

Consolidated Financial Results(Japanese Accounting Standards) for the 3rd 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: January 31, 2019
 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 2018 (April 1, 2018 - December 31, 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.¥	%
3rd Quarter of FY 2018	22,921	118.8	11,264	905.7	11,239	916.0	7,317	—
3rd Quarter of FY 2017	10,474	2.2	1,120	47.8	1,106	39.3	584	58.8

(Note) Comprehensive income : 20,297million yen (— %) for the 3rd Quarter of FY 2018
 804million yen (957.4 %) for the 3rd Quarter of FY 2017

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
3rd Quarter of FY 2018	317.78		316.08	
3rd Quarter of FY 2017	25.43		25.32	

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Mil.¥	Mil.¥	%
3rd Quarter of FY 2018 (As of December 31, 2018)	42,548	29,620	68.8
Fiscal Year 2017 (As of March 31, 2018)	12,633	10,281	79.2

(Reference) Capital : December 31, 2018: 29,294 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
Fiscal Year 2017	—	5.00	—	2.00	7.00
Fiscal Year 2018	—	24.00	—	—	—
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)

(Percentages show year-on-year changes)

	Net sales		Operating income	
	Mil.¥	%	Mil.¥	%
Fiscal Year 2018	26,900~29,100	86.2~101.5	10,000~11,000	506.7~567.4

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) : Yes

Newly consolidated subsidiaries : TriFort, Inc.

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 December 31, 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 December 31, 2018:	622,995 shares
As of March 31, 2018:	673,895 shares
(iii) Average number of shares outstanding during the term	
3rd Quarter of FY 2018:	23,025,695 shares
3rd Quarter of FY 2017:	22,997,182 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, 2019.

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 3rd Quarter of FY 2018

(Unit : Thousands of Yen)

Items of an account	FY2017 (As of March 31, 2018)	3rd Quarter of FY2018 (As of December 31, 2018)
	Amount	Amount
Assets		
Current assets		
Cash and deposits	5,576,508	9,599,517
Notes and accounts receivable - trade	1,789,422	2,307,535
Operational investment securities	2,994,185	23,505,341
Inventories	47,727	103,375
Other	189,278	644,707
Allowance for doubtful accounts	(5,583)	(5,498)
Total current assets	10,591,539	36,154,979
Non-current assets		
Property, plant and equipment	237,507	568,876
Intangible assets		
Goodwill	938,149	4,389,305
Other	302,402	565,731
Total intangible assets	1,240,552	4,955,037
Investments and other assets		
Deferred tax assets	6,611	3,036
Other	557,488	866,296
Total investments and other assets	564,099	869,332
Total non-current assets	2,042,159	6,393,246
Total assets	12,633,699	42,548,225
Liabilities		
Current liabilities		
Accounts payable - trade	1,253,947	1,944,060
Short-term loans payable	100,000	100,000
Current portion of long-term loans payable	4,200	144,208
Income taxes payable	482,083	3,652,807
Provision for point card certificates	64,621	44,043
Other	434,025	1,037,081
Total current liabilities	2,338,876	6,922,200
Non-current liabilities		
Long-term loans payable	6,650	167,195
Deferred tax liability	6,875	5,838,409
Total non-current liabilities	13,525	6,005,604
Total liabilities	2,352,402	12,927,805
Net assets		
Shareholders' equity		
Capital stock	2,922,037	2,923,019
Capital surplus	2,993,747	2,385,813
Retained earnings	4,544,558	11,262,930
Treasury shares	(964,962)	(892,077)
Total shareholders' equity	9,495,380	15,679,684
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	492,397	13,622,084
Foreign currency translation adjustment	21,418	(7,609)
Total accumulated other comprehensive income	513,816	13,614,474
Subscription rights to shares	159,353	166,706
Non-controlling interests	112,746	159,554
Total net assets	10,281,297	29,620,420
Total liabilities and net assets	12,633,699	42,548,225

(2) UNITED Consolidated Statements of Income
for the 3rd Quarter of FY 2018

(Unit : Thousands of Yen)

Items of an account	3rd Quarter of FY2017 (April 1,2017 to December 31,2017)	3rd Quarter of FY2018 (April 1,2018 to December 31,2018)
	Amount	Amount
Net sales	10,474,768	22,921,290
Cost of sales	7,079,046	8,146,760
Gross profit	3,395,721	14,774,530
Selling, general and administrative expenses	2,275,676	3,509,751
Operating income	1,120,045	11,264,779
Non-operating income		
Interest and dividend income	156	425
Gain on forfeiture of unclaimed dividends	783	2,309
Other	2,067	4,629
Total non-operating income	3,006	7,364
Non-operating expenses		
Interest expenses	1,258	2,007
Share of loss of entities accounted for using equity method	7,127	7,710
Foreign exchange losses	7,121	11,774
Other	1,372	11,236
Total non-operating expenses	16,881	32,730
Ordinary income	1,106,170	11,239,414
Extraordinary income		
Gain on reversal of share acquisition rights	3,174	7,768
Gain on liquidation of subsidiaries and affiliates	-	42,194
Other	0	1,400
Total extraordinary income	3,174	51,363
Extraordinary losses		
Loss on retirement of non-current assets	3,006	58,544
Loss on valuation of investment securities	4,200	106,291
Office transfer expenses	-	134,783
Other	-	1,774
Total extraordinary losses	7,207	301,394
Income before income taxes	1,102,137	10,989,382
Income taxes - current	465,751	3,732,352
Income taxes - deferred	32,588	60,036
Total income taxes	498,339	3,792,389
Profit	603,797	7,196,993
Profit (loss) attributable to non-controlling interests	19,070	(120,155)
Profit attributable to owners of parent	584,727	7,317,149

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

(Unit : Thousands of Yen)

Items of an account	3rd Quarter of FY2017 (April 1,2017 to December 31,2017)	3rd Quarter of FY2018 (April 1,2018 to December 31,2018)
	Amount	Amount
Profit	603,797	7,196,993
Other comprehensive income		
Valuation difference on available-for-sale securities	197,275	13,129,686
Foreign currency translation adjustment	3,280	(29,027)
Total other comprehensive income	200,555	13,100,658
Comprehensive income	804,353	20,297,652
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	785,283	20,417,807
Comprehensive income attributable to non-controlling interests	19,070	(120,155)