., we will continue to support its growth over the medium term and work to enhance its corporate value.

Details	<ul style="list-style-type: none">- Both companies agreed to have WonderPlanet operate this game on its own to ensure long-term and stable operation of the game and to increase the corporate value of both companies.- In accordance with the dissolution of the business alliance, Plus U's joint operating rights for this game will be transferred to WonderPlanet.
Transfer price	<ul style="list-style-type: none">・ ¥350 million
Effective date and transfer date	<ul style="list-style-type: none">・ May 1, 2022
Business impact	<ul style="list-style-type: none">- We expect to record an extraordinary gain of ¥350 million in Q1 FY03/23.- The business impact of the dissolution and other factors is reflected in the full-year FY03/23 earnings forecast shown on page 20.
Others	<ul style="list-style-type: none">- As of the end of February 2022, we hold 153,800 shares (7.1% of the total number of shares issued) of WonderPlanet, Inc.

※ The right to plan, develop, and operate all aspects of this game and to receive sales from the project. and Plus U's intellectual property right.

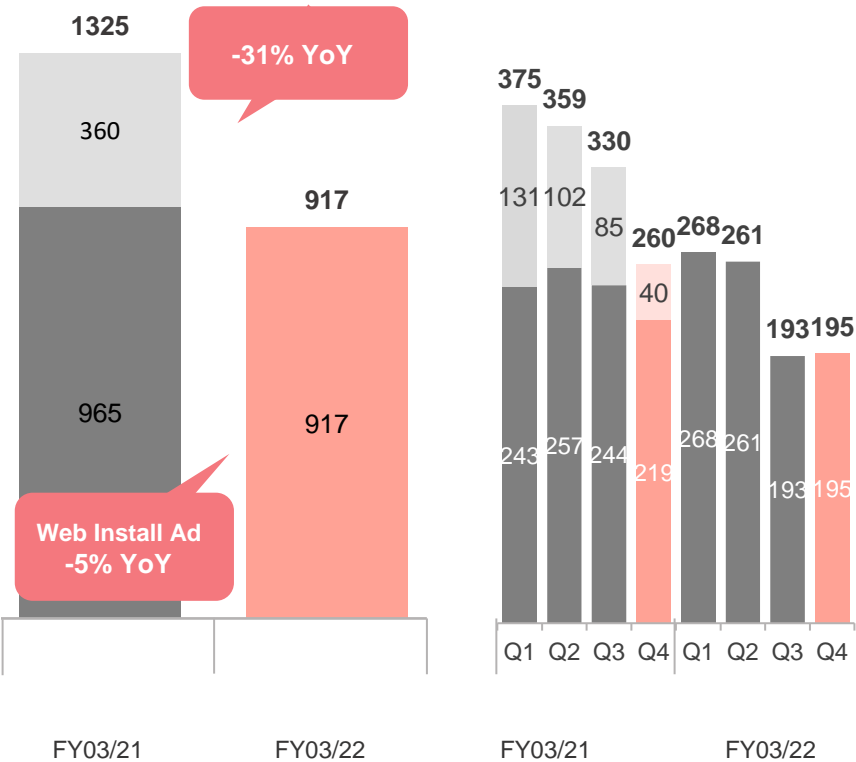
Ad Technology Segment: Sales and Operating Income

Both sales and operating income decreased YoY due to the withdrawal from the App Install Ad business and lower sales at Bypass.

On the other hand, the company landed above its internal budget plan and secured stable earnings.

