
Consolidated Financial Summary
For the Second Quarter of Fiscal 2016, the Fiscal Year Ending March 31, 2016

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:	December 4, 2015
Scheduled Reporting Date:	November 13, 2015
Supplementary Information:	Yes

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

1. Consolidated Business Results for the Second Quarter of Fiscal 2016, the Fiscal Year Ending March 31, 2016 (April 1, 2015 to September 30, 2015)

(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	%
2Q Fiscal 2016	64,102	8.7	3,615	3.5	3,618	1.8	2,136	9.1
2Q Fiscal 2015	58,953	4.0	3,491	(20.9)	3,553	(20.1)	1,958	(19.6)

Note: Comprehensive income 2Q Fiscal 2016: ¥2,041 million (-0.3%) 2Q Fiscal 2015: ¥2,047 million (-15.8%)

	Net Income per Share	Net Income per Share after Adjusting for Dilutive Effects
	yen	yen
2Q Fiscal 2016	70.67	—
2Q Fiscal 2015	61.51	—

Note: There are no dilutive shares for 2Q Fiscal 2015 and 2Q Fiscal 2016.

(2) Consolidated Financial Conditions

	Total Assets	Net Assets	Equity Ratio	Per-share net worth
	¥ million	¥ million	%	¥
September 30, 2015	62,334	30,069	48.2	995.22
March 31, 2015	62,020	31,186	50.3	1019.68

Reference: Net worth September 30, 2015: ¥30,069million March 31, 2015: ¥31,186million

2. Conditions of Dividend Payment

	Annual Dividend				
	1Q End	2Q End	3Q End	Fiscal Year End	Annual
	yen	yen	yen	yen	yen
Fiscal 2015	-	20.00	-	58.00	78.00
Fiscal 2016	-	20.00			
Fiscal 2016 (Forecast)			-	58.00	78.00

Note: Revision to recently disclosed projected dividend payment: None

3. Projected Consolidated Performance of the Fiscal Year Ending March 2016 (From April 1, 2015 to March 31, 2016)

(% indicates increase / decrease YoY)

	Total Sales		Operating Profit		Ordinary Profit		Net Income attributable to owners of parent		Net Income per Share	
Full Fiscal Year	¥ million	%	¥ million	%	¥ million	%	¥ million	%	yen	
	141,401	7.9	11,686	3.0	11,669	1.1	7,103	12.2	235.05	

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 Stocks Issued (Common Stocks)

1. Number of stocks issued at term end (including treasury stock)

2Q Fiscal 2016	37,800,000 stocks	Fiscal 2015	37,800,000 stocks
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2. Number of treasury stock

2Q Fiscal 2016	7,586,324 stocks	Fiscal 2015	7,215,124 stocks
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3. Average number of stocks issued and outstanding for the period

2Q Fiscal 2016	30,235,782 stocks	2Q Fiscal 2015	31,843,976 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.

Consolidated Financial Results
(1) Quarterly Consolidated Balance Sheet

(millions of yen)

	Fiscal 2015 (as of March 31, 2015)	2Q Fiscal 2016 (as of September 30, 2015)
Assets		
Current assets		
Cash and deposits	5,801	3,969
Notes and accounts receivable-trade	209	178
Merchandise	22,984	25,140
Supplies	490	497
Accounts receivable-other	9,725	9,050
Other	2,230	2,349
Allowance for doubtful accounts	(2)	(2)
Total current assets	41,438	41,183
Noncurrent assets		
Tangible noncurrent assets		
Buildings and structures (net)	7,247	7,657
Other (net)	1,809	1,797
Total tangible noncurrent assets	9,057	9,455
Intangible noncurrent assets		
Other	1,685	1,715
Total intangible noncurrent assets	1,685	1,715
Investments and other assets		
Guarantee deposits	7,807	8,155
Other	2,053	1,846
Allowance for doubtful accounts	(21)	(21)
Total investments and other assets	9,839	9,979
Total noncurrent assets	20,582	21,150
Total assets	62,020	62,334

(millions of yen)

	Fiscal 2015 (as of March 31, 2015)	2Q Fiscal 2016 (as of September 30, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	7,896	11,505
Short-term loans payable	4,500	3,680
Current portion of long-term loans payable	2,004	2,004
Income taxes payable	1,263	1,440
Provision for bonuses	1,548	1,671
Provision for directors' bonuses	11	-
Other	6,877	6,071
Total current liabilities	24,101	26,374
Noncurrent liabilities		
Long term loans payable	3,996	2,994
Asset retirement obligations	2,723	2,885
Other	12	12
Total noncurrent liabilities	6,731	5,891
Total liabilities	30,833	32,265
Net assets		
Shareholders' equity		
Capital stock	3,030	3,030
Capital surplus	4,095	4,095
Retained earnings	34,716	35,079
Treasury stock	(10,734)	(12,119)
Total shareholders' equity	31,107	30,085
Accumulated other comprehensive income		
Other valuation adjustments on securities	31	-
Deferred gains or losses on hedges	41	(20)
Forex adjustment account	6	4
Total accumulated other comprehensive income	79	(16)
Total net assets	31,186	30,069
Total liabilities and net assets	62,020	62,334

