

Consolidated Financial Summary for the Nine Months Ended December 31, 2023 [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 13, 2024
 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, 2024 (April 1, 2023 to December 31, 2023)

(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, 2023	99,704	3.8	5,817	(8.9)	6,359	(5.5)	4,253	(2.0)
December 31, 2022	96,093	10.6	6,387	247.7	6,731	153.1	4,340	234.9

Note: Comprehensive income: Nine months ended December 31, 2023: ¥4,174million (-0.8%)
 Nine months ended December 31, 2022: ¥4,207million (251.9%)

	Net Income per Share	Net Income per Share after Adjusting for Dilutive Effects
Nine months ended	yen	yen
December 31, 2023	152.66	—
December 31, 2022	152.32	—

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	Net Assets per share
	¥ million	¥ million	%	¥
As of December 31, 2023	60,316	34,438	57.1	1,247.96
As of March 31, 2023	61,184	33,702	55.1	1,182.72

Reference: Shareholders' equity: December 31, 2023: ¥34,438 million March 31, 2023: ¥33,702 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, 2023	-	12.00	-	35.00	47.00
Fiscal year ending March 31, 2024	-	17.00			
Fiscal year ending March 31, 2024 (Est.)			-	38.00	55.00

Note: Revision to recently disclosed projected dividend payment: None

3. Projected Consolidated Performance of the Fiscal Year Ending March 2024 (From April 1, 2023 to March 31, 2024)

(% 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	138,300	6.3	7,000	10.0	7,420	7.5	4,830	11.2	169.50

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 December 31, 2023:	30,213,676 stocks
As of March 31, 2023:	30,213,676 stocks
2. Number of treasury stock

As of December 31, 2023:	2,617,586 stocks
As of March 31, 2023:	1,718,392 stocks
3. Average number of stocks issued and outstanding for the period

Nine months ended December 31, 2023:	27,864,731 stocks
Nine months ended December 31, 2022:	28,495,307 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, 2023)	At the end of the third quarter (December 31, 2023)
Assets		
Current assets		
Cash and deposits	8,562	3,113
Notes and accounts receivable-trade	109	63
Merchandise	20,128	22,236
Supplies	511	597
Accounts receivable-other	11,398	14,046
Other	893	824
Total current assets	41,604	40,881
Noncurrent assets		
Tangible noncurrent assets		
Buildings and structures (net)	3,320	3,476
Machinery and equipment (net)	676	591
Land	569	569
Construction in progress	92	0
Other (net)	307	359
Total tangible noncurrent assets	4,966	4,999
Intangible noncurrent assets		
Other	1,682	2,694
Total intangible noncurrent assets	1,682	2,694
Investments and other assets		
Guarantee deposits	6,626	6,361
Deferred tax assets	3,235	2,116
Other	3,068	3,265
Allowance for doubtful accounts	-	(2)
Total investments and other assets	12,930	11,741
Total noncurrent assets	19,580	19,434
Total assets	61,184	60,316
Liabilities		
Current liabilities		
Notes and accounts payable-trade	9,729	9,970
Short-term loans payable	2,504	2,198
Trade accounts payable	4,266	4,026
Income taxes payable	1,303	337
Provision for bonuses	2,017	639
Provision for bonuses for directors	48	31
Provision for loss on store closings	136	-
Asset retirement obligations	237	47
Other	3,207	4,466
Total current liabilities	23,451	21,717
Noncurrent liabilities		
Asset retirement obligations	4,002	4,104
Provision for share awards for directors	-	30
Other	27	24
Total noncurrent liabilities	4,030	4,159
Total liabilities	27,482	25,877
Net assets		
Shareholders' equity		
Capital stock	3,030	3,030
Capital surplus	4,444	4,538
Retained earnings	31,429	34,215
Treasury stock	(5,006)	(7,069)
Total shareholders' equity	33,897	34,713
Accumulated other comprehensive income		
Foreign currency translation adjustment	(195)	(274)
Total accumulated other comprehensive income	(195)	(274)
Total net assets	33,702	34,438
Total liabilities and net assets	61,184	60,316

