

For the 1H of Fiscal Year Ending March 31, 2026

# Financial Results Briefing

2025.11.07 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, Odette e Odile, STEVEN ALAN, ROKU, BLAMINK, H BEAUTY&YOUTH, ASTRAET, California General Store, conte, ATTISESSION, EDIT UNITED ARROWS, NICE WEATHER, TABAYA UNITED ARROWS, UNITED ARROWS&SONS, and OSOI

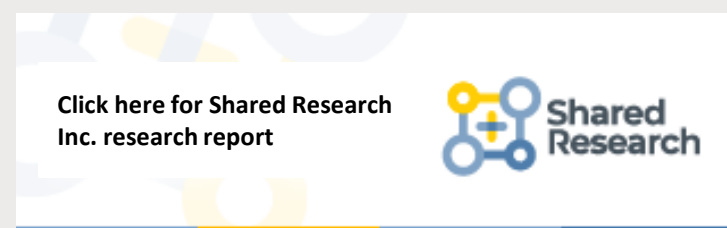
### Basic Trend-conscious Market

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 1H Business Results



## Financial Highlights

### **Consolidated: All profit metrics below operating profit progressed ahead of plan.**

Sales and gross profit exceeded the previous year, but operating income declined due to higher SG&A expenses. However, as some planned costs were not incurred, operating income and profits below operating level surpassed the forecast.

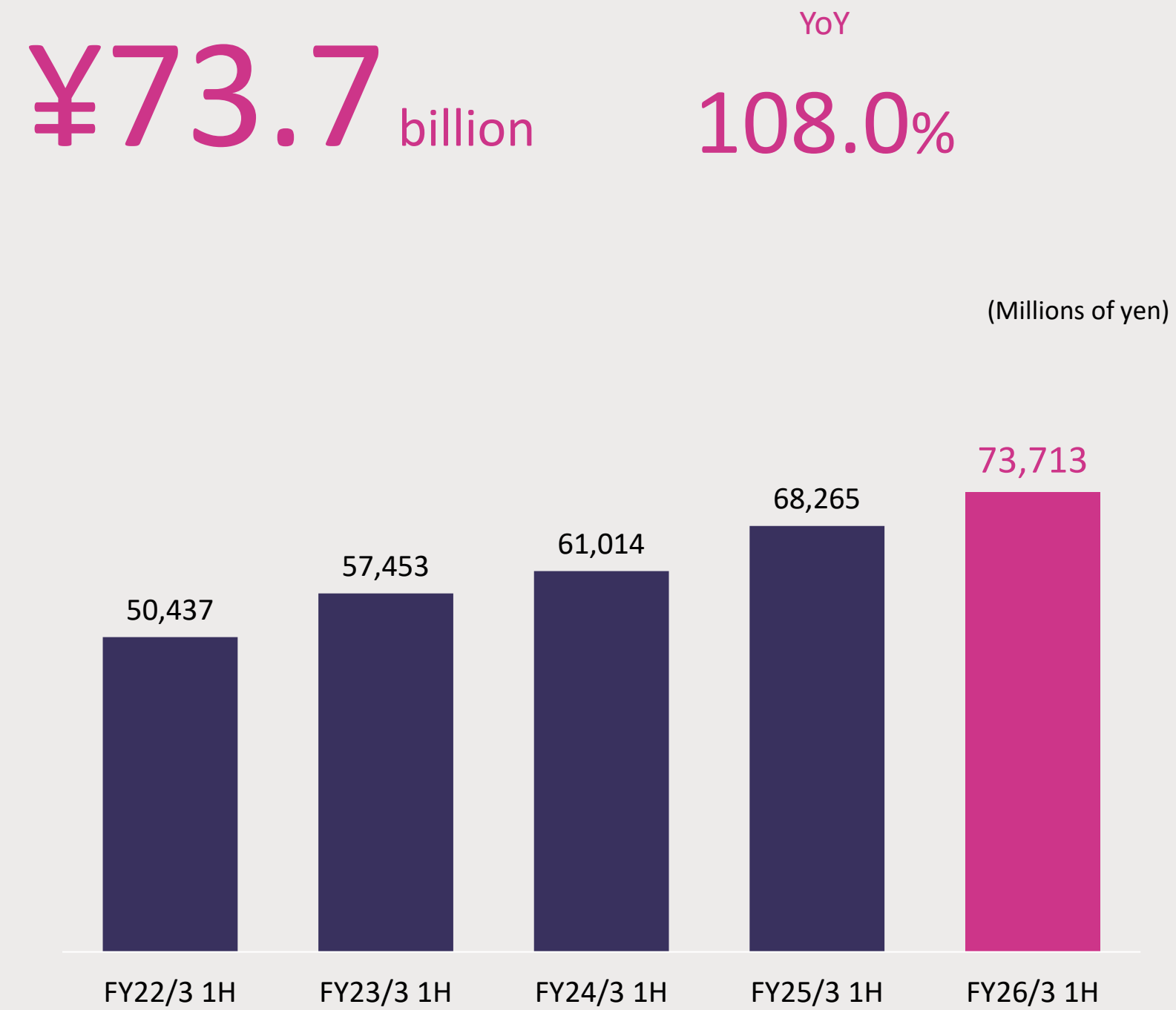
### **Gross margin: Remained at last year's level despite increased discount sales.**

Although increased discount sales in the second quarter had some impact on non-consolidated results, the consolidated gross margin remained at the prior-year level. The consolidated gross margin maintained its highest level since FY2015/3.

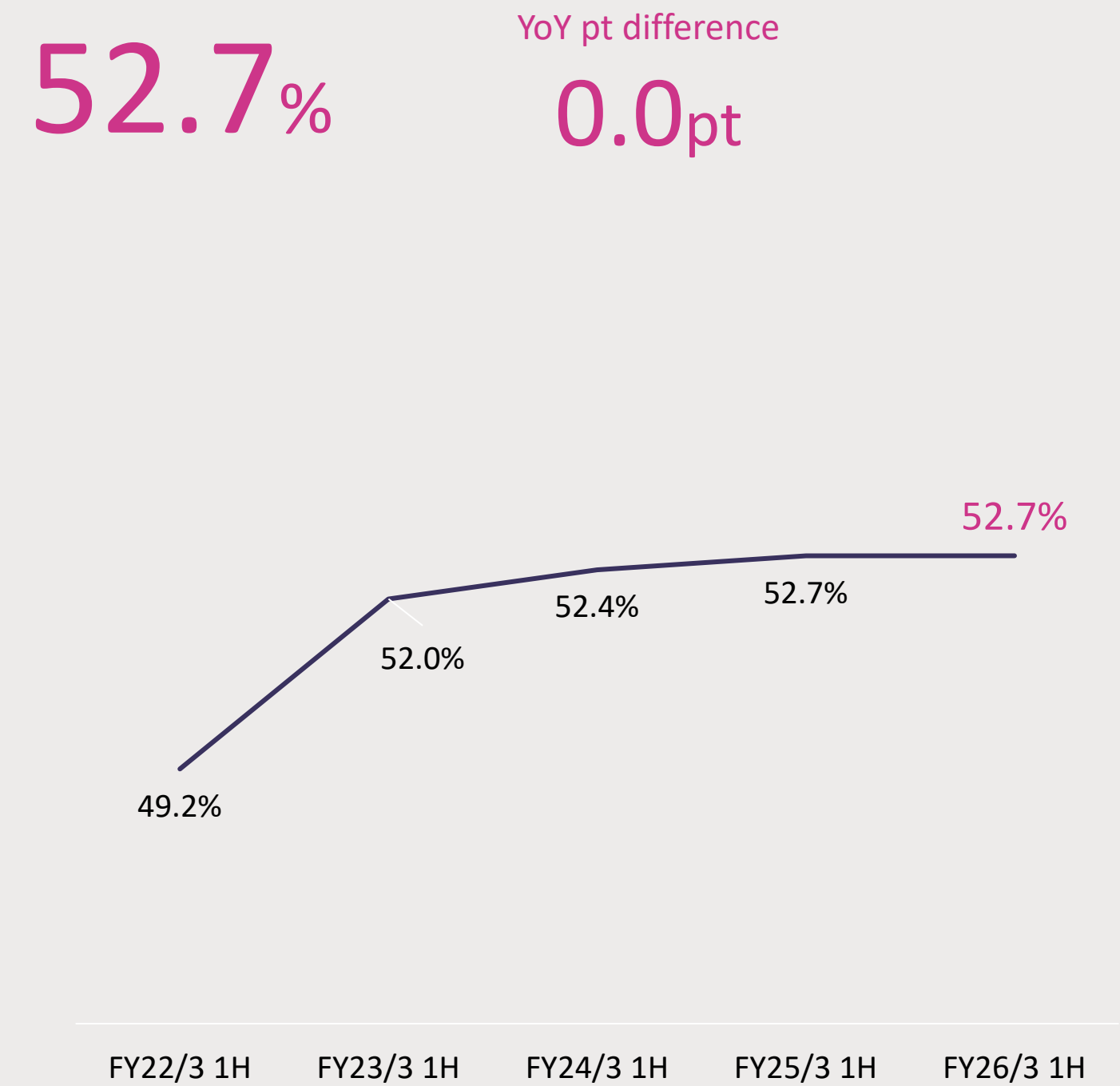
### **Non-consolidated: Revenue roughly on plan, profits below operating profit outperformed.**

Sales were broadly in line with the plan. Although increased discount sales in the second quarter led to a lower gross margin compared to the previous year and higher SG&A expenses resulted in reduced operating income, unincurred costs allowed operating income and all subsequent profit levels to exceed the initial forecast.

