

For the Fiscal Year Ended March 31, 2025

Financial Results Briefing

2025.05.08 UNITED ARROWS LTD.



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

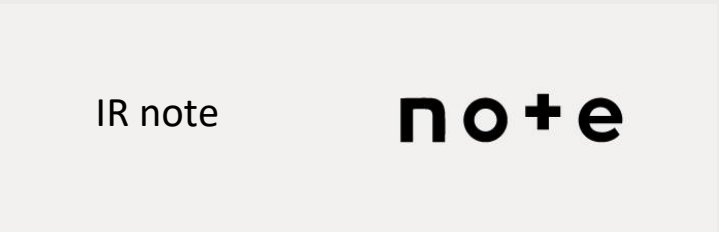
Basic Trend-conscious Market

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 Business Results



Financial Highlights

Consolidated

Sales and gross profit exceeded the previous year, although slightly below the revised forecast. SG&A expenses were slightly controlled from the revised forecast, and operating income and ordinary income surpassed the revised forecast and significantly exceeded the previous year's results. Net income attributable to owners of parent fell short of the previous year and the revised forecast due to impairment losses on unprofitable stores, relocated stores, and remodeled stores, also some costs associated with the relocation of the head office as extraordinary losses, and a higher corporate tax rate.

Gross margin

Slightly below revised forecast but above previous year. Non-consolidated were in line with the revised forecast, Taiwanese subsidiary exceeded 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.

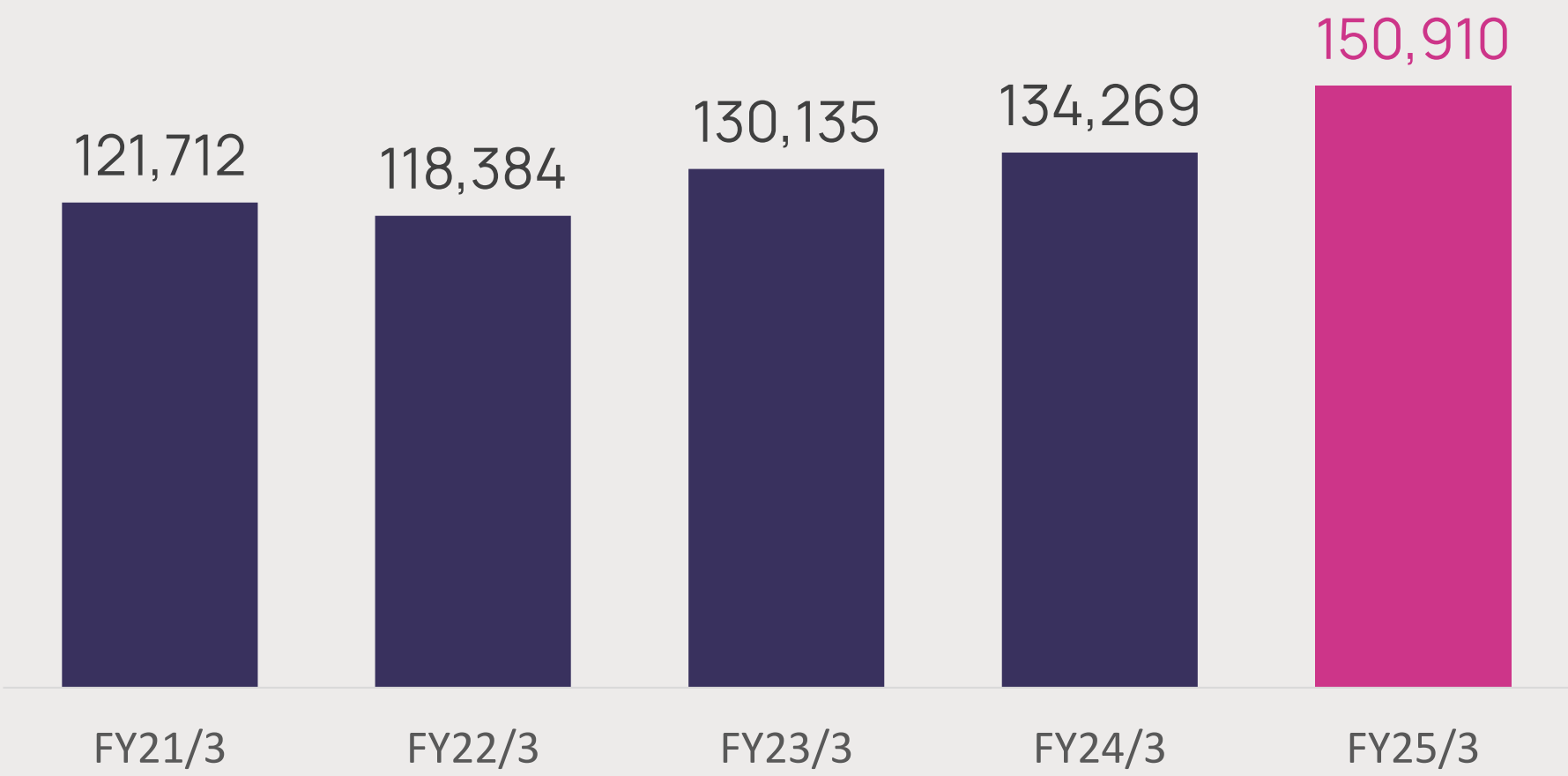
Non-consolidated

Sales slightly exceeded the revised forecast. Gross profit margin was in line with the revised forecast, SG&A ratio was slightly below the forecast, and operating income and ordinary income cleared both the revised forecast and the previous year. Same-store sales also maintained double-digit growth.

Consolidated Sales

¥150.9 billion YoY 112.4%

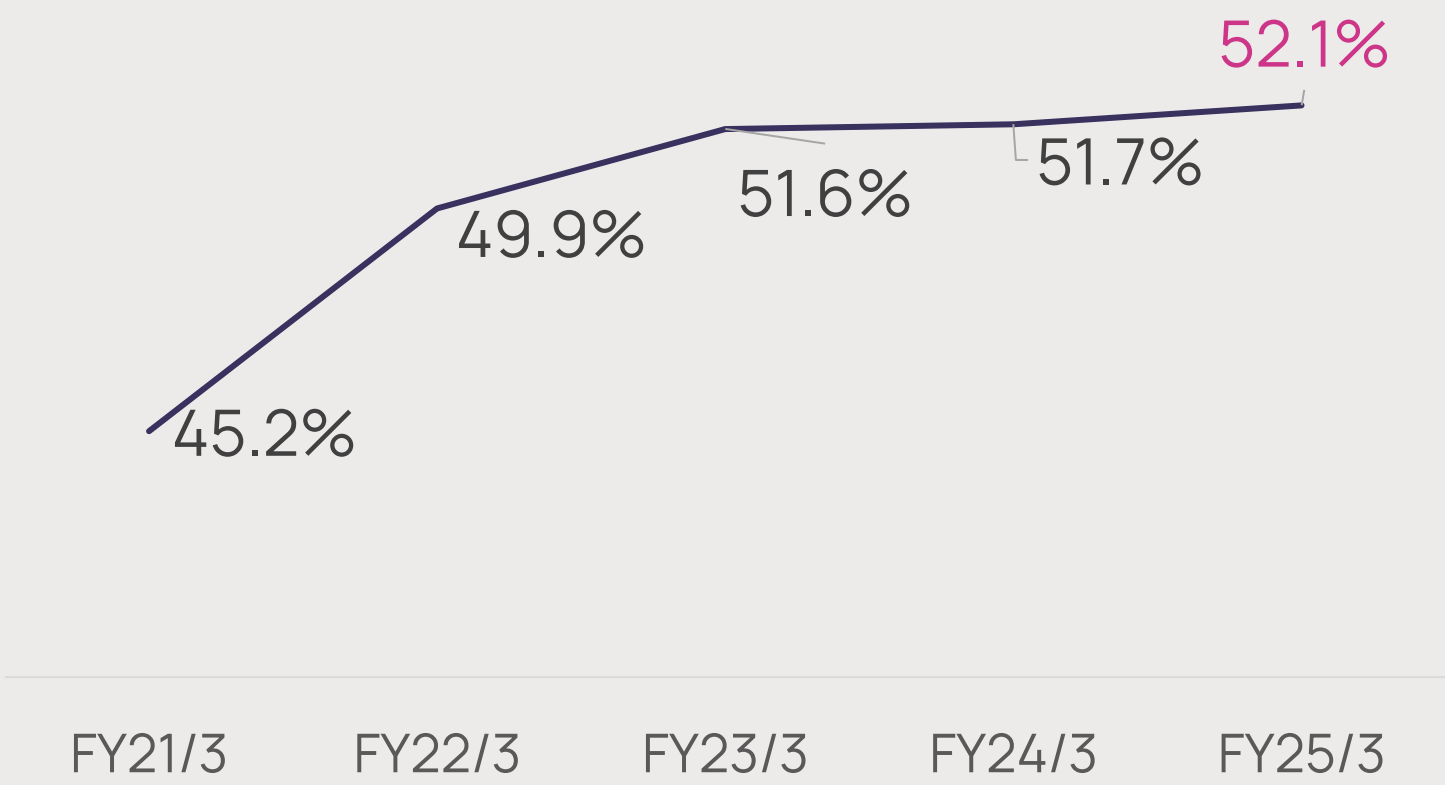
(Millions of yen)



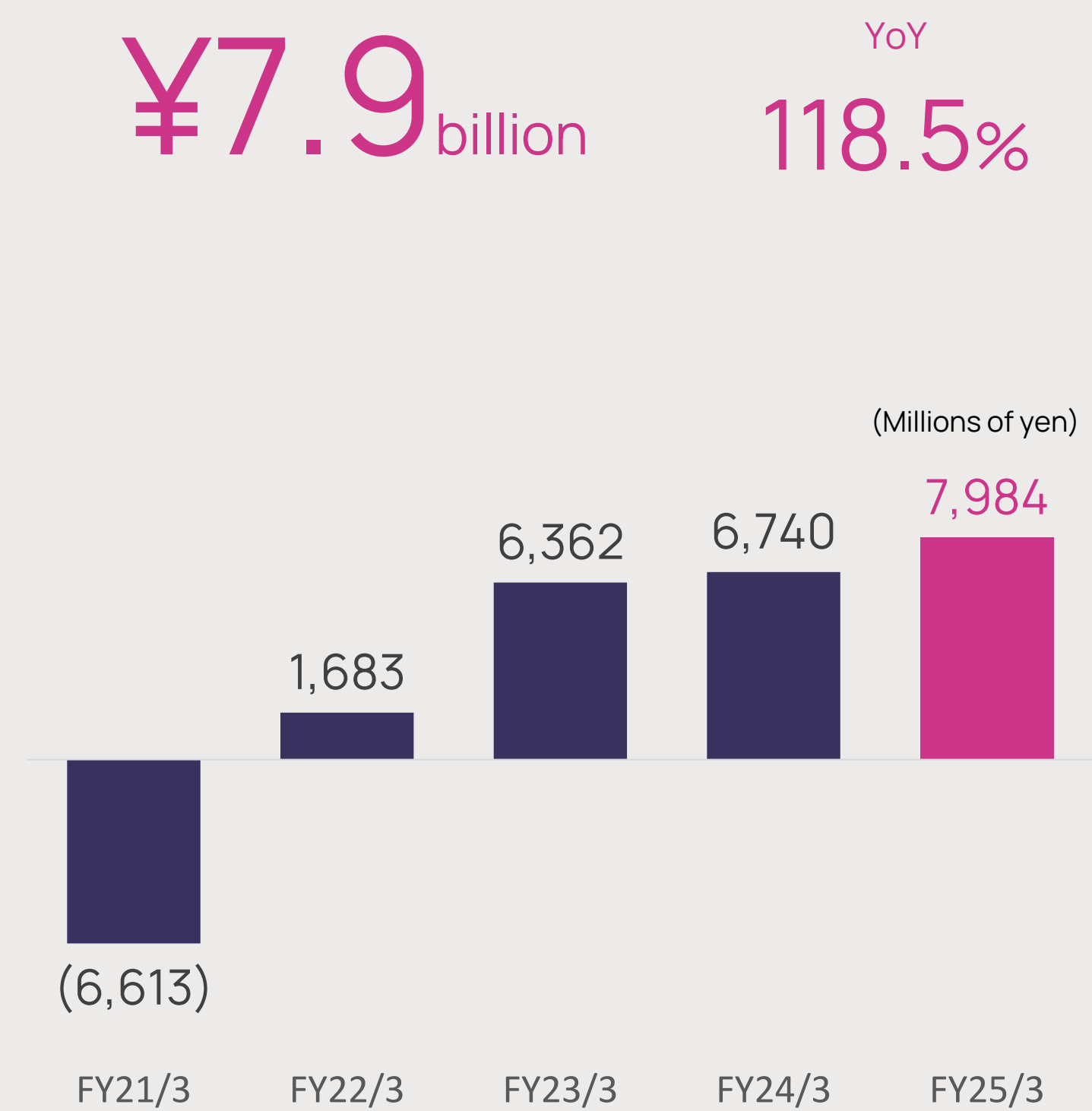
* CHROME HEARTS JP, GK has been excluded from the scope of consolidation since FY21/3 4Q

