

Consolidated Financial Summary for the Three Months Ended June 30, 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
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Scheduled Date of Reporting Date: August 13, 2018
Scheduled Date of Dividend Payment: -
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 Three-Month Period of the Fiscal Year Ending March 31, 2019 (April 1, 2018 to June 30, 2018)

(1) Consolidated Business Performance (aggregate)

(% indicates increase / decrease YoY)

	Total Sales		Operating Profit		Ordinary Profit		Net Income attributable to owners of parent	
Nine months ended	¥ million	%	¥ million	%	¥ million	%	¥ million	%
June 30, 2018	36,378	3.3	2,593	6.4	2,619	5.6	1,568	13.4
June 30, 2017	35,228	6.9	2,436	15.9	2,481	17.4	1,383	6.0

Note: Comprehensive income: Three months ended June 30, 2018: ¥1,725 million (19.4%)
Three months ended June 30, 2017: ¥1,445 million (9.6%)

	Net Income per Share	Net Income per Share after Adjusting for Dilutive Effects
Nine months ended	yen	yen
June 30, 2018	55.28	—
June 30, 2017	48.84	—

Note: There are no dilutive shares.

(2) Consolidated Financial Conditions

	Total Assets	Net Assets	Equity Ratio	Per-share net worth
	¥ million	¥ million	%	¥
As of June 30, 2018	69,273	34,770	48.6	1,185.83
As of March 31, 2018	67,107	34,690	50.1	1,186.01

Reference: Shareholders' equity: June 30, 2018: ¥33,638 million March 31, 2018: ¥303,643 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, 2018	-	20.00	-	58.00	78.00
Fiscal year ending March 31, 2019	-				
Fiscal year ending March 31, 2019 (Est.)		20.00	-	58.00	78.00

Note: Revision to recently disclosed projected dividend payment: None

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)
Full Fiscal Year	156,300	1.2	10,850	3.2	11,000	2.1	6,000	14.3
								27.68
								211.52

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 June 30, 2018:	30,213,676 stocks
As of March 31, 2018:	30,213,676 stocks
2. Number of treasury stock

As of June 30, 2018:	1,846,972 stocks
As of March 31, 2018:	1,846,972 stocks
3. Average number of stocks issued and outstanding for the period

Three months ended June 30, 2018:	28,366,704 stocks
Three months ended June 30, 2017:	28,322,841 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, 2018)	At the end of the first quarter (June 30, 2018)
Assets		
Current assets		
Cash and deposits	6,552	6,177
Notes and accounts receivable-trade	201	90
Merchandise	24,343	25,885
Supplies	456	610
Accounts receivable-other	11,578	11,303
Other	734	852
Allowance for doubtful accounts	(5)	(3)
Total current assets	43,861	44,915
Noncurrent assets		
Tangible noncurrent assets		
Buildings and structures (net)	7,320	7,642
Other (net)	1,587	2,741
Total tangible noncurrent assets	8,907	10,384
Intangible noncurrent assets		
Other	2,310	2,510
Total intangible noncurrent assets	2,310	2,510
Investments and other assets		
Guarantee deposits	8,038	8,047
Other	4,010	3,437
Allowance for doubtful accounts	(21)	(21)
Total investments and other assets	12,028	11,463
Total noncurrent assets	23,246	24,358
Total assets	67,107	69,273
Liabilities		
Current liabilities		
Notes and accounts payable-trade	10,315	10,878
Short-term loans payable	1,500	6,050
Current portion of long-term loans payable	2,000	2,000
Income taxes payable	1,182	743
Provision for bonuses	2,479	1,050
Provision for directors' bonuses	91	25
Other	9,644	8,810
Total current liabilities	27,213	29,558
Noncurrent liabilities		
Long term loans payable	1,500	1,000
Asset retirement obligations	3,686	3,926
Other	17	17
Total noncurrent liabilities	5,203	4,944
Total liabilities	32,417	34,503
Net assets		
Shareholders' equity		
Capital stock	3,030	3,030
Capital surplus	4,205	4,205
Retained earnings	32,340	32,263
Treasury stock	(5,861)	(5,861)
Total shareholders' equity	33,714	33,637
Accumulated other comprehensive income		
Deferred gains or losses on hedges	(62)	1
Forex adjustment account	(8)	(0)
Total accumulated other comprehensive income	(71)	0
Non-controlling interests	1,047	1,132
Total net assets	34,690	34,770
Total liabilities and net assets	67,107	69,273

