

For the Three Months of Fiscal Year Ending
March 31, 2026

Financial Results Briefing

2025.08.07 UNITED ARROWS LTD.



Event Summary

[Event Type]	Earnings Announcement	
[Event Name]	Q1 Financial Results Briefing for the FY2026 – Presented by the Board of Directors	
[Fiscal Period]	FY2026 Q1	
[Number of Speakers]	Yoshinori Matsuzaki Takeo Nakazawa Satoshi Tan Toshiharu Mii	Representative Director, President, CEO Director, Executive Managing Officer, CFO Executive Officer, CSO Manager, Corporate Strategy Division, Investor Relations Department

Financial Highlights

Consolidated

Although sales were slightly below the plan, gross profit margin exceeded the plan and the previous year, and gross profit was at the planned level. Although operating income decreased due to an increase in SG & A expenses resulting from the strengthening of advertising, operating income and other income exceeded the plan as certain expenses were not used.

Gross margin

Exceeded plan and previous year. Non-consolidated, COEN CO., LTD., and UNITED ARROWS TAIWAN LTD. all exceeded previous year, and consolidated gross profit margin reached its highest level in 10 years.

Non-consolidated

Sales were at the planned level and the gross profit ratio exceeded the plan and the previous year. Although operating income and other income decreased due to increased SG & A expenses, the profit plan was cleared due to the underutilization of some costs. Same-store sales also remained strong.

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I would like to ask you to proceed to slide four. Here, you see the highlights.

As for consolidated sales, although net sales fell slightly short of the plan, the gross profit margin exceeded the plan and the previous year, resulting in a gross profit amount at the planned level. Due to an increase in SG&A expenses, including an increase in amortization expenses and stronger advertising expenses, operating income and other income items decreased from the previous year. However, since certain expenses were not incurred, they exceeded the plan.

Next is the gross margin. As I mentioned earlier, this is above the plan and the previous year. Sales exceeded the previous year's levels across the stand-alone business, COEN, and our Taiwan operations, and the resulting gross margin reached its highest level in the past 10 years.

Next is UA on a stand-alone basis. Sales were at the planned level, and the gross profit margin exceeded the plan and the previous year. As in the consolidated results, SG&A expenses increased due to higher amortization expenses and advertising expenses. As a result, operating income and other income categories decreased YoY, but due to unrecorded expenses, the plan was achieved. Same-store sales also continued to be strong.

These were the highlights of this fiscal year.

Consolidated Sales



Consolidated Gross Margin

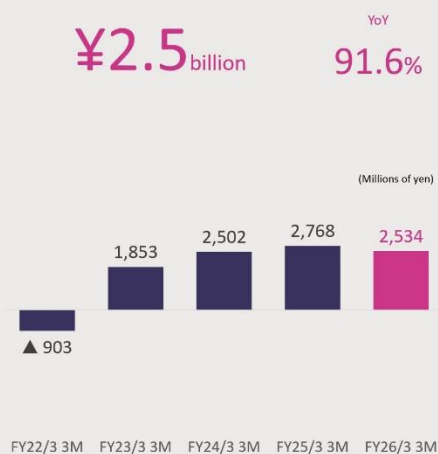


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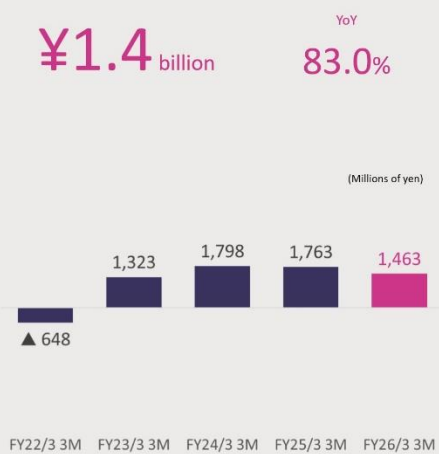
I will now start the detailed explanation of our financial results. This is the consolidated income statement performance.

Consolidated sales were JPY38.1 billion, 107.6% of the same period last year, and the consolidated gross profit margin was 55.3%, up 0.6 percentage point from the same period last year.

Consolidated Operating Income



Net Income Attributable to Owners of Parent



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Consolidated operating income was JPY2.5 billion, 91.6% of the same period last year and 6.6% of sales, down 1.2 percentage points from the previous year.

Net income attributable to shareholders of the parent company was JPY1.4 billion, 83% of the previous year's level and 3.8% of sales, down 1.1 percentage points from the previous year.

Overview of FY2025/3 Business Results

Consolidated P/L

Both net sales and gross profit ratio increased year on year. Operating income and other income exceeded the plan although operating income decreased due to an increase in SG & A expenses.

		FY25/3 3M	FY26/3 3M	Change/pt difference	YoY
Sales		35,495	38,190	2,694	107.6%
Gross profit		19,412	21,102	1,689	108.7%
	vs. sales	54.7%	55.3%	0.6pt	—
SGA expenses		16,644	18,567	1,923	111.6%
	vs. sales	46.9%	48.6%	1.7pt	—
Operating income		2,768	2,534	(233)	91.6%
	vs. sales	7.8%	6.6%	- 1.2pt	—
Non op. P/L		230	155	(74)	67.7%
	vs. sales	0.6%	0.4%	- 0.2pt	—
Ordinary income		2,999	2,690	(308)	89.7%
	vs. sales	8.4%	7.0%	- 1.4pt	—
Extraordinary P/L		(194)	(370)	(175)	—
	vs. sales	—	—	—	—
Net income attributable to owners of parent		1,763	1,463	(300)	83.0%
	vs. sales	5.0%	3.8%	- 1.1pt	—

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This is the consolidated P&L. The details are as shown on the slide.

