

Consolidated Financial Results(Japanese Accounting Standards) for the 3rd 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
 Contact: Takahiro Fukushima, General Manager, Corporate Administration Division
 Tel. +81-3-6821-0000

Scheduled date for filing of quarterly securities report: January 31, 2018
 Scheduled date of commencement of dividend payment: —
 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 3rd Quarter of FY 2017 (April 1, 2017 - December 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.¥	%
3rd Quarter of FY 2017	10,474	2.2	1,120	47.8	1,106	39.3	584	58.8
3rd Quarter of FY 2016	10,248	27.7	757	△42.6	794	△46.5	368	△73.8

(Note) Comprehensive income: 804million yen (957.4 %) for the 3rd Quarter of FY 2017
 76 million yen (△96.5 %) for the 3rd Quarter of FY 2016

	Earnings per share	Diluted earnings per share
	Yen	Yen
3rd Quarter of FY 2017	25.43	25.32
3rd Quarter of FY 2016	16.01	16.00

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Mil.¥	Mil.¥	%
3rd Quarter of FY 2017 (As of December 31, 2017)	12,894	10,126	77.5
Fiscal Year 2016 (As of March 31, 2017)	12,116	9,551	78.4

(Reference) Capital: December 31, 2017: 9,990 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: None

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 December 31, 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 December 31, 2017: 673,845 shares

As of March 31, 2017: 673,695 shares

(iii) Average number of shares outstanding during the term

3rd Quarter of FY 2017: 22,997,182 shares

3rd Quarter of FY 2016: 23,002,520 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 February 1, 2018.

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 3rd Quarter of FY 2017

(Unit: Thousands of Yen)

Items of an account	FY2016 (As of March 31,2017)	3rd Quarter of FY2017 (As of December 31,2017)
	Amount	Amount
Assets		
Current assets		
Cash and deposits	4,962,339	5,510,460
Notes and accounts receivable - trade	2,070,220	1,863,494
Operational investment securities	2,288,072	3,201,746
Inventories	50,718	50,295
Other	739,298	152,469
Allowance for doubtful accounts	(20,995)	(5,572)
Total current assets	10,089,654	10,772,894
Non-current assets		
Property, plant and equipment	176,930	213,398
Intangible assets		
Goodwill	1,226,215	1,010,166
Other	202,588	242,167
Total intangible assets	1,428,803	1,252,333
Investments and other assets	421,294	655,403
Total non-current assets	2,027,028	2,121,135
Total assets	12,116,683	12,894,030
Liabilities		
Current liabilities		
Accounts payable - trade	1,382,867	1,339,056
Short-term loans payable	100,000	100,000
Current portion of long-term loans payable	4,200	4,200
Income taxes payable	363,862	257,368
Provision for point card certificates	59,457	66,668
Other	641,085	990,955
Total current liabilities	2,551,472	2,758,249
Non-current liabilities		
Long-term loans payable	10,850	7,700
Other	2,589	1,938
Total non-current liabilities	13,439	9,638
Total liabilities	2,564,912	2,767,888
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	4,279,772
Treasury shares	(964,319)	(964,762)
Total shareholders' equity	9,024,265	9,309,585
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	456,769	654,044
Foreign currency translation adjustment	23,504	26,785
Total accumulated other comprehensive income	480,274	680,830
Subscription rights to shares	46,774	113,356
Non-controlling interests	457	22,369
Total net assets	9,551,771	10,126,142
Total liabilities and net assets	12,116,683	12,894,030

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

(Unit: Thousands of Yen)

Items of an account	3rd Quarter of FY2016 (April 1,2016 to December 31,2016)	3rd Quarter of FY2017 (April 1,2017 to December 31,2017)
	Amount	Amount
Net sales	10,248,715	10,474,768
Cost of sales	7,682,221	7,079,046
Gross profit	2,566,494	3,395,721
Selling, general and administrative expenses	1,808,533	2,275,676
Operating income	757,960	1,120,045
Non-operating income		
Interest and dividend income	666	156
Gain on forfeiture of unclaimed dividends	514	783
Share of profit of entities accounted for using equity method	30,097	-
Other	8,212	2,067
Total non-operating income	39,490	3,006
Non-operating expenses		
Interest expenses	1,068	1,258
Foreign exchange losses	-	7,121
Share of loss of entities accounted for using equity method	-	7,127
Other	2,186	1,372
Total non-operating expenses	3,254	16,881
Ordinary income	794,195	1,106,170
Extraordinary income		
Gain on reversal of subscription rights to shares	-	3,174
Other	18	0
Total extraordinary income	18	3,174
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	24,146	-
Impairment loss	6,768	-
Provision of allowance for doubtful accounts	14,649	-
Total extraordinary losses	76,209	7,207
Income before income taxes	718,004	1,102,137
Income taxes - current	296,681	465,751
Income taxes - deferred	67,437	32,588
Total income taxes	364,118	498,339
Profit (loss)	353,885	603,797
Profit (loss) attributable to non-controlling interests	(14,440)	19,070
Profit (loss) attributable to owners of parent	368,325	584,727

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

(Unit: Thousands of Yen)

Items of an account	3rd Quarter of FY2016 (April 1,2016 to December 31,2016)	3rd Quarter of FY2017 (April 1,2017 to December 31,2017)
	Amount	Amount
Profit (loss)	353,885	603,797
Other comprehensive income		
Valuation difference on available-for-sale securities	(268,396)	197,275
Foreign currency translation adjustment	(106)	3,280
Share of other comprehensive income of entities accounted for using equity method	(9,319)	-
Total other comprehensive income	(277,823)	200,555
Comprehensive income	76,062	804,353
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	90,460	785,283
Comprehensive income attributable to non-controlling interests	(14,397)	19,070