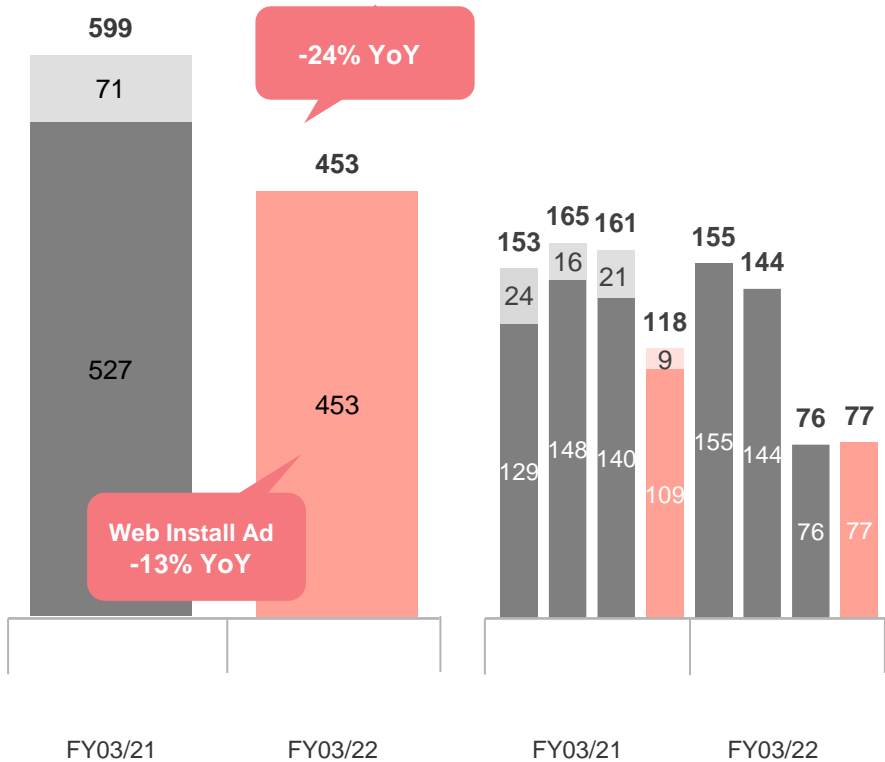
Sales Trend (Millions of yen)

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



Operating Income Trend (Millions of yen)

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



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Purpose

With the market maturing and the competitive environment becoming more sophisticated, we have established our purpose to build our unique strengths and achieve sustainable growth over the medium to long term.

Maximize willpower and accelerate the betterment of society.

People who push themselves forward.
Businesses that move society forward.

The betterment of society is driven by people and businesses with willpower.

Strong willpower is the source of energy that changes society for the better.

UNITED will maximize this energy and willpower.

We will provide knowledge and opportunities to people with willpower.

We will provide funds and know-how to businesses with willpower.

And when both parties meet, their mutual growth will spark even further growth.

