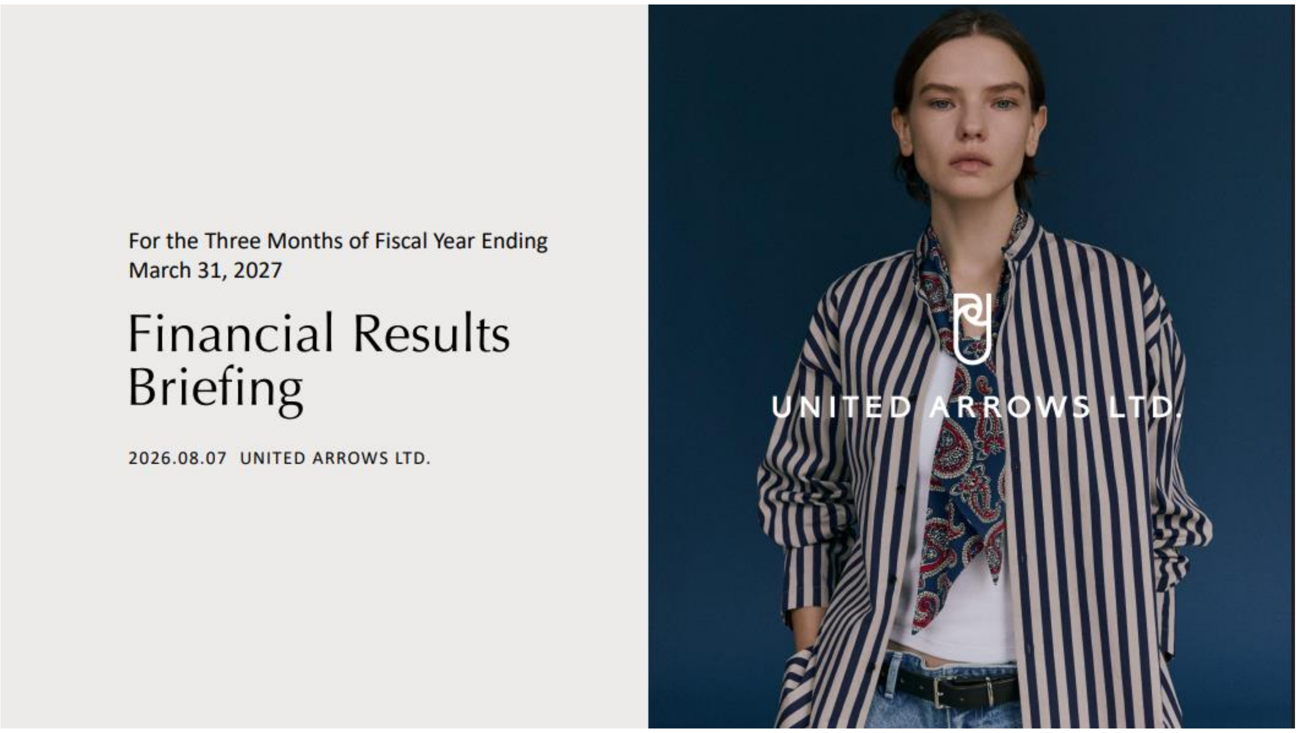


Event Summary

[Event Type]	Earnings Announcement	
[Event Name]	Q1 Financial Results Briefing for the FY2027 - Presented by the Board of Directors	
[Fiscal Period]	FY2027 Q1	
[Number of Speakers]	Yoshinori Matsuzaki	Representative Director, President, CEO
	Takeo Nakazawa	Director, Executive Managing Officer, CFO
	Haruhiko Ito	Executive Officer, CSO, General Manager, Corporate Strategy Division
	Toshiharu Mii	Manager, Corporate Strategy Division, Investor Relations Department

Overview of FY2027/3 1Q Business Results

Financial Highlights

Consolidated: Net Sales Continued to Grow; All Profit Lines Posted Double-Digit Growth

- Successfully offset the revenue impact of COEN CO. LTD. divestiture, achieving net sales of 104.2% and gross profit of 103.0% versus the prior year.
- Operating profit reached 127.5% and quarterly profit attributable to owners of parent 144.8% of the prior-year level, delivering double-digit growth across all profit lines.
- The COEN divestiture led to a lower SG&A ratio and reduced extraordinary losses, improving the Company's earnings structure.

Gross Profit Margin: Gross Profit Increased Despite Lower Margin

- Gross profit margin declined by 0.6 percentage points YoY, while gross profit exceeded the prior-year level.
- Margin was impacted by sell-through of aged inventory at outlet stores and unfavorable weather conditions in June.
- Higher sales more than offset the margin decline, resulting in increased gross profit.

Non-Consolidated: Net Sales Exceeded Plan and Prior-Year Level Despite Lower Gross Profit Margin

- Retail sales reached 106.1% and online sales 113.6% of the prior-year level, driving non-consolidated net sales to 109.6%, above plan.
- Although gross profit margin declined year on year, higher sales drove gross profit above the prior-year level.
- UA Club membership reached approximately 1.67 million, with key KPIs continuing to improve.

4

Nakazawa: I am Nakazawa. Now I will give an overview of the FYE 3/2027 Q1 business results.

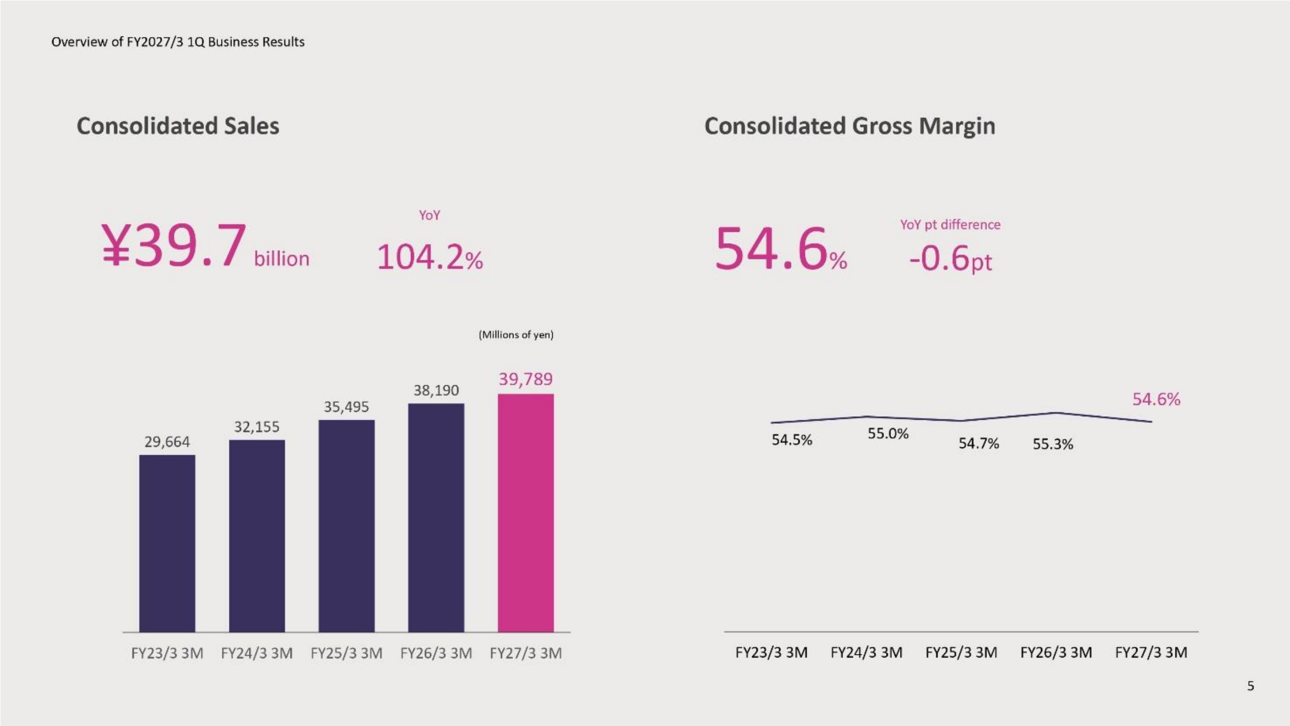
Please turn to slide four. Here are the financial highlights for Q1. First, consolidated results, net sales continued to grow, and we successfully offset the revenue impact of the COEN CO. LTD. divestiture. We achieved net sales of 104.2% and a gross profit of 103% versus the prior year.

