

Financial Results Briefing

for the First Quarter of
Fiscal Year Ending March 2023

2022.08.04 UNITED ARROWS LTD.



UNITED ARROWS LTD.

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Cautionary Statement

Earnings forecasts and descriptions other than objective facts contained in this document are based on decisions made by UNITED ARROWS LTD. in light of information obtainable as of the date of this report and, therefore, include risks and uncertainties. Actual earnings may differ materially from forecasts due to global economic trends, market conditions and other factors. Investors are asked to refrain from making investment decisions based solely on the information contained in this document.

Use of Abbreviations

Abbreviations may be used for the following businesses/store brands:

UNITED ARROWS	_____	UA
BEAUTY&YOUTH UNITED ARROWS	_____	BY/BEAUTY&YOUTH
UNITED ARROWS green label relaxing	_____	GLR/green label relaxing

Trend-conscious Market and Basic Trend-conscious Market include the following store brands:

Trend-conscious Market

UA, BY, DRAWER, Odette e Odile, BLAMINK, ROKU, and STEVEN ALAN

Basic Trend-conscious Market

GLR, and CITEN

01

Overview of FY23 Q1 Business Results

Summary

Both sales and gross margin exceeded the plan, and profit including operating income was over the plan due to the control of SGA expenses

Consolidated

Sales: ¥29,664 million

Compared with the same period of last year 117.4%, compared with the same period of 3 years ago 89.4%*

* Calculated excluding the impact of the changes in consolidation structure and revenue recognition standards

Gross margin: 54.5%

Up 3.1 points year-on-year, down 0.2 points from the same period of 3 years ago

SGA expenses: ¥14,328 million

Compared with the same period of last year 103.1%, compared with the same period of 3 years ago 82.4%

SGA expenses ratio: 48.3%

Up 6.7 points from the same period last year, up 1.9 points from the same period of 3 years ago

Operating income: ¥1,853 million

In the same period of the previous year, it was -¥903 million, compared with the same period of 3 years ago 59.0%

Non-Consolidated

Sales: ¥27,089 million

Compared with the same period of last year 118.2%, compared with the same period of 3 years ago 89.1%*

Gross margin: 54.6%

Up 3.7 points from same period of last year, up 0.2 points from same period of 3 years ago

Retail + Online existing store sales YoY

Sales 120.5% Number of customers 109.8%

Avg. spend per customer 111.4%

Sales by business

Trend market: ¥14,566 million

Compared with the same period of last year 117.4%, compared with the same period of 3 years ago 86.9%*

Basic Trend-conscious Market: ¥7,770 million

Compared with the same period of last year 117.6%, compared with the same period of 3 years ago 82.7%*

* Calculated excluding the impact of the change in revenue recognition standards

Summary

Both sales and gross margin exceeded the plan, and profit including operating income was over the plan due to the control of SGA expenses

BS

Balance of short and long-term loans payable: ¥5,500 million
vs. FY22-End 70.5%

Inventory: ¥19,138 million
vs. same period of last year 92.5%

Opening and Closing of Stores

1Q Results

Opened 4, closed 0, number of stores as of the 1Q-end 314 stores

Full-year forecast

Opened 6, closed 10, number of stores at end of period 306
(15% decrease from the end of March 2020)

Group companies

COEN CO., LTD.

Sales: ¥2.3 billion

Compared with the same period of last year 105.3%, Compared with the same period of 3 years ago 87.9%

* Calculated excluding the impact of the change in revenue recognition standards

UNITED ARROWS TAIWAN LTD.