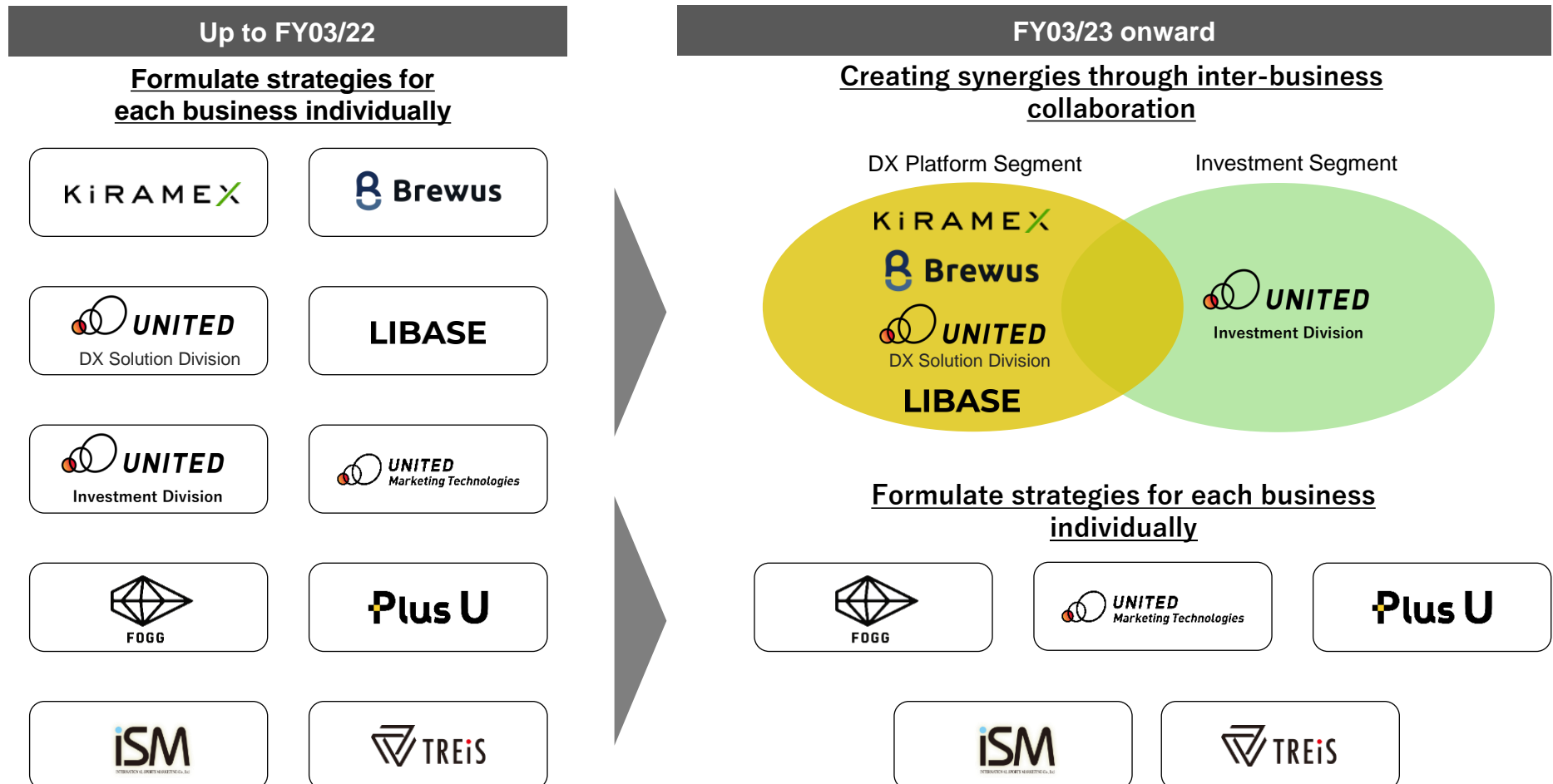
This cycle of growth will enrich society.

We will move society in a better direction faster with willpower.

We will maximize willpower and accelerate the betterment of society.

