

For the First Quarter of  
Fiscal Year Ending  
March 31, 2024

# Financial Results Briefing

2023.08.07 UNITED ARROWS LTD.



**UNITED ARROWS LTD.**

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# IRASSYAIMASE

## 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

Click here for  
Shared Research Inc.  
research report.



01

## Overview of FY24 1Q Business Results

Summary

Sales and gross margin exceeded the previous year’s level, and each income below operating income exceeded plan due mainly to improvement in non-consolidated business performance

Consolidated	Sales <b>¥32,155 million</b> YoY 108.4%	Gross margin <b>55.0 %</b> YoY+0.4pt	SGA expenses <b>¥15,176 million</b> (47.2% vs. sales) YoY 105.9%, -1.1pt
	Operating income <b>¥2,502 million</b> (7.8% vs. sales) YoY 135.0%, +1.5pt	Net income attributable to owners of parent <b>¥1,798 million</b> (5.6% vs. sales) YoY 135.9%, +1.1pt	
Non-consolidated	Sales <b>¥29,894 million</b> YoY 110.4%	Gross margin <b>55.0%</b> YoY +0.5pt	Existing stores YoY Sales <b>109.1 %</b> Number of purchasing customers <b>98.3 %</b> Avg. spend per customer <b>110.8 %</b>

## Non-consolidated sales

By Channel		YoY	vs. sales YoY
Business Unit	<b>¥24,742</b> million (82.2% vs. sales)	110.8%	+0.8pt
Retail	<b>¥17,099</b> million (56.8% vs. sales)	110.6%	+0.5pt
Online	<b>¥7,085</b> million (23.6% vs. sales)	109.3%	-0.1pt
Outlet, etc.	<b>¥5,343</b> million (17.8% vs. sales)	105.1%	-0.8pt
By Business		YoY	
Trend-Conscious Market	<b>¥16,486</b> million	113.2%	
Basic Trend-Conscious Market	<b>¥8,255</b> million	106.2%	

BS

Balance of short- and long-term loans payable

**¥2,160 million**  
vs. FY23-End 86.3%

Inventory

**¥20,373 million**  
vs. FY23 1Q-End 106.5%

Opening and Closing of Stores

3M results

Opened **5** and Closed **2**

No. of stores as of period-end **301**

COEN CO., LTD.

Sales

**¥2.1 billion**  
YoY 91.5%

UNITED ARROWS TAIWAN LTD.

Sales

**¥0.2 billion**  
YoY 87.2%

# Consolidated P/L

(Millions of yen)

	FY2023 3M	FY2024 3M	Change/pt difference	YoY
Sales	29,664	32,155	2,491	108.4%
Gross profit	16,181	17,678	1,497	109.3%
vs. sales	54.5%	55.0%	0.4pt	-
SGA expenses	14,328	15,176	847	105.9%
vs. sales	48.3%	47.2%	-1.1pt	-
Operating income	1,853	2,502	649	135.0%
vs. sales	6.2%	7.8%	1.5pt	-
Non op. P/L	240	264	24	110.1%
vs. sales	0.8%	0.8%	0.0pt	-
Ordinary income	2,093	2,766	673	132.2%
vs. sales	7.1%	8.6%	1.5pt	-
Extraordinary P/L	(56)	(34)	21	-
vs. sales	-	-	-	-
Net income attributable to owners of parent	1,323	1,798	475	135.9%
vs. sales	4.5%	5.6%	1.1pt	-



# Consolidated Gross Margin

	FY2024 3M	YoY pt difference
Consolidated	55.0%	0.4pt
UNITED ARROWS LTD.	55.0%	0.5pt
Total business unit sales	-	-0.8pt
Outlet, etc.	-	7.6pt
COEN CO., LTD.	-	-2.1pt
UNITED ARROWS TAIWAN LTD.	-	0.8pt

# Consolidated SGA Expenses

(Millions of yen)

	FY2023 3M	FY2024 3M	Change/pt difference	YoY
Total SGA expenses	14,328	15,176	847	105.9%
vs. sales	48.3%	47.2%	- 1.1pt	-
Advertising expenses	583	720	137	123.6%
vs. sales	2.0%	2.2%	0.3pt	-
Personnel expenses	5,123	5,429	306	106.0%
vs. sales	17.3%	16.9%	- 0.4pt	-
Rent	4,424	4,429	5	100.1%
vs. sales	14.9%	13.8%	- 1.1pt	
Depreciation	217	212	(4)	97.9%
vs. sales	0.7%	0.7%	- 0.1pt	-
Other	3,980	4,383	403	110.1%
vs. sales	13.4%	13.6%	0.2pt	-

