

**<Delayed> Consolidated Financial Summary
for the Nine Months Ended December 31, 2021
[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: Yoshinori Matsuzaki, Representative Director, President and CEO
Contact: Takeo Nakazawa, Executive Officer CFO
Telephone: +81-3-5785-6325

Scheduled Date of Reporting Date: February 10, 2022
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 Nine-Month Period of the Fiscal Year Ending March 31, 2022 (April 1, 2021 to December 31, 2021)

(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	%
Nine months ended								
December 31, 2021	86,904	(5.3)	1,837	—	2,659	—	1,296	—
December 31, 2020	91,799	(22.9)	(3,470)	—	(2,241)	—	(3,014)	—

Note: Comprehensive income: Nine months ended December 31, 2021: ¥1,195million (—%)
Nine months ended December 31, 2020: ¥(2,349) million (—%)

	Net Income per Share	Net Income per Share after Adjusting for Dilutive Effects
Nine months ended	yen	yen
December 31, 2021	45.47	—
December 31, 2020	(105.92)	—

Note: Net Income per Share after Adjusting for Dilutive Effects are not stated since there are no dilutive shares.

(2) Consolidated Financial Conditions

	Total Assets	Net Assets	Equity Ratio	Per-share net worth
	¥ million	¥ million	%	¥
As of December 31, 2021	66,707	30,870	46.3	1,083.34
As of March 31, 2021	63,619	29,844	46.9	1,045.93

Reference: Shareholders' equity: December 31, 2021: ¥30,870 million March 31, 2021: ¥29,844 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, 2021	-	0.00	-	0.00	0.00
Fiscal year ending March 31, 2022	-	7.00			
Fiscal year ending March 31, 2022 (Est.)			-	12.00	19.00

Note: Revision to recently disclosed projected dividend payment: None

3. Projected Consolidated Performance of the Fiscal Year Ending March 2022 (From April 1, 2021 to March 31, 2022)

(% 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	117,400	(3.5)	1,200	—	2,100	—	200	—	7.01

Note: Revision to recently disclosed projected consolidated performance: Yes

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, 2021:	30,213,676 stocks
As of March 31, 2021:	30,213,676 stocks
2. Number of treasury stock

As of December 31, 2021:	1,718,367 stocks
As of March 31, 2021:	1,679,373 stocks
3. Average number of stocks issued and outstanding for the period

Nine months ended December 31, 2021:	28,498,723 stocks
Nine months ended December 31, 2020:	28,459,417 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, 2021)	At the end of the third quarter (December 31, 2021)
Assets		
Current assets		
Cash and deposits	6,604	4,808
Notes and accounts receivable-trade	163	100
Merchandise	19,214	22,807
Supplies	699	571
Accounts receivable-other	12,184	16,290
Other	878	624
Total current assets	39,745	45,202
Noncurrent assets		
Tangible noncurrent assets		
Buildings and structures (net)	4,799	4,008
Machinery and equipment (net)	645	792
Land	569	569
Construction in progress	284	86
Other (net)	521	420
Total tangible noncurrent assets	6,820	5,879
Intangible noncurrent assets		
Other	1,799	2,194
Total intangible noncurrent assets	1,799	2,194
Investments and other assets		
Guarantee deposits	7,899	7,172
Deferred tax assets	4,689	4,130
Other	2,688	2,150
Allowance for doubtful accounts	(23)	(23)
Total investments and other assets	15,254	13,431
Total noncurrent assets	23,874	21,505
Total assets	63,619	66,707
Liabilities		
Current liabilities		
Notes and accounts payable-trade	7,880	9,610
Short-term loans payable	15,600	14,000
Trade accounts payable	4,032	3,914
Income taxes payable	-	529
Provision for bonuses	480	252
Asset retirement obligations	207	140
Other	1,363	3,196
Total current liabilities	29,564	31,644
Noncurrent liabilities		
Asset retirement obligations	4,202	4,160
Other	7	32
Total noncurrent liabilities	4,210	4,193
Total liabilities	33,775	35,837
Net assets		
Shareholders' equity		
Capital stock	3,030	3,030
Capital surplus	4,415	4,415
Retained earnings	27,641	28,555
Treasury stock	(5,218)	(5,006)
Total shareholders' equity	29,868	30,994
Accumulated other comprehensive income		
Foreign currency translation adjustment	(23)	(124)
Total accumulated other comprehensive income	(23)	(124)
Total net assets	29,844	30,870
Total liabilities and net assets	63,619	66,707

(2) Statements of Consolidated Income and Comprehensive Income

Statements of Consolidated Income

Third Quarter (Nine Months Aggregate)

(millions of yen)

