May 8, 2017

Consolidated Financial Summary
For the Fiscal Year Ended March 31, 2017
(April 1, 2016 to March 31, 2017)

Prepared in Conformity with Accounting Principles Generally Accepted in Japan (Japanese GAAP)
English Translation of the Original Japanese-Language Report

Corporate Name:	UNITED ARROWS LTD.
Securities Traded:	Tokyo Stock Exchange, First Section
Code Number:	7606
URL:	http://www.united-arrows.co.jp
Representative:	Mitsuhiro Takeda, Representative Director, President and Executive Officer
Contact:	Takeo Nakazawa, Department Manager, Finance and Accounting Department
Telephone:	+81-3-5785-6325
Scheduled date of Shareholders' Meeting:	June 22, 2017
Scheduled Date of Dividend Payment:	June 23, 2017
Scheduled Reporting Date:	June 23, 2017
Supplementary Information:	Yes

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

1. Consolidated Business Results for the Fiscal Year Ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(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 2017	145,535	3.3	9,165	(17.2)	9,420	(15.7)	5,191	(20.1)
Fiscal 2016	140,919	7.5	11,071	(2.5)	11,175	(3.2)	6,494	2.6

Note: Comprehensive income Fiscal 2017: ¥5,250 million (−17.0%) Fiscal 2016: ¥6,327 million (−1.2%)

	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 2017	174.57	—	16.1	14.3	6.3
Fiscal 2016	214.87	—	20.0	17.8	7.9

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, 2017	67,799	30,980	45.2	1,081.49
As of March 31, 2016	63,877	33,760	52.8	1,117.23

Reference: Net worth As of March 31, 2017: ¥30,630 million As of March 31, 2016: ¥33,755 million

(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 2017	4,868	(4,511)	(508)	5,630
Fiscal 2016	11,689	(3,351)	(8,139)	5,799

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 2016	—	20.00	—	58.00	78.00	2,356	36.3	7.0
Fiscal 2017	—	20.00	—	58.00	78.00	2,246	44.7	7.3
Fiscal 2018 (Forecast)	—	20.00	—	58.00	78.00		40.2	

3. Projected Consolidated Performance of the Fiscal Year Ending March 2018 (From April 1, 2017 to March 31, 2018)

	Total Sales		Operating Profit		Ordinary Profit		Net Income attributable to owners of parent		Net Income per Share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	yen
Interim Period	68,686	5.5	1,750	2.1	1,777	(1.5)	570	(34.5)	20.13
Full Fiscal Year	153,859	5.7	9,953	8.6	10,100	7.2	5,496	5.9	194.06

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: Yes
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, 2017: 30,213,676 stocks
   - As of March 31, 2016: 30,213,676 stocks

2. Number of treasury stock
   - As of March 31, 2017: 1,890,835 stocks
   - As of March 31, 2016: 73 stocks

3. Average number of stocks issued and outstanding for the period
   - Year ended March 31, 2017: 29,736,753 stocks
   - Year ended March 31, 2016: 30,224,705 stocks

* This Financial Report is not subject to the audit procedures

*Explanation regarding appropriate use of projected business performance

The above projection was made based on information available to the Company at the time of disclosure of this information. Actual results of business performance may differ from the forecast shown here due to various factors.

Consolidated Financial Results

(1) Consolidated Balance Sheet

(millions of yen)

	Fiscal 2016 (as of March 31, 2016)	Fiscal 2017 (as of March 31, 2017)
Assets		
Current assets		
Cash and deposits	6,027	5,870
Notes and accounts receivable-trade	245	252
Merchandise	23,473	25,654
Supplies	492	555
Accounts receivable-other	9,803	10,161
Deferred tax assets	1,424	1,699
Other	910	964
Allowance for doubtful accounts	(10)	(6)
Total current assets	42,367	45,152
Noncurrent assets		
Tangible noncurrent assets		
Buildings and structures	19,091	20,587
Accumulated depreciation and accumulated impairment loss	(11,194)	(12,255)
Buildings and structures (net)	7,896	8,332
Land	569	569
Construction in progress	85	89
Other	4,835	5,099
Accumulated depreciation and accumulated impairment loss	(3,728)	(3,882)
Other (net)	1,106	1,217
Total tangible noncurrent assets	9,658	10,209
Intangible noncurrent assets		
Other	1,850	1,965
Total intangible noncurrent assets	1,850	1,965
Investments and other assets		
Investment securities	0	0
Guarantee deposits	8,398	8,716
Deferred tax assets	585	849
Other	1,039	926
Allowance for doubtful accounts	(21)	(21)
Total investments and other assets	10,001	10,471
Total noncurrent assets	21,510	22,646
Total assets	63,877	67,799

(millions of yen)

	Fiscal 2016 (as of March 31, 2016)	Fiscal 2017 (as of March 31, 2017)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	9,495	9,399
Short-term loans payable	2,150	6,300
Current portion of long-term loans payable	2,004	3,992
Accounts payable–other	4,750	4,805
Income taxes payable	2,312	1,346
Provision for bonuses	1,588	1,740
Provision for directors' bonuses	8	9
Asset retirement obligations	109	100
Other	2,545	2,111
Total current liabilities	24,964	29,805
Noncurrent liabilities		
Long term loans payable	1,992	3,500
Asset retirement obligations	3,148	3,494
Other	11	17
Total noncurrent liabilities	5,152	7,012
Total liabilities	30,117	36,818
Net assets		
Shareholders' equity		
Capital stock	3,030	3,030
Capital surplus	4,095	4,128
Retained earnings	26,712	29,515
Treasury stock	(0)	(6,000)
Total shareholders' equity	33,838	30,673
Accumulated other comprehensive income		
Deferred gains or losses on hedges	(105)	(46)
Forex adjustment account	22	4
Total accumulated other comprehensive income	(82)	(42)
Non-controlling interests	4	349
Total net assets	33,760	30,980
Total liabilities and net assets	63,877	67,799