# Non-consolidated Sales by Channel

(Millions of yen)

	FY2023 3M	FY2024 3M	Change/pt difference	YoY
Non-consolidated sales	27,089	29,894	2,804	110.4%
Total business unit sales	22,337	24,742	2,404	110.8%
vs. sales	81.5%	82.2%	0.8pt	-
Retail	15,455	17,099	1,644	110.6%
vs. sales	56.4%	56.8%	0.5pt	-
Online	6,485	7,085	600	109.3%
vs. sales	23.6%	23.6%	- 0.1pt	-
Others (Wholesale, etc.)	396	556	160	140.5%
vs. sales	1.4%	1.9%	0.4pt	-
Outlet, etc.	5,086	5,343	257	105.1%
vs. sales	18.5%	17.8%	- 0.8pt	-

## Existing stores YoY

	Sales	Number of customers	Avg. spend per customer
Retail + Online	109.1%	98.3%	110.8%
Retail	110.0%	100.1%	109.9%
Online	106.9%	95.1%	111.4%

# Non-consolidated Sales by Business

(Millions of yen)

	FY2023 3M	FY2024 3M	Change	YoY
Total business unit sales	22,337	24,742	2,404	110.8%
Trend-Conscious Market	14,566	16,486	1,920	113.2%
Basic Trend-Conscious Market	7,770	8,255	484	106.2%

## Existing store sales YoY

	Retail + Online	Retail	Online
Trend-Conscious Market	112.4%	113.6%	109.5%
Basic Trend-Conscious Market	102.9%	103.0%	102.7%

# Consolidated BS

(Millions of yen)

	As of Mar. 31, 2023	As of Jun. 30, 2023	vs. previous term-end Change	
Total Assets	61,184	55,808	(5,376)	91.2%
Composition ratio	100.0%	100.0%	-	-
Current Assets	41,604	36,854	(4,750)	88.6%
Composition ratio	68.0%	66.0%	-	-
Noncurrent Assets	19,580	18,954	(626)	96.8%
Composition ratio	32.0%	34.0%	-	-
Current Liabilities	23,451	18,540	(4,911)	79.1%
Composition ratio	38.3%	33.2%	-	-
Noncurrent Liabilities	4,030	4,085	54	101.4%
Composition ratio	6.6%	7.3%	-	-
Total Net Assets	33,702	33,182	(519)	98.5%
Composition ratio	55.1%	59.5%	-	-
Reference: Balance of short- and long-term loans payable	2,504	2,160	(344)	86.3%
	As of Jun. 30, 2022	As of Jun. 30, 2023	vs. 1Q-end of the previous fiscal year Change	
Reference: Inventory	19,138	20,373	1,234	106.5%

# Consolidated CF

(Millions of yen)

	FY2023 3M	FY2024 3M	Major breakdown of the results for the term	
Cash flows from operating activities (sub-total)	2,369	(5)		
Cash flows from operating activities	1,955	(1,040)	Income before income taxes	2,731
			Decrease in trade receivables	651
			Decrease in provision for bonuses	(1,354)
			Decrease in trade payables	(1,272)
Cash flows from investing activities	(1,536)	(818)	Collection of guarantee deposits	79
			Purchases of property, plant and equipment	(434)
			Purchases of intangible assets	(309)
Cash flows from financing activities	(2,611)	(2,582)	Acquisition of treasury stock	(1,311)
			Dividends paid	(925)
			Decrease in short-term loans payable	(344)
Cash and cash equivalents at the end of the period	3,319	4,111		

## COEN CO., LTD.

February – April

### Saw decrease in revenue and increase in income

- Sales were ¥2.1 billion, 91.5% YoY
- Retail sales declined due to closing of stores (sales at existing retail stores were approximately 113%), a reduction in discount price sales following the renewal of the company's e-commerce site, and a decrease in online sales due to a shortage of products for younger customers
- Switching to products with revised targets has begun, and improvement from fall/winter is expected
- It is expected to take time to resolve system issues after the company's e-commerce site renewal, and the Company plans to expand the number of products sold exclusively online for younger customers to supplement sales

## UNITED ARROWS TAIWAN LTD.

February – April

### Saw decrease in both revenue and income

- Sales were ¥0.2 billion, 87.2% YoY
- The change of month in which the Chinese New Year occurs (in February last year, in January this year), the slowdown of the sales trends of early summer clothes due to the unstable climate in March, and the effect of the closing of an external online shopping mall

