Fiscal 2017
Fiscal Year Ended March 2017
Earnings Announcement

May 8, 2017

UNITED ARROWS LTD.

■Contents

Note: In this earnings announcement, fractional sums of less than one million are rounded down and percentages are calculated from raw data.

Cautionary Statement

Earnings forecasts and other objective views 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.

■ Abbreviations used throughout this report: The following abbreviations have been used for each Group business, store brand, and consolidated subsidiary.

UA / UNITED ARROWS; BY / BEAUTY&YOUTH UNITED ARROWS; monkey time / monkey time BEAUTY&YOUTH UNITED ARROWS; District / District UNITED ARROWS; GLR / UNITED ARROWS green label relaxing; CH / CHROME HEARTS; THE AIRPORT STORE / THE AIRPORT STORE UNITED ARROWS LTD.; THE STATION STORE / THE STATION STORE UNITED ARROWS LTD.; SBU / Small Business Unit; CHJP / CHROME HEARTS JP, GK

■ Sales by business: Sales of the following store brands have been included in UA and SBU sales.

UA: UA, District, THE SOVEREIGN HOUSE, BOW & ARROWS, ASTRAET, BY, monkey time, STEVEN ALAN, ROKU BEAUTY&YOUTH, H BEAUTY&YOUTH
SBU: Another Edition, Jewel Changes, Odette e Odile, Boisson Chocolat, DRAWER, EN ROUTE, THE AIRPORT STORE, THE STATION STORE

Ⅰ. Overview of FY17 Business Results and FY18 Forecasts

■Overview of Business Results and Forecasts

Consolidated P/L (For details, see pages 5, 6, 9, and 10)

- Consolidated ordinary income: YoY decrease of 15.7%, increase of 2.4% compared with revised plans; increase in ordinary income in 2H on a stand-alone basis
- Gross margin: YoY difference up 0.2 of a percentage point, 51% of revised plans
- SGA expenses to sales ratio: YoY difference up 1.7 percentage points, 44.7% of revised plans

Non-Consolidated Sales (For details, see pages 7 and 8)

- YoY increase of 2.0% in existing store sales (retail: down 2.2%, online store: up 23.6%)
- By sales channel, online sales remained strong; online store sales comprised 16.0% of total sales

Inventory (For details, see page 11)

- YoY increase in the balance of inventory as of March 31, 2017 on a consolidated basis of 9.4%; increase mainly in fall and winter items in FY16 and spring and summer items in FY17
- Promoting inventory efficiency, identified as a priority issue under the Company's Management Policy in the current fiscal year

Opening and Closing of Stores (For details, see pages 13 to 15)

- Results of FY17-end Group total: Number of new stores opened: 22; number of stores closed: 16; number of stores as of FY17-end: 360
- FY18 forecast Group total: Number of new stores opened: 22; number of stores closed: 16; number of stores as of FY18-end: 366

Consolidated Subsidiaries (For details, see page 16)

- FIGO CO., LTD.: Decrease in revenue and an increase in earnings; COEN CO., LTD.: Increase in revenue and a decrease in earnings; UNITED ARROWS TAIWAN LTD. and Designs & Co.: Operations generally in line with plans; CHROME HEARTS JP, GK: Improvement in business unit sales

Forecasts for FY18 (For details, see pages 17 to 19)

- Consolidated sales are forecast to climb 5.7% YoY; targeting an increase in the gross margin of 0.3 of a percentage point, to 51.2%
- Targeting a YoY increase in ordinary income of 7.2%; despite estimates of an extraordinary loss of ¥1.5 billion, targeting a YoY increase in net income of 5.9%

■Consolidated P/L Overview

UNITED ARROWS LTD.

Consolidated ordinary income: YoY decrease of 15.7%; ¥9,420 million, an increase of 2.4% compared with revised plans
Ordinary income in 2H came in 0.8% higher on a YoY basis (For details, see page 6)

- Consolidated sales: YoY increase of 3.3%; mainly attributable to an increase in revenue at UNITED ARROWS LTD*., COEN CO., LTD., and each company online store
- Gross margin: YoY difference up 0.2 of a percentage point; 51% of revised plans
- SGA expenses to sales ratio: YoY difference up 1.7 percentage points, 44.7% of revised plan
- Extraordinary loss: YoY difference down ¥640 million owing mainly to the increase in impairment loss due to such factors as the decline in earnings; difference from plans down ¥561 million

* Comparison excluding CH results from 2H of the previous period

(Millions of yen)

	Consolidated Results FY17 (full fiscal year)									
	Results	vs. Sales	YoY Increase (Decrease)	%	vs. Plans	%	FY16 Results	vs. Sales	Revised Plans	vs. Sales
Sales	145,535	100.0%	4,616	103.3%	535	100.4%	140,919	100.0%	145,000	100.0%
Gross Profit	74,155	51.0%	2,582	103.6%	188	100.3%	71,573	50.8%	73,967	51.0%
SGA Exp.	64,990	44.7%	4,488	107.4%	114	100.2%	60,501	42.9%	64,875	44.7%
Operating Inc.	9,165	6.3%	(1,906)	82.8%	73	100.8%	11,071	7.9%	9,092	6.3%
Non-Op. P/L	255	0.2%	151	245.3%	147	-	103	0.1%	107	0.1%
Ordinary Inc.	9,420	6.5%	(1,755)	84.3%	220	102.4%	11,175	7.9%	9,200	6.3%
Extraordinary P/L	(1,366)	-0.9%	(640)	-	(561)	-	(725)	-0.5%	(805)	-0.6%
Net Income Attributable to Owners of Parent	5,191	3.6%	(1,303)	79.9%	(8)	99.8%	6,494	4.6%	5,200	3.6%

■Reference: Consolidated 2H P/L Overview (October 2016 to March 2017)

UNITED ARROWS LTD.

(Millions of yen)

	Consolidated Results FY17 2H									
	Results	vs. Sales	YoY Increase (Decrease)	%	vs. Plans	%	FY16 Results	vs. Sales	Revised Plans	vs. Sales
Sales	80,452	100.0%	3,636	104.7%	535	100.7%	76,816	100.0%	79,916	100.0%
Gross Profit	41,124	51.1%	2,218	105.7%	188	100.5%	38,906	50.6%	40,936	51.2%
SGA Exp.	33,674	41.9%	2,224	107.1%	114	100.3%	31,449	40.9%	33,559	42.0%
Operating Inc.	7,450	9.3%	(6)	99.9%	73	101.0%	7,456	9.7%	7,377	9.2%
Non-Op. P/L	166	0.2%	66	165.8%	147	-	100	0.1%	19	0.0%
Ordinary Inc.	7,617	9.5%	60	100.8%	220	103.0%	7,557	9.8%	7,396	9.3%
Extraordinary P/L	(1,029)	-1.3%	(453)	-	(561)	-	(576)	-0.8%	(468)	-0.6%
Net Income Attributable to Owners of Parent	4,321	5.4%	(36)	99.2%	(8)	99.8%	4,357	5.7%	4,329	5.4%

■Non-Consolidated Sales Results by Sales Channel

Non-consolidated sales (excluding the CH business from 2H of the previous period) up 3.2%* YoY; up 0.9% compared with revised plans
Existing store sales up 2.0% YoY

- Trends in both retail and online stores in excess of revised plans
- Sales composition: Online store sales 16.0%; OUTLET store sales 13.5%
- While the number of purchasing customers at retail stores declined 4.0% YoY, the number of purchasing customers at retail and online stores (reference data) increased 2.0%

* Non-consolidated sales including the CH business in 2H of the previous period decreased 1.4%.

