



UNITED ARROWS LTD.

Long-Term Vision 2032 Medium-Term Management Plan 2023-2025

Long-Term Vision 2032
Medium-Term Management Plan 2023 - 2025

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1989
Founding
aspirations

The Standard of Japanese Style

We aim to establish and promote values that serve as the standard in Japanese lifestyle culture through our businesses

2019-
Corporate
Philosophy

With sincerity and a sense of beauty, we continually create new tomorrows for our customers, setting the standard for lifestyle culture.

UNITED ARROWS LTD. Long-Term Vision 2032, Medium-Term Management Plan 2023-2025

UNITED ARROWS LTD. (UA LTD. or the Company) was founded in 1989 with the aspiration of establishing and promoting values that serve as the standard in Japanese lifestyle culture through its business activities.

Since then, such aspirations have been incorporated into our Corporate Philosophy. Today, it is carried on by the philosophy, "with sincerity and a sense of beauty, we continually create new tomorrows for our customers, setting the standard for lifestyle culture."



- To promote values that serve as the standard in Japanese lifestyle culture
- To enrich customers' lives
- To continue to pursue a sense of beauty

What hasn't changed from the foundation to the present are:

- To promote values that serve as the standard in Japanese lifestyle culture
- To enrich customers' lives
- To continue to pursue a sense of beauty

and these constitute the raison d'être of the Company.

In formulating the Medium-Term Management Plan this time, we had many discussions on what the Company aspires to be in the long term, with the aim of realizing our philosophy, and developed the long-term vision that targets the fiscal year ending March 2033.



Long-Term Vision 2032

Long-Term Vision 2032

The Beautiful Company UNITED ARROWS

We will continue to pursue truth, goodness, and beauty in order to contribute to the realization of a sustainable society and become a high-value-added group that continues to be loved by customers.

UNITED ARROWS LTD. Long-Term Vision 2032, Medium-Term Management Plan 2023-2025

Our long-term vision is “The beautiful company UNITED ARROWS. We will continue to pursue truth, goodness, and beauty in order to contribute to the realization of a sustainable society and become a high-value-added group that continues to be loved by customers.”

What we aspire to be when we achieve the long-term vision

A group that offers high value-added lifestyles with high sensitivity

We wish to be indispensable to live a life with high sensitivity in Japan

Values to be held toward the long-term vision

Departure from an orientation toward sales expansion on the premise of mass production and mass consumption, and switching to an orientation toward broadening the customer base and expanding the scope of value provision

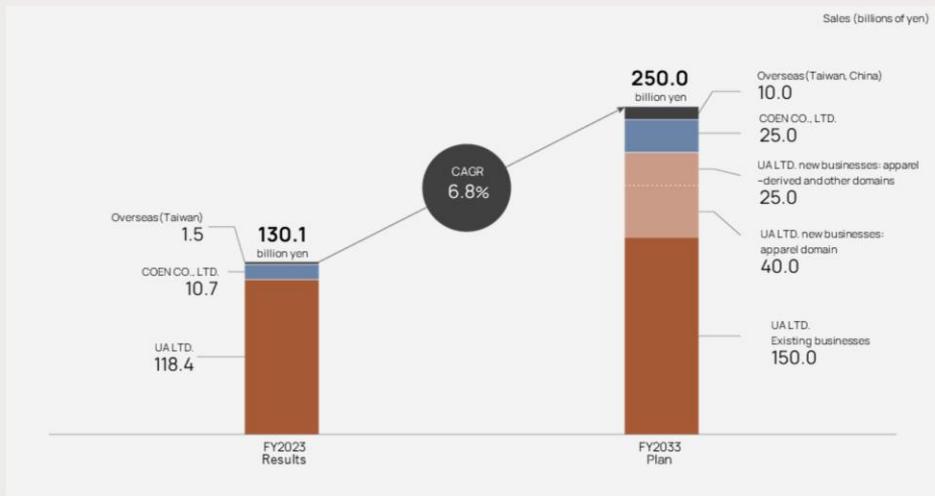
We aspire to be a high value-added group with high sensitivity that can propose the standard for lifestyle culture by expanding our business and broadening the customer base.

We aspire to be a high value-added group that offers lifestyles with high sensitivity when we achieve the long-term vision. This is about setting the standard for Japanese lifestyle culture, which the Company has been aspiring to do since its foundation, and about the Company being indispensable to live a life with high sensitivity in Japan.

