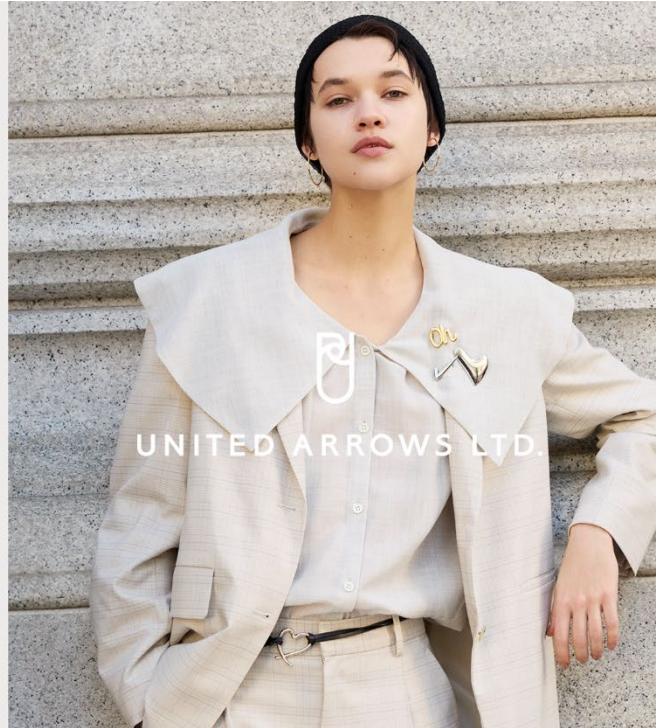


For the 9month of Fiscal Year Ending March 31, 2026

# Financial Results Briefing

2026.02.05 UNITED ARROWS LTD.



## Event Summary

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<b>[Company Name]</b>	UNITED ARROWS LTD.		
<b>[Event Name]</b>	Q3 Financial Results Briefing for the Fiscal Year Ending March 2026		
<b>[Fiscal Period]</b>	FY2026 Q3		
<b>[Number of Speakers]</b>	4		
	Yoshinori Matsuzaki	Representative Director, President, CEO	
	Takeo Nakazawa	Director, Executive Managing Officer, CFO	
	Satoshi Tan	Executive Officer, CSO	
	Toshiharu Mii	Manager, Corporate Strategy Division, Investor Relations Department	

## Financial Highlights

### Consolidated Results: Profits Exceeded Plan

Net sales were generally in line with the plan, while both gross profit and the gross profit margin exceeded the previous year. Despite higher SG&A expenses, operating income and all profit levels below operating income surpassed the plan, resulting in higher revenue and profit.

#### Gross Profit Margin: YoY Improvement

Driven by strong third-quarter results in the parent company, the gross profit margin improved year on year. The consolidated gross profit margin maintained its highest level since FY2015/3.

#### Non-consolidated Results: Revenue and Profit Above Plan

Net sales exceeded the plan and achieved double-digit growth year on year. The gross profit margin improved by 0.1pt from the previous year. Although SG&A expenses increased, operating income and all profit levels below operating income surpassed both the previous year and the plan, resulting in higher revenue and profit.

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**Nakazawa:** This is Nakazawa speaking. I would like to present an overview of our business performance for the first nine months of the fiscal year ending March 31, 2026.

Here are the financial highlights for the first nine months of the fiscal year.

I would like to start with the consolidated results. Net sales were almost at the planned level, and gross profit exceeded the plan in both absolute terms and as a percentage. Although there was an increase in SG&A expenses due to the overhaul of the enterprise core system, an increase in depreciation expenses associated with the opening of new stores, improvement of advertising and sales promotion, and an increase in personnel expenses, these were absorbed by the improvement in gross profit, and operating profit and subsequent profit metrics exceeded both the plan and the previous year's level. As a result, operating profit and subsequent profit metrics exceeded both the plan and the previous year.

Next is the gross profit margin. On a consolidated basis, the ratio improved 0.4 percentage point from the previous year to 53.4%, the highest level since the fiscal year ended March 2015. In addition to the increase in non-consolidated sales over the previous year due to continued strong fixed-price sales of fall and winter products, there was a significant improvement at COEN CO., LTD., including a reversal of the previous year's inventory write-downs, as well as an improvement at the Taiwanese subsidiary.

Next, let's look at UNITED ARROWS on a non-consolidated basis. Sales exceeded projections and were up double digits from the previous year. The gross profit margin also improved by 0.1 point from the previous year, and despite an increase in SG&A expenses, operating profit and subsequent profit metrics exceeded both the plan and the previous year.

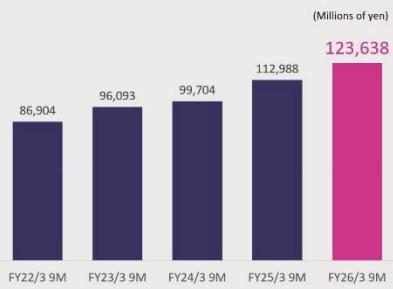
In addition, both the customer count and average spend per customer at existing stores exceeded the previous year's levels, and we have been able to gain the support of customers despite raising prices in the face of inflationary trends.

