

For the Fiscal Year Ending March 31, 2026

# Financial Results Briefing

2026.05.11 UNITED ARROWS LTD.



UNITED ARROWS LTD.

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## Cautionary Statement

Earnings forecasts and descriptions other than objective facts contained in this document are based on decisions made by UNITED ARROWS LTD. in light of information obtainable as of the date of this report and, therefore, include risks and uncertainties. Actual earnings may differ materially from forecasts due to global economic trends, market conditions and other factors. Investors are asked to refrain from making investment decisions based solely on the information contained in this document.

**Note** : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Total business unit sales includes the sales of retail, online sales, wholesale, etc. Outlet, etc. sales includes the sales of outlet stores and special events.

Trend-conscious Market and Basic Trend-conscious Market includes the following store brands:

### Trend-conscious Market

UA, BY, DRAWER, and the others

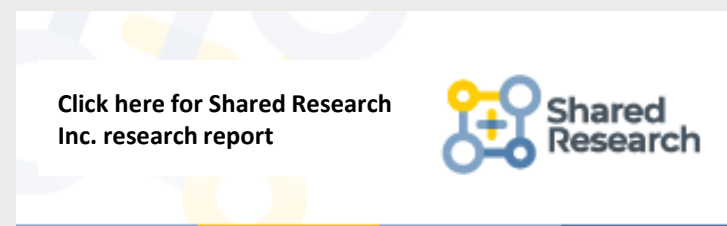
### Basic Trend-conscious Market

GLR, and CITEN

## Use of Abbreviations

Abbreviations may be used for the following businesses/store brands:

<b>UNITED ARROWS</b>	_____	UA
<b>BEAUTY&amp;YOUTH UNITED ARROWS</b>	_____	BY/BEAUTY&YOUTH
<b>UNITED ARROWS green label relaxing</b>	_____	GLR/green label relaxing



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**Overview of FY2026/3  
Business Results and  
FY2027/3 Business Plan**



## Financial Highlights

### **Consolidated: Revenue and All Profit Measures Exceeded Revised Forecasts; Sales and Profits Increased**

- Consolidated revenue exceeded the revised forecast.
- Gross profit (amount and margin) improved year on year.
- Despite an increase in SG&A expenses, operating profit and all profit measures below operating profit exceeded the revised forecasts.
- Note: Completed share transfer of COEN CO., LTD. On March 2, 2026.

### **Gross Profit Margin: Improved in Both Amount and Margin Year on Year, Driven by Strong 3Q Performance**

- Improvement was mainly attributable to strong non-Consolidated performance in the third quarter.
- Despite currency fluctuations, the consolidated gross profit margin reached its highest level since FY2015/3.

### **Non-Consolidated: Revenue and All Profit Measures Exceeded Plan; Sales and Profits Increased**

- Revenue exceeded plan, achieving double-digit year-on-year growth.
- While the gross profit margin remained flat year on year, disciplined control of SG&A expenses led to operating profit and all profit measures below operating profit exceeding both the prior year and the plan.

## Consolidated Sales

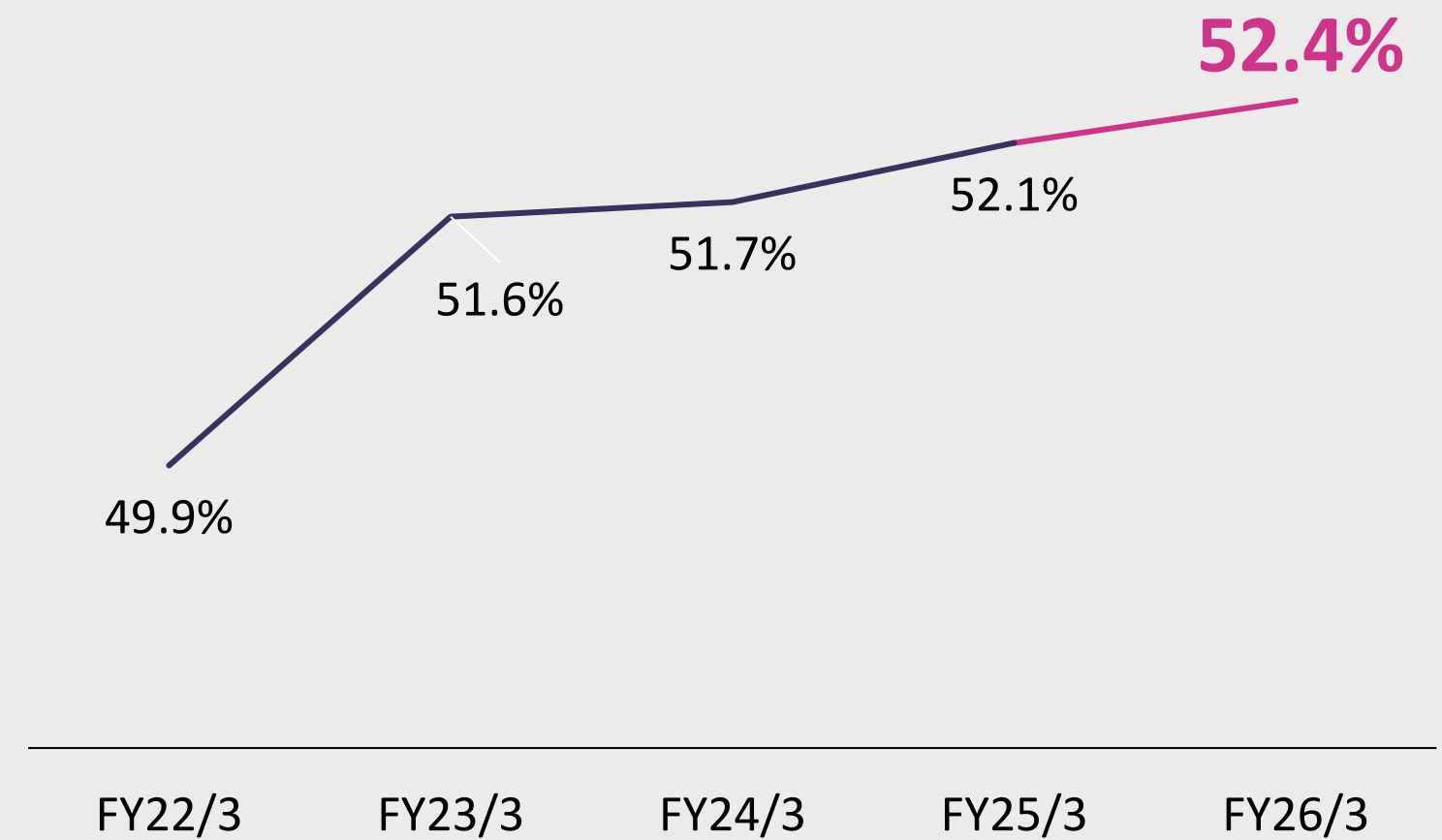
**¥164.4 billion** YoY **109.1%**

(Millions of yen)



