

<Delayed> Consolidated Financial Summary
for the Three Months Ended June 30, 2021
[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: Yoshinori Matsuzaki, Representative Director, President and CEO
 Contact: Takeo Nakazawa, Executive Officer, Finance and Accounting Department
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Scheduled Date of Reporting Date: August 13, 2021
 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, 2022 (April 1, 2021 to June 30, 2021)

(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, 2021	25,264	13.8	(903)	—	(718)	—	(648)	—
June 30, 2020	22,198	(40.8)	(5,019)	—	(4,940)	—	(3,582)	—

(Note) Comprehensive income:

As of June 30, 2021: ¥(692)million [(-%)]

As of June 30, 2020: ¥(3,511)million [(-%)]

	Net Income per Share	Net Income per Share after Adjusting for Dilutive Effects
Three months ended	yen	yen
June 30, 2021	(22.72)	—
June 30, 2020	(126.26)	—

(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, 2021	62,209	29,151	46.9	1,021.64
As of March 31, 2021	63,619	29,844	46.9	1,045.93

(Reference) Shareholders' equity: June 30, 2021: ¥29,151 million

March 31, 2021: ¥29,844 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, 2021	-	0.00	-	0.00	0.00
Fiscal year ending March 31, 2022	-				
Fiscal year ending March 31, 2022 (Est.)		7.00	-	12.00	19.00

(Note) Revision to recently disclosed projected dividend payment: None

3. Projected Consolidated Performance of the Fiscal Year Ending March 2022 (From April 1, 2021 to March 31, 2022)

(% 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	124,800	2.5	3,000	—	3,580	—	1,750	61.33

(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 Shares Issued (Common Stocks)

1. Number of shares issued at the end of the period (including treasury stock)

As of June 30, 2021:	30,213,676 shares
As of March 31, 2021:	30,213,676 shares
2. Number of treasury stocks at the end of the period

As of June 30, 2021:	1,679,373 shares
As of March 31, 2021:	1,679,373 shares
3. Average number of shares during the period

Three months ended June 30, 2021:	28,534,303 shares
Three months ended June 30, 2020:	28,375,330 shares

*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, 2021)	At the end of the first quarter (June 30, 2021)
Assets		
Current assets		
Cash and deposits	6,604	5,745
Notes and accounts receivable-trade	163	98
Merchandise	19,214	20,019
Supplies	699	667
Accounts receivable-other	12,184	11,348
Other	878	677
Total current assets	39,745	38,556
Noncurrent assets		
Tangible noncurrent assets		
Buildings and structures (net)	4,799	4,658
Machinery and equipment (net)	645	815
Land	569	569
Construction in progress	284	46
Other (net)	521	515
Total tangible noncurrent assets	6,820	6,605
Intangible noncurrent assets		
Other	1,799	1,780
Total intangible noncurrent assets	1,799	1,780
Investments and other assets		
Guarantee deposits	7,899	7,744
Deferred tax assets	4,689	4,839
Other	2,688	2,707
Allowance for doubtful accounts	(23)	(23)
Total investments and other assets	15,254	15,267
Total noncurrent assets	23,874	23,653
Total assets	63,619	62,209
Liabilities		
Current liabilities		
Notes and accounts payable-trade	7,880	7,677
Short-term loans payable	15,600	15,470
Accounts payable	4,032	3,173
Income taxes payable	-	110
Provision for bonuses	480	319
Provision for directors' bonuses	-	14
Asset retirement obligations	207	173
Other	1,363	1,847
Total current liabilities	29,564	28,787
Noncurrent liabilities		
Asset retirement obligations	4,202	4,237
Other	7	32
Total noncurrent liabilities	4,210	4,270
Total liabilities	33,775	33,057
Net assets		
Shareholders' equity		
Capital stock	3,030	3,030
Capital surplus	4,415	4,415
Retained earnings	27,641	26,993
Treasury stock	(5,218)	(5,218)
Total shareholders' equity	29,868	29,220
Accumulated other comprehensive income		
Foreign currency translation adjustment	(23)	(68)
Total accumulated other comprehensive income	(23)	(68)
Total net assets	29,844	29,151
Total liabilities and net assets	63,619	62,209