These are the financial highlights.

I will now discuss the financial figures.

### Consolidated Sales

¥123.6 billion YoY 109.4%



### Consolidated Gross Margin

53.4% YoY pt difference 0.4pt



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First, I would like to look at the net results.

Consolidated net sales were JPY123.6 billion, 109.4% of the previous year's total, and the consolidated gross profit margin was 53.4%, an improvement of 0.4 percentage point from the previous year.

## Consolidated Operating Income

¥8.7 billion

109.1%  
YoY

## Net Income Attributable to Owners of Parent

¥6.6 billion

132.2%  
YoY

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Consolidated operating income was JPY8.7 billion, 109.1% compared to the previous year's performance, and the ratio to sales was 7.1%, the same level as the previous year.

Next is the net income attributable to owners of the parent company. As disclosed recently, the net income attributable to owners of the parent was JPY6.6 billion, 132.2% compared to the same period of the previous fiscal year, and 5.4% of sales. This is because the Company recorded deferred tax assets related to losses retained at COEN, a consolidated subsidiary, triggered by the planned transfer of all shares of COEN to Gyet Co., Ltd.

Initially, we projected a YoY decrease in profit through Q3. As a result, the Company saw an increase in profit.

Currently, the final profit exceeded the forecast disclosed in the appraisal by more than 30%. Due to the transfer of all COEN shares scheduled for March 2, 2026, the Company expects to incur a loss on the transfer of shares in Q4. The amount of loss on the transfer is under scrutiny at this time due to the waiver of certain claims to COEN and the fact that the net asset value of the company at the time of the transfer has not yet been determined.

Therefore, we have not changed our consolidated earnings forecast for the fiscal year ending March 2026 and will keep the figure announced on May 8, 2025. We will promptly disclose any matter that need to be disclosed in the future.

## Consolidated P/L

Net sales grew year on year, and the gross profit margin exceeded the previous year. Despite higher SG&A expenses, operating income and all profit levels below it surpassed the plan, resulting in higher revenue and profit.

	FY25/3 9M	FY26/3 9M	Change/pt difference	(Millions of yen) YoY
Sales	112,988	123,638	10,649	109.4%
Gross profit	59,906	66,070	6,164	110.3%
vs. sales	53.0%	53.4%	0.4pt	—
SGA expenses	51,871	57,306	5,435	110.5%
vs. sales	45.9%	46.4%	0.4pt	—
Operating income	8,035	8,764	728	109.1%
vs. sales	7.1%	7.1%	0.0pt	—
Non op. P/L	736	158	- 578	21.5%
vs. sales	0.7%	0.1%	- 0.5pt	—
Ordinary income	8,771	8,922	150	101.7%
vs. sales	7.8%	7.2%	- 0.5pt	—
Extraordinary P/L	(938)	(734)	203	—
vs. sales	—	—	—	—
Net income attributable to owners of parent	5,063	6,696	1,632	132.2%
vs. sales	4.5%	5.4%	0.9pt	—

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

The following is a breakdown of the extraordinary loss of JPY730 million for this fiscal year. Impairment losses amounted to JPY570 million, and head office relocation expenses amounted to JPY70 million.

## Consolidated P/L (3Q)

Net sales recorded double-digit year-on-year growth, and the gross profit margin exceeded the previous year due to strong full-price sales of fall/winter items. With the SG&A ratio kept under control, operating income and all profit levels below it surpassed the plan, resulting in higher revenue and profit.

	FY25/3 3Q	FY26/3 3Q	Change/pt difference	(Millions of yen) YoY
Sales	44,723	49,925	5,201	111.6%
Gross profit	23,953	27,249	3,295	113.8%
vs. sales	53.6%	54.6%	1.0pt	—
SGA expenses	18,871	20,863	1,991	110.6%
vs. sales	42.2%	41.8%	- 0.4pt	—
Operating income	5,081	6,385	1,303	125.7%
vs. sales	11.4%	12.8%	1.4pt	—
Non op. P/L	292	28	(263)	9.7%
vs. sales	0.7%	0.1%	- 0.6pt	—
Ordinary income	5,373	6,413	1,040	119.4%
vs. sales	12.0%	12.8%	0.8pt	—
Extraordinary P/L	(549)	(175)	373	—
vs. sales	—	—	—	—
Net income attributable to owners of parent	3,165	5,568	2,403	175.9%
vs. sales	7.1%	11.2%	4.1pt	—

This is the consolidated P&L for Q3, three months. The details are as shown on the slide.

The gross profit margin exceeded the previous year's results due to fixed price sales trends for fall and winter products, with strong double-digit sales growth from the previous year.

As a result, the SG&A expense ratio was suppressed, and operating profit and subsequent profit metrics exceeded the plan, resulting in an increase in both sales and income.

## Consolidated Gross Margin

The consolidated gross profit margin increased by 0.4pt year on year. For the non-consolidated results, improvements in the Business Unit offset the decline in outlet operations, resulting in a 0.1pt increase. COEN showed a significant improvement, partly due to the rebound from the prior year's increase in inventory valuation losses, and Taiwan exceeded the previous year.