## Consolidated Sales

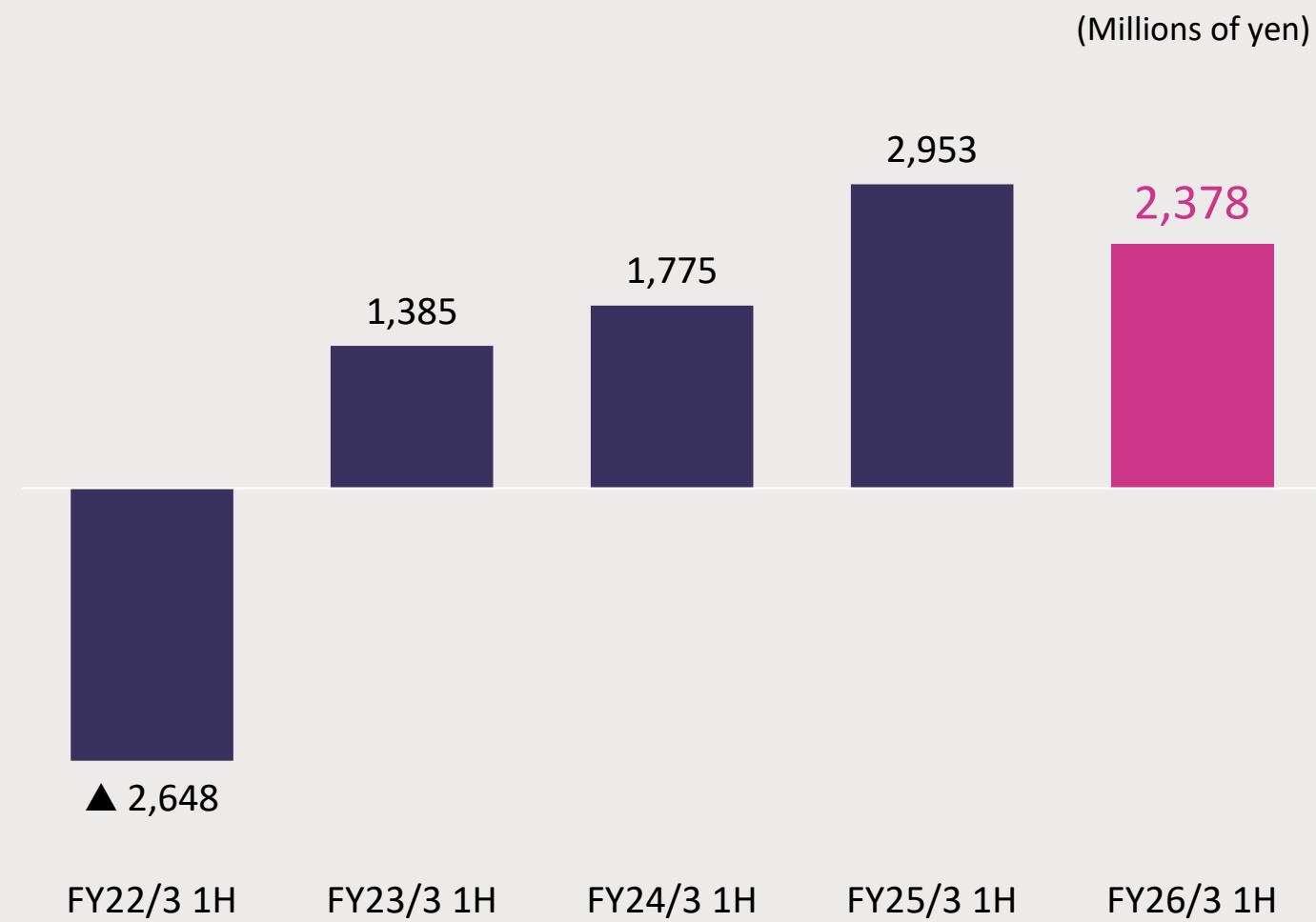


## Consolidated Gross Margin



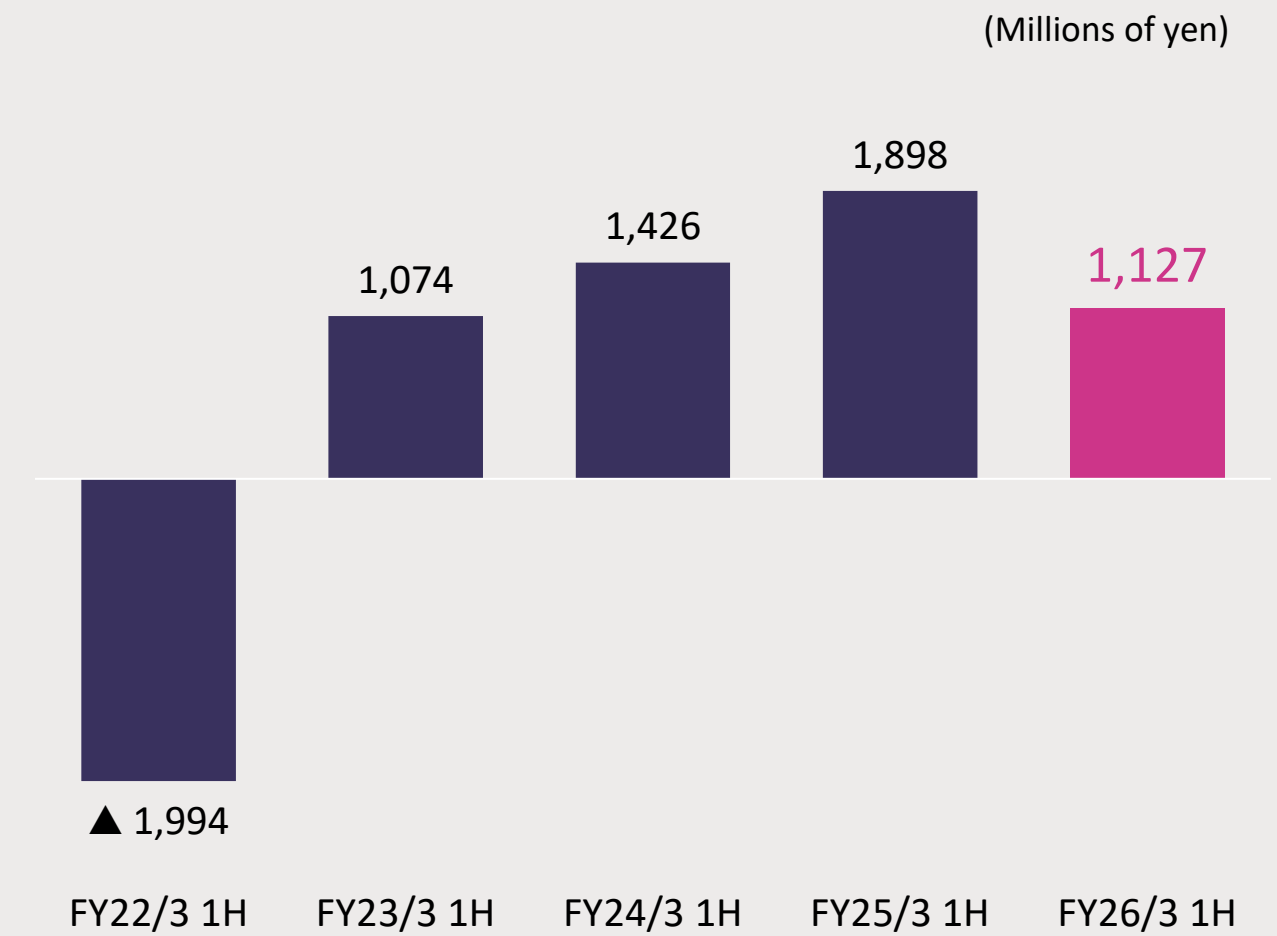
## Consolidated Operating Income

YoY  
**¥2.3** billion  
80.5%



## Net Income Attributable to Owners of Parent

YoY  
**¥1.1** billion  
59.4%



## Consolidated P/L

Sales up year-on-year, gross margin down on discounting; despite SG&A pressure, sub-operating profits outperformed targets.

