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UNITED, Inc. Consolidated Financial Report For the 2nd Quarter of FY 2024 (Japanese Accounting Standards)

November 13, 2024

Company name:	UNITED, Inc.	Stock exchange listing:	Tokyo Stock Exchange
Stock code:	2497	URL:	https://united.jp/
Representative:	Tomonori Hayakawa, CEO		
Contact:	Yuji Yamashita, Director and General Manager of Corporate Administration Division		
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Scheduled date for filing of semi-annual securities report:	November 13, 2024
Scheduled date of commencement of dividend payment:	December 10, 2024
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 2024	6,326	△31.0	2,572	△52.1	2,520	△53.1	1,628	△47.1
2nd Quarter of FY 2023	9,170	38.2	5,368	71.2	5,379	71.0	3,080	29.7

(Note) Comprehensive income :
 2nd Quarter of FY 2024 △657 Mil.¥ (—%)
 2nd Quarter of FY 2023 △856 Mil.¥ (—%)

	Profit per share (basic)	Profit per share (diluted)
	Yen	Yen
2nd Quarter of FY 2024	41.51	41.48
2nd Quarter of FY 2023	78.77	78.70

(2) Financial Position

	Total assets	Net assets	Equity ratio
	Mil.¥	Mil.¥	%
2nd Quarter of FY 2024 (As of September 30, 2024)	24,793	22,395	88.9
FY 2023 (As of March 31, 2024)	26,745	23,540	87.2

(Reference) Shareholder's Equity :
 2nd Quarter of FY 2024 22,052 Mil.¥
 FY 2023 23,310 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 2023	—	24.00	—	24.00	48.00
FY 2024	—	24.00	—	24.00	48.00
FY 2024(Forecasted)	—	24.00	—	24.00	48.00

(Note) Revisions to dividend forecasts published most recently : None

3. Forecasts of consolidated results of operations for FY 2024

(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 2024	9,400~ 10,300	△25.2~ △18.1	2,000~ 2,500	△58.8~ △48.6	2,000~ 2,500	△58.6~ △48.2	1,150~ 1,500	△51.4~ △36.6	29.00~38.50

(Note) Revisions of the forecasts of consolidated results since the latest announcement : None

*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 2024	40,412,690 shares	FY 2023	40,412,690 shares
(ii) Number of treasury shares issued at end of the year	2nd Quarter of FY 2024	1,126,623 shares	FY 2023	1,204,628 shares
(iii) Number of average shares outstanding during the term	2nd Quarter of FY 2024	39,239,104 shares	2nd Quarter of FY 2023	39,112,568 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

- 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 2nd Quarter of FY 2024 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 2024

(Unit : Thousands of Yen)

Items of an account	FY 2023	2nd Quarter of FY 2024
	(As of March 31, 2024)	(As of September 30, 2024)
	Amount	Amount
Assets		
Current assets		
Cash and deposits	12,985,094	13,728,318
Accounts receivable - trade	967,929	871,263
Operational investment securities	7,836,613	7,652,965
Inventories	33,440	37,870
Derivatives	2,263,379	-
Other	308,220	322,425
Allowance for doubtful accounts	△15,324	△15,209
Total current assets	24,379,354	22,597,633
Non-current assets		
Property, plant and equipment	277,181	258,580
Intangible assets		
Goodwill	76,907	64,692
Other	299,908	332,527
Total intangible assets	376,815	397,220
Investments and other assets	1,711,728	1,539,972
Total non-current assets	2,365,725	2,195,773
Total assets	26,745,079	24,793,406
Liabilities		
Current liabilities		
Accounts payable - trade	712,498	761,607
Short-term borrowings	100,000	100,000
Current portion of long-term borrowings	6,370	5,880
Income taxes payable	650,519	933,072
Other	594,075	443,731
Total current liabilities	2,063,463	2,244,292
Non-current liabilities		
Long-term borrowings	51,430	48,490
Deferred tax liabilities	1,089,681	104,740
Total non-current liabilities	1,141,111	153,230
Total liabilities	3,204,575	2,397,522
Net assets		
Shareholders' equity		
Share capital	2,923,019	2,923,019
Capital surplus	452,447	727,196
Retained earnings	18,413,837	19,101,472
Treasury shares	△963,119	△898,112
Total shareholders' equity	20,826,184	21,853,575
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	914,162	199,034
Deferred gains or losses on hedges	1,570,333	-
Total accumulated other comprehensive income	2,484,495	199,034
Share acquisition rights	210,665	210,665
Non-controlling interests	19,158	132,607
Total net assets	23,540,504	22,395,883
Total liabilities and net assets	26,745,079	24,793,406

(2) UNITED Consolidated Statement of Income
for the 2nd Quarter of FY 2024

(Unit : Thousands of Yen)

