
**Consolidated Financial Summary
For the Fiscal Year Ended March 31, 2016
(April 1, 2015 to March 31, 2016)**

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 23, 2016
Scheduled Date of Dividend Payment:	June 24, 2016
Scheduled Reporting Date:	June 24, 2016
Supplementary Information:	Yes

Note: Figures smaller than one million yen are rounded down.

1. Consolidated Business Results for the Fiscal Year Ended March 31, 2016 (April 1, 2015 to March 31, 2016)

(1) Consolidated Business Performance

(% indicates increase / decrease YoY)

	Total Sales		Operating Profit		Ordinary Profit		Net Income attributable to owners of parent	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Fiscal 2016	140,919	7.5	11,071	(2.5)	11,175	(3.2)	6,494	2.6
Fiscal 2015	131,029	2.0	11,351	(16.8)	11,542	(16.0)	6,332	(20.1)

Note: Comprehensive income Fiscal 2016: ¥6,327 million (-1.2%) Fiscal 2015: ¥6,402 million (-19.1%)

	Net Income per Share	Net Income per Share after Adjusting for Dilutive Effects	Net Income / Net Worth	Ordinary Profit / Total Assets	Operating Profit / Total Sales
	yen	yen	%	%	%
Fiscal 2016	214.87	—	20.0	17.8	7.9
Fiscal 2015	199.53	—	20.2	19.0	8.7

Note: There are no dilutive shares.

(2) Consolidated Financial Conditions

	Total Assets	Net Assets	Equity Ratio	Per-share net worth
	¥ million	¥ million	%	¥
As of March 31, 2016	63,877	33,760	52.8	1,117.23
As of March 31, 2015	62,020	31,186	50.3	1,019.68

Reference: Net worth As of March 31, 2016: ¥33,755 million As of March 31, 2015: ¥31,186 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 2016	11,689	(3,351)	(8,139)	5,799
Fiscal 2015	4,730	(3,249)	(1,328)	5,585

2. Conditions of Dividend Payment

	Cash dividends per share					Dividend Payment (Annual)	Dividend Payout Ratio (Consolidated)	Dividend to Net Assets (Consolidated)
	1Q End	2Q End	3Q End	Year-End	Annual			
Fiscal 2015	yen —	yen 20.00	yen —	yen 58.00	yen 78.00	¥ million 2,410	% 39.1	% 7.7
Fiscal 2016	—	20.00	—	58.00	78.00	2,356	36.3	7.0
Fiscal 2017 (Forecast)	—	20.00	—	58.00	78.00		34.2	

3. Projected Consolidated Performance of the Fiscal Year Ending March 2017 (From April 1, 2016 to March 31, 2017)

	Total Sales		Operating Profit		Ordinary Profit		Net Income attributable to owners of parent		Net Income per Share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	yen
Interim Period	67,680	5.6	2,575	(28.8)	2,589	(28.5)	1,433	(32.9)	47.45
Full Fiscal Year	150,438	6.8	11,364	2.6	11,432	2.3	6,890	6.1	228.06

4. Others

(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

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

(3) Number of Stocks Issued (Common Stocks)

1. Number of stocks issued at term end (including treasury stock)
 - As of March 31, 2016: 30,213,676 stocks
 - As of March 31, 2015: 37,800,000 stocks
2. Number of treasury stock
 - As of March 31, 2016: 73 stocks
 - As of March 31, 2015: 7,215,124 stocks
3. Average number of stocks issued and outstanding for the period
 - Year ended March 31, 2016: 30,224,705 stocks
 - Year ended March 31, 2015: 31,736,481 stocks

*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 2015 (as of March 31, 2015)	Fiscal 2016 (as of March 31, 2016)
Assets		
Current assets		
Cash and deposits	5,801	6,027
Notes and accounts receivable-trade	209	245
Merchandise	22,984	23,473
Supplies	490	492
Accounts receivable-other	9,725	9,803
Deferred tax assets	1,359	1,424
Other	871	910
Allowance for doubtful accounts	(2)	(10)
Total current assets	41,438	42,367
Noncurrent assets		
Tangible noncurrent assets		
Buildings and structures	17,638	19,091
Accumulated depreciation and accumulated impairment loss	(10,390)	(11,194)
Buildings and structures (net)	7,247	7,896
Land	569	569
Construction in progress	108	85
Other	4,537	4,835
Accumulated depreciation and accumulated impairment loss	(3,405)	(3,728)
Other (net)	1,131	1,106
Total tangible noncurrent assets	9,057	9,658
Intangible noncurrent assets		
Other	1,685	1,850
Total intangible noncurrent assets	1,685	1,850
Investments and other assets		
Investment securities	226	0
Guarantee deposits	7,807	8,398
Deferred tax assets	643	585
Other	1,184	1,039
Allowance for doubtful accounts	(21)	(21)
Total investments and other assets	9,839	10,001
Total noncurrent assets	20,582	21,510
Total assets	62,020	63,877

(millions of yen)

