August 7, 2026

Consolidated Financial Results for the Three Months Ended June 30, 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
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Scheduled date to commence dividend payments: —
Preparation of supplementary material on financial results: Yes
Holding of presentation of financial results: Yes (for investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended June 30, 2026 (April 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	39,789	4.2	3,231	27.5	3,300	22.6	2,119	44.8
June 30, 2025	38,190	7.6	2,534	(8.4)	2,690	(10.3)	1,463	(17.0)

Note: Comprehensive income For the three months ended June 30, 2026: ¥2,093 million [36.6%]
For the three months ended June 30, 2025: ¥1,532 million [(12.0)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	76.78	—
June 30, 2025	53.00	—

Note: Diluted earnings per share are not stated since there are no dilutive shares.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2026	70,268	41,984	59.7	1,527.48
March 31, 2026	71,507	42,135	58.9	1,525.54

Reference: Equity
As of June 30, 2026: ¥41,984 million
As of March 31, 2026: ¥42,135 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	—	20.00	—	69.00	89.00
Fiscal year ending March 31, 2027	—				
Fiscal year ending March 31, 2027 (Forecast)		32.00	—	80.00	112.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

At the Board of Directors meeting held on August 7, 2026, the Company resolved to pay a special dividend to mark the Company's transition to a holding company structure, scheduled to take place on October 1, 2026. The year-end dividend for the fiscal year ending March 31, 2027 has been increased by 20 yen from the most recent forecast to 80 yen per share, bringing the total annual dividend to 112 yen per share.

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	224.41

Note: Revisions to the forecast of financial results most recently announced: None

* **Notes**

(1) Significant changes in the scope of consolidation during the period: None

Newly included: — Excluded: —

(2) Adoption of accounting treatment specific to the preparation of the quarterly consolidated financial statements: None

(3) 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

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2026	30,213,676 shares
As of March 31, 2026	30,213,676 shares

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

As of June 30, 2026	2,727,696 shares
As of March 31, 2026	2,593,396 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2026	27,605,838 shares
Three months ended June 30, 2025	27,608,390 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* 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. They are not intended as the Company’s commitment to achieve such forecasts, and 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 “Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 4 of (Attachments) Consolidated Financial Results.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Period under Review

During the three months ended June 30, 2026, the Japanese economy continued to show signs of a moderate recovery trend as personal consumption picked up against the backdrop of improvements in the employment and income environments. Nevertheless, the outlook remained uncertain due to continued price increases as well as the impact of developments in the situation in the Middle East, and fluctuations in financial and capital markets, among other factors. The retail apparel industry continues to see increases in material prices and procurement costs due to changes in the global situation and exchange rate fluctuations. Amid this, fashion-related spending remained solid due to factors such as an increase in opportunities to go out and a recovery in travel demand, even as consumers are prioritizing savings against the backdrop of rising prices.

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 ending March 31, 2029 with the slogan—"To Become a high-sensitivity, high-value-added Group with global scope and Japanese pride."

The Medium-Term Management Plan focuses on three key strategies: I. Become the #1 brand for highly sensitive customers' satisfaction, II. Spread highly sensitive customers around the world, and III. Create new contact points with highly sensitive customers.

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 promote initiatives to achieve our high-sensitivity, high-value-added strategy.

The first strategy—Become the #1 brand for highly sensitive customers' satisfaction—focused on offering high-value-added products with improvements in product quality, expanding customer touchpoints through new store openings and renovations, and optimizing inventory allocation through the utilization of UA3.0, our core product management system. As a result, performance remained strong, with existing store sales reaching 105.9% year-on-year and spending per customer reaching 104.5% year-on-year. Furthermore, by optimizing inventory allocation between retail stores and online sales channels, we reduced stockouts on online platforms, which had occurred previously, and minimized lost sales opportunities. This enabled us to maximize sales opportunities, and existing online store sales reached 113.1% year-on-year as a result. In addition, due to optimization of the profit structure through the consolidated structure review, sales growth, and enhanced productivity, the SG&A ratio improved by 2.1 percentage points to 46.5%, contributing to improved profitability.

The second strategy—Spread highly sensitive customers around the world—focused on expanding our business foundation in China and Taiwan as key areas. By offering products that meet the needs of local customers and expanding the network of stores, net sales in China and Taiwan exceeded those of the same period last year. In China, we opened a new store and continue to expand our business foundation. We will continue to invest in growth in both areas, including new store openings, and focus on increasing recognition in global e-commerce and the wholesale sector to expand our overseas customer base.

The third strategy—Create new contact points with highly sensitive customers—focuses on developing business in the lifestyle and high-price domains. To create synergies with our existing business and gain new contact points with customers, we have decided to acquire shares of Bijou de M CO LTD., a company that offers jewelry under the "Bijou de M" brand. We aim to gain new contact points with customers in the high-end market.