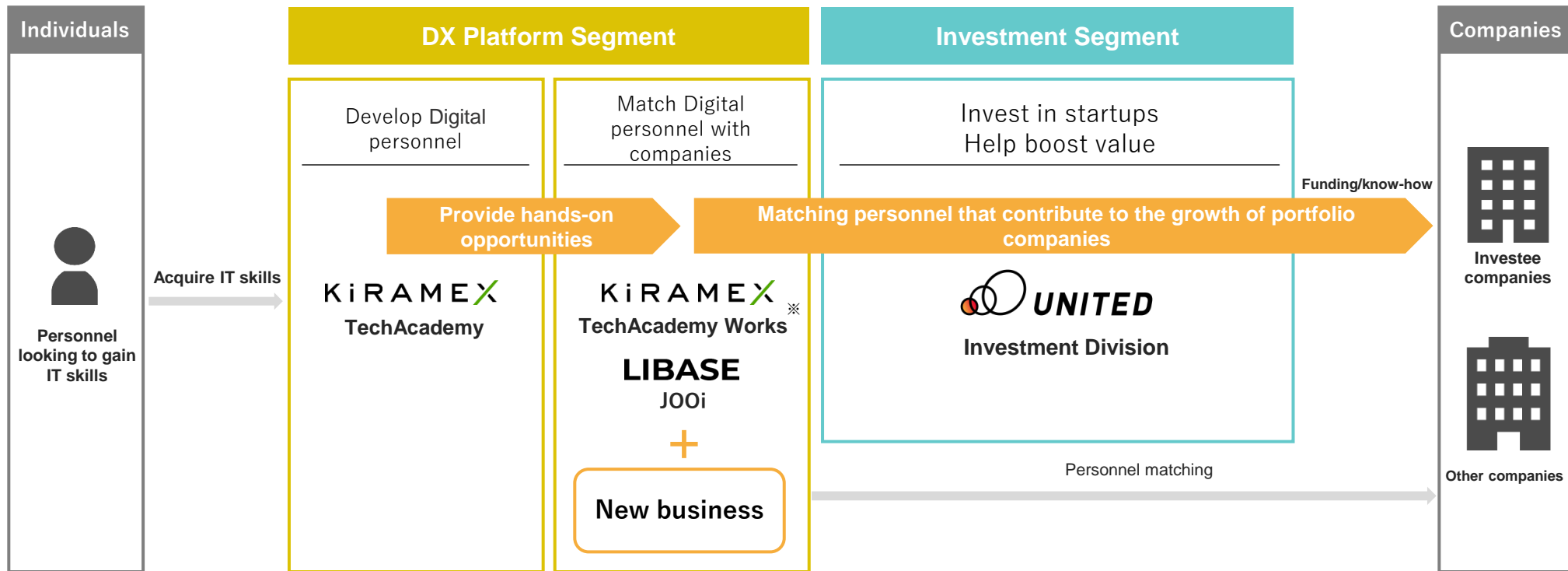
Business Policy

While we previously formulated strategies for each business individually, we will create a stable earnings base by strengthening inter-business collaboration to create synergies for growth drivers, and continuing to formulate strategies for earnings drivers individually.



Collaboration Among Growth Driver Businesses

In the DX Platform Segment, we will develop Digital personnel and match them with companies. In the Investment Segment, we will boost the value of our investee companies by matching them with Digital personnel who can contribute to their growth. At the same time, we will strengthen new business development in the Digital personnel and company matching business.



※A service that allows graduates of the Tech Academy to gain practical experience prior to employment by working with a mentor on practical projects.

New Management Structure*

To further boost our corporate value, we will have two representative directors who will share responsibility of the Investment Segment and DX Platform Segment, which are growth drivers, and further strengthen KiRAMEX Co.

Name	New title	Previous title (as of the end of March, 2022)	Main businesses and divisions under responsibility
Tomonori Hayakawa	Representative Director, President, and Executive Officer	Representative Director, President, and Executive Officer	Investment Segment
Yozo Kaneko	Representative Director and Executive Officer	Director and Executive Officer	DX Platform Segment
Yuji Yamashita	Director and Executive Officer	Executive Officer	Corporate Administration Division
Takahiro Higuchi	Director and Representative Director of KiRAMEX Corporation	Representative Director of KiRAMEX Corporation	KiRAMEX Corporation

*To be decided at the 25th Annual General Meeting of Shareholders to be held in late June 2022 and at a meeting of the Board of Directors to be held after the meeting.

FY03/22 Forecast*

	Forecast	Actual	Difference
Sales	12,800 million yen	12,714 million yen	+1%
Operating Income	5,800 million yen	5,738 million yen	+1%
Ordinary Income	5,800 million yen	5,757 million yen	+1%
Net Income*	4,200 million yen	3,825 million yen	+9%
EPS	202.35 yen	181.26 yen	+12%

*Earnings forecasts are formulated based on actual results through FY03/22 and other available information and forecasts.

Repurchase and Retirement of Treasury Shares

We plan to repurchase and retire treasury shares in order to improve capital efficiency and boost the value of shares. Assuming we acquire the maximum number of shares allowed for the repurchase program, the total number of shares to be retired will be equivalent to 2.7% of outstanding shares.

Details of share repurchase	
Total amount to be acquired	Up to ¥1,000 million
Total number of shares to be acquired	Up to 550,000 shares (2.7% of outstanding shares excluding treasury shares)
Planned acquisition period	May 12, 2022—December 23, 2022
Acquisition method	Market purchases on the Tokyo Stock Exchange (based on a discretionary trading contract)

Retirement of treasury shares (Planned retirement date: February 28, 2023)	
Retirement of treasury shares to be acquired	All treasury shares to be acquired as part of the repurchase program (up to 550,000 shares)

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Results of Repurchases and Retirement Shares in FY03/22

