



May 11, 2015

**Full Year, Fiscal Year Ending March
2015**

Consolidated Financial Results

United, Inc.
(TSE Mothers, Code 2497)

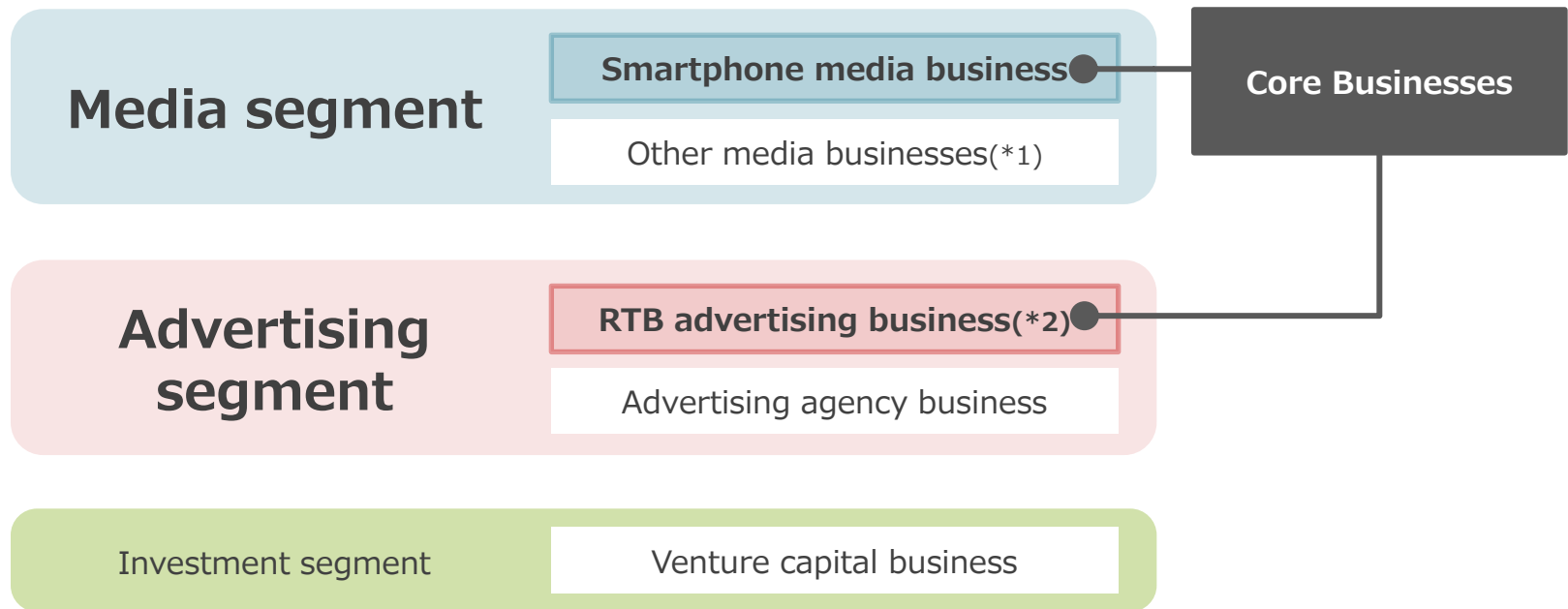
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Our Core Business

We are putting effort into the **RTB advertising business** and **smartphone media business** expecting to see market growth in the future, actively investing in these two to achieve business growth.



*1 Email advertising, internet research, sports marketing

*2 RTB (real-time bidding) refers to which ad inventory is bought and sold on a per-impression basis, via programmatic instantaneous auction

1. Financial Highlights

Highlights of Full-year Financial Results

Whole	Full-year Consolidated Results	<ul style="list-style-type: none">• Both revenue and profit increased compared to the same period last year (Growth rate compared to the same period a year ago)<table><tr><td>Sales</td><td>8,333 million yen</td><td>(+35%)</td></tr><tr><td>Operating profit</td><td>370 million yen</td><td>(+167%)</td></tr><tr><td>Net profit</td><td>551 million yen</td><td>(+444%)</td></tr></table>• Core businesses (smart phone media business + RTB advertising business) continue to act as drivers for growth.	Sales	8,333 million yen	(+35%)	Operating profit	370 million yen	(+167%)	Net profit	551 million yen	(+444%)
Sales	8,333 million yen	(+35%)									
Operating profit	370 million yen	(+167%)									
Net profit	551 million yen	(+444%)									
Core Businesses	Smartphone Media Business	<ul style="list-style-type: none">• Sales: +37% compared to the same period last year• CocoPPa-related services, primarily avatar app “CocoPPa Play” led the growth.• Idol cheering application “CHEERZ” was released (December 2014).									
	RTB Advertising Business	<ul style="list-style-type: none">• Sales: +90% compared to the same period last year• SSP “AdStir” led the growth throughout the year. DSP “Bypass” achieved growth in 4Q.									

Consolidated P/L Statement for Full Fiscal Year

Both revenue (+35%) and Operating profit (+167%) grew compared to the same period last year

Driven by the expansion of advertising segment resulting from the growth of RTB advertising business

(million yen)

	Year ending in March 2015	Results of the same period last year (year ending in March 2014)	Increase/decrease rate compared to the same period last year
Sales	8,330	6,156	+ 35%
Media segment	3,357	3,001	+ 12%
Advertising segment	4,918	3,050	+ 61%
Investment segment	149	162	△8%
Inter-segment elimination	△93	△58	-
Total profit from sales	2,113	1,697	+ 24%
Media segment	983	962	+ 2%
Advertising segment	1,001	625	+ 60%
Investment segment	128	110	+ 16%
Inter-segment elimination	0	0	-
Selling, general and administrative expenses	1,742	1,558	+ 12%
Operating profit	370	138	+ 167%
Media segment	268	399	△33%
Advertising segment	548	167	+ 227%
Investment segment	102	80	+ 27%
Headquarter expense	△548	△508	-
Current profit	626	153	+ 308%
Equity in earning of affiliate	253	20	+ 1,118%
Other	1	△5	-
Quarterly net profit	551	101	+ 444%
Extraordinary profit and loss	△79	△12	-
Tax expense	4	△39	-

Profit from investment fund
to which equity method is
applicable:
213 million yen (3Q)

Profit from stock sales due
to the listing of Datasection,
Inc.: 380 million yen (3Q)

Loss from sale of
investment securities of SS
Digital Media,
LLC: 413 million (4Q)

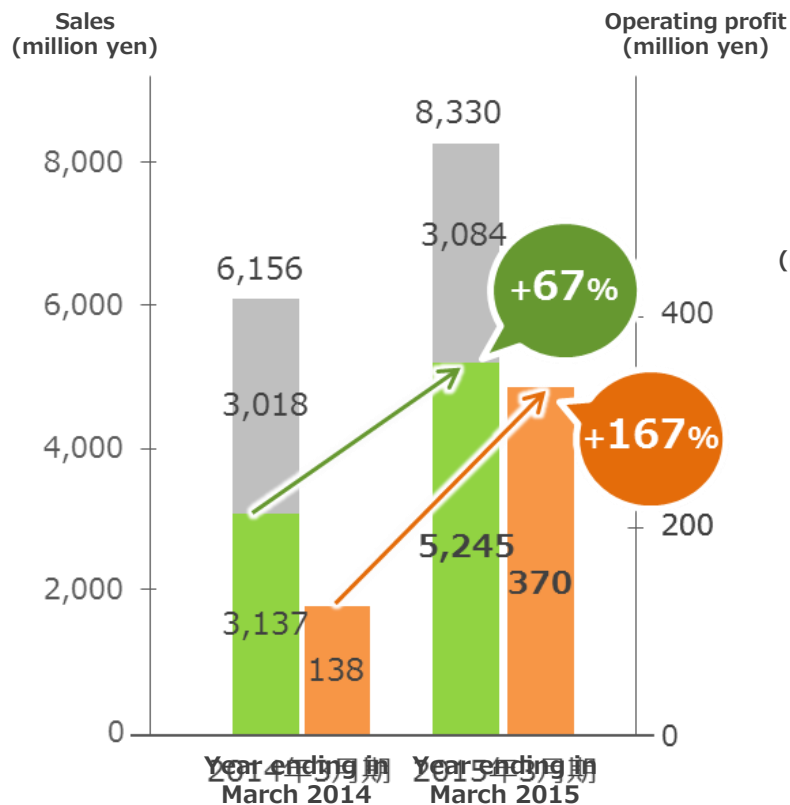
* From 1Q of the year ending in March 2015, we changed the standards for allocating SG&A to each business segment and recalculated the operating profit of the same period a year ago according to the new standards.

