

Summary of Second Quarter of Fiscal Year Ending August 2015

March 31, 2015

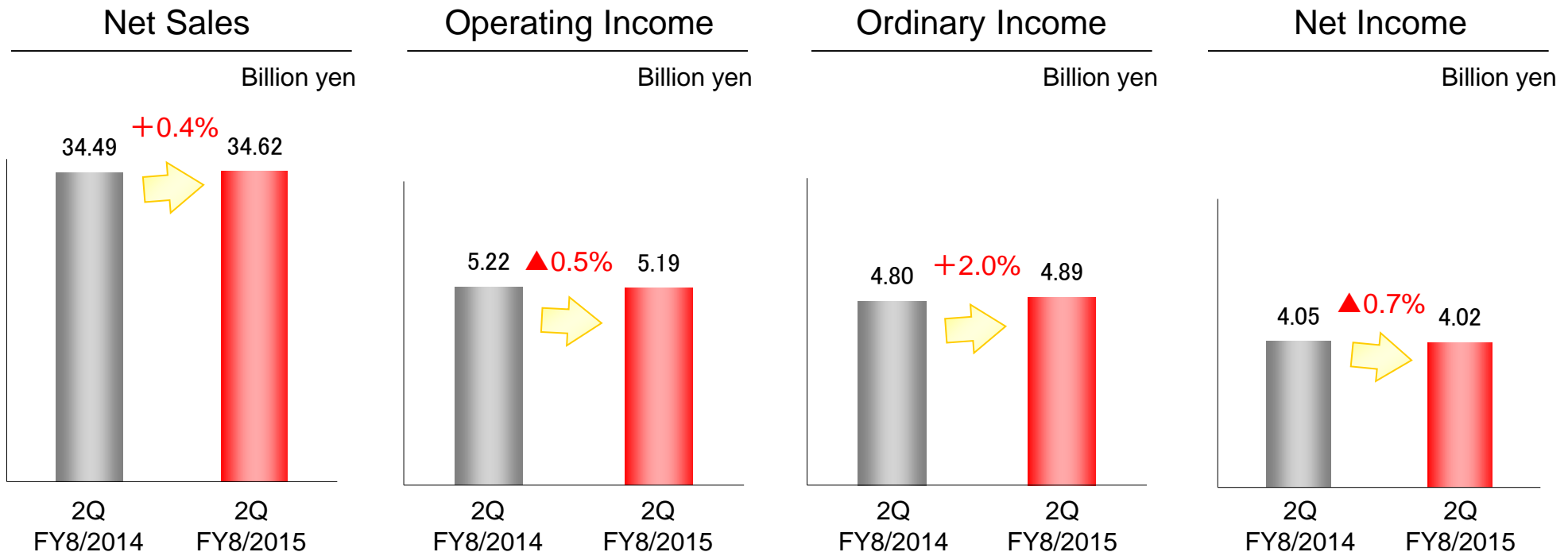


Contents

1. Results of Operations	P2
2. Financial Indicators	P7
3. Operating Highlights	P12
4. Second Quarter Topics	P18
5. Disclaimer	P21

|| Results of Operations || Second Quarter Financial Highlights

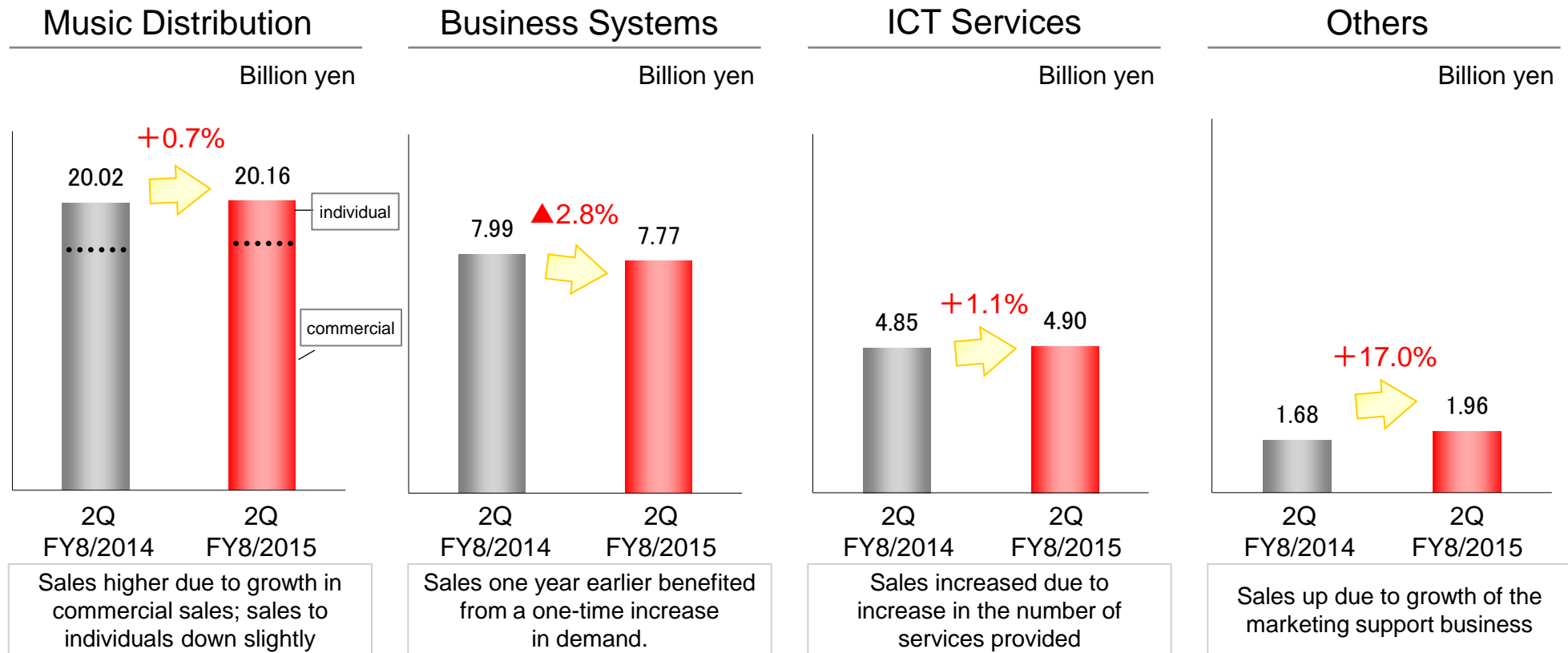
- First half sales were higher than one year earlier as growth in sales in the music distribution and others segments offset a small decrease in business systems sales.
- Operating income decreased slightly because of expenses for activities that included measures aimed at growth in the future. Ordinary income increased as interest expenses declined along with debt, but a decrease in extraordinary gains resulted in a small decline in net income.



