

May 9, 2017

Consolidated Financial Results(Japanese Accounting Standards) for the Fiscal Year 2016

Company name: UNITED, Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Stock code: 2497
 URL: <http://united.jp/>
 Representative: Tomonori Hayakawa, CEO
 Contact: Ryohei Yamazaki, Corporate Officer, Corporate Administration Division
 Tel. +81-3-6821-0000

Scheduled date of the Annual General Meeting of Shareholders: June 23, 2017
 Scheduled date for filing of securities report: June 26, 2017
 Scheduled date of commencement of dividend payment: June 26, 2017
 Supplementary documents for financial results: YES
 Financial results briefing: YES (For securities analysts and institutional investors)

(Amounts of less than one million yen are rounded down.)

1.Consolidated Financial Results for Fiscal Year 2016 (April 1, 2016 - March 31, 2017)

(1) Consolidated Results of Operations (Accounting Total) (Percentages show year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%
Fiscal Year 2016	14,595	31.1	1,395	△7.6	1,425	△14.3	923	△41.5
Fiscal Year 2015	11,131	33.6	1,509	306.9	1,663	165.5	1,579	186.3

(Note)Comprehensive income: March 31, 2017: 590 million yen (△72.3 %)

March 31, 2016: 2,127 million yen (219.0 %)

	Net income per share	Diluted net income per share	Return on equity	Return on assets	Operating income margin
	Yen	Yen	%	%	%
Fiscal Year 2016	40.16	40.11	10.0	12.0	9.6
Fiscal Year 2015	67.58	67.54	18.4	15.5	13.6

(Reference) Equity in earnings(losses) of affiliates:

March 31, 2017: 23 million yen

March 31, 2016: 162 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Equity per share
	Mil.¥	Mil.¥	%	Yen
Fiscal Year 2016 (As of March 31,2017)	12,116	9,551	78.4	413.29
Fiscal Year 2015 (As of March 31,2016)	11,701	9,036	76.9	391.09

(Reference) Capital: March 31, 2017: 9,504 million yen March 31, 2016: 8,997 million yen

(3) Consolidated Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of period
	Mil.¥	Mil.¥	Mil.¥	Mil.¥
Fiscal Year 2016	1,087	1,801	△118	4,962
Fiscal Year 2015	825	369	△1477	2,191

2.Dividend Per Share

Record date	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of period	Annual dividend	Total amount of dividends	Dividend payout ratio	Dividends to net assets ratio
	Yen	Yen	Yen	Yen	Yen	Yen	%	%
Fiscal Year 2015	—	9.00	—	5.00	14.00	324	20.7	3.9
Fiscal Year 2016	—	0.00	—	8.00	8.00	183	19.9	2.0
Fiscal Year 2017 (forecast)	—	—	—	—	—		—	

*Notes

(1) Changes of important subsidiaries during the period

(Changes of specific subsidiaries in accordance with changes in the scope of consolidation):None

(2) Changes in accounting policies and changes or restatement of accounting estimates

(i) Changes in accounting policies caused by revision of accounting standard:	Yes
(ii) Changes in accounting policies other than (i):	None
(iii) Changes in accounting estimates:	None
(iv) Restatement:	None

(3) Number of shares outstanding (Common stock):

(i) Number of shares outstanding at the end of the period (including treasury stock)

As of March 31, 2017:	23,670,945 shares
As of March 31, 2016:	23,669,511 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2017:	673,695 shares
As of March 31, 2016:	663,311 shares

(iii) Average number of shares during the term

As of March 31, 2017:	23,001,253 shares
As of March 31, 2016:	23,369,398 shares

(Reference)

Non-consolidated Financial Results for Fiscal Year 2016 (April 1, 2016 - March 31, 2017)

(1) Non-consolidated Results of Operations (Accounting Total)

	Net sales		Operating income		Ordinary income		Net income	
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%
Fiscal Year 2016	11,393	27.0	1,446	△5.3	1,451	△4.6	1,102	△8.2
Fiscal Year 2015	8,969	24.0	1,526	131.2	1,520	128.9	1,200	96.9