Items of an account	2nd Quarter of FY 2023 (April 1, 2023 to September 30, 2023)	2nd Quarter of FY 2024 (April 1, 2024 to September 30, 2024)
	Amount	Amount
Net sales	9,170,910	6,326,019
Cost of sales	2,108,032	2,188,401
Gross profit	7,062,878	4,137,617
Selling, general and administrative expenses	1,694,400	1,565,190
Operating profit	5,368,477	2,572,426
Non-operating income		
Interest income	74	9,342
Dividend income	3	3
Foreign exchange gains	4,153	-
Gain on forfeiture of unclaimed dividends	210	848
Gain on valuation of crypto assets	613	-
Gain on reversal of office relocation expense	6,279	-
Received settlement fee	1,862	-
Other	4,106	4,639
Total non-operating income	17,303	14,833
Non-operating expenses		
Interest expenses	924	1,078
Share of loss of entities accounted for using equity method	3,765	5,141
Foreign exchange losses	-	1,731
Non-deductible consumption tax	-	5,714
Incentive payment	-	47,474
Loss on valuation of crypto assets	-	3,057
Other	1,369	2,545
Total non-operating expenses	6,059	66,741
Ordinary profit	5,379,721	2,520,518
Extraordinary income		
Gain on sale of investment securities	-	22,013
Gain on step acquisitions	-	492
Total extraordinary income	-	22,506
Extraordinary losses		
Impairment losses	570,313	-
Loss on valuation of investment securities	-	50,768
Loss on step acquisitions	580	-
Total extraordinary losses	570,894	50,768
Profit before income taxes	4,808,827	2,492,256
Income taxes - current	1,760,162	865,343
Income taxes - deferred	△28,104	△865
Total income taxes	1,732,058	864,477
Profit	3,076,768	1,627,778
Interim net loss attributable to non-controlling shareholders	△3,941	△850
Interim profit attributable to owners of parent	3,080,710	1,628,629

(3) UNITED Consolidated Statement of Comprehensive Income
for the 2nd Quarter of FY 2024

(Unit : Thousands of Yen)

Items of an account	2nd Quarter of FY 2023 (April 1, 2023 to September 30, 2023)	2nd Quarter of FY 2024 (April 1, 2024 to September 30, 2024)
	Amount	Amount
Profit	3,076,768	1,627,778
Other comprehensive income		
Valuation difference on available-for-sale securities	△2,260,706	△715,128
Deferred gains or losses on hedges	△1,672,470	△1,570,333
Total other comprehensive income	△3,933,176	△2,285,461
Comprehensive income	△856,407	△657,682
Comprehensive income attributable to owners of parent	△860,349	△658,532
Comprehensive income attributable to non-controlling interests	3,941	850

(4)UNITED Consolidated Statements of Cash Flows
for the 2nd Quarter of FY 2024

(Unit : Thousands of Yen)

Items of an account	2nd Quarter of FY 2023 (April 1, 2023 to September 30, 2023)	2nd Quarter of FY 2024 (April 1, 2024 to September 30, 2024)
	Amount	Amount
Cash flows from operating activities		
Profit before income taxes	4,808,827	2,492,256
Depreciation	75,561	74,435
Impairment losses	570,313	-
Amortization of goodwill	117,327	14,183
Share-based payment expenses	33,216	27,968
Increase (decrease) in allowance for doubtful accounts	△1,785	△115
Interest and dividend income	△78	△9,345
Interest expenses	924	1,078
Share of loss (profit) of entities accounted for using equity method	3,765	5,141
Loss on valuation of investment securities	-	50,768
Decrease (increase) in trade receivables	124,663	97,998
Increase (decrease) in trade payables	94,310	49,109
Decrease (increase) in operational investment securities	△137,128	△830,104
Other, net	△149,852	△194,657
Subtotal	5,540,065	1,778,717
Interest and dividends received	78	9,345
Interest paid	△799	△1,216
Income taxes refund (paid)	△1,251,185	△585,922
Net cash provided by (used in) operating activities	4,288,159	1,200,925
Cash flows from investing activities		
Purchase of property, plant and equipment	△7,660	△255
Purchase of intangible assets	△70,178	△88,181
Purchase of investment securities	△1,000,000	-
Proceeds from sale of investment securities	-	142,500
Purchase of shares of subsidiaries resulting in change in scope of consolidation	△34,657	-
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	22,993
Other, net	△1,940	△1,609
Net cash provided by (used in) investing activities	△1,114,435	75,447
Cash flows from financing activities		
Repayments of long-term borrowings	△23,300	△3,430
Dividends paid	△448,359	△939,073
Proceeds from exercise of employee share options	11,944	-
Proceeds from share issuance to non-controlling shareholders	57,696	349,411
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	-	59,949
Other, net	-	△7
Net cash provided by (used in) financing activities	△402,018	△533,149
Net increase (decrease) in cash and cash equivalents	2,771,705	743,223
Cash and cash equivalents at beginning of period	13,370,743	12,985,094
Cash and cash equivalents at end of period	16,142,448	13,728,318