
Consolidated Financial Summary
For the First Quarter of the Fiscal Year Ending March 31, 2018
(April 1, 2017 to June 30, 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 Dividend Payment:	—
Scheduled Reporting Date:	August 14, 2017
Supplementary Information:	Yes

Note: Figures smaller than one million are rounded down.

1. Consolidated Business Results for the First Quarter of the Fiscal Year Ending March 31, 2017 (April 1, 2017 to June 30, 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	%
Three months ended June 30, 2017	35,228	6.9	2,436	15.9	2,481	17.4	1,383	6.0
Three months ended June 30, 2016	32,947	2.7	2,103	(24.7)	2,112	(24.5)	1,305	(25.0)

Note: Comprehensive income

Three months ended June 30, 2017: ¥1,445 million (9.6%) Three months ended June 30, 2016: ¥1,318 million (-22.4%)

	Net Income per Share	Net Income per Share after Adjusting for Dilutive Effects
	yen	yen
Three months ended June 30, 2017	48.84	—
Three months ended June 30, 2016	43.19	—

Note: There are no dilutive shares for three months ended June 30, 2016 and 2017.

(2) Consolidated Financial Conditions

	Total Assets	Net Assets	Equity Ratio	Per-share net worth
	¥ million	¥ million	%	¥
As of June 30, 2017	69,180	30,785	44.0	1,073.68
As of March 31, 2017	67,799	30,980	45.2	1,081.49

Reference: Net worth As of June 30, 2017: ¥30,409 million As of March 31, 2017: ¥30,630 million

2. Conditions of Dividend Payment

	Annual Dividend				
	1Q End	2Q End	3Q End	Year-End	Annual
	yen	yen	yen	yen	yen
Fiscal year ended March 31, 2017	—	20.00	—	58.00	78.00
Fiscal year ending March 31, 2018	—				
Fiscal year ending March 31, 2018 (Forecast)		20.00	—	58.00	78.00

Note: Revision to recently disclosed projected dividend payment: None

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

(% 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
Interim Period	68,686	5.5	1,750	2.1	1,777	(1.5)	570	20.13
Full Fiscal Year	153,859	5.7	9,953	8.6	10,100	7.2	5,496	194.06

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, 2017:	30,213,676 stocks
As of March 31, 2017:	30,213,676 stocks
2. Number of treasury stock

As of June 30, 2017:	1,890,835 stocks
As of March 31, 2017:	1,890,835 stocks
3. Average number of stocks issued and outstanding for the period

Three months ended June 30, 2017:	28,322,841 stocks
Three months ended June 30, 2016:	30,213,603 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) Quarterly Consolidated Balance Sheet

(millions of yen)

	At the end of the previous fiscal year (March 31, 2017)	At the end of the first quarter (June 30, 2017)
Assets		
Current assets		
Cash and deposits	5,870	6,165
Notes and accounts receivable-trade	252	110
Merchandise	25,654	27,003
Supplies	555	604
Accounts receivable-other	10,161	10,044
Other	2,663	2,429
Allowance for doubtful accounts	(6)	(6)
Total current assets	45,152	46,351
Noncurrent assets		
Tangible noncurrent assets		
Buildings and structures (net)	8,332	8,415
Other (net)	1,877	1,803
Total tangible noncurrent assets	10,209	10,219
Intangible noncurrent assets		
Other	1,965	2,051
Total intangible noncurrent assets	1,965	2,051
Investments and other assets		
Guarantee deposits	8,716	8,722
Other	1,775	1,856
Allowance for doubtful accounts	(21)	(21)
Total investments and other assets	10,471	10,557
Total noncurrent assets	22,646	22,828
Total assets	67,799	69,180
Liabilities		
Current liabilities		
Notes and accounts payable-trade	9,399	10,465
Short-term loans payable	6,300	8,950
Current portion of long-term loans payable	3,992	3,491
Income taxes payable	1,346	742
Provision for bonuses	1,740	980
Provision for directors' bonuses	9	1
Other	7,017	7,143
Total current liabilities	29,805	31,773
Noncurrent liabilities		
Long term loans payable	3,500	3,000
Asset retirement obligations	3,494	3,603
Other	17	17
Total noncurrent liabilities	7,012	6,621
Total liabilities	36,818	38,395
Net assets		
Shareholders' equity		
Capital stock	3,030	3,030
Capital surplus	4,128	4,128
Retained earnings	29,515	29,256
Treasury stock	(6,000)	(6,000)
Total shareholders' equity	30,673	30,414
Accumulated other comprehensive income		
Deferred gains or losses on hedges	(46)	(1)
Forex adjustment account	4	(3)
Total accumulated other comprehensive income	(42)	(4)
Non-controlling interests	349	375
Total net assets	30,980	30,785
Total liabilities and net assets	67,799	69,180