	FY26/3 9M	YoY pt difference
Consolidated	53.4%	0.4pt
UNITED ARROWS LTD.	53.1%	0.1pt
Total business unit	-	0.4pt
Outlet, etc.	-	- 0.3pt
COEN CO., LTD.	-	4.3pt
UNITED ARROWS TAIWAN LTD.	-	0.2pt

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Here are the details of the gross profit margin.

The consolidated gross profit margin was 53.4%, an improvement of 0.4 point from the same period last year, while the non-consolidated gross profit margin of UNITED ARROWS was 53.1%, an improvement of 0.1 point from the previous year.

The breakdown is as follows: business unit total improved by 0.4 point due to strong performance in Q3, while outlet sales were down 0.3 point from the previous year due to an increase in inventories from prior periods.

COEN's performance improved significantly by 4.3 points due to a rebound from the previous year when there was an increase in valuation losses on merchandise, and UNITED ARROWS TAIWAN improved by 0.2 point.

## Consolidated Gross Margin (3Q)

Driven by strong full-price sales of fall/winter items, the non-consolidated Business Unit improved. COEN posted a significant improvement, partly due to the rebound from last year's inventory valuation losses, and Taiwan also improved thanks to strong full-price sales trends.

	FY26/3 3Q	YoY pt difference
Consolidated	54.6%	1.0pt
UNITED ARROWS LTD.	54.5%	0.6pt
Total business unit	-	1.1pt
Outlet, etc.	-	0.0pt
COEN CO., LTD.	-	6.9pt
UNITED ARROWS TAIWAN LTD.	-	2.0pt

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This shows the details of the gross profit margin for the three months of Q3. This is as shown on the slide.

## Consolidated SGA Expenses

SG&A expenses and the SG&A ratio exceeded the previous year, driven by higher advertising, increased personnel costs, higher rent from sales growth, and additional depreciation including new stores, HQ relocation, and system amortization.

	FY25/3 9M	FY26/3 9M	Change/pt difference	YoY
Total SGA expenses	51,871	57,306	5,435	110.5%
vs. sales	45.9%	46.4%	0.4pt	-
Advertising expenses	3,156	3,526	369	111.7%
vs. sales	2.8%	2.9%	0.1pt	-
Personnel expenses	17,465	18,566	1,101	106.3%
vs. sales	15.5%	15.0%	-0.4pt	-
Rent	14,782	16,165	1,382	109.4%
vs. sales	13.1%	13.1%	0.0pt	-
Depreciation	931	1,247	315	133.9%
vs. sales	0.8%	1.0%	0.2pt	-
Other	15,534	17,800	2,265	114.6%
vs. sales	13.7%	14.4%	0.6pt	-

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This is the consolidated SG&A expenses.

Total SG&A expenses were JPY57.3 billion, 110.5% compared to the previous year's performance, and 46.4% of sales, up 0.4 percentage point from the previous year. This was due to an increase in advertising and sales promotion expenses as a result of the improvement of advertising, an increase in personnel expenses as a result of an increase in the number of employees and base increase, an increase in rent expenses as a result

of sales increase, and an increase in depreciation expenses as a result of the overhaul of the core system, head office relocation, and new store openings, etc.

Overview of FY2026/3 9month Business Results

### Consolidated SGA Expenses (3Q)

	FY25/3 3Q	FY26/3 3Q	Change/pt difference	(Millions of yen) YoY
Total SGA expenses	18,871	20,863	1,991	110.6%
vs. sales	42.2%	41.8%	- 0.4pt	-
Advertising expenses	1,250	1,312	62	105.0%
vs. sales	2.8%	2.6%	- 0.2pt	-
Personnel expenses	6,128	6,650	522	108.5%
vs. sales	13.7%	13.3%	- 0.4pt	-
Rent	5,582	6,178	595	110.7%
vs. sales	12.5%	12.4%	- 0.1pt	-
Depreciation	366	453	87	123.9%
vs. sales	0.8%	0.9%	0.1pt	-
Other	5,544	6,268	723	113.0%
vs. sales	12.4%	12.6%	0.2pt	-

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Here is a breakdown of the consolidated SG&A expenses for Q3, three months. The details are as shown on the slide.

## Consolidated B/S

Although inventory continued to increase, we aim to accelerate the sell-through of fall/winter items through January–February sale promotions.

(Millions of yen)

	As of Mar. 31, 2025	As of Dec. 31, 2025	vs. previous term-end Change	
Total Assets	70,142	79,163	9,021	112.9%
Composition ratio	100.0%	100.0%		
Current Assets	44,816	51,763	6,946	115.5%
Composition ratio	63.9%	65.4%		
Noncurrent Assets	25,325	27,400	2,074	108.2%
Composition ratio	36.1%	34.6%		
Current Liabilities	27,767	31,666	3,898	114.0%
Composition ratio	39.6%	40.0%		
Noncurrent Liabilities	4,552	4,831	279	106.1%
Composition ratio	6.5%	6.1%		
Total Net Assets	37,821	42,665	4,844	112.8%
Composition ratio	53.9%	53.9%		
Reference: Balance of short- and long-term loans payable	1,028	8,200	7,172	797.7%
		As of Dec. 31, 2024	As of Dec. 31, 2025	vs. 3Q-end of the previous fiscal year Change
Reference: Inventory	25,658	29,256	3,598	114.0%

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Here is the consolidated balance sheet.

