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May 11, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (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 Vice President and CFO
 Telephone: +81-3-6804-2820
 Scheduled date of annual general meeting of shareholders: June 22, 2026
 Scheduled date to commence dividend payments: June 23, 2026
 Scheduled date to file annual securities report: June 19, 2026
 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, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2026	164,603	9.1	9,126	14.3	9,313	9.1	6,112	42.7
March 31, 2025	150,910	12.4	7,984	18.5	8,539	14.1	4,282	(12.2)

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥6,117 million [42.7%]
 For the fiscal year ended March 31, 2025: ¥4,288 million [(10.0)%]

	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
	Yen	Yen	%	%	%
Fiscal year ended					
March 31, 2026	221.34	—	15.3	13.2	5.5
March 31, 2025	155.13	—	11.8	13.1	5.3

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2026: ¥(23) million
 For the fiscal year ended March 31, 2025: ¥357 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
March 31, 2026	71,507	42,135	58.9	1,525.54
March 31, 2025	70,142	37,821	53.9	1,369.92

Reference: Equity
 As of March 31, 2026: ¥42,135 million
 As of March 31, 2025: ¥37,821 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, 2026	5,551	(9,626)	842	3,445
March 31, 2025	7,097	(6,240)	(699)	6,655

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, 2025	—	17.00	—	46.00	63.00	1,747	40.6	4.8
Fiscal year ended March 31, 2026	—	20.00	—	69.00	89.00	2,468	40.2	5.8
Fiscal year ending March 31, 2027 (Forecast)	—	32.00	—	60.00	92.00		41.2	

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(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	166,180	1.0	10,000	9.6	10,083	8.3	6,175	1.0	223.56

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: Yes
 Newly included: Excluded: COEN CO., LTD.
- (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, 2026	30,213,676 shares
As of March 31, 2025	30,213,676 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2026	2,593,396 shares
As of March 31, 2025	2,605,286 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	27,616,552 shares
Fiscal year ended March 31, 2025	27,604,524 shares

[Reference] Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	154,109	10.6	9,510	15.0	9,947	23.8	6,136	37.4
March 31, 2025	139,355	12.7	8,266	20.1	8,032	9.2	4,466	(10.5)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2026	222.19	—
March 31, 2025	161.79	—

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2026	71,175	42,158	59.2	1,526.36
March 31, 2025	67,455	37,825	56.1	1,370.06

Reference: Equity

As of March 31, 2026: ¥42,158 million
 As of March 31, 2025: ¥37,825 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 showed signs of a moderate recovery trend against the backdrop of improvements in the employment and income environments as well as the effects of various policies. Nevertheless, the outlook remained uncertain due to the impact of continued price increases on personal consumption as well as developments in the situation in the Middle East, fluctuations in financial and capital markets, and U.S. trade policies, among other factors. The retail apparel industry, despite the harsh business environment exacerbated by rising procurement costs due to the continued depreciation of the yen and chronic labor shortages, trended toward a moderate recovery overall, supported by a pickup in personal consumption reflecting improved employment and income conditions, and the continued capture of inbound demand.

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 ended 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, 2026, which is the final year of the Medium-Term Management Plan, we upheld “To accelerate the provision of new value” as our management policy and aimed to achieve the long-term vision and Medium-Term Management Plan through the promotion of the three strategies.

The first strategy—UA CREATIVITY Strategy—promoted 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 the existing businesses, we evolved our merchandising strategy by one step, premised on climate change becoming the new normal. We advanced revisions to our seasonal merchandising strategy based on the assumption of a long summer and a shift away from reliance on winter outerwear sales, resulting in non-consolidated retail and online existing store sales of 6.8% year-on-year growth, exceeding the previous fiscal year. As for the gross margin, in addition to raising selling prices accompanying improvements in product quality, we continued precision pricing that takes into account the demand trends by business characteristics and price range, resulting in a 0.3 percentage point improvement from the previous fiscal year. COEN CO., LTD. completed the transfer of all shares held by the Company to Gyet Co., Ltd. on March 2, 2026.