Sales: ¥0.3 billion

Compared with the same period of last year 125.9%, Compared with the same period of 3 years ago 173.8%

Consolidated P/L

(Millions of yen)

	FY2020 1Q	FY2022 1Q	FY2023 1Q	Vs. FY2020 1Q		YoY	
				Increase (decrease)/ diff. in pt vs. sales		Increase (decrease)/ diff. in pt vs. sales	
Sales	37,505	25,264	29,664	-7,841	79.1%	4,399	117.4%
Excluding the impact of the change in consolidation structure*	-	-	-	-	86.6%	-	-
Excluding the impact of the change in revenue recognition standards	-	-	-	-	81.7%	-	-
Excluding the impact of both changes	-	-	-	-	89.4%	-	-
Gross Profit	20,532	12,998	16,181	-4,351	78.8%	3,182	124.5%
vs. sales	54.7%	51.5%	54.5%	-0.2pt	-	3.1pt	-
SG&A Expenses	17,389	13,902	14,328	-3,060	82.4%	425	103.1%
vs. sales	46.4%	55.0%	48.3%	1.9pt	-	-6.7pt	-
Operating income	3,143	-903	1,853	-1,290	59.0%	2,757	-
vs. sales	8.4%	-	6.2%	-2.1pt	-	-	-
Non Op. P/L	-24	185	240	264	-	54	129.6%
vs. sales	-	0.7%	0.8%	-	-	0.1pt	-
Ordinary Income	3,118	-718	2,093	-1,025	67.1%	2,811	-
vs. sales	8.3%	-	7.1%	-1.3pt	-	-	-
Extraordinary income (loss)	-31	-47	-56	-24	-	-8	-
vs. sales	-	-	-	-	-	-	-
Net Income Attributable to Owners of Parent	1,914	-648	1,323	-590	69.1%	1,972	-
vs. sales	5.1%	-	4.5%	-0.6pt	-	-	-

Consolidated Gross Margin

	FY2023 1Q	Vs. FY2020 1Q	YoY pt difference
Consolidated	54.5%	- 0.2pt	3.1pt
UNITED ARROWS LTD.	54.6%	0.2pt	3.7pt
Total Business Unit Sales	-	1.6pt	4.0pt
Outlet, etc.	-	- 1.4pt	4.1pt
COEN CO., LTD.	-	- 4.2pt	- 3.7pt
UNITED ARROWS TAIWAN LTD.	-	9.0pt	3.7pt

Consolidated SGA Expenses

(Millions of yen)

	FY2020 1Q	FY2022 1Q	FY2023 1Q	Vs. FY2020 1Q		YoY	
				Increase (decrease)/diff. in pt vs. sales		Increase (decrease)/diff. in pt vs. sales	
Total SG&A Expenses	17,389	13,902	14,328	-3,060	82.4%	425	103.1%
vs. sales	46.4%	55.0%	48.3%	1.9pt	-	-6.7pt	-
Excluding the impact of the change in revenue recognition standards	-	14,288	14,955	-2,433	86.0%	666	104.7%
vs. sales	-	55.0%	48.8%	2.5pt	-	-6.2pt	-
Advertising Expenses	869	499	583	-286	67.1%	83	116.8%
vs. sales	2.3%	2.0%	2.0%	-0.4pt	-	0.0pt	-
Excluding the impact of the change in revenue recognition standards	-	885	1,210	340	139.2%	324	136.6%
vs. sales	-	3.4%	4.0%	1.6pt	-	0.5pt	-
Personnel Expenses	6,345	5,347	5,123	-1,222	80.7%	-224	95.8%
vs. sales	16.9%	21.2%	17.3%	0.4pt	-	-3.9pt	-
Rent	5,335	4,422	4,424	-911	82.9%	1	100.0%
vs. sales	14.2%	17.5%	14.9%	0.7pt	-	-2.6pt	-
Depreciation	485	295	217	-267	44.8%	-78	73.5%
vs. sales	1.3%	1.2%	0.7%	-0.6pt	-	-0.4pt	-
Other	4,352	3,336	3,980	-372	91.4%	643	119.3%
vs. sales	11.6%	13.2%	13.4%	1.8pt	-	0.2pt	-

Non-consolidated Sales by Channel

(Millions of yen)