(2) Statements of Consolidated Income and Comprehensive Income

Statements of Consolidated Income

Second Quarter (Six Months Aggregate)

(millions of yen)

	Previous 2Q (6 months aggregate) (from April 1, 2014 to September 30, 2014)	Current 2Q (6 months aggregate) (from April 1, 2015 to September 30, 2015)
Net sales	58,953	64,102
Cost of sales	27,873	31,435
Gross profit	31,079	32,667
Selling, general and administrative expenses	27,588	29,051
Operating income	3,491	3,615
Non-operating income		
Interest income	0	0
Dividend income	7	4
Foreign exchange gains	24	-
Purchase discounts	24	29
Rent income	20	10
Other	42	40
Total non-operating income	119	85
Non-operating expenses		
Interest expenses	15	22
Foreign exchange loss	-	2
Rent expenses	16	9
Commission for Purchase of treasury stock	-	33
Other	25	14
Total non-operating expenses	57	81
Ordinary income	3,553	3,618
Extraordinary profit		
Gain on sales of noncurrent assets	19	-
Gain on sales of investment securities	-	64
Total extraordinary profit	19	64
Extraordinary loss		
Loss on retirement of noncurrent assets	71	14
Impairment loss	201	178
Loss on valuation of investment securities	-	15
Other	8	4
Total extraordinary loss	281	213
Income before income taxes	3,291	3,469
Income taxes-current	912	1,340
Income taxes-deferred	420	(8)
Total income taxes	1,333	1,332
Net income	1,958	2,136
Net income attributable to owners of parent	1,958	2,136

Statements of Consolidated Comprehensive Income

Second Quarter (Six Months Aggregate)

(millions of yen)

	Previous 2Q (6 months aggregate) (from April 1, 2014 to September 30, 2014)	Current 2Q (6 months aggregate) (from April 1, 2015 to September 30, 2015)
Income before minority interests	1,958	2,136
Other comprehensive income		
Other valuation adjustments on securities	14	(31)
Deferred gains or losses on hedges	74	(62)
Forex adjustment account	(0)	(1)
Total other comprehensive income	88	(95)
Comprehensive income	2,047	2,041
Comprehensive income attributable to:		
Owners of the parent company	2,047	2,041
Non-controlling interests	-	-

(3) Consolidated Cash Flows

	(millions of yen)	
	Previous 2Q (6 months aggregate) (from April 1, 2014 to September 30, 2014)	Current 2Q (6 months aggregate) (from April 1, 2015 to September 30, 2015)
Cash flows from operating activities		
Income before income taxes	3,291	3,469
Depreciation	874	871
Depreciation of intangible assets	87	88
Amortization of long-term prepaid expenses	66	68
Impairment loss	201	178
Increase (decrease) in provision for bonuses	(401)	123
Increase (decrease) in provision for directors' bonuses	(103)	(11)
Increase (decrease) in allowance for doubtful accounts	(4)	(0)
Interest and dividends income	(8)	(4)
Interest expenses	15	22
Increase in notes receivable	2,068	748
Increase in inventories	(4,870)	(2,164)
Increase in other current assets	(163)	(157)
Increase in purchase liabilities	3,177	3,726
Increase (decrease) in other current liabilities	(324)	(1,033)
Increase (decrease) in other noncurrent liabilities	11	0
Other	(32)	(49)
Subtotal	3,885	5,877
Interest and dividends income received	8	4
Interest expenses paid	(15)	(23)
Income taxes paid	(3,302)	(1,219)
Directors retirement benefits paid	(309)	-
Net cash provided by operating activities	267	4,639

(millions of yen)

	Previous 2Q (6 months aggregate) (from April 1, 2014 to September 30, 2014)	Current 2Q (6 months aggregate) (from April 1, 2015 to September 30, 2015)
Cash flows from investment activities		
Payments into time deposits	(6)	(6)
Proceeds from sales of investment securities	-	226
Purchase of property, plant and equipment	(1,309)	(1,071)
Payments for asset retirement obligations	(5)	(66)
Proceeds from sales of property, plant and equipment	21	-
Purchase of intangible assets	(84)	(105)
Purchase of long-term prepaid expenses	(426)	(94)
Payment for guarantee deposits	(229)	(450)
Proceeds from collection of guarantee deposits	61	103
Other	0	0
Net cash provided by investment activities	(1,977)	(1,464)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	2,700	(820)
Repayment of long-term loans payable	(681)	(1,002)
Purchase of treasury stock	-	(1,418)
Cash dividends paid	(1,494)	(1,770)
Net cash provided by financing activities	523	(5,011)
Effect of exchange rate change on cash and cash equivalents	(0)	(1)
Increase (decrease) in cash and cash equivalents	(1,186)	(1,837)
Cash and cash equivalents at beginning of term	5,429	5,585
Cash and cash equivalents at end of term	4,243	3,747