

# Consolidated Financial Results(Japanese Accounting Standards) for the 3rd Quarter of FY 2016

Company name: UNITED, Inc.  
 Stock exchange listing: Tokyo Stock Exchange  
 Stock code: 2497  
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Scheduled date for filing of quarterly securities report: January 31, 2017  
 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 2016 (April 1, 2016 - December 31, 2016)

### (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 2016	10,248	27.7	757	△42.6	794	△46.5	368	△73.8
3rd Quarter of FY 2015	8,025	31.6	1,320	501.4	1,485	215.9	1,403	98.0

(Note)Comprehensive income: 76 million yen ( △96.5 %) for the 3rd Quarter of FY 2016  
 2,159 million yen ( 140.7 %) for the 3rd Quarter of FY 2015

	Earnings per share	Diluted earnings per share
	Yen	Yen
3rd Quarter of FY 2016	16.01	16.00
3rd Quarter of FY 2015	59.85	59.81

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Mil.¥	Mil.¥	%
3rd Quarter of FY 2016 (As of December 31,2016)	11,292	9,019	79.6
Fiscal Year 2015 (As of March 31,2016)	11,701	9,036	76.9

(Reference) Capital: December 31, 2016: 8,990 million yen March 31, 2016: 8,997 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 2015	—	9.00	—	5.00	14.00
Fiscal Year 2016	—	0.00	—	—	—
Fiscal Year 2016 (expected)	—	—	—	—	—

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

## 3.Consolidated Earnings Forecast for Fiscal Year Ending March 2017 (April 1, 2016 to March 31, 2017)

(Percentages show year-on-year changes)

	Net sales		Operating income	
	Mil.¥	%	Mil.¥	%
Fiscal Year 2016	14,000~15,000	25.8~34.8	1,000~1,300	△33.8~△13.9

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

**\*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 December 31, 2016 : 23,670,945 shares

As of March 31, 2016 : 23,669,511 shares

(ii) Number of treasury stock at end of period

As of December 31, 2016 : 673,645 shares

As of March 31, 2016 : 663,311 shares

(iii) Average number of shares outstanding during the term

3rd Quarter of FY 2016 : 23,002,520 shares

3rd Quarter of FY 2015 : 23,447,745 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 have been completed 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 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, 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

(Unit : Thousands of Yen)

Items of an account	FY2015 (As of March 31, 2016)	3rd Quarter of FY2016 (As of December 31, 2016)
	Amount	Amount
<b>Assets</b>		
Current assets		
Cash and deposits	4,991,691	4,107,716
Notes and accounts receivable - trade	2,080,222	2,272,658
Operational investment securities	3,064,867	2,720,792
Inventories	50,639	50,293
Other	446,641	165,554
Allowance for doubtful accounts	(6,426)	(21,251)
Total current assets	10,627,636	9,295,762
Non-current assets		
Property, plant and equipment	155,291	184,155
Intangible assets		
Goodwill	451,063	1,298,231
Other	171,865	193,533
Total intangible assets	622,928	1,491,765
Investments and other assets	295,917	321,134
Total non-current assets	1,074,138	1,997,055
<b>Total assets</b>	<b>11,701,775</b>	<b>11,292,818</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	1,600,089	1,368,046
Short-term loans payable	100,000	100,000
Current portion of long-term loans payable	4,200	4,200
Income taxes payable	366,617	202,578
Provision for point card certificates	54,805	66,530
Other	520,960	517,423
Total current liabilities	2,646,673	2,258,778
Non-current liabilities		
Long-term loans payable	15,050	11,900
Other	3,456	2,806
Total non-current liabilities	18,506	14,706
<b>Total liabilities</b>	<b>2,665,180</b>	<b>2,273,484</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	2,921,871	2,922,037
Capital surplus	3,035,187	3,072,538
Retained earnings	3,185,245	3,438,540
Treasury shares	(944,478)	(964,206)
Total shareholders' equity	8,197,824	8,468,909
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	762,840	485,081
Foreign currency translation adjustment	36,826	36,719
Total accumulated other comprehensive income	799,666	521,801
Subscription rights to shares	4,712	28,193
Non-controlling interests	34,392	429
<b>Total net assets</b>	<b>9,036,595</b>	<b>9,019,333</b>
<b>Total liabilities and net assets</b>	<b>11,701,775</b>	<b>11,292,818</b>

## (2) UNITED Consolidated Statements of Income

(Unit : Thousands of Yen)

Items of an account	3rd Quarter of FY2015 (April 1,2015 to December 31, 2015)	3rd Quarter of FY2016 (April 1,2016 to December 31, 2016)
	Amount	Amount
Net sales	8,025,565	10,248,715
Cost of sales	5,213,406	7,682,221
Gross profit	2,812,158	2,566,494
Selling, general and administrative expenses	1,491,551	1,808,533
Operating income	1,320,606	757,960
Non-operating income		
Interest and dividend income	4,808	666
Share of profit of entities accounted for using equity method	163,698	30,097
Other	3,679	8,726
Total non-operating income	172,186	39,490
Non-operating expenses		
Interest expenses	1,035	1,068
Foreign exchange losses	2,693	-
Other	3,312	2,186
Total non-operating expenses	7,041	3,254
Ordinary income	1,485,751	794,195
Extraordinary income		
Gain on change in equity	947	-
Gain on sales of shares of subsidiaries and associates	360,244	-
Gain on reversal of subscription rights to shares	1,208	-
Other	-	18
Total extraordinary income	362,400	18
Extraordinary losses		
Loss on retirement of non-current assets	199	645
Loss on valuation of investment securities	42,941	29,999
Loss on liquidation of subsidiaries and associates	20,050	-
Office transfer expenses	4,240	24,146
Impairment loss	-	6,768
Provision of allowance for doubtful accounts	-	14,649
Total extraordinary losses	67,431	76,209
Income before income taxes and non-controlling interests	1,780,720	718,004
Income taxes - current	340,994	296,681
Income taxes - deferred	55,918	67,437
Total income taxes	396,912	364,118
Profit	1,383,808	353,885
Loss attributable to non-controlling interests	(19,525)	(14,440)
Profit attributable to owners of parent	1,403,333	368,325

## (3) UNITED Consolidated Statements of Comprehensive Income

(Unit : Thousands of Yen)

Items of an account	3rd Quarter of FY2015 (April 1, 2015 to December 31, 2015)	3rd Quarter of FY2016 (April 1, 2016 to December 31, 2016)
	Amount	Amount
Profit	1,383,808	353,885
Other comprehensive income		
Valuation difference on available-for-sale securities	771,658	(268,396)
Foreign currency translation adjustment	(68)	(106)
Share of other comprehensive income of entities accounted for using equity method	4,103	(9,319)
Total other comprehensive income	775,693	(277,823)
Comprehensive income	2,159,501	76,062
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,179,018	90,460
Comprehensive income attributable to non-controlling interests	(19,516)	(14,397)