(Millions of yen)

	Non-Consolidated Results FY17 (full fiscal year) (2H comparison excl. CH results from the corresponding period of the previous fiscal year)								
	Results	Share	YoY Increase (Decrease)	%	vs. Plans	%	FY16 Results	Share	Revised Plans
Non-Consolidated Sales	126,072	100.0%	3,852	103.2%	1,075	100.9%	122,219	100.0%	124,996
Total Business Unit Sales	109,015	86.5%	3,523	103.3%	937	100.9%	105,492	86.3%	108,078
Retail	87,897	69.7%	(317)	99.6%	930	101.1%	88,215	72.2%	86,966
Online	20,212	16.0%	3,936	124.2%	178	100.9%	16,275	13.3%	20,033
Other (Wholesale, Other)	906	0.7%	(95)	90.5%	(171)	84.1%	1,001	0.8%	1,077
OUTLET, Other	17,057	13.5%	329	102.0%	138	100.8%	16,727	13.7%	16,918

Existing Stores YoY	Sales	Number of Customers (Note: Reference Data)	Ave. Spending per Customer (Note: Reference Data)
Retail + Online	102.0%	102.0%	99.7%
Retail	97.8%	96.0%	101.9%
Online	123.6%	125.0%	101.6%

Note: Number of customers and average spending per customer for existing retail and online as well as online stores are calculated using data available to the Company through its own online and ZOZOTOWN stores. (Approximately 80% of online sales are generated through the two malls.)
This information is provided for reference purposes only. YoY sales data is inclusive of other online malls and, accordingly, the YoY number of customers x YoY average spending per customer does not reconcile with YoY sales.

■Non-Consolidated Sales Results by Business

Existing store sales across all businesses increased on a YoY basis in 2H

(2H Trends)
Steady trends across all of the following:
- UA: Men's and women's casual items
- GLR: Men's dressy items and women's items in general
- SBU: DRAWER, Boisson Chocolat, and THE STATION STORE businesses

Note: The table below is in line with changes in business composition; data presented by 1H and 2H only.

(Millions of yen)

	Non-Consolidated Results FY17 1H			FY17 2H (comparison excl. CH results from the corresponding period of the previous fiscal year)		
	Results	YoY Increase (Decrease)	%	Results	YoY Increase (Decrease)	%
Total Business Unit Sales	**51,167**	754	101.5%	**57,847**	2,769	105.0%
UA	**25,088**	226	100.9%	**32,719**	2,185	107.2%
GLR	**13,869**	1,058	108.3%	**17,376**	836	105.1%
CH	**5,305**	(498)	91.4%	**0**	0	0.0%
SBU	**6,905**	(32)	99.5%	**7,751**	(253)	96.8%

Existing Store Sales YoY	1H Retail + Online	1H Retail	1H Online	2H Retail + Online	2H Retail	2H Online
UA	98.6%	94.2%	124.6%	104.4%	98.6%	133.0%
GLR	105.1%	101.1%	129.1%	105.2%	102.2%	120.4%
CH	-	91.9%	-	-	-	-
SBU	101.6%	98.5%	111.2%	100.0%	96.0%	109.7%

Note: Effective from the fiscal year under review, control of the ASTRAET business was transferred from the SBU to the UA business.
Accordingly, results data for the corresponding period of the previous fiscal year has been retroactively adjusted for comparative purposes.

Note: Details of abbreviations for each business are listed on page 2 of this document.

■Consolidated Gross Margin Results

FY17 (full fiscal year) consolidated gross margin came in at 51.0%, up 0.2 of a percentage point YoY.

FY17 2H consolidated gross margin came in at 51.1%, up 0.5 of a percentage point YoY.

	1H	2H	Full Fiscal Year
Consolidated gross margin for FY17	50.8%	51.1%	51.0%
Gross margin for the corresponding period of the previous fiscal year	51.0%	50.6%	50.8%
Difference	(0.2)pt	0.5pt	0.2pt

■Factors that impacted the consolidated gross margin and the levels of overall impact

	1H	2H	Full Fiscal Year	2H Remarks
Impact of movements in the gross margin of UNITED ARROWS LTD. total business units	(0.5)pt	0.7pt	–	YoY decrease of 0.6 of a percentage point in the gross margin of total business units in 1H due mainly to the increase in discount sales; up 1.0 percentage point in 2H owing to such factors as the impact of movements in foreign currency exchange rates
Impact of movements in the gross margin of UNITED ARROWS LTD. OUTLET and other stores	0.1pt	0.0pt	–	Upswing of 0.7 of a percentage point in the gross margin of UNITED ARROWS LTD. OUTLET and other stores in 1H due mainly to an increase in the share of exclusive product sales as a percentage of total sales; up 0.3 of a percentage point in 2H owing to improvements in the gross margins of both regular business and exclusive products
Impact of movements in UNITED ARROWS LTD. other costs	0.1pt	(0.2)pt	–	Downturn in 2H largely attributable to losses on devaluation of products and an increase in the disposal of merchandise
Other factors (subsidiary company trends, consolidated adjustments, sales composition, other)	0.1pt	(0.1)pt	–	Downturn in 2H largely attributable to an increase in subsidiary company markdown losses

・Breakdown details have not been provided. This reflects the difficulties involved in analyzing data attributable to the spin-off of CHROME HEARTS (October 2016) over the full fiscal year cumulative period.

・In 2H, any impact attributable to CHROME HEARTS has been excluded from UNITED ARROWS LTD. total business units for both the period under review and previous period and included in other factors.

Note: Information pertaining to factors that impacted the consolidated gross margins for 1H, 2H, and full fiscal years of FY15, FY16, and FY17 is presented in the Reference Materials section at the end of this presentation.

■Consolidated SGA Expenses

SGA expenses increased 7.4% YoY while the SGA expenses to sales ratio increased 1.7 percentage points YoY, to 44.7% for the full fiscal year.

SGA expenses increased 7.1% YoY while the SGA expenses to sales ratio increased 0.9 of a percentage point YoY, to 41.9% for 2H .

- Advertising expenses: Increase in promotional and other expenses largely in line with large-scale openings and online stores
- Personnel expenses, rent: While the ratio of personnel expenses and rent to sales increased over the full fiscal year, this increase was limited in relative terms in 2H in line with the increase in sales
- Other: Increase in outsourcing expenses related to business processes as well as business office tax and other expenses

(Millions of yen)

	Consolidated Results											
	FY17 1H				FY17 2H				FY17 (Full Fiscal Year)			
	Results	vs. Sales	YoY	vs. Sales YoY Difference	Results	vs. Sales	YoY	vs. Sales YoY Difference	Results	vs. Sales	YoY	vs. Sales YoY Difference
Total of SGA Expenses to Sales	**31,316**	48.1%	107.8%	2.8%	**33,674**	41.9%	107.1%	0.9%	**64,990**	44.7%	107.4%	1.7%
Advertising Expenses	**1,420**	2.2%	127.9%	0.5%	**1,773**	2.2%	117.3%	0.2%	**3,193**	2.2%	121.8%	0.3%
Personnel Expenses	**11,341**	17.4%	106.4%	0.8%	**11,390**	14.2%	106.1%	0.2%	**22,731**	15.6%	106.3%	0.4%
Rent	**9,368**	14.4%	107.1%	0.8%	**11,010**	13.7%	108.2%	0.4%	**20,379**	14.0%	107.7%	0.6%
Depreciation	**896**	1.4%	102.9%	0.0%	**967**	1.2%	104.6%	0.0%	**1,863**	1.3%	103.8%	0.0%
Other	**8,289**	12.7%	108.1%	0.8%	**8,532**	10.6%	105.3%	0.1%	**16,821**	11.6%	106.6%	0.4%

Note: Information pertaining to the consolidated SGA expenses to sales ratio by item for 1H, 2H, and full fiscal years of FY15, FY16, and FY17 is presented in the Reference Materials section at the end of this presentation.

■Consolidated B/S Overview

UNITED ARROWS LTD.

The balance of total assets as of the end of FY17 was ¥67,799 million, 6.1% higher than the balance as of the end of FY16 on a consolidated basis.