	Fiscal 2015 (as of March 31, 2015)	Fiscal 2016 (as of March 31, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	7,896	9,495
Short-term loans payable	4,500	2,150
Current portion of long-term loans payable	2,004	2,004
Accounts payable-other	4,034	4,750
Income taxes payable	1,263	2,312
Provision for bonuses	1,548	1,588
Provision for directors' bonuses	11	8
Asset retirement obligations	131	109
Other	2,711	2,545
Total current liabilities	24,101	24,964
Noncurrent liabilities		
Long term loans payable	3,996	1,992
Asset retirement obligations	2,723	3,148
Other	12	11
Total noncurrent liabilities	6,731	5,152
Total liabilities	30,833	30,117
Net assets		
Shareholders' equity		
Capital stock	3,030	3,030
Capital surplus	4,095	4,095
Retained earnings	34,716	26,712
Treasury stock	(10,734)	(0)
Total shareholders' equity	31,107	33,838
Accumulated other comprehensive income		
Other valuation adjustments on securities	31	-
Deferred gains or losses on hedges	41	(105)
Forex adjustment account	6	22
Total accumulated other comprehensive income	79	(82)
Non-controlling interests	-	4
Total net assets	31,186	33,760
Total liabilities and net assets	62,020	63,877

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

(millions of yen)

	Fiscal 2015 (April 1, 2014 to March 31, 2015)	Fiscal 2016 (April 1, 2015 to March 31, 2016)
Net sales	131,029	140,919
Cost of sales	62,982	69,345
Gross profit	68,046	71,573
Selling, general and administrative expenses	56,695	60,501
Operating income	11,351	11,071
Non-operating income		
Interest income	1	1
Dividend income	8	4
Insurance dividend	33	38
Foreign exchange gains	41	8
Rent income	39	19
Purchase discounts	43	58
Fee and commission received	27	23
Other	132	73
Total non-operating income	326	226
Non-operating expenses		
Interest expenses	38	41
Rent expenses	34	18
Commission fees	8	33
Other	53	29
Total non-operating expenses	135	122
Ordinary income	11,542	11,175
Extraordinary profit		
Gain on sales of noncurrent assets	19	—
Gain on sales of investment securities	—	64
Total extraordinary profit	19	64
Extraordinary loss		
Loss on retirement of noncurrent assets	103	86
Impairment loss	931	682
Loss on valuation of investment securities	22	16
Other	9	4
Total extraordinary loss	1,066	789
Income before income taxes	10,495	10,450
Income taxes-current	3,756	3,885
Income taxes-deferred	406	75
Total income taxes	4,163	3,960
Net income	6,332	6,489
Loss attributable to non-controlling interests	—	(5)
Net income attributable to owners of parent	6,332	6,494

Statements of Consolidated Comprehensive Income

(millions of yen)

	Fiscal 2015 (April 1, 2014 to March 31, 2015)	Fiscal 2016 (April 1, 2015 to March 31, 2016)
Income before minority interests	6,332	6,489
Other comprehensive income		
Other valuation adjustments on securities	23	(31)
Deferred gains or losses on hedges	42	(146)
Forex adjustment account	2	16
Total other comprehensive income	69	(161)
Comprehensive income	6,402	6,327
Comprehensive income attributable to:		
Owners of the parent company	6,402	6,332
Non-controlling interests	—	(5)

(3) Consolidated Cash Flows

(millions of yen)

	Fiscal 2015 (April 1, 2014 to March 31, 2015)	Fiscal 2016 (April 1, 2015 to March 31, 2016)
Cash flows from operating activities		
Income before income taxes	10,495	10,450
Depreciation	1,801	1,794
Depreciation of intangible assets	168	183
Amortization of long-term prepaid expenses	134	138
Impairment loss	931	682
Increase (decrease) in provision for bonuses	(422)	40
Increase (decrease) in provision for directors' bonuses	(91)	(3)
Increase (decrease) in allowance for doubtful accounts	(6)	7
Interest and dividends income	(9)	(5)
Loss (gain) on valuation of investment securities	22	16
Interest expenses	38	41
Loss (gain) on sales of property, plant and equipment	(19)	—
Increase in notes receivable	177	(43)
Increase in inventories	(3,102)	(491)
Increase in other current assets	43	(175)
Increase in purchase liabilities	113	1,728
Increase (decrease) in other current liabilities	668	(13)
Increase (decrease) in other noncurrent liabilities	0	(0)
Other	(4)	322
Subtotal	10,939	14,674
Interest and dividends income received	9	5
Interest expenses paid	(37)	(42)
Income taxes paid	(5,871)	(2,947)
Directors retirement benefits paid	(309)	—
Net cash provided by operating activities	4,730	11,689

(millions of yen)

	Fiscal 2015 (April 1, 2014 to March 31, 2015)	Fiscal 2016 (April 1, 2015 to March 31, 2016)
Cash flows from investment activities		
Payments into time deposits	(12)	(12)
Proceeds from sales of investment securities	—	226
Payments for investments in capital of subsidiaries	(66)	—
Purchase of property, plant and equipment	(2,299)	(2,090)
Payments for asset retirement obligations	(43)	(187)
Proceeds from sales of property, plant and equipment	22	0
Purchase of intangible assets	(138)	(336)
Purchase of long-term prepaid expenses	(327)	(360)
Payment for guarantee deposits	(549)	(753)
Proceeds from collection of guarantee deposits	164	162
Other	0	0
Net cash provided by investment activities	(3,249)	(3,351)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	100	(2,350)
Proceeds from long-term payable	6,000	—
Repayment of long-term loans payable	(681)	(2,004)
Purchase of treasury stock	(4,614)	(1,418)
Cash dividends paid	(2,132)	(2,376)
Proceeds from share issuance to non-controlling shareholders	—	10
Net cash provided by financing activities	(1,328)	(8,139)
Effect of exchange rate change on cash and cash equivalents	2	16
Increase (decrease) in cash and cash equivalents	155	214
Cash and cash equivalents at beginning of term	5,429	5,585
Cash and cash equivalents at end of term	5,585	5,799