

For the Nine Months of Fiscal Year Ending March 31, 2024

Financial Results Briefing

Financial Results Briefing



UNITED ARROWS LTD.

2024.02.07 UNITED ARROWS LTD.

Table of Contents

Table of Contents

P04 – P26	01	Overview of FY24/3 3Q Business Results
P27 – P37	02	Major Initiatives in FY24/3 3Q of the Medium-Term Management Plan
P38 – P40	03	Progress in Sustainability Initiatives
P41 – P42	04	Message from Yoshinori Matsuzaki, Representative Director, President, and CEO
P43 – P47	05	Reference Materials

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 includes 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 FY24/3 3Q Business Results

Consolidated Although sales cleared the previous year's level and gross margin was maintained at the same level as the previous year, operating income and other profits decreased due to an increase in SGA expenses

Consolidated sales

¥99.7 billion

YoY
103.8%

Gross margin

52.7%

Same level as last year

Operating income

¥5.8 billion

YoY
91.1%

Net income

¥4.2 billion

YoY
98.0%

- Despite struggling in the third quarter due to the effects of the warm winter, sales increased due to normalization of economic activity and recovery in inbound tourism
- Gross margin for the nine months recovered to the FY19/3 level
- The SGA expenses to sales ratio worsened due to increased advertising expenses and personnel expenses, and all profits below operating income decreased

Consolidated Gross Margin

- Consolidated gross margin remained the same level as the previous year
- UA LTD. improved by 0.1pt from the previous year. Although the total business unit was affected by higher costs for spring products and expanded discount sales in fall and winter, outlet sales improved significantly
- COEN CO., LTD. saw a decline from the previous year, due to increased discount price sales

	FY24/3 9M	YoY pt difference
Consolidated	52.7%	0.0pt
UNITED ARROWS LTD.	52.5%	0.1pt
Total business unit sales	-	-0.3pt
Outlet, etc.	-	4.7pt
COEN CO., LTD.	-	-1.9pt
UNITED ARROWS TAIWAN LTD.	-	3.8pt

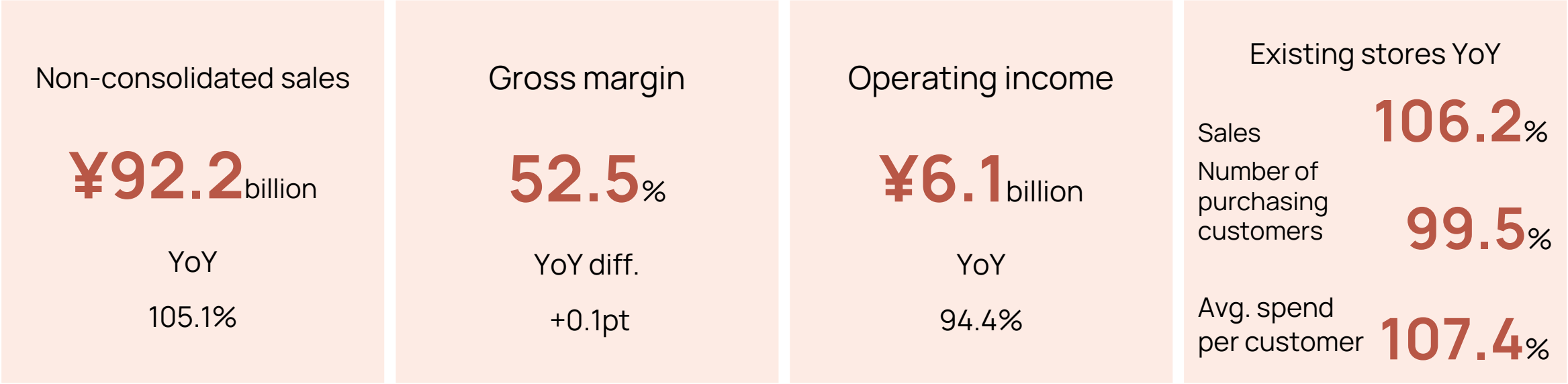
Consolidated SGA Expenses

- Consolidated SGA expenses were ¥46,761 million, 105.7% YoY, and vs. sales were 46.9%, up 0.9 pt YoY
- Advertising expenses include impact of one-time costs associated with transfer to the “UA Club” system at UA LTD.
- Personnel expenses were affected by increases in personnel, wage increases, etc.
- Rent decreased mainly due to the store closure of COEN CO., LTD.
- Other increases were due to increases in UA online sales and variable costs

(Millions of yen)				
	FY23/3 9M	FY24/3 9M	Change/pt difference	YoY
Total SGA expenses	44,247	46,761	2,514	105.7%
vs. sales	46.0%	46.9%	0.9pt	-
Advertising expenses	2,124	2,852	727	134.3%
vs. sales	2.2%	2.9%	0.6pt	-
Personnel expenses	15,429	16,000	571	103.7%
vs. sales	16.1%	16.0%	- 0.0pt	-
Rent	13,686	13,644	(41)	99.7%
vs. sales	14.2%	13.7%	- 0.6pt	-
Depreciation	653	647	(5)	99.2%
vs. sales	0.7%	0.6%	- 0.0pt	-
Other	12,353	13,615	1,261	110.2%
vs. sales	12.9%	13.7%	0.8pt	-

Non-consolidated

Sales exceeded the previous year, gross margin also improved from the previous year, and the negative number of customers purchasing at existing stores improved by 0.8 percentage points from the first half



- Sales were driven by the Trend-conscious Market centered on UA and BY, and sales surpassed the previous year
- SGA expenses include one-time costs (¥390 million) associated with changes in the membership program that occurred in the second quarter
- While maintaining the increase in avg. spend per customer, the negative number of customers purchasing at existing stores was reduced from the previous year to 0.5% (0.8pt improvement from the first half result)

Non-consolidated by channel: As retail sales continued to improve, online sales also exceeded the previous year

- Both retail and online sales improved from the previous year, the composition ratio of the online sales was 24.5% of the total, almost the same level as the previous year
- UA online sales were 112.9% of the previous year, the composition ratio in the total online sales was 37.4% (YoY diff. +2.2 pts)
- The total sales at other companies' sites were 102.5% of the previous year
- Sales to inbound tourists were 3.7 times the previous year, with a composition ratio of 2.9% (YoY diff. +2.1 pts)

(Millions of yen)

	FY2023 9M	FY2024 9M	Change/pt difference	YoY
Non-consolidated sales	87,816	92,286	4,469	105.1%
Total business unit sales	72,980	77,938	4,957	106.8%
vs. sales	82.3%	82.7%	0.4pt	-
Retail	49,901	53,362	3,461	106.9%
vs. sales	56.3%	56.6%	0.3pt	-
Online	21,783	23,130	1,347	106.2%
vs. sales	24.6%	24.5%	- 0.0pt	-
Other (Wholesale, etc.)	1,295	1,445	149	111.5%
vs. sales	1.5%	1.5%	0.1pt	-
Outlet, etc.	15,692	16,312	620	104.0%
vs. sales	17.7%	17.3%	- 0.4pt	-

