

August 3, 2018

Consolidated Financial Results(Japanese Accounting Standards) for the 1st Quarter of FY 2018

Company name: UNITED, Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Stock code: 2497
 URL: <http://united.jp/>
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Scheduled date for filing of quarterly securities report: August 3, 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 1st Quarter of FY 2018 (April 1, 2018 - June 30, 2018)

(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.¥ | % |
| 1st Quarter of FY 2018 | 15,662 | 381.2 | 12,349 | — | 12,343 | — | 8,317 | — |
| 1st Quarter of FY 2017 | 3,254 | 3.8 | 321 | — | 320 | — | 192 | — |

(Note) Comprehensive income : 41,039 million yen (- %) for the 1st Quarter of FY 2018
 148 million yen (- %) for the 1st Quarter of FY 2017

| | Earnings per share | Diluted earnings per share |
|------------------------|--------------------|----------------------------|
| | Yen | Yen |
| 1st Quarter of FY 2018 | 361.30 | 358.08 |
| 1st Quarter of FY 2017 | 8.37 | 8.34 |

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio |
|---|--------------|------------|--------------|
| | Mil.¥ | Mil.¥ | % |
| 1st Quarter of FY 2018 (As of June 30, 2018) | 71,309 | 50,761 | 70.9 |
| Fiscal Year 2017 (As of March 31, 2018) | 12,793 | 10,281 | 78.2 |

(Reference) Capital : June 30, 2018 : 50,555 million yen March 31, 2018 : 10,009 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 2017 | — | 5.00 | — | 2.00 | 7.00 |
| Fiscal Year 2018 | — | — | — | — | — |
| Fiscal Year 2018 (expected) | — | — | — | — | — |

(Note) Revisions of the forecasts of consolidated results since the latest announcement : None

3.Consolidated Earnings Forecast for Fiscal Year Ending March 2019 (April 1,2018 to March 31,2019)

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) : Yes

Newly consolidated subsidiaries : None

Subsidiaries excluded from consolidation : CocoPPa, Inc.

(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 June 30, 2018: | 23,671,845 shares |
| As of March 31, 2018: | 23,670,945 shares |
| (ii) Number of treasury stock at end of period | |
| As of June 30, 2018: | 645,795 shares |
| As of March 31, 2018: | 673,895 shares |
| (iii) Average number of shares outstanding during the term | |
| 1st Quarter of FY 2018: | 23,021,222 shares |
| 1st Quarter of FY 2017: | 22,997,225 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 August 3, 2018.

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

UNTIED Consolidated Financial Statements

(1) UNITED Consolidated Balance Sheets
for the 1st Quarter of FY 2018

(Unit : Thousands of Yen)

| Items of an account | FY2017 (As of March 31, 2018) | 1st Quarter of FY2018 (As of June 30, 2018) |
|---|----------------------------------|--|
| | Amount | Amount |
| Assets | | |
| Current assets | | |
| Cash and deposits | 5,576,508 | 16,835,722 |
| Notes and accounts receivable - trade | 1,789,422 | 1,862,878 |
| Operational investment securities | 2,994,185 | 50,463,411 |
| Inventories | 47,727 | 46,992 |
| Other | 189,278 | 268,284 |
| Allowance for doubtful accounts | (5,583) | (5,675) |
| Total current assets | 10,591,539 | 69,471,613 |
| Non-current assets | | |
| Property, plant and equipment | 237,507 | 238,326 |
| Intangible assets | | |
| Goodwill | 938,149 | 866,133 |
| Other | 302,402 | 311,377 |
| Total intangible assets | 1,240,552 | 1,177,510 |
| Investments and other assets | | |
| Deferred tax assets | 6,611 | 4,869 |
| Other | 557,488 | 416,731 |
| Total investments and other assets | 564,099 | 421,601 |
| Total non-current assets | 2,042,159 | 1,837,438 |
| Total assets | 12,633,699 | 71,309,052 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 1,253,947 | 1,348,891 |
| Short-term loans payable | 100,000 | 100,000 |
| Current portion of long-term loans payable | 4,200 | 4,200 |
| Income taxes payable | 482,083 | 4,045,542 |
| Provision for point card certificates | 64,621 | 61,045 |
| Other | 434,025 | 518,803 |
| Total current liabilities | 2,338,876 | 6,078,482 |
| Non-current liabilities | | |
| Long-term loans payable | 6,650 | 5,600 |
| Deferred tax liability | 6,875 | 14,463,507 |
| Total non-current liabilities | 13,525 | 14,469,107 |
| Total liabilities | 2,352,402 | 20,547,589 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 2,922,037 | 2,923,019 |
| Capital surplus | 2,993,747 | 2,464,398 |
| Retained earnings | 4,544,558 | 12,816,098 |
| Treasury shares | (964,962) | (924,723) |
| Total shareholders' equity | 9,495,380 | 17,278,792 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 492,397 | 33,281,357 |
| Foreign currency translation adjustment | 21,418 | (4,262) |
| Total accumulated other comprehensive income | 513,816 | 33,277,094 |
| Subscription rights to shares | 159,353 | 173,844 |
| Non-controlling interests | 112,746 | 31,730 |
| Total net assets | 10,281,297 | 50,761,462 |
| Total liabilities and net assets | 12,633,699 | 71,309,052 |

