

For the Nine Months of Fiscal Year
Ending March 31, 2025

Financial Results Briefing

2025.02.06 UNITED ARROWS LTD.

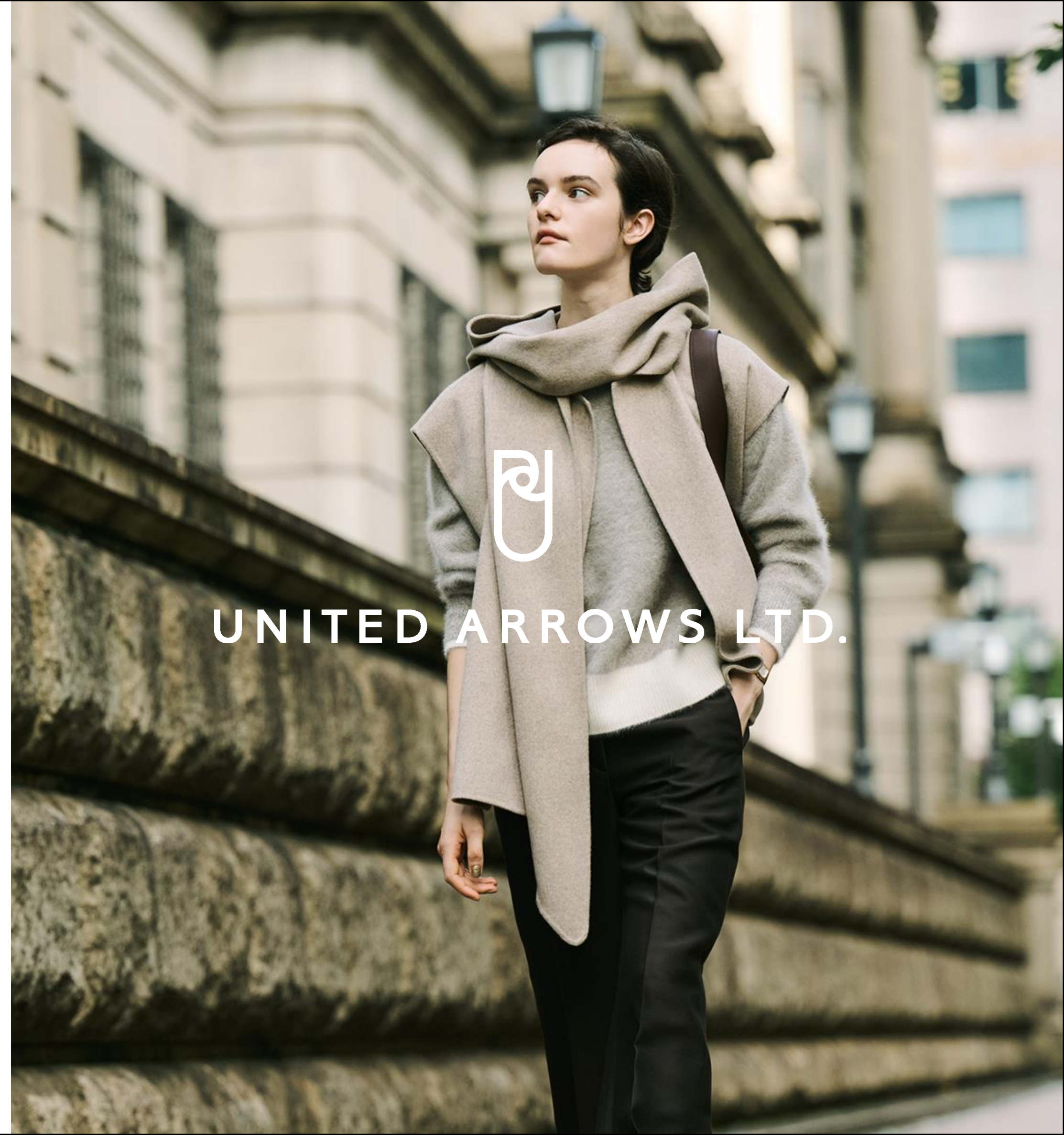


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Cautionary Statement

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.

Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Total business unit sales includes the sales of retail, online sales, wholesale, etc. Outlet, etc. sales includes the sales of outlet stores and special events.

Trend-conscious Market and Basic Trend-conscious Market includes the following store brands:

Trend-conscious Market

UA, BY, DRAWER, Odette e Odile, STEVEN ALAN, ROKU, BLAMINK, H BEAUTY&YOUTH, ASTRAET, California General Store, conte, and ATTISESSION

Basic Trend-conscious Market

GLR, and CITEN

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



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Overview of FY2025/3 3Q Business Results



Financial Highlights

Consolidated

Sales and gross profit exceeded the revised forecast and the previous year. SG&A expenses were slightly controlled from the revised forecast, and operating income and other profits cleared the revised forecast and significantly exceeded the previous year's results.

