
Consolidated Financial Summary
For the Third Quarter of the Fiscal Year Ending March 31, 2016
(April 1, 2015 to December 31, 2015)

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 12, 2016
Supplementary Information:	Yes

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

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

(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	%
Nine months ended December 31, 2015	104,759	8.7	9,804	2.4	9,837	1.8	6,114	6.1
Nine months ended December 31, 2014	96,399	2.9	9,577	(12.4)	9,663	(11.8)	5,760	(9.9)

Note: Comprehensive income

Nine months ended December 31, 2015: ¥6,036 million (4.5%)

Nine months ended December 31, 2014: ¥5,777 million (-10.0%)

	Net Income per Share	Net Income per Share after Adjusting for Dilutive Effects
	yen	yen
Nine months ended December 31, 2015	202.26	—
Nine months ended December 31, 2014	180.91	—

Note: There are no dilutive shares for nine months ended December 31, 2014 and 2015.

(2) Consolidated Financial Conditions

	Total Assets	Net Assets	Equity Ratio	Per-share net worth
	¥ million	¥ million	%	¥
As of December 31, 2015	69,946	33,469	47.8	1,107.77
As of March 31, 2015	62,020	31,186	50.3	1,019.68

Reference: Net worth

As of December 31, 2015: ¥33,462 million

As of March 31, 2015: ¥31,186 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, 2015	—	20.00	—	58.00	78.00
Fiscal year ending March 31, 2016	—	20.00	—		
Fiscal year ending March 31, 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
	¥ million	%	¥ million	%	¥ million	%	¥ million	yen
Full Fiscal Year	141,401	7.9	11,686	3.0	11,669	1.1	7,103	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)

As of December 31, 2015:	30,213,676 stocks
As of March 31, 2015:	37,800,000 stocks
2. Number of treasury stock

As of December 31, 2015:	73 stocks
As of March 31, 2015:	7,215,124 stocks
3. Average number of stocks issued and outstanding for the period

Nine months ended December 31, 2015:	30,228,378 stocks
Nine months ended December 31, 2014:	31,843,976 stocks

*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)

	As of March 31, 2015	As of December 31, 2015
Assets		
Current assets		
Cash and deposits	5,801	5,006
Notes and accounts receivable-trade	209	153
Merchandise	22,984	27,290
Supplies	490	533
Accounts receivable-other	9,725	13,736
Other	2,230	1,979
Allowance for doubtful accounts	(2)	(2)
Total current assets	41,438	48,697
Noncurrent assets		
Tangible noncurrent assets		
Buildings and structures (net)	7,247	7,722
Other (net)	1,809	1,791
Total tangible noncurrent assets	9,057	9,513
Intangible noncurrent assets		
Other	1,685	1,817
Total intangible noncurrent assets	1,685	1,817
Investments and other assets		
Guarantee deposits	7,807	8,222
Other	2,053	1,716
Allowance for doubtful accounts	(21)	(21)
Total investments and other assets	9,839	9,917
Total noncurrent assets	20,582	21,248
Total assets	62,020	69,946

(millions of yen)

As of March 31, 2015

As of December 31, 2015

Liabilities		
Current liabilities		
Notes and accounts payable-trade	7,896	11,655
Short-term loans payable	4,500	6,550
Current portion of long-term loans payable	2,004	2,004
Income taxes payable	1,263	1,470
Provision for bonuses	1,548	819
Provision for directors' bonuses	11	-
Other	6,877	8,520
Total current liabilities	24,101	31,020
Noncurrent liabilities		
Long term loans payable	3,996	2,493
Asset retirement obligations	2,723	2,950
Other	12	12
Total noncurrent liabilities	6,731	5,455
Total liabilities	30,833	36,476
Net assets		
Shareholders' equity		
Capital stock	3,030	3,030
Capital surplus	4,095	4,095
Retained earnings	34,716	26,332
Treasury stock	(10,734)	(0)
Total shareholders' equity	31,107	33,457
Accumulated other comprehensive income		
Other valuation adjustments on securities	31	(0)
Deferred gains or losses on hedges	41	(5)
Forex adjustment account	6	9
Total accumulated other comprehensive income	79	4
Non-controlling interests	-	7
Total net assets	31,186	33,469
Total liabilities and net assets	62,020	69,946

(2) Statements of Consolidated Income and Comprehensive Income

Statements of Consolidated Income

Nine months ended December 31, 2014 and 2015

(millions of yen)