(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, 2022 (April 1, 2022 to December 31, 2022)	Nine months ended December 31, 2023 (April 1, 2023 to December 31, 2023)
Net sales	96,093	99,704
Cost of sales	45,458	47,125
Gross profit	50,635	52,578
Selling, general and administrative expenses	44,247	46,761
Operating income	6,387	5,817
Non-operating income		
Interest income	0	0
Foreign exchange gains	-	87
Purchase discounts	43	8
Rent income	9	9
Commission income	5	3
Subsidy income	8	-
Share of profit of entities accounted for using equity method	237	415
Other	95	89
Total non-operating income	400	615
Non-operating expenses		
Interest expenses	10	6
Foreign exchange losses	22	-
Rent expenses	9	9
Settlement payments	-	27
Other	13	30
Total non-operating expenses	56	73
Ordinary income	6,731	6,359
Extraordinary income		
Gain on sale of non-current assets	0	0
Total extraordinary income	0	0
Extraordinary loss		
Loss on retirement of noncurrent assets	19	56
Impairment loss	143	98
Provision for loss on store closings	136	-
Other	-	16
Total extraordinary loss	299	171
Income before income taxes	6,432	6,188
Income taxes-current	948	815
Income taxes-deferred	1,143	1,119
Total income taxes	2,092	1,934
Net income	4,340	4,253
Net income attributable to owners of parent	4,340	4,253

Statements of Consolidated Comprehensive Income

Third Quarter (Nine Months Aggregate)

(millions of yen)

	Nine months ended December 31, 2022 (April 1, 2022 to December 31, 2022)	Nine months ended December 31, 2023 (April 1, 2023 to December 31, 2023)
Net income	4,340	4,253
Other comprehensive income		
Foreign currency translation adjustment	(132)	(79)
Total other comprehensive income	(132)	(79)
Comprehensive income	4,207	4,174
Comprehensive income attributable to:		
Owners of the parent company	4,207	4,174
Non-controlling interests	-	-

(3) Consolidated Cash Flows

(millions of yen)

	Nine months ended December 31, 2022 (April 1, 2022 to December 31, 2022)	Nine months ended December 31, 2023 (April 1, 2023 to December 31, 2023)
Cash flows from operating activities		
Income before income taxes	6,432	6,188
Depreciation	653	648
Depreciation of intangible assets	281	332
Amortization of long-term prepaid expenses	464	510
Impairment loss	143	98
Increase (decrease) in provision for bonuses	(236)	(1,378)
Increase (decrease) in provision for directors' bonuses	25	(17)
Increase (decrease) in allowance for doubtful accounts	-	2
Interest and dividends income	(0)	(0)
Interest expenses	10	6
Subsidy income	(8)	-
Decrease (increase) in trade receivables	(3,615)	(2,592)
Decrease (increase) in inventories	(2,869)	(2,193)
Decrease (increase) in other current assets	(60)	64
Increase (decrease) in trade payables	2,137	934
Increase (decrease) in other current liabilities	1,238	292
Share of loss (gain) of entities accounted for using equity method	(237)	(415)
Other	72	77
Subtotal	4,432	2,558
Interest and dividends received	0	0
Interest expenses paid	(10)	(6)
Subsidies received	8	-
Income taxes paid	(602)	(1,641)
Net cash provided by operating activities	3,827	911
Cash flows from investment activities		
Purchase of property, plant and equipment	(277)	(880)
Payments for asset retirement obligations	(96)	(243)
Purchase of intangible assets	(541)	(1,366)
Purchase of long-term prepaid expenses	(1,324)	(321)
Payments of guarantee deposits	(66)	(55)
Proceeds from refund of guarantee deposits	514	320
Other	0	0
Net cash provided by investment activities	(1,792)	(2,545)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(2,420)	(306)
Purchase of treasury shares	-	(2,000)
Dividends paid	(655)	(1,433)
Other	(0)	(4)
Net cash provided by financing activities	(3,075)	(3,744)
Effect of exchange rate change on cash and cash equivalents	(132)	(79)
Increase (decrease) in cash and cash equivalents	(1,173)	(5,458)
Cash and cash equivalents at beginning of term	5,593	8,562
Cash and cash equivalents at end of term	4,420	3,104