

## Consolidated Financial Results (Japanese Accounting Standards) for the 2nd Quarter of FY 2014

Company name: UNITED, Inc.  
 Stock exchange listing: Tokyo Stock Exchange  
 Stock code: 2497  
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Scheduled date for filing of securities report: November 6, 2014  
 Scheduled date of commencement of dividend payment: December 4, 2014  
 Supplementary documents for quarterly results: YES  
 Quarterly results briefing: YES (For securities analyst and institutional investors)

(Amounts of less than one million yen are rounded to the nearest million yen)

### 1. Consolidated Financial Results for the 2nd Quarter of FY 2014 (April 1, 2014 – September 30, 2014)

#### (1) Consolidated Results of Operations (Accounting Total) (Percentages show year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Mil.¥	%	Mil.¥	%	Mil.¥	%	Mil.¥	%
2nd Quarter of FY 2014	3,961	45.4	157	—	177	—	116	—
2nd Quarter of FY 2013	2,724	45.6	△ 38	—	△ 25	—	△ 45	—

(Note) Comprehensive income: 244 million yen ( - %) for the 2nd Quarter of FY 2014  
 △ 48 million yen ( - %) for the 2nd Quarter of FY 2013

	Earnings per share	Diluted earnings per share
	Yen	Yen
2nd Quarter of FY 2014	4.96	4.93
2nd Quarter of FY 2013	△ 2.04	—

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Mil.¥	Mil.¥	%
2nd Quarter of FY 2014 (As of September 30, 2014)	9,145	7,790	85.0
Fiscal Year 2013 (As of March 31, 2014)	8,200	7,159	87.0

(Reference) Capital: September 30, 2014: 7,773 million yen      March 31, 2014: 7,137 million yen

#### 2. Dividend per share

Record date	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of period	Annual dividend
	Yen	Yen	Yen	Yen	Yen
Fiscal Year 2013	—	0.00	—	1.00	1.00
Fiscal Year 2014	—	1.00	—	—	—
Fiscal Year 2014 (expected)	—	—	—	—	—

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

#### 3. Consolidated earnings forecast for fiscal year ending March 2015 (April 1, 2014 to March 31, 2015)

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

**\*Notes**

- (1) Changes of important subsidiaries during the period  
(Changes of specific subsidiaries in accordance with changes in the scope of consolidation):None
- (2) Application of particular accounts procedures to the preparation of quarterly consolidated financial statement:None
- (3) Changes in accounting policies and changes or restatement of accounting estimates
- |   |      |
|---|------|
| (i) Changes in accounting policies caused by revision of accounting standard: | None |
| (ii) Changes in accounting policies other than (i):                           | None |
| (iii) Changes in accounting estimates:  | None |
| (iv) Restatement:   | None |
- (4) Number of shares outstanding (common stock):
- |  |                   |
|--|-------------------|
| (i) Number of shares outstanding at end of period (including treasury stock) |                   |
| As of September 30, 2014:  | 23,575,151 shares |
| As of March 31, 2014:  | 23,370,034 shares |
| (ii) Number of treasury stock at end of period                               |                   |
| As of September 30, 2014:  | 7,261 shares      |
| As of March 31, 2014:  | 7,061 shares      |
| (iii) Average number of shares outstanding during the term                   |                   |
| 2nd Quarter of FY 2014:  | 23,502,768 shares |
| 2nd Quarter of FY 2013:  | 22,485,840 shares |

**\*Status of a quarterly review**

- This financial summary does not need to undergo a quarterly review under the Financial Instruments an Exchange Act. Procedures for a quarterly review of the consolidated financial statements are being followed at the time of the announcement of this financial summary.

**\*Explanations and other special notes concerning the appropriate use of business performance forecasts**

- The forward-looking statements such as result forecasts included in this document are based on the information available to the Company at the time of the announcement and on certain assumptions considered resonable, and the Company makes no representations as to their achievability. Actual results may differ materially from the forecast depending on a range of factors.
- We will hold a quarterly results briefing for institutional investors and analyst on November 6, 2014. For material that are distributed in this briefing, it will be posted on our website.

