
Consolidated Financial Summary
For Fiscal 2014, the Fiscal Year Ended March 31, 2014

Prepared in Conformity with Accounting Principles Generally Accepted in Japan (Japanese GAAP)
English Translation of the Original Japanese-Language Report

Corporate Name:	UNITED ARROWS LTD.
Securities Traded:	Tokyo Stock Exchange, First Section
Code Number:	7606
URL:	http://www.united-arrows.co.jp
Representative:	Mitsuhiro Takeda, Representative Director, President and Executive Officer
Contact:	Takeo Nakazawa, Department Manager, Finance and Accounting Department
Telephone:	+81-3-5785-6325
Scheduled date of Shareholders' Meeting:	June 24, 2014
Scheduled Date of Dividend Payment:	June 25, 2014
Scheduled Reporting Date:	June 25, 2014

1. Consolidated Business Results for the Fiscal Year Ended March 31, 2014 (From April 1, 2013 to March 31, 2014)

(1) Consolidated Business Performance

(% indicates increase / decrease YoY)

	Total Sales		Operating Profit		Ordinary Profit		Net Income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Fiscal 2014	128,489	11.7	13,649	8.7	13,739	9.2	7,920	8.3
Fiscal 2013	115,041	12.7	12,562	23.2	12,582	22.5	7,316	45.9

Note: Comprehensive income Fiscal 2014: ¥7,910 million (8.3%) Fiscal 2013: ¥7,306 million (44.9%)

	Net Income per Share	Net Income per Share after Adjusting for Dilutive Effects
	yen	yen
Fiscal 2014	248.80	—
Fiscal 2013	230.80	229.38

	Net Income / Net Worth	Ordinary Profit / Total Assets	Operating Profit / Total Sales
	%	%	%
Fiscal 2014	27.8	24.2	10.6
Fiscal 2013	32.7	23.8	10.9

Note: There is no dilutive shares for Fiscal 2014.

(2) Consolidated Financial Conditions

	Total Assets	Net Assets	Equity Ratio	Per-share net worth
	¥ million	¥ million	%	¥
March 31, 2014	59,296	31,532	53.2	990.22
March 31, 2013	54,395	25,403	46.7	799.65

Reference: Net worth March 31, 2014: ¥31,532 million March 31, 2013 ¥25,403 million

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at the End of Period
	¥ million	¥ million	¥ million	¥ million
Fiscal 2014	6,828	(3,072)	(4,472)	5,429
Fiscal 2013	5,238	(3,528)	(3,533)	6,142

2. Conditions of Dividend Payment

	Dividend per Share					Dividend Payment (Annual)	Dividend Payout Ratio (Consolidated)	Dividend to Net Assets (Consolidated)
	1Q End	2Q End	3Q End	Fiscal Year End	Annual			
	yen	yen	yen	yen	yen	¥ million	%	%
Fiscal 2013	-	15.00	-	38.00	53.00	1,682	23.0	6.6
Fiscal 2014	-	20.00	-	47.00	67.00	2,133	26.9	6.8
Fiscal 2015 (Forecast)	-	20.00	-	58.00	78.00		30.1	

Note: * Term end dividend of FYE March 2014 result includes memorial dividend of ¥5 for the company's 25th year in business.

3. Projected Consolidated Performance of the Fiscal Year Ending March 2015 (From April 1, 2014 to March 31, 2015)

(% indicates increase / decrease YoY)

	Total Sales		Operating Profit		Ordinary Profit		Net Income		Net Income per Share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	yen
Interim Period	59,754	5.4	3,663	(17.0)	3,702	(16.7)	1,819	(25.3)	57.14
Full Fiscal Year	135,914	5.8	14,119	3.4	14,200	3.4	8,257	4.3	259.31

(Note)

(1) Changes in Significant Subsidiaries during the Fiscal Year: None

(Changes in special subsidiaries that caused a change in scope of consolidation)

(2) Changes in Accounting Principles, Procedures, Methods of Presentation and Other Items

- Changes due to revision of accounting standards: None
- Changes other than 1: None
- Changes in accounting estimates: None
- Restatement of prior period financial statements after error corrections: None

(3) Number of Stocks Issued (Common Stocks)

- Number of stocks issued at term end (including treasury stock)

Fiscal 2014	37,800,000 stocks	Fiscal 2013	37,800,000 stocks
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- Number of treasury stock

Fiscal 2014	5,956,024 stocks	Fiscal 2013	6,031,580 stocks
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- Average number of stocks issued and outstanding for the period