Consolidated Gross Margin

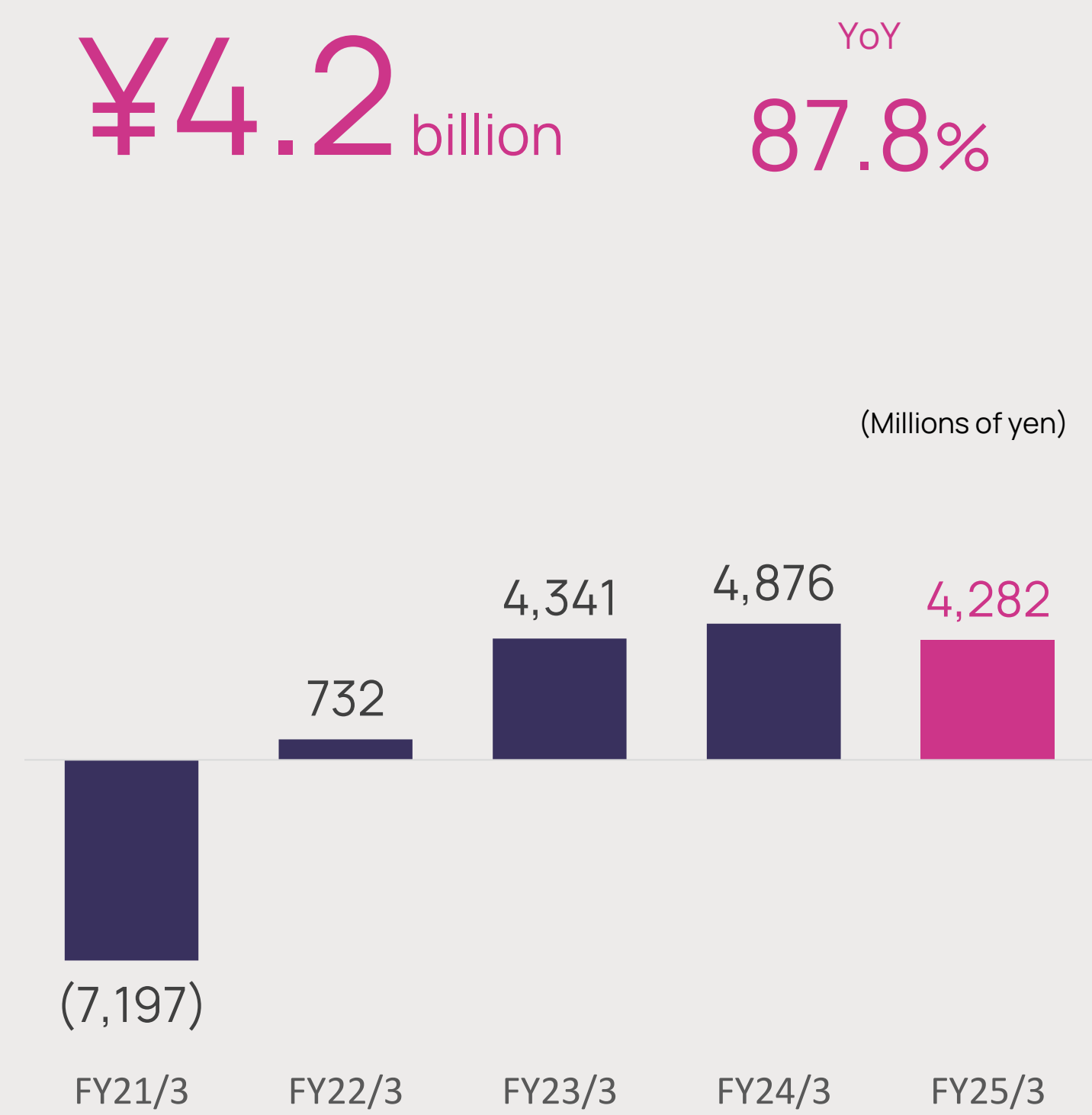
52.1% YoY pt difference +0.4pt



Consolidated Operating Income



Net Income Attributable to Owners of Parent



Consolidated P/L

(Millions of yen)				
	FY24/3	FY25/3	Change/pt difference	YoY
Sales	134,269	150,910	16,641	112.4%
Gross profit	69,462	78,629	9,167	113.2%
vs. sales	51.7%	52.1%	0.4pt	—
SGA expenses	62,722	70,645	7,923	112.6%
vs. sales	46.7%	46.8%	0.1pt	—
Operating income	6,740	7,984	1,243	118.5%
vs. sales	5.0%	5.3%	0.3pt	—
Non op. P/L	746	555	(191)	74.4%
vs. sales	0.6%	0.4%	- 0.2pt	—
Ordinary income	7,486	8,539	1,052	114.1%
vs. sales	5.6%	5.7%	0.1pt	—
Extraordinary P/L	(331)	(1,456)	(1,125)	—
vs. sales	—	—	—	—
Net income attributable to owners of parent	4,876	4,282	(594)	87.8%
vs. sales	3.6%	2.8%	- 0.8pt	—

* 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

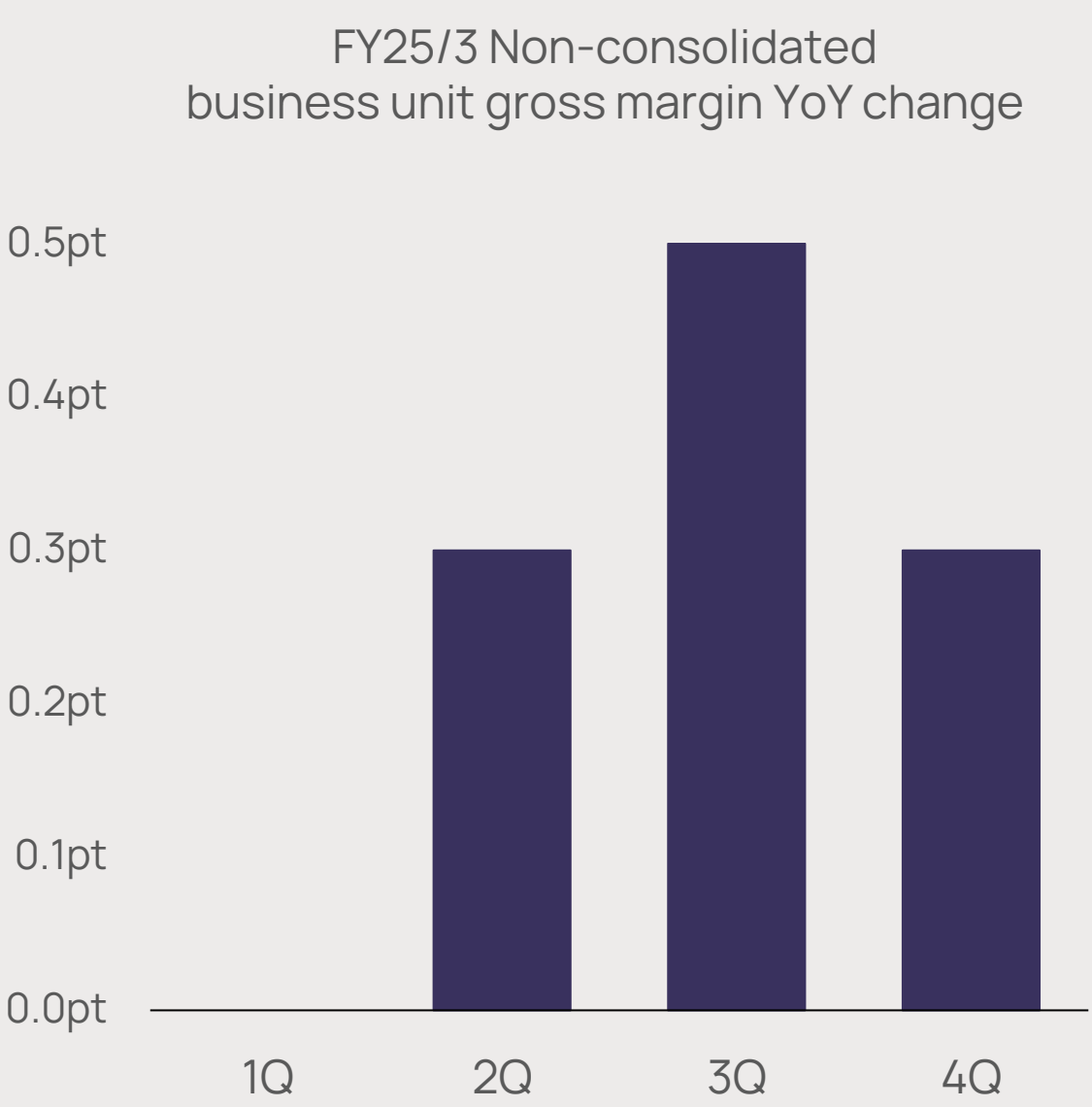
Consolidated P/L 4Q (3 Months)

		(Millions of yen)			
		FY24/3 4Q	FY25/3 4Q	Change/pt difference	YoY
Sales		34,564	37,921	3,356	109.7%
Gross profit		16,883	18,722	1,839	110.9%
	vs. sales	48.8%	49.4%	0.5pt	—
SGA expenses		15,960	18,773	2,813	117.6%
	vs. sales	46.2%	49.5%	3.3pt	—
Operating income		923	(51)	(974)	—
	vs. sales	2.7%	—	—	—
Non op. P/L		204	(181)	(385)	—
	vs. sales	0.6%	—	—	—
Ordinary income		1,127	(232)	(1,359)	—
	vs. sales	3.3%	—	—	—
Extraordinary P/L		(160)	(518)	(358)	—
	vs. sales	—	—	—	—
Net income attributable to owners of parent		622	(781)	(1,403)	—
	vs. sales	1.8%	—	—	—

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	YoY pt difference
Consolidated	52.1%	0.4pt
UNITED ARROWS LTD.	52.0%	0.5pt
Total business unit	-	0.3pt
Outlet, etc.	-	1.9pt
COEN CO., LTD.	-	-2.7pt
UNITED ARROWS TAIWAN LTD.	-	1.4pt



Consolidated Gross Margin 4Q (3 Months)

Consolidated, non-consolidated and Taiwanese subsidiary exceeded previous year’s results, while COEN CO., LTD. declined from the previous year due to special valuation loss on inventory in 4Q.

	FY25/3 4Q	YoY pt difference
Consolidated	49.4%	0.5pt
UNITED ARROWS LTD.	48.9%	0.5pt
Total business unit	-	0.3pt
Outlet, etc.	-	1.4pt
COEN CO., LTD.	-	-1.1pt
UNITED ARROWS TAIWAN LTD.	-	2.4pt

Consolidated SGA Expenses

Although SGA expenses increased from the previous year, the SGA ratio was held to a 0.1 pt increase. This figure 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. As one time costs for FY25/3, a total of 450 million yen is recorded, including 170 million yen for costs associated with the relocation of the head office and 280 million yen for achievement bonus in non-consolidated results.

			(Millions of yen)	
		FY24/3	FY25/3	Change/pt difference YoY
Total SGA expenses		62,722	70,645	7,923 112.6%
	vs. sales	46.7%	46.8%	0.1pt -
Advertising expenses		3,823	4,390	566 114.8%
	vs. sales	2.9%	2.9%	0.0pt -
Personnel expenses		21,134	23,719	2,585 112.2%
	vs. sales	15.7%	15.7%	- 0.0pt -
Rent		18,422	19,925	1,502 108.2%
	vs. sales	13.7%	13.2%	- 0.5pt -
Depreciation		918	1,322	403 143.9%
	vs. sales	0.7%	0.9%	0.2pt -
Other		18,421	21,287	2,865 115.6%
	vs. sales	13.7%	14.1%	0.4pt -

Consolidated SGA Expenses 4Q (3 Months)

(Millions of yen)				
	FY24/3 4Q	FY25/3 4Q	Change/pt difference	YoY
Total SGA expenses	15,960	18,773	2,813	117.6%
vs. sales	46.2%	49.5%	3.3pt	-
Advertising expenses	971	1,233	262	127.0%
vs. sales	2.8%	3.3%	0.4pt	-
Personnel expenses	5,133	6,254	1,120	121.8%
vs. sales	14.9%	16.5%	1.6pt	-
Rent	4,778	5,142	364	107.6%
vs. sales	13.8%	13.6%	- 0.3pt	-
Depreciation	270	390	119	144.2%
vs. sales	0.8%	1.0%	0.2pt	-
Other	4,806	5,752	946	119.7%
vs. sales	13.9%	15.2%	1.3pt	-

Consolidated B/S

		(Millions of yen)		
	As of Mar. 31, 2024	As of Mar. 31, 2025	vs. previous term-end Change	
Total Assets	60,204	70,142	9,937	116.5%
Composition ratio	100.0%	100.0%		
Current Assets	40,372	44,816	4,444	111.0%
Composition ratio	67.1%	63.9%		
Noncurrent Assets	19,831	25,325	5,493	127.7%
Composition ratio	32.9%	36.1%		
Current Liabilities	20,997	27,767	6,770	132.2%
Composition ratio	34.9%	39.6%		
Noncurrent Liabilities	4,177	4,552	375	109.0%
Composition ratio	6.9%	6.5%		
Total Net Assets	35,030	37,821	2,791	108.0%
Composition ratio	58.2%	53.9%		
Reference: Inventory	21,686	24,730	3,044	114.0%
Reference: Balance of short- and long-term loans payable	202	1,028	826	508.9%