The second strategy—UA MULTI Strategy—aimed 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. As new brand formats, we opened the first two stand-alone physical stores in Japan for “OSOI,” a handbag brand from South Korea, and also opened three physical stores for “NICE WEATHER,” a lifestyle select shop. For our global expansion, we opened our second store in mainland China in the Shenzhen area in March 2026, following the opening of a store in the Shanghai area in January 2025. In the same month, we also opened our 15th store in Taiwan and a second franchised store in Thailand, steadily advancing our global expansion efforts. In September 2025, we launched “UNITED ARROWS GLOBAL ONLINE,” our own cross-border e-commerce site, and will continue to aim to enhance our brand recognition and expand sales channels overseas.

The third strategy—UA DIGITAL Strategy—focused on promoting OMO (*) and optimizing the supply chain in the final year of the Medium-Term Management Plan, with emphasis on building the foundation supporting the growth of the existing businesses. In promoting OMO, we worked to expand our customer base centered on UA Club members, and sales by members posted double-digit year-on-year growth. Several other key indices have also shown stable upward trends, such as the increased ratio of members who made multiple purchases over the year, along with a steady increase in active members who made a purchase over the past year, leading to a stronger customer base. In terms of efforts to optimize the supply chain, we began working on centralized

management of product cost data. We aim to reduce procurement costs by establishing an optimal production framework. In addition, we expect that improving the accuracy of inventory allocation to physical stores and the online shopping website will reduce lost sales opportunities and lower logistics costs.

(*) OMO: Acronym for Online Merges with Offline

As for store openings and closings, we opened 17 stores and closed four stores in the trend-conscious market, opened nine stores and closed three stores in the basic trend-conscious market, and opened one outlet store. As a result, as of March 31, 2026, the number of retail stores was 230 and the total number of stores including outlets was 258.

The status of consolidated subsidiaries was as follows: COEN CO., LTD. (fiscal year-end: January) reported a revenue decrease. The company has been excluded from the scope of consolidation as a result of the transfer of all shares held by the Company to Gyet Co., Ltd. on March 2, 2026. UNITED ARROWS TAIWAN LTD. (fiscal year-end: January) reported revenue increase. UNITED ARROWS SHANGHAI LTD. (fiscal year-end: December) has started to record sales in the fiscal year ended March 31, 2026.

As for store openings and closings, COEN CO., LTD. opened three stores and closed three stores, UNITED ARROWS TAIWAN LTD. opened four stores for a total of 14 stores as of March 31, 2026, and UNITED ARROWS SHANGHAI LTD. opened one store for a total of one store as of March 31, 2026. As a result of the above, the Group, as a whole, opened 32 stores and closed 10 stores, and the number of stores in the Group was 273, reflecting the exclusion of COEN CO., LTD. from the scope of consolidation.

As a result, consolidated business performance for the fiscal year ended March 31, 2026 consisted of net sales of ¥164,603 million (up 9.1% year on year), gross profit of ¥86,230 million (up 9.7% year on year), and gross margin improved by 0.3 percentage points year on year to 52.4%. Selling, general and administrative expenses were ¥77,103 million (up 9.1% year on year), due to increases in advertising and sales promotion expenses as a result of enhanced advertising, personnel expenses as a result of wage hikes and an increase in the number of personnel, depreciation as a result of an increase in store openings and head office relocation, and amortization of systems, while the SG&A ratio remained at the same level as the previous fiscal year at 46.8%. Consequently, for the fiscal year ended March 31, 2026, operating profit was ¥9,126 million (up 14.3% year on year) and ordinary profit was ¥9,313 million (up 9.1% year on year). While extraordinary losses of ¥1,974 million were recorded, including a loss on sale of shares of subsidiaries and associates resulting from the transfer of all shares of COEN CO., LTD. to Gyet Co., Ltd., share valuation losses and allowance for doubtful accounts of the said company, which had been treated as non-deductible for tax purposes in prior years, were recognized as tax-deductible. Accordingly, profit attributable to owners of parent was ¥6,112 million (up 42.7% year on year).

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

(Assets, liabilities and net assets)

1) Assets

Current assets decreased by 1.2% from the end of the previous fiscal year to ¥44,292 million.

This was mainly attributable to a decrease in cash and deposits of ¥3,204 million, despite an increase in merchandise of ¥2,750 million.