# Opening and Closing of Stores

3M results

Full-year forecast

Opened 5

Opened 10

Closed 2

Closed 8

No. of stores as of 1Q-end 301

No. of stores as of period-end 300

		3M results			Full-year forecast		
	No. of stores at the previous period-end	Opened	Closed	No. of stores at the 1Q-end	Opened	Closed	No. of stores at the period-end (Forecast)
Total Group	298	5	2	301	10	8	300
UNITED ARROWS LTD.	215	5	1	219	9	5	219
COEN CO., LTD.	75	0	1	74	0	3	72
UNITED ARROWS TAIWAN LTD.	8	0	0	8	1	0	9



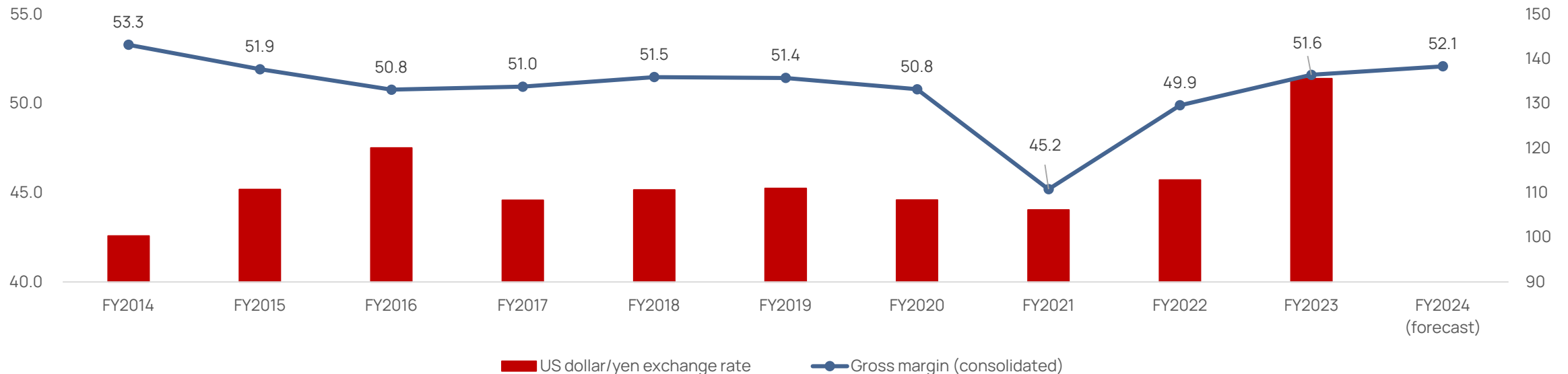
# UNITED ARROWS LTD. Retail Stores Opened/Closed

	No. of stores at the previous period-end	3M results		No. of stores at the 1Q-end	Full-year forecast		No. of stores at the period-end (Forecast)
		Opened	Closed		Opened	Closed	
UNITED ARROWS LTD. Total	215	5	1	219	9	5	219
Trend-Conscious Market Total	104	0	0	104	1	4	101
UNITED ARROWS (General Merchandise Store)	14	0	0	14	0	0	14
UNITED ARROWS	24	0	0	24	1	1	24
BEAUTY&YOUTH	37	0	0	37	0	2	35
Other	29	0	0	29	0	1	28
Basic Trend-Conscious Market Total	85	4	1	88	7	1	91
Green label relaxing	84	1	1	84	2	1	85
Other	1	3	0	4	5	0	6
Outlet	26	1	0	27	1	0	27

