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**Summary of Financial Results for  
the Third Quarter Ended December 31, 2003\*  
(Non-Consolidated)**

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Corporate Name:	UNITED ARROWS LTD.
URL:	<a href="http://www.united-arrows.co.jp/">http:// www.united-arrows.co.jp/</a>
Registered Name:	U-Arrows
Code Number:	7606
Securities Traded	The Tokyo Stock Exchange, First Section
Location of Headquarters:	Tokyo
Reference:	Osamu Shigematsu, President and CEO Tsuyoshi Horoiwa, Financial and Accounting Group Manager
Telephone:	+81-3-6418-0803

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\*The “Summary of Financial Results for the Third Quarter Ended December 31, 2003 (Non-Consolidated) ” is an English translation of the original Japanese. If any doubts arise as to the interpretation of this English version, the Japanese version shall take precedence.

# 1. Preparation Basis for Non-Consolidated Financial Results for the Third Quarter Ended December 31, 2003

Change in accounting principles : None

## 2. Financial Results for the Third Quarter Ended December 31, 2003 (from April 1, 2003 to December 31, 2003)

### (1) Financial Results

Note: A fractional sum less than one million yen is discarded.

Third quarter ended December 31	Sales		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
2004	31,934	( )	4,117	( )	4,160	( )	2,258	( )
2003		( )		( )		( )		( )
Ref.) FY ended March 31, 2003	35,271	( )	4,824	( )	4,786	( )	2,561	( )

Third quarter ended Dcember 31	Net income per share	Net income per share after ajusting dilutive shares
	yen	yen
2004	206.55	205.00
2003		
Ref.) FY ended March 31, 2003	215.01	214.07

Note: Because of the Company has started the announcement of quarterly financial settlement since the first quarter of this FY, 2004, the previous FY's of the third quarter is not disclosed.

### Overview of the Financial Results for the First Quarter Ended December 31, 2003

Although the impact of unseasonable weather was concerned for the results of the third quarter ended December 31, 2003 (total for 9months), sales reached 31,934 million yen, with a year-on year increase of 24.5% by existing stores showed steady growth in general and the effect by opening new stores.

Since Gross profit and operating expenses also hovered around an intial forecast, operating income was 4,117 million yen and ordinary income was 4,160 million yen.

### (2) Financial Positions

Third quarter ended December 31	Total assets	Operating income	Ordinary income	Net income
	¥ million	¥ million	%	yen
2004	26,016	14,942	57.4	1,362.60
2003				
Ref.) FY ended March 31, 2003	20,836	12,924	62.0	1,178.30

Notes: Because of the Company has started the announcement of quarterly financial settlement since the first quarter of this FY, 2004, the previous FY's of the third quarter is not disclosed.

### Overview of the Financial Positions for the First Quarter Ended December 31, 2003

Total assets increased 5,179 million yen and shareholders' equity increased 2,017 million yen at the end of third quarter ended December 31, 2003 comparing to the end of previous fiscal year; therefore, shareholders' equity ratio decreased 4.6 points to 57.4%. Short-term borrowings increased 3,718 million yen comparing to the end of previous FY to 5,118 million yen; however, main factor was the payment of corporate income taxes and increase of current deposit's balance for the payment during the year change period.

3. Forecast of the Results for the Fiscal year ending March 31, 2004 (from April 1, 2003 to March 31, 2004)

Given the favorable third quarter results, the Company does not revise the initial forecast for the fiscal year ending March 31,2004.

Attachment:

- Summary of Balance Sheets
- Summary of Statements of Income
- Summary of Sales Performance for the third quarter ended December 31, 2003

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**Forward-Looking Statements**

This third quarter results contains forward-looking statements that are based on management's estimates, assumptions and projections at the time of original release. Some factors, which include, but are not limited to, the risks and uncertainty associated with the worldwide economy, competitive activity and currency fluctuation, could cause actual results to differ materially from expectations.

