

Financial Results Briefing

For the Third Quarter of
Fiscal Year Ending March 2023

2023.02.06 UNITED ARROWS LTD.



UNITED ARROWS LTD.

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Representative Director, President and CEO
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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 3Q Business Results

Summary

Due to sales reaching the planned level, improvement of gross margin and curtailment of SGA expenses, respective income, including operating income exceeded planned levels, leading to an upward revision of the full-year profit forecast

Consolidated

Sales

¥96,093 million

vs. FY2020/9M 91.4%*1

vs. FY2022/9M 110.6%

Gross margin

52.7 %

vs. FY2020/9M +0.1pt

vs. FY2022/9M +1.6pt

SGA expenses

¥44,247 million (46.0% vs. sales)

vs. FY2020/9M 82.3%, +0.9pt

vs. FY2022/9M 104.0%, - 2.9pt

Operating Income

¥6,387 million (6.6% vs. sales)

vs. FY2020/9M 71.9%, - 0.8pt

vs. FY2022/9M 347.7%, +4.5pt

Net Income Attributable
to Owners of Parent

¥4,340 million (4.5% vs. sales)

vs. FY2020/9M 92.6%, +0.6pt

vs. FY2022/9M 334.9%, +3.0pt

Non-Consolidated

Sales

¥87,816 million

vs. FY2020/9M 91.7%*2

vs. FY2022/9M 110.3%

Gross margin

52.4%

vs. FY2020/9M +0.3pt

vs. FY2022/9M +1.6pt

YoY change in existing stores

Sales **111.3 %**

Number of purchasing customers **100.8 %**

Avg. spend per customer **110.4 %**

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

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

Non-consolidated sales

By Channel		vs. FY2020/9M	vs. FY2022/9M
Business unit	¥72,980 million (82.3% vs. sales)	88.2%* ²	109.6%, - 0.6pt
Retail	¥49,901 million (56.3% vs. sales)	78.8%, - 8.0pt	113.6%, +1.6pt
Online	¥21,783 million (24.6% vs. sales)	105.7%, +3.6pt	100.4%, - 2.5pt
Outlet, etc.	¥15,692 million (17.7% vs. sales)	112.7%, +3.6pt	114.4%, +0.6pt
By Business		vs. FY2020/9M	vs. FY2022/9M
Trend-conscious Market	¥48,447 million	90.4%* ²	109.0%
Basic Trend-conscious Market	¥24,533 million	84.1%* ²	110.9%

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

BS

Balance of short- and long-term loans payable

¥5,380 million

vs. FY2022-End 69.0%

Inventory

¥23,416 million

vs. FY2022 9M-End 100.2%

Opening and Closing of Stores

9M Results

Opened **6** and Closed **7**

No. of stores as of period-end
309

Full-year forecast

Opened **6** and Closed **20**

No. of stores as of period-end **296**
(17.5% decrease from the end of March 2020)

COEN CO., LTD.

Sales

¥7.65 billion

vs. FY2020/9M 82.9%*²

vs. FY2022/9M 108.0%

UNITED ARROWS TAIWAN LTD.

Sales

¥1.02 billion

vs. FY2020/9M 175.1%

vs. FY2022/9M 143.7%

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

Consolidated PL

(Millions of yen)