* Monetary amounts are not rounded; percentages are rounded to the nearest tenth.

|| Results of Operations || Second Quarter Financial Highlights

Business Segment Sales



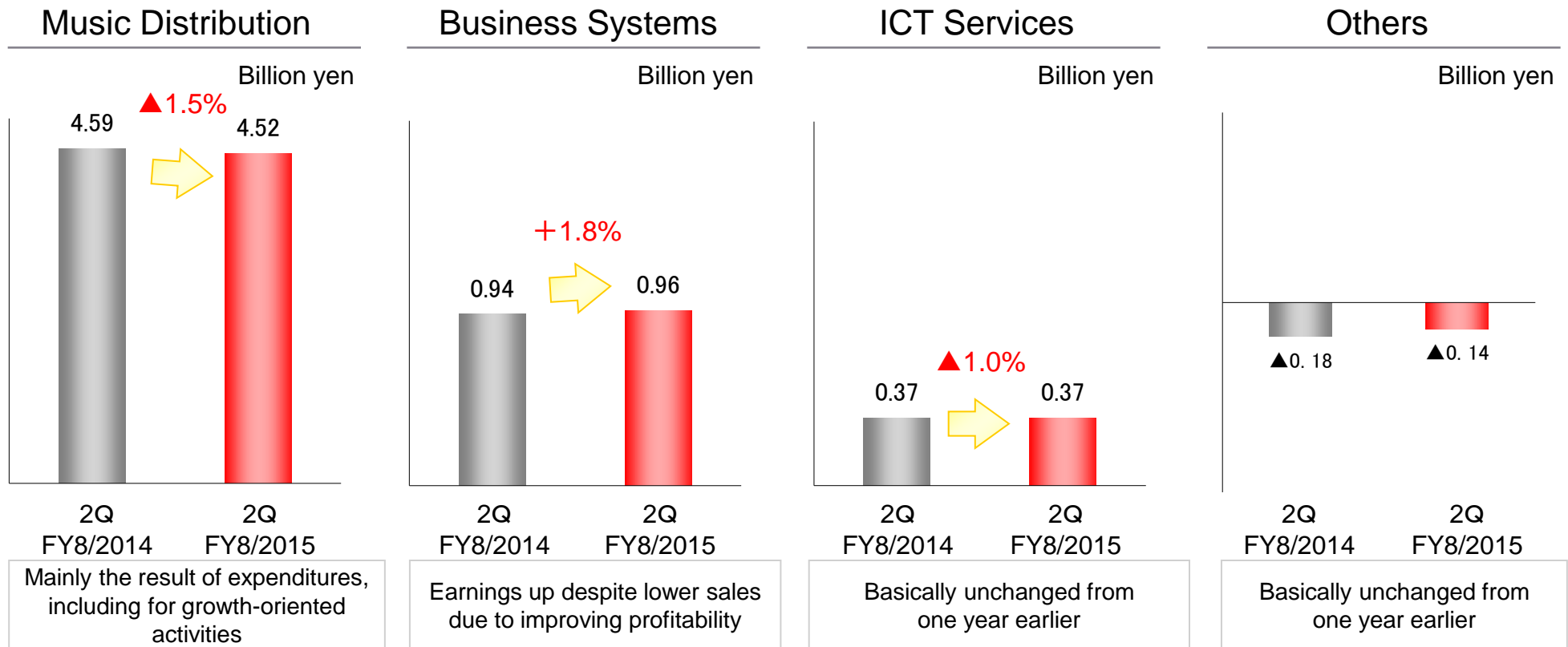
(Ref.) USEN uses commercial sales and consumer sales as one of its performance indicators.

* In FY8/2014, there was a sales deduction of ¥50 million for inter-segment transactions.

* In FY8/2015, there was a sales deduction of ¥180 million for inter-segment transactions.

|| Results of Operations || Second Quarter Financial Highlights

Business Segment Operating Income



* In FY8/2014, there was an operating income deduction of ¥520 million for inter-segment transactions.

* In FY8/2015, there was an operating income deduction of ¥520 million for inter-segment transactions.

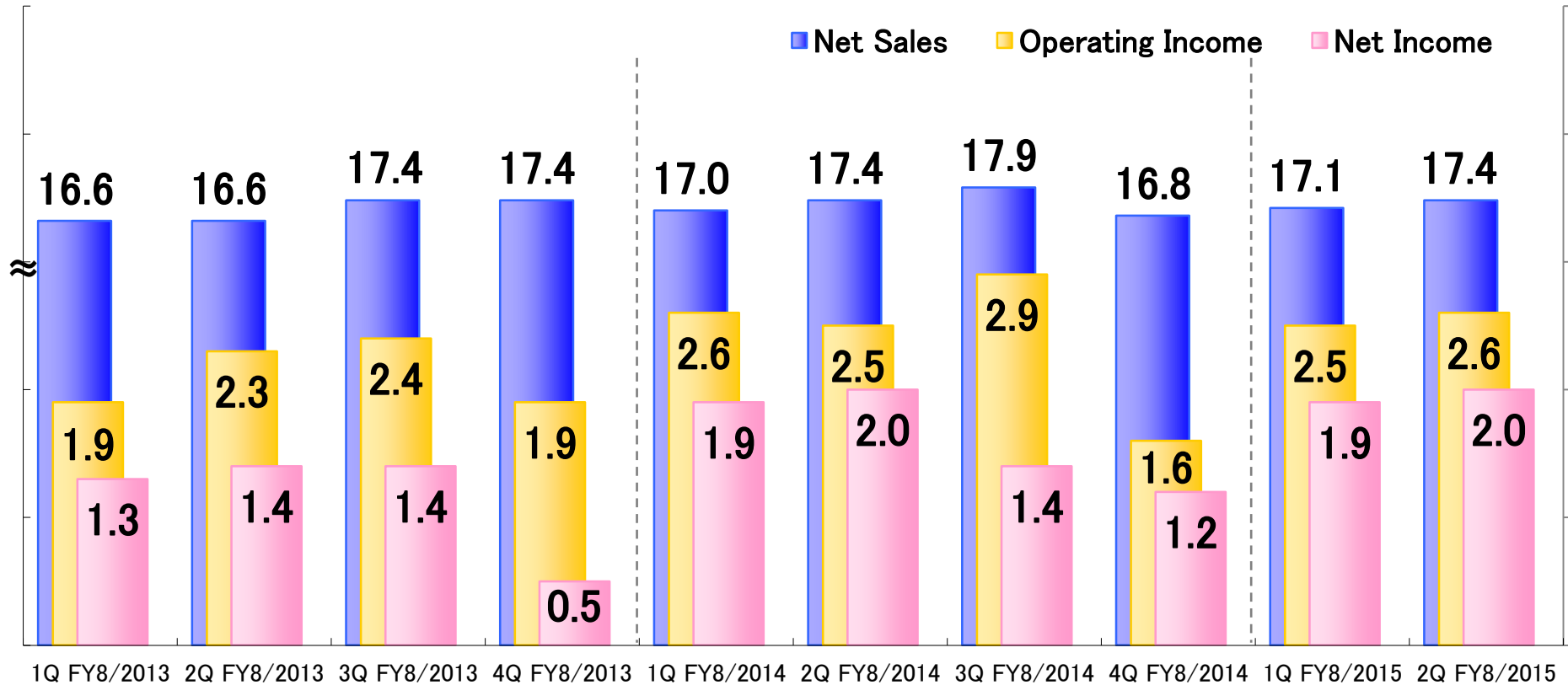
|| Results of Operations || Second Quarter Performance vs. Forecast