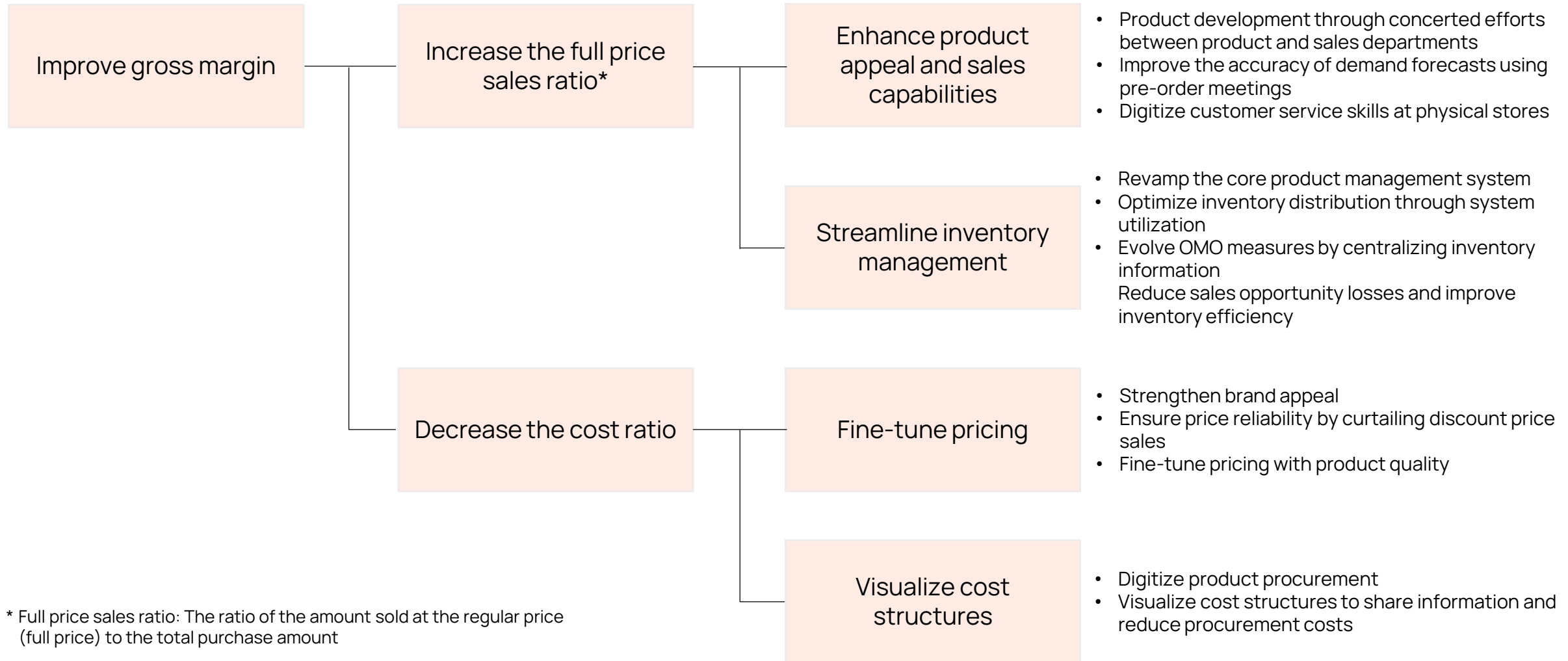
\*STEVEN ALAN OSAKA is recognized as an annex to each BY store and not included in the number of stores above.

# Trends in Consolidated Gross Margin and Exchange Rates

- As about 80% of our products are imported, effects of exchange rate fluctuations are inevitable
- FY23 results: 51.6%  
With curtailing discount price sales and revising prices, consolidated gross margin rebounded close to the level of FY15, when the exchange rate was around 110 yen per dollar
- FY24 forecast: 52.1%, gross margin is expected to improve to the 53% level during the Medium-Term Management Plan



# Efforts to Improve Gross Margin



\* Full price sales ratio: The ratio of the amount sold at the regular price (full price) to the total purchase amount

# A New Membership Program “UA Club” Was Launched in August 2023

## Shift to the miles & coupons system

- Launch the miles and coupons system based on shopping + contact with the Company (action)
- Exchange accumulated miles for coupons
- Increase the contact points, the number of purchases, and the membership retention rate through UA Club, where miles are earned by shopping and actions and exchanged to coupons

					
アプリインストール	LINEアカウント連携	メール受信設定	お気に入り商品登録	お気に入りスタッフ登録	ショッピングバッグ篩選
5,000 マイル	5,000 マイル	5,000 マイル	50 マイル	50 マイル	500 マイル

## Membership stage system shared by all brands

- The membership rank requirements and extra services by brand were abolished, and the membership stage and benefit system are shared by all brands
- Simpler and clearer requirements for upgrading membership stage rank



## Pop-up Store in Shanghai, China

- A pop-up store was opened at Grand Gateway 66, a commercial facility in Shanghai, China, from May 12 to July 11, 2023
- The lineup included UNITED ARROWS, BEAUTY&YOUTH and other high-end brands including H BEAUTY&YOUTH and ROKU
- We will continue marketing activities through the development of pop-up shops and the opening of stores on the online shopping site Tmall Global



## 02

# Progress in Sustainability Initiatives

## History of Our Sustainability Activities

October 1999 (at the time of listing) to present

### Our Commitment: Creating Five Values

Customers, Employees, Business Partners, Society, Shareholders

May 2020 to present

### Five Themes and 16 Material Issues

Supply Chain, Resources, Community, Human Resources, Governance

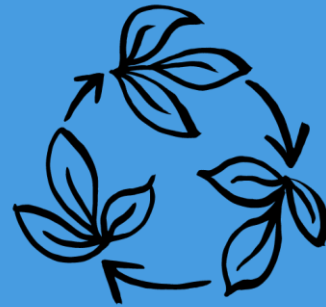
August 2022 to present

### Launching SARROWS and Setting Numerical Targets

Circularity, Carbon Neutrality, Humanity



## UNITED ARROWS Sustainability Activities



### Circularity

Circular fashion

Having a 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.