Values to be held by us toward the achievement of the long-term vision are a departure from an orientation toward sales expansion on the premise of mass production and mass consumption, and switching to an orientation toward broadening the customer base and expanding the scope of value provision.

There are still a lot of unexploited domains for us to provide the standard for lifestyle culture, and there are many customers that we have not been able to acquire. We aim to set the standard for lifestyle culture and achieve our long-term vision by expanding our business and customer base.

Long-Term Financial Targets



UNITED ARROWS LTD. Long-Term Vision 2032, Medium-Term Management Plan 2023-2025

As financial targets for the final year of the long-term vision, we aim to achieve sales of 250 billion yen with the compound annual growth rate of 6.8% and operating income of 25 billion yen, which corresponds to 10% of sales.

In terms of breakdown of sales, 150 billion yen is expected from UA LTD. existing businesses. For new businesses, we expect 40 billion yen from the apparel domain and 25 billion yen from apparel-derived and other domains than apparel. COEN CO., LTD. and overseas businesses, including Taiwan and China, are expected to bring 25 billion yen and 10 billion yen, respectively.



Approach to sustainability in the long-term vision

Departure from an orientation toward sales expansion on the premise of mass production and mass consumption means:

“Creating the maximum corporate value with limited resources”

= Procuring appropriate amounts of products properly and selling them without waste (improving the ratio of items sold at regular prices)

- For customers: Foster a sense of trust and reassurance in prices
- For employees: Increase profit productivity = Improve compensation and engagement
- For shareholders: Increase profit distribution as the corporate value increases
- For business partners: Protect human rights in the supply chain
- For society: Reduce environmental load by controlling disposal, etc.

In addition, the use of environmentally conscious materials, switching to renewable energy, and recycling of waste will be promoted to achieve sustainability goals

About our approach to sustainability under the long-term vision.

We believe that true sustainability, which companies should strive for, should be what is continued regardless of performance and is consistent with the direction in which management is headed. The number one priority that the Company must continue to address over the long-term is departure from an orientation toward sales expansion on the premise of mass production and mass consumption that I mentioned on the previous slide.

This means “creating the maximum corporate value with limited resources” while aiming to expand business. That is, properly procuring an appropriate amount of products with due consideration paid to the supply chain and selling them without waste. In other words, it is about improving the ratio of items sold at regular prices.

If this can be achieved, customers will have a greater sense of confidence and reassurance in prices, employees will be able to increase profit productivity by selling high-value-added products, which will improve compensation and engagement, and shareholders will be able to increase profit distribution as corporate value increases.

For our business partners, we will take the initiative to ensure that human rights are respected in the supply chain. We will strive to fulfill our corporate social responsibility and reduce business risks by eliminating negative impacts on human rights.

As far as society is concerned, this will lead to a reduction in environmental load by controlling disposal, etc. In addition, we will promote product development using environmentally conscious materials, switching to renewable energy, recycling of disposal, and other initiatives.

Setting targets for these from the perspective of sustainability is embodied in our currently disclosed sustainability targets for 2030 (fiscal year ending March 2031). We believe it is possible to achieve these targets by creating the maximum corporate value with limited resources.

Review of Medium-Term Management Plan 2020-2022

UNITED ARROWS LTD. Long-Term Vision 2032, Medium-Term Management Plan 2025-2025

1. Drastically review the revenue structure

Scrutinize unprofitable subsidiaries, businesses, and stores

Number of stores down 17.0% from the end of March 2020, including those due to changes in the consolidation structure

Structural reform of the headquarters organization

Change the organizational structure from business headquarters to functional headquarters

Changes in personnel measures

Changes in the consolidation structure a reduction in the number of employees due to natural attrition: Decrease by 19.2% from the end of March 2020

Correct downward rigidity of personnel expenses: decrease 3.6 billion yen (down 14.5%) from FY2020

Improvement of gross margin through improved inventory efficiency

Control inventory procurement: Inventory turnover 6.3 (+0.4pt from FY2020)

Strengthen regular price sales: Consolidated gross margin of 51.6% (+0.8 pt from FY2020)

UNITED ARROWS LTD. Long-Term Vision 2032, Medium-Term Management Plan 2023-2025

Looking back at the Medium-Term Management Plan that covered the period up to the previous fiscal year and had as its basic policy “Weather the crisis and regain our earnings power,” we undertook the initiatives described on the slides to drastically review the revenue structure, including scrutinizing unprofitable businesses, subsidiaries and stores, structural reform of the headquarters organization, changes in personnel measures, and improving gross margin by enhancing inventory efficiency. I will omit an explanation of individual results, however we generally believe that the expected results were achieved.

