

For the Fiscal Year  
Ended March 31,  
2023

# Financial Results Briefing

2023.05.10 UNITED ARROWS LTD.



UNITED ARROWS LTD.

# Table of Contents

pp. 04-22 | 01 Overview of FY23 Business Results

pp. 23-26 | 02 Overview of FY24 Business Plan

pp. 27-28 | 03 Progress in Sustainability Initiatives

pp. 29-31 | 04 Reference Materials

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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

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01

## Overview of FY23 Business Results

## Summary

Sales and gross margin exceeded revised plan, absorbing the increase in SGA expenses due to special bonus, etc., and each income below operating income also exceeded revised plan

### Consolidated

#### Sales

**¥130,135** million

vs. FY2020 93.4%\*1

vs. FY2022 109.9%

#### Gross margin

**51.6 %**

vs. FY2020 +0.8pt

vs. FY2022 +1.7pt

#### SGA expenses

**¥60,816** million (vs. Sales: 46.7%)

vs. FY2020 85.4%, +1.5pt

vs. FY2022 105.9%, -1.8pt

#### Operating income

**¥6,362** million (4.9% vs. Sales: )

vs. FY2020 72.6%, -0.7pt

vs. FY2022 378.0%, +3.5pt

#### Net income attributable to owners of parent

**¥4,341** million (3.3% vs. Sales: )

vs. FY2020 123.2%, +1.1pt

vs. FY2022 592.6%, +2.7pt

#### Major shareholder indicators

Annual dividend **¥47** (payout ratio: 30.8%)

DOE **4.0 %**

ROE **13.6 %**

### Non-consolidated

#### Sales

**¥118,434** million

vs. FY2020 94.2%\*2

vs. FY2022 110.2%

#### Gross margin

**51.4%**

vs. FY2020 +1.2pt

vs. FY2022 +1.7pt

#### Existing stores YoY sales

**111.2 %**

#### Avg. spend per customer

**100.8 %**

#### Number of purchasing customers

**110.3 %**

\*1: Calculated excluding the impact of changes in consolidation structure and revenue recognition standards

\*2: Calculated excluding the impact of change in revenue recognition standards

## Non-consolidated sales

By Channel		vs. FY2020	vs. FY2022
Business Unit	¥ <b>98,790</b> million (vs. Sales: 82.6%)	90.9%* <sup>2</sup>	109.8%, -0.4pt
Retail	¥ <b>66,641</b> million (vs. Sales: 55.7%)	82.2%, -6.9pt	113.3%, +1.5pt
Online	¥ <b>30,358</b> million (vs. Sales: 25.4%)	103.9%, +2.8pt	102.0%, -2.1pt
Outlet, etc.	¥ <b>20,758</b> million (vs. Sales: 17.4%)	113.8%, +3.3pt	113.2%, +0.4pt
By Business			
Trend-Conscious Market	¥ <b>65,063</b> million	92.4%* <sup>2</sup>	109.4%
Basic Trend-Conscious Market	¥ <b>33,726</b> million	88.3%* <sup>2</sup>	110.5%

\*<sup>2</sup>: Calculated excluding the impact of change in revenue recognition standards

## BS

Balance of short- and long-term loans payable

**¥2,504** million  
vs. FY2022-End 32.1%

Inventory

**¥20,639** million  
vs. FY2022-End 100.5%

## Opening and Closing of Stores

Full-year results

Opened **7** Closed **19**

No. of stores as of period-end **298**  
(down 17.0% from the end of March 2020)

## COEN CO., LTD.

Sales

**¥10.7** billion  
vs. FY2020 80.6%\*<sup>2</sup>  
vs. FY2022 102.7%

## UNITED ARROWS TAIWAN LTD.

Sales

**¥1.5** billion  
vs. FY2020 173.9%  
vs. FY2022 129.2%

\*<sup>2</sup>: Calculated excluding the impact of change in revenue recognition standards

# Consolidated P/L

(Millions of yen)

