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February 6, 2025



**Consolidated Financial Results**  
**for the Nine Months Ended December 31, 2024**  
**(Japanese GAAP)**

Company name:	UNITED ARROWS LTD.
Listing:	The Prime Market of the Tokyo Stock Exchange
Securities code:	7606
URL:	<a href="https://www.united-arrows.co.jp/en/">https://www.united-arrows.co.jp/en/</a>
Representative:	Yoshinori Matsuzaki, Representative Director, President and CEO
Inquiries:	Takeo Nakazawa, Director, Executive Managing Officer and CFO
Telephone:	+81-3-5785-6325
Scheduled date to commence dividend payments:	—
Preparation of supplementary material on financial results:	Yes
Holding of presentation of financial results:	Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

**1. Consolidated financial results for the nine months ended December 31, 2024 (April 1, 2024 to December 31, 2024)**

**(1) Consolidated operating results (cumulative)**

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	112,988	13.3	8,035	38.1	8,771	37.9	5,063	19.0
December 31, 2023	99,704	3.8	5,817	(8.9)	6,359	(5.5)	4,253	(2.0)

Note:	Comprehensive income	For the nine months ended December 31, 2024:	¥5,049 million	[20.9%]
		For the nine months ended December 31, 2023:	¥4,174 million	[(0.8)%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	183.44	—
December 31, 2023	152.66	—

## (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2024	70,911	38,582	54.4	1,397.50
March 31, 2024	60,204	35,030	58.2	1,269.38

Reference:	Equity	
	As of December 31, 2024:	¥38,582 million
	As of March 31, 2024:	¥35.030 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	17.00	—	38.00	55.00
Fiscal year ending March 31, 2025	—	17.00	—		
Fiscal year ending March 31, 2025 (Forecast)				38.00	55.00

Note: Revisions to the forecast of cash dividends most recently announced: None

## 3. Consolidated financial result forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	150,960	12.4	7,700	14.2	8,320	11.1	4,530	(7.1)	164.12

Note: Revisions to the forecast of financial results most recently announced: None

**\* Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: Excluded: CHROME HEARTS JP, GK

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2024	30,213,676 shares
As of March 31, 2024	30,213,676 shares

(ii) Number of treasury shares at the end of the period

As of December 31, 2024	2,605,286 shares
As of March 31, 2024	2,617,586 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2024	27,603,259 shares
Nine months ended December 31, 2023	27,864,731 shares

\* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

\* Proper use of earnings forecasts, and other special matters

The forward-looking statements herein are based on information available to the Company and certain assumptions deemed reasonable as of the date of publication of this document. They are not intended as the Company's commitment to achieve such forecasts, and actual results may differ significantly from these forecasts due to a wide range of factors. For the suppositions that form the assumptions for earnings forecasts and cautions concerning the proper use thereof, please refer to "Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information" on page 4 of (Attachments) Consolidated Financial Results.

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## 1. Qualitative Information on Quarterly Financial Results

### (1) Explanation of Operating Results

During the nine months ended December 31, 2024, the Japanese economy exhibited moderate recovery trends backed by improvements in the employment and income environments. Nevertheless, the outlook remained uncertain, as concerns for a decline in consumer confidence prevailed, triggered by drastic foreign exchange rate fluctuations and rising prices. The retail apparel industry, despite the harsh business environment exacerbated by the record-breaking late-summer heat and warm winter, in addition to the depreciating yen, soaring material costs, the upward pressure on personnel costs, and labor shortages, has remained firm, thanks to rising fashion demand reflecting increasing opportunities for going out and about and growing inbound consumption.

Under such circumstances, the Company has formulated its long-term vision for 2032 (the fiscal year ending March 31, 2033)—“UNITED ARROWS, a Beautiful Company. We will continue to pursue truth, goodness, and beauty in order to contribute to the realization of a sustainable society and become a high-value-added group that continues to be loved by customers”—and as means to achieve the long-term vision, the Medium-Term Management Plan ending in the fiscal year ending March 31, 2026 with the slogan—“Providing excitement: connecting with customers widely and deeply.” To this end, the Company will pursue three strategies.

In the fiscal year ending March 31, 2025, we upheld “To make the provision of new value a reality” as our management policy and we have been aiming to achieve the long-term vision and Medium-Term Management Plan through the promotion of the three strategies.

