

Consolidated Financial Results(Japanese Accounting Standards) for the 1st Quarter of FY 2019

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: July 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 1st Quarter of FY 2019 (April 1, 2019 - June 30, 2019)

(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.¥	%
1st Quarter of FY 2019	6,083	△61.2	1,694	△86.3	1,662	△86.5	764	△90.8
1st Quarter of FY 2018	15,662	381.2	12,349	—	12,343	—	8,317	—

(Note) Comprehensive income : $\Delta 4,663$ million yen (- %) for the 1st Quarter of FY 2019
 $41,039$ million yen (- %) for the 1st Quarter of FY 2018

	Earnings per share	Diluted earnings per share
	Yen	Yen
1st Quarter of FY 2019	33.44	33.44
1st Quarter of FY 2018	361.53	358.31

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Mil.¥	Mil.¥	%
1st Quarter of FY 2019 (As of June 30, 2019)	45,264	33,741	74.1
Fiscal Year 2018 (As of March 31, 2019)	57,230	40,100	69.7

(Reference) Capital : June 30, 2019 : 33,548 million yen March 31, 2019 : 39,867 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 2018	—	24.00	—	37.00	61.00
Fiscal Year 2019	—	—	—	—	—
Fiscal Year 2019 (expected)	—	—	—	—	—

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

3.Consolidated Earnings Forecast for Fiscal Year Ending March 2020 (April 1, 2019 to March 31, 2020)

The consolidated earnings forecast for this period has not been included due to difficulties conducting reasonable calculations of the earnings forecast.

*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) 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 June 30, 2019: 23,671,845 shares

As of March 31, 2019: 23,671,845 shares

(ii) Number of treasury stock at end of period

As of June 30, 2019: 1,167,045 shares

As of March 31, 2019: 622,995 shares

(iii) Average number of shares outstanding during the term

1st Quarter of FY 2019: 22,854,282 shares

1st Quarter of FY 2018: 23,006,685 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 August 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 1st Quarter of FY 2019

(Unit : Thousands of Yen)

Items of an account	FY2018 (As of March 31, 2019)	1st Quarter of FY2019 (As of June 30, 2019)
	Amount	Amount
Assets		
Current assets		
Cash and deposits	8,822,421	5,607,000
Notes and accounts receivable - trade	1,781,226	1,593,523
Operational investment securities	39,190,609	31,501,021
Inventories	70,644	119,801
Other	1,344,506	865,833
Allowance for doubtful accounts	(5,383)	(4,736)
Total current assets	51,204,024	39,682,442
Non-current assets		
Property, plant and equipment	544,967	528,084
Intangible assets		
Goodwill	4,125,545	3,861,785
Other	432,269	323,624
Total intangible assets	4,557,814	4,185,409
Investments and other assets	923,305	868,555
Total non-current assets	6,026,088	5,582,050
Total assets	57,230,112	45,264,493
Liabilities		
Current liabilities		
Accounts payable - trade	1,414,107	1,144,652
Short-term loans payable	100,000	100,000
Current portion of long-term loans payable	187,468	179,968
Current portion of bonds	—	50,000
Income taxes payable	3,946,314	338,475
Provision for point card certificates	30,251	25,928
Other	917,577	944,101
Total current liabilities	6,595,718	2,783,124
Non-current liabilities		
Bonds payable	—	200,000
Long-term loans payable	334,758	290,391
Deferred tax liability	10,198,960	8,248,999
Total non-current liabilities	10,533,718	8,739,390
Total liabilities	17,129,436	11,522,515
Net assets		
Shareholders' equity		
Capital stock	2,923,019	2,923,019
Capital surplus	2,385,813	2,343,346
Retained earnings	10,954,274	10,865,750
Treasury shares	(892,077)	(1,659,981)
Total shareholders' equity	15,371,029	14,472,134
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	24,501,737	19,085,725
Foreign currency translation adjustment	(5,216)	(9,809)
Total accumulated other comprehensive income	24,496,520	19,075,916
Subscription rights to shares	180,165	193,927
Non-controlling interests	52,959	—
Total net assets	40,100,675	33,741,978
Total liabilities and net assets	57,230,112	45,264,493

(2) UNITED Consolidated Statements of Income
for the 1st Quarter of FY 2019

(Unit : Thousands of Yen)

Items of an account	1st Quarter of FY2018 (April 1, 2018 to June 30, 2018)	1st Quarter of FY2019 (April 1, 2019 to June 30, 2019)
	Amount	Amount
Net sales	15,662,588	6,083,319
Cost of sales	2,200,151	3,062,491
Gross profit	13,462,436	3,020,827
Selling, general and administrative expenses	1,112,812	1,326,568
Operating income	12,349,624	1,694,259
Non-operating income		
Interest and dividend income	0	—
Gain on forfeiture of unclaimed dividends	—	901
Other	3,358	3,943
Total non-operating income	3,358	4,845
Non-operating expenses		
Interest expenses	400	1,305
Share of loss of entities accounted for using equity method	565	16,764
Foreign exchange losses	4,215	9,002
Other	4,072	9,086
Total non-operating expenses	9,253	36,158
Ordinary income	12,343,729	1,662,945
Extraordinary income		
Gain on reversal of share acquisition rights	77	—
Gain on liquidation of subsidiaries and affiliates	42,194	—
Total extraordinary income	42,272	—
Extraordinary losses		
Loss on retirement of non-current assets	60,000	150
Loss on valuation of investment securities	174,463	—
Impairment loss	—	99,166
Burden charge payment	—	48,284
Office transfer expenses	—	7,067
Other	1,757	5,096
Total extraordinary losses	236,220	159,765
Income before income taxes	12,149,780	1,503,180
Income taxes - current	3,874,427	316,467
Income taxes - deferred	(387)	429,972
Total income taxes	3,874,039	746,439
Profit	8,275,740	756,740
Profit attributable to non-controlling interests	(41,792)	(7,542)
Profit attributable to owners of parent	8,317,533	764,283

(3) UNITED Consolidated Statements of Comprehensive Income
for the 1st Quarter of FY 2019

(Unit : Thousands of Yen)

Items of an account	1st Quarter of FY2018 (April 1, 2018 to June 30, 2018)	1st Quarter of FY2019 (April 1, 2019 to June 30, 2019)
	Amount	Amount
Profit	8,275,740	756,740
Other comprehensive income		
Valuation difference on available-for-sale securities	32,788,959	(5,416,011)
Foreign currency translation adjustment	(25,680)	(4,592)
Total other comprehensive income	32,763,278	(5,420,604)
Comprehensive income	41,039,019	(4,663,864)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	41,080,812	(4,656,321)
Comprehensive income attributable to non-controlling interests	(41,792)	(7,542)