



June 29, 2023

Company name: USEN-NEXT HOLDINGS Co., Ltd.
Representative: Yasuhide Uno, President, Representative
Director & CEO
(Securities code: 9418, TSE Prime Market)
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Notice on Fundraising and Capital and Business Alliance of the Company's Consolidated Subsidiary

USEN-NEXT HOLDINGS Co., Ltd. (the "Company") hereby announces that U-NEXT Co., Ltd. ("U-NEXT"), a consolidated subsidiary of the Company, passed a resolution at the meeting of the Board of Directors and the Extraordinary General Meeting of Shareholders held on June 29, 2023 to enter into a capital and business alliance with TBS HOLDINGS, INC. ("TBSHD") (the "Capital and Business Alliance"), which involves issuance of new shares through third-party allotment with TBSHD as the allotted party (the "Capital Increase Through Third-party Allotment"), as described below.

1. Purpose and details of the Capital and Business Alliance

As announced in the Notice on Making Premium Platform Japan, Inc. a Wholly-owned Subsidiary Through Simplified Share Exchange and Absorption-type Merger between PPJ and the Company's Consolidated Subsidiary as Well as Issuance of New Shares by the Company's Consolidated Subsidiary Through Third-party Allotment dated February 17, 2023, U-NEXT and TBSHD and TBSHD's consolidated subsidiary TOKYO BROADCASTING SYSTEM TELEVISION, INC. ("TBS TELEVISION") entered into business alliance agreements, respectively, which prescribe the details of business alliances related to content procurement, mass promotion, etc., and in addition, new shares were issued through third-party allotment with U-NEXT as the issuer and TBSHD as one of the subscribers. Furthermore, as of today, in order to further strengthen the collaborative relationship between the Group and the TBSHD Group, the Company and TBSHD entered into a partnership agreement for the purpose of jointly planning and producing content and related projects to be distributed by U-NEXT, promoting U-NEXT's services not limited to the content provided by the TBSHD Group to U-NEXT but in general, considering new business development, etc. Also as of today, in order to raise TBSHD's shareholding ratio in U-NEXT, U-NEXT and TBSHD entered into a blanket subscription agreement regarding the Capital Increase Through Third-party Allotment.

The Group will strive to increase its corporate value corresponding to the growth of its content distribution business through maximizing business synergies generated by the stronger collaborative relationship with the TBSHD Group and making the most of the fund made available by the Capital Increase Through Third-party Allotment by investing in growth, namely, to further expand the content lineup with a focus on Asian dramas, sports, and live show distribution, which are the genres the Group is currently working to strengthen, conducting M&A, etc.

2. Details of the Capital Increase Through Third-party Allotment

(1) Payment due date	June 30, 2023 (planned)
(2) Number of new shares to be issued	12,310 common shares
(3) Amount of fund to be financed	24,289,488,810 yen
(4) Method of solicitation or allotment (expected allotted party)	Third-party allotment TBS HOLDINGS, INC.: 12,310 shares

(5) Shareholder composition of U-NEXT after the issuance	The Company: 79.64% TBS HOLDINGS, INC.: 20.00% HAKUHODO DY MEDIA PARTNERS INCORPORATED: 0.36%
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* The Company and TBSHD have agreed on a plan for U-NEXT to issue additional shares to raise fund through third-party allotment so that TBSHD's voting rights ratio in U-NEXT will increase by up to a maximum of 10 percent point to aim for stronger alliance and growth of U-NEXT's business, if, in future, the two parties are able to confirm with each other the generation of collaborative synergies expected from the Capital and Business Alliance.

