



and ST HD

INTEGRATED REPORT 2026

I MISSION

Play fashion!

Fashion that inspires you.

Fashion that creates a vibrant community.

Fashion for living your best life.

I VISION

Joyful options galore!

I VALUES

We always act with our customers in mind.

Taking on new challenges enables us to grow and evolve.

We value diversity and progressing as a team.

Contributing to society by helping others.

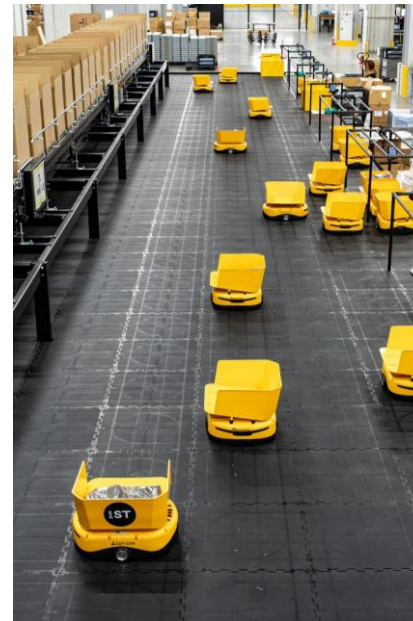
Making everyday life an adventure.

I PHILOSOPHY

Be a Person Needed, Be a Company Needed

I CULTURE

The answer is to keep looking for answers.



CONTENTS

This report aims to highlight our business model and value creation story in an easy-to-understand manner. We systematically introduce financial information, such as business performance and management strategies, as well as non-financial information, such as Environmental, Social, and Governance (ESG), as a foundation to support company growth.

Publication Date	October 2026
Report Period	Fiscal year ended February 28, 2026 (March 2025 to February 2026)
Report Scope	and ST HD Co., Ltd. and consolidated subsidiaries
Referenced Guidelines	International Integrated Reporting Framework, IFRS Foundation Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation, Ministry of Economy, Trade and Industry

Information Disclosure Framework

We disclose financial and non-financial information systematically through various channels to foster constructive dialogue with stakeholders.

Integrated Report

Features growth strategies aimed at creating value over the medium to long term, as well as key financial and non-financial information

IR Information

Sustainability

Corporate Governance

Corporate Website

Notes

On September 1, 2025, Adastria changed its corporate name to "and ST HD Co., Ltd." In conjunction with this change, the name "and ST" appears throughout this report. We have simplified the notation as follows:

- "and ST HD," when referring to and ST HD Co., Ltd.
- "The and ST HD Group" or "the Group," when referring to the group as a whole
- "and ST," when referring to the e-commerce mall
- "and ST," when referring to subsidiary and ST Co., Ltd.

SECTION 01 Introduction

- 4 New Management Team
- 5 and ST HD Structure
- 6 and ST HD Group in Figures
- 7 History of and ST HD
- 8 Multi-Brand
- 9 Value Chain



SECTION 02 and ST HD Value Enhancement

- 12 Message From the President
- 16 Value Creation Process
- 17 External Environment Facing and ST HD
- 18 Medium-Term Management Plan 2030
- 19 Medium-Term Management Plan 2030 Progress Summary
- 20 Platform Business Management Message
- 22 Global Business | Brand Retail Business Management Message
- 25 Brand Retail Business
- 27 Management Planning Management Message
- 30 Management Conscious of Cost of Capital and Share Price



SECTION 03 Sustainability

- 32 Our Sustainability
- 33 Initiatives Regarding Respect for Human Rights
- 34 Initiatives, Achievements, and Roadmap for Materialities
- 35 STORY 01 From Responsible Production to Responsible Circulation
- 39 STORY 02 Diverse Individuality Drives Platform Creativity



SECTION 04 Corporate Governance

- 43 Basic Philosophy and Corporate Governance Structure
- 44 Directors
- 45 Dialogue With Outside Directors
- 47 Board of Directors Diversity and Effectiveness Evaluation
- 48 Officer Compensation
- 49 Appointment of Directors and Risk Management
- 50 Compliance



SECTION 05 Data

- 52 Financial Highlights
- 53 Non-Financial Highlights
- 54 Corporate Overview and Stock Information



Six Key Messages in the and ST HD Integrated Report 2026

POINT
1

The New President and New Management Team's Commitment

Following the appointment of our new president, this message introduces the future vision and growth strategy of the and ST HD Group under our new management team. How will we leverage our existing strengths and lead the next stage of transformation in a rapidly changing market environment? The management team will explain, in their own words, the vision behind the new management structure and their specific commitments to enhancing long-term corporate value.

→ Representative Director and President Fukuda P.12

→ Managing Director Kitamura P.22 → Director Hayashi P.27



POINT
4

Global Business: Shift From the Investment Phase to Profitable Growth

We highlight the results of our global business as it begins to generate returns on years of proactive investment. In mainland China, in particular, stronger brand recognition in our target markets has steadily expanded our geographic footprint. We also discuss our growing competitiveness in global markets and our outlook for increased profit contributions in the years ahead.

→ Managing Director Kitamura P.22



POINT
2

Platform Business: Steady Progress in Transformation

We report on the concrete results and momentum behind our transition from a traditional retail business model to a *Play fashion!* platformer. We explain how we are steadily building new value creation capabilities beyond the traditional retail business through a growing membership base, more advanced use of data, and stronger collaboration with external partners. We also present our roadmap for future growth.

→ Platform Business P.20

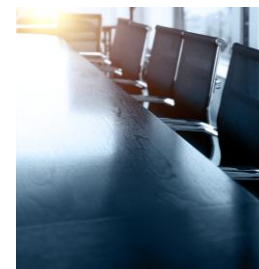


POINT
5

Governance Designed to Enhance Corporate Value

We explain our governance framework, which aligns management with shareholders, investors, and other stakeholders around the shared goal of enhancing long-term corporate value. We also introduce the initiatives that support disciplined management, including proactive disclosure, enhanced dialogue, management with a focus on share prices and capital efficiency, and an executive compensation system linked to KPIs based on our commitments to each stakeholder.

→ Corporate Governance P.42



POINT
3

Brand Retail Business: Stability and Growth Driven by Portfolio Management

We explain how we apply portfolio management in our core Brand Retail business to sustain growth through a diverse brand portfolio. Our efforts focus on responding flexibly to evolving trends and diversifying customer needs through restructuring underperforming businesses and concentrating resources on growth areas. We also show how this approach supports sustainable growth while maintaining the stability of our overall business.

→ Managing Director Kitamura P.22 → Brand Retail Business P.25



POINT
6

Sustainability Initiatives Guided by Our Corporate Philosophy

We report on our leading initiatives across the environmental, social, and governance (ESG) areas to achieve both a sustainable society and sustainable corporate growth. We explain how our sustainability management creates long-term corporate value through various initiatives, including reducing environmental impacts across our supply chain and advancing diversity management to empower a diverse workforce.

→ Sustainability P.31



New Management Team



Masayuki Kindo

Representative Director and President
ELEMENT RULE Co., Ltd.

Masatake Hayashi

Director
and ST HD Co., Ltd.

Daisuke Kikuchi

Representative Director and President
zetton inc.

Hisahito Yamada

Representative Director and President
BUZZWIT Co., Ltd.

Taiki Fukuda

Representative Director and President
and ST HD Co., Ltd.

Lin Hsin-Yu

Representative Director and President
Adastria Taiwan Co., Ltd.

Yoshiaki Kitamura

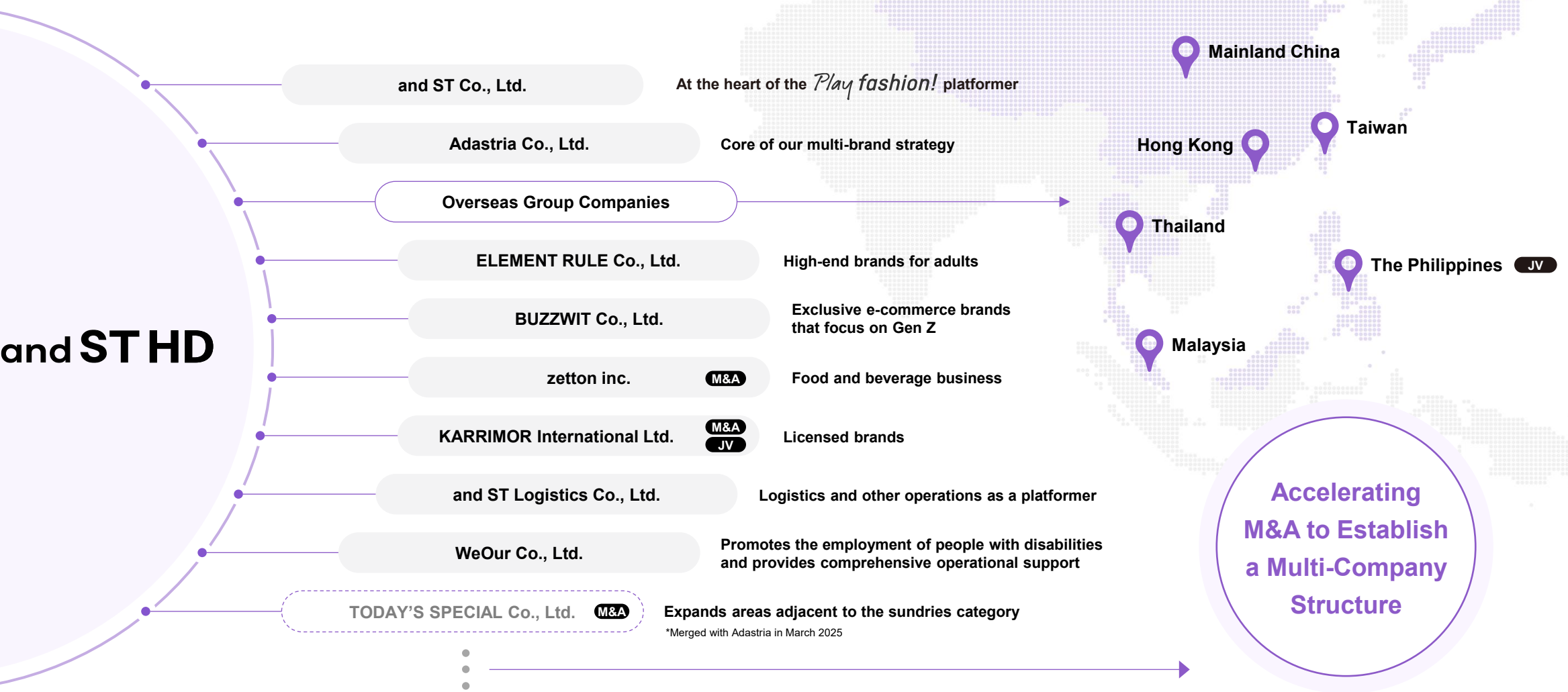
Managing Director, and ST HD Co., Ltd.
Representative Director and President, Adastria Co., Ltd.

Yuya Sakurai

Representative and CEO
and ST Co., Ltd.

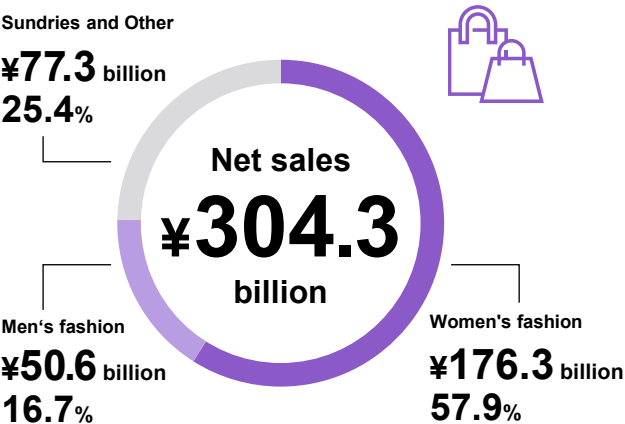
New Management Team

On September 1, 2025, we changed our corporate name to and ST HD Co., Ltd. and transitioned to a holding company structure. The new entity oversees Group companies with diverse identities, supporting the development of multi-brands and engaging in a multi-company approach. This holding structure brings more visibility to the attractiveness and profitability of each business, while facilitating quick investment decision-making.

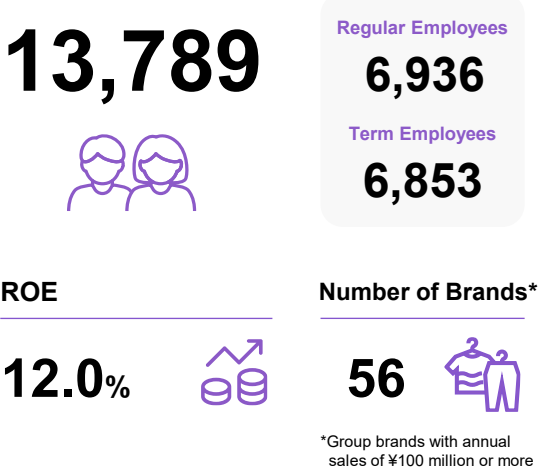


The and ST HD Group manufactures and sells apparel and miscellaneous goods in the lifestyle and fashion fields. The Group has more than 50 brands and has opened approximately 1,600 stores in Japan and overseas, including physical and web stores.