The breakdown of the extraordinary loss of JPY370 million for the period is as follows: an impairment loss of JPY290 million and head office relocation expenses of JPY0.70 million.

Consolidated Gross Margin

Non-consolidated, COEN, and Taiwanese subsidiary all exceeded the previous year's results, and consolidated gross profit margin reached its highest level in the past 10 years.

	FY26/3 3M	YoY pt difference
Consolidated	55.3%	0.6pt
UNITED ARROWS LTD.	55.1%	0.2pt
Total business unit	-	0.3pt
Outlet, etc.	-	-0.9pt
COEN CO., LTD.	-	4.4pt
UNITED ARROWS TAIWAN LTD.	-	0.4pt

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Here are the details of the gross margin.

The consolidated gross margin was 55.3%, up 0.6 point from the same period last year, while UA's non-consolidated total was 55.1%, up 0.2 point from the previous year.

The business unit total improved by 0.3 point due to an improvement in fixed-price sales as well as the curbing of the rise in the cost of sales ratio through precise price setting.

As for outlets, the increase in inventories from prior years resulted in a 0.9-point decrease from the previous year.

COEN CO., LTD. improved by 4.4 points due to a rebound from the previous year's loss on valuation of merchandise and other factors.

UNITED ARROWS TAIWAN LTD. improved by 0.4 point.

Consolidated SGA Expenses

SGA expenses and sales ratio increased year-on-year. This was due to an increase in advertising expenses resulting from strengthened promotion activities, an increase in personnel expenses due to an increase in the number of employees and base salary increases, an increase in rent due to increased sales, and an increase in depreciation expenses due to store openings and headquarters relocation. Additionally, system depreciation related to the renewal of the new product management system are included in "Other"

(Millions of yen)				
	FY25/3 3M	FY26/3 3M	Change/pt difference	YoY
Total SGA expenses	16,644	18,567	1,923	111.6%
vs. sales	46.9%	48.6%	1.7pt	-
Advertising expenses	920	1,148	228	124.8%
vs. sales	2.6%	3.0%	0.4pt	-
Personnel expenses	5,891	6,102	210	103.6%
vs. sales	16.6%	16.0%	- 0.6pt	-
Rent	4,665	5,087	422	109.0%
vs. sales	13.1%	13.3%	0.2pt	-
Depreciation	269	387	118	143.9%
vs. sales	0.8%	1.0%	0.3pt	-
Other	4,897	5,841	944	119.3%
vs. sales	13.8%	15.3%	1.5pt	-

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These are the consolidated SG&A expenses.

Total SG&A expenses were JPY18.5 billion, 111.6% of the total SG&A expenses of the previous year and 48.6% of sales, up 1.7 percentage points from the previous year.

The main reasons for the increase were higher advertising expenses due to strengthened promotion activities, higher personnel expenses due to an increase in the number of employees and base salary increases, higher rent due to increased sales, and higher depreciation expenses due to the opening of new stores and the relocation of the headquarters.

The depreciation expenses related to the core system for product management are included in other on this slide.

Consolidated B/S

	As of Mar. 31, 2025	As of Jun. 30, 2025	(Millions of yen)	
			vs. previous term-end	
			Change	
Total Assets	70,142	69,004	(1,137)	98.4%
Composition ratio	100.0%	100.0%		
Current Assets	44,816	43,453	(1,363)	97.0%
Composition ratio	63.9%	63.0%		
Noncurrent Assets	25,325	25,551	225	100.9%
Composition ratio	36.1%	37.0%		
Current Liabilities	27,767	26,048	(1,719)	93.8%
Composition ratio	39.6%	37.7%		
Noncurrent Liabilities	4,552	4,877	324	107.1%
Composition ratio	6.5%	7.1%		
Total Net Assets	37,821	38,078	256	100.7%
Composition ratio	53.9%	55.2%		
Reference: Balance of short- and long-term loans payable	1,028	6,300	5,272	612.8%
	As of Jun. 30, 2024	As of Jun. 30, 2025	vs. 1Q-end of the previous fiscal year	
			Change	
Reference: Inventory	21,815	25,906	4,090	118.8%

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Please move on to the next slide. This is the consolidated balance sheet.

Total assets amounted to JPY69 billion, 98.4% of the result at the end of the previous period.

For the breakdown, current assets were JPY43.4 billion, 97% of the result at end of the previous period, and non-current assets were JPY25.5 billion, 100.9% of the result at the end of the previous period. Current liabilities were JPY26 billion, 93.8% of the result at the end of the previous period, and non-current liabilities were JPY4.8 billion. Total net assets amounted to JPY38 billion, 100.7% YoY.

As shown for reference at the bottom of the slide, the balance of long- and short-term loans payable totaled JPY6.3 billion, an increase of JPY5.2 billion from the end of the previous fiscal year.

Under such circumstances, inventory amounted to JPY25.9 billion, 118.8% of the result at the end of the same period last year. This is mainly due to an increase in inventory in preparation for sales expansion. As I mentioned earlier, sales fell slightly short of the plan, resulting in a slightly higher-than-expected Q1.

