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**Consolidated Financial Summary**  
**For the Second Quarter of Fiscal 2014, the Fiscal Year Ending March 31, 2014**

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

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Corporate Name:	UNITED ARROWS LTD.
Securities Traded:	Tokyo Stock Exchange, First Section
Code Number:	7606
URL:	<a href="http://www.united-arrows.co.jp">http://www.united-arrows.co.jp</a>
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 Dividend Payment:	—
Scheduled Reporting Date:	November 13, 2013
Supplementary Information:	Yes

Note: Figures smaller than ¥100 million are rounded down.

## 1. Consolidated Business Results for the Second Quarter of Fiscal 2014, the Fiscal Year Ending March 31, 2014 (April 1, 2013 to September 30, 2013)

### (1) Consolidated Business Performance

(% indicates increase / decrease YoY)

	Total Sales		Operating Profit		Ordinary Profit		Net Income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
2Q Fiscal 2014	56,670	12.0	4,416	(9.7)	4,445	(10.4)	2,435	(10.9)
2Q Fiscal 2013	50,582	11.5	4,890	19.0	4,961	19.5	2,733	21.7

Note: Comprehensive income 2Q Fiscal 2014: ¥2,431 million (-8.5%) 2Q Fiscal 2013: ¥2,657 million (21.4%)

	Net Income per Share	Net Income per Share after Adjusting for Dilutive Effects
	yen	yen
2Q Fiscal 2014	76.54	-
2Q Fiscal 2013	86.33	85.77

Note: There is no dilutive shares for 2Q Fiscal 2014.

### (2) Consolidated Financial Conditions

	Total Assets	Net Assets	Equity Ratio	Per-share net worth
	¥ million	¥ million	%	¥
September 30, 2013	57,188	26,690	46.7	838.17
March 31, 2013	54,395	25,403	46.7	799.65

Reference: Net worth September 30, 2013: ¥26,690million March 31, 2013 ¥25,403million

## 2. Conditions of Dividend Payment

	Annual Dividend				
	1Q End	2Q End	3Q End	Fiscal Year End	Annual
	yen	yen	yen	yen	yen
Fiscal 2013	-	15.00	-	38.00	53.00
Fiscal 2014	-	20.00			
Fiscal 2014 (Forecast)			-	41.00	61.00

Note: Revision to recently disclosed projected dividend payment: None

## 3. Projected Consolidated Performance of the Fiscal Year Ending March 2014 (From April 1, 2013 to March 31, 2014)

(% indicates increase / decrease YoY)

	Total Sales		Operating Profit		Ordinary Profit		Net Income		Net Income per Share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	yen
Full Fiscal Year	125,545	9.1	13,462	7.2	13,484	7.2	7,754	6.0	243.19

Note: Revision to recently disclosed projected consolidated performance: None

#### 4. Others

##### (1) Changes in Significant Subsidiaries during the Current Quarter: None

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

##### (2) Adoption of Special Accounting Methods for Preparing Quarterly Consolidated Financial Statements: None

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

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

##### (4) Number of Stocks Issued (Common Stocks)

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

2Q Fiscal 2014	37,800,000 stocks	Fiscal 2013	37,800,000 stocks
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2. Number of treasury stock

2Q Fiscal 2014	5,956,014 stocks	Fiscal 2013	6,031,580 stocks
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3. Average number of stocks issued and outstanding for the period

2Q Fiscal 2014	31,823,986 stocks	2Q Fiscal 2013	31,668,552 stocks
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##### \*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.

## 2. Consolidated Financial Results

### (1) Quarterly Consolidated Balance Sheet

(millions of yen)

	Fiscal 2013 (as of March 31, 2013)	2Q Fiscal 2014 (as of September 30, 2013)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	6,334	5,596
Notes and accounts receivable-trade	166	169
Merchandise	17,251	21,133
Supplies	229	281
Accounts receivable-other	8,940	7,293
Other	2,069	2,130
Allowance for doubtful accounts	(2)	(2)
<b>Total current assets</b>	<b>34,989</b>	<b>36,602</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures (net)	7,014	7,808
Other (net)	1,959	1,822
<b>Total property, plant and equipment</b>	<b>8,973</b>	<b>9,630</b>
<b>Intangible noncurrent assets</b>		
Other	1,589	1,591
<b>Total intangible noncurrent assets</b>	<b>1,589</b>	<b>1,591</b>
<b>Investments and other assets</b>		
Guarantee deposits	7,001	7,144
Other	1,868	2,245
Allowance for doubtful accounts	(26)	(26)
<b>Total investments and other assets</b>	<b>8,843</b>	<b>9,363</b>
<b>Total noncurrent assets</b>	<b>19,405</b>	<b>20,586</b>
<b>Total assets</b>	<b>54,395</b>	<b>57,188</b>

(millions of yen)

	Fiscal 2013 (as of March 31, 2013)	2Q Fiscal 2014 (as of September 30, 2013)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	8,496	11,340
Short-term loans payable	4,000	7,300
Current portion of long-term loans payable	3,091	2,180
Income taxes payable	2,422	1,523
Provision for bonuses	2,070	1,440
Provision for directors' bonuses	113	—
Other	5,529	3,848
<b>Total current liabilities</b>	<b>25,724</b>	<b>27,634</b>
<b>Noncurrent liabilities</b>		
Long-term loans payable	681	—
Provision for directors' retirement benefits	313	309
Asset retirement obligations	2,264	2,546
Other	7	7
<b>Total noncurrent liabilities</b>	<b>3,267</b>	<b>2,864</b>
<b>Total liabilities</b>	<b>28,991</b>	<b>30,498</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	3,030	3,030
Capital surplus	4,095	4,095
Retained earnings	24,456	25,670
Treasury stock	(6,197)	(6,119)
<b>Total shareholders' equity</b>	<b>25,384</b>	<b>26,675</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	(12)	5
Deferred gains or losses on hedges	31	9
<b>Total accumulated other comprehensive income</b>	<b>18</b>	<b>14</b>
<b>Total net assets</b>	<b>25,403</b>	<b>26,690</b>
<b>Total liabilities and net assets</b>	<b>54,395</b>	<b>57,188</b>