Consolidated: Changes in Sales and Operating Profit

Sales of the entire company vs. the same period last year : +35%
Operating profit of the entire company vs. the same period last year: +167%

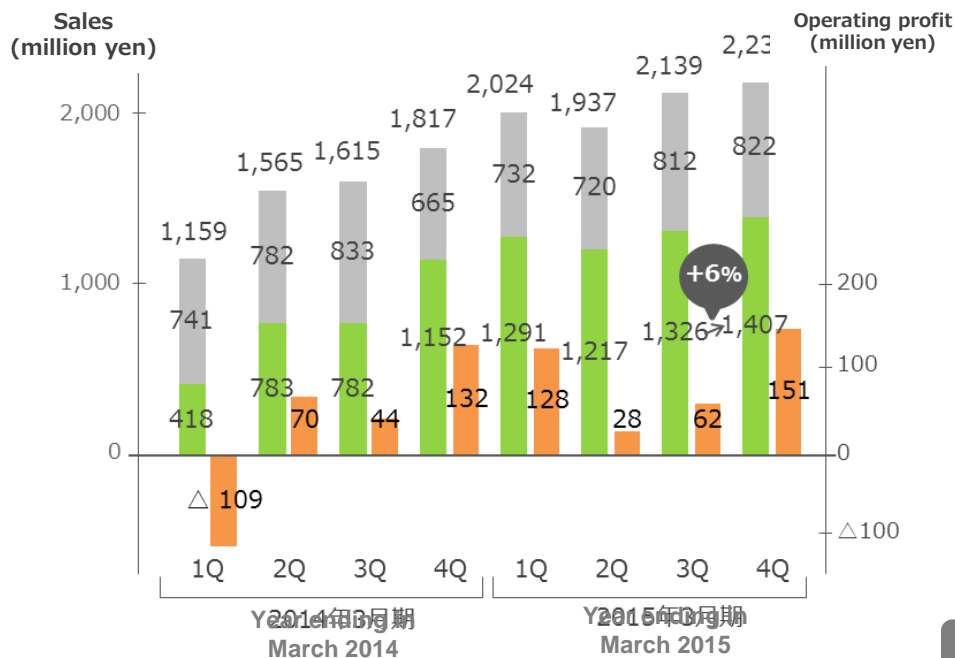
Sales of core businesses (smartphone media business + RTB advertising business) vs. the same period last year: **+67%**
Compared to the same period last year

■ Sales of other businesses ■ Sales of core businesses ■ Operating profit



Quarterly changes

Compared to the same period last year: Sales grew +8%, and operating profit grew in both smartphone media business and RTB advertising business.

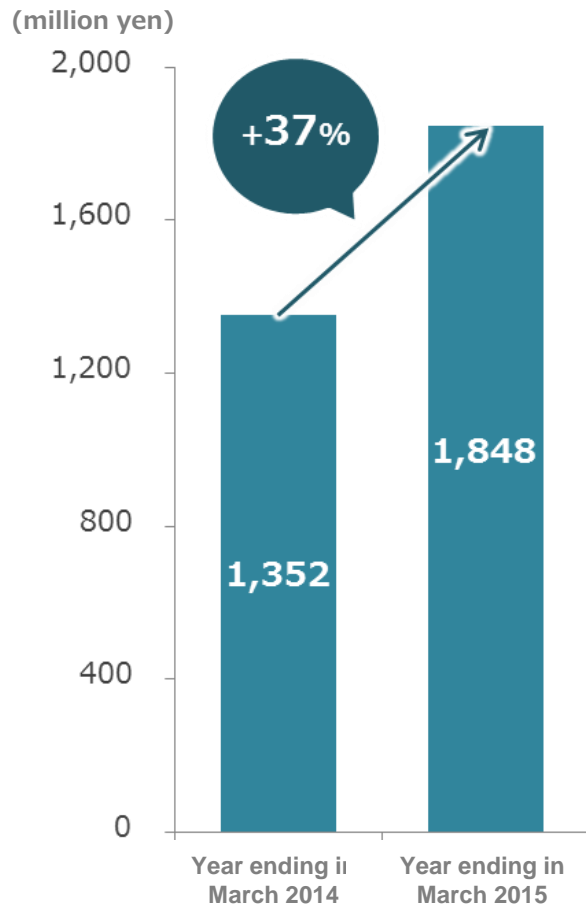


Smartphone Media Business: Changes in Sales

+37% compared to the same period last year

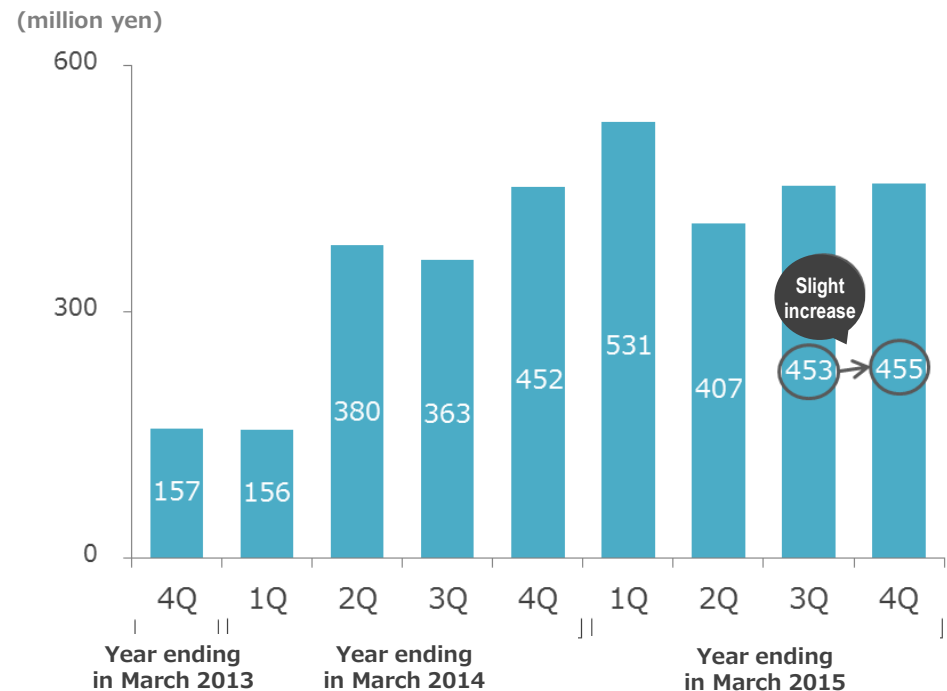
CocoPPa-related services (particularly CocoPPa Play) led the growth

Compared to the same period last year



Quarterly changes

"CocoPPa-related services" achieved growth, while operating profit in "Affiliate media" decreased, resulting in a slight increase as a whole.



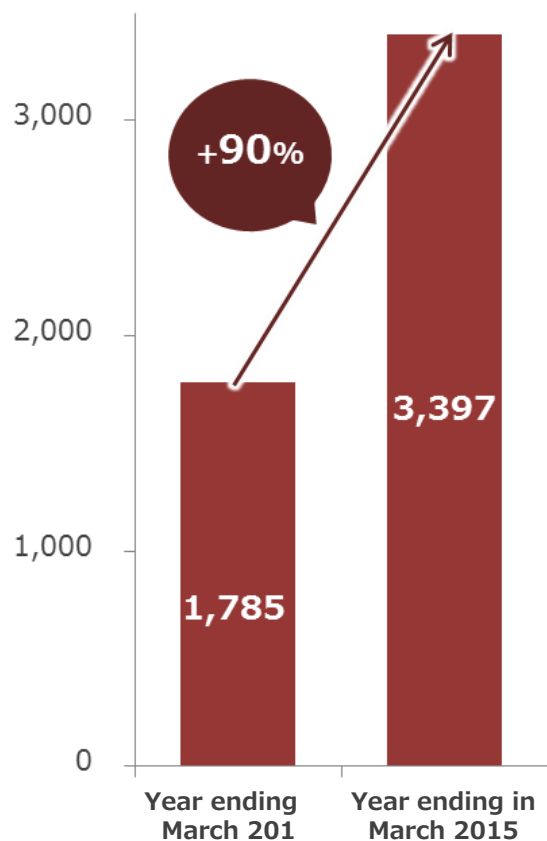
RTB Advertising Business: Changes in Sales

+90% compared to the same period last year.

SSP led the growth throughout the year. Growth of DSP accelerated in the 2nd half of the year.

