

## Consolidated Financial Results for the 1st Half Ended September 30, 2022 (Japanese GAAP)

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

Listed Company Name: UNITED ARROWS LTD.  
 Securities Traded: The Prime Market 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 and CFO  
 Telephone: +81-3-5785-6325

Scheduled Date of Reporting Date: November 11, 2022  
 Scheduled Date of Dividend Payment: December 7, 2022  
 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, 2023 (April 1, 2022 to September 30, 2022)

#### (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	%
Six months ended September 30, 2022	57,453	13.9	1,385	—	1,710	—	1,074	—
September 30, 2021	50,437	(5.3)	(2,648)	—	(2,182)	—	(1,994)	—

Note: Comprehensive income: Six months ended September 30, 2022: ¥974 million (—%)  
 Six months ended September 30, 2021: ¥(2,046) million (—%)

	Net Income per Share	Net Income per Share after Adjusting for Dilutive Effects
Six months ended September 30, 2022	yen 37.71	yen —
September 30, 2021	(69.99)	—

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 September 30, 2022	59,590	30,730	51.6	1,078.45
As of March 31, 2022	59,703	30,069	50.4	1,055.23

Reference: Shareholders' equity: September 30, 2022: ¥30,730 million      March 31, 2022: ¥30,069 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, 2022	-	7.00	-	12.00	19.00
Fiscal year ending March 31, 2023	-	12.00			
Fiscal year ending March 31, 2023 (Est.)			-	20.00	32.00

Note: Revision to recently disclosed projected dividend payment: None

### 3. Projected Consolidated Performance of the Fiscal Year Ending March 31, 2023 (From April 1, 2022 to March 31, 2023)

(% 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	130,000	9.8	4,800	185.2	5,230	85.0	3,000	309.4	105.28

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, 2022:	30,213,676 stocks
As of March 31, 2022:	30,213,676 stocks
2. Number of treasury stock
 

As of September 30, 2022:	1,718,367 stocks
As of March 31, 2022:	1,718,367 stocks
3. Average number of stocks issued and outstanding for the period
 

Six months ended September 30, 2022:	28,495,309 stocks
Six months ended September 30, 2021:	28,500,437 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, 2022)	At the end of the second quarter (September 30, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	5,593	3,977
Notes and accounts receivable-trade	184	134
Merchandise	20,030	22,532
Supplies	516	755
Accounts receivable-other	11,385	11,074
Other	765	882
<b>Total current assets</b>	<b>38,475</b>	<b>39,356</b>
Noncurrent assets		
Tangible noncurrent assets		
Buildings and structures (net)	3,493	3,254
Machinery and equipment (net)	808	740
Land	569	569
Construction in progress	12	72
Other (net)	345	298
<b>Total tangible noncurrent assets</b>	<b>5,229</b>	<b>4,936</b>
Intangible noncurrent assets		
Other	1,356	1,454
<b>Total intangible noncurrent assets</b>	<b>1,356</b>	<b>1,454</b>
Investments and other assets		
Guarantee deposits	7,049	6,628
Deferred tax assets	4,141	3,888
Other	3,453	3,326
Allowance for doubtful accounts	(1)	(1)
<b>Total investments and other assets</b>	<b>14,642</b>	<b>13,842</b>
<b>Total noncurrent assets</b>	<b>21,228</b>	<b>20,233</b>
<b>Total assets</b>	<b>59,703</b>	<b>59,590</b>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	8,858	12,005
Short-term loans payable	7,800	5,600
Accounts payable	4,434	3,117
Income taxes payable	662	461
Provision for bonuses	801	1,153
Provision for directors' bonuses	-	18
Asset retirement obligations	79	83
Other	2,801	2,215
<b>Total current liabilities</b>	<b>25,437</b>	<b>24,655</b>
Noncurrent liabilities		
Asset retirement obligations	4,164	4,171
Other	32	32
<b>Total noncurrent liabilities</b>	<b>4,197</b>	<b>4,203</b>
<b>Total liabilities</b>	<b>29,634</b>	<b>28,859</b>

(millions of yen)