	FY2020 9M	FY2022 9M	FY2023 9M	Change/pt difference	vs. same period 3 years ago	Change/pt difference	YoY change
Sales	119,093	86,904	96,093	(23,000)	80.7%	9,188	110.6%
Excluding the impact of the change in consolidation structure	-	-	-	-	88.8%	-	-
Excluding the impact of the change in revenue recognition standards	-	-	-	-	83.0%	-	-
Excluding the impact of both changes	-	-	-	-	91.4%	-	-
Gross profit	62,660	44,402	50,635	(12,025)	80.8%	6,232	114.0%
vs. Sales	52.6%	51.1%	52.7%	0.1pt	-	1.6pt	-
SG&A Expenses	53,774	42,565	44,247	(9,527)	82.3%	1,681	104.0%
vs. Sales	45.2%	49.0%	46.0%	0.9pt	-	-2.9pt	-
Operating Income	8,886	1,837	6,387	(2,498)	71.9%	4,550	347.7%
vs. Sales	7.5%	2.1%	6.6%	-0.8pt	-	4.5pt	-
Non Op. P/L	20	822	343	323	1693.9%	(478)	41.8%
vs. Sales	-	0.9%	0.4%	0.3pt	-	-0.6pt	-
Ordinary Income	8,906	2,659	6,731	(2,174)	75.6%	4,071	253.1%
vs. Sales	7.5%	3.1%	7.0%	-0.5pt	-	3.9pt	-
Extraordinary P/L	(1,045)	(438)	(299)	746	-	139	-
vs. Sales	-	-	-	-	-	-	-
Net Income Attributable to Owners of Parent	4,687	1,296	4,340	(347)	92.6%	3,044	334.9%
vs. Sales	3.9%	1.5%	4.5%	0.6pt	-	3.0pt	-

Consolidated PL 3Q (3 months)

(Millions of yen)

	FY2020 3Q	FY2022 3Q	FY2023 3Q	Change/pt difference	vs. same period 3 years ago	Change/pt difference	YoY change
Sales	44,516	36,467	38,640	(5,876)	86.8%	2,172	106.0%
Excluding the impact of the change in consolidation structure	-	-	-	-	95.0%	-	-
Excluding the impact of the change in revenue recognition standards	-	-	-	-	89.3%	-	-
Excluding the impact of both changes	-	-	-	-	97.7%	-	-
Gross profit	24,139	19,600	20,782	(3,356)	86.1%	1,181	106.0%
vs. Sales	54.2%	53.7%	53.8%	-0.4pt	-	0.0pt	-
SG&A Expenses	19,156	15,114	15,780	(3,376)	82.4%	665	104.4%
vs. Sales	43.0%	41.4%	40.8%	-2.2pt	-	-0.6pt	-
Operating Income	4,982	4,486	5,002	20	100.4%	516	111.5%
vs. Sales	11.2%	12.3%	12.9%	1.8pt	-	0.6pt	-
Non Op. P/L	31	356	19	(12)	61.1%	(337)	5.3%
vs. Sales	0.1%	1.0%	0.0%	-0.0pt	-	-0.9pt	-
Ordinary Income	5,013	4,842	5,021	8	100.2%	179	103.7%
vs. Sales	11.3%	13.3%	13.0%	1.7pt	-	-0.3pt	-
Extraordinary P/L	(660)	60	(184)	476	-	(244)	-
vs. Sales	-	0.2%	-	-	-	-	-
Net Income Attributable to Owners of Parent	2,744	3,290	3,265	520	119.0%	(25)	99.2%
vs. Sales	6.2%	9.0%	8.5%	2.3pt	-	-0.6pt	-

Consolidated Gross Margin

	FY2023 9M	vs. same period 3 years ago pt difference	YoY change pt difference
Consolidated	52.7%	0.1pt	1.6pt
Excluding the impact of the change in revenue recognition standards	53.0%	0.4pt	-
UNITED ARROWS LTD.	52.4%	0.3pt	1.6pt
Excluding the impact of the change in revenue recognition standards	52.6%	0.5pt	-
Total Business Unit Sales	-	1.4pt	2.0pt
Outlet, etc.	-	-0.9pt	1.7pt
COEN CO., LTD.	-	-0.6pt	0.9pt
Excluding the impact of the change in revenue recognition standards	-	0.7pt	-
UNITED ARROWS TAIWAN LTD.	-	9.7pt	4.4pt

Consolidated Gross Margin 3Q (3 months)

	FY2023 3Q	vs. same period 3 years ago pt difference	YoY change pt difference
Consolidated	53.8%	-0.4pt	0.0pt
Excluding the impact of the change in revenue recognition standards	54.1%	-0.1pt	-
UNITED ARROWS LTD.	53.9%	-0.3pt	-0.2pt
Excluding the impact of the change in revenue recognition standards	54.1%	-0.1pt	-
Total Business Unit Sales	-	0.4pt	-0.5pt
Outlet, etc.	-	1.6pt	-0.1pt
COEN CO., LTD.	-	-2.3pt	3.0pt
Excluding the impact of the change in revenue recognition standards	-	-0.8pt	-
UNITED ARROWS TAIWAN LTD.	-	10.8pt	4.4pt