Non-consolidated By business: Trend-conscious Market remained strong

- Trend-conscious Market centered on UA and BY continue to grow due to recovery in urban areas, recovery in inbound tourism, etc.
- Both markets exceeded the previous year and existing store sales also surpassed the previous year
- The challenge is the Basic Trend-conscious Market centered on GLR, and we aim to improve it from spring/summer

(Millions of yen)

	FY2023 9M	FY2024 9M	Change	YoY
Total business unit sales	72,980	77,938	4,957	106.8%
Trend-conscious Market	48,447	52,642	4,195	108.7%
Basic Trend-conscious Market	24,533	25,295	762	103.1%

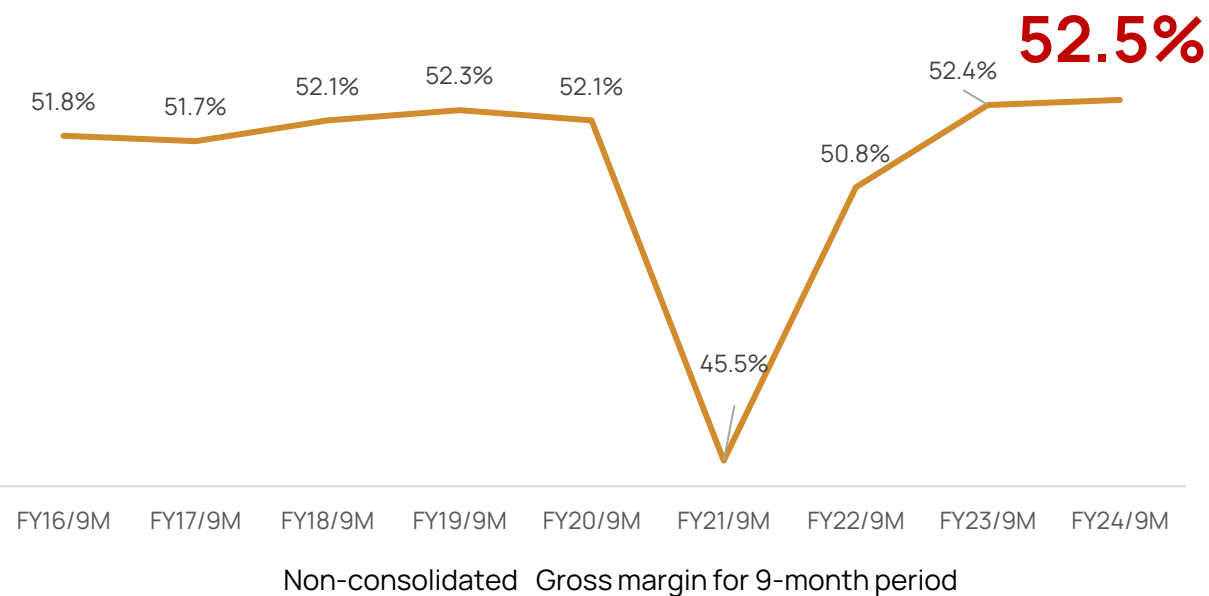
Existing store sales YoY

	Retail + Online	Retail	Online
Trend-conscious Market	109.3%	109.8%	108.0%
Basic Trend-conscious Market	100.4%	101.5%	98.4%

Non-consolidated Gross margin continues to improve

- Recovered to **52.5%**, the highest level since FY16/3, and approximately **53%** excluding the impact of the change in revenue recognition standards
- Although the negative impact of higher costs remains in Business Units, improvements continue in Outlets and others due to inventory optimization

	FY24/3 9M	YoY pt difference
UNITED ARROWS LTD.	52.5%	0.1pt
Excluding the impact of the change in revenue recognition standards	53.2%	
Total business unit sales	-	-0.3pt
Outlet, etc.	-	4.7pt



Financial impact of transition to UA Club

Convert old “points” held by members to “miles” when transferring to UA Club

Due to the difference in the return rates, the amount increases when converted miles are converted to old points

Assuming future use of the increase, a portion of the increase was lumped into the second quarter of FY24/3, as sales promotion expenses to reserve future discounts

The increased amount will be recorded as a sales discount from September 2023 onwards

Financial impact after September 2023

Sales YoY About **-1.3 to -1.4** pts

Gross margin About **-0.1** pt

* Based on current mileage usage estimates, this impact is expected to end by the end of March 2024

Selected as a “DX Certified Business Operator” by the Ministry of Economy, Trade and Industry

Certified as ready for DX promotion in compliance with the basic matters of the “Digital Governance Code”

Our initiatives for DX

April 2021	Established DX Promotion Center*2 with the aim of establishing a business model for the OMO*1 era
May 2023	Promoting various DX strategies with the “UA DIGITAL Strategy” set as one of the main strategies of the “Medium-term Management Plan 2023-2025”
August 2023	Renewed our membership program and launched a new program using the app, “UA Club”, updated content to increase customer lifetime value
October 2023	Established the “DX Sales Master” system to evaluate specialists who demonstrate excellent performance in sales-related DX activities
Currently	We are in the process of renewing our core product management system and creating a system to digitalize product procurement with the aim of optimizing our supply chain

*1 Online Merges with Offline

*2 Renamed “DX Promotion Office” in April 2023



Consolidated P/L

		FY23/3 9M	FY24/3 9M	(Millions of yen) Change/pt difference	YoY
Sales		96,093	99,704	3,611	103.8%
Gross profit		50,635	52,578	1,943	103.8%
	vs. sales	52.7%	52.7%	0.0pt	-
SGA expenses		44,247	46,761	2,514	105.7%
	vs. sales	46.0%	46.9%	0.9pt	-
Operating income		6,387	5,817	(570)	91.1%
	vs. sales	6.6%	5.8%	- 0.8pt	-
Non op. P/L		343	542	198	157.8%
	vs. sales	0.4%	0.5%	0.2pt	-
Ordinary income		6,731	6,359	(372)	94.5%
	vs. sales	7.0%	6.4%	- 0.6pt	-
Extraordinary P/L		(299)	(171)	127	-
	vs. sales	-	-	-	-
Net income attributable to owners of parent		4,340	4,253	(86)	98.0%
	vs. sales	4.5%	4.3%	- 0.3pt	-

Consolidated P/L 3Q (3 months)

(Millions of yen)

