

Consolidated Financial Results(Japanese Accounting Standards) for the 2nd Quarter of FY 2017

Company name:	UNITED, Inc.		
Stock exchange listing:	Tokyo Stock Exchange		
Stock code:	2497		
URL:	http://united.jp/		
Representative:	Tomonori Hayakawa, CEO		
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	Tel. +81-3-6821-0000		
Scheduled date for filing of quarterly securities report:	October 31, 2017		
Scheduled date of commencement of dividend payment:	December 11, 2017		
Supplementary documents for quarterly results:	YES		
Quarterly results briefing:	YES (For securities analysts and institutional investors)		

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

1.Consolidated Financial Results for the 2nd Quarter of FY 2017 (April 1, 2017 - September 30, 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.¥	%
2nd Quarter of FY 2017	6,899	6.5	950	1,611.5	944	807.1	566	—
2nd Quarter of FY 2016	6,476	27.4	55	△95.0	104	△91.6	△60	—

(Note)Comprehensive income: 681million yen (— %) for the 2nd Quarter of FY 2017
 △376 million yen (— %) for the 2nd Quarter of FY 2016

	Earnings per share	Diluted earnings per share
	Yen	Yen
2nd Quarter of FY 2017	24.62	24.53
2nd Quarter of FY 2016	△2.63	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Mil.¥	Mil.¥	%
2nd Quarter of FY 2017 (As of September 30,2017)	12,704	10,092	78.6
Fiscal Year 2016 (As of March 31,2017)	12,116	9,551	78.4

(Reference) Capital: September 30, 2017: 9,988 million yen March 31, 2017: 9,504 million yen

2.Dividend Per Share

Record date	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of period	Annual dividend
	Yen	Yen	Yen	Yen	Yen
Fiscal Year 2016	—	0.00	—	8.00	8.00
Fiscal Year 2017	—	5.00	—	—	—
Fiscal Year 2017 (expected)	—	—	—	—	—

Note: Revisions of the forecasts of consolidated results since the latest announcement: Yes

3.Consolidated Earnings Forecast for Fiscal Year Ending March 2018 (April 1,2017 to March 31,2018)

The consolidated earnings forecast for this period has not been included due to difficulties conducting reasonable calculations of the earnings 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) Application of particular accounts procedures to the preparation of quarterly consolidated financial statement:None

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

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

(4) Number of shares outstanding (common stock):

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

As of September 30, 2017: 23,670,945 shares

As of March 31, 2017: 23,670,945 shares

(ii) Number of treasury stock at end of period

As of September 30, 2017: 673,745 shares

As of March 31, 2017: 673,695 shares

(iii) Average number of shares outstanding during the term

2nd Quarter of FY 2017: 22,997,212 shares

2nd Quarter of FY 2016: 23,005,661 shares

***Status of a quarterly review**

- These Consolidated Financial Results are not subject to quarterly review procedures based on the Financial Instruments and Exchange Act.

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

- The forward-looking statements such as result forecasts included in this document are based on the information available to the Company at the time of the announcement and on certain assumptions considered reasonable, and the Company makes no representations as to their achievability. Actual results may differ materially from the forecast depending on a range of factors.

- We will hold a quarterly results briefing for institutional investors and analysts on November 1, 2017.

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

UNITED Consolidated Financial Statements
(1)UNITED Consolidated Balance Sheets
for the 2st Quarter of FY 2017

(Unit:Thousands of Yen)

Items of an account	FY2016 (As of March 31,2017)	2nd Quarter of FY2017 (As of September 30,2017)
	Amount	Amount
Assets		
Current assets		
Cash and deposits	4,962,339	5,813,721
Notes and accounts receivable - trade	2,070,220	1,799,369
Operational investment securities	2,288,072	2,996,046
Inventories	50,718	48,580
Other	739,298	138,282
Allowance for doubtful accounts	(20,995)	(5,154)
Total current assets	10,089,654	10,790,846
Non-current assets		
Property, plant and equipment	176,930	171,423
Intangible assets		
Goodwill	1,226,215	1,082,182
Other	202,588	225,085
Total intangible assets	1,428,803	1,307,268
Investments and other assets	421,294	435,404
Total non-current assets	2,027,028	1,914,096
Total assets	12,116,683	12,704,942
Liabilities		
Current liabilities		
Accounts payable - trade	1,382,867	1,249,371
Short-term loans payable	100,000	100,000
Current portion of long-term loans payable	4,200	4,200
Income taxes payable	363,862	354,286
Provision for point card certificates	59,457	64,953
Other	641,085	829,153
Total current liabilities	2,551,472	2,601,965
Non-current liabilities		
Long-term loans payable	10,850	8,750
Other	2,589	2,155
Total non-current liabilities	13,439	10,905
Total liabilities	2,564,912	2,612,871
Net assets		
Shareholders' equity		
Capital stock	2,922,037	2,922,037
Capital surplus	3,072,538	3,072,538
Retained earnings	3,994,009	4,376,271
Treasury shares	(964,319)	(964,441)
Total shareholders' equity	9,024,265	9,406,405
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	456,769	558,101
Foreign currency translation adjustment	23,504	24,182
Total accumulated other comprehensive income	480,274	582,283
Subscription rights to shares	46,774	90,176
Non-controlling interests	457	13,205
Total net assets	9,551,771	10,092,071
Total liabilities and net assets	12,116,683	12,704,942

