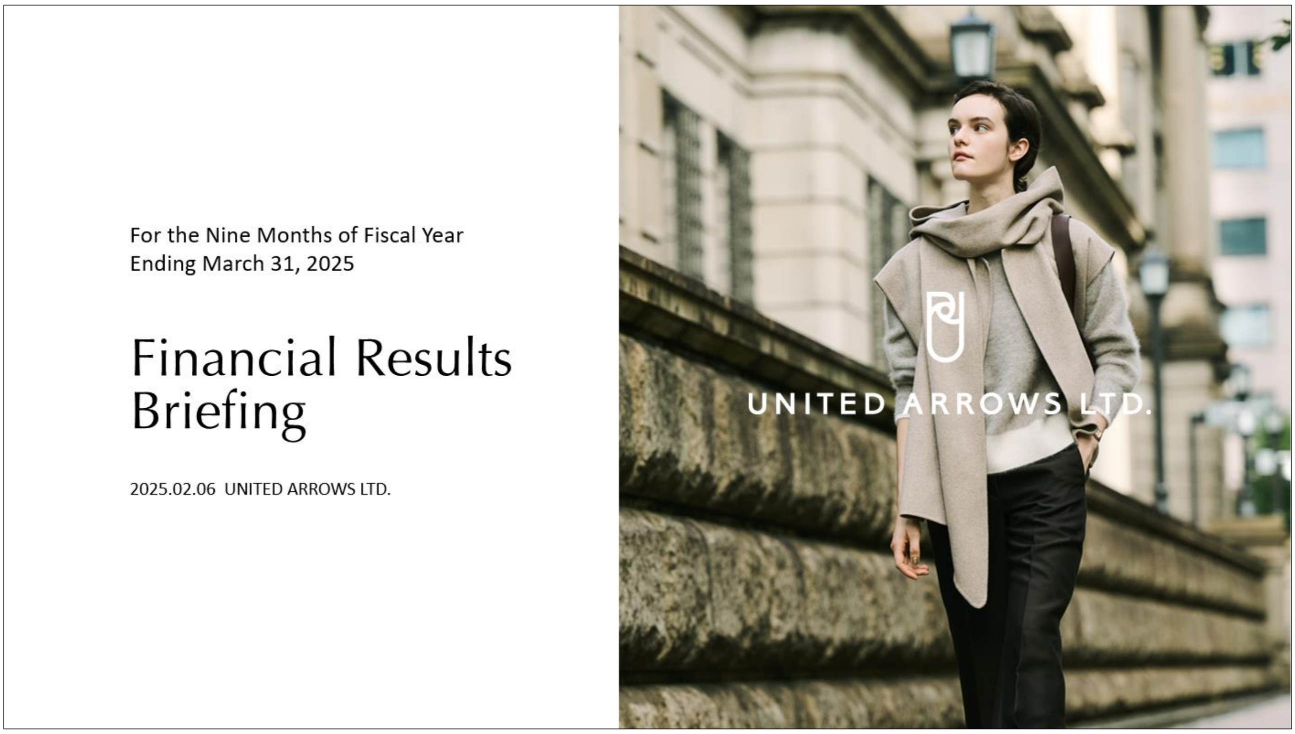

Event Summary

[Event Type]	Earnings Announcement	
[Event Name]	Q3 Financial Results Briefing for the Fiscal Year Ending March 2025	
[Fiscal Period]	FY2025 Q3	
[Speakers]	Yoshinori Matsuzaki	Representative Director, President, CEO
	Takeo Nakazawa	Director, Executive Managing Officer, CFO
	Satoshi Tan	Executive Officer, CSO
	Toshiharu Mii	Manager, Corporate Strategy Division, Investor Relations Department

Please show page four of the slide. Now, here are the financial highlights.

As for consolidated results, sales and gross profit exceeded both the revised forecast and the previous year, and SG&A expenses were slightly better controlled from the revised forecast, resulting in operating income and other profits exceeding the revised forecast. They also increased YoY.

Next is the gross margin. This was slightly below the revised forecast but exceeded the previous year. By company, non-consolidated and UA TAIWAN performed at the revised forecast level and exceeded the previous year's level. COEN CO., LTD. fell short of the previous year and revised forecast due to an increase in inventory write-off.

Next, non-consolidated results. Sales and gross profit were well above the previous year and slightly above the revised forecast. Due to a reduction in the SG&A expense ratio, operating income and other profits exceeded the revised forecast and the previous year. In addition, existing store sales also maintained double-digit growth.

These are the financial highlights.

The following is an explanation of the financial results in detail.

First, here are the consolidated results.

Consolidated sales were JPY112.9 billion, YoY 113.3%, and the gross margin was 53%, a YoY improvement of 0.3 point.

Next is the consolidated operating income.

Operating income was JPY8 billion. It saw YoY 138.1%. The ratio to sales was 7.1%, a YoY increase of 1.3 point.

Net income attributable to owners of the parent was JPY5 billion, YoY 119%. The ratio to sales was 4.5%, a YoY increase of 0.2 point.

