

**UNITED ARROWS LTD. Earnings Announcement Q&A
for the Nine Months of Fiscal Year Ending March 31, 2025**

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 to or amended to lead to a further understanding of the UNITED ARROWS Group’s performance and activities.

Q: I would like to know the progress of the revised forecast for the nine months results.

A: Sales were slightly higher than the revised forecast, and the gross profit margin was slightly lower than the plan due to the impact of the inventory valuation loss at COEN CO., LTD. However, the amount exceeded the plan due to the increase in sales. SG & A expenses are being used at levels that are largely in line with the plan, and operating income is about 8% higher than the revised forecast.

Q: What is your outlook for 4Q?

A: We expect consolidated results to be in line with the plan, although the negative impact of January year-end results from COEN CO., LTD. will remain. The full-year forecast is unchanged because SG & A expenses are expected to increase significantly in 4Q due to the one-time costs associated with new store openings and office relocations, the costs of data migration to the core product management system scheduled for April, an increase in bonuses, and an increase in advertising and sales promotion expenses due to aggressive advertising.

Q: What are the opportunities for improvement in terms of sales growth in the fiscal year ending March 2026?

A: We have achieved some success in coping with the lingering summer heat and warm winter in this fiscal year’s efforts, but there is still room for improvement for further growth, such as excess or shortage of inventory during the transition from summer to autumn, early introduction of hot products, etc. In April 2026, a new product management core system, UA 3.0, will be introduced to optimize inventory allocation. We believe this will further reduce sales opportunity losses.

Q: What are your plans to improve gross profit margins?

A: In addition to the proper price setting that matches the product value and the discount rate control, we believe that the reduction of opportunity loss by the utilization of UA3.0 mentioned above will have an effect of pushing up the fixed price sales.

Q: What are the fundamental problems at COEN CO., LTD. and how will you respond?

A: The main problem of COEN CO., LTD. is low gross profit margin due to low hit ratio of products and high discount sales composition ratio. We will strengthen and improve our efforts in collaboration and licensed products, which have been well received by our customers.

Q: When should we expect to see a change in COEN CO., LTD. performance?

A: Since COEN CO., LTD. closes its books in January, there is a possibility that the issue of gross profit will remain in 1Q (February to April), when the negative impact of 2024 autumn / winter products remains, but from 2Q, we expect that the improvement of products will progress and the business performance will improve.

Q: How are the new brands growing?

A: ATTISESSION, a women's casual brand for young people, has opened one store and is in the process of verifying the potential for future openings. We will open more stores of conte, a brand for adult women, from this spring. This fall and winter, there were more needs than we expected, and the stock was rather small, so we have been making sure to have enough stock from this spring. In CITEN, we plan to open six stores this spring, balancing the metropolitan area with the suburbs. We believe that there is still room for growth as we can meet a wide range of customer needs in terms of price and taste.

Q: What is the status of your Chinese stores and how are they doing?

A: Chinese customers also account for a high proportion of our inbound sales, and we believe that the Chinese market has great potential. The first store has a relatively high sensitivity among our company's products and has a high price range. Many customers who have purchased high-end brands come to our stores, and they pick up the products, and they think our products are inexpensive compared to the high quality. In addition to fashion lovers, we see opportunities for wealthy people.

Q: I would like to know about the outlook of the fashion industry this year and your company's policy.

A: We think the brand is relatively price tolerant, while the cost price is increasing due to the weak yen. As rising prices put pressure on household budgets, the Company is gaining support from customers with a high sensitivity to fashion, particularly in the trend-conscious market of UNITED ARROWS. and Beauty&Youth. We believe that we can expand our needs by further promoting fashion. At the same time, we are concerned that consumers in the lower middle price range may be cautious to a certain extent. We need to respond to the COEN brand, which has been growing more slowly than before, in areas where prices have not increased.