



November 5, 2014

**Second Quarter, Fiscal Year Ending
March 2015**

Consolidated Financial Results

United, Inc.

(TSE Mothers, Code 2497)

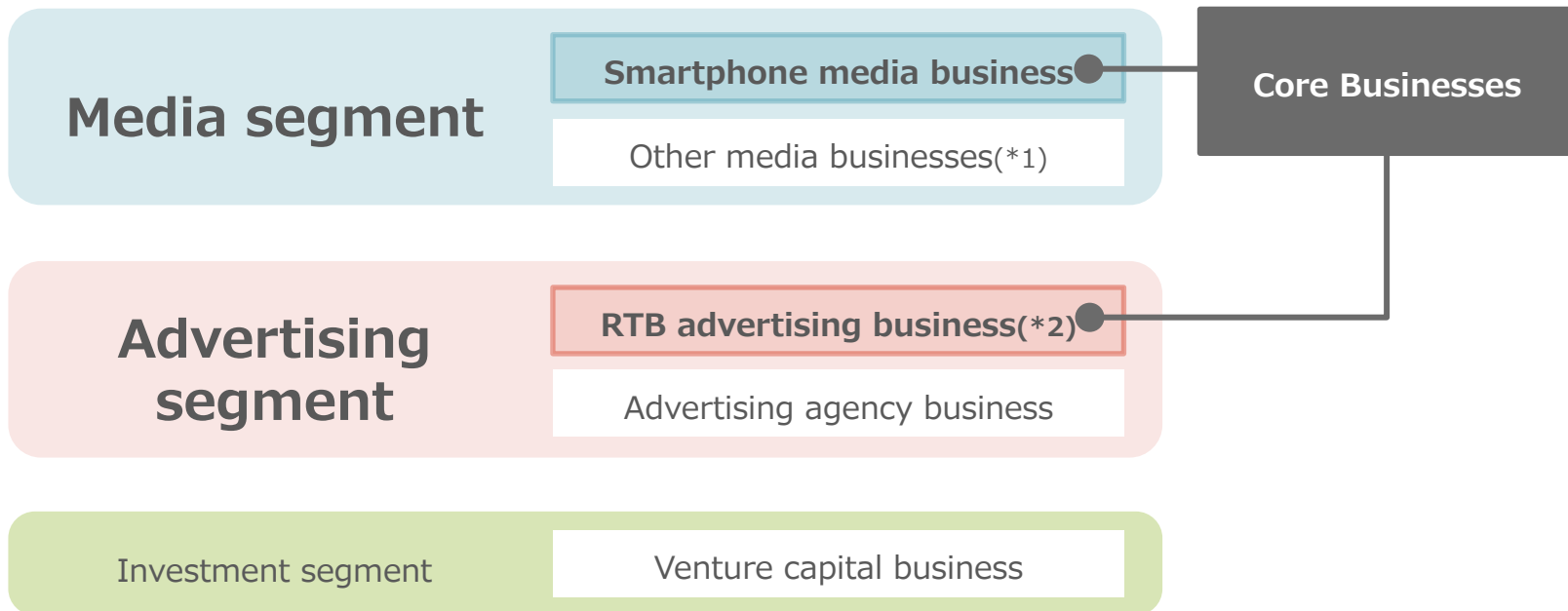
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Our Core Business

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

Cumulative 2Q (April-September) Results Highlights

Whole	Cumulative 2Q Consolidated Results	<ul style="list-style-type: none">• Both revenue and profit increased compared to the same period a year ago. Sales revenue 3,961 million yen (+45%) Operating profit 157 million yen (Profitability achieved: +196 million yen)• Core businesses (smartphone media business + RTB advertising business) continues to act as a driver for growth.
Core Businesses	Smartphone Media Business	<ul style="list-style-type: none">• Sales: +75% compared to the same period a year ago• Especially, “CocoPPa” and “affiliate media” achieved growth.• The number of downloads for “CocoPPa” reached 30 million in October 2014. The ratio of overseas downloads was 85%.
	RTB Advertising Business	<ul style="list-style-type: none">• Sales: +136% compared to the same period a year ago• The number of DSP connected with SSP “AdStir” increased to 16, expanding the market scale.

Consolidated P/L Statement for Cumulative 2Q (April to September)

Revenue increased (+45%) and profit increased (profitability achieved: + 196 million yen) compared to the same period a year ago

Driven by expansion of advertising segment due to growth of RTB advertising business

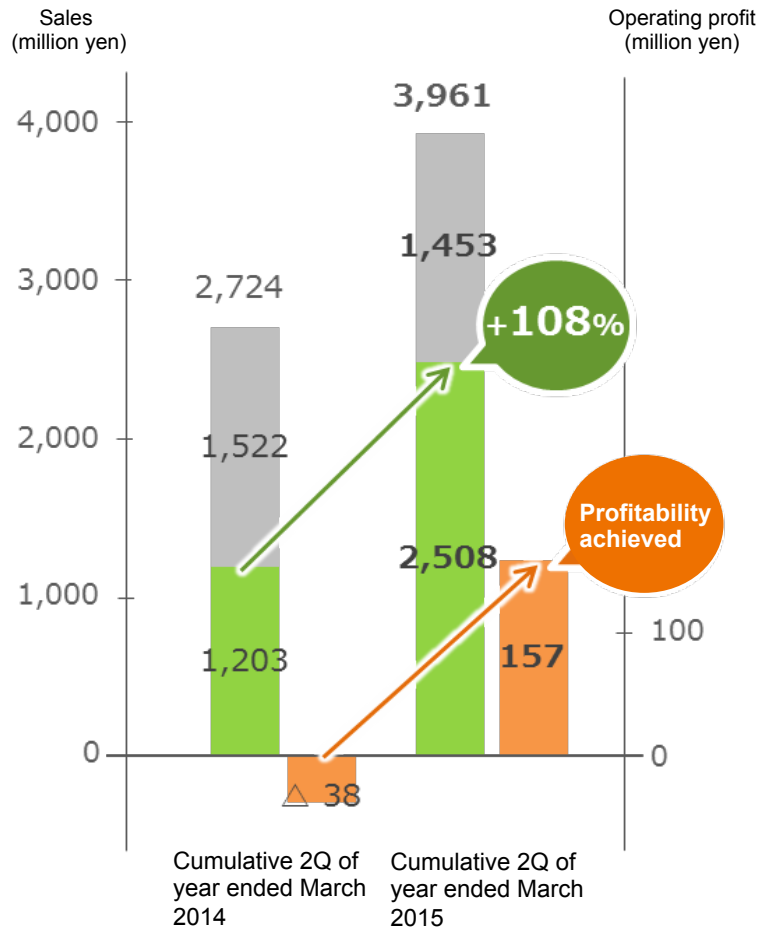
	Cumulative 2Q of year ended March 2015	Results of the same period a year ago (cumulative 2Q of year ended March 2014)	Increase/decrease rate compared to the same period a year ago
Sales	3,961	2,724	+45%
Media segment	1,614	1,343	+20%
Advertising segment	2,307	1,298	+78%
Investment segment	87	104	△17%
Inter-segment elimination	△47	△21	-
Total profit from sales	1,002	748	+34%
Media segment	481	425	+13%
Advertising segment	443	268	+65%
Investment segment	77	54	+43%
Inter-segment elimination	-	-	-
Selling, general and administrative expenses	844	786	+7%
Operating profit	157	△38	Profitability achieved
Media segment	129	160	△20%
Advertising segment	220	27	+710%
Investment segment	57	39	+46%
Head office expenses	△248	△265	-
Recurring profit	177	△25	Profitability achieved
Quarterly net profit	116	△45	Profitability achieved

※ From 1Q of year ended March 2015, we changed the standards for allocating SG&A to each business segment and recalculated the operating profit for the first half of the previous year according to new standards.