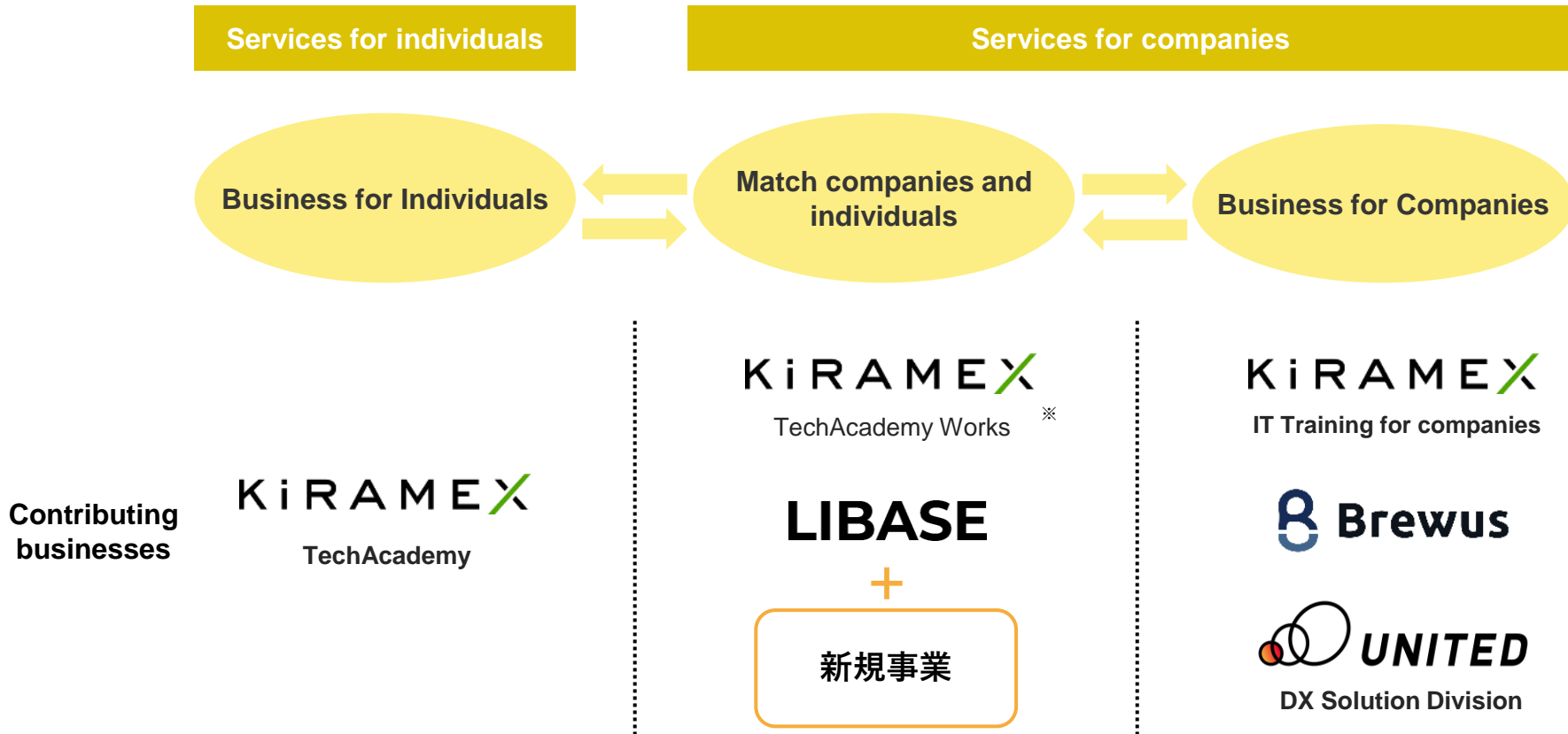
We repurchased and retired shares in order to improve capital efficiency and boost the value of shares. The total number of shares retired is equivalent to **12.3%** of outstanding shares as of the FY03/21 results announcement (May 11, 2021).