	FY2020	FY2022	FY2023	Change/pt difference	Compared with 3 years ago	Change/pt difference	YoY
Sales	157,412	118,384	130,135	(27,276)	82.7%	11,751	109.9%
Excluding the impact of the change in consolidation structure*	-	-	-	-	90.8%	-	-
Excluding the impact of the change in revenue recognition standards	-	-	-	-	85.1%	-	-
Excluding the impact of both changes	-	-	-	-	93.4%	-	-
Gross profit	79,983	59,090	67,178	(12,804)	84.0%	8,087	113.7%
vs. Sales	50.8%	49.9%	51.6%	0.8pt	-	1.7pt	-
SGA expenses	71,224	57,407	60,816	(10,408)	85.4%	3,408	105.9%
vs. Sales	45.2%	48.5%	46.7%	1.5pt	-	-1.8pt	-
Operating income	8,758	1,683	6,362	(2,395)	72.6%	4,679	378.0%
vs. Sales	5.6%	1.4%	4.9%	-0.7pt	-	3.5pt	-
Non op. P/L	44	1,144	538	493	1201.2%	(606)	47.0%
vs. Sales	0.0%	1.0%	0.4%	0.4pt	-	-0.6pt	-
Ordinary income	8,803	2,827	6,900	(1,902)	78.4%	4,073	244.1%
vs. Sales	5.6%	2.4%	5.3%	-0.3pt	-	2.9pt	-
Extraordinary P/L	(2,582)	(1,068)	(352)	2,229	-	715	-
vs. Sales	-	-	-	-	-	-	-
Net income attributable to owners of parent	3,522	732	4,341	819	123.2%	3,609	592.6%
vs. Sales	2.2%	0.6%	3.3%	1.1pt	-	2.7pt	-



# Consolidated P/L 4Q (3 months)

(Millions of yen)

	FY2020 4Q	FY2022 4Q	FY2023 4Q	Change/pt difference	Compared with 3 years ago	Change/pt difference	YoY
Sales	38,319	31,479	34,042	(4,276)	88.8%	2,563	108.1%
Excluding the impact of the change in consolidation structure*	-	-	-	-	96.7%	-	-
Excluding the impact of the change in revenue recognition standards	-	-	-	-	91.5%	-	-
Excluding the impact of both changes	-	-	-	-	99.6%	-	-
Gross profit	17,322	14,688	16,543	(778)	95.5%	1,855	112.6%
vs. Sales	45.2%	46.7%	48.6%	3.4pt	-	1.9pt	-
SGA expenses	17,449	14,842	16,569	(880)	95.0%	1,726	111.6%
vs. Sales	45.5%	47.1%	48.7%	3.1pt	-	1.5pt	-
Operating income	(127)	(154)	(25)	102	-	128	-
vs. Sales	-	-	-	-	-	-	-
Non op. P/L	24	322	194	170	799.3%	(127)	60.4%
vs. Sales	0.1%	1.0%	0.6%	0.5pt	-	-0.5pt	-
Ordinary income	(102)	167	169	272	-	1	100.8%
vs. Sales	-	0.5%	0.5%	-	-	-0.0pt	-
Extraordinary P/L	(1,536)	(629)	(53)	1,482	-	575	-
vs. Sales	-	-	-	-	-	-	-
Net income attributable to owners of parent	(1,164)	(563)	1	1,166	-	564	-
vs. Sales	-	-	0.0%	-	-	-	-

# FY23 P/L vs. Revised Plan

(Millions of yen)

	FY2023 Revised plan	FY2023 Results	vs. Revised plan Change/vs. sales pt difference	
Sales	130,000	130,135	135	100.1%
Gross profit	66,560	67,178	618	100.9%
vs. Sales	51.2%	51.6%	0.4pt	-
SGA expenses	60,560	60,816	256	100.4%
vs. Sales	46.6%	46.7%	0.1pt	-
Operating income	6,000	6,362	362	106.0%
vs. Sales	4.6%	4.9%	0.3pt	-
Non op. P/L	500	538	38	107.6%
vs. Sales	0.4%	0.4%	0.0pt	-
Ordinary income	6,500	6,900	400	106.2%
vs. Sales	5.0%	5.3%	0.3pt	-
Extraordinary P/L	(470)	(352)	117	-
vs. Sales	-	-	-	-
Net income attributable to owners of parent	4,120	4,341	221	105.4%
vs. Sales	3.2%	3.3%	0.2pt	-

