

*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 : COINAGE, Inc.

(2) 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 |

(3) Number of shares outstanding (Common stock):

- | | |
|--|-------------------|
| (i) Number of shares outstanding at the end of the period (including treasury stock) | |
| As of March 31, 2020: | 23,671,845 shares |
| As of March 31, 2019: | 23,671,845 shares |
| (ii) Number of treasury shares at the end of the period | |
| As of March 31, 2020: | 1,323,045 shares |
| As of March 31, 2019: | 622,995 shares |
| (iii) Average number of shares during the term | |
| As of March 31, 2020: | 22,479,764 shares |
| As of March 31, 2019: | 23,031,308 shares |

(Reference)

Non-consolidated Financial Results for Fiscal Year 2019 (April 1, 2019 - March 31, 2020)

(1) Non-consolidated Results of Operations (Accounting Total)

	Net sales		Operating income		Ordinary income		Net income	
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%
Fiscal Year 2019	14,989	△32.9	6,325	△49.8	6,317	△49.8	193	△97.6
Fiscal Year 2018	22,332	104.8	12,592	822.5	12,594	832.1	7,966	890.4

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal Year 2019	8.61	—
Fiscal Year 2018	345.89	344.59

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Equity per share
	Mil.¥	Mil.¥	%	Yen
Fiscal Year 2019 (As of March 31, 2020)	32,556	26,917	82.0	1,194.67
Fiscal Year 2018 (As of March 31, 2019)	56,825	41,591	72.9	1,796.68

(Reference) Capital: March 31, 2020: 26,699 million yen March 31, 2019: 41,441 million yen

*Regarding the status of audit procedure implementation

- These Consolidated Financial Results are not subject to the Financial Instruments and Exchange Act.

*Explanations and other special notes concerning the appropriate use of business performance forecasts

- Consolidated earnings forecast for the next fiscal year is not stated because it is difficult to produce a rational full-year earnings forecast.

- We have decided to cancel the FY2019 Financial Results Briefing (for institutional investors and analysts) originally scheduled for May 8, 2020 as a precaution against the outbreak of COVID-19. The financial results materials and explanation video will be uploaded on our website.

UNTIED Consolidated Financial Statements
(1)UNITED Consolidated Balance Sheets

(Unit:Thousands of Yen)

Items of an account	FY2018 (As of March 31,2019)	FY2019 (As of March 31,2020)
	Amount	Amount
Assets		
Current assets		
Cash and deposits	8,822,421	8,381,660
Accounts receivable - trade	1,781,226	1,693,870
Operational investment securities	39,190,609	20,992,218
Inventories	70,644	38,316
Derivatives	-	42,251
Other	1,344,506	860,153
Allowance for doubtful accounts	(5,383)	(8,069)
Total current assets	51,204,024	32,000,401
Non-current assets		
Property, plant and equipment		
Buildings and structures	447,486	401,752
Tools, furniture and fixtures	413,345	225,146
Accumulated depreciation	(315,863)	(195,384)
Total property, plant and equipment	544,967	431,514
Intangible assets		
Goodwill	4,125,545	114,881
Software	431,243	360,359
Other	1,025	1,025
Total intangible assets	4,557,814	476,266
Investments and other assets		
Investment securities	121,298	58,057
Shares of subsidiaries and associates	199,931	155,718
Deferred tax assets	66,811	115,931
Lease and guarantee deposits	513,473	332,567
Other	21,790	21,790
Total investments and other assets	923,305	684,064
Total non-current assets	6,026,088	1,591,845
Total assets	57,230,112	33,592,246
Liabilities		
Current liabilities		
Accounts payable - trade	1,414,107	855,717
Short-term loans payable	100,000	100,000
Current portion of long-term loans payable	187,468	50,000
Current portion of bonds payable	-	71,040
Accounts payable - other	388,184	300,992
Income taxes payable	3,946,314	150,418
Provision for point card certificates	30,251	5,063
Provision for loss on business liquidation	138,955	-
Other	390,437	591,103
Total current liabilities	6,595,718	2,124,336
Non-current liabilities		
Bonds payable	-	175,000
Long-term loans payable	334,758	178,340
Deferred tax liabilities	10,198,960	4,582,458
Total non-current liabilities	10,533,718	4,935,798
Total liabilities	17,129,436	7,060,134
Net assets		
Shareholders' equity		
Capital stock	2,923,019	2,923,019
Capital surplus	2,385,813	2,332,513
Retained earnings	10,954,274	11,259,492
Treasury shares	(892,077)	(1,884,315)
Total shareholders' equity	15,371,029	14,630,709
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	24,501,737	11,662,068
Deferred gains or losses on hedges	-	29,314
Foreign currency translation adjustment	(5,216)	(8,368)
Total accumulated other comprehensive income	24,496,520	11,683,014
Subscription rights to shares	180,165	218,388
Non-controlling interests	52,959	-
Total net assets	40,100,675	26,532,112
Total liabilities and net assets	57,230,112	33,592,246

