
Consolidated Financial Summary
For the Third Quarter of Fiscal 2014, the Fiscal Year Ending March 31, 2014

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:	February 13, 2014
Supplementary Information:	Yes

Note: Figures smaller than ¥100 million are rounded down.

1. Consolidated Business Results for the Third Quarter of Fiscal 2014, the Fiscal Year Ending March 31, 2014 (April 1, 2013 to December 30, 2013)

(1) Consolidated Business Performance

(% indicates increase / decrease YoY)

	Total Sales		Operating Profit		Ordinary Profit		Net Income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
3Q Fiscal 2014	93,638	10.6	10,927	(5.9)	10,954	(6.0)	6,396	(5.4)
3Q Fiscal 2013	84,636	11.6	11,611	13.1	11,651	12.7	6,763	20.3

Note: Comprehensive income 3Q Fiscal 2014: ¥6,422 million (-4.4%) 3Q Fiscal 2013: ¥6,718 million (19.7%)

	Net Income per Share	Net Income per Share after Adjusting for Dilutive Effects
	yen	yen
3Q Fiscal 2014	200.95	—
3Q Fiscal 2013	213.48	212.12

Note: There is no dilutive shares for 3Q Fiscal 2014.

(2) Consolidated Financial Conditions

	Total Assets	Net Assets	Equity Ratio	Per-share net worth
	¥ million	¥ million	%	¥
December 31, 2013	64,394	30,043	46.7	943.47
March 31, 2013	54,395	25,403	46.7	799.65

Reference: Net worth December 31, 2013: ¥30,043 million March 31, 2013 ¥25,403 million

2. Conditions of Dividend Payment

	Annual Dividend				
	1Q End	2Q End	3Q End	Fiscal Year End	Annual
	yen	yen	yen	yen	yen
Fiscal 2013	-	15.00	-	38.00	53.00
Fiscal 2014	-	20.00			
Fiscal 2014 (Forecast)			-	41.00	61.00

Note: Revision to recently disclosed projected dividend payment: None

3. Projected Consolidated Performance of the Fiscal Year Ending March 2014 (From April 1, 2013 to March 31, 2014)

(% indicates increase / decrease YoY)

	Total Sales		Operating Profit		Ordinary Profit		Net Income		Net Income per Share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	yen
Full Fiscal Year	125,545	9.1	13,462	7.2	13,484	7.2	7,754	6.0	243.19

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)

3Q Fiscal 2014	37,800,000 stocks	Fiscal 2013	37,800,000 stocks
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2. Number of treasury stock

3Q Fiscal 2014	5,956,024 stocks	Fiscal 2013	6,031,580 stocks
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3. Average number of stocks issued and outstanding for the period

3Q Fiscal 2014	31,830,674 stocks	3Q Fiscal 2013	31,683,207 stocks
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*Note on the status of audit procedure implementation

This Financial Results Report is not subject to the audit procedures prescribed under the Financial Instruments and Exchange Act of Japan. As of the date this Financial Results Report was disclosed, however, audit procedures applicable to financial statements prescribed under the aforementioned Financial Instruments and Exchange Act were in the process of being carried out.

*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. Please refer to the attached documents starting from the next page for the preconditions and further information for the projected figures.

2. Consolidated Financial Results

(1) Quarterly Consolidated Balance Sheet

(millions of yen)

	Fiscal 2013 (as of March 31, 2013)	3Q Fiscal 2014 (as of December 31, 2013)
Assets		
Current assets		
Cash and deposits	6,334	5,790
Notes and accounts receivable-trade	166	145
Merchandise	17,251	23,805
Supplies	229	311
Accounts receivable-other	8,940	11,744
Other	2,069	2,032
Allowance for doubtful accounts	(2)	(2)
Total current assets	34,989	43,826
Noncurrent assets		
Property, plant and equipment		
Buildings and structures (net)	7,014	7,818
Other (net)	1,959	1,750
Total property, plant and equipment	8,973	9,568
Intangible noncurrent assets		
Other	1,589	1,678
Total intangible noncurrent assets	1,589	1,678
Investments and other assets		
Guarantee deposits	7,001	7,291
Other	1,868	2,056
Allowance for doubtful accounts	(26)	(26)
Total investments and other assets	8,843	9,320
Total noncurrent assets	19,405	20,567
Total assets	54,395	64,394

(millions of yen)

	Fiscal 2013 (as of March 31, 2013)	3Q Fiscal 2014 (as of December 31, 2013)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	8,496	12,625
Short-term loans payable	4,000	10,100
Current portion of long-term loans payable	3,091	1,431
Income taxes payable	2,422	1,631
Provision for bonuses	2,070	712
Provision for directors' bonuses	113	—
Other	5,529	4,927
Total current liabilities	25,724	31,429
Noncurrent liabilities		
Long-term loans payable	681	—
Provision for directors' retirement benefits	313	309
Asset retirement obligations	2,264	2,599
Other	7	11
Total noncurrent liabilities	3,267	2,921
Total liabilities	28,991	34,350
Net assets		
Shareholders' equity		
Capital stock	3,030	3,030
Capital surplus	4,095	4,095
Retained earnings	24,456	28,993
Treasury stock	(6,197)	(6,119)
Total shareholders' equity	25,384	29,999
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(12)	15
Deferred gains or losses on hedges	31	28
Foreign exchange adjustment account	—	(0)
Total accumulated other comprehensive income	18	44
Total net assets	25,403	30,043
Total liabilities and net assets	54,395	64,394