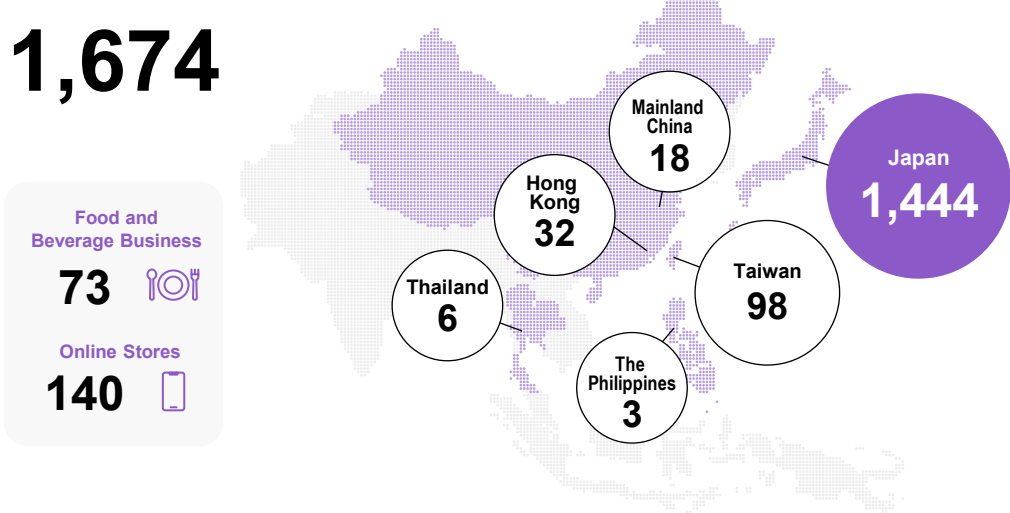
Sales by Product Division



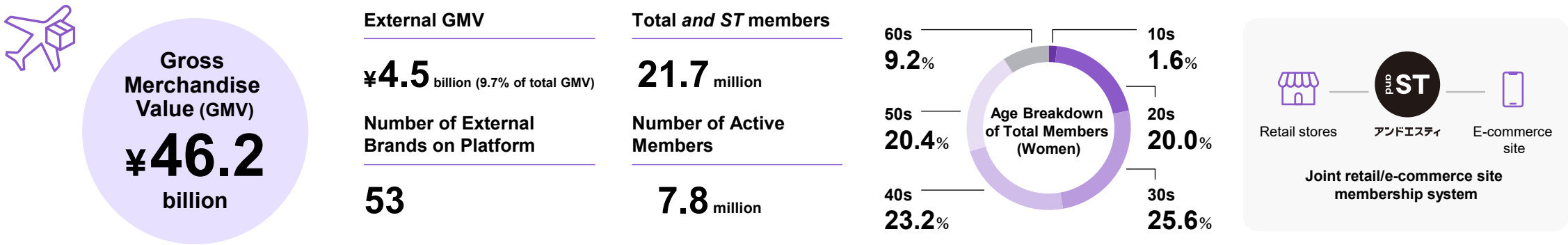
Number of Employees



Number of Stores



Fashion Platform and ST



History of and ST HD

Our company was founded as a men's clothing retailer. Since then, we have grown through four business model revisions (Change 01-04). Behind these revisions was our corporate culture of not being afraid of change and continuing to challenge ourselves in search of answers that meet the needs of our customers at any given time. We are implementing our 5th CHANGE with the aim of continuing to improve our corporate value through flexible management and working toward our mission of *Play fashion!*

START

1953.10 Established Fukudaya Clothes Store Inc. in Mito, Ibaraki Prefecture
Began retail sales of men's clothing

CHANGE 01

1973.03 Opened men's casual clothing store VEGA

CHANGE 02

1982.09 Opened jeans and casual fashion store POINT
Transformed POINT into chain stores in 1984
1992.03 Started developing LOWRYS FARM
Moved into retail sales of women's casual wear
1993.03 Changed company name to POINT INC.

CHANGE 03

1997 Started rolling out LOWRYS FARM store brand
2000.12 Registered company's stock in Japan Securities Dealers Association
2002.12 Listed company's stock on the Second Section of Tokyo Stock Exchange (TSE)
2003.03 Opened the first store in Taiwan and began developing overseas business operations
2004.02 Listed company's stock on the First Section of Tokyo Stock Exchange (TSE)
2007.10 Started e-commerce business on our own corporate website
2008.03 Opened first store in Hong Kong

CHANGE 04

2010 Internalized Company in-house product planning and production functions
2010.10 Opened first store in mainland China
2012.10 Started membership-based point service on our own e-commerce business corporate website
2013.09 Moved to a holding company structure, changing name to Adastria Holdings Co., Ltd. as the holding company Merged Trinity Arts Inc., and others
2014.11 Completely revamped e-commerce site and started official web store, *dot st*
2015.03 Merged Adastria Holdings Co., Ltd., POINT INC., and Trinity Arts Inc., and dissolved the holding company structure

2015.06 Changed company name to Adastria Co., Ltd.

2015.09 Transferred control of product planning and production functions from subsidiaries
2017.02 Incorporated ALICIA Co., Ltd. as a group company
2017.03 Founded ELEMENT RULE Co., Ltd.
2018.08 Changed company name to BUZZWIT Co., Ltd. from ALICIA Co., Ltd.
2019.12 Registered members of official web store *dot st* exceeded 10 million

2021.05 Opened OMO model store *dot st* store

2022.02 Incorporated zetton Inc. as a group company
2022.04 Moved to the Prime Market following the TSE market classification review
2023.04 Opened first store in Thailand
2024.09 Established and ST Co., Ltd.

2024.10 Changed official web store name from *dot st* to and ST

2024.12 Opened first store in the Philippines
2025.03 Changed the name of Adastria General Support Co., Ltd. to WeOur Co., Ltd.
Adastria and ITOCHU Corporation jointly acquired shares in KARRIMOR International Ltd.

CHANGE 05

2025.04 Announced Medium-Term Management Plan 2030, 5th CHANGE
Registered and ST members exceeded 20 million
2025.09 Transitioned to a holding company structure
Changed trade name to and ST HD Co., Ltd.
Newly established Adastria Co., Ltd.
2025.10 Changed trade name of Adastria Logistics Co., Ltd. to and ST Logistics Co., Ltd.



START
Established Fukudaya Clothes Store Inc.



CHANGE 01
Transitioned from men's business wear to men's casual wear
Expanded into the men's casual market, which had been a blank market in Mito, and opened casual clothing store VEGA



CHANGE 02
Introduced chain store system
Learned from the U.S. Introduced chain store operations to manage multiple stores



CHANGE 03
Transitioned to OEM/ODM production
Started rolling out LOWRYS FARM store brand to differentiate from competitors in the industry

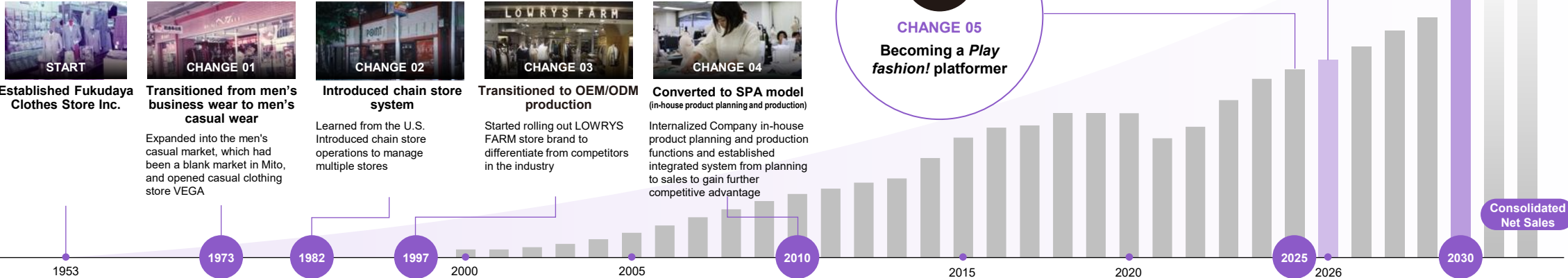


CHANGE 04
Converted to SPA model (in-house product planning and production)
Internalized Company in-house product planning and production functions and established integrated system from planning to sales to gain further competitive advantage



Sales Target for FY2/2030 **¥400 billion**

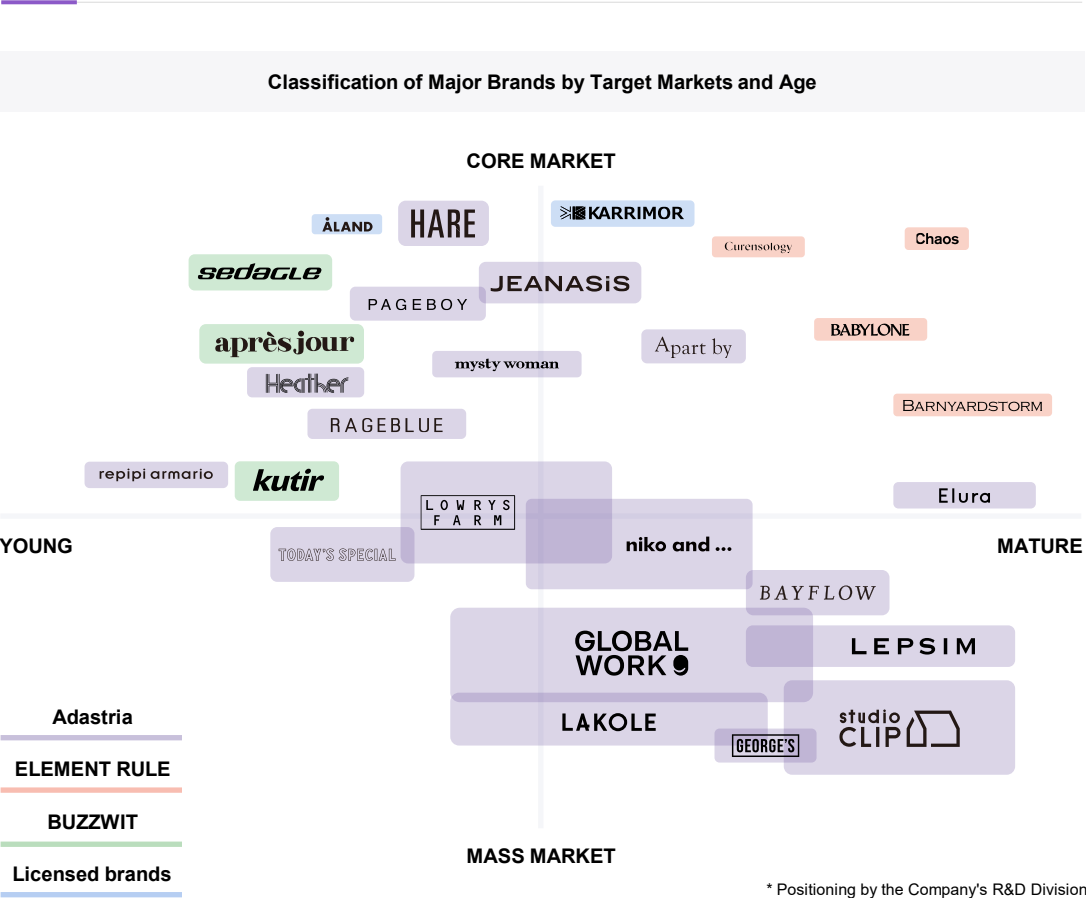
Sales for FY2/2026 **¥304.3 billion**



Multi-Brand

Customer tastes and lifestyles are particular and not uniform in the field of fashion, making it difficult to cover all customers with just one brand. We have adopted a multi-brand strategy to gain strong support from a wide range of customers through multiple brands that are strongly favored by customers with specific tastes. We share resources for material development, production and logistics, and accumulate expertise as a multi-brand platform.

Brand Portfolio



GLOBAL WORK 9



Adastria

- Target: Men and women in their 20s to 40s, kids between 3 and 15, teenagers between 16 and 19
- Location: Shopping centers
- Categories: Women's, men's, and kids' fashion, food and beverage

niko and ...



Adastria

- Target: Men and women between the ages of 25 and 35
- Location: Shopping centers, fashion malls, road-side stores
- Categories: Women's and men's fashion, sundries, interior items, sports fashion, cosmetics, food and beverage

LOWRYS FARM



Adastria

- Target: Women in their 20s to 30s, kids between 4 and 15
- Location: Fashion malls, shopping centers, road-side stores
- Categories: Women's, men's, and kids' fashion

studio CLIP



Adastria

- Target: Women in their 30s to 40s
- Location: Shopping centers, fashion malls
- Categories: Women's fashion, sundries, interior items, food and beverage

Curensology



ELEMENT RULE

- Target: Women in their 30s to 40s
- Location: Road-side stores, fashion malls
- Categories: Women's fashion

après jour



BUZZWIT

- Target: Women in their 20s
- Location: Online Stores
- Categories: Women's fashion

One strength of the and ST HD Group is our system to perform everything from brand development to product planning, production, logistics, and sales within the group. We quickly incorporate store information and customer feedback in our product development and services by integrating all the processes in an IT system, while we create differentiated high-quality products.

Systems

We integrate the entire value chain, from design and factory production to logistics and sales, through our systems to make effective use of data and improve operational efficiency. We also seamlessly connect our e-commerce mall with physical stores to provide a more satisfying shopping experience. Furthermore, we apply these functions to our Platform Business, drawing on what we have built up in the Brand Retail Business over time.

Brand Retail Business

Brand development and planning

Brand Development

We develop our own brands based on global trends and demand, planning proposals by in-house staff, and collaborations with influencers. In unexplored areas, we utilize licenses of popular domestic and foreign brands to build and maintain an optimal brand portfolio at all times.

R&D

We collect trend information from around the world and deploy this information in a way that suits each brand. We also secure and cultivate designer and creator talent and optimize their placement across our brand portfolio.

Brand Direction

We develop the elements needed to create and bring each brand's worldview to life and oversee operations to ensure consistency. Our oversight spans brand concepts, tone and manner, products, price points, sales channels, promotions, and more.

Merchandising

We develop hypotheses based on trends and customer feedback from stores to offer the right products at the right time, at the right price, and in the right quantity. We then develop and execute seasonal merchandise plans, product plans, and sales plans.

Production

Design

We create designs that express each brand's worldview while reflecting customer needs and fashion moods. In addition to our dedicated in-house designers, we draw on the expertise of external designers as needed to match the direction of each project.