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

### Quarterly Statements of Consolidated Income

Second Quarter (Six Months Aggregate)

(millions of yen)

	Previous 2Q (6 months aggregate) (from April 1, 2012 to September 30, 2012)	Current 2Q (6 months aggregate) (from April 1, 2013 to September 30, 2013)
<b>Net sales</b>	50,582	56,670
<b>Cost of sales</b>	23,028	26,534
<b>Gross profit</b>	27,553	30,135
<b>Selling, general and administrative expenses</b>	22,663	25,719
<b>Operating income</b>	4,890	4,416
<b>Non-operating income</b>		
Interest income	0	0
Dividends income	3	0
Foreign exchange gains	48	—
Purchase discounts	23	25
Rent income	36	19
Other	40	48
<b>Total non-operating income</b>	153	94
<b>Non-operating expenses</b>		
Interest expenses	45	29
Comission paid	0	0
Foreign exchange loss	—	3
Rent expenses	18	11
Other	16	19
<b>Total non-operating expenses</b>	81	65
<b>Ordinary income</b>	4,961	4,445
<b>Extraordinary profit</b>		
Gains from sale of fixed assets	—	1
<b>Total extraordinary profit</b>	—	1
<b>Extraordinary loss</b>		
Impairment loss	654	222
Other	32	67
<b>Total extraordinary loss</b>	687	289
<b>Income before income taxes</b>	4,274	4,158
<b>Income taxes-current</b>	1,295	1,435
<b>Income taxes-deferred</b>	245	286
<b>Total income taxes</b>	1,540	1,722
<b>Income before minority interests</b>	2,733	2,435
<b>Net income</b>	2,733	2,435

## Statements of Consolidated Comprehensive Income

Second Quarter (Six Months Aggregate)

(millions of yen)

	Previous 2Q (6 months aggregate) (from April 1, 2012 to September 30, 2012)	Current 2Q (6 months aggregate) (from April 1, 2013 to September 30, 2013)
Income before minority interests	2,733	2,435
Other comprehensive income		
Other valuation adjustments on securities	(2)	18
Deferred gains or loss on hedges	(73)	(22)
<b>Total other comprehensive income</b>	<b>(76)</b>	<b>(4)</b>
<b>Quarterly comprehensive income</b>	<b>2,657</b>	<b>2,431</b>
(Breakdown)		
Quarterly comprehensive income attributable to owners of the parent	2,657	2,431
Quarterly comprehensive income attributable to minority interests	—	—

### (3) Consolidated Cash Flows

(millions of yen)

	Previous 2Q (6 months aggregate) (from April 1, 2012 to September 30, 2012)	Current 2Q (6 months aggregate) (from April 1, 2013 to September 30, 2013)
<b>Cash flows from operating activities</b>		
Income before income taxes	4,274	4,158
Depreciation and amortization	728	829
Depreciation of intangible assets	123	92
Amortization of long-term prepaid expenses	54	62
Impairment loss	654	222
Increase (decrease) in provision for bonuses	(680)	(629)
Increase (decrease) in provision for directors' bonuses	(99)	(113)
Increase (decrease) in provision for directors' retirement benefits	(207)	(4)
Increase (decrease) in allowance for doubtful accounts	(1)	(0)
Interest and dividends income	(4)	(1)
Interest expenses	45	29
Decrease (increase) in notes and accounts receivable-trade	368	1,792
Decrease (increase) in inventories	(3,085)	(3,934)
Decrease (increase) in other current assets	(138)	(505)
Increase (decrease) in notes and accounts payable-trade	2,265	2,843
Increase (decrease) in other current liabilities	(1,378)	(1,490)
Increase (decrease) in other noncurrent liabilities	6	2
Other	4	28
Subtotal	2,930	3,382
Interest and dividends income received	4	1
Interest expenses paid	(46)	(29)
Income taxed paid	(3,696)	(2,321)
<b>Net cash provided by operating activities</b>	<b>(808)</b>	<b>1,032</b>

(millions of yen)

	Previous 2Q (6 months aggregate) (from April 1, 2012 to September 30, 2012)	Current 2Q (6 months aggregate) (from April 1, 2013 to September 30, 2013)
<b>Cash flows from investment activities</b>		
Payments into time deposits	(6)	(6)
Purchase of stocks of subsidiaries	—	(201)
Purchase of property, plant and equipment	(746)	(1,538)
Payments for fulfillment of asset retirement obligations	(28)	(10)
Purchase of intangible assets	(85)	(127)
Purchase of long-term prepaid expenses	(91)	(319)
Payment for guarantee deposits	(354)	(327)
Proceeds from collection of guarantee deposits	101	184
Other	(2)	2
<b>Net cash provided by investment activities</b>	<b>(1,212)</b>	<b>(2,342)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	1,400	3,300
Repayment of long-term loans payable	(1,770)	(1,592)
Proceeds from disposal of treasury stock	48	62
Cash dividends paid	(818)	(1,203)
Other	—	(0)
<b>Net cash provided by financing activities</b>	<b>(1,140)</b>	<b>566</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>—</b>	<b>—</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(3,161)</b>	<b>(744)</b>
<b>Cash and cash equivalents at beginning of term</b>	<b>7,966</b>	<b>6,142</b>
<b>Cash and cash equivalents at end of the quarterly term</b>	<b>4,805</b>	<b>5,398</b>