	FY23/3 3Q	FY24/3 3Q	Change/pt difference	YoY
Sales	38,640	38,690	50	100.1%
Gross profit	20,782	20,585	(197)	99.0%
vs. sales	53.8%	53.2%	- 0.6pt	-
SGA expenses	15,780	16,543	763	104.8%
vs. sales	40.8%	42.8%	1.9pt	-
Operating income	5,002	4,041	(960)	80.8%
vs. sales	12.9%	10.4%	- 2.5pt	-
Non op. P/L	19	133	114	700.2%
vs. sales	0.0%	0.3%	0.3pt	-
Ordinary income	5,021	4,174	(846)	83.1%
vs. sales	13.0%	10.8%	- 2.2pt	-
Extraordinary P/L	(184)	(102)	81	-
vs. sales	-	-	-	-
Net income attributable to owners of parent	3,265	2,827	(438)	86.6%
vs. sales	8.5%	7.3%	- 1.1pt	-

Consolidated Gross margin

	FY24/3 9M	YoY pt difference
Consolidated	52.7%	0.0pt
UNITED ARROWS LTD.	52.5%	0.1pt
Total business unit sales	-	-0.3pt
Outlet, etc.	-	4.7pt
COEN CO., LTD.	-	-1.9pt
UNITED ARROWS TAIWAN LTD.	-	3.8pt

Consolidated Gross Margin 3Q (3 months)

	FY24/3 3Q	YoY pt difference
Consolidated	53.2%	-0.6pt
UNITED ARROWS LTD.	53.1%	-0.7pt
Total business unit sales	-	-0.3pt
Outlet, etc.	-	1.7pt
COEN CO., LTD.	-	-0.5pt
UNITED ARROWS TAIWAN LTD.	-	5.3pt

Consolidated SGA Expenses

(Millions of yen)

	FY23/3 9M	FY24/3 9M	Change/pt difference	YoY
Total SGA expenses	44,247	46,761	2,514	105.7%
vs. sales	46.0%	46.9%	0.9pt	-
Advertising expenses	2,124	2,852	727	134.3%
vs. sales	2.2%	2.9%	0.6pt	-
Personnel expenses	15,429	16,000	571	103.7%
vs. sales	16.1%	16.0%	- 0.0pt	-
Rent	13,686	13,644	(41)	99.7%
vs. sales	14.2%	13.7%	- 0.6pt	-
Depreciation	653	647	(5)	99.2%
vs. sales	0.7%	0.6%	- 0.0pt	-
Other	12,353	13,615	1,261	110.2%
vs. sales	12.9%	13.7%	0.8pt	-

Consolidated SGA Expenses 3Q (3 months)

(Millions of yen)

	FY23/3 3Q	FY24/3 3Q	Change/pt difference	YoY
Total SGA expenses	15,780	16,543	763	104.8%
vs. sales	40.8%	42.8%	1.9pt	-
Advertising expenses	829	924	94	111.4%
vs. sales	2.1%	2.4%	0.2pt	-
Personnel expenses	5,153	5,518	365	107.1%
vs. sales	13.3%	14.3%	0.9pt	-
Rent	5,088	4,988	(100)	98.0%
vs. sales	13.2%	12.9%	- 0.3pt	
Depreciation	217	222	5	102.4%
vs. sales	0.6%	0.6%	0.0pt	-
Other	4,491	4,889	398	108.9%
vs. sales	11.6%	12.6%	1.0pt	-

Non-consolidated Sales by Channel

(Millions of yen)

	FY2023 9M	FY2024 9M	Change/pt difference	YoY
Non-consolidated sales	87,816	92,286	4,469	105.1%
Total business unit sales	72,980	77,938	4,957	106.8%
vs. sales	82.3%	82.7%	0.4pt	-
Retail	49,901	53,362	3,461	106.9%
vs. sales	56.3%	56.6%	0.3pt	-
Online	21,783	23,130	1,347	106.2%
vs. sales	24.6%	24.5%	- 0.0pt	-
Other (Wholesale, etc.)	1,295	1,445	149	111.5%
vs. sales	1.5%	1.5%	0.1pt	-
Outlet, etc.	15,692	16,312	620	104.0%
vs. sales	17.7%	17.3%	- 0.4pt	-

Existing stores YoY

	Sales	Number of customers	Avg. spend per customer
Retail + Online	106.2%	99.5%	107.4%
Retail	107.1%	100.7%	106.3%
Online	104.4%	97.4%	109.2%

Non-consolidated Sales by Business

(Millions of yen)

	FY2023 9M	FY2024 9M	Change	YoY
Total business unit sales	72,980	77,938	4,957	106.8%
Trend-conscious Market	48,447	52,642	4,195	108.7%
Basic Trend-conscious Market	24,533	25,295	762	103.1%

Existing store sales YoY

	Retail + Online	Retail	Online
Trend-conscious Market	109.3%	109.8%	108.0%
Basic Trend-conscious Market	100.4%	101.5%	98.4%

Consolidated BS

(Millions of yen)

	As of Mar. 31, 2023	As of Dec. 31, 2023	vs. previous term-end Change	
Total Assets	61,184	60,316	(868)	98.6%
Composition ratio	100.0%	100.0%	-	-
Current Assets	41,604	40,881	(722)	98.3%
Composition ratio	68.0%	67.8%	-	-
Noncurrent Assets	19,580	19,434	(145)	99.3%
Composition ratio	32.0%	32.2%	-	-
Current Liabilities	23,451	21,717	(1,734)	92.6%
Composition ratio	38.3%	36.0%	-	-
Noncurrent Liabilities	4,030	4,159	129	103.2%
Composition ratio	6.6%	6.9%	-	-
Total Net Assets	33,702	34,438	736	102.2%
Composition ratio	55.1%	57.1%	-	-
Reference: Balance of short- and long-term loans payable	2,504	2,198	(306)	87.8%
	As of Dec. 31, 2022	As of Dec. 31, 2023	vs. 3Q-end of the previous fiscal year Change	
Reference: Inventory	23,416	22,833	(583)	97.5%

Consolidated CF

(Millions of yen)

	FY23/3 9M	FY24/3 9M	Major breakdown of the results for the term	
Cash flows from operating activities (sub-total)	4,432	2,558		
Cash flows from operating activities	3,827	911	Income before income taxes	6,118
			Decrease in provision for bonuses	(1,378)
			Increase in trade receivables	(2,592)
			Increase in inventories	(2,193)
Cash flows from investing activities	(1,792)	(2,545)	Purchase of property, plant and equipment	(880)
			Purchase of intangible fixed assets	(1,366)
			Purchase of long-term prepaid expenses	(321)
Cash flows from financing activities	(3,075)	(3,744)	Decrease in short-term loans payable	(306)
			Purchase of treasury shares	(2,000)
			Dividends paid	(1,433)
Cash and cash equivalents at the end of the period	4,420	3,104		

COEN CO., LTD.