Material Procurement

We establish a global network of material manufacturers and source needed materials at the right time, at the right price, and in the right quantity. We use high-quality, high-performance materials across brands to achieve cost advantages.

Material Development

Our materials development team works with external manufacturers to develop original materials that differentiate our products while maintaining a strong balance between price and quality. We have developed a wide range of materials that are not only fashionable and functional, but also offer superior sustainability aspects. We also sell these materials to outside parties.

Patterning

We accurately interpret design intent and translate designs into patterns. In addition to recruiting and training highly skilled pattern makers, we actively utilize 3D CAD and other IT tools. In this way, we strive to improve productivity and reduce environmental impact by reducing sample production.

Production Control

We work closely with external factories through long-standing partnerships to ensure optimal production of a wide variety of multi-brand products. We also actively expand our network of new production partner factories to diversify production sites and better manage costs and risks.

Quality Control

We inspect and verify materials, production processes, and products against quality standards to provide high-quality, safe products. We monitor not only finished products but the entire procurement and production process as early as the planning stages, while the Production Procurement & CSR Team also checks compliance with ethical standards.

Platform Business

Production (BtoB)

We offer corporate clients comprehensive brand-building solutions, covering brand development, product planning, promotional initiatives, creative services, store operations, and spatial design. Our approach draws on expertise gained from operating multiple brands and categories, an integrated value chain, and the communication reach of our in-house staff. We work with corporate clients to create compelling brands and products through a broad range of services, including sales of uniforms and promotional items, wholesale, licensing, and consulting.





and ST CREATORS

INTEGRATED REPORT 2026 andSTHD

9

Introduction
and ST HD Value Enhancement
Sustainability
Corporate Governance
Data

● Brand Retail Business



Logistics

Transportation

Our in-house logistics unit consolidates and transports products manufactured across mainland China. Higher container loading rates reduce costs and environmental impact, while the unit also optimizes logistics across Asia.

Logistics for Domestic Stores

Our group logistics company makes daily deliveries from seven in-house distribution centers across Japan based on the sales volume of each store. Our meticulous delivery system minimizes losses of opportunity and inventory.

E-Commerce Logistics

We established an optimized shipping system for a wide variety of multi-brand products at our in-house distribution centers. We introduced state-of-the-art material handling equipment, including unmanned transport vehicles. This equipment allows us to ship up to 34,000 orders per day. We also reduce delivery costs while improving customer convenience through services including in-store pickup.

Product Management

We manage more than 20,000 products each year and ensure fast, timely delivery from container arrival through delivery to stores. We carefully manage products according to their characteristics. One example of this approach is our use of dedicated centers to store and distribute our growing range of sundries.



Marketing and Sales

Public Relations

We plan communication initiatives through media outlets and social media to share each brand's worldview and appeal with a broad audience. We also create point-of-purchase materials and e-commerce content that clearly convey product appeal.

Store Design

We design stores that faithfully express each brand's worldview and offer customers new experiential value.

Visual Merchandising

We create fresh in-store presentations that reflect the characteristics of each brand and product, clearly communicating product appeal and key selling points to customers.

Retail Stores

The and ST HD Group operates around 1,600 stores in Japan and overseas, primarily as stand-alone stores. We maintain an optimal store network through flexible store openings and closures in response to market conditions. Our broad brand portfolio allows us to operate in all types of commercial facilities, while multiple stores in the same facility improve operating efficiency and expand customer touchpoints. Physical stores also allow customers to experience brands and products firsthand, building strong customer loyalty.

Collection, Reuse, and Recycling of Clothing

In-House and ST E-Commerce Mall

With over 21 million registered members, *and ST* is one of the largest fashion e-commerce malls in Japan. The immensely popular STAFF BOARD, where store staff post outfit coordination, attracts about 1 million site visits per day. We sell both our own products and products from other companies to expand the range of available categories on the site.



Sales Staff

Our sales staff provide a purchasing experience with a high level of satisfaction by demonstrating premium customer service and proposal skills both online and offline. More than 30% of e-commerce sales are generated by customers who refer to outfit coordination photos posted by store staff. Additionally, physical stores generate more than half of all new registrations for the shared and ST membership program.



Store Information, Trend Information, Customer Feedback

Customer Service

We listen closely to customer feedback and share insights with each of our brands to help us create better products. We also introduced chatbots to enable 24/7 customer service and improve customer satisfaction.



Feedback to Brand Development and Planning

Trend information and customer feedback drive the next stage of growth and take brand development and planning to the next level

○ Platform Business



Mall and Media (BtoB and BtoC)

The *and ST* e-commerce mall is an OMO retailtainment mall that brings together a wide range of brands, products, and experiences. Centered on shopping through the app and physical stores, *and ST* offers new ways to discover products and brands through staff posts, videos, live streams, loyalty point integration, and other content beyond shopping. This BtoB business increases GMV and advertising revenue by opening the platform to external companies and charging store-opening fees.



User Services (BtoC)

We offer services that enrich the shopping experience through *and ST*'s loyalty points program and financial services while creating a convenient and rewarding ecosystem for customers. We pursue greater integration of IDs and loyalty points with other companies to increase the value of *and ST* points and expand LTV. In doing so, we also aim to improve customer convenience.



Solutions (BtoB)

We provide practical digital solutions for corporate clients using digital assets from *and ST* and technology that supports the Group's multi-brand operations. STAFF BOARD and STAFF VOICE, among other proprietary services, maximize the capabilities of store staff and help increase sales at both physical stores and e-commerce sites, supporting growth in the retail business.



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ADASTRIA

and **ST**

SECTION 02

and **ST** HD VALUE ENHANCEMENT

Message

Evolving Into a Platform Company Based on and ST, While Maintaining a Front-Line First Approach

Taiki Fukuda

Representative Director and President

A Customer-Centric Approach to Management, Built on the Front Lines

I was appointed representative director and president of and ST HD Co., Ltd. in March 2026.

Guided by our corporate philosophy to *be a person needed, be a company needed*, we have continued to transform and take on new challenges. Rooted in our commitment to engaging directly with front-line staff and customers, we are now striving to evolve into a platform provider.

The motivation behind our evolution is something I have felt since I was young. As a member of the founding family and long before the company launched an IPO, I witnessed firsthand how Honorary Chairman Fukuda devoted himself to enhancing the value of the company, endeavoring to revitalize the fashion industry and raise the social status of our employees, who were known simply at the time as sales clerks. The origins of my own personal management philosophy came through the hands-on experience gained through actively seeking to work on the front lines of store operations.

When I first joined the company, known as Point Co., Ltd. at the time, I was assigned to the Internal Audit Department. From my experience in this department, I gained insight into the structure of various brands, departments, and store operations. Being involved in the company-wide internal control process during my first year on the job was a valuable experience. However, I requested a transfer because I wanted to gain a deeper understanding of operations on the ground.





What I learned from my experience working in our stores is that the more than ¥300 billion in sales represents the cumulative result of individual customers choosing to shop with us. I learned that it is ultimately our customers who determine the success or failure of our business. That experience continues to serve as a foundation for my management decisions today, reminding me to look beyond the numbers to what customers say, and to appreciate the efforts made across our more than 1,600 stores.

Constantly Changing, While Preserving the Values That Must Never Change

To treat our customers with sincerity. To be a company needed by taking, above all, an approach from the front lines, continuing to embrace challenges and drive change. This is the mindset that I have learned from previous management teams. What we must preserve are our principles and a front-line first approach. What we must change are business models and management structures to ensure success.

Over the course of our more than 70-year history, we have continued to grow, even while transforming business models numerous times. Today, we are in the middle of 5th CHANGE. We must continue to evolve if we are to increase our corporate value sustainably, despite the declining domestic population, the weak yen, and rising costs.

The and ST HD Group is backed by powerful core strengths: over 1,600 physical stores in Japan and overseas, around 4,600 store staff actively posting on STAFF BOARD, more than 21 million and ST members, and an integrated value chain connecting planning, production, logistics, and sales. These elements form the cornerstone of a strong competitive foundation.

However, as the external environment undergoes significant changes, it is clear that satisfaction with the status quo will limit our growth. The and ST HD Group management team has been

addressing these environmental challenges head-on.

We intend to open corporate assets, used in the past solely for our own purposes, to the outside world, creating new value by collaborating with companies that were once our competitors. This rationale is what drives the development of and ST into a broader platform.

At the same time, we are transforming our revenue structure. Developing the Platform Business is a challenge that goes beyond the traditional models of specialty retail sales and private label apparel. The platform will open up a world of new high-value-added revenue opportunities.

And the power of people is what will build the value of the platform. This platform approach will give store staff, one of our key strengths, more opportunities to provide even greater value to a wider range of customers, going beyond the limited market area and product selection of the physical store. The essence of this transformation lies in expanding the potential of our people to drive growth and profitability.

Progress in the First Year of Medium-Term Management Plan 2030 and the Hurdles to Improving Profitability

The fiscal year ended February 28, 2026, marked the first year of Medium-Term Management Plan 2030. It was a year in which the and ST HD Group embarked on a major transformation. Net sales amounted to 304.3 billion yen and operating profit amounted to 16.5 billion yen, both outperforming the previous fiscal year. However, we did not meet the targets set at the beginning of the fiscal year. I deeply regret the concern caused among our shareholders.

Applying lessons learned from the previous fiscal year, we restored our merchandise planning cycle, allowing us to quickly restock best-selling items. At the same time, we controlled inventory levels through a conservative approach to planning.



As a result, we are beginning to see an improvement in our gross profit margin. Our goal is to ensure that this improvement is not temporary, but sustainable and replicable throughout the full fiscal year. Going forward, we will continue to enhance the accuracy of inventory management, improve the efficiency of SG&A expenses, and strengthen investment discipline to translate growth in sales and profits into steady cash generation.

One of the most significant achievements of the past fiscal year was the number of companies and attractive brands that participated in the open platform of *and ST*. We received a more positive response than even we anticipated. We also made strides in our business in Asia, centered on Taiwan. We completed the withdrawal from U.S. operations, taking the necessary steps to wind up unprofitable businesses and move forward.

The next challenge will be breathing life back into core brands in the Brand Retail Business. This fiscal year, we are once again focusing on strengthening our physical stores. However, this policy does not mean we are backtracking from our platform strategy by any means. Conveying the appeal of a brand in-store and creating deeper connections with customers lead to the expansion of our membership base and enhance the online shopping experience, which in turn increases the value of *and ST*.

Growth Through Two Pillars: The Platform Business and Global Business

Under Medium-Term Management Plan 2030, we are aiming for 100 billion yen in gross merchandise value, evolving into a *Play fashion!* platformer by leveraging *and ST* and the rest of the *and ST* HD Group's strengths. We are cultivating our Platform and Global Businesses as future growth drivers, anchored by our Brand Retail Business as the foundation for our revenue and customer engagement.

We plan to continue driving growth in our Global Business through Greater China as we build a business foundation in Southeast Asia. Medium-Term Management Plan 2030 calls for 40 billion yen in overseas sales and growing sales in Southeast Asia to 10 billion yen. Working to expand overseas is not something that yields immediate results. The success of our businesses in Taiwan, which has surpassed 100 stores and 10 billion yen in sales, is the result of 25 years of steady work and growth. This result is precisely why it is important to listen to customer feedback on the ground and adapt products and store operations to fit customer needs, even while remaining true to the core values of the brand. We continue to consider collaboration with local companies and M&A as options.

Our goal, however, is not simply to expand in scale. Rather, we want to build a solid business foundation while carefully evaluating return on investment and potential synergies.

Ongoing Dialogue With Each Autonomous Company to Support Unique Growth

We completed our transition to a holding company structure in September 2025 and reorganized our management structure in March 2026. We continue to delegate authority to operating companies to ensure each manages operations autonomously with clear profit and loss accountability. At the same time, the holding company takes the lead in guiding group strategy, capital allocation, and governance. We established a Board of Executives meeting for the presidents of each company and other executives from diverse backgrounds and areas of expertise to gather weekly for candid discussions and to share updates on the status of business operations. Discussions and ensuing dialogues that empower each group company to pursue its own challenges create a strong foundation for growth rooted in our core identity and values.

As we state in our corporate philosophy, the heart of our business is our people.



Store staff account for the majority of our employees. These important individuals play a wide range of roles beyond customer service, including providing styling suggestions, sharing content through social media and STAFF BOARD, and contributing ideas to product planning.

Annual purchases by customers who follow staff on STAFF BOARD are 2.5 times the level of customers who do not follow staff on STAFF BOARD. This is just one result that demonstrates the value of human involvement. The aspiration and empathy fostered by our diverse staff are what give us our competitive edge. We intend to evaluate investment in people not solely based on the number of participants or the cost of training, but by the impact on customer satisfaction, sales, and gross profit.

and ST HD Co., Ltd. places the highest value on people. For us, employee satisfaction is a key metric, and we have implemented a system that links a portion of executive compensation to employee satisfaction. Through the branch system, which provides cross-brand support for employees on a regional basis, town hall meetings, where management travels across the country and engages directly with staff, and other initiatives, we strive to create an environment where employees feel glad to be working here.

The use of AI is also a key matter for unlocking human potential further. The and ST HD Group has accumulated a wealth of valuable data. By transforming this data into explicit knowledge for anyone in the company to utilize, our day-to-day operations have the potential to change significantly. We can pave the way for our next phase of growth by redirecting the time we save in this way toward engaging with customers and creating new value. Our digital transformation will take a field-first approach, while we properly address risks related to customer information, confidential data, copyright, and bias through clear rules and training.

The and ST HD Group business is built on the health of the global environment and the sustainability of society. Our aim is to *be a company needed*, and to this end, sustainability initiatives, including

initiatives related to the environment and human rights, form the core of our business strategy. On the other hand, a business cannot survive unless it offers products and services that become the choice of the customer. We aim to balance our environmental and social responsibilities with values such as design, trends, and quality, and we will use our core business to drive sustainable growth in corporate value.