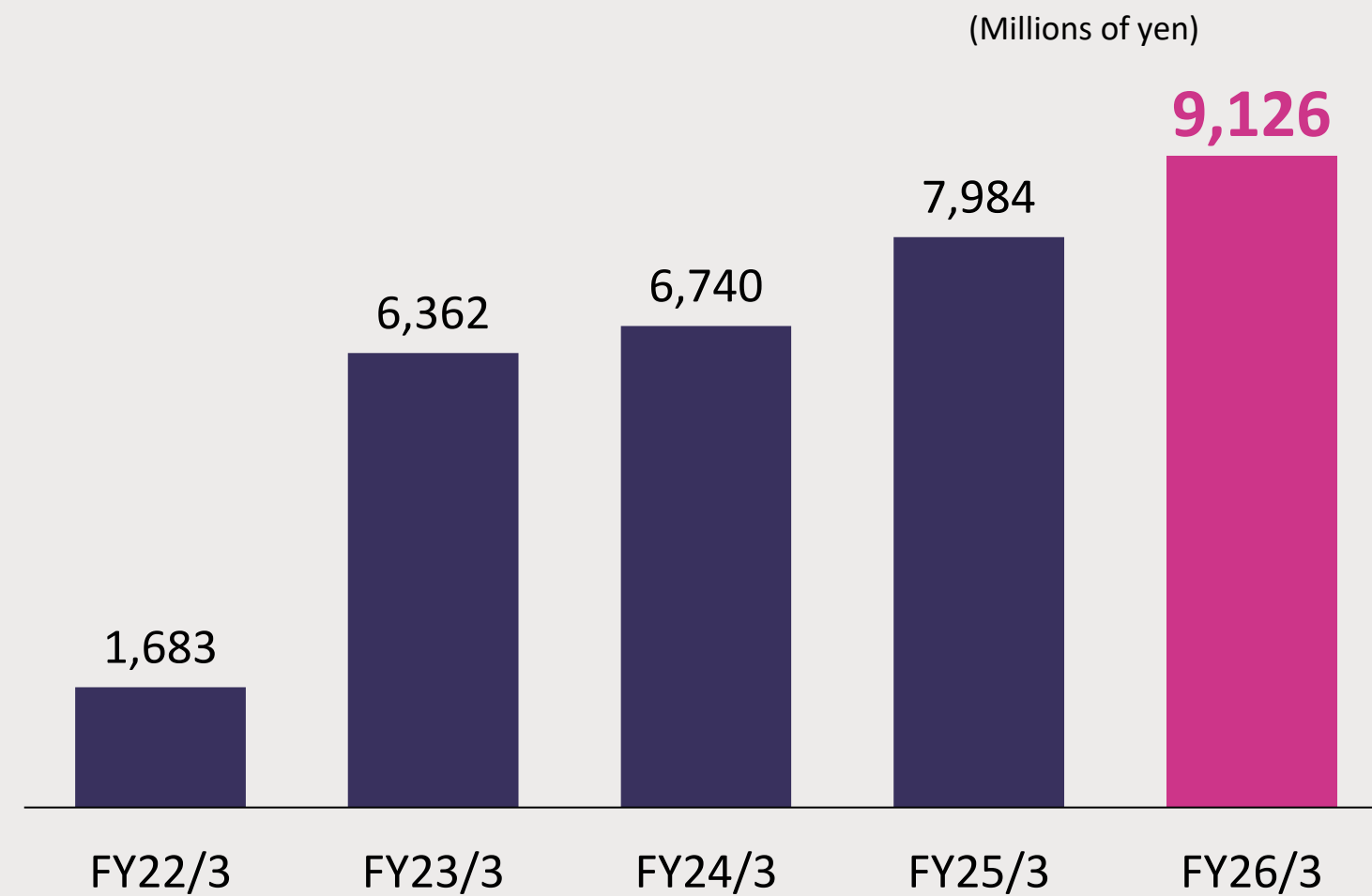
## Consolidated Gross Margin

**52.4%** YoY pt difference **0.3pt**



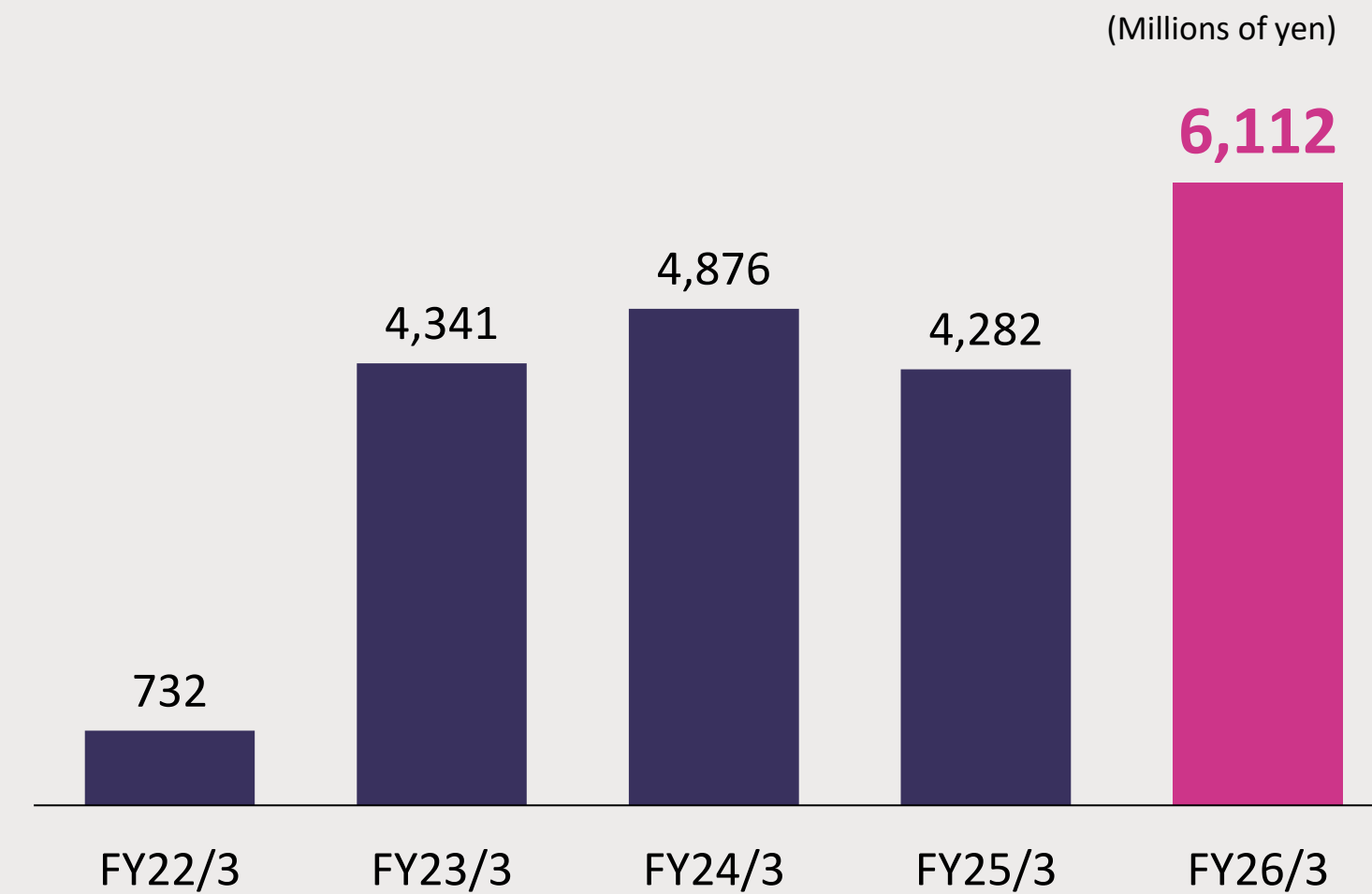
## Consolidated Operating Income

YoY  
**¥9.1 billion** 114.3%



## Net Income Attributable to Owners of Parent

YoY  
**¥6.1 billion** 142.7%



## Consolidated P/L

Revenue and gross margin increased YoY; strong expense control drove profits above revised forecasts.

(Millions of yen)

	FY25/3	FY26/3	Change/pt difference	YoY
Sales	150,910	164,603	13,693	109.1%
Gross profit	78,629	86,230	7,600	109.7%
vs. sales	52.1%	52.4%	0.3pt	—
SGA expenses	70,645	77,103	6,458	109.1%
vs. sales	46.8%	46.8%	0.0pt	—
Operating income	7,984	9,126	1,142	114.3%
vs. sales	5.3%	5.5%	0.3pt	—
Non op. P/L	555	187	(368)	33.7%
vs. sales	0.4%	0.1%	- 0.3pt	—
Ordinary income	8,539	9,313	774	109.1%
vs. sales	5.7%	5.7%	- 0.0pt	—
Extraordinary P/L	(1,456)	(1,974)	(517)	—
vs. sales	—	—	—	—
Net income attributable to owners of parent	4,282	6,112	1,830	142.7%
vs. sales	2.8%	3.7%	0.9pt	—

## Consolidated P/L (4Q)

Higher revenue and profits despite a lower gross margin, supported by SG&A control.

(Millions of yen)

	FY25/3 4Q	FY26/3 4Q	Change/pt difference	YoY
Sales	37,921	40,965	3,043	108.0%
Gross profit	18,722	20,159	1,436	107.7%
vs. sales	49.4%	49.2%	- 0.2pt	—
SGA expenses	18,773	19,796	1,022	105.4%
vs. sales	49.5%	48.3%	- 1.2pt	—
Operating income	(51)	362	413	—
vs. sales	-0.1%	0.9%	—	—
Non op. P/L	(181)	28	209	—
vs. sales	-0.5%	0.1%	—	—
Ordinary income	(232)	391	623	—
vs. sales	-0.6%	1.0%	—	—
Extraordinary P/L	(518)	(1,240)	(721)	—
vs. sales	—	—	—	—
Net income attributable to owners of parent	(781)	(583)	197	—
vs. sales	-2.1%	—	—	—

## Consolidated Gross Margin

Consolidated gross margin rose 0.3pt YoY; improvements in business units offset outlet weakness, while COEN and Taiwan delivered strong gains.

	FY26/3	YoY pt difference
Consolidated	52.4%	0.3pt
UNITED ARROWS LTD.	52.0%	0.0pt
Total business unit	-	0.3pt
Outlet, etc.	-	-0.7pt
COEN CO., LTD.	-	3.6pt
UNITED ARROWS TAIWAN LTD.	-	1.3pt

## Consolidated Gross Margin (4Q)

Despite improvements in business units, increased sales of prior-year inventory at outlets led to a year-on-year decline on both a consolidated and non-consolidated basis, while COEN and Taiwan showed solid improvements driven by strong full-price sales.

	FY26/3 4Q	YoY pt difference
Consolidated	49.2%	-0.2pt
UNITED ARROWS LTD.	48.6%	-0.3pt
Total business unit	-	0.2pt
Outlet, etc.	-	-1.6pt
COEN CO., LTD.	-	1.8pt
UNITED ARROWS TAIWAN LTD.	-	3.5pt

## Consolidated SGA Expenses

While SG&A expenses increased, the SG&A ratio remained flat YoY, reflecting higher marketing, personnel, rent, depreciation, and system-related costs, including a one-time special bonus in 4Q.

(Millions of yen)

	FY25/3	FY26/3	Change/pt difference	YoY
Total SGA expenses	70,645	77,103	6,458	109.1%
vs. sales	46.8%	46.8%	0.0pt	-
Advertising expenses	4,390	4,812	422	109.6%
vs. sales	2.9%	2.9%	0.0pt	-
Personnel expenses	23,719	25,399	1,679	107.1%
vs. sales	15.7%	15.4%	- 0.3pt	-
Rent	19,925	21,641	1,715	108.6%
vs. sales	13.2%	13.1%	- 0.1pt	-
Depreciation	1,322	1,721	399	130.2%
vs. sales	0.9%	1.1%	0.2pt	-
Other	21,287	23,528	2,241	110.5%
vs. sales	14.1%	14.3%	0.2pt	-

## Consolidated SGA Expenses (4Q)

SG&A ratio improved YoY, reflecting prior-year one-time costs for head office relocation and incentive bonuses, despite current-year incentive bonuses.

(Millions of yen)

	FY25/3 4Q	FY26/3 4Q	Change/pt difference	YoY
Total SGA expenses	18,773	19,796	1,022	105.4%
vs. sales	49.5%	48.3%	- 1.2pt	-
Advertising expenses	1,233	1,285	52	104.2%
vs. sales	3.3%	3.1%	- 0.1pt	-
Personnel expenses	6,254	6,832	578	109.2%
vs. sales	16.5%	16.7%	0.2pt	-
Rent	5,142	5,475	333	106.5%
vs. sales	13.6%	13.4%	- 0.2pt	-
Depreciation	390	473	83	121.4%
vs. sales	1.0%	1.2%	0.1pt	-
Other	5,752	5,728	(24)	99.6%
vs. sales	15.2%	14.0%	- 1.2pt	-

## Consolidated B/S

Inventory increases mainly reflected procurement for 2026 spring/summer items, excluding assets related to COEN following the divestment.

(Millions of yen)

	As of Mar. 31, 2025	As of Mar. 31, 2026	vs. previous term-end Change	
Total Assets	70,142	71,507	1,365	101.9%
Composition ratio	100.0%	100.0%		
Current Assets	44,816	44,292	(524)	98.8%
Composition ratio	63.9%	61.9%		
Noncurrent Assets	25,325	27,214	1,889	107.5%
Composition ratio	36.1%	38.1%		
Current Liabilities	27,767	25,028	(2,739)	90.1%
Composition ratio	39.6%	35.0%		
Noncurrent Liabilities	4,552	4,342	(210)	95.4%
Composition ratio	6.5%	6.1%		
Total Net Assets	37,821	42,135	4,314	111.4%
Composition ratio	53.9%	58.9%		
Reference: Balance of short- and long-term loans payable	1,028	1,900	872	184.8%
	As of Mar. 31, 2025	As of Mar. 31, 2026	vs. previous term-end Change	
Reference: Inventory	25,658	27,439	2,708	111.0%

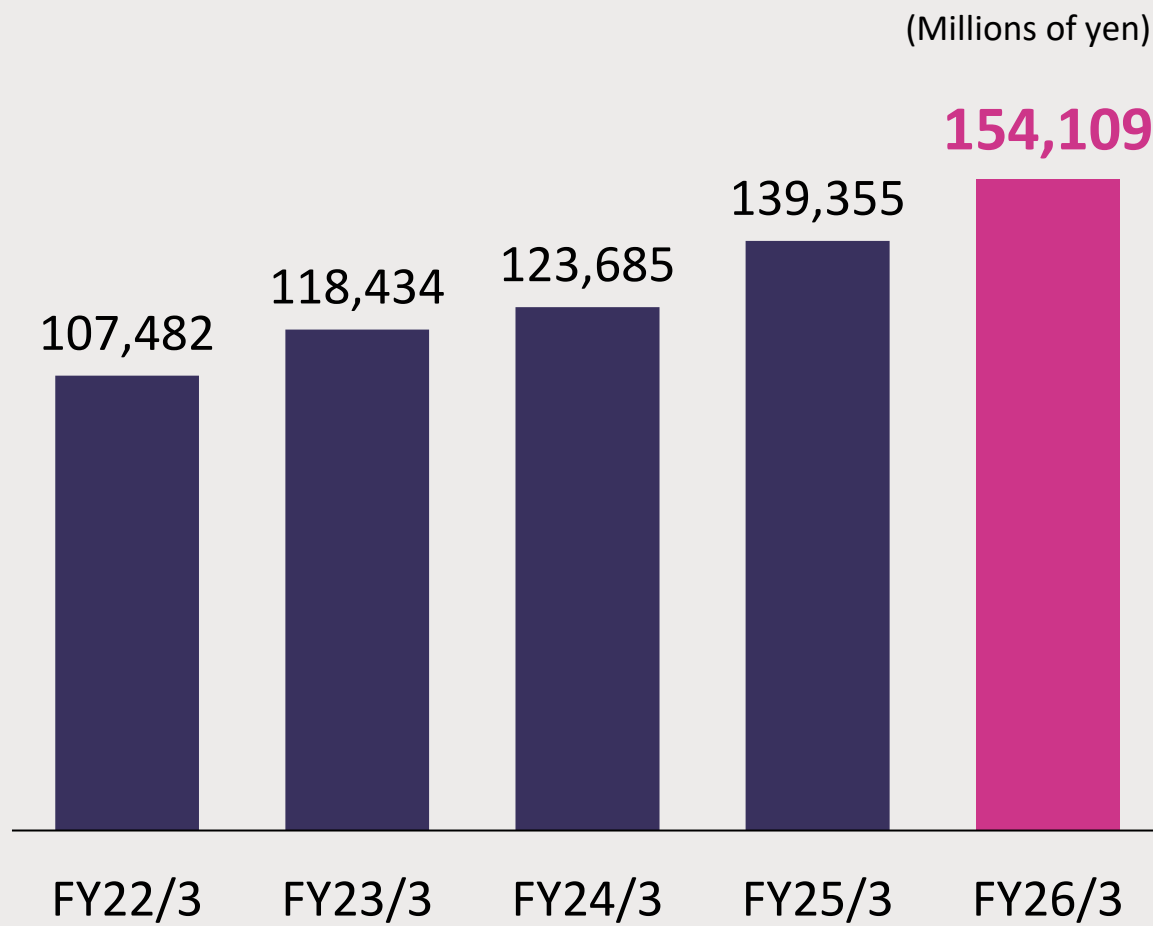
## Consolidated C/F

(Millions of yen)