Furthermore, we have positioned our OMO strategy and human capital investment as key pillars of our management foundation. We aim to increase mid- to long-term corporate value by enhancing customer experience value, expanding membership, and increasing productivity.

As for store openings and closings, we opened four stores and relocated and renovated three stores in the trend-conscious market, and opened two stores and relocated and renovated one store in the basic trend-conscious market. As a result, as of June 30, 2026, the number of retail stores was 236, and the total number of stores, including outlets, was 264.

The status of consolidated subsidiaries was as follows: Both UNITED ARROWS TAIWAN LTD. (fiscal year-end: January) and UNITED ARROWS SHANGHAI LTD. (fiscal year-end: December) reported revenue increase, advancing our initiatives to expand our business foundation overseas. As for store openings and closings, the total number of UNITED ARROWS TAIWAN LTD. stores stands at 14 as of April 30, 2026, and UNITED ARROWS SHANGHAI LTD. opened one store, bringing the total number of stores to two as of March 31, 2026. As a result of the above, the Group, as a whole, opened seven stores, and as of June 30, 2026, the number of stores in the Group was 280.

As a result, consolidated business performance for the three months ended June 30, 2026 consisted of net sales of ¥ 39,789 million (up 4.2% year on year), gross profit of ¥21,733 million (up 3.0% year on year), and gross margin declined by 0.6 percentage points year on year to 54.6%. Selling, general and administrative expenses were ¥18,502 million (down 0.4% year on year), while the SG&A ratio decreased by 2.1 percentage points to 46.5%.

Consequently, for the three months ended June 30, 2026, operating profit was ¥3,231 million (up 27.5% year on year), ordinary profit was ¥3,300 million (up 22.6% year on year), and profit attributable to owners of parent was ¥2,119 million (up 44.8% year on year).

(2) Overview of Financial Position for the Period under Review

Assets

Current assets decreased by ¥646 million (1.5%) from the end of the previous fiscal year to ¥43,646 million. This was mainly attributable to decreases in cash and deposits of ¥568 million and accounts receivable - other of ¥1,197 million.

Non-current assets decreased by ¥592 million (2.2%) from the end of the previous fiscal year to ¥26,622 million. This was mainly attributable to decreases in intangible assets of ¥216 million and deferred tax assets of ¥822 million, despite an increase in property, plant and equipment of ¥496 million as a result of store openings and enhancement of logistics warehouse facilities.

Liabilities

Current liabilities decreased by ¥1,210 million (4.8%) from the end of the previous fiscal year to ¥23,818 million. This was mainly attributable to decreases in accounts payable - other of ¥1,203 million and provision for bonuses of ¥1,793 million, despite an increase in short-term borrowings of ¥3,200 million.

Non-current liabilities increased by ¥123 million (2.8%) from the end of the previous fiscal year to ¥4,465 million. This was mainly attributable to an increase in asset retirement obligations of ¥111 million due to store openings.

Net assets

Total net assets decreased by ¥151 million (1.0 %) from the end of the previous fiscal year to ¥41,984 million. This was mainly attributable to decreases of ¥331 million in purchase of treasury shares and ¥1,913 million due to the payment of dividends, despite an increase in retained earnings of ¥2,119 million due to the reporting of profit attributable to owners of parent.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

There have been no changes to the consolidated financial results forecast for the fiscal year ending March 31, 2027, released on May 11, 2026.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	3,461	2,892
Accounts receivable - trade	190	182
Merchandise	26,940	25,936
Supplies	498	613
Accounts receivable - other	12,058	10,860
Other	1,143	3,159
Total current assets	44,292	43,646
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,777	8,188
Machinery and equipment, net	1,108	1,056
Land	569	569
Construction in progress	59	123
Other, net	1,399	1,472
Total property, plant and equipment	10,914	11,411
Intangible assets		
Software	4,820	4,544
Software in progress	60	121
Other	26	26
Total intangible assets	4,908	4,692
Investments and other assets		
Shares of subsidiaries and associates	199	186
Long-term loans receivable	1,000	1,000
Long-term loans receivable from subsidiaries and associates	19	22
Guarantee deposits	6,595	6,580
Deferred tax assets	2,127	1,305
Other	1,448	1,423
Total investments and other assets	11,391	10,519
Total non-current assets	27,214	26,622
Total assets	71,507	70,268