3. Outline of the company with which U-NEXT has entered into a capital and business alliance

Name	TBS HOLDINGS, INC.		
Address	5-3-6 Akasaka, Minato-ku, Tokyo		
Title and name of the representative	Takashi Sasaki, President and Chief Executive Officer		
Business description	Media & Content, Lifestyle, and Real Estate & Other		
Capital	54,986,892,896 yen		
Date of incorporation	May 10, 1951		
Major shareholders and shareholding ratios (as of March 31, 2023)	The Master Trust Bank of Japan, Ltd. (Trust Account)	8.29%	
	The Master Trust Bank of Japan, Ltd. (Pension Account-Pension Trust Account held for DENTSU INC.)	5.52%	
	MBS MEDIA HOLDINGS, INC.	5.25%	
	Mitsui Fudosan Co., Ltd.	3.39%	
	NTT DOCOMO, INC.	3.39%	
	Nippon Life Insurance Company (Standing agent: The Master Trust Bank of Japan, Ltd.)	2.97%	
	STATE STREET BANK AND TRUST COMPANY 505001 (Standing agent: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	2.65%	
	MITSUI & CO., LTD. (Standing agent: Custody Bank of Japan, Ltd.)	2.54%	
	BICCAMERA INC.	2.48%	
	KODANSHA Ltd.	2.23%	
Relationship with the Company			
Capital relationship	TBSHD holds 952,800 shares in the Company. In addition, TBSHD holds 1,251 shares in U-NEXT, a consolidated subsidiary of the Company.		
Personnel relationship	One director has been sent from TBS TELEVISION, a consolidated subsidiary of TBSHD, to U-NEXT, a consolidated subsidiary of the Company.		
Transaction relationship	U-NEXT, a consolidated subsidiary of the Company, has entered into a business alliance agreement with TBSHD which prescribes the details of a business alliance related to content procurement, mass promotion, etc.		
Applicability to related party	There is no relevant information.		
Financial position and operating results in the past three years (unit: million yen, unless otherwise stated)			
Fiscal year	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Consolidated net assets	794,884	883,002	796,184
Consolidated total assets	1,100,223	1,201,632	1,067,865
Consolidated net assets per share (yen)	4,575.61	5,087.12	4,726.87
Consolidated net sales	325,682	358,269	368,130
Consolidated operating profit	10,841	20,346	20,782
Consolidated ordinary profit	19,233	30,707	35,086
Profit attributable to owners of parent	28,072	32,008	35,182
Consolidated profit per share (yen)	164.32	187.35	208.76

Dividend per share (yen)	30.00	37.00	42.00
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4. Outline of the consolidated subsidiary of the Company

Name	U-NEXT Co., Ltd.		
Address	3-1-1 Kamiosaki, Shinagawa-ku, Tokyo		
Title and name of the representative	Tenshin Tsutsumi, President and Representative Director		
Business description	Operation, etc. of platforms for video distribution and other purposes		
Capital	1,264 million yen		
Date of incorporation	June 16, 2017		
Major shareholders and shareholding ratios	The Company		97.31%
	TBS HOLDINGS, INC.		2.25%
	HAKUHODO DY MEDIA PARTNERS INCORPORATED		0.44%

5. Schedule

Date of execution of the agreement	June 29, 2023
Approval of the Capital Increase Through Third-party Allotment by the Extraordinary General Meeting of Shareholders (U-NEXT)	June 29, 2023
Payment due date for the Capital Increase Through Third-party Allotment	June 30, 2023 (planned)