	Billion yen		
	FY Forecast (A)	2Q Actual (B)	Progress (B ÷ A)
Net Sales	70.00	34.62	49.5%
Operating Income	8.60	5.19	60.4%
Ordinary Income	8.00	4.89	61.2%
Net Income	6.00	4.02	67.2%

Sales were generally as expected but earnings were higher than the forecast at all levels in second quarter.

|| Results of Operations || Quarterly Consolidated Performance

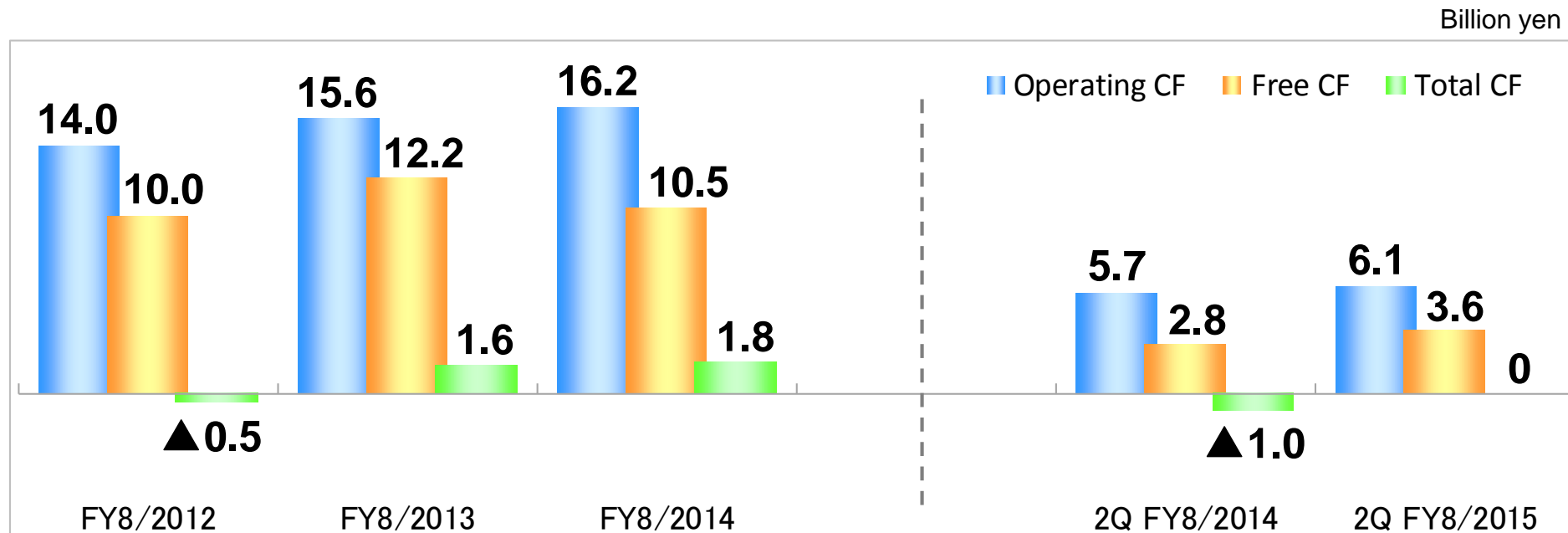
Billion yen



Second quarter sales, operating income, and net income increased from previous quarter, but about the same as one year earlier.

* All figures are not rounded.

