Note:	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.

May 8, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Japanese GAAP)

Company name: UNITED ARROWS LTD.
Listing: The Prime Market of the Tokyo Stock Exchange
Securities code: 7606
URL: https://www.united-arrows.co.jp/en/
Representative: Yoshinori Matsuzaki, Representative Director, President and CEO
Inquiries: Takeo Nakazawa, Director, Executive Managing Officer and CFO
Telephone: +81-3-6804-2820
Scheduled date of annual general meeting of shareholders: June 23, 2025
Scheduled date to commence dividend payments: June 24, 2025
Scheduled date to file annual securities report: June 24, 2025
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 fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	150,910	12.4	7,984	18.5	8,539	14.1	4,282	(12.2)
March 31, 2024	134,269	3.2	6,740	5.9	7,486	8.5	4,876	12.3

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥4,288 million [(10.0)%]
For the fiscal year ended March 31, 2024: ¥4,766 million [11.2%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	155.13	—	11.8	13.1	5.3
March 31, 2024	175.43	—	14.2	12.3	5.0

Reference: Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended March 31, 2025: ¥357 million
For the fiscal year ended March 31, 2024: ¥519 million

(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
March 31, 2025	70,142	37,821	53.9	1,369.92
March 31, 2024	60,204	35,030	58.2	1,269.38

Reference: Equity
As of March 31, 2025: ¥37,821 million
As of March 31, 2024: ¥35,030 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	7,097	(6,240)	(699)	6,655
March 31, 2024	6,341	(2,656)	(5,773)	6,486

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	—	17.00	—	38.00	55.00	1,525	31.4	4.3
Fiscal year ended March 31, 2025	—	17.00	—	46.00	63.00	1,747	40.6	4.8
Fiscal year ending March 31, 2026 (Forecast)	—	20.00	—	54.00	74.00		40.4	

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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	165,677	9.8	9,000	12.7	9,034	5.8	5,084	18.7	184.14

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes
Newly included: Excluded: CHROME HEARTS JP, GK

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2025	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 March 31, 2025	2,605,286 shares
As of March 31, 2024	2,617,586 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	27,604,524 shares
Fiscal year ended March 31, 2024	27,797,938 shares

[Reference] Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	139,355	12.7	8,266	20.1	8,032	9.2	4,466	(10.5)
March 31, 2024	123,685	4.4	6,885	7.1	7,356	9.5	4,988	10.8

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	161.79	—
March 31, 2024	179.45	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	67,455	37,825	56.1	1,370.06
March 31, 2024	58,010	34,855	60.1	1,263.07

Reference: Equity
As of March 31, 2025: ¥37,825 million
As of March 31, 2024: ¥34,855 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* 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. 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 the attachments below.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

(Operating results for the fiscal year under review)

During the fiscal year under review, the Japanese economy exhibited moderate recovery trends due to improvements in the employment and income environments. Nevertheless, the outlook remained uncertain due to the risk of downward pressure on personal consumption against the backdrop of continued price increases, and the impact of U.S. policy trends on the global economy. The retail apparel industry, despite the harsh business environment exacerbated by record-breaking heat in the autumn and extreme temperature fluctuations in the winter, in addition to the prolonged depreciation of the yen, soaring material costs, the upward pressure on personnel costs, and labor shortages, has remained firm, supported by 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 ended 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 existing businesses, we implemented a merchandising strategy that anticipated the late-summer heat and extreme temperature fluctuations in winter while proactively procuring inventory, and expanded our range of apparel that can be worn for both work and casual use in response to the trend of people returning to the office, which led to positive results. At the same time, as a result of the growth in per-customer sales through the improvement of product quality and precision pricing that takes into consideration the characteristics of our business, retail and online existing store sales on a non-consolidated basis saw a 1.8% year-on-year increase in store per-customer spending as well as a 9.2% year-on-year increase in the number of purchasing customers, resulting in a year-on-year increase in sales of 11.2%.

Gross margin showed an improvement from the previous fiscal year thanks to our success in various efforts including securing appropriate quantities of light-medium apparel and accessories, which are always in stable demand regardless of temperature fluctuations, and ensuring that they are sold at regular prices, as well as curbing increases in cost of sales ratio through precision pricing.

In order to strengthen 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, which resulted in the capture of new customers as well as the enhanced loyalty of our existing customers.