Being a Company Needed in Name and Truth

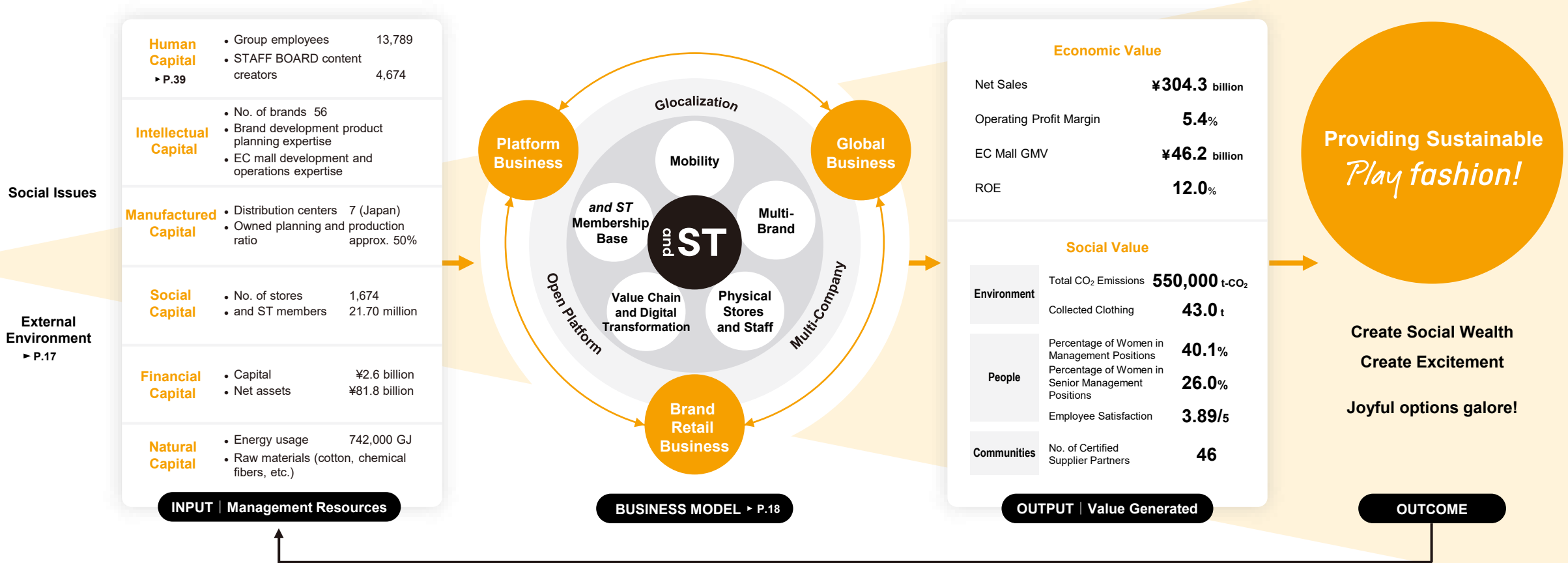
Even before being named president, I was the executive in charge of investor relations. In that role, I placed great importance on dialogue with shareholders and investors and worked to enhance our disclosure practices. The basic policy of the company is to maintain a consolidated dividend payout ratio of 30% and a DOE of 4.5% as a means of returning profits to shareholders. Of course, growth investments are necessary to achieve Medium-Term Management Plan 2030. However, we will continue to pay stable dividends and consider flexible ways to return value to shareholders as circumstances warrant.

My role as president is to enhance corporate value and ensure that we communicate this value accurately to the capital markets. We do not keep the feedback we receive from our investors within the IR office. We endeavor to share this feedback with the Board of Executives and the Board of Directors, incorporating this information into the decision-making process. We will continue to provide information that demonstrates the progress of our transformation, including gross merchandise value, the share of sales of external brands, membership and active-user rates, return on investment, and profitability by business. At the same time, we are committed to deeper dialogue that fosters a better understanding of our corporate value.

Guided by the principles we have upheld since our founding, we will continue to value our people, create exciting value, and earn trust through results and transparency. The and ST HD family remains dedicated to ensuring that stakeholders value us as *a company needed*.

MISSION

Play fashion!



Materiality

Increase the Value of Human Capital

Reduce Environmental Impact

Create Social Value

Corporate Governance ► P.42

*As of February 2026

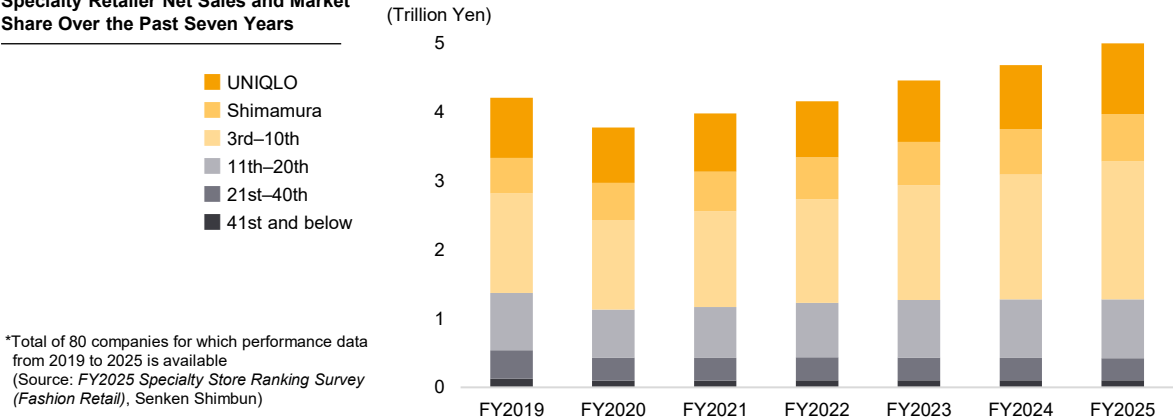
The following page outlines our view of the external environment behind our medium- to long-term business model transformation.



Domestic Market

- Although the apparel market has not returned to pre-COVID-19 levels, the market is valued at 8.5 trillion yen and continues to grow gradually as unit prices rise.
- Industry consolidation among major players is creating opportunities for market share expansion.
- Consumer wage growth is a positive factor, but personnel expenses are also rising.
- The household goods sector, inbound tourism spending, and other markets with growth potential still present opportunities.
- The situation in the Middle East and the weaker yen are driving up costs.
- AI and digital transformation offer opportunities to improve cost efficiency.

Specialty Retailer Net Sales and Market Share Over the Past Seven Years



EC Market

- While growth in apparel e-commerce slowed, significant potential remains in cosmetics, food, and services e-commerce.
- AI is expected to change purchasing behavior, while the value of human-centric customer service and communication may increase.



Overseas Market

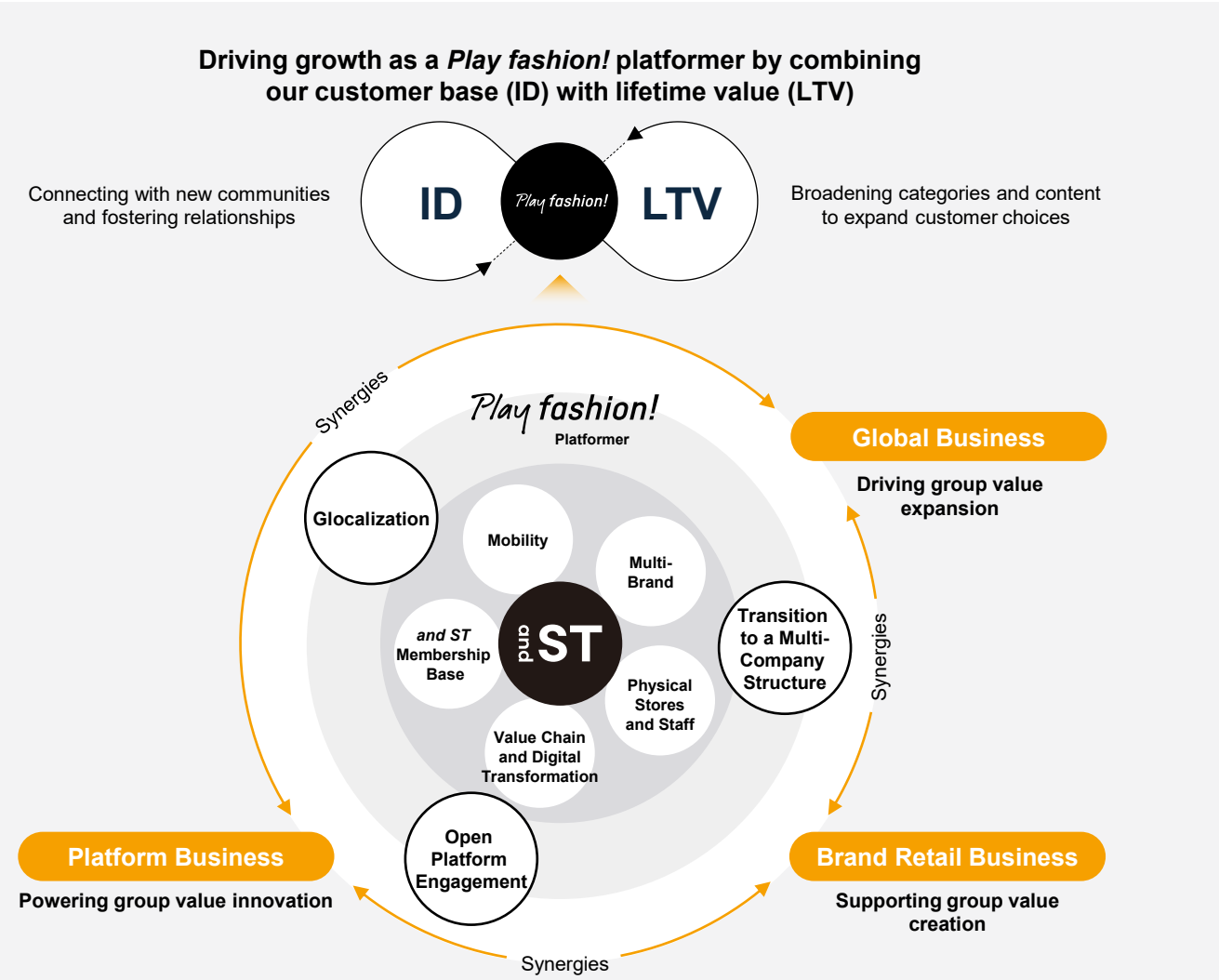
- Southeast Asian countries, in particular, continue to experience high population and economic growth.
- Mainland China still holds great potential, despite sluggish consumption.
- Economic growth is driving higher fashion awareness and creating a foundation for a multi-brand market.



Changing Values

- Consumption is shifting beyond physical products to include moments and experiences.
- Consumers are moving away from purely low-cost products, placing more value on quality, storytelling, and who they buy from.
- Sustainability preferences are growing across a broader audience.

The Medium-Term Management Plan 2030 aims to transform our business from an apparel retailer into a *Play fashion!* Platformer. We will expand the circle of *Play fashion!* together with customers and external partner companies. Our efforts will center on *and ST* to create synergies across our three businesses (Platform, Global, and Brand Retail) by leveraging the strong connections with customers cultivated through our staff and physical multi-brand stores.



FY2/2030 Targets		
Consolidated Net Sales	Gross Merchandise Value (GMV)	Consolidated Operating Profit Margin
¥400 billion	¥100 billion	8%

Strategies		
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Platform Business

The Platform Business will implement a growth strategy to align ID and LTV through category expansion, and develop *and ST* as a mall and media platform. We will also drive revenue growth through production and solution-based services.

Global Business

The Global Business will accelerate growth by strengthening our multi-brand strategy in Greater China, focusing investment in Southeast Asia, and pursuing an OMO strategy through the expansion of physical stores and e-commerce rollouts in countries we have yet to operate in.

Brand Retail Business

The Brand Retail Business intends to implement brand portfolio management through the transition to a multi-company structure. Under this structure, each company will set strategies and KPIs and manage business according to their individual missions.

+ M&A (including overseas)

We will advance our M&A strategy further to strengthen *and ST* and accelerate global business in conjunction with the transition to a holding company structure.

Businesses and Investments	FY2/2026 Progress	Challenges and Initiatives for FY2/2027 and Beyond	FY2/2030 Targets					
Platform Business and ST	Number of participating external brands exceeded plan and all KPIs improved		GMV	¥100 billion	Total Members	26 million		
	GMV	+¥6 billion	Share of GMV From External Brands	40%	No. of Active Members	11 million		
	Share of GMV From External Brands	+7.0%	Net Sales	¥34 billion (¥20 billion after intercompany eliminations)	Average No. of Annual Purchases per User	4.5		
	Members	+1.5 million	Operating Profit Margin	31% (22% after intercompany eliminations)				
Average No. of Annual Purchases per User	+0.4							
Global Business	Greater China outperformed plan - Further developed the multi-brand strategy in Taiwan and opened the first LAKOLE store - Expanded geographic reach in mainland China Store openings in Southeast Asia behind schedule		Sustain growth in Greater China - Establish a strategy for physical stores and e-commerce in mainland China - Adopt an open marketplace model for Taiwan e-commerce Build a foundation in Southeast Asia - Continue opening stores in Thailand and the Philippines - Prepare to expand into Malaysia and Vietnam		Greater China Net Sales	¥30 billion	Overseas Net Sales	¥40 billion (Southeast Asia sales share: 25%)
			Southeast Asia Net Sales	¥10 billion	Operating Profit Margin	8%		
					Overseas Net Sales Ratio	10%		
Brand Retail Business	Growth at flagship brand GLOBAL WORK was sluggish, but other brands showed signs of growth - LEPSIM and HARE grew - Opened stores for focus brands LAKOLE and GEORGE'S - ELEMENT RULE Co., Ltd. and BUZZWIT Co., Ltd. saw steady performance		Continue initiatives to revitalize flagship brand GLOBAL WORK - Develop growth brands and launch new brands - Open stores in urban areas and expand large-format stores - Advance data-driven CRM		Net Sales	¥340 billion	Operating Profit Margin	7.2% (5.8% after intercompany eliminations)
M&A	Acquired KARRIMOR International Ltd. Strengthened the outdoor category		Acquired shares in cross-border e-commerce company SIXTYPERCENT in June 2026 Continue M&A to expand brand portfolio and strengthen Platform Business		Expected Scale	¥50 billion — ¥100 billion		

Excitement and Anticipation in a One-of-a-Kind Platform

The Current Status of the and ST Business Model Transformation

Yuya Sakurai

Representative and CEO, and ST Co., Ltd.