The first is total assets. This was JPY79.1 billion, 112.9% of the end of the previous fiscal year.

Here is the breakdown. Current assets totaled JPY51.7 billion, 115.5% of the end of the previous year. Fixed assets totaled JPY27.4 billion, approximately 108.2% of the end of the previous year. Current liabilities amounted to JPY31.6 billion, 114% that of the end of the previous period. Long-term liabilities amounted to JPY4.8 billion, 106.1% of the figure at the end of the previous period.

Total net assets amounted to JPY42.6 billion, 112.8% of the end of the previous fiscal year.

For the details of the balance sheet, please also refer to the financial results released yesterday.

There are two references at the bottom of the slide.

First, the balance of long- and short-term borrowings. This amount was JPY8.2 billion, an increase of JPY7.1 billion from the end of the previous period. This was due to an increase in borrowings of JPY6.4 billion at UNITED ARROWS and JPY700 million at its subsidiary COEN.

Also, below that is inventory. This amount was JPY29.2 billion, 114% that of the end of the same period last year. The level remained high.

This balance includes this season's spring and summer product arrivals. For fall and winter products, we are in the process of evaluating them through sales in January and February.

## Consolidated C/F

(Millions of yen)

FY25/3 9M FY26/3 9M Major breakdown of the results for the term

Cash flows from operating activities (sub-total)	5,147	4,596	
			Profit before income taxes 8,187
			Depreciation 1,327
			Increase in inventories (4,502)
			Income taxes paid (3,776)
			Purchases of property, plant and equipment (5,262)
			Purchases of intangible assets (907)
			Purchase of long-term prepaid expenses (554)
			Net increase in short-term borrowings 7,172
			Dividends paid (1,792)
Cash and cash equivalents at the end of the period	6,882	6,253	

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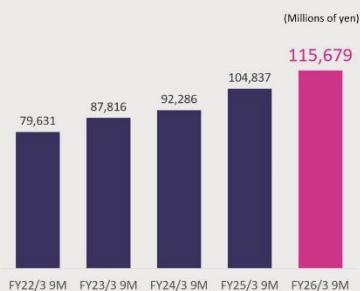
This is the consolidated cash flow.

First, operating cash flow, cash inflow was JPY600 million, while cash outflow from investing activities amounted to JPY6.4 billion. Cash inflow from financing activities amounted to JPY5.3 billion, resulting in a cash and cash equivalents balance of JPY6.2 billion.

The main breakdown of each item is shown on the slide.

## Non-consolidated Sales

¥115.6 billion 110.3% YoY



## Non-consolidated Gross Margin

53.1% 0.1pt YoY pt difference



## Non-consolidated Existing Stores YoY

Sales

106.5%

Number of purchasing customers

103.8%

Avg. spend per customer

102.4%

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Next, I would like to report on UNITED ARROWS' non-consolidated results.

First, sales. JPY115.6 billion, 110.3% compared to the same period last year.

The gross profit margin was 53.1%, an improvement of 0.1 percentage point from the previous year.

Existing store sales YoY exceeded the previous year's performance for both retail and online channels. Net sales of retail and online channels combined was 106.5%. The number of customers who made purchases in existing stores reached 103.8% compared to the same period last year. The average spend per customer resulted in 102.4% compared to the same period last year, supported by the price updates.

Even amid inflation, we believe we have maintained strong customer support, as we raised the average spend per customer.

## Non-consolidated Sales by Channel

	FY25/3 9M	FY26/3 9M	(Millions of yen)		Existing stores YoY		
			Change/pt difference	YoY	Sales	Number of customers	Avg. spend per customer
Non-consolidated sales	104,837	115,679	10,841	110.3%	Retail + Online	106.5%	103.8%
Total business unit	88,853	97,377	8,523	109.6%	Retail	106.3%	101.7%
vs. sales	83.2%	82.6%	- 0.6pt	-	Online	107.0%	107.1%
Retail	59,773	66,201	6,427	110.8%			
vs. sales	56.0%	56.2%	0.2pt	-			
Online	27,474	29,589	2,114	107.7%			
vs. sales	25.7%	25.1%	- 0.6pt	-			
Others (Wholesale, etc.)	1,606	1,587	(18)	98.8%			
vs. sales	1.5%	1.3%	- 0.2pt	-			
Outlet, etc.	17,903	20,513	2,610	114.6%			
vs. sales	16.8%	17.4%	0.6pt	-			

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Here are the details of non-consolidated sales by channel.

