

Consolidated Financial Results(Japanese Accounting Standards) for the 2nd Quarter of FY 2015

Company name: UNITED, Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Stock code: 2497
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Scheduled date for filing of securities report: November 5, 2015
 Scheduled date of commencement of dividend payment: December 4, 2015
 Supplementary documents for quarterly results: YES
 Quarterly results briefing: YES (For securities analyst and institutional investors)

(Amounts of less than one million yen are rounded to the nearest million yen)

1.Consolidated Financial Results for the 2nd Quarter of FY 2015 (April 1, 2015 – September 30, 2015)

(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 2015	5,084	28.3	1,121	611.5	1,245	602.2	1,036	788.8
2nd Quarter of FY 2014	3,961	45.4	157	—	177	—	116	—

(Note)Comprehensive income: 1,239 million yen (407.5 %) for the 2nd Quarter of FY 2015
 244 million yen (- %) for the 2nd Quarter of FY 2014

	Earnings per share	Diluted earnings per share
	Yen	Yen
2nd Quarter of FY 2015	43.94	43.90
2nd Quarter of FY 2014	4.96	4.93

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Mil.¥	Mil.¥	%
2nd Quarter of FY 2015 (As of September 30,2015)	10,470	8,848	84.4
Fiscal Year 2014 (As of March 31,2015)	9,798	8,160	83.1

(Reference) Capital: September 30, 2015: 8,834 million yen March 31, 2015: 8,147 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 2014	—	1.00	—	4.00	5.00
Fiscal Year 2015	—	9.00	—	—	—
Fiscal Year 2015 (expected)	—	—	—	—	—

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

3.Consolidated earnings forecast for fiscal year ending March 2016 (April 1,2015 to March 31,2016)

(Percentages show year-on-year changes)

	Net sales		Operating income	
	Mil.¥	%	Mil.¥	%
Fiscal Year 2015	11,500~13,500	38.0~62.0	1,500~2,000	304.3~439.1

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

***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: | Yes |
| (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, 2015: | 23,668,761 shares |
| As of March 31, 2015: | 23,595,136 shares |
| (ii) Number of treasury stock at end of period | |
| As of September 30, 2015: | 367,311 shares |
| As of March 31, 2015: | 7,311 shares |
| (iii) Average number of shares outstanding during the term | |
| 2nd Quarter of FY 2015: | 23,588,287 shares |
| 2nd Quarter of FY 2014: | 23,502,768 shares |

***Status of a quarterly review**

- This financial summary does not need to undergo a quarterly review under the Financial Instruments an Exchange Act.
Procedures for a quarterly review of the consolidated financial statements are being followed at the time of the announcement of this financial summary.

***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 resonable, 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 analyst on November 5, 2015.
For material that are distributed in this briefing, it will be posted on our website.

UNITED Consolidated Financial Statements

(1)UNITED Consolidated Balance Sheets

(Unit:Thousands of Yen)

Items of an account	FY2014 (As of March 31,2015)	2nd Quarter of FY2015 (As of September 30,2015)
	Amount	Amount
Assets		
Current assets		
Cash and deposits	5,878,970	5,319,634
Notes and accounts receivable – trade	1,452,054	1,166,018
Operational investment securities	1,718,220	2,559,587
Inventories	45,212	55,099
Other	115,322	641,149
Allowance for doubtful accounts	-6,686	-4,621
Total current assets	9,203,094	9,736,867
Non-current assets		
Property, plant and equipment	76,253	164,961
Intangible assets		
Goodwill	5,428	50,914
Other	110,960	125,358
Total intangible assets	116,389	176,273
Investments and other assets	403,084	392,674
Total non-current assets	595,727	733,909
Total assets	9,798,822	10,470,777
Liabilities		
Current liabilities		
Accounts payable – trade	1,109,457	931,534
Short-term loans payable	100,000	100,000
Income taxes payable	99,821	272,438
Provision for point card certificates	36,748	32,495
Other	292,472	286,306
Total current liabilities	1,638,500	1,622,775
Total liabilities	1,638,500	1,622,775
Net assets		
Shareholders' equity		
Capital stock	2,907,584	2,921,557
Capital surplus	3,024,300	3,038,273
Retained earnings	1,986,456	2,928,548
Treasury shares	-2,818	-500,930
Total shareholders' equity	7,915,523	8,387,449
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	192,500	408,371
Foreign currency translation adjustment	39,243	39,022
Total accumulated other comprehensive income	231,743	447,393
Subscription rights to shares	12,658	5,756
Non-controlling interests	395	7,402
Total net assets	8,160,321	8,848,002
Total liabilities and net assets	9,798,822	10,470,777

(2)UNITED Consolidated Statements of Income

(Unit:Thousands of Yen)

