
Consolidated Financial Summary
For the Second Quarter of Fiscal 2015, the Fiscal Year Ending March 31, 2015

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 Dividend Payment:	December 5, 2014
Scheduled Reporting Date:	November 13, 2014
Supplementary Information:	Yes

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

1. Consolidated Business Results for the Second Quarter of Fiscal 2015, the Fiscal Year Ending March 31, 2015 (April 1, 2014 to September 30, 2014)

(1) Consolidated Business Performance (aggregate)

(% indicates increase / decrease YoY)

	Total Sales		Operating Profit		Ordinary Profit		Net Income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
2Q Fiscal 2015	58,953	4.0	3,491	(20.9)	3,553	(20.1)	1,958	(19.6)
2Q Fiscal 2014	56,670	12.0	4,416	(9.7)	4,445	(10.4)	2,435	(10.9)

Note: Comprehensive income 2Q Fiscal 2015: ¥2,047 million (-15.8%) 2Q Fiscal 2014: ¥2,431 million (-8.5%)

	Net Income per Share	Net Income per Share after Adjusting for Dilutive Effects
	yen	yen
2Q Fiscal 2015	61.51	—
2Q Fiscal 2014	76.54	—

Note: There is no dilutive shares for 2Q Fiscal 2014 and 2Q Fiscal 2015.

(2) Consolidated Financial Conditions

	Total Assets	Net Assets	Equity Ratio	Per-share net worth
	¥ million	¥ million	%	¥
September 30, 2014	61,549	32,083	52.1	1,007.51
March 31, 2014	59,296	31,532	53.2	990.22

Reference: Net worth September 30, 2014: ¥32,083million March 31, 2014: ¥31,532million

2. Conditions of Dividend Payment

	Annual Dividend				
	1Q End	2Q End	3Q End	Fiscal Year End	Annual
	yen	yen	yen	yen	yen
Fiscal 2014	-	20.00	-	47.00	67.00
Fiscal 2015	-	20.00			
Fiscal 2015 (Forecast)			-	58.00	78.00

Note: Revision to recently disclosed projected dividend payment: None

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
Full Fiscal Year	135,914	5.8	14,119	3.4	14,200	3.4	8,257	4.3	259.31

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 2015	37,800,000 stocks	Fiscal 2014	37,800,000 stocks
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2. Number of treasury stock

2Q Fiscal 2015	5,956,024 stocks	Fiscal 2014	5,956,024 stocks
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3. Average number of stocks issued and outstanding for the period

2Q Fiscal 2015	31,843,976 stocks	2Q Fiscal 2014	31,823,986 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.

Consolidated Financial Results
(1) Quarterly Consolidated Balance Sheet

(millions of yen)

	Fiscal 2014 (as of March 31, 2014)	2Q Fiscal 2015 (as of September 30, 2014)
Assets		
Current assets		
Cash and deposits	5,633	4,453
Notes and accounts receivable-trade	245	262
Merchandise	20,026	24,836
Supplies	345	406
Accounts receivable-other	9,904	7,930
Other	2,639	2,379
Allowance for doubtful accounts	(3)	(3)
Total current assets	38,791	40,264
Noncurrent assets		
Property, plant and equipment		
Buildings and structures (net)	7,620	8,006
Other (net)	1,773	1,851
Total property, plant and equipment	9,394	9,857
Intangible noncurrent assets		
Other	1,746	1,700
Total intangible noncurrent assets	1,746	1,700
Investments and other assets		
Guarantee deposits	7,422	7,590
Other	1,967	2,157
Allowance for doubtful accounts	(26)	(21)
Total investments and other assets	9,363	9,726
Total noncurrent assets	20,504	21,285
Total assets	59,296	61,549

	Fiscal 2014 (as of March 31, 2014)	2Q Fiscal 2015 (as of September 30, 2014)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	9,155	10,946
Short-term loans payable	4,400	7,100
Current portion of long-term loans payable	681	-
Income taxes payable	3,421	996
Provision for bonuses	1,970	1,569
Provision for directors' bonuses	103	-
Provision for directors' retirement benefits	309	-
Other	5,077	6,079
Total current liabilities	25,120	26,691
Noncurrent liabilities		
Asset retirement obligations	2,631	2,763
Other	11	11
Total noncurrent liabilities	2,642	2,774
Total liabilities	27,763	29,466
Net assets		
Shareholders' equity		
Capital stock	3,030	3,030
Capital surplus	4,095	4,095
Retained earnings	30,517	30,979
Treasury stock	(6,119)	(6,119)
Total shareholders' equity	31,523	31,985
Accumulated other comprehensive income		
Other valuation adjustments on securities	7	21
Deferred gains or losses on hedges	(1)	73
Forex adjustment account	3	3
Total accumulated other comprehensive income	9	97
Total net assets	31,532	32,083
Total liabilities and net assets	59,296	61,549

