

**<Delayed> Consolidated Financial Summary
for the Nine Months Ended December 31, 2018
[Japanese GAAP]**

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

Listed Company Name: UNITED ARROWS LTD.
Securities Traded: First Section of the Tokyo Stock Exchange
Code Number: 7606
URL: <http://www.united-arrows.co.jp/en/>
Representative: Mitsuhiro Takeda, Representative Director, President and CEO
Contact: Takeo Nakazawa, Department Manager, Finance and Accounting Department
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Scheduled Date of Reporting Date: February 14, 2019
Scheduled Date of Dividend Payment: -
Supplementary materials for the financial results: Yes
Holding of presentation of financial results: Yes (for institutional investors and analysts)

1. Consolidated Business Results for the Nine-Month Period of the Fiscal Year Ending March 31, 2019 (April 1, 2018 to December 31, 2018)

(1) Consolidated Business Performance (aggregate)

(% indicates increase / decrease YoY)

	Total Sales		Operating Profit		Ordinary Profit		Net Income attributable to owners of parent	
Nine months ended	¥ million	%	¥ million	%	¥ million	%	¥ million	%
December 31, 2018	117,829	2.3	9,586	(2.1)	9,706	(2.4)	5,781	0.6
December 31, 2017	115,175	7.0	9,790	20.7	9,941	20.3	5,747	11.1

Note: Comprehensive income: Nine months ended December 31, 2018: ¥6,086 million (3.9%)
Nine months ended December 31, 2017: ¥5,858 million (9.9%)

	Net Income per Share	Net Income per Share after Adjusting for Dilutive Effects
Nine months ended	yen	yen
December 31, 2018	203.79	—
December 31, 2017	202.74	—

Note: There are no dilutive shares as of December 31, 2017 and 2018.

(2) Consolidated Financial Conditions

	Total Assets	Net Assets	Equity Ratio	Per-share net worth
	¥ million	¥ million	%	¥
As of December 31, 2018	79,599	39,316	46.7	1,309.80
As of March 31, 2018	67,107	34,690	50.1	1,186.01

Reference: Shareholders' equity: December 31, 2018: ¥37,166 million March 31, 2018: ¥33,643 million

2. Conditions of Dividend Payment

	Annual Dividend				
	1Q End	2Q End	3Q End	Fiscal Year End	Annual
	yen	yen	yen	yen	yen
Fiscal year ended March 31, 2018	-	20.00	-	58.00	78.00
Fiscal year ending March 31, 2019	-	20.00			
Fiscal year ending March 31, 2019 (Est.)			-	58.00	78.00

Note: Revision to recently disclosed projected dividend payment: None

3. Projected Consolidated Performance of the Fiscal Year Ending March 2019 (From April 1, 2018 to March 31, 2019)

(% indicates increase / decrease YoY)

	Total Sales		Operating Profit		Ordinary Profit		Net Income attributable to owners of parent		Net Income per share
Full Fiscal Year	¥ million	%	¥ million	%	¥ million	%	¥ million	%	yen
	156,300	1.2	10,850	3.2	110,000	2.1	6,000	14.3	211.52

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)

As of December 31, 2018:	30,213,676 stocks
As of March 31, 2018:	30,213,676 stocks
2. Number of treasury stock

As of December 31, 2018:	1,838,256 stocks
As of March 31, 2018:	1,846,972 stocks
3. Average number of stocks issued and outstanding for the period

Nine months ended December 31, 2018:	28,371,934 stocks
Nine months ended December 31, 2017:	28,347,405 stocks

*The quarterly financial statements are not subject to quarterly reviews.

*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.

Consolidated Financial Results

(1) Quarterly Consolidated Balance Sheet

(millions of yen)

	At the end of the previous fiscal year (March 31, 2018)	At the end of the third quarter (December 31, 2018)
Assets		
Current assets		
Cash and deposits	6,552	7,529
Notes and accounts receivable-trade	201	115
Merchandise	24,343	28,955
Supplies	456	644
Accounts receivable-other	11,578	16,217
Other	734	727
Allowance for doubtful accounts	(5)	(3)
Total current assets	43,861	54,186
Noncurrent assets		
Tangible noncurrent assets		
Buildings and structures (net)	7,320	7,962
Other (net)	1,587	2,654
Total tangible noncurrent assets	8,907	10,616
Intangible noncurrent assets		
Other	2,310	2,667
Total intangible noncurrent assets	2,310	2,667
Investments and other assets		
Guarantee deposits	8,038	8,098
Other	4,010	4,052
Allowance for doubtful accounts	(21)	(21)
Total investments and other assets	12,028	12,128
Total noncurrent assets	23,246	25,413
Total assets	67,107	79,599
Liabilities		
Current liabilities		
Notes and accounts payable-trade	10,315	13,823
Short-term loans payable	1,500	9,150
Current portion of long-term loans payable	2,000	2,000
Income taxes payable	1,182	1,358
Provision for bonuses	2,479	999
Provision for directors' bonuses	91	81
Other	9,644	8,819
Total current liabilities	27,213	36,231
Noncurrent liabilities		
Long term loans payable	1,500	-
Asset retirement obligations	3,686	4,036
Other	17	15
Total noncurrent liabilities	5,203	4,051
Total liabilities	32,417	40,283
Net assets		
Shareholders' equity		
Capital stock	3,030	3,030
Capital surplus	4,205	4,278
Retained earnings	32,340	35,699
Treasury stock	(5,861)	(5,833)
Total shareholders' equity	33,714	37,174
Accumulated other comprehensive income		
Deferred gains or losses on hedges	(62)	(11)
Foreign currency translation adjustment	(8)	3
Total accumulated other comprehensive income	(71)	(8)
Non-controlling interests	1,047	2,150
Total net assets	34,690	39,316
Total liabilities and net assets	67,107	79,599

