

# Consolidated Financial Results(Japanese Accounting Standards) for the 2nd Quarter of FY 2020

Company name: UNITED, Inc.  
 Stock exchange listing: Tokyo Stock Exchange  
 Stock code: 2497  
 URL: <https://united.jp/>  
 Representative: Tomonori Hayakawa, CEO  
 Contact: Yuji Yamashita, Executive Officer and General Manager of Corporate Administration Division  
 Tel. +81-3-6821-0000

Scheduled date for filing of quarterly securities report: November 9, 2020  
 Scheduled date of commencement of dividend payment: December 9, 2020  
 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. Financial Highlights

### (1) Results of Operations

(Percentages are shown as year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%
2nd Quarter of FY 2020	11,008	△2.6	5,465	108.0	5,560	115.6	3,723	192.5
2nd Quarter of FY 2019	11,305	△40.1	2,628	△78.5	2,578	△78.9	1,273	△84.2

(Note) Comprehensive income : 10,278 million yen ( - %) for the 2nd Quarter of FY 2020  
 △5,948 million yen ( - %) for the 2nd Quarter of FY 2019

	Net income per share (basic)		Net income per share (diluted)	
	Yen		Yen	
2nd Quarter of FY 2020	166.59		—	
2nd Quarter of FY 2019	56.33		—	

### (2) Financial Position

	Total assets	Net assets	Equity ratio
	Mil.¥	Mil.¥	%
2nd Quarter of FY 2020 (As of September 30, 2020)	48,090	36,773	76.0
Fiscal Year 2019 (As of March 31, 2020)	33,592	26,532	78.3

(Reference) Shareholder's Equity : September 30, 2020 : 36,547 million yen      March 31, 2020 : 26,313 million yen

## 2. Dividend Per Share

	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Annual
	Yen		Yen		Yen
Fiscal Year 2019	—	11.00	—	2.00	13.00
Fiscal Year 2020	—	15.00	—	—	—
Fiscal Year 2020 (expected)	—	—	—	—	—

(Note) Revisions to dividend forecasts published most recently : None

The forecasted dividend amounts for the fiscal year ending March 31, 2021 are not determined at the present moment.

## 3. Forecasts of consolidated results of operations for FY2020

(Percentages show year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%
Fiscal Year 2020	16,300	△22.1	5,300	3.9	5,300	3.7	3,600	156.4

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

\*Notes

(1) Significant changes in scope of consolidation during the period (Changes in scope of consolidation of specified subsidiaries) : 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 standards:	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 shares):

(i) Number of shares outstanding at end of period (including treasury shares)	
As of September 30, 2020:	23,671,845 shares
As of March 31, 2020:	23,671,845 shares
(ii) Number of treasury shares at end of period	
As of September 30, 2020:	1,323,066 shares
As of March 31, 2020:	1,323,045 shares
(iii) Average number of shares outstanding during the term	
2nd Quarter of FY 2020:	22,348,794 shares
2nd Quarter of FY 2019:	22,599,159 shares

\*Status of a quarterly review

- Quarterly consolidated financial results are not subject to a quarterly review by certified public accountants or audit corporations

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

- The video of the financial results briefing for the 2nd Quarter of FY2020 will be delivered to institutional investors and analysts via our website. The materials used in this video will be available on our website.

for the 2nd Quarter of FY 2020  
(1) UNITED Consolidated Balance Sheets  
for the 2nd Quarter of FY 2020

(Unit : Thousands of Yen)

Items of an account	FY2019 (As of March 31, 2020)	2nd Quarter of FY2020 (As of September 30, 2020)
	Amount	Amount
<b>Assets</b>		
Current assets		
Cash and deposits	8,381,660	14,739,635
Notes and accounts receivable - trade	1,693,870	1,103,224
Operational investment securities	20,992,218	30,626,802
Inventories	38,316	59,472
Derivatives	42,251	-
Other	860,153	226,925
Allowance for doubtful accounts	(8,069)	(2,520)
Total current assets	32,000,401	46,753,540
Non-current assets		
Property, plant and equipment	431,514	330,763
Intangible assets		
Goodwill	114,881	57,440
Other	361,384	249,845
Total intangible assets	476,266	307,286
Investments and other assets	684,064	698,661
Total non-current assets	1,591,845	1,336,712
<b>Total assets</b>	<b>33,592,246</b>	<b>48,090,252</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	855,717	789,021
Short-term loans payable	100,000	100,000
Current portion of long-term loans payable	50,000	-
Current portion of bonds	71,040	71,040
Income taxes payable	150,418	1,465,588
Provision for point card certificates	5,063	3,476
Other	892,096	891,797
Total current liabilities	2,124,336	3,320,924
Non-current liabilities		
Bonds payable	175,000	-
Long-term loans payable	178,340	142,820
Deferred tax liability	4,582,458	7,852,904
Total non-current liabilities	4,935,798	7,995,724
<b>Total liabilities</b>	<b>7,060,134</b>	<b>11,316,648</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	2,923,019	2,923,019
Capital surplus	2,332,513	2,332,513
Retained earnings	11,259,492	14,937,936
Treasury shares	(1,884,315)	(1,884,340)
Total shareholders' equity	14,630,709	18,309,128
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,662,068	18,245,907
Deferred gains or losses on hedges	29,314	-
Foreign currency translation adjustment	(8,368)	(8,005)
Total accumulated other comprehensive income	11,683,014	18,237,901
Subscription rights to shares	218,388	226,573
<b>Total net assets</b>	<b>26,532,112</b>	<b>36,773,603</b>
<b>Total liabilities and net assets</b>	<b>33,592,246</b>	<b>48,090,252</b>