	FY2020 1Q	FY2022 1Q	FY2023 1Q	Vs. FY20201Q		YoY	
				Increase (decrease)/ diff. in pt vs. sales		Increase (decrease)/ diff. in pt vs. sales	
Non-consolidated sales	31,427	22,919	27,089	-4,337	86.2%	4,170	118.2%
Excluding the impact of the change in revenue recognition standards	-	-	-	-	89.1%	-	-
Total Business Unit Sales	26,809	19,019	22,337	-4,471	83.3%	3,317	117.4%
vs. sales	85.3%	83.0%	81.5%	-3.9pt	-	-1.5pt	-
Excluding the impact of the change in revenue recognition standards	-	-	-	-	85.4%	-	-
Retail	20,109	11,958	15,455	-4,653	76.9%	3,496	129.2%
vs. sales	64.0%	52.2%	56.4%	-7.6pt	-	0.4pt	-
Online	6,526	6,808	6,485	-40	99.4%	-322	95.3%
vs. sales	20.8%	29.7%	23.6%	2.9pt	-	-6.1pt	-
Other (wholesale, etc.)	173	252	396	222	228.0%	143	156.8%
vs. sales	0.6%	1.1%	1.4%	0.9pt	-	0.3pt	-
Outlet, etc.	4,618	4,053	5,086	467	110.1%	1,032	125.5%
vs. sales	14.7%	17.7%	18.5%	3.9pt	-	0.9pt	-

Existing Store Sales YoY

	Sales	Number of customers	Avg. spend per customer
Retail + Online	120.5%	109.8%	111.4%
Retail	135.5%	124.7%	108.7%
Online	95.5%	89.5%	105.3%

Non-consolidated Sales by Business

(Millions of yen)

	FY2020 1Q	FY2022 1Q	FY2023 1Q	Vs. FY2020 1Q		YoY	
				Increase (decrease)		Increase (decrease)	
Total Business Unit Sales	26,809	19,019	22,337	- 4,471	83.3%	3,317	117.4%
Excluding the impact of the change in revenue recognition standards	-	-	-	-	85.4%	-	-
Trend-conscious Market	17,281	12,412	14,566	- 2,714	84.3%	2,154	117.4%
Excluding the impact of the change in revenue recognition standards	-	-	-	-	86.9%	-	-
Basic Trend-conscious Market	9,527	6,606	7,770	- 1,757	81.6%	1,163	117.6%
Excluding the impact of the change in revenue recognition standards	-	-	-	-	82.7%	-	-

Existing store sales YoY

	Retail + Online	Retail	Online
Trend-conscious Market	119.8%	135.3%	93.4%
Basic Trend-conscious Market	121.7%	136.0%	99.2%

Consolidated BS

(Millions of yen)

	As of Mar. 31, 2022	As of June 30, 2022	Vs. FY22-End Increase (decrease)	
Total Assets	59,703	54,722	-4,981	91.7%
Composition ratio	100.0%	100.0%	-	-
Current Assets	38,475	34,252	-4,222	89.0%
Composition ratio	64.4%	62.6%	-	-
Noncurrent Assets	21,228	20,470	-758	96.4%
Composition ratio	35.6%	37.4%	-	-
Current Liabilities	25,437	19,518	-5,919	76.7%
Composition ratio	42.6%	35.7%	-	-
Noncurrent Liabilities	4,197	4,220	23	100.6%
Composition ratio	7.0%	7.7%	-	-
Total Net Assets	30,069	30,983	914	103.0%
Composition ratio	50.4%	56.6%	-	-
Reference: Balance of short and long-term	7,800	5,500	-2,300	70.5%
	As of June 30, 2021	As of June 30, 2022	Vs. end of same period of last year Increase (decrease)	
Reference: Inventory	20,686	19,138	-1,547	92.5%

Consolidated CF

(Millions of yen)

	FY2022 1Q	FY2023 1Q	Major breakdown of the results for the term	
Cash flows from operating activities (sub-total)	-242	2,369		
Cash flows from operating activities	-312	1,955	Income before income taxes	2,037
			Decrease in inventory	1,407
			Decrease in trade payables	(1,615)
			Income taxes paid	(409)
Cash flows from investing activities	-371	-1,536	Acquisition of long-term prepaid expenses	(1,274)
			Purchases of intangible assets	(185)
Cash flows from financing activities	-130	-2,611	Decrease in short-term loans payable	(2,300)
			Dividends paid	(311)
Cash and cash equivalents at the end of the period	5,745	3,319		

COEN CO., LTD.