Consolidated C/F

(Millions of yen)

	FY25/3 3M	FY26/3 3M	Major breakdown of the results for the term	
Cash flows from operating activities (sub-total)	2,470	986		
Cash flows from operating activities	2,148	(1,494)	Profit before income taxes	2,320
			Decrease in provision for bonuses	(1,333)
			Increase in inventories	(1,194)
			Decrease in trade payables	(1,033)
Cash flows from investing activities	(1,292)	(4,088)	Purchases of property, plant and equipment	(3,504)
			Purchases of intangible assets	(590)
			Proceeds from refund of guarantee deposits	430
Cash flows from financing activities	1,670	4,083	Net increase in short-term borrowings	5,272
			Dividends paid	(1,188)
Cash and cash equivalents at the end of the period	9,017	5,146		

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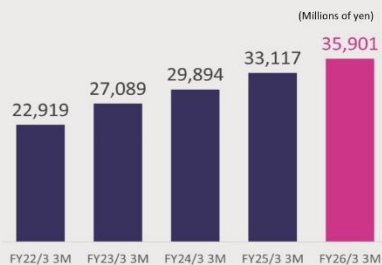
Please move on to the next slide. This is consolidated cash flow.

First, operating cash flow showed a cash outflow of JPY1.4 billion. Investing cash flow was an outflow of JPY4 billion, while financing cash flow was an inflow of JPY4 billion. Cash and cash equivalents were JPY5.1 billion.

The main breakdown for each item is as shown on the slide.

Non-consolidated Sales

YoY
¥35.9 billion **108.4%**



Non-consolidated Gross Margin

YoY pt difference
55.1% **+0.2pt**



Non-consolidated Existing Stores YoY

Sales **104.3%**

Number of purchasing customers **102.1%**

Avg. spend per customer **102.3%**

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From this point on, the results are for UA on a stand-alone basis.

Sales were JPY35.9 billion, 108.4% of the same period last year. The gross margin was 55.1%, up 0.2 point from the previous year.

Existing store sales exceeded the previous year's figures for both retail and online sales, with the total of retail and online sales at approximately 104.3% YoY.

The number of purchasing customers was 102.1% YoY, and the average spend per customer was 102.3% due to a review of prices and other factors.

Overview of FY2026/3 1Q Business Results

Non-consolidated Sales by Channel

	FY25/3 3M	FY26/3 3M	Change/pt difference	YoY
(Millions of yen)				
Non-consolidated sales	33,117	35,901	2,784	108.4%
Total business unit	28,120	30,173	2,053	107.3%
vs. sales	83.0%	82.4%	- 0.7pt	-
Retail	19,020	20,795	1,774	109.3%
vs. sales	56.2%	56.8%	0.6pt	-
Online	8,588	8,878	289	103.4%
vs. sales	25.4%	24.2%	- 1.1pt	-
Others (Wholesale, etc.)	510	499	(10)	97.9%
vs. sales	1.5%	1.4%	- 0.1pt	-
Outlet, etc.	5,740	6,457	716	112.5%
vs. sales	17.0%	17.6%	0.7pt	-

Existing stores YoY			
	Sales	Number of customers	Avg. spend per customer
Retail + Online	104.3%	102.1%	102.3%
Retail	105.4%	100.2%	105.2%
Online	102.1%	105.4%	96.7%

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This is a breakdown of non-consolidated sales by channel.

First, total business unit was JPY30.1 billion, or 107.3% of the previous year's level.

Retail amounted to JPY20.7 billion, 109.3% of the previous year's total, and online sales were JPY8.8 billion, 103.4% of the previous year's total, or 24.2% of total sales.

This was a result of the strengthening of inventory allocation to the mainstay malls of other companies, and total sales at other companies' malls were 105.1% of the previous year's level.

Both retail and online sales are growing due to the penetration of OMO measures. Outlets amounted to JPY6.4 billion, 112.5% of the previous year's level, and 17.6% of sales.

The details of the YoY comparisons of existing stores on the right side of the slide are as you can see.

Non-consolidated Sales by Business

	FY25/3 3M	FY26/3 3M	(Millions of yen)	
			Change	YoY
Total business unit sales	28,120	30,173	2,053	107.3%
Trend-conscious Market	18,466	19,112	645	103.5%
Basic Trend-conscious Market	9,653	11,060	1,407	114.6%
Existing store sales YoY				
	Retail + Online	Retail	Online	
Trend-conscious Market	101.2%	103.9%	95.3%	
Basic Trend-conscious Market	110.2%	108.4%	113.8%	

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This is a breakdown of non-consolidated sales by business.

The trend-conscious market, centering on UA and BY, continued to be strong due to strong business casual needs in men's wear and new on-top business, resulting in sales of JPY19.1 billion, 103.5% of the same period last year.

In the basic trend-conscious market, centered on green label, sales totaled JPY11 billion, achieving 114.6% of the previous year's level.

The high growth was due to the successful inventory allocation, a significant increase in online sales, and large-scale promotions for women's wear.

In both markets, retail, online sales, and existing store sales exceeded the previous year, with particularly strong growth in the basic trend-conscious market.

Group Company Results

COEN CO., LTD.

Feb. – Apr

Decrease in sales and decrease in profit

- Sales ¥2,091 million, 96.0% YoY
- Sales fell short of the previous year's figures due to factors such as unstable temperature and the impact of the withdrawal of large stores in the previous year. Although the gross profit ratio improved, SG & A expenses rose due to increases in advertising and personnel expenses, resulting in a decline in both sales and profits.



UNITED ARROWS TAIWAN LTD.

Feb. – Apr.

Increase in sales and decrease in profit

- Sales ¥396 million, 100.0 % YoY
- Due to unstable weather and temporary traffic diversion caused by the opening of new commercial facilities, physical stores struggled, resulting in a slight increase in sales. Although gross profit ratio improved, operating income decreased due to an increase in SG & A expenses.



UNITED ARROWS SHANGHAI LTD.

Jan. – Mar.

- Opened its first directly operated store in January 2025, exceeding initial plans.

