

Consolidated Financial Summary for the 1st Half Ended September 30, 2024 [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, Director, Executive Managing Officer and CFO
Telephone: +81-3-5785-6325
Scheduled Date of Reporting Date: November 13, 2024
Scheduled Date of Dividend Payment: December 5, 2024
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 Six-Month Period of the Fiscal Year Ending March 31, 2025 (April 1, 2024 to September 30, 2024)

(1) Consolidated Business Performance (aggregate)

(% indicates increase / decrease YoY)

	Total Sales		Operating Profit		Ordinary Profit		Net Income attributable to owners of parent	
Six months ended	¥ million	%	¥ million	%	¥ million	%	¥ million	%
September 30, 2024	68,265	11.9	2,953	66.4	3,397	55.6	1,898	33.1
September 30, 2023	61,014	6.2	1,775	28.2	2,184	27.7	1,426	32.7

(Note) Comprehensive income: As of September 30, 2024: ¥1,926million [39.6%], As of September 30, 2023: ¥1,379million [41.7%]

	Net Income per Share	Net Income per Share after Adjusting for Dilutive Effects
Six months ended	yen	yen
September 30, 2024	68.77	—
September 30, 2023	50.95	—

(2) Consolidated Financial Conditions

	Total Assets	Net Assets	Equity Ratio	Per-share net worth
	¥ million	¥ million	%	¥
As of September 30, 2024	68,788	35,931	52.2	1,301.48
As of March 31, 2024	60,204	35,030	58.2	1,269.38

(Reference) Shareholders' equity: September 30, 2024: ¥35,931 million March 31, 2024: ¥35,030 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, 2024	-	17.00	-	38.00	55.00
Fiscal year ending March 31, 2025	-	17.00			
Fiscal year ending March 31, 2025 (Est.)			-	38.00	55.00

(Note) Revision to recently disclosed projected dividend payment: None

3. Projected Consolidated Performance of the Fiscal Year Ending March 31, 2025 (From April 1, 2024 to March 31, 2025)

(% indicates increase / decrease YoY)

	Total Sales		Operating Profit		Ordinary Profit		Net Income attributable to owners of parent		Net Income per share
Full Fiscal Year	¥ million	%	¥ million	%	¥ million	%	¥ million	%	yen
	150,960	12.4	7,700	14.2	8,320	11.1	4,530	(7.1)	164.12

(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 Shares Issued (Common Stocks)

1. Number of shares issued at the end of the period (including treasury stock)

As of September 30, 2024:	30,213,676 shares
As of March 31, 2024:	30,213,676 shares
2. Number of treasury stocks at the end of the period

As of September 30, 2024:	2,605,244 shares
As of March 31, 2024:	2,617,586 shares
3. Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2024:	27,600,676 shares
Six months ended September 30, 2023:	27,999,772 shares

*The financial statements for the second quarter (interim period) are not subject to review by a certified public accountant or auditing firm.

*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) Interim Consolidated Balance Sheet

(millions of yen)

	At the end of the Previous fiscal year (As of March 31, 2024)	At the end of the second quarter (As of September 30, 2024)
Assets		
Current assets		
Cash and deposits	6,493	8,386
Notes and accounts receivable-trade	117	110
Merchandise	21,175	26,626
Supplies	510	610
Accounts receivable-other	11,164	9,759
Other	910	996
Total current assets	40,372	46,489
Noncurrent assets		
Tangible noncurrent assets		
Buildings and structures (net)	3,504	3,955
Machinery and equipment (net)	563	516
Land	569	569
Construction in progress	10	68
Other (net)	366	567
Total tangible noncurrent assets	5,014	5,678
Intangible noncurrent assets		
Other	3,209	4,471
Total intangible noncurrent assets	3,209	4,471
Investments and other assets		
Guarantee deposits	6,739	7,339
Deferred tax assets	2,127	2,002
Other	2,743	2,810
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	11,607	12,149
Total noncurrent assets	19,831	22,299
Total assets	60,204	68,788
Liabilities		
Current liabilities		
Notes and accounts payable-trade	10,590	14,870
Electronically recorded obligations - operating	1,342	1,484
Short-term loans payable	202	2,900
Accounts payable	4,348	4,597
Income taxes payable	702	1,225
Provision for bonuses	1,123	1,247
Provision for directors' bonuses	23	22
Provision for share awards	2	-
Asset retirement obligations	32	519
Other	2,628	2,111
Total current liabilities	20,997	28,979
Noncurrent liabilities		
Asset retirement obligations	4,112	3,786
Provision for share awards	40	66
Other	24	24
Total noncurrent liabilities	4,177	3,877
Total liabilities	25,174	32,856
Net assets		
Shareholders' equity		
Capital stock	3,030	3,030
Capital surplus	4,538	4,538
Retained earnings	34,837	35,682
Treasury stock	(7,069)	(7,040)
Total shareholders' equity	35,336	36,209
Accumulated other comprehensive income		
Foreign currency translation adjustment	(306)	(277)
Total accumulated other comprehensive income	(306)	(277)
Total net assets	35,030	35,931
Total liabilities and net assets	60,204	68,788