Furthermore, regarding the various profit metrics below operating profit, operating profit reached 127.5%, ordinary income reached 122.6%, and quarterly profit attributable to owners of parent reached 144.8% of the prior year level, delivering double-digit growth across all profit lines.

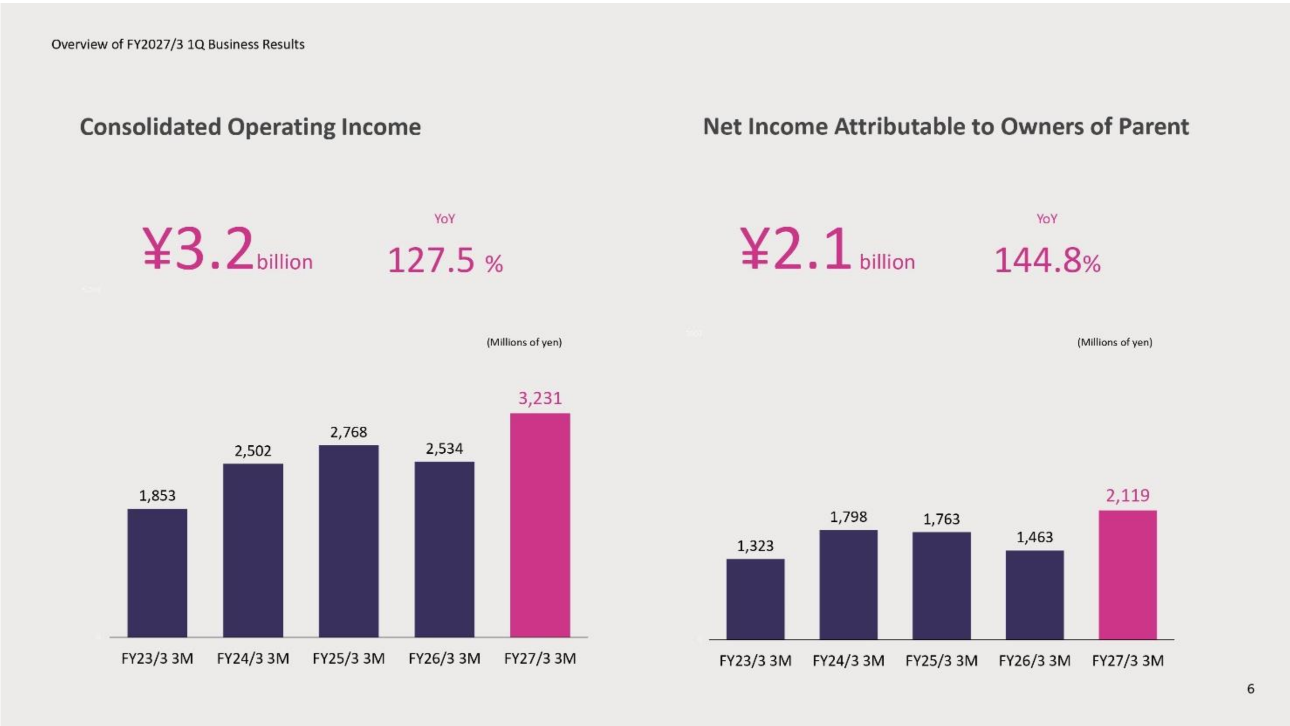
The COEN divestiture improved the Company's earnings structure, leading to a lower SG&A ratio. Extraordinary losses were also reduced, improving the profit margin.

Next is gross profit margin. The gross profit margin declined by 0.6 percentage points. The gross profit margin did not reach last year's level. However, gross profit was strong at 103% versus the prior year. Margin was impacted by unfavorable weather conditions in June in the non-consolidated business unit and sell-through of aged inventory at outlet stores. However, higher sales more than offset the margin decline, resulting in increased gross profit.

Next is non-consolidated results. Retail sales maintained strong performance and reached 106.1%. Partly due to the effect of the core product management system, UA3.0, online sales were 113.6% of the prior year level, driving non-consolidated net sales to 109.6%, which significantly exceeded the same period of the previous year. Although the gross profit margin declined YoY, higher sales drove gross profit above the prior year level similar to consolidated results. In addition, UA Club membership reached approximately 1.67 million, with key KPIs continuing to improve.



From here, I will discuss the financial results figures. First, consolidated results, consolidated net sales were JPY39.7 billion, up 4.2% YoY. The consolidated gross margin was 54.6%, down 0.6 percentage points from the same period last year.



Consolidated operating income was JPY3.2 billon, up 27.5% YoY. Net income attributable to owners of parent was JPY2.1 billion, up 44.8% YoY.

Consolidated P/L

- Absorbed the revenue impact of COEN CO. LTD. divestiture, delivering year-on-year sales growth. Despite a 0.6ppt decline in gross profit margin, all profit lines below operating profit achieved double-digit growth. Net sales grew year on year.
- Despite a 0.6ppt decline in gross profit margin, all profit lines below operating profit posted double-digit growth.

(Millions of yen)

		FY26/3 3M	FY27/3 3M	Change/pt difference	YoY
Sales		38,190	39,789	1,598	104.2%
Gross profit		21,102	21,733	630	103.0%
	vs. sales	55.3%	54.6%	-0.6pt	—
SGA expenses		18,567	18,502	(65)	99.6%
	vs. sales	48.6%	46.5%	-2.1pt	—
Operating income		2,534	3,231	696	127.5%
	vs. sales	6.6%	8.1%	1.5pt	—
Non op. P/L		155	68	(87)	44.2%
	vs. sales	0.4%	0.2%	-0.2pt	—
Ordinary income		2,690	3,300	609	122.6%
	vs. sales	7.0%	8.3%	1.2pt	—
Extraordinary P/L		(370)	(53)	317	—
	vs. sales	—	—	—	—
Net income attributable to owners of parent		1,463	2,119	656	144.8%
	vs. sales	3.8%	5.3%	1.5pt	—

Here is consolidated P&L. Despite a 0.6 percentage point decline in gross profit margin from the same period of the previous year, gross profit was JPY21.7 billion, up 3% YoY, due to higher revenue.

For SG&A expenses, the SG&A ratio was 46.5%, resulting in improvement by 2.1 percentage points YoY. Again, the earnings structure improved following the divestiture of COEN. The operating profit margin rose by 1.5 percentage points from the previous year to 8.1%. The ordinary income margin was 8.3%, up 1.2 percentage points from the previous year. In addition, due to a reduction in extraordinary losses, the net income attributable to owners of parent was 5.3%, an increase of 1.5 percentage points from the previous year.

Consolidated Gross Margin

- Gross profit margin declined due to aged inventory sell-through at outlet stores and adverse weather conditions in June.
- Taiwan improved through steady growth, while Shanghai declined due to a new franchise store opening.

	FY27/3 3M	YoY pt difference
Consolidated	54.6%	-0.6pt
UNITED ARROWS LTD.	54.3%	-0.8pt
Total business unit	-	-0.4pt
Outlet, etc.	-	-1.7pt
COEN CO., LTD.	-	2.2pt
UNITED ARROWS TAIWAN LTD.	-	-6.3pt

Here is the consolidated gross margin. Consolidated gross profit margin was 54.6%, down 0.6 percentage points YoY. For UNITED ARROWS alone, the figure was 54.3%, down 0.8 percentage points from the previous year.

Consolidated SGA Expenses

Improved earnings structure and lower SG&A ratio following the divestiture of COEN CO. LTD.