The first strategy—UA CREATIVITY Strategy—promotes growth and expansion of the existing businesses, strengthening of brand appeal, and re-growth of COEN CO., LTD.

In promoting the growth and expansion of the existing businesses, we carried out proactive inventory policies, expanded the lineup of light/medium apparel that can be worn for both work and casual use as well as business apparel by tapping into the growing opportunities for going out and about, and successfully promoted appropriate merchandising assuming the late-summer heat and warm winters caused by climate change, resulting in year-on-year growth of 12.2% in retail and online existing store sales (non-consolidated). Our various indices are also on the rise, as the growth in per-customer sales through the improvement of product quality has triggered a 1.8% year-on-year increase in existing store per-customer spending as well as a 10.3% year-on-year increase in the number of purchasing customers at existing stores. In terms of markets, also, our pricing policy has been fine-tuned to the attributes of both the trend-conscious and basic trend-conscious markets, resulting in year-on-year double-digit growths in sales in both markets.

We have also marked a year-on-year improvement in gross margin through various efforts including securing appropriate quantities of light/medium apparel and accessories, which are always in stable demand despite the late-summer heat and warm winters, and ensuring that they are sold at regular prices.

As for strengthening our brand appeal, in addition to promotions to reinvent our corporate image, we proactively engaged in sales promotion activities at our major brands, such as holding a 35th-anniversary commemorative promotion at UNITED ARROWS and airing TV commercials for green label relaxing, to capture new customers as well as enhance the loyalty of our existing customers.

Sales at COEN CO., LTD. are also on a recovery trend following revised merchandising and various promotions.

The second strategy—UA MULTI Strategy—aims to broaden the range of value that the Company offers and expand its customer base through business development and global development aiming for business expansion.

To expand our customer base, embrace new customers, and solve the issues surrounding the fashion taste axis, we are steadily developing new brands in the apparel field. We are expanding our customer base by opening physical stores of “ATTISESSION,” a brand for younger women, and “conte,” a brand for mature women. Additionally, we have commenced new initiatives toward expanding the value provided by the Company including the acquisition of sole domestic distribution rights of “OSOJ,” a South Korean handbag brand, and the acquisition of all shares of BOOT BLACK JAPAN Co., Ltd., a company engaged in shoe shining.

Our global expansion efforts include the opening of a flagship store on “Tmall,” China’s largest EC platform, in December 2024. In January 2025, we opened our first directly-operated store in mainland China, thereby accelerating our brand recognition.

The third strategy—UA DIGITAL Strategy—promotes OMO (\*1) and optimizes the supply chain.

In promoting OMO, we continue to promote digital sales activities including sales staff posting styling images on social media and streaming live product introduction videos, while at the same time increasing contact points with customers through our new membership system. By proactively procuring inventory, we have successfully reduced opportunity losses, especially in our online sites, resulting in a significant 17.9% year-on-year growth in online existing store sales (non-consolidated). Furthermore, in October 2024 and in January 2025, we updated our e-commerce site app. Functions were added to facilitate shopping at physical stores as well as display information and content matching the tastes of each customer on the home screen, further enhancing the customer’s buying experience.

Efforts to optimize the supply chain continue through the development of our next core product management system and the project to digitalize the product procurement process.

(\*1) OMO: Acronym for Online Merges with Offline.

As for store openings and closings, we opened six stores in the trend-conscious market, four stores in the basic trend-conscious market, and one outlet store, and closed one store. As a result, as of December 31, 2024, the number of retail stores was 204 and the total number of stores including outlets was 231.

The status of consolidated subsidiaries was as follows: COEN CO., LTD. (fiscal year-end: January) and UNITED ARROWS TAIWAN LTD. (fiscal year-end: January) both reported revenue increases. As for store openings and closings, COEN CO., LTD. opened five stores and closed two stores for a total of 74 as of December 31, 2024. UNITED ARROWS TAIWAN LTD. opened one store for a total of 10 stores as of December 31, 2024.

As a result of the above, the Group, as a whole, opened 17 stores and closed three stores, and as of December 31, 2024, the number of stores in the Group was 315.

As a result, consolidated business performance for the nine months ended December 31, 2024 consisted of net sales of ¥112,988 million (up 13.3% year on year), gross profit of ¥59,906 million (up 13.9% year on year), and gross margin increased by 0.3 percentage points year on year to 53.0%. Selling, general and administrative expenses were ¥51,871 million (up 10.9% year on year), due to factors including an increase in personnel expenses as a result of wage hikes and an increase in variable expenses accompanying an increase in net sales, while the SG&A ratio decreased by 1.0 percentage points to 45.9%.