- Current assets: Increases in the balances of inventory and accounts receivable–other
- Noncurrent assets: Increases in the balances of tangible noncurrent assets and guarantee deposits in line with the opening of new stores
- Current liabilities: Increases in the balances of short-term loans payable and current portion of long-term loans payable, and a decrease in the balance of income taxes payable
- Noncurrent liabilities: Increase in the balance of long-term loans payable
- Net assets: Increase in the balance of retained earnings and a decrease attributable to the acquisition of treasury stock

Note 1: The balance of short- and long-term loans payable: Up 124.4% YoY, to ¥13,792 million

Note 2: The balance of inventory: Up 9.4% YoY (net sales YoY growth: 3.3%, due mainly to the increase in 2016 fall and winter products and 2017 spring and summer products)

(Millions of yen)

	Consolidated Results FY17-End				FY16-End	
	Results	Share	YoY Increase (Decrease)	%	Results	Share
Total Assets	**67,799**	100.0%	3,921	106.1%	63,877	100.0%
Current Assets	**45,152**	66.6%	2,785	106.6%	42,367	66.3%
(Inventory)	**26,210**	38.7%	2,244	109.4%	23,966	37.5%
Noncurrent Assets	**22,646**	33.4%	1,135	105.3%	21,510	33.7%
Current Liabilities	**29,805**	44.0%	4,840	119.4%	24,964	39.1%
Noncurrent Liabilities	**7,012**	10.3%	1,860	136.1%	5,152	8.1%
Total Net Assets	**30,980**	45.7%	(2,779)	91.8%	33,760	52.9%
Reference: Balance of Short- and Long-Term Loans Payable	**13,792**	20.3%	7,646	224.4%	6,146	9.6%

■ Consolidated C/F Overview

UNITED ARROWS LTD.

Cash and cash equivalents as of the end of FY17 came to ¥5,630 million

- Cash flows from operating activities: (Major cash inflows) income before income taxes of ¥8,054 million, depreciation of ¥1,865 million
  (Major cash outflows) increase in inventories of ¥2,244 million and income taxes paid of ¥4,520 million
- Cash flows from investing activities: (Major cash outflow) purchase of property, plant and equipment of ¥3,090 million
- Cash flows from financing activities: (Major cash inflows) proceeds from long-term loans payable of ¥6,000 million and net increase in short-term loans payable of ¥4,150 million
  (Major cash outflows) purchase of treasury stock of ¥6,017 million, cash dividends paid of ¥2,356 million and repayment of long-term loans payable of ¥2,504 million

(Millions of yen)

	Consolidated Results FY17	FY16
	Results	Results
Cash flows from operating activities (sub-total)	**9,431**	14,674
Cash flows from operating activities	**4,868**	11,689
Cash flows from investing activities	**(4,511)**	(3,351)
Cash flows from financing activities	**(508)**	(8,139)
Cash and cash equivalents at the end of the term	**5,630**	5,799

■Results of FY17 Group Total Opening and Closing of Stores and FY18 Forecasts

UNITED ARROWS LTD.

- FY17 Group total: Number of new stores opened: 22; number of stores closed: 16; number of stores as of FY17-end: 360
- FY18 forecast Group total: Number of new stores opened: 22; number of stores closed: 16; number of stores as of FY18-end: 366

	FY17 Results							FY18 Forecasts				
	No. of stores as of the beginning of the period	Opened			Closed	Transfer attributable to company split	No. of stores as of the end of the period	Opened			Closed	No. of stores as of the end of the period
		1H	2H	Full fiscal year				1H	2H	Full fiscal year		
Group Total	**354**	**14**	**8**	**22**	**16**	**0**	**360**	**12**	**10**	**22**	**16**	**366**
UNITED ARROWS LTD.	**254**	**9**	**3**	**12**	**14**	(10)	**242**	**11**	**8**	**19**	**13**	**248**
FIGO CO., LTD.	**18**		**1**	**1**	**2**		**17**	**1**		**1**		**18**
COEN CO., LTD.	**79**	**5**	**3**	**8**			**87**		**1**	**1**	**3**	**85**
UNITED ARROWS TAIWAN LTD.	**3**			**0**			**3**		**1**	**1**		**4**
Designs & Co.			**1**	**1**			**1**			**0**		**1**
CHROME HEARTS JP, GK				**0**		**10**	**10**			**0**		**10**

Reference: Breakdown for UNITED ARROWS LTD.

UNITED ARROWS	**86**	**5**		**5**	**3**		**88**	**4**	**2**	**6**	**3**	**91**
green label relaxing	**69**	**1**		**1**	**1**		**69**	**2**	**4**	**6**		**75**
CHROME HEARTS	**10**					(10)	**0**			**0**		**0**
SBU	**66**	**1**	**3**	**4**	**9**		**61**	**3**	**1**	**4**	**10**	**55**
OUTLET	**23**	**2**		**2**	**1**		**24**	**2**	**1**	**3**		**27**

■Reference: UNITED ARROWS LTD. Results of FY17 Opening and Closing of Stores

UNITED ARROWS LTD.

	FY17 Results				
	No. of stores as of the beginning of the period	Opened	Closed	Transfer attributable to company split	No. of stores as of the end of the period
UNITED ARROWS LTD. Total	**254**	**12**	**14**	**(10)**	**242**
UNITED ARROWS Total	86	5	3		88
UNITED ARROWS (General Merchandise Store)	9				9
UNITED ARROWS	25	3	2		26
BOW & ARROWS	1		1		0
THE SOVEREIGN HOUSE	1				1
District	1				1
ASTRAET	2				2
BEAUTY&YOUTH	41				41
monkey time	2				2
STEVEN ALAN *	3				3
ROKU BEAUTY&YOUTH	1	1			2
H BEAUTY&YOUTH		1			1
green label relaxing	69	1	1		69
CHROME HEARTS	10			(10)	0
SBU Total	66	4	9		61
Another Edition	15		2		13
Jewel Changes	10		1		9
Odette e Odile	21		4		17
Boisson Chocolat	3	3			6
DRAWER	7				7
EN ROUTE	2		1		1
Traffic channels: THE AIRPORT STORE	3		1		2
Traffic channels: THE STATION STORE	5	1			6
OUTLET	23	2	1		24

* STEVEN ALAN TOKYO, STEVEN ALAN OSAKA, and STEVEN ALAN KOBE are recorded as annex-type stores operated by BEAUTY&YOUTH and are not included in the number of stores listed above.

■Reference: Details of FY17 Opening and Closing of Stores

UNITED ARROWS LTD.

UNITED ARROWS LTD.