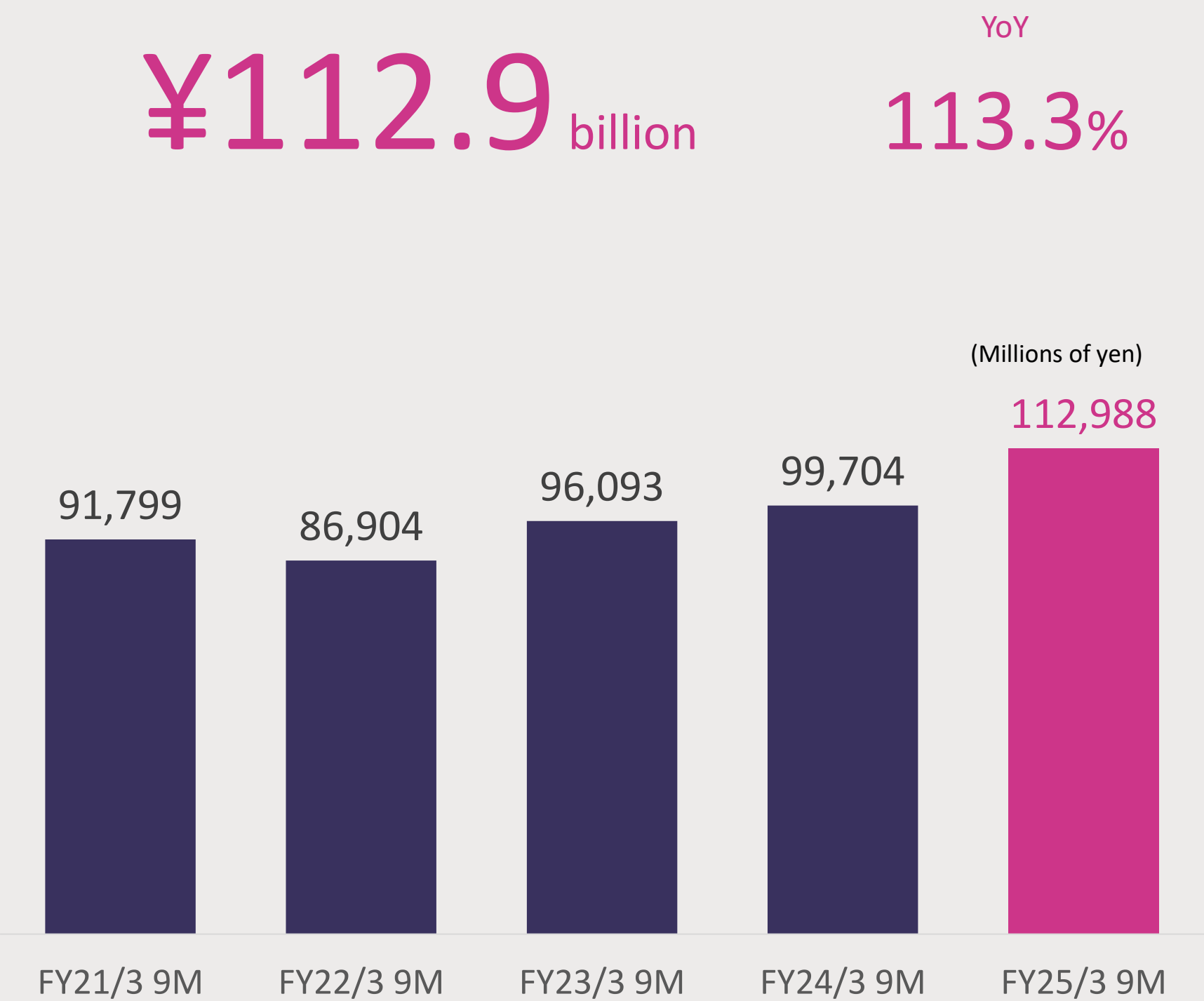
Gross margin

Slightly below revised forecast but above previous year. Non-consolidated and the UA Taiwan exceeded the previous year's level at the revised forecast level, and COEN CO., LTD. fell short of the previous year and revised forecast due to an increase in inventory valuation losses.

Non-consolidated

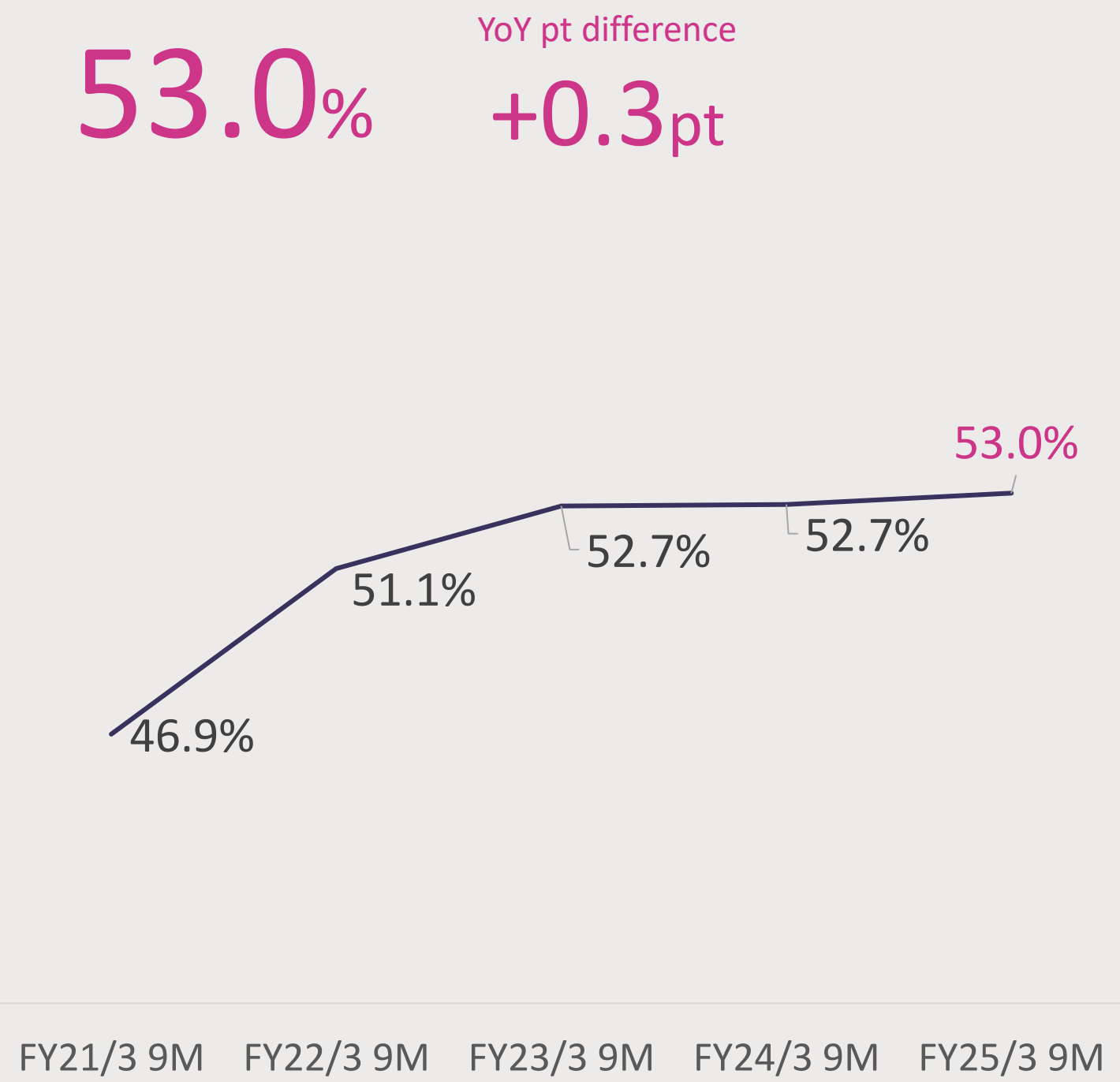
Sales and gross profit significantly exceeded the previous year and slightly exceeded the revised forecast. Operating income and other income exceeded the revised forecast and the previous year due to the reduction in the SG & A ratio. Same-store sales also maintained double-digit growth.

Consolidated Sales



* CHROME HEARTS JP, GK has been excluded from the scope of consolidation since FY21/3 4Q