Fiscal 2014	31,833,954 stocks	Fiscal 2013	31,701,057 stocks
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(For reference) Overview of Non-consolidated Business Results
Non-consolidated Business Results for the Fiscal Year Ended March 2014
(From April 1, 2013 to March 31, 2014)

(1) Non-consolidated Business Performance

(% indicates increase / decrease YoY)

	Total Sales		Operating Profit		Ordinary Profit	
	¥ million	%	¥ million	%	¥ million	%
Fiscal 2014	118,212	10.9	13,020	12.8	13,145	13.5
Fiscal 2013	106,605	11.7	11,544	22.8	11,582	21.8

	Net Income		Net Income per Share		Net Income per Share after Adjusting for Dilutive Effects	
	¥ million	%	yen		yen	
Fiscal 2014	7,679	18.0	241.25		—	
Fiscal 2013	6,507	44.5	205.28		204.01	

(2) Non-consolidated Financial Situation

	Total Assets		Net Assets		Equity Ratio		Net Asset per Share	
	¥ million		¥ million		%		yen	
Fiscal 2014	55,299		30,754		55.6		965.79	
Fiscal 2013	51,040		24,869		48.7		782.84	

(Reference) Net worth Fiscal 2014 ¥30,754 million Fiscal 2013 ¥24,869 million

***Note on the status of audit procedure implementation**

This Financial Results Report is not subject to the audit procedures prescribed under the Financial Instruments and Exchange Act of Japan. As of the date this Financial Results Report was disclosed, however, audit procedures applicable to financial statements prescribed under the aforementioned Financial Instruments and Exchange Act were in the process of being carried out.

***Explanation regarding appropriate use of projected business performance**

The above projection was made based on information available at present. Please note in advance that potential risks and uncertainties are included. The actual figures might differ from the figures stated above due to any possible factor. Please refer to the attached documents starting from the next page for the preconditions and further information for the projected figures.

Consolidated Financial Results

(1) Consolidated Balance Sheet

(millions of yen)

	Fiscal 2013 (as of March 31, 2013)	Fiscal 2014 (as of March 31, 2014)
Assets		
Current assets		
Cash and deposits	6,334	5,633
Notes and accounts receivable-trade	166	245
Merchandise	17,251	20,026
Supplies	229	345
Accounts receivable-other	8,940	9,904
Deferred tax asset	1,620	1,816
Other	448	823
Allowance for doubtful accounts	(2)	(3)
Total current assets	34,989	38,791
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	14,977	16,802
Accumulated depreciation and accumulated impairment loss	(7,962)	(9,182)
Buildings and structures (net)	7,014	7,620
Land	569	569
Construction in progress	343	106
Other	3,744	4,208
Accumulated depreciation and accumulated impairment loss	(2,699)	(3,110)
Other (net)	1,045	1,097
Total property, plant and equipment	8,973	9,394
Intangible noncurrent assets		
Other	1,589	1,746
Total intangible noncurrent assets	1,589	1,746
Investments and other assets		
Investment securities	142	213
Guarantee deposits	7,001	7,422
Deferred tax assets	665	625
Other	1,060	1,128
Allowance for doubtful accounts	(26)	(26)
Total investments and other assets	8,843	9,363
Total noncurrent assets	19,405	20,504
Total assets	54,395	59,296

(millions of yen)

	Fiscal 2013 (as of March 31, 2013)	Fiscal 2014 (as of March 31, 2014)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	8,496	9,155
Short-term loans payable	4,000	4,400
Current portion of long-term loans payable	3,091	681
Accounts payable-other	4,566	4,307
Income taxes payable	2,422	3,421
Provision for bonuses	2,070	1,970
Provision for directors' bonuses	113	103
Provision for directors' retirement benefits	—	309
Asset retirement obligations	26	38
Other	936	732
Total current liabilities	25,724	25,120
Noncurrent liabilities		
Long-term loans payable	681	—
Provision for directors' retirement benefits	313	—
Asset retirement obligations	2,264	2,631
Other	7	11
Total noncurrent liabilities	3,267	2,642
Total liabilities	28,991	27,763
Net assets		
Shareholders' equity		
Capital stock	3,030	3,030
Capital surplus	4,095	4,095
Retained earnings	24,456	30,517
Treasury stock	(6,197)	(6,119)
Total shareholders' equity	25,384	31,523
Accumulated other comprehensive income		
Other valuation adjustments on securities	(12)	7
Deferred gains or losses on hedges	31	(1)
Forex adjustment account	—	3
Total accumulated other comprehensive income	18	9
Total net assets	25,403	31,532
Total liabilities and net assets	54,395	59,296

(2) Statements of Consolidated Income and Comprehensive Income
Statements of Consolidated Income