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This is an overview of the group companies.

First, there is COEN CO., LTD. Sales here amounted to JPY2.09 billion, 96% of the same period last year.

Sales fell short of the previous year's level due to factors including unstable temperatures and the impact of the withdrawals of large stores in the previous year. On the other hand, although the gross margin improved, SG&A expenses rose due to increases in advertising and personnel costs, resulting in lower sales and profits.

Below it is UNITED ARROWS TAIWAN LTD. Sales here were JPY396 million, just 100% of the previous year's level.

Sales increased only slightly due to the unstable weather and a temporary outflow of traffic following the opening of a new commercial facility in the Nangan district, which created some struggle for the physical stores. On the other hand, although the gross margin improved, income decreased due to an increase in SG&A expenses.

UA Shanghai opened its first directly managed store in January 2025 and is off to a good start, exceeding the plan.

Opening and Closing of Stores

The number of stores at the 1Q-end was 336, with 14 stores opened. The number of stores at the end of the fiscal year is expected to be 349, an increase of 27 stores from the end of the previous fiscal year.

	No. of stores at the previous period end	3M results		No. of stores at the 3M-end	Full-year forecast		(number of stores)
		Opened	Closed		Opened	Closed	No. of stores at the period end (Forecast)
Group Total	322	14	0	336	31	4	349
UNITED ARROWS LTD.	238	8	0	246	23	3	258
COEN CO., LTD.	74	2	0	76	3	1	76
UNITED ARROWS TAIWAN LTD.	10	3	0	13	4	0	14
UNITED ARROWS SHANGHAI LTD.	0	1	0	1	1	0	1

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

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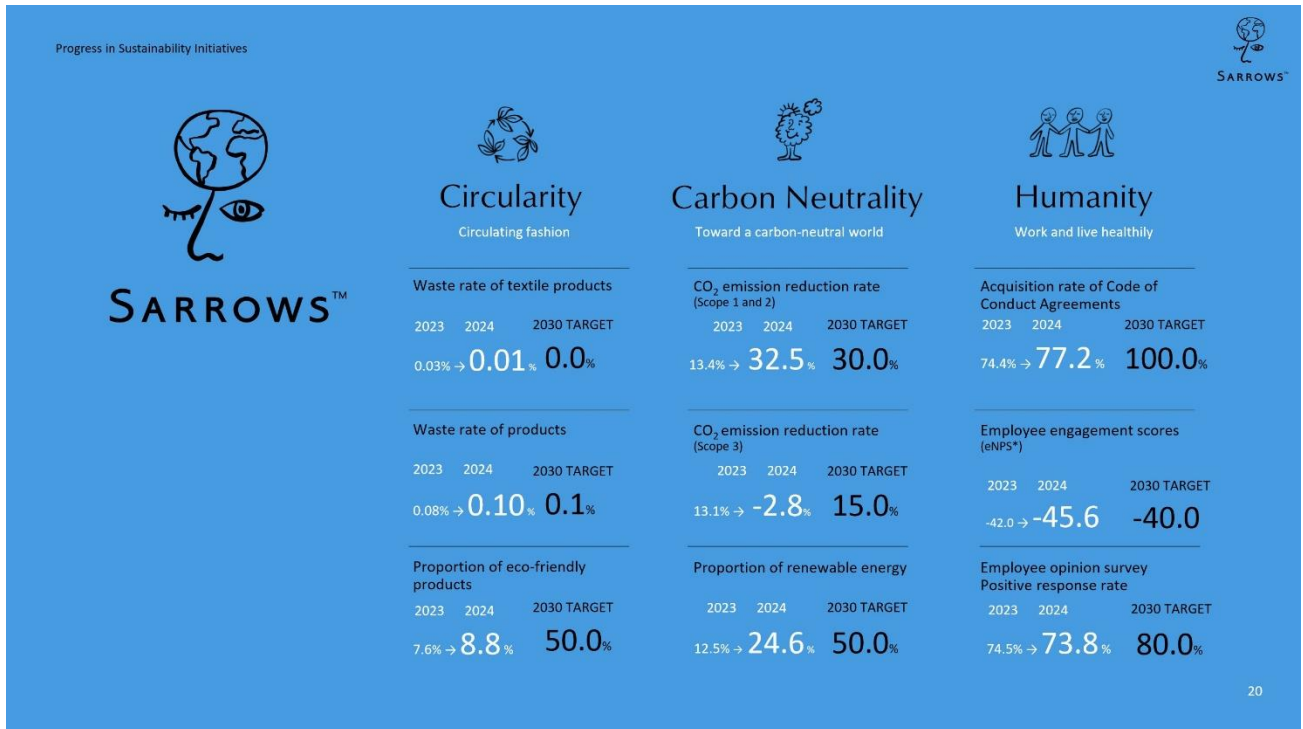
Last but not least, the opening and closing of stores.

The number of stores opened in Q1 was 14. As a result, the number of stores at the end of Q1 was 336. The number of stores at the end of the fiscal year is expected to be 349, an increase of 27 stores from the end of the previous fiscal year.

This was a summary of the results for Q1 of the fiscal year ending March 31, 2026. Thank you very much.

Mii: Next, Tan will report on sustainability initiatives.

Tan: Once again, I am Tan from the Corporate Strategy Division. I will report on the progress made in the previous year toward our long-term sustainability goals.



Please proceed to page 20. This page shows the previous year's results for the sustainability targets based on the three themes of SARROWS.

I will summarize the results due to lack of time, but in summary, we showed progress on three topics: first, in circularity, the waste rate of textile products; and in carbon neutrality, the emissions reduction rate for Scopes 1 and 2 and the proportion of locations using renewal energy.