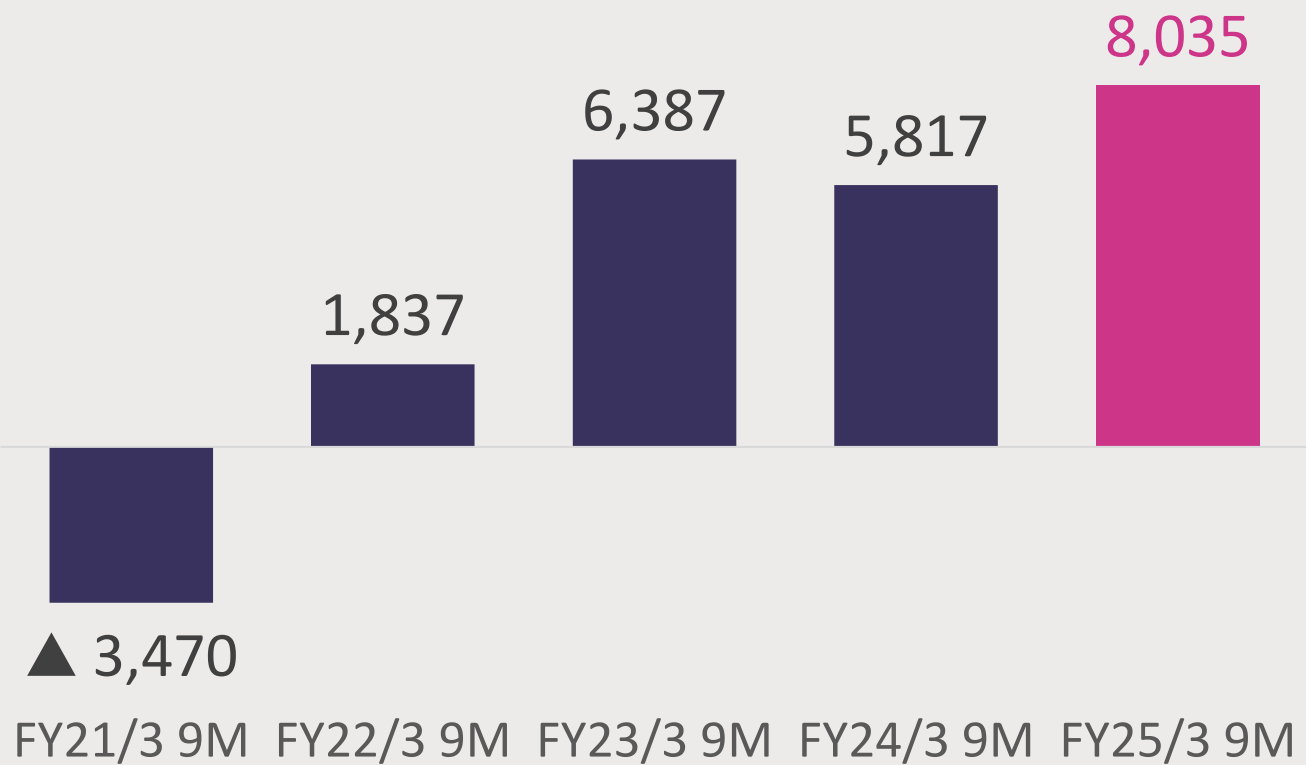
Consolidated Gross Margin



Consolidated operating income

YoY
¥8.0 billion 138.1%

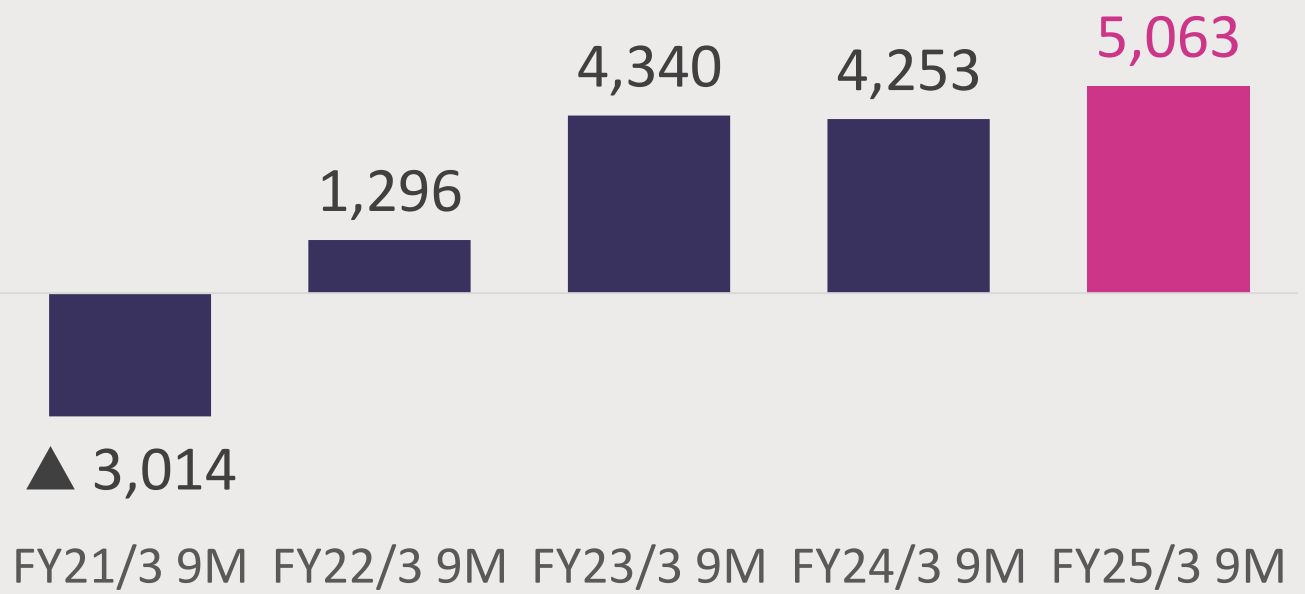
(Millions of yen)



Net income attributable to owners of parent

YoY
¥5.0 billion 119.0%

(Millions of yen)



Consolidated P/L

		FY24/3	FY25/3	Change/pt	
		9M	9M	difference	YoY
					(Millions of yen)
Sales		99,704	112,988	13,284	113.3%
Gross profit		52,578	59,906	7,328	113.9%
	vs. sales	52.7%	53.0%	0.3pt	—
SGA expenses		46,761	51,871	5,109	110.9%
	vs. sales	46.9%	45.9%	- 1.0pt	—
Operating income		5,817	8,035	2,218	138.1%
	vs. sales	5.8%	7.1%	1.3pt	—
Non op. P/L		542	736	194	135.8%
	vs. sales	0.5%	0.7%	0.1pt	—
Ordinary income		6,359	8,771	2,412	137.9%
	vs. sales	6.4%	7.8%	1.4pt	—
Extraordinary P/L		(171)	(938)	(767)	—
	vs. sales	—	—	—	—
Net income attributable to owners of parent		4,253	5,063	809	119.0%
	vs. sales	4.3%	4.5%	0.2pt	—

* The positive impact of the processing of unused miles at UNITED ARROWS LTD. was approximately ¥200 million, which was included in 2Q sales and gross profit

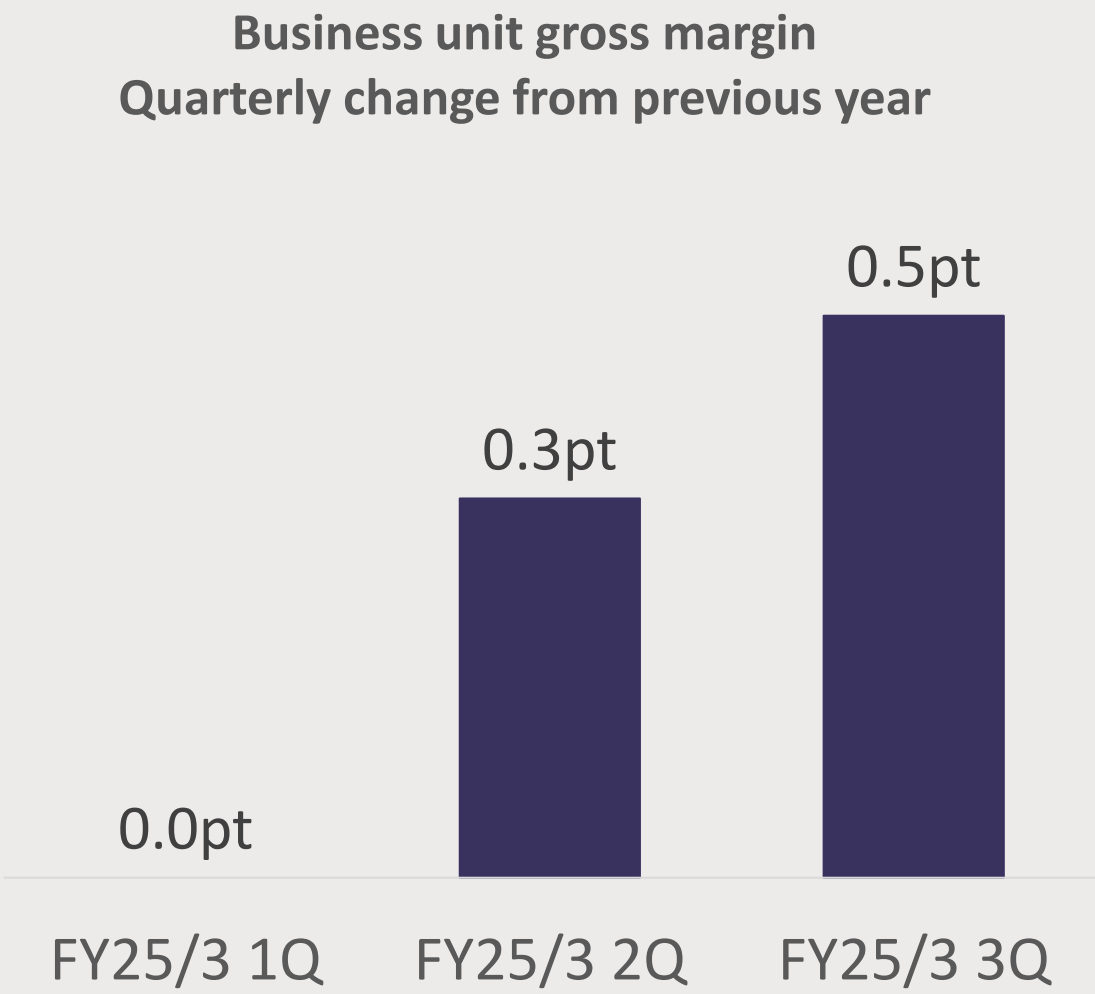
Consolidated P/L 3Q (3 Months)