(2) UNITED Consolidated Statements of Income
for the 2st Quarter of FY 2017

(Unit: Thousands of Yen)

Items of an account	2nd Quarter of FY2016 (April 1,2016 to September 30,2016)	2nd Quarter of FY2017 (April 1,2017 to September 30,2017)
	Amount	Amount
Net sales	6,476,364	6,899,081
Cost of sales	5,270,287	4,497,160
Gross profit	1,206,076	2,401,921
Selling, general and administrative expenses	1,150,553	1,451,630
Operating income	55,523	950,291
Non-operating income		
Interest and dividend income	666	156
Share of profit of entities accounted for using equity method	52,031	-
Other	6,534	2,446
Total non-operating income	59,232	2,602
Non-operating expenses		
Interest expenses	708	839
Share of loss of entities accounted for using equity method	-	805
Foreign exchange losses	7,735	5,627
Other	2,174	1,012
Total non-operating expenses	10,619	8,284
Ordinary income	104,136	944,609
Extraordinary income		
Gain on reversal of subscription rights to shares	-	3,100
Other	18	0
Total extraordinary income	18	3,100
Extraordinary losses		
Loss on retirement of non-current assets	645	3,006
Loss on valuation of investment securities	29,999	4,200
Office transfer expenses	13,126	-
Impairment loss	6,768	-
Provision of allowance for doubtful accounts	18,077	-
Total extraordinary losses	68,617	7,207
Income before income taxes	35,537	940,502
Income taxes - current	66,136	336,219
Income taxes - deferred	44,243	24,837
Total income taxes	110,379	361,056
Profit (loss)	(74,842)	579,445
Profit (loss) attributable to non-controlling interests	(14,440)	13,205
Profit (loss) attributable to owners of parent	(60,402)	566,240

(3) UNITED Consolidated Statements of Comprehensive Income
for the 2st Quarter of FY 2017

(Unit: Thousands of Yen)

Items of an account	2nd Quarter of FY2016 (April 1,2016 to September 30,2016)	2nd Quarter of FY2017 (April 1,2017 to September 30,2017)
	Amount	Amount
Profit (loss)	(74,842)	579,445
Other comprehensive income		
Valuation difference on available-for-sale securities	(287,406)	101,331
Foreign currency translation adjustment	(6,087)	677
Share of other comprehensive income of entities accounted for using equity method	(8,062)	-
Total other comprehensive income	(301,556)	102,009
Comprehensive income	(376,399)	681,455
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(361,997)	668,249
Comprehensive income attributable to non-controlling interests	(14,402)	13,205

(4)UNITED Consolidated Statements of Cash Flows

(Unit:Thousands of Yen)

Items of an account	2nd Quarter of FY2016 (April 1,2016 to September 30,2016)	2nd Quarter of FY2017 (April 1,2017 to September 30,2017)
	Amount	Amount
Cash flows from operating activities		
Profit before income taxes	35,537	940,502
Depreciation	42,530	51,177
Amortization of goodwill	70,079	144,032
Share-based compensation expenses	9,392	46,501
Increase (decrease) in allowance for doubtful accounts	11,814	(15,841)
Increase (decrease) in provision for point card certificates	19,201	5,496
Interest and dividend income	(666)	(156)
Interest expenses	708	839
Share of (profit) loss of entities accounted for using equity method	(52,031)	805
Loss (gain) on valuation of investment securities	29,999	4,200
Decrease (increase) in notes and accounts receivable - trade	(121,710)	270,851
Decrease (increase) in investment securities for sale	103,250	(575,495)
Increase (decrease) in notes and accounts payable - trade	(198,071)	(133,497)
Other, net	85,427	688,328
Subtotal	35,463	1,427,745
Interest and dividend income received	1,377	156
Interest expenses paid	(713)	(965)
Income taxes paid	(347,040)	(288,251)
Net cash provided by (used in) operating activities	(310,912)	1,138,685
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	2,800,000	-
Purchase of property, plant and equipment	(31,115)	(11,455)
Purchase of intangible assets	(43,171)	(59,658)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(758,728)	-
Other, net	(55,363)	(31,092)
Net cash provided by (used in) investing activities	1,911,621	(102,206)
Cash flows from financing activities		
Cash dividends paid	(114,147)	(182,966)
Other, net	(2,172)	(2,221)
Net cash provided by (used in) financing activities	(116,320)	(185,187)
Effect of exchange rate change on cash and cash equivalents	(11,757)	91
Net increase (decrease) in cash and cash equivalents	1,472,629	851,382
Cash and cash equivalents at beginning of period	2,191,691	4,962,339
Cash and cash equivalents at end of period	3,664,320	5,813,721