

Financial Results Briefing for FY02/25

– Q&A Summary –

Date: April 3, 2025, Thursday 16:30-17:30

Presenter: Michinobu Yasumoto, President & CEO

Shohei Yoshida, Managing Director in charge of Finance, Accounting, Investor Relations

Q1. Were there any other factors apart from the weather that contributed to lower sales than planned, such as the impact of consumer spending?

A1. Sales in existing stores were only below last year in October and February, while in all other months sales in existing stores were above last year, so we do not feel that consumer spending is weakening.

Q2. How will the Trump administration's tariff policy affect the US business, which is targeting profitability in fiscal 2025?

A2. Apart from the weakening economic sentiment due to the tariff policy, most products of the J.PRESS business are made in the United States, we believe there is little direct impact.

Q3. How can WEGO expand into Southeast Asia? Are there any impacts of the earthquake in Myanmar?

A3. WEGO will initially focus on pop-up sales events and cross-border e-commerce, rather than permanent stores. We will first focus on China, and then spread to other regions from there. Regarding the impact of the Myanmar earthquake, no particular problems have arisen at this time.

Q4. What are the plans for seasonal merchandising development this fiscal year?

A4. A various number of considerations are currently being made regarding seasonless MD. Key words are items, especially knit, and product development using functional materials.

Q5. As for the “Nijyusanku” global brand strategy, will it be to strengthen overseas stores or to strengthen domestic stores to attract foreign customers sales?

A5. Firstly, we would like to prioritize the creation of a domestic base that can firmly express the brand's world view, and then we would like to leverage the global E-commerce.

Q6. What are the factors and background behind the growth of Onward Personal Style?

A6. We believe that the growth of OPS is due to the fact that the entry price is low compared to the quality of its products, and that young customers in particular are attracted by the ease of ordering via smartphone and the short delivery time, with delivery to their homes in one week, which has increased the number of customers visiting OPS stores.

Q7. How will the WEGO brand grow as the number of young people in Japan's population declines?

A7. The WEGO brand has already a large share of the teen fashion market and we hope to expand this share in the future. Domestically, we believe there is still room for growth through store development,

including to capture foreign tourist sales, and by expanding the target range. In addition, the Shinsaibashi and Harajuku stores are popular with foreign tourists, and we believe there is strong potential for growth on a global scale.