Consolidated: Trend in Sales and Operating Profit

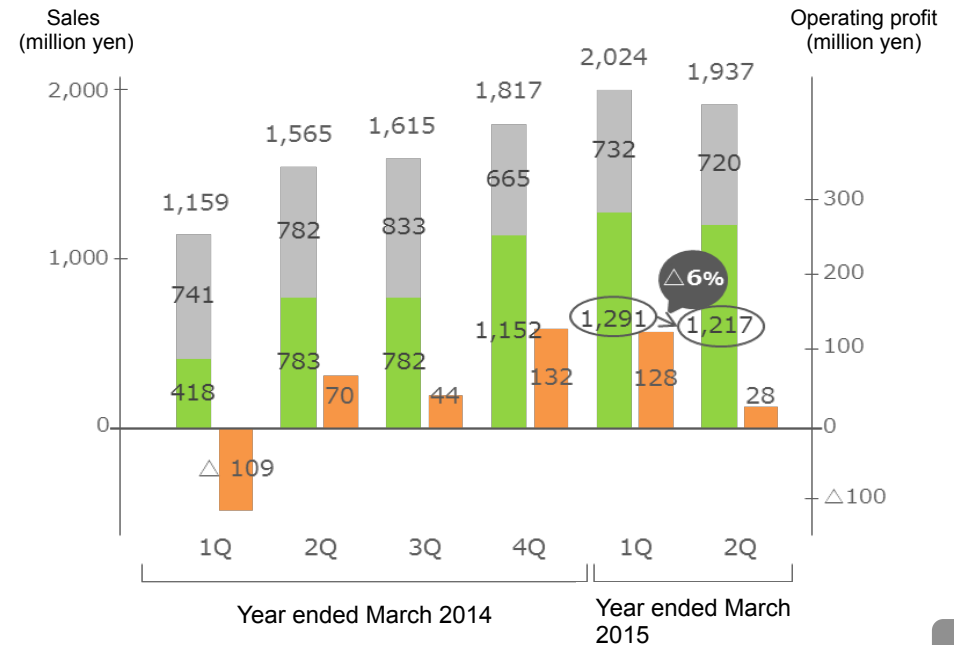
Sales of core businesses (smartphone media business + RTB advertising business) :
+108% compared to cumulative 2Q results a year ago

Compared to cumulative 2Q a year ago



Quarterly trend

△6% compared to the previous quarter.
 The revenue of smartphone media business fell. (p8)
 Compared to the previous quarter, there were no gain on sale of investment business, the profit declined on 2Q.



Interim Dividend

We distributed dividend according to the present dividend policy “consolidated dividend ratio of about 20%.”

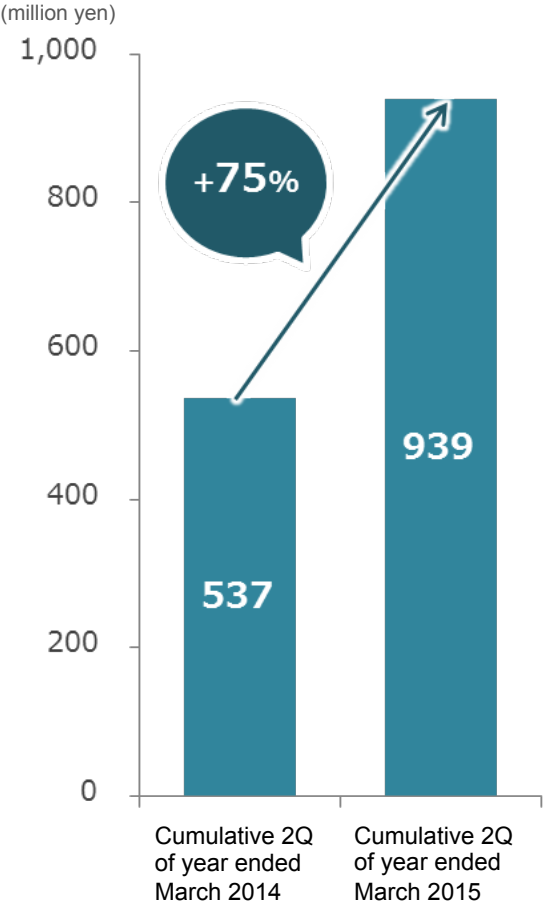
<Contents of Dividend>

	Determined amount	Latest estimated dividend announced on May 7, 2014	Result of the previous year Interim of year ended March 2014
Base date	September 30, 2014	Same as left	September 30, 2013
Dividend per share	1.00 yen	To be determined	0.00 yen
Total dividend	23 million yen	—	—
Effective date	December 4, 2014	—	—
Dividend resource	Earned surplus	—	—

Smartphone Media Business: Trend in Sales by Quarter

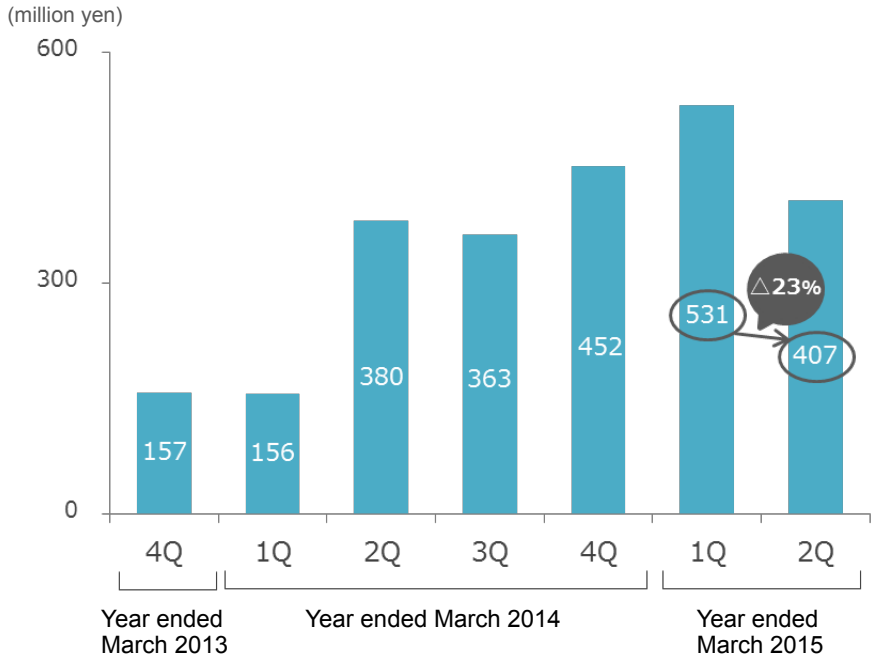
+75% compared to cumulative 2Q a year ago
 “CocoPPa”, “apps for the career market” and “affiliate media” achieved growth.

Compared to cumulative 2Q a year ago



Quarterly trend

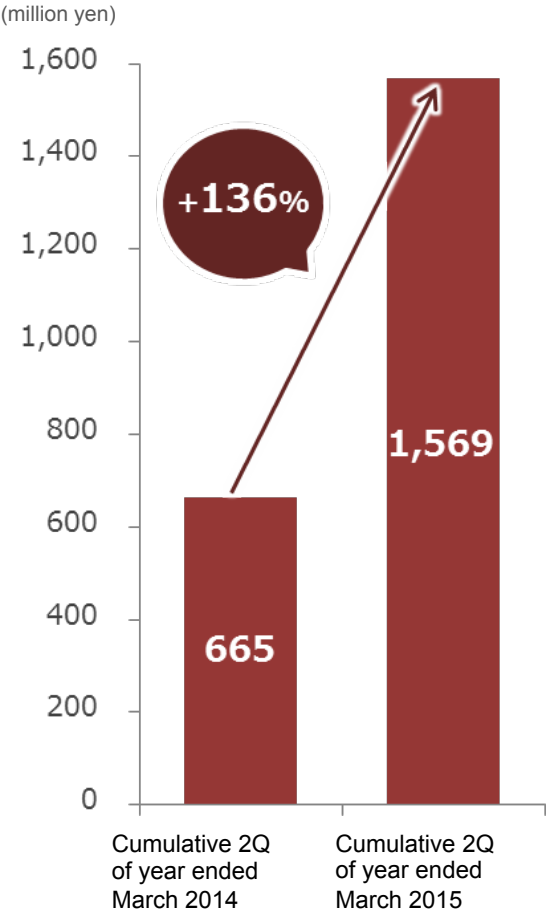
△23% compared to the previous quarter because the revenue of “apps for the career market” dropped.



RTB Advertising Business: Trend in Sales by Quarter

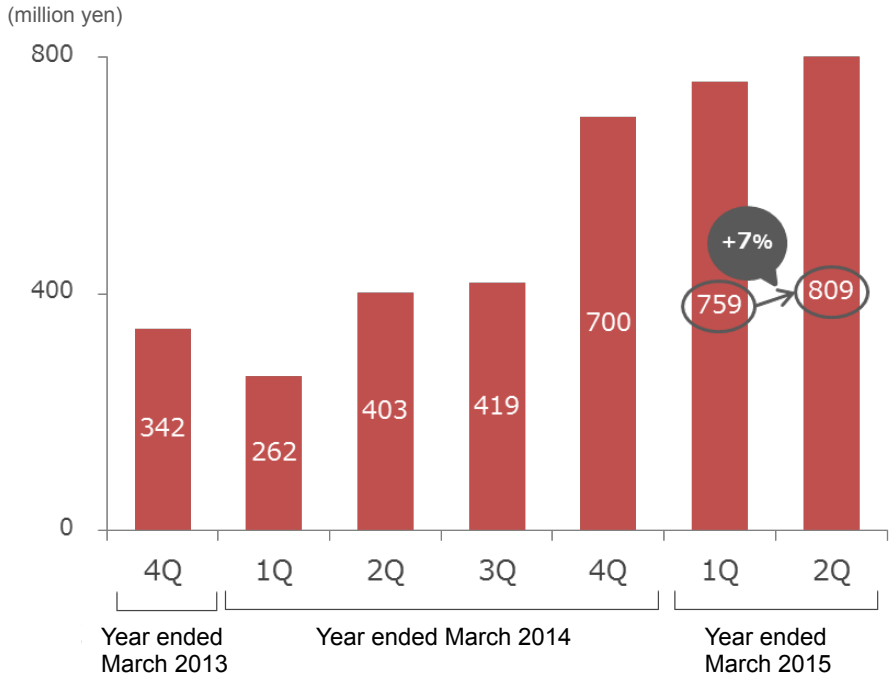
+136% compared to cumulative 2Q a year ago driven by growth of SSP

Compared to cumulative 2Q a year ago



Quarterly trend

+7% compared to the previous quarter because the revenue continued to increase.