Consequently, for the nine months ended December 31, 2024, operating profit was ¥8,035 million (up 38.1% year on year), ordinary profit was ¥8,771 million (up 37.9% year on year), and profit attributable to owners of parent was ¥5,063 million (up 19.0% year on year).

## (2) Explanation of Financial Position

### Assets

Current assets increased by ¥8,369 million (20.7%) from the end of the previous fiscal year to ¥48,741 million. This was mainly attributable to increases in cash and deposits of ¥401 million, merchandise of ¥3,943 million, and accounts receivable - other of ¥4,122 million.

Non-current assets increased by ¥2,337 million (11.8%) from the end of the previous fiscal year to ¥22,169 million. This was mainly attributable to increases in property, plant and equipment of ¥965 million as a result of store openings and intangible assets of ¥1,987 million due to the preparations for the updating of the core systems, despite a decrease in other under investments and other assets of ¥1,317 million, as a result of the completing the transfer of interest in CHROME HEARTS JP, GK to Frankster USA, LLC, and a decrease in deferred tax assets of ¥153 million.

### Liabilities

Current liabilities increased by ¥7,379 million (35.1%) from the end of the previous fiscal year to ¥28,376 million. This was mainly attributable to increases in notes and accounts payable - trade of ¥918 million, short-term borrowings of ¥2,856 million, income taxes payable of ¥1,566 million, and asset retirement obligations expected to be fulfilled within one year of ¥479 million, despite a decrease in provision for bonuses of ¥248 million.

Non-current liabilities decreased by ¥225 million (5.4%) from the end of the previous fiscal year to ¥3,951 million. This was mainly attributable to a decrease in asset retirement obligations of ¥294 million due to the reclassification of the asset retirement obligations as current liabilities.

### Net assets

Total net assets increased by ¥3,552 million (10.1%) from the end of the previous fiscal year to ¥38,582 million. This was mainly attributable to an increase in retained earnings of ¥5,063 million due to the reporting of profit attributable to owners of parent, despite a decrease of ¥1,525 million due to the payment of dividends.

## (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

There have been no changes to the consolidated financial results forecast for the fiscal year ending March 31, 2025, released on November 7, 2024.

## 2. Quarterly Consolidated Financial Statements and Principal Notes

### (1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	6,493	6,894
Notes and accounts receivable - trade	117	102
Merchandise	21,175	25,118
Supplies	510	539
Accounts receivable - other	11,164	15,287
Short-term loans receivable from subsidiaries and associates	-	5
Other	910	794
Total current assets	40,372	48,741
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,504	4,072
Machinery and equipment, net	563	492
Land	569	569
Construction in progress	10	145
Other, net	366	699
Total property, plant and equipment	5,014	5,980
Intangible assets		
Other	3,209	5,196
Total intangible assets	3,209	5,196
Investments and other assets		
Shares of subsidiaries and associates	-	94
Long-term loans receivable from subsidiaries and associates	-	45
Guarantee deposits	6,739	7,455
Deferred tax assets	2,127	1,974
Other	2,743	1,425
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	11,607	10,992
Total non-current assets	19,831	22,169
<b>Total assets</b>	<b>60,204</b>	<b>70,911</b>



(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	10,590	11,508
Electronically recorded obligations - operating	1,342	2,161
Short-term borrowings	202	3,058
Accounts payable - other	4,348	5,199
Income taxes payable	702	2,268
Provision for bonuses	1,123	875
Provision for bonuses for directors (and other officers)	23	36
Provision for share awards	2	-
Asset retirement obligations	32	512
Other	2,628	2,756
Total current liabilities	20,997	28,376
Non-current liabilities		
Asset retirement obligations	4,112	3,817
Provision for share awards	40	79
Other	24	54
Total non-current liabilities	4,177	3,951
Total liabilities	25,174	32,328
<b>Net assets</b>		
Shareholders' equity		
Share capital	3,030	3,030
Capital surplus	4,538	4,538
Retained earnings	34,837	38,375
Treasury shares	(7,069)	(7,040)
Total shareholders' equity	35,336	38,903
Accumulated other comprehensive income		
Foreign currency translation adjustment	(306)	(320)
Total accumulated other comprehensive income	(306)	(320)
Total net assets	35,030	38,582
Total liabilities and net assets	60,204	70,911