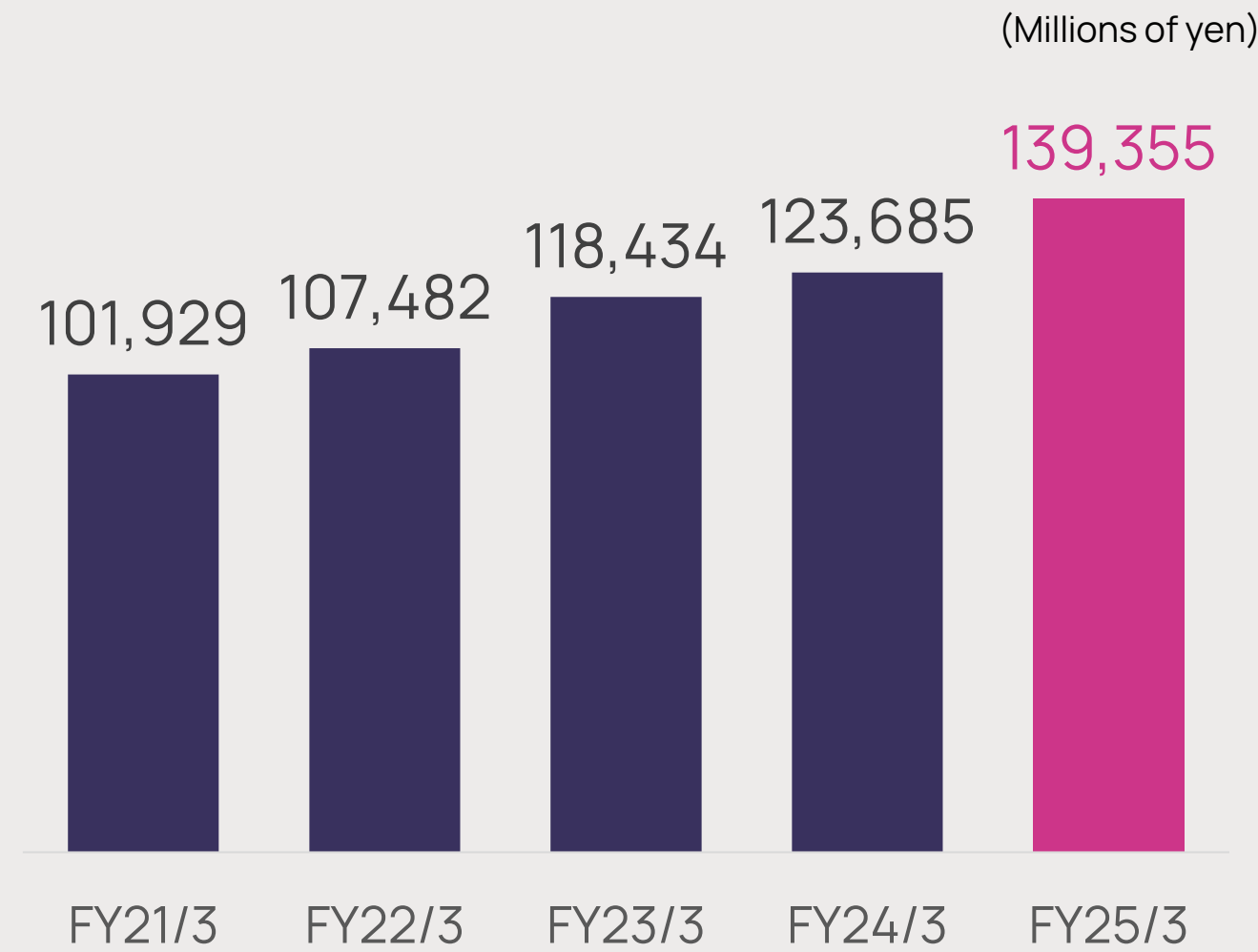
Consolidated C/F

(Millions of yen)

	FY24/3	FY25/3	Major breakdown of the results for the term	
Cash flows from operating activities (sub-total)	7,577	8,074		
Cash flows from operating activities	6,341	7,097	Profit before income taxes	7,082
			Depreciation	1,322
			Increase in trade receivables	(1,356)
			Increase in inventories	(3,041)
Cash flows from investing activities	(2,656)	(6,240)	Purchases of property, plant and equipment	(2,638)
			Purchases of intangible assets	(3,045)
			Proceeds from sales of investments in capitalof subsidiaries and associates	1,212
Cash flows from financing activities	(5,773)	(699)	Net increase in short-term borrowings	826
			Dividends paid	(1,524)
Cash and cash equivalents at the end of the period	6,486	6,655		

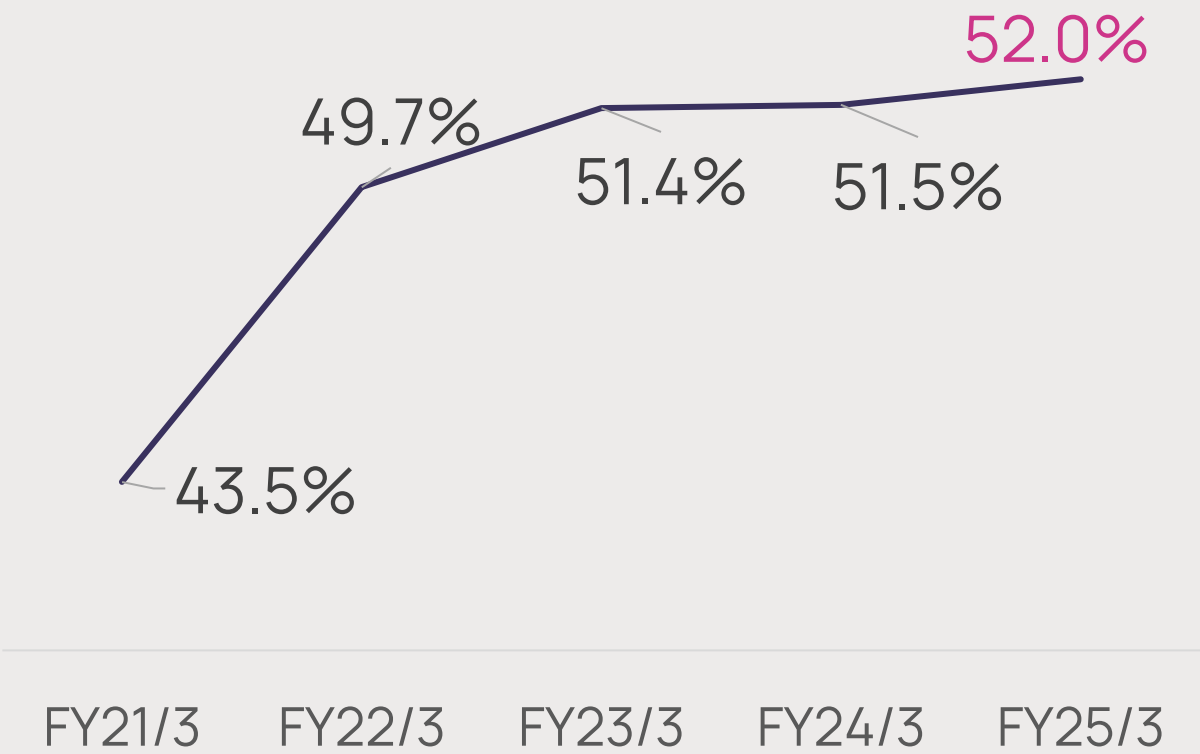
Non-consolidated Sales

¥139.3 billion ^{YoY} 112.7%



Non-consolidated Gross Margin

52.0% ^{YoY pt difference} +0.5pt



Non-consolidated Existing Stores YoY

Sales 111.2%

Number of purchasing customers 109.2%

Avg. spend per customer 101.8%

Non-consolidated Sales by Channel

		(Millions of yen)		
	FY24/3	FY25/3	Change/pt difference	YoY
Non-consolidated sales	123,685	139,355	15,669	112.7%
Total business unit	104,709	118,098	13,388	112.8%
vs. sales	82.8%	83.3%	0.5pt	-
Retail	70,783	78,555	7,772	111.0%
vs. sales	56.0%	55.4%	- 0.6pt	-
Online	32,009	37,307	5,298	116.6%
vs. sales	25.3%	26.3%	1.0pt	-
Others (Wholesale, etc.)	1,916	2,234	317	116.6%
vs. sales	1.5%	1.6%	0.1pt	-
Outlet, etc.	21,746	23,734	1,987	109.1%
vs. sales	17.2%	16.7%	- 0.5pt	-

Existing stores YoY

	Sales	Number of customers	Avg. spend per customer
Retail + Online	111.2%	109.2%	101.8%
Retail	109.0%	106.1%	102.8%
Online	115.7%	114.4%	102.2%

Non-consolidated Sales by Business

(Millions of yen)

	FY24/3	FY25/3	Change	YoY
Total business unit sales	104,709	118,098	13,388	112.8%
Trend-conscious Market	70,039	77,211	7,172	110.2%
Basic Trend-conscious Market	34,670	40,886	6,216	117.9%

Existing store sales YoY

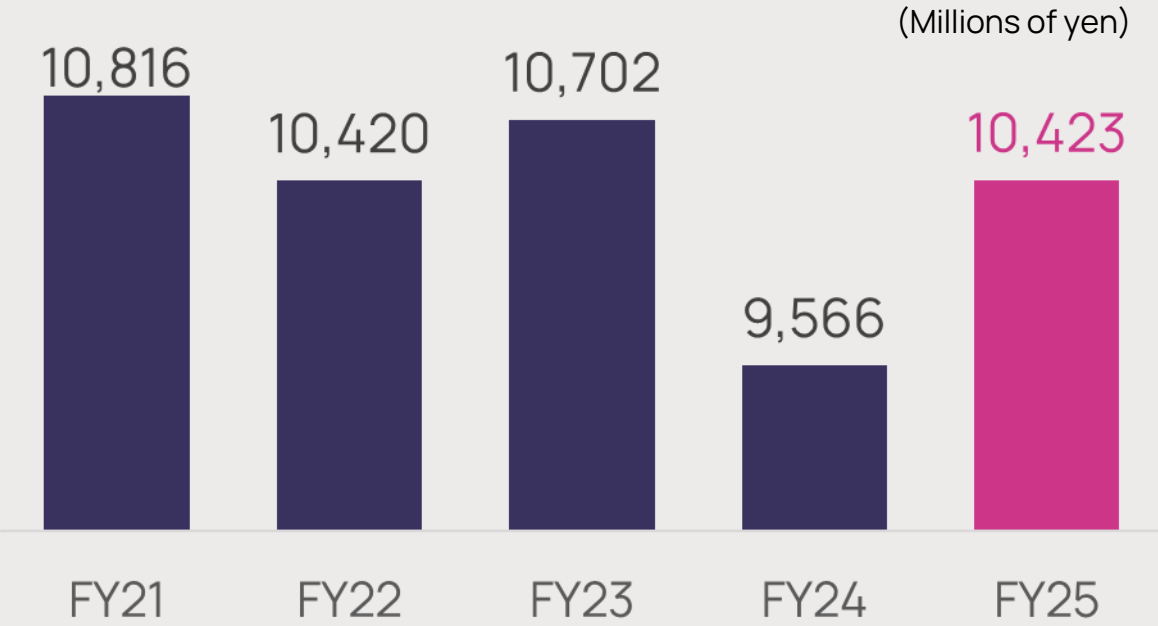
	Retail + Online	Retail	Online
Trend-conscious Market	109.3%	107.4%	113.4%
Basic Trend-conscious Market	115.0%	112.5%	119.7%

Group Company Results

COEN CO., LTD. Feb. – Jan.

Saw increase in sales and decrease in profit

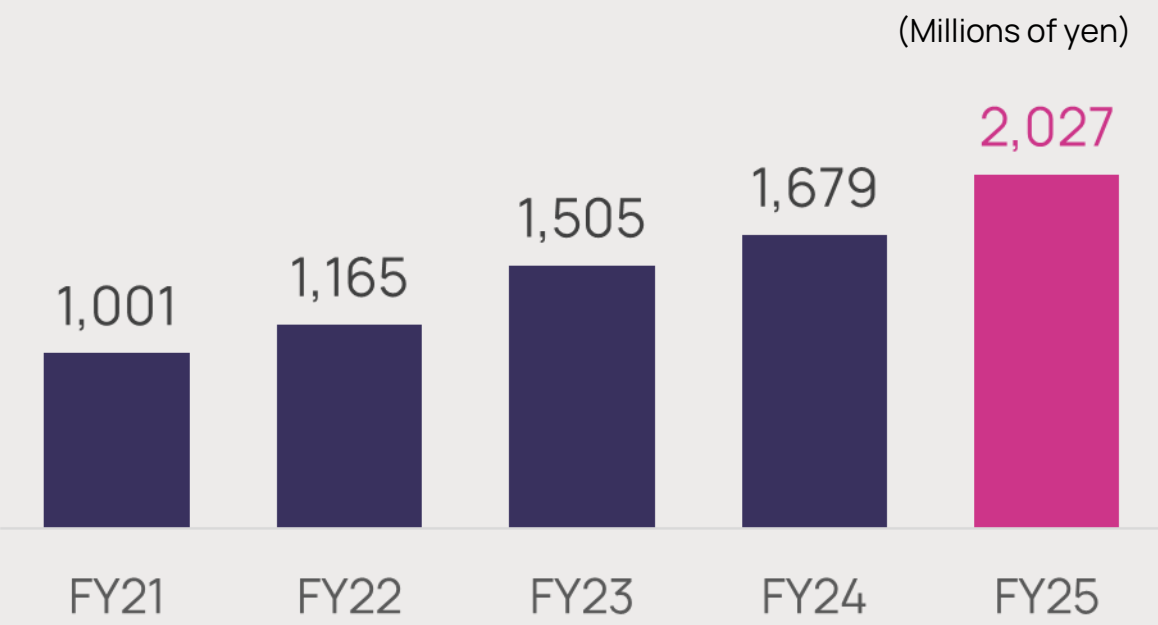
- Sales ¥10.4 billion, 109.0% YoY
- Sales exceeded the previous year due to recovery mainly in physical stores owing to MD revisions
- Profit decreased due to a decline in gross margin caused by inventory valuation losses and an increase in SGA expenses caused by increases in advertising expenses
- A significant improvement in the gross profit margin is a top priority for the next fiscal year



UNITED ARROWS TAIWAN LTD. Feb. – Jan.

Increase in both sales and profit

- Sales ¥2.0 billion, 117.8% YoY
- Overall performance has been strong, with notable growth in GLR, coen, and outlet stores. By channel, online sales have seen significant expansion
- 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 term end was 322, with 26 stores opened and 5 stores closed

	FY24/3	Opened	Closed	(number of stores) FY25/3
Group Total	301	26	5	322
UNITED ARROWS LTD.	221	20	3	238
COEN CO., LTD.	71	5	2	74
UNITED ARROWS TAIWAN LTD.	9	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.

FY2025/3 Major Indicators

Annual dividend

63.00 yen

Payout ratio

40.6 %

DOE

4.8 %

ROE

11.8 %

YoY

-2.4 pt

Inventory turnover

6.3 times

YoY

+0.2 times

No. of stores

322 stores

YoY

+21 stores

2

FY2026/3 Business Plan



Consolidated Business Plan

Profit is expected to decrease until 9 months period due to increase in fixed costs such as personnel, advertising, depreciation, etc. Profit is expected to increase in 3Q (3 months) and 4Q (3 months), aiming to increase profit for the full year.