The business unit total was JPY97.3 billion, or 109.6% compared to the same period last year. Retail sales were JPY66.2 billion, or 110.8% from the same period last year, and online shopping sales were JPY29.5 billion, or 107.7% compared to last year's performance, or 25.1% of total sales.

Thanks to various improvement measures, our e-commerce site achieved approximately 106.9% compared to last year's performance, and total sales at third-party shopping malls were 108.2% YoY, thanks to aggressive inventory allocation in outlet malls. This amounted to JPY20.5 billion, 114.6% of the same period last year, and 17.4% of total sales.

The details of the YoY comparisons of existing stores' performance are shown on the right side of the slide.

## Non-consolidated Sales by Business

	FY25/3 9M	FY26/3 9M	Change	(Millions of yen) YoY
Total business unit sales	88,853	97,377	8,523	109.6%
Trend-conscious Market	58,690	63,323	4,633	107.9%
Basic Trend-conscious Market	30,163	34,053	3,890	112.9%
<b>Existing stores sales YoY</b>				
	Retail + Online	Retail	Online	
Trend-conscious Market	105.3%	105.7%	104.3%	
Basic Trend-conscious Market	108.9%	107.5%	111.6%	

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

In the trend market, led by UNITED ARROWS and BY, sales of women's apparel grew noticeably, with net sales of JPY63.3 billion, up 107.9% from the same period last year.

The mid-trend market, led by GLR, posted sales of JPY34 billion, 112.9% compared to the previous year's performance. Women's wear continued to grow at a high rate due to the growth of online shopping, which had been driven by an increase in inventory allocation, and an increase in sales at CITEN brand due to the aggressive opening of new stores.

Both markets also experienced sales growth in both retail and online sales.

## Group Company Results

### COEN CO., LTD.

Feb. – Oct.

#### Revenue decreased, while operating and net profit / loss improved

- Sales ¥7,132 million, 95.3% YoY
- Net sales fell short of the previous year due to the impact of last year's large-store closure and weak e-commerce performance, but improvements in the gross profit margin led to better operating and ordinary profit/loss results.



### UNITED ARROWS TAIWAN LTD.

Feb. – Oct.

#### Increase in sales and decrease in profit

- Sales ¥1,479 million, 112.1 % YoY
- Although net sales grew and the gross profit margin improved, profit declined due to higher personnel and marketing expenses associated with new store openings.



### UNITED ARROWS SHANGHAI LTD.

Jan. – Sep.

- E-commerce sales fell short of expectations, but physical stores started well above plan.
- Opening the second store in the Shenzhen area in March 2026

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The following is an overview of the group companies.

The first one is COEN. Sales were JPY7.13 billion, 95.3% of the same period last year. Sales fell short of last year's performance due to the impact of large store closures in the previous year and struggling online sales. On the other hand, the gross profit margin improved, while operating and ordinary income and loss figures improved.

Next, I would like to talk about UNITED ARROWS TAIWAN, with net sales of JPY1.47 billion, 112.1% compared to the previous year's performance. Although net sales grew and the gross profit margin improved, the increase in SG&A expenses due to new store openings and other factors resulted in an increase in sales and a decrease in income.

Below that is UNITED ARROWS SHANGHAI. Although online sales fell short of our expectations, our brick-and-mortar stores are off to a much better start than planned. The company plans to open a second store in the Shenzhen area in March 2026.

## Opening and Closing of Stores

With 28 store openings and 2 closures, the number of stores at the end of the 9 month period will be 348. The number of stores at fiscal year-end is expected to be 347, an increase of 25 from the previous year-end.

	No. of stores at the previous period end	9M results			Full-year forecast		
		Opened	Closed	No. of stores at the 9M-end	Opened	Closed	No. of stores at the period end (Forecast)
Group Total	322	28	2	348	35	10	347
UNITED ARROWS LTD.	238	20	1	257	27	7	258
COEN CO., LTD.	74	3	1	76	3	3	74
UNITED ARROWS TAIWAN LTD.	10	4	0	14	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 affiliate accounted for by the equity method.

This is the status of new and closed stores.

During the first nine months of the current fiscal year, we opened a total of 28 new stores and closed 2 stores, bringing the total number of stores at the end of Q3 to 348. The number of stores as of the end of March 2026 is expected to be 347, an increase of 25 stores from the end of the previous fiscal year.

This is the summary of our business results for Q3 of the fiscal year ending March 31, 2026. Thank you very much.



## CDP2025

### Both "Climate Change" and "Water Security" achieved an "A-" status.

- In the 2025 survey conducted by CDP, a non-profit organization operating an international environmental information disclosure system, the company was evaluated as demonstrating leadership-level transparency in its initiatives and information disclosure, earning an "A-" status in both the climate change and water security categories.
- The "A -" status is only behind the highest rating of "A" out of eight. It is the first "A-" status in the climate change field and the second consecutive "A-" status in the water security field.