|| Financial Indicators || Cash Flows

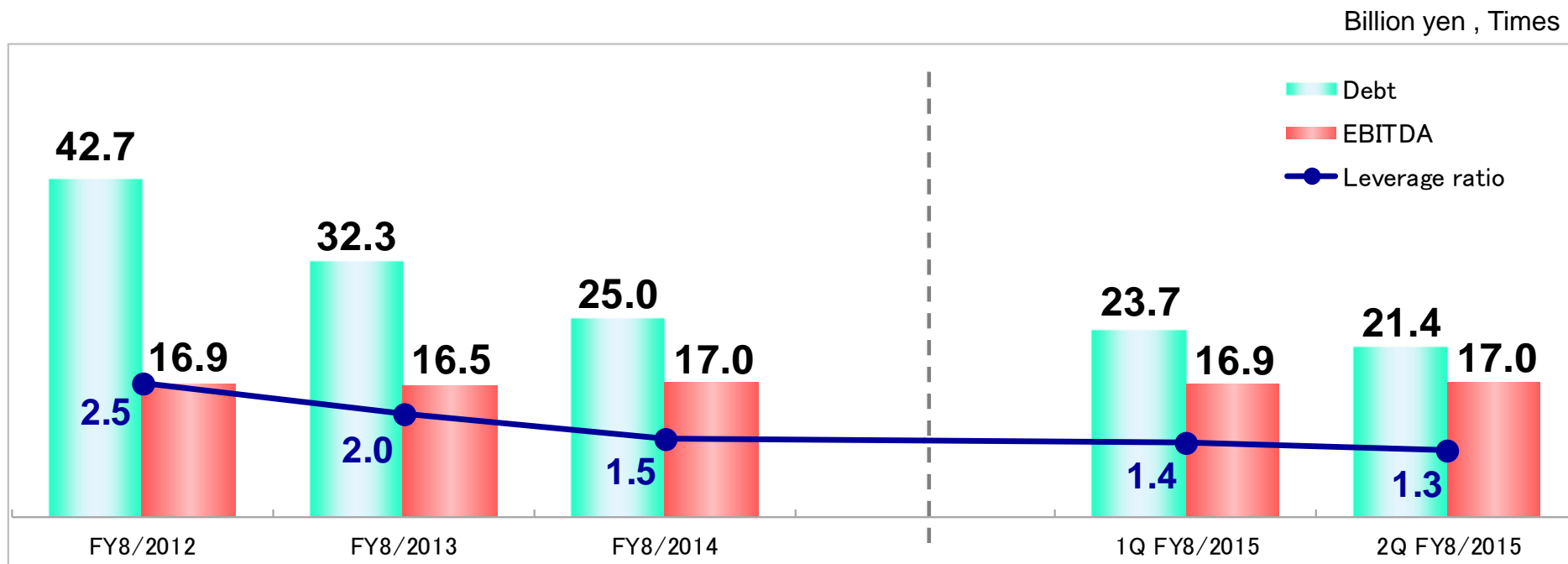


* Free CF = Operating CF + Investing CF ; Total CF = Free CF + Financial CF

Operating CF	14.0	15.6	16.2	5.7	6.1
Investing CF	▲4.0	▲3.3	▲5.6	▲2.9	▲2.5
Financial CF	▲10.5	▲10.5	▲8.6	▲3.8	▲3.6

Free cash flows increased ¥800 million as operating cash flows increased ¥400 million and investing cash out flows decreased. Cash used in financing activities, including loan repayments, was down slightly. The result was a ¥1,000 million increase in total cash flows from one year earlier.

|| Financial Indicators || Leverage Ratio



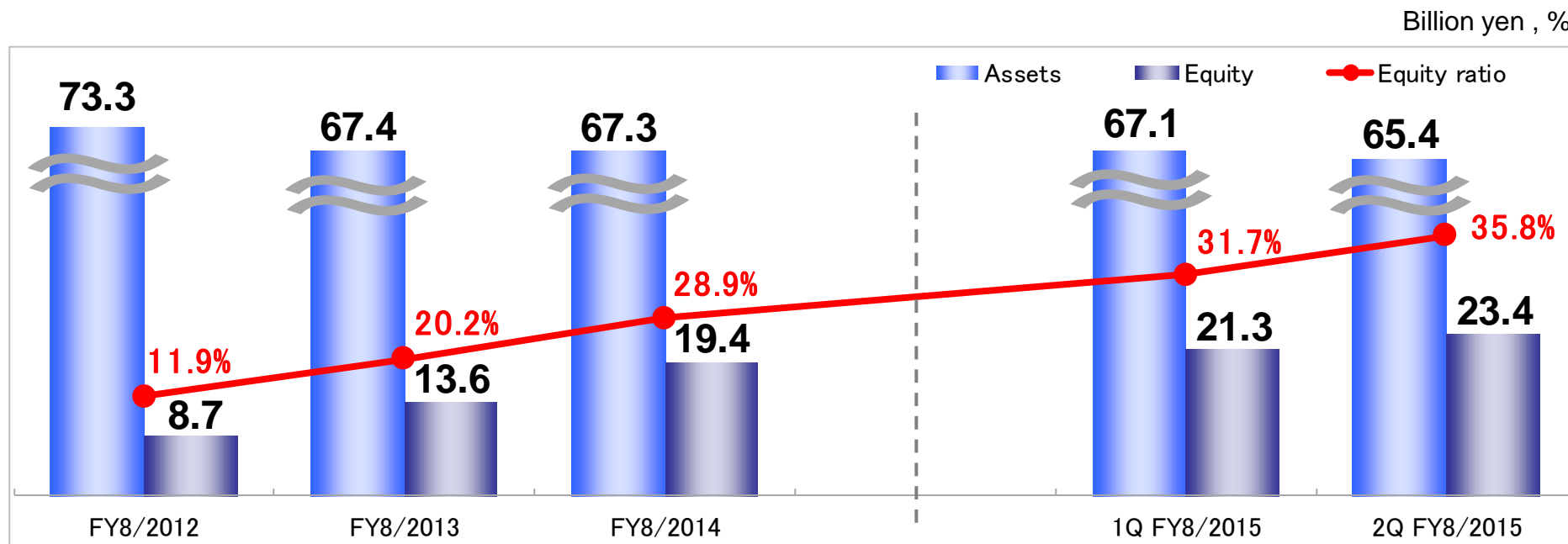
* EBITDA = Operating income + Depreciation + Depreciation of goodwill

* EBITDA is for the most recent 12-month period

* Leverage ratio = Debt / EBITDA for past 12 months

**EBITDA was steady, remaining about the same as one year earlier.
The leverage ratio decreased to 1.3 times as debt continued to decline.**