The textile waste rate is close to the long-term target due to the promotion of recycling through detailed sorting and the review of recycling partners.

On the other hand, there were some items that did not improve from the previous year, such as the reduction of Scope 3 CO₂ emissions in the carbon neutrality area.

By studying and promoting each of these measures, we will aim to achieve our long-term goals.

Major initiatives in the previous fiscal year / Major initiatives in the future



Circularity

Fashion that circulates

Major initiatives in the previous fiscal year

- Stabilize and improve product quality through QC meetings with 26 domestic and overseas contract manufacturing plants
- Expanding sales opportunities for imperfect products, repaired products, and sample products
- Development of products using advanced environmentally conscious materials

Major initiatives in the future

- In addition to continuing the initiatives described on the left, aim to improve the ratio of items sold at regular prices and inventory turnover ratio



Carbon Neutrality

Toward a carbon-neutral world

- Promoting renewable energy use to 34 new commercial facilities where our stores are open
- Significant reduction in greenhouse gas emissions in Scope 1 and 2
- Continue to obtain third party guarantees for greenhouse gas emissions (Scope1,2,3) and water consumption

- In addition to the left, consider measures to improve the reduction rate of greenhouse gas emissions (Scope3)



Humanity

Work and live healthily

- Conducted on-site audits of three domestic manufacturing contractors, completing audits of a total of ten companies. These 10 account for 40% of domestic production for our private brands
- Acceptance of the Code of Conduct is a prerequisite for the start of new transactions of products
- For younger employees, clarify career paths, expand educational opportunities, and create opportunities for dialogue with management

- In addition to the left, consider starting on-site audits of overseas subcontracted factories and expanding the re-skilling program for mid-level employees



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Let's move on to the next page. Here we report on the main initiatives of the previous fiscal year and this fiscal year by field of activity.

In circularity, we continued to stabilize and improve product quality through QC meetings with contract manufacturing plants in Japan and overseas, expanded sales opportunities for imperfect products, repaired products, and sample products, and developed products using advanced environmentally conscious materials, such as Spiber's Brewed Protein.

We will continue these efforts to improve the ratio of items sold at regular prices and the inventory turnover ratio.

In the area of carbon neutrality, we have been working with major commercial facilities to introduce renewable energy, which has significantly reduced CO2 emissions in Scopes 1 and 2. In addition, for the second year in a row, we have continued to obtain third-party guarantees for CO2 and water consumption.

While continuing these efforts, we will continue to study and promote measures to improve the CO2 reduction rate in Scope 3.

In the area of humanity, we have conducted on-site audits of three domestic contract manufacturing plants in the supply chain, bringing the total number of on-site audits to 10 companies and the coverage rate to approximately 40% for domestic production of our private brands. In addition, acceptance of the Code of Conduct is now a prerequisite at the start of new transactions. For employees, we have clarified career paths for younger employees, expanded educational opportunities, and created opportunities for dialogue with management.

While continuing these efforts, we will consider starting on-site audits of overseas subcontracted manufacturing plants and expanding our reskilling program for mid-career employees.



Results of other activities
in the previous fiscal year

12 Sustainability Committee meetings

- The management team actively participates in the Committee, which is chaired by the Representative Director, President, and CEO, and consists of the Executive Directors.
- Held once a month, 12 times in total, to deliberate, review and approve initiatives based on the three themes of SARROWS

Continuously selected as three of the six ESG indexes for domestic stocks used by the GPIF



First CDP Supplier Engagement Leader

- CDP is a global nonprofit organization that operates an independent environmental disclosure system
- In the supplier engagement evaluation, which evaluates the establishment of relationships with suppliers and efforts to reduce greenhouse gas emissions in the supply chain, the company was selected as the "Supplier Engagement Leader" for the first time.



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Finally, we would like to introduce some of our other activities.

First, the Sustainability Committee. The Company has had the Sustainability Committee chaired by the representative director since April 2020. In the previous fiscal year, the committee met 12 times to discuss various matters based on the three themes of SARROWS.

Next, are the external evaluations. Of the six ESG indexes for domestic stocks used by the GPIF, we have been selected for the three shown on the slide.

Finally, CDP, which operates an independent environmental disclosure system, gave us the highest rating in its supplier engagement evaluation, an assessment of our supplier relationships and efforts to reduce greenhouse gas emissions in our supply chain. We were selected as the Supplier Engagement Leader for the first time.

These are the results of the previous fiscal year and our efforts in SARROWS.

We look forward to your continued support, as we seek to create business opportunities and enhance our business value by solving social issues.

That is all. Thank you.

Mii: Lastly, Matsuzaki will explain the main results of our initiatives in Q1.

Matsuzaki: Once again, I am President and CEO Matsuzaki. Thank you very much for your continued support.

I will give a review of Q1, and then talk again about our most recent major investment in our core product management system, known as UA3.0, as well as the objectives and measured effects of our logistics investments.