(2) Statements of Consolidated Income and Comprehensive Income

Statements of Consolidated Income

Second Quarter (Six Months Aggregate)

	Previous 2Q (6 months aggregate) (from April 1, 2013 to September 30, 2013)	Current 2Q (6 months aggregate) (from April 1, 2014 to September 30, 2014)
Net sales	56,670	58,953
Cost of sales	26,534	27,873
Gross profit	30,135	31,079
Selling, general and administrative expenses	25,719	27,588
Operating income	4,416	3,491
Non-operating income		
Interest income	0	0
Dividend income	0	7
Foreign exchange gains	-	24
Purchase discounts	25	24
Rent income	19	20
Other	48	42
Total non-operating income	94	119
Non-operating expenses		
Interest expenses	29	15
Comission paid	0	-
Foreign exchange loss	3	-
Rent expenses	11	16
Other	19	25
Total non-operating expenses	65	57
Ordinary income	4,445	3,553
Extraordinary profit		
Gains from sale of noncurrent assets	1	19
Total extraordinary profit	1	19
Extraordinary loss		
Loss on retirement of noncurrent assets	44	71
Impairment loss	222	201
Other	22	8
Total extraordinary loss	289	281
Income before income taxes	4,158	3,291
Income taxes-current	1,435	912
Income taxes-deferred	286	420
Total income taxes	1,722	1,333
Income before minority interests	2,435	1,958
Net income	2,435	1,958

Statements of Consolidated Comprehensive Income

Second Quarter (Six Months Aggregate)

(millions of yen)

	Previous 2Q (6 months aggregate) (from April 1, 2013 to September 30, 2013)	Current 2Q (6 months aggregate) (from April 1, 2014 to September 30, 2014)
Income before minority interests	2,435	1,958
Other comprehensive income		
Other valuation adjustments on securities	18	14
Deferred gains or losses on hedges	(22)	74
Forex adjustment account	-	(0)
Total other comprehensive income	(4)	88
Quarterly comprehensive income	2,431	2,047
(Breakdown)		
Quarterly comprehensive income attributable to owners of the parent	2,431	2,047
Quarterly Comprehensive income attributable to minority interests	-	-

(3) Consolidated Cash Flows

(millions of yen)

	Previous 2Q (6 months aggregate) (from April 1, 2013 to September 30, 2013)	Current 2Q (6 months aggregate) (from April 1, 2014 to September 30, 2014)
Cash flows from operating activities		
Income before income taxes	4,158	3,291
Depreciation	829	874
Depreciation of intangible assets	92	87
Amortization of long-term prepaid expenses	62	66
Impairment loss	222	201
Increase (decrease) in provision for bonuses	(629)	(401)
Increase (decrease) in provision for directors' bonuses	(113)	(103)
Increase (decrease) in provision for directors' retirement benefits	(4)	-
Increase (decrease) in allowance for doubtful accounts	(0)	(4)
Interest and dividends income	(1)	(8)
Interest expenses	29	15
Increase in notes receivable	1,792	2,068
Increase in inventories	(3,934)	(4,870)
Increase in other current assets	(505)	(163)
Increase in purchase liabilities	2,843	3,177
Increase (decrease) in other current liabilities	(1,490)	(324)
Increase (decrease) in other noncurrent liabilities	2	11
Other	28	(32)
Subtotal	3,382	3,885
Interest and dividends income received	1	8
Interest expenses paid	(29)	(15)
Income taxed paid	(2,321)	(3,302)
Directors' retirement benefits paid	-	(309)
Net cash provided by operating activities	1,032	267

(millions of yen)

	Previous 2Q (6 months aggregate) (from April 1, 2013 to September 30, 2013)	Current 2Q (6 months aggregate) (from April 1, 2014 to September 30, 2014)
Cash flows from investment activities		
Payments into time deposits	(6)	(6)
Purchase of stocks of affiliates and subsidiaries	(201)	-
Purchase of property, plant and equipment	(1,538)	(1,309)
Payments for asset retirement obligations	(10)	(5)
Proceeds from sales of property, plant and equipment	2	21
Purchase of intangible assets	(127)	(84)
Purchase of long-term prepaid expenses	(319)	(426)
Payment for guarantee deposits	(327)	(229)
Proceeds from collection of guarantee deposits	184	61
Other	0	0
Net cash provided by investment activities	(2,342)	(1,977)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	3,300	2,700
Repayment of long-term loans payable	(1,592)	(681)
Proceeds from disposal of treasury stock	62	-
Cash dividends paid	(1,203)	(1,494)
Other	(0)	-
Net cash provided by financing activities	566	523
Effect of exchange rate change on cash and cash equivalents	-	(0)
Increase (decrease) in cash and cash equivalents	(744)	(1,186)
Cash and cash equivalents at beginning of term	6,142	5,429
Cash and cash equivalents at end of term	5,398	4,243