Second Year Since Spin-Off: Steady Progress in the Shift to an Open Platform and the Cultivation of a Fast-Paced Culture

During the fiscal year ended February 28, 2026, and ST Co., Ltd. made it a top priority to open our and ST e-commerce website to outside companies, expanding the number of third-party brands on our way to making and ST a foundational platform.

To date, more than 70* partner brands are available on the platform, while gross merchandise value (GMV) has surpassed even our expectations. We are also seeing positive signs toward achieving our medium-term milestone of 50 billion yen in GMV by the fiscal year ending February 28, 2027. The number of and ST registered members is increasing by approximately 2 million annually. At the same time, the expansion of the open platform to include general merchandise and cosmetics has contributed to an increase in the average number of

purchases per user, an indicator of customer lifetime value (LTV). We've received feedback on social media and elsewhere indicating how pleased users are to find certain brands available on and ST. We will continue to listen to customer feedback, conduct surveys, and gather information through other channels to add brands that delight our users.

Alongside business growth, another major achievement has been the gradual development of a unique and ST Co., Ltd. corporate culture since our spin-off in October 2024. When we spun off the company, we articulated our challenge to create excitement and anticipation in a one-of-a-kind platform. We are gradually fostering a culture where employees are constantly thinking about and testing initiatives, not only on the website, but also in our flagship stores. The goal of our efforts is to ensure that customers feel that their days are more enjoyable because of and ST.

We want and ST Co., Ltd. members to embrace the spirit of an internal startup, while leveraging the strengths and foundation of the and ST HD Group. The spirit we seek is one of an independent, entrepreneurial mindset and a proactive approach to creating new value for society. The decision to split off and ST Co., Ltd. into an independent company was very meaningful from the perspective of achieving a shift in mindset.

Strengthening Our Portfolio and Co-Creation With Partner Companies

We propose new ideas to our partner companies based on an analysis of purchasing data. Through a deep dive into everything from expanding merchandising (product planning) to creating optimal offerings based on member insights to implementing efficient inventory strategies, we aim to go beyond simply providing retail space. We want to build a co-creation relationship that contributes to the growth of our partner companies and enhances our mutual brand value. Together with partner companies that share our vision, we intend to accelerate our efforts to create projects that combine the power of data and people.

We are also focusing on developing human resources for the role of producer, which involves creating deeper relationships with the brands that have a presence on and ST. Producers are key members who do more than simply help brands grow GMV. Producers pair staff with brands to create new products and propose collaborations between brands. We are actively devising strategies and taking action to create unique content that embodies the and ST spirit and enhances our own brand value. Although we currently have a team of 10 producers, we plan to

expand this number in our efforts to enhance the platform's value.

As the domestic market continues to shrink and values become increasingly diverse, merely increasing the number of brands or growing sales will not be enough to differentiate ourselves from other major online malls. To carve out a distinctive position of our own, we are taking on the challenge of expanding into the entertainment space. We want to evolve and ST into more than just a place to buy things. We want and ST to be a playground of new discoveries—an exciting space that users look forward to visiting every day.

Taking on the Challenges of Entertainment and Community

As an experiment, we have begun presenting other content such as manga (comics) and travel stories on and ST. Since we have only just begun, we will continue to pursue entertainment of a type unique to and ST while conducting various other tests.

Of course, the driving force that will transform this entertainment into a viral phenomenon is the power of our people. Our goal is not simply to create a space of functions and content, but to provide an experience where people can discover and connect with what they love. Staff and individuals sharing their passion and enthusiasm foster a sense of connection, linking customers and staff emotionally through that content. We aim to create a one-of-a-kind platform where that excitement continues to evolve and grow in a never-ending cycle.

Our store staff across the country serve as the heart of the playground we are striving to create. STAFF BOARD has become a focal point of apparel styling, becoming killer content for and ST as we continue on to the next stage.

*As of May 2026



Many of our staff members are fascinating individuals who have deep interests and talents in areas beyond fashion, including manga (comics), video games, and pop culture. We have great expectations for highlighting the interesting talents of these individuals through the website as it evolves into a media platform. Our first play is to begin using staff posts to expand the circle of interest, eventually building a community where users also have a channel to communicate the things they love.

STAFF BOARD Data

	2024.02	2025.02	2026.02
STAFF BOARD No. of Content Creators	4,098	4,485	4,674
Followers	More than 100,000	11	21
	More than 50,000	13	22
	More than 10,000	74	130
Total followers	10.35 million	13.22 million	15.50 million

*Based on figures compiled in February 2025; includes participants from outside the and ST HD Group.
*Follower count: Aggregate total number of followers across STAFF BOARD, Instagram, TikTok, YouTube, and other social media platforms.

Talent Development That Nurtures Passion

Approximately 4,600 store staff participate in STAFF BOARD, which reflects our culture of quality and passion that respects the dedication of each individual to their work. One major strength of and ST is the strong foundation and system for talent development. These systems include ways to share insights, as well as a new online learning tool, PLAY STUDIO.

We have also launched the and ST CREATORS framework, which encourages the talent development of sales staff as part of their career advancement. We are working with external partners to establish a support system while developing management practices tailored to the individuality of each staff member. Our efforts are leading toward the formation of a professional team capable of handling PR projects for other companies. We are presently working with ten of the most popular staff members, and we plan to expand the team in the future by recruiting staff from other participating businesses as well. The PLAY BOARD platform is also in the preparatory stages. This platform will serve to match PR projects with store staff.

Strengthening the and ST Economic Ecosystem

We are steadily strengthening the and ST ecosystem, which will serve as the foundation for these and other initiatives. and ST Points will form the core of this economic ecosystem. We are seeking to facilitate point exchanges with loyalty programs operated by other companies, integrate user IDs with other ecosystems, and introduce financial services, such as credit cards and loans.

As we expand these and other initiatives, we will introduce new and more exciting ways for customers to earn and use points, accelerating the growth of our distinctive economic ecosystem.

and ST TOKYO as a Flagship Hub

Our strengths set us apart from other online marketplaces. These strengths include staff who share authentic content and whom fans can meet in person at one of our locations nationwide, as well as an online-merge-offline (OMO) approach that integrates physical stores with our online platform.

In addition to acquiring new members at our physical stores, we are working to create omni-channel members who experience the appeal of both channels through seamless customer referrals from our platform to our physical stores. While the usage rate for in-store pickup and try-on services for online orders is only about 10% of the total, these services are steadily becoming a standard experience for customers. As our physical stores and online platform become increasingly integrated, the and ST flagship store, and ST TOKYO, will play a symbolic role in bringing this vision to life. This location will serve as the key hub for delivering the kind of enjoyment and authentic experiences we strive to provide customers.

Toward ¥100 Billion in GMV in 2030 and Beyond

We are accelerating the shift to an open platform and expanding the appeal of our online mall by incorporating entertainment content beyond shopping. We hope to foster a passionate community by creating connections between people who gather online and in person.

Roughly two years have passed since the spin-off of and ST Co., Ltd. In that short time, we have established a solid revenue base centered on our e-commerce mall. Moving forward, we will continue to experiment with different ideas and take on new challenges as we strive to offer excitement and anticipation in a one-of-a-kind platform.

To this end, we place the highest priority on fostering an organizational culture in which every employee holds an interest in diverse issues and continues to take on new challenges. We hold an initiative we call Input Days several times a year. During Input Days, employees take the opportunity to step away from the office, gather new ideas and insights, and engage in experiences that broaden their perspectives and sharpen their creativity. To continue providing customers with excitement and anticipation, we must first become more attuned to information and always stay on the lookout. This is a stance that we will continue to hold in the future.

and ST still has immeasurable potential for growth. We will continue to embrace new challenges and, through the evolution of this unique platform, provide stakeholders with the value of new lifestyles. We encourage you to look forward to our future development.



Example of a collaboration between a popular staff member and an external brand



Message

Leveraging a Multi-Brand Strategy and Overseas Expansion to Build a Foundation for the Next Phase of Growth

Yoshiaki Kitamura

Managing Director, and ST HD Co., Ltd.
Representative Director and President, Adastria Co., Ltd.

Improving Profitability and Driving Brand Growth

The Brand Retail Business plays a central role in achieving the targets of our Medium-Term Management Plan 2030. While we saw revenue and profit growth over the previous fiscal year, we fell short of our full-year targets. Our emphasis on sales growth led to higher inventories for certain products beyond the levels justified by actual demand. The result was an increased use of discounts and unresolved challenges in terms of profitability. Based on the lessons learned, we are working this fiscal year to improve inventory turnover and full-price sales. The results of our efforts are already translating into higher gross profit. Restoring growth at our flagship GLOBAL WORK brand will be a key factor in pushing these improvements forward steadily. The brand currently generates more than ¥50 billion in sales and we are looking to reach ¥100 billion in the future. Over the past several years, we have generated a certain level of success in driving sales through product promotions focused on individual products. At the same time, we have relied increasingly on variations of existing products, failing to create enough opportunities for customers to enjoy a fresh and exciting

shopping experience. We must continue to evolve by leveraging our core strength in offering products that reflect trendiness in just the right amount.

The and ST HD Group employs a multi-brand strategy, operating a diverse range of brands. It goes without saying that the success or failure in seasonal merchandising of each brand is crucial. Brands including LEPSIM and HARE posted strong sales growth over the previous fiscal year. In addition to launching new products almost daily, we saw particular success in leveraging STAFF BOARD (staff members share their personal styling ideas) and other systems that are a key strength of our group. LEPSIM, in particular, created closer relationships with existing customers while growing its customer base to include new segments. We plan to grow LEPSIM into a ¥20 billion brand that becomes a pillar of our business, following in the footsteps of GLOBAL WORK, niko and ... , and LOWRYS FARM.

The and ST HD Group is home to many brands that have continued for 15 or even 20 years. However, we must rebrand in step with the times if we are to remain the first choice of our customers.

I believe that the role of management is to look beyond where a brand stands today, envisioning the future, identifying what needs to change, and taking the necessary action.

A Framework for New Brands That Meet Diversifying Needs

The Brand Retail Business consists of Adastria, ELEMENT RULE (high-end, fashion-forward), BUZZWIT (e-commerce, B-to-C), zetton (food and beverage), and many other businesses. Adastria is the largest of these businesses, and serves as the core enterprise driving our multi-brand strategy. The focus of Adastria in achieving the vision of Medium-Term Management Plan 2030 is to strengthen its physical stores and create new brands. Physical stores not only serve as venues for product sales and brand experiences, but also as important touchpoints for interacting with *and ST* members, a valuable asset shared across the Group. To continue to grow as a multi-brand company, it is essential that we create and nurture new brands in addition to expanding existing ones. We plan to add two brands this fiscal year and three or so in the next fiscal year and beyond.

While Adastria focuses primarily on casual wear and specializes in stores located in shopping centers, the business has not fully capitalized on growing demand in some aspects, including capturing demand from inbound tourists. Rather than simply increasing the number of brands, we intend to expand our portfolio with a focus on urban strategy and untapped markets.

Developing an AI-powered platform is one measure by which we plan to increase the success rate and efficiency of our efforts to create new brands. Launching a brand typically requires a staff of at least 10 to 15 people. We expect our AI system to help us do the same job with just three or four. Using this tool, we expect to launch new brands and businesses in response to

internal proposals and employee suggestions much more quickly. This efficiency will create more opportunities for our employees to take on new challenges. Today, customer tastes and preferences are becoming increasingly diverse, and numerous small, niche brands are emerging all the time. In this environment, we will continue to expand our portfolio of brands that meet a wide range of needs—all while controlling investment diversification and keeping operating costs in check.

AI for Operational Efficiencies and Enhanced Customer Understanding

Giving store staff more time to engage with customers and focus on building relationships is extremely important. To this end, we are expanding the use of AI to improve operational efficiency, not only at our stores, but also at corporate headquarters. We are almost done creating a system in which AI makes decisions regarding the allocation and restocking of products. We are also incorporating AI into tasks such as reporting from stores to headquarters to improve efficiency.

Furthermore, we will leverage the *and ST HD* Group purchasing data platform, one of our key strengths, in brand strategy. Using AI to analyze customer information and product data, we are gaining a deeper understanding of which products customers are purchasing and when they are making those purchases. *and ST* has nearly 22 million members, and these members account for more than 75% of sales. More than half of e-commerce sales come from our *and ST* e-commerce platform. Combined with our advantage in physical store locations, we have data of the type that very few other companies possess. We plan to leverage these strengths in manufacturing and promotional efforts to create deeper relationships with customers.



Cross-Functional Collaboration and Talent Development in Support of a Multi-Brand Strategy

Maximizing the strengths of a multi-brand strategy requires a company to preserve the individuality of each brand while rolling out initiatives that can be utilized company-wide in a cross-functional manner. As an example, the R&D Division pursues collaborations with popular IP. When we have multiple brands coordinate launch schedules with a single IP, we create significant sales opportunities while also streamlining licensing costs. We also work internally on group projects that combine the expertise of each company. For example, we saw an uptick in sales when we had Group company zetton take over a restaurant operated originally by niko and Combining our strengths in merchandise sales and retail with our expertise in the food and beverage industry in this way will lead to new growth opportunities.

