

UNITED, Inc.
Consolidated Financial Report For the FY 2021
(Japanese Accounting Standards)

Tokyo, May 11, 2022

Company name: UNITED, Inc. Stock exchange listing: Tokyo Stock Exchange
 Stock code: 2497 URL: https://united.jp/
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Scheduled date of the Annual General Meeting of Shareholders: June 16, 2022
 Scheduled date of commencement of dividend payment: June 17, 2022
 Scheduled date for filing of securities report: June 17, 2022
 Supplementary documents for financial results: Yes
 Financial results briefing: Yes (For institutional investors and securities analysts)

(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 parent	
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%
FY 2021	12,714	—	5,738	—	5,757	—	3,825	—
FY 2020	16,338	△21.9	5,606	9.9	5,645	10.5	3,728	165.6

(Note) Comprehensive income FY 2021 △1,973 Mil.¥ (—%) FY 2020 10,609 Mil.¥ (—%)

	Net income per share (basic)	Net income per share (diluted)	Return on equity	Return on assets	Ratio of operating income to net sales(%)
	¥	¥	%	%	%
FY 2021	181.26	181.04	11.6	13.4	45.1
FY 2020	168.07	—	12.0	13.9	34.3

(Notes) Income on equity method investments FY 2021 7 Mil.¥ FY 2020 9 Mil.¥

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.

(2) Financial Position

	Total assets	Net assets	Equity ratio	Shareholders' equity per share
	Mil.¥	Mil.¥	%	¥
FY 2021	38,701	30,288	77.7	1,490.61
FY 2020	47,356	36,034	75.6	1,638.03

(Notes) Shareholder's equity FY 2021 30,064 Mil.¥ FY 2020 35,789 Mil.¥

(3) Cash Flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of the year
	Mil.¥	Mil.¥	Mil.¥	Mil.¥
FY 2021	2,718	△477	△3,849	12,165
FY 2020	6,992	△171	△1,428	13,774

2. Dividend

	Dividends per share					Total amount of dividends	Payout ratio (consolidated)	Dividends to net assets ratio
	First quarter	Second quarter	Third quarter	Fourth quarter	Total			
	¥	¥	¥	¥	¥	Mil.¥	%	%
FY 2020	—	15.00	—	19.00	34.00	750	20.1	2.1
FY 2021	—	17.00	—	20.00	37.00	764	20.4	2.4
FY 2022 (Forecasted)	—	—	—	—	—	—	—	—

(Note) The forecasted dividend amounts for the FY 2022 are not determined at the present moment.

3. Forecasts of consolidated results of operations for FY 2022

(Percentages show 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.¥	%	¥
FY 2022	12,800	0.7	5,800	1.1	5,800	0.7	4,200	9.8	208.00

* 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 : Yes
- 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 issued at end of the year at end of the year
- ③ Number of average shares outstanding during twelve-month period

FY 2021	20,756,345 shares	FY 2020	23,671,845 shares
FY 2021	587,199 shares	FY 2020	1,823,066 shares
FY 2021	21,106,093 shares	FY 2020	22,181,652 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.¥	%
FY 2021	6,575	△40.2	4,949	△6.2	4,959	△6.2	3,540	19.6
FY 2020	11,004	△26.6	5,275	△16.6	5,286	△16.3	2,959	—

	Net income per share (basic)	Net income per share (diluted)
	¥	¥
FY 2021	167.75	167.55
FY 2020	133.41	—

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Shareholders' equity per share
	Mil.¥	Mil.¥	%	¥
FY 2021	36,315	29,651	81.0	1,459.02
FY 2020	45,291	35,655	78.2	1,620.65

(Notes) Shareholder's equity

FY 2021

29,427 Mil.¥

FY 2020

35,409 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 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

(Unit : Thousands of Yen)

Items of an account	FY 2020	FY 2021
	(As of March 31, 2021)	(As of March 31, 2022)
	Amount	Amount
Assets		
Current assets		
Cash and deposits	13,774,158	12,165,526
Notes and accounts receivable - trade	1,129,094	1,347,244
Operational investment securities	30,953,854	18,789,981
Inventories	35,019	69,727
Derivatives	-	1,471,624
Other	228,738	340,835
Allowance for doubtful accounts	△5,193	△5,411
Total current assets	46,115,671	34,179,529
Non-current assets		
Property, plant and equipment		
Buildings and structures	343,659	343,659
Tools, furniture and fixtures	209,584	216,366
Accumulated depreciation	△225,997	△267,426
Total property, plant and equipment	327,246	292,599
Intangible assets		
Goodwill	-	327,664
Software	228,421	233,587
Other	1,025	1,025
Total intangible assets	229,447	562,278
Investments and other assets		
Investment securities	146,000	203,699
Shares of subsidiaries and associates	37,079	19,035
Derivatives	-	3,088,403
Deferred tax assets	210,507	79,810
Leasehold and guarantee deposits	263,485	234,840
Other	26,662	40,858
Total investments and other assets	683,735	3,666,648
Total non-current assets	1,240,429	4,521,526
Total assets	47,356,100	38,701,056