Details of share repurchase	
Total amount to be acquired	2,999,992,500 yen
Total number of shares to be acquired	1,715,500 shares
Planned acquisition period	May 12, 2021—February 21, 2022

Retirement of treasury shares	
1. Retirement of treasury shares already held Planned retirement date: May 31, 2021	Number of retired shares: 1,200,000 shares 5.1% of outstanding shares as of the FY03/21 results announcement (May 11, 2021)
2. Retirement of treasury shares to be acquired Planned retirement date: March 31, 2022	Number of retired shares: 1,715,500 shares 7.1% of outstanding shares as of the FY03/21 results announcement (May 11, 2021)

Breakdown of DX Platform Segment

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.



※A service that allows graduates of the Tech Academy to gain practical experience prior to employment by working with a mentor on practical projects.

Consolidated P/L Statement for FY03/22(Q4)

(Millions of yen)	Q4 FY03/21	Q3 FY03/22	Q4 FY03/22	Difference	
				YoY	QoQ
Sales	1,668	2,686	1,927	+16%	-28%
DX Platform Segment	661	564	664	+1%	+18%
Investment Segment	79	1,230	304	+284%	-75%
Content Segment	668	699	765	+15%	+9%
Ad Technology Segment	260	193	195	-25%	+1%
Other Segment	-0	-1	-1	-0	-0
Gross Profit	605	1,661	837	+38%	-50%
DX Platform Segment	25	83	209	+705%	+149%
Investment Segment	73	1,220	252	+246%	-79%
Content Segment	318	231	245	-23%	+6%
Ad Technology Segment	188	126	130	-31%	+3%
Other Segment	-0	-0	-0	-0	-0
SG&A Expenses	692	608	711	+3%	+17%
Operating Income	-86	1,053	125	+211	-88%
DX Platform Segment	-201	-92	0	+202	+92
Investment Segment	55	1,196	230	+318%	-81%
Content Segment	116	82	84	-27%	+2%
Ad Technology Segment	118	76	77	-35%	+2%
Other Segment	-175	-208	-267	-92	-58
Ordinary Income	-132	1,066	138	+220	-87%
Net Income*	-122	728	-49	+72	-778

* Refers to net income attributable to owners of parent

Consolidated B/S Statement for FY03/22

Decrease in assets and liabilities mainly due to mark-to-market valuation and sales of listed shares held. Net assets changed due to the above, as well as the recording of net income and share repurchases.

(Millions of yen)	End of FY03/21 (March 31, 2021)	End of FY03/22 (March 31, 2022)	Difference
Current Assets	46,115	34,179	-11,936
Cash & Deposits	13,774	12,165	-1,608
Operating Investment Securities	30,953	18,789	-12,163*
Non Current Assets	1,240	4,521	+3,281
Amortization of Goodwill	-	327	+327
Total Assets	47,356	38,701	-8,655
Current Liabilities	3,114	2,812	-302
Non Current Liabilities	8,206	5,600	-2,605
Deferred Tax Liabilities	8,098	5,524	-2,574*
Total Liabilities	11,321	8,412	-2,908
Net Assets	36,034	30,288	-5,746
Unrealized Gain on Securities	18,571	9,601	-8,970*

* Of this amount, the impact of revaluation (mark-to-market) and disposal of operational investment securities (listed shares) was as follows:
operational investment securities, +¥13,101 million; deferred tax liabilities, +¥3,990 million; and valuation difference on a available-for-sale securities, +¥9,042 million.

Cashflow

Cash flow from operating activities decreased YoY due to an increase in income taxes paid.
Cash flow from financing activities decreased YoY due to share repurchases.

(Millions of yen)	FY03/21	FY03/22	Difference
Cash Flow from Operating Activities	6,992 ^{*1}	2,718 ^{*2}	-4,273
Cash Flow from Investing Activities	-171	-477	-306
Cash Flow from Financing Activities	-1,428 ^{*3}	-3,849 ^{*4}	-2,421
Cash and Cash Equivalents at End of Period	13,774	12,165	-1,608