		FY25/3 1H	FY26/3 1H	Change/pt difference	YoY
(Millions of yen)					
Sales		68,265	73,713	5,447	108.0%
Gross profit		35,953	38,821	2,868	108.0%
	vs. sales	52.7%	52.7%	0.0pt	—
SGA expenses		32,999	36,443	3,443	110.4%
	vs. sales	48.3%	49.4%	1.1pt	—
Operating income		2,953	2,378	(575)	80.5%
	vs. sales	4.3%	3.2%	- 1.1pt	—
Non op. P/L		444	129	(314)	29.3%
	vs. sales	0.7%	0.2%	- 0.5pt	—
Ordinary income		3,397	2,508	(889)	73.8%
	vs. sales	5.0%	3.4%	- 1.6pt	—
Extraordinary P/L		(388)	(558)	(170)	—
	vs. sales	—	—	—	—
Net income attributable to owners of parent		1,898	1,127	(770)	59.4%
	vs. sales	2.8%	1.5%	- 1.3pt	—

## Consolidated P/L (2Q)

Revenue grew YoY; gross margin declined due to increased discount sales; higher SG&A reduced operating profit, but profits below operating level exceeded plan.

(Millions of yen)

	FY25/3 2Q	FY26/3 2Q	Change/pt difference	YoY
Sales	32,769	35,522	2,753	108.4%
Gross profit	16,540	17,718	1,178	107.1%
vs. sales	50.5%	49.9%	- 0.6pt	—
SGA expenses	16,355	17,875	1,519	109.3%
vs. sales	49.9%	50.3%	0.4pt	—
Operating income	184	(156)	(341)	-84.7%
vs. sales	0.6%	-0.4%	- 1.0pt	—
Non op. P/L	213	(25)	(239)	-12.1%
vs. sales	0.7%	-0.1%	- 0.7pt	—
Ordinary income	398	(182)	(581)	-45.8%
vs. sales	1.2%	-0.5%	- 1.7pt	—
Extraordinary P/L	(193)	(188)	5	—
vs. sales	—	—	—	—
Net income attributable to owners of parent	134	(335)	(470)	-249.0%
vs. sales	0.4%	-0.9%	- 1.4pt	—

## Consolidated Gross Margin

Consolidated gross margin stable; non-consolidated margin down on discounting and outlet clearance; COEN improved sharply on prior-year write-down reversal; Taiwan below last year.

	FY26/3 1H	YoY pt difference
Consolidated	52.7%	0.0pt
UNITED ARROWS LTD.	52.1%	-0.4pt
Total business unit	-	-0.2pt
Outlet, etc.	-	-0.6pt
COEN CO., LTD.	-	3.1pt
UNITED ARROWS TAIWAN LTD.	-	-0.7pt

## Consolidated Gross Margin (2Q)

Mainly due to increased discount sales in the non-consolidated business unit and Taiwan, results fell below last year's level.

	FY26/3 2Q	YoY pt difference
Consolidated	49.9%	-0.6pt
UNITED ARROWS LTD.	48.7%	-1.0pt
Total business unit	-	-0.6pt
Outlet, etc.	-	-0.3pt
COEN CO., LTD.	-	2.1pt
UNITED ARROWS TAIWAN LTD.	-	-1.9pt

## Consolidated SGA Expenses

SG&A and ratio above prior year due to stronger advertising, personnel expenses, rent, and depreciation. There is a timing shift in some costs, and SGA expenses for the 2h are expected to be around 110% of the previous year.

(Millions of yen)

	FY25/3 1H	FY26/3 1H	Change/pt difference	YoY
Total SGA expenses	32,999	36,443	3,443	110.4%
vs. sales	48.3%	49.4%	1.1pt	-
Advertising expenses	1,906	2,213	307	116.1%
vs. sales	2.8%	3.0%	0.2pt	-
Personnel expenses	11,337	11,916	579	105.1%
vs. sales	16.6%	16.2%	- 0.4pt	-
Rent	9,200	9,986	786	108.5%
vs. sales	13.5%	13.5%	0.1pt	-
Depreciation	565	793	227	140.3%
vs. sales	0.8%	1.1%	0.2pt	-
Other	9,990	11,532	1,542	115.4%
vs. sales	14.6%	15.6%	1.0pt	-

## Consolidated SGA Expenses (2Q)

(Millions of yen)

	FY25/3 2Q	FY26/3 2Q	Change/pt difference	YoY
Total SGA expenses	16,355	17,875	1,519	109.3%
vs. sales	49.9%	50.3%	0.4pt	-
Advertising expenses	986	1,064	78	108.0%
vs. sales	3.0%	3.0%	- 0.0pt	-
Personnel expenses	5,445	5,814	369	106.8%
vs. sales	16.6%	16.4%	- 0.2pt	-
Rent	4,534	4,899	364	108.0%
vs. sales	13.8%	13.8%	- 0.0pt	-
Depreciation	296	406	109	137.1%
vs. sales	0.9%	1.1%	0.2pt	-
Other	5,093	5,690	597	111.7%
vs. sales	15.5%	16.0%	0.5pt	-

## Consolidated B/S

Despite rising inventory, we plan to reallocate spring/summer products to fall/winter to improve turnover and mitigate the impact on next year's gross profit.

	(Millions of yen)			
	As of Mar. 31, 2025	As of Sep. 30, 2025	vs. previous term-end Change	
Total Assets	70,142	71,992	1,850	102.6%
Composition ratio	100.0%	100.0%		
Current Assets	44,816	45,685	868	101.9%
Composition ratio	63.9%	63.5%		
Noncurrent Assets	25,325	26,306	981	103.9%
Composition ratio	36.1%	36.5%		
Current Liabilities	27,767	29,555	1,787	106.4%
Composition ratio	39.6%	41.1%		
Noncurrent Liabilities	4,552	4,801	249	105.5%
Composition ratio	6.5%	6.7%		
Total Net Assets	37,821	37,634	(186)	99.5%
Composition ratio	53.9%	52.3%		
Reference: Balance of short- and long-term loans payable	1,028	3,900	2,872	379.4%
	As of Sep. 30, 2024	As of Sep. 30, 2025	vs. 1H-end of the previous fiscal year Change	
Reference: Inventory	27,237	30,880	3,643	113.4%

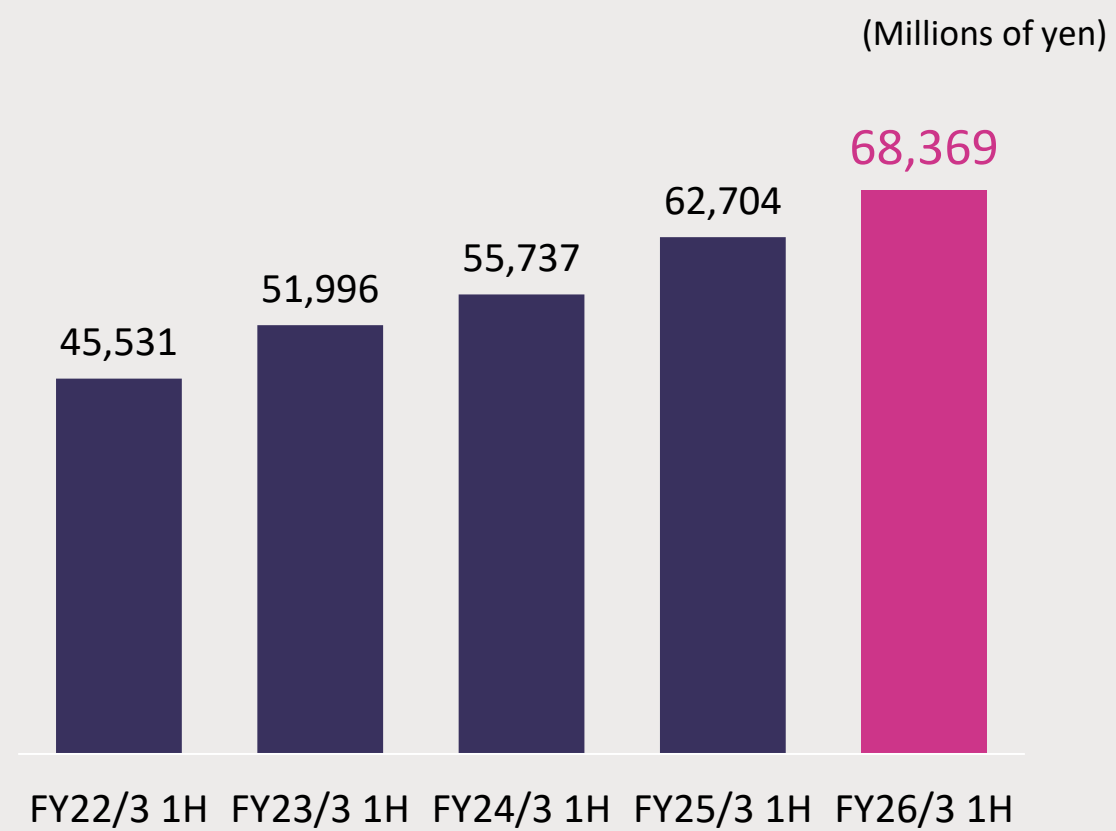
## Consolidated C/F

(Millions of yen)