Compared to the same period last year

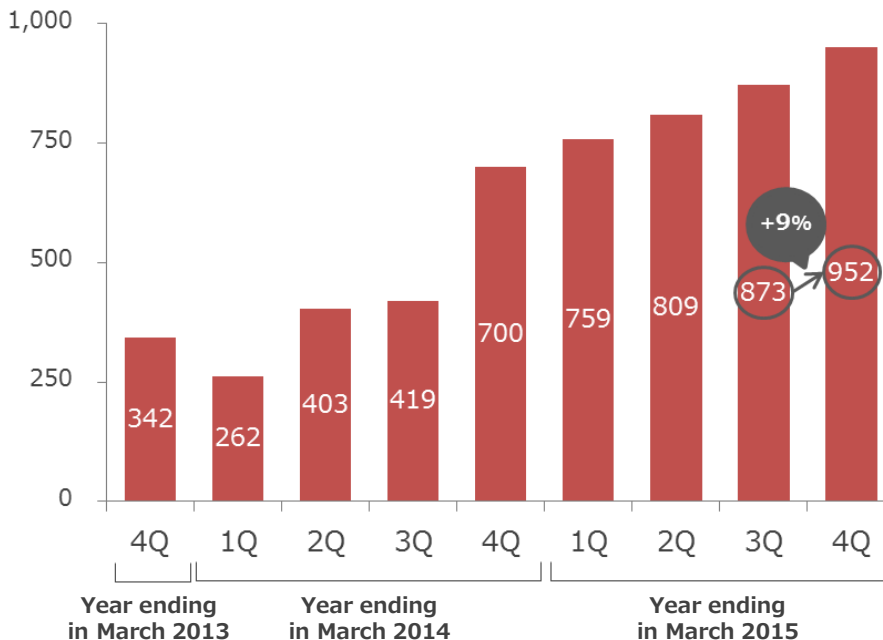
(million yen)



Quarterly changes

+11% compared to the same quarter last year. Profit continued to grow. DSP led the growth.

(million yen)



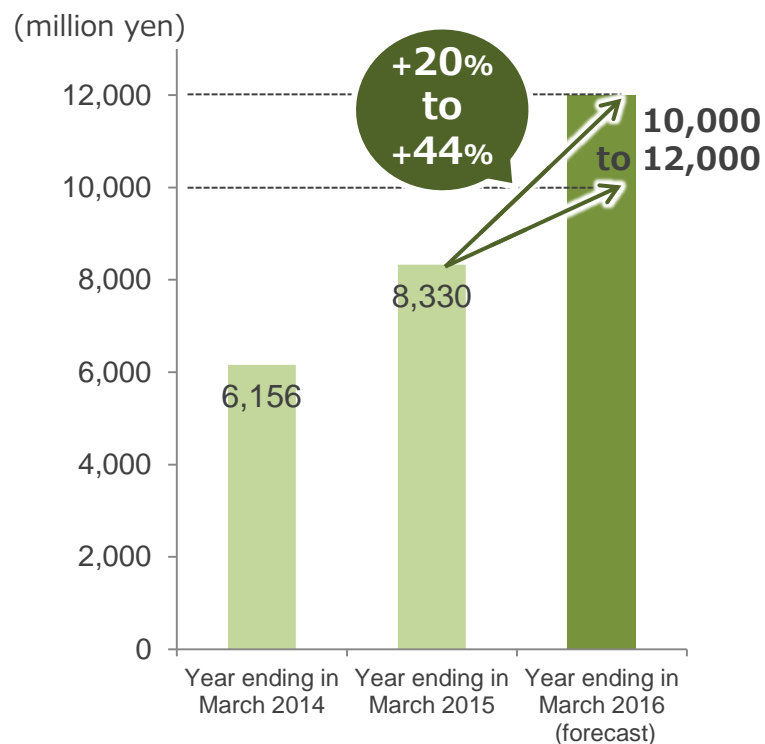
2. Business Results Forecast for Year Ending in March 2016

Forecast of Consolidated Sales & Operating Profit for Year Ending in March 2016

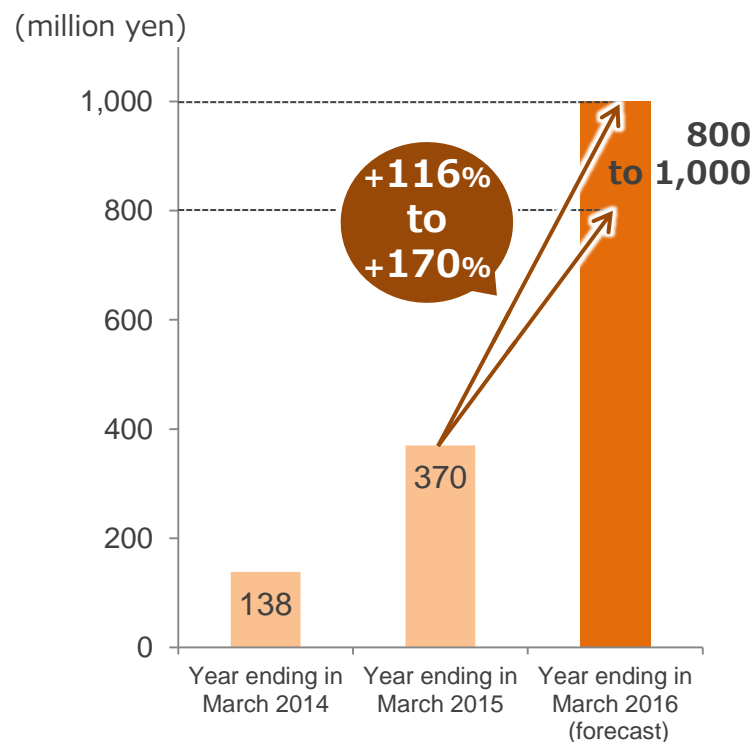
Business results forecast for year ending in March 2016

- **Consolidated sales: 10 to 12 billion yen** (+20 to +44% vs. the same period last year)
- **Consolidated operating profit: 0.8 to 1 billion yen** (+116 to +170% vs. the same period last year)

Forecast of changes in consolidated sales



Forecast of changes in consolidated operating profit



Policy for Year Ending in March 2016

Whole Company

- Continued growth primarily in core businesses (Smartphone application business (*1) + Ad-Tech Business (*2))
- Smartphone application business: Proactive investment toward a leap in the 2nd half of the year
- Ad-Tech Business: Continued growth exceeding the market expansion pace

Smartphone Application Business (See Pages 13-22 for details)

- Accelerate profit expansion by the application group led by “CocoPPa”
- Reinforce investment in “CHEERZ” with successful start-up. Recover the investment in the 2nd half of the year.
- Newly enter into “Native social game” aiming for a future large growth in profit

Ad-Tech Business (See Pages 23 to 28 for details)

- Continued growth in sales and operating profit centering around our own DSP/SSP
- Focus on the fields of applications which are expected to achieve a high growth in smartphone RTB market

*1 The name changed from “Smartphone Media Business,” which was used until the year ending in March 2015

*2 The name changed from “RTB Advertising Business,” it was used until the year ending in March 2015. It newly covers ad networks handled by advertising agencies and SNS advertisement.

Business Results Forecast for 1Q of Year Ending in March 2016 (Operating Profit)

Reinforce investment in Smartphone Application Business

Operating Profit of -1 million yen to 0 yen is forecasted

1Q of Year Ending in March 2016 /Operating profit forecast by business

Businesses	Operating profit forecast	Remarks
• Smartphone Application Business	Negative	Investment in CHEERZ and native social games
• Ad-Tech Business	Positive	Continued growth led by our own DSP/SSP
• Investment Business	Positive	Profit from fund management, etc.
• Other businesses	±0	

Operating Profit : -1 million yen to 0 yen

3. Status of Smartphone Application Business and Future Direction

List of Services in Smartphone Application Business

The main services are the following 6 services.

Proactive investment in “CHEERZ,” and “Native social game” in the fiscal year ending in March 2016.

Services to be proactively invested

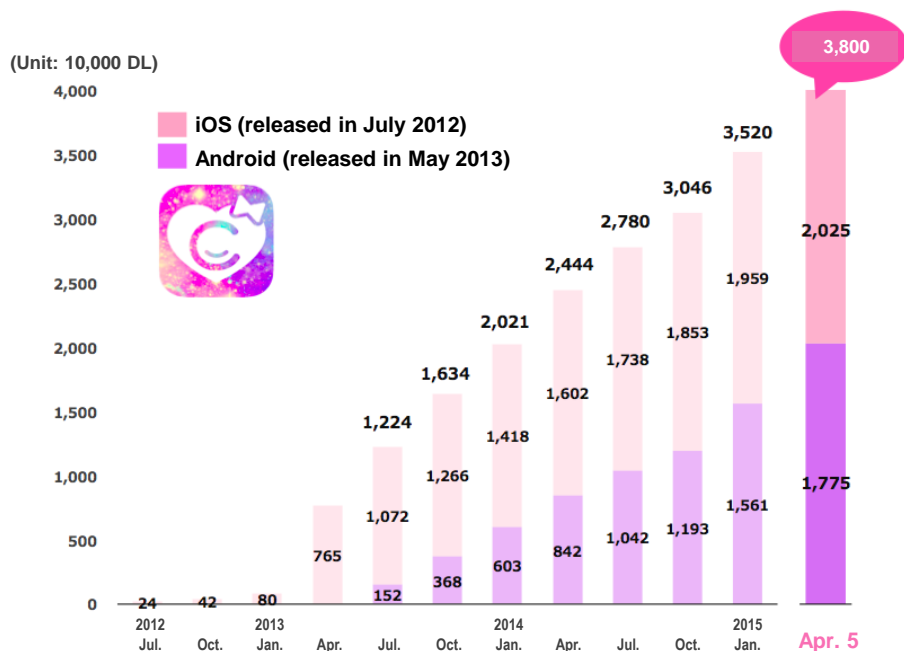
CHEERZ	Idol cheering application with user participation
Native social game	New entry from 1Q of the year ending in March 2016