2. Status of Smartphone Media Business and Future Direction

Our Smartphone Media Business

Consisted of two approach, “mid-long term monetization apps” and “short-term monetization apps”

Mid-long term monetization apps

For dramatic scale-up of profitability

- **CocoPPa (July 2012~)**
Smartphone customization community app
- **Sister app of “CocoPPa”**
 - **CocoPPa Play (Mar. 2014~)**
Avatar app
 - **CocoPPa Pot (Aug. 2014~)**
Icon storage folder
 - **CocoPPa Keyboard (From October 2014)**
Keyboard customization app



- **iam (Jan. 2014~)**
Profile exchange service developed by subsidiary Fogg



Short-term monetization apps

Support the whole business as the stabilized profit base

- **Apps for the career market**
 - Portfolio in the au Smart Pass. (Feb. 2012~)
 - Portfolio in Sugotoku Contents® (Dec. 2013~)
 - Provision of 5 apps to “App Pass” of Softbank Mobile and the U.S. Sprint (June 2014~)
- **Affiliate media (Mar. 2012~)**
We operate several in-house developed affiliate media services

○ Other new businesses

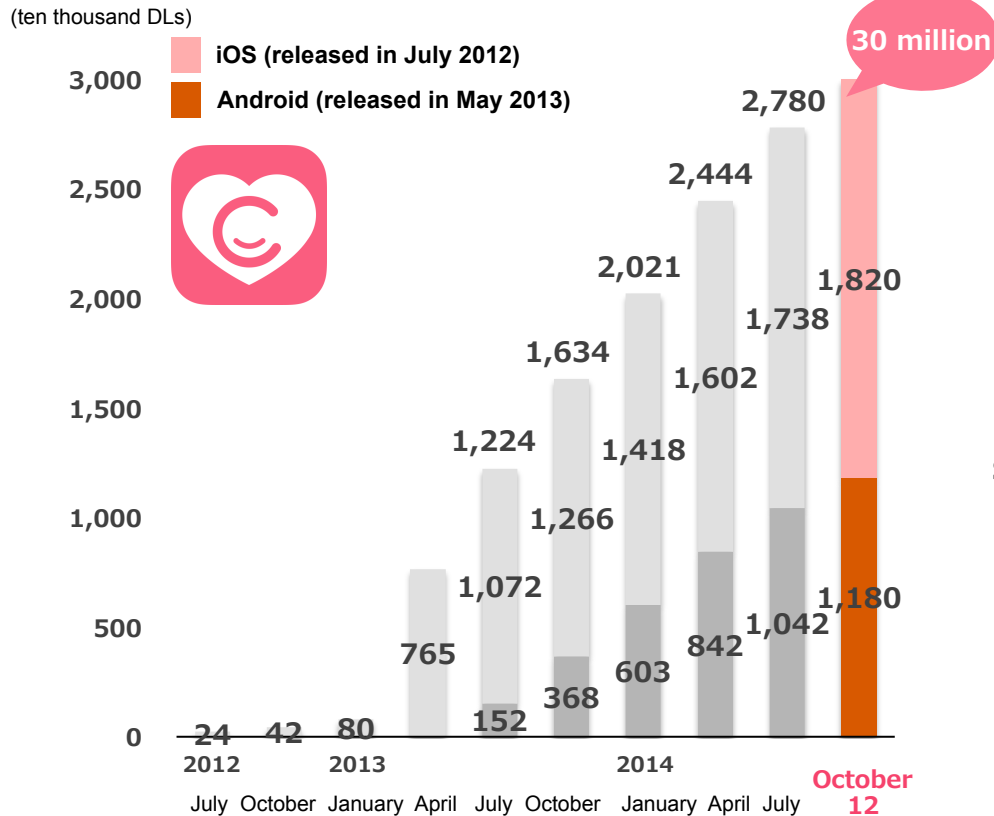
Several new services will be released in 3Q.



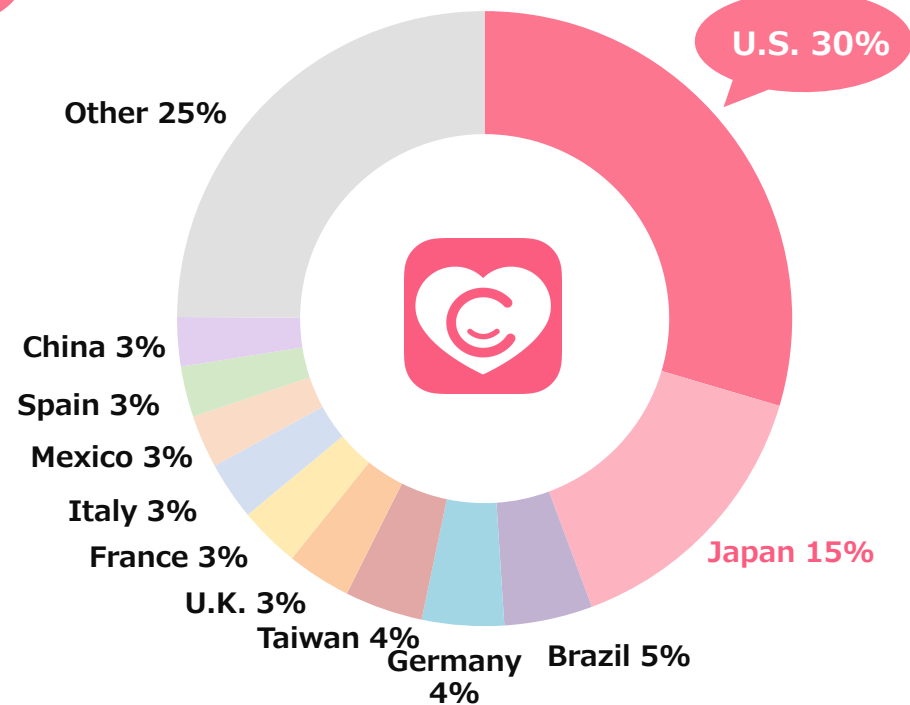
Number of Downloads for “CocoPPa”

The number of downloads reached **30 million** in October 2014.
Increase in number of Android version downloads, resulting in up to 40% of all downloads, in spite of its 10-month later release than iOS version. **The ratio of overseas downloads was 85%.**

