

<Delayed> Consolidated Financial Summary
for the Fiscal Year Ended March 31, 2018
[Japanese GAAP]

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

Listed Company Name: UNITED ARROWS LTD.
Securities Traded: First Section of the Tokyo Stock Exchange
Code Number: 7606
URL: <http://www.united-arrows.co.jp/en/>
Representative: Mitsuhiro Takeda, Representative Director, President and CEO
Contact: Takeo Nakazawa, Department Manager, Finance and Accounting Department
Telephone: +81-3-5785-6325

Scheduled Date of Shareholder's Meeting: June 22, 2018
Scheduled Date of Dividend Payment: June 25, 2018
Scheduled Date of Reporting Date: June 25, 2018
Supplementary materials for the financial results: Yes
Holding of presentation of financial results: Yes (for institutional investors and analysts)

1. Consolidated Business Results for the Fiscal Year Ending March 31, 2018 (April 1, 2017 to March 31, 2018)

(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 2018	154,409	6.1	10,518	14.8	10,775	14.4	5,247	1.1
Fiscal 2017	145,535	3.3	9,165	(17.2)	9,420	(15.7)	5,191	(20.1)

Note: Comprehensive income Fiscal 2018: ¥5,379 million (2.5%)
Fiscal 2017: ¥5,250 million (-17.0%)

	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 2018	185.08	—	16.3	16.0	6.8
Fiscal 2017	174.57	—	16.1	14.3	6.3

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, 2018	67,107	34,690	50.1	1,186.01
As of March 31, 2017	67,799	30,980	45.2	1,081.49

Reference: Net Worth March 31, 2018: ¥33,643 million March 31, 2017: ¥30,630 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 2018	13,938	(2,442)	(10,812)	6,300
Fiscal 2017	4,868	(4,511)	(508)	5,630

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 2017	—	20.00	—	58.00	78.00	2,246	44.7	7.3
Fiscal 2018	—	20.00	—	58.00	78.00	2,212	42.1	6.6
Fiscal 2019 (Forecast)	—	20.00	—	58.00	78.00		36.9	

3. Projected Consolidated Performance of the Fiscal Year Ending March 2019 (From April 1, 2018 to March 31, 2019)

(% 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	70,220	0.7	2,216	(26.8)	2,231	(28.6)	785	(38.1)	27.68
Full Fiscal Year	156,300	1.2	10,850	3.2	11,000	2.1	6,000	14.3	211.52

Note: Revision to recently disclosed projected consolidated performance: None

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

- Changes due to revision of accounting standards: None
- Changes other than 1: None
- Changes in accounting estimates: None
- Restatement of prior period financial statements after error corrections: None

(3) Number of Stocks Issued (Common Stocks)

- Number of stocks issued at term end (including treasury stock)
 - As of March 31, 2018: 30,213,676 stocks
 - As of March 31, 2017: 30,213,676 stocks
- Number of treasury stock
 - As of March 31, 2018: 1,846,972 stocks
 - As of March 31, 2017: 1,890,835 stocks
- Average number of stocks issued and outstanding for the period
 - Year ended March 31, 2018: 28,352,164 stocks
 - Year ended March 31, 2017: 29,736,753 stocks

*The quarterly financial statements are not subject to quarterly reviews.

*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.

Consolidated Financial Results
(1) Consolidated Balance Sheet

(millions of yen)

	Fiscal 2017 (as of March 31, 2017)	Fiscal 2018 (as of March 31, 2018)
Assets		
Current assets		
Cash and deposits	5,870	6,552
Notes and accounts receivable-trade	252	201
Merchandise	25,654	24,343
Supplies	555	456
Accounts receivable-other	10,161	11,578
Deferred tax assets	1,699	2,017
Other	964	734
Allowance for doubtful accounts	(6)	(5)
Total current assets	45,152	45,878
Noncurrent assets		
Tangible noncurrent assets		
Buildings and structures	20,587	20,765
Accumulated depreciation and accumulated impairment loss	(12,255)	(13,444)
Buildings and structures (net)	8,332	7,320
Land	569	569
Construction in progress	89	25
Other	5,099	5,142
Accumulated depreciation and accumulated impairment loss	(3,882)	(4,150)
Other (net)	1,217	991
Total tangible noncurrent assets	10,209	8,907
Intangible noncurrent assets		
Other	1,965	2,310
Total intangible noncurrent assets	1,965	2,310
Investments and other assets		
Investment securities	0	0
Guarantee deposits	8,716	8,038
Deferred tax assets	849	958
Other	926	1,034
Allowance for doubtful accounts	(21)	(21)
Total investments and other assets	10,471	10,010
Total noncurrent assets	22,646	21,228
Total assets	67,799	67,107

(millions of yen)