Consolidated SGA Expenses

(Millions of yen)

	FY2020 9M	FY2022 9M	FY2023 9M	Change/pt difference	Vs. same period 3 years ago	Change/pt difference	YoY change
Total SG&A Expenses	53,774	42,565	44,247	(9,527)	82.3%	1,681	104.0%
vs. Sales	45.2%	49.0%	46.0%	0.9pt	-	-2.9pt	-
Excluding the impact of the change in revenue recognition standards	-	43,982	46,003	(7,770)	85.5%	2,020	104.6%
vs. Sales	-	49.2%	46.5%	1.4pt	-	-2.7pt	-
Advertising Expenses	3,221	1,768	2,124	(1,096)	66.0%	356	120.1%
vs. Sales	2.7%	2.0%	2.2%	-0.5pt	-	0.2pt	-
Excluding the impact of the change in revenue recognition standards	-	3,186	3,881	659	120.5%	695	121.8%
vs. Sales	-	3.6%	3.9%	1.2pt	-	0.4pt	-
Personnel Expenses	19,108	15,239	15,429	(3,679)	80.7%	190	101.2%
vs. Sales	16.0%	17.5%	16.1%	0.0pt	-	-1.5pt	-
Rent	16,789	14,231	13,686	(3,102)	81.5%	(545)	96.2%
vs. Sales	14.1%	16.4%	14.2%	0.1pt	-	-2.1pt	-
Depreciation	1,456	840	653	(803)	44.8%	(186)	77.7%
vs. Sales	1.2%	1.0%	0.7%	-0.5pt	-	-0.3pt	-
Other	13,198	10,485	12,353	(845)	93.6%	1,868	117.8%
vs. Sales	11.1%	12.1%	12.9%	1.8pt	-	0.8pt	-

Consolidated SGA Expenses 3Q (3 months)

(Millions of yen)

	FY2020 3Q	FY2022 3Q	FY2023 3Q	Change/pt difference	Vs. same period 3 years ago	Change/pt difference	YoY change
Total SG&A Expenses	19,156	15,114	15,780	(3,376)	82.4%	665	104.4%
vs. Sales	43.0%	41.4%	40.8%	-2.2pt	-	-0.6pt	-
Excluding the impact of the change in revenue recognition standards	-	15,754	16,503	(2,653)	86.1%	749	104.8%
vs. Sales	-	42.0%	41.5%	-1.5pt	-	-0.5pt	-
Advertising Expenses	1,505	663	829	(675)	55.1%	166	125.1%
vs. Sales	3.4%	1.8%	2.1%	-1.2pt	-	0.3pt	-
Excluding the impact of the change in revenue recognition standards	-	1,302	1,553	47	103.2%	250	119.2%
vs. Sales	-	3.5%	3.9%	0.5pt	-	0.4pt	-
Personnel Expenses	6,522	5,071	5,153	(1,369)	79.0%	81	101.6%
vs. Sales	14.7%	13.9%	13.3%	-1.3pt	-	-0.6pt	-
Rent	6,032	5,307	5,088	(944)	84.3%	(218)	95.9%
vs. Sales	13.6%	14.6%	13.2%	-0.4pt	-	-1.4pt	-
Depreciation	499	252	217	(282)	43.6%	(34)	86.4%
vs. Sales	1.1%	0.7%	0.6%	-0.6pt	-	-0.1pt	-
Other	4,596	3,820	4,491	(105)	97.7%	1,117	117.5%
vs. Sales	10.3%	10.5%	11.6%	1.3pt	-	1.1pt	-

Non-consolidated Sales by Channel

(Millions of yen)