(2) UNITED Consolidated Statements of Income
for the 1st Quarter of FY 2018

(Unit : Thousands of Yen)

| Items of an account | 1st Quarter of FY2017 (April 1, 2017 to June 30, 2017) | 1st Quarter of FY2018 (April 1, 2018 to June 30, 2018) |
|---|--|--|
| | Amount | Amount |
| Net sales | 3,254,876 | 15,662,588 |
| Cost of sales | 2,204,599 | 2,200,151 |
| Gross profit | 1,050,277 | 13,462,436 |
| Selling, general and administrative expenses | 728,716 | 1,112,812 |
| Operating income | 321,561 | 12,349,624 |
| Non-operating income | | |
| Interest and dividend income | 0 | 0 |
| Gain on forfeiture of unclaimed dividends | 391 | — |
| Other | 1,143 | 3,358 |
| Total non-operating income | 1,535 | 3,358 |
| Non-operating expenses | | |
| Interest expenses | 414 | 400 |
| Share of loss of entities accounted for using equity method | 108 | 565 |
| Foreign exchange losses | 854 | 4,215 |
| Other | 857 | 4,072 |
| Total non-operating expenses | 2,234 | 9,253 |
| Ordinary income | 320,862 | 12,343,729 |
| Extraordinary income | | |
| Gain on reversal of share acquisition rights | 3,100 | 77 |
| Gain on liquidation of subsidiaries and affiliates | — | 42,194 |
| Other | 0 | — |
| Total extraordinary income | 3,100 | 42,272 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 3,006 | 60,000 |
| Loss on valuation of investment securities | 4,200 | 174,463 |
| Other | — | 1,757 |
| Total extraordinary losses | 7,207 | 236,220 |
| Income before income taxes | 316,755 | 12,149,780 |
| Income taxes - current | 91,313 | 3,874,427 |
| Income taxes - deferred | 32,054 | (387) |
| Total income taxes | 123,368 | 3,874,039 |
| Profit | 193,386 | 8,275,740 |
| Profit attributable to non-controlling interests | 986 | (41,792) |
| Profit attributable to owners of parent | 192,399 | 8,317,533 |

(3) UNITED Consolidated Statements of Comprehensive Income
for the 1st Quarter of FY 2018

(Unit : Thousands of Yen)

| Items of an account | 1st Quarter of FY2017 (April 1, 2017 to June 30, 2017) | 1st Quarter of FY2018 (April 1, 2018 to June 30, 2018) |
|--|--|--|
| | Amount | Amount |
| Profit | 193,386 | 8,275,740 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (45,045) | 32,788,959 |
| Foreign currency translation adjustment | 427 | (25,680) |
| Total other comprehensive income | (44,617) | 32,763,278 |
| Comprehensive income | 148,768 | 41,039,019 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 147,781 | 41,080,812 |
| Comprehensive income attributable to non-controlling interests | 986 | (41,792) |