(Millions of yen)

		FY26/3 3M	FY27/3 3M	Change/pt difference	YoY
Total SGA expenses		18,567	18,502	(65)	99.6%
	vs. sales	48.6%	46.5%	-2.1pt	-
Advertising expenses		1,148	1,215	66	105.8%
	vs. sales	3.0%	3.1%	0.0pt	-
Personnel expenses		6,102	6,158	56	100.9%
	vs. sales	16.0%	15.5%	-0.5pt	-
Rent		5,087	5,131	43	100.9%
	vs. sales	13.3%	12.9%	-0.4pt	-
Depreciation		387	455	68	117.7%
	vs. sales	1.0%	1.1%	0.1pt	-
Other		5,841	5,541	(300)	94.9%
	vs. sales	15.3%	13.9%	-1.4pt	-

Here is consolidated SG&A expenses. The SG&A expenses total was JPY18.5 billion, representing 99.6% of the figure for the same period last year. The figure versus sales is 46.5%, 2.1 percentage points improved from the previous year. The main breakdowns are as listed on the slide.

Consolidated B/S

- Inventory growth was contained following COEN CO. LTD. divestiture.
- On a non-consolidated basis, inventory growth remained below sales growth.

(Millions of yen)

	As of Mar. 31, 2026	As of Jun. 30, 2027	vs. previous term-end Change	
Total Assets	71,507	70,268	(1,238)	98.3%
Composition ratio	100.0%	100.0%		
Current Assets	44,292	43,646	(646)	98.5%
Composition ratio	61.9%	62.1%		
Noncurrent Assets	27,214	26,622	(592)	97.8%
Composition ratio	38.1%	37.9%		
Current Liabilities	25,028	23,818	(1,210)	95.2%
Composition ratio	35.0%	33.9%		
Noncurrent Liabilities	4,342	4,465	123	102.8%
Composition ratio	6.1%	6.4%		
Total Net Assets	42,135	41,984	(151)	99.6%
Composition ratio	58.9%	59.7%		
Reference: Balance of short- and long-term loans payable	1,900	5,100	3,200	268.4%

	As of Jun. 30, 2026	As of Jun. 30, 2027	vs. previous term-end Change	
Reference: Inventory	25,906	26,550	644	102.5%

Here is consolidated B/S. Changes in assets, liabilities, and capital are as listed on the slide. For details, please refer to the financial results summary we released last Friday.

As noted at the bottom of the slide, the balance of short and long-term loans payable stands at JPY5.1 billion, an increase of JPY3.2 billion from the end of the previous fiscal year. This figure has temporarily increased due to the ongoing purchase of treasury shares.

Next, regarding inventory, which is below the short and long-term loans payable on the slide, it was JPY26.5 billion and stands at 102.5% of the previous term-end level. Inventory decreased following the COEN divestiture. In addition, on a non-consolidated basis, inventory growth remained below sales growth, consequently, these growth rate results.

Consolidated C/F

(Millions of yen)

	FY26/3 3M	FY27/3 3M	Major breakdown of the results for the term	
Cash flows from operating activities (sub-total)	986	2,024		
Cash flows from operating activities	(1,494)	1,940	Profit before income taxes Decrease in provision for bonuses Decrease in trade receivables Decrease in trade payables	3,246 (1,793) 1,999 (2,705)
Cash flows from investing activities	(4,088)	(1,920)	Purchases of property, plant and equipment Purchase of long-term prepaid expenses Purchase of intangible assets	(1,605) (209) (93)
Cash flows from financing activities	4,083	(592)	Net increase in short-term borrowings Increase in deposits for purchase of treasury shares Dividends paid	3,200 (1,668) (1,792)
Cash and cash equivalents at the end of the period	5,146	2,878		

Next, consolidated cash flow, for cash flows from operating activities, JPY1.9 billion cash in, for cash flows from investing activities, JPY1.9 billion cash out, for cash flows from financing activities, JPY0.5 billion cash out, consequently, the balance of cash and cash equivalents is JPY2.8 billion.

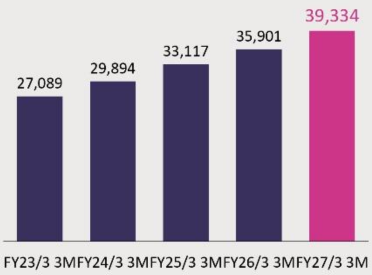
The main breakdown of each item is as listed on the slide.

Non-consolidated Sales

¥39.3 billion

YoY 109.6%

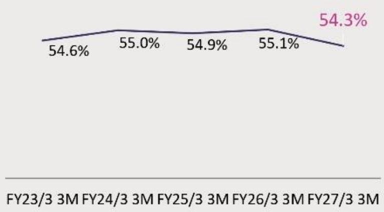
(Millions of yen)



Non-consolidated Gross Margin

54.3%

YoY pt difference -0.8pt



Non-consolidated Existing Stores YoY

Sales	105.9%
Number of purchasing customers	100.3%
Avg. spend per customer	104.5%

Next, I will report on UNITED ARROWS's non-consolidated results. Sales were JPY39.3 billion, up 9.6% YoY. Non-consolidated gross margin was 54.3%, down 0.8 percentage points from the previous year.

For existing stores, sales for both retail and online sales exceeded the previous year's figures for the same period, with the combined total of retail and online sales reaching 105.9%. The number of purchasing customers was 100.3%. The average spend per customer was 104.5%.

Non-consolidated Sales by Channel

Optimized inventory allocation through UA 3.0 drove year-on-year growth in both retail and e-commerce sales.

(Millions of yen)

	FY26/3 3M	FY27/3 3M	Change/pt difference	YoY
Non-consolidated sales	35,901	39,334	3,432	109.6%
Total business unit	30,173	32,665	2,492	108.3%
vs. sales	82.4%	81.6%	-0.8pt	-
Retail	20,795	22,073	1,277	106.1%
vs. sales	56.8%	55.1%	-1.6pt	-
Online	8,878	10,087	1,209	113.6%
vs. sales	24.2%	25.2%	1.0pt	-
Others (Wholesale, etc.)	499	505	5	101.1%
vs. sales	1.4%	1.3%	-0.1pt	-
Outlet, etc.	6,457	7,368	911	114.1%
vs. sales	17.6%	18.4%	0.8pt	-

Existing stores YoY

	Sales	Number of customers	Avg. spend per customer
Retail + Online	105.9%	100.3%	104.5%
Retail	102.7%	97.4%	105.4%
Online	113.1%	105.3%	105.5%

Next is non-consolidated sales by channel. The business unit total was JPY32.6 billion, up 8.3% YoY. Retail sales were JPY22 billion, up 6.1% YoY. Online sales totaled JPY10 billion, up 13.6% YoY, and accounted for 25.2% of total sales. Thanks to the optimization of inventory allocation through UA3.0, both retail and online sales have seen growth.

As noted on the right side of the slide regarding existing stores YoY, while the number of customers to our retail stores declined due to the typhoons and unseasonably cool weather in June, the number of online customers increased. As a result, retail and online total sales remained at the previous year's level.

Back to the table on the left, outlet, et cetera, was JPY7.3 billion, up 14.1% YoY, and accounts for 18.4% of the sales.

Non-consolidated Sales by Business

Strong demand for value-added products drove sales growth, particularly in the trend-conscious market.

(Millions of yen)

	FY26/3 3M	FY27/3 3M	Change	YoY
Total business unit sales	30,173	32,665	2,492	108.3%
Trend-conscious Market	19,112	21,085	1,972	110.3%
Basic Trend-conscious Market	11,060	11,580	520	104.7%

Existing stores sales YoY

	Retail + Online	Retail	Online
Trend-conscious Market	107.2%	103.7%	115.7%
Basic Trend-conscious Market	103.7%	100.8%	109.2%

Here are non-consolidated sales by business. The trend-conscious market mainly made of UA and BY was JPY21 billion, up 10.3% YoY. The basic trend-conscious market mainly made of green label was JPY11.5 billion, up 4.7% YoY.