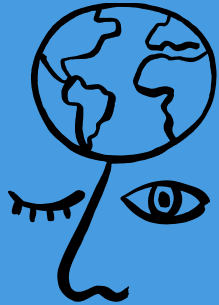


### Humanity

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™

Results for 2021  
(the fiscal year ended  
March 2022)



## Circularity

Circular fashion

Disposal rate of products

2021	2030 TARGET
1.0%	0.1%

Ratio of environmentally  
conscious products

2021	2030 TARGET
2.0%	50%



## Carbon Neutrality

Toward a carbon-neutral world

Reduction rate of CO<sub>2</sub> emissions  
(Scope 1, 2)

2021	2030 TARGET
10.8%	30%

Reduction rate of CO<sub>2</sub> emissions  
(Scope 3)

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 acquired

2021	2030 TARGET
11.6%	100%

Employee engagement scores

2021	2030 TARGET
70%	80%

## Sustainability Promotion System

The Sustainability Committee was established in April 2020 as an organization subordinate to the Executive Committee

With the Committee being chaired by the Representative Director, President and CEO, and consisting of executive directors, full-time outside directors and executive officers, the management is taking proactive action

Under the leadership of the Committee, departments across the board are working together in promoting related activities

## Sustainability Committee

The Committee meets regularly every month to deliberate on policies and initiatives related to sustainability strategies and to review their progress

- (1) Deliberation on basic policies, promotion items, promotion plans, and promotion content of sustainability strategies
- (2) Development and improvement of the in-house sustainability strategies promotion system
- (3) Review of the progress of sustainability strategies and deliberation on the improvement plan
- (4) Deliberation on effective disclosure of information about sustainability strategies
- (5) Deliberation on promotion of specific businesses and projects related to sustainability

## Results of the Fiscal Year Ended March 2023

11 regular committee meetings and five extraordinary committee meetings were held

The participation rate of the chairperson and executive directors was 100% in the fiscal year ended March 2023

## Main Discussions of the Sustainability Committee in the Fiscal Year Ended March 2023

	Circularity	Carbon Neutrality	Humanity	Other
1Q	Final discussion and decision on long-term quantitative targets (resolution is made by the Board of Directors)			
		Discussion and determination of disclosure based on the Recommendations of TCFD		
		Discussion for SBTi application		
2Q	Discussion on reducing product waste	Discussion on participation in the project supported by the Ministry of the Environment	Speech on business and human rights by experts	Report on the selection for the prominent ESG indicators
	Discussion on the medium-term targets of the composition of environmentally conscious products			
3Q	Internal definition of environmentally conscious products and inclusion in explanatory materials for business partners	Interim report on energy survey in commercial facilities where our shops are operating	Discussion on the formulation of human rights policy	Report on higher evaluation of ESG rating agencies and content analysis
4Q	Medium-term guidelines for long-term quantitative targets/sustainability approach in long-term vision			Discussion on review of donation regulations
	Continued discussion on reducing product waste	Report and disclosure of calculation results of the project supported by the Ministry of the Environment	Formulation and disclosure of human rights policy	Report on the selection for the prominent ESG indicators (1Q of the following fiscal year)
		Report and disclosure of acquisition of SBTi approval (1Q of the following fiscal year)	Commencement of field audits of affiliated plants and report on results (reported in 1Q of the following fiscal year)	



Results for 2022  
(the fiscal year ended  
March 2023)



### Circularity

Circular fashion

Disposal rate of textile products  
(newly established)

	2022	2030 TARGET
2021	→ 0.3%	0.0%

Disposal rate of products

	2022	2030 TARGET
2021	→ 0.4%	0.1%

Ratio of environmentally  
conscious products

	2022	2030 TARGET
2021	→ 16.2%	50.0%



### Carbon Neutrality

Toward a carbon-neutral world

Reduction rate of CO<sub>2</sub> emissions  
(Scope 1, 2)

	2022	2030 TARGET
2021	→ 14.7%	30.0%

Reduction rate of CO<sub>2</sub> emissions  
(Scope 3)