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	11,771	10,098
Electronically recorded obligations - operating	1,286	265
Short-term borrowings	1,900	5,100
Accounts payable - other	5,547	4,343
Income taxes payable	247	460
Provision for bonuses	2,528	734
Provision for bonuses for directors (and other officers)	44	9
Provision for share awards	116	-
Asset retirement obligations	129	92
Other	1,457	2,714
Total current liabilities	25,028	23,818
Non-current liabilities		
Asset retirement obligations	4,181	4,292
Provision for share awards	23	29
Other	137	143
Total non-current liabilities	4,342	4,465
Total liabilities	29,371	28,284
Net assets		
Shareholders' equity		
Share capital	3,030	3,030
Capital surplus	4,538	4,538
Retained earnings	41,876	42,082
Treasury shares	(7,012)	(7,343)
Total shareholders' equity	42,432	42,307
Accumulated other comprehensive income		
Foreign currency translation adjustment	(296)	(322)
Total accumulated other comprehensive income	(296)	(322)
Total net assets	42,135	41,984
Total liabilities and net assets	71,507	70,268

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

Three months ended June 30

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Net sales	38,190	39,789
Cost of sales	17,087	18,055
Gross profit	21,102	21,733
Selling, general and administrative expenses	18,567	18,502
Operating profit	2,534	3,231
Non-operating income		
Interest income	0	5
Foreign exchange gains	161	37
Rental income	1	2
Share of profit of entities accounted for using equity method	1	-
Commission revenue	-	36
Other	20	33
Total non-operating income	185	115
Non-operating expenses		
Interest expenses	6	10
Rental expenses	-	0
Share of loss of entities accounted for using equity method	-	9
Other	23	25
Total non-operating expenses	29	46
Ordinary profit	2,690	3,300
Extraordinary losses		
Loss on retirement of non-current assets	0	44
Impairment losses	298	9
Head office relocation expenses	70	-
Total extraordinary losses	370	53
Profit before income taxes	2,320	3,246
Income taxes - current	257	304
Income taxes - deferred	599	823
Total income taxes	857	1,127
Profit	1,463	2,119
Profit attributable to owners of parent	1,463	2,119

Quarterly Consolidated Statement of Comprehensive Income

Three months ended June 30

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Profit	1,463	2,119
Other comprehensive income		
Foreign currency translation adjustment	69	(26)
Total other comprehensive income	69	(26)
Comprehensive income	1,532	2,093
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,532	2,093
Comprehensive income attributable to non-controlling interests	-	-

(3) Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Cash flows from operating activities		
Profit before income taxes	2,320	3,246
Depreciation	414	488
Amortization of intangible assets	314	347
Amortization of long-term prepaid expenses	127	138
Impairment losses	298	9
Increase (decrease) in provision for bonuses	(1,333)	(1,793)
Increase (decrease) in provision for bonuses for directors (and other officers)	(36)	(34)
Interest income	(0)	(5)
Interest expenses	6	10
Head office relocation expenses	70	-
Decrease (increase) in trade receivables	1,002	1,999
Decrease (increase) in inventories	(1,194)	913
Decrease (increase) in other current assets	357	(1,293)
Increase (decrease) in trade payables	(1,033)	(2,705)
Increase (decrease) in other current liabilities	(411)	871
Share of loss (profit) of entities accounted for using equity method	(1)	9
Other, net	85	(179)
Subtotal	986	2,024
Interest received	0	5
Interest paid	(6)	(10)
Payments for head office relocation expenses	(124)	-
Income taxes paid	(2,350)	(77)
Net cash provided by (used in) operating activities	(1,494)	1,940
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,504)	(1,605)
Payments for asset retirement obligations	(95)	(30)
Purchase of intangible assets	(590)	(93)
Purchase of long-term prepaid expenses	(232)	(209)
Payments of guarantee deposits	(98)	(63)
Proceeds from refund of guarantee deposits	430	81
Collection of long-term loans receivable from subsidiaries and associates	1	-
Net cash provided by (used in) investing activities	(4,088)	(1,920)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	5,272	3,200
Purchase of treasury shares	-	(331)
Decrease (increase) in deposits for purchase of treasury shares	-	(1,668)
Dividends paid	(1,188)	(1,792)
Other, net	-	(0)
Net cash provided by (used in) financing activities	4,083	(592)
Effect of exchange rate change on cash and cash equivalents	(8)	4
Net increase (decrease) in cash and cash equivalents	(1,508)	(566)
Cash and cash equivalents at beginning of period	6,655	3,445
Cash and cash equivalents at end of period	5,146	2,878

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Segment information, etc.)

[Segment information]

I. For the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

Information is omitted, as the Group's reportable segment consists of the single retail apparel segment.

II. For the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

Information is omitted, as the Group's reportable segment consists of the single retail apparel segment.

(Significant subsequent events)

Cancellation of treasury shares

At the Board of Directors meeting held on July 30, 2026, the Company resolved to cancel treasury shares pursuant to Article 178 of the Companies Act, as described below.

Details of the cancellation

1. Class of shares to be cancelled: Common shares
2. Number of shares scheduled to be cancelled: Up to 1,000,000 shares, which is the maximum number authorized by the Board of Directors on May 11, 2026
   (Representing 3.6% of the total number of issued shares excluding treasury shares before the cancellation)
3. Scheduled cancellation date: September 30, 2026