Services producing stable profit

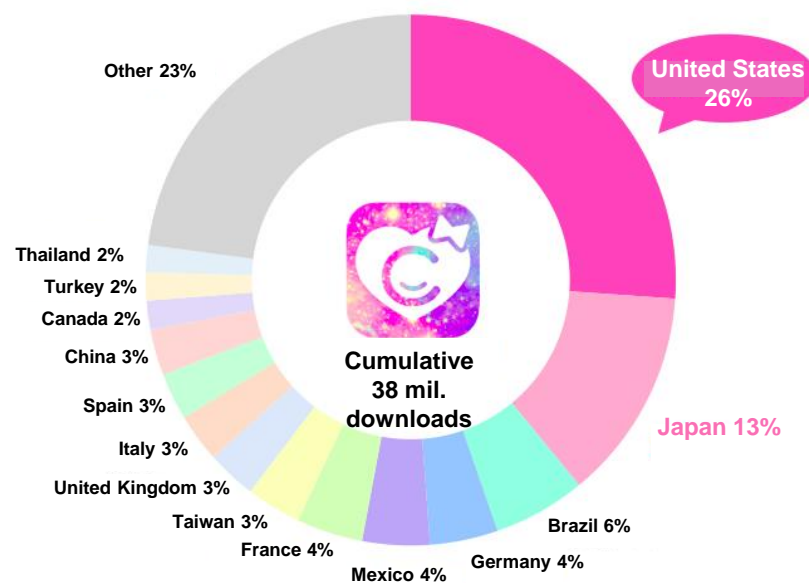
CocoPPa-related Services	Continued profit expansion by the application group led by “CocoPPa” achieving 38 million downloads and avatar application “CocoPPa Play”
Casual game application	Casual game application is provided for free, while producing profit through advertisement displayed on screen
Affiliate media	Point-earning media developed and operated by United
Application for carrier market	Our application is provided to NTT Docomo “Sugotoku-Contents®” and au “Smart Pass,” etc.

Achieved 38 million downloads in April 2015. The ratio of downloads by Android rose to 47%.

Changes in cumulative downloads by OS



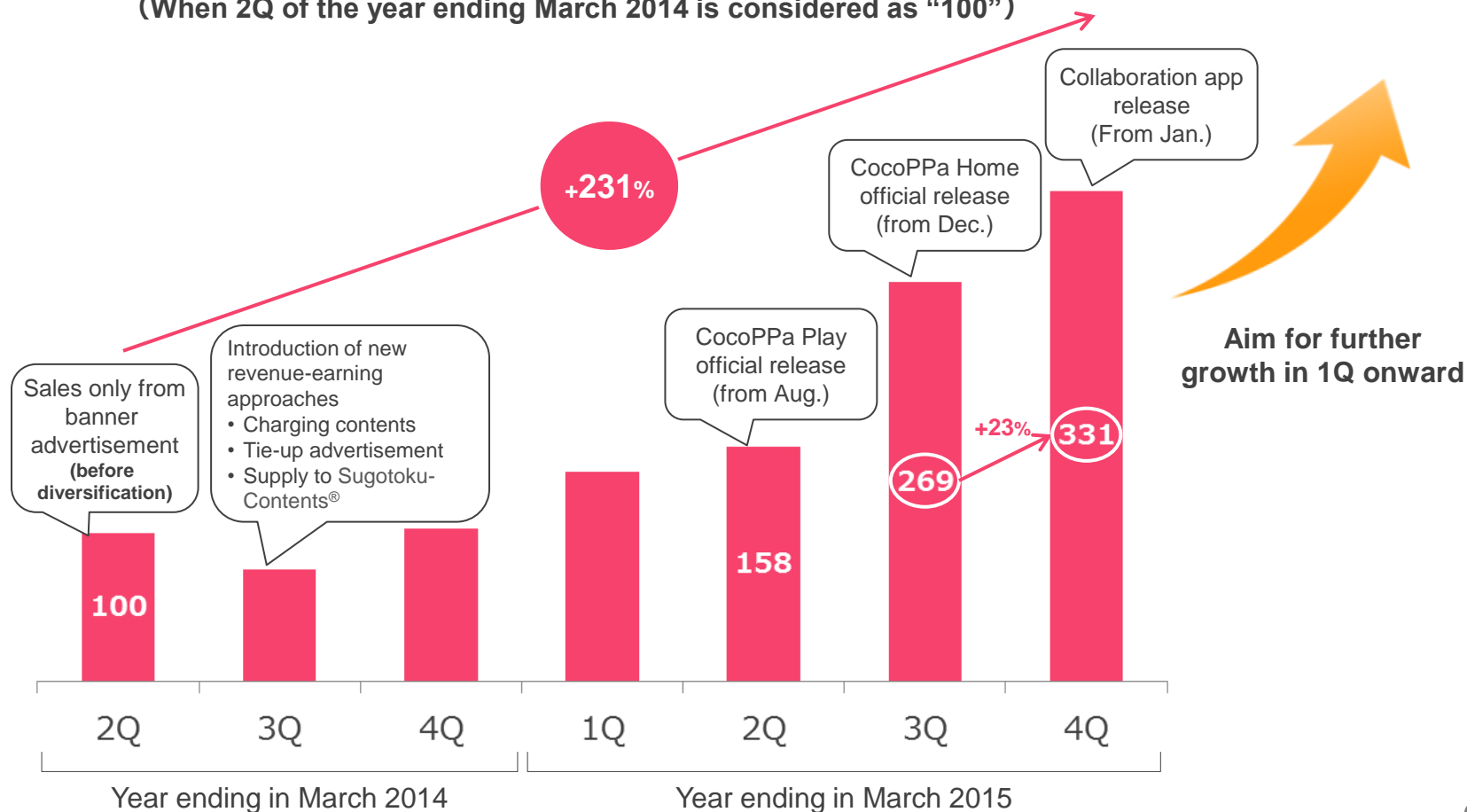
Percentages of downloads by country



+231% Compared to the stage before monetization method diversification (2Q in year ending in March 2014)

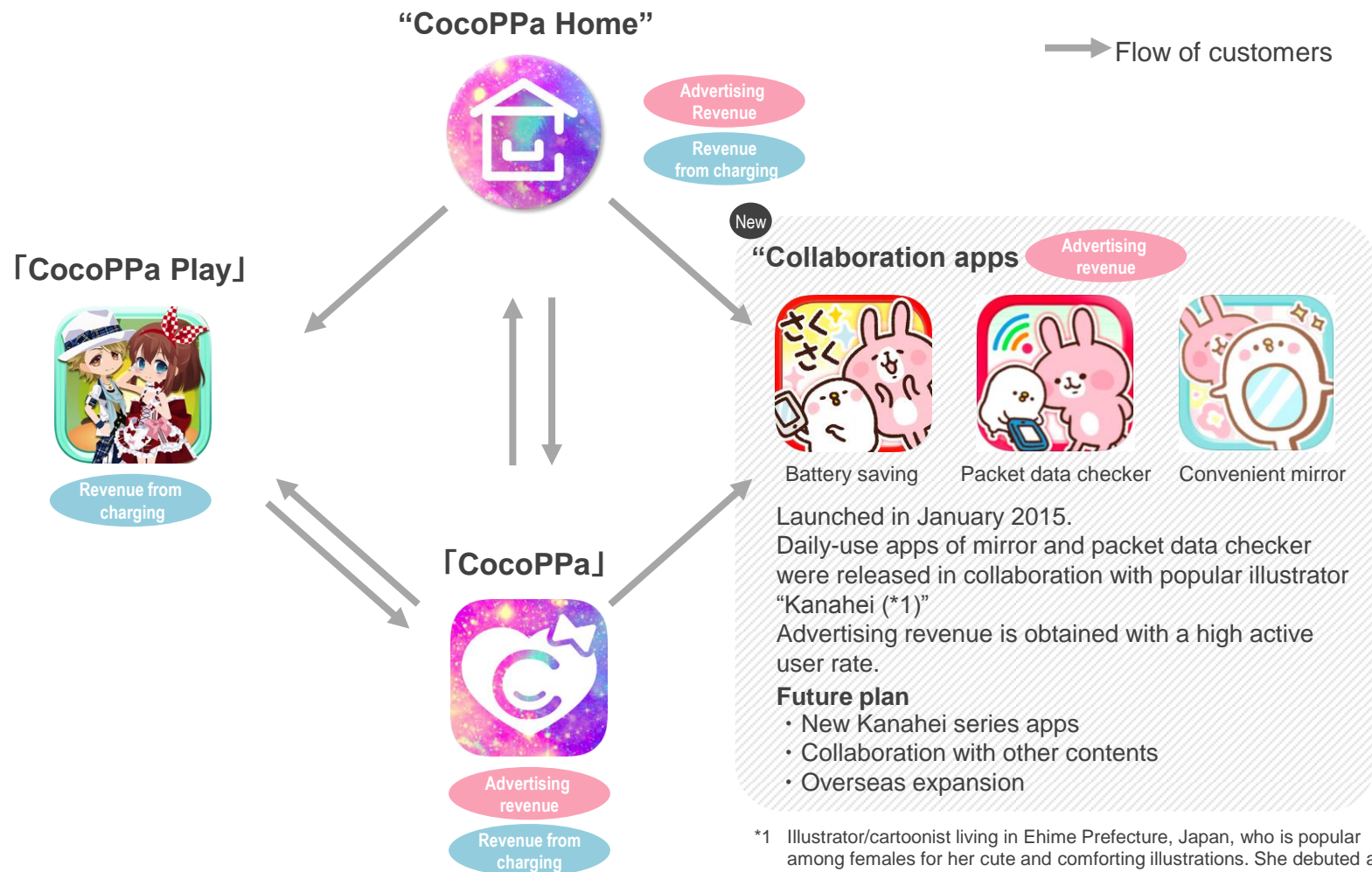
Continued growth with new efforts. Following 3Q, "CocoPPa Play" also led the growth in 4Q