	2022	2030 TARGET
2021	→ 14.6%	15.0%

Ratio of renewable energy

	2022	2030 TARGET
2021	→ 8.3%	50.0%



### Humanity

Work and live in a healthy way

Rate of Code of Conduct for Business  
Partners consent forms acquired

	2022	2030 TARGET
2021	→ 48.2%	100.0%

Employee engagement scores

	2022	2030 TARGET
2021	→ 70.0%	80.0%

\*Some of the figures for 2021 have been updated

## Major Initiatives in the Fiscal Year Ended March 2023



### Circularity

Circular fashion

Improvement of the regular price sales ratio (the full price sales ratio) and inventory turnover ratio

- The full price sales ratio in the previous fiscal year reached the highest in the past 10 years due to the development and promotion of product plans that emphasize the regular price sales ratio
- Inventory turnover ratio recovered to the pre-COVID level of the fiscal year ended March 2019

Reduction of the product disposal rate through recycling, reuse, etc.

- Expanded material recycling of non-saleable textile products
- Participated in a new sustainable stores initiative of commercial facilities

Development of the internal standards for environmentally conscious products (the SARROWS tree)

- Established our own standards, as there are no industry standards for environmentally conscious products
- Compiled a booklet for business partners that includes the above standards, seeking their understanding and cooperation



### Early acquisition of SBTi approval as an apparel company in Japan

- In April 2023, we acquired SBTi approval, which is still rare for Japanese apparel companies
- Target for Scope 1 and 2 was assessed as a level well below 2° C, and Scope 3 as a level below 2° C



### Major Initiatives in the Fiscal Year Ended March 2023



## Carbon Neutrality

Toward a carbon-neutral world

### Calculation of the carbon footprint of products

- Participated in the Ministry of the Environment's initiative "Model Projects for Carbon Footprint of Products and Services" in 2022
- Calculated CO<sub>2</sub> emissions of GLR's short-sleeved cut-and-sewn, aiming to utilize it for CO<sub>2</sub> reduction in each process of product life cycle

### Energy survey on commercial facilities and discussion of future renewable energy

- Conducted energy survey in commercial facilities where our shops are operating
- Started interviews with some major business partners. Discussed the direction of future initiatives



## Major Initiatives in the Fiscal Year Ended March 2023



### Humanity

Work and live in a healthy way

#### Formulation and disclosure of UNITED ARROWS Group Human Rights Policy

- Formulated and disclosed the Group's human rights policy based on international principles and guidelines from relevant government agencies
- Built and continuously operated a mechanism of human rights due diligence with the aim of fulfilling its responsibility for respecting human rights

#### Commencement of field audits of domestic affiliated plants

- Established "Code of Conduct for Business Partners in Goods Procurement" to enhance transparency in the supply chain, and received a letter of consent
- In addition to the above, field audits of domestic affiliated plants commenced in the previous fiscal year

#### Promotion of various personnel policies to improve employee engagement

- In order to appropriately grasp employee engagement, we conducted an annual employee awareness survey, which was started in 2012, and reflected it in the human resource strategy
- Through the above initiative, we promoted the provision of educational opportunities that lead to professional development and a review of the personnel evaluation system which is linked to OMO measures





## Major Initiatives in the Fiscal Year Ended March 2023



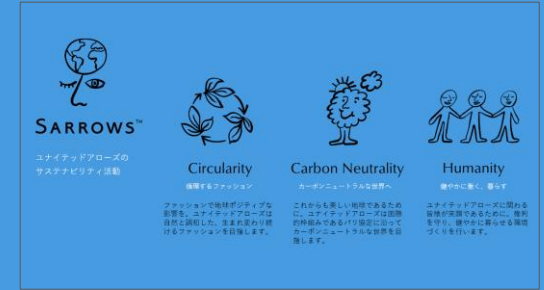
SARROWS™

Other sustainability promotion activities

### Complete renewal of the website and highlighting sustainability initiatives

- The corporate website was completely redesigned. Sustainability initiatives were highlighted by placing numerical targets for sustainability on the opening page of the website and taking other measures
- The overall sustainability activities were named “SARROWS,” aiming to encourage people to support and participate in our activities

New website



Former website



### Development and disclosure of our first ESG Data Book

- Issued our first ESG Data Book in the previous fiscal year
- It covers quantitative information required for stakeholders in line with E, S and G

### Cooperation with the Risk Management Committee to promote risk reduction activities

- Worked with the Risk Management Committee, which is held monthly, to regularly discuss ESG risks
- Discussed human rights risks in the supply chain, risks related to products and expressions used in public relations, and information security in the previous fiscal year





## Major External Evaluation Improvements



### MSCI ESG Ratings

- The Company's initial rating of BBB was assigned in 2016 and did not change until 2021, but the rating was upgraded to A in December 2022