		(Millions of yen)				
		FY25/3 Results	FY26/3 Forecasts	Change/pt difference	YoY	
Sales	¥165.6 billion (YoY 109.8%)	Sales	150,910	165,677	14,766	109.8%
Gross margin	52.8% (pt difference +0.7pt)	Gross profit	78,629	87,475	8,845	111.2%
		vs. sales	52.1%	52.8%	0.7pt	—
Operating income	¥9.0 billion (vs. sales 5.4%, YoY 112.7%)	SGA expenses	70,645	78,475	7,829	111.1%
		vs. sales	46.8%	47.4%	0.6pt	—
Ordinary income	¥9.0 billion (vs. sales 5.5%, YoY 105.8%)	Operating income	7,984	9,000	1,015	112.7%
		vs. sales	5.3%	5.4%	0.1pt	—
Net income	¥5.0 billion vs. sales 3.1%, YoY 118.7%)	Non op. P/L	555	34	(521)	6.1%
		vs. sales	0.4%	0.0%	- 0.3pt	—
		Ordinary income	8,539	9,034	494	105.8%
		vs. sales	5.7%	5.5%	- 0.2pt	—
		Extraordinary P/L	(1,456)	(1,011)	445	—
		vs. sales	—	—	—	—
		Net income attributable to owners of parent	4,282	5,084	801	118.7%
		vs. sales	2.8%	3.1%	0.2pt	—

Gross Margin Plan

	FY26/3 1H	YoY	FY26/3 2H	YoY	FY26/3 Full year	YoY
Consolidated	53.0%	0.4pt	52.6%	1.0pt	52.8%	0.7pt
UNITED ARROWS LTD.	52.4%	0.0pt	52.4%	0.8pt	52.4%	0.4pt
Total business unit	-	0.1pt	-	0.7pt	-	0.5pt
Outlet, etc.	-	- 1.5pt	-	- 0.7pt	-	- 1.0pt
COEN CO., LTD.	-	3.3pt	-	4.7pt	-	4.0pt
UNITED ARROWS TAIWAN LTD.	-	- 0.5pt	-	- 0.4pt	-	- 0.3pt

Non-consolidated Sales Plan

(Millions of yen)

	FY26/3 1H	YoY	FY26/3 2H	YoY	FY26/3 Full year	YoY
Non-consolidated sales	68,407	109.1%	84,288	110.0%	152,696	109.6%
Retail + Online Existing Stores	-	107.7%	-	107.9%	-	107.8%
Retail Existing Stores	-	104.5%	-	104.7%	-	104.6%
Online Existing Stores	-	114.3%	-	114.1%	-	114.2%

Store Opening and Closing Plan

				(number of stores)
	FY25/3	Opened	Closed	FY26/3 (Forecast)
Group Total	322	27	4	345
UNITED ARROWS LTD.	238	20	3	255
COEN CO., LTD.	74	3	1	76
UNITED ARROWS TAIWAN LTD.	10	3	0	13
UNITED ARROWS SHANGHAI LTD.	0	1	0	1

Change in Dividend Policy

Revised the dividend payout ratio standard to 40% or more and introduced progressive dividends

- With the performance improvement from the COVID-19 pandemic, we expect to have cash surplus while making certain investments to achieve profit growth.
- see earnings growth through investment and cash generation
- Raise the dividend payout ratio standard from the current 30% to 40% or more
- At the same time, we will flexibly implement share repurchases and cancellations to maximize shareholder value.

FY25/3

Dividend per share

63.00yen

Interim 17.00yen, end of term 46.00yen
(8.00yen increase from the previous year)

Payout ratio

40.6%

FY26/3 (forecast)

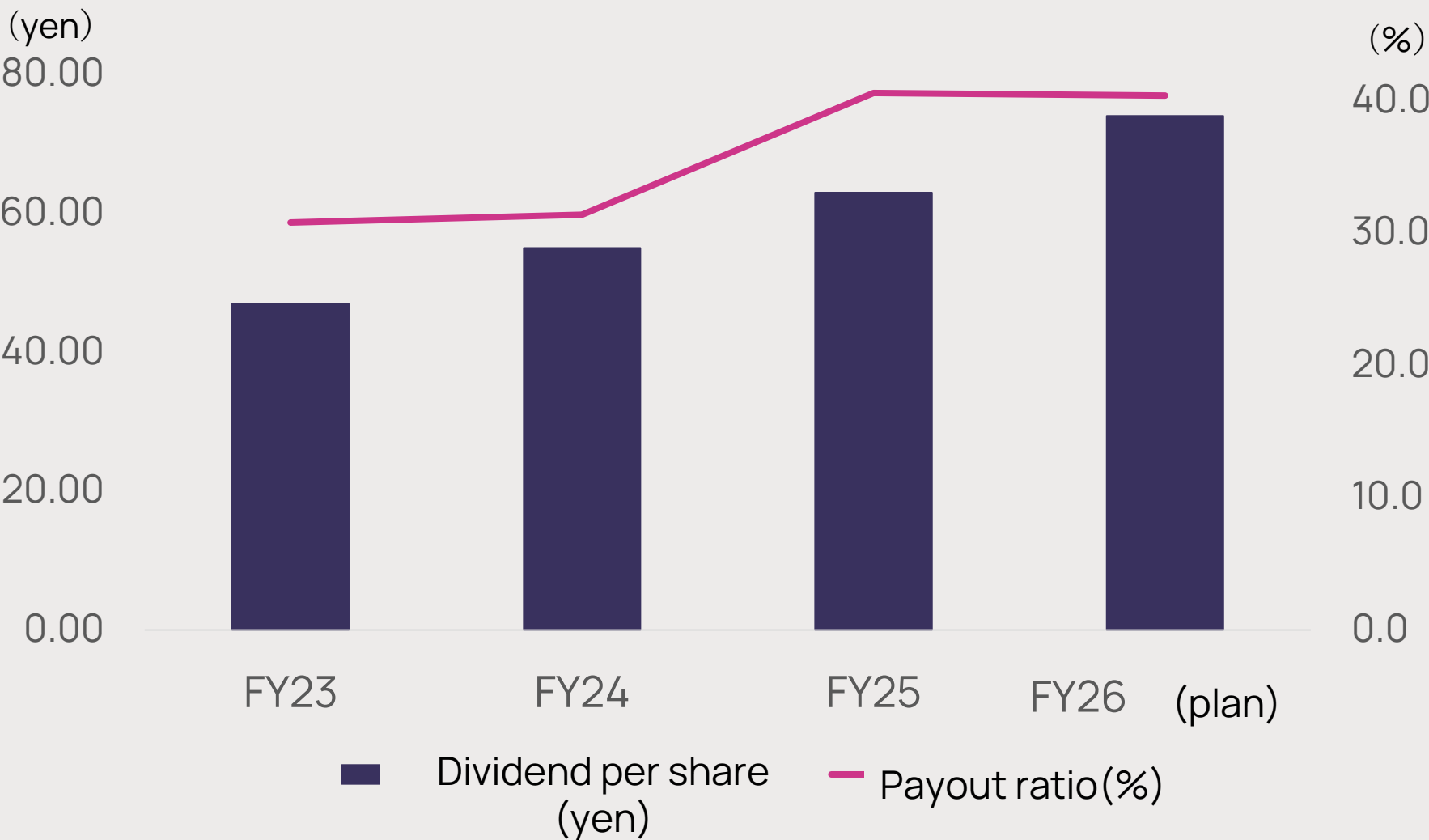
Dividend per share

74.00yen

Interim 20.00yen, end of term 54.00yen
(11.00yen increase from the previous year)

Payout ratio

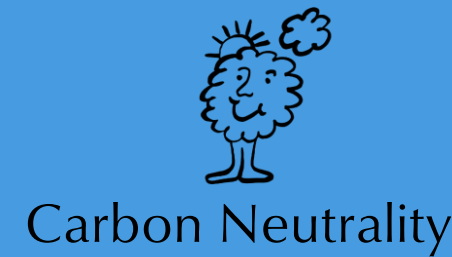
40.4%



3

Progress in Sustainability Initiatives





CDP Rated B for Climate Change and A- for Water Security

- CDP evaluated the transparency of our efforts and information disclosure, and gave us a management level "B," the third highest of eight levels in the climate change area, and a leadership level "A- (A minus)," the second highest of eight levels in the water security area.
- CDP conducts surveys of approximately 24,000 companies worldwide in cooperation with institutional investors around the world who are interested in environmental issues. The organization is widely recognized as the global standard for environmental reporting.



Carbon Neutrality

Percentage of Sites Using Renewable Energy Sources at 24.6

- As major commercial facilities, etc., have been shifting to green electricity, we have begun to introduce this renewable energy in our stores' areas.
- In the fiscal year ended March 31, 2025, we adopted this energy in additional 34 sites, bringing the percentage of sites using renewable energy to 24.6% of total stores as of the end of March.
- This is assumed to result in a reduction of Scope 2 GHG emissions (figures are being calculated).

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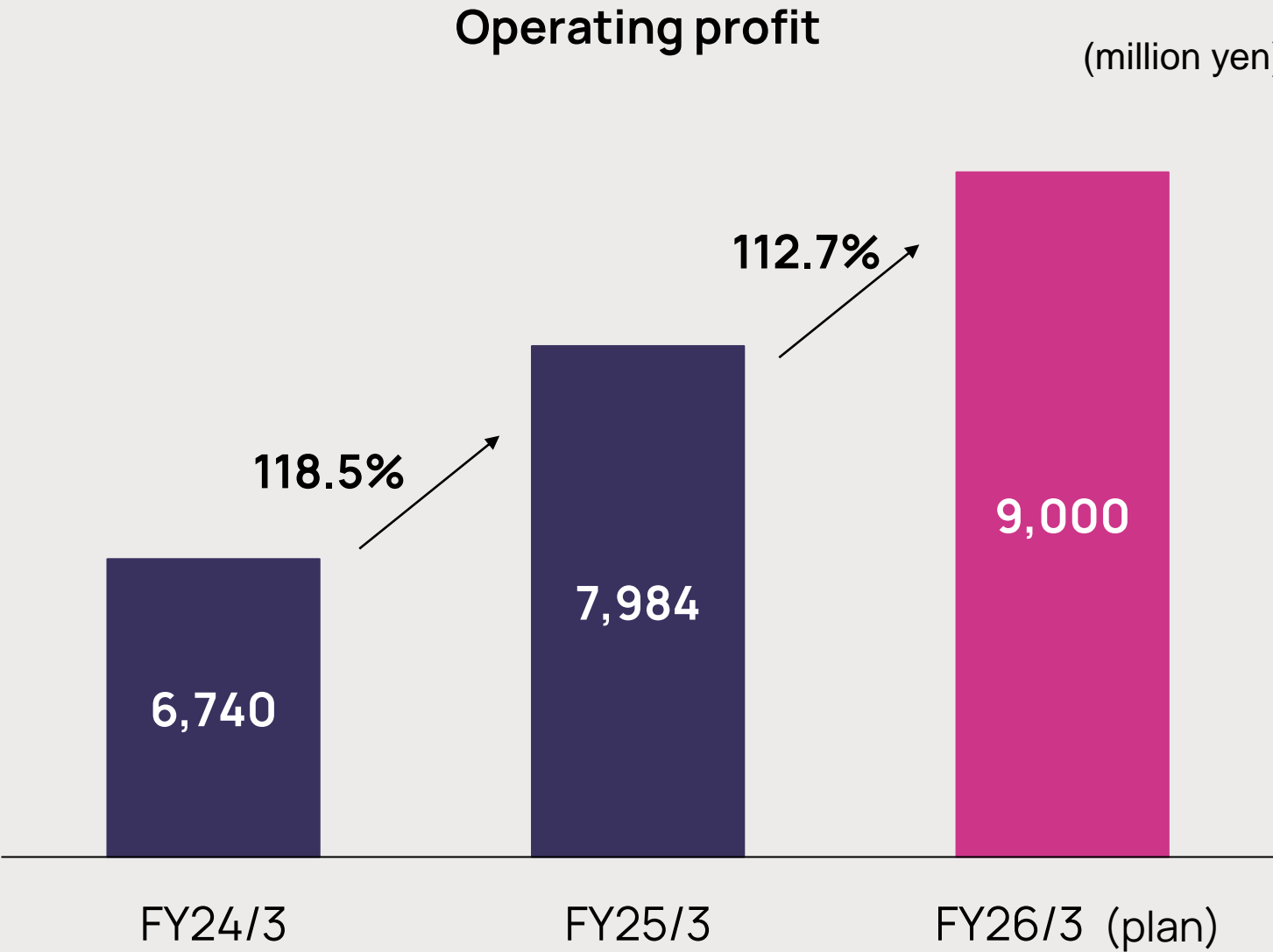
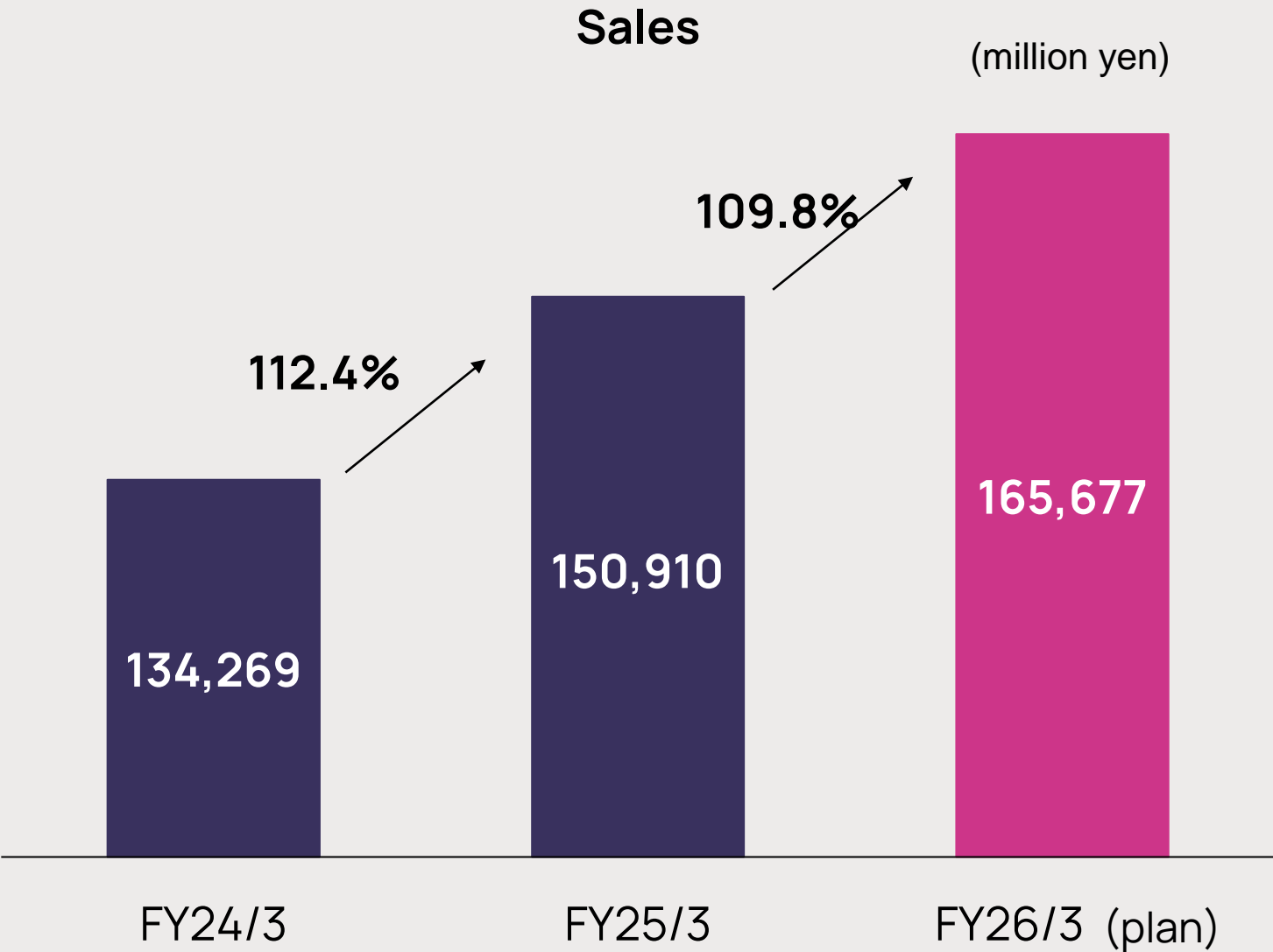
Review of FY2025/3 and Outlook for FY2026/3