(2) UNITED Consolidated Statements of Income  
for the 2nd Quarter of FY 2020

(Unit : Thousands of Yen)

Items of an account	2nd Quarter of FY2019 (April 1, 2019 to September 30, 2019)	2nd Quarter of FY2020 (April 1, 2020 to September 30, 2020)
	Amount	Amount
Net sales	11,305,205	11,008,634
Cost of sales	6,071,101	3,955,399
Gross profit	5,234,104	7,053,235
Selling, general and administrative expenses	2,606,024	1,587,918
Operating income	2,628,080	5,465,316
Non-operating income		
Interest and dividend income	206	51
Gain on forfeiture of unclaimed dividends	-	87,883
Other	5,589	10,886
Total non-operating income	5,795	98,821
Non-operating expenses		
Interest expenses	2,638	1,662
Share of loss of entities accounted for using equity method	25,564	-
Foreign exchange losses	12,632	1,887
Other	14,346	541
Total non-operating expenses	55,181	4,092
Ordinary income	2,578,694	5,560,045
Extraordinary income		
Gain on reversal of share acquisition rights	-	8,673
Gain on sale of businesses	10,000	-
Total extraordinary income	10,000	8,673
Extraordinary losses		
Loss on retirement of non-current assets	10,544	3,577
Impairment loss	99,166	-
Office transfer expenses	7,067	50,661
Loss on liquidation of business	-	116,874
Loss on valuation of investment securities	19,655	-
Burden charge payment	48,284	-
Other	8,840	5,231
Total extraordinary losses	193,559	176,344
Income before income tax	2,395,134	5,392,373
Income taxes - current	628,943	1,368,962
Income taxes - deferred	500,648	300,270
Total income taxes	1,129,591	1,669,232
Net income	1,265,542	3,723,140
Net income attributable to non-controlling interests	(7,542)	-
Net income attributable to owners of the parent	1,273,085	3,723,140

(3) UNITED Consolidated Statements of Comprehensive Income  
for the 2nd Quarter of FY 2020

(Unit : Thousands of Yen)

Items of an account	2nd Quarter of FY2019 (April 1, 2019 to September 30, 2019)	2nd Quarter of FY2020 (April 1, 2020 to September 30, 2020)
	Amount	Amount
Net income	1,265,542	3,723,140
Other comprehensive income		
Valuation difference on available-for-sale securities	(7,208,621)	6,587,569
Deferred gains or losses on hedges	-	(29,314)
Foreign currency translation adjustment	(5,468)	362
Share of other comprehensive income of entities accounted for using equity method	-	(3,731)
Total other comprehensive income	(7,214,090)	6,554,887
Comprehensive income	(5,948,547)	10,278,028
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(5,941,005)	10,278,028
Comprehensive income attributable to non-controlling interests	(7,542)	-

## (4)UNITED Consolidated Statements of Cash Flows

(Unit:Thousands of Yen)

for the 2nd Quarter of FY 2019	2nd Quarter of FY2019 (April 1,2019 to September 30,2019)	2nd Quarter of FY2020 (April 1,2020 to September 30,2020)
	Amount	Amount
Cash flows from operating activities		
Profit before income taxes	2,395,134	5,392,373
Depreciation	115,375	93,788
Impairment loss	99,166	-
Loss on liquidation of business	-	116,874
Amortization of goodwill	527,520	57,440
Share-based compensation expenses	17,850	16,858
Increase (decrease) in allowance for doubtful accounts	147	(5,549)
Increase (decrease) in provision for point card certificates	(6,767)	(1,586)
Interest and dividend income	(206)	(51)
Interest expenses	2,638	1,662
Share of (profit) loss of entities accounted for using equity method	25,564	(87,883)
Loss (gain) on valuation of investment securities	19,655	-
Loss on retirement of non-current assets	10,544	3,577
Decrease (increase) in trade receivables	(99,779)	590,624
Decrease (increase) in investment securities for sale	(42,478)	(28,723)
Decrease (increase) in accounts receivable - other	707,081	(3,568)
Increase (decrease) in trade payables	49,403	(66,675)
Other, net	(61,483)	185,311
Subtotal	3,759,368	6,264,472
Interest and dividend income received	206	51
Interest expenses paid	(3,136)	(1,848)
Income taxes paid	(3,711,621)	459,102
Net cash provided by (used in) operating activities	44,817	6,721,778
Cash flows from investing activities		
Purchase of property, plant and equipment	(25,235)	(11,957)
Purchase of intangible assets	(74,519)	(78,620)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(309,292)	-
Other, net	31,704	33,769
Net cash provided by (used in) investing activities	(377,342)	(56,808)
Cash flows from financing activities		
Repayments of long-term loans payable	(104,839)	(35,520)
Proceeds from issuance of bonds	250,000	-
Proceeds from issuance of subscription rights to share	-	(225,000)
Purchase of treasury shares	(992,237)	(25)
Cash dividends paid	(849,714)	(45,866)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(63,699)	-
Net cash provided by (used in) financing activities	(1,760,490)	(306,412)
Effect of exchange rate change on cash and cash equivalents	(3,599)	(582)
Net increase (decrease) in cash and cash equivalents	(2,096,614)	6,357,975
Cash and cash equivalents at beginning of period	8,822,421	8,381,660
Cash and cash equivalents at end of period	6,725,806	14,739,635