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal Year 2016	47.92	47.86
Fiscal Year 2015	51.37	51.34

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Equity per share
	Mil.¥	Mil.¥	%	Yen
Fiscal Year 2016 (As of March 31, 2017)	11,309	9,444	83.1	408.65
Fiscal Year 2015 (As of March 31, 2016)	10,635	8,703	81.8	378.11

(Reference) Capital: March 31, 2017: 9,397 million yen March 31, 2016: 8,698 million yen

*Regarding the status of audit procedure implementation

- The audit procedures for reviewing financial statements pursuant to the Financial Instruments and Exchange Act are in progress at the time of disclosure of the financial results.

*Explanations and other special notes concerning the appropriate use of business performance forecasts

- Consolidated earnings forecast for the next fiscal year is not stated because it is difficult to produce a rational full-year earnings forecast. For the reasons, please refer to "Future prospects" on page 4 of the attached document. representations as to their achievability. Actual results may differ materially from the forecast depending on a range of factors.

- We will hold a results briefing for institutional investors and analysts on May 10, 2017.

For material that are distributed in this briefing, it will be posted on our website.

UNTIED Consolidated Financial Statements

(1)UNTIED Consolidated Balance Sheets

(Unit:Thousands of Yen)

Items of an account	FY2015 (As of March 31,2016)	FY2016 (As of March 31,2017)
	Amount	Amount
Assets		
Current assets		
Cash and deposits	4,991,691	4,962,339
Notes and accounts receivable - trade	2,080,222	2,070,220
Operational investment securities	3,064,867	2,288,072
Inventories	50,639	50,718
Deferred tax assets	11,113	11,548
Other	435,528	727,750
Allowance for doubtful accounts	(6,426)	(20,995)
Total current assets	10,627,636	10,089,654
Non-current assets		
Property, plant and equipment		
Buildings and structures	170,537	205,910
Tools, furniture and fixtures	186,300	203,179
Accumulated depreciation	(201,546)	(232,159)
Total property, plant and equipment	155,291	176,930
Intangible assets		
Goodwill	451,063	1,226,215
Software	170,840	201,562
Other	1,025	1,025
Total intangible assets	622,928	1,428,803
Investments and other assets		
Investment securities	57,384	46,192
Deferred tax assets	68,186	157,735
Lease and guarantee deposits	148,344	195,577
Other	37,687	21,790
Allowance for doubtful accounts	(15,684)	-
Total investments and other assets	295,917	421,294
Total non-current assets	1,074,138	2,027,028
Total assets	11,701,775	12,116,683
Liabilities		
Current liabilities		
Accounts payable - trade	1,600,089	1,382,867
Short-term loans payable	100,000	100,000
Current portion of long-term loans payable	4,200	4,200
Accounts payable - other	135,265	261,991
Income taxes payable	366,617	363,862
Deferred tax liabilities	282,616	162,531
Provision for point card certificates	54,805	59,457
Other	103,079	216,562
Total current liabilities	2,646,673	2,551,472
Non-current liabilities		
Long-term loans payable	15,050	10,850
Deferred tax liabilities	3,456	2,589
Total non-current liabilities	18,506	13,439
Total liabilities	2,665,180	2,564,912
Net assets		
Shareholders' equity		
Capital stock	2,921,871	2,922,037
Capital surplus	3,035,187	3,072,538
Retained earnings	3,185,245	3,994,009
Treasury shares	(944,478)	(964,319)
Total shareholders' equity	8,197,824	9,024,265
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	762,840	456,769
Foreign currency translation adjustment	36,826	23,504
Total accumulated other comprehensive income	799,666	480,274
Subscription rights to shares	4,712	46,774
Non-controlling interests	34,392	457
Total net assets	9,036,595	9,551,771
Total liabilities and net assets	11,701,775	12,116,683

(2)UNITED Consolidated Statements of Income

(Unit:Thousands of Yen)