Month	Stores Opened and Closed	Store Name	Commercial Facility Address
Mar.	Newly opened store	Boisson Chocolat Tachikawa	LUMINE TACHIKAWA (Tachikawa-shi, Tokyo)
	Newly opened store	Boisson Chocolat Omiya	LUMINE OMIYA (Omiya-ku, Saitama-shi)
	Closed store	Odette e Odile omiya	LUMINE OMIYA (Omiya-ku, Saitama-shi)
	Closed store	Jewel Changes Kyoto	KYOTO MARUI (Shimogyo-ku, Kyoto-shi)
	Closed store	THE AIRPORT STORE UNITED ARROWS LTD. KANSAI AIRPORT	Kansai Int'l Airport Terminal Building (Izumisano-shi, Osaka)
Feb.	Closed store	BOW & ARROWS DAIMARU SAPPORO STORE	Daimaru Sapporo Store (Chuo-ku, Sapporo-shi)
	Closed store	EN ROUTE GINZA	Stand-alone store (Chuo-ku, Tokyo)
Jan.	Closed store	Odette e Odile tachikawa	LUMINE TACHIKAWA (Tachikawa-shi, Tokyo)
Dec.	Newly opened store	THE STATION STORE UNITED ARROWS LTD. ECUTE SHINAGAWA SOUTH	ecute Shinagawa (Minato-ku, Tokyo)
Nov.	Closed store	UNITED ARROWS LTD. OUTLET WOMEN'S STORE ODAIBA	Venus Fort (Kouto-ku, Tokyo)
Sep.	Newly opened store	UNITED ARROWS ROPPONGI HILLS	ROPPONGI HILLS (Minato-ku, Tokyo)
	Newly opened store	ROKU BEAUTY&YOUTH SHIBUYA CAT STREET	Stand-alone store (Shibuya-ku, Tokyo)
	Newly opened store	WORK TRIP OUTFITS GREEN LABEL RELAXING yaesu	YAESU SHOPPING MALL (Chuo-ku, Tokyo)
	Newly opened store	Boisson Chocolat Lumine Shinjuku	LUMINE SHINJUKU (Shinjuku-ku, Tokyo)
Aug.	Closed store	Another Edition Shibuya	SHIBUYA PARCO (Shibuya-ku, Tokyo)
July	Newly opened store	UNITED ARROWS LTD. OUTLET RINKU	Rinku Premium Outlets (Izumisano-shi, Osaka)
	Closed store	UNITED ARROWS ROPPONGI MEN'S STORE	ROPPONGI HILLS (Minato-ku, Tokyo)
	Closed store	UNITED ARROWS ROPPONGI WOMEN'S STORE	ROPPONGI HILLS (Minato-ku, Tokyo)
	Closed store	green label relaxing celeo kokubunji	CELEO KOKUBUNJI (Kokubunji-shi, Tokyo)
	Closed store	Another Edition Machida	Machida modi (Machida-shi, Tokyo)
	Closed store	Odette e Odile hakata	AMUPLAZA HAKATA (Hakata-ku, Fukuoka-shi)
	Closed store	Odette e Odile atré kawasaki	atré Kawasaki (Kawasaki-ku, Kawasaki-shi)
Apr.	Newly opened store	UNITED ARROWS ATRÉ EBISU WOMEN'S STORE	atré Ebisu (Shibuya-ku, Tokyo)
	Newly opened store	UNITED ARROWS KANAZAWA	KORINBO TOKYU SQUARE (Kanazawa-shi, Ishikawa)
	Newly opened store	H BEAUTY&YOUTH	Stand-alone store (Minato-ku, Tokyo)
	Newly opened store	UNITED ARROWS LTD. OUTLET YATSUGATAKE	RESORT OUTLETS YATSUGATAKE (Hokuto-shi, Yamanashi)

FIGO CO., LTD.

	Stores Opened and Closed	Store Name	Commercial Facility Address
Mar.	Newly opened store	ASPESI ROPPONGI	TOKYO MIDTOWN (Minato-ku, Tokyo)
Jan.	Closed store	Felisi KOBE	Kobe Bal (Chuo-ku, Kobe-shi)
Oct.	Closed store	Felisi KICHIJOJI	coppice KICHIJOJI (Musashino-shi, Tokyo)

Note: While Felisi KOBE closed as a stand-alone store, operations continue following the transfer to ASPESI KOBE within the same facility.

COEN CO., LTD.

	Stores Opened and Closed	Store Name	Commercial Facility Address
Nov.	Newly opened store	coen LaLaport SHONAN HIRATSUKA Store	LaLaport SHONAN HIRATSUKA (Hiratsuka-shi, Kanagawa)
Oct.	Newly opened store	coen General Store SAPPORO ESTA	ESTA (Chuo-ku, Sapporo-shi）
	Newly opened store	coen TRESSA YOKOHAMA Store	TRESSA YOKOHAMA (Kohoku-ku, Yokohama-shi)
July	Newly opened store	coen General Store SENDAI PARCO 2	SENDAI PARCO 2 (Aoba-ku, Sendai-shi)
	Newly opened store	coen Grand Store ODAWARA Dynacity	Dynacity West (Odawara-shi, Kanagawa)
Apr.	Newly opened store	coen Seven Park Ario Kashiwa	SEVEN PARK ARIO KASHIWA (Kashiwa-shi, Chiba)
	Newly opened store	coen General Store Abeno Q's Mall	Abeno Q's MALL (Abeno-ku, Osaka-shi)
Mar.	Newly opened store	coen Peonywalk Higashi Matusyama Store	Peonywalk Higashi Matsuyama (Higashi-matsuyama-shi, Saitama)

Designs & Co.

	Stores Opened and Closed	Store Name	Commercial Facility Address
Oct.	Newly opened store	BLAMINK TOKYO	Stand-alone store (Minato-ku, Tokyo)

Note: There were no stores opened or closed by UNITED ARROWS TAIWAN LTD. or CHROME HEARTS JP, GK during the fiscal year ended March 31, 2017.

■Group Companies (In order of year/month of consolidation)

UNITED ARROWS LTD.

FIGO CO., LTD.

Decrease in revenue and increase in earnings in FY17

・Sales: ¥3.0 billion, down 5.0% YoY
・Even though sales did not reach the levels recorded in the previous period, the gross margin improved owing mainly to the impact of movements in foreign currency exchange rates, contributing to an increase in earnings

COEN CO., LTD.

Increase in revenue and decrease in earnings in FY17, the fiscal year ended January 31, 2017

・Sales: ¥10.7 billion, up 8% YoY; decrease in earnings due mainly to a downturn in the gross margin brought about by an increase in discount sales and other factors
・Conducting a review of the number of items and strengthening collaboration between product and sales departments → a recovery trend beginning with spring items

UNITED ARROWS TAIWAN LTD.

Result for FY17, the fiscal year ended January 31, 2017: Performance trends essentially in line with plans

・As is the case in Japan, even though fall items struggled due to persistently high temperatures, robust trends in topical and other products emerged
・Working to increase visibility and awareness, thanks largely to the increasing frequency of posts on social media; also a gradual increase in the level of awareness toward the company's e-commerce site, which opened in July 2016

Designs & Co.

Result for FY17, the fiscal year ended January 31, 2017: Performance trends essentially in line with plans

・BLAMINK TOKYO, the company's inaugural store (stand-alone store) opened in Minami-Aoyama, Minato Ward, in October 2016
・High store traffic volume by customers with a high appreciation of fashion; private brand goods are becoming top-selling items

CHROME HEARTS JP, GK

Fiscal year ended December 2016*1: Business unit sales increased on a YoY basis in 2H

・(Post-split-off) 2H sales: ¥6.2 billion; business unit (BU) sales up 0.4% YoY*2
・2H improvement over 1H results (BU sales down 8.6% YoY)

*1 While the company settles its accounts in December, results up to the following March are included in the scope of consolidation after taking into consideration the impact on business performance

*2 Data after the split-off is not provided due to the incidence of wholesale and other sales to UNITED ARROWS LTD. and difficulties in comparing companywide sales with the previous period.

■FY18 Consolidated P/L Forecasts

UNITED ARROWS LTD.