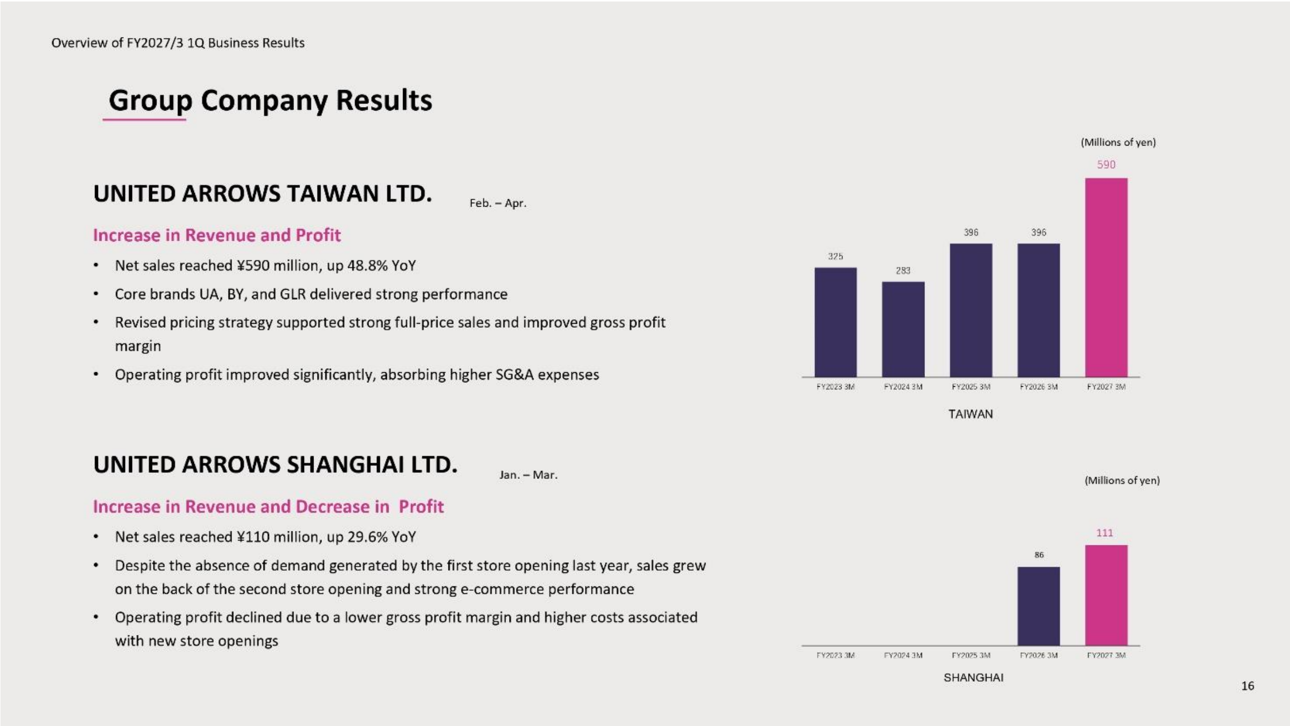
Strong demand for value-added products drove sales growth, particularly in the trend-conscious market.

Non-Consolidated Existing Store Performance

- Retail sales faced headwinds in June due to typhoons and unseasonably cool weather; however, optimized inventory allocation enabled e-commerce to capture a portion of demand.
- Average spending per customer continued to exceed the prior-year level, indicating sustained demand in the mid- to high-price market segment.

YoY Trends in Existing Store Sales, Customer Traffic, and Average Spending per Customer

This chart shows non-consolidated business unit existing store performance by month. Retail sales faced headwinds in June due to typhoons and unseasonably cool weather in June. However, optimized inventory allocation enabled e-commerce to capture a portion of demand. Average spending per customer continued to exceed the prior year level, indicating sustained demand in the mid to high-price market segment.



Here are the Group company results. UNITED ARROWS TAIWAN reported sales of JPY590 million, while UNITED ARROWS SHANGHAI reported sales of JPY111 million. UNITED ARROWS SHANGHAI opened one store during this quarter.

With regard to UNITED ARROWS TAIWAN, awareness of UNITED ARROWS has been increasing. A revised pricing strategy was supported by strong full-price sales, and Q1 closed with an improved gross profit margin. As for UNITED ARROWS SHANGHAI, despite the absence of demand generated by the first store opening in the previous year, sales grew on the back of the second store opening and strong e-commerce performance.

Opening and Closing of Stores

- No store closures; opened six domestic stores and one overseas store
- Total store count: 280 at the end of 1Q

	3M results				Full-year forecast		
	No. of stores at the previous period end	Opened	Closed	No. of stores at the 3M-end	Opened	Closed	No. of stores at the period end (Forecast)
Group Total	**273**	**7**	**0**	**280**	**17**	**1**	**289**
UNITED ARROWS LTD.	258	6	0	264	14	1	271
UNITED ARROWS TAIWAN LTD.	14	0	0	14	1	0	15
UNITED ARROWS SHANGHAI LTD.	1	1	0	2	2	0	3

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

Here is the opening and closing of stores. We opened seven new stores in Q1, bringing the total number of stores to 280 at the end of Q1. The number of stores at the period end is expected to be 289, an increase of 16 stores from the end of the previous fiscal year.

FY27/3 Dividend Forecast: Special Commemorative Dividend

- ¥20 per share special dividend to commemorate the transition to a holding company structure.
- FY27/3 year-end dividend: ¥80 per share (¥60 ordinary + ¥20 special).
- Annual dividend increased to ¥112 per share.
- Progressive dividend policy (payout ratio of 40% or higher) remains unchanged.

FY27/3 Dividend per Share Forecast

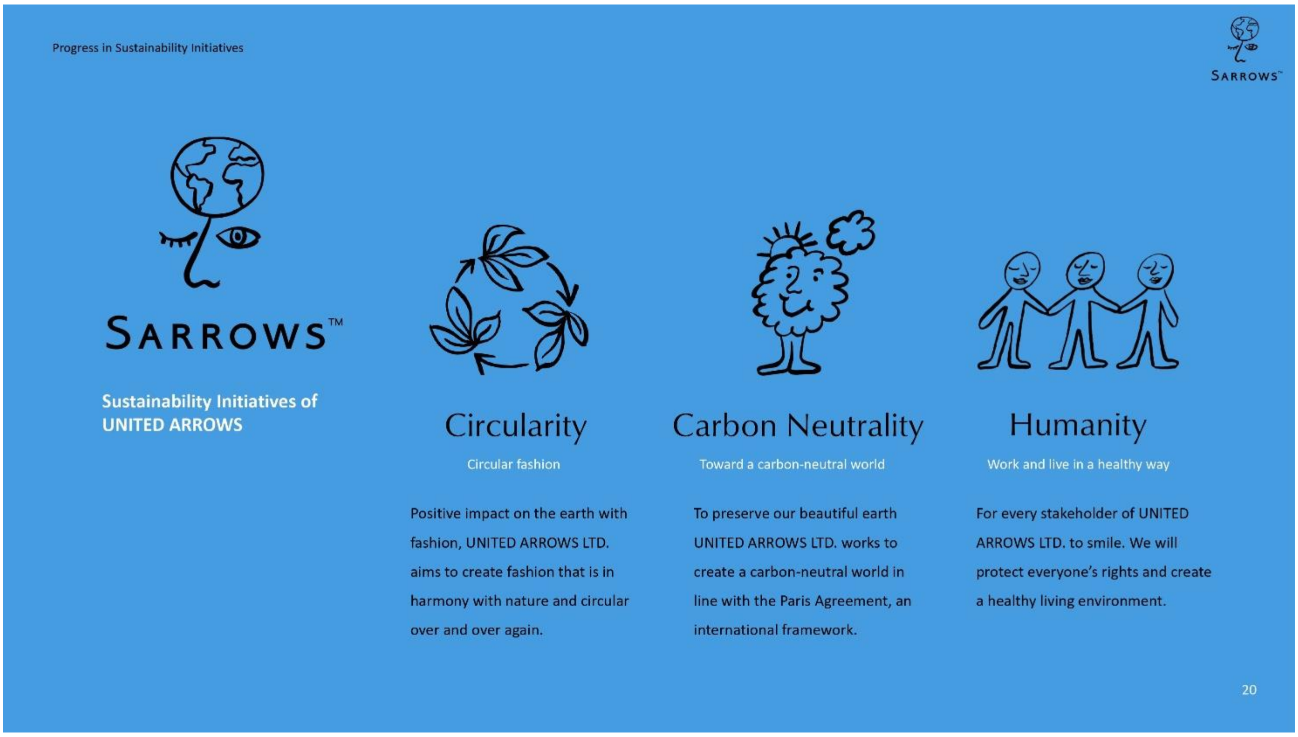
Interim Dividend	Year-end Dividend	Annual Dividend
¥32.00	Ordinary Dividend **¥60.00** Special Dividend **¥20.00**	**¥112.00**

Trend in Dividend per Share

Finally, last Friday, we announced the payment of a special commemorative dividend. JPY20 per share special dividend to commemorate the transition to a holding company structure in October 2026 will be provided. The year-end dividend consists of an ordinary dividend of JPY60 and the special commemorative dividend of JPY20, for a total of JPY80. We will increase the annual dividend to JPY112.