(2) Statements of Consolidated Income and Comprehensive Income

Statements of Consolidated Income

(millions of yen)

	Fiscal 2016 (April 1, 2015 to March 31, 2016)	Fiscal 2017 (April 1, 2016 to March 31, 2017)
Net sales	140,919	145,535
Cost of sales	69,345	71,379
Gross profit	71,573	74,155
Selling, general and administrative expenses	60,501	64,990
Operating income	11,071	9,165
Non-operating income		
Interest income	1	0
Dividend income	4	-
Insurance dividend	38	37
Foreign exchange gains	8	123
Rent income	19	21
Purchase discounts	58	60
Fee and commission received	23	37
Other	73	85
Total non-operating income	226	367
Non-operating expenses		
Interest expenses	41	42
Rent expenses	18	20
Commission fees	33	17
Other	29	30
Total non-operating expenses	122	112
Ordinary income	11,175	9,420
Extraordinary profit		
Gain on sales of noncurrent assets	-	0
Gain on sales of investment securities	64	-
Total extraordinary profit	64	0
Extraordinary loss		
Loss on retirement of noncurrent assets	86	89
Impairment loss	682	1,221
Loss on valuation of investment securities	16	0
Other	4	54
Total extraordinary loss	789	1,366
Income before income taxes	10,450	8,054
Income taxes-current	3,885	3,401
Income taxes-deferred	75	(559)
Total income taxes	3,960	2,841
Net income	6,489	5,212
Profit (loss) attributable to non-controlling interests	(5)	21
Net income attributable to owners of parent	6,494	5,191

Statements of Consolidated Comprehensive Income

(millions of yen)

	Fiscal 2016 (April 1, 2015 to March 31, 2016)	Fiscal 2017 (April 1, 2016 to March 31, 2017)
Income before minority interests	6,489	5,212
Other comprehensive income		
Other valuation adjustments on securities	(31)	-
Deferred gains or losses on hedges	(146)	55
Forex adjustment account	16	(17)
Total other comprehensive income	(161)	37
Comprehensive income	6,327	5,250
Comprehensive income attributable to:		
Owners of the parent company	6,332	5,231
Non-controlling interests	(5)	19

(3) Consolidated Cash Flows

(millions of yen)

	Fiscal 2016 (April 1, 2015 to March 31, 2016)	Fiscal 2017 (April 1, 2016 to March 31, 2017)
Cash flows from operating activities		
Income before income taxes	10,450	8,054
Depreciation	1,794	1,865
Depreciation of intangible assets	183	223
Amortization of long-term prepaid expenses	138	316
Impairment loss	682	1,221
Increase (decrease) in provision for bonuses	40	151
Increase (decrease) in provision for directors' bonuses	(3)	0
Increase (decrease) in allowance for doubtful accounts	7	(3)
Interest and dividends income	(5)	(0)
Loss (gain) on valuation of investment securities	16	0
Interest expenses	41	42
Decrease (increase) in notes receivable	(43)	290
Decrease (increase) in inventories	(491)	(2,244)
Decrease (increase) in other current assets	(175)	(555)
Increase (decrease) in purchase liabilities	1,728	(160)
Increase (decrease) in other current liabilities	(13)	(34)
Increase (decrease) in other noncurrent liabilities	(0)	11
Other	322	251
Subtotal	14,674	9,431
Interest and dividends income received	5	0
Interest expenses paid	(42)	(42)
Income taxes paid	(2,947)	(4,520)
Net cash provided by operating activities	11,689	4,868

(millions of yen)

	Fiscal 2016 (April 1, 2015 to March 31, 2016)	Fiscal 2017 (April 1, 2016 to March 31, 2017)
Cash flows from investment activities		
Payments into time deposits	(12)	(12)
Proceeds from sales of investment securities	226	-
Purchase of property, plant and equipment	(2,090)	(3,090)
Payments for asset retirement obligations	(187)	(155)
Proceeds from sales of property, plant and equipment	0	0
Purchase of intangible assets	(336)	(362)
Purchase of long-term prepaid expenses	(360)	(555)
Payment for guarantee deposits	(753)	(732)
Proceeds from collection of guarantee deposits	162	413
Other	0	(17)
Net cash provided by investment activities	(3,351)	(4,511)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(2,350)	4,150
Proceeds from long-term payable	-	6,000
Repayment of long-term loans payable	(2,004)	(2,504)
Purchase of treasury stock	(1,418)	(6,017)
Cash dividends paid	(2,376)	(2,356)
Proceeds from share issuance to non-controlling interests	10	-
Proceeds from sales of non-controlling interests	-	220
Net cash provided by financing activities	(8,139)	(508)
Effect of exchange rate change on cash and cash equivalents	16	(17)
Increase (decrease) in cash and cash equivalents	214	(168)
Cash and cash equivalents at beginning of term	5,585	5,799
Cash and cash equivalents at end of term	5,799	5,630