|| Financial Indicators || Equity Ratio

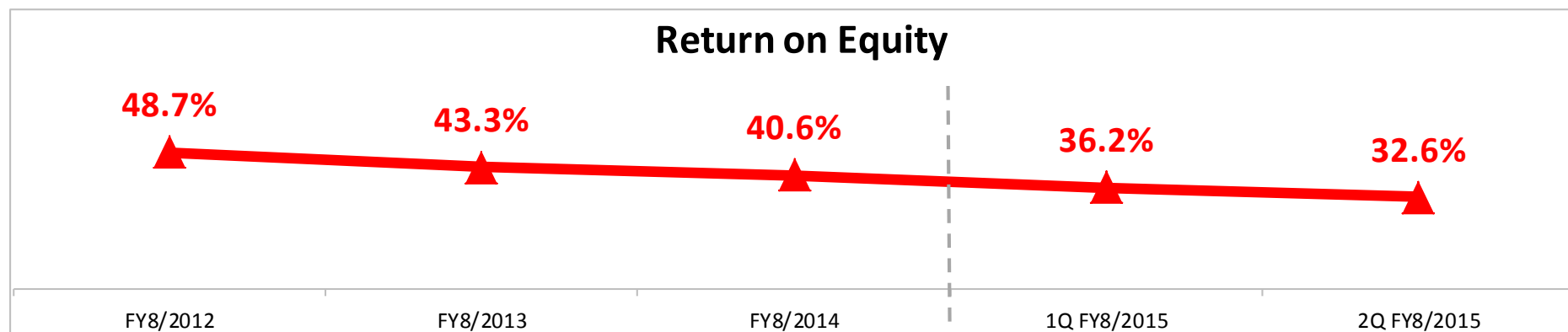
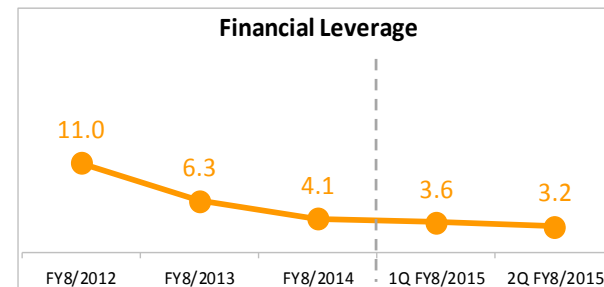
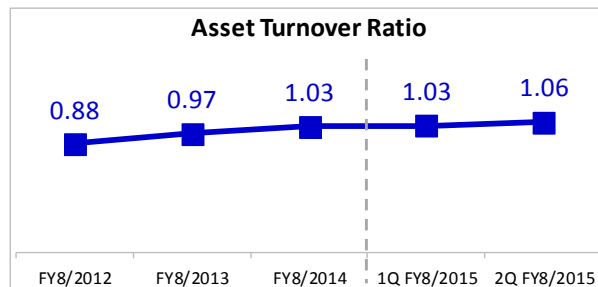
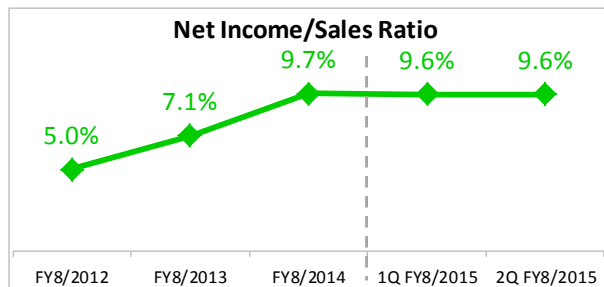


* Equity = Net assets – Stock acquisition rights

Total assets were down ¥1.7 billion from the end of the first quarter because depreciation (including the goodwill) was more than capital expenditures.

In addition, equity increased because of second quarter net income of about ¥2 billion. The result was an equity ratio of 35.8%.

|| Financial Indicators || Return on Equity

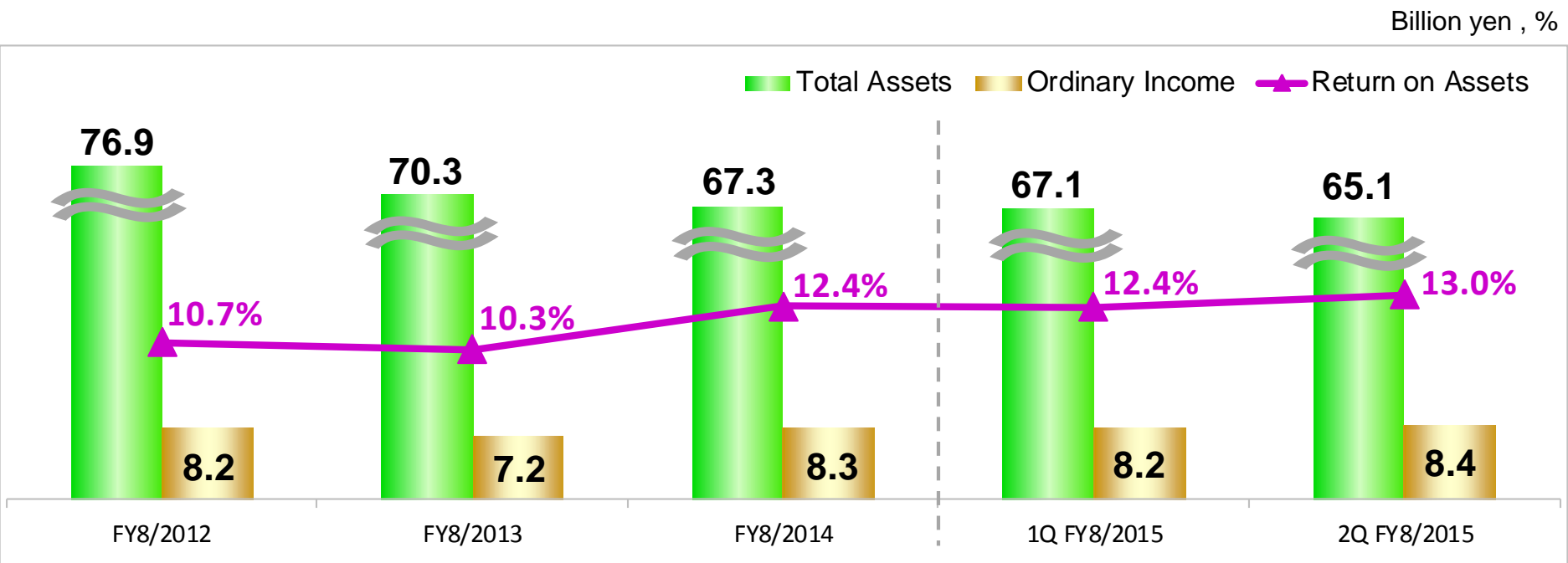


* Return on equity (ROE) = Net income/Sales ratio x Asset turnover ratio x Financial leverage

* Sales and net income are for the last 12-month period and assets and equity are the averages of the amounts at the ends of the current and previous FY

The net income/sales ratio and asset turnover ratio remained high in the first half. The ROE was also high, although there was a small decrease caused by a decline in financial leverage (improvement in financial soundness) as debt was lowered.

|| Financial Indicators || Return on Assets



* Ordinary income return on assets (ROA) = Ordinary income / Average FY assets x 100
* Ordinary income is for the last 12-month period.
* Assets are the average of the amounts at the ends of the current and previous FY.

Ordinary income is steady and the ROA is improving slightly because of total assets decreasing.

|| Operating Highlights (Music Distribution) || A New Supplementary Service

▶▶ Launch of “Kokoro no Clinic”, a mental health ASP service, on February 5, 2015

Sound Design for OFFICE (http://www.usen.com/sound_design/), which USEN started in February 2013, meets the needs of companies for using music to improve workplace environments for helping workers maintain a healthy mental balance.

In Japan, the requirement for workforce stress checks is expected to increase awareness of the importance of mental health. USEN’s new ASP service is a comprehensive service that covers everything from the stress checks mandated by the amended Industrial Safety and Health Act to e-learning and organizational diagnosis activities.