	FY2020 9M	FY2022 9M	FY2023 9M	Change/ pt difference	Vs. same period 3 years ago	Change/ pt difference	YoY change
Non-consolidated sales	98,514	79,631	87,816	(10,697)	89.1%	8,184	110.3%
Excluding the impact of the change in revenue recognition standards	-	-	-	-	91.7%	-	-
Total Business Unit Sales	84,595	66,591	72,980	(11,615)	86.3%	6,389	109.6%
vs. Sales	85.9%	82.9%	82.3%	- 3.6pt	-	- 0.6pt	-
Excluding the impact of the change in revenue recognition standards	-	-	-	-	88.2%	-	-
Retail	63,349	43,932	49,901	(13,447)	78.8%	5,968	113.6%
vs. Sales	64.3%	54.7%	56.3%	- 8.0pt	-	1.6pt	-
Online	20,609	21,705	21,783	1,173	105.7%	78	100.4%
vs. Sales	20.9%	27.0%	24.6%	3.6pt	-	- 2.5pt	-
Others (Wholesale, etc.)	636	953	1,295	658	203.4%	342	135.9%
vs. Sales	0.6%	1.2%	1.5%	0.8pt	-	0.3pt	-
Outlet, etc.	13,918	13,712	15,692	1,773	112.7%	1,979	114.4%
vs. Sales	14.1%	17.1%	17.7%	3.6pt	-	0.6pt	-

YoY change in existing stores

	Sales	Number of customers	Avg. spend per customer
Retail + Online	111.3%	100.8%	110.4%
Retail	117.0%	108.2%	108.2%
Online	100.4%	89.6%	108.8%

Non-consolidated Sales by Business

(Millions of yen)

	FY2020 9M	FY2022 9M	FY2023 9M	Change	Vs. same period 3 years ago	Change	YoY change
Total Business Unit Sales	84,595	66,591	72,980	(11,615)	86.3%	6,389	109.6%
Excluding the impact of the change in revenue recognition standards	-	-	-	-	88.2%	-	-
Trend-conscious Market	55,052	44,461	48,447	(6,605)	88.0%	3,986	109.0%
Excluding the impact of the change in revenue recognition standards	-	-	-	-	90.4%	-	-
Basic Trend-conscious Market	29,543	22,130	24,533	(5,009)	83.0%	2,403	110.9%
Excluding the impact of the change in revenue recognition standards	-	-	-	-	84.1%	-	-

Existing store sales YoY

	Retail + Online	Retail	Online
Trend-conscious Market	110.2%	116.4%	97.7%
Basic Trend-conscious Market	113.6%	118.2%	105.4%

Overview of Non-consolidated 3Q (3 months) (YoY)

Business unit sales YoY change

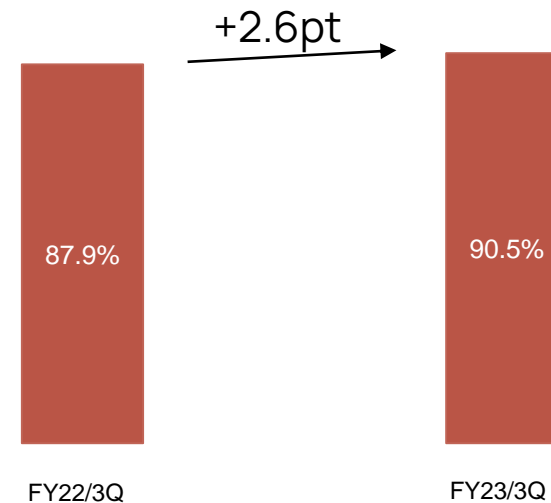
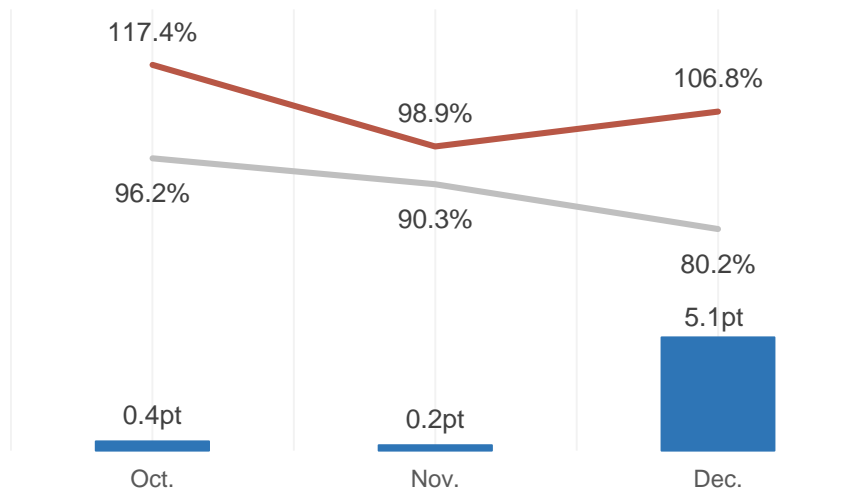
Regular price sales 107.2% / Discount price sales 81.9%

