

Consolidated Financial Summary
for the Nine Months Ended December 31, 2022
[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, 2023
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, 2023 (April 1, 2022 to December 31, 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	%
Nine months ended								
December 31, 2022	96,093	(10.6)	6,387	247.7	6,731	153.1	4,340	234.9
December 31, 2021	86,904	(5.3)	1,837	—	2,659	—	1,296	—

Note: Comprehensive income: Nine months ended December 31, 2022: ¥4,207million (251.9%)
Nine months ended December 31, 2021: ¥1,195 million (—%)

	Net Income per Share	Net Income per Share after Adjusting for Dilutive Effects
Nine months ended	yen	yen
December 31, 2022	152.32	—
December 31, 2021	45.47	—

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, 2022	63,072	33,637	53.3	1,180.44
As of March 31, 2022	59,703	30,069	50.4	1,055.23

Reference: Shareholders' equity: December 31, 2022: ¥33,637 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 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	6,000	256.5	6,500	129.9	4,120	462.3	144.59

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

As of December 31, 2022:	1,718,392 stocks
As of March 31, 2022:	1,718,367 stocks
3. Average number of stocks issued and outstanding for the period

Nine months ended December 31, 2022:	28,495,307 stocks
Nine months ended December 31, 2021:	28,498,723 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 third quarter (December 31, 2022)
Assets		
Current assets		
Cash and deposits	5,593	4,420
Notes and accounts receivable-trade	184	128
Merchandise	20,030	22,749
Supplies	516	667
Accounts receivable-other	11,385	15,178
Other	765	755
Total current assets	38,475	43,898
Noncurrent assets		
Tangible noncurrent assets		
Buildings and structures (net)	3,493	3,219
Machinery and equipment (net)	808	707
Land	569	569
Construction in progress	12	5
Other (net)	345	284
Total tangible noncurrent assets	5,229	4,786
Intangible noncurrent assets		
Other	1,356	1,495
Total intangible noncurrent assets	1,356	1,495
Investments and other assets		
Guarantee deposits	7,049	6,601
Deferred tax assets	4,141	2,997
Other	3,453	3,293
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	14,642	12,891
Total noncurrent assets	21,228	19,173
Total assets	59,703	63,072
Liabilities		
Current liabilities		
Notes and accounts payable-trade	8,858	10,181
Short-term loans payable	7,800	5,380
Trade accounts payable	4,434	3,801
Income taxes payable	662	911
Provision for bonuses	801	564
Provision for bonuses for directors	-	25
Provision for loss on store closings	-	136
Asset retirement obligations	79	254
Other	2,801	4,146
Total current liabilities	25,437	25,401
Noncurrent liabilities		
Asset retirement obligations	4,164	4,005
Other	32	27
Total noncurrent liabilities	4,197	4,033
Total liabilities	29,634	29,435
Net assets		
Shareholders' equity		
Capital stock	3,030	3,030
Capital surplus	4,415	4,459
Retained earnings	27,771	31,428
Treasury stock	(5,006)	(5,006)
Total shareholders' equity	30,210	33,911
Accumulated other comprehensive income		
Foreign currency translation adjustment	(141)	(273)
Total accumulated other comprehensive income	(141)	(273)
Total net assets	30,069	33,637
Total liabilities and net assets	59,703	63,072

(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, 2021 (April 1, 2021 to December 31, 2021)	Nine months ended December 31, 2022 (April 1, 2022 to December 31, 2022)
Net sales	86,904	96,093
Cost of sales	42,501	45,458
Gross profit	44,402	50,635
Selling, general and administrative expenses	42,565	44,247
Operating income	1,837	6,387
Non-operating income		
Interest income	0	0
Foreign exchange gains	137	-
Purchase discounts	45	43
Rent income	9	9
Commission income	-	5
Subsidy income	164	8
Share of profit of entities accounted for using equity method	441	237
Other	80	95
Total non-operating income	879	400
Non-operating expenses		
Interest expenses	23	10
Foreign exchange losses	-	22
Rent expenses	11	9
Other	23	13
Total non-operating expenses	57	56
Ordinary income	2,659	6,731
Extraordinary income		
Gain on sale of investments in capital of subsidiaries and affiliates	65	-
Gain on sale of non-current assets	0	0
Total extraordinary income	65	0
Extraordinary loss		
Loss on retirement of noncurrent assets	19	19
Impairment loss	438	143
Provision for loss on store closings	-	136
Other	46	-
Total extraordinary loss	504	299
Income before income taxes	2,220	6,432
Income taxes-current	366	948
Income taxes-deferred	558	1,143
Total income taxes	924	2,092
Net income	1,296	4,340
Net income attributable to owners of parent	1,296	4,340

Statements of Consolidated Comprehensive Income

Third Quarter (Nine Months Aggregate)

(millions of yen)

	Nine months ended December 31, 2021 (April 1, 2021 to December 31, 2021)	Nine months ended December 31, 2022 (April 1, 2022 to December 31, 2022)
Net income	1,296	4,340
Other comprehensive income		
Foreign currency translation adjustment	(100)	(132)
Total other comprehensive income	(100)	(132)
Comprehensive income	1,195	4,207
Comprehensive income attributable to:		
Owners of the parent company	1,195	4,207
Non-controlling interests	-	-

(3) Consolidated Cash Flows

(millions of yen)

	Nine months ended December 31, 2021 (April 1, 2021 to December 31, 2021)	Nine months ended December 31, 2022 (April 1, 2022 to December 31, 2022)
Cash flows from operating activities		
Income before income taxes	2,220	6,432
Depreciation	841	653
Depreciation of intangible assets	257	281
Amortization of long-term prepaid expenses	296	464
Impairment loss	438	143
Increase (decrease) in provision for bonuses	(228)	(236)
Increase (decrease) in provision for directors' bonuses	-	25
Interest and dividends income	(0)	(0)
Interest expenses	23	10
Subsidy income	(164)	(8)
Decrease (increase) in notes receivable	(4,002)	(3,615)
Decrease (increase) in inventories	(3,464)	(2,869)
Decrease (increase) in other current assets	361	(60)
Increase (decrease) in trade payables	2,769	2,137
Increase (decrease) in other current liabilities	1,043	1,238
Share of loss (gain) of entities accounted for using equity method	(441)	(237)
Loss (gain) on sale of investments in capital of subsidiaries and affiliates	(65)	-
Other	107	72
Subtotal	(7)	4,432
Interest and dividends received	0	0
Interest expenses paid	(23)	(10)
Subsidies received	164	8
Income taxes refund (paid)	569	(602)
Net cash provided by operating activities	702	3,827
Cash flows from investment activities		
Purchase of property, plant and equipment	(272)	(277)
Payments for asset retirement obligations	(203)	(96)
Purchase of intangible assets	(816)	(541)
Purchase of long-term prepaid expenses	(37)	(1,324)
Payments of guarantee deposits	(66)	(66)
Proceeds from refund of guarantee deposits	793	514
Other	(12)	0
Net cash provided by investment activities	(617)	(1,792)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(1,600)	(2,420)
Dividends paid	(181)	(655)
Other	(0)	(0)
Net cash provided by financing activities	(1,781)	(3,075)
Effect of exchange rate change on cash and cash equivalents	(100)	(132)
Increase (decrease) in cash and cash equivalents	(1,796)	(1,173)
Cash and cash equivalents at beginning of term	6,604	5,593
Cash and cash equivalents at end of term	4,808	4,420