

UNITED, Inc.  
(URL <http://www.united.jp/>)

Financial Highlights of Fiscal Year 2014 (April 1, 2013 to March 31, 2014) and  
Fiscal Year 2013 (April 1, 2012 to March 31, 2013)

(1) Consolidated operating result

	Net sales		Operating income		Ordinary income		Net income	
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%
Fiscal Year 2014	6,156	(33.1)	138	—	153	(396.8)	101	—
Fiscal Year 2013	4,624	(△11.0)	2	(△99.4)	30	(△92.9)	△236	—

Note1: Comprehensive income: March 31, 2014 123million yen( —%) March 31, 2013 △579million yen( —%)

	Net income per share	Diluted Net income per share	Return on equity	Return on assets	Operating income margin
	Yen	Yen	%	%	%
Fiscal Year 2014	4.46	4.40	1.6	2.0	2.3
Fiscal Year 2013	△15.24	—	—	0.5	0.1

(Reference) Equity in earnings(losses)of affiliates:

Fiscal year ended March 31, 2014: 20 million yen

Fiscal year ended March 31, 2013: △8 million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Equity per share
	Mil.¥	Mil.¥	%	Yen
Fiscal Year 2014 (As of March 31,2014)	8,200	7,159	87.0	305.52
Fiscal Year 2013 (As of March 31,2013)	6,845	5,443	76.3	234.29

(Reference) Capital: March 31, 2014: 7,137 million yen

March 31, 2013: 5,223 million yen

(3) Consolidated cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Mil.¥	Mil.¥	Mil.¥	Mil.¥
Fiscal Year 2014	△206	△1,022	2,161	2,496
Fiscal Year 2013	92	△1,313	△508	1,717

(4)Cash dividend per share

Record date	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of period	Annual dividend	Total Amount of dividends	Dividend payout ratio	Dividends to net assets ratio
	Yen	Yen	Yen	Yen	Yen	Mil.¥	%	%
Fiscal Year 2013	—	1.60	—	2.40	4.00	74	—	1.2
Fiscal Year 2014	—	0.00	—	1.00	1.00	23	22.4	0.4
Fiscal Year 2015 (expected)	—	—	—	—	—	—	—	—

(5)Consolidated earnings forecast of fiscal year March 2015 (April 1,2014 to March 31,2015)

The consolidated earnings forecast for next period has not been included due to difficulties conducting reasonable calculations of the earnings forecast.

UNITED Consolidated Financial Statements

(1)UNITED Consolidated Balance Sheets

(Unit:Thousands of Yen)

Items of an account	FY2013 (As of March 31,2013)	FY2014 (As of March 31,2014)
	Amount	Amount
<b>Assets</b>		
Current assets		
Cash and deposits	3,252,401	5,096,046
Notes and accounts receivable-trade	792,311	1,063,987
Securities	500,000	—
Operational investment securities	713,398	973,316
Inventories	11,750	32,792
Deferred tax assets	7,256	—
Money held in trust	416,998	—
Other	262,840	79,082
Allowance for doubtful accounts	-7,275	-5,386
Total current assets	5,949,681	7,239,839
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	113,662	86,324
Leased assets	15,467	—
Tools, furniture and fixtures	199,603	161,236
Accumulated depreciation	-198,631	-161,430
Total property, plant and equipment	130,102	86,221
Intangible assets		
Goodwill	6,304	3,424
Soft	224,698	119,934
Other	1,120	1,025
Total intangible assets	232,122	124,385
Investments and other assets		
Investment securities	57,970	456,742
Stocks of subsidiaries and affiliates	221,283	194,444
Long-term loans receivable	54,654	920
Deferred tax assets	378	—
Lease and guarantee deposits	189,787	93,641
Other	25,046	13,473
Allowance for doubtful accounts	-15,265	-9,373
Total investments and other assets	533,855	749,830
Total noncurrent assets	896,079	960,437
<b>Total assets</b>	<b>6,845,761</b>	<b>8,200,276</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	542,175	654,441
Short-term loans payable	95,000	100,000
Current portion of bonds	30,600	—
Current portion of long-term loans payable	75,628	530
Accounts payable - other	154,044	110,706
Income taxes payable	39,354	37,259
Deferred tax liabilities	20,869	57,383
Provision for point card certificates	55,842	45,261
Asset retirement obligations	8,000	—
Other	184,870	34,710
Total current liabilities	1,206,385	1,040,293
Noncurrent liabilities		
Bonds payable	59,400	—
Long-term loans payable	130,794	—
Deferred tax liabilities	—	52
Other	5,400	—
Total noncurrent liabilities	195,594	52
<b>Total liabilities</b>	<b>1,401,979</b>	<b>1,040,346</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	1,840,969	2,696,846
Capital surplus	1,833,596	2,813,562
Retained earnings	1,469,844	1,517,697
Treasury stock	-7,101	-2,310
Total shareholders' equity	5,137,308	7,025,796
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	86,484	110,968
Foreign currency translation adjustment	—	1,135
Total accumulated other comprehensive income	86,484	112,104
Subscription rights to shares	67,525	21,687
Minority interests	152,463	342
<b>Total net assets</b>	<b>5,443,781</b>	<b>7,159,930</b>
<b>Total liabilities and net assets</b>	<b>6,845,761</b>	<b>8,200,276</b>

## (2)UNITED Consolidated Statements of Income

(Unit:Thousands of Yen)