(millions of yen)

	Fiscal 2013 (from April 1, 2012 to March 31, 2013)	Fiscal 2014 (from April 1, 2013 to March 31, 2014)
Net sales	115,041	128,489
Cost of sales	52,422	59,997
Gross profit	62,619	68,492
Selling, general and administrative expenses	50,056	54,842
Operating income	12,562	13,649
Non-operating income		
Interest income	1	1
Dividend income	4	0
Insurance dividend	—	32
Rent income	56	36
Purchase discounts	46	49
Fee and commission received	22	35
Other	71	91
Total non-operating income	202	246
Non-operating expenses		
Interest expenses	84	54
Foreign exchange loss	31	33
Rent expenses	30	23
Commission paid	0	0
Other	35	45
Total non-operating expenses	182	157
Ordinary income	12,582	13,739
Extraordinary profit		
Gains from sale of noncurrent assets	—	1
Compensation for relocation	—	39
Total extraordinary profit	—	40
Extraordinary loss		
Impairment loss	873	438
Other	80	66
Total extraordinary loss	954	505
Income before income taxes	11,627	13,274
Income taxes-current	4,577	5,491
Income taxes-deferred	(266)	(137)
Total income taxes	4,310	5,354
Income before minority interests	7,316	7,920
Net income	7,316	7,920

Statements of Consolidated Comprehensive Income

(millions of yen)

	Fiscal 2013 (from April 1, 2012 to March 31, 2013)	Fiscal 2014 (from April 1, 2013 to March 31, 2014)
Income before minority interests	7,316	7,920
Other comprehensive income		
Other valuation adjustments on securities	8	20
Deferred gains or losses on hedges	(18)	(33)
Forex adjustment account	—	3
Total other comprehensive income	(9)	(9)
Comprehensive income	7,306	7,910
(Breakdown)		
Comprehensive income attributable to owners of the parent	7,306	7,910
Comprehensive income attributable to minority interests	—	—

(3) Consolidated Cash Flows

(millions of yen)

	Fiscal 2013 (from April 1, 2012 to March 31, 2013)	Fiscal 2014 (from April 1, 2013 to March 31, 2014)
Cash flows from operating activities		
Income before income taxes	11,627	13,274
Depreciation	1,519	1,711
Depreciation of intangible assets	237	188
Amortization of long-term prepaid expenses	111	128
Impairment loss	873	438
Increase (decrease) in provision for bonuses	76	(99)
Increase (decrease) in provision for directors' bonuses	14	(10)
Increase (decrease) in provision for directors' retirement benefits	(207)	(4)
Increase (decrease) in allowance for doubtful accounts	(1)	1
Interest and dividends income	(5)	(2)
Interest expenses	84	54
Loss (gain) on sales of property, plant and equipment	—	(1)
Increase in notes receivable	(1,745)	(949)
Increase in inventories	(1,727)	(2,851)
Increase in other current assets	(80)	(507)
Increase in purchase liabilities	513	658
Increase (decrease) in other current liabilities	3	(663)
Increase (decrease) in other noncurrent liabilities	0	(5)
Other	22	38
Subtotal	11,317	11,398
Interest and dividends income received	5	2
Interest expenses paid	(85)	(54)
Income taxed paid	(5,999)	(4,517)
Net cash provided by operating activities	5,238	6,828

(millions of yen)

	Fiscal 2013 (from April 1, 2012 to March 31, 2013)	Fiscal 2014 (from April 1, 2013 to March 31, 2014)
Cash flows from investment activities		
Payments into time deposits	(12)	(12)
Purchase of stocks of subsidiaries	—	(39)
Purchase of property, plant and equipment	(2,187)	(2,067)
Payments for asset retirement obligations	(82)	(22)
Proceeds from sales of property, plant and equipment	—	2
Purchase of intangible assets	(166)	(307)
Purchase of long-term prepaid expenses	(555)	(137)
Payment for guarantee deposits	(757)	(652)
Proceeds from collection of guarantee deposits	235	231
Other	(2)	(66)
Net cash provided by investment activities	(3,528)	(3,072)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,200	400
Repayment of long-term loans payable	(3,541)	(3,091)
Proceeds from disposal of treasury stock	103	62
Cash dividends paid	(1,295)	(1,843)
Other	—	△0
Net cash provided by financing activities	(3,533)	(4,472)
Effect of exchange rate change on cash and cash equivalents	0	3
Increase (decrease) in cash and cash equivalents	(1,824)	(712)
Cash and cash equivalents at beginning of term	7,966	6,142
Cash and cash equivalents at end of term	6,142	5,429