2. Regain our earnings power

Improved the revenue of core businesses

Product development fit for "with Coronavirus":

Developed new brands for outdoor activities, yoga, and golf, etc.

Business development in line with the new era:

Launched CITEN, a new brand with an eye on younger customers

Promoted OMO¹

Renewal of UNITED ARROWS LTD. Online (UAO):

Sales of UAO; 10,300 million yen, 34.0% of total sales (vs. FY2020 165.7%, +12.7pt)

Number of cross users² Approximately 170,000 (vs. FY2020 153.9%)

Strengthened staff content to digitize the strengths of retail stores:

Sales via styling; about 28% of UAO sales

¹: Abbreviation of "Online Merges with Offline." It refers to the integration of online and offline.

²: Customers who use both retail stores and UNITED ARROWS Ltd. Online

Also, to regain our earnings power, we took steps to improve earnings in our core businesses, improving gross margin, developing new brands to plant seeds for the new Medium-Term Management Plan, and promoting OMO centered on the renewal of UNITED ARROWS LTD. Online (UAO).

3. Consolidated

Sales	130,135 million yen	(vs. FY2020 82.7%; Excluding the impact of the change in consolidation structure and the change in revenue recognition standards 93.4%)
Gross margin	51.6%	(vs. FY2020 +0.8pt)
SGA expenses	60,816 million yen	(vs. FY2020 85.4)
Operating Income	6,362 million yen	(vs. FY2020 72.6%)
Net Income Attributable to Owners of Parent	4,341 million yen	(vs. FY2020 123.2%)
Number of stores	298 stores	(vs. FY2020 83.0%)
Number of employees	3,915 persons	(vs. FY2020 80.8%)
ROE	13.6%	(vs. FY2020 +4.3pt)
Inventory turnover	6.3 times	(vs. FY2020 +0.4pt)

(FY2023 results)

UNITED ARROWS LTD. Long-Term Vision 2032, Medium-Term Management Plan 2023-2025

Key indicators on consolidated and non-consolidated bases are shown in the slide. Although we have yet to completely surpass pre-pandemic levels, partly due to changes in the consolidation structure, we managed to return to a level close to the earlier level, solidifying the foundation for our next growth.

4. Non-Consolidated

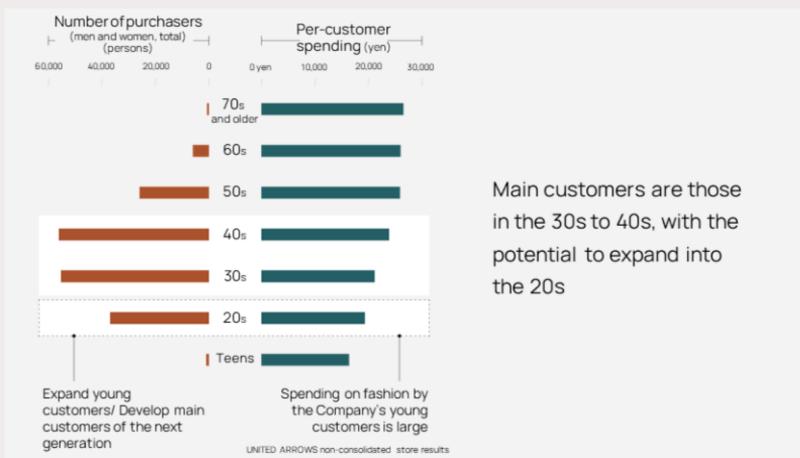
Sales	118,434 million yen	(vs. FY2020 91.5%; excluding the impact of the change in revenue recognition standards 94.2%)
Gross margin	51.4%	(vs. FY2020 +1.2 pt)
SGA expenses	54,439 million yen	(vs. FY2020 91.5%)
Operating Income	6,430 million yen	(vs. FY2020 118.9%)
Number of stores	215 stores	(vs. FY2020 89.2%)
Online sales	30,358 million yen	(vs. FY2020 103.9%)
Composition ratio of online	25.4%	(vs. FY2020 +2.8 pt)