Composition ratio of regular price sales 90.5%

October: Strong sales due to lowering temperatures

November: Some demand was brought forward to October. The impact of higher temperatures

December: Discount price sales were curtailed



Business unit sales YoY change
■ Regular price sales
■ Discount price sales
■ Improvement in composition ratio of regular price sales

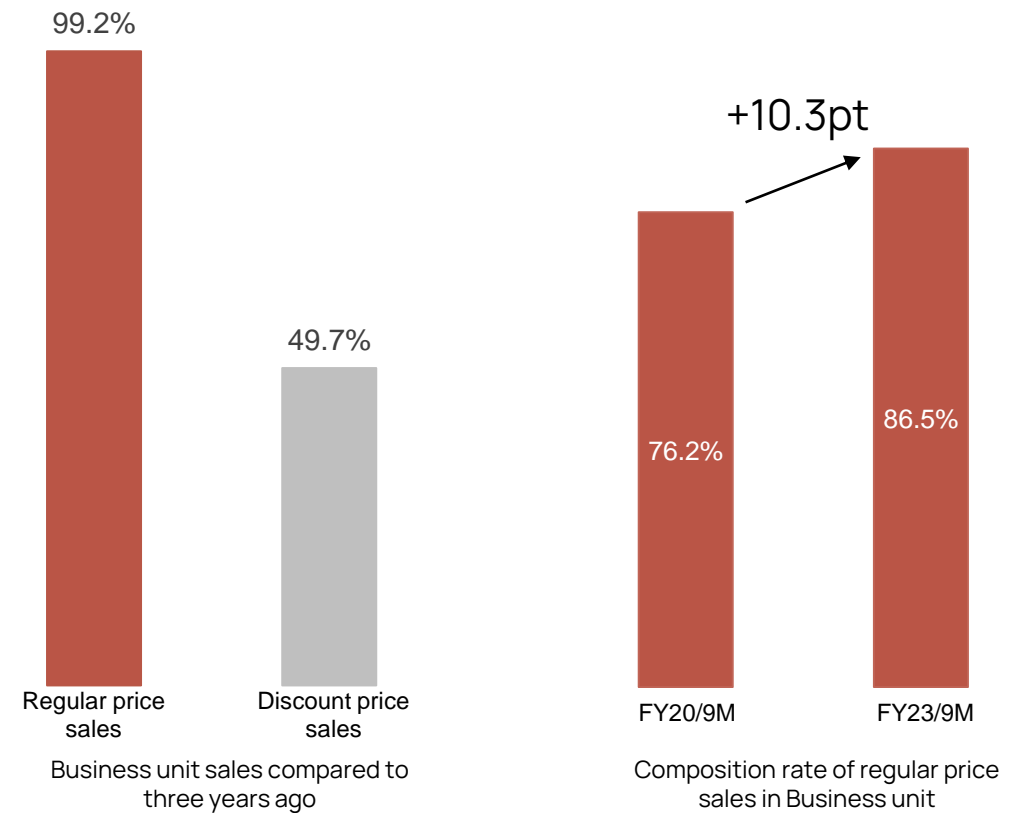
Overview of Non-consolidated 3Q (9 months) (Compared to three years ago)

