

<Delayed> Consolidated Financial Summary
for the Fiscal Year Ended March 31, 2020
[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
Telephone: +81-3-5785-6325

Scheduled Date of Shareholder's Meeting: June 19, 2020
Scheduled Date of Dividend Payment: June 22, 2020
Scheduled Date of Reporting Date: June 22, 2020
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 Fiscal Year Ended March 31, 2020
(April 1, 2019 to March 31, 2020)

(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 2020	157,412	-0.9	8,758	-20.8	8,803	-22.2	3,522	-45.1
Fiscal 2019	158,918	2.9	11,063	5.2	11,312	5.0	6,417	22.3

Note: Comprehensive income Fiscal 2020: ¥4,180million (-39.2%) Fiscal 2019: ¥6,874million (27.8%)

	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 2020	124.15	—	9.2	12.5	5.6
Fiscal 2019	226.20	—	18.0	16.4	7.0

Reference: Equity in earnings of affiliates Fiscal 2020: ¥-151million Fiscal 2019: ¥-6million

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, 2020	70,007	42,072	55.2	1,362.01
As of March 31, 2019	70,738	39,578	53.5	1,333.16

Reference: Net Worth As of March 31, 2020: ¥38,647million As of March 31, 2019: ¥37,828million

(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 2020	5,510	(3,667)	(1,938)	5,726
Fiscal 2019	9,140	(5,926)	(3,711)	5,839

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			
	yen	yen	yen	yen	yen	¥ million	%	%
Fiscal 2019	—	20.00	—	60.00	80.00	2,270	35.4	6.0
Fiscal 2020	—	22.00	—	61.00	83.00	2,355	66.9	6.1
Fiscal 2021 (Forecast)	—	—	—	—	—		—	

Note: Dividend payment for Fiscal 2021 is undetermined.

3. Projected Consolidated Performance of the Fiscal Year Ending March 2021 (From April 1, 2020 to March 31, 2021)

Consolidated performance forecast for Fiscal 2021 is undetermined as it is currently difficult to reasonably calculate the effects of the spreading coronavirus on the UNITED ARROWS Group's business activities.

It will be announced immediately after it become available.

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: None
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, 2020:	30,213,676 stocks
As of March 31, 2019:	30,213,676 stocks
2. Number of treasury stock

As of March 31, 2020:	1,838,346 stocks
As of March 31, 2019:	1,838,256 stocks
3. Average number of stocks issued and outstanding for the period

Year ended March 31, 2020:	28,375,350 stocks
Year ended March 31, 2019:	28,372,794 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) Consolidated Balance Sheet

(millions of yen)

	Fiscal 2019 (as of March 31, 2019)	Fiscal 2020 (as of March 31, 2020)
Assets		
Current assets		
Cash and deposits	6,103	6,002
Notes and accounts receivable-trade	186	193
Merchandise	24,407	27,293
Supplies	581	655
Accounts receivable-other	12,587	11,159
Other	670	695
Allowance for doubtful accounts	(3)	(3)
Total current assets	44,533	45,997
Noncurrent assets		
Tangible noncurrent assets		
Buildings and structures	22,164	22,369
Accumulated depreciation and impairment loss	(13,969)	(15,629)
Buildings and structures (net)	8,195	6,739
Machinery and equipment	1,081	1,081
Accumulated depreciation and impairment loss	(151)	(306)
Machinery and equipment (net)	930	774
Land	569	569
Construction in progress	88	109
Other	5,401	5,407
Accumulated depreciation and impairment loss	(4,312)	(4,535)
Other (net)	1,088	872
Total tangible noncurrent assets	10,873	9,065
Intangible noncurrent assets		
Other	2,783	2,838
Total intangible noncurrent assets	2,783	2,838
Investments and other assets		
Investment securities	61	-
Guarantee deposits	8,180	8,216
Deferred tax assets	2,515	2,622
Other	1,812	1,289
Allowance for doubtful accounts	(22)	(22)
Total investments and other assets	12,548	12,105
Total noncurrent assets	26,205	24,009
Total assets	70,738	70,007

	Fiscal 2019 (as of March 31, 2019)	Fiscal 2020 (as of March 31, 2020)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	10,648	10,814
Short-term loans payable	2,100	4,600
Current portion of long-term loans payable	1,500	-
Accounts payable-other	5,941	4,001
Income taxes payable	1,673	174
Provision for bonuses	2,340	1,221
Provision for directors' bonuses	111	9
Asset retirement obligations	107	164
Other	2,658	2,672
Total current liabilities	27,082	23,658
Noncurrent liabilities		
Deferred tax liabilities	8	3
Asset retirement obligations	4,054	4,257
Other	15	15
Total noncurrent liabilities	4,078	4,275
Total liabilities	31,160	27,934
Net assets		
Shareholders' equity		
Capital stock	3,030	3,030
Capital surplus	4,278	4,435
Retained earnings	36,335	37,003
Treasury stock	(5,833)	(5,833)
Total shareholders' equity	37,810	38,634
Accumulated other comprehensive income		
Deferred gains or losses on hedges	(8)	2
Foreign currency translation adjustment	27	10
Total accumulated other comprehensive income	18	12
Non-controlling interests	1,749	3,425
Total net assets	39,578	42,072
Total liabilities and net assets	70,738	70,007