(FY2023 results)

Medium-Term Management Plan 2023-2025

UNITED ARROWS LTD. Long-Term Vision 2032, Medium-Term Management Plan 2023-2025

1. Toward achieving the long-term vision
Issue along the Age Axis



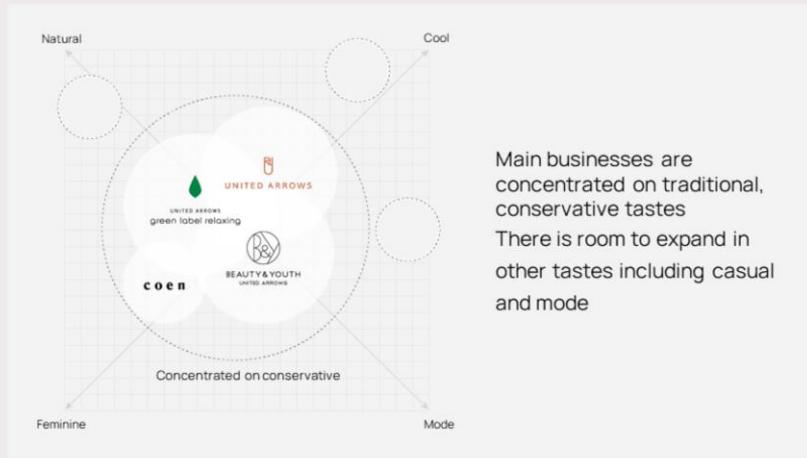
UNITED ARROWS LTD. Long-Term Vision 2032, Medium-Term Management Plan 2023-2025

In drafting the new Medium-Term Management Plan, we summarized the issues currently recognized by us into four categories, with a view to realizing our long-term vision.

The first one is the issue along the age axis. While the Company is supported by those who are with relatively high sensitivity and want service of high quality, including the store environment and customer service, especially among Generation Y, the appeal to those in their teens and 20s is insufficient.

On the other hand, as shown in the graph on the slide, even for those in their teens and 20s, per-customer spending is at a high level, ranging from mid-10,000 yen to the mid-20,000 yen. By expanding this age segment, we believe we can expand our business while maintaining high sensitivity and highly added value.

2. Toward achieving the long-term vision
Issue along the Brand Axis



UNITED ARROWS LTD. Long-Term Vision 2032, Medium-Term Management Plan 2023-2025

The second is the issue in terms of fashion tastes. The Company's main brands are concentrated on traditional and conservative tastes, and there are still domains that we haven't fully captured, such as casual, mode, street, and feminine.

We see the two issues of age and fashion tastes as evidence that the Company has plenty of room to grow even within the domestic apparel market.

3. Toward achieving the long-term vision
Issue in terms of business
- Business domains are mostly fashion, and domestic
 - There is room to expand value provided to food, clothing, and living toward making lifestyle proposals
 - Overseas business is currently limited to Taiwan, with room for expansion, including entry into China and others
-
4. Toward achieving the long-term vision
Issue of efficiency improvement through digital technology and infrastructure development
- Review of the core product management system
 - Digitization of product procurement
 - Capital expenditure to promote OMO
 - Reorganization of distribution with an eye on business expansion

UNITED ARROWS LTD. Long-Term Vision 2032, Medium-Term Management Plan 2023-2025

The third is the issue in terms of business. In offering lifestyles with high sensitivity, the area that the Company has been able to propose is still limited to fashion. In recent years, we have been working on outdoor activities, golf, wellness, living environment, corporate services, and others, however we have yet to reach the point where we can offer complete lifestyles. Our overseas business is also limited to the Taiwan area, and partly due to the COVID-19 pandemic, we are now about to begin our efforts in mainland China on a full scale. This is another area of potential growth in the future.

The last is the issue of efficiency improvement. There is still work to be done that involves a variety of infrastructure investments, including review of the core product management system with a view to the medium to long term, digitization of product procurement, capital expenditure to promote OMO, and reorganization of distribution with an eye on future business expansion. To achieve our long-term vision, we must make appropriate investments under the new Medium-Term Management Plan.