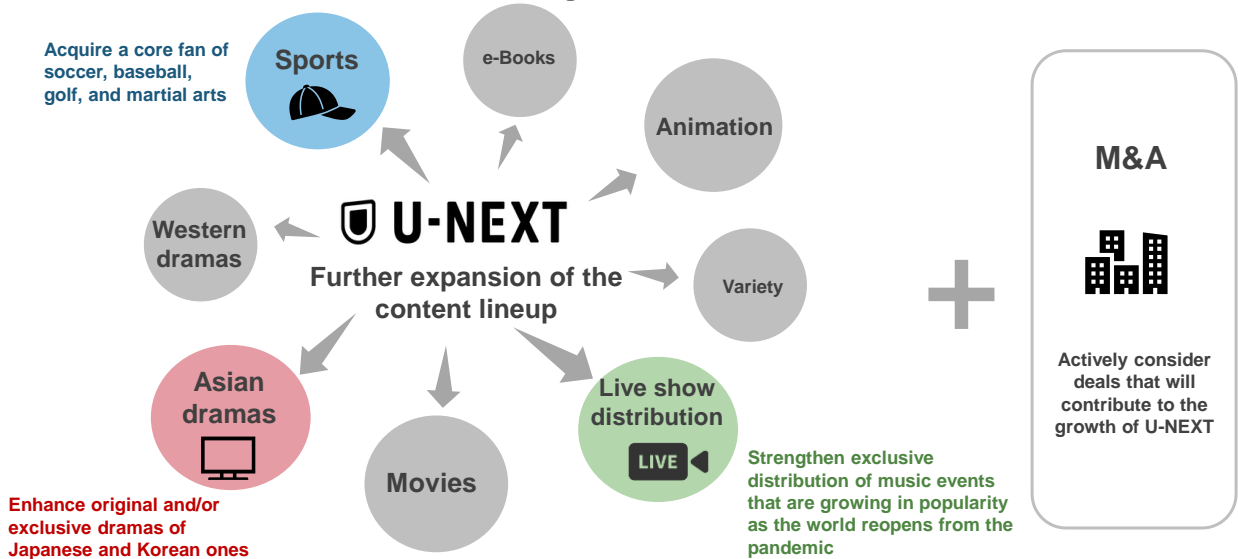
6. Future outlook

There is no change in the consolidated Group of the Company resulting from the Capital Increase Through Third-party Allotment. The impact of the Capital and Business Alliance on the consolidated operating results of the Company for the fiscal year ending August 31, 2023 will be immaterial, and any matters requiring disclosure arising in the future will be promptly disclosed.

<Reference (1)>

The use of the fund raised by the capital increase through third-party allotment

The raised fund will be used for enhancing content with a focus on Asian dramas, sports, and live show distribution as well as conducting M&A.



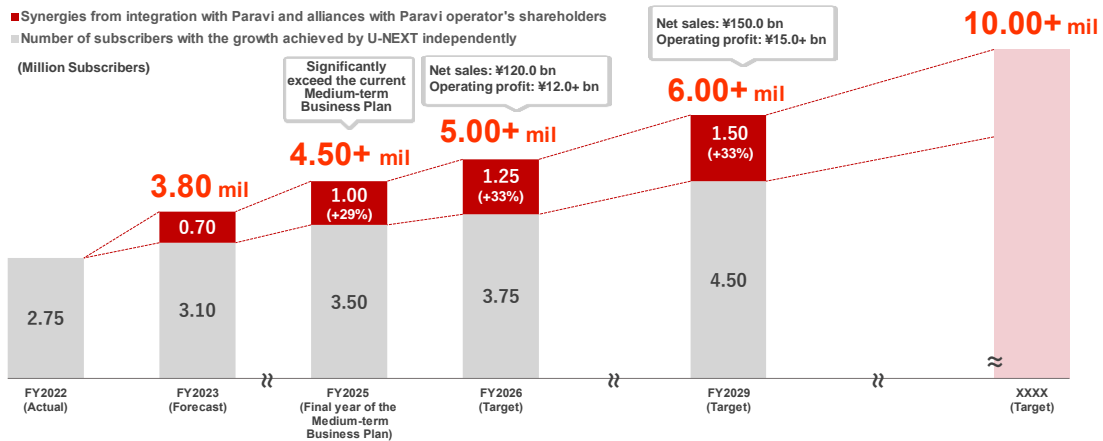
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<Reference (2)>

Illustrative image of future growth of new U-NEXT

Accelerate growth to become Japan's No. 1 SVOD service provider by generating synergies that exceed equity dilution through service integration with Paravi and alliances with Paravi operator's shareholders



* Forecast for FY2023 is calculated by adding the number of Paravi users (excluding the estimated number of duplicate users who subscribe to both Paravi and U-NEXT) to the average net increase in U-NEXT service users over the past two years.
* The numbers of subscribers with the growth achieved by U-NEXT independently presented as FY2026 and FY2029 target figures are calculated based on the average annual net increase (250,000/year) in the current Medium-term Business Plan.

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1