	Nine months ended December 31, 2014 (April 1, 2014 to December 31, 2014)	Nine months ended December 31, 2015 (April 1, 2015 to December 31, 2015)
Net sales	96,399	104,759
Cost of sales	44,395	49,903
Gross profit	52,003	54,856
Selling, general and administrative expenses	42,425	45,051
Operating income	9,577	9,804
Non-operating income		
Interest income	0	0
Dividend income	8	4
Foreign exchange gains	3	6
Purchase discounts	33	42
Rent income	31	14
Other	107	65
Total non-operating income	185	133
Non-operating expenses		
Interest expenses	25	33
Rent expenses	26	14
Commission for purchase of treasury stock	-	33
Other	46	20
Total non-operating expenses	98	100
Ordinary income	9,663	9,837
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	74	37
Impairment loss	307	307
Loss on valuation of investment securities	-	15
Other	8	4
Total extraordinary loss	390	365
Income before income taxes	9,292	9,536
Income taxes-current	2,704	3,066
Income taxes-deferred	827	357
Total income taxes	3,531	3,424
Net income	5,760	6,111
Loss attributable to non-controlling interests	-	(2)
Net income attributable to owners of parent	5,760	6,114

Statements of Consolidated Comprehensive Income

Nine months ended December 31, 2014 and 2015

(millions of yen)

	Nine months ended December 31, 2014 (April 1, 2014 to December 31, 2014)	Nine months ended December 31, 2015 (April 1, 2015 to December 31, 2015)
Income before minority interests	5,760	6,111
Other comprehensive income		
Other valuation adjustments on securities	9	(31)
Deferred gains or losses on hedges	5	(47)
Forex adjustment account	1	3
Total other comprehensive income	17	(74)
Comprehensive income	5,777	6,036
Comprehensive income attributable to:		
Owners of the parent company	5,777	6,039
Non-controlling interests	-	(2)

(3) Consolidated Cash Flows

	(millions of yen)	
	Nine months ended December 31, 2014 (April 1, 2014 to December 31, 2014)	Nine months ended December 31, 2015 (April 1, 2015 to December 31, 2015)
Cash flows from operating activities		
Income before income taxes	9,292	9,536
Depreciation	1,333	1,316
Depreciation of intangible assets	127	135
Amortization of long-term prepaid expenses	100	103
Impairment loss	307	307
Increase (decrease) in provision for bonuses	(1,279)	(728)
Increase (decrease) in provision for directors' bonuses	(103)	(11)
Increase (decrease) in allowance for doubtful accounts	(6)	(0)
Interest and dividends income	(8)	(4)
Interest expenses	25	33
Increase in notes receivable	(2,457)	(3,834)
Increase in inventories	(7,934)	(4,350)
Increase in other current assets	(46)	(209)
Increase in purchase liabilities	4,036	4,851
Increase (decrease) in other current liabilities	683	362
Increase (decrease) in other noncurrent liabilities	0	(0)
Other	(37)	(39)
Subtotal	4,034	7,467
Interest and dividends income received	8	4
Interest expenses paid	(25)	(33)
Income taxes paid	(5,797)	(2,901)
Directors retirement benefits paid	(309)	-
Net cash provided by operating activities	(2,089)	4,536

(millions of yen)

	Nine months ended December 31, 2014 (April 1, 2014 to December 31, 2014)	Nine months ended December 31, 2015 (April 1, 2015 to December 31, 2015)
Cash flows from investment activities		
Payments into time deposits	(9)	(9)
Proceeds from sales of investment securities	-	226
Purchase of property, plant and equipment	(2,177)	(1,598)
Payments for asset retirement obligations	(15)	(102)
Proceeds from sales of property, plant and equipment	21	0
Purchase of intangible assets	(122)	(193)
Purchase of long-term prepaid expenses	(408)	(72)
Payment for guarantee deposits	(356)	(525)
Proceeds from collection of guarantee deposits	82	110
Other	0	0
Net cash provided by investment activities	(2,982)	(2,164)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	8,150	2,050
Repayment of long-term loans payable	(681)	(1,503)
Purchase of treasury stock	-	(1,418)
Cash dividends paid	(2,061)	(2,317)
Proceeds from share issuance to non-controlling shareholders	-	10
Net cash provided by financing activities	5,407	(3,179)
Effect of exchange rate change on cash and cash equivalents	1	3
Increase (decrease) in cash and cash equivalents	336	(804)
Cash and cash equivalents at beginning of term	5,429	5,585
Cash and cash equivalents at end of term	5,766	4,781