提 感
供 動
KANDOU
TEIKYO

ENGAGEMENT
WITH CUSTOMERS

providing excitement - connecting with customers widely and deeply

UNITED ARROWS LTD. Long-Term Vision 2032, Medium-Term Management Plan 2023-2025

The slogan of the new Medium-Term Management Plan, which is to resolve these issues and serves as a starting to achieving the long-term vision, is “Providing excitement: connecting with customers widely and deeply .”

While deepening relationships with the existing customers centered on the OMO initiatives, we will expand our business and customer base through new business development.

UA Group
management goals



Consolidated operating income **9-10** Billions of yen

Consolidated operating income margin **5.6-5.9** %

ROE **13.8-15.4** %

Our financial targets for the fiscal year ending March 2026, the last fiscal year of the period of the Medium-Term Management Plan, are consolidated sales of 160 billion yen to 170 billion yen, consolidated operating income of 9 billion yen to 10 billion yen, consolidated operating income margin of 5.6% to 5.9% and ROE of 13.8% to 15.4%. These represent the highest profit level since the exclusion of CHROME HEARTS JP, GK from the scope of consolidation, and we aim to achieve this level.

Three Key Strategies



The new Medium-Term Management Plan consists of three main strategies.

UA CREATIVITY strategy aims to strengthen brand appeal while continuing to work on the growth and expansion of existing businesses.

UA MULTI strategy is an effort to expand our business and customer base through new business development, while UA DIGITAL strategy is an effort to streamline corporate operation by making capital expenditure in anticipation of future growth.

UA
CREATIVITY
Strategy

Grow and expand existing businesses

Top-line growth

- Expand sales through the promotion of OMO
- Resume new store openings

Improvement of gross margin

- Control costs
- Control inventory procurement and improve the ratio of items sold at regular prices*
- Improve gross margin of online

*Ratio of sales at regular prices to total purchases



UNITED ARROWS LTD. Long-Term Vision 2032, Medium-Term Management Plan 2023-2025

UA CREATIVITY strategy consists of three items: Growth and expansion of the existing businesses, strengthening of brand appeal, and re-growth of COEN.

In terms of growth and expansion of the existing businesses, we will work to grow the top line, improve gross margin.

In March 2022, UAO were renewed to lay the groundwork to promote OMO measures. Since then, we have been working on various initiatives, such as linking with retail stores' inventory and digitizing customer service skills, including styling and online customer service. While evolving these initiatives, under the Medium-Term Management Plan we will renovate the House Card program and renew the app for UNITED ARROWS LTD. Online. I will explain the details later, in UA DIGITAL.

We have been restricting store openings to scrutinize unprofitable stores, however we will resume store openings under the Medium-Term Management Plan. There is room for store openings also in the existing businesses, both in downtowns and suburbs. We started opening stores under the new CITEN brand in the previous fiscal year.

In terms of improving gross margin, we will continue to control cost of sales, ensure the procurement of inventory in appropriate quantities, improve the ratio of items sold at regular prices, and improve gross margin of online. In the face of rising costs, such as rising prices of raw materials, we will continue to carefully set prices and implement cost control measures to maintain the cost ratio at an appropriate level. In the previous fiscal year, we improved our gross margin by switching to a sales method that improves the ratio of items sold at regular prices while controlling the amount of procurement. There is a gap between the current ratio of items sold at regular prices and the Company's target level, leaving room for further improvement. We will ensure the procurement in appropriate quantities and strengthen regular price sales to curb discount price sales and inventory leftover and improve gross margin.

Online tends to have lower gross margin than retail stores because of the higher composition ratio of sales at discount prices and the higher proportion of purchases, etc. Improving the gross margin of online is an essential issue, because it is difficult to improve profitability even if we grow online sales under this situation. Curbing sales at discount prices is already underway, and we will improve the user interface of the websites, modify inventory operation, and step up promotional activities to expand sales of original products in order to increase gross margin.

Strengthen brand appeal

Expansion of investment in human capital

- Improve employee engagement
- Investment in employee education
- Assignment of the right talented people in the right positions through talent management
- Strengthen recruitment

Rebranding of the corporate brand

- Develop new brands that create a new UA image

Re-grow COEN



UNITED ARROWS LTD. Long-Term Vision 2032, Medium-Term Management Plan 2023-2025

For strengthening of brand appeal, we will promote the expansion of investment in human capital and rebranding of the corporate brand.