“CocoPPa” cumulative downloads trend



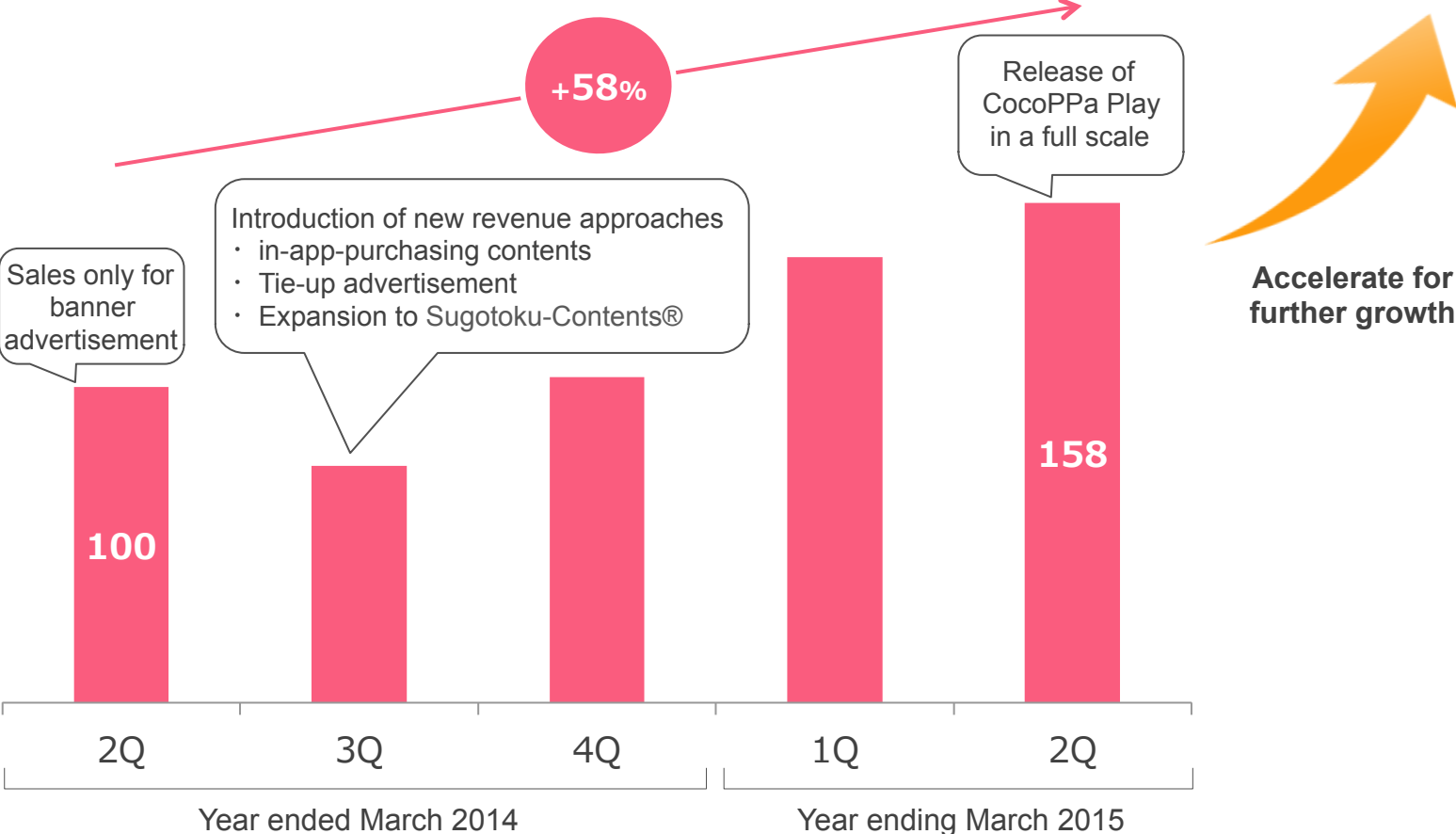
Composition ratio by country for the number of “CocoPPa” cumulative downloads



Sales of “CocoPPa”

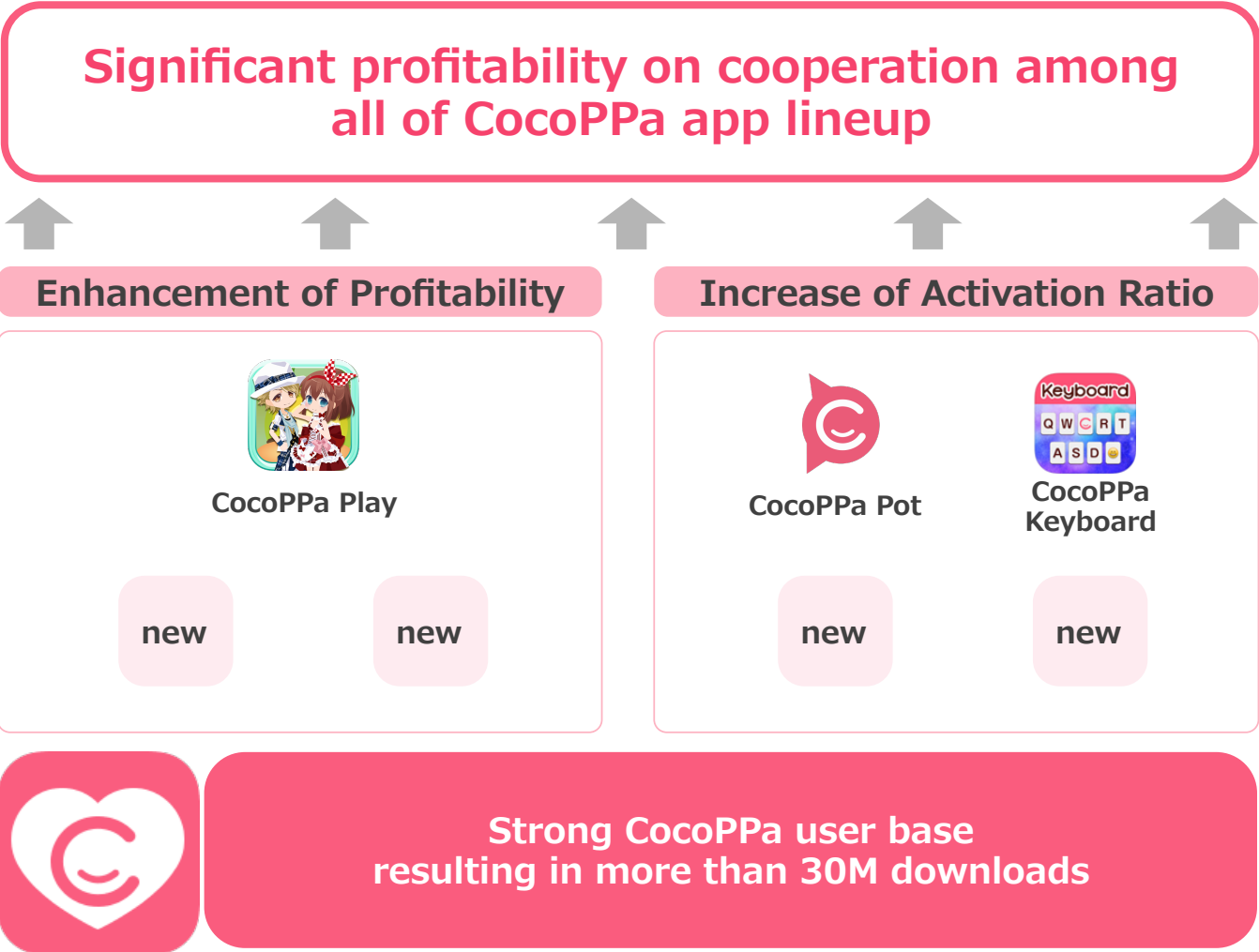
Sales of “CocoPPa” **+58%** compared to the same quarter in the previous year. The steady growth while taking new approaches and will accelerate the further growth in the second half.

Trend in sales of “CocoPPa” by quarter
 (Taking the index of 100, as of 2Q year ended March 2014)



Strategy towards Propelling Growth in CocoPPa

We will increase profitability significantly on cooperation among “CocoPPa App Lineup” after launch of sister apps of CocoPPa for the purpose of “strong profitability” and “increase of activation ratio” supported by strong CocoPPa user basis.



Main Topics of Smartphone Media Business

CocoPPa

- The number of downloads reached cumulatively 30 million in October 2014.

CocoPPa

- For sister app “CocoPPa Play,” iOS version was renewed in July 2014 and Android version was released in August 2014.

CocoPPa

- Release of new sister apps “CocoPPa Pot” in August 2014 and “CocoPPa Keyboard” in October 2014.

app for career market

- Started to provide our app for “App Pass,” unlimited app service offered by SoftBank Mobile Corp. and Sprint Corp. in U.S.

Others

- Invested in Trans Limited operating “BrainWars,” a worldwide popular smartphone game app.

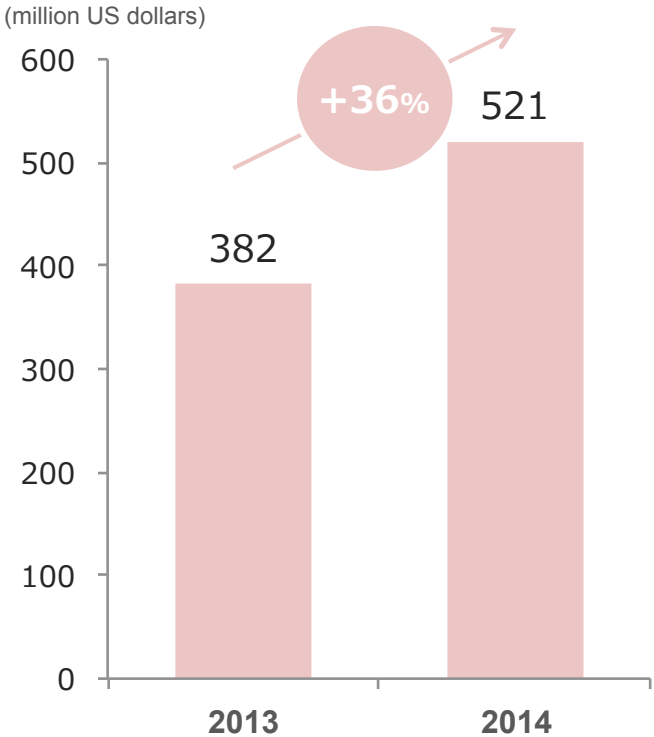
3. Status of RTB Advertising Business and Future Direction

RTB Advertising Market and Growth Rate of Our RTB Advertising Platform Sales

Our RTB advertising platform sales specialized in smartphone increased by **+157%** compared to the January-September period of the previous fiscal year.

