

**<Delayed> Consolidated Financial Summary
for the Three Months Ended June 30, 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, Executive Officer, Finance and Accounting Department
Telephone: +81-3-5785-6325

Scheduled Date of Reporting Date: August 14, 2020
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, 2021 (April 1, 2020 to June 30, 2020)

(1) Consolidated Business Performance (aggregate)

(% indicates increase / decrease YoY)

	Total Sales		Operating Profit		Ordinary Profit		Net Income attributable to owners of parent	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Three months ended								
June 30, 2020	22,198	(40.8)	(5,019)	—	(4,940)	—	(3,582)	—
June 30, 2019	37,505	3.1	3,143	21.2	3,118	19.0	1,914	22.1

Note: Comprehensive income: Three months, ended June 30, 2020: ¥ (3,511) million (-%). Three months ended June 30, 2019: ¥2,012 million (16.6%)

	Net Income per Share	Net Income per Share after Adjusting for Dilutive Effects
Three months ended	yen	yen
June 30, 2020	(126.26)	—
June 30, 2019	67.46	—

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, 2020	76,292	36,829	43.7	1,175.02
As of March 31, 2020	70,007	42,072	55.2	1,362.01

Reference: Shareholders' equity: June 30, 2020: ¥33,341 million March 31, 2020: ¥38,647 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, 2020	-	22.00	-	61.00	83.00
Fiscal year ending March 31, 2021	-				
Fiscal year ending March 31, 2021 (Est.)		0.00	-	0.00	0.00

Note: Revision to recently disclosed projected dividend payment: Yes

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

(% 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	125,915	(20.0)	(7,000)	-	-	-	-	-	-
	~131,084	~(16.7)	~(5,000)	-	-	-	-	-	-

Note: 1. Revision to recently disclosed projected consolidated performance: Yes

2. Projected Consolidated Performance are disclosed in range format.

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, 2020:	30,213,676 stocks
As of March 31, 2020:	30,213,676 stocks
2. Number of treasury stock

As of June 30, 2020:	1,838,346 stocks
As of March 31, 2020:	1,838,346 stocks
3. Average number of stocks issued and outstanding for the period

Three months ended June 30, 2020:	28,375,330 stocks
Three months ended June 30, 2019:	28,375,395 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 first quarter (June 30, 2019)	At the end of the first quarter (June 30, 2020)
Assets		
Current assets		
Cash and deposits	6,002	5,693
Notes and accounts receivable-trade	193	60
Merchandise	27,293	30,419
Supplies	655	793
Accounts receivable-other	11,159	11,837
Other	695	1,004
Allowance for doubtful accounts	(3)	(3)
Total current assets	45,997	49,805
Noncurrent assets		
Tangible noncurrent assets		
Buildings and structures (net)	6,739	7,075
Machinery and equipment (net)	774	742
Other (net)	1,551	2,093
Total tangible noncurrent assets	9,065	9,910
Intangible noncurrent assets		
Other	2,838	2,875
Total intangible noncurrent assets	2,838	2,875
Investments and other assets		
Guarantee deposits	8,216	8,310
Other	3,911	5,412
Allowance for doubtful accounts	(22)	(22)
Total investments and other assets	12,105	13,700
Total noncurrent assets	24,009	26,487
Total assets	70,007	76,292
Liabilities		
Current liabilities		
Notes and accounts payable-trade	10,814	9,148
Short-term loans payable	4,600	18,700
Income taxes payable	174	286
Provision for bonuses	1,221	593
Provision for directors' bonuses	9	1
Other	6,838	6,322
Total current liabilities	23,658	35,052
Noncurrent liabilities		
Asset retirement obligations	4,257	4,389
Other	18	20
Total noncurrent liabilities	4,275	4,410
Total liabilities	27,934	39,462
Net assets		
Shareholders' equity		
Capital stock	3,030	3,030
Capital surplus	4,435	4,435
Retained earnings	37,003	31,689
Treasury stock	(5,833)	(5,833)
Total shareholders' equity	38,634	33,321
Accumulated other comprehensive income		
Deferred gains or losses on hedges	2	2
Foreign currency translation adjustment	10	18
Total accumulated other comprehensive income	12	20
Non-controlling interests	3,425	3,488
Total net assets	42,072	36,829
Total liabilities and net assets	70,007	76,292