# FY23 4Q (3 months) P/L vs. Revised Plan

(Millions of yen)

	FY2023 4Q Revised plan	FY2023 4Q Results	vs. Revised plan Change/vs. sales pt difference	
Sales	33,906	34,042	135	100.4%
Gross profit	15,924	16,543	618	103.9%
vs. Sales	47.0%	48.6%	1.6pt	-
SGA expenses	16,312	16,569	256	101.6%
vs. Sales	48.1%	48.7%	0.6pt	-
Operating income	(387)	(25)	362	-
vs. Sales	-	-	-	-
Non op. P/L	156	194	38	124.4%
vs. Sales	0.5%	0.6%	0.1pt	-
Ordinary income	(231)	169	400	-
vs. Sales	-	0.5%	1.2pt	-
Extraordinary P/L	(170)	(53)	117	-
vs. Sales	-	-	-	-
Net income attributable to owners of parent	(220)	1	221	-
vs. Sales	-	0.0%	-	-

# Consolidated Gross Margin

	FY2023	Compared with 3 years ago Pt difference	YoY Pt difference
Consolidated results	51.6%	0.8pt	1.7pt
Excluding the impact of the change in revenue recognition standards	52.0%	1.2pt	-
UNITED ARROWS LTD.	51.4%	1.2pt	1.7pt
Excluding the impact of the change in revenue recognition standards	51.7%	1.5pt	-
Total business unit sales	-	2.1pt	1.8pt
Outlet, etc.	-	-0.2pt	2.5pt
COEN CO., LTD.	-	-0.3pt	1.5pt
Excluding the impact of the change in revenue recognition standards	-	1.1pt	-
UNITED ARROWS TAIWAN LTD.	-	11.3pt	3.2pt

# Consolidated Gross Margin 4Q (3 months)

	FY2023 4Q	Compared with the same period 3 years ago Pt difference	YoY Pt difference
Consolidated results	48.6%	3.4pt	1.9pt
Excluding the impact of the change in revenue recognition standards	49.1%	3.9pt	-
UNITED ARROWS LTD.	48.5%	4.5pt	1.9pt
Excluding the impact of the change in revenue recognition standards	48.9%	4.9pt	-
Total business unit sales	-	4.9pt	1.3pt
Outlet, etc.	-	1.9pt	4.9pt
COEN CO., LTD.	-	0.2pt	2.1pt
Excluding the impact of the change in revenue recognition standards	-	1.7pt	-
UNITED ARROWS TAIWAN LTD.	-	14.7pt	0.9pt

# Consolidated SGA Expenses

(Millions of yen)

	FY2020	FY2022	FY2023	Change/pt difference	Compared with 3 years ago	Change/pt difference	YoY
Total SGA expenses	71,224	57,407	60,816	(10,408)	85.4%	3,408	105.9%
vs. Sales	45.2%	48.5%	46.7%	1.5pt	-	-1.8pt	-
Excluding the impact of the change in revenue recognition standards	-	59,332	63,240	(7,983)	88.8%	3,908	106.6%
vs. Sales	-	48.8%	47.2%	2.0pt	-	-1.6pt	-
Advertising expenses	4,263	2,575	3,008	(1,254)	70.6%	433	116.8%
vs. Sales	2.7%	2.2%	2.3%	-0.4pt	-	0.1pt	-
Excluding the impact of the change in revenue recognition standards	-	4,500	5,433	1,170	127.5%	933	120.7%
vs. Sales	-	3.7%	4.1%	1.3pt	-	0.4pt	-
Personnel expenses	25,055	20,372	21,412	(3,643)	85.5%	1,040	105.1%
vs. Sales	15.9%	17.2%	16.4%	0.5pt	-	-0.8pt	-
Rent	22,545	19,220	18,552	(3,993)	82.3%	(668)	96.5%
vs. Sales	14.3%	16.2%	14.3%	-0.1pt	-	-2.0pt	-
Depreciation	1,946	1,099	873	(1,072)	44.9%	(225)	79.5%
vs. Sales	1.2%	0.9%	0.7%	-0.6pt	-	-0.3pt	-
Other	17,413	14,140	16,969	(443)	97.5%	2,828	120.0%
vs. Sales	11.1%	11.9%	13.0%	2.0pt	-	1.1pt	-