from Matsuzaki, President and CEO

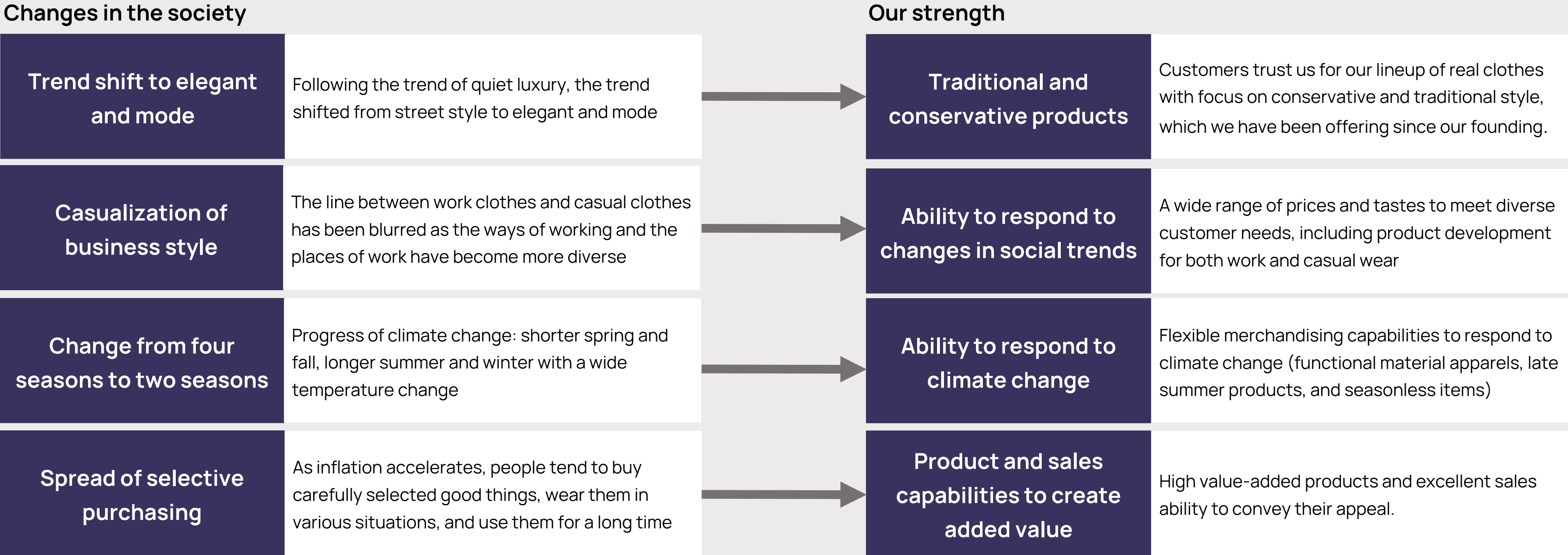


FY25/3 Sales at Revised Forecast Level.

Operating Income: 109.4% of the Initial Forecast, 103.7% of the Revised Forecast
Aim for High Growth in FY26 / 3 and Achieve the Medium-Term Management Plan



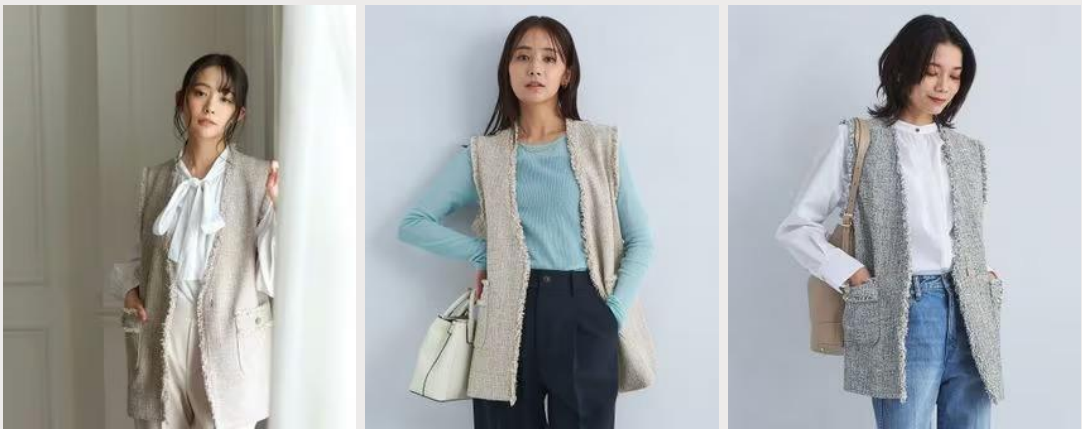
Significant Growth in Existing Businesses by Adapting Our Strengths to Changes in Society



Our Continuous Strength Is Reflected in Various Factors

Responding to changes in social trends by leveraging the strengths of traditional product line

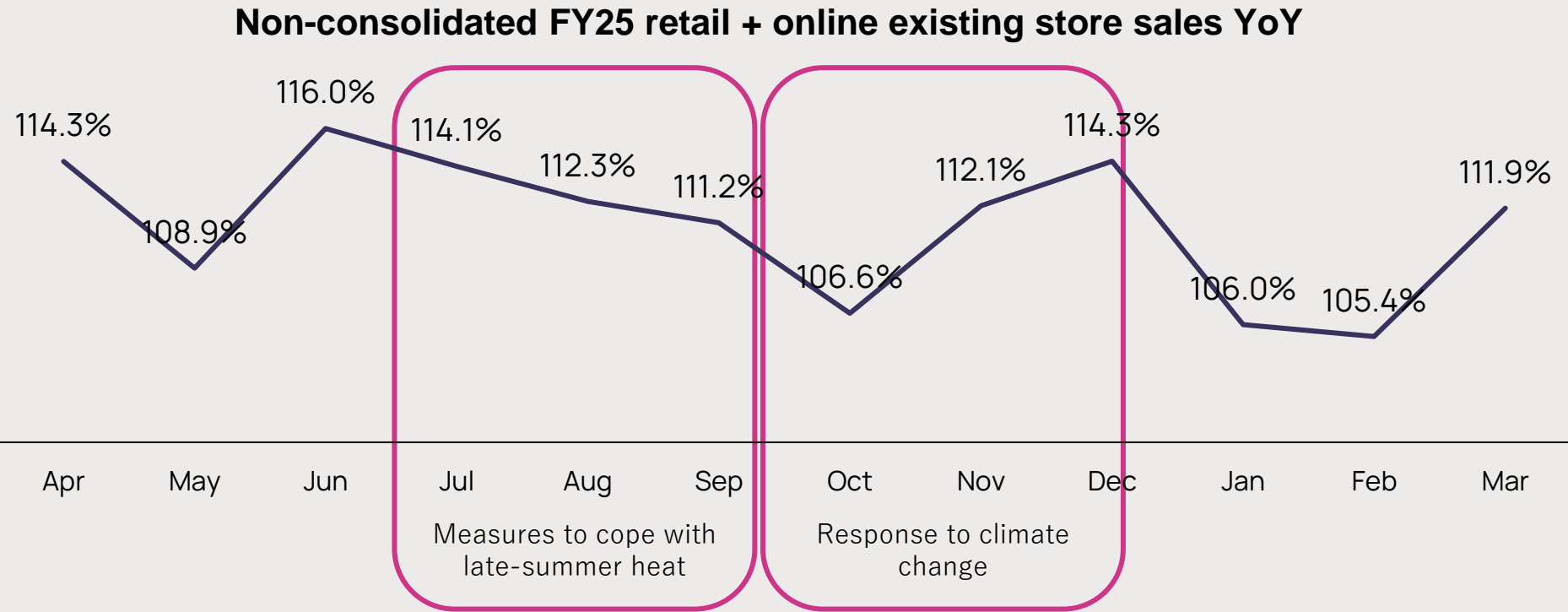
- Demand for smart casual is growing due to a return to the office and increased opportunities to go out
- Seamless needs from formal occasions to casual wear
- The tendency to buy good products and wear them well in a variety of situations is spreading



Example of a styling variation from casual to formal occasions

Stable same-store sales on the assumption of climate change

- Existing store sales were stable due to the expansion of midsummer products to prepare for the late summer heat and product strategies for the short autumn and winter seasons with a wide temperature change.



Increasing the number of customers while raising the average spend per customer through superior product development and sales capabilities

- Product development capabilities to ensure appropriate pricing in line with product value
- Sales force to appeal to customers

Net sales **111.2%** Purchasing customers **109.2%** Average spending per customer **101.8%**

Ample Room for Growth in Our Existing Business by Leveraging Our Strengths

Aiming for Further Growth by Embarking on New Businesses in Response to Market Changes

Markets	Operating company	Core business and subsidiaries	Ave. spending per customer
Trend-conscious market	UNITED ARROWS LTD.	High-end UNITED ARROWS General Merchandise Store*1 UNITED ARROWS BEAUTY&YOUTH UNITED ARROWS Others*2	¥100,000
		Trend-conscious	¥20,000
	UNITED ARROWS LTD.	Basic trend-conscious UNITED ARROWS green label relaxing Others*3	¥10,000
	COEN CO., LTD. (Subsidiary company)	New basic trend-conscious coen	¥5,000
		Volume market	

FY25 Net Sales, YoY

High-end to trend-conscious market

77.2 billion yen (110.2%)

Basic trend-conscious market

40.8 billion yen (117.9%)

New basic trend-conscious market

10.4 billion yen (109.0%)

Major Initiatives in FY2025/3

Evaluation of Progress in Medium-Term Management Plan

Key strategy	Strategy Details		Assessment	Progress
1. UA CREATIVITY Strategy	Growth and expansion of the existing businesses	Grow the top line	◎	Progress above initial plan mainly in existing businesses
		Improve gross margin	○	Parent and Taiwan improved YoY
	Strengthening of brand appeal	Expand investment in human capital	○	Improved compensation and other measures contributed to lower turnover
		Rebranding of the corporate brand	○	Successful in appealing to young people
	Re-grow of COEN		×	Increase in sales but decrease in income
2. UA MULTI Strategy	Business development for business expansion		○	Progress on schedule in new business preparation, etc.
	Global expansion		○	Progress in mainland China and other areas as planned
3. UA DIGITAL Strategy	Promoting OMO		○	UA Club indicators improved
	Optimizing the supply chain		○	Completed replacement of UA3.0, and issues after operation are being sorted out

1. UA CREATIVITY Strategy

[Growth and Expansion of the Existing Businesses]

Grow the Top Line Assessment ◎

Conversion of Sales Activities to DX

- The number of styling posts increased significantly
- Styling posts contribute to not only own e-commerce but also to actual stores
- Digitalization of sales staff's customer service skills leads to OMO promotion

Number of salesperson posting styling proposals *

Approximately **1,000**

*Number of salesperson who post continuously

Number of styling posts

Approximately **174,000**

(**147.8%** YoY)

Own e-commerce site sales via posting (including outlet sales)

12.7 billion yen (**133.1%** YoY)

74.7% of own e-commerce site sales including outlets (+ **3.2** pt YoY)

Percentage of actual store sales by post viewers (including outlet stores)

25.6 %

Increase Loyalty by Opening New Stores and Renovating Existing Ones

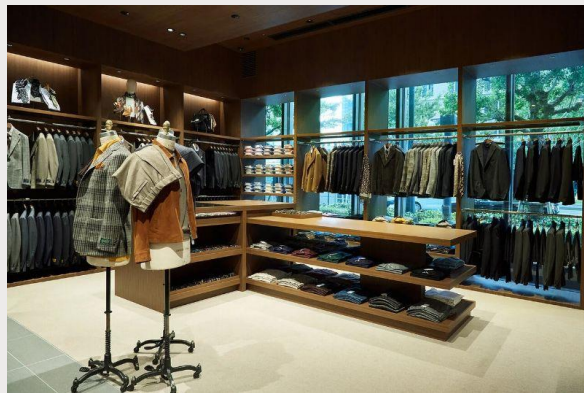
- Consolidated: Newly opened 26 stores, relocated and renovated 12 stores, Number of stores at the end of the period: 322 stores
- Not only sales increase at new stores, but also the effect of sales increase at existing stores due to relocation and renovation

Year-on-year sales growth at major refurbished stores

UA Marunouchi (renovated on Sep. 12) **147.8%** (Oct. 2024 – Mar. 2025)