(Millions of yen)				
	FY24/3 3Q	FY25/3 3Q	Change/pt difference	YoY
Sales	38,690	44,723	6,032	115.6%
Gross profit	20,585	23,953	3,368	116.4%
vs. sales	53.2%	53.6%	0.4pt	—
SGA expenses	16,543	18,871	2,328	114.1%
vs. sales	42.8%	42.2%	- 0.6pt	—
Operating income	4,041	5,081	1,040	125.7%
vs. sales	10.4%	11.4%	0.9pt	—
Non op. P/L	133	292	158	219.1%
vs. sales	0.3%	0.7%	0.3pt	—
Ordinary income	4,174	5,373	1,198	128.7%
vs. sales	10.8%	12.0%	1.2pt	—
Extraordinary P/L	(102)	(549)	(447)	—
vs. sales	—	—	—	—
Net income attributable to owners of parent	2,827	3,165	338	112.0%
vs. sales	7.3%	7.1%	▲ 0.2pt	—

Consolidated Gross Margin

Consolidated, non-consolidated and Taiwanese subsidiary exceeded previous year’s results, while COEN CO., LTD. declined from the previous year due to inventory write-downs. Non-consolidated business unit continued to improve from 2Q.

	FY25/3 9M	YoY pt difference
Consolidated	53.0%	0.3pt
UNITED ARROWS LTD.	53.0%	0.5pt
Total business unit	-	0.3pt
Outlet, etc.	-	2.1pt
COEN CO., LTD.	-	-3.4pt
UNITED ARROWS TAIWAN LTD.	-	0.9pt



Consolidated Gross Margin 3Q (3 Months)

	FY25/3 3Q	YoY pt difference
Consolidated	53.6%	0.4pt
UNITED ARROWS LTD.	53.9%	0.7pt
Total business unit	-	0.5pt
Outlet, etc.	-	1.0pt
COEN CO., LTD.	-	-7.1pt
UNITED ARROWS TAIWAN LTD.	-	-0.1pt

Consolidated SGA Expenses

Although SGA expenses increased from the previous year, the SGA expenses ratio was held down by sales growth. This includes increases in advertising and promotion expenses, personnel expenses due to increased number of employees, salary base increases, and bonus increases, and depreciation expenses due to store openings and system investments.

(Millions of yen)				
	FY24/3 9M	FY25/3 9M	Change/pt difference	YoY
Total SGA expenses	46,761	51,871	5,109	110.9%
vs. sales	46.9%	45.9%	- 1.0pt	-
Advertising expenses	2,852	3,156	304	110.7%
vs. sales	2.9%	2.8%	- 0.1pt	-
Personnel expenses	16,000	17,465	1,464	109.2%
vs. sales	16.0%	15.5%	- 0.6pt	-
Rent	13,644	14,782	1,138	108.3%
vs. sales	13.7%	13.1%	- 0.6pt	-
Depreciation	647	931	283	143.8%
vs. sales	0.6%	0.8%	0.2pt	-
Other	13,615	15,534	1,919	114.1%
vs. sales	13.7%	13.7%	0.1pt	-

Consolidated SGA Expenses 3Q (3 Months)

(Millions of yen)				
	FY24/3 3Q	FY25/3 3Q	Change/pt difference	YoY
Total SGA expenses	16,543	18,871	2,328	114.1%
vs. sales	42.8%	42.2%	- 0.6pt	-
Advertising expenses	924	1,250	325	135.2%
vs. sales	2.4%	2.8%	0.4pt	-
Personnel expenses	5,518	6,128	609	111.1%
vs. sales	14.3%	13.7%	- 0.6pt	-
Rent	4,988	5,582	594	111.9%
vs. sales	12.9%	12.5%	- 0.4pt	-
Depreciation	222	366	143	164.3%
vs. sales	0.6%	0.8%	0.2pt	-
Other	4,889	5,544	655	113.4%
vs. sales	12.6%	12.4%	- 0.2pt	-

Consolidated B/S

(Millions of yen)				
	As of Mar. 31, 2024	As of Dec. 31, 2024	vs. previous term-end Change	
Total Assets	60,204	70,911	10,706	117.8%
Composition ratio	100.0%	100.0%		
Current Assets	40,372	48,741	8,369	120.7%
Composition ratio	67.1%	68.7%		
Noncurrent Assets	19,831	22,169	2,337	111.8%
Composition ratio	32.9%	31.3%		
Current Liabilities	20,997	28,376	7,379	135.1%
Composition ratio	34.9%	40.0%		
Noncurrent Liabilities	4,177	3,951	(225)	94.6%
Composition ratio	6.9%	5.6%		
Total Net Assets	35,030	38,582	3,552	110.1%
Composition ratio	58.2%	54.4%		
Reference: Balance of short- and long-term loans payable	202	3,058	2,856	1513.9%
	As of Dec. 31, 2023	As of Dec. 31, 2024	vs. 3Q-end of the previous fiscal year Change	
Reference: Inventory	22,833	25,658	2,824	112.4%