### To achieve the target ratio of female managers

- As of April 1, 2026, the ratio of female managers (section chief or above) is expected to be 31.2%.
- The goal set forth in the General Employer Action Plan based on the Act on the Promotion of Women's Active Engagement in Professional Life is "to increase the proportion of women in managerial positions above the level of section chief to 30% or more by the end of March 2026."
- By expanding individual growth opportunities, establishing flexible work arrangements, and implementing continuous numerical monitoring, the pipeline for women advancing into management roles has been strengthened, resulting in a 2.8-point increase from the level of April 1, 2025.

**Tan:** This is Tan from the Corporate Strategy Division. I would like to report on sustainability in this Q3.

First, I would like to report on the improvement of CDP evaluation.

In the 2025 survey conducted by CDP, an organization running an international environmental information disclosure system, we received an A- score in the areas of climate change and water security. This score is second only to the highest rating A and is comparable to the leadership level.

In the area of climate change, the Company's efforts and transparency in information disclosure were highly evaluated, and it was upgraded from a B to an A rating. In addition, the Company received an A- rating in water security for the second year in a row.

Next, I would like to report on the proportion of female managers within our company. At the beginning of the new fiscal year that began in April this year, the percentage of female managers at the section manager level and above was roughly 31%. This is expected to be about 2.8% higher than at the beginning of this fiscal year.

Under our General Employer Action Plan based on the Act on the Promotion of Women's Participation and Advancement in the Workplace, we have set a target of having women account for at least 30% of managers at the section-manager level and above by the end of March 2026. We expect to reach our goal, although it will be one fiscal year later.

We will continue to establish a system that allows all employees to demonstrate their abilities and play an active role in the Company regardless of gender.

## Factors for Strong Performance in 3Q (Oct. – Dec.)

### Advancing the Shift to a Temperature-Resilient Assortment to Drive Stable Growth

- **Expand sales mix of non-cold-weather apparel**

Shifted from a cold-weather-dependent product mix to a broader fall and winter lineup less affected by temperature changes. Strengthened development of jackets, blouses, pants, and other items to meet growing commuting and office-wear demand.

- **Appropriate assortment of fashion goods**

Maintain an appropriate inventory level for fashion goods, primarily shoes and bags, and build a sales mix less susceptible to temperature fluctuations.

- **Higher sales share of private-brand jackets and pants boosted GP margin**

Business Unit's gross profit margin for 3Q (October–December) improved by 1.3pt compared with FY23/3Q.

Change of Business Unit Sales Composition in 3Q (FY23 vs FY26)



\*non-cold-weather apparel (jackets, pants, skirts, shirts, cut and sewn, blouses, dresses, etc.) , cold-weather apparel (outerwear, knit, scarf, gloves) , fashion goods (shoes, bags, accessories, hats, etc.)

\*All figures are calculated based on sales of business units.

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**Matsuzaki:** This is Matsuzaki speaking. I will review Q3 and report on the progress of our mid-term plan and our initiatives for the future.

Q3 of this fiscal year was a difficult period for us, as temperatures swing more drastically than usual, with a sudden chilly weather after a long period of lingering summer heat.

However, even in such an environment, the Company was able to achieve a double-digit increase in consolidated net sales for Q3, three months, from the previous year and an improvement in the gross profit margin, which we view as very favorable results.

We recognize that this is the result of our steady progress in shifting to a profit structure that is less susceptible to the external environment.

Q3 holds the highest weight of our total sales and profit. We have been working over the past three medium-term years to establish a product lineup that can curb the temperature effect and ensure stable sales.

As a result, we reviewed our product mix, which had been heavily dependent on winter outerwear and knitwear, and increased the proportion of autumn and winter items less affected by temperature fluctuations, such as jackets, cut-and-sewn tops, blouses, and pants. This shift helped improve both sales and profitability.

In addition, we recognize that maintaining a market share in the clothing accessories category, such as shoes and bags, helps reduce the swing in performance impacted by temperature fluctuations, thereby securing stable earnings. We made progress in this initiative as well.

As shown in the graph on the slide, the percentage of winter clothes in the business unit was reduced by 3.6 percentage points in the current fiscal year, while the percentage of fall and winter clothes other than winter clothes increased by 4.5 percentage points.

## Factors for Strong Performance in 3Q Period (Oct. – Dec.)

### Steady Gains in Fall/Winter Apparel and Accessories, with Strong Growth in Cold-Weather Items

- Growth of non-cold-weather apparel**

Capturing continued demand for returning to the office, we maintained strong performance, particularly in jackets, pants, and other office-appropriate items.

YoY  
110.2%



- Stable contribution of fashion goods**

A product lineup featuring shoes and bags that are less affected by temperature changes enabled us to maintain stable sales levels.

YoY  
109.3%



- Capturing demand for cold-weather apparel**

Early temperature declines compared to last year drove strong cold-weather demand, contributing to higher sales.

YoY  
114.9%



Factors Contributing to Business Unit Revenue Growth in 3Q



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These efforts have been very successful over the past three years.

In the current fiscal year, the business unit achieved a good performance of 111.6% compared to the previous year in Q3 as a result of this enhanced response to temperature trends. Sales of items other than winter jackets and pants were up to 110%, or 4.6 points from the previous year, while shoes and bags also showed strong trends, up 1.9% at 109.3%.

