

Consolidated Financial Summary for the Three Months Ended June 30, 2019 [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
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Scheduled Date of Reporting Date: August 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 Three-Month Period of the Fiscal Year Ending March 31, 2020 (April 1, 2019 to June 30, 2019)

(1) Consolidated Business Performance (aggregate)

(% indicates increase / decrease YoY)

	Total Sales		Operating Profit		Ordinary Profit		Net Income attributable to owners of parent	
Three months ended	¥ million	%	¥ million	%	¥ million	%	¥ million	%
June 30, 2019	37,505	3.1	3,143	21.2	3,118	19.0	1,914	22.1
June 30, 2018	36,378	3.3	2,593	6.4	2,619	5.6	1,568	13.4

Note: Comprehensive income: Three months ended June 30, 2019: ¥2,012 million (16.6%) Three months ended June 30, 2018: ¥1,725 million (19.4%)

	Net Income per Share	Net Income per Share after Adjusting for Dilutive Effects
Three months ended	yen	yen
June 30, 2019	67.46	—
June 30, 2018	55.28	—

Note: There are no dilutive shares.

(2) Consolidated Financial Conditions

	Total Assets	Net Assets	Equity Ratio	Per-share net worth
	¥ million	¥ million	%	¥
As of June 30, 2019	72,617	39,887	52.4	1,339.75
As of March 31, 2019	70,738	39,578	53.5	1,333.16

Reference: Shareholders' equity: June 30, 2019: ¥38,015 million March 31, 2019: ¥37,828 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, 2019	-	20.00	-	60.00	80.00
Fiscal year ending March 31, 2020	-				
Fiscal year ending March 31, 2020 (Est.)		22.00	-	61.00	83.00

Note: Revision to recently disclosed projected dividend payment: None

3. Projected Consolidated Performance of the Fiscal Year Ending March 2020 (From April 1, 2019 to March 31, 2020)

(% 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	164,240	3.3	11,970	8.2	12,000	6.1	6,700	236.12

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 June 30, 2019:	30,213,676 stocks
As of March 31, 2019:	30,213,676 stocks
2. Number of treasury stock

As of June 30, 2019:	1,838,324 stocks
As of March 31, 2019:	1,838,256 stocks
3. Average number of stocks issued and outstanding for the period

Three months ended June 30, 2019:	28,375,395 stocks
Three months ended June 30, 2018:	28,366,704 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, 2019)	At the end of the first quarter (June 30, 2019)
Assets		
Current assets		
Cash and deposits	6,103	6,767
Notes and accounts receivable-trade	186	93
Merchandise	24,407	26,113
Supplies	581	935
Accounts receivable-other	12,587	12,388
Other	670	734
Allowance for doubtful accounts	(3)	(3)
Total current assets	44,533	47,029
Noncurrent assets		
Tangible noncurrent assets		
Buildings and structures (net)	8,195	8,088
Machinery and equipment (net)	930	891
Other (net)	1,747	1,686
Total tangible noncurrent assets	10,873	10,666
Intangible noncurrent assets		
Other	2,783	3,051
Total intangible noncurrent assets	2,783	3,051
Investments and other assets		
Guarantee deposits	8,180	8,180
Other	4,389	3,711
Allowance for doubtful accounts	(22)	(22)
Total investments and other assets	12,548	11,869
Total noncurrent assets	26,205	25,587
Total assets	70,738	72,617
Liabilities		
Current liabilities		
Notes and accounts payable-trade	10,648	11,655
Short-term loans payable	2,100	6,000
Current portion of long-term loans payable	1,500	1,000
Income taxes payable	1,673	803
Provision for bonuses	2,340	759
Provision for directors' bonuses	111	25
Other	8,707	8,243
Total current liabilities	27,082	28,488
Noncurrent liabilities		
Asset retirement obligations	4,054	4,217
Other	23	24
Total noncurrent liabilities	4,078	4,241
Total liabilities	31,160	32,729
Net assets		
Shareholders' equity		
Capital stock	3,030	3,030
Capital surplus	4,278	4,278
Retained earnings	36,335	36,547
Treasury stock	(5,833)	(5,833)
Total shareholders' equity	37,810	38,022
Accumulated other comprehensive income		
Deferred gains or losses on hedges	(8)	(19)
Forex adjustment account	27	13
Total accumulated other comprehensive income	18	(6)
Non-controlling interests	1,749	1,871
Total net assets	39,578	39,887
Total liabilities and net assets	70,738	72,617