(2) Statements of Consolidated Income and Comprehensive Income**Statements of Consolidated Income****Three months ended June 30, 2017 and 2018**

(millions of yen)

	Three months ended June 30, 2017 (April 1, 2017 to June 30, 2017)	Three months ended June 30, 2018 (April 1, 2018 to June 30, 2018)
Net sales	35,228	36,378
Cost of sales	16,112	16,431
Gross profit	19,116	19,947
Selling, general and administrative expenses	16,679	17,353
Operating income	2,436	2,593
Non-operating income		
Interest income	0	0
Foreign exchange gains	15	-
Purchase discounts	13	16
Rent income	6	5
Other	30	32
Total non-operating income	65	54
Non-operating expenses		
Interest expenses	10	4
Foreign exchange losses	-	14
Rent expenses	6	5
Other	4	3
Total non-operating expenses	21	27
Ordinary income	2,481	2,619
Extraordinary loss		
Loss on retirement of noncurrent assets	50	23
Impairment loss	232	28
Other	-	0
Total extraordinary loss	282	52
Income before income taxes	2,198	2,567
Income taxes-current	558	387
Income taxes-deferred	233	538
Total income taxes	791	926
Net income	1,406	1,641
Net income attributable to non-controlling interests	23	73
Net income attributable to owners of parent	1,383	1,568

Statements of Consolidated Comprehensive Income

Three months ended June 30, 2017 and 2018

(millions of yen)

	Three months ended June 30, 2017 (April 1, 2017 to June 30, 2017)	Three months ended June 30, 2018 (April 1, 2018 to June 30, 2018)
Profit	1,406	1,641
Other comprehensive income		
Deferred gains or losses on hedges	45	75
Foreign currency translation adjustment	(7)	8
Total other comprehensive income	38	83
Comprehensive income	1,445	1,725
Comprehensive income attributable to:		
Owners of the parent	1,421	1,640
Non-controlling interests	23	84

(3) Consolidated Cash Flows

(millions of yen)

	Three months ended June 30, 2017 (April 1, 2017 to June 30, 2017)	Three months ended June 30, 2018 (April 1, 2018 to June 30, 2018)
Cash flows from operating activities		
Income before income taxes	2,198	2,567
Depreciation	453	447
Depreciation of intangible assets	66	104
Amortization of long-term prepaid expenses	39	44
Impairment loss	232	28
Increase (decrease) in provision for bonuses	(760)	(1,429)
Increase (decrease) in provision for directors' bonuses	(7)	(65)
Increase (decrease) in allowance for doubtful accounts	(0)	(2)
Interest and dividends income	(0)	(0)
Interest expenses	10	4
Decrease (increase) in notes receivable	(317)	390
Decrease (increase) in inventories	(1,397)	(1,695)
Decrease (increase) in other current assets	640	(104)
Increase (decrease) in purchase liabilities	978	747
Increase (decrease) in other current liabilities	406	(933)
Other	89	(0)
Subtotal	2,631	105
Interest and dividends income received	(0)	0
Interest expenses paid	(10)	(4)
Income taxes paid	(1,042)	(700)
Net cash provided by operating activities	1,578	(599)
Cash flows from investment activities		
Payments into time deposits	(3)	(3)
Purchase of property, plant and equipment	(946)	(2,018)
Payments for asset retirement obligations	(14)	(40)
Purchase of intangible assets	(197)	(163)
Purchase of long-term prepaid expenses	(241)	(104)
Payment for guarantee deposits	(76)	(94)
Proceeds from collection of guarantee deposits	70	86
Other	(2)	0
Net cash provided by investment activities	(1,411)	(2,338)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	2,650	4,550
Repayment of long-term loans payable	(1,001)	(500)
Cash dividends paid	(1,513)	(1,499)
Net cash provided by financing activities	135	2,550
Effect of exchange rate change on cash and cash equivalents	(11)	8
Increase (decrease) in cash and cash equivalents	291	(378)
Cash and cash equivalents at beginning of term	5,630	6,300
Cash and cash equivalents at end of term	5,921	5,921