February - October

Saw decrease in both revenue and income

- Sales were ¥6.8 billion, 89.4% YoY
- Both sales and gross margin were lower than the previous year, and despite efforts to suppress SGA expenses, both revenue and income decreased
- Although physical stores are on a recovery trend, online sales continue to slow down
- Refine the MD from fall/winter and aim for improvements from spring/summer onwards

UNITED ARROWS TAIWAN LTD.

February - October

Saw increase in revenue and decrease in income

- Sales were ¥1.1 billion, 109.8% YoY
- Sales and gross margin exceeded the previous year
- Profit decreased due to SGA expenses increased by growth investments such as CITEN limited-time stores

Opening and Closing of Stores

Results for 9-month period

Opened 9 Closed 6 No. of stores at the 3Q end 301

Full-year forecast

Opened 12 Closed 9 No. of stores at the period-end 301

	Results for 9-month period				Full-year forecast		
	No. of stores at the previous period end	Opened	Closed	No. of stores at the 3Q end	Opened	Closed	No. of stores at the period end (forecast)
Total Group	298	9	6	301	12	9	301
UNITED ARROWS LTD.	215	8	3	220	11	5	221
COEN CO., LTD.	75	0	3	72	0	4	71
UNITED ARROWS TAIWAN LTD.	8	1	0	9	1	0	9

UA LTD. Retail Stores Opened/Closed

	Results for 9-month period				Full-year forecast		
	No. of stores at the previous period end	Opened	Closed	No. of stores at the 3Q end	Opened	Closed	No. of stores at the period end (forecast)
UNITED ARROWS LTD. Total	215	8	3	220	11	5	221
Trend-conscious Market Total	104	1	2	103	3	4	103
UNITED ARROWS (General Merchandise Store)	14	0	0	14	0	0	14
UNITED ARROWS	24	1	0	25	2	1	25
BEAUTY&YOUTH	37	0	1	36	1	2	36
Other	29	0	1	28	0	1	28
Basic Trend-conscious Market Total	85	6	1	90	7	1	91
Green label relaxing	84	2	1	85	2	1	85
Other	1	4	0	5	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.

02

Major Initiatives in FY24/3 3Q of the Medium-Term Management Plan

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



- Brand development for business expansion
- Global expansion



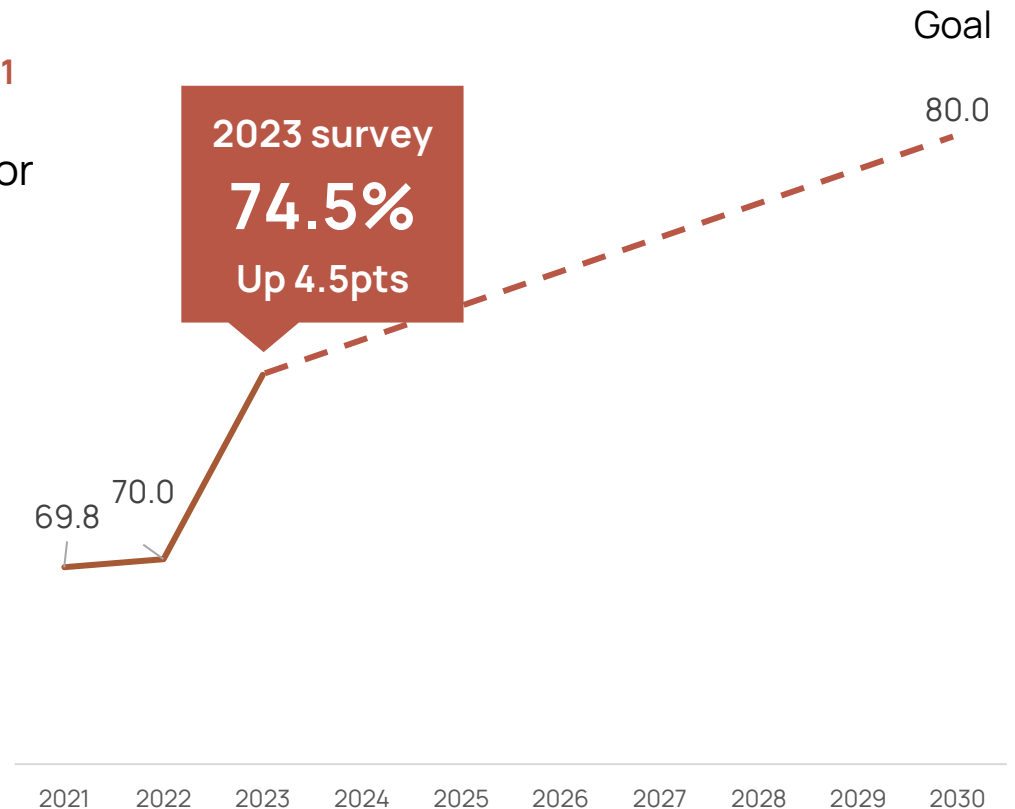
- Promote OMO
- Optimize the supply chain

UA CREATIVITY Strategy: Strengthen brand power - Expansion of investment in human capital

Improve employee engagement

Significantly improved employee engagement score ^{*1}

- The positive response rate increased for each motivational factor (Sense of accomplishment, recognition, work itself, delegation of authority, satisfaction with evaluation, and sense of growth)
- Based on the results of an employee awareness survey, investment distribution to measures that have a high impact on eNPS ^{*2} contributed
- Major measures for the FY24/3
 - Expansion of educational opportunities
 - Dissemination of Company policies
 - Creating opportunities for dialogue with management



Employee Engagement Score Trend (%)

From the employee awareness survey by UA LTD.

^{*1} Employee engagement scores
Average positive response rate for motivational factors

^{*2} eNPS
Employee version "Net Promoter Score"; value indicating the degree of attachment and trust in the workplace

UA CREATIVITY Strategy: Strengthen brand power - Expansion of investment in human capital

Generation Z ranked UA LTD. No.1 with high scores for “mutual respect among employees” *1

Favorable evaluation factor

- A culture where employees' intentions are respected
- Actively implement initiatives related to social contribution activities
- Implementation of multifaceted evaluation of managers
- Conducting employee awareness surveys, etc.

“There is a culture of respecting and accepting the values of others before presenting our own ideas, so we can grow in terms of changing the way we perceive things and our thinking.”