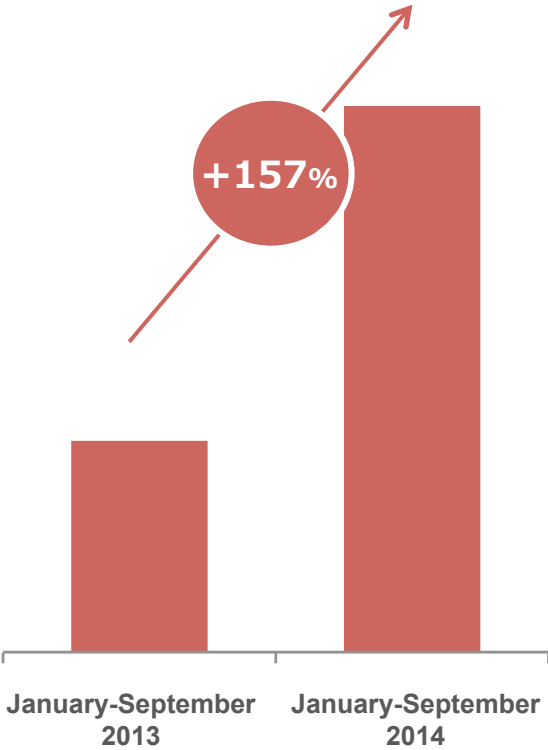
The size of Japanese RTB advertising market is estimated to grow by 36% in the period from 2013 to 2014.

Overall market (full year)



(Source: IDC, October 2013)

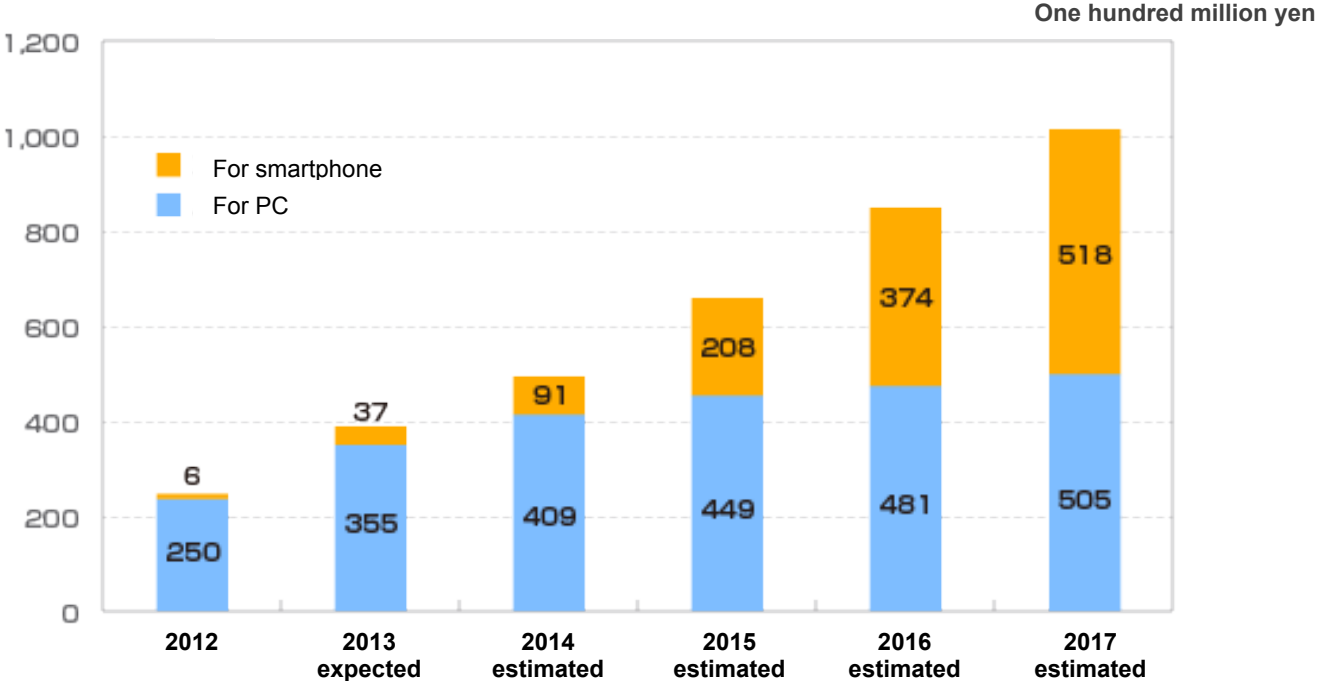
Our company (Results in January-September)



Estimated Smartphone's and PC's Respective RTB Market Sizes

While RTB advertisement market slows down the growth in PC segment, the **Smartphone segment** where our RTB advertisement business belongs is estimated to **continue to grow till 2017 and to exceed PC.**

Estimated display-via-RTB advertisement market size in Japan

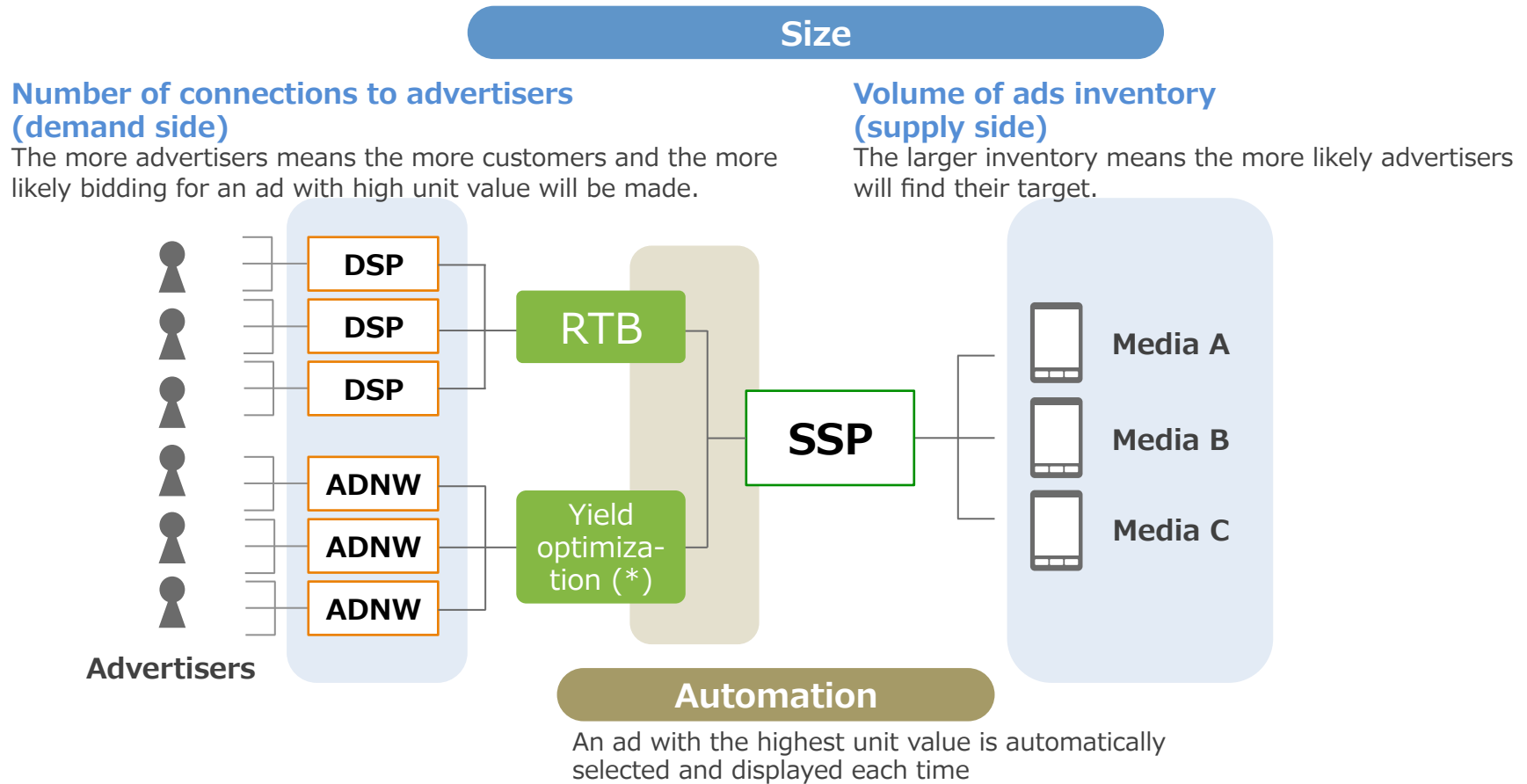


(Source: Survey by MicroAd, Inc. in January 2014)

Factors that Differentiate SSP Services

“Size” and “automation”

Factors that differentiate SSP services are “size” of demand and supply to increase the volume of advertisements distributed within SSP and “automation” to raise transaction unit value.