# Consolidated SGA Expenses 4Q (3 months)

(Millions of yen)

	FY2020 4Q	FY2022 4Q	FY2023 4Q	Change/pt difference	Compared with 3 years ago	Change/pt difference	YoY
Total SGA expenses	17,450	14,842	16,569	(881)	95.0%	1,726	111.6%
vs. Sales	45.5%	47.1%	48.7%	3.1pt	-	1.5pt	-
Excluding the impact of the change in revenue recognition standards	-	15,350	17,237	(212)	98.8%	1,887	112.3%
vs. Sales	-	47.6%	49.2%	3.6pt	-	1.6pt	-
Advertising expenses	1,041	806	884	(157)	84.9%	77	109.6%
vs. Sales	2.7%	2.6%	2.6%	-0.1pt	-	0.0pt	-
Excluding the impact of the change in revenue recognition standards	-	1,314	1,552	510	149.0%	238	118.1%
vs. Sales	-	4.1%	4.4%	1.7pt	-	0.4pt	-
Personnel expenses	5,947	5,133	5,983	35	100.6%	849	116.6%
vs. Sales	15.5%	16.3%	17.6%	2.1pt	-	1.3pt	-
Rent	5,756	4,988	4,865	(890)	84.5%	(122)	97.5%
vs. Sales	15.0%	15.8%	14.3%	-0.7pt	-	-1.6pt	-
Depreciation	490	259	220	(269)	45.0%	(38)	85.1%
vs. Sales	1.3%	0.8%	0.6%	-0.6pt	-	-0.2pt	-
Other	4,214	3,654	4,615	401	109.5%	960	126.3%
vs. Sales	11.0%	11.6%	13.6%	2.6pt	-	1.9pt	-

# Non-consolidated Sales by Channel

(Millions of yen)

	FY2020	FY2022	FY2023	Change/pt difference	Compared with 3 years ago	Change/pt difference	YoY
Non-consolidated sales	129,402	107,482	118,434	(10,968)	91.5%	10,951	110.2%
Excluding the impact of the change in revenue recognition standards	-	-	-	-	94.2%	-	-
Total business unit sales	111,162	90,000	98,790	(12,372)	88.9%	8,789	109.8%
vs. Sales	85.9%	83.1%	82.6%	-3.3pt	-	-0.4pt	-
Excluding the impact of the change in revenue recognition standards	-	-	-	-	90.9%	-	-
Retail	81,026	58,818	66,641	(14,384)	82.2%	7,823	113.3%
vs. Sales	62.6%	54.3%	55.7%	-6.9pt	-	1.5pt	-
Online	29,217	29,763	30,358	1,141	103.9%	595	102.0%
vs. Sales	22.6%	27.5%	25.4%	2.8pt	-	-2.1pt	-
Others (Wholesale, etc.)	918	1,417	1,789	871	194.9%	371	126.2%
vs. Sales	0.7%	1.3%	1.5%	0.8pt	-	0.2pt	-
Outlet, etc.	18,240	18,338	20,758	2,518	113.8%	2,419	113.2%
vs. Sales	14.1%	16.9%	17.4%	3.3pt	-	0.4pt	-
<b>Existing stores YoY</b>							
	Sales	Number of customers	Avg. spend per customer				
Retail + Online	111.2%	100.8%	110.3%				
Retail	116.3%	107.3%	108.4%				
Online	101.7%	91.2%	108.8%				



# Non-consolidated Sales by Business

(Millions of yen)