Consolidated Financial Results

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

Three months ended June 30

(millions of yen)

	Three months ended June 30, 2019 (April 1, 2019 to June 30, 2019)	Three months ended June 30, 2020 (April 1, 2020 to June 30, 2020)
Net sales	37,505	22,198
Cost of sales	16,973	12,561
Gross profit	20,532	9,637
Selling, general and administrative expenses	17,389	14,656
Operating income (loss)	3,143	(5,019)
Non-operating income		
Interest income	0	0
Foreign exchange gains	-	48
Purchase discounts	16	12
Rent income	6	4
Other	27	42
Total non-operating income	50	107
Non-operating expenses		
Interest expenses	3	7
Foreign exchange losses	35	-
Rent expenses	6	5
Share of loss of entities accounted for using equity method	24	1
Other	5	14
Total non-operating expenses	75	28
Ordinary income (loss)	3,118	(4,940)
Extraordinary loss		
Loss on retirement of noncurrent assets	10	0
Impairment loss	21	-
Office relocation fee	-	9
Total extraordinary loss	31	9
Income (loss) before income taxes	3,087	(4,950)
Income taxes-current	457	108
Income taxes-deferred	589	(1,539)
Total income taxes	1,047	(1,431)
Net income (loss)	2,039	(3,518)
Net income attributable to non-controlling interests	125	63
Net income (loss) attributable to owners of parent	1,914	(3,582)

Statements of Quarterly Consolidated Comprehensive Income

Three months ended June 30

(millions of yen)

	Three months ended June 30, 2019 (April 1, 2019 to June 30, 2019)	Three months ended June 30, 2020 (April 1, 2020 to June 30, 2020)
Net income (loss)	2,039	(3,518)
Other comprehensive income		
Deferred gains or losses on hedges	(13)	(1)
Foreign currency translation adjustment	(13)	8
Total other comprehensive income	(27)	6
Comprehensive income	2,012	(3,511)
Comprehensive income attributable to:		
Owners of the parent	1,889	(3,574)
Non-controlling interests	122	62

(3) Quarterly Consolidated Cash Flows

(millions of yen)

	Three months ended June 30, 2019 (April 1, 2019 to June 30, 2019)	Three months ended June 30, 2020 (April 1, 2020 to June 30, 2020)
Cash flows from operating activities		
Income (loss) before income taxes	3,087	(4,950)
Depreciation	485	430
Depreciation of intangible assets	111	94
Amortization of long-term prepaid expenses	106	107
Impairment loss	21	-
Increase (decrease) in provision for bonuses	(1,580)	(627)
Increase (decrease) in provision for directors' bonuses	(86)	(8)
Increase (decrease) in allowance for doubtful accounts	(0)	(0)
Interest and dividends income	(0)	(0)
Interest expenses	3	7
Decrease (increase) in notes receivable	174	(1,034)
Decrease (increase) in inventories	(2,059)	(3,263)
Decrease (increase) in other current assets	55	454
Increase (decrease) in trade payables	1,321	(1,583)
Increase (decrease) in other current liabilities	117	(892)
Other	32	(15)
Subtotal	1,789	(11,280)
Interest and dividends income received	0	0
Interest expenses paid	(3)	(7)
Income taxes paid	(1,194)	(89)
Net cash provided by operating activities	591	(11,378)
Cash flows from investment activities		
Payments into time deposits	(3)	(3)
Purchase of property, plant and equipment	(745)	(1,127)
Payments for asset retirement obligations	(42)	(43)
Purchase of intangible assets	(335)	(150)
Purchase of long-term prepaid expenses	(76)	(52)
Payment for guarantee deposits	(28)	(175)
Proceeds from collection of guarantee deposits	28	81
Other	(33)	-
Net cash provided by investment activities	(1,236)	(1,470)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	3,900	14,100
Repayment of long-term loans payable	(500)	-
Cash dividends paid	(2,080)	(1,572)
Other	(0)	-
Net cash provided by financing activities	1,319	12,527
Effect of exchange rate change on cash and cash equivalents	(13)	8
Increase (decrease) in cash and cash equivalents	660	(312)
Cash and cash equivalents at beginning of term	5,839	5,726
Cash and cash equivalents at end of term	6,500	5,413