Quarterly changes in sales of "CocoPPa-related services"
(When 2Q of the year ending March 2014 is considered as "100")



CocoPPa-related Services Future Plan

Aim to grow the entire services through various applications and profit-producing measures



*1 Illustrator/cartoonist living in Ehime Prefecture, Japan, who is popular among females for her cute and comforting illustrations. She debuted as a high-school student in “Seventeen,” a Japanese magazine published by Shueisha, and has over 2 million followers worldwide in CocoPPa

CHEERZ Idol Cheering App “CHEERZ”

Successful start-up from release in December 2014

Strengths of “CHEERZ”

Idols can participate with ease

Idols just need to upload their selfie photos, and do not need to respond to their fans. They can participate frequently not restricted by time and place.

User friendly

Also, cheer by fans is not restricted by time and place.
Fans ranked high in the fan ranking will be rewarded, such as invitation to real events.

Overseas expansion

Visual services requiring no text, which can be expanded easily transcending language barrier

Recent topics

Number of participating idols
At the time of release (Dec. 3, 2014): approx. 200 idols
As of Mar. 31, 2015: approx. 300 idols

Idol's photo will be presented to users ranked high in the fan ranking.
Sale of a visual book “CHEERZ Book” with photos of high-ranked idols

Scheduled to participate in Japan Fes. to be held in Thailand, France, and the U.S. in May through August

Successful start-up by utilizing its unique strengths

The idol market expanded to 86.3 billion yen in FY 2013 (+19.9% vs. the same period last year)(*1)
Aim for further growth

*1 Source: October 2014 survey by Nielsen

CHEERZ Comprehensive Business alliance with@JAM

Comprehensive business alliance with @JAM EXPO 2015, a largest idol event in Japan held by ZEPP Live, Co. Ltd., for promotional purpose



@JAM EXPO 2015

- The largest idol event in Japan, held by ZEPP Live, a subsidiary of Sony Music Entertainment Co. Ltd.
- ZEPP Live has promoted various J-pop culture events under @JAM branding in Japan, and is expanding its business globally, producing idol events named "KAWAII POP FES" in Hong Kong and Taiwan. (The festival will be held in Shanghai during 2015)



CHEERZ

Major Actions

@JAM EXPO 2015

- Cooperates with CHEERZ to promote "@JAM EXPO 2015," appealing to cell phone users
- Provides "@JAM" promotional information to CHEERZ

CHEERZ

- Establishes special sites of "@JAM EXPO 2015" in CHEERZ application, providing the latest event news of the JAM EXPO
- Will have "@JAM EXPO 2015" known at global events to which CHEERZ attends

Aim for growth of both services and for global development and expansion of idol markets, making each service well known and full of various contents

1. Acquisition of hippos lab Co., Ltd.

- United acquired Hippos Lab, a game developer mainly focusing on social games, and made it United's subsidiary on May 1, 2015, by investing 112 million yen for this transaction.
- United and Hippos Lab plan to release their first native social game in summer 2015.



Name : hippos lab Co., Ltd.
URL : <http://www.hipposlab.co.jp>
Rep. : CEO/President Nachi Goodings

He has engaged in development and practical operation of many games in a major game development company, subsequently established hippos lab Co., Ltd. In 2011 and became its CEO, with an aim to create original contents with high quality mainly for smart phones. He has broad experience and knowledge about game business generally, from social games to consumer games.

Employees : 13 members

Was in charge of development and operation of “Legend of sacred sword – CIRCLE of MANA,” provided by Square Enix



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Developed by hippos lab Co., Ltd.

- **United acquired human resource and know-how of development and business operation about social native games**
- **First title will be released in summer 2015**

2. Joint Business with Wonderplanet

Native social game “Crush Fever” will be released in June 2015 as a joint business with Wonderplanet, Inc., our invested company.



Wonderplanet, Inc.

- A game development company based in Nagoya
- Received investment from “LINE GAME Global Gateway” as the first project to receive project financing.

100 million yen
invested in October
2013



**Native social game “Crush Fever” will be released
as a joint business in June 2015**



Collaboration Scheme

Development: Wonderplanet
(United pays for part of development cost)
Promotion & operation:
Jointly performed by two companies

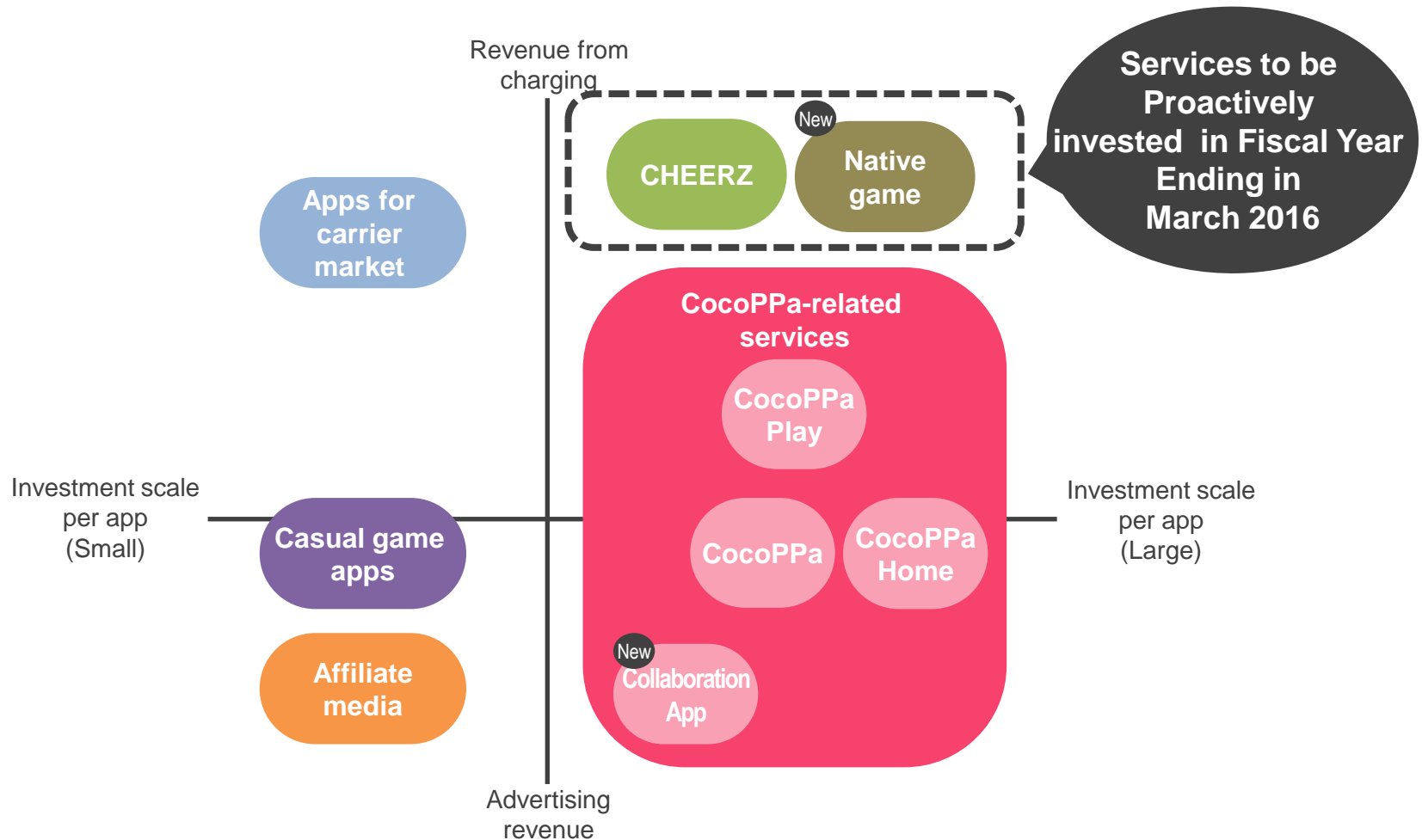
What we gain

Profit through
revenue sharing

Promotion & operation
know-how

Portfolio of Services in Smartphone App Business

Proactively invest in “CHEERZ,” and “Native social game” in the year ending in March 2016.
Other services also make stable contribution to profit