(Retail, less than 3 years of employment, current position (at time of response), new graduate, male, UNITED ARROWS)

Quote: “OpenWork” employee reviews

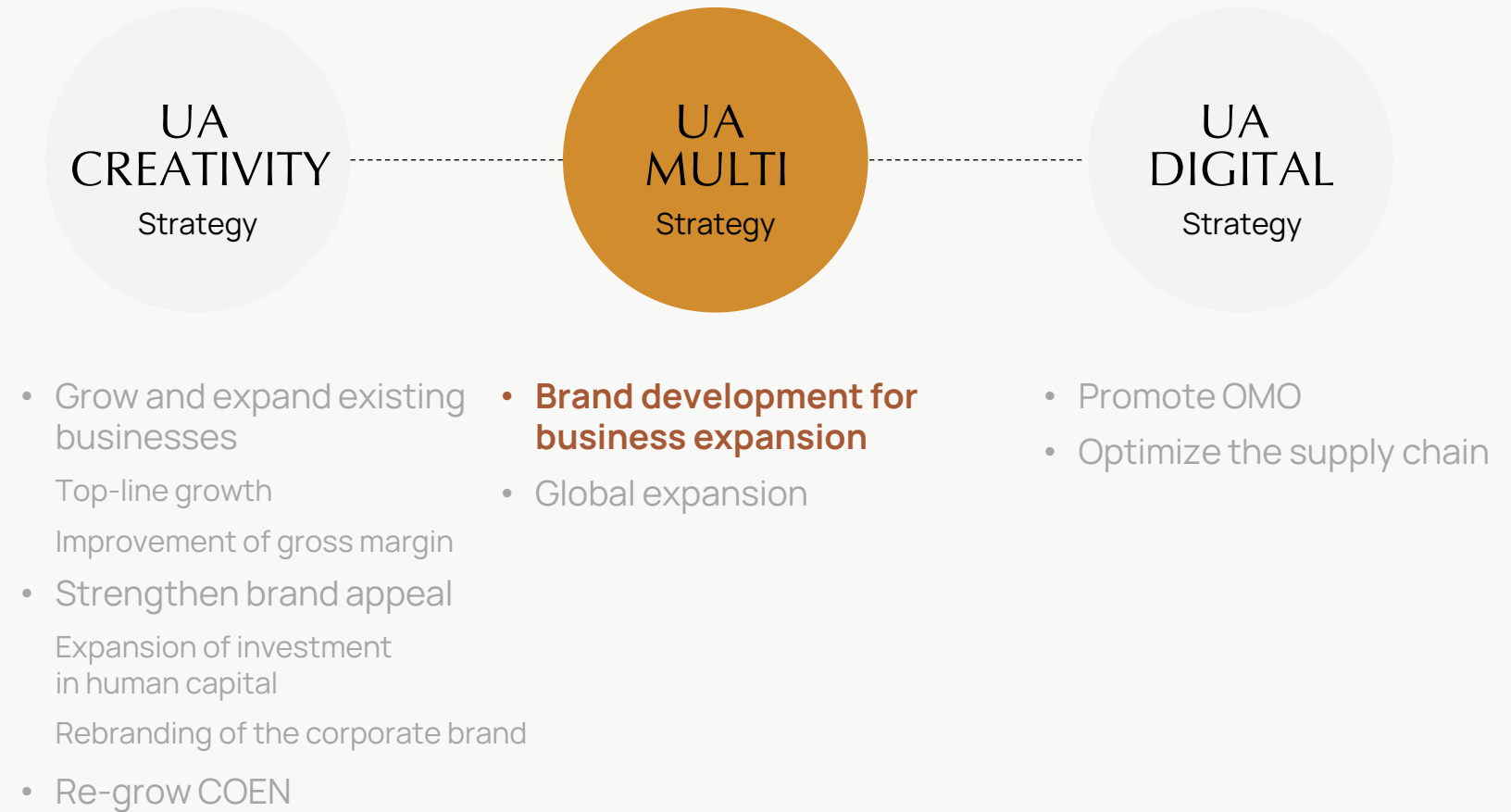
*1 OpenWork Inc.'s own research

Z世代が評価する「社員の相互尊重」スコアが高い企業 [openwork](#)

順位	企業名	社員の相互尊重スコア
1	株式会社ユナイテッドアローズ	4.67
2	株式会社JSOL	4.57
3	株式会社サイバーエージェント	4.53
4	シンプレクス株式会社	4.50
5	チームラボ株式会社	4.50
6	スターバックス コーヒー ジャパン株式会社	4.45
7	株式会社クイック	4.44
8	レバテック株式会社	4.43
9	双日株式会社	4.40
10	株式会社オリエンタルランド	4.40
11	伊藤忠商事株式会社	4.40
12	Sky株式会社	4.38
13	アビームコンサルティング株式会社	4.37
14	株式会社電通	4.33
15	株式会社シーエー・アドバンス	4.33
16	株式会社セールスフォース・ジャパン	4.31
17	KPMGコンサルティング株式会社	4.29
18	EYストラテジー・アンド・コンサルティング株式会社	4.22
19	キリンビール株式会社	4.20
20	株式会社パル	4.20
21	三菱商事株式会社	4.20
22	日本マスタートラスト信託銀行株式会社	4.20
23	株式会社いつも	4.20
24	株式会社湘美会	4.20
25	株式会社セレクトリックス	4.20
26	パーソルキャリア株式会社	4.17
27	株式会社マクニカ	4.17
28	株式会社リクルート	4.15
29	株式会社ジーンズ	4.14
30	株式会社ゾフ	4.14

※1順位は小数点第5位までの結果
※2023/1/1～11/30にOpenWorkへ投稿された、回答時24-27歳の社員・元社員による会社評価レポートを集計
※対象者・集計期間を限定しているためOpenWorkの各企業ページに掲載している企業評価点とは異なる

Three Key Strategies

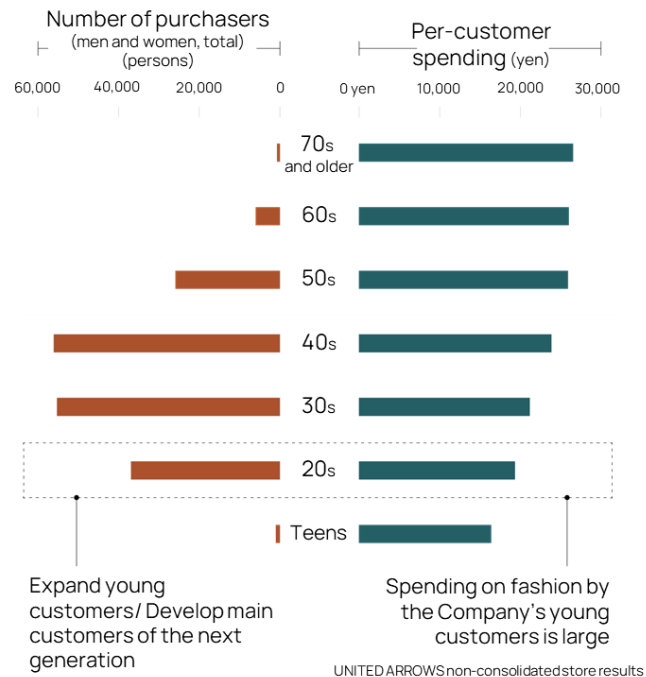


The UA MULTI Strategy: Brand development for business expansion

Aiming to expand business by responding to challenges to achieve long-term vision