In addition, the early drop in temperature this year ensured that we captured the rise in demand for warmer weather, which was a further boosting factor.

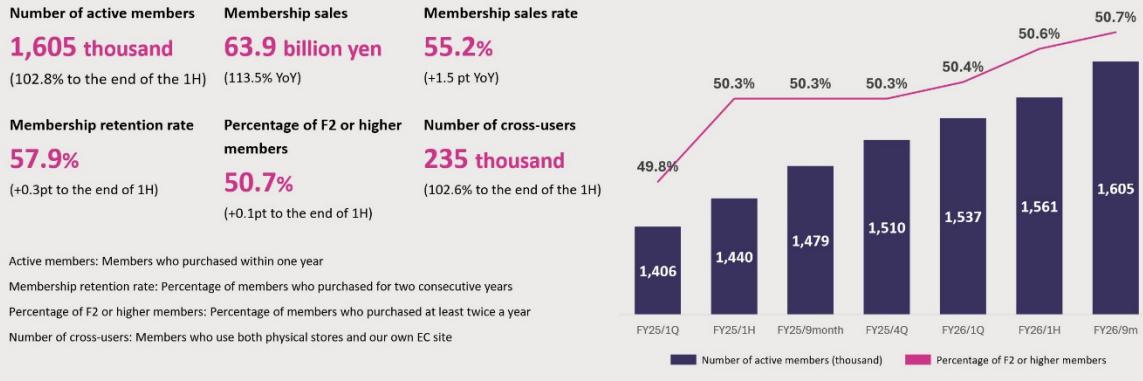
There is a clear shift toward customers choosing carefully curated, high-quality items, especially as the line between work, off-duty, and office wear becomes increasingly blurred. We believe this trend reflects how well our strong capabilities in product development, curation, and proposal-making align with our customers' evolving needs.

## Factors for Strong Performance in 3Q (Oct. – Dec.)

### “OMO Initiatives Support Steady Revenue Growth” \* Results of UA Club 9month (Dec. 2025)

The number of active members increased by 126,000 year over year, reaching 1.6 million.

Retention rates and the Percentage of F2 or higher members also improved, indicating steady progress in customer engagement



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Next, I would like to discuss our customer base, which is a major factor supporting this stable growth.

The number of active UNITED ARROWS club members reached 1.6 million, an increase of 126,000 customers over the same period last year. While increasing the population of members, the ratio of members and the ratio of F2 and above members who purchase more than twice a year continued to increase, resulting in an increasing number of repeat customers.

As a result, UNITED ARROWS club member sales grew by double digits in Q3 from the previous year, and the member sales ratio expanded by 1.5 percentage points from the previous year, which means that we were able to grow without decreasing the number of customers.

We will continue to maintain a strong customer base by steadily advancing the membership retention rate and the ratio of F2 and above members, as well as expanding the membership population.

## On Considering a Transition to a Holding Company Structure

### Long-Term Vision 2032

# 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.

### A holding company structure will drive diversification and M&A to support our long-term vision.

- **Promotion of Diversification, Including M&A**

Facilitates flexible execution of new brand development and entry into non-apparel sectors, including through M&A.

- **Enhancement of Group Management**

The holding company will oversee performance management across businesses, enabling optimized allocation of resources to growth areas and the establishment of an ideal business portfolio.

- **Strengthening of Governance**

Separating group-wide strategy formulation (holding company) from business execution (subsidiaries) will improve governance and ensure optimal strategic planning and execution at the group level.

- **Greater Autonomy of Subsidiary Management**

Clarifying subsidiary authority enables faster decision-making and talent development tailored to the characteristics of each business.

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I would like to continue discussing our future initiatives. As we announced yesterday, we have started to consider the transition to a holding company structure.

In order to achieve our long-term vision, which is targeted for 2032, we believe it is essential to diversify our business and expand our customer base by entering into non-apparel areas, in addition to growing our existing domains with a focus on fashion.

Through the conversion to a holding company, we will establish a structure that includes mergers and acquisitions to achieve our long-term vision.

## Acquisition of a High-End Luxury Brand through M&A

### **Women's Apparel Brand TELMA**

- TELMA LTD. was established on January 7, 2026
- Expanding our brand portfolio in the high-end to luxury segment
- Full-Scale overseas expansion of up-and-coming designer brands



Website: <https://telma.jp/>  
Instagram: <https://www.instagram.com/telma.jp/>

#### **Designer Terumasa Nakajima**

Graduated from the Royal Academy of Fine Arts Antwerp and received both the Christine Mathys Award and the Louis Award for his graduation collection, which was displayed in the windows of Louis, a boutique in Antwerp. In the same year, Nakajima joined Dries Van Noten as an assistant to the designer, where he was in charge of women's design. Afterwards, he returned to Japan and joined ISSEY MIYAKE in 2014, where he learned how to design from the concept of a single "Piece of Cloth" and develop textile, incorporating the finest craftsmanship from various areas of Japan. Launched TELMA in 2022.



