

United, Inc  
Consolidated Financial Report For the FY 2020  
(Japanese Accounting Standards)

Tokyo, May 11, 2021

Company name: United, Inc Stock exchange listing: Tokyo Stock Exchange  
 Stock code: 2497 URL <https://united.jp/>  
 Representative: Tomoki Hayakawa, CEO  
 Contact: Yuji Yamashita, Executive Officer and General Manager of Corporate Administration Division (TEL) +81-3-6821-0000  
 Scheduled date of the Annual General Meeting of Shareholders: June 18, 2021  
 Scheduled date of commencement of dividend payment: June 21, 2021  
 Scheduled date for filing of securities report: June 21, 2021  
 Supplementary documents for financial results: Yes  
 Financial 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.¥	%
FY2020	16,338	△21.9	5,606	9.9	5,645	10.5	3,728	165.6
FY2019	20,911	△24.2	5,101	△54.0	5,111	△53.8	1,403	△80.0

(Notes) Comprehensive income FY2020 10,609 Mil.¥ (—%) FY2019 △11,417 Mil.¥ (—%)

	Net income per share (basic)	Net income per share (diluted)	Return on equity	Return on assets	Ratio of operating income to net sales(%)
FY2020	¥168.07	¥—	12.0%	13.9%	34.3%
FY2019	¥62.45	¥—	4.2%	11.3%	24.4%

(Notes) Income on equity method investments FY2020 9 Mil.¥ FY2019 39 Mil.¥

(2) Financial Position

	Total assets	Net assets	Equity ratio	Shareholders' equity per share
FY2020	Mil.¥47,356	Mil.¥36,034	75.6%	¥1,638.03
FY2019	33,592	26,532	78.3	1,177.41

(Notes) Shareholder's equity FY2020 35,789 Mil.¥ FY2019 26,313 Mil.¥

(3) Cash Flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of the year
FY2020	Mil.¥6,992	Mil.¥△171	Mil.¥△1,428	Mil.¥13,774
FY2019	2,007	△367	△2,069	8,381

2. Dividends

	Dividends per share					Total amount of dividends (Annual)	Payout ratio (consolidated)	Dividends to net assets ratio
	First quarter	Second quarter	Third quarter	Fourth quarter	Total			
FY2019	¥—	¥11.00	¥—	¥2.00	¥13.00	Mil.¥290	20.8%	1.1%
FY2020	—	15.00	—	19.00	34.00	750	20.1	2.1
FY2021(Forecasted)	—	—	—	—	—		—	

(Notes) The forecasted dividend amounts for the FY2021 are not determined at the present moment.

### 3. Forecasts of consolidated results of operations for FY2021

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

	Net sales		Operating income		Ordinary income		Profit attribute to owners of patent		Net income per share
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%	¥
FY2021	13,000	—	5,700	1.7	5,700	1.0	3,900	4.6	186.00

(Notes) Due to the adoption of ASBJ Statement No. 29 “Accounting Standard for Revenue Recognition” in the FY2021, this Forecasts of consolidated results of operations for FY2021 is presented based on the figures after the application of ASBJ Statement No. 29. Year-on-year percentage changes in net sales is not presented because the Company expects a significant impact on the figure of net sales and it is not appropriate to compare that for the FY2021 with that for the FY2020.

#### \* Notes

##### (1) Significant changes in scope of consolidation

(Changes in scope of consolidation of specified subsidiaries) : No

##### (2) Changes in accounting policies and changes or restatement of accounting estimates

- ① Changes in accounting policies caused by revision of accounting standards : No
- ② Changes in accounting policies other than ① : No
- ③ Changes in accounting estimates : No
- ④ Restatement : No

##### (3) Number of shares issued (common stock)

- ① Number of shares issued at end of the year (including treasury stock)
- ② Number of shares of treasury stock at end of the year
- ③ Number of average shares outstanding during twelve-month period

FY2020	23,671,845 shares	FY2019	23,671,845 shares
FY2020	1,823,066 shares	FY2019	1,323,045 shares
FY2020	22,181,652 shares	FY2019	22,479,764 shares

## (For Reference) Financial Highlights (Non-Consolidated)

## (1) Non-Consolidated Results of Operations

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

	Net sales		Operating income		Ordinary income		Net income	
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%
FY2020	11,004	△26.6	5,275	△16.6	5,286	△16.3	2,959	—
FY2019	14,989	△32.9	6,325	△49.8	6,317	△49.8	193	△97.6

	Net income per share (basic)	Net income per share (diluted)
FY2020	¥133.41	¥—
FY2019	8.61	—

## (2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Shareholders' equity per share
	Mil.¥	Mil.¥	%	¥
FY2020	45,291	35,655	78.2	1,620.65
FY2019	32,556	26,917	82.0	1,194.67

(Notes) Shareholders' equity FY2020 35,409 Mil.¥ FY2019 26,699 Mil.¥

\* This consolidated financial report is not subject to audit procedures by certified public accountants or an auditing firm.