The progressive dividend policy where payout ratio is 40% or higher remains unchanged. We intend to continue implementing our capital policy in a way that enhances shareholder returns while continuing to invest in growth.

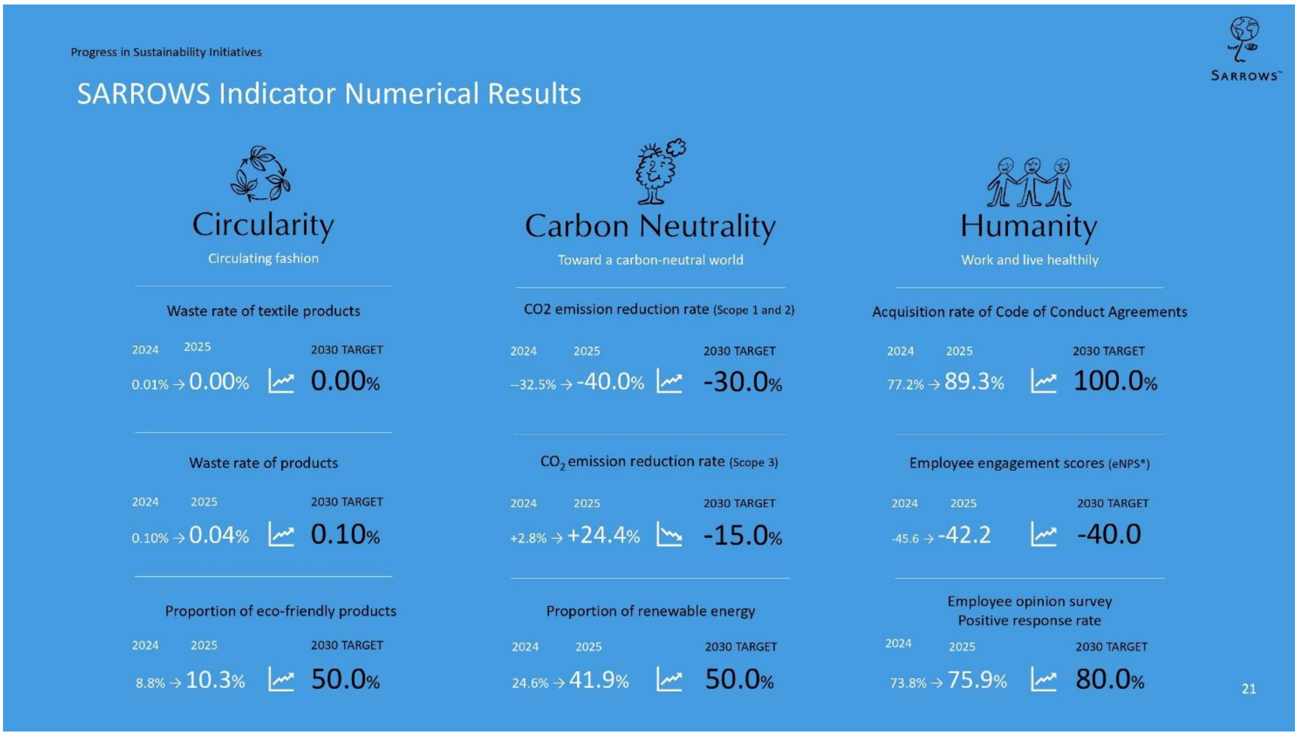
This concludes my overview of the FYE 3/2027 Q1 business results. Thank you very much.



Mii: Next, CSO Ito will report on the progress of sustainability initiatives.

Ito: Hello again. I am Ito from the corporate strategy division. Thank you. I would like to report on our progress during the previous fiscal year toward our company's long-term sustainability goals.

We have named our sustainability initiatives, SARROWS, and are promoting various initiatives across three areas, namely, circularity, carbon neutrality, and humanity. We have compiled the results for the previous period for the indicators based on each of these SARROWS areas, so I will now explain them.



We have set long-term targets for the nine items listed on the slide and are monitoring our progress against them. While we are making steady progress on key indicators, challenges associated with our business growth are also becoming apparent.

First, regarding the circularity initiative, by strengthening the sorting of products for recycling, we were able to reduce the waste rate of textile products, as well as the waste rate of products.

Next, in the area of carbon neutrality, we have significantly reduced our scope 1 and 2 CO_2 emissions as we have expanded the number of locations where we deploy renewable energy.

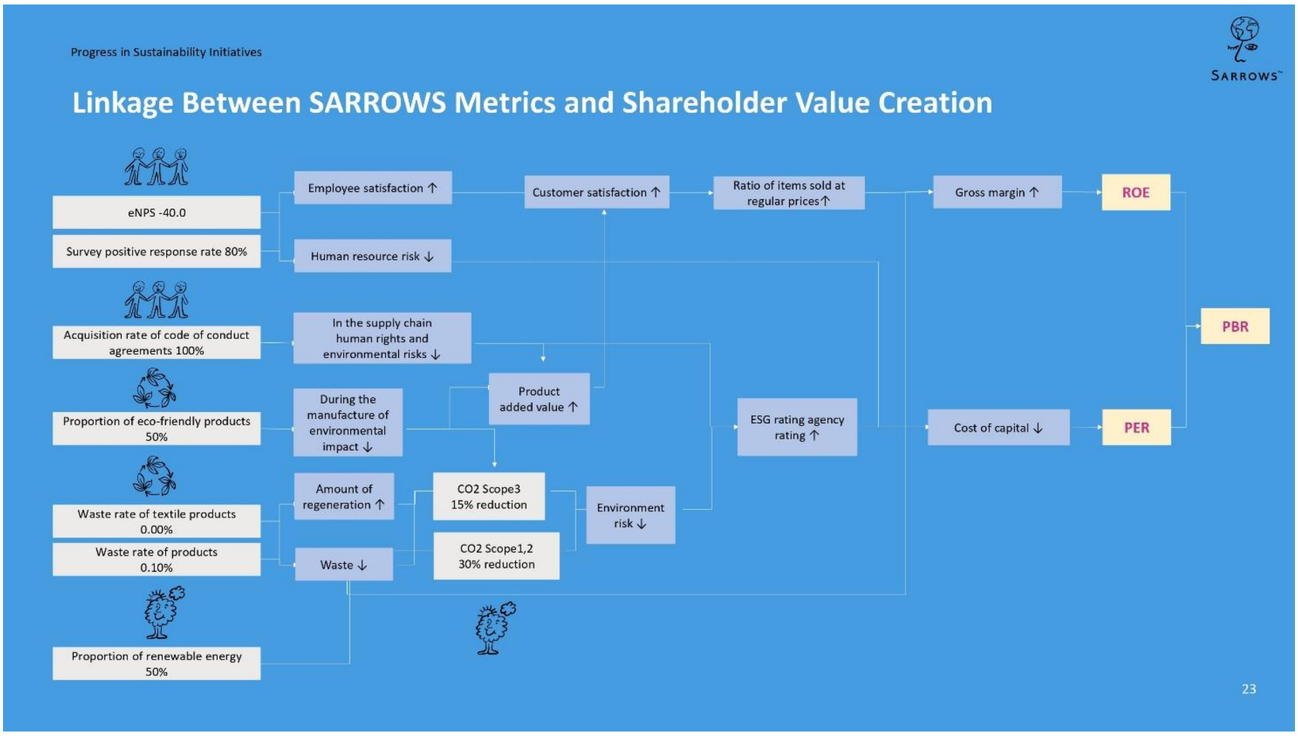
In the area of humanity, we have improved eNPS, which is our employee engagement score, by expanding investment in human capital, including the ongoing expansion of educational opportunities and raising salary levels through base pay increases, and application of the promotion rate.