(February - April)

Saw increase in both revenue and income

- Sales: ¥2.3 billion, compared with the same period of last year: 105.3%, compared with the same period of 3 years ago: 85.7% (vs. FY2020, excluding the impact of the change in revenue recognition standards: 87.9%)
- Gross margin recovery was slow due to discount sales measures in February and March, but progress was mostly in line with the plan
- Progress of priority initiatives for the current fiscal year

Branding:

- Restore brand credibility by strengthening regular price sales

Merchandising (MD) reform:

- Strengthen styling proposals and restructure the MD balance to increase the set ratio and the average spend per customer
- Return the price-setting to original levels from fall/winter in 2022

Promotion of digital transformation (DX):

- Renewal of the Company's e-commerce site, preparation for upgrading customer relationship management (CRM) program
- Introduce an inventory analysis system from spring/summer in 2022, improve gross margin for 2Q and beyond

UNITED ARROWS TAIWAN LTD.

(February - April)

Saw increase in both revenue and income

- Sales: ¥0.3 billion, compared with the same period of last year: 125.9%, compared with the same period of 3 years ago: 173.8%
- UNITED ARROWS (General Merchandise Store) and Online sales remained strong

Opening and Closing of Stores

1Q Results

Opened 4, closed 0, number of stores as of the term-end 314 stores

Full-year forecast

Opened 6, closed 10, number of stores at end of period 306

*15% decrease from the end of March 2020

	Number of stores as of the end of the previous term	1Q Results		Number of stores as of the end of 1Q	Full-year forecast		Number of stores as of the term-end (Forecast)
		Opened	Closed		Opened	Closed	
Group Total	310	4	0	314	6	10	306
UNITED ARROWS LTD.	216	1	0	217	3	5	214
COEN CO., LTD.	87	2	0	89	2	5	84
UNITED ARROWS TAIWAN LTD.	7	1	0	8	1	0	8

UNITED ARROWS LTD. Retail Stores Opened/Closed

	Number of stores as of the end of the previous term	1Q Results		Number of stores as of the end of 1Q	Full-year forecast		Number of stores as of the term-end (Forecast)
		Opened	Closed		Opened	Closed	
UNITED ARROWS LTD. Total	216	1	0	217	3	5	214
Trend-conscious Market Total	106	0	0	106	1	4	103
UNITED ARROWS (General Merchandise Store)	14	0	0	14	0	0	14
UNITED ARROWS	24	0	0	24	0	0	24
BEAUTY&YOUTH	36	0	0	36	1	1	36
Other	32	0	0	32	0	3	29
Basic Trend-conscious Market Total	84	1	0	85	1	1	84
green label relaxing	84	1	0	85	1	1	84
Outlet	26	0	0	26	1	0	27

