
Consolidated Financial Summary
For the Nine-Month Period of Fiscal 2017, the Fiscal Year Ending March 31, 2017
(April 1, 2016 to December 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 Dividend Payment:	—
Scheduled Reporting Date:	February 13, 2017
Supplementary Information:	Yes

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

1. Consolidated Business Results for the Nine-Month Period of Fiscal 2017, the Fiscal Year Ending March 31, 2017 (April 1, 2016 to December 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	%
Nine months ended December 31, 2016	107,604	2.7	8,108	(17.3)	8,264	(16.0)	5,175	(15.4)
Nine months ended December 31, 2015	104,759	8.7	9,804	2.4	9,837	1.8	6,114	6.1

Note: Comprehensive income

Nine months ended December 31, 2016: ¥5,329 million (-11.7%) Nine months ended December 31, 2015: ¥6,036 million (4.5%)

	Net Income per Share	Net Income per Share after Adjusting for Dilutive Effects
	yen	yen
Nine months ended December 31, 2016	172.02	—
Nine months ended December 31, 2015	202.26	—

Note: There are no dilutive shares for nine months ended December 31, 2015 and 2016.

(2) Consolidated Financial Conditions

	Total Assets	Net Assets	Equity Ratio	Per-share net worth
	¥ million	¥ million	%	¥
As of December 31, 2016	78,406	33,999	42.9	1,153.02
As of March 31, 2016	63,877	33,760	52.8	1,117.23

Reference: Net worth As of December 31, 2016: ¥33,642 million As of March 31, 2016: ¥33,755 million

2. Conditions of Dividend Payment

	Annual Dividend				
	1Q End	2Q End	3Q End	Year-End	Annual
	yen	yen	yen	yen	yen
Fiscal year ended March 31, 2016	—	20.00	—	58.00	78.00
Fiscal year ending March 31, 2017	—	20.00	—		
Fiscal year ending March 31, 2017 (Forecast)				58.00	78.00

Note: Revision to recently disclosed projected dividend payment: None

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

(% indicates increase / decrease YoY)

	Total Sales		Operating Profit		Ordinary Profit		Net Income attributable to owners of parent		Net Income per Share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	yen
Full Fiscal Year	145,000	2.9	9,092	(17.9)	9,200	(17.7)	5,200	(19.9)	172.11

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: Yes
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)

As of December 31, 2016:	30,213,676 stocks
As of March 31, 2016:	30,213,676 stocks
2. Number of treasury stock

As of December 31, 2016:	1,035,935 stocks
As of March 31, 2016:	73 stocks
3. Average number of stocks issued and outstanding for the period

Nine months ended December 31, 2016:	30,085,166 stocks
Nine months ended December 31, 2015:	30,228,378 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) Quarterly Consolidated Balance Sheet

(millions of yen)

	At the end of the previous fiscal year (March 31, 2016)	At the end of the third quarter (December 31, 2016)
Assets		
Current assets		
Cash and deposits	6,027	6,854
Notes and accounts receivable-trade	245	144
Merchandise	23,473	30,112
Supplies	492	575
Accounts receivable-other	9,803	14,358
Other	2,334	3,307
Allowance for doubtful accounts	(10)	(6)
Total current assets	42,367	55,345
Noncurrent assets		
Tangible noncurrent assets		
Buildings and structures (net)	7,896	8,895
Other (net)	1,761	1,880
Total tangible noncurrent assets	9,658	10,775
Intangible noncurrent assets		
Other	1,850	1,984
Total intangible noncurrent assets	1,850	1,984
Investments and other assets		
Guarantee deposits	8,398	8,536
Other	1,625	1,786
Allowance for doubtful accounts	(21)	(21)
Total investments and other assets	10,001	10,300
Total noncurrent assets	21,510	23,061
Total assets	63,877	78,406

(millions of yen)

	At the end of the previous fiscal year (March 31, 2016)	At the end of the third quarter (December 31, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	9,495	12,418
Short-term loans payable	2,150	10,450
Current portion of long-term loans payable	2,004	4,004
Income taxes payable	2,312	1,004
Provision for bonuses	1,588	888
Provision for directors' bonuses	8	1
Other	7,405	7,692
Total current liabilities	24,964	36,459
Noncurrent liabilities		
Long term loans payable	1,992	4,489
Asset retirement obligations	3,148	3,440
Other	11	18
Total noncurrent liabilities	5,152	7,947
Total liabilities	30,117	44,406
Net assets		
Shareholders' equity		
Capital stock	3,030	3,030
Capital surplus	4,095	4,128
Retained earnings	26,712	29,499
Treasury stock	(0)	(3,092)
Total shareholders' equity	33,838	33,565
Accumulated other comprehensive income		
Deferred gains or losses on hedges	(105)	39
Forex adjustment account	22	37
Total accumulated other comprehensive income	(82)	76
Non-controlling interests	4	357
Total net assets	33,760	33,999
Total liabilities and net assets	63,877	78,406