	FY25/3 1H	FY26/3 1H	Major breakdown of the results for the term	
Cash flows from operating activities (sub-total)	3,573	2,012		
Cash flows from operating activities	3,308	(467)	Profit before income taxes	1,949
			Increase in trade payables	3,778
			Decrease in trade receivables	2,305
			Increase in inventories	(6,136)
Cash flows from investing activities	(3,066)	(4,861)	Purchase of property, plant and equipment	(4,101)
			Purchase of intangible assets	(806)
			Proceeds from refund of guarantee deposits	688
Cash flows from financing activities	1,645	1,597	Net increase in short-term borrowings	2,872
			Dividends paid	(1,274)
Cash and cash equivalents at the end of the period	8,376	2,927		

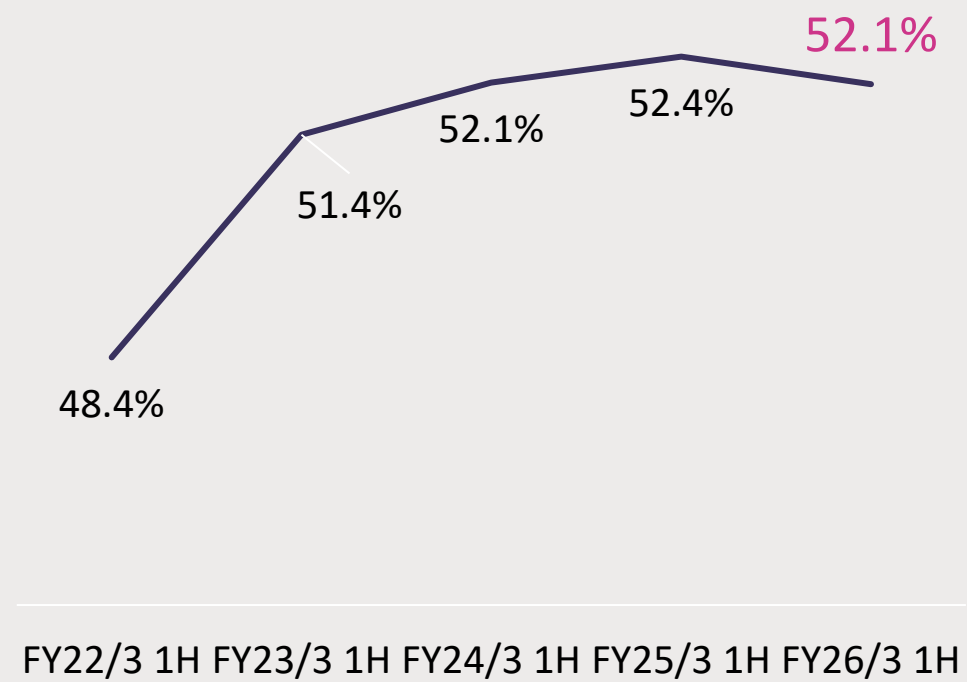
## Non-consolidated Sales

**¥68.3** billion <sup>YoY</sup> **109.0%**



## Non-consolidated Gross Margin

**52.1%** <sup>YoY pt difference</sup> **-0.4pt**



## Non-consolidated Existing Stores YoY

Sales	<b>105.1%</b>
Number of purchasing customers	<b>103.8%</b>
Avg. spend per customer	<b>101.2%</b>

## Non-consolidated Sales by Channel

(Millions of yen)

	FY25/3 1H	FY26/3 1H	Change/pt difference	YoY
Non-consolidated sales	62,704	68,369	5,665	109.0%
Total business unit	53,350	57,749	4,398	108.2%
vs. sales	83.6%	82.9%	- 0.7pt	-
Retail	35,558	38,891	3,332	109.4%
vs. sales	55.7%	55.8%	0.1pt	-
Online	16,767	17,780	1,012	106.0%
vs. sales	26.3%	25.5%	- 0.7pt	-
Others (Wholesale, etc.)	1,024	1,077	53	105.2%
vs. sales	1.6%	1.5%	- 0.1pt	-
Outlet, etc.	10,454	11,895	1,441	113.8%
vs. sales	16.4%	17.1%	0.7pt	-

### Existing stores YoY

	Sales	Number of customers	Avg. spend per customer
Retail + Online	105.1%	103.8%	101.2%
Retail	105.1%	101.1%	103.9%
Online	105.2%	108.1%	97.2%

## Non-consolidated Sales by Business

(Millions of yen)

	FY25/3 1H	FY26/3 1H	Change	YoY
Total business unit sales	53,350	57,749	4,398	108.2%
Trend-conscious Market	35,321	37,354	2,033	105.8%
Basic Trend-conscious Market	18,029	20,394	2,365	113.1%

### Existing store sales YoY

	Retail + Online	Retail	Online
Trend-conscious Market	102.9%	103.9%	101.0%
Basic Trend-conscious Market	109.2%	107.4%	112.4%

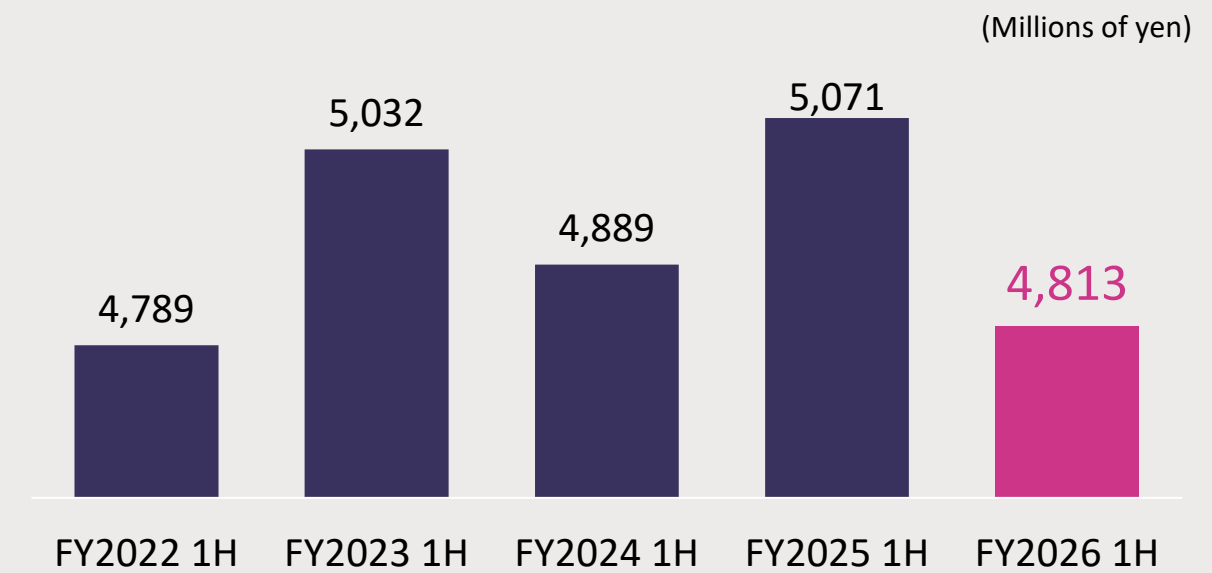
## Group Company Results

### COEN CO., LTD.

Feb. – Jul.

#### Decrease in sales and decrease in profit

- Sales ¥4,813 million, 94.9% YoY
- Impact from last year's large store closures and weak e-commerce led to revenue below prior year. While gross margin improved, higher advertising and personnel costs drove SG&A up, resulting in lower sales and profit.