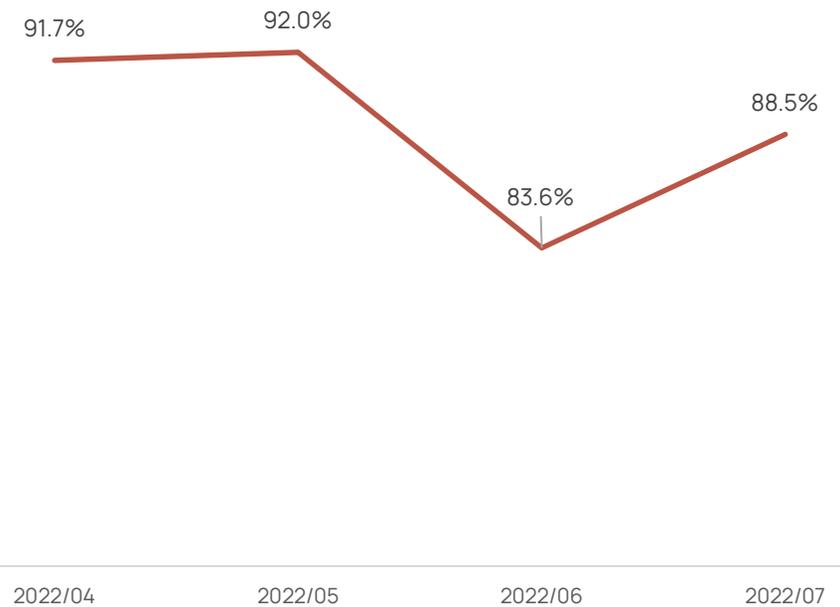
* STEVEN ALAN OSAKA is recognized as an annex to each BY store and not included in the number of stores listed above.

Overview of UNITED ARROWS LTD. in 1Q

1. Non-consolidated sales have recovered to 90% of the level of 3 years ago (vs. FY2020)

- April to May Maintained 90% of the level of 3 years ago
- June Temporary slowdown due to the curbing of discount sales
- July cumulative Approx. 89%* compared with the same period of 3 years ago
- Average number of stores on a non-consolidated basis
 - FY2020/1Q 240
 - FY2023/1Q 217 (90% of the level of 3 years ago)

* In calculation, preliminary figures were used for July.



Non-consolidated sales for April to July 2022, compared with FY2020
(calculated excluding the impact of the change in revenue recognition standards)

Overview of UNITED ARROWS LTD. in 1Q

2. Responding to the post-COVID-19 changes in customers' needs

- Acceleration of the conversion of business attire into more casual style in Women's clothing
- Shift of the customer's perspective from cost performance-focused to the feeling that they want to be themselves anywhere, anytime
- Strong sales of blouses, gilets, dresses, and colored pants, expansion of the options for commuting styles



Overview of UNITED ARROWS LTD. in 1Q

3. Improvement of business unit gross margin by reinforcing regular price sales

- Business unit gross margin: Comparison with FY2020 1Q

1.6 pt ↑

- Business unit regular price sales ratio: Comparison with FY2020 1Q

1Q 10.2 pt ↑

June 24.6 pt ↑

July 23.0 pt ↑

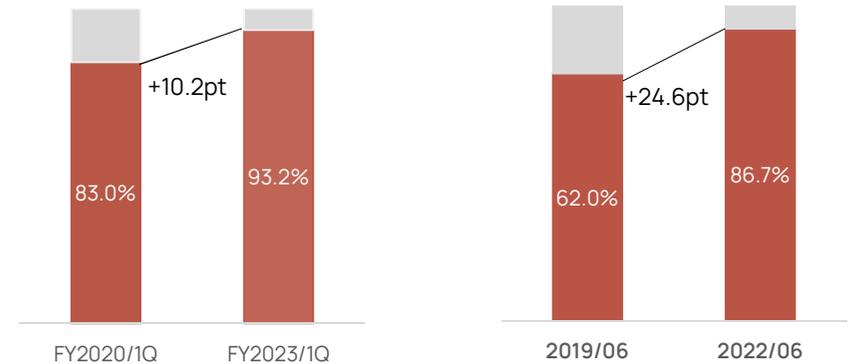
- Outlet and others gross margin: Comparison with FY2020 1Q

1.4pt ↓

Worsened in spring and summer because of the disposal of stock from past years due to COVID-19

Improvement from fall/winter is expected

	FY2020/1Q	FY2023/1Q	Compared with FY2020 1Q
Gross margin of UNITED ARROWS LTD.	54.4%	54.6%	0.2pt
Business unit	-	-	1.6pt
Outlet, etc.	-	-	-1.4pt
Sales Ratio of outlets and others	14.7%	18.5%	3.9pt