UA Futakotamagawa (renovated on Oct. 5) **117.4%** (Nov. 2024 – Mar. 2025)

GLR Sapporo (renovated on Oct. 4) **125.6%** (Nov. 2024 to Mar. 2025)



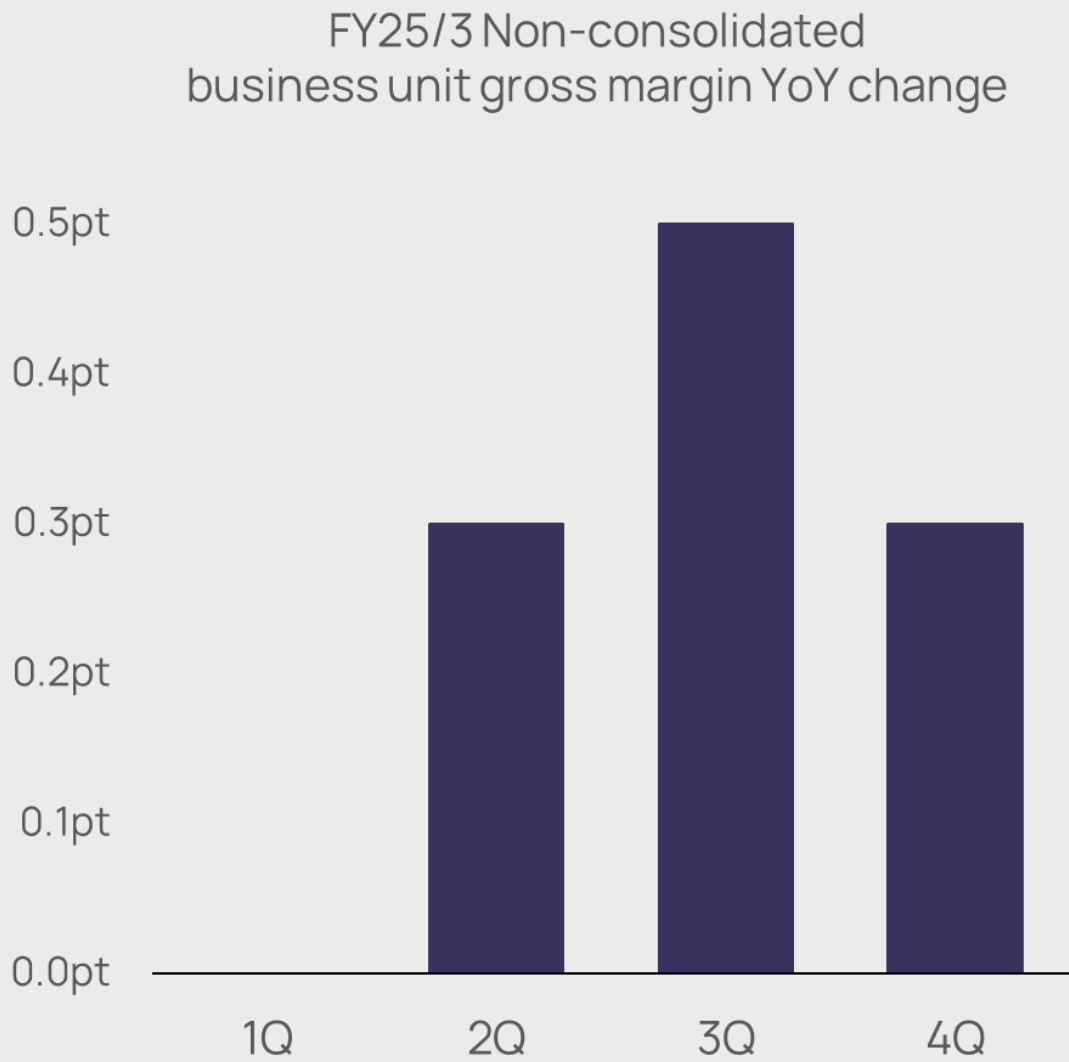
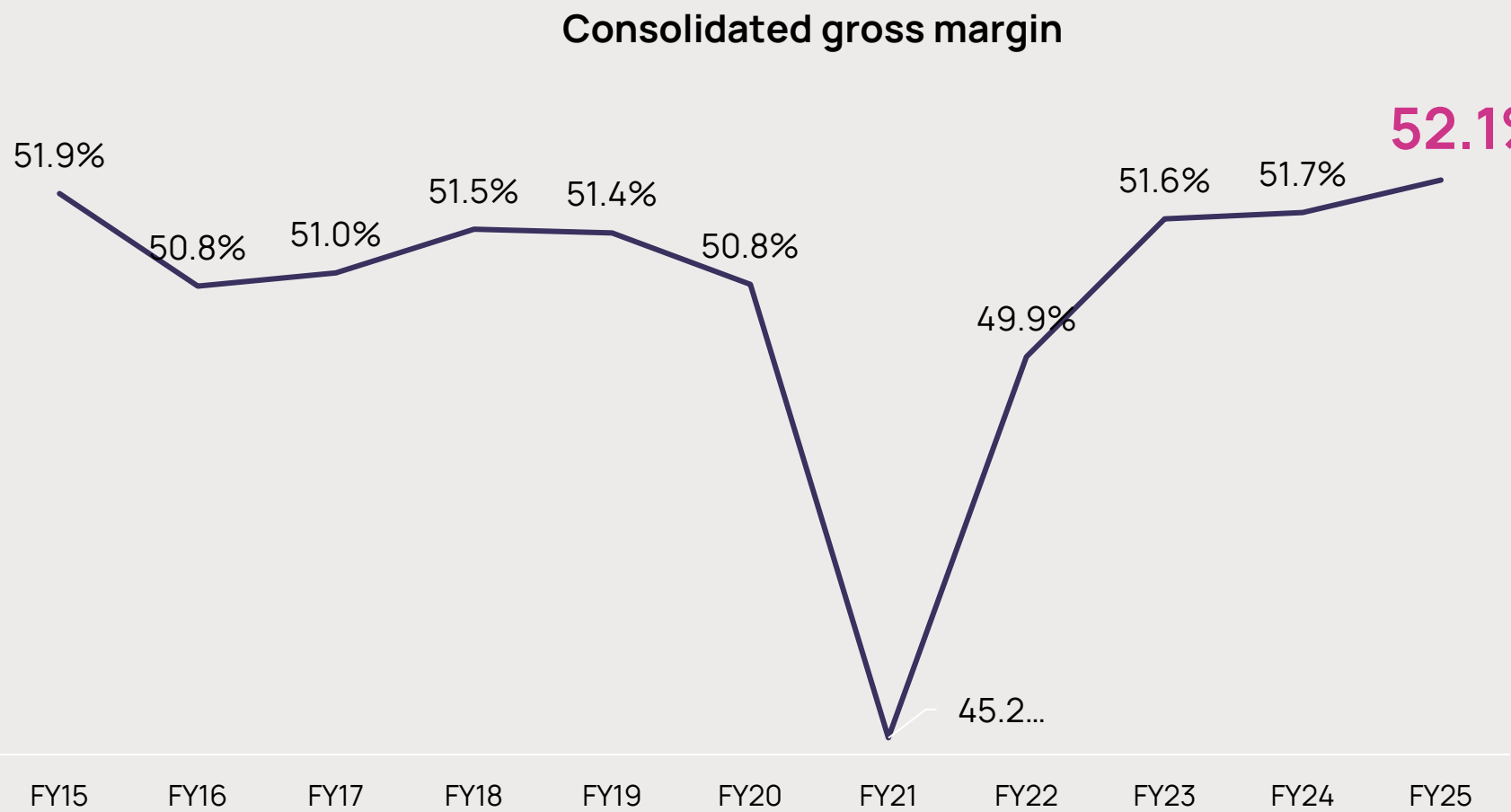
UNITED ARROWS Marunouchi

1. UA CREATIVITY Strategy

[Growth and Expansion of the Existing Businesses]

Improve Gross Margin Assessment ○

- Consolidated gross margin in FY25 increased to **52.1%** (+ **0.4** pt YoY), the highest level since FY15
- Continued improvement in non-consolidated business unit due to price review and reduction of discount sales despite continued exchange rate fluctuations



1. UA CREATIVITY Strategy

[Strengthening of Brand Appeal]

Expand Investment in Human Capital Assessment ○

- Expansion of educational opportunities
Dispatched to business schools and continued DX-related training
- Increased salary levels through base increases and promotions
Average salary 104% compared to the previous year, with base increase in the new fiscal year
- Increased engagement of younger employees and reduced turnover
- Increasing engagement of mid-level employees is a challenge.

Engagement score

73.8%

(-0.6 pt YoY)

eNPS

-45.6

(-3.6 pt YoY)

Turnover rate

9.2%

(+0.8 pt YoY)

Rebranding of the Corporate Brand Assessment ○

- Aimed at expressing a new aspect of UNITED ARROWS and renewing the corporate image to be multilayered and multifaceted.
October 2024- Part 1: Interdimensional Remix
February 2025- Phase 2: Light
- According to our survey after the first phase was implemented, "modern" and "Newness" were conveyed to people in their 20s and 30s who are interested in fashion, and the effect of attracting customers to our own e-commerce site and visiting stores was seen.



Phase 2 Light image visual

1. UA CREATIVITY Strategy

[Re-grow of COEN] Assessment ×

The Top Priority for an Early Recovery Is to Improve the Gross Margin

Initiatives and summary for the FY25/3

Developing attractive products, but challenges in hit product development

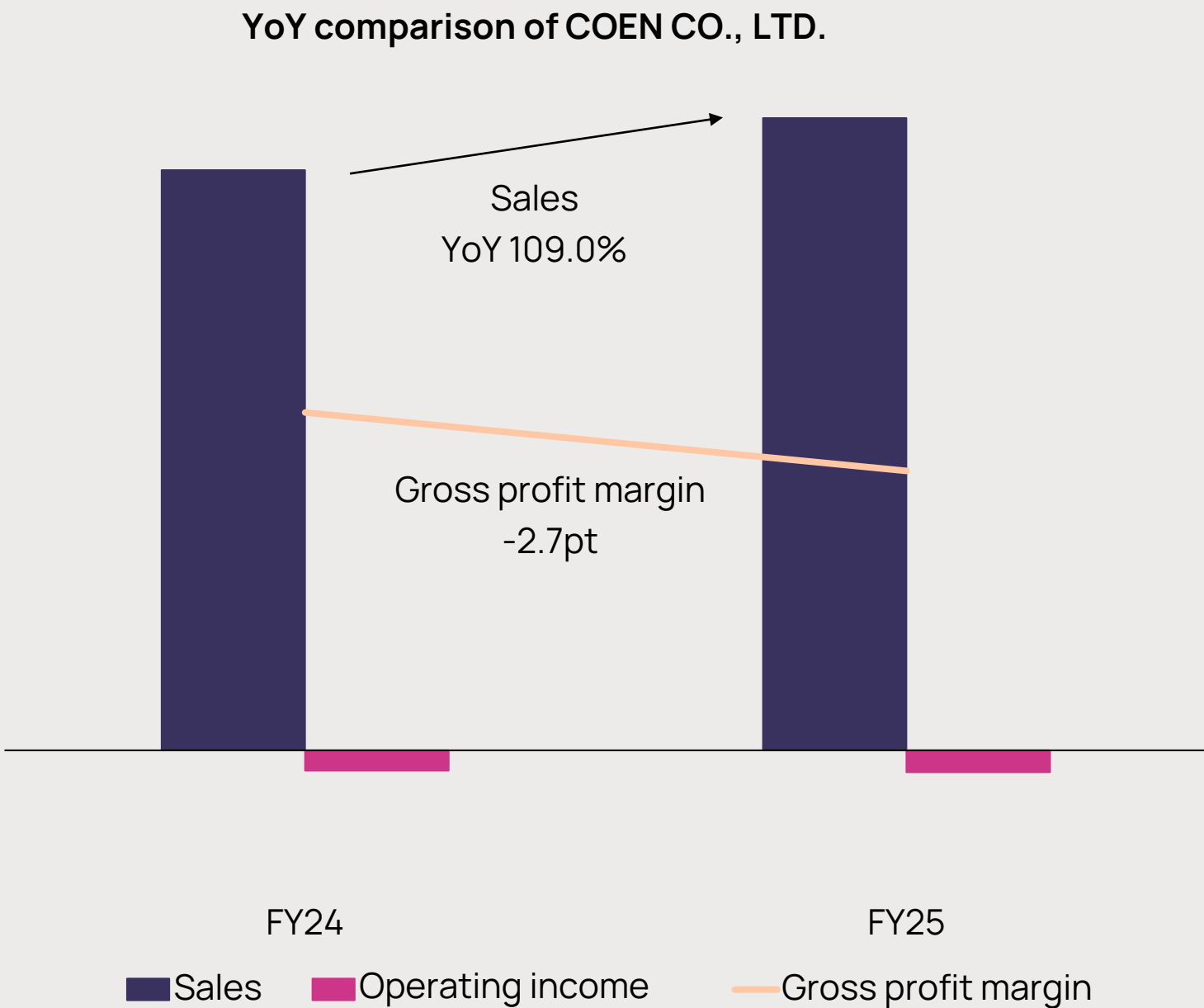
- In addition to improving merchandising, we are expanding licensed products, developing functional products, and expanding the development of the smart casual RONEL, but the shortage hit products
- Functional products have been successful to some extent and will be expanded in the next fiscal year.
- RONEL faces brand awareness challenge, aims to boost brick-and-mortar presence

Despite aggressive inventory procurement, gross profit margin was damaged.

- Although inventory procurement was increased to achieve high sales growth, the lack of hit products led to an increase in discount sales and an increase in product write-downs.
- Gross profit margin declined significantly, including the extraordinary write-down of merchandise implemented in 4Q.