Items of an account	FY2015 (April 1,2015 to March 31,2016)	FY2016 (April 1,2016 to March 31,2017)
	Amount	Amount
Net sales	11,131,650	14,595,781
Cost of sales	7,605,707	10,555,685
Gross profit	3,525,942	4,040,095
Selling, general and administrative expenses	2,016,281	2,644,545
Operating income	1,509,661	1,395,549
Non-operating income		
Interest and dividend income	5,703	744
Share of profit of entities accounted for using equity method	162,417	23,468
Foreign exchange gains	-	1,782
Other	3,744	9,575
Total non-operating income	171,865	35,570
Non-operating expenses		
Interest expenses	1,477	1,696
Foreign exchange losses	7,245	-
Commission fee	3,993	1,794
Other	5,575	2,197
Total non-operating expenses	18,292	5,689
Ordinary income	1,663,234	1,425,431
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	360,244	-
Gain on reversal of subscription rights to shares	1,745	-
Gain on change in equity	947	-
Other	-	18
Total extraordinary income	362,937	18
Extraordinary losses		
Loss on retirement of non-current assets	-	981
Loss on valuation of investment securities	42,941	45,794
Impairment loss	1,717	6,768
Amortization of goodwill	44,362	-
Loss on liquidation of subsidiaries and associates	19,882	-
Office transfer expenses	4,240	28,809
Provision of allowance for doubtful accounts	-	14,649
Total extraordinary losses	113,143	97,002
Income before income taxes	1,913,027	1,328,446
Income taxes - current	383,981	523,315
Income taxes - deferred	(30,837)	(104,390)
Total income taxes	353,144	418,924
Profit	1,559,883	909,522
Loss attributable to non-controlling interests	(19,527)	(14,272)
Profit attributable to owners of parent	1,579,410	923,795

(3)UNITED Consolidated Statements of Comprehensive Income

(Unit:Thousands of Yen)

Items of an account	FY2015 (April 1,2015 to March 31,2016)	FY2016 (April 1,2016 to March 31,2017)
	Amount	Amount
Profit	1,559,883	909,522
Other comprehensive income		
Valuation difference on available-for-sale securities	565,613	(296,848)
Foreign currency translation adjustment	(2,417)	(13,321)
Share of other comprehensive income of entities accounted for using equity method	4,723	(9,319)
Total other comprehensive income	567,920	(319,489)
Comprehensive income	2,127,803	590,032
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,147,333	604,403
Comprehensive income attributable to non-controlling interests	(19,530)	(14,370)

(4) Statements of Changes in Equity
FY2015(April 1,2015-March 31,2016)

(Unit:Thousands of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	2,907,584	3,024,300	1,986,456	(2,818)	7,915,523
Changes of items during period					
Issuance of new shares	14,286	14,286			28,573
Purchase of shares of consolidated subsidiaries		(3,400)			(3,400)
Dividends of surplus			(304,064)		(304,064)
Change of scope of equity method			(76,558)		(76,558)
Profit attributable to owners of parent			1,579,410		1,579,410
Purchase of treasury shares				(941,660)	(941,660)
Net changes of items other than shareholders' equity					
Total changes of items during period	14,286	10,886	1,198,788	(941,660)	282,301
Balance at the end of current period	2,921,871	3,035,187	3,185,245	(944,478)	8,197,824

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at the beginning of current period	192,500	39,243	231,743	12,658	395	8,160,321
Changes of items during period						
Issuance of new shares						28,573
Purchase of shares of consolidated subsidiaries						(3,400)
Dividends of surplus						(304,064)
Change of scope of equity method						(76,558)
Profit attributable to owners of parent						1,579,410
Purchase of treasury shares						(941,660)
Net changes of items other than shareholders' equity	570,340	(2,417)	567,922	(7,946)	33,996	593,972
Total changes of items during period	570,340	(2,417)	567,922	(7,946)	33,996	876,273
Balance at the end of current period	762,840	36,826	799,666	4,712	34,392	9,036,595

Statements of Changes in Equity
FY2016(April 1,2016-March 31,2017)