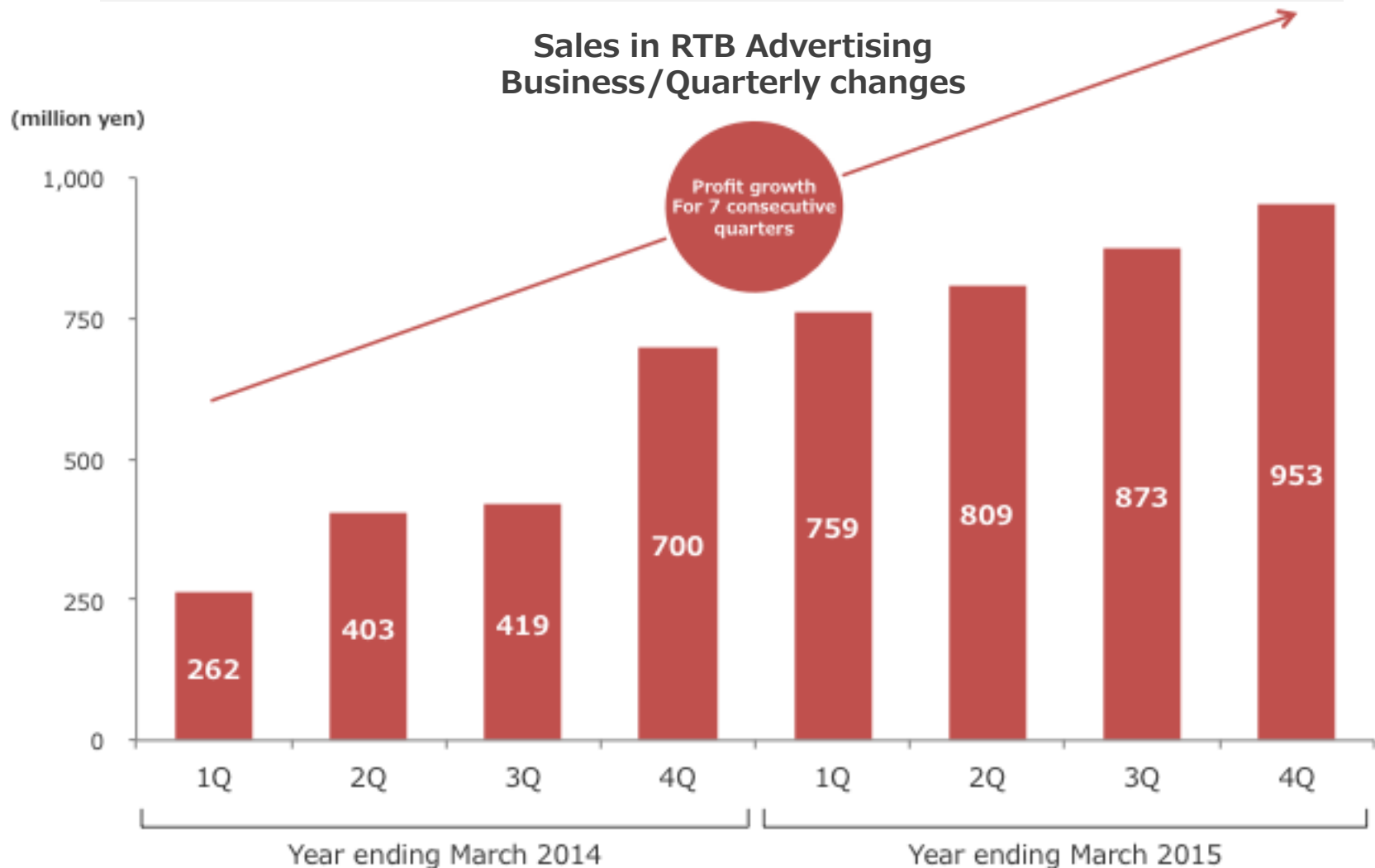
New ... New services released in 4Q of year ending in March 2015 onward

4. Status of RTB Ad-Tech Business and Future Direction

RTB Advertising Business: Quarterly Changes in Sales

Continuous profit growth for 7 consecutive quarters

since 1Q of year ending March 2014



Business Progress of Our DSP & SSP in Year Ending in March 2015

Both DSP and SSP grew in scale during the last one year
For both DSP and SSP, total sales profit rates rose with sales growth



Our DSP "Bypass"

Changes from March 31, 2014 to March 31, 2015

Cumulative number of advertisers:

2,100 → 3,000 companies

Inventory at distribution destination:

85 billion → 165 billion imp.

Support new distribution approach:

Dynamic retargeting,
Native RTB ads



Our SSP "adstir"

Changes from March 31, 2014 to March 31, 2015

Number of connections to DSP:

7 → 18 DSPs

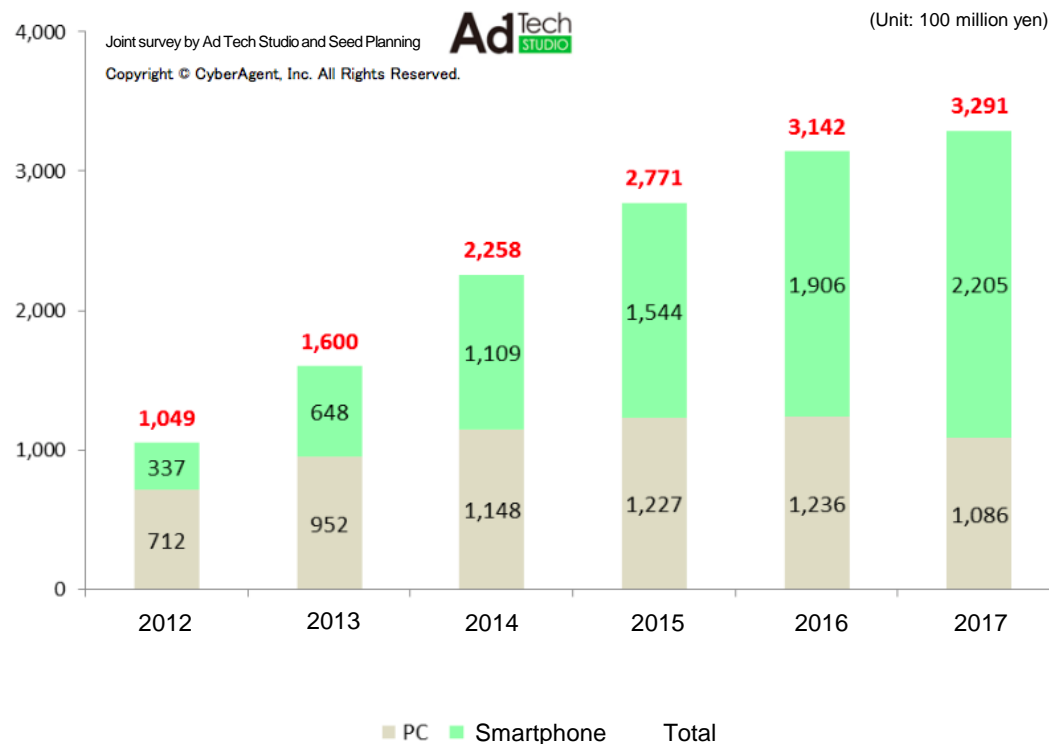
Media introduced with adstir:

14,000 → 22,000 media

Forecast of Ad Tech Market Size

While the growth of PC display-ads is slowing down, **the sales of smartphone-ads, our main business segment, continues to grow and is forecasted to exceed that of PC display-ads in 2015**

Presumption and Forecast of Advertisement Market for Ad Technology (by device) 2012 - 2017



(Source: Joint survey by Ad Tech Studio and Seed Planning in September 2014)

Policy for Year Ending in March 2016

We specialize particularly in the smartphone segment among ad tech businesses.