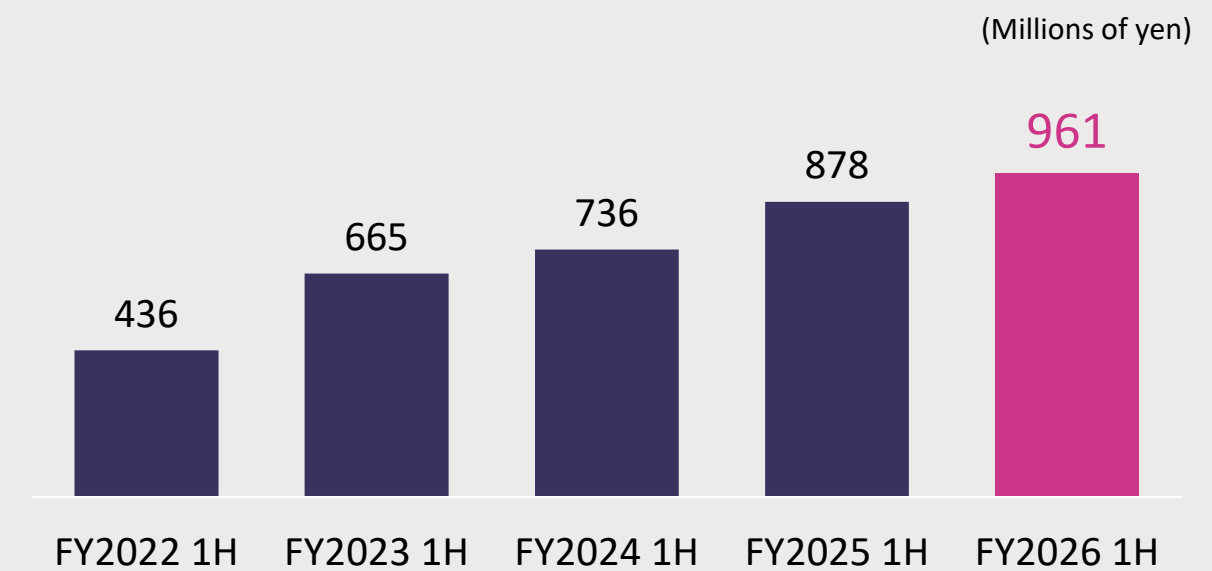


### UNITED ARROWS TAIWAN LTD.

Feb. – Jul.

#### Increase in sales and decrease in profit

- Sales ¥961 million, 109.5 % YoY
- Revenue growth driven by e-commerce expansion, but gross margin declined due to increased discounting; higher personnel and promotion costs from new store openings led to lower profit.



### UNITED ARROWS SHANGHAI LTD.

Jan. – Jun.

- E-commerce sales fell short of expectations, but physical stores started well above plan.
- Considering opening a second store.

## Opening and Closing of Stores

With 20 openings and 1 closure, 1H ended with 341 stores. Additional unplanned openings in the parent unit are expected to bring year-end total to 351 stores, up 29 from last year.

	1H results				Full-year forecast		(number of stores)
	No. of stores at the previous period end	Opened	Closed	No. of stores at the 1H-end	Opened	Closed	No. of stores at the period end (Forecast)
Group Total	322	20	1	341	37	8	351
UNITED ARROWS LTD.	238	14	1	251	29	5	262
COEN CO., LTD.	74	2	0	76	3	3	74
UNITED ARROWS TAIWAN LTD.	10	3	0	13	4	0	14
UNITED ARROWS SHANGHAI LTD.	0	1	0	1	1	0	1

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

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## Progress in Sustainability Initiatives





## Lineup of Off-Standard and Repaired Items

### – UNITED ARROWS LTD. STORE Opens

- July 2025: Opened a multi-purpose store, UNITED ARROWS LTD. STORE, at Tokyo, HQ.
- To minimize product disposal by selling: Off-standard items that do not meet our quality standards, Repaired products, Sample items
- In the 1H of FY26, textile and product disposal rates remained at low levels.



## Internal Sustainability Seminar – Oct 2025

- External expert-led seminar for employees
- Topics: Sustainability in fashion & role of specialty retailers
- Positive feedback from employees:  
“Relevant to my work” / “I want to contribute”
- Ongoing: Initiatives to raise awareness and strengthen SARROWS activities

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**Review of FY2026/3 1H**  
from Matsuzaki, President and CEO



## **Signing of Basic Agreement on Transfer of Shares of COEN CO., LTD.**

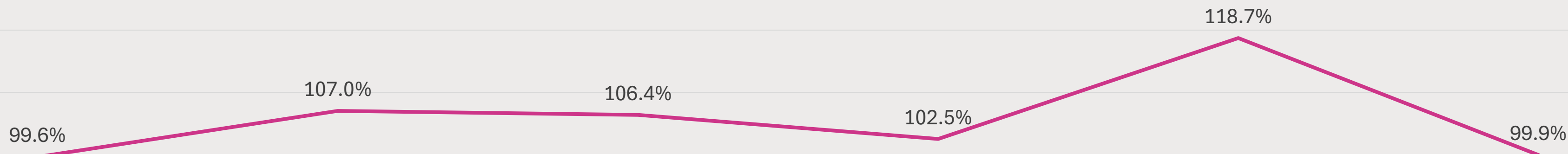
### **A basic agreement to proceed with specific discussions regarding the transfer of all shares of COEN CO., LTD. Concluded with Gyet Co., Ltd.**

- Date of Basic Agreement: November 7, 2025
- Date of share transfer agreement December 25, 2025 (planned)
- Date of share transfer: January 31, 2026 (planned)
- Transfer price: To be determined
- After the transfer of shares, COEN CO., LTD. is to be excluded from the scope of consolidation. The impact on the business performance is being examined and will be disclosed as soon as it is determined.
- In the next medium-term plan, the UNITED ARROWS Group will concentrate resources on trend-conscious markets

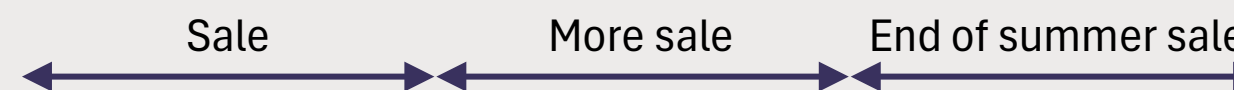
# Looking back on the first half

While challenges remain in managing the seasonal transition period, stable sales were secured through adjustments to seasonal merchandising plans with an eye toward the long summer and coordination with advertising and promotions.

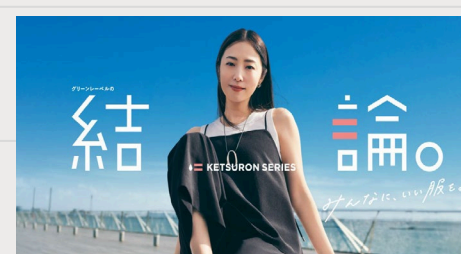
Retail + Online same-store sales (YoY)



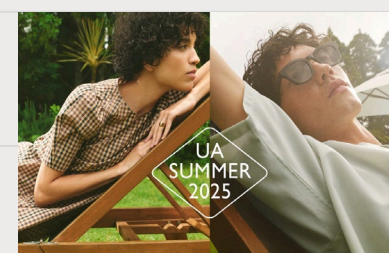
### Phased Summer Discount Strategy



Large-Scale Promotion for Spring and Summer Apparel



Summer Apparel Expansion & Unified Promotions



Launch of Fall Products



Spring

Summer - Midsummer - Late summer

Autumn

Apr.

May

Jun.

Jul.