(Unit:Thousands of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	2,921,871	3,035,187	3,185,245	(944,478)	8,197,824
Changes of items during period					
Issuance of new shares	166	166			332
Dividends of surplus			(115,031)		(115,031)
Profit attributable to owners of parent			923,795		923,795
Purchase of treasury shares				(251,952)	(251,952)
Disposal of treasury shares		37,184		232,111	269,295
Net changes of items other than shareholders' equity					
Total changes of items during period	166	37,351	808,764	(19,840)	826,440
Balance at the end of current period	2,922,037	3,072,538	3,994,009	(964,319)	9,024,265

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at the beginning of current period	762,840	36,826	799,666	4,712	34,392	9,036,595
Changes of items during period						
Issuance of new shares						
Dividends of surplus						(115,031)
Profit attributable to owners of parent						923,795
Purchase of treasury shares						(251,952)
Disposal of treasury shares						269,295
Net changes of items other than shareholders' equity	(306,070)	(13,321)	(319,392)	42,062	(33,934)	(311,264)
Total changes of items during period	(306,070)	(13,321)	(319,392)	42,062	(33,934)	515,176
Balance at the end of current period	456,769	23,504	480,274	46,774	457	9,551,771

(5)UNITED Consolidated statements of cash flows

(Unit:Thousands of Yen)

Items of an account	FY2015 (April 1,2015 to March 31,2016)	FY2016 (April 1,2016 to March 31,2017)
	Amount	Amount
Cash flows from operating activities		
Income before income taxes	1,913,027	1,328,446
Depreciation	75,518	92,443
Amortization of goodwill	54,558	214,112
Share-based compensation expenses	-	42,062
Increase (decrease) in allowance for doubtful accounts	(259)	(1,115)
Increase (decrease) in provision for point card certificates	(5,999)	4,651
Interest and dividend income	(5,703)	(744)
Interest expenses	1,477	1,696
Share of (profit) loss of entities accounted for using equity method	(162,417)	(23,468)
Loss (gain) on valuation of investment securities	42,941	45,794
Loss (gain) on sales of shares of subsidiaries and associates	(360,244)	-
Loss on liquidation of subsidiaries and associates	19,882	-
Decrease (increase) in notes and accounts receivable - trade	(516,417)	67,024
Decrease (increase) in investment securities for sale	(351,186)	374,358
Increase (decrease) in notes and accounts payable - trade	445,108	(217,221)
Other, net	(205,601)	(220,140)
Subtotal	944,682	1,707,899
Interest and dividend income received	6,309	1,455
Interest expenses paid	(1,475)	(1,700)
Income taxes paid	(123,538)	(619,982)
Net cash provided by (used in) operating activities	825,978	1,087,671
Cash flows from investing activities		
Payments into time deposits	(6,500,000)	-
Proceeds from withdrawal of time deposits	7,100,000	2,800,000
Purchase of property, plant and equipment	(117,730)	(66,374)
Purchase of intangible assets	(102,416)	(93,525)
Purchase of investment securities	(30,000)	(32,707)
Proceeds from sales of shares of subsidiaries and associates	433,280	-
Purchase of investments in subsidiaries resulting change in scope of consolidation	(389,747)	(758,728)
Other, net	(24,068)	(47,164)
Net cash provided by (used in) investing activities	369,317	1,801,500
Cash flows from financing activities		
Repayments of long-term loans payable	-	(4,200)
Proceeds from issuance of subscription rights to share	22,371	332
Payments of money hold in trust for purchase of treasury stock	(1,503,240)	-
Proceeds from money held in trust for purchase of treasury stock	307,418	-
Cash dividends paid	(300,559)	(114,724)
Other, net	(3,400)	(349)
Net cash provided by (used in) financing activities	(1,477,410)	(118,942)
Effect of exchange rate change on cash and cash equivalents	(5,164)	418
Net increase (decrease) in cash and cash equivalents	(287,279)	2,770,648
Cash and cash equivalents at the beginning of the period	2,478,970	2,191,691
Cash and cash equivalents at the end of the period	2,191,691	4,962,339