Targeting an increase in revenue and earnings together with improvements in the gross, operating income, and ordinary income margins

- Consolidated sales of ¥153,859 million (up 5.7% YoY) based on the assumption that UNITED ARROWS LTD. existing retail and online store sales improve 3.1% YoY
- Gross margin of 51.2% → target an improvement of 0.3 of a percentage point YoY due to a variety of factors including an increase in the ratio of regular price sales
- SGA expenses to sales ratio of 44.7% → while incorporating into plans such factors as the expenses required to fill vacant positions, the SGA expenses to sales ratio is expected to be roughly in line with the previous period; however, every effort will be made to progress activities aimed at reducing the SGA expenses to sales ratio during the period
- Operating income of ¥9,953 million (up 8.6% YoY); ordinary income of ¥10,100 million (up 7.2% YoY)
- Extraordinary loss of ¥1,500 million → factored into plans to reflect the possibility of an extraordinary loss in line with efforts to closely scrutinize unprofitable endeavors

(Millions of yen)

	Consolidated Results FY18 (full fiscal year)				
	Forecasts	**vs. Sales**	**YoY**	FY17 Results	vs. Sales
Sales	**153,859**	**100.0%**	105.7%	145,535	100.0%
Gross Profit	**78,786**	**51.2%**	106.2%	74,155	51.0%
SGA Exp.	**68,833**	**44.7%**	105.9%	64,990	44.7%
Operating Inc.	**9,953**	**6.5%**	108.6%	9,165	6.3%
Non Op. P/L	**146**	**0.1%**	57.6%	255	0.2%
Ordinary Inc.	**10,100**	**6.6%**	107.2%	9,420	6.5%
Extraordinary P/L	**(1,500)**	**-1.0%**	-	(1,366)	-0.9%
Net Income Attributable to Owners of Parent	**5,496**	**3.6%**	105.9%	5,191	3.6%

■Reference: FY18 1H and 2H Consolidated P/L Forecasts

UNITED ARROWS LTD.

■Consolidated

(Millions of yen)

	Consolidated FY18 1H					Consolidated FY18 2H				
	Forecasts	**vs. Sales**	**YoY**	FY17 1H Results	vs. Sales	**Forecasts**	**vs. Sales**	**YoY**	FY17 2H Results	vs. Sales
Sales	**68,686**	**100.0%**	105.5%	65,083	100.0%	**85,172**	**100.0%**	105.9%	80,452	100.0%
Gross Profit	**35,033**	**51.0%**	106.1%	33,031	50.8%	**43,753**	**51.4%**	106.4%	41,124	51.1%
SGA Exp.	**33,282**	**48.5%**	106.3%	31,316	48.1%	**35,551**	**41.7%**	105.6%	33,674	41.9%
Operating Inc.	**1,750**	**2.5%**	102.1%	1,714	2.6%	**8,202**	**9.6%**	110.1%	7,450	9.3%
Non Op. P/L	**26**	**0.0%**	29.9%	88	0.1%	**120**	**0.1%**	72.3%	166	0.2%
Ordinary Inc.	**1,777**	**2.6%**	98.5%	1,803	2.8%	**8,322**	**9.8%**	109.3%	7,617	9.5%
Extraordinary P/L	**(681)**	**-1.0%**	-	(336)	-0.5%	**(818)**	**-1.0%**	-	(1,029)	-1.3%
Net Income Attributable to Owners of Parent	**570**	**0.8%**	65.5%	870	1.3%	**4,926**	**5.8%**	114.0%	4,321	5.4%

■Reference: Details of FY18 Non-Consolidated Sales Forecasts

UNITED ARROWS LTD.

(Millions of yen)

	Non-Consolidated Results FY18 (full fiscal year)				Non-Consolidated Results FY18 1H			Non-Consolidated Results FY18 2H		
	Forecasts	Share	YoY Increase (Decrease)	%	Forecasts	YoY Increase (Decrease)	%	Forecasts	YoY Increase (Decrease)	%
Sales	**127,539**	100.0%	6,771	103.0%	**56,359**	2,838	105.3%	**71,179**	3,932	105.8%
Total Business Unit Sales	**108,964**	85.4%	5,254	105.1%	**48,187**	2,324	105.1%	**60,777**	2,929	105.1%
Retail	**84,702**	66.4%	2,093	102.5%	**38,054**	1,165	103.2%	**46,648**	927	102.0%
Online	**22,925**	18.0%	2,713	113.4%	**9,745**	1,205	114.1%	**13,180**	1,507	112.9%
Other (Wholesale, Other)	**1,336**	1.0%	447	150.4%	**388**	(46)	89.4%	**948**	493	208.6%
Outlet	**18,574**	14.6%	1,516	108.9%	**8,171**	513	106.7%	**10,402**	1,003	110.7%
Existing Stores YoY										
Retail + Online	103.1%				102.4%			103.6%		
Retail	100.7%				100.0%			101.3%		
Online	112.8%				113.3%			112.5%		

Note: YoY sales comparisons are after excluding CH business sales from results for the previous period.

UNITED ARROWS LTD.

UNITED ARROWS LTD.

Ⅱ. Overview of FY17

UNITED ARROWS LTD.

■ Performance Summary of 1H and 2H

	1H	2H
Consolidated Net Sales YoY	101.5%	104.7%
Gross Margin (YoY Difference)	50.8% (-0.2%)	51.1% (+0.5%)
SGA Expenses to Sales Ratio (YoY Difference)	48.1% (+2.8%)	41.9% (+0.9%)
Ordinary Income YoY	49.8%	100.8%
Ordinary Income Margin (YoY Difference)	2.8% (-2.9%)	9.5% (-0.4%)
Inventory as of the Period-End YoY	111.7%	109.4%
UNITED ARROWS LTD. Existing Store Sales YoY	99.9%	104.0%

■ Key Points

- Results were generally in line with revised plans, reflecting the improvement in sales trends from 2H
- Each benchmark bottomed out in 1H of the previous period and is showing signs of an improvement trend
  Looking at trends over the past few years, levels remain low; also target continued improvement going forward
- Despite a decrease in the rate of inventory growth, levels still exceed the rate of sales growth; promote increased efficiency
- Signs that new product- and sales-related efforts implemented from FY17 are having an effect and contributing to an improvement in performance

Despite signs of improvement, internal improvements and developments still lag behind shifts in the external environment and changes in customers

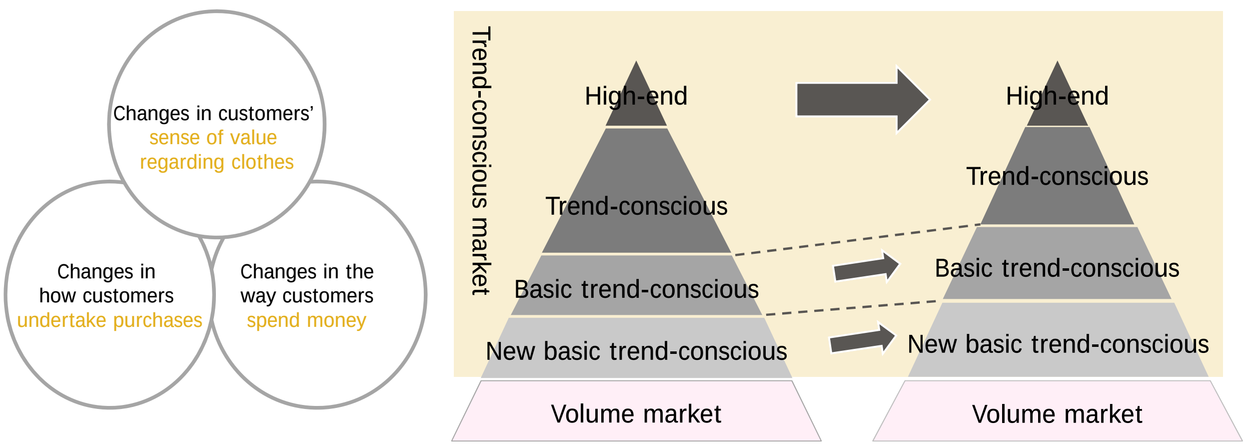
Consider and put in place a medium-to-long-term policy direction after taking into consideration the status of the internal and external environments

Ⅲ. The UNITED ARROWS Group's Medium-Term Vision

(FY18－FY20)

■Business Environment

External environment: Major changes in customers and markets



Internal environment: Change in the future business portfolio

Transfer of the CH business to the brand holder
→ By December 2024, transfer the CH business, which plays a vital role in the high-end market and contributes significantly to earnings

■Our Strengths and Direction of the Road Ahead

UNITED ARROWS LTD.