We recognize that the Company's competitiveness comes from the power of products of planning and procuring attractive products, the power of service to deliver them to customers with refined customer service skills, and the power of places to provide customers with a comfortable and uplifting shopping experience. It is our employees, the human capital of the Company, that support these efforts and build the brand value. Under the Medium-Term Management Plan, we plan to enhance the Company's brand appeal by improving employee engagement.

One of the efforts is investment in employee education. In order to encourage employees to learn and develop their capabilities of their own initiative, we will enhance our educational system, including support for business school attendance and the acquisition of certifications. We will make active use of our talent management system to visualize the experience, skills, and vision of each and every employee, and promote the assignment of the right talented people in the right positions for various future initiatives, creating an environment in which they are highly motivated to carry out their tasks. At the same time, we will strengthen new recruitment.

Rebranding of the corporate brand is an effort to reinvent the corporate entity itself by developing new brands that create a new corporate image. We will maintain our existing positive image of being strong in business and formal, traditional, conservative, reliable, and reassuring, while rebuilding the corporate brand to one that is even more active and appealing to a wide range of generations. We will provide more details as soon as they are determined.

We have roughly worked out how to turn COEN CO., LTD. profitable. In order to secure a solid position in the new basic trend-conscious market under this Medium-Term Management Plan, we will strive for growth and expansion.

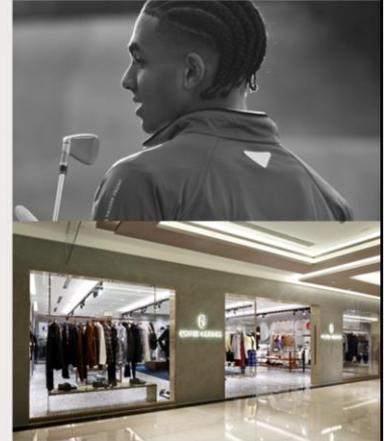
UA
MULTI
Strategy

Business development for
business expansion

- Develop new brands with an eye on younger customers
- Strengthen apparel-derived brands
- Explore and execute domains other than apparel
- Expand corporate business

Global expansion

- Expand Taiwan business
- Initiate initiatives for the Chinese market
- Strengthen cross-border EC and wholesale



UNITED ARROWS LTD. Long-Term Vision 2032, Medium-Term Management Plan 2023-2025

UA MULTI strategy is an effort to broaden the range of value that the Company offers and expand its customer base. We will work on business development and global development aimed at business expansion.

In terms of business development aimed at business expansion, we will develop new brands with an eye on younger customers, strengthen apparel-derived brands, explore and execute domains other than apparel, and expand the corporate business.

As I explained as the issues earlier, the Company's coverage is still limited along the age and fashion tastes axes. To expand this, we will develop new brands, mainly with an eye on younger customers. In recent years, we embarked on a variety of initiatives, including yoga, golf, and outdoor activities. During the period of this Medium-Term Management Plan, we will also step up the initiatives for these apparel-derived brands. At the same time, we will explore domains other than apparel and proceed on to execution. We will further expand our efforts in corporate business that leverages the Company's brand appeal and product development capabilities.

In terms of global expansion, in addition to growing our Taiwan business by opening more new stores, we will advance the China strategy, which was temporarily suspended due to the COVID-19 pandemic. In addition to strengthening cross-border EC by making UAO multilingual, we will also promote wholesale to other countries.



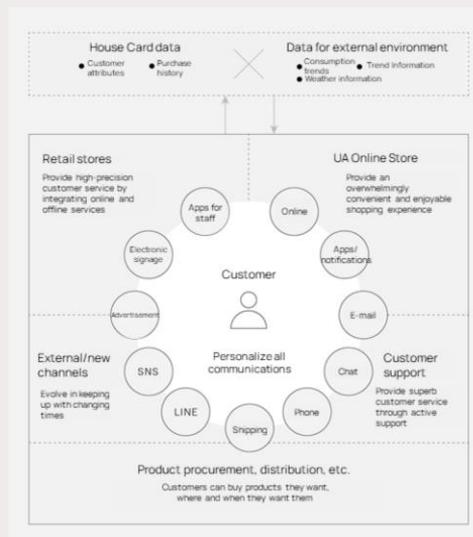
Promote OMO

Renovate the House Card program (CRM program)

- Change to a program that increases lifetime value (Customer Lifetime Value)

Redevelop the app for UNITED ARROWS Ltd. Online

- Steer more customers to retail stores and online stores using the app as a touchpoint



UNITED ARROWS LTD. Long-Term Vision 2032, Medium-Term Management Plan 2023-2025

UA DIGITAL strategy focuses on two axes: Promoting OMO and optimizing the supply chain.