	FY2020	FY2022	FY2023	Change/pt difference	Compared with 3 years ago	Change/pt difference	YoY
Total business unit sales	111,162	90,000	98,790	(12,372)	88.9%	8,789	109.8%
Excluding the impact of the change in revenue recognition standards	-	-	-	-	90.9%	-	-
Trend-Conscious Market	72,449	59,482	65,063	(7,386)	89.8%	5,581	109.4%
Excluding the impact of the change in revenue recognition standards	-	-	-	-	92.4%	-	-
Basic Trend-Conscious Market	38,712	30,517	33,726	(4,985)	87.1%	3,208	110.5%
Excluding the impact of the change in revenue recognition standards	-	-	-	-	88.3%	-	-

## Existing store sales YoY

	Retail + Online	Retail	Online
Trend-Conscious Market	110.4%	116.0%	99.4%
Basic Trend-Conscious Market	112.7%	116.8%	105.7%

# Consolidated BS

(Millions of yen)

	As of Mar. 31, 2022	As of Mar. 31, 2023	Change	vs. previous term-end
Total Assets	59,703	61,184	1,480	102.5%
Composition ratio	100.0%	100.0%	-	-
Current Assets	38,475	41,604	3,128	108.1%
Composition ratio	64.4%	68.0%	-	-
Noncurrent Assets	21,228	19,580	(1,648)	92.2%
Composition ratio	35.6%	32.0%	-	-
Current Liabilities	25,437	23,451	(1,985)	92.2%
Composition ratio	42.6%	38.3%	-	-
Noncurrent Liabilities	4,197	4,030	(166)	96.0%
Composition ratio	7.0%	6.6%	-	-
Total Net Assets	30,069	33,702	3,632	112.1%
Composition ratio	50.4%	55.1%	-	-
Reference: Balance of short- and long-term loans payable	7,800	2,504	(5,296)	32.1%
Reference: Inventory	20,546	20,639	92	100.5%

# Consolidated CF

(Millions of yen)

	FY2022	FY2023	Major breakdown of the results for the term	
Cash flows from operating activities (sub-total)	5,828	10,588		
Cash flows from operating activities	6,891	10,258	Income before income taxes	6,548
			Increase in provision for bonuses	1,216
			Increase in trade receivables	(825)
			Equity in earnings of affiliates	(348)
Cash flows from investing activities	215	(1,255)	Sale of investments in affiliates	1,102
			Collection of guarantee deposits	539
			Acquisition of long-term prepaid expenses	(1,431)
			Purchases of intangible fixed assets	(768)
Cash flows from financing activities	(8,000)	(5,979)	Decrease in short-term loans payable	(5,296)
			Dividends paid	(683)
Cash and cash equivalents at the end of the period	5,593	8,562		

## COEN CO., LTD.

February – January

### Saw increase in both revenue and income

- Sales were ¥10.7 billion, 102.7% YoY, 78.3% compared with 3 years ago, (80.6% from 3 years ago, excluding the impact of change in revenue recognition standards)
- Gross margin improved by curtailing discount price sales, but sales and profits fell short of plan
- Aiming for improvement by switching to products with revised targets from June 2023

## UNITED ARROWS TAIWAN LTD.

February – January

### Saw increase in both revenue and income

- Sales were ¥1.5 billion, 129.2% YoY, 173.9% compared with 3 years ago
- Significant improvement in both sales and gross margin achieved full-year profitability
- Aiming for further sales and profit growth in the new fiscal year

# Opening and Closing of Stores

Opened 7 Closed 19 No. of stores as of period-end 298 \*Down 17.0% from end of March 2020

	No. of stores at the previous period-end	Opened	Closed	No. of stores at the period-end
Total Group	310	7	19	298
UNITED ARROWS LTD.	216	4	5	215
COEN CO., LTD.	87	2	14	75
UNITED ARROWS TAIWAN LTD.	7	1	0	8

# UNITED ARROWS LTD. Retail Stores Opened/Closed

	No. of stores at the previous period-end	Opened	Closed	No. of stores at the period-end
UNITED ARROWS LTD. Total	216	4	5	215
Trend-Conscious Market Total	106	1	3	104
UNITED ARROWS (General Merchandise Store)	14	0	0	14
UNITED ARROWS	24	0	0	24
BEAUTY&YOUTH	36	1	0	37
Other	32	0	3	29
Basic Trend-Conscious Market Total	84	2	1	85
Green label relaxing	84	1	1	84
Other	0	1	0	1
Outlet	26	1	1	26