Our strengths

Relationships of trust with customers

- Earnest pursuit of Our Five Core Values
- Providing value in tune with customers' needs

→ Leveraging the cumulative effects of the Company's strengths to secure relationships of trust

- Strong customer service capabilities based on the Company Policy and Mission Statement
- The ability to hypothesize, test, and make the necessary adjustments based on direct frontline feedback
- The ability to address the needs of a variety of lifestyles through the operation of large-scale stores
- The ability to put in place and carry out basic sales and product policies
- The ability to build and implement a product platform
- An objective management system
  The ability to clarify revenue responsibility
  A robust governance framework

Supporting platforms and mechanisms

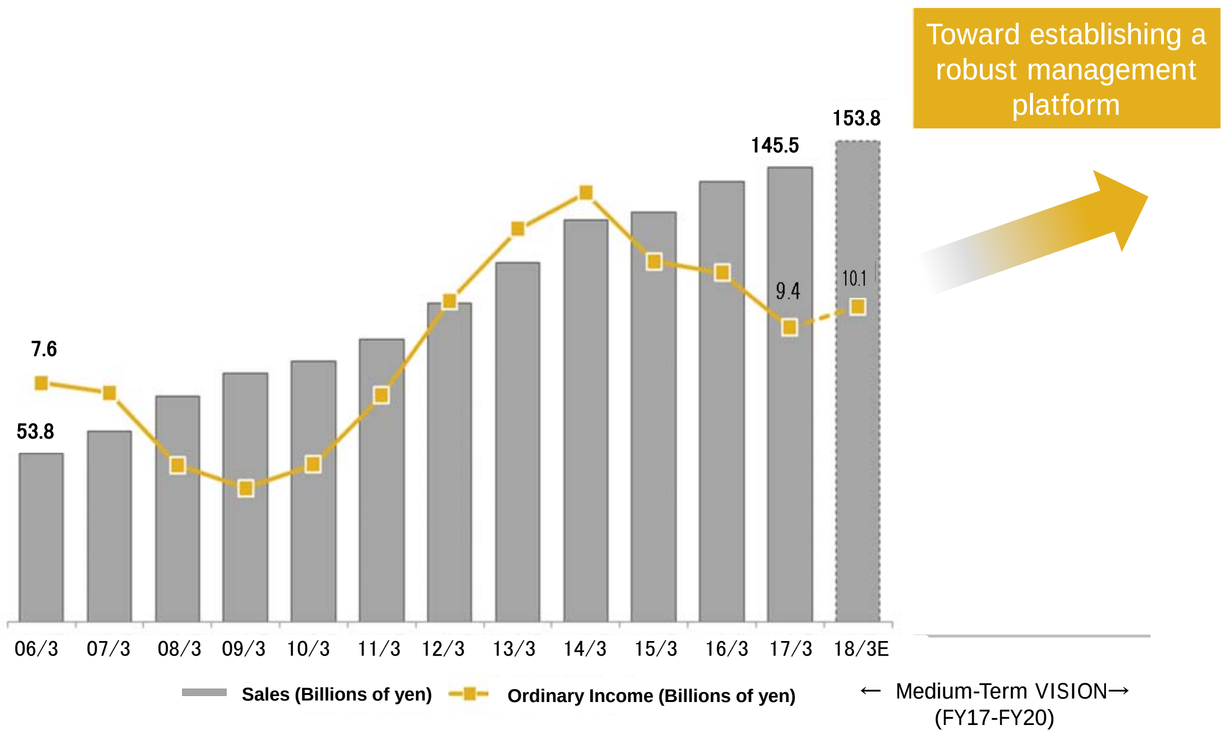
Increasingly taking advantage of the Company's strengths to review strategies aimed at ensuring success while remaining faithful to our Company Policy

Note: Our Five Core Values = A key component of the Company's Policy Structure. Working to enhance our balanced approach toward creating and increasing customer, employee, business partner, social, and shareholder value.

■Performance Trends and Positioning of the Company's VISION

UNITED ARROWS LTD.

First, work to establish a robust management platform



■Four Strategies under the Medium-Term VISION

UNITED ARROWS LTD.

Harnessing the Company's strengths, implement services that have been created in advance of customer changes while anticipating shifts in market trends

1. Establish a robust management platform
- Reform human resources systems
- Identify underperforming businesses
- Ensure a sound earnings structure

2. Expand online sales* activities by harnessing the strengths of physical stores
- Online sales growth scenario
- Future online sales policy initiatives
- Effect and impact of online sales expansion

3. Respond to changes in the market
- Trend-conscious market → Pursue quality over quantity
- Basic trend-conscious and new basic trend-conscious markets → Expand domains with high competitive advantage

4. Expand points of contact with customers
- Expand domains
- Increase the amount of time spent with customers
- Expand overseas activities

Four strategy roadmap

Strategies	To FY2020	Long Term
Establish a robust management platform		
Expand online sales activities by harnessing the strengths of physical stores		
Respond to changes in the market		
Expand points of contact with customers		

■Strategy Details: 1. Establish a robust management platform

UNITED ARROWS LTD.

1 Reform human resources systems
- Reinforce awareness toward the Company Policy
- Build a new climate through the Culture Reform Project
- Increase productivity by reemphasizing the importance of the ES system *1

2 Identify and evaluate underperforming businesses, stores, and activities; carry out appropriate countermeasures
- Promptly identify underperforming businesses, stores, and activities; pave the way for renewed growth

3 Ensure a sound earnings structure *2
- Redefine and promote an optimal cost structure; advance cost awareness reform

*1 ES system: Educator/student system; building a mechanism through which to nurture store staff by upgrading and expanding training for employees charged with the responsibility of educating human resources

*2 For details regarding measures aimed at improving profitability, please refer to FY18 Management Policy on pages 41 and 42.

1

Online sales growth scenario

- Increase online sales by leveraging the sense of confidence and integrity built up by physical stores
- Recognize the critical need to balance both online and physical stores; pursue customer satisfaction from both channels

2

Online sales policy trends and future initiatives

- Initiatives commenced from the previous period and over the start of the current period
- Future initiatives
- Long-term initiatives

3

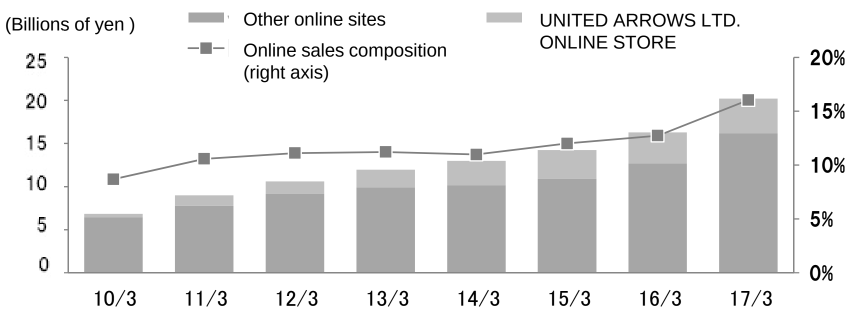
Effects and impact of online sales expansion

- Continue to maintain and enhance the Company's strengths by improving profitability
- Promote links with other medium-term strategies
- Long-term objectives

1. Online sales growth scenario

Increase online sales by leveraging the sense of confidence and integrity built up by physical stores

Trends in Online Sales and Online Sales Composition



【FY17】

- Online sales: ¥20.2 billion (up 24.2% YoY)
- Online sales composition: 16.0%
- UNITED ARROWS LTD. ONLINE STORE composition: 20.0%

Customer needs differ between online and physical stores → critical need to balance both channels

Online stores	×	Physical stores
Convenient settlement at any place and time		Service that exceeds expectations
Abundant items and product information		Imaginative styling proposals

Target high online sales and enhance stores while pursuing customer satisfaction through both channels by implementing a variety of measures based on thus strength going forward

■Strategy Details: 2. Expand online sales activities by harnessing the strengths of physical stores

UNITED ARROWS LTD.