(2) Statements of Consolidated Income and Comprehensive Income

Statements of Consolidated Income

(millions of yen)

	Fiscal 2019 (April 1, 2018 to March 31, 2019)	Fiscal 2020 (April 1, 2019 to March 31, 2020)
Net sales	158,918	157,412
Cost of sales	77,158	77,429
Gross profit	81,760	79,983
Selling, general and administrative expenses	70,696	71,224
Operating income	11,063	8,758
Non-operating income		
Interest income	0	0
Insurance dividend	35	35
Foreign exchange gains	6	50
Rent income	24	24
Purchase discounts	63	63
Fee and commission received	55	31
Other	147	123
Total non-operating income	332	329
Non-operating expenses		
Interest expenses	21	18
Rent expenses	24	25
Share of loss of entities accounted for using equity method	6	151
Other	32	89
Total non-operating expenses	83	285
Ordinary income	11,312	8,803
Extraordinary profit		
Gain on donation of non-current assets	4	-
Total extraordinary profit	4	-
Extraordinary loss		
Loss on retirement of noncurrent assets	74	50
Impairment loss	472	2,509
Loss on valuation of other investments	43	-
Other	3	21
Total extraordinary loss	593	2,582
Income before income taxes	10,723	6,221
Income taxes-current	3,510	2,163
Income taxes-deferred	436	(121)
Total income taxes	3,947	2,041
Net income	6,776	4,179
Net income attributable to non-controlling interests	358	656
Net income attributable to owners of parent	6,417	3,522

Statements of Consolidated Comprehensive Income

(millions of yen)

	Fiscal 2019 (April 1, 2018 to March 31, 2019)	Fiscal 2020 (April 1, 2019 to March 31, 2020)
Net income	6,776	4,179
Other comprehensive income		
Deferred gains or losses on hedges	61	18
Foreign currency translation adjustment	36	(17)
Total other comprehensive income	97	0
Comprehensive income	6,874	4,180
Comprehensive income attributable to:		
Owners of the parent company	6,507	3,517
Non-controlling interests	366	663

(3) Consolidated Cash Flows

(millions of yen)

	Fiscal 2019 (April 1, 2018 to March 31, 2019)	Fiscal 2020 (April 1, 2019 to March 31, 2020)
Cash flows from operating activities		
Income before income taxes	10,723	6,221
Depreciation	1,859	1,948
Depreciation of intangible assets	467	402
Amortization of long-term prepaid expenses	190	445
Impairment loss	472	2,509
Increase (decrease) in provision for bonuses	(139)	(1,118)
Increase (decrease) in provision for directors' bonuses	20	(101)
Increase (decrease) in allowance for doubtful accounts	(1)	(0)
Interest and dividends income	(0)	(0)
Interest expenses	21	18
Decrease (increase) in notes receivable	(410)	2,258
Decrease (increase) in inventories	(188)	(2,960)
Decrease (increase) in other current assets	(24)	(39)
Increase (decrease) in trade payables	430	50
Increase (decrease) in other current liabilities	(1,348)	(795)
Share of loss of entities accounted for using equity method	6	151
Other	114	150
Subtotal	12,193	9,139
Interest and dividends income received	0	0
Interest expenses paid	(21)	(18)
Income taxes paid	(3,031)	(3,611)
Net cash provided by operating activities	9,140	5,510
Cash flows from investment activities		
Payments into time deposits	(12)	(12)
Purchase of property, plant and equipment	(3,548)	(1,966)
Payments for asset retirement obligations	(153)	(146)
Purchase of intangible assets	(955)	(1,158)
Purchase of long-term prepaid expenses	(1,046)	(247)
Payment for guarantee deposits	(437)	(451)
Proceeds from collection of guarantee deposits	296	415
Other	(67)	(101)
Net cash provided by investment activities	(5,926)	(3,667)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	600	2,500
Repayment of long-term loans payable	(2,000)	(1,500)
Cash dividends paid	(2,212)	(2,325)
Dividends paid to non-controlling interests	(319)	(1,604)
Proceeds from sales of non-controlling interests	220	991
Other	-	(0)
Net cash provided by financing activities	(3,711)	(1,938)
Effect of exchange rate change on cash and cash equivalents	36	(17)
Increase (decrease) in cash and cash equivalents	(461)	(112)
Cash and cash equivalents at beginning of term	6,300	5,839
Cash and cash equivalents at end of term	5,839	5,726