Failed to reach planned level despite aggressive plan to open new stores

- Only 5 stores were opened compared to the 10 new store openings forecast
- We have received high praise from developers and received Award at the 27th Tenant Award selected by Developers sponsored by Senken Shinbun, one of major newspapers specialized in fashion businesses in Japan

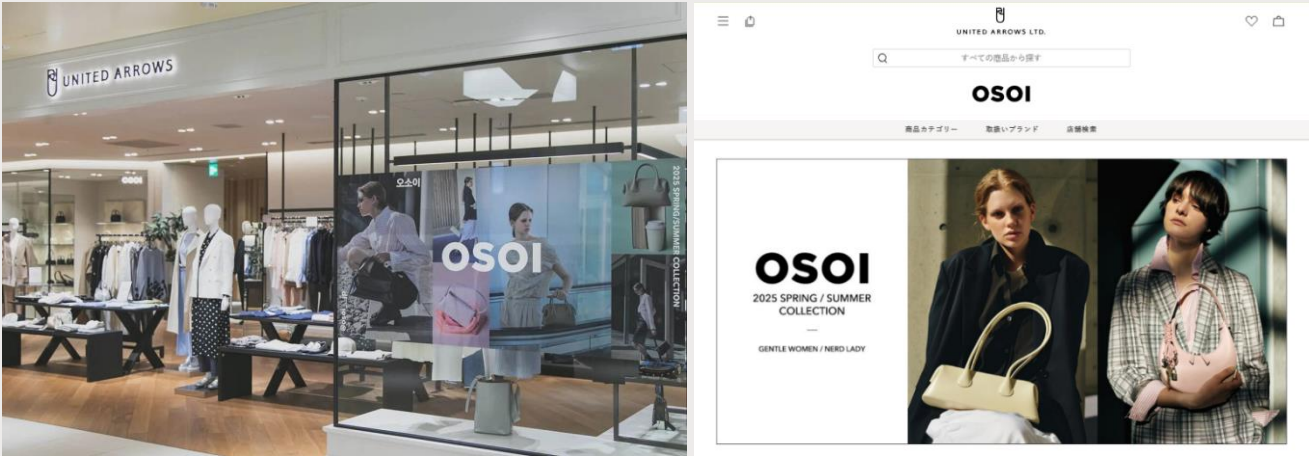


2. UA MULTI Strategy

[Business Development for Business Expansion] Assessment ○

Start of New Business

- ATTISESSION and conte store openings begin
- Korean bag brand OSOI launches online shopping site
- ATTISESSION and OSOI contribute to solving age-related issues



(Left) UNITED ARROWS Shibuya Scramble Square (Right) OSOI Online Store

Acquisition of BOOT BLACK JAPAN Co., Ltd.

- Acquires all shares of BOOT BLACK JAPAN Co., Ltd. which operates shoe polishing and shoe repair stores and manufactures and sells shoe polishing products.
- Aiming to enhance customer satisfaction by providing high value-added services to affluent customers in Japan and overseas, and to improve the brand image through sustainable initiatives such as shoeshine and repair business.

[Global expansion] Assessment ○

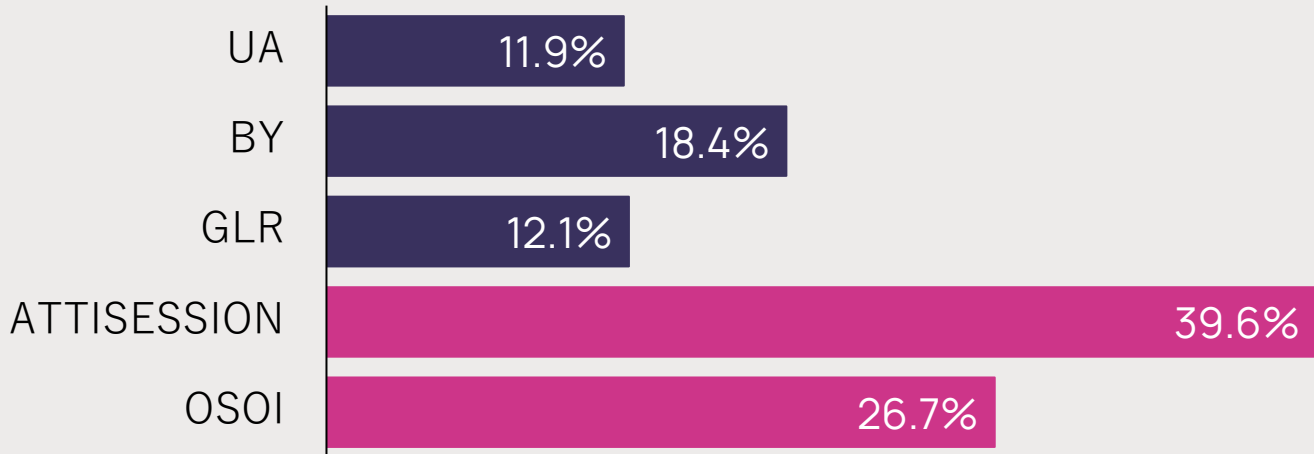
Start of Physical Store Openings in Mainland China

- Opening of new stores in mainland China
As of the end of March, the company has achieved 180% of the sales plan.

Start of Development in ASEAN

- Started development in Thailand and Singapore, and increased name recognition in ASEAN region

Membership ratio of those in their 20s or younger



3. UA DIGITAL Strategy

[Promoting OMO] Assessment ○

UA Club 1 Year of Operation (as of March 31, 2025)

- Active members exceeded 1.5 million, and all indicators exceeded the previous year
- OMO initiatives have significantly increased the number of cross-users

Number of active members

1.5 million (**110.1%** YoY)

* Members who purchased within one year

Membership sales

73.7 billion yen (**115.4%** YoY)

Non-consolidated sales ratio **52.9%**, **+ 0.5** pt YoY

Average customer spend per member (including outlet)

Approximately **17,000** yen

(Average of non-members: about **11,000** yen)

Membership retention rate

57.2% (**+ 2.6** pt YoY)

* Percentage of members who purchased for two consecutive years

Percentage of F2 or higher members

50.3% (**+ 1.1** pt YoY)

*Percentage of members who purchased at least twice a year

Number of cross-users

220,000 (**121.5%** YoY)

*Members who use both real stores and our e-commerce

3. UA DIGITAL Strategy

[Promoting OMO] Assessment ○

UA Online Official App Renewal

- Oct. 2024 Significant changes to user interface, improved design for easy sensory operation
- Jan. 2025 Added in-store mode, personalized home screen

Sales via app

8.62 billion yen
(142% YoY)

Views per person

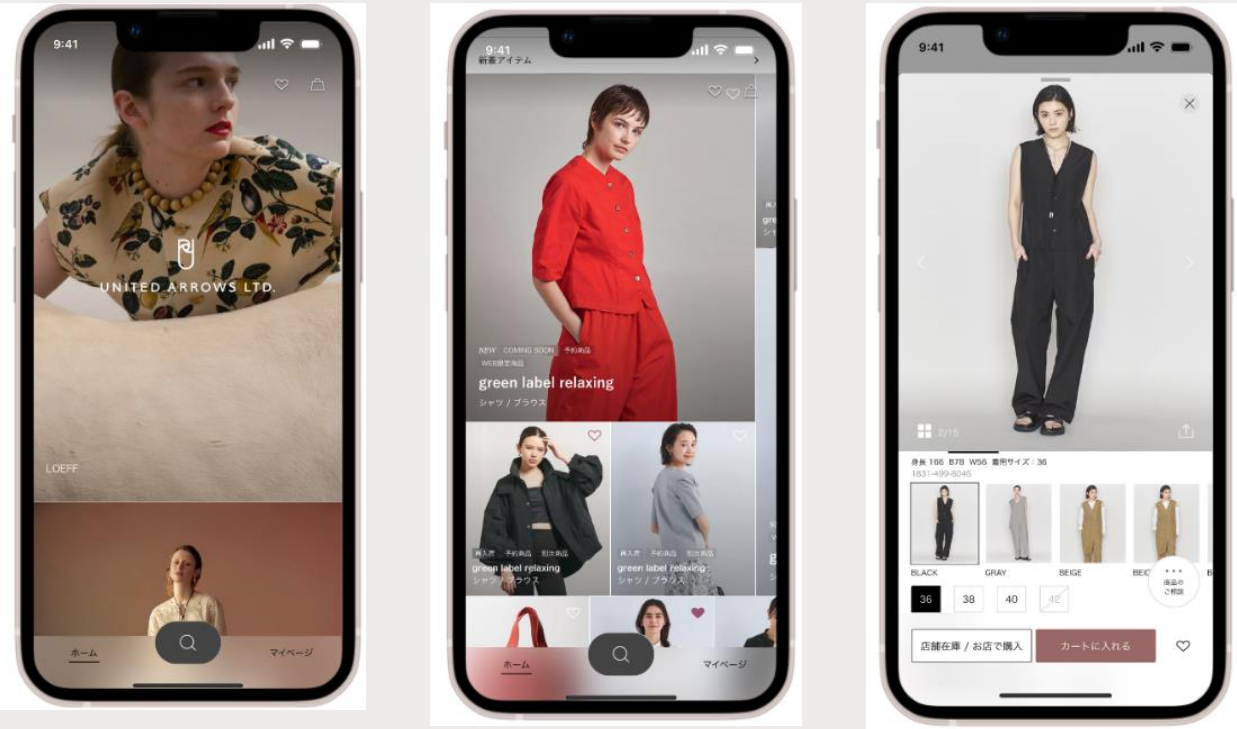
23 items
(9 items increased from before renewal)

App ratings

iOS 4.5, Android 4.4

App sessions (YoY)

127%



Issues to Be Considered in the Future

- Increased conversion rates: Ensure that more sessions lead to more sales
- Increase awareness of in-store mode: Appeal convenience in physical stores and increase cross-users

3. UA DIGITAL Strategy

[Optimizing the Supply Chain] Assessment ○

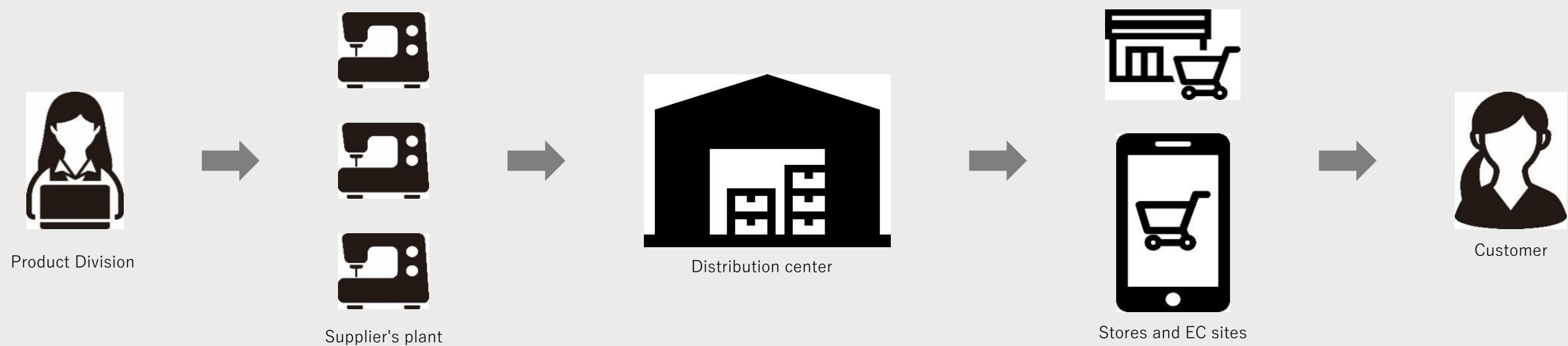
Development of UA3.0 (New Product Management System)

- Completed development of UA3.0 and started operation in April 2025
- Reduce purchase costs and import costs by digitizing everything from product orders to customer purchases
- Reduce sales opportunity losses and logistics costs by improving inventory allocation accuracy

*For details, see the reference materials.

Reorganize Distribution Centers and Improve Operational Efficiency

- Continued consideration of logistics bases
Study of logistics bases in light of changes in the logistics environment, natural disaster risk, etc.
- Additional logistics robots installed at our main logistic center
Controlling the rise in logistics costs by saving manpower and improving storage efficiency



Centralized management by digitalizing the process from ordering to production, delivery and sales

Major Initiatives in FY2026/3



Accelerate Efforts to Date in the Final Year of the Mid-term Plan



Growth and expansion of the existing businesses

- Continue to actively procure inventory
- Improvement of product value and precise pricing
- Improving ability to respond to climate change and social trends
- Increase in loyalty and revenue through store openings and renovations
- To strengthen promotion activities

Strengthening of brand appeal

- Continued investment in human capital
- Corporate image advertising for the next generation

Re-grow of COEN

- Improved performance with significant improvement in gross margin



Business development to expand business

- New brand "NICE WEATHER" launched
- Opened a new store for the Korean bag brand OSOI
- Increase brand power by opening TABAYA United Arrows stores
- Synergy with BOOT BLACK JAPAN

Global expansion

- Expansion of business in mainland China centered on directly managed stores
- Growth of the Taiwan business
- Start of overseas EC development



Promoting OMO

- UA Club App Utilization
- Enhancement of experience value through OMO measures
- Improving efficiency of in store operations through the use of DX

Optimizing the supply chain

- Launch of UA3.0 (new product management system)
- Reorganization of Distribution Centers and Efforts to Improve Operational Efficiency

2. UA MULTI Strategy

[Business Development for Business Expansion]

Launch of New Brand "NICE WEATHER" to Capture the Next Generation

- Exclusive rights to sell and license the Korean lifestyle brand "NICE WEATHER" in Japan
- Hankyu Umeda main store" and e-commerce site to be opened for the first time in Japan in April 2025, with plans to regularly expand store openings in the future.
- Based on the concept of a next-generation convenience store, the brand offers daily sundries, cosmetics, casual fashion, food, etc., and has three stores in Korea.
- Positioned as a casual brand in the trend-conscious market, and expanding the taste axis and age axis of the brands developed by the Company



NICE WEATHER Hankyu Umeda Main Store

2. UA MULTI Strategy

[Business Development for Business Expansion]

New Brand to Capture Next Generation Start of "NICE WEATHER"

- Products offered, core price range
Men's and women's wear: 8,000 to 15,000 yen
Lifestyle goods: 2,000 to 7,000 yen

Own e-commerce site "NICE WEATHER"

<https://store.united-arrows.co.jp/search?dbr=NWNIW&lm=10M1>



2. UA MULTI Strategy

[Business Development for Business Expansion]

Opened TABAYA United Arrows in April 2025

- Under the statement "The highest quality United Arrows ever made", "Genuine items from all over the world" are selected with the aesthetic eye of United Arrows.
- Aim to capture lifestyle demand for both domestic and inbound customers by communicating our Japanese culture and affluent lifestyle.