2. Online sales policy trends and future initiatives

Initiatives commenced from the previous period and over the start of the current period

(1) Revise to a new House card program
- Integrate online and offline members
- Centralize the point system

(2) Integrate online and brand sites
- Strengthen staff recommendations
- Upgrade and expand settlement methods, etc.

(3) Reduce sales opportunity loss by strategically building up inventories

Future initiatives

Promote improvements by further strengthening initiative policies
- Work to improve the precision of product planning; build up online inventory
- Capture new customers through sales and promotional activities focusing on social media

Secure advances in functions and operations
- Review sales staff evaluation systems based also on online operations
- Expand online exclusive products (items, sizes, etc.)

Long-term initiatives

Commence steps to create new customer experiences in line with advances in digital technology

- Establish new online sales and customer services methods that compare favorably with physical stores (new concierge function)
- Promote projects aimed at opening new showroom/fitting room stores

■Strategy Details: 2. Expand online sales activities by harnessing the strengths of physical stores

UNITED ARROWS LTD.

3. Effects and impact of online sales expansion and long-term objectives

Maintain and enhance the Company's strengths by improving profitability

- Profitability that exceeds physical stores
  - Expectations of an improvement in long-term profitability by expanding online sales while maintaining sales efficiencies at physical stores
  - By expanding online sales, which are distinguished by their high profitability, contribute to an improvement in Companywide profitability and reinvest a portion of the earnings to physical stores and sales staff thereby maintaining strengths

Promote links with other medium-term strategies

- Establish a robust management platform
  → Improve profitability by promoting the shift to online sales
- Address changes in the market
  → High degree of affinity between the basic trend-conscious and new basic trend-conscious markets and online sales
- Expand points of contact with customers
  → Explore the potential for overseas development in cross-border online sales

Long-term objectives

- Target an online sales composition of 25-30% on a consolidated basis
  (currently approximately 16%)

■Strategy Details: 3. Respond to changes in the market

1 Improving value and leaving a distinctive mark on the trend-conscious market

- Incorporate the essence of model stores into existing stores
- Increase investment in existing stores
- Thoroughly enhance the quality of private brand products
- Improve customer service capabilities

2 Expansive growth in the basic trend-conscious market

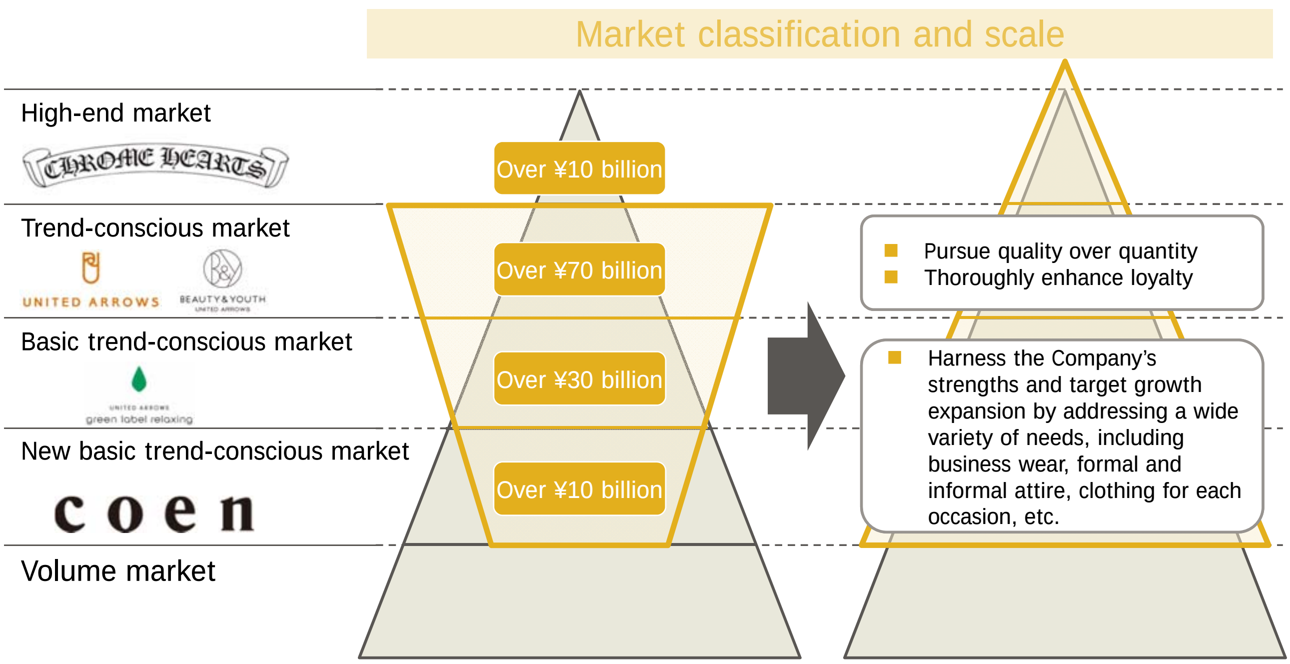
- Continue to open GLR stores and expand EC activities
- Open independent stores in the robust GLR category (business wear, women’s items)

3 Promote a multibuisiness strategy in the new basic trend-conscious market

- Reform the earnings structure in the COEN business
- Consider new business within COEN in categories where the company exhibits competitive advantage

■Strategy Details: 3. Respond to changes in the market

Sales composition by target market over the long-term



Company sales

Targeted sales composition over the long term

Note: Information consisting solely of the Company’s major brands.
Note: Data regarding the Company’s sales in the trend-conscious market (over ¥70 billion) compiled from UA business and SBU sales.

Target a business composition that is compatible with customers' values and consumption patterns while making the most of the Company's strengths

Brand power

- Further fine-tune the depth of the UA brand
- Promote shower effects through the UA brand
- Target further growth expansion in the basic trend-conscious and new basic trend-conscious markets

Sales capabilities

- Maintain strong customer service capabilities based on the Company Policy and Mission Statement
- Maintain the ability to hypothesize, test, and make the necessary adjustments based on direct frontline feedback

Strengths = Brand power × Sales capabilities × Robust mechanisms

Robust mechanisms

- A decade since setting up the product platform
- Further advances in the mechanisms used to promote total management from the frameworks that support merchandising (MD) and production operations to the entire value chain

The direction of further developments in the product platform *

	FY2007-FY2010	FY2011-FY2015	FY2016-FY2017	In the Future
Initiatives	Pushed forward initiatives for introduction across all businesses	Pushed forward initiatives aimed at ensuring stable operations	Pushed forward initiatives in line with customer-related changes	Develop a framework that will allow total control across the entire value chain
MD Platform	Promoted efforts aimed at visualizing and standardizing merchandising operations	Strengthened budget performance management	Introduced segmented season merchandising	Maintain season, monthly and weekly merchandising platforms in line with business portfolio-based concepts, positions and targets (combine qualitative and quantitative aspects; enhance hypothetical precision)
Production Platform	Took stock of and standardized production management operations	Promoted delivery, quality and cost management	Promoted an optimum location, optimum production strategy	Select an appropriate production scenario in a timely manner based on the above

* Product platform = MD platform + Production platform

1 Expand domains

- Address changes in the way customers spend money
- Crystallize the ideals held since the Company's founding

