

**<Delayed> Consolidated Financial Summary for the 1st Half of
the Fiscal Year Ending March 31, 2019
(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: Mitsuhiro Takeda, Representative Director, President and CEO
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Scheduled Date of Reporting Date: November 13, 2018
 Scheduled Date of Dividend Payment: December 4, 2018
 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, 2019
(April 1, 2018 to September 30, 2018)**

(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, 2018	71,752	2.9	3,031	0.2	3,124	0.0	1,503	18.6
September 30, 2017	69,740	7.2	3,026	76.5	3,124	73.3	1,268	45.8

Note: Comprehensive income: Six months ended September 30, 2018: ¥1,801 million (30.4%)
 Six months ended September 30, 2017: ¥1,381 million (56.4%)

	Net Income per Share	Net Income per Share after Adjusting for Dilutive Effects
Six months ended	yen	yen
September 30, 2018	53.01	—
September 30, 2017	44.76	—

Note: There are no dilutive shares as of September 30, 2017 and 2018.

(2) Consolidated Financial Conditions

	Total Assets	Net Assets	Equity Ratio	Per-share net worth
	¥ million	¥ million	%	¥
As of September 30, 2018	71,421	34,881	47.1	1,186.28
As of March 31, 2018	67,107	34,690	50.1	1,186.01

Reference: Shareholders' equity: September 30, 2018: ¥33,661 million March 31, 2018: ¥33,643 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, 2018	-	20.00	-	58.00	78.00
Fiscal year ending March 31, 2019	-	20.00			
Fiscal year ending March 31, 2019 (Est.)			-	58.00	78.00

Note: Revision to recently disclosed projected dividend payment: None

3. Projected Consolidated Performance of the Fiscal Year Ending March 31, 2019 (From April 1, 2018 to March 31, 2019)

(% 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	156,300	1.2	10,850	3.2	11,000	2.1	6,000	14.3	211.52

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, 2018:	30,213,676 stocks
As of March 31, 2018:	30,213,676 stocks
2. Number of treasury stock

As of September 30, 2018:	1,838,256 stocks
As of March 31, 2018:	1,846,972 stocks
3. Average number of stocks issued and outstanding for the period

Six months ended September 30, 2018:	28,370,181 stocks
Six months ended September 30, 2017:	28,337,702 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, 2018)	At the end of the second quarter (September 30, 2018)
Assets		
Current assets		
Cash and deposits	6,552	6,370
Notes and accounts receivable-trade	201	176
Merchandise	24,343	26,638
Supplies	456	776
Accounts receivable-other	11,578	10,864
Other	734	911
Allowance for doubtful accounts	(5)	(3)
Total current assets	43,861	45,734
Noncurrent assets		
Tangible noncurrent assets		
Buildings and structures (net)	7,320	7,865
Other (net)	1,587	2,682
Total tangible noncurrent assets	8,907	10,547
Intangible noncurrent assets		
Other	2,310	2,508
Total intangible noncurrent assets	2,310	2,508
Investments and other assets		
Guarantee deposits	8,038	8,161
Other	4,010	4,491
Allowance for doubtful accounts	(21)	(21)
Total investments and other assets	12,028	12,631
Total noncurrent assets	23,246	25,687
Total assets	67,107	71,421
Liabilities		
Current liabilities		
Notes and accounts payable-trade	10,315	12,868
Short-term loans payable	1,500	7,100
Current portion of long-term loans payable	2,000	2,000
Income taxes payable	1,182	704
Provision for bonuses	2,479	2,064
Provision for directors' bonuses	91	51
Other	9,644	7,277
Total current liabilities	27,213	32,066
Noncurrent liabilities		
Long term loans payable	1,500	500
Asset retirement obligations	3,686	3,953
Other	17	19
Total noncurrent liabilities	5,203	4,472
Total liabilities	32,417	36,539
Net assets		
Shareholders' equity		
Capital stock	3,030	3,030
Capital surplus	4,205	4,213
Retained earnings	32,340	32,198
Treasury stock	(5,861)	(5,833)
Total shareholders' equity	33,714	33,608
Accumulated other comprehensive income		
Deferred gains or losses on hedges	(62)	42
Forex adjustment account	(8)	9
Total accumulated other comprehensive income	(71)	52
Non-controlling interests	1,047	1,220
Total net assets	34,690	34,881
Total liabilities and net assets	67,107	71,421