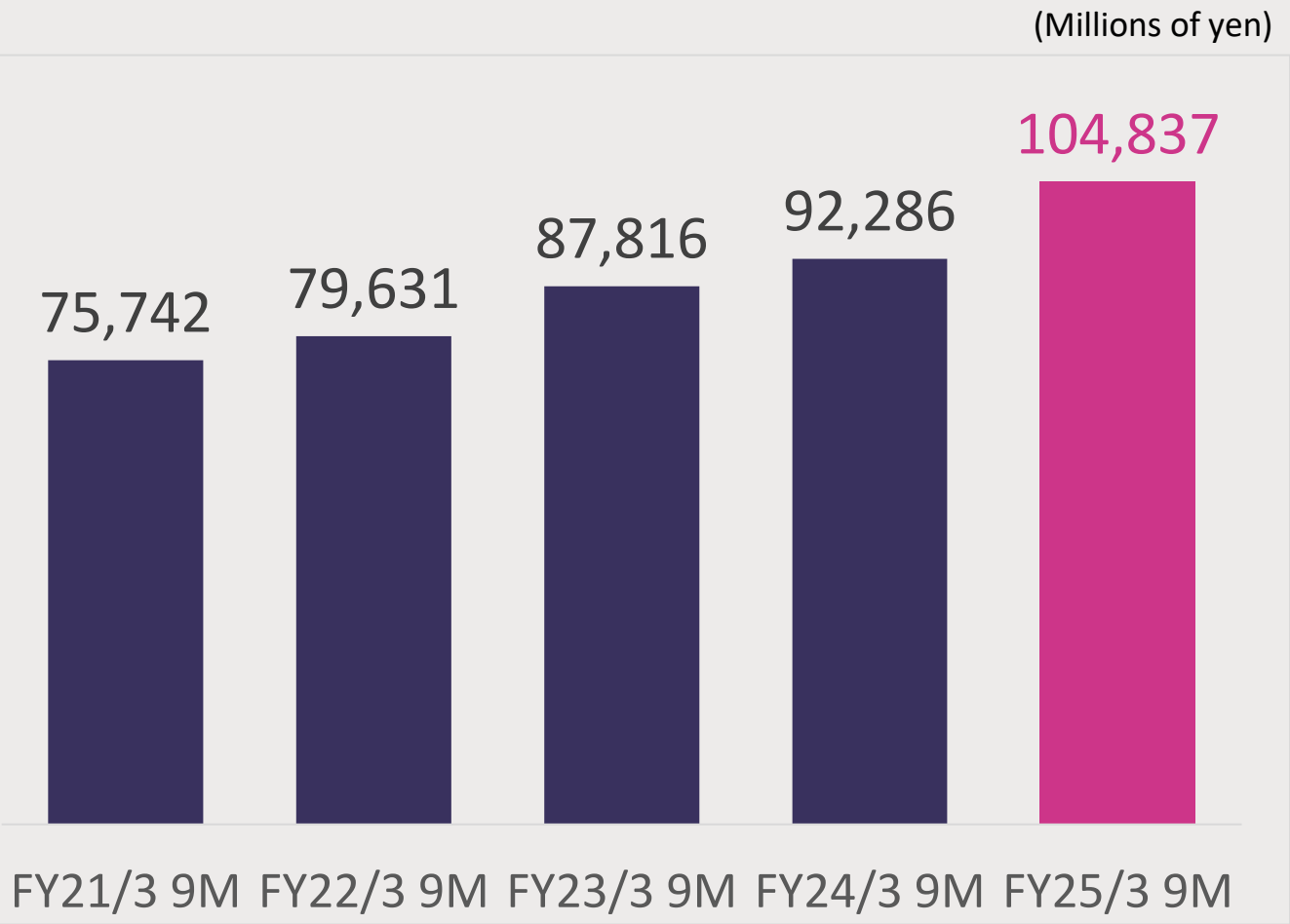
Consolidated C/F

(Millions of yen)

	FY24/3 9M	FY25/3 9M	Major breakdown of the results for the term	
Cash flows from operating activities (sub-total)	2,558	5,147		
Cash flows from operating activities	911	4,351	Profit before income taxes	7,833
			Increase in trade receivables	(2,962)
			Increase in inventories	(3,968)
			Increase in trade payables	1,735
Cash flows from investing activities	(2,545)	(5,317)	Purchases of property, plant and equipment	(1,932)
			Purchases of intangible assets	(2,261)
			Payments of guarantee deposits	(762)
Cash flows from financing activities	(3,744)	1,361	Net increase in short-term borrowings	2,856
			Dividends paid	(1,493)
Cash and cash equivalents at the end of the period	3,104	6,882		