Business unit sales compared to three years ago

Regular price sales 99.2%

Discount price sales 49.7%

Composition ratio of
regular price sales 86.5%



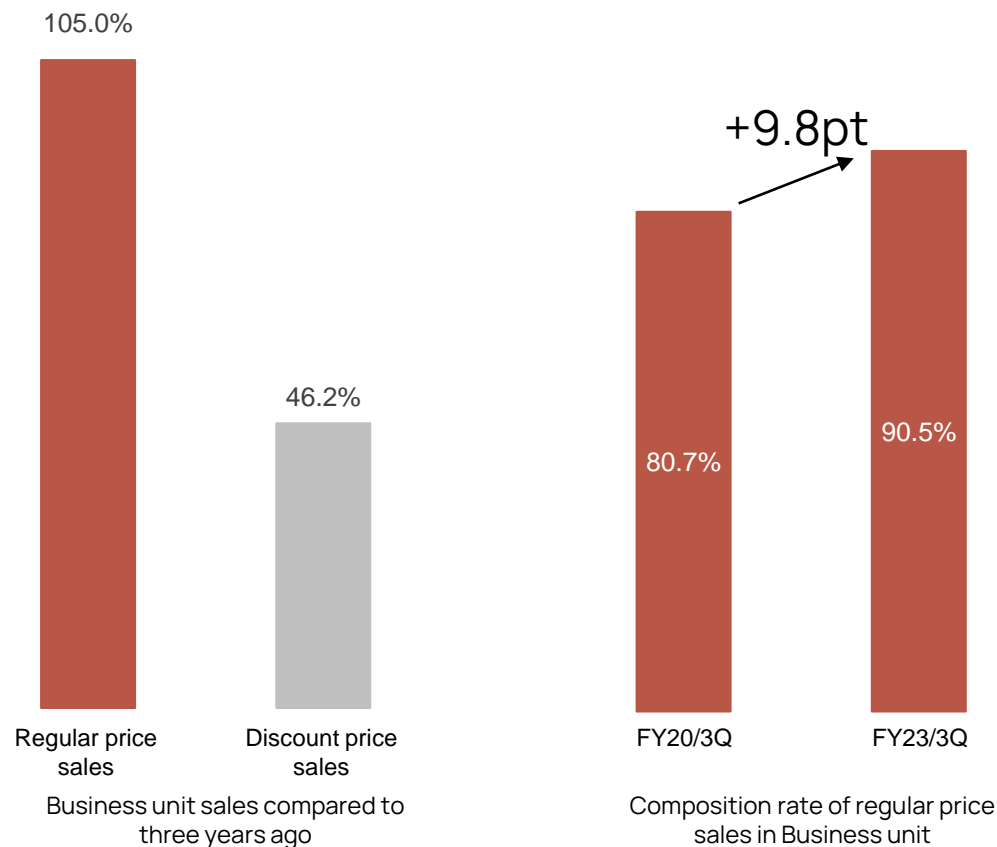
Overview of Non-consolidated 3Q (3 months) (Compared to three years ago)

Business unit sales compared to three years ago

Regular price sales 105.0%

Discount price sales 46.2%

Composition ratio of
regular price sales 90.5%



Consolidated BS

(Millions of yen)

	As of Mar. 31, 2022	As of Dec. 31, 2022	Change	vs. end of previous
Total Assets	59,703	63,072	3,368	105.6%
Composition ratio	100.0%	100.0%	-	-
Current Assets	38,475	43,898	5,423	114.1%
Composition ratio	64.4%	69.6%	-	-
Noncurrent Assets	21,228	19,173	(2,054)	90.3%
Composition ratio	35.6%	30.4%	-	-
Current Liabilities	25,437	25,401	(36)	99.9%
Composition ratio	42.6%	40.3%	-	-
Noncurrent Liabilities	4,197	4,033	(163)	96.1%
Composition ratio	7.0%	6.4%	-	-
Total Net Assets	30,069	33,637	3,567	111.9%
Composition ratio	50.4%	53.3%	-	-
Reference: Balance of short- and long-term loans payable	7,800	5,380	(2,420)	69.0%
	As of Dec. 31, 2021	As of Dec. 31, 2022	Change	vs. end of same period of previous year
Reference: Inventory	23,378	23,416	37	100.2%