Items of an account	FY2013 (April 1,2012 to March 31,2013)	FY2014 (April 1,2013 to March 31,2014)
	Amount	Amount
Net sales	4,624,120	6,156,873
Cost of sales	3,054,723	4,459,003
Gross profit	1,569,396	1,697,869
Selling, general and administrative expenses	1,566,932	1,558,959
Operating income	2,464	138,910
Non-operating income		
Interest income	6,485	3,291
Dividends income	1,094	31
Equity in earnings of affiliates	—	20,822
Foreign exchange gains	32,723	3,317
Reversal of allowance for doubtful accounts	2,400	—
Other	6,518	4,848
Total non-operating income	49,222	32,311
Non-operating expenses		
Interest expenses	7,387	1,551
Equity in losses of affiliates	8,179	—
Stock issuance cost	—	13,738
Other	5,169	2,181
Total non-operating expenses	20,737	17,472
Ordinary income	30,950	153,749
Extraordinary income		
Gain on change in equity	13,971	151
Gain on sales of investment securities	80	—
Gain on sales of subsidiaries and affiliates' stocks	23,928	7,308
Gain on transfer of business	11,660	—
Gain on reversal of subscription rights to shares	50,150	2,197
Gain on reversal of asset retirement obligations	—	8,000
Total extraordinary income	99,791	17,657
Extraordinary loss		
Loss on retirement of non-current assets	—	3,397
Impairment loss	43,652	17,749
Loss on valuation of shares of subsidiaries and associates	11,676	—
Office transfer expenses	24,260	2,812
Amortization of goodwill	59,994	—
Cancellation penalty	13,543	—
Other	452	6,631
Total extraordinary losses	153,578	30,591
Income (loss) before income taxes and minority interests	-22,837	140,816
Income taxes-current	37,322	42,820
Income taxes-deferred	154,007	—
Total income taxes	191,330	42,820
Income (loss) before minority interests	-214,167	97,995
Minority interests in income (loss)	22,811	-3,367
Net Income (loss)	-236,979	101,363

## (3)UNITED Consolidated Statements of Comprehensive Income

(Unit:Thousands of Yen)

Items of an account	FY2013 (April 1,2012 to March 31,2013)	FY2014 (April 1,2013 to March 31,2014)
	Amount	Amount
Income (loss) before minority interests	-214,167	97,995
Other comprehensive income		
Valuation difference on available-for-sale securities	-179,144	41,938
Deferred gains or losses on hedges	-174,942	—
Foreign currency translation adjustment	—	1,135
Share of other comprehensive income of associates accounted for using equity method	-10,987	-17,384
Total other comprehensive income	-365,074	25,688
Comprehensive income	-579,241	123,684
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	-602,053	126,983
Comprehensive income attributable to minority interests	22,811	-3,298

## (4)UNITED Consolidated statements of cash flows

(Unit:Thousands of Yen)

Items of an account	FY2013 (April 1,2012 to March 31,2013)	FY2014 (April 1,2013 to March 31,2014)
	Amount	Amount
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	-22,837	140,816
Depreciation	129,968	65,048
Impairment loss	43,652	17,749
Amortization of goodwill	86,593	2,879
Increase (decrease) in allowance for doubtful accounts	2,173	2,333
Increase (decrease) in provision for point card certificates	4,882	-10,581
Interest and dividend income	-7,580	-3,322
Interest expenses	7,387	1,551
Share issuance cost	—	13,738
Share of (profit) loss of entities accounted for using equity method	8,179	-20,822
Loss (gain) on sales of investment securities	-80	—
Loss (gain) on sales of shares of subsidiaries and associates	-23,928	-7,308
Loss on valuation of shares of subsidiaries and associates	11,676	—
Gain on business transfer	-11,660	—
Gain on reversal of asset retirement obligations	—	-8,000
Decrease (increase) in notes and accounts receivable – trade	175,855	-308,149
Decrease (increase) in investment securities for sale	-18,566	-217,931
Increase decrease in forward contract	-237,187	—
Increase (decrease) in notes and accounts payable – trade	117,556	112,265
Other, net	-144,654	39,582
Subtotal	121,429	-180,150
Interest and dividend income received	7,384	5,624
Interest expenses paid	-7,741	-1,673
Income taxes paid	-28,448	-29,829
Net cash provided by (used in) operating activities	92,624	-206,029
Cash flows from investing activities		
Payments into time deposits	-2,966,450	-5,200,000
Proceeds from withdrawal of time deposits	2,000,000	4,634,555
Purchase of property, plant and equipment	-25,684	-16,449
Purchase of intangible assets	-253,460	-65,286
Purchase of investment securities	-49,920	-401,700
Purchase of shares of subsidiaries and associates	-78,162	-27,403
Proceeds from sales of shares of subsidiaries and associates	29,250	44,250
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	70,652	—
Payments of loans receivable	-99,899	-1,400
Other, net	59,737	10,456
Net cash provided by (used in) investing activities	-1,313,937	-1,022,978
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	-77,500	50,000
Proceeds from long-term loans payable	191,000	—
Repayments of long-term loans payable	-263,623	-36,991
Proceeds from issuance of bonds	88,866	—
Proceeds from share issuance to minority shareholders	53,340	3,400
Proceeds from issuance of subscription rights to shares	—	22,502
ProceedsFromIssuanceOfSubscriptionRightsToShare	—	1,771,643
Payments of money hold in trust for purchase of treasury stock	-424,000	—
Proceeds from money held in trust for purchase of treasury stock	—	408,585
Cash dividends paid	-75,907	-53,630
Other, net	-642	-3,874
Net cash provided by (used in) financing activities	-508,466	2,161,636
Effect of exchange rate change on cash and cash equivalents	15,389	3,607
Net increase (decrease) in cash and cash equivalents	-1,714,389	936,235
Cash and cash equivalents at beginning of period	3,010,551	1,717,276
Increase in cash and cash equivalents resulting from merger	410,173	—
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	10,941	—
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	—	-157,465
Cash and cash equivalents at end of period	1,717,276	2,496,046