ストレスチェック

※IIRでのご利用が基本ですが、紙によるチェックもオプションでお受けしております。



職業性ストレス簡易調査票を採用、10分程度で出来、また何度でも受検可能です。



結果はチェックをした本人がタイムリーに画面で確認できます。



ストレスチェックした結果と部署ごと、組織ごとに確認・分析もできます。

疲労度チェック



厚生省推奨のチェックリストを採用しており、セルフで何度でも利用できます。

情報提供



社内相談窓口や産業医など、連絡先が一目で確認できます。



セミナーなどイベントのお知らせや健康に関するいろいろな情報を掲載できます。

こころの保健室のeラーニング

★セルフケアコース

標準受講時間：約3時間

セルフケアとは、心の健康状態に自分自身で気づき、悪化させないようにすることをいいます。このコースでは心の健康とは何かを理解し、心を健康に保つ方法と、もしも不調になった時の気づき方、気づいた後の基本的な対応方法について学びます。

★ラインケアコース

標準受講時間：約3時間

ラインケアとは、管理監督者が行う職場環境の改善や部下の相談対応などのことをいいます。このコースでは、職場で働く人々のメンタルヘルスを良好に維持するために必要な対処方法や法的知識など管理監督者が知っておきたい知識を総合的に学習します。

ご契約期間中、何度でもお好きな時に学習ができます。
教材はすべて精神科医が全監修しています。


らくらく管理機能 eラーニングには学習の進捗管理や未受講者へのメール配信など、便利な管理機能も付いています。

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専門分野
臨床精神医学、精神病理学、気分障害、不安障害の臨床研究

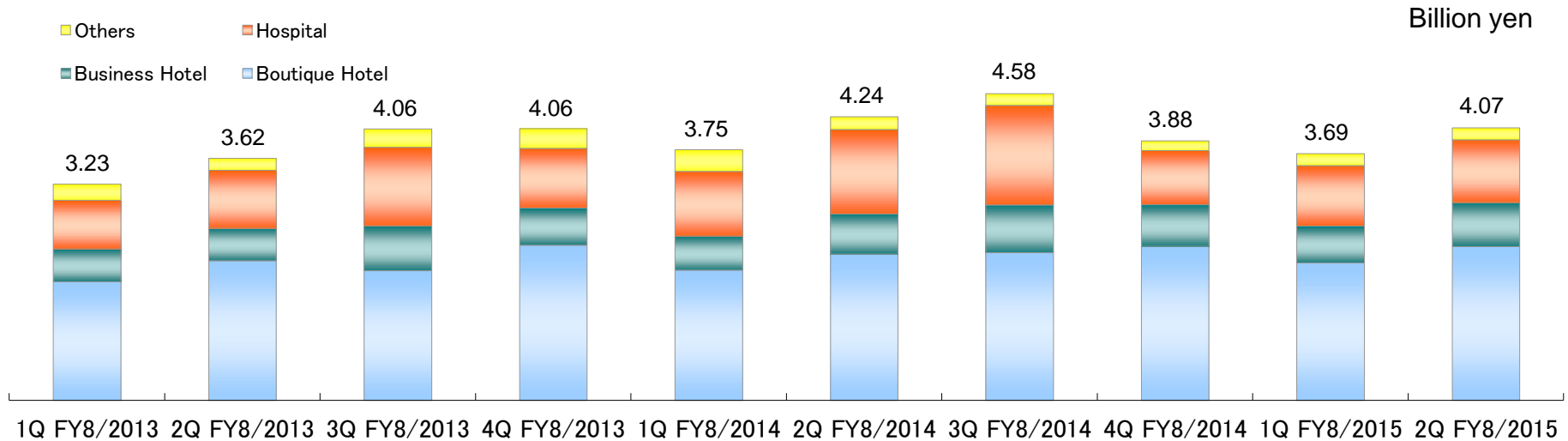
加入学会
日本精神神経学会会員
日本精神科診療学会評議員
日本統合失調症学会評議員
日本うつ学会評議員
MDA-JAPAN理事



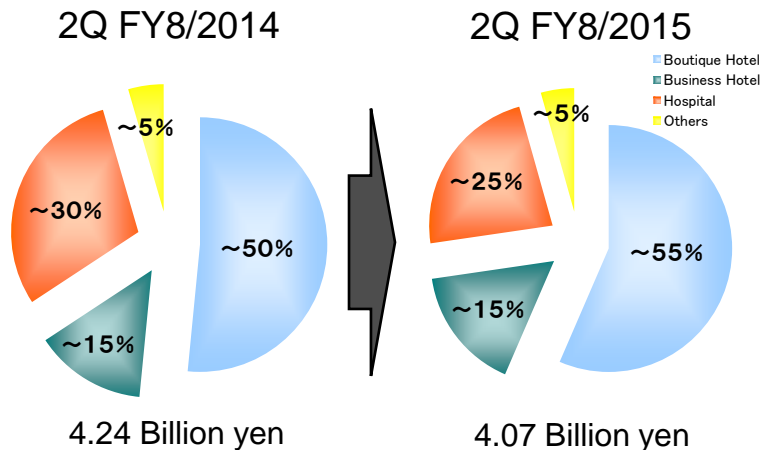
「気分障害の臨床・研究とエビデンス」
「Affective Disorders」
「うつ病の診断と治療を断る」