(2) Statements of Consolidated Income and Comprehensive Income

Quarterly Statements of Consolidated Income

Third Quarter (Nine Months Aggregate)

	(millions of yen)	
	Previous 3Q (9 months aggregate) (from April 1, 2012 to December 31, 2012)	Current 3Q (9 months aggregate) (from April 1, 2013 to December 31, 2013)
Net sales	84,636	93,638
Cost of sales	37,222	42,566
Gross profit	47,413	51,071
Selling, general and administrative expenses	35,802	40,144
Operating income	11,611	10,927
Non-operating income		
Interest income	0	0
Dividends income	4	0
Foreign exchange gains	9	—
Purchase discounts	34	37
Rent income	46	27
Other	64	83
Total non-operating income	160	150
Non-operating expenses		
Interest expenses	67	44
Comission paid	0	0
Foreign exchange loss	—	25
Rent expenses	24	17
Other	27	35
Total non-operating expenses	120	123
Ordinary income	11,651	10,954
Extraordinary profit		
Gains from sale of fixed assets	—	1
Total extraordinary profit	—	1
Extraordinary loss		
Impairment loss	717	225
Other	33	67
Total extraordinary loss	750	292
Income before income taxes	10,901	10,663
Income taxes-current	3,562	3,719
Income taxes-deferred	574	547
Total income taxes	4,137	4,267
Income before minority interests	6,763	6,396
Net income	6,763	6,396

Statements of Consolidated Comprehensive Income

Third Quarter (Nine Months Aggregate)

(millions of yen)

	Previous 3Q (9 months aggregate) (from April 1, 2012 to December 31, 2012)	Current 3Q (9 months aggregate) (from April 1, 2013 to December 31, 2013)
Income before minority interests	6,763	6,396
Other comprehensive income		
Other valuation adjustments on securities	(1)	28
Deferred gains or loss on hedges	(44)	(2)
Foreign exchange adjustment account	—	(0)
Total other comprehensive income	(45)	25
Quarterly comprehensive income	6,718	6,422
(Breakdown)		
Quarterly comprehensive income attributable to owners of the parent	6,718	6,422
Quarterly comprehensive income attributable to minority interests	—	—

(3) Consolidated Cash Flows

	(millions of yen)	
	Previous 3Q (9 months aggregate) (from April 1, 2012 to December 31, 2012)	Current 3Q (9 months aggregate) (from April 1, 2013 to December 31, 2013)
Cash flows from operating activities		
Income before income taxes	10,901	10,663
Depreciation and amortization	1,117	1,264
Depreciation of intangible assets	182	138
Amortization of long-term prepaid expenses	82	95
Impairment loss	717	225
Increase (decrease) in provision for bonuses	(1,370)	(1,357)
Increase (decrease) in provision for directors' bonuses	(99)	(113)
Increase (decrease) in provision for directors' retirement benefits	(207)	(4)
Increase (decrease) in allowance for doubtful accounts	(1)	(0)
Interest and dividends income	(5)	(1)
Interest expenses	67	44
Decrease (increase) in notes and accounts receivable-trade	(3,561)	(2,831)
Decrease (increase) in inventories	(4,944)	(6,636)
Decrease (increase) in other current assets	(65)	(405)
Increase (decrease) in notes and accounts payable-trade	3,894	4,129
Increase (decrease) in other current liabilities	(856)	(433)
Increase (decrease) in other noncurrent liabilities	(4)	8
Other	4	38
Subtotal	5,852	4,823
Interest and dividends income received	5	1
Interest expenses paid	(68)	(44)
Income taxed paid	(6,039)	(4,479)
Net cash provided by operating activities	(250)	301

	(millions of yen)	
	Previous 3Q (9 months aggregate) (from April 1, 2012 to December 31, 2012)	Current 3Q (9 months aggregate) (from April 1, 2013 to December 31, 2013)
Cash flows from investment activities		
Payments into time deposits	(9)	(9)
Purchase of stocks of subsidiaries	—	(39)
Purchase of property, plant and equipment	(1,752)	(1,990)
Payments for fulfillment of asset retirement obligations	(62)	(14)
Purchase of intangible assets	(131)	(193)
Purchase of long-term prepaid expenses	(180)	(364)
Payment for guarantee deposits	(461)	(496)
Proceeds from collection of guarantee deposits	172	206
Other	(2)	3
Net cash provided by investment activities	(2,426)	(2,898)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	4,900	6,100
Repayment of long-term loans payable	(2,656)	(2,342)
Proceeds from disposal of treasury stock	88	62
Cash dividends paid	(1,231)	(1,775)
Other	—	(0)
Net cash provided by financing activities	1,100	2,044
Effect of exchange rate change on cash and cash equivalents	—	Δ0
Increase (decrease) in cash and cash equivalents	(1,575)	(553)
Cash and cash equivalents at beginning of term	7,966	6,142
Cash and cash equivalents at end of the quarterly term	6,390	5,588