Overview of FY2025/3 3Q Business Results

Consolidated P/L

(Millions of yen)

		FY24/3 9M	FY25/3 9M	Change/pt difference	YoY
Sales		99,704	112,988	13,284	113.3%
Gross profit		52,578	59,906	7,328	113.9%
	vs. sales	52.7%	53.0%	0.3pt	—
SGA expenses		46,761	51,871	5,109	110.9%
	vs. sales	46.9%	45.9%	- 1.0pt	—
Operating income		5,817	8,035	2,218	138.1%
	vs. sales	5.8%	7.1%	1.3pt	—
Non op. P/L		542	736	194	135.8%
	vs. sales	0.5%	0.7%	0.1pt	—
Ordinary income		6,359	8,771	2,412	137.9%
	vs. sales	6.4%	7.8%	1.4pt	—
Extraordinary P/L		(171)	(938)	(767)	—
	vs. sales	—	—	—	—
Net income attributable to owners of parent		4,253	5,063	809	119.0%
	vs. sales	4.3%	4.5%	0.2pt	—

* The positive impact of the processing of unused miles at UNITED ARROWS LTD. was approximately ¥200 million, which was included in 2Q sales and gross profit

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This slide is for the consolidated P&L. The details are as shown on the slide.

Overview of FY2025/3 3Q Business Results

Consolidated P/L 3Q (3 Months)

(Millions of yen)

		FY24/3 3Q	FY25/3 3Q	Change/pt difference	YoY
Sales		38,690	44,723	6,032	115.6%
Gross profit		20,585	23,953	3,368	116.4%
	vs. sales	53.2%	53.6%	0.4pt	—
SGA expenses		16,543	18,871	2,328	114.1%
	vs. sales	42.8%	42.2%	- 0.6pt	—
Operating income		4,041	5,081	1,040	125.7%
	vs. sales	10.4%	11.4%	0.9pt	—
Non op. P/L		133	292	158	219.1%
	vs. sales	0.3%	0.7%	0.3pt	—
Ordinary income		4,174	5,373	1,198	128.7%
	vs. sales	10.8%	12.0%	1.2pt	—
Extraordinary P/L		(102)	(549)	(447)	—
	vs. sales	—	—	—	—
Net income attributable to owners of parent		2,827	3,165	338	112.0%
	vs. sales	7.3%	7.1%	▲ 0.2pt	—

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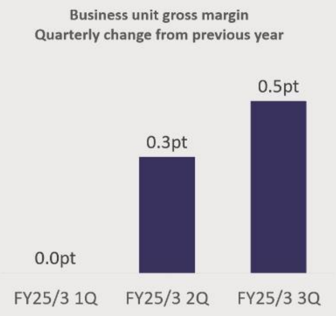
This is the consolidated P&L Q3, three months. The details are as shown on the slide, which I hope you will check later.

Overview of FY2025/3 3Q Business Results

Consolidated Gross Margin

Consolidated, non-consolidated and Taiwanese subsidiary exceeded previous year's results, while COEN CO., LTD. declined from the previous year due to inventory write-downs. Non-consolidated business unit continued to improve from 2Q.

	FY25/3 9M	YoY pt difference
Consolidated	53.0%	0.3pt
UNITED ARROWS LTD.	53.0%	0.5pt
Total business unit	-	0.3pt
Outlet, etc.	-	2.1pt
COEN CO., LTD.	-	-3.4pt
UNITED ARROWS TAIWAN LTD.	-	0.9pt



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Then, here are the details of the gross margin.

The consolidated gross margin was 53%, a YoY increase of 0.3 point. The non-consolidated result was 53%, a YoY increase of 0.5 point.

The total business unit improved by 0.3 point due to appropriate pricing and curbing of clearance sales. Q1 was at the same level as the previous year when sale demand was accelerated, but it has improved since Q2.

Outlet, etc., improved from the previous year, mainly due to an increase in the ratio of outlet-only products as a result of inventory efficiency improvements.

COEN decreased YoY by 3.4 points due to an increase in clearance sales and merchandise inventory write-off.

At the bottom, the Taiwanese subsidiary. Here, it saw a 0.9-point improvement, thanks to improving inventory efficiency.

Overview of FY2025/3 3Q Business Results

Consolidated Gross Margin 3Q (3 Months)

	FY25/3 3Q	YoY pt difference
Consolidated	53.6%	0.4pt
UNITED ARROWS LTD.	53.9%	0.7pt
Total business unit	-	0.5pt
Outlet, etc.	-	1.0pt
COEN CO., LTD.	-	-7.1pt
UNITED ARROWS TAIWAN LTD.	-	-0.1pt

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The slide shows the consolidated gross margin Q3, three months. This slide provides detailed data. I hope you will check later.

Overview of FY2025/3 3Q Business Results

Consolidated SGA Expenses

Although SGA expenses increased from the previous year, the SGA expenses ratio was held down by sales growth. This includes increases in advertising and promotion expenses, personnel expenses due to increased number of employees, salary base increases, and bonus increases, and depreciation expenses due to store openings and system investments.

(Millions of yen)

		FY24/3 9M	FY25/3 9M	Change/pt difference	YoY
Total SGA expenses		46,761	51,871	5,109	110.9%
	vs. sales	46.9%	45.9%	- 1.0pt	-
Advertising expenses		2,852	3,156	304	110.7%
	vs. sales	2.9%	2.8%	- 0.1pt	-
Personnel expenses		16,000	17,465	1,464	109.2%
	vs. sales	16.0%	15.5%	- 0.6pt	-
Rent		13,644	14,782	1,138	108.3%
	vs. sales	13.7%	13.1%	- 0.6pt	-
Depreciation		647	931	283	143.8%
	vs. sales	0.6%	0.8%	0.2pt	-
Other		13,615	15,534	1,919	114.1%
	vs. sales	13.7%	13.7%	0.1pt	-

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This slide shows the details of the consolidated SG&A expenses.