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Following the M&A of BOOT BLACK JAPAN in October 2024, we announced yesterday that the women's brand TELMA joined our group.

TELMA is a high-end women's brand founded in 2022 and is available at some of our stores, department stores, and select stores of other companies.

This M&A is an expansion of our portfolio in the high-end and luxury areas, and although it is still small in scale, we have high expectations for its high potential for future overseas expansion and expansion of our domestic clientele.

## Initiatives for New Businesses and New Brands

### New Businesses: Store Openings in Spring 2026

#### CITEN

2 stores (Hakata, Nagoya Odaka)



#### conte

1 store (Nagoya)



#### NICE WEATHER

3 stores (Shinjuku, Funabashi, etc.)



#### Edit united arrows

2 stores (Shinjuku, Yokohama)



### Launch of Exclusive ER Sales

- A casual women's brand with the director of model Emma and stylist Rino Nakamura.
- Since its launch in 2022, the brand has garnered support primarily among women in their 20s through its strong social media presence.
- As part of our new brand development resonating with the next generation, launched at BEAUTY&YOUTH



Instagram: [https://www.instagram.com/\\_er\\_off/](https://www.instagram.com/_er_off/)

YouTube: <https://www.youtube.com/channel/UC3VKQ-rt1sw6vyrxgmR3GHA>

In addition, we will be adding more stores related to new businesses, such as CITEN, conte, and NICE WEATHER, which we have been promoting during this mid-term period.

This spring, CITEN plans to open two stores, conte plans to open one store, and NICE WEATHER plans to open three stores. We also plan to open two stores for Edit united arrows in a new store format that curates and demonstrates our women's brands.

In addition, we will launch an exclusive sales initiative for ER, a women's brand led by fashion model Emma and stylist Mr. Nakamura. The brand has gained strong support from women in their 20s, thanks to its free-spirited styling that blends sensitivity with real-life wearability, as well as its strong presence on social media. As part of the development of a new brand that will resonate with the next generation to achieve our long-term vision, we will begin featuring the brand in our stores.

## Expanding Overseas: Opening Stores in Spring 2026

### UNITED ARROWS SHANGHAI LTD.

Second store in mainland China

UNITED ARROWS SHENZHEN MIC C WORLD (March 2026)

- SHENZHEN MIC C WORLD, a representative facility in the South China area
- A wide range of high-sensitivity labels such as UNITED ARROWS, UNITED ARROWS & SONS, H BEAUTY&YOUTH
- Special order products with local brands.



### UNITED ARROWS TAIWAN LTD.

The 15th store and the 3rd Green Label store in Taiwan

UNITED ARROWS GREEN LABEL RELAXING Far Eastern GARDEN CITY

(March 2026)

- Large commercial complex adjacent to Taipei Dome



### Second franchise store in Thailand (March 2026)

- Open in a long-established commercial facility of the Central Group, Thailand's largest retailer
- A third store is scheduled to open in this summer

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Next is the overseas business.

We made steady progress on this initiative as well.

As for mainland China, the Shanghai store, which opened in January 2025, is performing well, and we plan to open a second store in Shenzhen this March.

We will strengthen our presence in the South China region by featuring our trend-forward original labels, which have performed strongly at our Shanghai store, along with exclusive collaboration items developed with local brands.

As for Taiwan, we will open a new store which marks the 15th store overall and the third overseas store for GREEN LABEL.

In Thailand, we are planning to open our second franchise store this spring and third store in the summer.

## **Fully Leveraging Our Sales Capabilities, a Key Element of Our Human Capital**

### **Introducing a Personal Styling Service Offered by Our Carefully Selected Sales Professionals**

- Personal styling service by 21 selected staff nationwide
- When making appointments, identify needs in advance and provide counseling by selected staff
- Personalized styling suggestions based on each customer's personality and purpose
- After-sales support (repair, shoe-shining, cleaning, etc.)
- Maximizing customer lifetime value through continuous recommendations leveraging purchase history

Target stores: Some UNITED ARROWS stores

Reservation method: Accept through the special form

<https://reserva.be/ualtdpersonalstylingservice>



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Finally, I would like to talk about our efforts to build deeper relationships with our premier customers.

As I discussed earlier, our strong customer base supports our stable growth, as evident in the results of UNITED ARROWS club members.

Our sales associates, with their high level of customer service and strong styling skills, play an essential role in attracting new customers. To further maximize the capabilities of our sales associates, our key human capital, we have introduced an appointment-based personal styling service.

Our best sales associates, selected from all over the country, will offer personal styling advice according to the customer's type and needs, based on data provided in the form that customers fill out. We also provide after-sales support, such as alterations, shoe shine, and post-purchase cleaning service. Through a continuous fashion styling advice based on customers' purchase history, we will achieve a long-lasting relationship with our customers and increase lifetime customer value.

That concludes my progress report.

We made steady progress in achieving the goals laid out in the medium-term management plan, which concludes this fiscal year, thereby laying the groundwork for the next medium-term management plan. We are currently in the final stages of drafting our next mid-term plan, which we plan to announce in May.

We look forward to your continued support.