Looking back on 1Q

Trend-conscious market

Business Unit Sales 103.5% YoY

➤ Increased av. spending through value-added pricing

Effects of the pricing project launched in FY25/3

Retail same store index YoY

Number of purchasing customers 97.3%

Ave. spending per customer 106.7%

➤ Both UA and BY men's sales remain strong

Business casual needs such as jacket and pants made from functional materials continued to move well

➤ Increase in revenue from new businesses

Around 2 pts upward effect on sales driven by ATTISESSION, conte, OSOI, and NICE WEATHER

* New store openings

OSOI: retail stores open in Shinjuku, Shibuya

Nice Weather: pop-up shop in Harajuku

Basic trend-conscious market

Business Unit Sales 114.6% YoY

➤ Increased purchasing customers while optimizing price

Effects of the pricing project launched in FY25/3

Retail same store index YoY

Number of purchasing customers 103.4%

Ave. spending per customer 104.8%

➤ Significant growth in online sales

Online sales at existing stores 113.8% YoY

Significant increase in ZOZO and Rakuten by the pricing strategy

➤ GLR growth for both men and women

Improved coordination between product, sales, and promotion departments with the implementation of large-scale promotions

➤ Expansion of CITEN

Total sales of CITEN were 183.7% YoY, due to existing store growth and new store openings. Around 3 pts upward effect on sales

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As explained in the summary of financial results, sales trends for Q1 were favorable for both business units and outlets in the UA LTD., although some subsidiaries struggled. Overall sales fell slightly short of the plan, but were almost in line with the plan, and profits exceeded the plan.

As a basis for this effect, the pricing project to refine the rounding off of product price fractions, which has been underway since the previous fiscal year, produced results in both sales and gross profit and in both the trend-conscious and basic trend-conscious markets. We expect that this will continue to be effective in Q2 and beyond.

In the trend-conscious market, centered on UA and BY, average spending per customer in existing stores in retail grew at 106.7%.

In both UA and BY, men's wear in particular continued to do well. In addition to our price strategy, we expanded set-ups using functional products to respond to the extremely hot summer and captured business casual needs and needs for sharper clothing.

In addition, new businesses that began to be developed in the previous fiscal year also had a positive effect on sales, with ATTISESSION, conte, OSOI, and NICE WEATHER boosting the trend-conscious market sales by about 2 percentage points.

As for new businesses, OSOI will continue to expand its development and, as already announced, will open physical stores in Shinjuku and Shibuya. NICE WEATHER will also open a limited-time store in Harajuku starting next week, and we expect to expand this store in the future.

Next, in the basic trend-conscious market, centered on green label, the business unit maintained its strong performance from the previous fiscal year, with double-digit sales growth.

We have not implemented any major price increases in the basic trend-conscious market, but we are increasing the number of purchasing customers while raising the price per customer by expanding the ratio of sales at regular prices and increasing the set rate by strengthening customer service.

In addition, growth in external e-commerce malls, such as ZOZO and Rakuten, which were not fully stocked in the previous year, was also strong.

Newly opened CITEN stores also showed significant sales growth due to the growth of existing stores and the expansion of new store openings, which had the effect of pushing up sales by about 3 percentage points in the basic trend-conscious market.

Review of FY2026/3 1Q

Looking back on 1Q

GLR business remained strong due to the improvement of cooperation among the product, sales and promotion departments.

Product

- **Securing depth of main product inventory**
Expansion of inventory of men's products made from functional materials
Development of Women's KETSURON promotion items and more
- **Expand assortment of miscellaneous accessories between seasons**
Increase the selection of procured products
Develop private brand shoes and bags
- **Establish additional production capacity**
Utilize data on pre-orders received through online stores
Shortening lead times by stockpiling fabric

Promotion

- **Optimizing the timing of TV commercials**
TV commercials for the KETSURON promotion were changed to twice in spring and summer (once in the previous year)
- **Promotion featuring a celebrity**
Promotion of men's functional products using web media
- **Strengthening our own online site's content**
Increase the number of our own online site's contents and expand the number of sessions

Sales

- **Improvement of customer service and sales capabilities**
Increase in set and purchase rates
- **Securing sales personnel**
Flexible staffing system utilizing part-time workers
- **Strengthening of appeal on major online sites**
Effective use of top page banner frame
- **Expansion of product lineup for online-only items**
Introduction of men's business casual items
Development of women's entry Line



2025 Spring / Summer GLR popular products

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One of the reasons for GLR's continued strong performance is that we are further improving the accuracy of collaboration between the product, sales, and promotion teams, which is one of our strengths, focusing on large-scale promotions. The cycle of sales expansion is becoming more precise as the sales and promotion departments work together to add depth of inventory to the core business.

In the product section, we secured sufficient depth of inventory of main products that form the core of sales. Sales were anchored by a group of items made of functional materials for men's wear and by on- and off-use wearable items made in collaboration with magazine media, in addition to products from our promotional KETSURON series for women's wear.

Even during the transitional season period between spring and summer, we expanded our assortment of stocked products and developed originally planned shoes and bags, which enabled us to secure stable sales despite unstable temperatures. By stockpiling fabrics, we are shortening production lead times and establishing a system for additional decision-making using data from prior online orders.

On the sales front, we improved our customer service skills and thoroughly implemented sales measures centered on the core products set by the promotion department, which led to higher set and purchase rates. Furthermore, by adopting a flexible employment system that also utilizes part-time workers, we were able to secure a sufficient number of employees.

In online shopping, we fully utilized the top page banners of major external websites to strongly promote our mainstay products, which led to sales. We also secured sales by increasing the lineup of online-only products, such as men's business casual items and women's entry line items.

We believe that improving the precision of this cycle of collaboration between product, sales, and promotion will be the basis for continued effectiveness and will ensure stable results in the fall, winter, and beyond. In the fall and winter sales season, we expect to derive further growth from these successful initiatives.