Although they increased from the previous year, the SG&A ratio was under control through sales growth. SG&A expenses amounted to JPY51.8 billion, YoY 110.9%. The ratio to sales was 45.9%, a YoY decline of 1 point.

As major expenses, advertising expenses amounted to JPY3.1 billion, YoY 110.7% and 2.8% versus sales. We saw an increase due to strengthened advertising, such as TV commercials and corporate branding ads.

Next, personnel expenses amounted to JPY17.4 billion, YoY 109.2% and 15.5% versus sales. This is due to an increase in the number of employees, a salary base increase, and an increase in bonuses.

Rent was JPY14.7 billion, YoY 108.3% and 13.1% versus sales. This was due to an increase in percentage rent and commissions for online shopping sites in line with sales increase.

Depreciation was JPY931 million, YoY 143.8% and 0.8% versus sales, due to new store openings and increased system investment.

Other was JPY15.5 billion, YoY 114.1% and 13.7% versus, sales due to an increase in costs, such as credit card fees, delivery fees, and logistics outsourcing fees, which were incurred in conjunction with sales expansion.

Overview of FY2025/3 3Q Business Results

Consolidated SGA Expenses 3Q (3 Months)

(Millions of yen)

		FY24/3 3Q	FY25/3 3Q	Change/pt difference	YoY
Total SGA expenses		16,543	18,871	2,328	114.1%
	vs. sales	42.8%	42.2%	- 0.6pt	-
Advertising expenses		924	1,250	325	135.2%
	vs. sales	2.4%	2.8%	0.4pt	-
Personnel expenses		5,518	6,128	609	111.1%
	vs. sales	14.3%	13.7%	- 0.6pt	-
Rent		4,988	5,582	594	111.9%
	vs. sales	12.9%	12.5%	- 0.4pt	-
Depreciation		222	366	143	164.3%
	vs. sales	0.6%	0.8%	0.2pt	-
Other		4,889	5,544	655	113.4%
	vs. sales	12.6%	12.4%	- 0.2pt	-

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This slide shows the breakdown of the consolidated SG&A expenses for Q3, three months. The details are as shown on the slide.

Overview of FY2025/3 3Q Business Results

Consolidated B/S

(Millions of yen)

	As of Mar. 31, 2024	As of Dec. 31, 2024	vs. previous term-end Change	
Total Assets	60,204	70,911	10,706	117.8%
Composition ratio	100.0%	100.0%		
Current Assets	40,372	48,741	8,369	120.7%
Composition ratio	67.1%	68.7%		
Noncurrent Assets	19,831	22,169	2,337	111.8%
Composition ratio	32.9%	31.3%		
Current Liabilities	20,997	28,376	7,379	135.1%
Composition ratio	34.9%	40.0%		
Noncurrent Liabilities	4,177	3,951	(225)	94.6%
Composition ratio	6.9%	5.6%		
Total Net Assets	35,030	38,582	3,552	110.1%
Composition ratio	58.2%	54.4%		
Reference: Balance of short- and long-term loans payable	202	3,058	2,856	1513.9%

	As of Dec. 31, 2023	As of Dec. 31, 2024	vs. 3Q-end of the previous fiscal year Change	
Reference: Inventory	22,833	25,658	2,824	112.4%

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This is the consolidated B/S. For the details of the B/S, please refer to the financial results.

The balance of long- and short-term loans payable, which is shown for your reference at the bottom of this slide, was JPY3 billion, a significant increase from the end of the previous fiscal year. This is due to an increase in borrowings at our subsidiary, COEN.

The last item, inventory amounted to JPY25.6 billion, 112.4% versus the end of the last term. This is mainly due to an increase in inventory in preparation for sales expansion.

Overview of FY2025/3 3Q Business Results

Consolidated C/F

(Millions of yen)

	FY24/3 9M	FY25/3 9M	Major breakdown of the results for the term	
Cash flows from operating activities (sub-total)	2,558	5,147		
Cash flows from operating activities	911	4,351	Profit before income taxes Increase in trade receivables Increase in inventories Increase in trade payables	7,833 (2,962) (3,968) 1,735
Cash flows from investing activities	(2,545)	(5,317)	Purchases of property, plant and equipment Purchases of intangible assets Payments of guarantee deposits	(1,932) (2,261) (762)
Cash flows from financing activities	(3,744)	1,361	Net increase in short-term borrowings Dividends paid	2,856 (1,493)
Cash and cash equivalents at the end of the period	3,104	6,882		

