November 6, 2017

Consolidated Financial Summary for the 1st Half of the Fiscal Year Ending 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 Reporting Date:	November 14, 2017
Scheduled Date of Dividend Payment:	December 4, 2017
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 1st half of the Fiscal Year Ending March 31, 2018 (April 1, 2017 to September 30, 2017)

(1) Consolidated Business Performance (aggregate)

(% indicates increase / decrease YoY)

	Total Sales		Operating Profit		Ordinary Profit		Net Income attributable to owners of parent	
Six months ended	¥ million	%	¥ million	%	¥ million	%	¥ million	%
September 30, 2017	69,740	7.2	3,026	76.5	3,124	73.3	1,268	45.8
September 30, 2016	65,083	1.5	1,714	(52.6)	1,803	(50.2)	870	(59.3)

Note: Comprehensive income: Six months ended September 30, 2017: ¥1,381 million (56.4%)
Six months ended September 30, 2016: ¥883 million (-56.7%)

	Net Income per Share	Net Income per Share after Adjusting for Dilutive Effects
Six months ended	yen	yen
September 30, 2017	44.76	—
September 30, 2016	28.80	—

Note: There are no dilutive shares as of September 30, 2016 and 2017.

(2) Consolidated Financial Conditions

	Total Assets	Net Assets	Equity Ratio	Per-share net worth
	¥ million	¥ million	%	¥
As of September 30, 2017	70,720	30,873	43.1	1,074.11
As of March 31, 2017	67,799	30,980	45.2	1,081.49

Reference: Shareholders' equity: September 30, 2017: ¥30,468 million March 31, 2017: ¥30,630 million

2. Conditions of Dividend Payment

	Annual Dividend				
	1Q End	2Q End	3Q End	Fiscal 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	-	20.00			
Fiscal year ending March 31, 2018 (Est.)			-	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
Full Fiscal Year	153,859	5.7	9,953	8.6	10,100	7.2	5,496	5.9	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 September 30, 2017: 30,213,676 stocks
   As of March 31, 2017: 30,213,676 stocks

2. Number of treasury stock
   As of September 30, 2017: 1,846,972 stocks
   As of March 31, 2017: 1,890,835 stocks

3. Average number of stocks issued and outstanding for the period
   Six months ended September 30, 2017: 28,337,702 stocks
   Six months ended September 30, 2016: 30,213,603 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) Quarterly Consolidated Balance Sheet

(millions of yen)

	At the end of the previous fiscal year (March 31, 2017)	At the end of the second quarter (September 30, 2017)
Assets		
Current assets		
Cash and deposits	5,870	6,791
Notes and accounts receivable-trade	252	241
Merchandise	25,654	27,433
Supplies	555	714
Accounts receivable-other	10,161	10,108
Other	2,663	2,751
Allowance for doubtful accounts	(6)	(6)
Total current assets	45,152	48,033
Noncurrent assets		
Tangible noncurrent assets		
Buildings and structures (net)	8,332	7,928
Other (net)	1,877	1,786
Total tangible noncurrent assets	10,209	9,715
Intangible noncurrent assets		
Other	1,965	2,221
Total intangible noncurrent assets	1,965	2,221
Investments and other assets		
Guarantee deposits	8,716	8,759
Other	1,775	2,012
Allowance for doubtful accounts	(21)	(21)
Total investments and other assets	10,471	10,749
Total noncurrent assets	22,646	22,686
Total assets	67,799	70,720
Liabilities		
Current liabilities		
Notes and accounts payable-trade	9,399	12,140
Short-term loans payable	6,300	8,270
Current portion of long-term loans payable	3,992	2,990
Income taxes payable	1,346	1,018
Provision for bonuses	1,740	1,966
Provision for directors' bonuses	9	3
Other	7,017	7,312
Total current liabilities	29,805	33,700
Noncurrent liabilities		
Long term loans payable	3,500	2,500
Asset retirement obligations	3,494	3,628
Other	17	17
Total noncurrent liabilities	7,012	6,146
Total liabilities	36,818	39,846
Net assets		
Shareholders' equity		
Capital stock	3,030	3,030
Capital surplus	4,128	4,140
Retained earnings	29,515	29,141
Treasury stock	(6,000)	(5,861)
Total shareholders' equity	30,673	30,450
Accumulated other comprehensive income		
Deferred gains or losses on hedges	(46)	15
Forex adjustment account	4	2
Total accumulated other comprehensive income	(42)	18
Non-controlling interests	349	405
Total net assets	30,980	30,873
Total liabilities and net assets	67,799	70,720