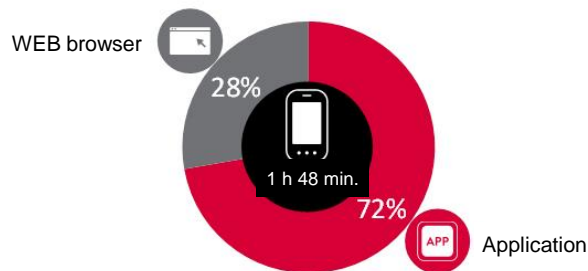
In the segment, we particularly plan to **reinforce applications** which account for a majority of smartphone use.

Specific actions for application reinforcement

DSP	SSP	Trading Desk
Release of new services specializing in application distribution (scheduled for June, 2015)	Reinforce acquisition of app inventory Support various ad formats for app	Start-up a team specializing in handling of ads within application

Market Data

The average time spent on smartphone is 1 hour and 48 minutes per day, 72% of which is spent on the use of applications.



Excluding the time spent on basic function of smartphone
(e.g., phone, phone directory, default camera)

(Source: October 2014 Survey by Nielsen)

Environment

Due to technical restriction, smartphone RTB was mainly based on web browsers so far



It is becoming possible to target within application and between application and web browser in both iOS and Android.

Organizational Strengths of Ad-Tech Business

Continues to grow in the future based on the background of the strengths of organization supporting the current high growth

Owens its own DSP, SSP,
ad agency

- Able to speedily perform new actions within the company such as RTB distribution of native ads, from testing to implementation
- Able to provide feedback such as functional improvement from a different viewpoint

Highly-experienced
development members

- Team mainly consists of members who have long engaged in business since the time of ad network and are very familiar with ad tech and our own system

Sales and operation
members from various
backgrounds

- Collaboration among members with various net advertisement backgrounds, such as ad agents, media reps, and sales persons from media company sales

5. Summary

Overall Summary

	Year ending in March 2015	Year ending in March 2016
Whole	<p>Both earnings and profits increased against the same period last year</p> <p>Sales: 8,330 mil. yen (+35%)</p> <p>Operating profit: 370 mil. yen (+167%) (growth rate against the same period last year)</p>	<p>Forecast</p> <p>Sales: 10,000 to 12,000 mil. yen (+20 to +44%)</p> <p>Consolidated operating profit: 800 to 1,000 mil. yen (+116 to +170%) (growth rate against the same period last year)</p>
Smartphone Application Business	<p>“CocoPPa related services” led the sales growth.</p> <p>New services such as “CHEERZ” were released.</p>	<p>Reinforce investment in the promotion and personnel of “CHEERZ,” and “Native social game”</p> <p>Aim for a large growth in profits in the 2nd term onward</p>
RTB Advertisement Business	<p>Growth achieved primarily by our own DSP/SSP in smartphone segment</p>	<p>Achieve continuous growth in smartphone segment, primarily by our own DSP/SSP.</p> <p>Particularly reinforce application segment.</p>

6. Reference Material

Consolidated P/L Statement for 4Q (January to March)

Revenue (+23%) and Operating profit (+14%) increased compared to the same quarter last year
Revenue (+4%) and Operating profit (+144%) increased compared to the previous quarter

(million yen)

	4Q of year ending in March 2015	Results of the same quarter last year (4Q of year ending in March 2014)	Increase/decrease rate vs. the same quarter last year	Results of the previous quarter (3Q of year ending March 2015)	Increase/decrease rate vs. the previous quarter
Sales	2,230	1,817	23%	2,139	+4%
Media segment	855	821	+4%	886	△4%
Advertising segment	1,358	1,002	+35%	1,251	+9%
Investment segment	43	17	+146%	19	+124%
Inter-segment elimination	△26	△24	-	△18	-
Total profit from sales	596	517	+15%	515	+16%
Media segment	246	283	△13%	255	△4%
Advertising segment	305	213	+43%	253	+21%
Investment segment	44	20	+117%	6	+607%
Inter-segment elimination	0	0	-	0	-
Selling, general and administrative expenses	444	384	+16%	453	△2%
Operating profit	151	132	+14%	62	+144%
Media segment	51	91	△44%	88	△42%
Advertising segment	196	72	+170%	131	+49%
Investment segment	37	13	+180%	7	+383%
Head office expenses	△133	△44	-	△165	-
Current profit	156	135	+15%	292	△47%
Equity in earning of affiliate	4	8	△51%	229	△98%
Other	0	△6	-	1	△70%
Quarterly net profit	△157	122	-	592	-
Extraordinary profit and loss	△398	△3	-	359	-
Tax expense	85	△9	-	△59	-

* From 1Q of year ending March 2015, we changed the standards for allocating SG&A to each business segment and recalculated the operating profit of the same quarter last year according to the new standards.

Consolidated Balance Sheet for this Quarter

Current Assets: +1,963 million yen due to increase in account receivable and other factors

Current liabilities: +598 million yen due to increase in account payable and other factors

(million yen)

	End of This Quarter (March 2015)	End of Previous Quarter (March 2014)	Increase/ Decrease
Current assets	9,203	7,239	+1,963
(Cash on hand)	5,878	5,096	+782
Fixed assets	595	960	-364
Current liabilities	1,638	1,040	+598
Fixed liabilities	—	0	-0
Net assets	8,160	7,159	+1,000

Cash Flow Calculations for the Full FY Ending March 2015

The “cash flow from operating activities” was +513 million yen due to record income before income taxes and other factors.

The “cash flow from investment activities” was $\Delta 932$ million yen due to increase in time deposits and other factors.

The “cash flow from financial activities” was +364 million yen due to revenue from issuance of shares by the exercise of subscription rights to shares and other factors.

(million yen)

	Consolidated cumulative full-year period
Cash flow from operating activities	512
Cash flow from investment activities	$\Delta 932$
Cash flow from financial activities	364
Increase/decrease in cash and cash equivalents	$\Delta 17$
Term-end balance of cash and cash equivalents	2,478

Overview of “CocoPPa” services

Icons, wallpapers and home screens posted by users are downloaded and used by other users. The translation featured by Google within “CocoPPa” is enjoyed by users for cross-border communication.

“CocoPPa” Usage Images

User posting material (creator)



Icons and wallpapers are contributed from around the world (free). **1,100,000 icons, 250,000 wallpapers** by the end of Mar.

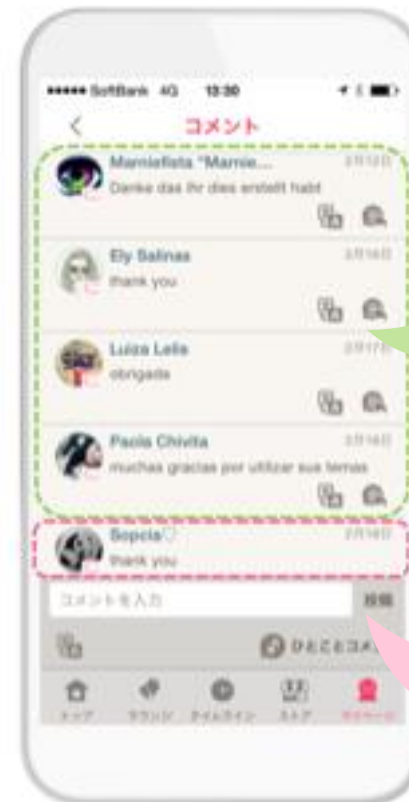
Post

Decorating users



Smartphone screen decorated using posted material (free)

Communication between users (motivation for creators to post)



<Sample page of creators>
(comments)

Users from all over the world write comments on the creator's page
“This icon is cute.” or
“I like your sense of style.”

In English, Chinese, Arabic, German and many other languages

replies:
“Thank you for the comments.” “I am glad to contribute it.”
The translation features are provided in many languages

There is ample communication among users based on posted materials, etc.

Overview of 「CHEERZ」

Our subsidiary, Fogg, inc. (*1) released in December 3.

How to use “CHEERZ”

Photos and movies of idols appear on timeline.

Choose your favorite idol (photo or movie) and “CHEER” her.

Idols will be ranked based on the number of “CHEERS” received.

Users will be ranked based on the number of “CHEERS” to each idol.

Charging method

Charging will be required to “CHEER” more than the specified number. Users can play for free, as there is free limited allocation of “CHEER” and recovery by time.



After the payment to the platform, the balance of the revenue will be allocated to Fogg and idols (agencies).