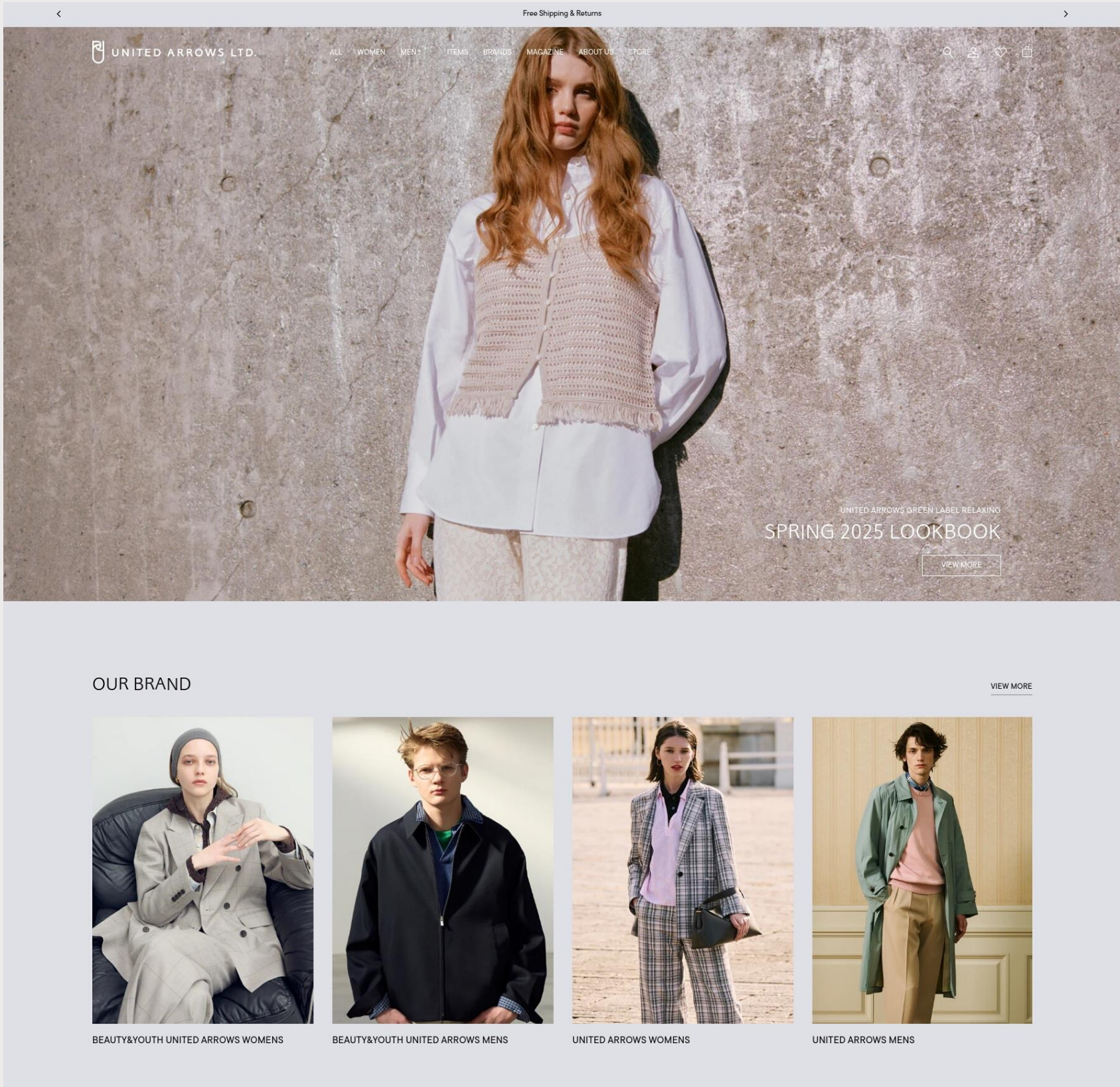
TABAYA United Arrows

2. UA MULTI Strategy

[Business Development for Business Expansion]

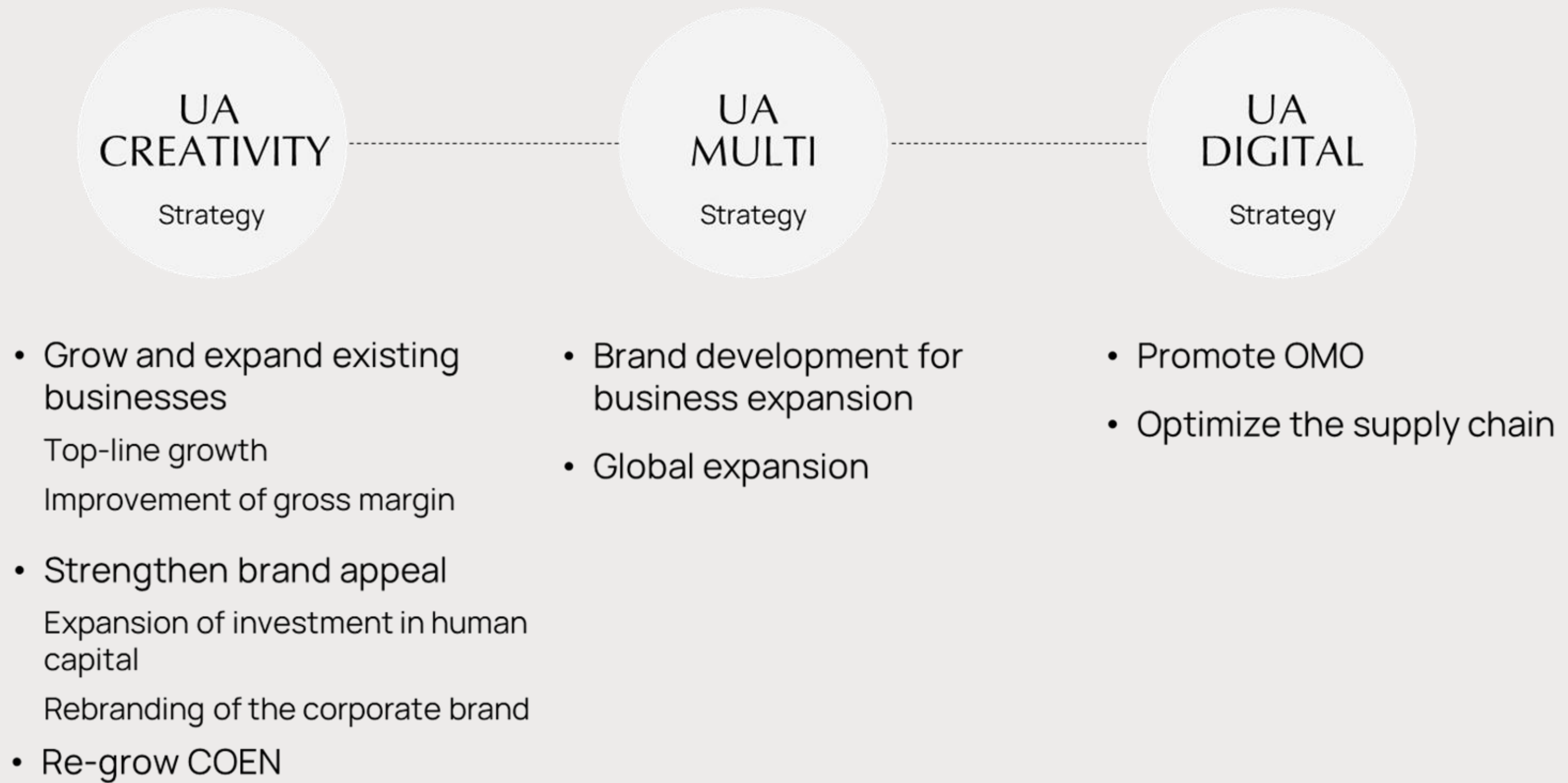
Cross-border EC "UA Global Online" Launched

- Plan to be launched in autumn 2025
- Developed as our own cross-border e-commerce site for inbound customers and overseas customers interested in Japanese fashion
- A lineup of products centered on our private brand
- Marketing using SNS to direct customers to e-commerce sites, develop areas where we do not have physical stores, and expand awareness of our brands.



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

Three Key Strategies



5

Reference Materials



UNITED ARROWS LTD. FY2025/3 Store Opening and Closing

		(number of stores)		
	FY24/3	Opened	Closed	FY25/3
UNITED ARROWS LTD. Total	221	20	3	238
Trend-conscious Market Total	103	10	1	112
UNITED ARROWS General Merchandise Store	14	2	0	16
UNITED ARROWS	25	0	1	24
BEAUTY&YOUTH	36	2	0	38
Other	28	6	0	34
Basic Trend-conscious Market Total	91	9	1	99
Green label relaxing	85	5	1	89
Other	6	4	0	10
Outlet	27	1	1	27

The UA DIGITAL Strategy: Optimize the Supply Chain

What is Supply Chain Optimization?

Digitalize Everything from Product Orders to Customer Purchases and Improve Efficiency

- **Reduce purchase and import costs**
by visualizing the flow from product procurement to warehouse delivery
- **Reduce sales opportunity losses and logistics costs**
by improving inventory distribution accuracy



The UA DIGITAL Strategy: Optimize the Supply Chain

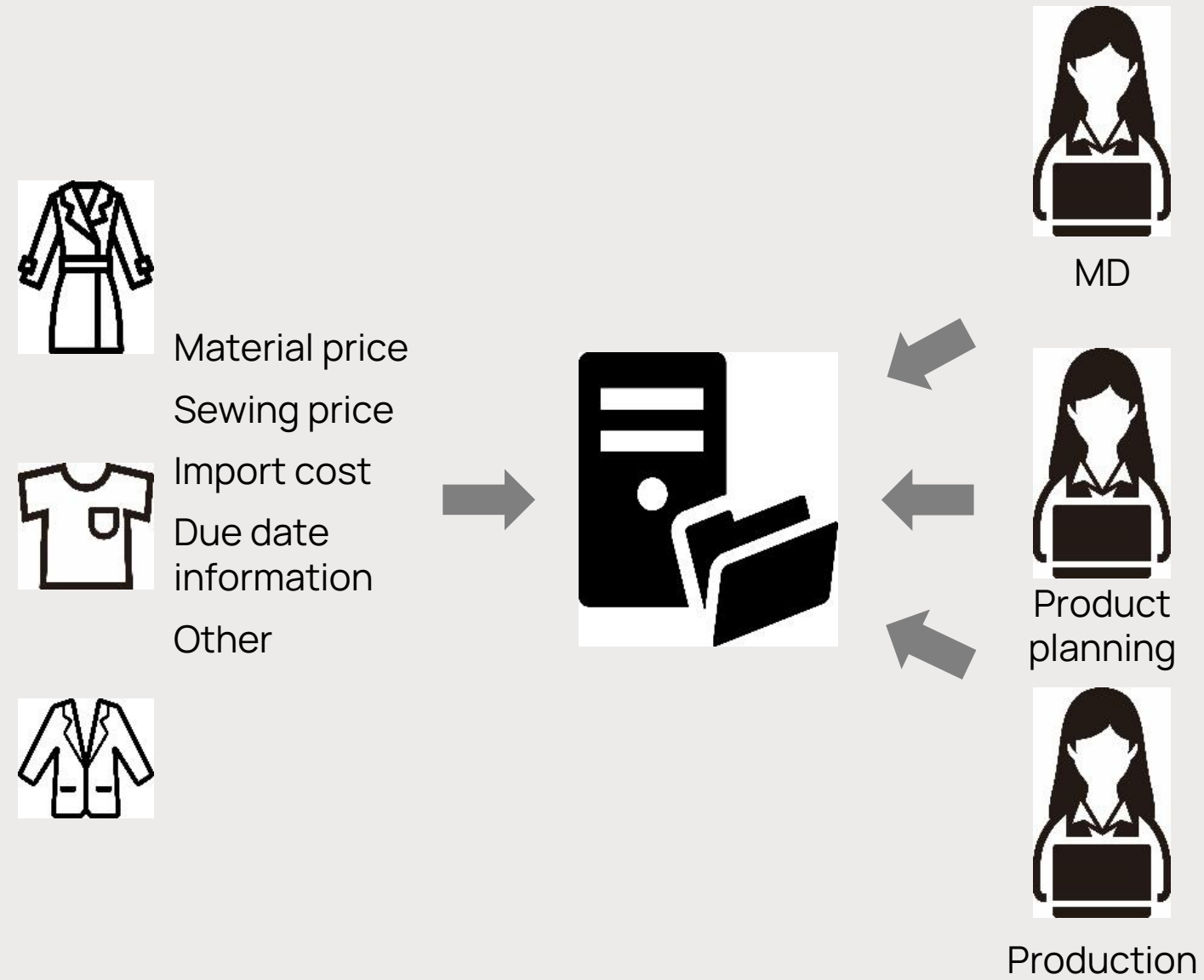
Visualize the Flow from Product Procurement to Warehouse Delivery

Integrated management of production-related information* of each product

- Building optimum production background and selecting business partners
- Efficient import of products
- Measures to address various risks (foreign exchange fluctuations, supply chain risks, etc.)



Reduce purchase and import costs



* Production-related information
Material origin, material price, sewing price, import cost by country, shipment information, expected arrival date at port, etc.

The UA DIGITAL Strategy: Optimize the Supply Chain

Improving the Accuracy of Inventory Distribution

Reduced product transfers after store distribution

- Approximately 25% of the products allocated to retail stores are transferred to other stores or returned to distribution warehouses
- Improved distribution accuracy reduces product transfer ratio to approximately 15%



Reduce sales opportunity losses
Lower logistics costs



The UA DIGITAL Strategy: Optimize the Supply Chain

Other Expected Effects

- **Enhance security**

Ensure security support and minimize risks from cyber attacks

- **Develop an environment for business domain expansion**

Ensure extension potential with a view to future business expansion

- **Improve productivity of internal operations**

Automatic linkage of accounting systems with various transaction data, such as sales and purchases to improve productivity of headquarters operations