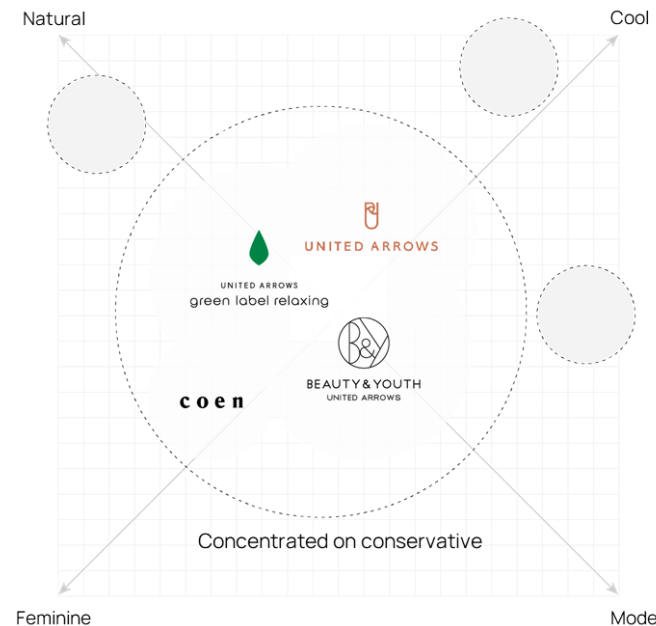
Issue along the Age Axis

Main customers are those in the 30s to 40s, with the potential to expand into the 20s



Issue along the Brand Axis

Main businesses are concentrated on traditional, conservative tastes. There is room to expand in other tastes including casual and mode



Issue in terms of business

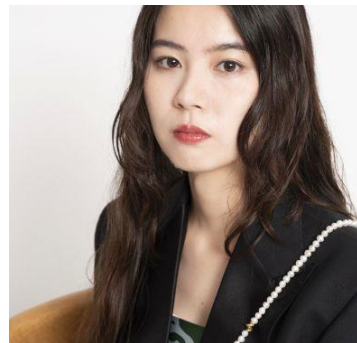
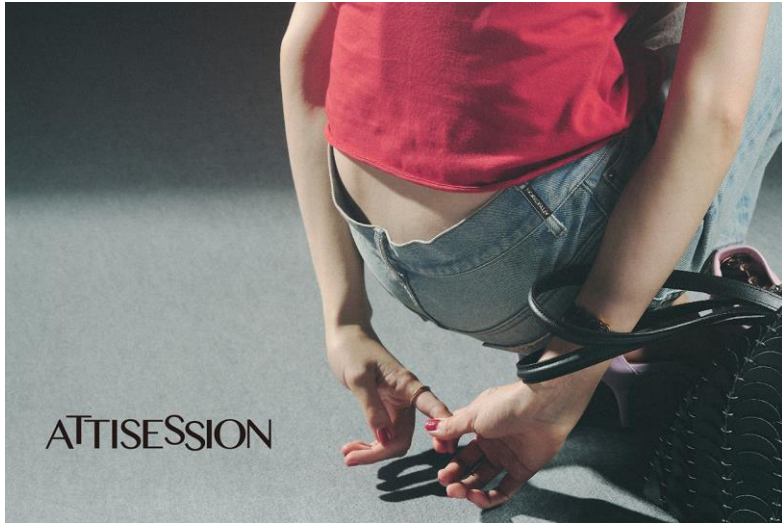
- Business domains are mostly fashion, and domestic
- There is room to expand value provided to food, clothing, and living toward making lifestyle proposals
- Overseas business is currently limited to Taiwan, with room for expansion, including entry into China and others

The UA MULTI Strategy: Brand development for business expansion

Launch of “ATTISESSION”, a women's brand aimed at the MZ generation*

Expand customer base to MZ generation

- Team formation selected from next-generation in-house members such as director, MD, PR, etc.
- Sales starts in some BY stores and the UA online from April 2024, with a plan to open physical stores within the next fiscal year



Director: Nanaka Yotsuya

Born in 1998, aged 25. Born in Ishikawa Prefecture. After graduating from the Fashion Marketing and Distribution Department of Bunka Fashion College, joined UA LTD. in 2020. Engaged in sales work at the UNITED ARROWS Shibuya Scramble Square, worked on product planning for the web-only line within BY brand from spring/summer 2022, and transferred to the BY Product Department in June 2023.

Instagram: <https://www.instagram.com/7k0512/>

* Generation MZ: Millennials, Generation Z, generations born between the mid-1980s and early 2000s (early 20s to late 30s)

The UA MULTI Strategy: Brand development for business expansion

Launch of “ATTISESSION”, a women's brand aimed at the MZ generation

Taste and pricing that resonates with the target generation

Main products and price ranges

Tops	¥7,000 - ¥18,000
Shirts	¥12,000 - ¥25,000
Bottoms	¥13,000 - ¥24,000
Jackets	¥22,000 - ¥39,000
Outerwear	¥25,000 - ¥70,000

Instagram

<https://www.instagram.com/attisession/>



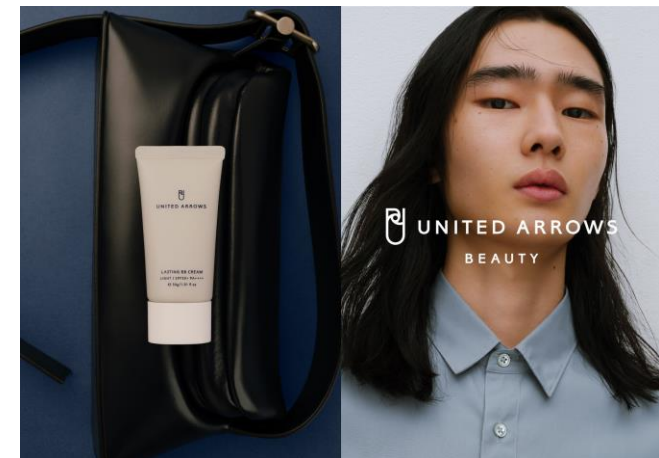
2024SS Image Visual

The UA MULTI Strategy: Brand development for business expansion

Launched UNITED ARROWS BEAUTY, a cosmetics brand for millennials

Leveraging UA brand name recognition to advance into the cosmetics market

- Available in a total of 6 items including BB cream, serum, color shampoo, etc.
- Expanding sales channels through Rakuten Ichiba, Amazon and ZOZOTOWN, besides our selected physical stores and the UA online
- Reliably reach the target audience through PR methods such as the use of influencers



The UA MULTI Strategy: Brand development for business expansion

Launched UNITED ARROWS BEAUTY, a cosmetics brand for millennials

Differentiated lineup, pricing that is easy to use day-to-day

Product lineup

BB Cream	¥2,530
Rich serum	¥2,860
Face wash powder	¥1,980
Color shampoo treatment	¥2,420 each
Hair oil	¥2,750 (Price including tax)