UNTIED Consolidated Financial Statements  
(1) UNTIED Consolidated Balance Sheets

(Unit: Thousands of Yen)

Items of an account	FY2013 (As of March 31, 2014)	2nd Quarter of FY2014 (As of September 30, 2014)
	Amount	Amount
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	5,096,046	5,147,165
Notes and accounts receivable – trade	1,063,987	1,126,764
Operational investment securities	973,316	1,212,522
Inventories	32,792	53,302
Other	79,082	193,033
Allowance for doubtful accounts	-5,386	-5,058
<b>Total current assets</b>	<b>7,239,839</b>	<b>7,727,730</b>
<b>Non-current assets</b>		
Property, plant and equipment	86,221	80,415
<b>Intangible assets</b>		
Goodwill	3,424	6,552
Other	120,960	121,478
<b>Total intangible assets</b>	<b>124,385</b>	<b>128,031</b>
<b>Investments and other assets</b>		
Investment securities	456,724	915,827
Stocks of subsidiaries and affiliates	194,444	195,731
Other	108,035	113,475
Allowance for doubtful accounts	-9,373	-15,684
<b>Total investments and other assets</b>	<b>749,830</b>	<b>1,209,349</b>
<b>Total non-current assets</b>	<b>960,437</b>	<b>1,417,796</b>
<b>Total assets</b>	<b>8,200,276</b>	<b>9,145,526</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable – trade	654,441	907,265
Short-term loans payable	100,000	100,000
Current portion of long-term loans payable	530	—
Income taxes payable	37,259	23,010
Provision for point card certificates	45,261	35,935
Other	202,800	288,445
<b>Total current liabilities</b>	<b>1,040,293</b>	<b>1,354,656</b>
<b>Non-current liabilities</b>		
Other	52	57
<b>Total non-current liabilities</b>	<b>52</b>	<b>57</b>
<b>Total liabilities</b>	<b>1,040,346</b>	<b>1,354,713</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	2,696,846	2,903,507
Capital surplus	2,813,562	3,020,223
Retained earnings	1,517,697	1,610,942
Treasury shares	-2,310	-2,721
<b>Total shareholders' equity</b>	<b>7,025,796</b>	<b>7,531,951</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	110,968	208,874
Foreign currency translation adjustment	1,135	32,423
<b>Total accumulated other comprehensive income</b>	<b>112,104</b>	<b>241,297</b>
Subscription rights to shares	21,687	14,406
Minority interests	342	3,156
<b>Total net assets</b>	<b>7,159,930</b>	<b>7,790,812</b>
<b>Total liabilities and net assets</b>	<b>8,200,276</b>	<b>9,145,526</b>

## (2)UNITED Consolidated Statements of Income

(Unit:Thousands of Yen)

Items of an account	2nd Quarter of FY2013 (April 1,2013 to September 30,2013)	2nd Quarter of FY2014 (April 1,2014 to September 30,2014)
	Amount	Amount
Net sales	2,724,774	3,961,549
Cost of sales	1,976,653	2,959,443
Gross profit	748,121	1,002,105
Selling, general and administrative expenses	786,634	844,549
Operating income (loss)	-38,512	157,555
Non-operating income		
Interest income	1,941	1,477
Dividend income	0	0
Share of profit of entities accounted for using equity method	8,685	20,031
Other	3,631	2,326
Total non-operating income	14,259	23,835
Non-operating expenses		
Interest expenses	829	740
Share issuance cost	—	1,353
Other	454	1,887
Total non-operating expenses	1,283	3,981
Ordinary income (loss)	-25,537	177,409
Extraordinary income		
Gain on reversal of subscription rights to shares	—	53
Gain on reversal of asset retirement obligations	8,000	—
Total extraordinary income	8,000	53
Extraordinary losses		
Loss on retirement of non-current assets	3,071	2,272
Loss on liquidation of subsidiaries and associates	—	37,695
Office transfer expenses	2,689	—
Loss on valuation of investment securities	2,998	—
Impairment loss	9,975	—
Total extraordinary losses	18,733	39,968
Income (loss) before income taxes and minority interests	-36,271	137,495
Income taxes – current	12,987	22,458
Total income taxes	12,987	22,458
Income (loss) before minority interests	-49,258	115,037
Minority interests in income (loss)	-3,364	-1,570
Net income (loss)	-45,893	116,607