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

Nine Months Ended December 31

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Net sales	99,704	112,988
Cost of sales	47,125	53,082
Gross profit	52,578	59,906
Selling, general and administrative expenses	46,761	51,871
Operating profit	5,817	8,035
Non-operating income		
Interest income	0	0
Foreign exchange gains	87	20
Purchase discounts	8	-
Rental income	9	9
Commission income	3	-
Share of profit of entities accounted for using equity method	415	472
Compensation for relocation	-	194
Other	89	104
Total non-operating income	615	803
Non-operating expenses		
Interest expenses	6	9
Rental expenses	9	10
Settlement payments	27	-
Other	30	46
Total non-operating expenses	73	66
Ordinary profit	6,359	8,771
Extraordinary income		
Gain on sale of non-current assets	0	-
Total extraordinary income	0	-
Extraordinary losses		
Loss on retirement of non-current assets	56	240
Impairment losses	98	318
Loss on sale of investment in affiliated companies	-	379
Other	16	-
Total extraordinary losses	171	938
Profit before income taxes	6,188	7,833
Income taxes - current	815	2,615
Income taxes - deferred	1,119	153
Total income taxes	1,934	2,769
Profit	4,253	5,063
Profit attributable to owners of parent	4,253	5,063

Quarterly Consolidated Statement of Comprehensive Income  
 Nine Months Ended December 31

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Profit	4,253	5,063
Other comprehensive income		
Foreign currency translation adjustment	(79)	(14)
Total other comprehensive income	(79)	(14)
Comprehensive income	4,174	5,049
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,174	5,049
Comprehensive income attributable to non-controlling interests	-	-

### (3) Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Cash flows from operating activities		
Profit before income taxes	6,188	7,833
Depreciation	648	932
Amortization of intangible assets	332	356
Amortization of long-term prepaid expenses	510	561
Impairment losses	98	318
Increase (decrease) in provision for bonuses	(1,378)	(248)
Increase (decrease) in provision for bonuses for directors (and other officers)	(17)	13
Increase (decrease) in allowance for doubtful accounts	2	0
Interest and dividend income	(0)	(0)
Interest expenses	6	9
Compensation for forced relocation	-	(194)
Decrease (increase) in trade receivables	(2,592)	(2,962)
Decrease (increase) in inventories	(2,193)	(3,968)
Decrease (increase) in other current assets	64	53
Increase (decrease) in trade payables	934	1,735
Increase (decrease) in other current liabilities	292	773
Share of loss (profit) of entities accounted for using equity method	(415)	(472)
Loss on sales of investments in capital of subsidiaries and affiliates	-	379
Other, net	77	27
Subtotal	2,558	5,147
Interest and dividends received	0	0
Interest paid	(6)	(9)
Proceeds from compensation for forced relocation	-	194
Income taxes paid	(1,641)	(982)
Net cash provided by (used in) operating activities	911	4,351
Cash flows from investing activities		
Purchase of property, plant and equipment	(880)	(1,932)
Payments for asset retirement obligations	(243)	(37)
Purchase of intangible assets	(1,366)	(2,261)
Purchase of long-term prepaid expenses	(321)	(248)
Payments of guarantee deposits	(55)	(762)
Proceeds from refund of guarantee deposits	320	45
Purchase of shares of subsidiaries and associates	-	(70)
Net decrease (increase) in short-term loans receivable from subsidiaries and associates	-	(5)
Payments of long-term loans receivable from subsidiaries and associates	-	(45)
Other, net	0	-
Net cash provided by (used in) investing activities	(2,545)	(5,317)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(306)	2,856
Purchase of treasury shares	(2,000)	(0)
Dividends paid	(1,433)	(1,493)
Other, net	(4)	-
Net cash provided by (used in) financing activities	(3,744)	1,361
Effect of exchange rate change on cash and cash equivalents	(79)	(0)
Net increase (decrease) in cash and cash equivalents	(5,458)	395
Cash and cash equivalents at beginning of period	8,562	6,486
Cash and cash equivalents at end of period	3,104	6,882

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Segment information, etc.)

[Segment information]

I. For the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

Information is omitted, as the Group's reportable segment consists of the single retail apparel segment.

II. For the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

Information is omitted, as the Group's reportable segment consists of the single retail apparel segment.