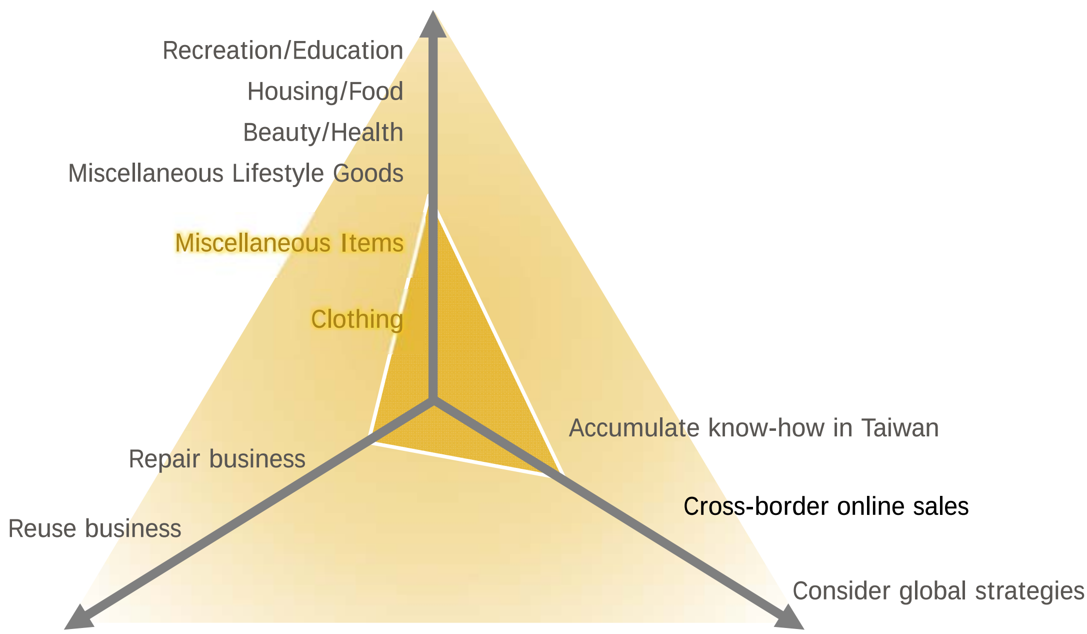
2 Increase the amount of time spent with customers

- Consider reuse and repair businesses

3 Expand overseas activities

- Taiwan business: Accumulate knowledge by promoting both physical stores and online sales activities
- Verify the potential for overseas development in cross-border online sales
- Consider next-generation global strategies in line with the above

1. Expand domains



2. Increase the amount of time spent with customers

3. Expand overseas activities

Consider a variety of measures including M&As and alliances that focus on enhancing capital efficiency as well as the introduction of external experts across all genres

Guidance from an operating results perspective over the medium-term period (FY18-FY20)

Enhance value in a balanced manner from the perspectives of all stakeholders by targeting medium- and long-term continuous growth

- Ordinary income ••• Target average annual growth of 8% over the medium-term period
- Ordinary income margin ••• At least 7% in the final fiscal year of the medium-term period; work to secure double-digit ordinary income margin over the long term (FY17: 6.5%)

Long-term KPIs

- EC sales composition ••• Target 25-30% over the long term (currently 16%)
- Inventory turnover ••• Target a record high over the long term (FY13: 6.9 times; FY17: 5.8 times)
- Ratio of regular price sales ••• Target an improvement of at least 5 percentage points over the long term

Basic approach (balanced approach toward growth and the return of profits to shareholders)

- Undertake operating investments geared toward sustainable growth utilizing the scope of cash flows from operating activities; determine the implementation of operating investments after verifying such key issues as recoverability with the set fiscal year and after taking into consideration internally fixed capital costs (approximately 8%)
- Practice management that emphasizes capital efficiency, working to balance the needs for growth and the return of profits to shareholders by providing stable dividends

Consolidated indicators targeted on a continuous basis over the medium-term period

ROE: At least 16%

×

Dividend payout ratio: At least 35%

=

Results of the indicators at left

DOE: At least 5.5%

Ⅳ. FY18 Management Policy

■FY18 Management Policy and Addressing Priority Issues

FY18 Management Policy

Early improvement in profitability

1. Improve the gross margin

- Increase the ratio of regular price sales
  Ensure widespread awareness toward the basic product policy; set prices at levels that accurately reflect an optimal balance between price and value
- Stabilize sales
  Strengthen measures aimed at addressing business as well as ceremonial demand that is resilient to the impact of changes in weather conditions, etc.

2. Improve inventory efficiency

- Increase the finished quality of each product by reducing the number of product items
- Flexibly undertake additional production of top-selling items while controlling the volume of inventory introduced at the beginning of the season

3. Improve the SGA expenses to sales ratio

- Form project teams and take stock of internal operations
- Undertake a comprehensive review of inefficient operations and unnecessary costs; link to an improvement in the SGA expenses to sales ratio

4. Improve profitability by expanding online sales activities

- Put in place an environment in which customers have the flexibility and convenience of making purchases at either physical or online stores
- At the same time, expand the supply of inventory to online stores; control sales opportunity loss

Implement measures aimed at establishing a robust management platform in the first year of the medium-term VISION

Ⅴ. Reference Materials

■Reference: Trends in Movements in the Consolidated Gross Margin (Degree of Impact)

	FY15 1H	FY15 2H	FY15 Full Fiscal Year	FY16 1H	FY16 2H	FY16 Full Fiscal Year	FY17 1H	FY17 2H	FY17 Full Fiscal Year
Gross margin for FY17	52.7%	51.3%	51.9%	51.0%	50.6%	50.8%	50.8%	51.1%	51.0%
Gross margin for the corresponding period of the previous fiscal year	53.2%	53.4%	53.3%	52.7%	51.3%	51.9%	51.0%	50.6%	50.8%
Difference	(0.5)pt	(2.1)pt	(1.4)pt	(1.8)pt	(0.6)pt	(1.1)pt	(0.2)pt	0.5pt	0.2pt

■Factors that impacted the consolidated gross margin and the levels of overall impact

	FY15 1H	FY15 2H	FY15 Full Fiscal Year	FY16 1H	FY16 2H	FY16 Full Fiscal Year	FY17 1H	FY17 2H	FY17 Full Fiscal Year
Impact on the gross margin of UNITED ARROWS LTD. total business units	(0.4)pt	(1.5)pt	(1.0)pt	(1.2)pt	(0.8)pt	(1.0)pt	(0.5)pt	0.7pt	–
Impact on the gross margin of UNITED ARROWS LTD. outlet and other stores	(0.4)pt	(0.2)pt	(0.3)pt	(0.3)pt	0.0pt	(0.2)pt	0.1pt	0.0pt	–
Impact on UNITED ARROWS LTD. other costs	(0.1)pt	(0.2)pt	(0.1)pt	0.0pt	0.4pt	0.2pt	0.1pt	(0.2)pt	–
Other factors (subsidiary company trends, consolidated adjustments, sales composition, other)	0.4pt	(0.2)pt	0.1pt	(0.4)pt	(0.2)pt	(0.2)pt	0.1pt	(0.1)pt	–

Note: Breakdown details for the full fiscal year under review have not been provided. This reflects the difficulties involved in analyzing data attributable to the spin-off of

■Reference: Trends in the Consolidated SGA Expenses to Sales Ratio

UNITED ARROWS LTD.

	FY15 1H	FY15 2H	FY15 Full Fiscal Year	FY16 1H	FY16 2H	FY16 Full Fiscal Year	FY17 1H	FY17 2H	FY17 Full Fiscal Year
Total of SGA Expenses to Sales	46.8%	40.4%	43.3%	45.3%	40.9%	42.9%	48.1%	41.9%	44.7%
Advertising Expenses	2.1%	1.7%	1.9%	1.7%	2.0%	1.9%	2.2%	2.2%	2.2%
Personnel Expenses	17.2%	14.1%	15.5%	16.6%	14.0%	15.2%	17.4%	14.2%	15.6%
Rent	13.8%	13.0%	13.4%	13.6%	13.2%	13.4%	14.4%	13.7%	14.0%
Depreciation	1.5%	1.3%	1.4%	1.4%	1.2%	1.3%	1.4%	1.2%	1.3%
Other	12.3%	10.2%	11.2%	12.0%	10.6%	11.2%	12.7%	10.6%	11.6%