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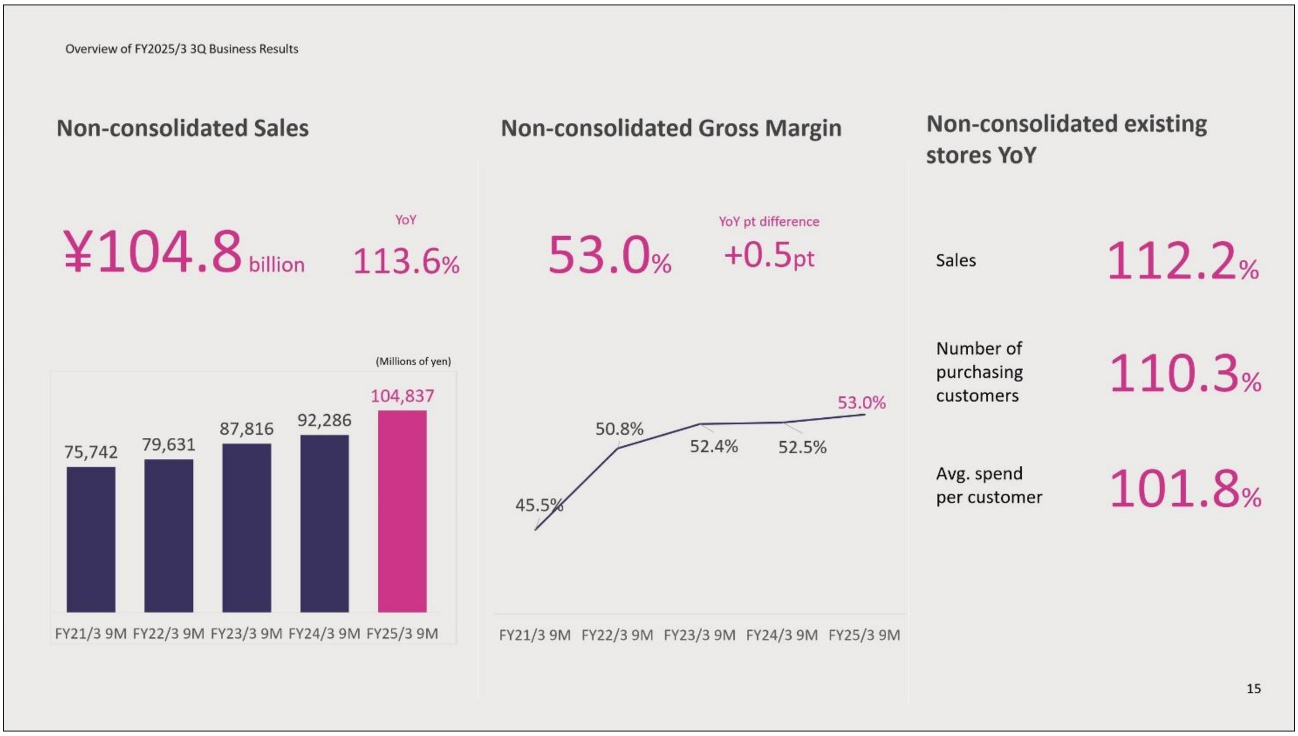
This is the consolidated cash flow.

Cash flow from operating activities had a JPY4.3 billion cash-in. Those from investing activities had a JPY5.3 billion cash-out. Those from financing activities had a JPY1.3 billion cash-in.

As a result, the balance of cash and cash equivalents was JPY6.8 billion.

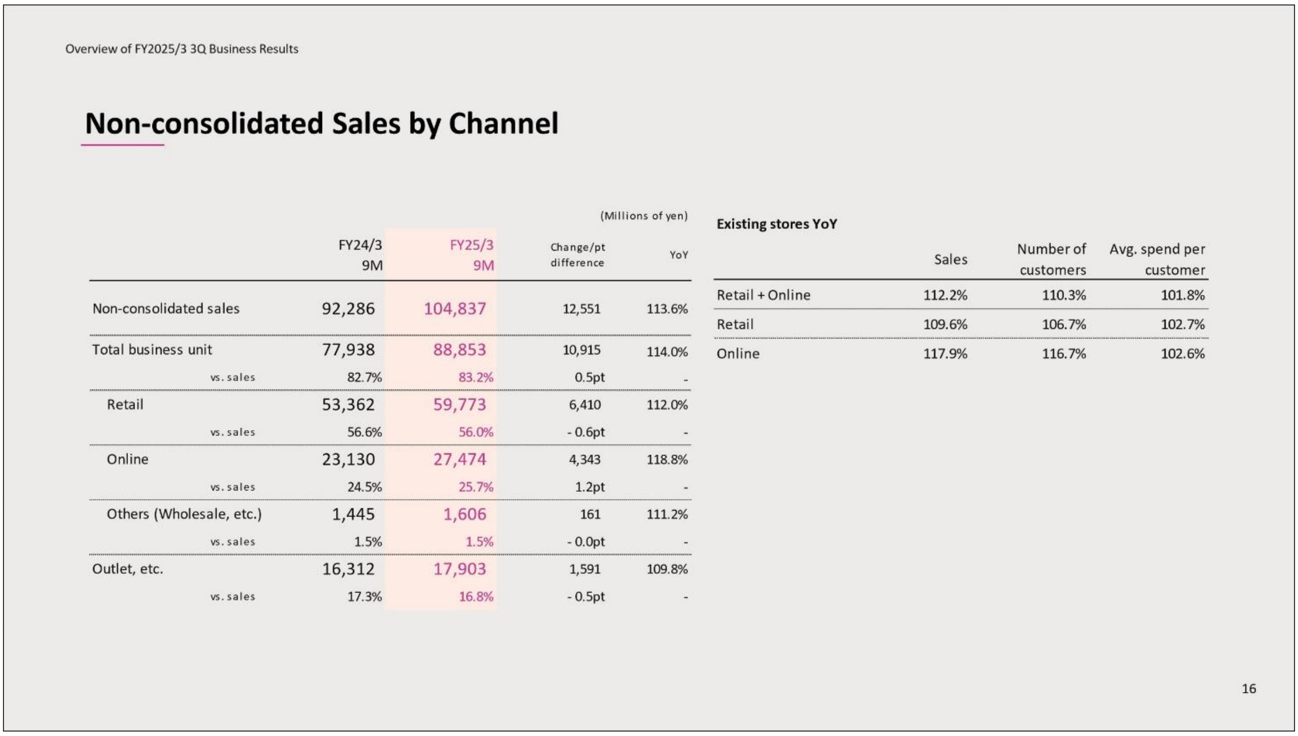
The breakdown is as shown on this slide, which I hope you will check later.