Sales at COEN CO., LTD. were also on a recovery trend as a result of 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 and fashion taste axis by opening physical stores of "ATTISESSION," a brand for younger women, and "conte," a brand for mature women. Additionally, we acquired the sole domestic distribution rights of "OSOI," a South Korean handbag brand, and as well as opening a brand site on our own online site and starting to develop dedicated spaces in our physical stores, we are also preparing to open a standalone store. As well, we have commenced new initiatives toward expanding the value provided by the Company including the acquisition of and the acquisition of all shares of BOOT BLACK JAPAN Co., Ltd., a company engaged in shoe shining.

With regard to our global expansion efforts, building on the foothold we gained through the opening of our first directly-operated store in mainland China in January 2025, we are accelerating our preparations to expand our business in mainland China.

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

In our OMO promotions, the new membership system is operating smoothly, and indicators such as member sales and number of cross-users (*2) have increased from the previous fiscal year. We also updated our e-commerce site app to improve customers' shopping experience and convenience, which led to improvements in indicators such as sales via the app and the number of product views per person.

In terms of efforts to optimize the supply chain, we have completed the development of our new core product management system and have been operating it since April 2025. In addition to improving operational efficiency by digitalizing the product procurement process from product orders to sales, the system is expected to reduce lost sales opportunities and logistics-related costs by improving the accuracy of inventory allocation.

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

(*2) Cross-user: A member who uses both physical stores and our e-commerce site

As for store openings and closings, we opened 10 stores and closed one store in the trend-conscious market, opened nine stores and closed one store in the basic trend-conscious market, and opened one outlet store, and closed one store. As a result, as of March 31, 2025, the number of retail stores was 211 and the total number of stores including outlets was 238.

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 January31, 2025. UNITED ARROWS TAIWAN LTD. opened one store for a total of 10 stores as of January 31, 2025.

As a result of the above, the Group, as a whole, opened 26 stores and closed five stores, and as of the end of the fiscal year, the number of stores in the Group was 322.

As a result, consolidated business performance for the fiscal year ended March 31, 2025 consisted of net sales of ¥150,910 million (up 12.4% year on year), gross profit of ¥78,629 million (up 13.2% year on year), and gross margin increased by 0.4 percentage points year on year to 52.1%. Selling, general and administrative expenses were ¥70,645 million (up 12.6% year on year), due to factors including an increase in advertising expenses due to strengthened advertising, an increase in personnel expenses as a result of wage hikes and an increase in personnel, an increase in depreciation due to increased store openings, and an increase in variable expenses accompanying an increase in net sales, while the SG&A ratio increased by 0.1 percentage points to 46.8%.

Consequently, for the fiscal year ended March 31, 2025, operating profit was ¥7,984 million (up 18.5% year on year), ordinary profit was ¥8,539 million (up 14.1% year on year), and profit attributable to owners of parent was ¥4,282 million (down 12.2% year on year). This was mainly due to the recordings of impairment losses on unprofitable stores and temporary expenses related to the relocation of the head office as extraordinary losses.

(2) Overview of Financial Position for the Fiscal Year under Review

(Assets, liabilities and net assets)

1) Assets

Current assets increased by 11.0% from the end of the previous fiscal year to ¥44,816 million.

This was mainly attributable to increases in cash and deposits of ¥171 million, merchandise of ¥3,015 million, and accounts receivable - other of ¥1,137 million.

Non-current assets increased by 27.7% from the end of the previous fiscal year to ¥25,325 million.

This was mainly attributable to increases in property, plant and equipment of ¥3,190 million as a result of store openings and office relocations, and intangible assets of ¥2,595 million due to the preparations for the updating of the core systems, despite a decrease in other under investments and other assets of ¥1,278 million, as a result of the completing the transfer of interest in CHROME HEARTS JP, GK to Frankster USA, LLC and other factors.

As a result, total assets increased by 16.5% from the end of the previous fiscal year to ¥70,142 million.

2) Liabilities

Current liabilities increased by 32.2% from the end of the previous fiscal year to ¥27,767 million.

This was mainly attributable to increases in notes and accounts payable - trade of ¥1,046 million, short-term borrowings of ¥826 million, income taxes payable of ¥1,930 million, and provision for bonuses of ¥919 million, despite decreases in electronically recorded obligations - operating of ¥413 million and other under current liabilities of ¥525 million.