Consolidated CF

(Millions of yen)

	FY2022 9M	FY2023 9M	Major components for results of 3Q FY23	
Cash flows from operating activities (sub-total)	(7)	4,432		
Cash flows from operating activities	702	3,827	Income before income taxes	6,432
			Increase in trade receivables	(3,615)
			Increase in inventory	(2,869)
			Increase in trade payables	2,137
Cash flows from investing activities	(617)	(1,792)	Acquisition of long-term prepaid expenses	(1,324)
			Purchases of intangible fixed assets	(541)
			Collection of guarantee deposits	514
Cash flows from financing activities	(1,781)	(3,075)	Decrease in short-term loans payable	(2,420)
			Dividends paid	(655)
Cash and cash equivalents at the end of the period	4,808	4,420		

COEN CO., LTD.

February - October

Saw increase in both revenue and income

- Sales: ¥7.65 billion, compared with the same period last year: 108.0%, compared with the same period 3 years ago: 80.5% (vs. 3 years ago excluding the impact of changes in revenue recognition standards: 82.9%)
- Gross margin improved by curtailing discount price sales, resulting in profits exceeding the plan
- Created hit products for pants for both men and women



- Targeting was switched. Merchandising was adjusted to focus on styling from the spring and summer
- In February, the company's E-commerce site is scheduled for renewal to advance OMO measures

UNITED ARROWS TAIWAN LTD.

February - October

Saw increase in both revenue and income

- Sales: ¥1.02 billion, compared with the same period last year: 143.7%, compared with the same period 3 years ago: 175.1%
- Although sales were lower than planned, profitability improved significantly from the previous year

Opening and Closing of Stores

9M Results

Opened 6

Closed 7

No. of stores as of 9M-end 309

Full-year forecast

Opened 6

Closed 20

No. of stores as of period-end 296

* 17.5% decrease from the end of March 2020

	No. of stores as of period- end of previous year	9M Results		No. of stores as of 9M-end	Full-year forecast		No. of stores as of period- end (Forecast)
		Opened	Closed		Opened	Closed	
Total Group	310	6	7	309	6	20	296
UNITED ARROWS LTD.	216	3	1	218	3	6	213
COEN CO., LTD.	87	2	6	83	2	14	75
UNITED ARROWS TAIWAN LTD.	7	1	0	8	1	0	8

UNITED ARROWS LTD. Retail Stores Opened/Closed

	No. of stores as of period-end of previous	9M Results		No. of stores as of 9M-end	Full-year forecast		No. of stores as of period-end (Forecast)
		Opened	Closed		Opened	Closed	
UNITED ARROWS LTD. Total	216	3	1	218	3	6	213
Trend-conscious Market Total	106	1	1	106	1	4	103
UNITED ARROWS (General Merchandise Store)	14	0	0	14	0	0	14
UNITED ARROWS	24	0	0	24	0	0	24
BEAUTY&YOUTH	36	1	0	37	1	1	36
Other	32	0	1	31	0	3	29
Basic Trend-conscious Market Total	84	1	0	85	1	1	84
Green label relaxing	84	1	0	85	1	1	84
Outlet	26	1	0	27	1	1	26

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

FY23 PL Revised Plan (vs. original plan)

(Millions of yen)

	FY2023 Original plan	FY2023 Revised plan	vs. original plan Change/vs. sales pt difference	
Sales	130,000	130,000	0	100.0%
(Reference) Excluding the impact of changes in consolidation structure and revenue recognition standards	-	-	-	
Gross profit	65,700	66,560	860	101.3%
vs. Sales	50.5%	51.2%	0.7pt	-
SG&A Expenses	60,900	60,560	(340)	99.4%
vs. Sales	46.8%	46.6%	-0.3pt	-
Operating Income	4,800	6,000	1,200	125.0%
vs. Sales	3.7%	4.6%	0.9pt	-
Non Op. P/L	430	500	70	116.3%
vs. Sales	0.3%	0.4%	0.1pt	-
Ordinary Income	5,230	6,500	1,270	124.3%
vs. Sales	4.0%	5.0%	1.0pt	-
Extraordinary P/L	(830)	(470)	360	-
vs. Sales	-0.6%	-0.4%	0.3pt	-
Net income attributable to owners of parent	3,000	4,120	1,120	137.3%
vs. Sales	2.3%	3.2%	0.9pt	-