\* Note to forecasts on the consolidated results of operations and other items

Descriptions regarding the future are estimated based on the information that the Company is able to obtain at the present point in time and assumptions which are deemed to be reasonable. However, actual results may be different due to various factors.

The video of the financial results briefing for the FY2020 will be delivered to institutional investors and analysts via the Company's website. The materials used in this video will be posted on the website.

UNITED Consolidated Financial Statements

(1) UNITED Consolidated Balance Sheets

(Unit : Thousands of Yen)

Items of an account	FY2019 (As of March 31, 2020)	FY2020 (As of March 31, 2021)
	Amount	Amount
<b>Assets</b>		
Current assets		
Cash and deposits	8,381,660	13,774,158
Accounts receivable - trade	1,693,870	1,129,094
Operational investment securities	20,992,218	30,953,854
Inventories	38,316	35,019
Derivatives	42,251	-
Other	860,153	228,738
Allowance for doubtful accounts	(8,069)	(5,193)
Total current assets	32,000,401	46,115,671
Non-current assets		
Property, plant and equipment		
Buildings and structures	401,752	343,659
Tools, furniture and fixtures	225,146	209,584
Accumulated depreciation	(195,384)	(225,997)
Total property, plant and equipment	431,514	327,246
Intangible assets		
Goodwill	114,881	-
Software	360,359	228,421
Other	1,025	1,025
Total intangible assets	476,266	229,447
Investments and other assets		
Investment securities	58,057	146,000
Shares of subsidiaries and associates	155,718	37,079
Deferred tax assets	115,931	210,507
Leasehold and guarantee deposits	332,567	263,485
Other	21,790	26,662
Investments and other assets	684,064	683,735
Total non-current assets	1,591,845	1,240,429
<b>Total assets</b>	<b>33,592,246</b>	<b>47,356,100</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	855,717	609,706
Short-term loans payable	100,000	100,000
Current portion of bonds payable	50,000	-
Current portion of long-term borrowings	71,040	71,040
Accounts payable - other	300,992	341,110
Income taxes payable	150,418	1,415,648
Other	596,167	577,344
Total current liabilities	2,124,336	3,114,850
Non-current liabilities		
Bonds payable	175,000	-
Long-term loans payable	178,340	107,300
Deferred tax liability	4,582,458	8,098,955
Total non-current liabilities	4,935,798	8,206,255
<b>Total liabilities</b>	<b>7,060,134</b>	<b>11,321,106</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	14,607,662
Treasury shares	(1,884,315)	(2,638,347)
Total shareholders' equity	14,630,709	17,224,847
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,662,068	18,571,825
Deferred gains or losses on hedges	29,314	-
Foreign currency translation adjustment	(8,368)	(7,634)
Total accumulated other comprehensive income	11,683,014	18,564,190
Subscription rights to shares	218,388	245,955
<b>Total net assets</b>	<b>26,532,112</b>	<b>36,034,994</b>
<b>Total liabilities and net assets</b>	<b>33,592,246</b>	<b>47,356,100</b>

## (2) UNITED Consolidated Statements of Income

(Unit : Thousands of Yen)

Items of an account	FY2019 (April 1, 2019 to March 31, 2020)	FY2020 (April 1, 2020 to March 31, 2021)
	Amount	Amount
Net sales	20,911,573	16,338,529
Cost of sales	11,131,288	7,748,097
Gross profit	9,780,284	8,590,432
Selling, general and administrative expenses	4,679,237	2,983,863
Operating income	5,101,046	5,606,568
Non-operating income		
Interest and dividend income	241	134
Share of profit of entities accounted for using equity method	39,447	9,058
Gain on valuation of crypto assets	3	11,056
Consumption tax difference	-	12,709
Interest on tax refund	2,288	6,293
Other	6,057	9,637
Total non-operating income	48,038	48,889
Non-operating expenses		
Interest expenses	4,438	2,835
Foreign exchange losses	15,266	3,645
Commission fee	11,027	2,166
Other	7,277	1,001
Total non-operating expenses	38,009	9,649
Ordinary income	5,111,075	5,645,808
Extraordinary income		
Gain on reversal of share acquisition rights	1,818	13,195
Gain on sales of shares of subsidiaries and associates	75,520	-
Gain on sale of businesses	10,000	7,000
Other	2,000	-
Total extraordinary income	89,338	20,195
Extraordinary losses		
Loss on retirement of non-current assets	655	3,619
Impairment loss	2,873,120	-
Office transfer expenses	131,613	50,396
Loss on liquidation of business	-	116,874
Loss on sales of shares of subsidiaries and associates	438,775	-
Loss on liquidation of subsidiaries and associates	79,216	-
Loss on valuation of investment securities	58,685	-
Burden charge payment	48,284	-
Other	11,276	6,215
Total extraordinary losses	3,641,627	177,106
Income before income tax	1,558,785	5,488,896
Income taxes - current	174,549	1,387,768
Income taxes - deferred	(12,082)	373,028
Total income taxes	162,467	1,760,796
Net income	1,396,318	3,728,099
Net income attributable to non-controlling interests	(7,542)	-
Net income attributable to owners of the parent	1,403,861	3,728,099