Business unit regular price sales ratio: Comparison with the same period of 3 years ago (1Q and June as a single month)

02

Establishment of Numerical Sustainability Targets

Satoshi Tan, Executive Officer, CSO

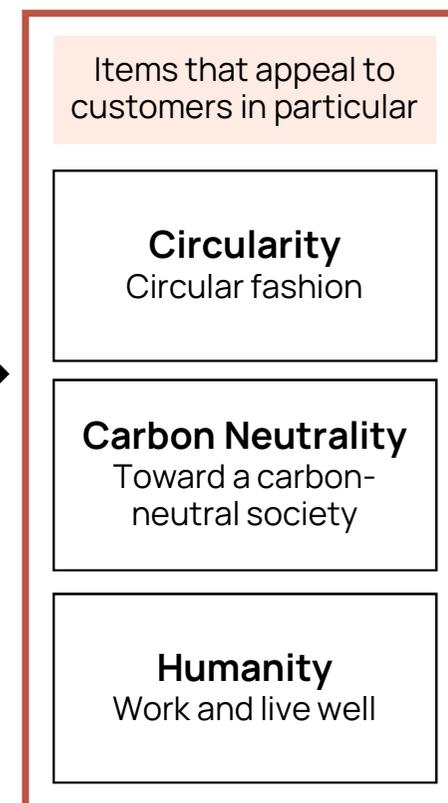
General Manager, Corporate Strategy Division

Numerical Sustainability Targets Have Been Established

- In April 2020, five themes and 16 materialities were set as the guidelines for the promotion of sustainability
- In this term, we have established seven numerical targets that are linked to three categories of items that appeal to customers in particular, and we are promoting these efforts

Currently established and disclosed promotion items

Theme			Materiality
1	Supply chains	Responsible product procurement and supply chain development	Traceability management of product procurement
			Respect for human rights and the working environment in the supply chain
			Promotion of use of environmentally conscious materials
			Procurement of raw materials in consideration of biodiversity and animal welfare
			Promotion of low carbonization
			Promotion of energy conservation and use of renewable energy
2	Resources	Realizing a waste reduction and recycling-based model	Reduction of waste from business activities
			Promotion of collection, reuse, and recycling of unnecessary products
3	Communities	Continuing with activities aimed at the development of local communities	Support for local societies, communities, and disaster-stricken areas
4	Human resources	Creating an environment that fosters respect for individuals and work motivation	Promotion of diversity and inclusion
			Work style reform
			Human resource development
			Appropriate evaluation and compensation
5	Governance	Establishing a management platform toward becoming a company that will last 100 years	Corporate governance
			Risk management/compliance
			Personal information protection and information security



Numerical Targets for Sustainability

Circularity Circular fashion		Carbon Neutrality Toward a carbon-neutral society		Humanity Work and live well	
Disposal rate of products		Reduction rate of greenhouse gas emissions (Scope1, 2)		Acquisition rate of the written consent to the behavioral guidelines	
FY31 target	0.1%	FY31 target	30%	FY31-End target	100%
FY22	1.0%	FY22	10.8%	FY22	11.6%
		(Scope3)			
		FY31 target	15%		
		FY22	-		
Ratio of environmentally-friendly products		Ratio of renewable energy		Employee engagement score	
FY31 target	50%	FY31 target	50%	FY31 target	80%
2022 spring/summer items	2.0%	FY22	3.2%	FY22	70%

Circularity Circular fashion

Disposal rate of products

FY31 target 0.1%

FY22 1.0%

- Consideration and implementation of a mechanism to expand sales channels for sample products
- Methods for preventing damaged goods and the enhancement of sales methods
- Improving inventory efficiency by increasing the ratio of regular price sales, etc.