Non-current liabilities increased by 9.0% from the end of the previous fiscal year to ¥4,552 million.

This was mainly attributable to increases in asset retirement obligations of ¥295 million due to store openings and provision for share awards of ¥51 million.

As a result, total liabilities increased by 28.4% from the end of the previous fiscal year to ¥32,320 million.

3) Net assets

Total net assets increased by 8.0% from the end of the previous fiscal year to ¥37,821 million.

This was mainly attributable to an increase in retained earnings of ¥4,282 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) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents (hereinafter, "funds") for the fiscal year under review increased by ¥168 million from the end of the previous fiscal year to ¥6,655 million.

1) Cash Flows from Operating Activities

Funds provided by operating activities amounted to ¥7,097 million (an increase of ¥756 million compared with the previous fiscal year).

Major inflows were profit before incomes taxes of ¥7,082 million, depreciation of ¥1,322 million, and an increase in provision for bonuses of ¥919 million. Major outflows were an increase in trade receivables of ¥1,356 million, an increase in inventories of ¥3,041 million, and share of profit of entities accounted for using equity method of ¥357 million.

2) Cash Flows from Investing Activities

Funds used in investing activities amounted to ¥6,240 million (an increase of ¥3,584 million compared with the previous fiscal year).

Main outflows were ¥2,638 million in purchase of property, plant and equipment as a result of store openings and office relocations, and the purchase of intangible assets of ¥3,045 million due to preparations for the updating of the core systems, despite proceeds from sales of investments in capital of subsidiaries and associates of ¥1,212 million.

3) Cash Flows from Financing Activities

Funds used in financing activities amounted to ¥699 million (a decrease of ¥5,074 million compared with the previous fiscal year).

This was mainly attributable to a net increase in short-term borrowings of ¥826 million and dividends paid of ¥1,524 million.

(4) Future Outlook

The Group's management policy for the fiscal year ending March 31, 2026, the final year of our Medium-Term Management Plan, is "Providing excitement: accelerating the provision of new value." We will work on making concrete progress on the initiatives to provide new value that we prepared in the previous fiscal year. To achieve this policy, we will promote three strategies: the UA CREATIVITY Strategy, the UA MULTI Strategy, and the UA DIGITAL Strategy.

In the UA CREATIVITY Strategy, we will increase our ability to adapt to climate change and changes in social trends, and will work on increasing product value and precision pricing in line with this, proactively procuring inventory, and strengthening advertising and promotion activities to expand the growth of our existing businesses. In addition, we will work on strengthening our brand appeal through investment in human capital and branding activities, and on the regrowth of COEN CO., LTD.

In the UA MULTI Strategy, in addition to expanding store openings in new businesses that we launched in the fiscal year ended March 31, 2025, we will also promote new initiatives such as the "NICE WEATHER" lifestyle brand and the "OSOI" handbag brand. Overseas, we will expand our business in Taiwan and engage in full-scale operations in mainland China.

Under the UA DIGITAL Strategy, we will promote OMO measures through the use of the "UA Club" membership program and our e-commerce site app. In terms of infrastructure, we will utilize the new core product management system that began operation in April 2025 to reduce procurement costs and lost sales opportunities by improving the accuracy of inventory allocation. In addition, we will mechanize our logistics centers and establish an efficient logistics system.

As for store openings in the fiscal year ending March 31, 2026, UNITED ARROWS LTD. is expected to open 20 stores and close three stores for a total of 255 stores at the end of the fiscal year, COEN CO., LTD. is expected to open three stores and close one store for a total of 76 stores at the end of the fiscal year, UNITED ARROWS TAIWAN LTD. is expected to open three stores for a total of 13 stores at the end of the fiscal year, UNITED ARROWS SHANGHAI LTD. is expected to open one store for a total of one store at the end of the fiscal year, with the Group as a whole expected to open 27 stores and close four stores for a total of 345 stores at the end of the fiscal year.

Consequently, our consolidated financial results forecasts for the fiscal year ending March 31, 2026 are net sales of ¥165,677 million (up 9.8% year on year), operating profit of ¥9,000 million (up 12.7% year on year), ordinary profit of ¥9,034 million (up 5.8% year on year), and profit attributable to owners of parent of ¥5,084 million (up 18.7% year on year).