Non-current assets increased by 7.5% from the end of the previous fiscal year to ¥27,214 million.

This was mainly attributable to increases in property, plant and equipment of ¥2,709 million as a result of store openings, software of ¥3,158 million, and long-term loans receivable of ¥1,000 million, despite a decrease in software in progress of ¥4,052 million.

As a result, total assets increased by 1.9% from the end of the previous fiscal year to ¥71,507 million.

2) Liabilities

Current liabilities decreased by 9.9% from the end of the previous fiscal year to ¥25,028 million.

This was mainly attributable to increases in short-term borrowings of ¥872 million and provision for bonuses of ¥485 million, despite a decrease in income taxes payable of ¥2,385 million.

Non-current liabilities decreased by 4.6% from the end of the previous fiscal year to ¥4,342 million.

This was mainly attributable to a decrease in asset retirement obligations of ¥226 million.

As a result, total liabilities decreased by 9.1% from the end of the previous fiscal year to ¥29,371 million.

3) Net assets

Total net assets increased by 11.4% from the end of the previous fiscal year to ¥42,135 million.

This was mainly attributable to an increase in retained earnings of ¥6,112 million due to the reporting of profit attributable to owners of parent, despite a decrease of ¥1,830 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 decreased by ¥3,209 million from the end of the previous fiscal year to ¥3,445 million.

1) Cash flows from operating activities

Funds provided by operating activities amounted to ¥5,551 million (a decrease of ¥1,546 million compared with the previous fiscal year).

Major inflows were profit before income taxes of ¥7,339 million, depreciation of ¥1,829 million, and an increase in provision for bonuses of ¥534 million. Major outflows were an increase in trade receivables of ¥1,342 million and an increase in inventories of ¥4,078 million.

2) Cash flows from investing activities

Funds used in investing activities amounted to ¥9,626 million (an increase of ¥3,386 million compared with the previous fiscal year).

Main outflows were ¥5,538 million in purchase of property, plant and equipment as a result of store openings and ¥1,784 million in payments for sale of shares of subsidiaries and associates resulting in change in scope of consolidation, despite proceeds from refund of guarantee deposits of ¥736 million.

3) Cash flows from financing activities

Funds provided by financing activities amounted to ¥842 million (an increase of ¥1,541 million compared with the previous fiscal year).

This was mainly attributable to a net increase in short-term borrowings of ¥2,672 million and dividends paid of ¥1,829 million.

(4) Future Outlook

The Company has formulated the Medium-Term Management Plan 2026-2028 (through the fiscal year ending March 31, 2029): “Become a high-sensitivity, high value-added Group with global scope and Japanese pride.”

The Company has three competitive advantages:

- People: High customer service capabilities that provide excitement
- Products: Procurement and development capabilities for high value-added products
- Platform: A well-located network of physical stores and a functional online retail infrastructure

In addition to these, the Company’s strengths include non-financial assets such as high brand value and a high-sensitivity customer base of over 1.64 million members.

Making the most of these strengths, the Company will promote a high-sensitivity, high value-added strategy across the mid-to-high price segment, spanning our domestic apparel business, international apparel business, and lifestyle domain that extends beyond apparel.

In the domestic apparel business, under the theme of “I. Become the #1 brand for highly sensitive customers’ satisfaction,” we will promote a growth strategy centered on our existing businesses. In the international apparel business, under the theme of “II. Spread highly sensitive customers around the world,” we will expand store openings centered on China and Taiwan, as well as advance wholesale development with an eye toward other global markets, aiming to grow overseas sales. In the lifestyle domain that extends beyond apparel, under the theme of “III. Create new contact points with highly sensitive customers,” we will advance business development that enables new lifestyle proposals to our customer base, while also considering the possibility of M&A.

Through these initiatives, we aim to achieve consolidated net sales of ¥185,000 million to ¥195,000 million, operating profit of ¥11,500 million to ¥12,500 million, and ROE of 14.3% to 15.7% in the fiscal year ending March 31, 2029, the final year of the Medium-Term Management Plan.

The Company has adopted “Quality First: Enhancing the quality of products, sales, and operations to deliver high value-added offerings” as its management policy for the fiscal year ending March 31, 2027, the first year of the Medium-Term Management Plan. Under this policy, we will steadily promote the following three themes set forth in the Medium-Term Management Plan.