I will report on our non-consolidated results with the following slides.

Sales were JPY104.8 billion, YoY 113.6%. The gross margin was 53%, a YoY improvement of 0.5 point.

Concerning existing stores, sales saw YoY 112.2%, and the number of purchasing customers saw YoY 110.3%, while average spend per customer improved YoY to 101.8%.



Overview of FY2025/3 3Q Business Results

Non-consolidated Sales by Channel

(Millions of yen)

	FY24/3 9M	FY25/3 9M	Change/pt difference	YoY
Non-consolidated sales	92,286	104,837	12,551	113.6%
Total business unit	77,938	88,853	10,915	114.0%
vs. sales	82.7%	83.2%	0.5pt	-
Retail	53,362	59,773	6,410	112.0%
vs. sales	56.6%	56.0%	- 0.6pt	-
Online	23,130	27,474	4,343	118.8%
vs. sales	24.5%	25.7%	1.2pt	-
Others (Wholesale, etc.)	1,445	1,606	161	111.2%
vs. sales	1.5%	1.5%	- 0.0pt	-
Outlet, etc.	16,312	17,903	1,591	109.8%
vs. sales	17.3%	16.8%	- 0.5pt	-

Existing stores YoY

	Sales	Number of customers	Avg. spend per customer
Retail + Online	112.2%	110.3%	101.8%
Retail	109.6%	106.7%	102.7%
Online	117.9%	116.7%	102.6%

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This slide shows the details of non-consolidated sales.

First, total business unit sales were JPY88.8 billion, YoY 114%. Retail sales were JPY59.7 billion, YoY 112%, and online sales were JPY27.4 billion, YoY 118.8% and 25.7% versus sales.

In-house e-commerce sites performed well, YoY 133.6%, and accounted for 42.1% of online sales, a YoY increase of 4.6 points. As for other companies' mall, the mainstay sites grew significantly, with YoY 109.9%. Both retail and online sales are growing due to the penetration of OMO measures.

Outlet sales amounted to JPY17.9 billion, YoY 109.8% and 16.8% versus sales.

The right side of the slide shows the YoY changes of retail and online sales for existing stores.

Overview of FY2025/3 3Q Business Results

Non-consolidated Sales by Business

(Millions of yen)

	FY24/3 9M	FY25/3 9M	Change	YoY
Total business unit sales	77,938	88,853	10,915	114.0%
Trend-conscious Market	52,642	58,690	6,048	111.5%
Basic Trend-conscious Market	25,295	30,163	4,867	119.2%

Existing store sales YoY

	Retail + Online	Retail	Online
Trend-conscious Market	110.3%	107.9%	115.8%
Basic Trend-conscious Market	116.1%	113.3%	121.7%

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Next slide, please. This slide shows non-consolidated sales by business.

The trend-conscious market, centered on UA and BY, remained strong due to a recovery in central Tokyo and in inbound sales, resulting in sales of JPY58.6 billion, YoY 111.5%.

The basic trend-conscious market, led by GLR, posted sales of JPY30.1 billion, YoY 119.2%. This area showed high growth mainly due to large-scale promotions in women's wear.

In both markets, existing retail and online store sales saw YoY double-digit growth.

Overview of FY2025/3 3Q Business Results

Group Company Results

COEN CO., LTD. Feb. – Oct.

Saw increase in sales and decrease in profit

- Sales ¥7.48 billion, YoY 109.4%
- Sales exceeded the previous year due to recovery mainly in physical stores owing to MD revisions
- Profits decreased due to a decline in gross profit margin caused by inventory valuation losses and an increase in SGA expenses caused by increases in personnel expenses and advertising expenses.

UNITED ARROWS TAIWAN LTD. Feb. – Oct.

Increase in both sales and profit

- Sales ¥1.31 billion, YoY 117.8%
- BEAUTY&YOUTH, coen, and online sales performed well
- Gross margin improved due to improved inventory efficiency, achieving increases in both sales and profit

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Next slide, please. This slide shows an overview of group company results.

As for the results of subsidiaries, as shown on the slide, sales increased but profit decreased for COEN.

Next, UA TAIWAN saw an increase in both sales and profit.

Overview of FY2025/3 3Q Business Results

Opening and Closing of Stores

The number of stores at the end of 3Q was 315, with 17 stores opened and 3 stores closed
UA LTD. added two new stores to the previous forecast, bringing the number of stores at the end of the fiscal year to 322, an increase of 21 stores from the end of the previous fiscal year.

		9M results			Full-year forecast		
	No. of stores at the previous period end	Opened	Closed	No. of stores at the 9M-end	Opened	Closed	No. of stores at the period end (Forecast)
Group Total	**301**	**17**	**3**	**315**	**26**	**5**	**322**
UNITED ARROWS LTD.	221	11	1	231	20	3	238
COEN CO., LTD.	71	5	2	74	5	2	74
UNITED ARROWS TAIWAN LTD.	9	1	0	10	1	0	10

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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Now, please see the next slide. This slide shows store opening and closing.