On the other hand, the challenge associated with business growth is scope 3 CO_2 emissions. In particular, emissions from areas, such as product procurement, manufacturing, and transportation, are on the rise, and significant challenges remain in achieving the 2030 targets. While there are structural challenges regarding scope 3 emissions that we cannot resolve on our own, we will work in collaboration with our supply chain partners, and we intend to continue disclosing our measures and progress.

That is all for the results of SARROWS in the previous year.

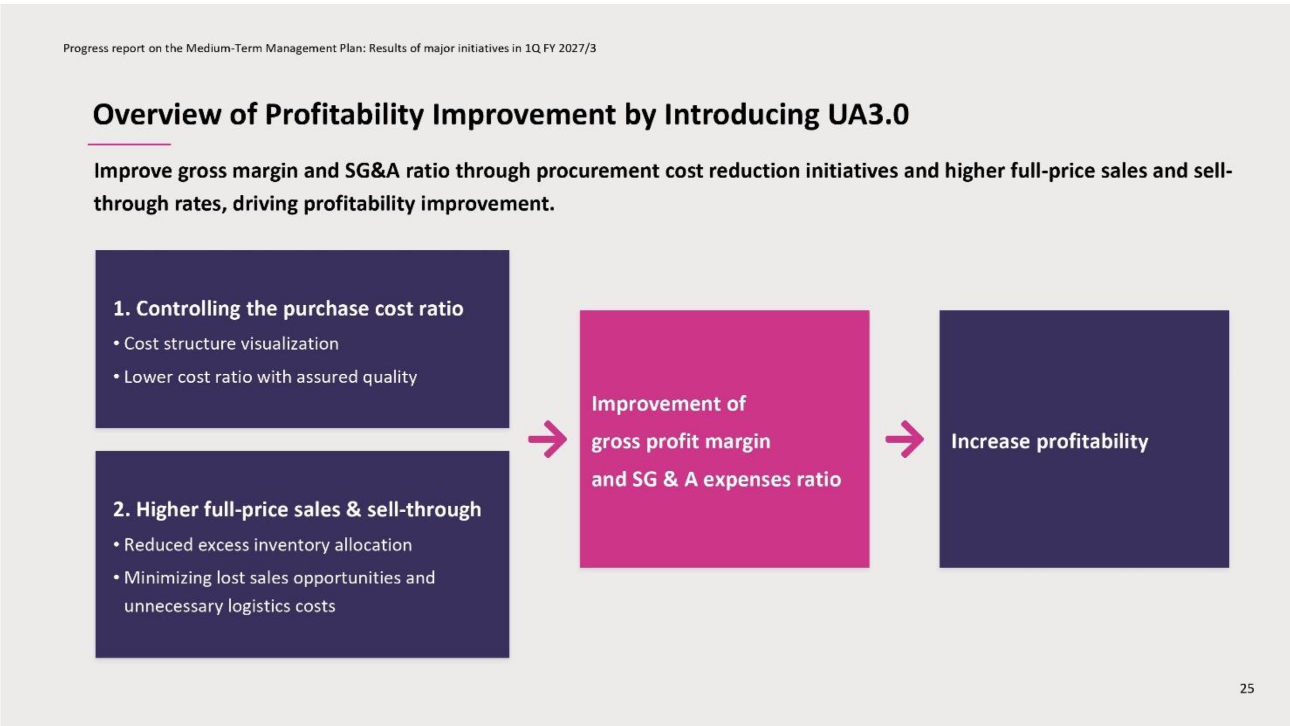
Please look at the next page. Our new medium-term management plan is taking effect this fiscal year. During this new medium-term management plan period, we intend to further increase trust in the corporate brand and sustainable profitability through SARROWS activities.

We regard to sustainability as an initiative to create maximum corporate value from limited resources, we believe SARROWS activities will lead to a reduction of operational risks and connect to the value base of humans and products, which are the source of our strengths. With this mindset, we will promote each of our SARROWS activities, thereby striving to maximize corporate value.



This page illustrates the linkage between SARROWS metrics and PER, ROE, and PBR. Due to time constraints, I will refrain from providing a detailed explanation, but we intend to continue our efforts while monitoring these relationships, both qualitatively and quantitatively.

That concludes my presentation. Thank you very much.



Mii: Next, Mr. Matsuzaki will report on the progress of the medium-term management plan.

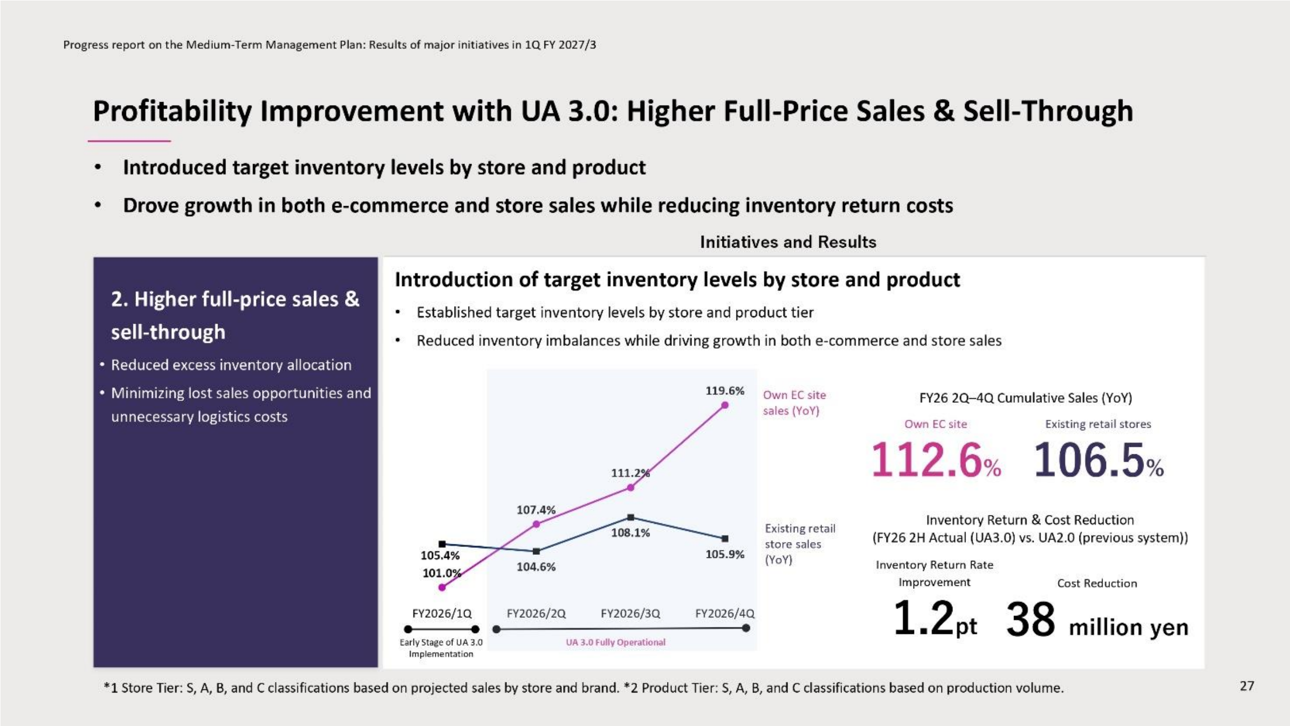
Matsuzaki: Once again, hello, everyone. I am Matsuzaki. I would like to report on the progress of UA3.0 and OMO, which form the foundation for business growth under our medium-term management plan, as well as on the status of our overseas expansion efforts.