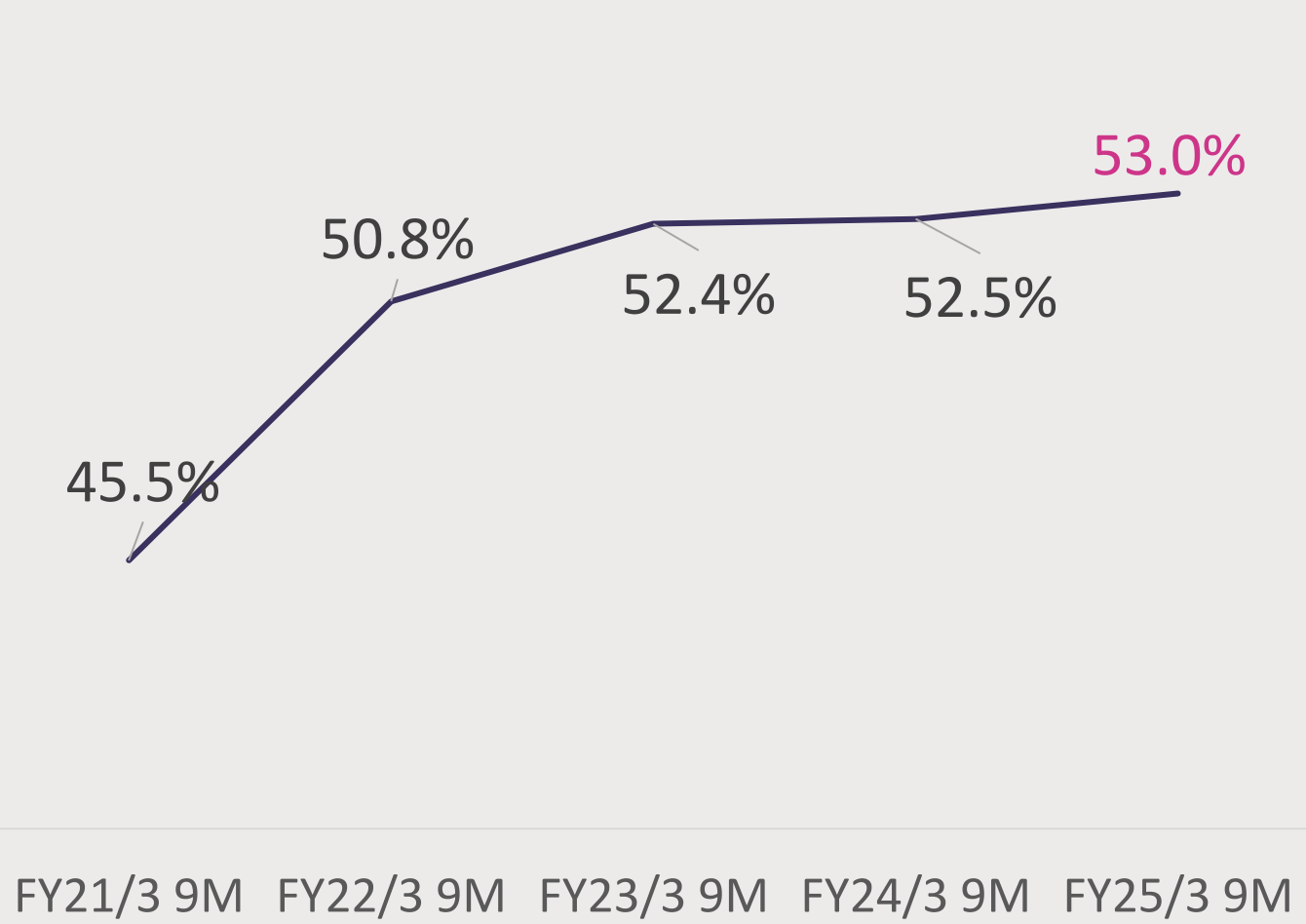
Non-consolidated Sales

¥104.8 billion ^{YoY} 113.6%



Non-consolidated Gross Margin

53.0% ^{YoY pt difference} +0.5pt



Non-consolidated existing stores YoY

Sales 112.2%

Number of purchasing customers 110.3%

Avg. spend per customer 101.8%

Non-consolidated Sales by Channel

	(Millions of yen)			
	FY24/3 9M	FY25/3 9M	Change/pt difference	YoY
Non-consolidated sales	92,286	104,837	12,551	113.6%
Total business unit	77,938	88,853	10,915	114.0%
vs. sales	82.7%	83.2%	0.5pt	-
Retail	53,362	59,773	6,410	112.0%
vs. sales	56.6%	56.0%	- 0.6pt	-
Online	23,130	27,474	4,343	118.8%
vs. sales	24.5%	25.7%	1.2pt	-
Others (Wholesale, etc.)	1,445	1,606	161	111.2%
vs. sales	1.5%	1.5%	- 0.0pt	-
Outlet, etc.	16,312	17,903	1,591	109.8%
vs. sales	17.3%	16.8%	- 0.5pt	-

Existing stores YoY

	Sales	Number of customers	Avg. spend per customer
Retail + Online	112.2%	110.3%	101.8%
Retail	109.6%	106.7%	102.7%
Online	117.9%	116.7%	102.6%

Non-consolidated Sales by Business

	(Millions of yen)			
	FY24/3 9M	FY25/3 9M	Change	YoY
Total business unit sales	77,938	88,853	10,915	114.0%
Trend-conscious Market	52,642	58,690	6,048	111.5%
Basic Trend-conscious Market	25,295	30,163	4,867	119.2%

Existing store sales YoY

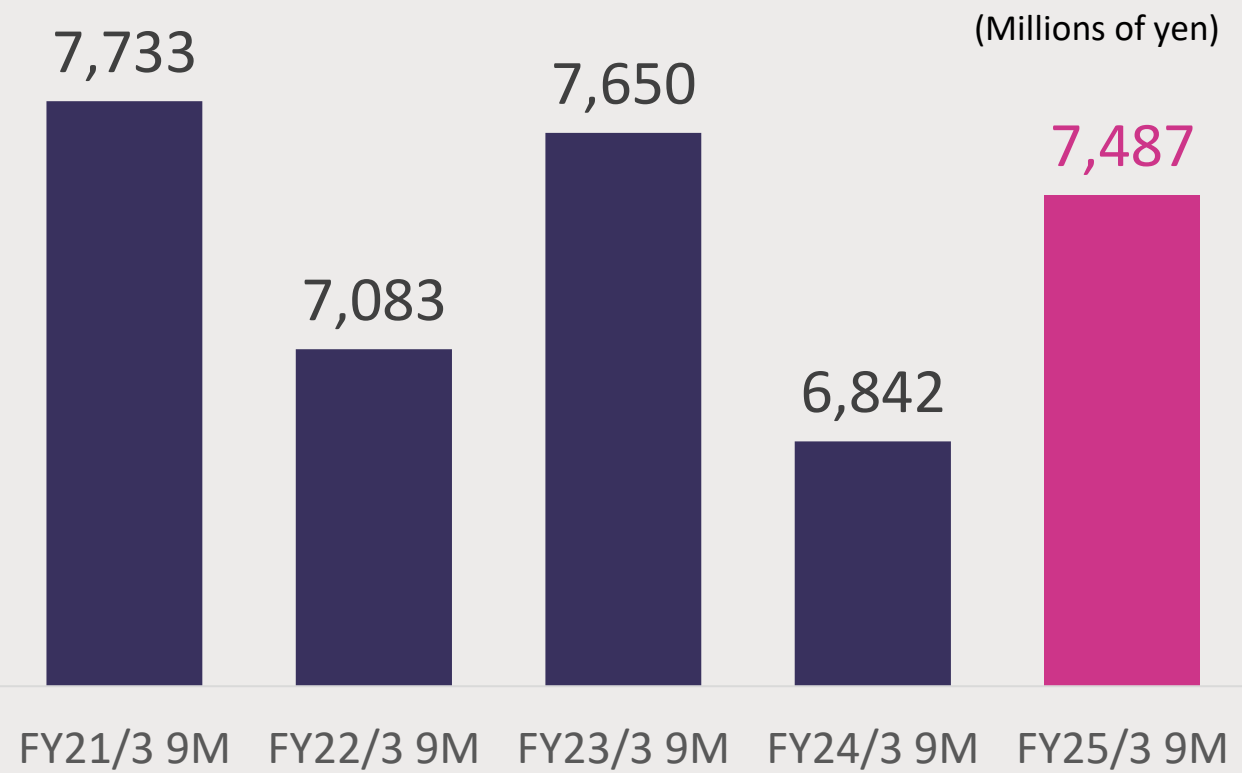
	Retail + Online	Retail	Online
Trend-conscious Market	110.3%	107.9%	115.8%
Basic Trend-conscious Market	116.1%	113.3%	121.7%

Group Company Results

COEN CO., LTD. Feb. – Oct.

Saw increase in sales and decrease in profit

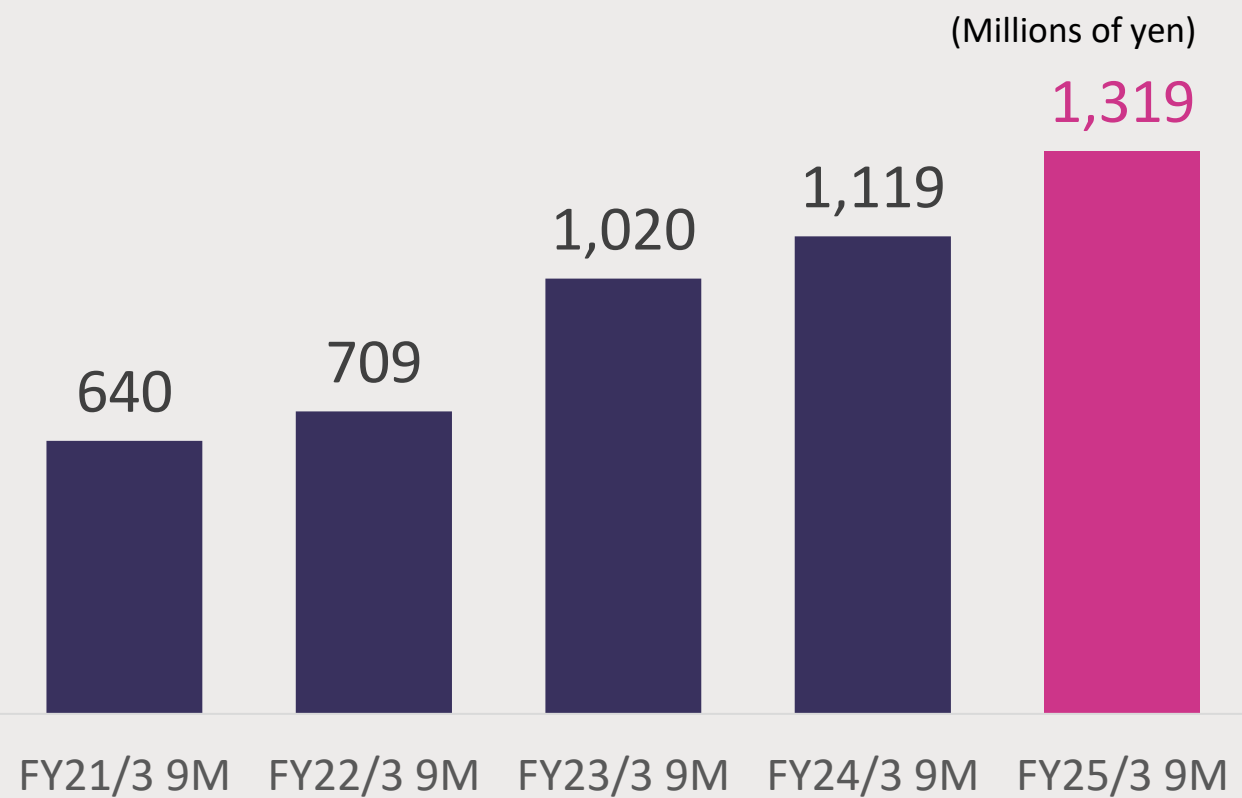
- Sales ¥7.48 billion, YoY 109.4%
- Sales exceeded the previous year due to recovery mainly in physical stores owing to MD revisions
- Profits decreased due to a decline in gross profit margin caused by inventory valuation losses and an increase in SGA expenses caused by increases in personnel expenses and advertising expenses.