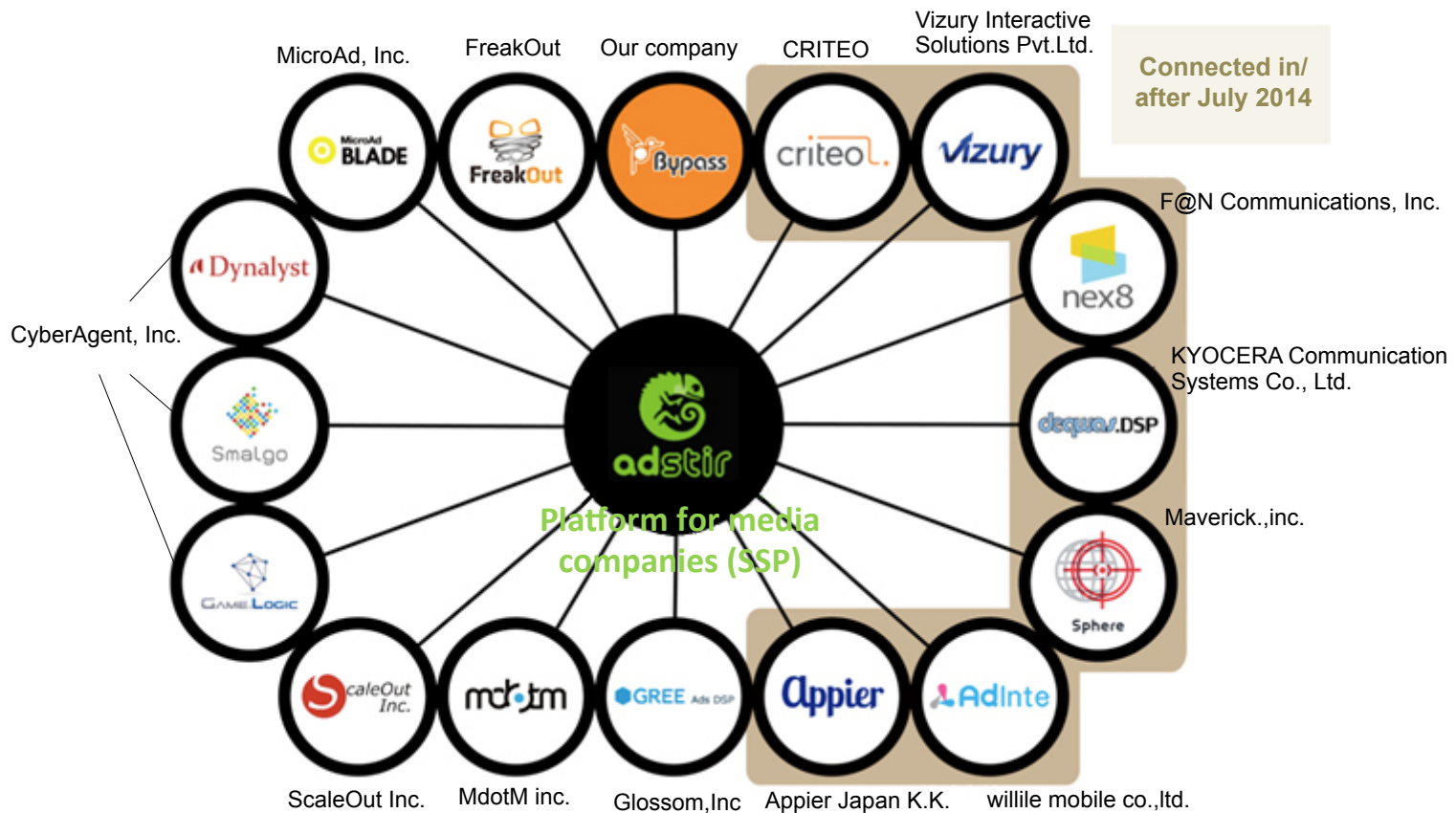


* A mechanism for carrying out centralized management to maximize sales revenue from multiple ad networks

Number of connections of our SSP “AdStir” demand partners

Since July 2014, newly connected to seven DSPs. It is the biggest smartphone SSP in Japan and is already connected to 16 DSPs.

List of platforms connected with “AdStir”

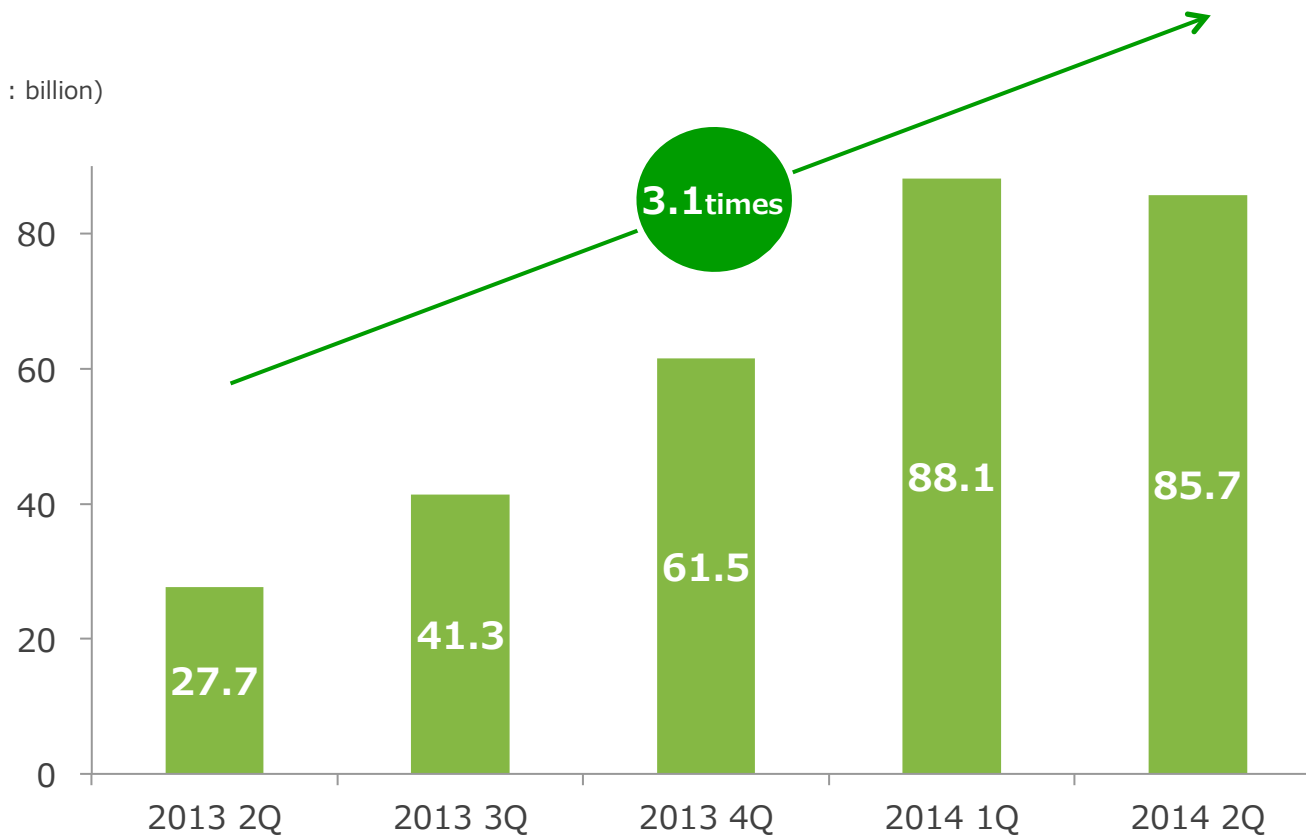


Inventory of our SSP "AdStir"

Ad impressions 3.1 times higher compared to the same quarter a year ago.
Temporal slight decrease compared to the previous quarter. Increase is expected as from 3rd Quarter 2014.

"AdStir" Ad inventory

(ad imps : billion)



Efforts for Our DSP “Bypass”

We will continue our efforts to **improve advertising performance**, aiming high growth in expanding **smartphone DSP market**.