(2) UNITED Consolidated Statements of Income

(Unit: Thousands of Yen)

Items of an account	FY2018 (April 1, 2018 to March 31, 2019)	FY2019 (April 1, 2019 to March 31, 2020)
	Amount	Amount
Net sales	27,580,572	20,911,573
Cost of sales	11,506,313	11,131,288
Gross profit	16,074,258	9,780,284
Selling, general and administrative expenses	4,989,961	4,679,237
Operating income	11,084,297	5,101,046
Non-operating income		
Interest and dividend income	670	241
Share of profit of entities accounted for using equity method	-	39,447
Other	7,541	8,348
Total non-operating income	8,212	48,038
Non-operating expenses		
Interest expenses	3,230	4,438
Foreign exchange losses	15,976	-
Share of loss of entities accounted for using equity method	8,562	15,266
Commission fee	1,500	11,027
Other	4,728	7,277
Total non-operating expenses	33,998	38,009
Ordinary income	11,058,511	5,111,075
Extraordinary income		
Gain on liquidation of subsidiaries and associates	42,194	-
Gain on sales of shares of subsidiaries and associates	-	75,520
Gain on sale of businesses	-	10,000
Gain on reversal of share acquisition rights	8,299	1,818
Other	-	2,000
Total extraordinary income	50,494	89,338
Extraordinary losses		
Loss on sales of non-current assets	7,916	-
Loss on retirement of non-current assets	58,544	655
Impairment loss	-	2,873,120
Loss on valuation of investment securities	106,291	58,685
Loss on sales of shares of subsidiaries and associates	-	438,775
Loss on liquidation of subsidiaries and associates	-	79,216
Loss on liquidation of business	411,078	-
Office transfer expenses	24,041	131,613
Office restructuring expenses	134,783	-
Burden charge payment	-	48,284
Other	18,263	11,276
Total extraordinary losses	760,919	3,641,627
Income before income taxes	10,348,085	1,558,785
Income taxes - current	4,009,899	174,549
Income taxes - deferred	(443,556)	(12,082)
Total income taxes	3,566,342	162,467
Profit	6,781,743	1,396,318
Profit (loss) attributable to non-controlling interests	(226,750)	(7,542)
Profit attributable to owners of parent	7,008,494	1,403,861

(3) UNITED Consolidated Statements of Comprehensive Income

(Unit: Thousands of Yen)

Items of an account	FY2018 (April 1, 2018 to March 31, 2019)	FY2019 (April 1, 2019 to March 31, 2020)
	Amount	Amount
Profit	6,781,743	1,396,318
Other comprehensive income		
Valuation difference on available-for-sale securities	24,009,339	(12,873,013)
Deferred gains or losses on hedges	-	29,314
Foreign currency translation adjustment	(26,634)	(3,152)
Share of other comprehensive income of entities accounted for using equity method	-	33,345
Total other comprehensive income	23,982,704	(12,813,506)
Comprehensive income	30,764,447	(11,417,187)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	30,991,198	(11,409,644)
Comprehensive income attributable to non-controlling interests	(226,750)	(7,542)

Statements of Changes in Equity
FY2018(April 1,2018-March 31,2019)

(Unit:Thousands of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	2,922,037	2,993,747	4,544,558	(964,962)	9,495,380
Changes of items during period					
Issuance of new shares	981	981			1,963
Purchase of shares of consolidated subsidiaries		(630,255)			(630,255)
Dividends of surplus			(598,777)		(598,777)
Profit attributable to owners of parent			7,008,494		7,008,494
Disposal of treasury shares		21,339		72,884	94,224
Net changes of items other than shareholders' equity					
Total changes of items during period	981	(607,934)	6,409,716	72,884	5,875,648
Balance at the end of current period	2,923,019	2,385,813	10,954,274	(892,077)	15,371,029

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at the beginning of current period	492,397	21,418	513,816	159,353	112,746	10,281,297
Changes of items during period						
Issuance of new shares						1,963
Purchase of shares of consolidated subsidiaries						(630,255)
Dividends of surplus						(598,777)
Profit attributable to owners of parent						7,008,494
Disposal of treasury shares						94,224
Net changes of items other than shareholders' equity	24,009,339	(26,634)	23,982,704	20,812	(59,786)	23,943,729
Total changes of items during period	24,009,339	(26,634)	23,982,704	20,812	(59,786)	29,819,378
Balance at the end of current period	24,501,737	(5,216)	24,496,520	180,165	52,959	40,100,675