- I. Become the #1 brand for highly sensitive customers’ satisfaction
We will work to expand market share and improve profitability through the growth of our existing businesses.
- II. Spread highly sensitive customers around the world
We will aim to expand net sales, the number of stores, and the number of customers in our overseas businesses.
- III. Create new contact points with highly sensitive customers
We will expand contact points with our high-sensitivity customer base through M&A and business development, aiming to improve lifetime value (customer lifetime value).

As for store openings in the fiscal year ending March 31, 2027, UNITED ARROWS LTD. is expected to open 15 stores and close one store for a total of 272 stores at the end of the fiscal year, UNITED ARROWS TAIWAN LTD. is expected to open one store for a total of 15 stores at the end of the fiscal year, UNITED ARROWS SHANGHAI LTD. is expected to open two stores for a total of three stores at the end of the fiscal year, with the Group as a whole expected to open 18 stores and close one store for a total of 290 stores at the end of the fiscal year.

Consequently, our consolidated financial results forecasts for the fiscal year ending March 31, 2027 are net sales of ¥166,180 million (up 1.0% year on year), operating profit of ¥10,000 million (up 9.6% year on year), ordinary profit of ¥10,083 million (up 8.3% year on year), and profit attributable to owners of parent of ¥6,175 million (up 1.0% 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, 2026, we plan to pay a year-end dividend of 69 yen per share for an annual dividend of 89 yen per share (dividend payout ratio: 40.2%). For the distribution of profits in the next fiscal year, we plan to pay an interim dividend of 32 yen per share and a year-end dividend of 60 yen per share for an annual dividend of 92 yen per share, with a projected dividend payout ratio of 41.2%.

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, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	6,665	3,461
Accounts receivable - trade	185	190
Merchandise	24,191	26,940
Supplies	539	498
Accounts receivable - other	12,301	12,058
Short-term loans receivable from subsidiaries and associates	3	-
Other	930	1,143
Total current assets	44,816	44,292
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,632	21,144
Accumulated depreciation and impairment	(14,713)	(13,367)
Buildings and structures, net	5,919	7,777
Machinery and equipment	1,364	2,223
Accumulated depreciation and impairment	(895)	(1,115)
Machinery and equipment, net	469	1,108
Land	569	569
Construction in progress	230	59
Other	3,951	4,352
Accumulated depreciation and impairment	(2,935)	(2,953)
Other, net	1,016	1,399
Total property, plant and equipment	8,205	10,914
Intangible assets		
Software	1,663	4,820
Software in progress	4,113	60
Other	28	26
Total intangible assets	5,804	4,908
Investments and other assets		
Shares of subsidiaries and associates	-	199
Long-term loans receivable	-	1,000
Long-term loans receivable from subsidiaries and associates	23	19
Guarantee deposits	7,624	6,595
Deferred tax assets	2,204	2,127
Other	1,464	1,448
Allowance for doubtful accounts	(2)	-
Total investments and other assets	11,314	11,391
Total non-current assets	25,325	27,214
Total assets	70,142	71,507

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	11,636	11,771
Electronically recorded obligations - operating	929	1,286
Short-term borrowings	1,028	1,900
Accounts payable - other	7,133	5,547
Income taxes payable	2,633	247
Provision for bonuses	2,043	2,528
Provision for bonuses for directors (and other officers)	48	44
Provision for share awards	-	116
Asset retirement obligations	211	129
Other	2,103	1,457
Total current liabilities	27,767	25,028
Non-current liabilities		
Asset retirement obligations	4,407	4,181
Provision for share awards	92	23
Other	53	137
Total non-current liabilities	4,552	4,342
Total liabilities	32,320	29,371
Net assets		
Shareholders' equity		
Share capital	3,030	3,030
Capital surplus	4,538	4,538
Retained earnings	37,594	41,876
Treasury shares	(7,040)	(7,012)
Total shareholders' equity	38,122	42,432
Accumulated other comprehensive income		
Foreign currency translation adjustment	(300)	(296)
Total accumulated other comprehensive income	(300)	(296)
Total net assets	37,821	42,135
Total liabilities and net assets	70,142	71,507