	At the end of the previous fiscal year (March 31, 2022)	At the end of the second quarter (September 30, 2022)
<b>Net assets</b>		
Shareholders' equity		
Capital stock	3,030	3,030
Capital surplus	4,415	4,444
Retained earnings	27,771	28,504
Treasury stock	(5,006)	(5,006)
Total shareholders' equity	30,210	30,972
Accumulated other comprehensive income		
Foreign currency translation adjustment	(141)	(241)
Total accumulated other comprehensive income	(141)	(241)
Total net assets	30,069	30,730
Total liabilities and net assets	59,703	59,590

## (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, 2021 (April 1, 2021 to September 30, 2021)	Six months ended September 30, 2022 (April 1, 2022 to September 30, 2022)
Net sales	50,437	57,453
Cost of sales	25,635	27,600
Gross profit	24,801	29,852
Selling, general and administrative expenses	27,450	28,466
Operating income (loss)	(2,648)	1,385
Non-operating income		
Interest income	0	0
Foreign exchange gains	74	77
Purchase discounts	31	30
Rent income	6	6
Commission income	5	2
Subsidy income	80	8
Share of profit of entities accounted for using equity method	257	146
Other	49	77
Total non-operating income	505	349
Non-operating expenses		
Interest expenses	15	7
Rent expenses	7	7
Other	16	10
Total non-operating expenses	39	24
Ordinary income (loss)	(2,182)	1,710
Extraordinary loss		
Loss on retirement of noncurrent assets	17	1
Impairment loss	438	113
Other	43	-
Total extraordinary loss	498	114
Income (loss) before income taxes	(2,681)	1,595
Income taxes-current	61	268
Income taxes-deferred	(747)	252
Total income taxes	(686)	520
Net income (loss)	(1,994)	1,074
Net income (loss) attributable to owners of parent	(1,994)	1,074

## Statements of Consolidated Comprehensive Income

Second Quarter (Six Months Aggregate)

(millions of yen)

	Six months ended September 30, 2021 (April 1, 2021 to September 30, 2021)	Six months ended September 30, 2022 (April 1, 2022 to September 30, 2022)
Net income (loss)	(1,994)	1,074
Other comprehensive income		
Foreign currency translation adjustment	(51)	(100)
Total other comprehensive income	(51)	(100)
Comprehensive income	(2,046)	974
Comprehensive income attributable to:		
Owners of the parent company	(2,046)	974
Non-controlling interests	-	-

### (3) Consolidated Cash Flows

(millions of yen)

	Six months ended September 30, 2021 (April 1, 2021 to September 30, 2021)	Six months ended September 30, 2022 (April 1, 2022 to September 30, 2022)
<b>Cash flows from operating activities</b>		
Income (loss) before income taxes	(2,681)	1,595
Depreciation	588	435
Depreciation of intangible assets	176	190
Amortization of long-term prepaid expenses	201	308
Impairment loss	438	113
Increase (decrease) in provision for bonuses	(29)	352
Increase (decrease) in provision for directors' bonuses	6	18
Interest and dividends income	(0)	(0)
Interest expenses	15	7
Subsidy income	(80)	(8)
Decrease (increase) in notes receivable	1,079	462
Decrease (increase) in inventories	(3,183)	(2,740)
Decrease (increase) in other current assets	233	(162)
Increase (decrease) in trade payables	2,329	2,878
Increase (decrease) in other current liabilities	(474)	(417)
Share of loss (profit) of entities accounted for using equity method	(257)	(146)
Other	80	52
Subtotal	(1,556)	2,940
Interest and dividends received	0	0
Interest expenses paid	(15)	(7)
Proceeds from subsidy income	80	8
Income taxes refund (paid)	562	(409)
Cash flows from operating activities	(927)	2,531
<b>Cash flows from investment activities</b>		
Purchase of property, plant and equipment	(173)	(191)
Payments for asset retirement obligations	(171)	(61)
Purchase of intangible assets	(612)	(390)
Purchase of long-term prepaid expenses	(18)	(1,283)
Payments of guarantee deposits	(60)	(27)
Proceeds from refund of guarantee deposits	349	448
Other	(13)	0
Cash flows from investing activities	(700)	(1,506)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(225)	(2,200)
Dividends paid	(0)	(341)
Cash flows from financing activities	(225)	(2,541)
Effect of exchange rate change on cash and cash equivalents	(51)	(100)
Increase (decrease) in cash and cash equivalents	(1,905)	(1,616)
Cash and cash equivalents at beginning of term	6,604	5,593
Cash and cash equivalents at end of term	4,698	3,977