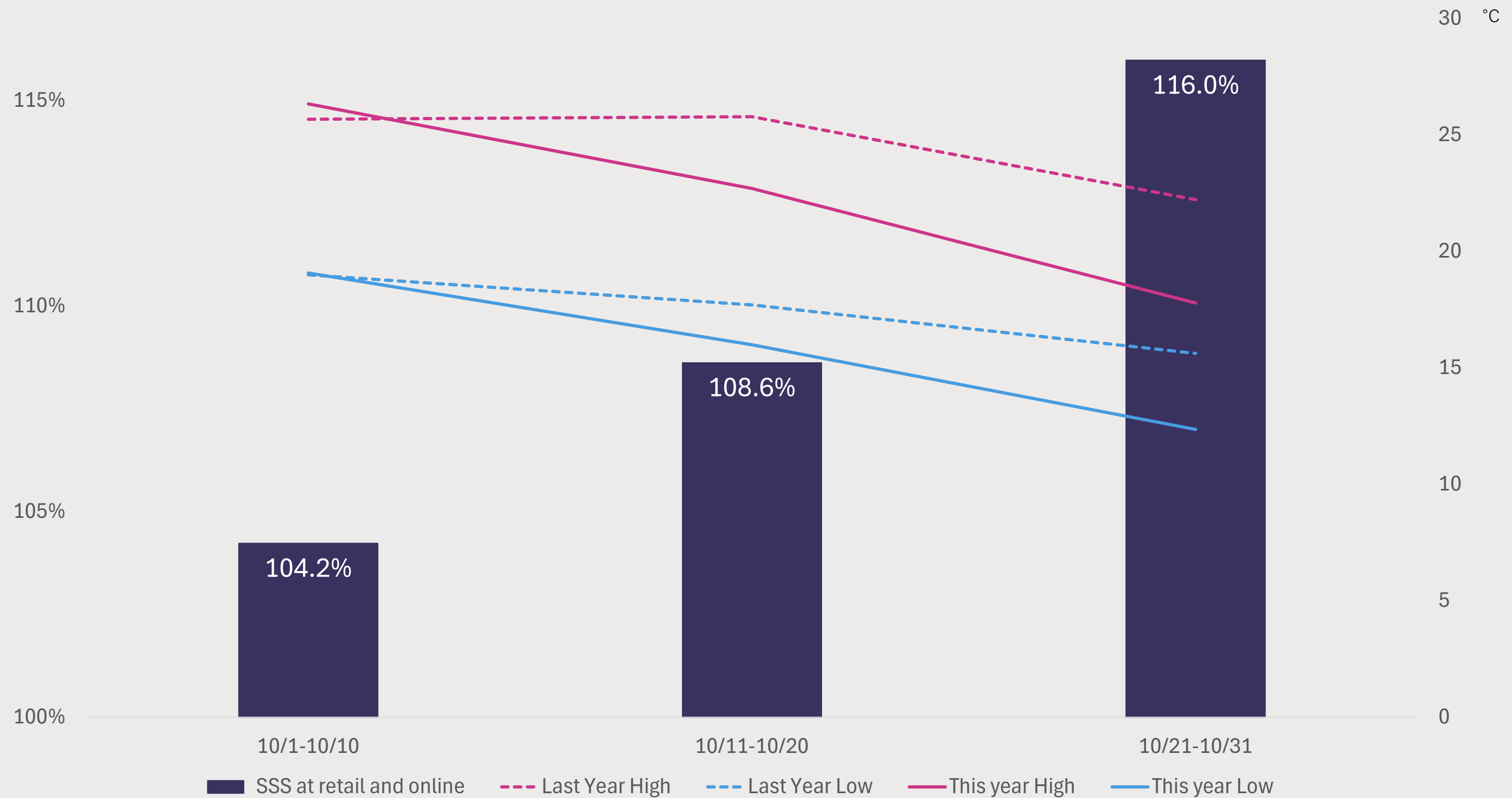
Aug.

9月

# Customer's willingness to purchase remains high

After the temperature drop in mid-October, existing store sales increased and demand remained high.

Oct. 2025 preliminary YoY sales for retail and online existing stores, and YoY temperature variation trend in Tokyo.



# UA MULTI strategy

## Opening of new brand stores

### NICE WEATHER

- April 2025: Opened the first store in the Hankyu Department Store Umeda Main Store
- Limited-time pop-up stores and pop-up events at existing BY stores
- Opening in Omotesando on November 21, with subsequent openings primarily in major cities
- Expand licensed merchandise and strengthen the women's product lineup



### OSO I

- September 2025: Opened new stores in Shinjuku and Shibuya.
- Expansion of product handling at existing UA stores
- Future store expansion plans, including flagship store openings, are currently under consideration.
- High percentage of customers in their 20s, contributing to solving long-term issues for the Company



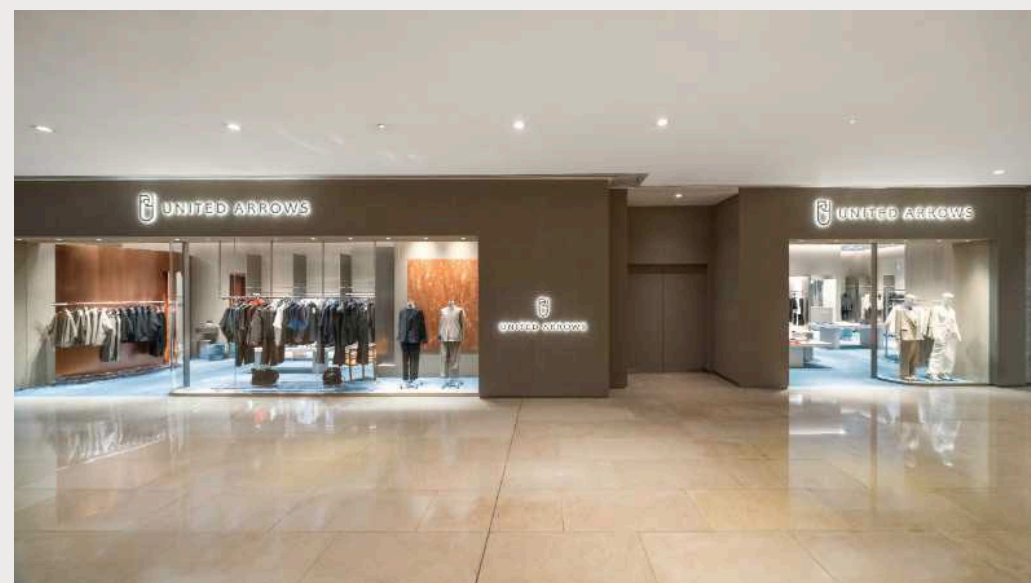
## UA MULTI strategy

### Start of Mainland China expansion: Good start for Shanghai store

- Opened the first directly-managed store in mainland China, "United Arrows Shanghai JING AN KERRY CENTRE Store"
- Opened in Shanghai's leading commercial facility, JING AN KERRY CENTRE
- First half results show a strong start at 130% of plan
- Highly regarded for premium materials, refined tailoring, and trend-conscious designs
- Affluent customers form the core customer base
- In addition to the flagship UNITED ARROWS, brands such as H BEAUTY & YOUTH, LOEFF are also popular
- Shanghai remains the main market, with rising visits from Beijing and Shenzhen