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statement of Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	150,910	164,603
Cost of sales	72,281	78,373
Gross profit	78,629	86,230
Selling, general and administrative expenses	70,645	77,103
Operating profit	7,984	9,126
Non-operating income		
Interest income	4	11
Dividend income of insurance	21	35
Foreign exchange gains	-	146
Rental income	11	8
Share of profit of entities accounted for using equity method	357	-
Compensation for forced relocation	194	-
Other	127	118
Total non-operating income	717	320
Non-operating expenses		
Interest expenses	14	40
Foreign exchange losses	90	-
Rental expenses	12	1
Share of loss of entities accounted for using equity method	-	23
Other	45	68
Total non-operating expenses	162	133
Ordinary profit	8,539	9,313
Extraordinary losses		
Loss on retirement of non-current assets	299	137
Impairment losses	543	713
Head office relocation expenses	233	70
Loss on sale of shares of subsidiaries and associates	-	1,050
Loss on sale of investment in affiliated companies	379	-
Other	-	2
Total extraordinary losses	1,456	1,974
Profit before income taxes	7,082	7,339
Income taxes - current	2,876	1,149
Income taxes - deferred	(76)	77
Total income taxes	2,800	1,226
Profit	4,282	6,112
Profit attributable to owners of parent	4,282	6,112

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit	4,282	6,112
Other comprehensive income		
Foreign currency translation adjustment	5	4
Total other comprehensive income	5	4
Comprehensive income	4,288	6,117
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,288	6,117
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated Statement of Changes in Equity

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

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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	37,594	(7,040)	38,122
Changes during period					
Dividends of surplus			(1,830)		(1,830)
Profit attributable to owners of parent			6,112		6,112
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares by stocks payment trust				27	27
Net changes in items other than shareholders' equity					
Total changes during period	-	-	4,282	27	4,309
Balance at end of period	3,030	4,538	41,876	(7,012)	42,432

	Accumulated other comprehensive income		Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	(300)	(300)	37,821
Changes during period			
Dividends of surplus			(1,830)
Profit attributable to owners of parent			6,112
Purchase of treasury shares			(0)
Disposal of treasury shares by stocks payment trust			27
Net changes in items other than shareholders' equity	4	4	4
Total changes during period	4	4	4,314
Balance at end of period	(296)	(296)	42,135

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	7,082	7,339
Depreciation	1,322	1,829
Amortization of intangible assets	493	1,332
Amortization of long-term prepaid expenses	732	519
Impairment losses	543	713
Increase (decrease) in provision for bonuses	919	534
Increase (decrease) in provision for bonuses for directors (and other officers)	24	(3)
Increase (decrease) in allowance for doubtful accounts	0	(2)
Interest income	(4)	(11)
Interest expenses	14	40
Compensation for forced relocation	(194)	-
Head office relocation expenses	233	70
Decrease (increase) in trade receivables	(1,356)	(1,342)
Decrease (increase) in inventories	(3,041)	(4,078)
Decrease (increase) in other current assets	(2)	569
Increase (decrease) in trade payables	631	1,478
Increase (decrease) in other current liabilities	528	(615)
Share of loss (profit) of entities accounted for using equity method	(357)	23
Loss on sales of stocks of subsidiaries and affiliates	-	1,050
Loss on sales of shares of subsidiaries and associates	379	-
Other, net	121	33
Subtotal	8,074	9,481
Interest received	4	11
Interest paid	(14)	(40)
Proceeds from compensation for forced relocation	194	-
Payments for head office relocation expenses	(178)	(124)
Income taxes paid	(983)	(3,776)
Net cash provided by (used in) operating activities	7,097	5,551
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,638)	(5,538)
Payments for asset retirement obligations	(438)	(217)
Purchase of intangible assets	(3,045)	(634)
Purchase of long-term prepaid expenses	(328)	(617)
Payments of guarantee deposits	(929)	(356)
Proceeds from refund of guarantee deposits	45	736
Proceeds from sales of investments in capital of subsidiaries and associates	1,212	-
Payments for sale of shares of subsidiaries and associates resulting in change in scope of consolidation	-	(1,784)
Purchase of shares of subsidiaries and associates	(70)	(200)
Net decrease (increase) in short-term loans receivable from subsidiaries and associates	(3)	-
Long-term loan advances	-	(1,000)
Payments of long-term loans receivable from subsidiaries and associates	(45)	(15)
Collection of long-term loans receivable from subsidiaries and associates	0	0
Other, net	0	-
Net cash provided by (used in) investing activities	(6,240)	(9,626)