	FY25/3	FY26/3	Major breakdown of the results for the term	
Cash flows from operating activities (sub-total)	8,074	9,481		
Cash flows from operating activities	7,097	5,551	Profit before income taxes	7,339
			Depreciation	1,829
			Increase in trade receivables	(1,342)
			Increase in inventories	(4,078)
Cash flows from investing activities	(6,240)	(9,626)	Purchases of property, plant and equipment	(5,538)
			Purchases of intangible assets	(634)
Cash flows from financing activities	(699)	842	Net increase in short-term borrowings	2,672
			Dividends paid	(1,829)
Cash and cash equivalents at the end of the period	6,655	3,445		

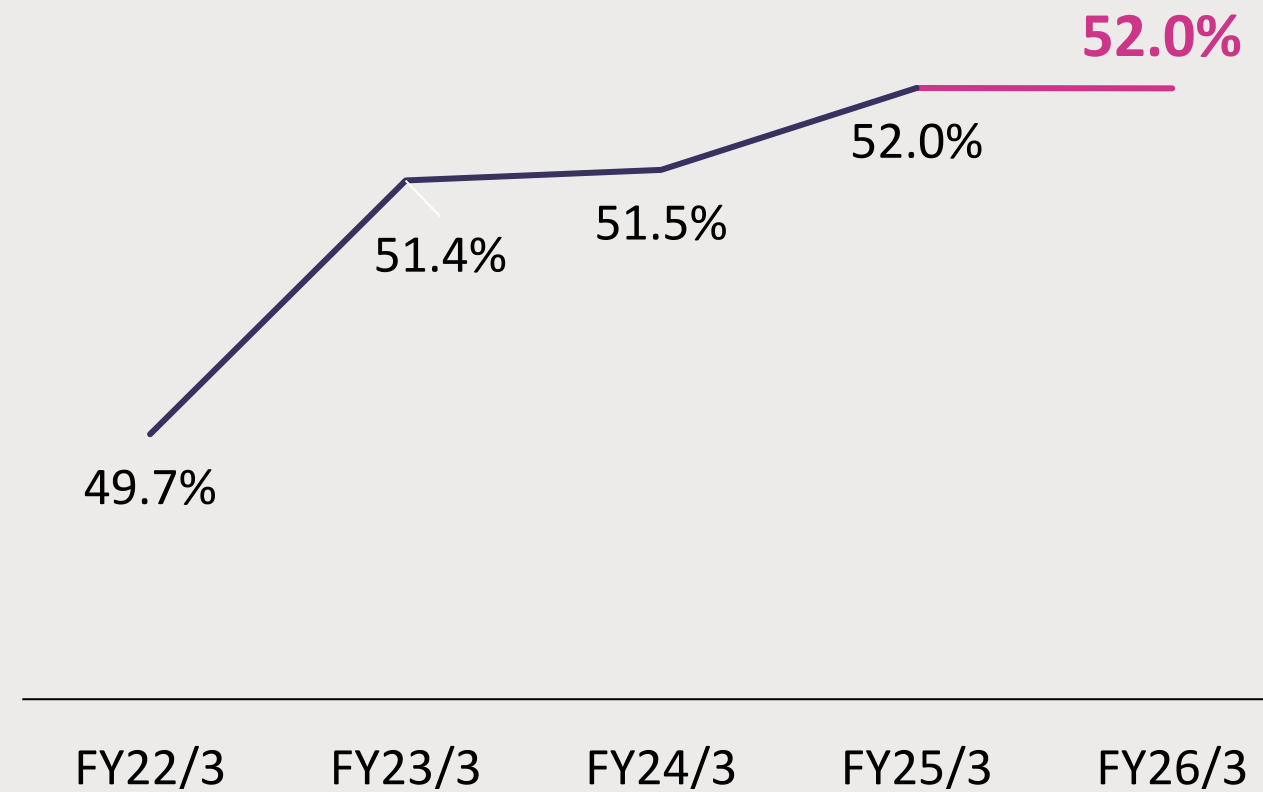
## Non-consolidated Sales

YoY  
**¥154.1** billion **110.6%**



## Non-consolidated Gross Margin

YoY pt difference  
**52.0%** **0.0pt**



## Non-consolidated Existing Stores YoY

Sales	<b>106.8%</b>
Number of purchasing customers	<b>103.9%</b>
Avg. spend per customer	<b>102.5%</b>

## Non-consolidated Sales by Channel

Non-consolidated sales grew double digits YoY, supported by strong retail performance and accelerated e-commerce growth driven by improved inventory allocation.

(Millions of yen)					Existing stores YoY			
	FY25/3	FY26/3	Change/pt difference	YoY		Sales	Number of customers	Avg. spend per customer
Non-consolidated sales	139,355	154,109	14,753	110.6%	Retail + Online	106.8%	103.9%	102.5%
Total business unit	118,098	129,746	11,647	109.9%	Retail	106.2%	102.0%	104.1%
vs. sales	83.3%	82.7%	- 0.6pt	-	Online	108.0%	106.9%	100.4%
Retail	78,555	87,051	8,496	110.8%				
vs. sales	55.4%	55.5%	0.1pt	-				
Online	37,307	40,564	3,256	108.7%				
vs. sales	26.3%	25.8%	- 0.5pt	-				
Others (Wholesale, etc.)	2,234	2,129	(105)	95.3%				
vs. sales	1.6%	1.4%	- 0.2pt	-				
Outlet, etc.	23,734	27,226	3,492	114.7%				
vs. sales	16.7%	17.3%	0.6pt	-				

## Non-consolidated Sales by Business

Both Trend-conscious and Basic Trend-conscious segment grew, led by particularly strong momentum in GLR and many store openings of CITEN.

(Millions of yen)

	FY25/3	FY26/3	Change	YoY
Total business unit sales	118,098	129,746	11,647	109.9%
Trend-conscious Market	77,211	83,970	6,758	108.8%
Basic Trend-conscious Market	40,886	45,775	4,889	112.0%

### Existing stores sales YoY

	Retail + Online	Retail	Online
Trend-conscious Market	106.0%	105.9%	106.3%
Basic Trend-conscious Market	108.3%	106.9%	110.8%

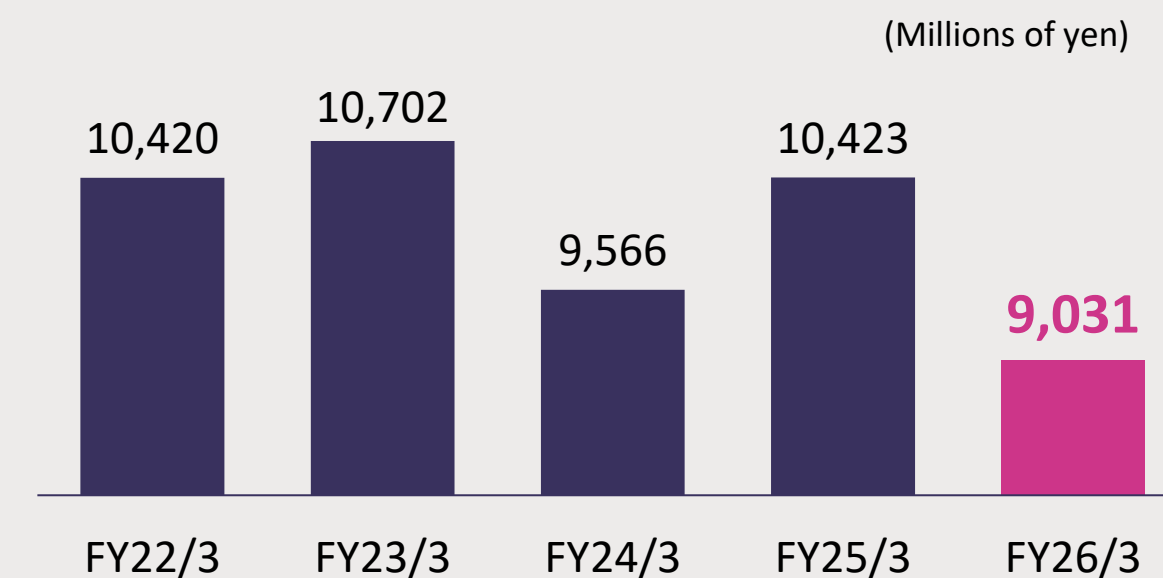
# Group Company Results

## COEN CO., LTD.

Feb. – Jan.

### Decline in Revenue and Profit

- Sales ¥9,031 million, 86.6% YoY
- Completed the transfer of all shares to Gyet Co., Ltd. on March 2, 2026.

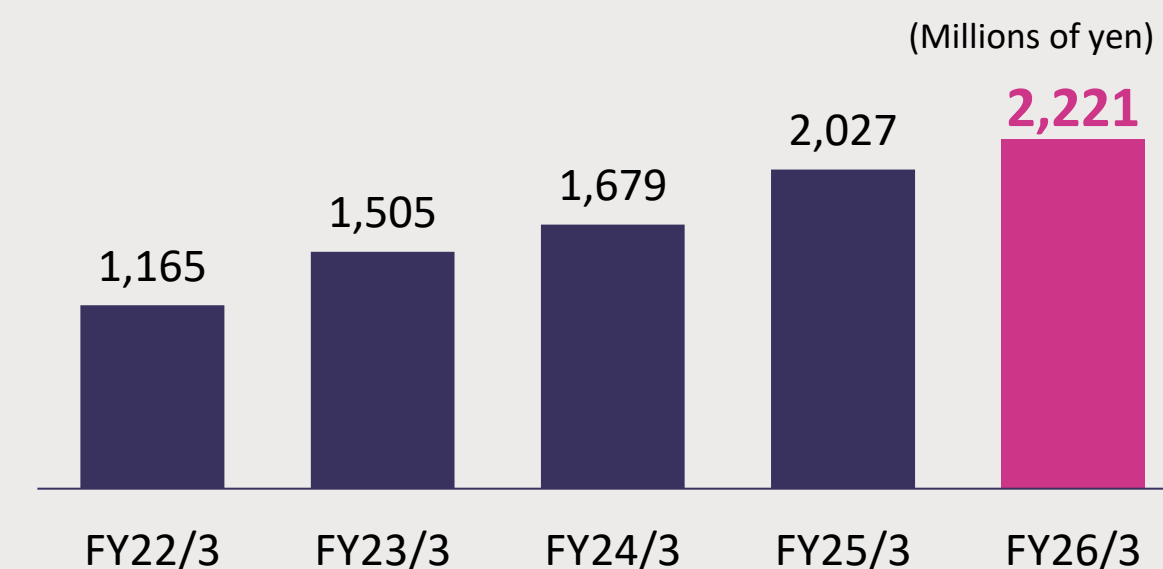


## UNITED ARROWS TAIWAN LTD.

Feb. – Jan.

### Increase in Revenue and Profit

- Sales ¥2,221 million, 109.6 % YoY
- Operating and ordinary income increased, supported by sales growth and improved gross margin despite higher SG&A expenses.



## UNITED ARROWS SHANGHAI LTD.

Jan. – Dec.

- While e-commerce sales fell short of expectations, brick-and-mortar stores delivered a stronger-than-planned start.
- The second store opened in the Shenzhen area in March 2026, followed by the third store in the Hangzhou area in April 2026

## Opening and Closing of Stores

Net store increase reflecting 35 openings and 10 closures, excluding COEN stores, resulting in 273 stores at year-end.

	FY25/3	Opened	Closed	FY26/3
Group Total	322	35	10	273
UNITED ARROWS LTD.	238	27	7	258
COEN CO., LTD.	74	3	3	-
UNITED ARROWS TAIWAN LTD.	10	4	0	14
UNITED ARROWS SHANGHAI LTD.	0	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.