	Nine months ended December 31, 2020 (April 1, 2020 to December 31, 2020)	Nine months ended December 31, 2021 (April 1, 2021 to December 31, 2021)
Net sales	91,799	86,904
Cost of sales	48,772	42,501
Gross profit	43,027	44,402
Selling, general and administrative expenses	46,497	42,565
Operating income (loss)	(3,470)	1,837
Non-operating income		
Interest income	0	0
Foreign exchange gains	80	137
Purchase discounts	40	45
Rent income	15	9
Subsidy income	1,041	164
Share of profit of entities accounted for using equity method	-	441
Other	124	80
Total non-operating income	1,303	879
Non-operating expenses		
Interest expenses	28	23
Rent expenses	17	11
Share of loss of entities accounted for using equity method	3	-
Other	24	23
Total non-operating expenses	74	57
Ordinary income (loss)	(2,241)	2,659
Extraordinary income		
Gain on sale of investments in capital of subsidiaries and affiliates	67	65
Other	-	0
Total extraordinary income	67	65
Extraordinary loss		
Loss on retirement of noncurrent assets	11	19
Impairment loss	801	438
Other	18	46
Total extraordinary loss	830	504
Income (loss) before income taxes	(3,004)	2,220
Income taxes-current	824	366
Income taxes-deferred	(1,493)	558
Total income taxes	(668)	924
Net income (loss)	(2,335)	1,296
Net income attributable to non-controlling interests	678	-
Net income (loss) attributable to owners of parent	(3,014)	1,296

Statements of Consolidated Comprehensive Income

Third Quarter (Nine Months Aggregate)

(millions of yen)

	Nine months ended December 31, 2020 (April 1, 2020 to December 31, 2020)	Nine months ended December 31, 2021 (April 1, 2021 to December 31, 2021)
Net income (loss)	(2,335)	1,296
Other comprehensive income		
Deferred gains or losses on hedges	(0)	-
Foreign currency translation adjustment	(13)	(100)
Total other comprehensive income	(13)	(100)
Comprehensive income	(2,349)	1,195
Comprehensive income attributable to:		
Owners of the parent company	(3,028)	1,195
Non-controlling interests	678	-

(3) Consolidated Cash Flows

(millions of yen)

	Nine months ended December 31, 2020 (April 1, 2020 to December 31, 2020)	Nine months ended December 31, 2021 (April 1, 2021 to December 31, 2021)
Cash flows from operating activities		
Income (loss) before income taxes	(3,004)	2,220
Depreciation	1,283	841
Depreciation of intangible assets	287	257
Amortization of long-term prepaid expenses	326	296
Impairment loss	801	438
Increase (decrease) in provision for bonuses	(602)	(228)
Increase (decrease) in provision for directors' bonuses	(0)	-
Increase (decrease) in allowance for doubtful accounts	(2)	-
Interest and dividends income	(0)	(0)
Interest expenses	28	23
Subsidy income	(1,041)	(164)
Decrease (increase) in notes receivable	(3,415)	(4,002)
Decrease (increase) in inventories	(1,683)	(3,464)
Decrease (increase) in other current assets	121	361
Increase (decrease) in trade payables	208	2,769
Increase (decrease) in other current liabilities	(503)	1,043
Share of loss (gain) of entities accounted for using equity method	3	(441)
Loss (gain) on sale of investments in capital of subsidiaries and affiliates	(67)	(65)
Other	28	107
Subtotal	<u>(7,232)</u>	<u>(7)</u>
Interest and dividends received	0	0
Interest expenses paid	(28)	(23)
Subsidies received	1,041	164
Income taxes refund (paid)	(926)	569
Net cash provided by operating activities	<u>(7,145)</u>	<u>702</u>
Cash flows from investment activities		
Proceeds from withdrawal of time deposits	276	-
Purchase of property, plant and equipment	(1,614)	(272)
Payments for asset retirement obligations	(97)	(203)
Purchase of intangible assets	(396)	(816)
Purchase of long-term prepaid expenses	(183)	(37)
Payments of guarantee deposits	(343)	(66)
Proceeds from refund of guarantee deposits	207	793
Payments for sale of investments in capital of subsidiaries resulting in change in scope of consolidation	(2,938)	-
Other	8	(12)
Net cash provided by investment activities	<u>(5,080)</u>	<u>(617)</u>
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	13,300	(1,600)
Dividends paid	(1,729)	(181)
Other	-	(0)
Net cash provided by financing activities	<u>11,570</u>	<u>(1,781)</u>
Effect of exchange rate change on cash and cash equivalents	(13)	(100)
Increase (decrease) in cash and cash equivalents	(669)	(1,796)
Cash and cash equivalents at beginning of term	5,726	6,604
Cash and cash equivalents at end of term	<u>5,056</u>	<u>4,808</u>