(5) Basic Policy on Profit Distribution and Dividends for the Current Fiscal Year and the Next Fiscal Year

The Company recognizes that maximizing shareholder value is an important management issue, and our basic policy is to aim to increase basic earnings per share by achieving sustainable growth and expansion and by improving our business performance, as well as to maximize shareholder value through measures such as stable progressive dividends(*) with a dividend payout ratio of 40% or more, stock splits, and treasury share buybacks and cancellations.

(*) Progressive dividends: A dividend policy in which the Company does not, in principle, reduce dividends but maintains or increases them.

For the fiscal year ended March 31, 2025, we plan to pay a year-end dividend of 46 yen per share for an annual dividend of 63 yen per share (dividend payout ratio: 40.6%; DOE: 4.8%). For the distribution of profits in the next fiscal year, we plan to pay an interim dividend of 20 yen per share and a year-end dividend of 54 yen per share for an annual dividend of 74 yen per share, with a projected dividend payout ratio of 40.4%.

2. Basic Policy on Selection of Accounting Standards

Taking into consideration the comparability of consolidated financial statements across periods and between companies, the Group's policy for the time being is to prepare consolidated financial statements based on Japanese GAAP.

Our policy is to take appropriate measures regarding the application of International Financial Reporting Standards (IFRS) in consideration of various domestic and international circumstances.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	6,493	6,665
Notes and accounts receivable - trade	117	185
Merchandise	21,175	24,191
Supplies	510	539
Accounts receivable - other	11,164	12,301
Short-term loans receivable from subsidiaries and associates	–	3
Other	910	930
Total current assets	40,372	44,816
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,179	20,632
Accumulated depreciation and impairment	(15,675)	(14,713)
Buildings and structures, net	3,504	5,919
Machinery and equipment	1,364	1,364
Accumulated depreciation and impairment	(801)	(895)
Machinery and equipment, net	563	469
Land	569	569
Construction in progress	10	230
Other	3,356	3,951
Accumulated depreciation and impairment	(2,989)	(2,935)
Other, net	366	1,016
Total property, plant and equipment	5,014	8,205
Intangible assets		
Software	1,361	1,663
Software in progress	1,818	4,113
Other	29	28
Total intangible assets	3,209	5,804
Investments and other assets		
Long-term loans receivable from subsidiaries and associates	–	23
Guarantee deposits	6,739	7,624
Deferred tax assets	2,127	2,204
Other	2,743	1,464
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	11,607	11,314
Total non-current assets	19,831	25,325
Total assets	60,204	70,142

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,590	11,636
Electronically recorded obligations - operating	1,342	929
Short-term borrowings	202	1,028
Accounts payable - other	4,348	7,133
Income taxes payable	702	2,633
Provision for bonuses	1,123	2,043
Provision for bonuses for directors (and other officers)	23	48
Provision for share awards	2	–
Asset retirement obligations	32	211
Other	2,628	2,103
Total current liabilities	20,997	27,767
Non-current liabilities		
Asset retirement obligations	4,112	4,407
Provision for share awards	40	92
Other	24	53
Total non-current liabilities	4,177	4,552
Total liabilities	25,174	32,320
Net assets		
Shareholders' equity		
Share capital	3,030	3,030
Capital surplus	4,538	4,538
Retained earnings	34,837	37,594
Treasury shares	(7,069)	(7,040)
Total shareholders' equity	35,336	38,122
Accumulated other comprehensive income		
Foreign currency translation adjustment	(306)	(300)
Total accumulated other comprehensive income	(306)	(300)
Total net assets	35,030	37,821
Total liabilities and net assets	60,204	70,142

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	134,269	150,910
Cost of sales	64,807	72,281
Gross profit	69,462	78,629
Selling, general and administrative expenses	62,722	70,645
Operating profit	6,740	7,984
Non-operating income		
Interest income	0	4
Dividend income of insurance	30	21
Foreign exchange gains	128	–
Rental income	13	11
Purchase discounts	8	–
Commission income	3	–
Share of profit of entities accounted for using equity method	519	357
Compensation for forced relocation	–	194
Other	128	127
Total non-operating income	833	717
Non-operating expenses		
Interest expenses	8	14
Foreign exchange losses	–	90
Rental expenses	12	12
Settlement payments	27	–
Other	38	45
Total non-operating expenses	86	162
Ordinary profit	7,486	8,539
Extraordinary income		
Gain on sale of non-current assets	0	–
Total extraordinary income	0	–
Extraordinary losses		
Loss on retirement of non-current assets	86	299
Impairment losses	228	543
Head office relocation expenses	–	233
Loss on sale of investment in affiliated companies	–	379
Other	16	–
Total extraordinary losses	331	1,456
Profit before income taxes	7,155	7,082
Income taxes - current	1,170	2,876
Income taxes - deferred	1,108	(76)
Total income taxes	2,278	2,800
Profit	4,876	4,282
Profit attributable to owners of parent	4,876	4,282