During the nine months of FYE 3/2025, the group total saw 17 store openings and three store closings. The number of stores is 315 as of the end of Q3. For the full year, UA is expected to open two more new stores from the previous forecast, bringing the number of stores at the end of FY2025 to 322, an increase of 21 stores from the end of the previous fiscal year.

In the previous briefing, the number of stores at the end of the fiscal year included five stores of BOOT BLACK JAPAN, which became our group company. However, they are excluded now because they are an affiliate accounted for by the equity method.

Overview of FY2025/3 3Q Business Results

Revision of Earnings Forecast (Revised on November 7, 2024)

Although consolidated results exceeded the revised forecast, the forecast remains unchanged reflecting the situation at COEN CO., LTD.

		FY24/3	FY25/3 Revised forecast	YoY change/vs. sales pt difference	
Sales		134,269	150,960	16,690	112.4%
Gross profit		69,462	78,930	9,467	113.6%
	vs. sales	51.7%	52.3%	0.6pt	-
SGA expenses		62,722	71,230	8,507	113.6%
	vs. sales	46.7%	47.2%	0.5pt	-
Operating income		6,740	7,700	959	114.2%
	vs. sales	5.0%	5.1%	0.1pt	-
Non op. P/L		746	620	(126)	83.0%
	vs. sales	0.6%	0.4%	- 0.1pt	-
Ordinary income		7,486	8,320	833	111.1%
	vs. sales	5.6%	5.5%	- 0.1pt	-
Extraordinary P/L		(331)	(950)	(618)	-
	vs. sales	-	-	-	-
Net income attributable to owners of pa		4,876	4,530	(346)	92.9%
	vs. sales	3.6%	3.0%	- 0.6pt	-

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Now, please see the next slide. Finally, I would like to discuss our full-year earnings forecast.

As I explained earlier, on a consolidated basis, we have exceeded the revised forecast announced in November. However, we have decided to leave the forecast unchanged in light of the Q4 situation at COEN and an increase in expenses due to unplanned UA store openings.

This is an explanation of the overview of our business results for the first nine months of the fiscal year. Thank you very much.

Mii: Next, Tan will report on our sustainability initiatives.

Tan: Once again, I am Tan from the Corporate Strategy Division. I would like to explain three sustainability initiatives in Q3.

The first one. One of our long-term sustainability goals is to increase the composition ratio of environmentally friendly products to 50%. As part of this effort, we are developing environmentally friendly products for the fall and winter 2024 and spring and summer 2025 seasons.

In particular, for the spring and summer 2025 season, we are making new attempts, such as offering products using Spiber's environmentally friendly fabrics under six brands, and we will continue our efforts to promote environmentally friendly products.

The second point is the progress in introducing renewable energy. One of our long-term sustainability goals is to increase the percentage of our sites using renewable energy to 50%.

In the current fiscal year, we are in the process of concluding a contract to introduce the system in the exclusive areas of our stores and expect to reduce CO2 emissions by approximately 1,000 tons per year in 27 stores.

As a result, the percentage of renewable energy-installed facilities, as explained earlier, is expected to increase from 12.5% at the end of the previous fiscal year to approximately 25%.

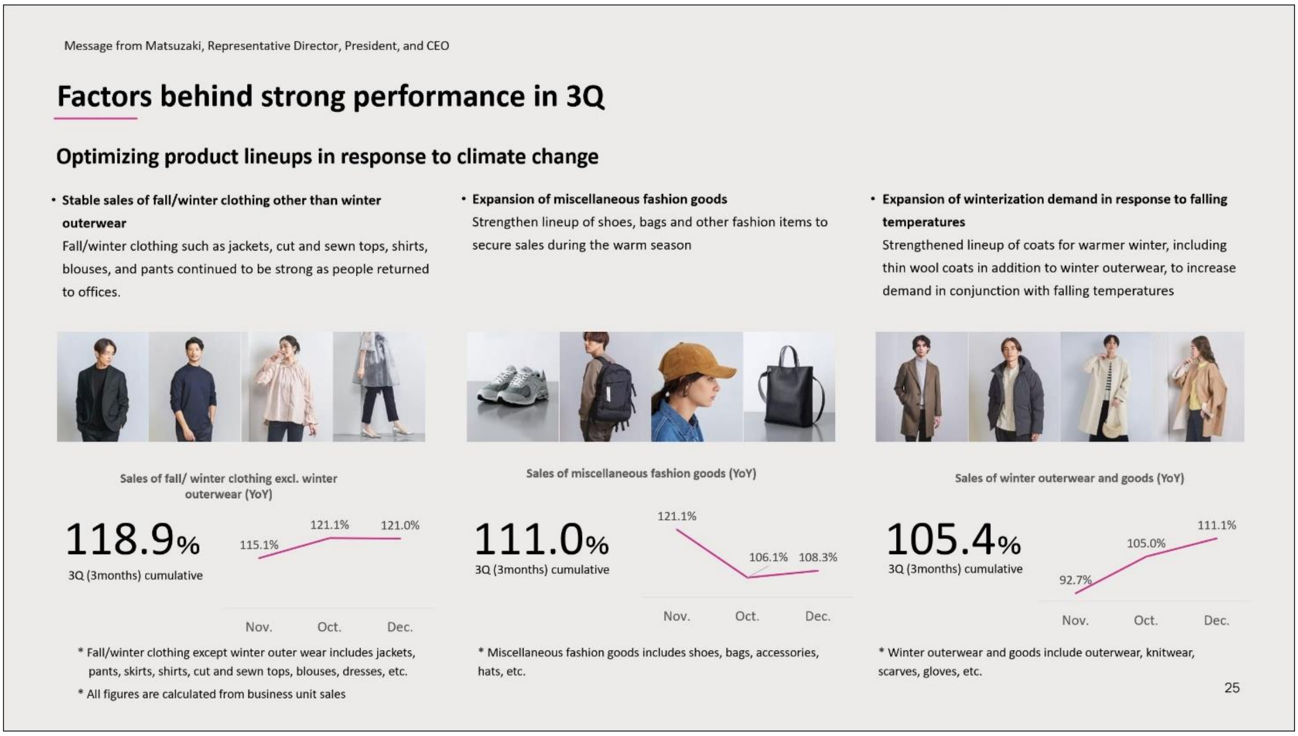
The third point. Since the previous two fiscal years, we have started on-site factory audits of domestic sewing factories, and this fiscal year we audited a total of three companies. As a result of the on-site audit covering several items, such as wages, working hours, health and safety, etc., we found some points mainly in facility management, etc. We are now in the process of improving.