## Consolidated Business Plan

Sales growth is expected to offset the COEN divestment impact, with stable full-year margins and higher profits driven by SG&A control.

(Millions of yen)

Sales	<b>¥166.1</b> billion (YoY 101.0%)
Gross margin	<b>52.4%</b> (pt difference 0.0pt)
Operating income	<b>¥10.0</b> billion (vs. sales 6.0%, YoY 109.6%)
Ordinary income	<b>¥10.0</b> billion (vs. sales 6.1%, YoY 108.3%)
Net income	<b>¥6.1</b> billion vs. sales 3.7%, YoY 101.0%)

	FY26/3 Results	FY27/3 Forecasts	Change/pt difference	YoY
Sales	164,603	<b>166,180</b>	1,576	101.0%
Gross profit	86,230	<b>87,057</b>	826	101.0%
vs. sales	52.4%	<b>52.4%</b>	0.0pt	—
SGA expenses	77,103	<b>77,057</b>	(46)	99.9%
vs. sales	46.8%	<b>46.4%</b>	- 0.5pt	—
Operating income	9,126	<b>10,000</b>	873	109.6%
vs. sales	5.5%	<b>6.0%</b>	0.5pt	—
Non op. P/L	187	<b>83</b>	(104)	44.4%
vs. sales	0.1%	<b>0.0%</b>	- 0.1pt	—
Ordinary income	9,313	<b>10,083</b>	769	108.3%
vs. sales	5.7%	<b>6.1%</b>	0.4pt	—
Extraordinary P/L	(1,974)	<b>(624)</b>	1,350	—
vs. sales	—	<b>—</b>	—	—
Net income attributable to owners of parent	6,112	<b>6,175</b>	62	101.0%
vs. sales	3.7%	<b>3.7%</b>	0.0pt	—

## Gross Margin Plan

- On a consolidated basis, full-year performance is expected to be in line with the prior year.
- On a non-consolidated basis, results are expected to be below the prior year in the first half due to the clearance of prior-year inventory, but to exceed the prior year on a full-year basis.
- Taiwan is expected to be negatively impacted by the clearance of prior-year inventory, while Shanghai is expected to face a negative impact associated with new FC store openings.

	FY27/3 1H	YoY	FY27/3 2H	YoY	FY27/3 Full Year	YoY
Consolidated	52.2%	- 0.5pt	52.5%	0.4pt	52.4%	0.0pt
UNITED ARROWS LTD.	51.8%	- 0.3pt	52.3%	0.4pt	52.1%	0.1pt
Total business unit	-	0.6pt	-	0.5pt	-	0.5pt
Outlet, etc.	-	- 3.5pt	-	0.3pt	-	- 1.4pt
UNITED ARROWS TAIWAN LTD.	-	- 0.3pt	-	- 1.9pt	-	- 1.2pt
UNITED ARROWS SHANGHAI LTD.	-	- 13.9pt	-	- 10.4pt	-	- 12.0pt

## Non-consolidated Sales Plan

- Non-consolidated total sales are expected to increase year on year by 107.8% in the first half, 104.6% in the second half, and 106.0% for the full year.
- Existing-store sales are expected to grow year on year in both retail and e-commerce channels.

(Millions of yen)

	FY27/3 1H	YoY	FY27/3 2H	YoY	FY27/3 Full year	YoY
Non-consolidated sales	73,672	107.8%	89,708	104.6%	163,380	106.0%
Retail + Online Existing Stores	-	107.7%	-	105.0%	-	106.2%
Retail Existing Stores	-	105.6%	-	103.4%	-	104.4%
Online Existing Stores	-	111.9%	-	108.3%	-	109.9%

\*Note: Existing-store plan figures exclude the impact of the revenue recognition standard and may appear higher than underlying performance.

## Store Opening and Closing Plan

	FY26/3	Opened	Closed	FY27/3 (Forecast)
Group Total	<b>273</b>	<b>18</b>	<b>1</b>	<b>290</b>
UNITED ARROWS LTD.	258	15	1	272
UNITED ARROWS TAIWAN LTD.	14	1	0	15
UNITED ARROWS SHANGHAI LTD.	1	2	0	3

## About Dividend and Share Repurchase

Dividend Policy: Increased Dividend in FY26/3 Based on  $\geq 40\%$  Payout Ratio; Further Increase Expected in FY27/3

Planned share repurchase of up to 1.0 million shares (¥2.0 billion) from May 12 to August 31, 2026.

### FY26/3

Dividend per share

**89.00 yen**

Interim 20.00yen, end of term 69.00yen  
(26yen YoY increase; 9yen above revised forecast)

Payout ratio

**40.2%**

### FY27/3 (forecast)

Dividend per share

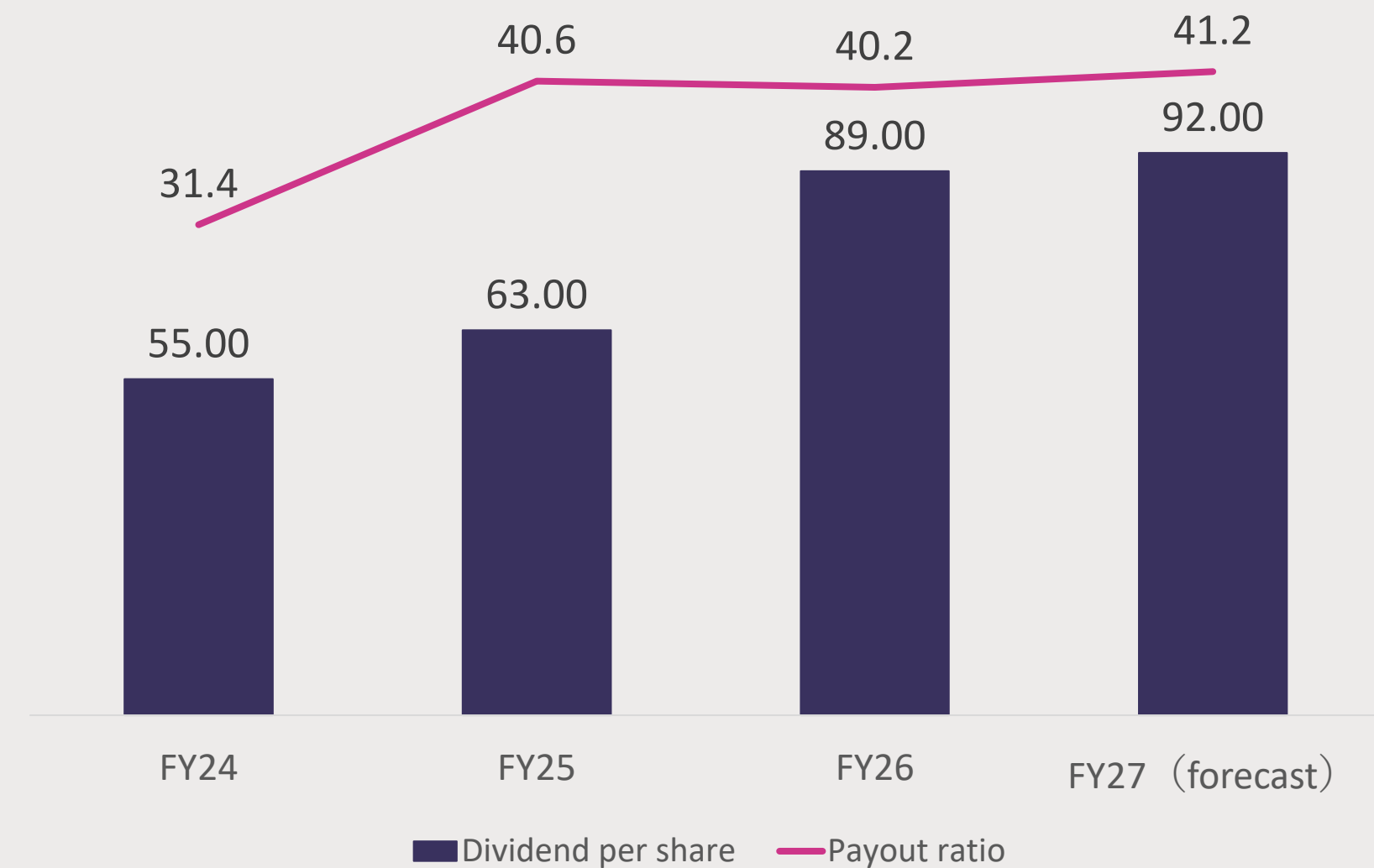
**92.00 yen**

Interim 32.00yen, end of term 60.00yen  
(3.00yen increase from the previous year)

Payout ratio

**41.2%**

Trends in Dividend per Share and Payout Ratio



2

## Progress in Sustainability Initiatives





Circularity



Carbon Neutrality



Carbon Neutrality

## CDP 2025: Achieved Leadership Level “A-” in Climate Change and Water Security

- The Company was recognized by CDP, a leading global environmental disclosure and scoring organization, for its initiatives and transparency in disclosure, and earned an “A-” rating at the Leadership level (second-highest of eight levels) in the Climate Change category for CDP 2025 for the first time.
- In the Water Security category, the Company achieved a Leadership-level “A-” rating for the second consecutive year.



## Renewable Energy Usage Expanded to 41.9% of Operating Locations

- In recent years, the greening of electricity at major commercial facilities has accelerated, and the Company has begun adopting renewable energy within the leased areas of its stores.
- In FY26/3, an additional 50 locations were transitioned to renewable energy, bringing the share of locations using renewable energy to 41.9% as of the end of March.
- This initiative is expected to contribute to a reduction in Scope 2 GHG emissions (figures currently under calculation).

3

**Review of Medium-Term  
Management Plan 2023-2025  
and  
Outline of Medium-Term  
Management Plan 2026-2028**







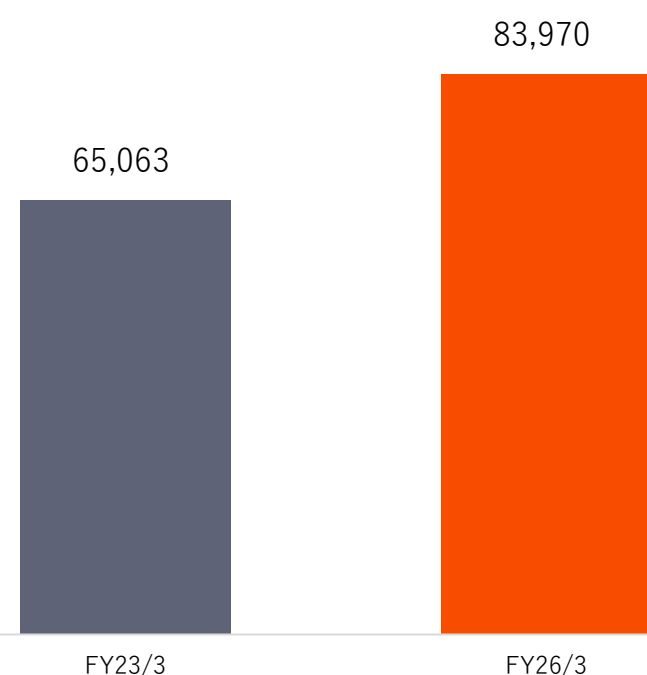
- We've had steady growth in existing businesses and continuous improvement in gross margin, demonstrating brand appeal
- Based on the last 3 years' performance, we've reconfirmed that the Company's strength is in the mid- to high-price market, so we are transferring low-end COEN CO., LTD. and will be focusing on our mid- to high-price businesses with strong growth potential

Highest sales growth compared to FY23/3

(Millions of yen)