Motivation for CHEER (1) “Developing idols”

Idols who ranked high will be exposed to affiliated media and Monthly CHEERZ (*2) for recognition expansion

Motivation for CHEER (2) “Incentive”

Campaign such as photo presented by idols to fans who ranked high.

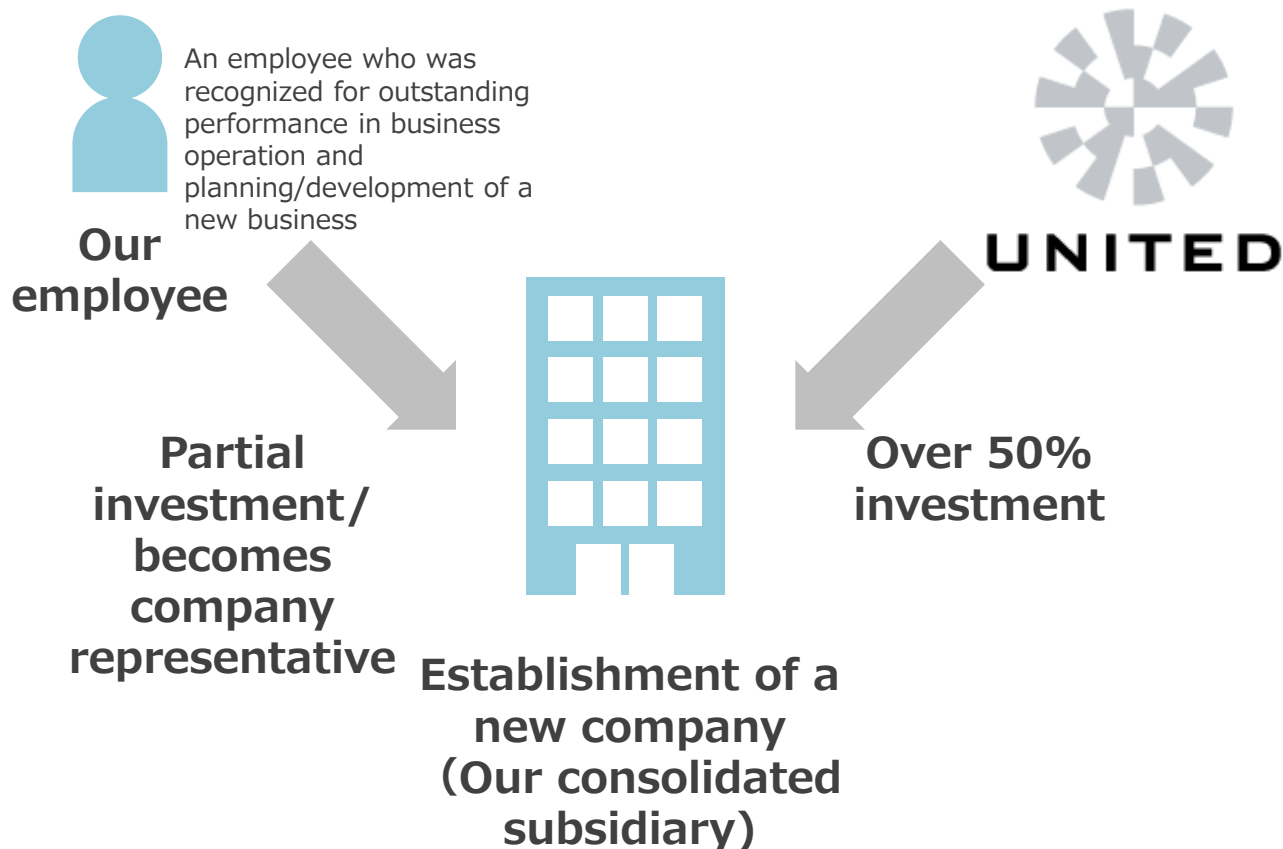
*1 A new business company established by our unique personnel system “U-start” (See p.37).

*2 A visual book with photos of idols who received high numbers of cheers per month. It is planned to be sold at bookstores, convenience stores located nationwide and Amazon.

Our Unique Personnel System “U-Start”

As an organizational effort to continue to develop new promising businesses, in April 2013 we have introduced a system to give our employee with outstanding performance a right to invest in a new company to be started.

Start-up Support System “U-Start”



Organizational Strengths of Our Smartphone Media Business

We have generated profits from various types of services backed by our various “strengths and systems” as an organization.

We will continuously develop and introduce our new services.

Features of human resources and organization

- “People with strength in net business, internally transferred from other section,” “mid-hires with specialized skills,” and “new graduates with high potential” work integrally.
- Corporate culture enabling cooperation beyond the lines of work categories.

We can start various projects with right people at right locations in harmony with market changes

Internal development skills

- High capability to plan and develop applications internally and business development ability
- Internally-developed potent applications (with strong user base) suppresses the cost for attracting users

Planning & development, business establishment, and promotion can be efficiently made within our company

Empirical value

- Entered the application market in June 2010 during its dawn. Released over 100 applications to date.
- Have developed from scratch a large-scale service “CocoPPa,” which achieved 32 million downloads.

We have general knowhow obtained through our abundant experience

Internal system

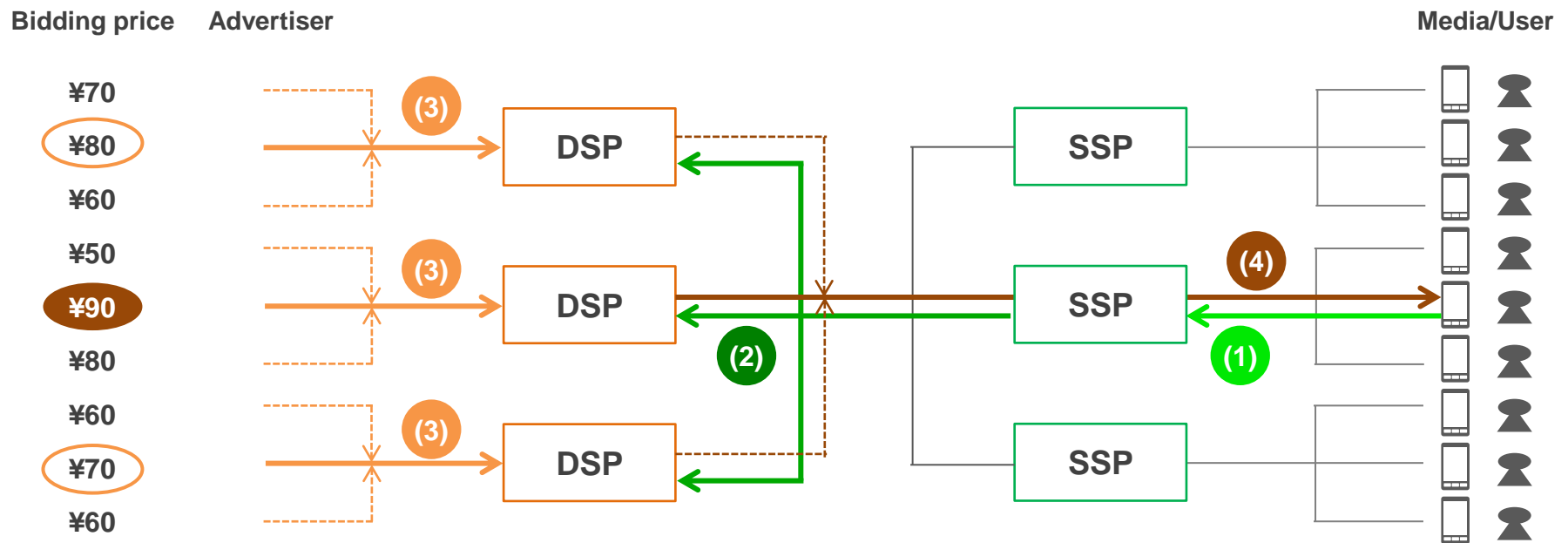
- Our own unique personnel system “U-start” (See p.37) Offer a unique business start-up support system for our employees with high entrepreneurship and excellent results. Fogg, inc., an operator of “CHEERZ,” is the first company this system applied.

We turn entrepreneurship of our excellent employees into business power of the group

Flow of RTB Advertisement

Flow of RTB Advertisement Transaction until Closing [(1) to (4) below take place within 0.05 second)

- (1) Impression occurs
- (2) Through SSP, device (browser) information such as frame size and user ID is sent to DSP as a bid request.
- (3) Based on information of the bid request, an auction takes place at a preset price within DSP, selecting the advertiser with the highest bidding price.
- (4) The advertiser with the highest bidding price among DSPs wins the bidding and their ad is displayed.



Advantages for advertisers

Able to efficiently place ads for each impression only to users they wish to display ads

Advantages for media

Able to offer ad space for bidding to multiple advertisers and maximize profits

Vision

Become the leading internet firm in Japan

Mission

Create new value through continued challenges and contribute to society