As a result of ongoing on-site audits, the coverage of original brand products produced in Japan achieved over 40%. We will continue to promote on-site audits in cooperation with sewing factories.

That is all about the report on our sustainability initiatives. Thank you very much.

Mii: Lastly, Matsuzaki has a message to tell you.

Matsuzaki: Once again, my name is Matsuzaki. Thank you as always. I would like to explain the factors behind the strong performance in FYE 3/2025 Q3 announced today, as well as the progress of our mid-term plan and initiatives, and then talk a little about our thoughts for the next fiscal year, the final year of our mid-term plan.



As explained by Nakazawa earlier, sales remained steady in Q3. October was the hottest October on record, and from mid-November, the temperature dropped dramatically. We believe that the fact that we were able to optimize our product lineup to cope with these temperature fluctuations was the reason for the strong sales this season, as the environment of Q3 was very tough for the fashion retail industry.

As a result of strengthening non-winter clothing to secure sales without relying on winter wear, outerwear, knitwear, etc., throughout the three months, stable sales of fall and winter clothing, such as jackets, tops, blouses, pants, etc., other than winter wear, supported the bottom line in Q3.

As more people work at offices, the boundary between on and off duty has become blurred, and demand for seamless occasional items has increased, which has been a tailwind for our company, which specializes in relatively chic clothing.

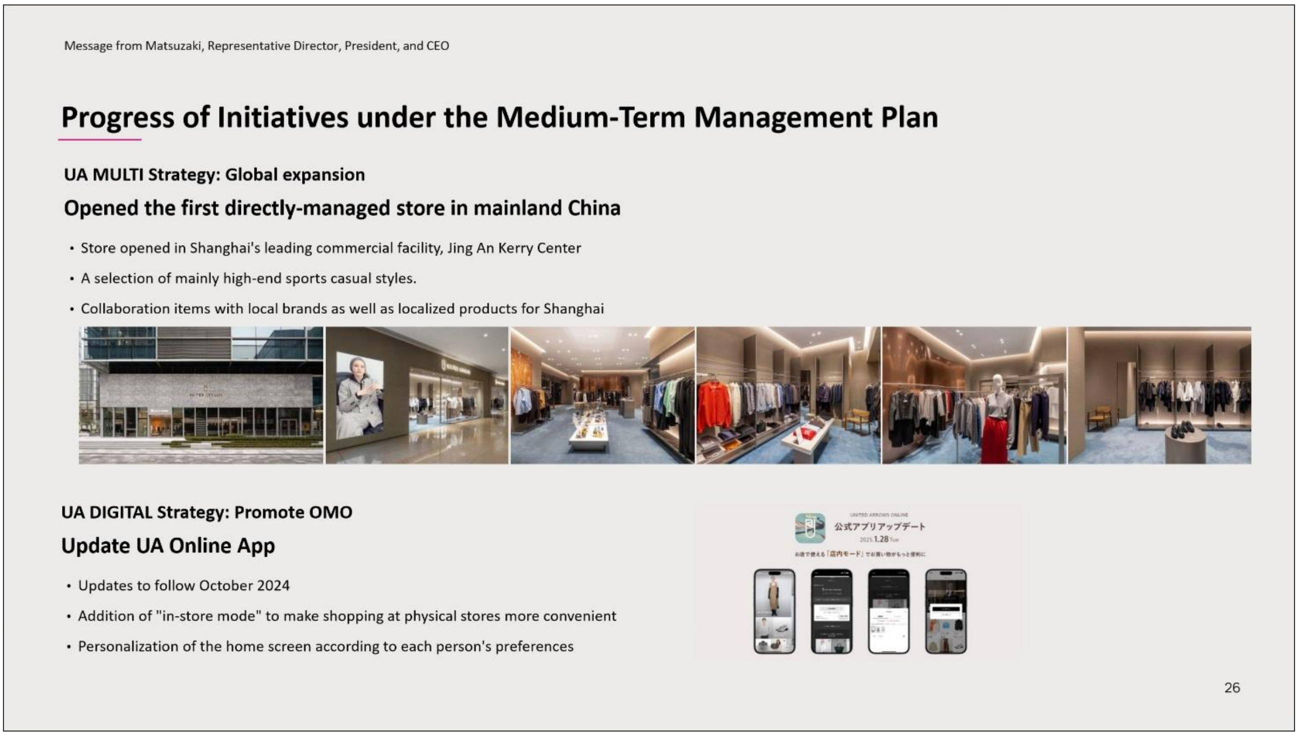
In October, which was extremely hot as mentioned earlier, we expanded our lineup of shoes, bags, and other accessories, which are less affected by the up-and-down temperature, as planned. We also launched high-profile products, such as those commemorating the 35th anniversary of UNITED ARROWS. Amid severe temperature changes, these activities helped us secure sales.