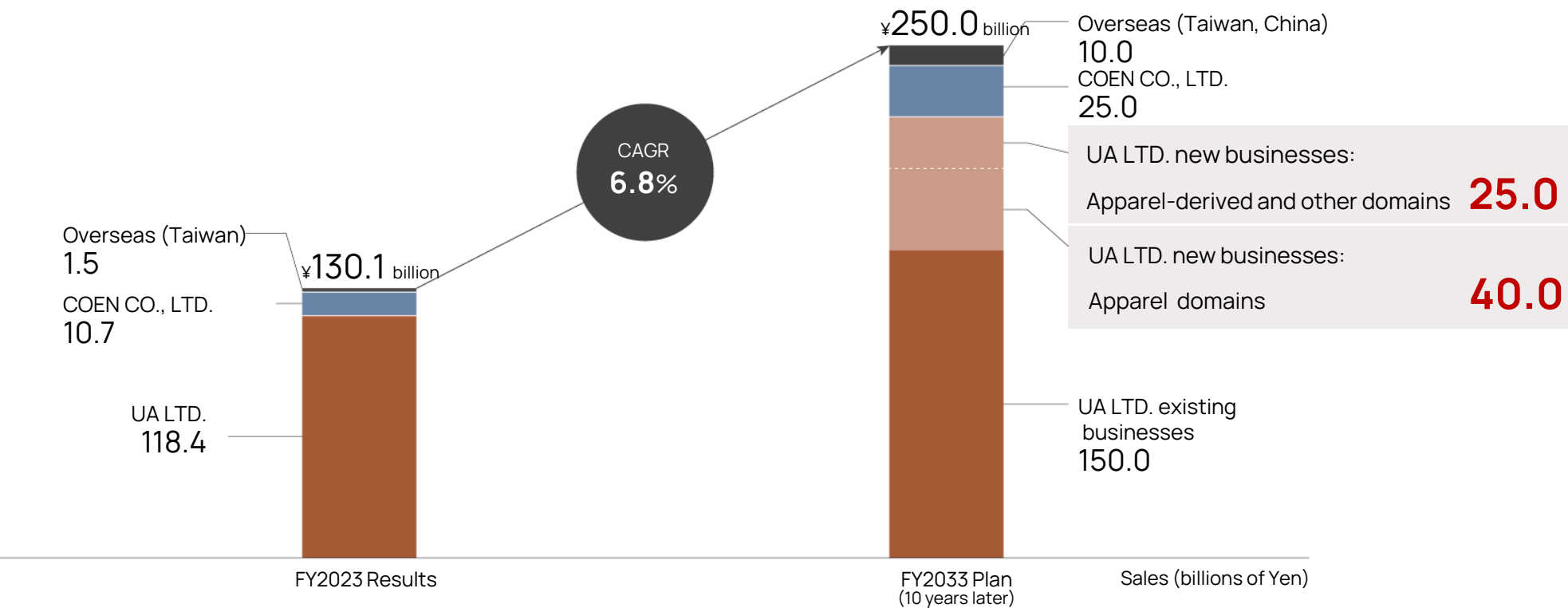
URL:<https://store.united-arrows.co.jp/s/brand/ua/feature/res/unitedarrowsbeauty/>

Instagram: https://www.instagram.com/unitedarrowsbeauty_official/

The UA MULTI Strategy: Brand development for business expansion

Aim for ¥40.0 billion in new apparel businesses and ¥25.0 billion in apparel derived businesses and non-apparel businesses over the long term

Planning for this initiative + α is under way, and launch multiple brands within the medium-term management period



03

Progress in Sustainability Initiatives



Humanity

Promoting collection of Code of Conduct for Business Partners consent forms

- collection rate

Result at the end of January 2024 **74.3%**

(Result at the end of March 2023 48.2% and target 100% by FY 2031/3)

- Established the code with the aim of increasing supply chain transparency and preventing human rights violations
- Aim to obtain consent forms from all domestic and overseas business partners to whom we outsource the production of private label products and OEM products

“Code of Conduct for Product Procurement Partners”

https://www.united-arrows.co.jp/wp-content/uploads/2023/08/2306_kihan_eng.pdf



Humanity

Conducting on-site audits of domestic partner factories

- Completed 5 auditing projects scheduled for FY2024/3. (2 projects for FY 2023/3)
- Conducted a third-party audit by an external organization in accordance with the Japan Apparel and Fashion Industry Association's “CSR Factory Audit Requirements”
- In the future, we plan to expand the scope of audits to overseas partner factories



Carbon Neutrality

Obtained B rating in CDP Climate Change Report 2023

- The B rating is considered to be at the management level and evaluates that “the company is aware of its own environmental risks and their impacts and is acting accordingly”



Support for the 2024 Noto Peninsula Earthquake

- Donation of UA miles
If the customers use their UA miles to make a donation, we will make the donation to Peace Winds Japan, a certified NPO, on their behalf. Funds collected will be used for emergency support activities by the organization's disaster emergency support project, "Flying Search and Medical Team ARROWS". As of the end of January, over 1,400 donations totaling over ¥0.8 million have been made
- Donation of clothing
A total of 200 items of clothing, mainly outerwear, were donated through the "Flying Search and Medical Team ARROWS"



A scene at the time of delivery of support clothing (Courtesy Peace Winds Japan)