(Unit : Thousands of Yen)

Items of an account	FY 2020	FY 2021
	(As of March 31, 2021)	(As of March 31, 2022)
	Amount	Amount
Liabilities		
Current liabilities		
Accounts payable - trade	609,706	879,338
Short-term borrowings	100,000	100,000
Current portion of long-term borrowings	71,040	69,178
Accounts payable - other	341,110	235,291
Income taxes payable	1,415,648	1,103,564
Other	577,344	424,786
Total current liabilities	3,114,850	2,812,158
Non-current liabilities		
Long-term borrowings	107,300	75,766
Deferred tax liabilities	8,098,955	5,524,606
Total non-current liabilities	8,206,255	5,600,372
Total liabilities	11,321,106	8,412,531
Net assets		
Shareholders' equity		
Share capital	2,923,019	2,923,019
Capital surplus	2,332,513	379,270
Retained earnings	14,607,662	14,979,955
Treasury shares	△2,638,347	△983,344
Total shareholders' equity	17,224,847	17,298,901
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18,571,825	9,601,720
Deferred gains or losses on hedges	-	3,163,747
Foreign currency translation adjustment	△7,634	-
Total accumulated other comprehensive income	18,564,190	12,765,468
Share acquisition rights	245,955	224,154
Total net assets	36,034,994	30,288,524
Total liabilities and net assets	47,356,100	38,701,056

(2) UNITED Consolidated Statement of Income

(Unit : Thousands of Yen)

Items of an account	FY 2020 (April 1, 2020 to March 31, 2021)	FY 2021 (April 1, 2021 to March 31, 2022)
	Amount	Amount
Net sales	16,338,529	12,714,596
Cost of sales	7,748,097	4,350,815
Gross profit	8,590,432	8,363,780
Selling, general and administrative expenses	2,983,863	2,625,399
Operating income	5,606,568	5,738,381
Non-operating income		
Interest and dividend income	134	148
Share of profit of entities accounted for using equity method	9,058	7,925
Gain on valuation of crypto assets	11,056	-
Consumption tax difference	12,709	13,813
Interest on tax refund	6,293	-
Other	9,637	4,459
Total non-operating income	48,889	26,348
Non-operating expenses		
Interest expenses	2,835	2,250
Foreign exchange losses	3,645	-
Loss on valuation of crypto assets	-	1,315
Commission expenses	2,166	299
Other	1,001	3,292
Total non-operating expenses	9,649	7,158
Ordinary income	5,645,808	5,757,571
Extraordinary income		
Gain on reversal of share acquisition rights	13,195	64,320
Gain on sale of businesses	7,000	-
Total extraordinary income	20,195	64,320
Extraordinary losses		
Loss on retirement of non-current assets	3,619	-
Office relocation expenses	50,396	-
Loss on liquidation of business	116,874	-
Loss on reversal of foreign currency translation adjustments	-	10,872
Other	6,215	-
Total extraordinary losses	177,106	10,872
Income before income taxes	5,488,896	5,811,019
Income taxes - current	1,387,768	1,841,285
Income taxes - deferred	373,028	144,143
Total income taxes	1,760,796	1,985,429
Net income	3,728,099	3,825,590
Net income attributable to owners of parent	3,728,099	3,825,590

(3) UNITED Consolidated Statement of Comprehensive Income

(Unit : Thousands of Yen)

Items of an account	FY 2020 (April 1, 2020 to March 31, 2021)	FY 2021 (April 1, 2021 to March 31, 2022)
	Amount	Amount
Net income	3,728,099	3,825,590
Other comprehensive income		
Valuation difference on available-for-sale securities	6,941,132	△8,968,135
Deferred gains or losses on hedges	△29,314	3,163,747
Foreign currency translation adjustment	733	7,634
Share of other comprehensive income of entities accounted for using equity method	△31,375	△1,969
Total other comprehensive income	6,881,176	△5,798,722
Comprehensive income	10,609,276	△1,973,131
Comprehensive income attributable to owners of parent	10,609,276	△1,973,131