### FTSE Blossom Japan Sector Relative Index

- First selected in June 2022
- Continued to be selected for 2023



**FTSE Blossom  
Japan Sector  
Relative Index**

### FTSE Blossom Japan Index

- First selected in June 2023
- The Company has been selected as a constituent for three of six ESG indices used by Government Pension Investment Fund (GPIF)



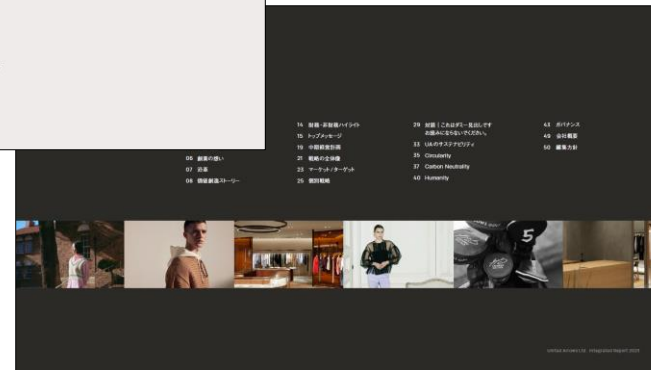
**FTSE Blossom  
Japan Index**

(FTSE Blossom Japan Index, FTSE Blossom Japan Sector Relative Index, S&P/JPX Carbon Efficient Index)

## Integrated Report 2023

- The Integrated Report will be published, though it has been suspended since 2020 due to the decline in business performance caused by the COVID-19 pandemic
- It explains the source of the Company's value based on the value creation process
- The sustainability initiatives outlined in this presentation material are also detailed

## Topics for the Fiscal Year Ending March 2024

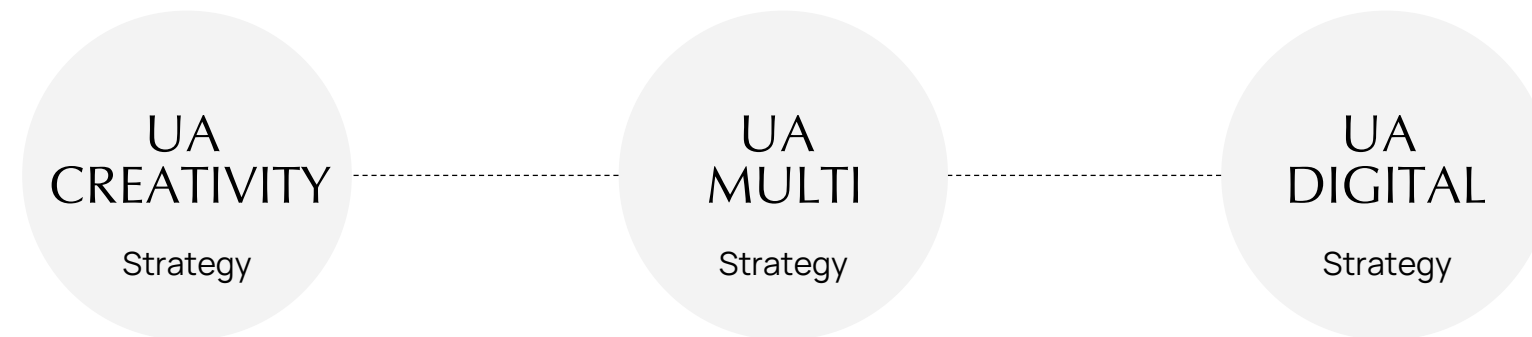


目次	統合報告書の構成	目次
15. 経営・経営環境	29. 環境（この部分については、別紙に詳しく説明されています）	43. 社会
16. サステナビリティ	30. 環境（この部分については、別紙に詳しく説明されています）	44. 社会
17. 経営環境	31. 環境（この部分については、別紙に詳しく説明されています）	45. 社会
18. 経営環境	32. 環境（この部分については、別紙に詳しく説明されています）	46. 社会
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20. 経営環境	34. 環境（この部分については、別紙に詳しく説明されています）	48. 社会
21. 経営環境	35. 環境（この部分については、別紙に詳しく説明されています）	49. 社会
22. 経営環境	36. 環境（この部分については、別紙に詳しく説明されています）	50. 社会
23. 経営環境	37. 環境（この部分については、別紙に詳しく説明されています）	51. 社会
24. 経営環境	38. 環境（この部分については、別紙に詳しく説明されています）	52. 社会
25. 経営環境	39. 環境（この部分については、別紙に詳しく説明されています）	53. 社会
26. 経営環境	40. 環境（この部分については、別紙に詳しく説明されています）	54. 社会
27. 経営環境	41. 環境（この部分については、別紙に詳しく説明されています）	55. 社会
28. 経営環境	42. 環境（この部分については、別紙に詳しく説明されています）	56. 社会