(2) Statements of Consolidated Income and Comprehensive Income

Statements of Consolidated Income

Three months ended June 30, 2018 and 2019

(millions of yen)

	Three months ended June 30, 2018 (April 1, 2018 to June 30, 2018)	Three months ended June 30, 2019 (April 1, 2019 to June 30, 2019)
Net sales	36,378	37,505
Cost of sales	16,431	16,973
Gross profit	19,947	20,532
Selling, general and administrative expenses	17,353	17,389
Operating income	2,593	3,143
Non-operating income		
Interest income	0	0
Purchase discounts	16	16
Rent income	5	6
Other	32	27
Total non-operating income	54	50
Non-operating expenses		
Interest expenses	4	3
Foreign exchange losses	14	35
Rent expenses	5	6
Share of loss of entities accounted for using equity method	-	24
Other	3	5
Total non-operating expenses	27	75
Ordinary income	2,619	3,118
Extraordinary loss		
Loss on retirement of noncurrent assets	23	10
Impairment loss	28	21
Other	0	-
Total extraordinary loss	52	31
Income before income taxes	2,567	3,087
Income taxes-current	387	457
Income taxes-deferred	538	589
Total income taxes	926	1,047
Net income	1,641	2,039
Net income attributable to non-controlling interests	73	125
Net income attributable to owners of parent	1,568	1,914

Statements of Consolidated Comprehensive Income

Three months ended June 30, 2018 and 2019

(millions of yen)

	Three months ended June 30, 2018 (April 1, 2018 to June 30, 2018)	Three months ended June 30, 2019 (April 1, 2019 to June 30, 2019)
Net income	1,641	2,039
Other comprehensive income		
Deferred gains or losses on hedges	75	(13)
Foreign currency translation adjustment	8	(13)
Total other comprehensive income	83	(27)
Comprehensive income	1,725	2,012
Comprehensive income attributable to:		
Owners of the parent	1,640	1,889
Non-controlling interests	84	122

(3) Consolidated Cash Flows

(millions of yen)

	Three months ended June 30, 2018 (April 1, 2018 to June 30, 2018)	Three months ended June 30, 2019 (April 1, 2019 to June 30, 2019)
Cash flows from operating activities		
Income before income taxes	2,567	3,087
Depreciation	447	485
Depreciation of intangible assets	104	111
Amortization of long-term prepaid expenses	44	106
Impairment loss	28	21
Increase (decrease) in provision for bonuses	(1,429)	(1,580)
Increase (decrease) in provision for directors' bonuses	(65)	(86)
Increase (decrease) in allowance for doubtful accounts	(2)	(0)
Interest and dividends income	(0)	(0)
Interest expenses	4	3
Decrease (increase) in notes receivable	390	174
Decrease (increase) in inventories	(1,695)	(2,059)
Decrease (increase) in other current assets	(104)	55
Increase (decrease) in trade payables	747	1,321
Increase (decrease) in other current liabilities	(933)	117
Other	(0)	32
Subtotal	105	1,789
Interest and dividends income received	0	0
Interest expenses paid	(4)	(3)
Income taxes paid	(700)	(1,194)
Net cash provided by operating activities	(599)	591
Cash flows from investment activities		
Payments into time deposits	(3)	(3)
Purchase of property, plant and equipment	(2,018)	(745)
Payments for asset retirement obligations	(40)	(42)
Purchase of intangible assets	(163)	(335)
Purchase of long-term prepaid expenses	(104)	(76)
Payment for guarantee deposits	(94)	(28)
Proceeds from collection of guarantee deposits	86	28
Other	0	(33)
Net cash provided by investment activities	(2,338)	(1,236)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	4,550	3,900
Repayment of long-term loans payable	(500)	(500)
Cash dividends paid	(1,499)	(2,080)
Other	-	(0)
Net cash provided by financing activities	2,550	1,319
Effect of exchange rate change on cash and cash equivalents	8	(13)
Increase (decrease) in cash and cash equivalents	(378)	660
Cash and cash equivalents at beginning of term	6,300	5,839
Cash and cash equivalents at end of term	5,921	6,500