(2) Statements of Consolidated Income and Comprehensive Income

Statements of Consolidated Income

Second Quarter (Six Months Aggregate) (millions of yen)

	Six months ended September 30, 2016 (April 1, 2016 to September 30, 2016)	Six months ended September 30, 2017 (April 1, 2017 to September 30, 2017)
Net sales	65,083	69,740
Cost of sales	32,051	34,031
Gross profit	33,031	35,708
Selling, general and administrative expenses	31,316	32,682
Operating income	1,714	3,026
Non-operating income		
Interest income	0	0
Foreign exchange gains	35	13
Purchase discounts	32	29
Rent income	8	12
Commission fee	10	30
Other	36	54
Total non-operating income	124	140
Non-operating expenses		
Interest expenses	16	19
Rent expenses	8	12
Other	10	9
Total non-operating expenses	35	42
Ordinary income	1,803	3,124
Extraordinary loss		
Loss on retirement of noncurrent assets	64	58
Impairment loss	260	810
Loss on valuation of investment securities	0	-
Other	11	4
Total extraordinary loss	336	873
Income before income taxes	1,466	2,250
Income taxes-current	645	1,101
Income taxes-deferred	(42)	(171)
Total income taxes	602	929
Net income	863	1,320
Profit (loss) attributable to non-controlling interests	(6)	51
Net income attributable to owners of parent	870	1,268

Statements of Consolidated Comprehensive Income

Second Quarter (Six Months Aggregate) (millions of yen)

	Six months ended September 30, 2016 (April 1, 2016 to September 30, 2016)	Six months ended September 30, 2017 (April 1, 2017 to September 30, 2017)
Profit	863	1,320
Other comprehensive income		
Deferred gains or losses on hedges	1	62
Foreign currency translation adjustment	18	(1)
Total other comprehensive income	19	61
Comprehensive income	883	1,381
Comprehensive income attributable to:		
Owners of the parent company	889	1,328
Non-controlling interests	(6)	52

(3) Consolidated Cash Flows

(millions of yen)

	Six months ended September 30, 2016 (April 1, 2016 to September 30, 2016)	Six months ended September 30, 2017 (April 1, 2017 to September 30, 2017)
Cash flows from operating activities		
Income before income taxes	1,466	2,250
Depreciation	895	899
Depreciation of intangible assets	104	140
Amortization of long-term prepaid expenses	73	77
Impairment loss	260	810
Increase (decrease) in provision for bonuses	183	225
Increase (decrease) in provision for directors' bonuses	(8)	(6)
Increase (decrease) in allowance for doubtful accounts	(1)	(0)
Interest and dividends income	(0)	(0)
Interest expenses	16	19
Decrease (increase) in notes receivable	1,070	(491)
Decrease (increase) in inventories	(4,660)	(1,937)
Decrease (increase) in other current assets	(621)	524
Increase (decrease) in purchase liabilities	1,778	2,501
Increase (decrease) in other current liabilities	(555)	606
Increase (decrease) in other noncurrent liabilities	6	-
Other	186	174
Subtotal	195	5,796
Interest and dividends income received	0	0
Interest expenses paid	(16)	(19)
Income taxes paid	(2,121)	(1,299)
Net cash provided by operating activities	(1,942)	4,477
Cash flows from investment activities		
Payments into time deposits	(6)	(6)
Purchase of property, plant and equipment	(1,544)	(1,029)
Payments for asset retirement obligations	(108)	(53)
Purchase of intangible assets	(243)	(432)
Purchase of long-term prepaid expenses	(356)	(270)
Payment for guarantee deposits	(271)	(159)
Proceeds from collection of guarantee deposits	197	116
Other	(16)	(21)
Net cash provided by investment activities	(2,350)	(1,855)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	4,950	1,970
Repayment of long-term loans payable	(1,002)	(2,002)
Cash dividends paid	(1,750)	(1,672)
Net cash provided by financing activities	2,197	(1,704)
Effect of exchange rate change on cash and cash equivalents	18	(2)
Increase (decrease) in cash and cash equivalents	(2,077)	914
Cash and cash equivalents at beginning of term	5,799	5,630
Cash and cash equivalents at end of term	3,722	6,544