04

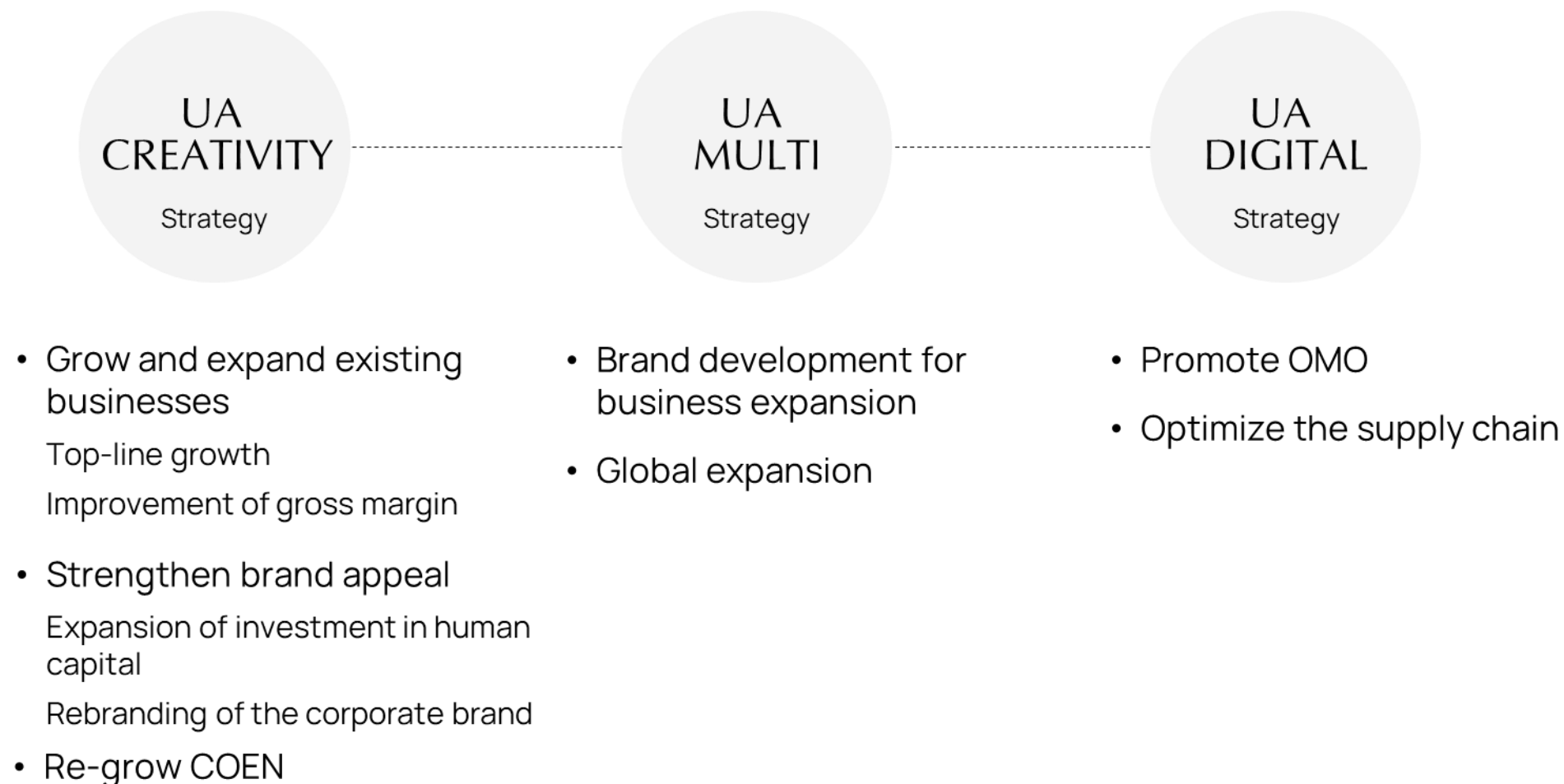
Message from Yoshinori Matsuzaki, Representative Director, President, and CEO

提供感動
KANDOU
TEIKYO

ENGAGEMENT
WITH CUSTOMERS

providing excitement - connecting
with customers widely and deeply

Three Key Strategies



05

Reference Materials

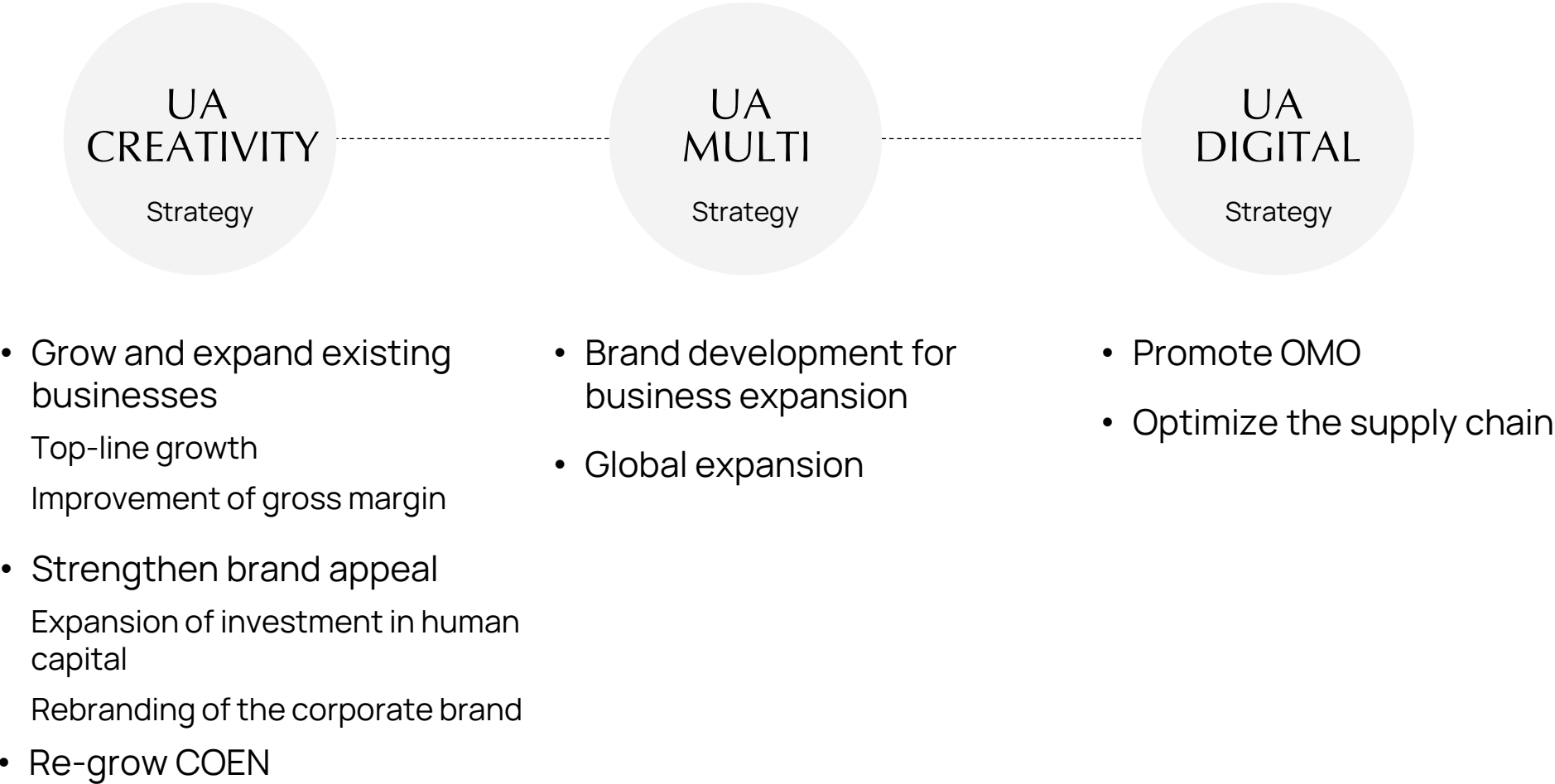


ENGAGEMENT WITH CUSTOMERS

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.