As part of our medium-term management plan, we are promoting a high-sensitivity, high value-added strategy. It is UA3.0 that is one of the foundations for further improving our profitability for this end. As we have reported at previous briefings, with UA3.0, we are focusing on two key initiatives, namely, controlling the purchase cost ratio and higher full-price sales and sell-through. It has been one year since the system was implemented, and we have begun to see positive results and tangible outcomes, so I would like to explain them to you.

First, regarding the first theme, which is the purchase cost ratio, we have shifted from the previous cost management approach, which tended to focus on individual optimization, to one where we aggregate and visualize cost data. This allows us to analyze costs down to the level of production sites, procurement schemes, suppliers, and individual factories.

One of our competitive strengths is the quality and appeal of our products. Rather than simply cutting costs, we will achieve appropriate production costs by selecting the most effective and efficient procurement methods while maintaining and improving quality.

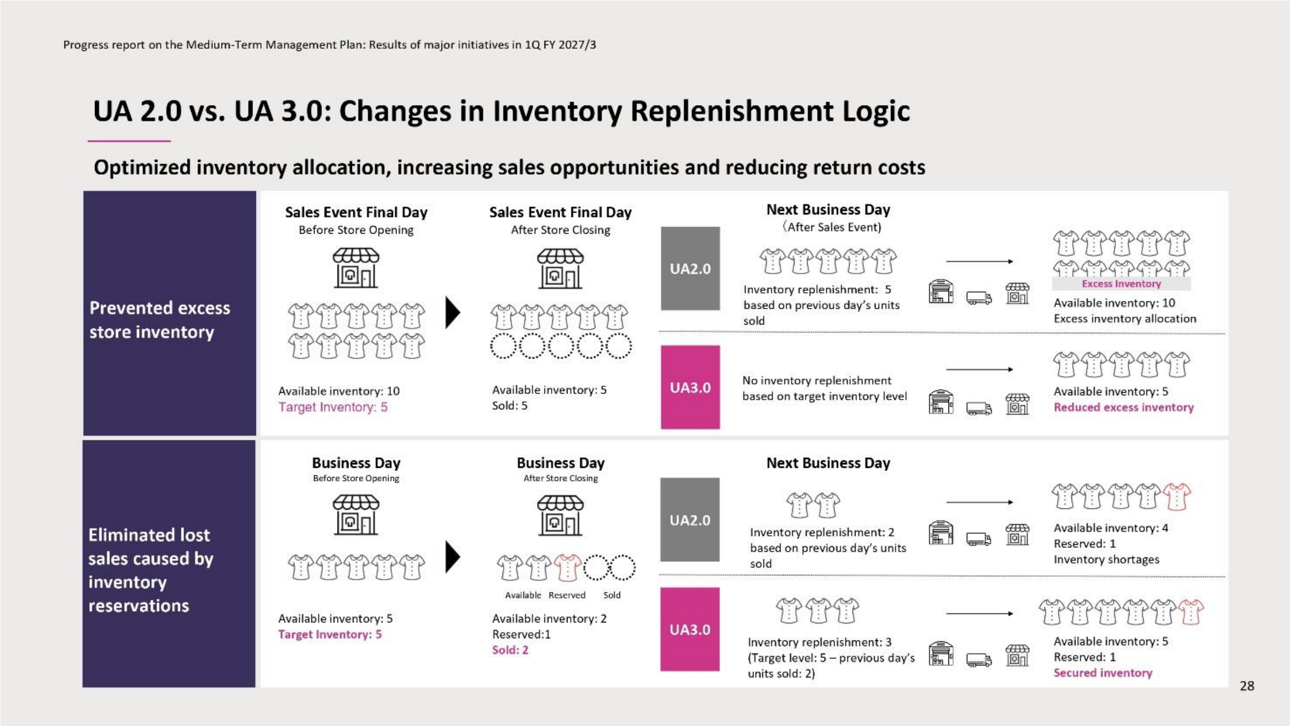
We have already formulated specific measures, such as identifying areas with high-cost ratios, reviewing production sites and procurement methods, analyzing cost structures by factory, and expanding business with factories that offer a competitive advantage. These specific measures are expected to yield tangible results starting with the next season, which is the spring/summer 2027 season.



The second theme is higher full-price sales and sell-through. In this regard, the transition to optimized initial allocation patterns is already yielding tangible results. By establishing target inventory levels by store and product tier, we curb oversupply to stores and optimize product allocation. This has allowed us to increase the share of inventory allocated to e-commerce, which are the areas where missed opportunities have been particularly noticeable. Following the full-scale rollout of UA 3.0, our online site sales reached 112.6% and existing retail store sales reached 106.5% during the cumulative FY26 2Q–4Q period.

Our growth across both actual stores and e-commerce serves as a testament to the effectiveness of UA3.0. While our actual stores are growing steadily, our e-commerce business is growing at an even faster pace, and we are seeing steady synergies in inventory management across our channels.

Furthermore, the reduction in the unnecessary movement of merchandise between stores and distribution centers led to a 1.2-point improvement in the return rate, resulting in a YoY reduction of JPY38 million in logistics costs in FY26 2H period. This is a track record of simultaneously achieving sales growth and cost reductions, and we view it as a key result that demonstrates the effectiveness of UA3.0.



Next, I apologize for the extremely detailed information. I will explain the target inventory levels. With the previous UA2.0 system, inventory was automatically replenished based on daily sales figures. As a result, for example, when we temporarily increased the inventory allocation for a sales campaign by a developer, subsequent allocations continued to be based on that higher inventory level, which ultimately led to an oversupply at retail stores.

On the other hand, with this UA3.0, we have shifted to a system that sets target inventory levels based on store-specific characteristics and automatically replenishes stock accordingly. During periods of temporary demand spikes, such as the campaigns I just mentioned, inventory is allocated appropriately. Inventory levels can be returned to the original target level after the campaign ends. Such improvements allow inventory to now be effectively allocated to e-commerce sales and other channels.

Progress report on the Medium-Term Management Plan: Results of major initiatives in 1Q FY 2027/3

Profitability Improvement with UA 3.0: Higher Full-Price Sales & Sell-Through

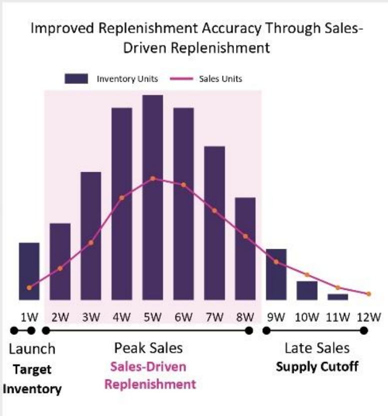
- **Enhanced target inventory management through optimized initial allocation patterns and sales-driven replenishment.**
- **Broaden deployment to drive further improvements in full-price sales and sell-through rates.**

Initiatives

2.Higher full-price sales & sell-through

Optimization of initial allocation patterns
- Analyzed non-selling SKU ratios*1 by department to identify over-allocation
- Revised initial allocation patterns for selected stores and products in targeted departments
- Reduced store allocations and increased inventory for e-commerce fulfillment, improving YoY e-commerce sales growth by approximately 20 percentage points

Introduction of sales-driven replenishment
- Optimized replenishment logic across each product lifecycle stage: Launch, Peak Sales, and Late Sales
- Piloted automated target inventory settings based on sales performance during the peak sales period
- Improved accuracy through analysis of stockout rates, sell-through rates, and weeks of inventory at pilot stores



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*1 Non-selling SKU Ratio: Percentage of initially allocated SKUs at stores that recorded zero sales.