From mid-November, demand for winter goods, such as knitwear and outerwear, began to move in line with the drop in temperature. In this context, we were successful in enhancing our lineup with reversible sewing coats, cardigans, etc., rather than relying on conventional winter outerwear and our response to winterization demand.

The product lineup tailored to these temperature changes and the advertising activities linked to these were the factors behind the achievement and growth in Q3.

In the next fiscal year, our basic policy will be to further brush up on this fiscal year's performance by further improving the accuracy of areas where sales were strong but there were omissions or shortages. We believe that there is room to continue to raise the price of mid-layer clothing since our lineup centers on mid-layer clothing whose unit price is not high.

In the next fiscal year, we will continue to improve our adaptability while taking advantage of the reflections from the current fiscal year. We will ensure that we capture the needs of the market.



Next, I would like to discuss the progress of initiatives under the mid-term plan.

As part of the UA MULTI Strategy, one of the three strategies in our previously announced mid-term plan, we are expanding our overseas operations. On January 24, we opened the first directly-managed store in mainland China in Shanghai's leading commercial facility, Jing An Kerry Center.

Based on the knowledge gained through several pop-up store operations, we are strengthening our adaptability to local customers in the Shanghai area with a product lineup centered on high-end sports casual wear, including products made in collaboration with local brands and limited-edition products available only in Shanghai.

The store has adopted a high-grade interior design, with a focus on shopping with luxury brands, and has been visited by a large number of customers, including local and regional fashion leaders and affluent people, and it has started off much faster than we had planned. We intend to continue to expand the number of stores to increase overseas sales.

As part of UA DIGITAL's initiatives, UA Online App was updated as planned following last October. This update adds an in-store mode to make shopping at physical stores more convenient and personalizes the home screen according to each customer's preference based on data such as app browsing history and favorites.

With this app update, we will further strengthen one-to-one marketing, improve the value of purchasing experience, and deepen the relationship with each individual customer.

Finally, I would like to discuss our plans for the coming year. We are working hard on the budget, but today, I would like to touch on the basic concept of the plan.

In the next fiscal year, we will continue to face challenges of cost increase, such as rising labor costs, increased depreciation costs due to investments in infrastructure such as new store openings and systems, and rising logistics-related costs. We will absorb the cost increase through sales growth and higher gross profit to achieve our operating income target of over JPY9 billion in the final year of the medium-term plan.

As for sales growth, as explained earlier, we intend to increase sales by aggressively procuring inventory for the next fiscal year while improving our ability to respond to climate change.

This spring, we will begin operating UA3.0, our new product core system. Through this UA3.0, we see room to reduce sales opportunity losses and increase inventory efficiency by optimizing inventory allocation.

In terms of advertising and sales promotion, we will continue to aggressively promote the pleasure of fashion and the excitement of wearing, as we did in the current fiscal year.

We will strive to grow sales while revitalizing existing customers through the utilization of UA clubs and apps. In February, we revised some aspects of our membership system, including the application update I mentioned earlier, to make it easier for members to use their miles. We believe this could also be an on-top factor in sales.

In terms of store openings, we will aggressively develop new store openings, focusing on new businesses, such as CITEN, ATTISESSION, and conte, which were launched this fiscal year.

In addition to the recently announced Korean brand OSOI, we are currently preparing to develop a new brand that will be priced between the basic-trend and new-trend conscious markets, and we believe that this will be the axis of our future growth.

As for overseas, we have started the directly managed store in mainland China, which was mentioned earlier, and we will continue to expand our stores in the next fiscal year.

These elements will increase the absolute value of sales. To improve the gross profit margin, we will continue to increase the value of our products and thoroughly set prices accordingly, thereby adjusting and controlling the rise in the cost of sales ratio.

In particular, we believe that there is still room for price increase revisions in the trend-conscious market, especially in UNITED ARROWS and BEAUTY&YOUTH, and we will implement a certain level of price increases in line with product value. Furthermore, we will adjust the discount rate for each item at the time of clearance sale to ensure an appropriate gross profit margin.

In conjunction with UA3.0, our policy is to have the products that customers want where they want them by optimizing inventory allocation and to improve the ratio of sales of items sold at regular prices.

Sales increase and improvement in gross profit margins will help control the rise in SG&A expenses and lead to profit growth.

We are currently formulating the budget, and on the basis of these factors, we are aiming to achieve sales of JPY160 billion to JPY170 billion and an operating income of JPY9 billion to JPY10 billion as announced.

We appreciate your continued support and look forward to working with you in the future.