Items of an account	2nd Quarter of FY2014 (April 1,2014 to September 30,2014)	2nd Quarter of FY2015 (April 1,2015 to September 30,2015)
	Amount	Amount
Net sales	3,961,549	5,084,153
Cost of sales	2,959,443	2,970,140
Gross profit	1,002,105	2,114,012
Selling, general and administrative expenses	844,549	992,985
Operating income	157,555	1,121,026
Non-operating income		
Interest income	1,477	4,021
Dividend income	0	1
Share of profit of entities accounted for using equity method	20,031	122,084
Other	2,326	3,367
Total non-operating income	23,835	129,476
Non-operating expenses		
Interest expenses	740	709
Foreign exchange losses	-	2,397
Share issuance costs	1,353	-
Other	1,887	1,568
Total non-operating expenses	3,981	4,674
Ordinary income	177,409	1,245,828
Extraordinary income		
Gain on change in equity	-	947
Gain on sales of shares of subsidiaries and associates	-	60,713
Gain on reversal of subscription rights to shares	53	894
Total extraordinary income	53	62,554
Extraordinary losses		
Loss on retirement of non-current assets	2,272	199
Loss on liquidation of subsidiaries and associates	37,695	18,706
Office transfer expenses	-	2,930
Total extraordinary losses	39,968	21,835
Income before income taxes and non-controlling interests	137,495	1,286,546
Income taxes – current	22,458	251,040
Income taxes – deferred	-	11,593
Total income taxes	22,458	262,634
Profit	115,037	1,023,911
Loss attributable to non-controlling interests	-1,570	-12,531
Profit attributable to owners of parent	116,607	1,036,443

(3)UNITED Consolidated Statements of Comprehensive Income

(Unit:Thousands of Yen)

Items of an account	2nd Quarter of FY2014 (April 1,2014 to September 30,2014)	2nd Quarter of FY2015 (April 1,2015 to September 30,2015)
	Amount	Amount
Profit	115,037	1,023,911
Other comprehensive income		
Valuation difference on available-for-sale securities	98,353	186,893
Foreign currency translation adjustment	31,287	-220
Share of other comprehensive income of entities accounted for using equity method	-429	28,996
Total other comprehensive income	129,211	215,669
Comprehensive income	244,248	1,239,581
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	242,660	1,252,093
Comprehensive income attributable to non-controlling interests	1,588	-12,512

(4)UNITED Consolidated statements of cash flows

(Unit:Thousands of Yen)

Items of an account	2nd Quarter of FY2014 (April 1,2014 to September 30,2014)	2nd Quarter of FY2015 (April 1,2015 to September 30,2015)
	Amount	Amount
Cash flows from operating activities		
Income before income taxes and non-controlling interests	137,495	1,286,546
Depreciation	29,209	35,394
Amortization of goodwill	1,238	5,360
Increase (decrease) in allowance for doubtful accounts	-327	-2,064
Increase (decrease) in provision for point card certificates	-9,326	-4,252
Interest and dividend income	-1,477	-4,023
Interest expenses	740	709
Share of (profit) loss of entities accounted for using equity method	-20,031	-122,084
Loss (gain) on sales of shares of subsidiaries and associates	-	-60,713
Loss on liquidation of subsidiaries and associates	37,695	18,706
Decrease (increase) in notes and accounts receivable – trade	-62,832	291,208
Decrease (increase) in investment securities for sale	-95,489	-419,740
Increase (decrease) in notes and accounts payable – trade	252,823	-177,922
Other, net	-105,511	-160,748
Subtotal	164,206	686,375
Interest and dividend income received	1,281	4,174
Interest expenses paid	-618	-647
Income taxes paid	-38,386	-79,593
Net cash provided by (used in) operating activities	126,482	610,309
Cash flows from investing activities		
Payments into time deposits	-3,600,000	-3,400,000
Proceeds from withdrawal of time deposits	2,600,000	3,400,000
Purchase of property, plant and equipment	-2,638	-107,176
Purchase of intangible assets	-23,555	-34,915
Purchase of investment securities	-459,090	-
Proceeds from sales of shares of subsidiaries and associates	-	80,000
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	-29,573
Other, net	-4,837	-4,189
Net cash provided by (used in) investing activities	-1,490,122	-95,855
Cash flows from financing activities		
Repayments of long-term loans payable	-530	-
Proceeds from issuance of subscription rights to shares	5,100	-
Proceeds from exercise of subscription rights to share	399,640	21,937
Payments of money hold in trust for purchase of treasury stock	-	-1,002,160
Cash dividends paid	-22,787	-93,098
Other, net	-410	-
Net cash provided by (used in) financing activities	381,012	-1,073,320
Effect of exchange rate change on cash and cash equivalents	33,746	-469
Net increase (decrease) in cash and cash equivalents	-948,881	-559,336
Cash and cash equivalents at beginning of period	2,496,046	2,478,970
Cash and cash equivalents at end of period	1,547,165	1,919,634