History of the UNITED ARROWS Group

We are inspired to act in our way—"All for the Customer." Accordingly, our standing today is the result of an unwavering pursuit and endeavor to maximize customer satisfaction.

Looking ahead, we will work to further bolster existing businesses while taking up fresh challenges and will continue to devote ourselves to enhancing value for all stakeholders, including customers.

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2019
Net sales	¥79,665 million	¥128,489 million	¥158,918 million
Ordinary income	¥4,283 million	¥13,739 million	¥11,312 million
Number of stores	183	315	358
Number of employees	2,781	3,652	4,605
Number of shareholders	17,262	11,912	11,976

Overcoming Two Incidents of Profit Decline, We Are Establishing a Robust Management Platform.

UNITED ARROWS LTD. has experienced a major downturn in its profits on two occasions over the past decade. The first incidence was over the three-year period from the fiscal year ended March 31, 2007 to the fiscal year ended March 31, 2009, and the second, again over a three-year period, was from the fiscal year ended March 31, 2015 to the fiscal year $ended\ March\ 31,\ 2017.\ The\ first\ three-year\ period\ of\ consecutive\ profit\ decline\ and\ substantial\ downturn\ in\ revenue$ and earnings compared with plans can be attributed to two broad factors. First was the breakdown in relations within the Company, which contributed to a framework that failed to accurately reflect comments and opinions gleaned from customers in the product planning process. Second was the dilution and dissipation of our business resources as we hastily pushed forward a growth expansion strategy without first putting in place the necessary framework and human resources. In order to rebuild the Company, our founder, Osamu Shigematsu, returned to the position of president from his role as chairman, and spearheaded three key efforts to: (1) ensure that customer feedback is effectively reflected in the product planning process and to reinforce collaboration between the product, sales, and promotion departments to secure the continuous development of products that are a half-step ahead of the market, (2) push forward initiatives aimed at building a product platform that will help visualize and standardize merchandising operations, and (3) promote various measures including the rationalization of underperforming businesses and stores as well as the streamlining of headquarter functions. As a result of these endeavors, UNITED ARROWS LTD. reported an increase in profit in the fiscal year ended March 31, 2010 for the first time in four years.

Despite a phase of earnings growth for the ensuing five years, the Company entered its second major trajectory of profit decline from the fiscal year ended March 31, 2015. There were two core reasons for this negative turnaround. First, the sharp and dramatic drop in the value of the yen from the beginning of 2013 forced us to increase the prices of certain fall and winter items that year. As these price increases extended to our full range of fall and winter items in 2014, we witnessed a sudden drop off in customers. Second, and in addition to continued weakness in the value of the yen, the Company was slow to evolve and improve in response to emerging signs of a major change in customer behavior as well as the clothing market brought about by the hike in Japan's consumption tax rate in April 2014 and such factors as uncertainty surrounding the future of social security. Taking up the reins from Mr. Shigematsu, Mitsuhiro Takeda assumed the position of president from 2012. Under his stewardship, steps were taken over roughly one year to put in place the UNITED ARROWS Group's Medium-Term Vision, details of which were announced in May 2017, in a bid to

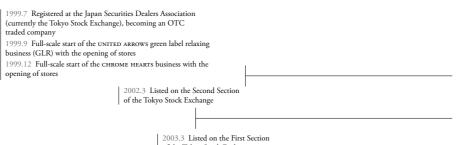
years, in the fiscal year ended March 31, 2018, for the first time in four years, and then again in the fiscal year ended March 31, 2019. In the fiscal year ending March 31, 2020, the final year of the Medium-Term Vision, we will adhere strictly to the vision's strategies in order to establish a robust management platform for supporting future growth.



1989.10 UNITED ARROWS LTD. established; Osamu Shigematsu appointed

1990.7 The first store, UNITED ARROWS shibuya, opened

1992.10 UNITED ARROWS HARAJUKU opened as a flagship store



2007.3 Number of stores exceeds 100 on a non-Executive Officer

2009

2010

2007

2008

First incident of profit decline

> 2009.4 Osamu Shigematsu appointed Representative Director, President and 2009.9 United arrows Ltd. online

STORE, a proprietary online store, opened 2005.11 FIGO CO., LTD., which is mainly engaged in

2011

2012

the import, wholesale, and sales of Italian bags and other items, made into a consolidated subsidiary 2004.6 Tetsuya Iwaki appointed Representative Director and President 2005.2 Began offering products through zozotown, an online fashion

2012.3 Reported consolidated net sales and ordinary income in excess of ¥100.0 billion and ¥10.0 billion, respectively, for the first time 2012.3 United arrows Ltd. online sales exceeded ¥10.0 billion for the first time

2013.8 First overseas subsidiary,

UNITED ARROWS TAIWAN LTD., established

2013 2014

2015

2016

2017

Second incident of

profit decline

Net sales ¥164,240 million

Ordinary income

¥12,000 million

Net sales Ordinary income The Company's accounts were presented on a con-solidated basis from the fiscal year ended March 31, 2006.

of revenue growth since the Company's 2015.9 Designs & Co. established

2019

2020

2019.3 Continued unbroken streak

2016.7 CHROME HEARTS JP, GK established

2018

2016.10 All rights and obligations concerning CHROME HEARTS business were succeeded by CHROME HEARTS IP.

of clothing and personal it

 $\begin{array}{lll} 2008.5 & \text{COEN CO., LTD. established as} \\ \text{a subsidiary mainly engaging in the retail} & & 2012.4 & \text{Mitsuhiro Takeda appointed Representative Director} \\ \text{President and Executive Officer} \end{array}$