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	4,876	4,282
Other comprehensive income		
Foreign currency translation adjustment	(110)	5
Total other comprehensive income	(110)	5
Comprehensive income	4,766	4,288
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,766	4,288
Comprehensive income attributable to non-controlling interests	–	–

(3) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,030	4,444	31,429	(5,006)	33,897
Changes during period					
Dividends of surplus			(1,468)		(1,468)
Profit attributable to owners of parent			4,876		4,876
Purchase of treasury shares				(2,000)	(2,000)
Restricted stock		152		(152)	–
Transfer of treasury stock to stock ownership plan trust		(58)		422	364
Treasury stock possession of stock ownership plan trust				(364)	(364)
Disposal of treasury shares by stocks payment trust				31	31
Net changes in items other than shareholders' equity					
Total changes during period		93	3,407	(2,062)	1,438
Balance at end of period	3,030	4,538	34,837	(7,069)	35,336

	Accumulated other comprehensive income		Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	(195)	(195)	33,702
Changes during period			
Dividends of surplus			(1,468)
Profit attributable to owners of parent			4,876
Purchase of treasury shares			(2,000)
Restricted stock			–
Transfer of treasury stock to stock ownership plan trust			364
Treasury stock possession of stock ownership plan trust			(364)
Disposal of treasury shares by stocks payment trust			31
Net changes in items other than shareholders' equity	(110)	(110)	(110)
Total changes during period	(110)	(110)	1,328
Balance at end of period	(306)	(306)	35,030

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,030	4,538	34,837	(7,069)	35,336
Changes during period					
Dividends of surplus			(1,525)		(1,525)
Profit attributable to owners of parent			4,282		4,282
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares by stocks payment trust				29	29
Net changes in items other than shareholders' equity					
Total changes during period			2,756	28	2,785
Balance at end of period	3,030	4,538	37,594	(7,040)	38,122

	Accumulated other comprehensive income		Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	(306)	(306)	35,030
Changes during period			
Dividends of surplus			(1,525)
Profit attributable to owners of parent			4,282
Purchase of treasury shares			(0)
Disposal of treasury shares by stocks payment trust			29
Net changes in items other than shareholders' equity	5	5	5
Total changes during period	5	5	2,791
Balance at end of period	(300)	(300)	37,821

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	7,155	7,082
Depreciation	919	1,322
Amortization of intangible assets	441	493
Amortization of long-term prepaid expenses	693	732
Impairment losses	228	543
Increase (decrease) in provision for bonuses	(893)	919
Increase (decrease) in provision for bonuses for directors (and other officers)	(25)	24
Increase (decrease) in allowance for doubtful accounts	2	0
Interest and dividend income	(0)	(4)
Interest expenses	8	14
Compensation for forced relocation	–	(194)
Head office relocation expenses	–	233
Decrease (increase) in trade receivables	(940)	(1,356)
Decrease (increase) in inventories	(1,030)	(3,041)
Decrease (increase) in other current assets	(51)	(2)
Increase (decrease) in trade payables	968	631
Increase (decrease) in other current liabilities	658	528
Share of loss (profit) of entities accounted for using equity method	(519)	(357)
Loss on sales of shares of subsidiaries and associates	–	379
Other, net	(38)	121
Subtotal	7,577	8,074
Interest and dividends received	519	4
Interest paid	(8)	(14)
Proceeds from compensation for forced relocation	–	194
Payments for head office relocation expenses	–	(178)
Income taxes paid	(1,747)	(983)
Net cash provided by (used in) operating activities	6,341	7,097
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,084)	(2,638)
Payments for asset retirement obligations	(294)	(438)
Purchase of intangible assets	(1,994)	(3,045)
Purchase of long-term prepaid expenses	(386)	(328)
Payments of guarantee deposits	(548)	(929)
Proceeds from refund of guarantee deposits	438	45
Proceeds from sales of investments in capital of subsidiaries and associates	1,212	1,212
Purchase of shares of subsidiaries and associates	–	(70)
Net decrease (increase) in short-term loans receivable from subsidiaries and associates	–	(3)
Payments of long-term loans receivable from subsidiaries and associates	–	(45)
Collection of long-term loans receivable from subsidiaries and associates	–	0
Other, net	0	0
Net cash provided by (used in) investing activities	(2,656)	(6,240)