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

02

## Overview of FY24 Business Plan

# Consolidated Business Plan

(Millions of yen)

	FY2023 Results	FY 2024 Plan	YoY Change/vs. sales pt difference	
Sales	130,135	138,300	8,164	106.3%
Gross profit	67,178	72,100	4,921	107.3%
vs. Sales	51.6%	52.1%	0.5pt	-
SGA expenses	60,816	65,100	4,283	107.0%
vs. Sales	46.7%	47.1%	0.3pt	-
Operating income	6,362	7,000	637	110.0%
vs. Sales	4.9%	5.1%	0.2pt	-
Non op. P/L	538	420	(118)	78.0%
vs. Sales	0.4%	0.3%	-0.1pt	-
Ordinary income	6,900	7,420	519	107.5%
vs. Sales	5.3%	5.4%	0.1pt	-
Extraordinary P/L	(352)	(370)	(17)	-
vs. Sales	-	-	-	-
Net income attributable to owners of parent	4,341	4,830	488	111.2%
vs. Sales	3.3%	3.5%	0.2pt	-



# Non-consolidated Sales Plan

(Millions of yen)

	FY2024 1H	YoY	FY2024 2H	YoY	FY2024 Full	YoY
Non-consolidated sales	54,562	104.9%	70,812	106.6%	125,375	105.9%
Retail + Online Existing Stores	-	106.3%	-	108.1%	-	107.3%
Retail Existing Stores	-	104.9%	-	106.0%	-	105.5%
Online Existing Stores	-	109.4%	-	112.4%	-	111.1%

\*The plan includes the impact of the change in revenue recognition standards for non-consolidated sales only.

# Store Opening/Closing Plan

Opening 9 Closing 7

No. of stores as of period-end 300

	No. of stores at the previous period-end	Opened	Closed	No. of stores as of period-end (forecast)
Total Group	298	9	7	300
UNITED ARROWS LTD.	215	9	4	220
COEN CO., LTD.	75	0	3	72
UNITED ARROWS TAIWAN LTD.	8	0	0	8

03

## Progress in Sustainability Initiatives

# Acquired SBT Certification from “SBTi,” an International Initiative

## Carbon Neutrality (towards a carbon-neutral world)

Evaluated that our greenhouse gas (CO<sub>2</sub>) emission reduction target (ratio of FY2031 target vs. FY2020 real) conforms to the Paris Agreement

Scope 1,2 **30%** reduction

Scope 1 Direct emissions by businesses themselves

Scope 2 Indirect emissions associated with the use of electricity, heat, etc. supplied by other companies

FY2021 real: 10.8%

Scope 3 **15%** reduction

All indirect emissions except Scope 1 and 2

FY2021 real: 16.6%\*

\*Abnormal values due to the impact of COVID-19

### SBTi(The Science Based Targets initiative)

An international initiative jointly established by the CDP (an NGO promoting global disclosure of climate change), United Nations Global Compact (UNGC), World Resources Institute (WRI) and World Wildlife Fund (WWF)

### SBT(Science Based Targets)

Greenhouse gas emission reduction targets set by companies with a target year of 5 to 15 years in the future, consistent with the level required by the Paris Agreement (aim to limit global temperature rise to well below 2 degrees Celsius above pre-industrial levels and to limit it to 1.5 degrees Celsius)



04

## Reference Materials

提供 感動  
TEIKYO KANDOU

## ENGAGEMENT WITH CUSTOMERS

providing excitement - connecting with customers widely and deeply

Take steps to provide new value

Three Key Strategies



- Grow and expand existing businesses  
Top-line growth  
Improvement of gross margin
- Strengthen brand appeal  
Expansion of investment in human capital  
Rebranding of the corporate brand
- Re-grow COEN

- Develop non-apparel businesses
- Global expansion

- Promote OMO
- Optimize the supply chain