To promote OMO, we will invest in the renovation of the House Card program and the renewal of the app for UAO, which I have explained in UA CREATIVITY.

The current House Card program, which provides points in accordance with purchase amounts, will be replaced with one that strengthens our relationship with customers based on contacts with the Company. Renovating the program to one that facilitates our building a deep relationship with each of them so that they deal with us for many years, by not merely their making purchases but also increasing touchpoints with the Company, will increase lifetime value (Customer Lifetime Value) . Details of the program will be announced as it is closer to implementation.

The smartphone app plays a major role in increasing touchpoints with the Company. In addition to allowing customers to browse UAO, the app also features House Card membership functions. Many of the customer activities that lead to contact with the Company, such as registering favorite products and posting reviews, are done through the app.

In order to make the House Card program work more effectively, we will work to increase the speed of the operation of the app for UAO and renew it to one that is easier to use. Customers who use the app tend to spend more at retail stores than those who don't, and making the app for UNITED ARROWS LTD. Apps easier to use will help strengthen not only online but also retail stores. We will also enhance the functions of UAO on a continuing basis, and make effective use of the data for the external environment, such as consumption trends, trend information, and weather information, as well as a variety of data, including attribute information and purchase history that are obtained from customers through the House Cards, with the aim of providing highly precise services optimized for each customer. We will create an environment in which customers can buy products they want, where and when they want them, and build deeper relationships of trust through a variety of services that enhance the value of customer experience.

Optimize the supply chain

Upgrade the core product management system

- Build infrastructure for future business expansion
- Curtail lost sales opportunities and improve inventory efficiency by centralizing inventory information
- Strengthen cybersecurity measures

Digitization of product procurement

- Visualize status information from order to delivery
- Enhance efficiency in inventory management by improving the precision of inventory procurement

Reorganize distribution centers

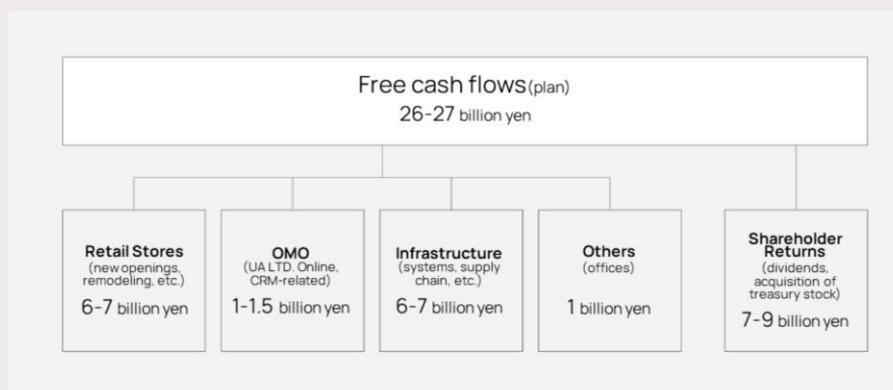
- Build infrastructure for future business expansion

In terms of supply chain optimization, we will promote investment in infrastructure with a view to expanding our business in the future. Since the current core product management system, which covers everything from product planning to sales, is designed to cater existing businesses, we will upgrade it to accommodate the future expansion of domains other than apparel. Centralized management of inventory information at stores, online, and distribution warehouses will help curtail lost sales opportunities and improve inventory efficiency, while strengthening cybersecurity measures at the same time.

In conjunction with this renovation, we will promote the digitization of product procurement to visualize the status of products from ordering to delivery. By making it possible to check the status of product procurement nearly in real time, we aim to improve the precision of inventory procurement and operational efficiency.

We will also reorganize our distribution centers in line with future business expansion. We will move ahead with the enhancement of facilities at the centers and the development of a system optimized for OMO.

Capital allocation



UNITED ARROWS LTD. Long-Term Vision 2032, Medium-Term Management Plan 2023-2025

As for cash allocation, we assume free cash flows of 26 billion yen to 27 billion yen during the period of this Medium-Term Management Plan.