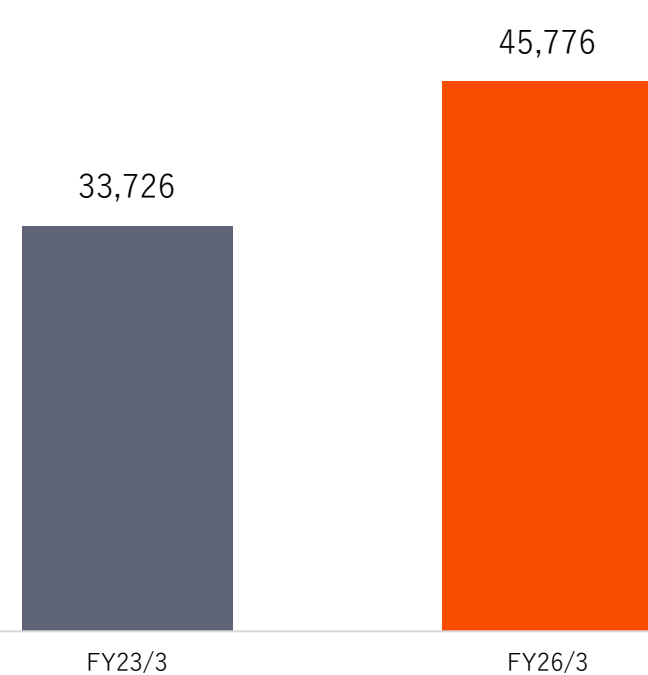
Trend-conscious market

**129.1%**  
CAGR **8.9%**



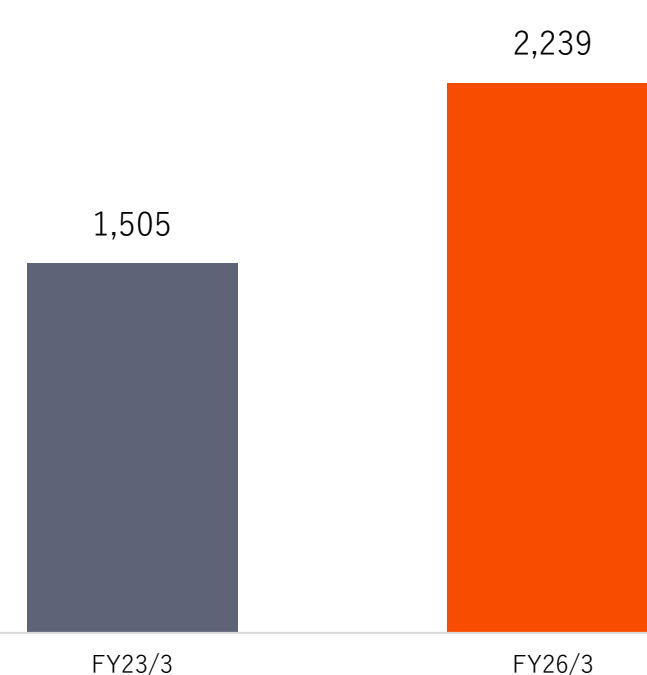
Basic trend-conscious market

**135.7%**  
CAGR **10.7%**



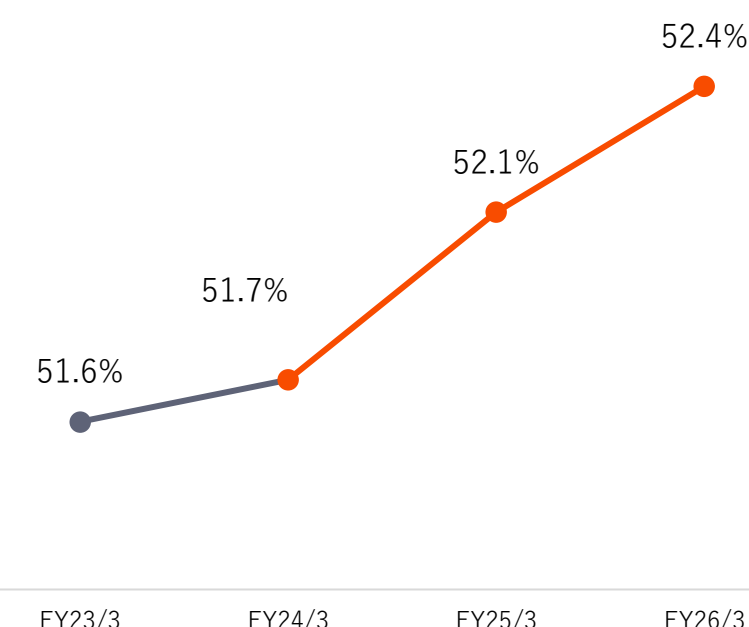
Taiwan

**148.7%**  
CAGR **14.1%**



Scope of improvement in consolidated gross margin

Up **0.8** pt vs. FY23/3





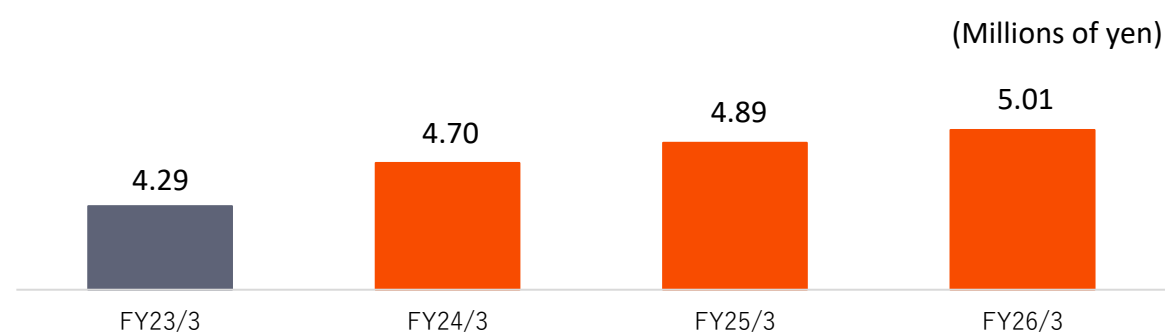
- Continued investment in human capital as well
- Improvement in engagement, decrease in resignation rate

### Expanded investment in human capital

- Implemented pay raises
- Pro-active hiring
- Improving productivity reduced personnel expenses by **1.0 pt** vs. FY23/3

### Employees' average annual income

Up **¥720,000** vs. FY23/3

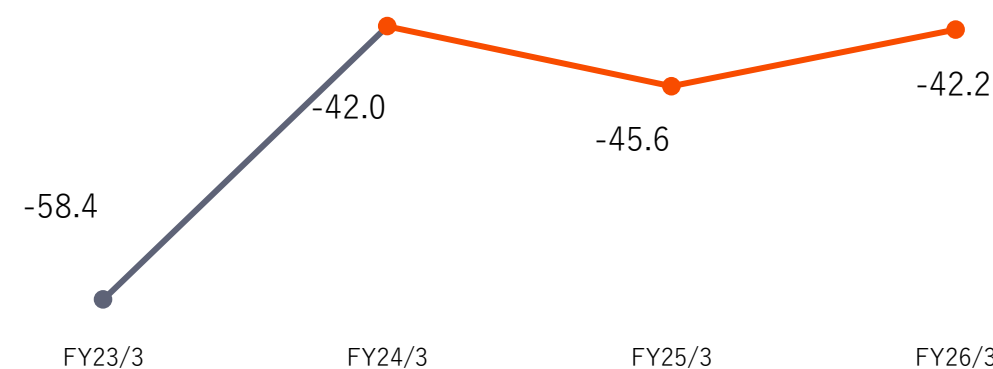


### Improved engagement

- Expanded educational opportunities
- Introduced departmental rotation for new employees
- Ramped up transfers across businesses
- Created opportunities for dialogue with management

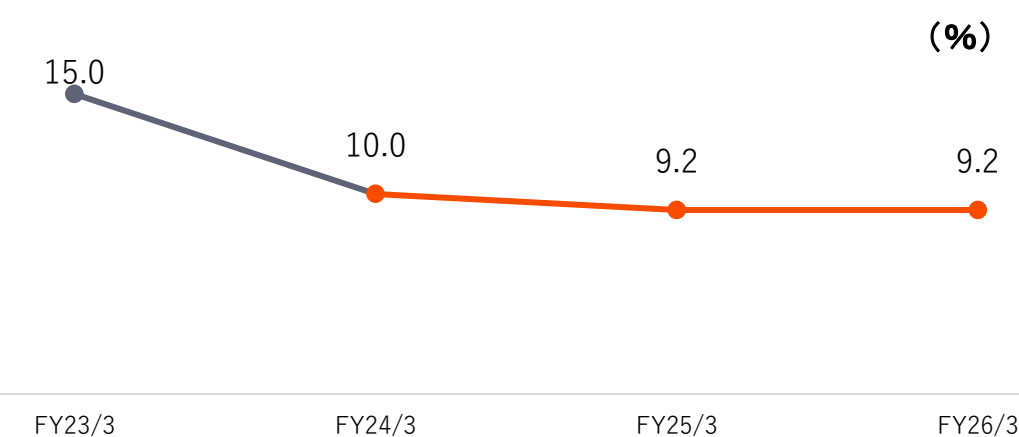
### Engagement scores

Up **16.2 pt** vs. FY23/3



### Resignation rate

Down **5.8 pt** vs. FY23/3



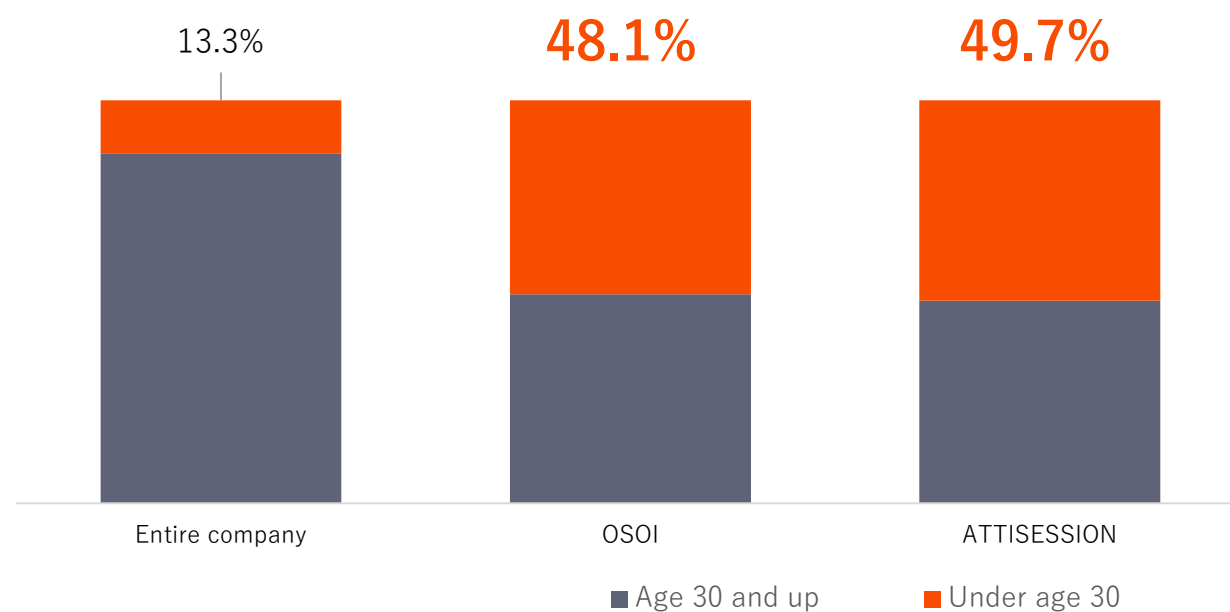


- With a view to the Medium-Term Management Plan, developed 4 new brands
- Gained some traction on the issue of capturing the younger demographic

### Started new brands

- We started four new brands
- We are now capturing customers in their 20s with new businesses

Proportion of members in 20s and under



#### ATTISESSION



2 stores

¥ **380** million

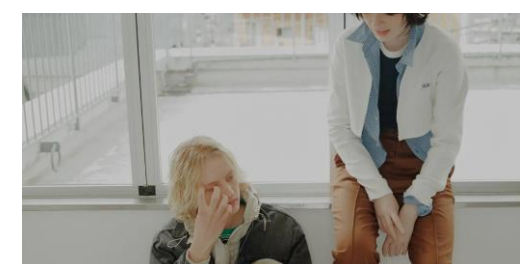
#### conte



3 stores

¥ **1,460** million

#### NICE WEATHER



4 stores

¥ **180** million

#### OSOI



2 stores

¥ **330** million



- Conducted new brand development and strengthened overseas expansion, with a view to the Medium-Term Management Plan
- Implemented M&A and began efforts aimed at generating group synergy