(2) Statements of Consolidated Income and Comprehensive Income

Statements of Consolidated Income

Three months ended June 30, 2016 and 2017

(millions of yen)

	Three months ended June 30, 2016 (April 1, 2016 to June 30, 2016)	Three months ended June 30, 2017 (April 1, 2017 to June 30, 2017)
Net sales	32,947	35,228
Cost of sales	14,983	16,112
Gross profit	17,964	19,116
Selling, general and administrative expenses	15,860	16,679
Operating income	2,103	2,436
Non-operating income		
Interest income	0	0
Foreign exchange gains	-	15
Purchase discounts	16	13
Rent income	4	6
Other	21	30
Total non-operating income	41	65
Non-operating expenses		
Interest expenses	7	10
Foreign exchange losses	15	-
Rent expenses	4	6
Other	4	4
Total non-operating expenses	32	21
Ordinary income	2,112	2,481
Extraordinary loss		
Loss on retirement of noncurrent assets	33	50
Impairment loss	72	232
Other	11	-
Total extraordinary loss	117	282
Income before income taxes	1,995	2,198
Income taxes-current	378	558
Income taxes-deferred	314	233
Total income taxes	693	791
Net income	1,301	1,406
Profit (loss) attributable to non-controlling interests	(3)	23
Net income attributable to owners of parent	1,305	1,383

Statements of Consolidated Comprehensive Income

Three months ended June 30, 2016 and 2017

(millions of yen)

	Three months ended June 30, 2016 (April 1, 2016 to June 30, 2016)	Three months ended June 30, 2017 (April 1, 2017 to June 30, 2017)
Income before minority interests	1,301	1,406
Other comprehensive income		
Deferred gains or losses on hedges	11	45
Forex adjustment account	4	(7)
Total other comprehensive income	16	38
Comprehensive income	1,318	1,445
Comprehensive income attributable to:		
Owners of the parent company	1,321	1,421
Non-controlling interests	(3)	23

(3) Consolidated Cash Flows

(millions of yen)

	Three months ended June 30, 2016 (April 1, 2016 to June 30, 2016)	Three months ended June 30, 2017 (April 1, 2017 to June 30, 2017)
Cash flows from operating activities		
Income before income taxes	1,995	2,198
Depreciation	444	453
Depreciation of intangible assets	47	66
Amortization of long-term prepaid expenses	35	39
Impairment loss	72	232
Increase (decrease) in provision for bonuses	(666)	(760)
Increase (decrease) in provision for directors' bonuses	(8)	(7)
Increase (decrease) in allowance for doubtful accounts	(1)	(0)
Interest and dividends income	(0)	(0)
Interest expenses	7	10
Decrease (increase) in notes receivable	472	(317)
Decrease (increase) in inventories	(3,518)	(1,397)
Decrease (increase) in other current assets	(100)	640
Increase (decrease) in purchase liabilities	2,062	978
Increase (decrease) in other current liabilities	(513)	406
Increase (decrease) in other noncurrent liabilities	2	-
Other	83	89
Subtotal	416	2,631
Interest and dividends income received	0	(0)
Interest expenses paid	(7)	(10)
Income taxes paid	(2,124)	(1,042)
Net cash provided by operating activities	(1,715)	1,578
Cash flows from investment activities		
Payments into time deposits	(3)	(3)
Purchase of property, plant and equipment	(1,320)	(946)
Payments for asset retirement obligations	(80)	(14)
Purchase of intangible assets	(78)	(197)
Purchase of long-term prepaid expenses	(284)	(241)
Payment for guarantee deposits	(126)	(76)
Proceeds from collection of guarantee deposits	86	70
Other	-	(2)
Net cash provided by investment activities	(1,807)	(1,411)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	3,900	2,650
Repayment of long-term loans payable	(501)	(1,001)
Cash dividends paid	(1,599)	(1,513)
Net cash provided by financing activities	1,799	135
Effect of exchange rate change on cash and cash equivalents	4	(11)
Increase (decrease) in cash and cash equivalents	(1,718)	291
Cash and cash equivalents at beginning of term	5,799	5,630
Cash and cash equivalents at end of term	4,080	5,921