|| Operating Highlights (Business Systems) || Sales Composition

■ Quarterly Sales



■ Year on Year

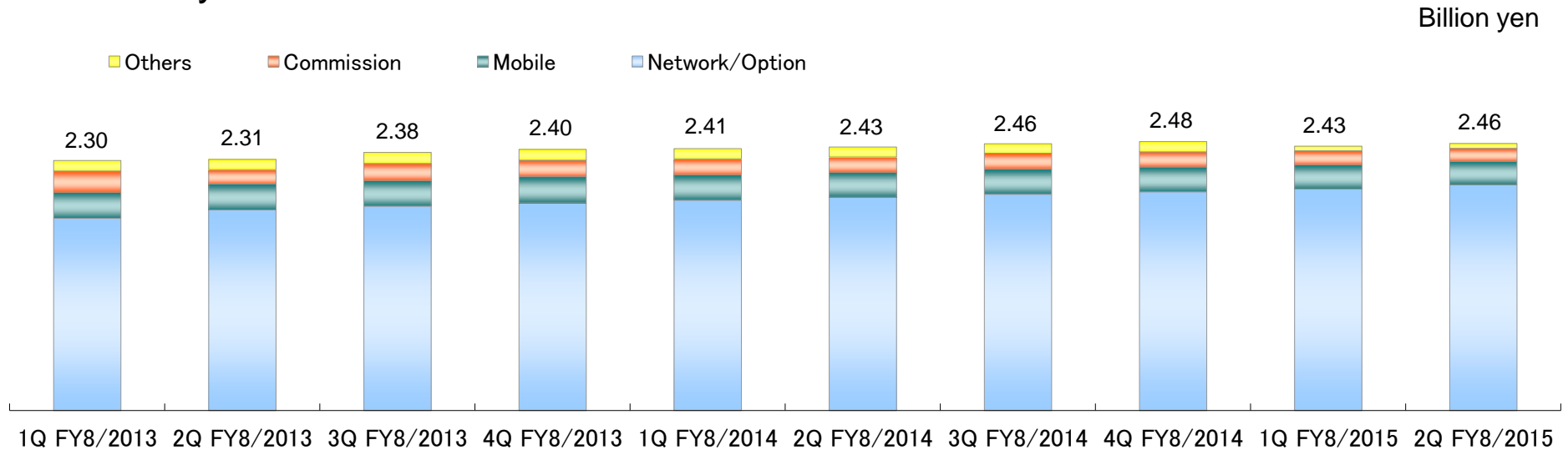


○ Second quarter sales in all three major sectors were higher than in the first quarter.

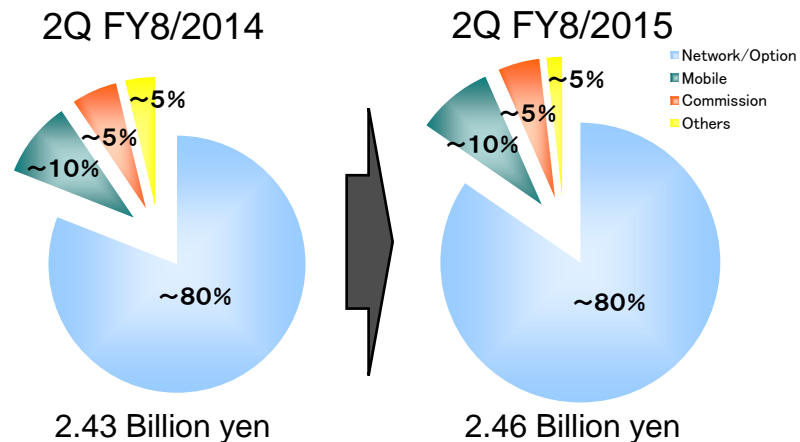
- As in prior years, second quarter sales were higher in all three major sectors.
- Small decrease in segment sales from one year ago because of one-time increase in demand in the second quarter, mainly in the hospital sector.
- Hotel sectors sales increased from one year ago.

|| Operating Highlights (ICT Services) || Sales Composition

■ Quarterly Sales



■ Year on Year



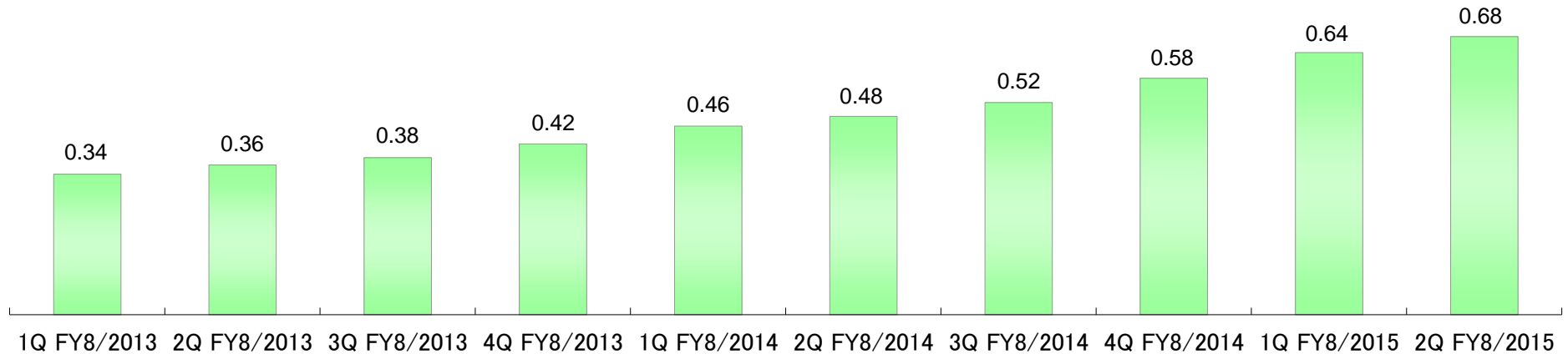
○ Sales higher following the first quarter decline.

- Segment sales increased mainly because of steady growth in the core network/option services category.
- Small declines in commission and mobile sales.
- Competition remains intense, but aiming for more growth in sales by adding services and products, chiefly involving the cloud, to enlarge the line-up.

|| Operating Highlights (Others) || Marketing Support Sales Performance

■ Quarterly Sales

Billion yen

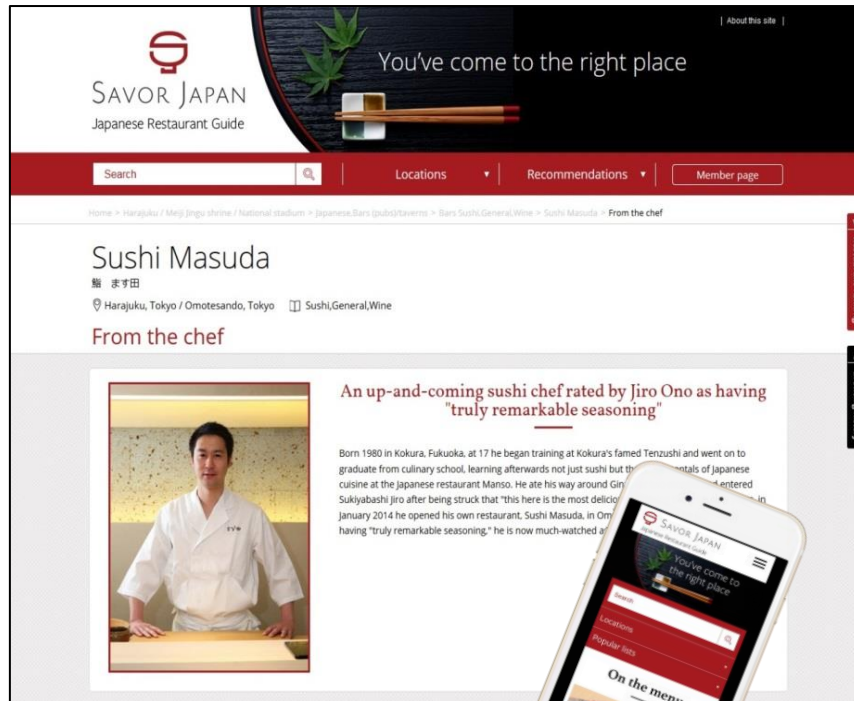


○ Current service line-up is performing well, focusing on increasing added value.