### Strengthened overseas expansion

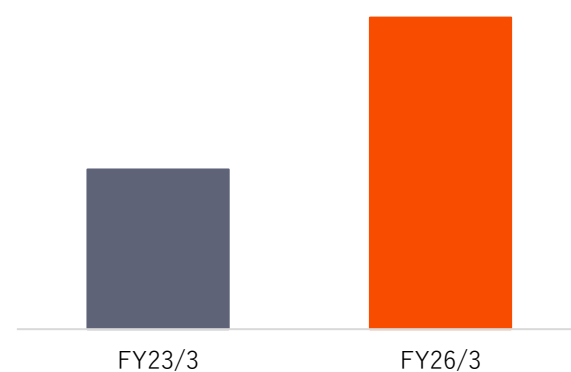
- FY26/3 overseas sales: Approx. **¥3 billion**
- No. of overseas stores (as of Apr. 2026)
  - Taiwan: 15 stores
  - PRC: 3 stores
  - Thailand: 2 stores
  - Singapore: 1 store

- Global e-commerce site opened Sept. 2025



### Overseas sales vs. FY23/3

approx. **180%**  
CAGR approx. **20%**



### Implemented M&A

- Acquired BOOT BLACK JAPAN, TELMA
- Created synergy with BOOT BLACK JAPAN
  - Strengthened shoeshine events at physical stores
  - Marketed original shoe care products
  - Provided service tickets to buyers of expensive shoes
  - Taught salespeople shoeshine techniques



Streamed a video on YouTube where staff from BOOT BLACK JAPAN and UA collaborate to explain shoe care

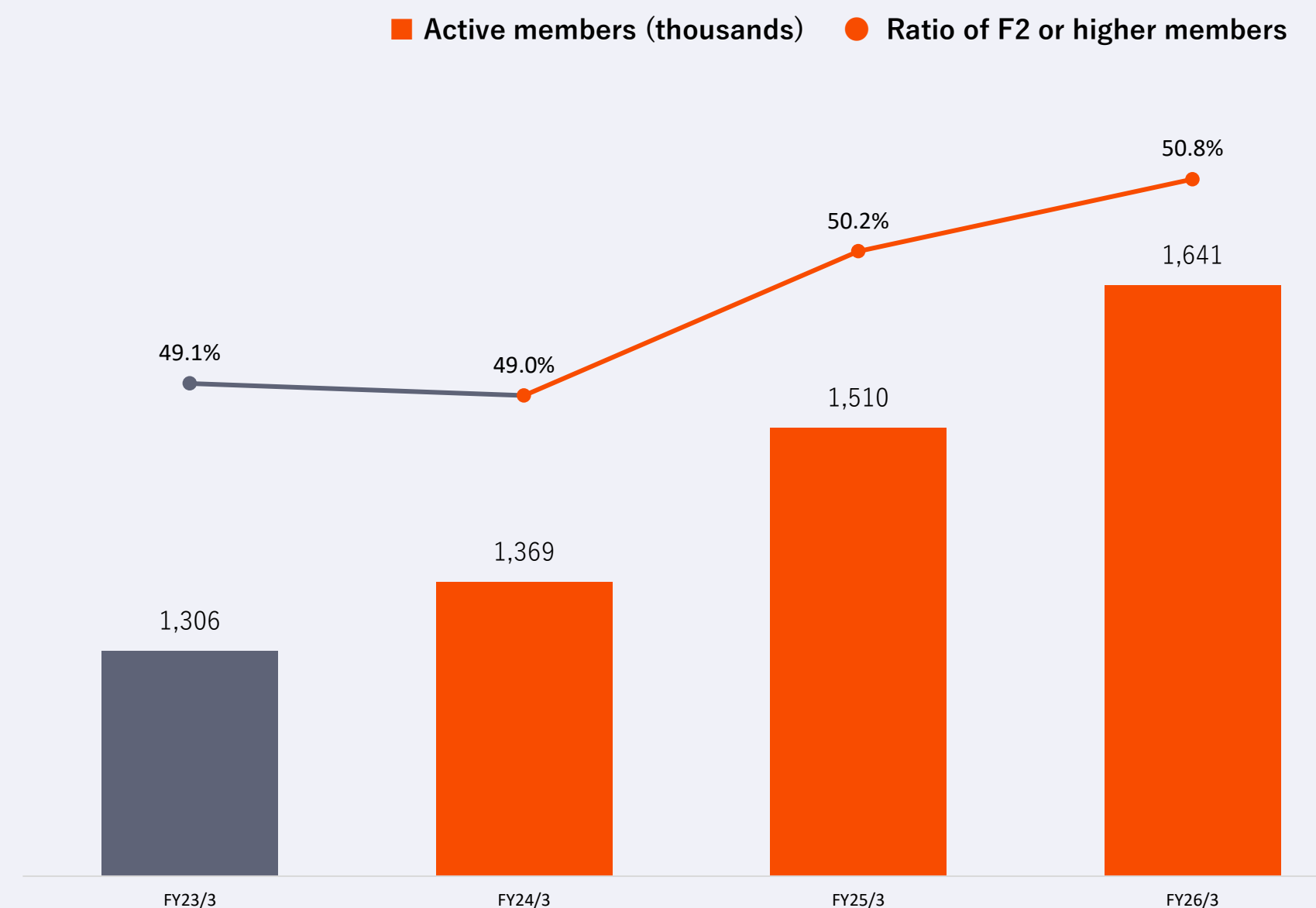


- The number of active members reached 1.641 million, increasing 330,000 from the end of the previous medium-term plan
- Both the member retention ratio and the ratio of F2 or higher members increased, as members are becoming increasingly attached

UA Club member data (As of FY26/3)

<p><b>No. of active members</b></p> <p><b>1.641</b> million</p> <p>125.6% vs. FY23/3</p> <p>Members who made purchases within 1 year</p>	<p><b>Sales to UA Club members</b></p> <p><b>¥84.4</b> billion</p> <p>143.7% vs. FY23/3</p>	<p><b>Ratio of member sales to total</b></p> <p><b>54.8</b> %</p> <p>Up 5.2pt vs. FY23/3</p>
<p><b>Member retention ratio</b></p> <p><b>58.2</b> %</p> <p>Up 4.6pt vs. FY23/3</p> <p>Ratio of members who made purchases 2 consecutive years</p>	<p><b>Ratio of F2 or higher members</b></p> <p><b>50.8</b> %</p> <p>Up 1.7pt vs. FY23/3</p> <p>Ratio of members who made two or more purchases in the year</p>	<p><b>No. of cross-users</b></p> <p><b>245</b> thousand</p> <p>148.9% vs. FY23/3</p> <p>Members who also use physical stores and the Company's e-commerce sites</p>

No. of active members and ratio of F2 or higher members





- The number of excellent customers and the ratio of member sales to the total increased, as our customer base is growing stronger

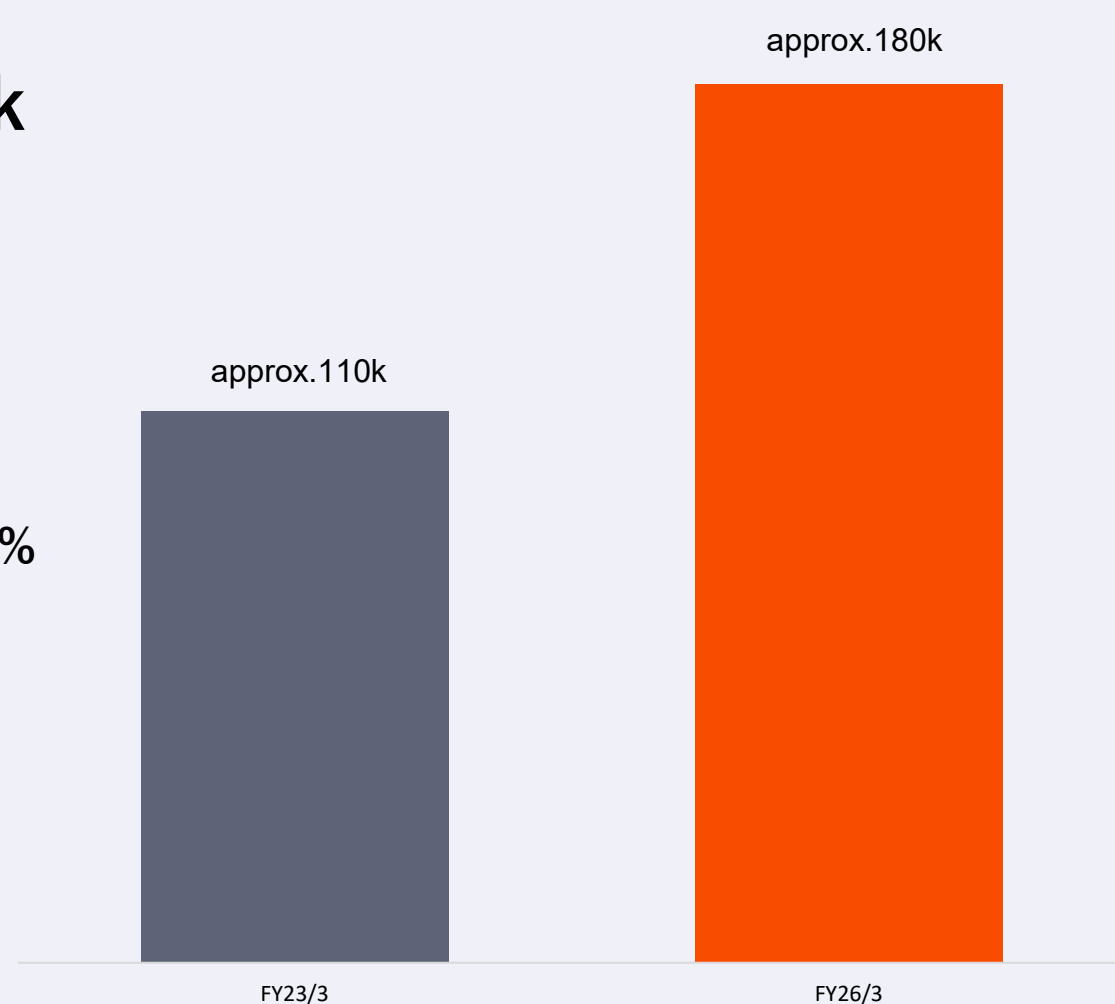
UA Club members making large-sum purchases  
(Customers making purchases of ¥100,000 or more per year)