Going forward, we will further accelerate our efforts to optimize inventory allocation. Specifically, we will move forward with the optimization of initial allocation patterns and sales-driven replenishment. For initial allocation patterns, now that we can obtain detailed data, we can track sales trends after allocation by store and by item, enabling us to conduct a detailed analysis of non-selling SKUs. By adjusting the allocation pattern based on these analysis results, we can further optimize the initial allocation.

With regard to inventory replenishment, we will evolve our target inventory flow and move toward a system that automatically adjusts target inventory levels based on demand by utilizing sales data. We will continuously monitor weeks of inventory, analysis of stockout rates, and sell-through rates, to establish an optimal operational structure based on data.

We believe that as this system becomes established, it will lead to higher full-price sales and sell-through, as well as reductions in logistics costs, thereby contributing to further profit growth and improved profit margins.

Progress report on the Medium-Term Management Plan: Results of major initiatives in 1Q FY 2027/3

UA 3.0 Roadmap to Enhance Profitability

Early UA 3.0 benefits have been confirmed, with broader deployment expected to further improve profitability.

Near Term	FY2027/2H -	2027 Spring & Summer	Mid-Term
Target inventory management benefits are emerging • FY26 2Q–4Q cumulative sales reached 112.6% YoY in e-commerce and 106.5% YoY in existing stores • Inventory return rate improved by 1.2ppt, generating approximately ¥38 million in cost savings	**Roll out best practices in initial allocation optimization and sales-driven replenishment** • Roll out successful initiatives across departments, stores, and product tiers • Drive growth in full-price sales	**Reduce procurement cost ratios and optimize inventory procurement volumes** • Reflect procurement cost reduction initiatives in the Spring/Summer 2027 plan • Optimize procurement volumes and improve sell-through rates through enhanced allocation and replenishment accuracy	**Enhance profitability** • Improve gross profit margin through broader deployment and greater operational accuracy • Lower logistics costs and enhance operating profit margin

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As for our roadmap going forward, as I just mentioned, target inventory management benefits are emerging. As the next steps, we plan to review the initial allocation and roll out best practices in sales-driven replenishment across the Company. Furthermore, starting in the spring/summer 2027 season, we expect to fully implement measures to improve the cost-to-sales ratio and optimize procurement volumes. By achieving these goals, we will continue to enhance the operating profit margin.

Progress report on the Medium-Term Management Plan: Results of major initiatives in 1Q FY 2027/3

Overseas Expansion: New Store Openings in Summer 2026

UNITED ARROWS SHANGHAI LTD.

Mainland China Expansion: Third Store Opened in Hangzhou (April 2026)

- Expanded the brand lineup to include DRAWER, alongside UNITED ARROWS, H BEAUTY&YOUTH, LOEFF, and PREEK.
- Evaluating the opening of a fourth store in Shanghai as the next step in expansion.
- Shifted the medium-term store development strategy to a Shanghai-centered cluster approach, aiming to enhance brand awareness and expand the customer base.

Thailand Expansion: Third Franchise Store Opening

UNITED ARROWS Siam Paragon Store (July 2026)

- Opened at Siam Paragon, one of Bangkok's leading luxury shopping destinations.
- Introduced UNITED ARROWS Women's and 6 (ROKU) to expand the merchandise offering.
- Evolved into an integrated menswear and womenswear retail format, broadening the customer base and enhancing brand presence.

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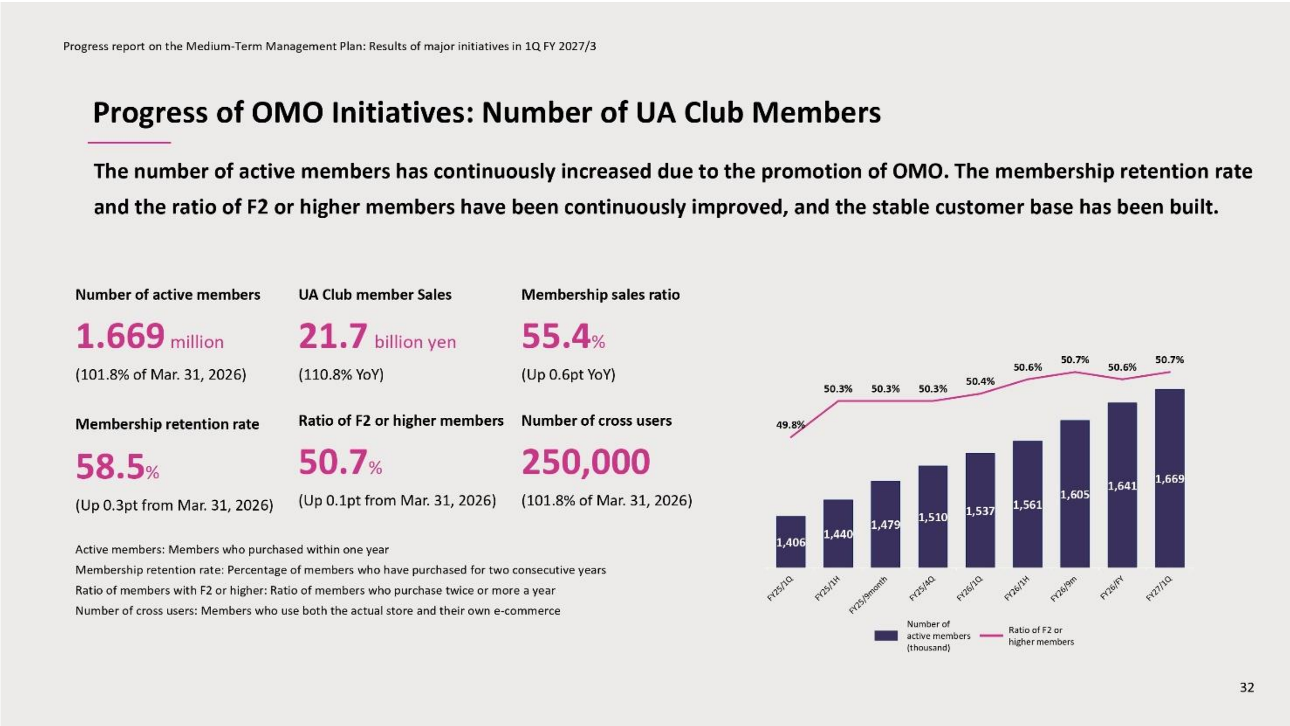
Next is overseas business status. This fiscal year, we recently opened our third UNITED ARROWS SHANGHAI store in Hangzhou, China. In addition, we have opened our third franchise location in Thailand. Both stores were opened in leading local retail facilities. By tailoring our brand strategies to the specific characteristics of each location, we are strengthening the position as a high-sensitivity, high value-added brand, where our company excels.

In mainland China, we are currently conducting detailed planning for the opening of the fourth store in Shanghai, following the opening of the third store. Until now, we have pursued a store expansion strategy focused on first-tier cities within China. However, moving forward, we shifted to a Shanghai-centered cluster approach, with the aim of quickly enhancing brand recognition and expanding our customer base.

While our domestic operations still account for the bulk of our revenue at this time, we will continue to strengthen and develop our overseas operations as drivers of growth over the medium to long term.



Last, but not least, I will explain about our customer base. The number of active UA Club members has grown to 1.669 million. Furthermore, with a membership retention rate of 58.5%, 50.7% of the members are F2 or higher members who purchase twice or more a year. The quality and quantity of our customer base are steadily improving.

In particular, the increase in the ratio of F2 or higher members is a result of our efforts to improve customer loyalty and is a key indicator that will lead to improved profitability in the future. Through our OMO strategy, we will seamlessly integrate our actual stores with our e-commerce platform and expand our touchpoints with customers to continuously enhance customer value.

That concludes my report on the progress.

As I just reported, our operating performance for Q1 of the first year of our current medium-term management plan is generally proceeding as planned. Although progress regarding our gross profit margin continues to present challenges, we will work to reduce our cost ratio and improve overall profitability by fully leveraging UA3.0, as I just mentioned. We sincerely appreciate your continued support.

That concludes my presentation.