UNITED ARROWS TAIWAN LTD. Feb. – Oct.

Increase in both sales and profit

- Sales ¥1.31 billion, YoY 117.8%
- BEAUTY&YOUTH, coen, and online sales performed well
- Gross margin improved due to improved inventory efficiency, achieving increases in both sales and profit



Opening and Closing of Stores

The number of stores at the end of 3Q was 315, with 17 stores opened and 3 stores closed
UA LTD. added two new stores to the previous forecast, bringing the number of stores at the end of the fiscal year to 322,
an increase of 21 stores from the end of the previous fiscal year.

	No. of stores at the previous period end	9M results		No. of stores at the 9M-end	Full-year forecast		No. of stores at the period end (Forecast)
		Opened	Closed		Opened	Closed	
Group Total	301	17	3	315	26	5	322
UNITED ARROWS LTD.	221	11	1	231	20	3	238
COEN CO., LTD.	71	5	2	74	5	2	74
UNITED ARROWS TAIWAN LTD.	9	1	0	10	1	0	10

BOOT BLACK JAPAN Co., Ltd. is not included in the number of stores because it is an affiliates accounted for by the equity method.

Revision of Earnings Forecast (Revised on November 7, 2024)

Although consolidated results exceeded the revised forecast, the forecast remains unchanged reflecting the situation at COEN CO., LTD.

	FY24/3	FY25/3 Revised forecast	YoY change/vs. sales pt difference	
Sales	134,269	150,960	16,690	112.4%
Gross profit	69,462	78,930	9,467	113.6%
vs. sales	51.7%	52.3%	0.6pt	-
SGA expenses	62,722	71,230	8,507	113.6%
vs. sales	46.7%	47.2%	0.5pt	-
Operating income	6,740	7,700	959	114.2%
vs. sales	5.0%	5.1%	0.1pt	-
Non op. P/L	746	620	(126)	83.0%
vs. sales	0.6%	0.4%	- 0.1pt	-
Ordinary income	7,486	8,320	833	111.1%
vs. sales	5.6%	5.5%	- 0.1pt	-
Extraordinary P/L	(331)	(950)	(618)	-
vs. sales	-	-	-	-
Net income attributable to owners of pai	4,876	4,530	(346)	92.9%
vs. sales	3.6%	3.0%	- 0.6pt	-

2

Progress in Sustainability Initiatives





Continued development of environmentally friendly products for fall/winter 2024 and spring/summer 2025 seasons

- Continue to develop environmentally friendly products with the aim of increasing the composition ratio of those products among our original brand products to 50% by the FY31/3.
- Commercializing our original fabrics, including newly developed fibers, across six brands as a new initiative



Spring/Summer 2025 season: items in our original fabrics, including Spiber's brewed Protein™ fiber



Spring/Summer 2025 Season: Blouses and vests by UNITED ARROWS made of 100% recycled polyester



2024 Fall-Winter Season: GLR's recycled down jackets have been in production for 10 years.



Carbon Neutrality

Introduction of renewable energy sources

- Increased renewable energy installations in major commercial facilities
- Progressed with a contract for installation in our store exclusive area.
- New stores to be introduced in the FY25/3: 27 stores
- Expected to reduce CO2 emissions by an additional 1,000 tons per year



Humanity

On-site factory audits of domestic sewing factories

- Conducted on-site audits at 3 companies in the FY 25/3 3Q
- Of the 124 items in total, including wages, working hours, and safety and health, the main issues raised were about facility management. Follow-up for improvement is in progress.
- On-site audit coverage of original brand products produced in Japan achieved approximately 40%.



3

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



Factors behind strong performance in 3Q

Optimizing product lineups in response to climate change

- Stable sales of fall/winter clothing other than winter outerwear**
Fall/winter clothing such as jackets, cut and sewn tops, shirts, blouses, and pants continued to be strong as people returned to offices.
- Expansion of miscellaneous fashion goods**
Strengthen lineup of shoes, bags and other fashion items to secure sales during the warm season
- Expansion of winterization demand in response to falling temperatures**
Strengthened lineup of coats for warmer winter, including thin wool coats in addition to winter outerwear, to increase demand in conjunction with falling temperatures



* Fall/winter clothing except winter outer wear includes jackets, pants, skirts, shirts, cut and sewn tops, blouses, dresses, etc.
* All figures are calculated from business unit sales



* Miscellaneous fashion goods includes shoes, bags, accessories, hats, etc.



* Winter outerwear and goods include outerwear, knitwear, scarves, gloves, etc.

Progress of Initiatives under the Medium-Term Management Plan

UA MULTI Strategy: Global expansion

Opened the first directly-managed store in mainland China

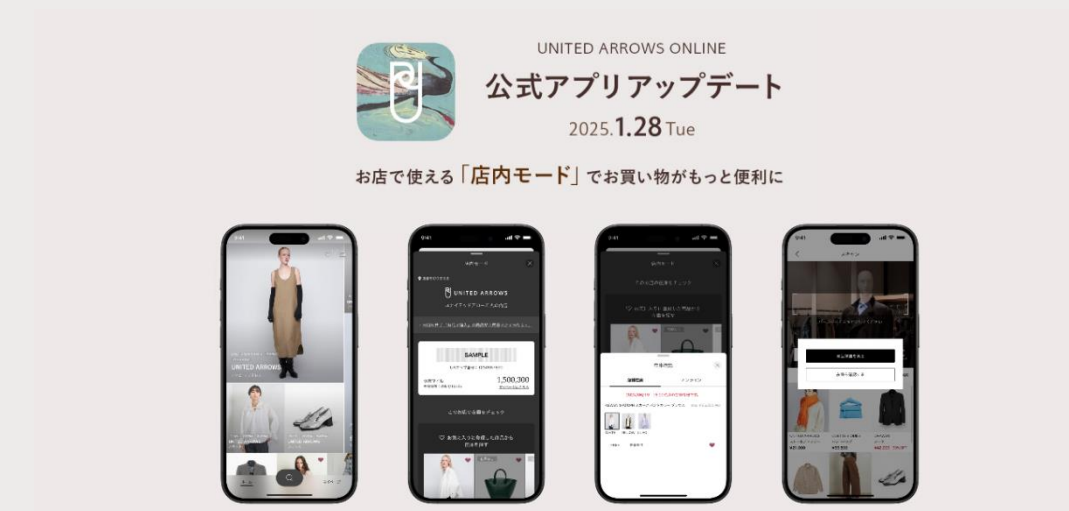
- Store opened in Shanghai's leading commercial facility, Jing An Kerry Center
- A selection of mainly high-end sports casual styles.
- Collaboration items with local brands as well as localized products for Shanghai