No. of members

approx. **180**k

Vs. FY23/3

approx. **160**%

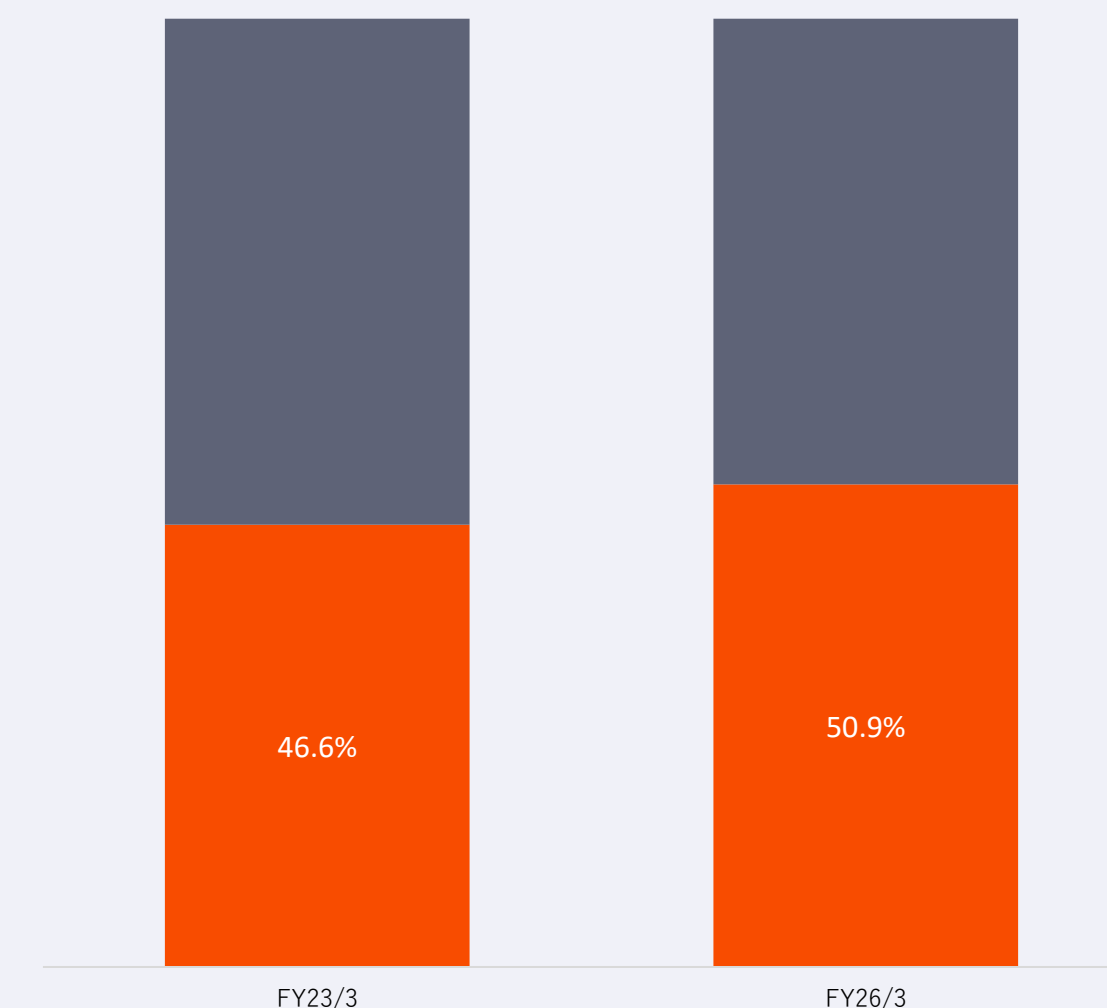


Share of sales

**50.9** %

Vs. FY23/3

Up **4.3** pt

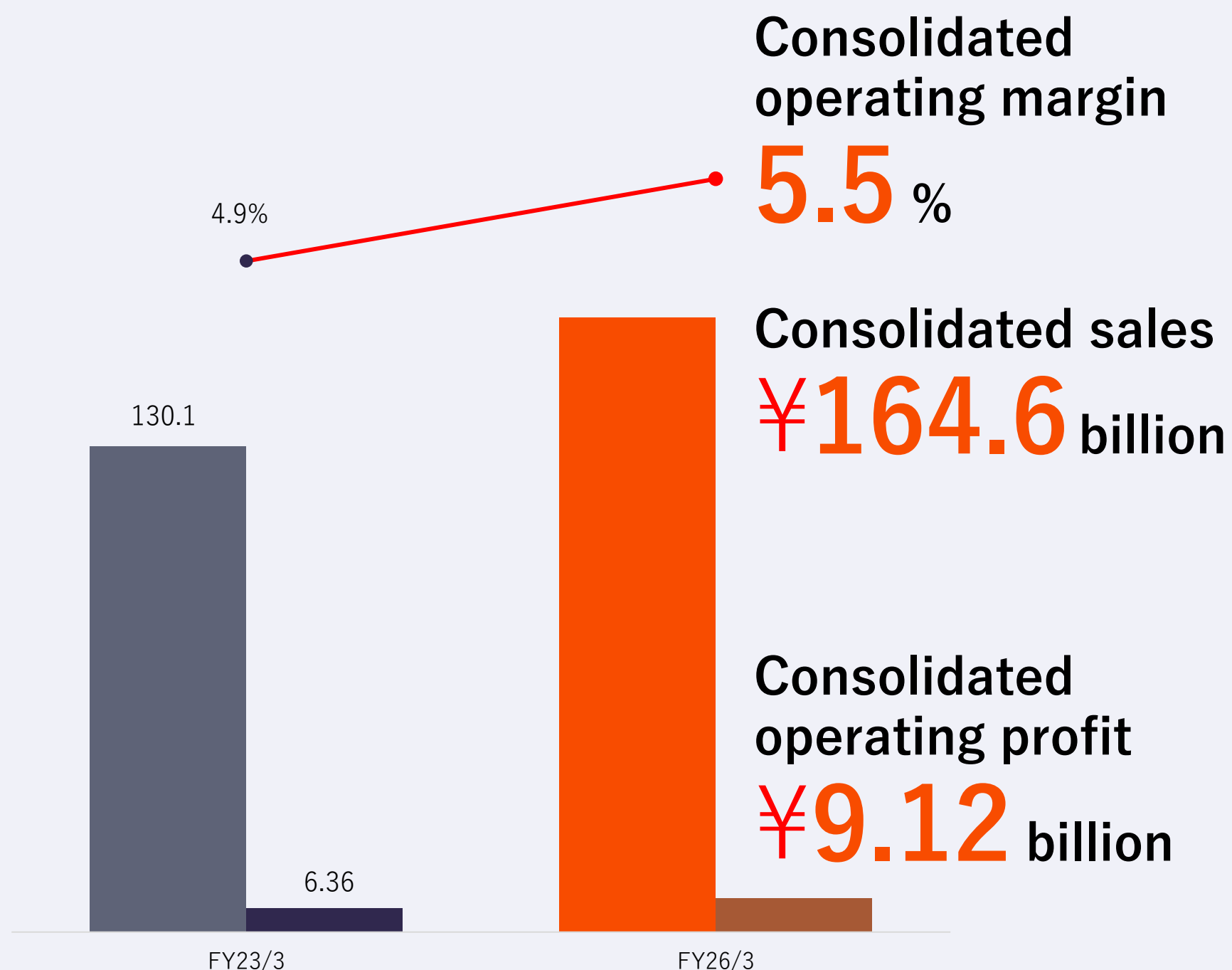




- Investments made in infrastructure geared toward sales growth and improving profitability
- The Medium-Term Management Plan 2026-2028 will bring about phased quantitative effects

	The core product management system (UA3.0)	Distribution
Investment target	<ul style="list-style-type: none"> <li>• Aggregated management of production information</li> <li>• Decreased cost ratio</li> <li>• Improved precision of inventory allocation</li> </ul>	<ul style="list-style-type: none"> <li>• Additional deployment of logistics robots</li> <li>• Enhancement of efficient storage infrastructure</li> <li>• Labor-saving operations</li> </ul>
Anticipated effects	<p><b>Improved gross profit margin</b>  <b>Decreased ratio of distribution costs to sales</b></p>	<p><b>Increased storage capacity</b>  <b>Increased no. of items shipped</b>  <b>Decreased shipping cost</b></p>

# As a result of our efforts, we reached our target figures for sales, operating profit, and ROE



(Millions of yen)

	FY23/3	FY26/3	Vs. FY23/3
Consolidated sales	130,135	164,603	126.5 %
Consolidated operating profit	6,362	9,126	143.4 %
Consolidated operating margin	4.9 %	5.5 %	+0.6 pt
ROE	13.6 %	15.3 %	+1.7 pt

# Internal/External Environment for the New Medium-Term Management Plan

Sources of strength



Asset

**High brand value**

Major indices compared to Medium-Term Management Plan (vs. FY23/3)

- Sales per customer: App. 108%
- No. of purchasing customers: App. 118%

**Highly sensitive customer base of 1.64 million people**

No. of UA Club active members: 1.64 million

- Member retention ratio: 58.2%
- Ratio of F2 or higher members: 50.8%
- Improved share of excellent customers

# Expected growth potential of the **mid- to high-price market** amid increasing inflation

Increase in selective consumption that seeks a balance between price and value

## Well-balanced consumption\*

As inflation continues, people increasingly tend to pro-actively spend on areas that help them feel fulfilled, such as hobbies and entertainment.

\*Source: METI Journal – Finance June 2025 issue



## Trend-conscious market

A growing group of buyers are willing to accept unit price increases

## Basic trend-conscious market

A growing group of customers emphasize a balance between price and value and seek better quality items

### Indices by market vs. FY23/3

	Sales	No. of purchasing customers	Sales per customer
Trend-conscious market	<b>129.1 %</b>	<b>109.1 %</b>	<b>116.9 %</b>
Basic trend-conscious market	<b>135.7 %</b>	<b>136.2 %</b>	<b>100.5 %</b>
GLR only	<b>129.5 %</b>	<b>119.3 %</b>	<b>108.5 %</b>

\*Sales are business unit results, whereas no. of purchasing customers and sales per customer are retail results.

## We have verified the potential of the **mid- to high-price market** in mainland China

### Capturing highly sensitive customers through opening flagship store in Shanghai

- With our sights set on the still-growing mid- to high-price market in Asia, we opened a flagship store in Shanghai
- Sales have exceeded our plan in the first year

### Achieving high sales per customer results

- Sales per customer results surpass ¥50,000
- Same level as UA Roppongi store and other high-priced stores in the trend-conscious market

### High expectations for private label products

- The high quality of private label products, such as the material and sewing quality, etc., is highly regarded

Example of hot-selling products at the Shanghai store: High-priced private label products do well



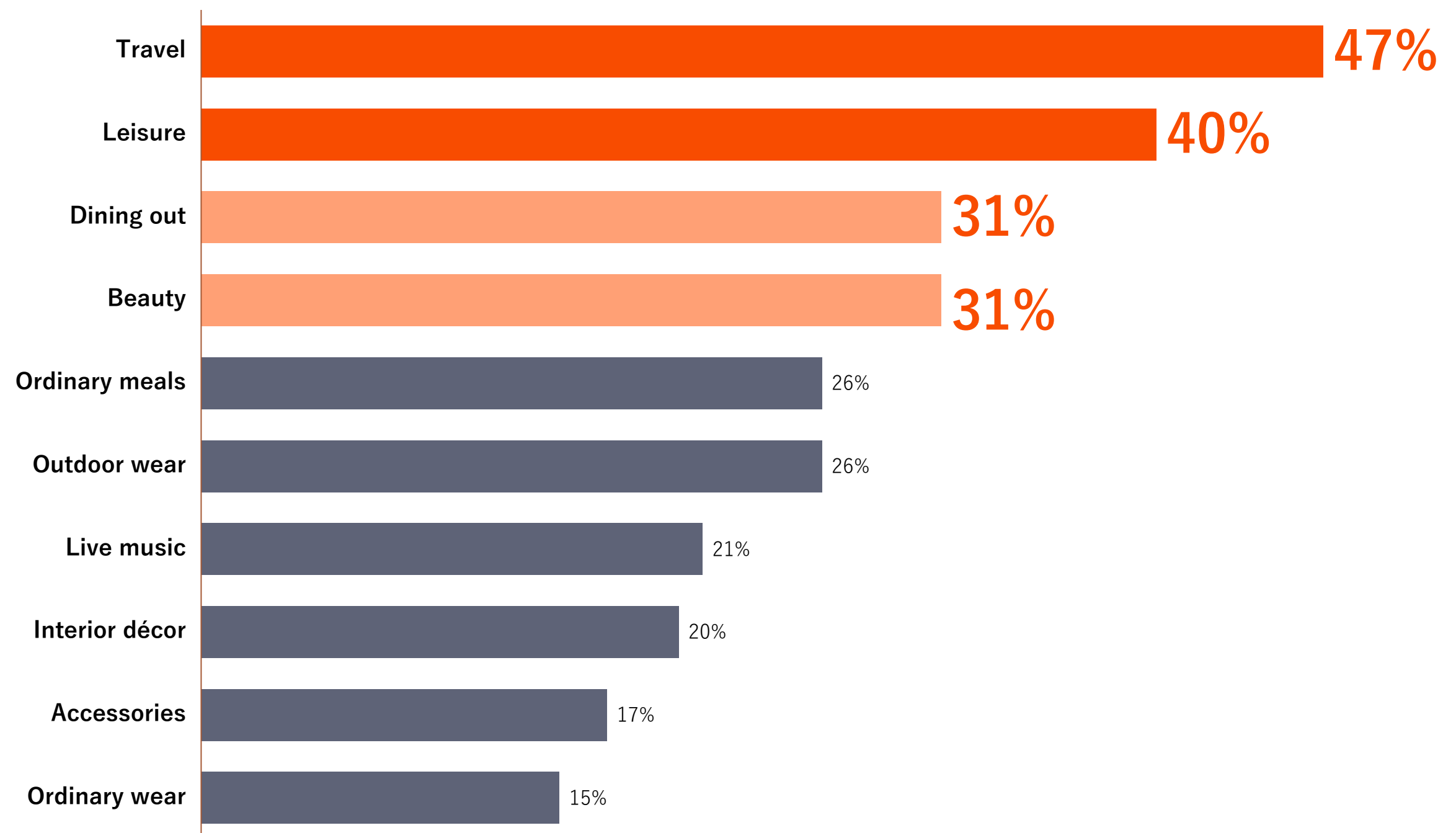
Local price App. ¥100,000

Local price App. ¥ 200,000

# The Company's customer base of people in their 30s-40s are highly motivated to spend on things like **travel, leisure, and dining out**