### Future prospects

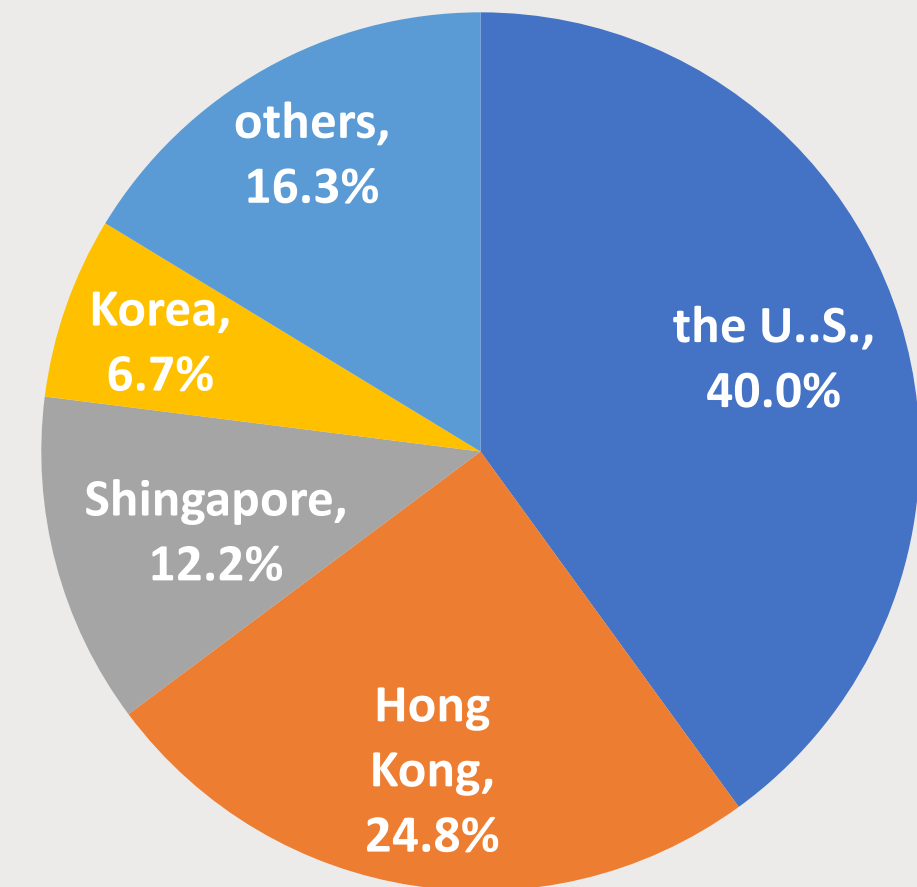
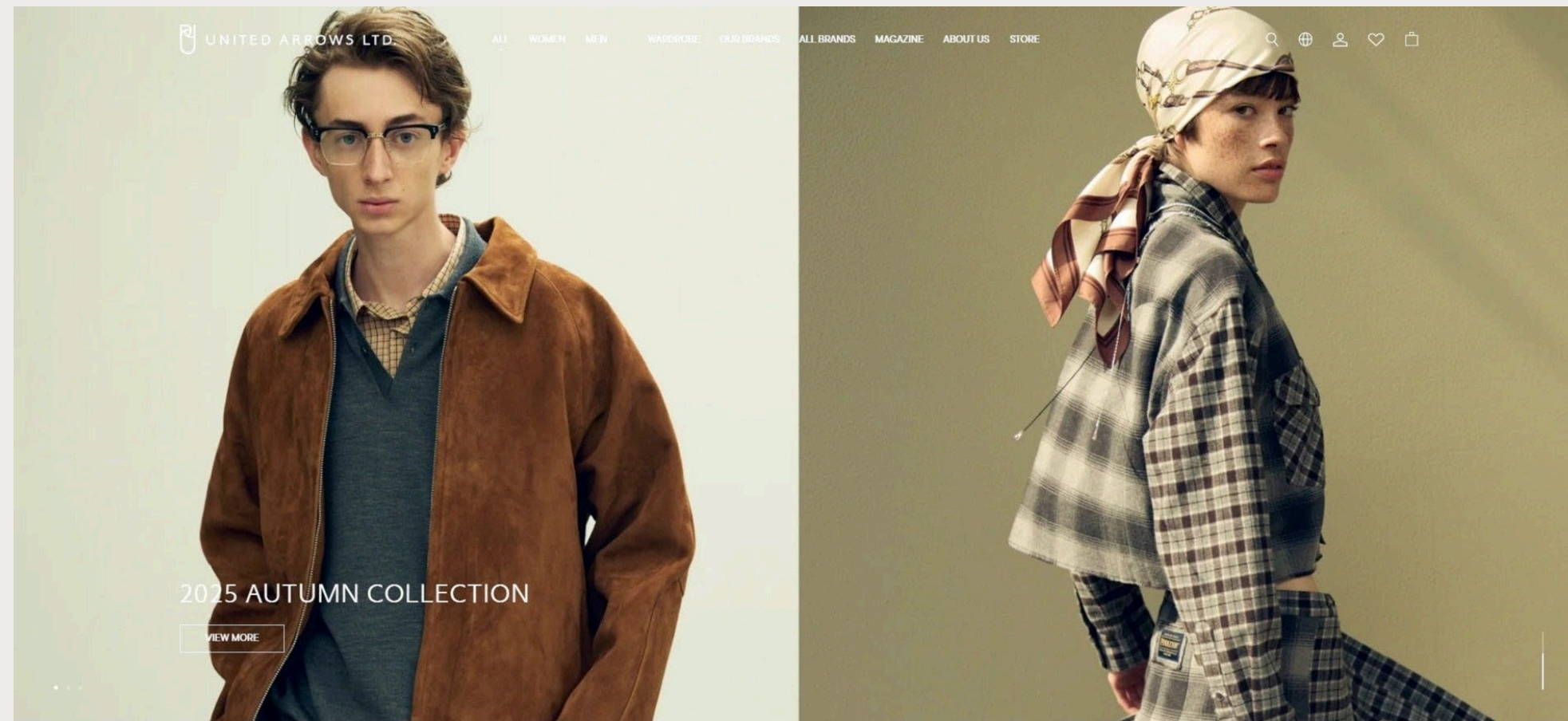
- Considering future store openings, mainly in Tier 1 cities in China



# UA MULTI strategy

## Launch of UNITED ARROWS GLOBAL ONLINE

- September 2, 2025 Opened "UNITED ARROWS GLOBAL ONLINE," a cross-border e-commerce site for overseas customers
- Initial response was somewhat weak due to various issues, but the current situation is progressing according to plan.
- Demand from areas where no stores are opened, such as the U.S., Hong Kong, and Korea, is high, suggesting the possibility of future opening stores and wholesale business



# UA DIGITAL strategy

## Promotion of OMO \* Results of UA Club 1H (September 2025)

- Active membership continues to grow steadily
- The Percentage of F2 or higher members, who have a high retention rate, is also increasing

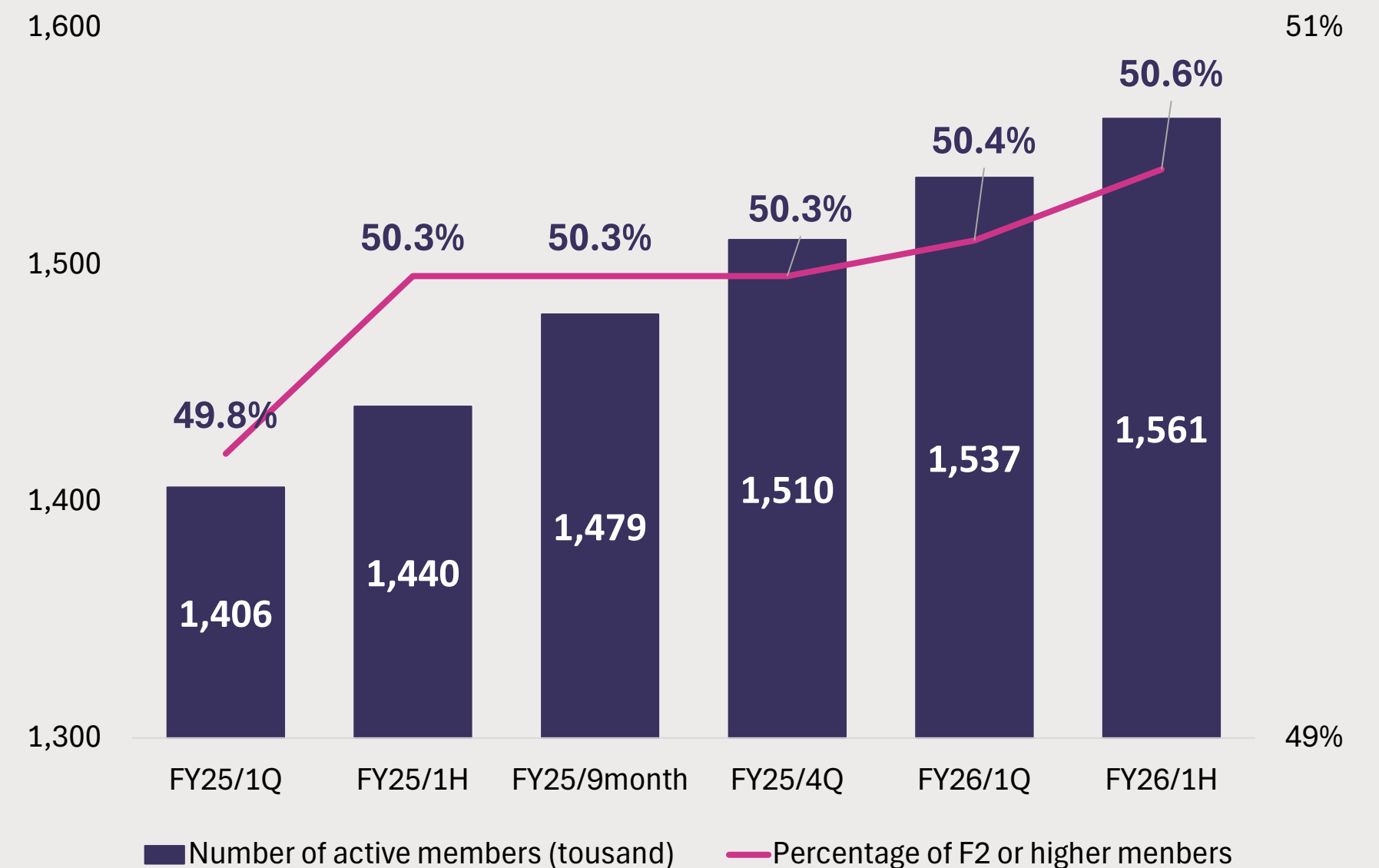
<b>Number of active members</b>	<b>Membership sales</b>	<b>Membership sales rate</b>
<b>1,561 thousand</b>	<b>36.7 billion yen</b>	<b>53.8%</b>
(101.6% to the end of the 1Q)	(111.7% YoY)	(+1.3 pt YoY)
<b>Membership retention rate</b>	<b>Percentage of F2 or higher members</b>	<b>Number of cross-users</b>
<b>57.6%</b>	<b>50.6%</b>	<b>229 thousand</b>
(+0.0pt to the end of 1Q)	(+0.2pt to the end of 1Q)	(102.3% to the end of the 1Q)