UA DIGITAL Strategy: Promote OMO

Update UA Online App

- Updates to follow October 2024
- Addition of "in-store mode" to make shopping at physical stores more convenient
- Personalization of the home screen according to each person's preferences



Approach for the next fiscal year, FY26/3

**Aiming to achieve operating income target for the final year of the medium-term plan
by absorbing cost increase through sales growth and improvement in gross profit margin**

Growth in sales

- Continue to actively procure inventory
- Improved adaptability to the late-summer heat and extreme temperature difference in the fall and winter
- Reducing sales opportunity loss by optimizing inventory allocation
- Continue to strengthen advertising
- Revitalization of existing customers through the use of UA clubs and UA online apps
- Increase in sales by promoting the use of UA Club Miles
- Aggressive opening of new stores
- Development of new brands
- Open stores in mainland China

Increase in gross profit margin

- Thorough pricing that matches product value
- Control of the sale discount rate
- Improvement of the ratio of sales of items sold at regular prices by optimizing the distribution of inventories

UA Group Medium-Term Management Goals 2023-2025



Consolidated operating income

9 - 10 billions of yen

Consolidated operating income margin

5.6 - 5.9%

Consolidated ROE

13.8-15.4%

4

Reference Materials



Consolidated Earnings Forecast (Revised on November 7, 2024)

Sales	¥150,960 million (YoY 112.4%)				
		FY24/3	FY25/3 Revised forecast	YoY change/vs. sales pt difference	
Gross margin	52.3% (YoY difference 0.6 pts)	Sales	134,269	150,960	16,690 112.4%
		Gross profit	69,462	78,930	9,467 113.6%
Operating income	¥7,700 million vs. sales 5.1% (YoY 114.2%, YoY difference 0.1 pts)	vs. sales	51.7%	52.3%	0.6pt -
		SGA expenses	62,722	71,230	8,507 113.6%
		vs. sales	46.7%	47.2%	0.5pt -
Ordinary income	¥8,320 million vs. sales 5.5% (YoY 111.1%, YoY difference -0.1 pts)	Operating income	6,740	7,700	959 114.2%
		vs. sales	5.0%	5.1%	0.1pt -
Net income	¥4,530 million vs. sales 3.0% (YoY 92.9%, YoY difference -0.6 pts)	Non op. P/L	746	620	(126) 83.0%
		vs. sales	0.6%	0.4%	- 0.1pt -
Annual dividend	¥55.00 (Interim ¥17.00, Term-end ¥38.00)	Ordinary income	7,486	8,320	833 111.1%
		vs. sales	5.6%	5.5%	- 0.1pt -
		Extraordinary P/L	(331)	(950)	(618) -
		vs. sales	-	-	- -
Payout ratio	33.5%	Net income attributable to owners of pai	4,876	4,530	(346) 92.9%
		vs. sales	3.6%	3.0%	- 0.6pt -

Gross Margin Forecast

	FY25/3 1H (Results)	YoY	FY25/3 2H (Revised forecast)	YoY	FY25/3 Full year (Revised forecast)	YoY
Consolidated	52.7%	0.2pt	52.0%	0.8pt	52.3%	0.6pt
UNITED ARROWS LTD.	52.4%	0.4pt	51.6%	0.7pt	52.0%	0.5pt
Total business unit	-	0.1pt	-	-	-	-
Outlet, etc.	-	2.8pt	-	-	-	-
COEN CO., LTD.	-	- 1.5pt	-	2.1pt	-	0.4pt
UNITED ARROWS TAIWAN LTD.	-	1.4pt	-	- 0.6pt	-	0.3pt

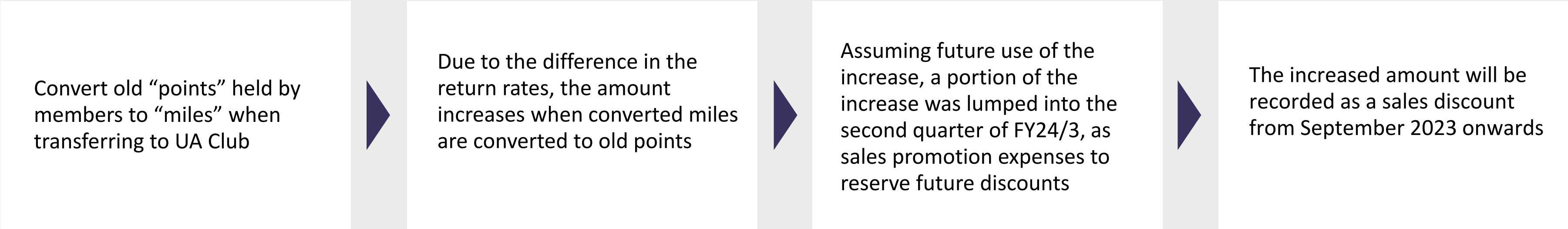
Non-consolidated Sales Forecast

(Millions of yen)

	FY25/3 1H (Results)	YoY	FY25/3 2H (Revised forecast)	YoY	FY25/3 Full year (Revised forecast)	YoY
Non-consolidated sales	62,704	112.5%	75,993	111.8%	138,697	112.1%
Retail + Online Existing Stores	-	112.8%	-	109.8%	-	109.7%
Retail Existing Stores	-	109.1%	-	106.7%	-	106.4%
Online Existing Stores	-	121.1%	-	116.1%	-	116.6%

* As of November 7, the October results are preliminary figures, and existing store sales forecasts for November and beyond remain roughly unchanged, so we have not recalculated existing store plans for the second half or full fiscal year

Financial impact of transition to UA Club



Financial impact

FY2024/3 Results

Sales YoY	Full year: -0.9pt , 4Q: -1.0pt
Gross margin	Full year: -0.1pt , 4Q: -0.1pt
SGA expenses	¥390 million recorded as advertising expenses in 2Q

FY2025/3 Forecast

Around **-1.0pt** has been incorporated into the planned figures for April–July of this term as impact on YoY sales stemming from the difference in redemption rate. Conversely, for 2H of this term, about **+0.8pt** has been incorporated in YoY sales as reaction to the temporary negative effects generated in the previous year.

UNITED ARROWS LTD. Retail Store Opening and Closing

	No. of stores at the previous period end	9M results		No. of stores at 9M-end	Full-year forecast		No. of stores at the period end (Forecast)
		Opened	Closed		Opened	Closed	
UNITED ARROWS LTD. Total	221	11	1	231	20	3	238
Trend-conscious Market Total	103	6	0	109	10	1	112
UNITED ARROWS General Merchandise Store	14	1	0	15	2	0	16
UNITED ARROWS	25	0	0	25	0	1	24
BEAUTY&YOUTH	36	2	0	38	2	0	38
Other	28	3	0	31	6	0	34
Basic Trend-conscious Market Total	91	4	0	95	9	1	99
Green label relaxing	85	3	0	88	5	1	89
Other	6	1	0	7	4	0	10
Outlet	27	1	1	27	1	1	27

提供 感動
KANDOU TEIKYO
ENGAGEMENT
WITH CUSTOMERS
お客様と深く広く繋がる

Three Key Strategies