We may be able to offer new choices to this customer base, currently 1.64 million people strong

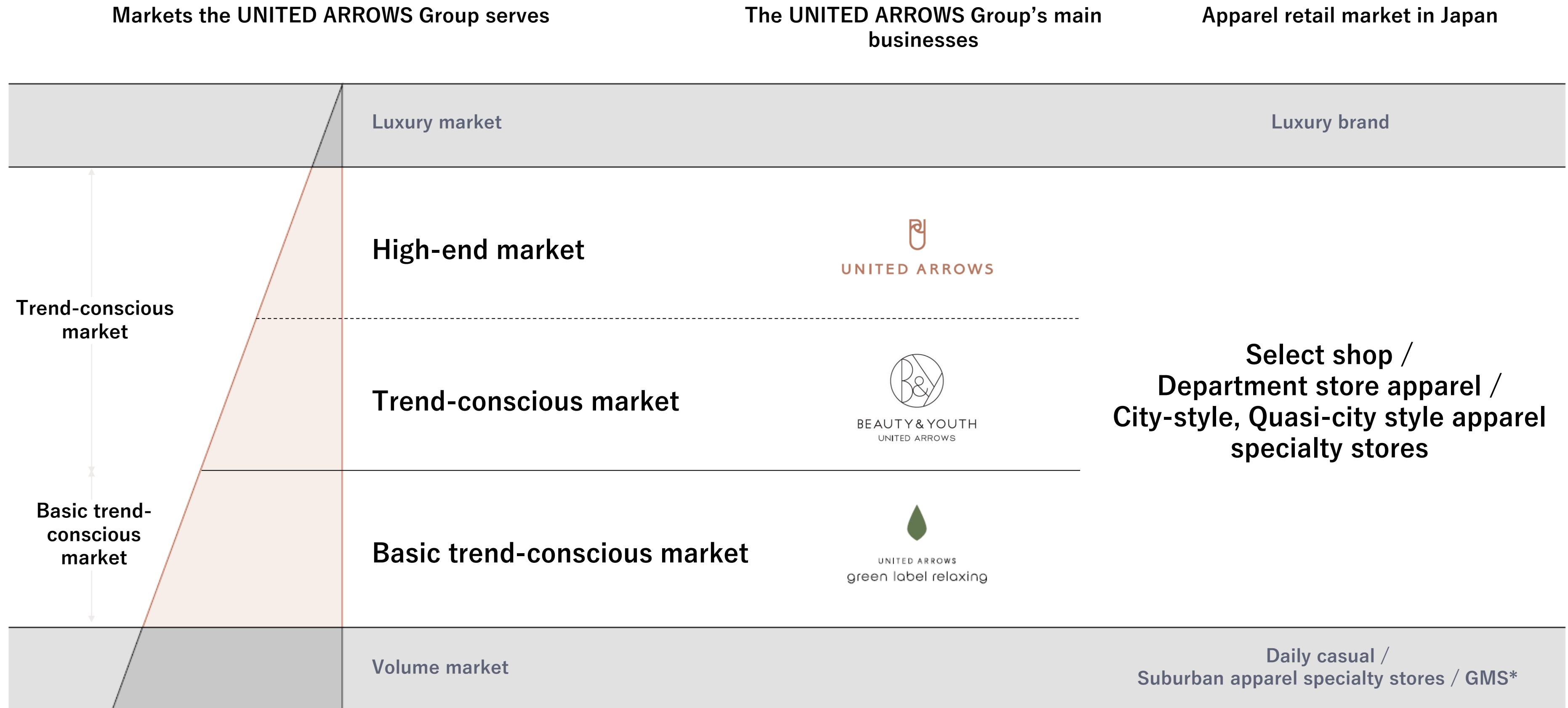
Areas where people in their 30s-40s want to spend their money in the future



Note: Hakuodo Institute of Life & Living, "Chronological Lifestyle Survey on the Japanese People 2024" (n = 2,510/Age: 20-69,, excerpt from lifestyle & apparel area).

In the Medium-Term Management Plan 2026-2028,  
we'll specialize in the **mid- to high-price market**,  
where we can leverage the Company's assets

In the domestic apparel, overseas apparel, and non-apparel  
businesses, we'll pursue a  
**high-sensitivity, high value-added strategy**



\*GMS : General Merchandise Store

# Outline of Medium-Term Management Plan 2026-2028

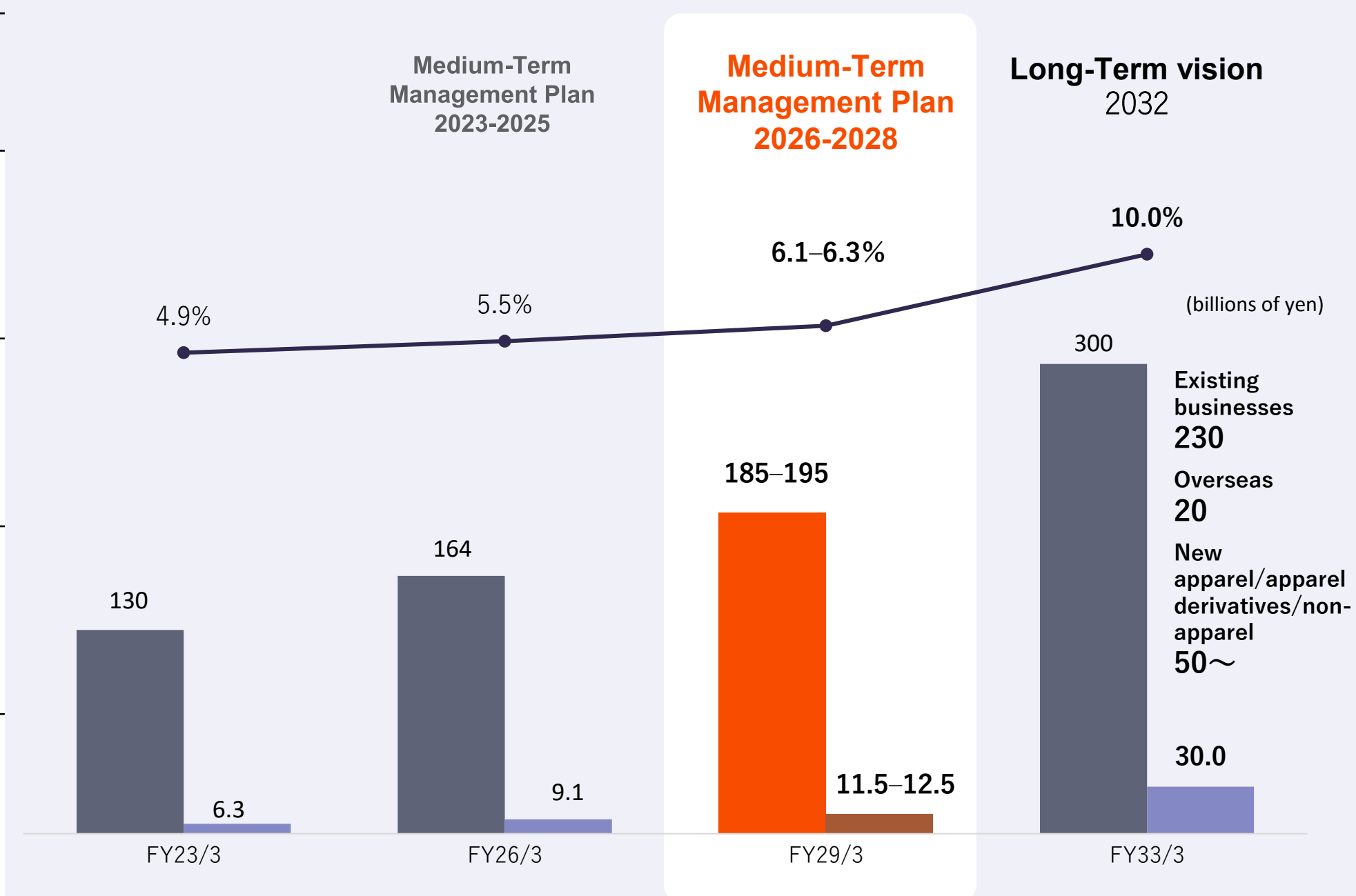
<p>Medium-term strategy</p>	<p><b>Become a high-sensitivity, high value-added Group with global scope and Japanese pride</b></p>		
<p>Goal</p>	<p><b>I Become the #1 brand for highly sensitive customers' satisfaction</b></p>	<p><b>II Spread highly sensitive customers around the world</b></p>	<p><b>III Create new contact points with highly sensitive customers</b></p>
<p>Priority efforts</p>	<p>Further expand share, and improve operating profit and margin</p>	<p>Expand overseas sales, number of stores, and number of customers</p>	<p>Improve LTV</p>
<p>Priority efforts</p>	<p><b>1. Sales growth</b></p> <ul style="list-style-type: none"> <li>• Increase in average spending per customer</li> <li>• Expansion of customer touchpoints through store openings and renovations</li> </ul> <p><b>2. Improve gross profit margin</b></p> <ul style="list-style-type: none"> <li>• Use UA3.0 effectively</li> </ul>	<p><b>1. Intensify rollouts into mainland China and Taiwan</b></p> <p><b>2. Expand wholesale into other areas</b></p>	<p><b>1. Rollouts into high-sensitivity category</b></p> <p><b>2. M&amp;A or business development</b></p>
<p>Priority efforts</p>	<p><b>Invest in human capital</b></p> <p>Improve engagement</p> <p>Cultivate and secure outstanding salespeople</p>		<p><b>OMO Strategy</b></p>

# Targets of Long-Term Vision 2032 and Medium-Term Management Plan 2026-2028

In light of the current business environment and future M&A possibilities, we are revising the long-term target for sales upward to **¥300** billion.

As a milestone for the long term, in the new medium-term management plan, we will aim for sales of **¥185–195** billion.

	Long-term vision 2032		Medium-Term Management Plan 2026-2028
	23/5 Initial plan	26/5 Revision	
Consolidated sales	¥250 billion	¥300 billion	¥185–195 billion
Consolidated operating profit	¥25 billion	¥30 billion	¥11.5–12.5 billion
Consolidated operating margin	10.0 %	10.0 %	6.1–6.3 %
ROE	—	—	14.3–15.7 %



4

## Reference Materials



## UNITED ARROWS LTD. FY2026/3 Store Opening and Closing

	FY25/3	Opened	Closed	FY26/3
UNITED ARROWS LTD. Total	<b>238</b>	<b>27</b>	<b>7</b>	<b>258</b>
Trend-conscious Market Total	<b>112</b>	<b>17</b>	<b>4</b>	<b>125</b>
UNITED ARROWS General Merchandise Store	16	1	0	17
UNITED ARROWS	24	0	0	24
BEAUTY&YOUTH	38	1	0	39
Other	34	15	4	45
Basic Trend-conscious Market Total	<b>99</b>	<b>9</b>	<b>3</b>	<b>105</b>
Green label relaxing	89	4	2	91
Other	10	5	1	14
Outlet	<b>27</b>	<b>1</b>	<b>0</b>	<b>28</b>