Review of FY2026/3 1Q

UA DIGITAL Strategy

[Promoting OMO] UA Club 1Q Operation (as of June 30, 2025)

Membership sales grew by double digits and other indicators showed steady growth, with progress in building a base of loyal customers

Number of active members

1,536 thousand

(101.7% to the end of FY25/3)

* Members who purchased within one year

Membership sales

19.6 billion yen

(111.1% YoY)

Membership sales rate

54.8%

(+ 1.3 pt YoY)

Membership retention rate

57.6%

(+ 0.4 pt to the end of FY25/3)

* Percentage of members who purchased for two consecutive years

Percentage of F2 or higher members

50.4%

(+ 0.1 pt to the end of FY25/3)

* Percentage of members who purchased at least twice a year

Number of cross-users

224 thousand

(101.9% to the end of FY25/3)

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

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Continuing on, the progress of the medium-term plan, I would like to reiterate the UA DIGITAL Strategy.

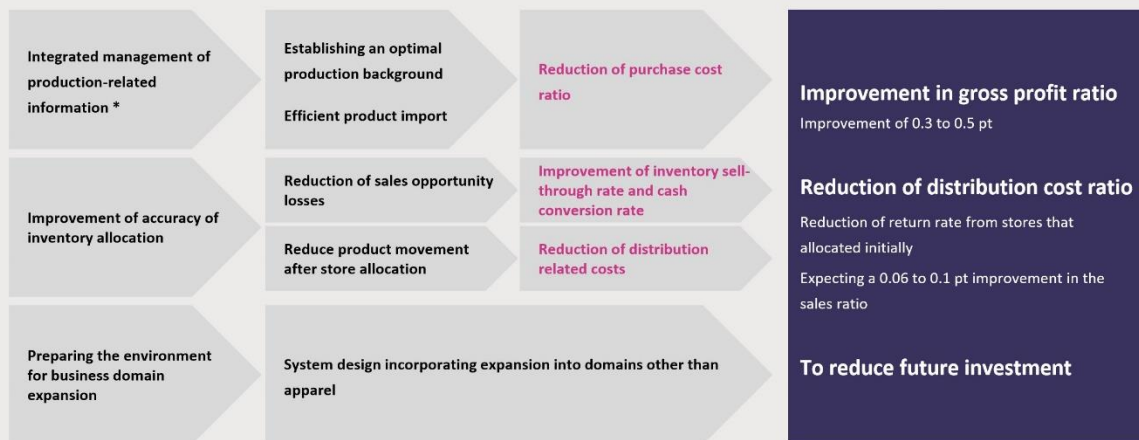
The main indexes of the UA Club, which is aimed at promoting customer conversion, improved steadily.

Please check each figure shown on the slide.

UA DIGITAL Strategy

The new product management system UA3.0 was put into operation in April 2025

In addition to the positive impact on gross profit ratio and logistics costs, it is assumed that investment will be restrained in the future



*Production-related information: Material origin, material price, garment price, import cost by country, goods shipment information, estimated arrival date at port, etc.

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In addition, the Company is investing in infrastructure to lay the groundwork for medium-term growth.

In April 2025, the new product management system UA3.0 began operation and is running smoothly.

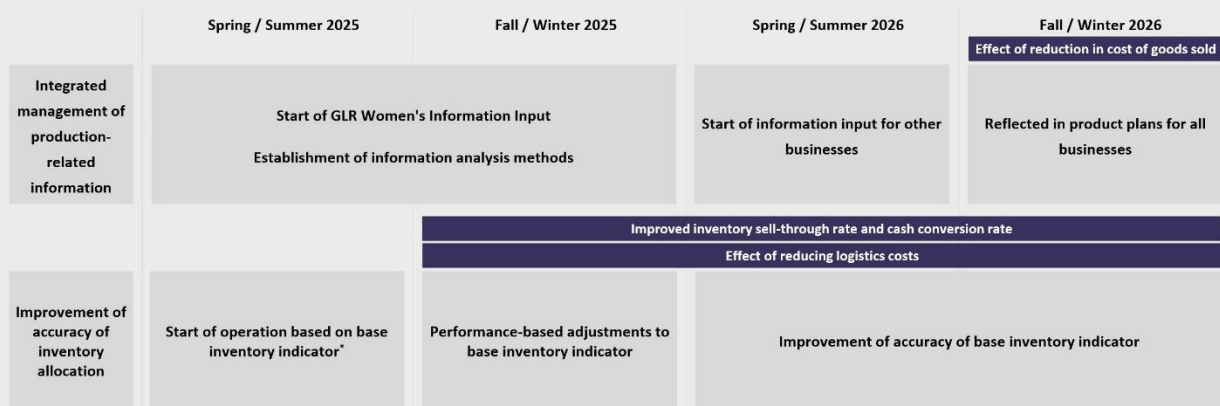
As we have explained before, UA3.0 has three major aims. The first is to reduce the purchase cost ratio by consolidating and managing production-related information. The second is to maximize the absorption and conversion rate by improving the accuracy of inventory allocation. The third is to control logistics-related costs.

As a quantitative effect of these measures, we estimate that the gross margin will improve by 0.3 percentage point to 0.5 percentage point.

In addition, the switchover was designed with future expansion of business domains beyond apparel in mind and includes the effect of reducing additional investment for such non-apparel developments in the future.

UA DIGITAL Strategy

Expand our initiatives from the spring/summer 2025 and expect to see gradual financial improvements



*Base inventory indicator: Standard values for optimal inventory allocation based on store location, store size, sales volume of each online shopping site, etc.

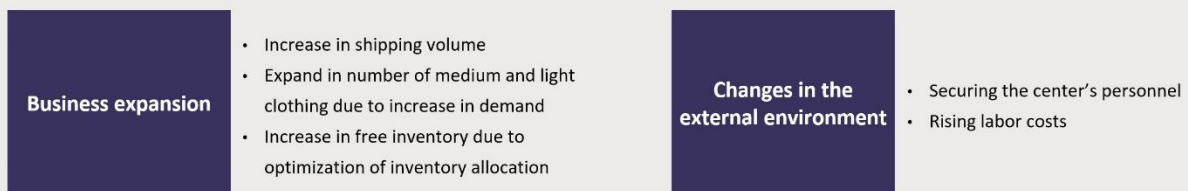
28

This slide is about our future strategies.