(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, 2017 (April 1, 2017 to December 31, 2017)	Nine months ended December 31, 2018 (April 1, 2018 to December 31, 2018)
Net sales	115,175	117,829
Cost of sales	54,523	55,679
Gross profit	60,652	62,149
Selling, general and administrative expenses	50,861	52,562
Operating income	9,790	9,586
Non-operating income		
Interest income	0	0
Foreign exchange gains	52	-
Purchase discounts	41	48
Rent income	19	17
Other	116	121
Total non-operating income	229	187
Non-operating expenses		
Interest expenses	28	16
Rent expenses	19	17
Other	30	33
Total non-operating expenses	79	67
Ordinary income	9,941	9,706
Extraordinary loss		
Loss on retirement of noncurrent assets	121	66
Impairment loss	847	326
Other	10	46
Total extraordinary loss	979	440
Income before income taxes	8,961	9,266
Income taxes-current	2,872	2,516
Income taxes-deferred	261	733
Total income taxes	3,134	3,250
Net income	5,826	6,016
Profit (loss) attributable to non-controlling interests	79	234
Net income attributable to owners of parent	5,747	5,781

Statements of Consolidated Comprehensive Income

Third Quarter (Nine Months Aggregate)

(millions of yen)

	Nine months ended December 31, 2017 (April 1, 2017 to December 31, 2017)	Nine months ended December 31, 2018 (April 1, 2018 to December 31, 2018)
Profit	5,826	6,016
Other comprehensive income		
Deferred gains or losses on hedges	47	58
Foreign currency translation adjustment	(16)	11
Total other comprehensive income	31	70
Comprehensive income	5,858	6,086
Comprehensive income attributable to:		
Owners of the parent company	5,779	5,844
Non-controlling interests	79	241

(3) Consolidated Cash Flows

(millions of yen)

	Nine months ended December 31, 2017 (April 1, 2017 to December 31, 2017)	Nine months ended December 31, 2018 (April 1, 2018 to December 31, 2018)
Cash flows from operating activities		
Income before income taxes	8,961	9,266
Depreciation	1,341	1,375
Depreciation of intangible assets	218	340
Amortization of long-term prepaid expenses	117	126
Impairment loss	847	326
Increase (decrease) in provision for bonuses	(797)	(1,479)
Increase (decrease) in provision for directors' bonuses	(0)	(9)
Increase (decrease) in allowance for doubtful accounts	(1)	(2)
Interest and dividends income	(0)	(0)
Interest expenses	28	16
Decrease (increase) in notes receivable	(4,876)	(3,771)
Decrease (increase) in inventories	(3,099)	(4,800)
Decrease (increase) in other current assets	396	(43)
Increase (decrease) in purchase liabilities	4,167	4,572
Increase (decrease) in other current liabilities	2,050	(1,201)
Other	182	31
Subtotal	9,537	4,791
Interest and dividends income received	0	0
Interest expenses paid	(28)	(16)
Income taxes paid	(2,613)	(2,232)
Net cash provided by operating activities	6,894	2,543
Cash flows from investment activities		
Payments into time deposits	(9)	(9)
Purchase of property, plant and equipment	(1,823)	(3,344)
Payments for asset retirement obligations	(90)	(129)
Purchase of intangible assets	(304)	(680)
Purchase of long-term prepaid expenses	(395)	(1,032)
Payment for guarantee deposits	(164)	(318)
Proceeds from collection of guarantee deposits	734	259
Other	(242)	0
Net cash provided by investment activities	(2,296)	(5,255)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,860	7,650
Repayment of long-term loans payable	(3,003)	(1,500)
Cash dividends paid	(2,186)	(2,482)
Net cash provided by financing activities	(3,329)	3,667
Effect of exchange rate change on cash and cash equivalents	(16)	12
Increase (decrease) in cash and cash equivalents	1,252	967
Cash and cash equivalents at beginning of term	5,630	6,300
Cash and cash equivalents at end of term	6,883	7,268