

United, Inc

Consolidated Financial Report For the 3rd Quarter of FY 2021

(Japanese Accounting Standards)

February 8, 2022

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: February 8, 2022
 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. 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.¥ | % |
| 3rd Quarter of FY 2021 | 10,786 | — | 5,612 | — | 5,619 | — | 3,875 | — |
| 3rd Quarter of FY 2020 | 13,859 | △13.3 | 5,693 | 74.2 | 5,777 | 79.2 | 3,850 | 857.1 |

(Note) Comprehensive income : 3rd Quarter of FY 2021 3,200 Mil.¥ (△65.0%)
 3rd Quarter of FY 2020 9,151 Mil.¥ (—%)

| | Net income per share (basic) | Net income per share (diluted) |
|------------------------|------------------------------|--------------------------------|
| | Yen | Yen |
| 3rd Quarter of FY 2021 | 181.45 | 181.31 |
| 3rd Quarter of FY 2020 | 172.75 | — |

(Note) In relation to the application of ASBJ Statement No. 29 "Accounting Standard for Revenue Recognition" from the beginning of the 1st Quarter of FY 2021, Results of Operations for FY 2021 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 FY 2021 with that for the FY 2020.

(2) Financial Position

| | Total assets | Net assets | Equity ratio |
|---|--------------|------------|--------------|
| | Mil.¥ | Mil.¥ | % |
| 3rd Quarter of FY 2021 (As of December 31, 2021) | 46,968 | 36,486 | 77.1 |
| FY 2020 (As of March 31, 2021) | 47,356 | 36,034 | 75.6 |

(Reference) Shareholder's Equity : 3rd Quarter of FY 2021 36,204 Mil.¥
 FY 2020 35,789 Mil.¥

2. Dividend Per Share

| | End of 1st Quarter | End of 2nd Quarter | End of 3rd Quarter | Year-end | Annual |
|----------------------|--------------------|--------------------|--------------------|----------|--------|
| | Yen | Yen | Yen | Yen | Yen |
| FY 2020 | — | 15.00 | — | 19.00 | 34.00 |
| FY 2021 | — | 17.00 | — | — | — |
| FY 2021 (Forecasted) | — | — | — | — | 0.00 |

(Note) The forecasted dividend amounts for the FY 2021 are not determined at the present moment.

3. Forecasts of consolidated results of operations for FY 2021

(Percentages show year-on-year changes)

| | Net sales | | Operating income | | Ordinary income | |
|---------|---|---|----------------------|---|-----------------|---|
| | Mil.¥ | % | Mil.¥ | % | Mil.¥ | % |
| FY 2021 | 13,000 | — | 5,700 | — | 5,700 | — |
| | Net income attributable to owners of the parent | | Net income per share | | | |
| | Mil.¥ | % | Mil.¥ | | | |
| | 3,900 | — | 186.0 | | | |

(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 1 st Quarter of FY 2021, this forecasts of consolidated results of operations for FY 2021 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 FY 2021 with that for the FY 2020.

*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

- (i) Changes in accounting policies caused by revision of accounting standards: : Yes
- (ii) Changes in accounting policies other than (i): : No
- (iii) Changes in accounting estimates: : No
- (iv) Restatement: : No

(4) Number of shares outstanding (common shares):

- (i) Number of shares outstanding at end of period (including treasury shares)
 - 3rd Quarter of FY 2021 22,471,845 shares
 - FY 2020 23,671,845 shares
- (ii) Number of treasury shares at end of period
 - 3rd Quarter of FY 2021 1,788,099 shares
 - FY 2020 1,823,066 shares
- (iii) Average number of shares outstanding during the term
 - 3rd Quarter of FY 2021 21,358,613 shares
 - 3rd Quarter of FY 2020 22,290,592 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 3rd Quarter of FY 2021 will be delivered to institutional investors and analysts via our website. The materials used in this video will be available on our website.

UNITED Consolidated Financial Statements

(1) UNITED Consolidated Balance Sheet

for the 3rd Quarter of FY 2021

(Unit : Thousands of Yen)