That said, simply rolling out successful initiatives from one brand uniformly across all others will not foster each brand's unique identity.

It is important to have a system that allows each brand to incorporate other elements in a way that reflects its own unique identity. We hold meetings every six months to share initiatives and intentionally increase personnel transfers across brands as two measures within a system where insights gained by one brand can be applied to others.

Gaining experience across various brands also contributes to employee development. In addition to being a multi-brand group, we are a multi-company group. Being a multi-company group provides the opportunity for employees to experience different brands, as well as gain experience at other companies that have different business models and cultures. These experiences foster a manager's perspective and a long-term vision, helping nurture the next generation of business leaders.



Expanding Brands and Platforms in Overseas Markets

Our Global Business is in the process of expanding the growth model established in East Asia, while developing new markets in Southeast Asia.

The multi-brand strategy has been successful in Taiwan, where we operate in excess of 100 stores and more than 10 brands. *and ST* Taiwan has its own e-commerce platform and points program similar to the model in Japan. Membership has surpassed 1 million registrations, and the foundation for further growth—a combination of physical stores and e-commerce—is expanding steadily. We intend to grow this platform through our own brands and collaborations with Taiwanese brands. Leveraging the customer base (ID), e-commerce operating framework, and store development/management expertise in Taiwan, we expect to help local brands expand their customer reach not only within Taiwan, but also in Japan and other parts of Asia. This approach will help the *and ST* HD Group gain a better understanding of products, customers, and markets, leading to more business opportunities globally.

In mainland China, we execute on a cross-channel strategy that uses e-commerce to establish connections with customers across the country and identify areas of high purchase rates and sales volumes as we expand our store network. After a period of trial and error, our most recently opened stores in Wuxi and Hangzhou have been performing exceptionally well. We think we are finally on track to turn a profit across mainland China as a whole. Following our expansion into first-tier and quasi-first-tier cities, we plan to expand into second- and third-tier cities, aiming to broaden the scope of brand experiences through our expertise in operating physical stores.

Southeast Asia is another key market that we see as an important driver of future growth. We currently operate in Thailand and the

Philippines, and this fiscal year we established a local subsidiary in Malaysia. Of course, climates and cultures vary from country to country, so establishing our business model is taking some time. However, we strive to preserve the elements that are essential to our brand while continuing to build our expertise in local merchandising tailored to customers in each region.

Taking on Challenges in Times of Uncertainty

We view this fiscal year as a time to build a solid foundation as we look ahead to 2030. Rather than relying on discounts, we will lay the foundation for future growth by managing inventory levels and selling at fair prices. We will be looking to improve inventory turnover over a period of two to three years, while avoiding a decline in sales and losses due to stockouts.

At the same time, exchange rate fluctuations and rising geopolitical risks are beginning to affect our business in the form of rising production costs, higher crude oil prices, and inflation. Simply passing on the full cost increases is unlikely to be accepted by customers. This challenge is precisely why it is important for us to prioritize craftsmanship and branding—to continue to take on new challenges to earn our place as the first choice of our customers.

We think the *and ST* HD Group is also part of the happiness industry. For customers to enjoy fashion and shopping, it is important for society as a whole to have a positive outlook. To achieve this positivity, every *and ST* HD Group employee must take pleasure in creating value. The accumulation of these efforts will give us the power to bring happiness to our customers. The growth potential of our existing businesses alone will not be enough to realize the future we envision and achieve the targets described in Medium-Term Management Plan 2030. We must create something new on our own, pursuing M&A and other possibilities that lie outside the established path.

The Brand Retail business has pursued a multi-brand strategy driven by Adastria Co., Ltd. We intend to develop this business further into a multi-company model. Going forward, each group company will formulate strategies and KPIs, engaging in business independently under individual missions.

	ADASTRIA Adastria Co., Ltd. 	ELEMENT RULE ELEMENT RULE Co., Ltd. 	BUZZWIT BUZZWIT Co., Ltd. 	zetton inc. zetton inc. 
Group Mission	Enhance profitability and drive sustainable growth as the core group business	Expand into high-end select markets	Create new brands tailored to Gen Z	Expand Food and Beverage business as a space for community and connection
Strategies	- Develop growing and new brands - Launch stores and relocate to carefully selected areas - Strengthen branding	- Build a high-end customer base by strengthening customer service and sales promotions - Increase sales and profit by improving sales per store and selectively opening stores in favorable locations	- Rapidly launch new brands to meet diversified customer needs - Expand sales channels, including stores on and ST - Expand customer touchpoints, including through pop-up stores	- Leverage group synergies to expand profitable business formats efficiently (e.g., human resources and store development capabilities) - Begin expanding business in Asia
Net Sales Targets (FY2/2030)	Net Sales: ¥280 billion FY2/2026: ¥233.5 billion	Net Sales: ¥22 billion FY2/2026: ¥13.7 billion	Net Sales: ¥20 billion FY2/2026: ¥12.5 billion	Net Sales: ¥18 billion FY2/2026: ¥14.6 billion

Each brand within Adastria Co., Ltd., our core enterprise, and other Group companies continues to hone distinctive strengths. The following two brand success stories show how broader customer bases and higher-value offerings have strengthened brand value and driven strong business performance.



LEPSIM

Broader Customer Base Through Revamped Product Planning; Faster Growth Through an In-House Influencer-Led Community Built on Shared Values

Target	Location	Categories
Women 30 and above	Shopping centers	Women's fashion

LEPSIM celebrated the 20th anniversary of the brand in 2026. A complete product overhaul in 2023 introduced more trend-conscious styles, attracting new customers in their 20s and 30s in addition to the existing customer base in their 40s and driving growth. A key driver of this strong performance is the success of in-house influencers, who are mainly store staff in the same age group as customers. LEPSIM builds a strong fan base by turning the resonance created through relatable, authentic content into a key strength. LEPSIM also develops buzzworthy offerings that are less dependent on weather, including products created by in-house influencers and cross-industry collaborations. The brand drives sustainable growth by expanding the customer base and building close relationships with customers across different life stages.



HARE

Core Fan Base Through a Distinctive Brand Identity; High Profitability Through Customer Expansion in Japan and Overseas and a Precise Merchandising Strategy

Target	Location	Categories
Men and women in their 20s and 30s	Fashion malls, road-side stores	Men's and women's fashion

HARE has become a highly profitable brand, supported by a core fan base attracted to the distinctive worldview of a Japanese mode fashion brand designed for everyday wear. The brand achieved record net sales and operating profit in FY2/2026. This strong performance reflects an expanding customer base in Japan and overseas and a carefully planned merchandising strategy. HARE's Tokyo-origin mode fashion also appeals to inbound customers, giving the brand the highest duty-free sales share in the and ST HD Group. Stores in Taiwan are also performing well. IP collaborations that resonate highly with the brand and offerings for both men and women are attracting new customers across a broad range of demographics. Just-in-season products for seasonal transition periods have increased the number of items purchased per transaction, while higher-value products have raised average unit prices and profit margins. The brand continues to earn strong customer support through a well-established identity and carefully tailored merchandising strategy.



20 Years of Bridging the Gap Between the Front Lines and Management; Passing That Experience to the Next Generation

I joined POINT INC. (currently and ST HD) after working at a major bank. This year marks my 20th since joining the company. Beginning as general manager of the Accounting Division, I have gained extensive experience across a wide range of fields, including budget planning and investor relations in the Corporate Planning Office, brand manager for LOWRYS FARM, and assignments in the Administration Division, the Store Development Division, and the Logistics Division.

Today, I pursue two main missions as a director. One mission is to foster improvements in data-driven management. My aim is to help drive greater improvement in profitability through a careful breakdown and analysis of profit structure, from gross profit to selling, general and administrative expenses, translating these insights into concrete improvement actions. I also want to see further advancements in the initiatives I launched during my time in the Logistics Division, including the optimization-oriented Value Chain Meeting, as well as the use of AI-driven efforts

Message

Aiming for sustainable growth in corporate value through proactive investments in growth and digital transformation, together with AI-driven transformation of our management infrastructure.

Masatake Hayashi

Director, Executive General Manager of the Corporate Planning Division

toward greater operational efficiencies. The second mission is to be a bridge to the next generation. I hope to continue helping develop systems supporting sustainable growth, while inspiring the organization with insights I have earned over the years.

Review of the Fiscal Year Ended February 28, 2026, and Next Steps

Sales for the fiscal year ended February 28, 2026, exceeded sales for the previous year. However, profits fell short of the target. The main reason for this shortfall was that gross profit margin at brands such as GLOBAL WORK did not improve as expected. Amid the ambitious sales targets of Medium-Term Management Plan 2030, we pursued high fiscal-year budgets. As a result, purchasing volumes increased, but product sales fell short of expectations, while the subsequent increase in discount sales to reduce inventory led to gross profit margin underperforming plan.

At the same time, certain brands posted solid results, which helped us achieve a year-on-year rise in operating profit for the full year.





We believe these results demonstrate that our multi-brand business structure, which is a key characteristic of our organization, is functioning effectively, and we view this structure as having been meaningful from the perspective of diversifying our revenue streams.

To improve gross profit margin in the future, we will first return to a high-turnover business cycle by identifying best-selling items and placing additional orders as quickly as possible. By procuring exactly the right amount of merchandise at the right time, we will minimize excess inventory, reducing our reliance on discount sales and increasing sell-through rates for full-price items. While the weak yen, rising costs, and other factors in the external environment remain challenging, we believe there is ample room for growth.

Our next order of business will be to streamline selling, general, and administrative expenses. Amid rising labor and other costs, we emphasize a methodical approach that involves reviewing the entire value chain carefully to systematically eliminate waste, one

item at a time. For example, optimizing packaging materials for e-commerce shipments leads directly to reduced shipping costs. The result of our efforts in this area can be seen in this fiscal year's performance. We have also begun efforts to improve operational efficiency through the use of AI. This is one way in which we aim to establish a cycle of improved productivity per employee, freeing up funds to enhance employee compensation.

Management focuses on daily monitoring metrics that include preliminary gross profit margin, full-price sales ratio, inventory turnover, productivity per work-hour, and gross merchandise value. In particular, returning inventory turnover to healthy levels has been a top priority, given the deterioration in the previous fiscal year.

The Challenge in Building a Compelling Equity Story

We recognize that PER has not yet reached a level that fully reflects the inherent earnings power of the and ST HD Group. We know there is room for further improvement. As the executive in charge of Investor Relations, I aim to use dialogues with the market to convey, in a more concrete and detailed manner, the vision and roadmap for achieving the goals outlined in Medium-Term Management Plan 2030, including a focus on our platform business. In this way, I aim to help strengthen the persuasiveness of the and ST HD Group's prospects for growth.

Medium-Term Management Plan 2030 includes an ROE target of 15%. However, ROE has been on a gradual downward trend in recent years and is an area we must improve.

To achieve our ROE target, we must address both profitability and appropriate capital control. First, the Group will move ahead with business restructuring efforts to achieve an operating profit margin of 8%. To that end, we must not only expand our profitable platform business, but also improve the profit structure of our brand retail business. When we formulated Medium-Term Management Plan 2030, we assumed that increasing the profit

margin of the brand retail business would not be easy. Because of this assumption, we devised a strategy to improve company-wide profitability by increasing the proportion of platform business sales. As the new management team has discussed the matter, it has become clear that there is room to strengthen the profit structure of the brand retail business itself. In addition, we are aiming for a 15% ROE, to be achieved through appropriate capital structure management, including dividends.

However, we are still only partway through the process of translating initiatives to improve return on capital into concrete measures for the front lines to put into practice. Of course, sales, operating profit, and other common metrics are used in day-to-day management. At the same time, designing KPIs tailored to each business is a key challenge ahead, not only in apparel retail, but also across the growing number of businesses with different revenue structures.

Strengthening the Decision-Making Framework to Support Growth Investments

The basic framework for cash allocation continues to follow the direction outlined in Medium-Term Management Plan 2030. Domestic and international store openings, infrastructure investments (including digital transformation) and M&A represent primary areas of investment. At the same time, we plan to implement a shareholder return policy that combines a 30% dividend payout ratio with a minimum threshold set according to dividend on equity (DOE) ratio. We intend to increase dividends steadily in line with profit growth. At this stage, our policy of prioritizing growth investments remains unchanged. In the short term, our approach is centered on striking a balance by prioritizing investment in business growth over raising the dividend payout ratio. The aim of this policy is to enhance corporate value over the medium to long term.

Our policy for overseas expansion, based on experience, is to focus on Asia, including Greater China. We have decided to withdraw from our U.S. operations and focus management resources on markets with promising earnings potential. At the same time, we will carefully assess the business environments in each country and region and evaluate risks appropriately.

Meanwhile, impairment losses related to M&A and store investments in the previous fiscal year are something we take seriously. We followed the appropriate processes at the time we made investment decisions. However, subsequent changes in the external environment, combined with challenges in post-merger integration, resulted in initiatives that failed to achieve the expected results in certain areas. Based on this experience, we revised our approach for future M&A transactions. We now ensure that a business leader is in place at an early stage and is involved in the development of the business plan, taking ownership as a key stakeholder from the initial evaluation phase. We also plan to address post-acquisition compliance matters promptly and standardize internal management rules once a new entity joins the Group.

Investment discipline will be a key priority as we continue to make growth investments. We are looking to make large-scale investments, including digital transformation and mergers and acquisitions. We have established an investment committee to facilitate in-depth internal discussions as part of a system to carefully evaluate the return on investment for each project. Outside directors serve as an important check on management by monitoring business performance and providing advice as external experts. At the same time, outside directors play a role in supporting appropriate risk-taking for the group's growth, helping internal and external managers make balanced decisions.

We have long maintained the guideline that new businesses should turn a profit within three years and recoup investment within five years, and we review our brand portfolio in light of this

rule of thumb. As we leverage the structure for new brands to utilize a shared value-chain platform while minimizing additional investment, the key to improving profitability going forward will be how efficiently we manage our multi-brand portfolio.

