

United, Inc
Consolidated Financial Report For the 2nd Quarter of FY 2021
(Japanese Accounting Standards)

Tokyo, November 9, 2021

Company name: United, Inc Stock exchange listing: Tokyo Stock Exchange
Stock code: 2497 URL: <https://united.jp/>
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Scheduled date for filing of quarterly securities report: November 9, 2021
Scheduled date of commencement of dividend payment: December 9, 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.¥	%
2 nd Quarter of FY2021	8,100	—	4,559	—	4,553	—	3,146	—
2 nd Quarter of FY2020	11,008	△2.6	5,465	108.0	5,560	115.6	3,723	192.5

(Note) Comprehensive income 2nd Quarter of FY2021 3,771 Mil.¥ (△63.3%)
2nd Quarter of FY2020 10,278 Mil.¥ (—%)

	Net income per share (basic)	Net income per share (diluted)
2 nd Quarter of FY2021	145.89	145.84
2 nd Quarter of FY2020	166.59	—

(Note) In relation to the application of ASBJ Statement No. 29 “Accounting Standard for Revenue Recognition” from the beginning of the 1st Quarter of FY2021, Results of Operations for FY2021 is presented based on the figures after the application of ASBJ Statement No. 29. Year-on-year percentage changes are not presented because the Company expects a significant impact on the figures and it is not appropriate to compare that for the FY2021 with that for the FY2020.

(2) Financial Position

	Total assets	Net assets	Equity ratio
	Mil.¥	Mil.¥	%
2 nd Quarter of FY2021 (As of September 30, 2021)	50,294	38,411	75.8
FY2020 (As of March 31, 2021)	47,356	36,034	75.6

(Note) Shareholder's equity 2nd Quarter of FY2021 38,141 Mil.¥ FY2020 35,789 Mil.¥

2. Dividends

	Dividends per share				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
FY2020	—	15.00	—	19.00	34.00
FY2021	—	17.00	—	—	—
FY2021(Forecasted)	—	—	—	—	—

(Note) 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		Net income attributable to owners of the parent		Net income per share
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%	¥
FY2021	13,000	—	5,700	—	5,700	—	3,900	—	186.00

(Note) Revisions of the forecasts of consolidated results since the latest announcement : No

In relation to the application of ASBJ Statement No. 29 “Accounting Standard for Revenue Recognition” from the beginning of the 1st Quarter of 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 are not presented because the Company expects a significant impact on the figures and it is not appropriate to compare that for the FY2021 with that for the FY2020.

* Notes

(1) Significant changes in scope of consolidation : No

(2) Application of particular accounts procedures to the preparation of quarterly consolidated financial statement : No

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

① Changes in accounting policies caused by revision of accounting standards : Yes

② Changes in accounting policies other than ① : No

③ Changes in accounting estimates : No

④ Restatement : No

(4) Number of shares issued (common stock)

① Number of shares issued at end of period (including treasury stock)

2 nd Quarter of FY2021	22,471,845 shares	FY2020	23,671,845 shares
2 nd Quarter of FY2021	1,251,299 shares	FY2020	1,823,066 shares
2 nd Quarter of FY2021	21,567,699 shares	2 nd Quarter of FY2020	22,348,794 shares

② Number of shares of treasury stock at end of period

③ Number of average shares outstanding during the term

* This consolidated quarterly financial report is not subject to a quarterly review by certified public accountants or an auditing firm.

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

The video of the financial results briefing for the 2nd quarter of FY2021 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 Sheet

for the 2nd Quarter of FY2021

(Unit : Thousands of Yen)

Items of an account	FY2020 (As of March 31, 2021)	2nd Quarter of FY2021 (As of September 30, 2021)
	Amount	Amount
Assets		
Current assets		
Cash and deposits	13,774,158	14,350,490
Notes and accounts receivable - trade	1,129,094	1,112,405
Operational investment securities	30,953,854	32,320,759
Inventories	35,019	65,949
Other	228,738	818,426
Allowance for doubtful accounts	(5,193)	(3,546)
Total current assets	46,115,671	48,664,485
Non-current assets		
Property, plant and equipment	327,246	310,727
Intangible assets		
Goodwill	-	366,213
Other	229,447	230,375
Total intangible assets	229,447	596,588
Investments and other assets	683,735	722,324
Total non-current assets	1,240,429	1,629,641
Total assets	47,356,100	50,294,126
Liabilities		
Current liabilities		
Accounts payable - trade	609,706	741,374
Short-term loans payable	100,000	100,000
Current portion of long-term loans	71,040	75,648
Income taxes payable	1,415,648	1,574,578
Other	918,455	918,208
Total current liabilities	3,114,850	3,409,808
Non-current liabilities		
Long-term loans payable	107,300	107,120
Deferred tax liability	8,098,955	8,305,820
Other	-	59,596
Total non-current liabilities	8,206,255	8,472,536
Total liabilities	11,321,106	11,882,345
Net assets		
Shareholders' equity		
Capital stock	2,923,019	2,923,019
Capital surplus	2,332,513	605,336
Retained earnings	14,607,662	17,303,989
Treasury shares	(2,638,347)	(1,879,880)
Total shareholders' equity	17,224,847	18,952,464
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18,571,825	19,337,400
Deferred gains or losses on hedges	-	(140,301)
Foreign currency translation adjustment	(7,634)	(7,642)
Total accumulated other comprehensive income	18,564,190	19,189,457
Subscription rights to shares	245,955	269,859
Total net assets	36,034,994	38,411,781
Total liabilities and net assets	47,356,100	50,294,126