* Calculation formula: Cost of goods to be disposed/product procurement cost (Cost of sales)

Ratio of environmentally-friendly products

FY31 target 50%

2022 spring/
summer items 2.0%

- Revision of company standards for environmentally-friendly products
- In addition to reducing environmental burden, aiming to create new demand and improve our brand image
- Studying and setting target values considering the characteristics of each business

* Calculation formula: Number of product /number of product that meet certain criteria

Carbon Neutral Toward A Carbon-Neutral Society

Reduction rate of greenhouse gas emissions

Scope 1, 2	FY31 target	30%
	FY22	10.8%
Scope3	FY31 target	15%
	FY22	-

- About 90% of our company's energy that is the source of Scope 1.2 emission is electricity
- Reducing greenhouse gas emissions by conserving energy and switching to renewable energy
- Endorsement of TCFD recommendations and application for SBT certification

* Calculation formula: Reduction ratio compared to the fiscal year ended in March 2020

Ratio of renewable energy

FY31 target	50%
FY22	3.2%

- Encourage developers and building owners of our stores to switch to renewable energy

* Calculation formula: Number of sites using renewable energy (stores and offices)/the total number of sites

Humanity Work and Live Well

Acquisition rate of the written consent to the behavioral guidelines

FY31 target	100%
FY22	11.6%

- Developed based on the UN Guiding Principles on Business and Human Rights, etc.
- On-site audits of suppliers' plants are scheduled to begin this fiscal year

* Calculation formula: Acquisition rate of written consent from suppliers for original products and OEM products

Employee engagement score

FY31 target	80%
FY22	70%

- Average score of positive responses to motivational factors in the employee awareness survey
- Aiming to improve scores by promoting ES, an important management strategy

* Calculation formula: (as above)

03

Message from Yoshinori Matsuzaki,
Representative Director, President and CEO

Group Management Policy

Slogan

**Providing
Inspiration**
Kándou Téikyo

Wonderful Customer Service,
Attractive Products,
Great Service,
Great Products

1. Review of first quarter results

- A favorable trend with sales and profits exceeding expectations
- Exit from sales and profit building through piling up products by mass production
- Reorganization into functional divisions and formation of executive officers by function are proving to be successful

2. The second quarter and beyond

- Response to rising costs
- Increase the ratio of regular price sales by curbing discount sales measures
- Promote OMO through physical stores and our own e-commerce

3. Toward the next medium-term

- Shift to aggressive strategy aimed at full-scale recovery

04

Reference Materials

FY23 P/L Plan

(Millions of yen)

	FY2020 Full	FY2022 Full	FY2023 Plan	v.s. FY2020		v.s. FY2022	
				Increase (decrease)/ diff. in pt vs. sales		Increase (decrease)/ diff. in pt vs. sales	
Sales	157,412	118,384	130,000	(27,412)	82.6%	11,615	109.8%
(Reference) Excluding the impact of the change in the consolidated structure/the change in the revenue recognition	—	—	—	—	Around 93.0%	—	—
Gross Profit	79,983	59,090	65,700	(14,283)	82.1%	6,609	111.2%
vs. Sales	50.8%	49.9%	50.5%	- 0.3pt	—	0.6pt	—
SG&A Expenses	71,224	57,407	60,900	(10,324)	85.5%	3,492	106.1%
vs. Sales	45.2%	48.5%	46.8%	1.6pt	—	- 1.6pt	—
Operating Income	8,758	1,683	4,800	(3,958)	54.8%	3,116	285.2%
vs. Sales	5.6%	1.4%	3.7%	- 1.9pt	—	2.3pt	—
Non Op. P/L	44	1,144	430	385	959.7%	(714)	37.6%
vs. Sales	0.0%	1.0%	0.3%	0.3pt	—	- 0.6pt	—
Ordinary Income	8,803	2,827	5,230	(3,573)	59.4%	2,402	185.0%
vs. Sales	5.6%	2.4%	4.0%	- 1.6pt	—	1.6pt	—
Extraordinary income (loss)	(2,582)	(1,068)	(830)	1,752	—	238	—
vs. Sales	—	—	—	—	—	—	—
Net Income Attributable to Owners of Parent	3,522	732	3,000	(522)	85.2%	2,267	409.4%
vs. Sales	2.2%	0.6%	2.3%	0.1pt	—	1.7pt	—