Active members: Members who purchased within one year

Membership retention rate: Percentage of members who purchased for two consecutive years

Percentage of F2 or higher members: Percentage of members who purchased at least twice a year

Number of cross-users: Members who use both physical stores and our own EC site

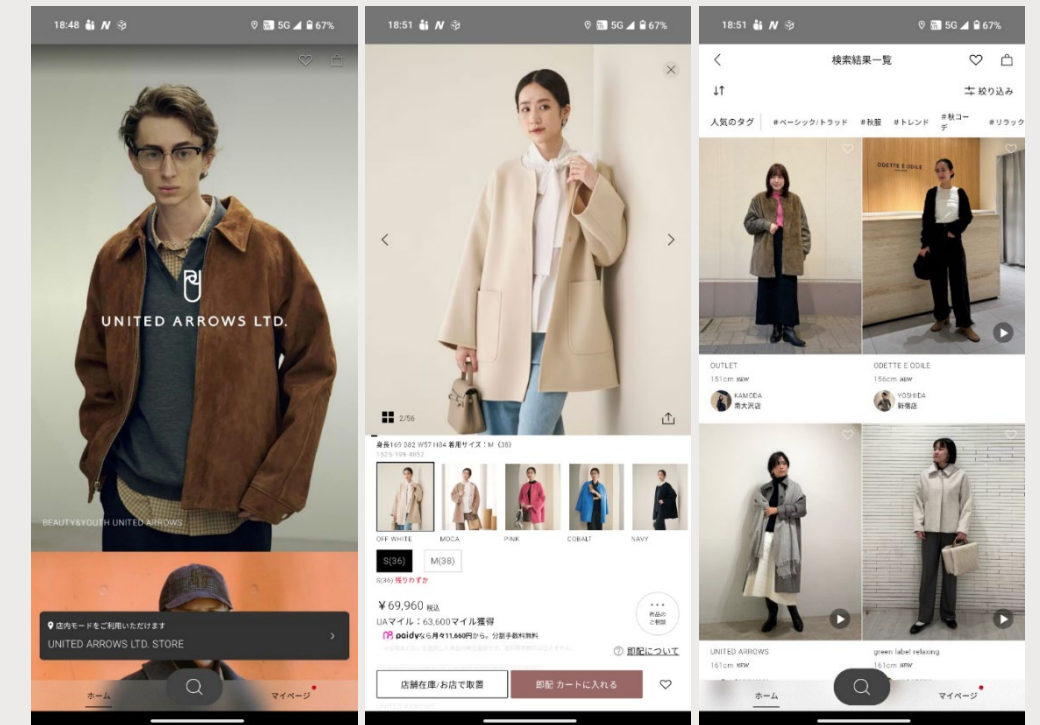


# UA DIGITAL strategy

## Promotion of OMO

### Online Store App Sales Contribution

- Approximately 54% of our company's e-commerce sales are generated through the app.
- Monthly active users: 114.5% YoY, Monthly product views: 185.4% YoY
- Number of store leads via app: YoY 102.5%
- The app's effectiveness contributes both online and offline



### Promotion of in-store mode use

- Features implemented in the January 2025 renewal to make in-store shopping more convenient
- The number of purchases and the average spending per customer are high among in-store mode users, and the company aims to expand the number of users.

	In-store mode user		Non-User in in-store mode	
	Average number of purchases	Average customer spend	Average number of purchases	Average customer spend
Apps	<b>2.6 times</b>	<b>¥17,500</b>	2.0 times	¥17,000
Web	<b>1.9 times</b>	<b>¥19,300</b>	1.5 times	¥17,500
Physical store	<b>3.1 times</b>	<b>¥20,000</b>	1.8 times	¥17,200

提供 感動  
KANDOU TEIKYO  
ENGAGEMENT WITH CUSTOMERS  
お客様と深く広く繋がる

### Three Key Strategies



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## Reference Materials



# Consolidated Business Plan

Profit is expected to decrease until 9 months period due to increase in fixed costs such as personnel, advertising, depreciation, etc. Profit is expected to increase in 3Q (3 months) and 4Q (3 months), aiming to increase profit for the full year.

		(Millions of yen)				
		FY25/3 Results	FY26/3 Forecasts	Change/pt difference	YoY	
Sales	<b>¥165.6</b> billion (YoY 109.8%)	150,910	165,677	14,766	109.8%	
Gross profit	<b>52.8%</b> (pt difference +0.7pt)	78,629	87,475	8,845	111.2%	
		vs. sales	52.1%	52.8%	0.7pt	—
SGA expenses		70,645	78,475	7,829	111.1%	
		vs. sales	46.8%	47.4%	0.6pt	—
Operating income	<b>¥9.0</b> billion (vs. sales 5.4%, YoY 112.7%)	7,984	9,000	1,015	112.7%	
		vs. sales	5.3%	5.4%	0.1pt	—
Ordinary income	<b>¥9.0</b> billion (vs. sales 5.5%, YoY 105.8%)	8,539	9,034	494	105.8%	
		vs. sales	5.7%	5.5%	-0.2pt	—
Non op. P/L		555	34	(521)	6.1%	
		vs. sales	0.4%	0.0%	-0.3pt	—
Extraordinary P/L		(1,456)	(1,011)	445	—	
		vs. sales	—	—	—	—
Net income attributable to owners of parent	<b>¥5.0</b> billion vs. sales 3.1%, YoY 118.7%)	4,282	5,084	801	118.7%	
		vs. sales	2.8%	3.1%	0.2pt	—

# Gross Margin Plan

	FY26/3 1H	YoY	FY26/3 2H	YoY	FY26/3 Full year	YoY
Consolidated	53.0%	0.4pt	52.6%	1.0pt	52.8%	0.7pt
UNITED ARROWS LTD.	52.4%	0.0pt	52.4%	0.8pt	52.4%	0.4pt
Total business unit	-	0.1pt	-	0.7pt	-	0.5pt
Outlet, etc.	-	- 1.5pt	-	- 0.7pt	-	- 1.0pt
COEN CO., LTD.	-	3.3pt	-	4.7pt	-	4.0pt
UNITED ARROWS TAIWAN LTD.	-	- 0.5pt	-	- 0.4pt	-	- 0.3pt

# Non-consolidated Sales Plan

(Millions of yen)

	FY26/3 1H	YoY	FY26/3 2H	YoY	FY26/3 Full year	YoY
Non-consolidated sales	68,407	109.1%	84,288	110.0%	152,696	109.6%
Retail + Online Existing Stores	-	107.7%	-	107.9%	-	107.8%
Retail Existing Stores	-	104.5%	-	104.7%	-	104.6%
Online Existing Stores	-	114.3%	-	114.1%	-	114.2%

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

	No. of stores at the previous period end	1H results		No. of stores at 3M-end	Full-year forecast		(number of stores)
		Opened	Closed		Opened	Closed	No. of stores at the period end (Forecast)
UNITED ARROWS LTD. Total	<b>238</b>	<b>14</b>	<b>1</b>	<b>251</b>	<b>29</b>	<b>5</b>	<b>262</b>
Trend-conscious Market Total	<b>112</b>	<b>10</b>	<b>1</b>	<b>121</b>	<b>19</b>	<b>3</b>	<b>128</b>
UNITED ARROWS General Merchandise Store	16	1	0	17	1	0	17
UNITED ARROWS	24	1	0	25	3	0	27
BEAUTY&YOUTH	38	1	0	39	1	0	39
Other	34	7	1	40	14	3	45
Basic Trend-conscious Market Total	<b>99</b>	<b>4</b>	<b>0</b>	<b>103</b>	<b>9</b>	<b>2</b>	<b>106</b>
Green label relaxing	89	2	0	91	4	1	92
Other	10	2	0	12	5	1	14
Outlet	<b>27</b>	<b>0</b>	<b>0</b>	<b>27</b>	<b>1</b>	<b>0</b>	<b>28</b>