(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, 2017 (April 1, 2017 to September 30, 2017)	Six months ended September 30, 2018 (April 1, 2018 to September 30, 2018)
Net sales	69,740	71,752
Cost of sales	34,031	34,804
Gross profit	35,708	36,947
Selling, general and administrative expenses	32,682	33,915
Operating income	3,026	3,031
Non-operating income		
Interest income	0	0
Foreign exchange gains	13	7
Purchase discounts	29	33
Rent income	12	11
Commission fee	30	24
Other	54	58
Total non-operating income	140	136
Non-operating expenses		
Interest expenses	19	10
Rent expenses	12	11
Other	9	21
Total non-operating expenses	42	43
Ordinary income	3,124	3,124
Extraordinary loss		
Loss on retirement of noncurrent assets	58	56
Impairment loss	810	281
Other	4	0
Total extraordinary loss	873	338
Income before income taxes	2,250	2,786
Income taxes-current	1,101	810
Income taxes-deferred	(171)	316
Total income taxes	929	1,126
Net income	1,320	1,659
Net income attributable to non-controlling interests	51	155
Net income attributable to owners of parent	1,268	1,503

Statements of Consolidated Comprehensive Income

Second Quarter (Six Months Aggregate)

(millions of yen)

	Six months ended September 30, 2017 (April 1, 2017 to September 30, 2017)	Six months ended September 30, 2018 (April 1, 2018 to September 30, 2018)
Profit	1,320	1,659
Other comprehensive income		
Deferred gains or losses on hedges	62	123
Foreign currency translation adjustment	(1)	18
Total other comprehensive income	61	141
Comprehensive income	1,381	1,801
Comprehensive income attributable to:		
Owners of the parent company	1,328	1,627
Non-controlling interests	52	173

(3) Consolidated Cash Flows

(millions of yen)

	Six months ended September 30, 2017 (April 1, 2017 to September 30, 2017)	Six months ended September 30, 2018 (April 1, 2018 to September 30, 2018)
Cash flows from operating activities		
Income before income taxes	2,250	2,786
Depreciation	899	897
Depreciation of intangible assets	140	211
Amortization of long-term prepaid expenses	77	84
Impairment loss	810	281
Increase (decrease) in provision for bonuses	225	(414)
Increase (decrease) in provision for directors' bonuses	(6)	(39)
Increase (decrease) in allowance for doubtful accounts	(0)	(2)
Interest and dividends income	(0)	(0)
Interest expenses	19	10
Decrease (increase) in notes receivable	(491)	932
Decrease (increase) in inventories	(1,937)	(2,614)
Decrease (increase) in other current assets	524	(293)
Increase (decrease) in purchase liabilities	2,501	2,445
Increase (decrease) in other current liabilities	606	(1,836)
Other	174	20
Subtotal	5,796	2,466
Interest and dividends income received	0	0
Interest expenses paid	(19)	(10)
Income taxes paid	(1,299)	(1,254)
Net cash provided by operating activities	4,477	1,201
Cash flows from investment activities		
Payments into time deposits	(6)	(6)
Purchase of property, plant and equipment	(1,029)	(2,462)
Payments for asset retirement obligations	(53)	(81)
Purchase of intangible assets	(432)	(487)
Purchase of long-term prepaid expenses	(270)	(886)
Payment for guarantee deposits	(159)	(245)
Proceeds from collection of guarantee deposits	116	123
Other	(21)	0
Net cash provided by investment activities	(1,855)	(4,045)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,970	5,600
Repayment of long-term loans payable	(2,002)	(1,000)
Cash dividends paid	(1,672)	(1,963)
Net cash provided by financing activities	(1,704)	2,636
Effect of exchange rate change on cash and cash equivalents	(2)	19
Increase (decrease) in cash and cash equivalents	914	(188)
Cash and cash equivalents at beginning of term	5,630	6,300
Cash and cash equivalents at end of term	6,544	6,112