(2) Statements of Consolidated Income and Comprehensive Income

Statements of Consolidated Income

Third Quarter (Nine Months Aggregate)	(millions of yen)	
	Nine months ended December 31, 2015 (April 1, 2015 to December 31, 2015)	Nine months ended December 31, 2016 (April 1, 2016 to December 31, 2016)
Net sales	104,759	107,604
Cost of sales	49,903	51,008
Gross profit	54,856	56,595
Selling, general and administrative expenses	45,051	48,486
Operating income	9,804	8,108
Non-operating income		
Interest income	0	0
Dividend income	4	-
Foreign exchange gains	6	96
Purchase discounts	42	45
Rent income	14	15
Other	65	68
Total non-operating income	133	226
Non-operating expenses		
Interest expenses	33	29
Rent expenses	14	14
Commission for Purchase of treasury stock	33	3
Other	20	22
Total non-operating expenses	100	70
Ordinary income	9,837	8,264
Extraordinary profit		
Gain on sales of investment securities	64	-
Total extraordinary profit	64	-
Extraordinary loss		
Loss on retirement of noncurrent assets	37	75
Impairment loss	307	379
Loss on valuation of investment securities	15	0
Other	4	13
Total extraordinary loss	365	468
Income before income taxes	9,536	7,795
Income taxes-current	3,066	2,664
Income taxes-deferred	357	(39)
Total income taxes	3,424	2,625
Net income	6,111	5,170
Loss attributable to non-controlling interests	(2)	(4)
Net income attributable to owners of parent	6,114	5,175

Statements of Consolidated Comprehensive Income

Third Quarter (Nine Months Aggregate)

(millions of yen)

	Nine months ended December 31, 2015 (April 1, 2015 to December 31, 2015)	Nine months ended December 31, 2016 (April 1, 2016 to December 31, 2016)
Income before minority interests	6,111	5,175
Other comprehensive income		
Other valuation adjustments on securities	(31)	-
Deferred gains or losses on hedges	(47)	144
Forex adjustment account	3	14
Total other comprehensive income	(74)	159
Comprehensive income	6,036	5,334
Comprehensive income attributable to:		
Owners of the parent company	6,039	5,339
Non-controlling interests	(2)	(4)

(3) Consolidated Cash Flows

(millions of yen)

	Nine months ended December 31, 2015 (April 1, 2015 to December 31, 2015)	Nine months ended December 31, 2016 (April 1, 2016 to December 31, 2016)
Cash flows from operating activities		
Income before income taxes	9,536	7,795
Depreciation	1,316	1,366
Depreciation of intangible assets	135	162
Amortization of long-term prepaid expenses	103	205
Impairment loss	307	379
Increase (decrease) in provision for bonuses	(728)	(699)
Increase (decrease) in provision for directors' bonuses	(11)	(7)
Increase (decrease) in allowance for doubtful accounts	(0)	(3)
Interest and dividends income	(4)	(0)
Interest expenses	33	29
Increase in notes receivable	(3,834)	(3,140)
Increase in inventories	(4,350)	(6,721)
Increase in other current assets	(209)	(1,999)
Increase in purchase liabilities	4,851	3,477
Increase (decrease) in other current liabilities	362	482
Increase (decrease) in other noncurrent liabilities	(0)	11
Other	(39)	184
Subtotal	7,467	1,524
Interest and dividends income received	4	0
Interest expenses paid	(33)	(29)
Income taxes paid	(2,901)	(4,021)
Net cash provided by operating activities	4,536	(2,526)

	Nine months ended December 31, 2015 (April 1, 2015 to December 31, 2015)	Nine months ended December 31, 2016 (April 1, 2016 to December 31, 2016)
Cash flows from investment activities		
Payments into time deposits	(9)	(9)
Proceeds from sales of investment securities	226	-
Payments of loans receivable	-	(18)
Purchase of property, plant and equipment	(1,598)	(2,914)
Payments for asset retirement obligations	(102)	(113)
Proceeds from sales of property, plant and equipment	0	0
Purchase of intangible assets	(193)	(345)
Purchase of long-term prepaid expenses	(72)	(540)
Payment for guarantee deposits	(525)	(544)
Proceeds from collection of guarantee deposits	110	406
Other	0	-
Net cash provided by investment activities	(2,164)	(4,077)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	2,050	8,300
Proceeds from long-term loans payable	-	6,000
Repayment of long-term loans payable	(1,503)	(1,503)
Purchase of treasury stock	(1,418)	(3,095)
Cash dividends paid	(2,317)	(2,294)
Proceeds from share issuance to non-controlling interests	10	-
Net cash provided by financing activities	(3,179)	7,407
Effect of exchange rate change on cash and cash equivalents	3	14
Increase (decrease) in cash and cash equivalents	(804)	817
Cash and cash equivalents at beginning of term	5,585	5,799
Cash and cash equivalents at end of term	4,781	6,617