Non-Consolidated Sales Plan

(Millions of yen)

	FY2023 1H	v.s. FY2020	v.s. FY2022	FY2023 2H	v.s. FY2020	v.s. FY2022	FY2023 Full	v.s. FY2020	v.s. FY2022
Non-consolidates sales	51,399	84.5%	112.9%	65,821	96.0%	106.2%	117,220	90.6%	109.1%
Excluding the impact of the change in revenue recognition standards	-	86.8%	-	-	98.3%	-	-	92.9%	-
Retail + Online existing stores	-	-	116.4%	-	-	110.3%	-	-	112.8%
Retail existing stores	-	-	123.9%	-	-	108.3%	-	-	114.6%
Online existing stores	-	-	103.9%	-	-	114.3%	-	-	109.5%

Details of Gross Margin Plan

	FY2023 1H	v.s. FY2020	v.s. FY2022	FY2023 2H	v.s. FY2020	v.s. FY2022	FY2023 Full	v.s. FY2020	v.s. FY2022
Consolidated	50.2%	- 1.5pt	1.0pt	50.8%	0.8pt	0.4pt	50.5%	- 0.3pt	0.6pt
UNITED ARROWS LTD.	49.7%	- 1.1pt	1.3pt	51.6%	2.0pt	0.9pt	50.8%	0.6pt	1.0pt
Total Business Unit Sales	-	- 0.1pt	1.8pt	-	2.5pt	0.4pt	-	1.3pt	1.0pt
Outlet, etc.	-	- 6.1pt	0.2pt	-	0.4pt	0.7pt	-	- 2.5pt	0.2pt
COEN CO., LTD.	-	- 2.1pt	- 2.5pt	-	1.4pt	4.7pt	-	- 0.4pt	1.4pt
UNITED ARROWS TAIWAN LTD.	-	- 1.1pt	1.3pt	-	2.0pt	0.9pt	-	0.6pt	1.0pt

Group Management Policy

Slogan

Providing Inspiration

Kándou Téikyo

Wonderful Customer Service,
Attractive Products,
Great Service,
Great Products

Measures to focus on

Underlying strategies

Revitalize existing stores

1. Impressive customer service
Enhance sales capability
2. Creation of thrills
Enhance product capability
3. Challenge for new UA
Through an aggressive trial-and-error approach

Promotion of employee satisfaction (ES)

- Improved employee satisfaction through revision to the HR system, provision of learning opportunities, and the assignment of the right talented people in the right positions

Promotion of digital transformation (DX)

- Promotion of online merges with offline (OMO), digitalization of the supply chain, and strengthening of digital marketing

Promotion of sustainability

- Promotion of reduction in disposal and respect for human rights in the supply chain, among other things, and proactive disclosure

Revitalize existing stores

Measures to focus on

Impressive customer service

Improving customer experience value through sales DX

- OMO initiatives
- Working to turn people into customers
- ◎ Major key performance indicators (KPIs)
Purchase ratio, and store productivity

Creation of thrills

Developing supply chain management (SCM) through product DX

- 'Five Right' initiatives
(Right timing, right product, right volume, right price, and right place)
- ◎ Major key performance indicators (KPIs)
Ratio of regular price sales, demand-supply ratio, and gross margin

Challenge for new UA

Re-enhancing corporate branding through reorganization

- Preparing for the establishment of new labels and brands
- Promoting sustainable initiatives
- ◎ Major key performance indicators (KPIs)
Number of new customers



Underlying strategies



Promotion of employee satisfaction (ES)



Promotion of digital transformation (DX)



Promotion of sustainability