Systematizing Inefficiency as a Competitive Advantage

As I mentioned earlier, the Group is strengthening the framework for optimal decision-making, aiming for the growth of the group through the Investment Committee and Value Chain Meetings. Generally, there is concern that operating a multi-brand business makes it difficult to benefit from asset diversification and economies of scale. Often, such operations are viewed as inefficient. However, the strength of the Group lies in our ability to leverage organizational capabilities to compensate for inefficiencies and ensure smooth, effective operations. We could say that the true value of a multi-brand strategy is in developing an entire value chain as a shared platform, while building a system capable of incorporating new brands flexibly. We have begun efforts to streamline our platform using AI, and we believe that refining this foundation on an ongoing basis will be a source of competitiveness over the medium to long term.

Our approach to cost structure reform focuses on improving the productivity of each individual employee, given that personnel expenses account for a significant portion of expenses. Retail stores will use AI to streamline back-of-house operations, allowing staff to devote more time to core tasks such as customer service. Our goal here is to increase sales and productivity in parallel. Although we are in the early stages of implementation, we plan to roll the system out to certain stores this fiscal year, and we expect to see a contribution to our bottom line. We are gradually adopting mechanization and automation in logistics. This summer, we plan to begin operations of mechanized equipment at a new facility, and then introduce more mechanization at the new e-commerce center

next year. We are making steady progress in transitioning from a labor-intensive logistics system to one that leverages data and machinery.

In the area of investor relations, we established a dedicated Investor Relations Office this fiscal year to strengthen our dialogue with investors. Not only will we meet market expectations through business growth, but now that we have become a holding company, the president and management team will be even more proactive in engaging directly with shareholders and investors. We will continue to work diligently to build greater confidence in our growth story and the feasibility of the Medium-Term Management Plan 2030.



Management Conscious of Cost of Capital and Share Price

We aim to enhance corporate value by formulating, disclosing, and consistently implementing business plans that are sensitive to the capital markets.

Our Recognition of the Current Situation

- and ST HD ROE exceeds the cost of capital, and PBR is above 1.0. However, we believe there is room for improvement in PER, as long as we achieve our growth plans.
- Our cost of capital, as calculated using the CAPM, has remained at a low level. However, we believe this level remains low due to our stock's low market sensitivity (beta) and therefore does not appropriately reflect investors' required rate of return.
- We developed the Medium-Term Management Plan 2030 and are implementing measures to further improve profitability and capital efficiency.

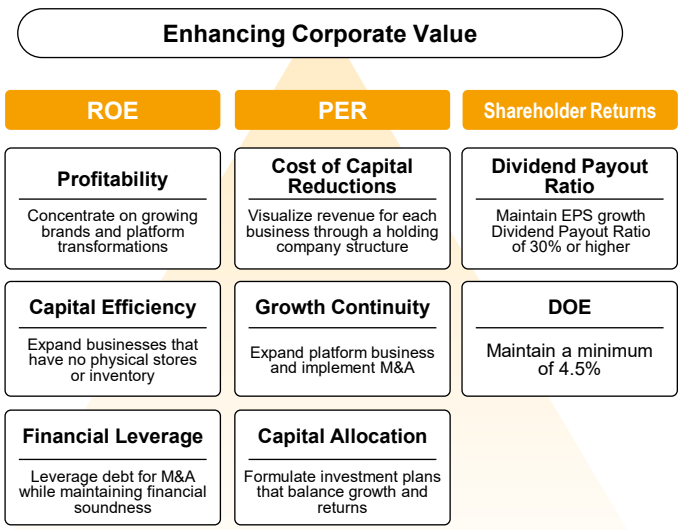
Dialogue With the Market

- We continue to engage in dialogue with the market through IR activities and presentations involving management representatives, seeking to build a better understanding in the capital markets of our growth potential.
- We also endeavor to improve the quality and quantity of these dialogues with the market, holding briefings conducted by business managers, publishing integrated reports, and enhancing our English-language disclosures.

IR Activities	FY2/2023	FY2/2024	FY2/2025	FY2/2026
One-on-one (times)	159	218	198	159
Small meetings (times)	13	17	28	28
Total no. of institutional investors	231	260	288	237
Total no. of people	339	460	592	518
Including management attendance (no. of people including small mtgs.)	107	138	190	178

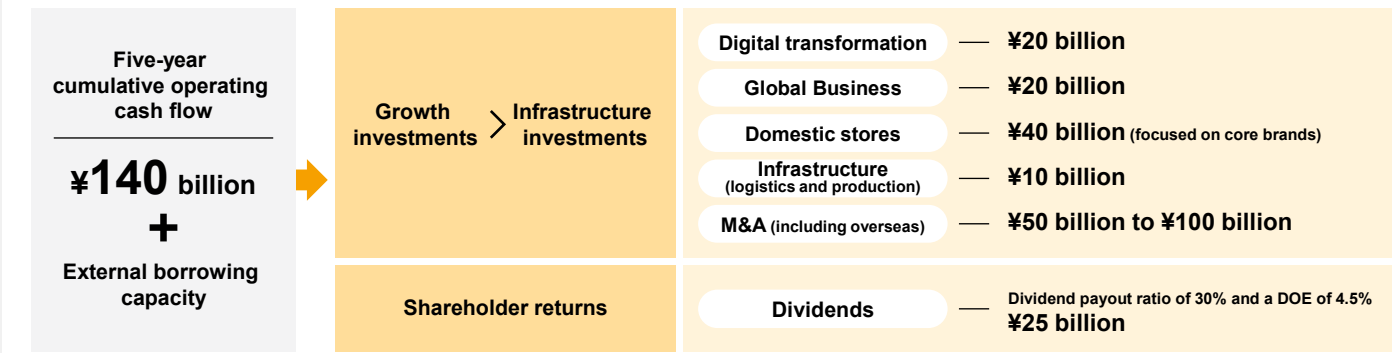
Initiatives

- We adopted a stock-based compensation plan for directors in fiscal 2016, adding a total shareholder return (TSR) evaluation element in fiscal 2023. In fiscal 2025, we added consolidated ROE, gross merchandise value (GMV) of our own e-commerce mall, and employee satisfaction score to the list of evaluation factors. We will continue to improve this plan to ensure director performance incentives align with the KPIs of our growth strategy.
- To maintain stable dividends, even under temporary fluctuations in profitability, we adopted the dividend on equity ratio (DOE) standard in fiscal 2025, establishing a minimum DOE of 4.5%.
- We disclosed our capital allocation policy in Medium-Term Management Plan 2030, which establishes guidelines for the M&A budget and shareholder returns while balancing growth and base investments.



Capital Allocation

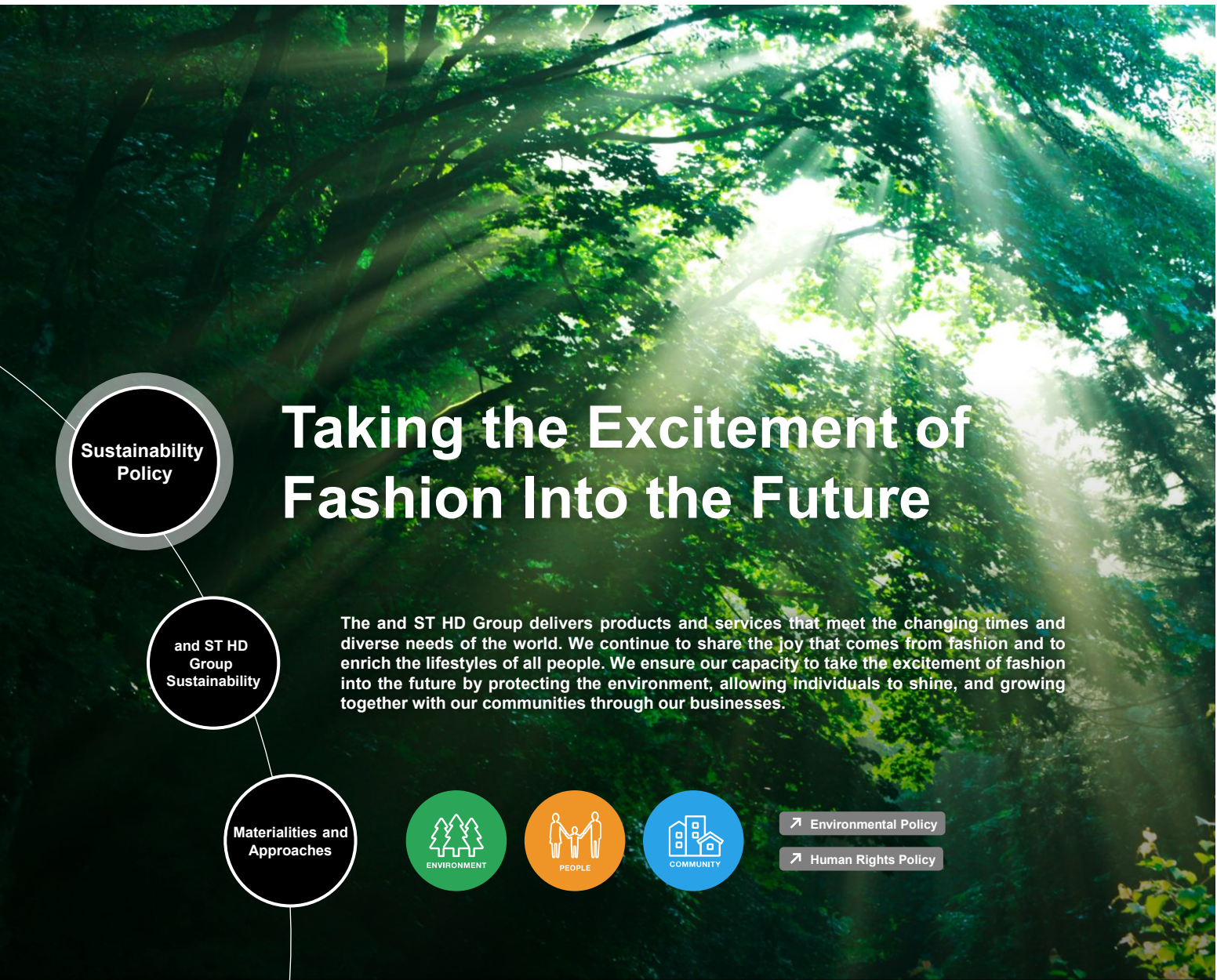
We aim to maintain an ROE of 15% or higher while balancing growth investment and shareholder returns.





SECTION 03

SUSTAINABILITY



Sustainability
Policy

Taking the Excitement of Fashion Into the Future

and ST HD
Group
Sustainability

The and ST HD Group delivers products and services that meet the changing times and diverse needs of the world. We continue to share the joy that comes from fashion and to enrich the lifestyles of all people. We ensure our capacity to take the excitement of fashion into the future by protecting the environment, allowing individuals to shine, and growing together with our communities through our businesses.

Materialities and
Approaches



ENVIRONMENT



PEOPLE



COMMUNITY

↗ Environmental Policy

↗ Human Rights Policy

STORY 01 From Responsible Production to Responsible Circulation

- 35 Building Safe and Secure Production Through Supplier Collaboration and Information Disclosure
- 36 Using CSR Questionnaires to Expand Sustainable Marks to Include Environmental and Human Rights Initiatives
- 37 Clothing Reuse and Recycling Driven by the Contributions of Our Diverse Workforce
- 38 Pursuing a New Circular Model in Collaboration With Partner Companies

STORY 02 Diverse Individuality Drives Platform Creativity

- 39 Basic Policy on Human Capital Management
- 40 Efforts to Support the Potential and Growth of the Next Generation and Put Our Basic Policy Into Practice
- 41 From Individual Initiative to Group-Wide Empowerment

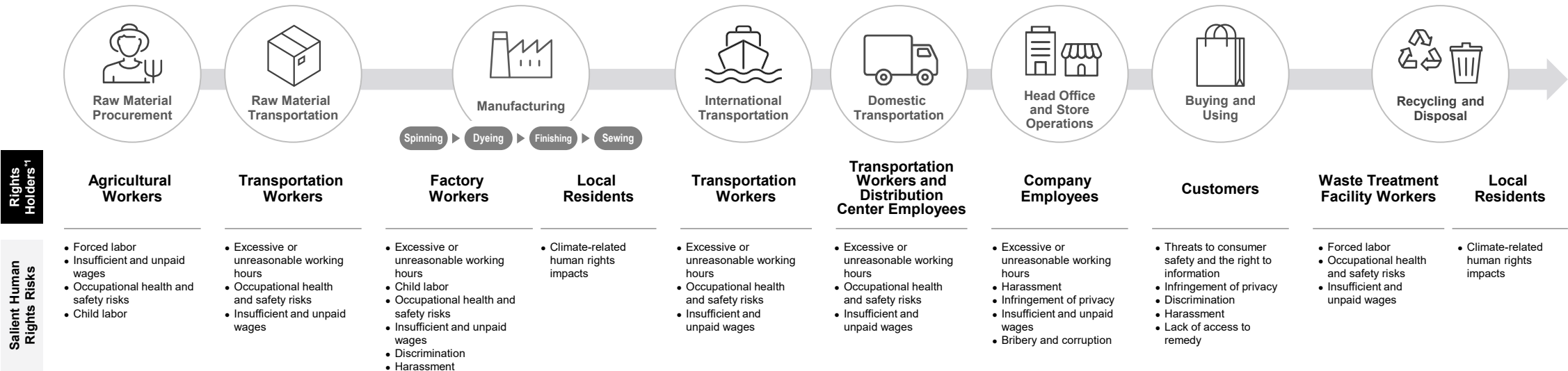
Basic Approach to Human Rights

The and ST HD Group identified material issues that require priority action to address social issues and achieve sustainable growth. Among these material issues, we recognize respect for human rights as a particularly important priority, alongside addressing climate change. This recognition led us to establish the Group's first Human Rights Policy in 2025. Respect for human rights forms the foundation of our corporate activities as the Group expands globally. We advance our initiatives through ongoing dialogue with employees, customers, business partners, and other stakeholders connected to the and ST HD Group.