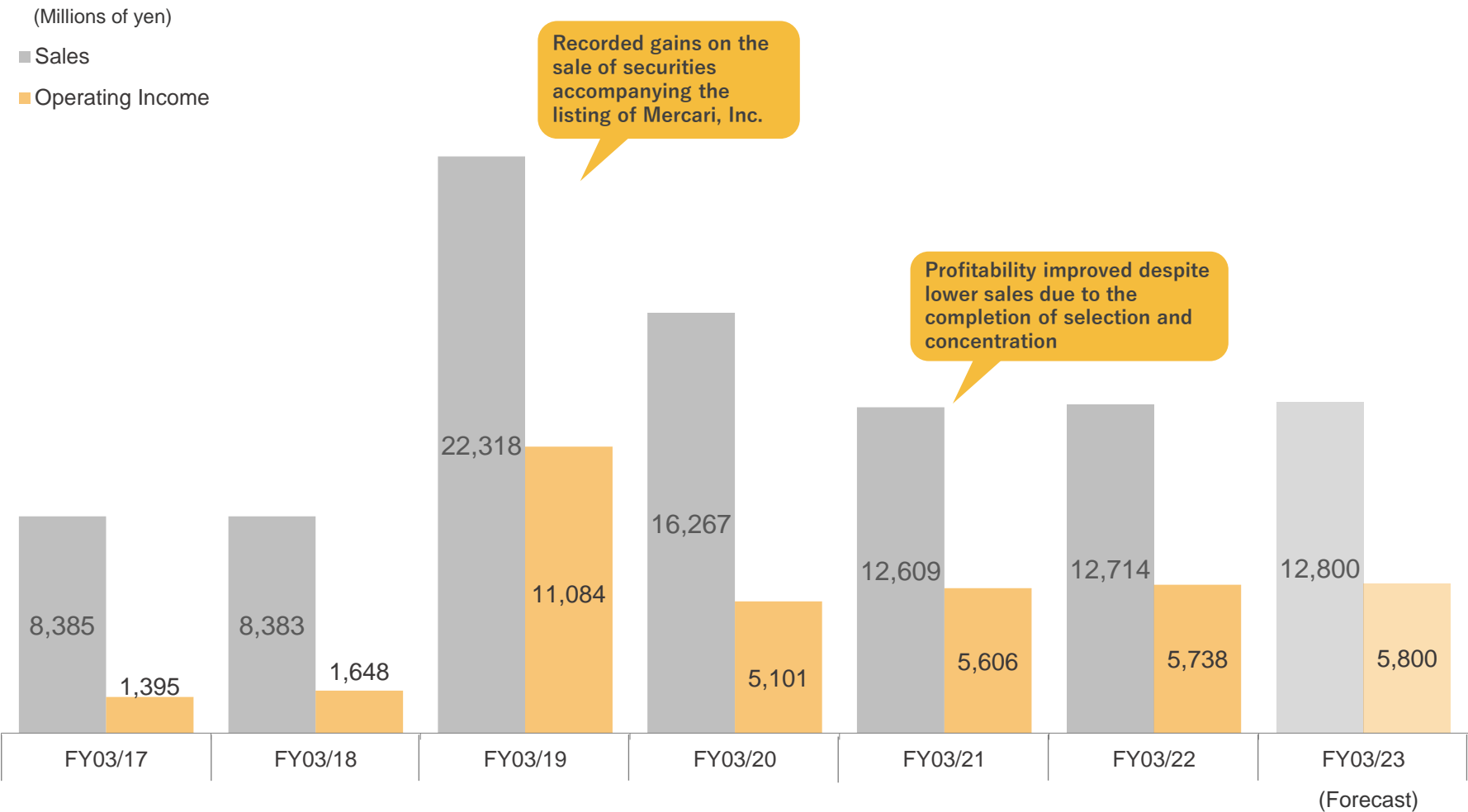
*1 The amount factors in ¥5,448 million from sale of operational investment securities and ¥724 million from income taxes refunded

*2 The amount factors in ¥6,281 million from sale of operational investment securities and -¥2,111 million from income taxes paid

*3 The amount factors in -¥754 million from share repurchase and -¥378 million from cash dividends paid

*4 The amount factors in -¥3,000 million from share repurchase and -¥775 million from cash dividends paid

Consolidated Sales and Operating Income in Previous Fiscal Years



Number of Consolidated Employees and Directors

(Numbers employed)