(2) Statements of Consolidated Income and Comprehensive Income

Statements of Consolidated Income

First Quarter (Three Months Aggregate)

(millions of yen)

	Three months ended June 30, 2020 (April 1, 2020 to June 30, 2020)	Three months ended June 30, 2021 (April 1, 2021 to June 30, 2021)
Net sales	22,198	25,264
Cost of sales	12,561	12,265
Gross profit	9,637	12,998
Selling, general and administrative expenses	14,656	13,902
Operating income (loss)	(5,019)	(903)
Non-operating income		
Interest income	0	0
Foreign exchange gains	48	40
Purchase discounts	12	14
Rent income	4	3
Share of profit of entities accounted for using equity method	-	116
Other	42	28
Total non-operating income	107	202
Non-operating expenses		
Interest expenses	7	7
Rent expenses	5	3
Share of loss of entities accounted for using equity method	1	-
Other	14	5
Total non-operating expenses	28	16
Ordinary income (loss)	(4,940)	(718)
Extraordinary loss		
Loss on retirement of noncurrent assets	0	17
Impairment loss	-	26
Office relocation expenses	9	3
Total extraordinary loss	9	47
Income (loss) before income taxes	(4,950)	(766)
Income taxes-current	108	31
Income taxes-deferred	(1,539)	(149)
Total income taxes	(1,431)	(117)
Net income (loss)	(3,518)	(648)
Net income attributable to non-controlling interests	63	-
Net income (loss) attributable to owners of parent	(3,582)	(648)

Statements of Consolidated Comprehensive Income

First Quarter (Three Months Aggregate)

(millions of yen)

	Three months ended June 30, 2020 (April 1, 2020 to June 30, 2020)	Three months ended June 30, 2021 (April 1, 2021 to June 30, 2021)
Net income (loss)	(3,518)	(648)
Other comprehensive income		
Deferred gains or losses on hedges	(1)	-
Foreign currency translation adjustment	8	(44)
Total other comprehensive income	6	(44)
Comprehensive income	(3,511)	(692)
Comprehensive income attributable to:		
Owners of the parent company	(3,574)	(692)
Non-controlling interests	62	-

(3) Consolidated Cash Flows

(millions of yen)

	Three months ended June 30, 2020 (April 1, 2020 to June 30, 2020)	Three months ended June 30, 2021 (April 1, 2021 to June 30, 2021)
Cash flows from operating activities		
Income (loss) before income taxes	(4,950)	(766)
Depreciation	430	296
Depreciation of intangible assets	94	92
Amortization of long-term prepaid expenses	107	102
Impairment loss	-	26
Increase (decrease) in provision for bonuses	(627)	(160)
Increase (decrease) in provision for directors' bonuses	(8)	14
Increase (decrease) in allowance for doubtful accounts	(0)	-
Interest and dividends income	(0)	(0)
Interest expenses	7	7
Decrease (increase) in notes receivable	(1,034)	878
Decrease (increase) in inventories	(3,263)	(771)
Decrease (increase) in other current assets	454	285
Increase (decrease) in trade payables	(1,583)	(150)
Increase (decrease) in other current liabilities	(892)	(27)
Share of loss (profit) of entities accounted for using equity method	1	(116)
Other	(16)	47
Subtotal	(11,280)	(242)
Interest and dividends received	0	0
Interest expenses paid	(7)	(7)
Income taxes paid	(89)	(62)
Net cash provided by operating activities	(11,378)	(312)
Cash flows from investment activities		
Payments into time deposits	(3)	-
Purchase of property, plant and equipment	(1,127)	(88)
Payments for asset retirement obligations	(43)	(72)
Purchase of intangible assets	(150)	(340)
Purchase of long-term prepaid expenses	(52)	(13)
Payments of guarantee deposits	(175)	(54)
Proceeds from refund of guarantee deposits	81	210
Other	-	(13)
Net cash provided by investment activities	(1,470)	(371)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	14,100	(130)
Dividends paid	(1,572)	(0)
Net cash provided by financing activities	12,527	(130)
Effect of exchange rate change on cash and cash equivalents	8	(44)
Increase (decrease) in cash and cash equivalents	(312)	(859)
Cash and cash equivalents at beginning of term	5,726	6,604
Cash and cash equivalents at end of term	5,413	5,745