| Items of an account | FY 2020 (As of March 31, 2021) | 3rd Quarter of FY 2021 (As of December 31, 2021) |
|---|-----------------------------------|---|
| | Amount | Amount |
| Assets | | |
| Current assets | | |
| Cash and deposits | 13,774,158 | 12,962,209 |
| Notes and accounts receivable - trade | 1,129,094 | 1,091,996 |
| Operational investment securities | 30,953,854 | 30,012,225 |
| Inventories | 35,019 | 52,430 |
| Other | 228,738 | 846,342 |
| Allowance for doubtful accounts | △5,193 | △6,227 |
| Total current assets | 46,115,671 | 44,958,977 |
| Non-current assets | | |
| Property, plant and equipment | 327,246 | 302,201 |
| Intangible assets | | |
| Goodwill | — | 346,939 |
| Other | 229,447 | 232,008 |
| Total intangible assets | 229,447 | 578,947 |
| Investments and other assets | 683,735 | 1,128,104 |
| Total non-current assets | 1,240,429 | 2,009,253 |
| Total assets | 47,356,100 | 46,968,231 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 609,706 | 687,595 |
| Short-term borrowings | 100,000 | 100,000 |
| Current portion of long-term borrowings | 71,040 | 80,428 |
| Income taxes payable | 1,415,648 | 1,077,847 |
| Other | 918,455 | 689,964 |
| Total current liabilities | 3,114,850 | 2,635,834 |
| Non-current liabilities | | |
| Long-term borrowings | 107,300 | 89,608 |
| Deferred tax liabilities | 8,098,955 | 7,756,688 |
| Total non-current liabilities | 8,206,255 | 7,846,296 |
| Total liabilities | 11,321,106 | 10,482,131 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 2,923,019 | 2,923,019 |
| Capital surplus | 2,332,513 | 605,336 |
| Retained earnings | 14,607,662 | 17,672,150 |
| Treasury shares | △2,638,347 | △2,885,457 |
| Total shareholders' equity | 17,224,847 | 18,315,048 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 18,571,825 | 17,621,509 |
| Deferred gains or losses on hedges | — | 275,250 |
| Foreign currency translation adjustment | △7,634 | △7,520 |
| Total accumulated other comprehensive income | 18,564,190 | 17,889,239 |
| Share acquisition rights | 245,955 | 281,811 |
| Total net assets | 36,034,994 | 36,486,099 |
| Total liabilities and net assets | 47,356,100 | 46,968,231 |

(2) UNITED Consolidated Statement of Income
for the 3rd Quarter of FY 2021

(Unit : Thousands of Yen)

| Items of an account | 3rd Quarter of FY 2020 (April 1, 2020 to December 31, 2020) | 3rd Quarter of FY 2021 (April 1, 2021 to December 31, 2021) |
|---|---|---|
| | Amount | Amount |
| Net sales | 13,859,172 | 10,786,850 |
| Cost of sales | 5,874,734 | 3,260,081 |
| Gross profit | 7,984,437 | 7,526,769 |
| Selling, general and administrative expenses | 2,291,350 | 1,913,863 |
| Operating income | 5,693,087 | 5,612,906 |
| Non-operating income | | |
| Interest and dividend income | 57 | 75 |
| Share of profit of entities accounted for using equity method | 76,564 | 9,600 |
| Other | 15,850 | 3,018 |
| Total non-operating income | 92,472 | 12,695 |
| Non-operating expenses | | |
| Interest expenses | 2,282 | 1,681 |
| Foreign exchange losses | 2,382 | 298 |
| Loss on valuation of crypto assets | - | 1,722 |
| Other | 3,070 | 2,417 |
| Total non-operating expenses | 7,734 | 6,120 |
| Ordinary income | 5,777,825 | 5,619,480 |
| Extraordinary income | | |
| Gain on reversal of share acquisition rights | 11,978 | - |
| Gain on sale of businesses | 7,000 | - |
| Total extraordinary income | 18,978 | - |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 3,592 | - |
| Office relocation expenses | 50,396 | - |
| Loss on liquidation of business | 116,874 | - |
| Other | 6,138 | - |
| Total extraordinary losses | 177,002 | - |
| Income before income taxes | 5,619,801 | 5,619,480 |
| Income taxes - current | 1,441,767 | 1,820,761 |
| Income taxes - deferred | 327,357 | △76,802 |
| Total income taxes | 1,769,124 | 1,743,958 |
| Net income | 3,850,676 | 3,875,521 |
| Net income attributable to owners of the parent | 3,850,676 | 3,875,521 |

(3) UNITED Consolidated Statement of Comprehensive Income
for the 3rd Quarter of FY 2021

(Unit : Thousands of Yen)

| Items of an account | 3rd Quarter of FY 2020 (April 1, 2020 to December 31, 2020) | 3rd Quarter of FY 2021 (April 1, 2021 to December 31, 2021) |
|---|---|---|
| | Amount | Amount |
| Net income | 3,850,676 | 3,875,521 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 5,353,205 | △948,346 |
| Deferred gains or losses on hedges | △29,314 | 275,250 |
| Foreign currency translation adjustment | 510 | 114 |
| Share of other comprehensive income of entities accounted for using equity method | △23,985 | △1,969 |
| Total other comprehensive income | 5,300,416 | △674,951 |
| Comprehensive income | 9,151,092 | 3,200,570 |
| Comprehensive income attributable to owners of the parent | 9,151,092 | 3,200,570 |