## (3)UNITED Consolidated Statements of Comprehensive Income

(Unit:Thousands of Yen)

Items of an account	2nd Quarter of FY2013 (April 1,2013 to September 30,2013)	2nd Quarter of FY2014 (April 1,2014 to September 30,2014)
	Amount	Amount
Income (loss) before minority interests	-49,258	115,037
Other comprehensive income		
Valuation difference on available-for-sale securities	7,910	98,353
Foreign currency translation adjustment	—	31,287
Share of other comprehensive income of entities accounted for using equity method	-7,499	-429
Total other comprehensive income	411	129,211
Comprehensive income	-48,847	244,248
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	-45,534	242,660
Comprehensive income attributable to minority interests	-3,313	1,588

## (4)UNITED Consolidated statements of cash flows

(Unit:Thousands of Yen)

Items of an account	2nd Quarter of FY2013 (April 1,2013 to September 30,2013)	2nd Quarter of FY2014 (April 1,2014 to September 30,2014)
	Amount	Amount
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	-36,271	137,495
Depreciation	32,816	29,209
Impairment loss	9,975	-
Amortization of goodwill	1,792	1,238
Increase (decrease) in allowance for doubtful accounts	1,092	-327
Increase (decrease) in provision for point card certificates	-8,743	-9,326
Interest and dividend income	-1,942	-1,477
Interest expenses	829	740
Share issuance cost	-	1,353
Share of (profit) loss of entities accounted for using equity method	-8,685	-20,031
Loss on liquidation of subsidiaries and associates	-	37,695
Gain on rebersal of asset retirement obligations	-8,000	-
Decrease (increase) in notes and accounts receivable – trade	-201,463	-62,832
Decrease (increase) in investment securities for sale	11,315	-95,489
Increase (decrease) in notes and accounts payable – trade	133,133	252,823
Other, net	50,077	-106,865
Subtotal	-24,073	164,206
Interest and dividend income received	4,383	1,281
Interest expenses paid	-969	-618
Income taxes paid	-13,048	-38,386
Net cash provided by (used in) operating activities	-33,707	126,482
Cash flows from investing activities		
Payments into time deposits	-2,600,000	-3,600,000
Proceeds from withdrawal of time deposits	2,034,555	2,600,000
Purchase of property, plant and equipment	-14,436	-2,638
Purchase of intangible assets	-31,875	-23,555
Purchase of investment securities	-300,500	-459,090
Purchase of shares of subsidiaries and associates	-19,762	-
Proceeds from sales of shares of subsidiaries and associates	14,625	-
Payments of loans receivable	-1,400	-3,263
Collection of loans receivable	-	660
Other, net	10,935	-2,234
Net cash provided by (used in) investing activities	-907,857	-1,490,122
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	50,000	-
Repayments of long-term loans payable	-29,600	-530
Proceeds from share issuance to minority shareholders	3,400	-
Proceeds from issuance of subscription rights to shares	-	5,100
Proceeds from exercise of subscription rights to share	121,867	399,640
Cash dividends paid	-53,208	-22,787
Other, net	-3,059	-410
Net cash provided by (used in) financing activities	89,399	381,012
Effect of exchange rate change on cash and cash equivalents	1,419	33,746
Net increase (decrease) in cash and cash equivalents	-850,746	-948,881
Cash and cash equivalents at beginning of period	1,717,276	2,496,046
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	-157,465	-
Cash and cash equivalents at end of period	709,064	1,547,165