(4) 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 shares	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
Cumulative effects of changes in accounting policies					
Restated balance	2,923,019	2,332,513	11,259,492	△ 1,884,315	14,630,709
Changes of items during period					
Dividends of surplus			△ 379,929		△ 379,929
Net income attributable to owners of parent			3,728,099		3,728,099
Purchase of treasury shares				△ 754,032	△ 754,032
Disposal of treasury shares					
Cancellation of treasury shares					
Transfer from retained earnings to capital surplus					
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	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
Cumulative effects of changes in accounting policies						
Restated balance	11,662,068	29,314	△ 8,368	11,683,014	218,388	26,532,112
Changes of items during period						
Dividends of surplus						△ 379,929
Net income attributable to owners of parent						3,728,099
Purchase of treasury shares						△ 754,032
Disposal of treasury shares						
Cancellation of treasury shares						
Transfer from retained earnings to capital surplus						
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

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	2,923,019	2,332,513	14,607,662	△ 2,638,347	17,224,847
Cumulative effects of changes in accounting policies			△ 35,157		△ 35,157
Restated balance	2,923,019	2,332,513	14,572,504	△ 2,638,347	17,189,689
Changes of items during period					
Dividends of surplus			△ 775,876		△ 775,876
Net income attributable to owners of parent			3,825,590		3,825,590
Purchase of treasury shares				△ 3,000,139	△ 3,000,139
Disposal of treasury shares		5,125		54,510	59,636
Cancellation of treasury shares		△ 4,600,631		4,600,631	-
Transfer from retained earnings to capital surplus		2,642,263	△ 2,642,263		-
Net changes of items other than shareholders' equity					-
Total changes of items during period	-	△ 1,953,242	407,450	1,655,002	109,211
Balance at the end of current period	2,923,019	379,270	14,979,955	△ 983,344	17,298,901

	Accumulated other comprehensive income				Subscription rights to shares	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	18,571,825	-	△ 7,634	18,564,190	245,955	36,034,994
Cumulative effects of changes in accounting policies						△ 35,157
Restated balance	18,571,825	-	△ 7,634	18,564,190	245,955	35,999,836
Changes of items during period						
Dividends of surplus						△ 775,876
Net income attributable to owners of parent						3,825,590
Purchase of treasury shares						△ 3,000,139
Disposal of treasury shares						59,636
Cancellation of treasury shares						-
Transfer from retained earnings to capital surplus						-
Net changes of items other than shareholders' equity	△ 8,970,104	3,163,747	7,634	△ 5,798,722	△ 21,800	△ 5,820,522
Total changes of items during period	△ 8,970,104	3,163,747	7,634	△ 5,798,722	△ 21,800	△ 5,711,311
Balance at the end of current period	9,601,720	3,163,747	-	12,765,468	224,154	30,288,524

(5)UNITED Consolidated Statements of Cash Flows

(Unit : Thousands of Yen)

Items of an account	FY 2020 (April 1, 2020 to March 31, 2021)	FY 2021 (April 1, 2021 to March 31, 2022)
	Amount	Amount
Cash flows from operating activities		
Income before income taxes	5,488,896	5,811,019
Depreciation	184,072	140,603
Loss on liquidation of business	116,874	-
Amortization of goodwill	114,881	57,823
Share-based payment expenses	40,762	57,993
Increase (decrease) in allowance for doubtful accounts	△2,875	217
Interest and dividend income	△134	△148
Interest expenses	2,835	2,250
Share of loss (profit) of entities accounted for using equity method	△9,058	△7,925
Loss on retirement of non-current assets	3,619	-
Decrease (increase) in trade receivables	564,930	△191,989
Decrease (increase) in investment securities for sale	134,379	△756,316
Increase (decrease) in trade payables	△246,181	268,391
Other, net	209,474	△553,392
Subtotal	6,602,477	4,828,526
Interest and dividends received	134	148
Interest paid	△3,009	△2,256
Income taxes refund (paid)	393,265	△2,107,514
Net cash provided by (used in) operating activities	6,992,868	2,718,903
Cash flows from investing activities		
Purchase of property, plant and equipment	△40,331	△4,632
Purchase of intangible assets	△116,953	△104,546
Purchase of investment securities	△84,997	△54,324
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	△329,036
Proceeds from sale of businesses	7,000	-
Other, net	63,912	14,803
Net cash provided by (used in) investing activities	△171,371	△477,735
Cash flows from financing activities		
Repayments of long-term borrowings	△71,040	△74,476
Redemption of bonds	△225,000	-
Purchase of treasury shares	△754,032	△3,000,139
Dividends paid	△378,068	△775,255
Net cash provided by (used in) financing activities	△1,428,140	△3,849,870
Effect of exchange rate change on cash and cash equivalents	△859	70
Net increase (decrease) in cash and cash equivalents	5,392,498	△1,608,632
Cash and cash equivalents at beginning of period	8,381,660	13,774,158
Cash and cash equivalents at end of period	13,774,158	12,165,526