(2) UNITED Consolidated Statement of Income
for the 2nd Quarter of FY2021

(Unit : Thousands of Yen)

Items of an account	2nd Quarter of FY2020 (April 1, 2020 to September 30, 2020)	2nd Quarter of FY2021 (April 1, 2021 to September 30, 2021)
	Amount	Amount
Net sales	11,008,634	8,100,468
Cost of sales	3,955,399	2,235,564
Gross profit	7,053,235	5,864,904
Selling, general and administrative expenses	1,587,918	1,305,551
Operating income	5,465,316	4,559,352
Non-operating income		
Interest and dividend income	51	72
Share of profit of entities accounted for using equity method	87,883	257
Other	10,886	833
Total non-operating income	98,821	1,163
Non-operating expenses		
Interest expenses	1,662	1,154
Foreign exchange losses	1,887	497
Loss on valuation of crypto assets	-	3,134
Other	541	2,657
Total non-operating expenses	4,092	7,444
Ordinary income	5,560,045	4,553,072
Extraordinary income		
Gain on reversal of share acquisition rights	8,673	-
Total extraordinary income	8,673	-
Extraordinary losses		
Loss on retirement of non-current assets	3,577	-
Office transfer expenses	50,661	-
Loss on liquidation of business	116,874	-
Other	5,231	-
Total extraordinary losses	176,344	-
Income before income tax	5,392,373	4,553,072
Income taxes - current	1,368,962	1,505,343
Income taxes - deferred	300,270	(98,882)
Total income taxes	1,669,232	1,406,460
Net income	3,723,140	3,146,611
Net income attributable to owners of the parent	3,723,140	3,146,611

(3) UNITED Consolidated Statement of Comprehensive Income
for the 2nd Quarter of FY2021

(Unit : Thousands of Yen)

Items of an account	2nd Quarter of FY2020 (April 1, 2020 to September 30, 2020)	2nd Quarter of FY2021 (April 1, 2021 to September 30, 2021)
	Amount	Amount
Net income	3,723,140	3,146,611
Other comprehensive income		
Valuation difference on available-for-sale securities	6,587,569	766,429
Deferred gains or losses on hedges	(29,314)	(140,301)
Foreign currency translation adjustment	362	(7)
Share of other comprehensive income of entities accounted for using equity method	(3,731)	(855)
Total other comprehensive income	6,554,887	625,266
Comprehensive income	10,278,028	3,771,877
Comprehensive income attributable to		
Owners of the parent	10,278,028	3,771,877

(4)UNITED Consolidated Statement of Cash Flows
for the 2nd Quarter of FY2021

(Unit:Thousands of Yen)

	2nd Quarter of FY2020 (April 1, 2020 to September 30, 2020)	2nd Quarter of FY2021 (April 1, 2021 to September 30, 2021)
	Amount	Amount
Cash flows from operating activities		
Income before income tax	5,392,373	4,553,072
Depreciation	93,788	69,572
Loss on liquidation of business	116,874	-
Amortization of goodwill	57,440	19,274
Share-based compensation expenses	16,858	28,406
Increase (decrease) in allowance for doubtful accounts	(5,549)	(1,646)
Interest and dividend income	(51)	(72)
Interest expenses	1,662	1,154
Share of (profit) loss of entities accounted for using equity method	(87,883)	(257)
Loss on retirement of non-current assets	3,577	-
Decrease (increase) in trade receivables	590,624	42,849
Decrease (increase) in investment securities for sale	(28,723)	(260,640)
Increase (decrease) in trade payables	(66,675)	130,428
Other	180,155	(247,173)
Subtotal	6,264,472	4,334,966
Interest and dividend income received	51	72
Interest expenses paid	(1,848)	(1,162)
Income taxes paid	459,102	(1,428,616)
Net cash inflow from operating activities	6,721,778	2,905,260
Cash flows from investing activities		
Purchase of property, plant and equipment	(11,957)	(2,709)
Purchase of intangible assets	(78,620)	(49,221)
Purchase of investment securities	-	(22,744)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(329,036)
Other	33,769	26,514
Net cash inflow (outflow) from investing activities	(56,808)	(377,196)
Cash flows from financing activities		
Repayments of long-term loans payable	(35,520)	(36,652)
Redemption of bonds	(225,000)	-
Purchase of treasury shares	(25)	(1,004,724)
Decrease (increase) in deposits for purchase of treasury shares	-	(495,220)
Cash dividends paid	(45,866)	(415,117)
Net cash inflow (outflow) from financing activities	(306,412)	(1,951,715)
Effect of exchange rate changes on cash and cash equivalents	(582)	(16)
Net increase (decrease) in cash and cash equivalents	6,357,975	576,331
Cash and cash equivalents at the beginning of the period	8,381,660	13,774,158
Cash and cash equivalents at the end of the period	14,739,635	14,350,490