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	826	2,672
Purchase of treasury shares	(0)	(0)
Dividends paid	(1,524)	(1,829)
Net cash provided by (used in) financing activities	(699)	842
Effect of exchange rate change on cash and cash equivalents	10	23
Net increase (decrease) in cash and cash equivalents	168	(3,209)
Cash and cash equivalents at beginning of period	6,486	6,655
Cash and cash equivalents at end of period	6,655	3,445

(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 ¥275 million and 117,784 shares, respectively, and at the end of the previous fiscal year were ¥303 million and 129,721 shares, respectively.

(Segment information, etc.)

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.

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

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, 2025	For the fiscal year ended March 31, 2026
Net assets per share	¥1,369.92	¥1,525.54
Basic earnings per share	¥155.13	¥221.34
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 129,721 shares at the end of the previous fiscal year, and 117,784 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 133,639 shares at the end of the previous fiscal year, and 121,544 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, 2025	For the fiscal year ended March 31, 2026
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	4,282	6,112
Amount not attributable to common shareholders (Millions of yen)	-	-
Profit attributable to owners of parent relating to common shares (Millions of yen)	4,282	6,112
Average number of shares outstanding during the period (Shares)	27,604,524	27,616,552

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

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Total net assets (Millions of yen)	37,821	42,135
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)	37,821	42,135
Number of common shares at end of the period used to calculate net assets per share (Shares)	27,608,390	27,620,280

(Significant subsequent events)

At the Board of Directors meeting held on May 11, 2026, the Company resolved to approve the execution of an absorption-type company split agreement (hereinafter referred to as the “Absorption-Type Company Split Agreement,” and the absorption-type company split pursuant to the Absorption-Type Company Split Agreement is referred to as the “Absorption-Type Company Split”) with the Company’s consolidated subsidiary, UNITED ARROWS LTD. (hereinafter referred to as the “Succeeding Company”), which was established as a preparatory company for the company split in order to transition to a holding company structure, pursuant to which all businesses of the Company, excluding those related to the management and operation of the Group (hereinafter referred to as the “Transferred Business”), will be transferred to the Succeeding Company, with an effective date of October 1, 2026.

(1) Details regarding the other party to the Absorption-Type Company Split

- (i) Trade name, address of head office, name of representative, amount of capital, amount of net assets, amount of total assets, and description of business

Trade name	UNITED ARROWS LTD.
Address of head office	1-18-5 Sendagaya, Shibuya-ku, Tokyo
Name of representative	Representative Director, President, Yoshinori Matsuzaki
Amount of capital	¥100 million
Amount of net assets	¥200 million
Amount of total assets	¥200 million
Description of business	Planning, purchasing and selling men’s and women’s apparel, accessories and other products (Note that the Succeeding Company does not plan to commence operations prior to the execution of the Absorption-Type Company Split.)

(Note) The Company plans to change its trade name to “TABAYA HOLDINGS Co., Ltd.” effective October 1, 2026.

- (ii) Net sales, operating profit, ordinary profit, and net profit for each of the last three fiscal years

As the Succeeding Company was established on April 1, 2026, the first fiscal year has not yet ended as of May 11, 2026.

- (iii) Name of major shareholders and the ratio of shares held by major shareholders to the total number of issued shares

UNITED ARROWS LTD. 100%

(iv) Capital, personnel, and business relationships with the filing company

Capital relationship	The Company holds 100% of the issued shares of the other party.
Personnel relationship	The Company dispatches directors and corporate auditors to the other party.
Business relationship	Since the other party has yet to commence operations, there are no business transactions with the Company at this time.

