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UNITED, Inc.
Consolidated Financial Report For the 2nd Quarter of FY 2023
(Japanese Accounting Standards)

November 9, 2023

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, 2023
 Scheduled date of commencement of dividend payment: December 8, 2023
 Supplementary documents for quarterly results: Yes
 Quarterly 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 profit		Ordinary profit		Profit attributable to owners of the parent	
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%
2nd Quarter of FY 2023	9,170	38.2	5,368	71.2	5,379	71.0	3,080	29.7
2nd Quarter of FY 2022	6,637	△18.1	3,136	△31.2	3,146	△30.9	2,374	△24.5

(Note) Comprehensive income : 2nd Quarter of FY 2023 △856 Mil.¥ (—%)
 2nd Quarter of FY 2022 △2,299 Mil.¥ (—%)

	Profit per share (basic)	Profit per share (diluted)
	Yen	Yen
2nd Quarter of FY 2023	78.77	78.70
2nd Quarter of FY 2022	59.44	59.40

(Notes) We have conducted the 2-for-1 stock split of its common stock with an effective date of June 1, 2023.
 Earnings per share and diluted earnings per share are calculated as if the stock splits had been conducted at the beginning of FY 2022.

(2) Financial Position

	Total assets	Net assets	Equity ratio
	Mil.¥	Mil.¥	%
2nd Quarter of FY 2023 (As of September 30, 2023)	30,002	25,482	84.1
FY 2022 (As of March 31, 2023)	32,318	26,647	81.7

(Reference) Shareholder's Equity : 2nd Quarter of FY 2023 25,238 Mil.¥
 FY 2022 26,402 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 2022	—	20.00	—	23.00	43.00
FY 2023	—	24.00	—	—	—
FY 2023(Forecasted)	—	—	—	24.00	48.00

(Notes) (1) Revisions to dividend forecasts published most recently : None
 (2) The forecasted dividend amounts for the FY 2023 are not determined at the present moment.
 (3) We have conducted the 2-for-1 stock split of its common stock with an effective date of June 1, 2023.
 Dividends per share of FY 2022 is the amount of actual dividends before the stock split is stated.

3. Forecasts of consolidated results of operations for FY 2023

(Percentages show year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the parent		Profit per share
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥
FY 2023	13,150	0.1	5,000	△14.1	5,000	△14.5	2,650	△36.0	67.50

(Note) Revisions of the forecasts of consolidated results since the latest announcement : Yes

*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 : No

(ii) Changes in accounting policies other than (i) : No

(iii) Changes in accounting estimates : No

(iv) Restatement : No

(4) Number of shares issued (common stock)

(i) Number of shares issued at end of the year (including treasury shares)

2nd Quarter of FY 2023	40,412,690 shares	FY 2022	40,412,690 shares
2nd Quarter of FY 2023	1,239,758 shares	FY 2022	1,335,798 shares
2nd Quarter of FY 2023	39,112,568 shares	2nd Quarter of FY 2022	39,951,136 shares

(ii) Number of treasury shares issued at end of the year

(iii) Number of average shares outstanding during the term

(Note) We have conducted the 2-for-1 stock split of its common stock with an effective date of June 1, 2023.

Total shares outstanding including treasury shares, treasury shares, and average outstanding shares are calculated as if the stock splits had been conducted at the beginning of FY 2022.

*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 2nd Quarter of FY 2023 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 2nd Quarter of FY 2023

(Unit : Thousands of Yen)

Items of an account	FY 2022	2nd Quarter of FY 2023
	(As of March 31, 2023)	(As of September 30, 2023)
	Amount	Amount
Assets		
Current assets		
Cash and deposits	13,370,743	16,142,448
Accounts receivable - trade	1,061,233	943,207
Operational investment securities	11,236,595	8,216,072
Inventories	30,397	37,245
Derivatives	1,942,923	1,621,289
Other	271,640	384,172
Allowance for doubtful accounts	△21,662	△19,876
Total current assets	27,891,871	27,324,559
Non-current assets		
Property, plant and equipment	310,977	296,052
Intangible assets		
Goodwill	905,899	273,113
Other	299,394	316,438
Total intangible assets	1,205,294	589,552
Investments and other assets		
Derivatives	2,088,959	-
Other	821,251	1,792,005
Total investments and other assets	2,910,211	1,792,005
Total non-current assets	4,426,483	2,677,610
Total assets	32,318,354	30,002,169
Liabilities		
Current liabilities		
Accounts payable - trade	739,442	837,874
Short-term borrowings	100,000	100,000
Current portion of long-term borrowings	47,720	27,950
Income taxes payable	1,201,741	1,697,548
Other	688,759	637,601
Total current liabilities	2,777,664	3,300,974
Non-current liabilities		
Long-term borrowings	54,900	54,370
Deferred tax liabilities	2,838,741	1,163,984
Total non-current liabilities	2,893,641	1,218,354
Total liabilities	5,671,305	4,519,328
Net assets		
Shareholders' equity		
Share capital	2,923,019	2,923,019
Capital surplus	379,270	439,977
Retained earnings	17,437,075	20,068,401
Treasury shares	△1,068,576	△991,748
Total shareholders' equity	19,670,789	22,439,649
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,934,443	1,673,736
Deferred gains or losses on hedges	2,797,321	1,124,850
Total accumulated other comprehensive income	6,731,764	2,798,587
Share acquisition rights	222,743	222,426
Non-controlling interests	21,751	22,176
Total net assets	26,647,048	25,482,840
Total liabilities and net assets	32,318,354	30,002,169