Continuous efforts

- Improving bidding and CPA optimization logic
- Expansion of inventory of distribution advertisement

Efforts commenced this fiscal year with outcome being gotten

- Dynamic retargeting
- RTB distribution of native ads

Improvement of advertisement performance (CTR/CVR)

4. Summary

Overall Summary

	Cumulative 2Q	3Q and after
Whole company	Both revenue and profit increased compared to the same period a year ago (profitability achieved)	We continued to achieve growth mainly in core businesses (smartphone media business and RTB advertising business)
Smartphone media business	“CocoPPa”, “apps for the career market” and “affiliate media” continued to grow	We aim a big revenue as CocoPPa service group We have improved existing services and revenue and launched new businesses
RTB advertising business	We achieved growth focusing on our platforms in the smartphone segment	We continued to achieve growth focusing on our platforms in the smartphone segment

5. Reference Material

Consolidated P/L Statement for 2Q (July to September)

Revenue increased (+24%) and profit decreased (Δ 59%) compared to the same quarter a year ago
 Revenue at the same level (Δ 4) % and profit decreased (Δ 78%) compared to the previous quarter

Media segment: profit decreased due to investment in promotion of CocoPPa Play

Advertising segment: RTB advertising business continued to grow

Investment segment: There was no investment profit in this quarter.

	2Q of year ended March 2015	Results of the same quarter a year ago (2Q of year ended March 2014)	Increase/decrease rate compared to the same quarter a year ago	Results of the previous quarter (1Q of year ended March 2015)	Increase/decrease rate compared to the previous quarter
Sales	1,937	1,565	+24%	2,024	Δ4%
Media segment	737	771	Δ 4%	877	Δ 16%
Advertising segment	1,198	716	+67%	1,108	+8%
Investment segment	10	93	Δ 89%	76	Δ 87%
Inter-segment elimination	Δ 9	Δ 16	-	Δ 38	-
Total profit from sales	442	459	Δ4%	559	Δ21%
Media segment	214	259	Δ 17%	267	Δ 20%
Advertising segment	225	150	+50%	218	+3%
Investment segment	3	50	Δ 94%	74	Δ 96%
Inter-segment elimination	-	0	-	-	-
Selling, general and administrative expenses	413	389	+6%	430	Δ4%
Operating profit	28	70	Δ59%	128	Δ78%
Media segment	36	121	Δ 70%	93	Δ 61%
Advertising segment	112	33	+237%	107	+5%
Investment segment	Δ 5	42	-	62	-
Head office expenses	Δ 114	Δ 126	-	Δ 134	-
Recurring profit	43	71	Δ40%	134	Δ68%
Quarterly net profit	35	52	Δ32%	81	Δ57%

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

Consolidated Balance Sheet for this Quarter

<Current assets> +168 million yen due to increase in account receivable and other factors

<Current liabilities> +140 million yen due to increase in account payable and other factors

(million yen)

	End of This Quarter (Sept. 2014)	End of Previous Quarter (June 2014)	Increase/Decrease
Current assets	7,727	7,558	+168
(Cash on hand)	5,147	5,138	+8
Fixed assets	1,417	1,373	+43
Current liabilities	1,354	1,213	+140
Fixed liabilities	0	0	+0
Net assets	7,790	7,718	+72

Cash Flow Calculations for this Quarter

The “cash flow from investment activities” was $\Delta 1,490$ million yen due to expenditure for difference between fixed-term deposit and withdrawal and other expenditures for acquisition of investment securities.

The “cash flow from financial activities” was +381 million yen due to revenue from issuance of shares by the exercise of subscription rights to shares and other factors.

(April 2014 to September 2014)

(million yen)

	Consolidated cumulative second quarter
Cash flow from operating activities	126
Cash flow from investment activities	$\Delta 1,490$
Cash flow from financial activities	381
Increase/decrease in cash and cash equivalents	$\Delta 948$
Term-end balance of cash and cash equivalents	1,547

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). **850,000 icons, 190,000 wallpapers** by the end of Sept.

Post

Decorating users



Smartphone screen decorated using posted material (free)

Communication between users (motivation for creators to post)



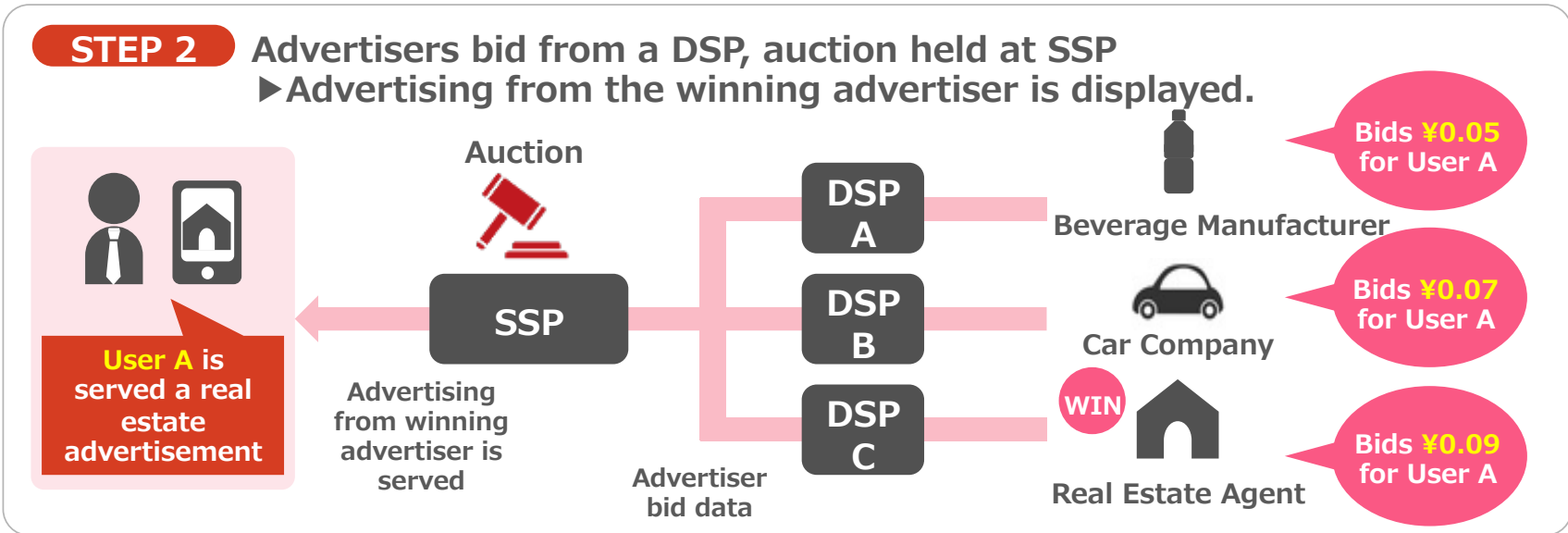
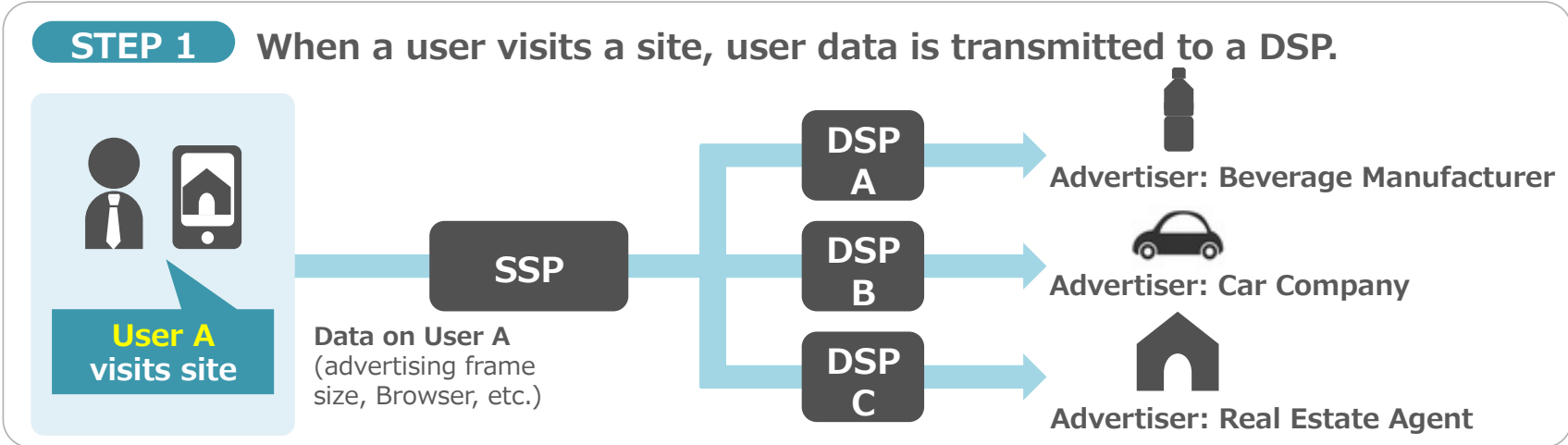
<Sample page of creators> (comments)

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.