Statements of Changes in Equity
FY2019(April 1,2019-March 31,2020)

(Unit:Thousands of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	2,923,019	2,385,813	10,954,274	(892,077)	15,371,029
Changes of items during period					
Purchase of shares of consolidated subsidiaries		(53,299)			(53,299)
Dividends of surplus			(1,098,644)		(1,098,644)
Profit attributable to owners of parent			1,403,861		1,403,861
Purchase of treasury shares				(992,237)	(992,237)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(53,299)	305,217	(992,237)	(740,319)
Balance at the end of current period	2,923,019	2,332,513	11,259,492	(1,884,315)	14,630,709

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at the beginning of current period	24,501,737	—	(5,216)	24,496,520	180,165	52,959	40,100,675
Changes of items during period							
Purchase of shares of consolidated subsidiaries							(53,299)
Dividends of surplus							(1,098,644)
Profit attributable to owners of parent							1,403,861
Purchase of treasury shares							(992,237)
Net changes of items other than shareholders' equity	(12,839,668)	29,314	(3,152)	(12,813,506)	38,222	(52,959)	(12,828,243)
Total changes of items during period	(12,839,668)	29,314	(3,152)	(12,813,506)	38,222	(52,959)	(13,568,563)
Balance at the end of current period	11,662,068	29,314	(8,368)	11,683,014	218,388	—	26,532,112

(5) UNITED Consolidated statements of cash flows

(Unit: Thousands of Yen)

Items of an account	FY2018 (April 1, 2018 to March 31, 2019)	FY2019 (April 1, 2019 to March 31, 2020)
	Amount	Amount
Cash flows from operating activities		
Income before income taxes	10,348,085	1,558,785
Depreciation	227,415	216,075
Amortization of goodwill	647,484	820,001
Share-based compensation expenses	56,895	35,204
Increase (decrease) in allowance for doubtful accounts	(199)	2,685
Increase (decrease) in provision for point card certificates	(34,369)	(11,784)
Interest and dividend income	(670)	(241)
Interest expenses	3,230	4,438
Share of (profit) loss of entities accounted for using equity method	8,562	(39,447)
Loss on retirement of non-current assets	58,544	655
Impairment loss	-	2,873,120
Loss (gain) on valuation of investment securities	106,291	58,685
Gain on sales of shares of subsidiaries and associates	-	(75,520)
Loss on sales of shares of subsidiaries and associates	-	438,775
Loss on liquidation of subsidiaries and associates	411,078	-
Decrease (increase) in notes and accounts receivable - trade	126,142	(147,817)
Decrease (increase) in investment securities for sale	(1,614,508)	(215,599)
Increase (decrease) in notes and accounts payable - trade	(55,125)	(225,634)
Decrease (increase) in accounts receivable - other	(883,054)	798,324
Other, net	413,375	256,904
Subtotal	9,819,177	6,347,611
Interest and dividend income received	670	241
Interest expenses paid	(3,230)	(4,438)
Income taxes paid	(713,319)	(4,336,016)
Net cash provided by (used in) operating activities	9,103,298	2,007,398
Cash flows from investing activities		
Purchase of property, plant and equipment	(547,549)	(34,988)
Purchase of intangible assets	(423,966)	(161,034)
Purchase of investment securities	(41,236)	-
Proceeds from sales of shares of subsidiaries and associates	(208,201)	-
Purchase of investments in subsidiaries resulting change in scope of consolidation	(3,708,474)	-
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	-	(260,355)
Proceeds from sale of businesses	-	10,000
Other, net	(13,496)	79,199
Net cash provided by (used in) investing activities	(4,942,924)	(367,178)
Cash flows from financing activities		
Proceeds from long-term loans payable	250,000	-
Repayments of long-term loans payable	(79,899)	(153,449)
Proceeds from issuance of bonds	-	250,000
Redemption of bonds	-	(25,000)
Proceeds from issuance of subscription rights to share	68,404	-
Purchase of treasury shares	-	(992,237)
Cash dividends paid	(595,824)	(1,095,119)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(570,055)	(53,299)
Net cash provided by (used in) financing activities	(927,373)	(2,069,105)
Effect of exchange rate change on cash and cash equivalents	12,912	(11,874)
Net increase (decrease) in cash and cash equivalents	3,245,912	(440,760)
Cash and cash equivalents at the beginning of the period	5,576,508	8,822,421
Cash and cash equivalents at the end of the period	8,822,421	8,381,660