(2) Interim Consolidated Statements of Income and Comprehensive Income
Interim Consolidated Statement of Income

(millions of yen)

	Six months ended September 30, 2023 (April 1, 2023 to September 30, 2023)	Six months ended September 30, 2024 (April 1, 2024 to September 30, 2024)
Net sales	61,014	68,265
Cost of sales	29,020	32,312
Gross profit	31,993	35,953
Selling, general and administrative expenses	30,218	32,999
Operating income	1,775	2,953
Non-operating income		
Interest income	0	0
Foreign exchange gains	96	-
Purchase discounts	8	-
Rent income	6	6
Commission income	3	-
Share of profit of entities accounted for using equity method	263	300
Compensation for forced relocation	-	194
Other	59	63
Total non-operating income	438	566
Non-operating expenses		
Interest expenses	3	5
Foreign exchange losses	-	92
Rent expenses	6	6
Other	19	17
Total non-operating expenses	29	121
Ordinary income	2,184	3,397
Extraordinary income		
Gain on sale of non-current assets	0	-
Total extraordinary income	0	-
Extraordinary loss		
Loss on retirement of noncurrent assets	45	178
Impairment loss	22	209
Total extraordinary loss	68	388
Income before income taxes	2,115	3,009
Income taxes-current	198	985
Income taxes-deferred	490	125
Total income taxes	689	1,110
Net income	1,426	1,898
Net income attributable to owners of parent	1,426	1,898

Interim Consolidated Statement of Comprehensive Income

(millions of yen)

	Six months ended September 30, 2023 (April 1, 2023 to September 30, 2023)	Six months ended September 30, 2024 (April 1, 2024 to September 30, 2024)
Net income	1,426	1,898
Other comprehensive income		
Foreign currency translation adjustment	(46)	28
Total other comprehensive income	(46)	28
Comprehensive income	1,379	1,926
Comprehensive income attributable to:		
Owners of the parent company	1,379	1,926
Non-controlling interests	-	-

(3) Interim Consolidated Statement of Cash Flows

(millions of yen)

	Six months ended September 30, 2023 (April 1, 2023 to September 30, 2023)	Six months ended September 30, 2024 (April 1, 2024 to September 30, 2024)
Cash flows from operating activities		
Income before income taxes	2,115	3,009
Depreciation	425	565
Depreciation of intangible assets	234	228
Amortization of long-term prepaid expenses	335	372
Impairment loss	22	209
Increase (decrease) in provision for bonuses	(854)	123
Increase (decrease) in provision for directors' bonuses	(26)	(0)
Increase (decrease) in allowance for doubtful accounts	2	0
Interest and dividends income	(0)	(0)
Interest expenses	3	5
Compensation for forced relocation	-	(194)
Decrease (increase) in trade receivables	1,186	1,403
Decrease (increase) in inventories	(4,076)	(5,556)
Decrease (increase) in other current assets	(163)	(65)
Increase (decrease) in trade payables	3,872	4,422
Increase (decrease) in other current liabilities	(609)	(722)
Share of loss (profit) of entities accounted for using equity method	(263)	(300)
Other	(4)	72
Subtotal	2,199	3,573
Interest and dividends received	0	0
Interest expenses paid	(4)	(5)
Proceeds from compensation for forced relocation	-	194
Income taxes paid	(1,033)	(455)
Net cash provided by operating activities	1,162	3,308
Cash flows from investment activities		
Purchase of property, plant and equipment	(533)	(911)
Payments for asset retirement obligations	(143)	(28)
Purchase of intangible assets	(910)	(1,410)
Purchase of long-term prepaid expenses	(248)	(115)
Payments of guarantee deposits	(44)	(615)
Proceeds from refund of guarantee deposits	109	15
Other	0	-
Net cash provided by investment activities	(1,771)	(3,066)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(572)	2,698
Purchase of treasury shares	(1,999)	(0)
Dividends paid	(995)	(1,052)
Other	(4)	-
Net cash provided by financing activities	(3,572)	1,645
Effect of exchange rate change on cash and cash equivalents	(46)	2
Increase (decrease) in cash and cash equivalents	(4,228)	1,889
Cash and cash equivalents at beginning of period	8,562	6,486
Cash and cash equivalents at end of period	4,334	8,376