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,302)	826
Purchase of treasury shares	(2,000)	(0)
Dividends paid	(1,467)	(1,524)
Other, net	(4)	–
Net cash provided by (used in) financing activities	(5,773)	(699)
Effect of exchange rate change on cash and cash equivalents	13	10
Net increase (decrease) in cash and cash equivalents	(2,076)	168
Cash and cash equivalents at beginning of period	8,562	6,486
Cash and cash equivalents at end of period	6,486	6,655

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Additional information)

(Performance-linked stock compensation plan for Directors and Executive Officers)

At the 34th Ordinary General Meeting of Shareholders held on June 26, 2023, the Company resolved to introduce a performance-linked stock compensation plan (Board Benefit Trust-Restricted Stock or BBT-RS for short, hereinafter, the "Plan") for the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors among other Directors) and Executive Officers who have entered into a delegation agreement (hereinafter collectively "Directors, etc."). The purpose of the Plan is to raise the awareness of Directors, etc. concerning their contribution to enhancing the Company and the Group's performance and corporate value over the medium- to long-term. It is a highly transparent and objective executive compensation system that is closely linked to the Group's performance.

The accounting treatment for the Plan is in accordance with the Practical Solution on Transactions of Delivering the Company's Own Stock to Employees, etc. through Trusts (PITF No. 30, dated March 26, 2015).

(1) Overview of the transactions

The Plan is a performance-linked stock compensation plan. Under the Plan the Company's shares are acquired through a trust (the trust to be designed under the Plan, hereinafter, the "Trust") with money contributed by the Company as the source of funds and the Company's shares and money equivalent to the amount obtained by converting the Company's shares at market value will be provided to Directors, etc. in accordance with the Officers' Share Benefit Regulations to be established by the Company.

(2) Company's shares remaining in the Trust

The Company's shares remaining in the Trust are recorded as treasury shares under Assets at their book value in the Trust (excluding the amount of incidental expenses). The book value and the number of treasury shares at the end of the fiscal year under review were ¥303 million yen and 129,721 shares, respectively.

(Segment information, etc.)

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

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

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

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

(Per share information)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net assets per share	¥1,269.38	¥1,369.92
Basic earnings per share	¥175.43	¥155.13
Diluted earnings per share	¥-	¥-

(Notes) 1. Diluted earnings per share is not stated as there are no potential shares.

2. The Company's shares remaining in the Board Benefit Trust-Restricted Stock (BBT-RS) that are recorded as treasury shares under Shareholders' Equity are included in the treasury shares deducted in the calculation of the average number of shares outstanding during the period when calculating basic earnings per share, and are also included in the number of treasury shares deducted from the total number of shares issued at the end of the period when calculating net asset per share.

   The number of treasury shares related to the BBT-RS deducted when calculating basic earnings per share was 142,158 shares at the end of the previous fiscal year, and 129,721 shares at the end of the current fiscal year. The average number of shares related to the BBT-RS deducted when calculating net assets per share was 87,451 shares at the end of the previous fiscal year, and 133,639 shares at the end of the current fiscal year.

3. The basis for calculating basic earnings per share is as follows.

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	4,876	4,282
Amount not attributable to common shareholders (Millions of yen)	-	-
Profit attributable to owners of parent relating to common shares (Millions of yen)	4,876	4,282
Average number of shares outstanding during the period (Shares)	27,797,938	27,604,524

4. The basis for calculating net assets per share is as follows.

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Total net assets (Millions of yen)	35,030	37,821
Amount to be deducted from total net assets (Millions of yen)	-	-
(of which non-controlling interests) (Millions of yen)	-	-
Total net assets relating to common shares at end of the period (Millions of yen)	35,030	37,821
Number of common shares at end of the period used to calculate net assets per share (Shares)	27,596,090	27,608,390

(Significant subsequent events)

Not applicable.