	Fiscal 2017 (as of March 31, 2017)	Fiscal 2018 (as of March 31, 2018)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	9,399	10,315
Short-term loans payable	6,300	1,500
Current portion of long-term loans payable	3,992	2,000
Accounts payable—other	4,805	6,058
Income taxes payable	1,346	1,182
Provision for bonuses	1,740	2,479
Provision for directors' bonuses	9	91
Asset retirement obligations	100	120
Other	2,111	3,465
Total current liabilities	29,805	27,213
Noncurrent liabilities		
Long term loans payable	3,500	1,500
Asset retirement obligations	3,494	3,686
Other	17	17
Total noncurrent liabilities	7,012	5,203
Total liabilities	36,818	32,417
Net assets		
Shareholders' equity		
Capital stock	3,030	3,030
Capital surplus	4,128	4,205
Retained earnings	29,515	32,340
Treasury stock	(6,000)	(5,861)
Total shareholders' equity	30,673	33,714
Accumulated other comprehensive income		
Deferred gains or losses on hedges	(46)	(62)
Forex adjustment account	4	(8)
Total accumulated other comprehensive income	(42)	(71)
Non-controlling interests	349	1,047
Total net assets	30,980	34,690
Total liabilities and net assets	67,799	67,107

(2) Statements of Consolidated Income and Comprehensive Income
Statements of Consolidated Income

(millions of yen)

	Fiscal 2017 (April 1, 2016 to March 31, 2017)	Fiscal 2018 (April 1, 2017 to March 31, 2018)
Net sales	145,535	154,409
Cost of sales	71,379	74,901
Gross profit	74,155	79,507
Selling, general and administrative expenses	64,990	68,989
Operating income	9,165	10,518
Non-operating income		
Interest income	0	0
Insurance dividend	37	40
Foreign exchange gains	123	47
Rent income	21	25
Purchase discounts	60	55
Fee and commission received	37	60
Other	85	131
Total non-operating income	367	360
Non-operating expenses		
Interest expenses	42	35
Rent expenses	20	25
Commission fees	17	-
Other	30	42
Total non-operating expenses	112	103
Ordinary income	9,420	10,775
Extraordinary profit		
Gain on sales of noncurrent assets	0	1
Total extraordinary profit	0	1
Extraordinary loss		
Loss on retirement of noncurrent assets	89	181
Impairment loss	1,221	1,842
Loss on valuation of investment securities	0	-
Other	54	92
Total extraordinary loss	1,366	2,115
Income before income taxes	8,054	8,661
Income taxes-current	3,401	3,667
Income taxes-deferred	(559)	(414)
Total income taxes	2,841	3,252
Net income	5,212	5,408
Profit attributable to non-controlling interests	21	161
Net income attributable to owners of parent	5,191	5,247

Statements of Consolidated Comprehensive Income

(millions of yen)

	Fiscal 2017 (April 1, 2016 to March 31, 2017)	Fiscal 2018 (April 1, 2017 to March 31, 2018)
Profit	5,212	5,408
Other comprehensive income		
Deferred gains or losses on hedges	55	(15)
Foreign currency translation adjustment	(17)	(13)
Total other comprehensive income	37	(28)
Comprehensive income	5,250	5,379
Comprehensive income attributable to:		
Owners of the parent company	5,231	5,227
Non-controlling interests	19	152

(3) Consolidated Cash Flows

(millions of yen)

	Fiscal 2017 (April 1, 2016 to March 31, 2017)	Fiscal 2018 (April 1, 2017 to March 31, 2018)
Cash flows from operating activities		
Income before income taxes	8,054	8,661
Depreciation	1,865	1,810
Depreciation of intangible assets	223	296
Amortization of long-term prepaid expenses	316	192
Impairment loss	1,221	1,842
Increase (decrease) in provision for bonuses	151	739
Increase (decrease) in provision for directors' bonuses	0	81
Increase (decrease) in allowance for doubtful accounts	(3)	(1)
Interest and dividends income	(0)	(0)
Loss (gain) on valuation of investment securities	0	-
Interest expenses	42	35
Decrease (increase) in notes receivable	290	(1,457)
Decrease (increase) in inventories	(2,244)	1,410
Decrease (increase) in other current assets	(555)	800
Increase (decrease) in purchase liabilities	(160)	826
Increase (decrease) in other current liabilities	(34)	2,273
Increase (decrease) in other noncurrent liabilities	11	-
Other	251	196
Subtotal	9,431	17,709
Interest and dividends income received	0	0
Interest expenses paid	(42)	(35)
Income taxes paid	(4,520)	(3,736)
Net cash provided by operating activities	4,868	13,938
Cash flows from investment activities		
Payments into time deposits	(12)	(12)
Purchase of property, plant and equipment	(3,090)	(1,891)
Payments for asset retirement obligations	(155)	(168)
Proceeds from sales of property, plant and equipment	0	-
Purchase of intangible assets	(362)	(375)
Purchase of long-term prepaid expenses	(555)	(430)
Payment for guarantee deposits	(732)	(286)
Proceeds from collection of guarantee deposits	413	964
Other	(17)	(242)
Net cash provided by investment activities	(4,511)	(2,442)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	4,150	(4,800)
Proceeds from long-term loans payable	6,000	-
Repayment of long-term loans payable	(2,504)	(3,992)
Purchase of treasury stock	(6,017)	-
Cash dividends paid	(2,356)	(2,209)
Dividends paid to non-controlling interests	-	(31)
Proceeds from sales of non-controlling interests	220	220
Net cash provided by financing activities	(508)	(10,812)
Effect of exchange rate change on cash and cash equivalents	(17)	(13)
Increase (decrease) in cash and cash equivalents	(168)	669
Cash and cash equivalents at beginning of term	5,799	5,630
Cash and cash equivalents at end of term	5,630	6,300