USEN's "*Hitosara*" gourmet website is performing well and sales of services bundled with those of other companies were strong. To offer more added-value services, focusing on services for inbound tourists (see next page), SNS tie-ups, services for specific activities, and services for businesses other than the restaurant sector.

|| Operating Highlights (Others) || New service of Sales Support Segment

- ▶▶ On February 2, 2015, USEN started “SAVOR JAPAN”, an English-language gourmet website for foreigners who visit Japan. The website supplies information about 2,000 chefs in Japan, including their best-known cuisine.



Website Features

1. A focus on areas and food categories that most interest foreigners

The website has a searching method that makes it easy for foreigners to locate restaurants in places they are likely to visit (sightseeing areas, etc.) and the types of food they are likely to seek.

2. Original articles and other information

“SAVOR JAPAN” is full of original information, including English-language translations, about subjects that interest foreigners visiting Japan. For example, foreigners can use the website to locate restaurants with a sunken heat table or that serve early-spring Japanese vegetables.

3. Confidence from seeing who prepares meals

“SAVOR JAPAN” includes the information about chefs that is posted on USEN’s “Hitosara” gourmet website. Information is translated into English and arranged for the convenience of foreigners who are interested in the culture of Japanese cuisine and want to learn more about the people who prepare these meals.

4. Restaurant amenity icons for easy use by foreigners

Search result and restaurant pages include icons for eight restaurant amenities that interest foreigners: English-language menu, English-speaking employees, free Wi-Fi, karaoke, late-night operation, no smoking, acceptance of special requests about food, and availability of forks and knives.

|| Operating Highlights (Others) || New service

▶▶ Launch of “*Dental Concierge*”, a service for dentists, on December 1, 2014

Helps dentists attract people efficiently by combining a dentist search portal site and a reservation tool designed specifically for dental offices

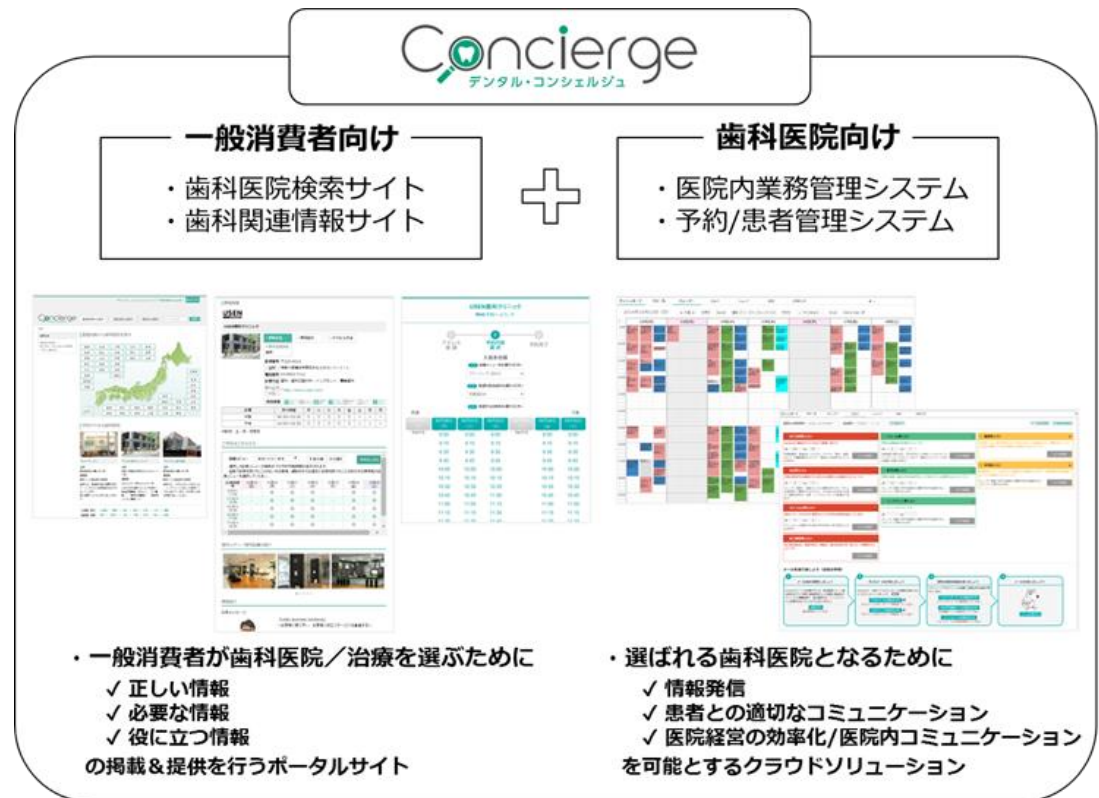
**A support service for dentists,
a market sector with a very high
background music utilization rate**

For dental offices

A portal site for locating dental offices that can be used from a PC or smartphone and a reservation management tool created for dentists

For the public

“*Dental Concierge*” makes it easy to find information for about 68,000 dental offices throughout Japan, including addresses, nearby stations and other items. People can quickly locate a dentist near their home, workplace, school or other place.



>> Music Distribution

December 2014 Announcement of USEN Music Distribution 2014 ranking

>> Marketing Support (“*Hitosara*”)

February 2015 The “*Hitosara x Table for Two*” Meal Donation Program

The number of meals for children in Africa and Asia funded by this campaign is now more than 50,000.

|| Second Quarter Topics || Music Distribution

▶▶ December 9, 2014 – Announcement of USEN 2014 Music Ranking

The winning song in the J-POP category was “Let It Go, Ari-no-mama-de” by Takako Matsu and the winning song in the Western music category was “Happy” by Pharrell Williams. Winners received plaques from USEN president Kimimasa Tamura (far right in photo below)



|| Second Quarter Topics || “Hitosara” Gourmet Website

▶▶ January 31, 2015 – Meals for needy children in Africa and Asia funded by “*Hitosara x Table for Two*” topped 50,000

“*Hitosara x Table for Two*”, a meal donation program linked to USEN’s “*Hitosara*” gourmet website, surpassed 50,000 meals at the end of January. “*Hitosara*” is the first gourmet website that has a charitable donation program in which reservations made using the site generate donations. USEN remains dedicated to using this program to support activities in Africa and Asia for feeding children in need.



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