(2) UNITED Consolidated Statement of Income
for the 2nd Quarter of FY 2023

(Unit : Thousands of Yen)

Items of an account	2nd Quarter of FY 2022 (April 1, 2022 to September 30, 2022)	2nd Quarter of FY 2023 (April 1, 2023 to September 30, 2023)
	Amount	Amount
Net sales	6,637,534	9,170,910
Cost of sales	2,135,728	2,108,032
Gross profit	4,501,806	7,062,878
Selling, general and administrative expenses	1,365,097	1,694,400
Operating profit	3,136,708	5,368,477
Non-operating income		
Interest and dividend income	63	78
Share of profit of entities accounted for using equity method	10,389	-
Foreign exchange gains	672	4,153
Gain on forfeiture of unclaimed dividends	2,307	210
Gain on valuation of crypto assets	-	613
Gain on reversal of office relocation expense	-	6,279
Received settlement fee	-	1,862
Other	7,186	4,106
Total non-operating income	20,618	17,303
Non-operating expenses		
Interest expenses	1,079	924
Share of loss of entities accounted for using equity method	-	3,765
Commission expenses	86	-
Loss on valuation of crypto assets	5,686	-
Expense related to restricted stock	3,044	-
Other	900	1,369
Total non-operating expenses	10,797	6,059
Ordinary profit	3,146,529	5,379,721
Extraordinary income		
Gain on reversal of share acquisition rights	9,522	-
Transfer of rights income	350,000	-
Total extraordinary income	359,522	-
Extraordinary losses		
Loss on retirement of non-current assets	2,667	-
Impairment losses	-	570,313
Loss on step acquisitions	-	580
Total extraordinary losses	2,667	570,894
Profit before income taxes	3,503,384	4,808,827
Income taxes - current	1,149,117	1,760,162
Income taxes - deferred	△20,343	△28,104
Total income taxes	1,128,774	1,732,058
Profit	2,374,610	3,076,768
Loss attributable to non-controlling interests	-	△3,941
Profit attributable to owners of parent	2,374,610	3,080,710

(3) UNITED Consolidated Statement of Comprehensive Income
for the 2nd Quarter of FY 2023

(Unit : Thousands of Yen)

Items of an account	2nd Quarter of FY 2022 (April 1, 2022 to September 30, 2022)	2nd Quarter of FY 2023 (April 1, 2023 to September 30, 2023)
	Amount	Amount
Profit	2,374,610	3,076,768
Other comprehensive income		
Valuation difference on available-for-sale securities	△4,575,879	△2,260,706
Deferred gains or losses on hedges	△98,446	△1,672,470
Total other comprehensive income	△4,674,326	△3,933,176
Comprehensive income	△2,299,715	△856,407
Comprehensive income attributable to owners of parent	△2,299,715	△860,349
Comprehensive income attributable to non-controlling interests	-	3,941

(4) UNITED Consolidated Statements of Cash Flows
for the 2nd Quarter of FY 2023

(Unit : Thousands of Yen)

Items of an account	2nd Quarter of FY 2022 (April 1, 2022 to September 30, 2022)	2nd Quarter of FY 2023 (April 1, 2023 to September 30, 2023)
	Amount	Amount
Cash flows from operating activities		
Profit before income taxes	3,503,384	4,808,827
Depreciation	69,024	75,561
Impairment losses	-	570,313
Amortization of goodwill	69,548	117,327
Share-based payment expenses	25,672	33,216
Increase (decrease) in allowance for doubtful accounts	1,097	△1,785
Interest and dividend income	△63	△78
Interest expenses	1,079	924
Share of loss (profit) of entities accounted for using equity method	△10,389	3,765
Loss on retirement of non-current assets	2,667	-
Transfer of rights income	△350,000	-
Decrease (increase) in trade receivables	302,633	124,663
Decrease (increase) in operational investment securities	△230,073	△137,128
Increase (decrease) in trade payables	15,394	94,310
Other, net	149,454	△149,852
Subtotal	3,549,432	5,540,065
Interest and dividends received	63	78
Interest paid	△1,071	△799
Income taxes refund (paid)	△1,057,968	△1,251,185
Net cash provided by (used in) operating activities	2,490,455	4,288,159
Cash flows from investing activities		
Purchase of property, plant and equipment	△6,528	△7,660
Purchase of intangible assets	△81,750	△70,178
Purchase of investment securities	△217,308	△1,000,000
Purchase of shares of subsidiaries resulting in change in scope of consolidation	△628,776	△34,657
Proceeds from transfer of rights	350,000	-
Other, net	3,356	△1,940
Net cash provided by (used in) investing activities	△581,008	△1,114,435
Cash flows from financing activities		
Repayments of long-term borrowings	△75,444	△23,300
Purchase of treasury shares	△862,277	-
Decrease (increase) in deposits for purchase of treasury shares	△139,387	-
Dividends paid	△402,658	△448,359
Proceeds from exercise of employee share options	-	11,944
Proceeds from share issuance to non-controlling shareholders	-	57,696
Net cash provided by (used in) financing activities	△1,479,767	△402,018
Net increase (decrease) in cash and cash equivalents	429,679	2,771,705
Cash and cash equivalents at beginning of period	12,165,526	13,370,743
Cash and cash equivalents at end of period	12,595,206	16,142,448