In accordance with the initiatives set under the Medium-Term Management Plan, we plan to allocate 6 billion yen to 7 billion yen for store openings in the existing and new businesses and remodeling, etc., of retail stores to grow the top line, 1 billion yen to 1.5 billion yen for improvements of UAO to promote OMO and CRM-related investments, 6 billion yen to 7 billion yen for various infrastructure investments for the digitization of the supply chain, and approximately 1 billion yen for capital expenditure for offices and the like.

The Company recognizes that maximizing shareholder value is a key management issue, and its basic policy is to maximize shareholder value through measures such as stable dividends that are linked to business performance, stock splits, and the acquisition and cancellation of treasury stock.

Based on this thinking, we aim for a payout ratio of around 30% during the period of the Medium-Term Management Plan, and plan to use 7 billion yen to 9 billion yen in shareholder returns of dividends and share buybacks, including the share buybacks announced on May 10, 2023.

Capital Allocation

	Top-line growth					Improvement of gross margin			
	Sales expansion through the promotion of OMO	Resumption of new store opening	Development of new brands	Development of non-apparel businesses	Global expansion	Cost control	Improvement of the ratio of items sold at regular price	Enhancement of inventory efficiency	Improvement of EC gross margin
Store opening	Existing businesses		✓			✓			
	New brands		✓	✓	✓				
OMO	Renovate the House Card program	✓							
	Redevelop the app for UA LTD. Online	✓							
Infrastructure	Upgrade the product management system	✓		✓	✓			✓	
	Digitization of product procurement					✓		✓	
	Reorganize distribution centers	✓	✓	✓				✓	
Human capital	Investment in education, talent management	✓	✓	✓	✓		✓	✓	

UNITED ARROWS LTD. Long-Term Vision 2032, Medium-Term Management Plan 2023-2025

Please refer to the matrix on the slide for information on each capital expenditure and its effectiveness. In addition to capital expenditure, we are also actively investing in human capital, such as the enhancement of employee education, talent management, and strengthening of recruitment, with their effectiveness added to the matrix.

Store opening forecast

	As of the end of FY2023	Opened (plan)	Closed (plan)	Forecast for the end of FY2026
Consolidated, total	298	95-105	13	380-390
UNITED ARROWS LTD.	215	75-85	10	280-290
Existing businesses	215	65-75	10	270-280
New businesses	-	10	0	10
COEN CO., LTD.	75	10	3	82
UNITED ARROWS TAIWAN LTD.	8	10	0	18

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Store openings forecast during the period of the Medium-Term Management Plan is as shown on the slide.

As for existing businesses, we plan to newly open 65 stores to 75 stores, including stores for women, regional stores, and CITEN, which started opening stores in the previous fiscal year, as well as about 10 stores by new businesses including apparel and apparel-derived, 10 stores or so by COEN CO., LTD., and about 10 stores in Taiwan. We plan to have 380 stores to 390 stores on a consolidated basis in the final fiscal year of the Medium-Term Management Plan period, which represents an increase of about 100 stores over three years.

Appendix



UNITED ARROWS LTD. Long-Term Vision 2032, Medium-Term Management Plan 2023-2025



Sustainability Initiatives of
UNITED ARROWS



Circularity

Circular fashion

Positive impact on the earth with fashion, UNITED ARROWS LTD. aims to create fashion that is in harmony with nature and circular over and over again.



Carbon Neutrality

Toward a carbon-neutral world

To preserve our beautiful earth UNITED ARROWS LTD. works to create a carbon-neutral world in line with the Paris Agreement, an international framework.



Humanity

Work and live in a healthy way

For every stakeholder of UNITED ARROWS LTD. to smile. We will protect everyone's rights and create a healthy living environment.



SARROWS™

Sustainability Initiatives of
UNITED ARROWS



Circularity

Circular fashion

Disposal rate of products

2021	2030 TARGET
1.0%	0.1%

Percentage of environmentally conscious products

2021	2030 TARGET
2.0%	50%



Carbon Neutrality

Toward a carbon-neutral world

Reduction rate of CO₂ emissions

2021	2030 TARGET
10.8%	30%

Reduction rate of CO₂ emissions

2021	2030 TARGET
16.6%	15%

Ratio of renewable energy

2021	2030 TARGET
3.2%	50%



Humanity

Work and live in a healthy way

Rate of Code of Conduct for Business Partners consent forms obtained

2021	2030 TARGET
11.6%	100%

Employee engagement scores

2021	2030 TARGET
70%	80%