## 03

# Message from Yoshinori Matsuzaki, Representative Director, President and CEO

### Three Key Strategies



提供感動  
KANDOU  
TEIKYO

ENGAGEMENT  
WITH CUSTOMERS  
providing excitement  
- connecting with customers  
widely and deeply

- 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

04

## Reference Materials

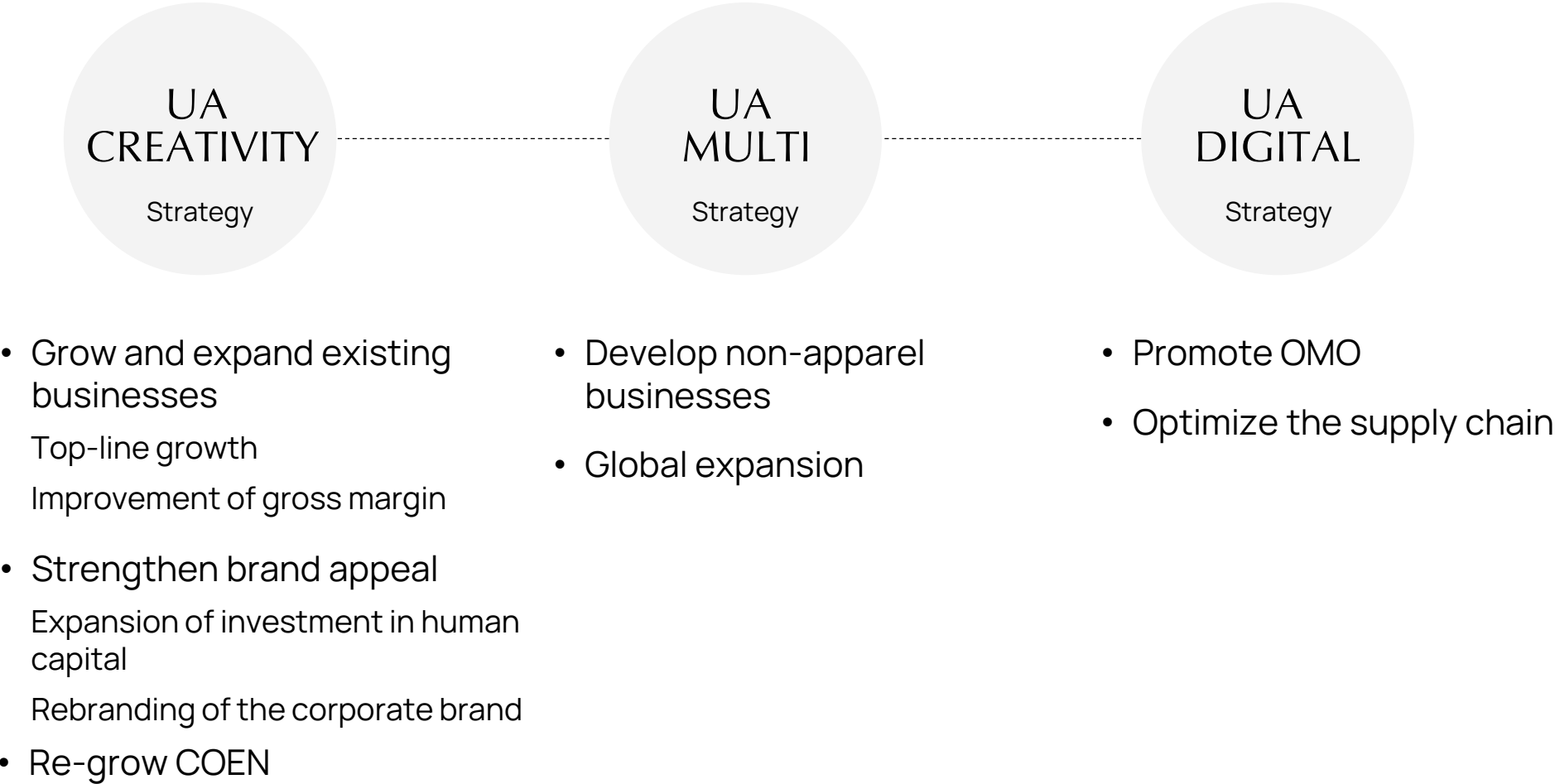


## ENGAGEMENT WITH CUSTOMERS

providing excitement - connecting with customers widely and deeply

Take steps to provide new value

Three Key Strategies



# 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.