(2) Purpose of the Absorption-Type Company Split

In May 2023, the Company announced its long-term vision for 2032 (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.” We aspire to be a high value-added group that offers lifestyles with high sensitivity when we achieve the long-term vision. This is about setting the standard for Japanese lifestyle culture, which the Company has been aspiring to do since its foundation, and about the Company being indispensable to live a life with high sensitivity in Japan. To achieve this, it is essential not only to expand within our existing fashion-centered domain, but also to explore and enter non-apparel areas, broadening both our business scope and customer base. By becoming a holding company, we will promote business diversification and M&A, and build a solid foundation for achieving our long-term vision.

(3) Method of the Absorption-Type Company Split, details of the allocation related to the Absorption-Type Company Split, and other details of the Absorption-Type Company Split Agreement

(i) Method of the Absorption-Type Company Split

The Company will serve as the splitting company and the Succeeding Company will serve as the absorption-type company split succeeding company in the Absorption-Type Company Split. In addition, the Company will continue to maintain its listing as a holding company.

(ii) Details of the allocation related to the Absorption-Type Company Split

In relation to the Absorption-Type Company Split, the Succeeding Company will issue 2,000 shares of common shares and allocate them to the Company.

(iii) Other details of the Absorption-Type Company Split Agreement

(a) Schedule of the Absorption-Type Company Split

Approval of absorption-type company split agreement (the Company: resolution by the Board of Directors)	May 11, 2026
Approval of absorption-type company split agreement (the Succeeding Company: resolution at the General Meeting of Shareholders)	May 11, 2026
Execution of absorption-type company split agreement	May 11, 2026
Extraordinary General Meeting of Shareholders to approve the Absorption-Type Company Split (the Succeeding Company)	June 22, 2026 (planned)
Annual General Meeting of Shareholders to approve the Absorption-Type Company Split (the Company)	June 22, 2026 (planned)
Effective date of the Absorption-Type Company Split	October 1, 2026 (planned)

(b) Change in capital resulting from the Absorption-Type Company Split

There will be no change in the Company's capital as a result of the Absorption-Type Company Split.

(c) Treatment of stock acquisition rights and bonds with stock acquisition rights of the splitting company in connection with the Absorption-Type Company Split

Not applicable.

(d) Rights and obligations assumed by the Succeeding Company

The Succeeding Company will succeed to the assets, liabilities, contracts, and other rights and obligations related to the Transferred Business of the Company as specified in the Absorption-Type Company Split Agreement. The liabilities to be assumed by the Succeeding Company from the Company will be assumed on a concurrent basis.

(4) Basis for calculating the details of the allocation related to the Absorption-Type Company Split

In relation to the Absorption-Type Company Split, the Succeeding Company will issue 2,000 common shares as consideration and allocate them to the Company. The number of shares to be allocated was determined through discussions between the Company and the Succeeding Company, taking into account the fact that the Company holds all of the issued shares of the Succeeding Company.

- (5) Trade name, address of head office, name of representative, amount of capital, amount of net assets, amount of total assets, and description of business of the company that will be the Succeeding Company after the Absorption-Type Company Split

Trade name	UNITED ARROWS LTD.
Address of head office	3-28-1 Jingumae, Shibuya-ku, Tokyo
Name of representative	Representative Director, President, Yoshinori Matsuzaki
Amount of capital	¥100 million
Amount of net assets	Not yet determined at this time.
Amount of total assets	Not yet determined at this time.
Description of business	Planning and selling apparel, accessories and other products

(Note) The address of the head office is scheduled to change from 1-18-5 Sendagaya, Shibuya-ku, Tokyo to 3-28-1 Jingumae, Shibuya-ku, Tokyo, effective October 1, 2026.

Acquisition of treasury shares

At the Board of Directors meeting held on May 11, 2026, the Company resolved to acquire its own shares under Article 156, as applied pursuant to Article 165-3 of the Companies Act.

(1) Reason for acquisition

To improve capital efficiency and execute agile capital policies in response to changes in the management environment.

(2) Type of shares to be acquired

Common share

(3) Total number of shares to be acquired

Up to 1,000,000 shares

(4) Total cost of acquisition

Up to ¥2,000 million

(5) Period of acquisition

From May 12, 2026 to August 31, 2026

(6) Acquisition method

Purchase on the Tokyo Stock Exchange