#### 4. Financial Statements

##### (1) Balance Sheets

	3Q/The 15 <sup>th</sup> Term		(In thousand of yen)	
	(As of December 31, 2003)		The 14 <sup>th</sup> Term	
	Amount	%	Amount	%
<b>Assets:</b>				
<b>I Current assets</b>				
1. Cash and deposits	2,796,030		1,478,263	
2. Notes and accounts receivable-trade	28,709		78,443	
3. Inventories	9,370,535		7,679,760	
4. Notes and accounts receivable-other	3,787,103		2,729,211	
5. Others	464,527		516,671	
<b>Total current assets</b>	16,446,907	63.2	12,482,351	59.9
<b>II Fixed assets</b>				
<b>1. Tangible fixed assets</b>				
(1) Buildings	3,481,209		2,797,806	
(2) Lands	1,082,072		1,082,072	
(3) Others	502,294		352,672	
<b>Total tangible fixed assets</b>	5,065,576	19.5	4,232,551	20.3
<b>2. Intangible fixed assets</b>	569,214	2.2	535,328	2.6
<b>3. Investments and other assets</b>				
(1) Long-term lease deposits	3,416,729		3,089,830	
(2) Others	582,521		584,232	
(3) Allowance for doubtful accounts	(64,676)		(87,400)	
<b>Total investments and other assets</b>	3,934,574	15.1	3,586,663	17.2
<b>Total fixed assets</b>	9,569,366	36.8	8,354,543	40.1
<b>Total assets</b>	26,016,273	100.0	20,836,894	100.0
<b>Liabilities:</b>				
<b>I Current liabilities</b>				
1. Note and accounts payable-trade	3,536,965		3,081,744	
2. Short-term borrowings	3,700,000		900,000	
3. Current portion of long-term debt	828,000		500,000	
4. Notes and accounts payable-other	1,041,268		1,455,400	
5. Income taxes payable	615,642		1,118,562	
6. Accrued bonus	247,469		421,781	
7. Others	280,212		275,646	
<b>Total current liabilities</b>	10,249,558	39.4	7,753,135	37.2
<b>Long-term liabilities</b>				
1. Long-term borrowings	590,000		-	
2. Accrued retirement benefits for directors	113,660		103,651	
3. Long-term guarantee deposits received	120,961		55,916	
<b>Total long-term liabilities</b>	824,621	3.2	159,567	0.8
<b>Total liabilities</b>	11,074,179	42.6	7,912,703	38.0

<b><u>Shareholders' equity:</u></b>					
<b>I Common stock, no par value</b>		3,030,000	11.7	<b>3,030,000</b>	<b>14.5</b>
<b>Capital surplus</b>					
1. Additional paid-in capital	<u>4,095,600</u>			<u>4,095,600</u>	
<b>Total Capital surplus</b>		4,095,600	15.7	<b>4,095,600</b>	<b>19.7</b>
<b>Retained earnings</b>					
1. Legal reserve	31,035			<b>31,035</b>	
2. Unappropriated retained earnings for the term	<u>10,463,243</u>			<u><b>8,558,556</b></u>	
<b>Total retained earnings</b>		10,494,278	40.3	<b>8,589,591</b>	<b>41.2</b>
<b>Net unrealized gain on securities</b>		(936)	(0.0)	-	-
<b>Treasury stock</b>		<u>(2,676,848)</u>	(10.3)	<u><b>(2,791,000)</b></u>	<b>(13.4)</b>
<b>Total shareholders' equity</b>		<u>14,942,094</u>	57.4	<u><b>12,924,191</b></u>	<b>62.0</b>
<b>Total liabilities and shareholders' equity</b>		<u>26,016,273</u>	100.0	<u><b>20,836,894</b></u>	<b>100.0</b>