As I have just explained, we are proceeding with the initiatives in stages starting this spring and summer, and we expect to gradually increase the precision of the initiatives, with the full quantitative effect not being realized until the next medium-term management plan period.

UA DIGITAL Strategy

Enhancing facilities at distribution centers to meet future challenges



**Expanding facilities to secure storage capacity and shipping capabilities.
Further improve the operational efficiency**

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Finally, we are also making capital investments in distribution centers.

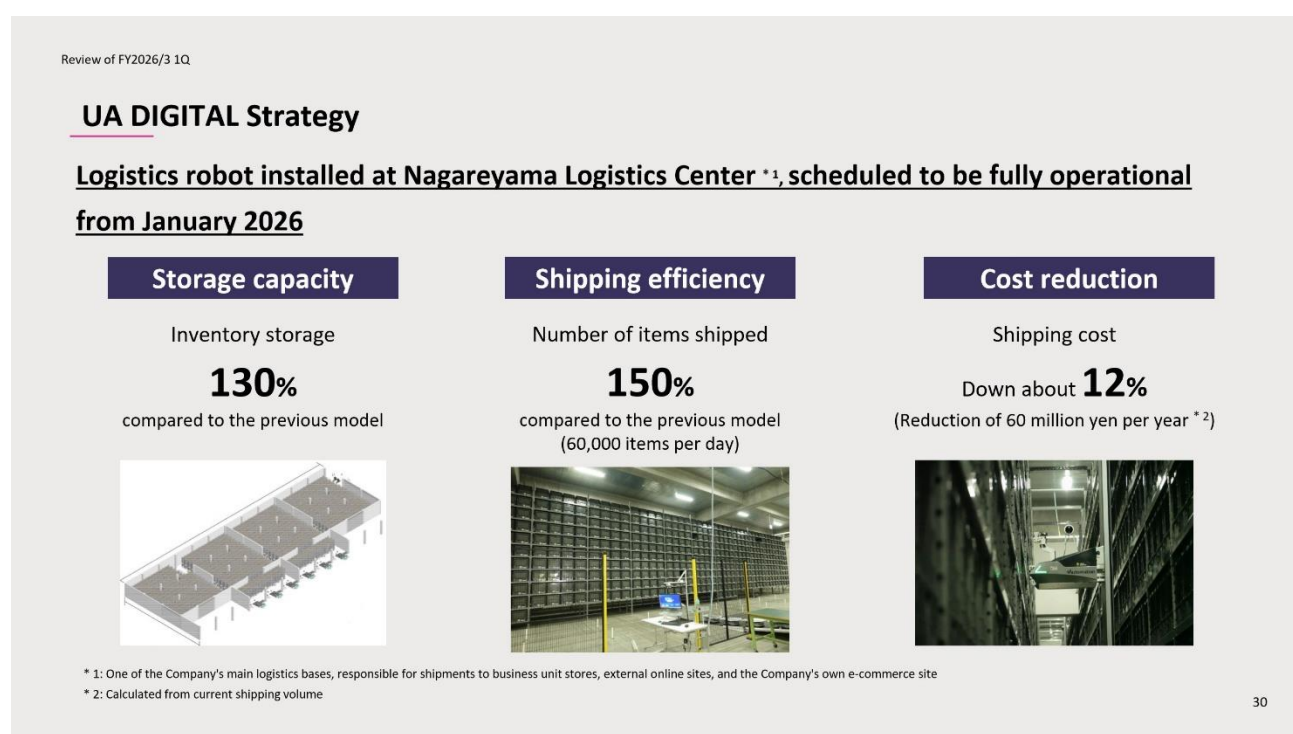
Shipping volume has been increasing along with the expansion of our business.

With the climate still uncertain and the summer season being particularly long, we are moving toward medium and lightweight clothing, with a lower ratio of heavyweight clothing, and we expect the number of items in storage to increase as well.

Furthermore, the number of free inventory items kept in distribution centers also increased due to the optimization of inventory allocation.

In addition, in the external environment of logistics, the hurdle of securing center personnel was raised due to labor shortages, and the rise in logistics labor costs is inevitable.

To resolve these issues, the Company will expand its center facilities to increase storage capacity and shipping capacity while reducing labor and improving efficiency of operations.



We are in the process of installing additional logistics robots at the Nagareyama Logistics Center, our main center for the delivery of our business unit's inventory to brick-and-mortar stores and mail-order sites and for the fulfillment of our own e-commerce site, and we expect to begin full operation in January 2026.

This investment will increase the storage capacity of the Nagareyama center to 130% of its previous capacity and increase the number of items shipped per day by 50% to 60,000 items. In addition, we expect to reduce shipping costs at the Nagareyama center by up to 12% by reducing labor through the operation of robots.

These capital investments are upfront investments for future growth and expansion. We will leverage this foundation and move forward with specific initiatives in the next medium-term management plan.

Although this is a rushed explanation, Q1 of this fiscal year, the final year of our ongoing medium-term management plan, is progressing almost as planned, and preparations are underway for further business expansion.

By expanding domestic customers and customer satisfaction without excessive expectations for inbound sales, we evaluate the results as a positive response for Q2 and also for the fall and winter sales season.

We look forward to your continued support.

That is all from me.