## (3) UNITED Consolidated Statements of Comprehensive Income

(Unit : Thousands of Yen)

Items of an account	FY2019 (April 1, 2019 to March 31, 2020)	FY2020 (April 1, 2020 to March 31, 2021)
	Amount	Amount
Net income	1,396,318	3,728,099
Other comprehensive income		
Valuation difference on available-for-sale securities	(12,873,013)	6,941,132
Deferred gains or losses on hedges	29,314	(29,314)
Foreign currency translation adjustment	(3,152)	733
Share of other comprehensive income of entities accounted for using equity method	33,345	(31,375)
Total other comprehensive income	(12,813,506)	6,881,176
Comprehensive income	(11,417,187)	10,609,276
Comprehensive income attributable to		
Owners of the parent	(11,409,644)	9,151,092
Non-controlling interests	(7,542)	-

(4) Consolidated Statement of Changes in Equity  
FY2019(April 1,2019-March 31,2020)

(Unit: Thousands of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	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 stock				(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 stock							(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

Consolidated Statement of Changes in Equity  
FY2020(April 1,2020-March 31,2021)

(Unit:Thousands of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	2,923,019	2,332,513	11,259,492	(1,884,315)	14,630,709
Changes of items during period					
Purchase of shares of consolidated subsidiaries					
Dividends of surplus			(379,929)		(379,929)
Profit attributable to owners of parent			3,728,099		3,728,099
Purchase of treasury stock				(754,032)	(754,032)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	3,348,170	(754,032)	2,594,138
Balance at the end of current period	2,923,019	2,332,513	14,607,662	(2,638,347)	17,224,847

	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	11,662,068	29,314	(8,368)	11,683,014	218,388	-	26,532,112
Changes of items during period							
Purchase of shares of consolidated subsidiaries							-
Dividends of surplus							(379,929)
Profit attributable to owners of parent							3,728,099
Purchase of treasury stock							(754,032)
Net changes of items other than shareholders' equity	6,909,757	(29,314)	733	6,881,176	27,567	-	6,908,743
Total changes of items during period	6,909,757	(29,314)	733	6,881,176	27,567	-	9,502,882
Balance at the end of current period	18,571,825	-	(7,634)	18,564,190	245,955	-	36,034,994



## (5)UNITED Consolidated Statements of Cash Flows

(Unit:Thousands of Yen)

	FY2019	FY2020
	(April 1,2019 to March 31,2020)	(April 1,2021 to March 31,2021)
	Amount	Amount
Cash flows from operating activities		
Income before income taxes	1,558,785	5,488,896
Depreciation	216,075	184,072
Impairment loss	2,873,120	-
Loss on liquidation of business	-	116,874
Amortization of goodwill	820,001	114,881
Share-based compensation expenses	35,204	40,762
Increase (decrease) in allowance for doubtful accounts	2,685	(2,875)
Interest and dividend income	(241)	(134)
Interest expenses	4,438	2,835
Share of (profit) loss of entities accounted for using equity method	(39,447)	(9,058)
Loss (gain) on valuation of investment securities	58,685	-
Loss on retirement of non-current assets	655	3,619
Gain on sales of shares of subsidiaries and associates	(75,520)	-
Loss on sales of shares of subsidiaries and associates	438,775	-
Decrease (increase) in trade receivables	(147,817)	564,930
Decrease (increase) in investment securities for sale	(215,599)	134,379
Increase (decrease) in trade payables	(225,634)	(246,181)
Other, net	1,043,444	209,474
Subtotal	6,347,611	6,602,477
Interest and dividend income received	241	134
Interest expenses paid	(4,438)	(3,009)
Income taxes paid	(4,336,016)	393,265
Net cash provided by (used in) operating activities	2,007,398	6,992,868
Cash flows from investing activities		
Purchase of property, plant and equipment	(34,988)	(40,331)
Purchase of intangible assets	(161,034)	(116,953)
Purchase of investment securities	-	(84,997)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	88,849	-
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(349,205)	-
Proceeds from sale of businesses	10,000	7,000
Other, net	79,199	63,912
Net cash provided by (used in) investing activities	(367,178)	(171,371)
Cash flows from financing activities		
Repayments of long-term loans payable	(153,449)	(71,040)
Proceeds from issuance of bonds	250,000	-
Proceeds from issuance of subscription rights to share	(25,000)	(225,000)
Purchase of treasury shares	(992,237)	(754,032)
Cash dividends paid	(1,095,119)	(378,068)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(53,299)	-
Net cash provided by (used in) financing activities	(2,069,105)	(1,428,140)
Effect of exchange rate change on cash and cash equivalents	(11,874)	(859)
Net increase (decrease) in cash and cash equivalents	(440,760)	5,392,498
Cash and cash equivalents at the beginning of the year	8,822,421	8,381,660
Cash and cash equivalents at the end of the year	8,381,660	13,774,158