FY23 PL Revised Plan (compared to three years ago and the previous year)

(Millions of yen)

	FY2020 Full	FY2022 Full	FY2023 Revised plan	Compared to three years ago		Compared with the previous year	
				Change/vs. sales pt difference		Change/vs. sales pt difference	
Sales	157,412	118,384	130,000	(27,412)	82.6%	11,615	109.8%
(Reference) Excluding the impact of changes in consolidation structure and revenue recognition standards	-	-	-	- Approx. 92%		-	
Gross profit	79,983	59,090	66,560	(13,423)	83.2%	7,469	112.6%
vs. Sales	50.8%	49.9%	51.2%	0.4pt	-	1.3pt	-
SG&A Expenses	71,224	57,407	60,560	(10,664)	85.0%	3,152	105.5%
vs. Sales	45.2%	48.5%	46.6%	1.3pt	-	-1.9pt	-
Operating Income	8,758	1,683	6,000	(2,758)	68.5%	4,316	356.5%
vs. Sales	5.6%	1.4%	4.6%	-0.9pt	-	3.2pt	-
Non Op. P/L	44	1,144	500	455	1116.0%	(644)	43.7%
vs. Sales	0.0%	1.0%	0.4%	0.4pt	-	-0.6pt	-
Ordinary Income	8,803	2,827	6,500	(2,303)	73.8%	3,672	229.9%
vs. Sales	5.6%	2.4%	5.0%	-0.6pt	-	2.6pt	-
Extraordinary P/L	(2,582)	(1,068)	(470)	2,112	18.2%	598	44.0%
vs. Sales	-1.6%	-0.9%	-0.4%	1.3pt	-	0.5pt	-
Net income attributable to owners of parent	3,522	732	4,120	597	116.9%	3,387	562.3%
vs. Sales	2.2%	0.6%	3.2%	0.9pt	-	2.6pt	-

Initiatives toward 4Q and Next Fiscal Year

Fine-tune pricing

Optimize pricing in a way that meets brand characteristics

Enhance gross margin

Improve the ratio of regular price sales by enhancing product appeal and in-store customer service, and appropriate inventory procurement

Reduce sales opportunity losses and improve inventory efficiency

Plan to allocate physical store inventory to the Company's E-commerce site and sell

Renovate the CRM program

Plan to switch to programs that will lead to improvement of customer lifetime value (CLV)

02

Message from Yoshinori Matsuzaki
Representative Director, President and CEO

Working Toward Our New Medium-Term Management Plan from Current Medium-Term Management Plan

Current Medium-Term Management Plan

“Weather the crisis and regain our earnings power”

- Drastically review the revenue structure
- Regaining earnings power

Toward the New Medium-Term Management Plan

On the premise of "moving toward higher added value"

1. Increase contact with customers (sales)

- Growth of existing stores and EC through OMO initiatives
- New development and opening of stores to increase customers and supporters

2. Enhance added value (gross margin)

- Brand power through human capital
- Productive activities driven by digital investment

Toward the New Medium-Term Management Plan

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Toward the New Medium-Term Management Plan

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- Productive activities driven by digital investment

03

Reference Materials

Group Management Policy

Slogan

Providing Inspiration

Kándou Téikyo

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

Measures to focus on

Revitalize existing stores

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

Underlying strategies

Promotion of employee satisfaction (ES)

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

Promotion of digital transformation (DX)

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

Promotion of sustainability

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

Revitalize existing stores

Measures to focus on

Impressive customer service

Improving customer experience value through sales DX

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

Creation of thrills

Developing supply chain management (SCM) through product DX

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

Challenge for new UA

Re-enhancing corporate branding through reorganization

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



Underlying strategies



Promotion of employee satisfaction (ES)



Promotion of digital transformation (DX)



Promotion of sustainability