

**UNITED ARROWS LTD. Earnings Announcement Q&A
for the Three-Month Period Ended June 30, 2024**

UNITED ARROWS LTD. (the “Company”) held an earnings announcement presentation at which the press, analysts, and institutional investors were in attendance. The principal questions received and answers given during each session are presented below. Certain details have been added or amended to lead to a further understanding of the UNITED ARROWS Group’s performance and activities.

Q. What is the progress versus the plan in Q1?

A. On a consolidated basis, sales exceeded the plan by several percent. Although the gross margin fell short of the plan, the gross profit exceeded the plan due to higher sales. SG&A expenses have progressed almost as planned, with profits below operating income exceeding the plan by about 20%.

Q. What is the reason behind the continued strong sales trend in the trend-conscious market since the previous period? Are the OMO measures more successful in the trend-conscious market?

A. One of the factors behind this is increased sales efficiency due to an increase in avg. spend per customer as a result of price revisions. Moreover, the trend-conscious market has been making stronger efforts to increase the ratio of fixed-price sales than the basic trend-conscious market and has been restraining inventory procurement in recent years. This quarter, we are holding more inventory to meet demand, and so inventory particularly for online shopping has been bolstered. As for OMO measures, the trend-conscious market tends to have a higher customer ratio in terms of annual purchase amount and frequency of purchases, making them more likely to be effective.

Q. Green Label is recovering. Where do you see room for future growth?

A. Green Label has recently recovered rapidly, partly as a reaction to the very difficult times it faced in the previous fiscal year, and we believe there is still room for growth going forward. In terms of store openings, in addition to opening in large and medium-sized cities, there is room to develop commercial facilities that are more rooted in the local community. In terms of products, we believe there is room for growth in strengthening the development of business casual items such as set-ups for men's business wear. We believe that we can improve our casual wear by focusing on more fashionable categories that are closer to BEAUTY&YOUTH.

Q. How is the response to the new brand? Are you gaining a new customer base?

A. Ahead of the opening of their physical stores in September, ATTISETTION and conte are holding an online pre-order event and selling their products in select stores. Both are progressing faster than planned, with ATTISETTION being well received by younger generations of customers. As for conte, it has attracted new, highly fashion-conscious customers in the expected age group. Both brands primarily use Instagram to reach out to new customers. For ATTISESSION in particular, we plan to actively utilize SNS because of its compatibility with our target audience.

Q. How do you plan to deal with the lingering summer heat and the fall/winter sales season?

A. Last year, we struggled with the lingering heat due to a shortage of summer clothing, but this year we plan to launch new summer products to better deal with the lingering heat. For fall and winter, we will expand our lineup of special order and popular products to accommodate temperature fluctuations during the transition between seasons.

Q. At the full-year briefing, precise pricing was mentioned as one of your future initiatives. How do you respond to the summer markdown sale and what are your plans for fall and winter? Is this initiative factored into the initial plan?

A. The consideration period took longer than expected, so this is not implemented for the summer markdown sale. The initiative is to be introduced on a trial basis for fall/winter products in September and then we will review the discount settings at the time of markdown sales. This initiative is expected to improve gross margins, especially during markdown sales. However, it has not been factored into the initial plan, since actual results will vary depending on the results of the test implementation starting in September and the scope of implementation.

Q. You said that the loss of sales opportunity decreased due to the increase in inventory procurement. Is there any room for further improvement going forward? Can you apply the analysis of this spring and summer to next fall and winter?

A. This fiscal year, we have increased the inventory procurement in order to reduce the loss of sales opportunities that occurred in the previous fiscal year, and have boosted sales while improving the fixed price sales ratio, thereby adopting a sales method that is less dependent on markdown sales. We divide and manage each season of the spring/summer and fall/winter in detail and believe that there will be room for further improvement by analyzing the inventory turnover rate and others in each season. We believe that the results of this

spring and summer analysis can be reflected to some extent in the fall and winter seasons.

Q. What will the UA Club do to increase lifetime value (LTV)? Where is the KPI set?

A. In order to improve the LTV, we place emphasis on increasing purchasing opportunities in addition to purchasing amount, and place importance on the ratio of members who make purchases at least twice a year (F2 ratio). From the OMO perspective, we place emphasis on the number of cross-users who use both physical stores and our own e-commerce site, and we are seeing results in both areas as of the first quarter. We aim to improve the F2 ratio and increase the number of cross-users through DX of sales activities such as sales staff making posts about styling and chat services, which will lead to sales of both real stores and our own EC.