## (2) Statements of Income

			(In thousand of yen)	
	3Q/The 15 <sup>th</sup> Term		The 14 <sup>th</sup> Term	
	(From April 1, 2003 to December 31, 2003)		(From April 1, 2002 to March 31, 2003)	
	Amount	%	Amount	%
<b>Sales</b>	31,934,845	100.0	<b>35,271,577</b>	<b>100.0</b>
<b>Cost of sales</b>	14,625,628	45.8	<b>16,416,934</b>	<b>46.5</b>
Gross profit	17,309,216	54.2	18,854,642	53.5
<b>Operating expenses</b>	13,191,332	41.3	<b>14,030,602</b>	<b>39.8</b>
Operating income	4,117,884	12.9	4,824,040	13.7
<b>Other income</b>	114,816	0.3	<b>113,591</b>	<b>0.3</b>
<b>Other expenses</b>	72,632	0.2	<b>150,771</b>	<b>0.4</b>
Ordinary income	4,160,069	13.0	4,786,860	13.6
<b>Extraordinary income</b>	22,724	0.1	<b>4,286</b>	<b>0.0</b>
<b>Extraordinary losses</b>	208,343	0.7	<b>290,773</b>	<b>0.8</b>
Net income before taxes	3,974,449	12.4	4,500,373	12.8
Income taxes – Current *	1,628,517		2,067,636	
Income taxes – Deferred	87,158	1,715,675	(128,876)	1,938,759
Net income	2,258,774	7.1	2,561,614	7.3
Retained earnings beginning balance	8,332,527		6,080,417	
Losses on treasury stock transactions	18,691		-	
Interim dividend paid	109,367		83,475	
<b>Unappropriated retained earnings for the year</b>	<b>10,463,243</b>		<b>8,558,556</b>	

### (3) Sales for the Third Quarter

#### Total Sales

(In million of yen, %)

	This term(A)	The previous term(B)	Increase or Decrease(A) - (B)	Growth
The Third Quarter	12,934	10,483	2,450	23.4
Total (April-December)	31,934	25,657	6,276	24.5

#### Sales by Chain

(In million of yen, %)

		This term(A)	The previous term(B)	Increase or Decrease(A) - (B)	Growth
The Third Quarter	UA	8,077	7,024	1,053	15.0
	GLR	2,302	1,672	629	37.6
	CH	632	628	4	0.7
	*S.B.U.&UA Labs	768	398	369	92.7
	Retail	11,781	9,725	2,056	21.1
	*Others	1,152	758	394	52.0
Total (April-December)	UA	19,917	17,511	2,406	13.7
	GLR	5,516	3,566	1,949	54.7
	CH	1,663	1,655	7	0.5
	*S.B.U.&UA Labs	1,906	955	950	99.5
	Retail	29,003	23,689	5,314	22.4
	*Others	2,930	1,968	962	48.9

\*1. S.B.U. =Small Business Unit

\*2. "Others" includes the sales of wholesale, outlets, mail-order, café and rental of formal wears.

#### Sales by Category of Merchandise (Retail)

(In million of yen, %)

		This term(A)	The previous term(B)	Increase or Decrease(A) - (B)	Growth
The Third Quarter	Men's	6,132	4,969	1,162	23.4
	Women's	4,265	3,528	737	20.9
	*Silver & Leather	931	911	19	2.1
	Miscellaneous	452	315	136	43.4
Total (April-December)	Men's	14,717	11,606	3,110	26.8
	Women's	10,828	9,005	1,823	20.2
	*Silver & Leather	2,391	2,347	44	1.9
	Miscellaneous	1,066	729	336	46.1

\*"Silver & Leather" means the silver accessories and leather outfits of CHROME HEARTS brand.

#### Sales of Existing Stores (Retail, YOY)

(Unit : %)

		Sales Growth Ratio	Number of Customer Growth Ratio	Ave. Spending per Customer Growth Ratio
The Third Quarter	UA	12.1	7.5	4.2
	GLR	5.4	1.8	3.5
	CH	(0.3)	14.9	(13.3)
	*S.B.U.&UA Labs	13.2	5.9	6.9
	Retail	10.2	6.0	3.9
Total (April-December)	UA	11.4	4.4	6.7
	GLR	7.4	2.7	4.6
	CH	0.1	11.2	(10.0)
	*S.B.U.&UA Labs	20.2	13.8	5.7
	Retail	10.3	4.3	5.7