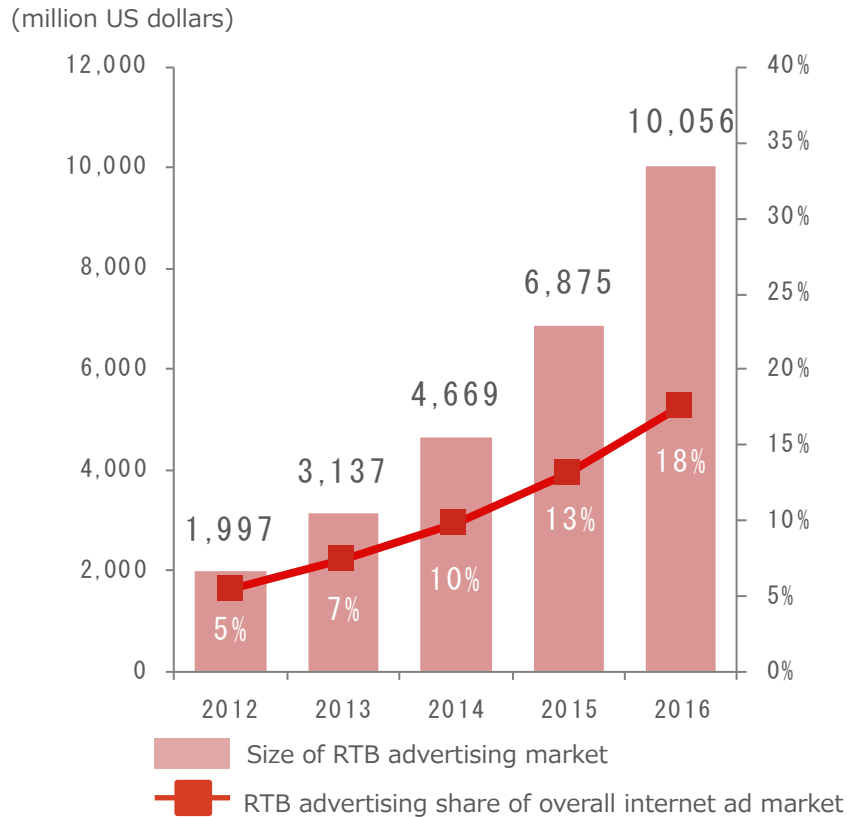
Real-Time Bidding Setup



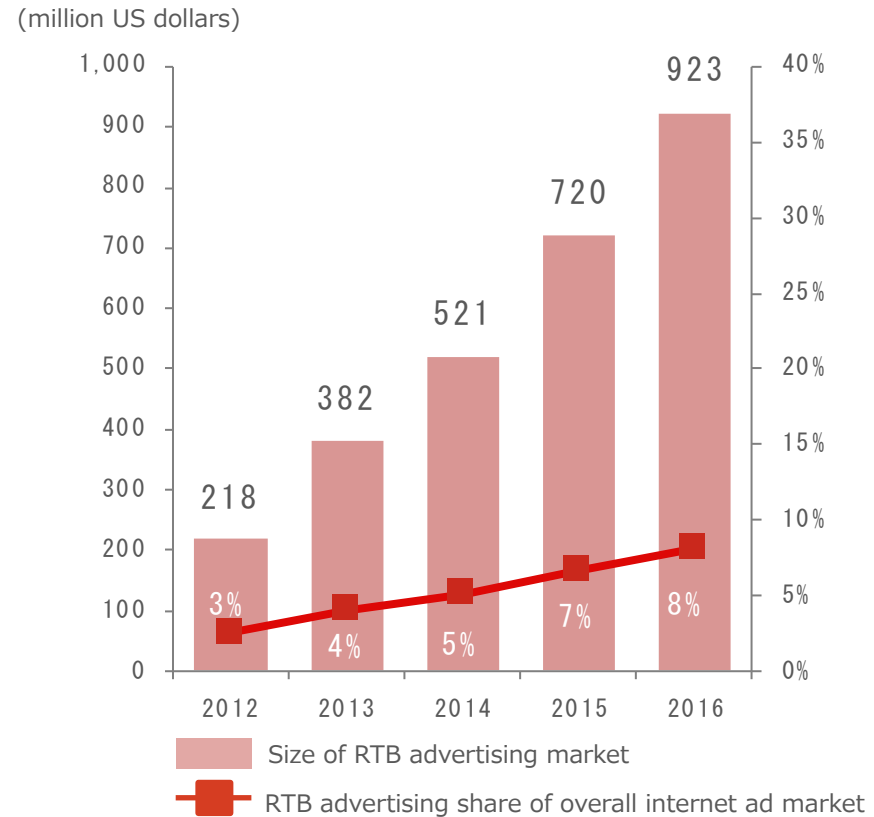
RTB Advertising Market Size and Predicted Share of Overall Display Advertising

The U.S. RTB advertising market is projected to expand to approximately \$10.1 billion in FY 2016, while the Japanese RTB advertising market is projected to expand to approximately \$900 million in FY 2016. This is projected to be the highest growth rate within the display advertising market.

Forecast of U.S. RTB advertising market size



Forecast of Japanese RTB advertising market size

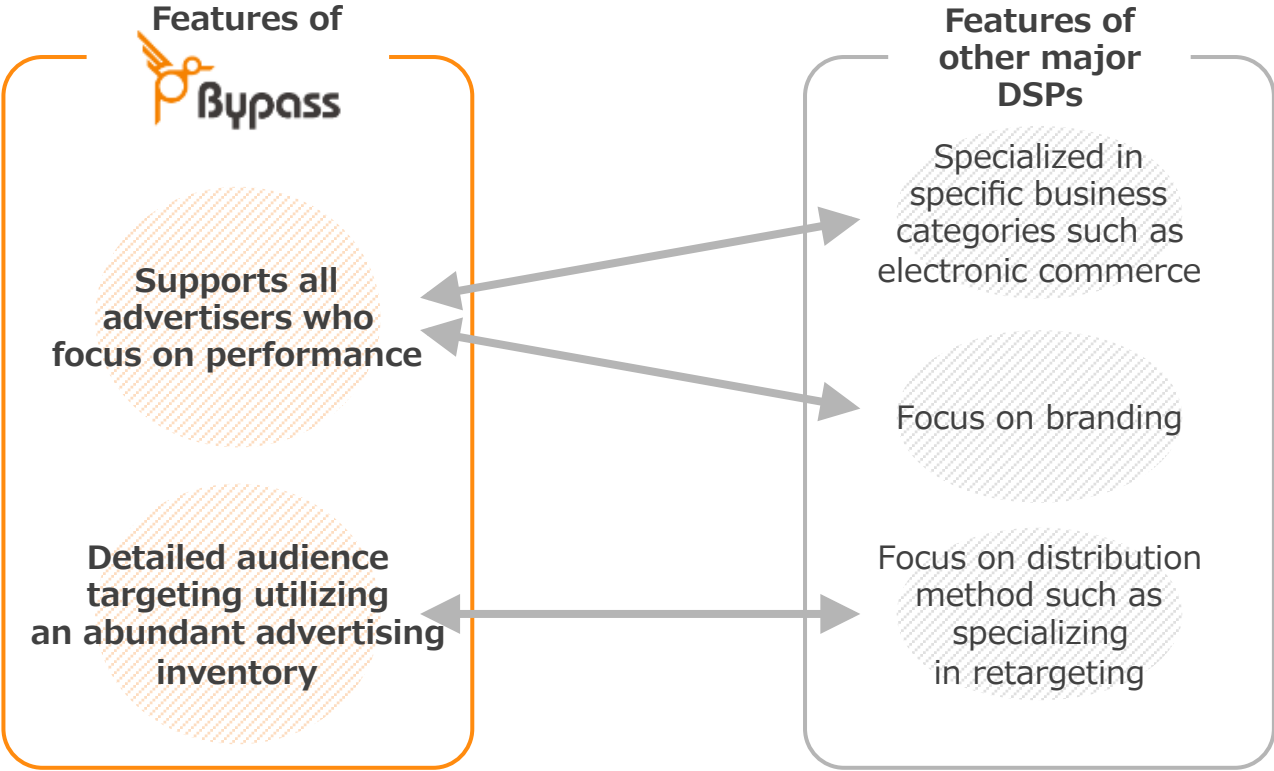


(Source: IDC October 2013 / RTB advertising share of overall market calculated by United)

Comparison of "Bypass" with Other DSPs

In the smartphone RTB advertising market, there are several unique DSPs from other companies including a new entrant but "Bypass" has unique features that differentiate it from other major DSPs.

Comparison of "Bypass" with the Other Major Smartphone DSPs



Vision

Become the leading internet firm in Japan

Mission

Create new value through continued challenges and contribute to society