- Materiality Mapping
- Human Rights-Related Initiatives

Salient Human Rights Risks in the and ST HD Group Supply Chain

The and ST HD Group identified and visualized salient human rights risks throughout every process in the supply chain in accordance with the United Nations Guiding Principles on Business and Human Rights. To date, we have worked to prevent and mitigate human rights risks through various measures, including requiring employees to comply with the Group Code of Ethics and conducting CSR monitoring of suppliers. We are now systematizing existing frameworks in line with the human rights due diligence process and strengthening the group-wide governance structure for these efforts. Looking ahead, we intend to continue to work with relevant departments and stakeholders to expand these efforts and assess their effectiveness, further improving the accuracy of our human rights risk management.



*Salient human rights risks identified in our core apparel business
*1 Rights holders: People whose human rights are being violated or are at risk of being violated as a result of corporate activities

Initiatives, Achievements, and Roadmap for Materialities

Our approach to sustainability management is to expand our circle of co-creation with people and communities and connect this with our vision of *Taking the Excitement of Fashion Into the Future*. We identified three key sustainability themes—Protect the Environment, Encourage People to Shine, and Grow Together With Communities—and continue to build on and steadily implement initiatives in line with our roadmap. The and ST HD Group will continue working with stakeholders to address social issues, empower people around the world to express their individuality, and contribute to prosperous communities and sustainable development.

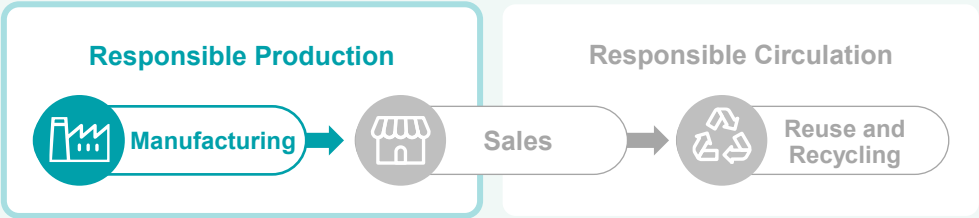
Materialities	Vision	FY2/2026 Results		Steps Toward 2030	Medium-Term Targets	Targets Through 2050
Protect the Environment  ENVIRONMENT	Engage in Manufacturing That Leads to the Future	Percentage of sustainability marks attached YoY 73.2%	Sustainable materials developed in-house 8 materials	- Develop sustainable raw materials - Increase the number of products with sustainability marks	▶ Incorporate sustainable materials and processing into over 50% of all products	Incorporate sustainable materials and processing into 100% of all products
	Balance Environmental Considerations With Sales Activities	Formulated GHG reduction scenarios for Scope 1, 2, and 3 (domestic and overseas)	Received a CDP B Score for three consecutive years Supplier Engagement A- Score	- Implement energy-saving initiatives and collaborate with developers and other partners - Source environmental value through renewable energy and similar initiatives	▶ New targets under development in accordance with international standards	Achieve carbon neutrality
	Create a World Without Fashion Loss	Maintained 0 direct incineration of clothing inventory	Stores offering permanent clothing collection: approximately 190 Annual collection volume 43 t	- Improve demand forecasting and reduce inventory losses - Encourage used clothing collection and collaborate with governments and external partners	▶ Establish resource recycling systems in apparel and sundries	Establish resource recycling systems in all businesses
Encourage People to Shine  PEOPLE	Be an Organization That is Healthy Mentally and Physically, Encouraging Employees in Their Individuality and Ability	Percentage of women in senior management positions* 26.0%	Percentage of women in management positions* 40.1%	Educate and invest in diverse human resources	▶ Percentage of women in senior management positions: 30%	Embed DE&I into our corporate culture and develop human resources suited for a platform-based business
		Disclosed health management strategy map and health-related indicators	Health & Productivity Management Outstanding Company Certification 4th consecutive year since FY2/2023	Execute measures based on the health management strategy map and improve performance on related numerical indicators	▶ Become a White 500 Outstanding Organization of KENKO Investment for Health Program	
Grow Together With Communities  COMMUNITY	Foster Sustainable Development in Production Areas	Number of factories monitored annually 31 factories	Number of factories in our direct-sourcing network with specified partner suppliers 59 factories	- Engage in dialogue with suppliers through CSR monitoring - Disclose business activity information in the supply chain	▶ Strengthen partnerships with suppliers and enhance supply chain transparency	Co-create with business partners to build ethical supply chains

* Group performance in Japan and overseas (excluding KARRIMOR International Ltd.)

STORY 01 From Responsible Production to Responsible Circulation

Building Safe and Secure Production Through Supplier Collaboration and Information Disclosure

Our business is supported by the suppliers responsible for our production, along with stakeholders. Respect for human rights and environmental stewardship throughout our supply chain form the unwavering foundation that enables us to remain an indispensable presence in society. Refining this foundation through co-creation with our stakeholders and evolving it into a value chain in harmony with society will pave the way for the sustainable enhancement of corporate value. We fulfill our commitment to responsible production and continue creating new value to carry forward the joy of fashion.



Supporting Responsible Production With Suppliers

CSR monitoring across the Group goes beyond verifying compliance with standards. We focus on engaging in dialogue with suppliers to resolve issues and build collaborative partnerships. In doing so, our goal is to strengthen the foundation for sustainable, responsible production by working together to address environmental considerations and human rights risks at manufacturing sites. Looking ahead, we will continue to emphasize mutual respect and build strong partnerships as we jointly develop roadmaps for both short-term improvements and medium- and long-term solutions.



Listening to Front-Line Voices and Creating Safe, Secure Workplaces

Our CSR monitoring focuses on interviews with local employees and firsthand assessments to verify actual conditions. We listen to the real voices from the production floor—voices that cannot be fully understood through written reports—and are thoroughly committed to creating a safe and secure work environment and respecting human rights. By identifying and addressing potential risks early based on front-line feedback, we help suppliers create workplaces where employees choose to stay. This strengthens the manufacturing sites that support our responsible production.



[↗ Group Procurement Policy and Guidelines](#)



Increasing Production Transparency to Build Trust

We demonstrate our commitment to responsible production and deliver products our customers can trust by disclosing environmental and human rights information for major supplier factories with the suppliers' consent. We share information on front-line conditions gained through ongoing dialogue to increase transparency across the production process. In doing so, we share responsibility for sustainable, responsible production with all stakeholders and continue building the trust needed to move forward together.

VOICE

Turning Responsible Production Into a Competitive Advantage to Drive Corporate Value

Yasuhiro Yamazaki
Executive Officer and Executive General Manager of
the Production Division, Adastria Co., Ltd.



As an executive responsible for production, I believe respecting human rights and protecting the environment throughout our supply chain are not only social responsibilities but also key drivers that support the growth of the Group. We will continue to engage in ongoing dialogue with suppliers and create safe and secure work environments, aiming to translate these efforts into higher quality and a more flexible and stable production system. We will steadily drive sustainable corporate value by building on the strong foundation we have established through responsible production and continuing to deliver the joy of fashion to our customers.

[↗ List of Specified Partner Suppliers](#)

Using CSR Questionnaires to Expand Sustainable Marks to Include Environmental and Human Rights Initiatives

Enhancing supply chain transparency and practicing responsible manufacturing with due consideration for the environment and society are essential foundations of the and ST HD Group's business. To this end, we expanded the scope of our Sustainable Marks to visualize the dedicated efforts of our suppliers, which were not apparent in finished products. Our marks go beyond sustainable materials and processing methods to include factory-level initiatives to reduce environmental impact, which we identify through CSR questionnaires and other means. Sustainable Marks now highlight these initiatives on product hangtags. Our goal is to bring the value behind how products are made into the customer shopping experience and connect Responsible Production with Responsible Circulation.



Making Our Initiatives Visible Through Sustainable Marks

The and ST HD Group established proprietary criteria for our materials and processing methods to show customers the responsible practices behind our products. Products that meet these criteria display Sustainable Marks on hangtags. Our goal is to display these marks on at least 50% of all products by 2030. We value the story behind each product, from material selection through commercialization, and review the criteria and scope continuously to reflect changes in product development and production practices. In doing so, we communicate product-related sustainability initiatives clearly to our customers.



Sustainable Marks Proprietary Sustainable Materials

Expanding the Scope to Include Manufacturing Backgrounds

We expanded the scope of our Sustainable Marks to increase supply chain transparency, adding marks that visualize the sustainable manufacturing practices at our contract factories. Alongside our existing criteria for sustainable materials and processing methods, we now assess renewable energy adoption and other factory initiatives to reduce environmental impact identified through CSR questionnaires. These marks highlight the behind-the-scenes efforts of our production sites and bring the story behind each product into the customer shopping experience.



New Sustainable Mark: GREEN ENERGY

Products manufactured at factories where renewable energy accounts for at least 30% of total annual electricity consumption

Bringing Sustainable Choices Into the Shopping Experience

Customers find value in more than design, price, and comfort when choosing a product. The materials and processing methods used, together with the efforts made at production sites, are also an important part of the story behind each product. Our direct touchpoints with customers through stores and e-commerce are what allow us to make this background a natural part of the everyday shopping experience. We want customers to enjoy choosing products while also appreciating how each item is made. Our goal is for that appreciation to deepen the connection with each garment and make sustainable fashion a more natural everyday choice.

VOICE
Connecting Value Identified Through Dialogue With Factories to Sustainable Shopping Experiences

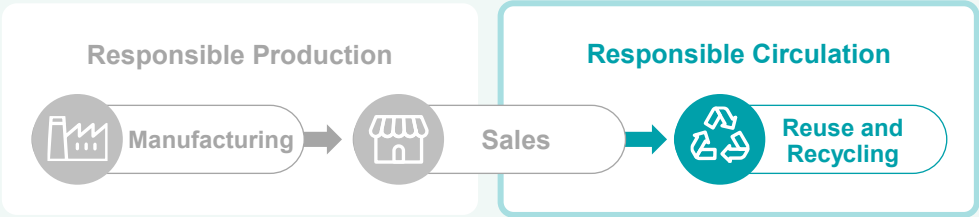
Yumi Masui
Assistant Manager, Products Sourcing & Procurement/CSR Procurement Team, Products Sourcing & Procurement Department, Adastria Co., Ltd.



We conduct CSR questionnaires and engage in dialogue to identify and confirm initiatives related to the environment, people, and governance at contract factories on a regular basis. Our decision to develop new Sustainable Marks stemmed from a desire to share with customers the efforts our suppliers put into sustainable manufacturing and the value behind those efforts. Efforts at production sites shape customer choices, and those choices, in turn, encourage better manufacturing. We hope to expand this cycle over time.

Clothing Reuse and Recycling Driven by the Contributions of Our Diverse Workforce

Our responsible circulation means passing on the value we have built through manufacturing with integrity. We collect used clothing at our stores and give inventory new life through resale and recycling as we work toward a world without fashion loss. Guided by our *Play fashion!* slogan, we drive a circular economy business that supports clothing throughout its life cycle rather than ending our responsibility at the point of sale. This business creates a new engine for growth that advances our platform while contributing to a more sustainable society.



A Shared Choice to Keep Clothing in Circulation

Play Cycle! is our in-store clothing collection program that serves as the starting point for expanding resource circulation together with our customers. Since launching the program in 2016, we have established permanent collection points at approximately 190 stores and collected a cumulative total of 210 metric tons of clothing. *Play Cycle!* gives the clothing entrusted to us new life as recycled materials, raw materials, or resale products. Our customers' cooperation in giving clothing a second life instead of throwing it away is the foundation that strongly supports our efforts to reduce fashion loss and drive our circular economy business.



WeOur: Connecting Clothing With New Owners

WeOur, our special-purpose subsidiary, serves as the bridge that connects future owners with the clothing entrusted to us by our customers. A certain portion of the clothing sorted by our partners is carefully inspected and prepared for resale by staff with diverse backgrounds, including staff with disabilities. Their work helps transform clothing into the resale items that we are proud to offer to future owners. An inclusive workplace where everyone can thrive, together with the care invested in every garment, creates new value and provides strong support for the quality and reliability of our circular economy business.

VOICE

Shaping the Future of Clothing and People Through Thoughtful Craftsmanship

Misato Kuji
General Manager, Circular Business Department,
WeOur Co., Ltd.



Our role is to connect the circulation of clothing with a society where everyone can thrive. We deliver not only beautifully restored clothing items, but also the passion of the diverse staff who prepare each item for resale. In doing so, clothing that was once destined to be discarded gains new value, while each individual can make the most of their unique strengths. That is the future we are working toward.



OFF STORE: Where New Value Circulates

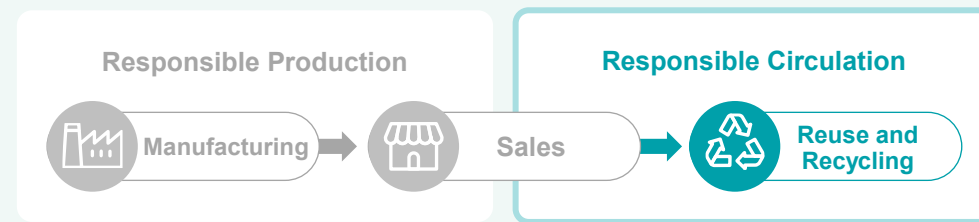
The resale items prepared by WeOur are passed on to their future owners through OFF STORE. OFF STORE is the place where clothing takes on new value and where anyone can enjoy making sustainable choices. The store reintroduces clothing that still holds value back into society, to provide customers with a shopping experience that balances the joy of fashion with consideration for the environment and society. In doing so, OFF STORE aims to serve as a leading model for a sustainable fashion business.



OFF STORE

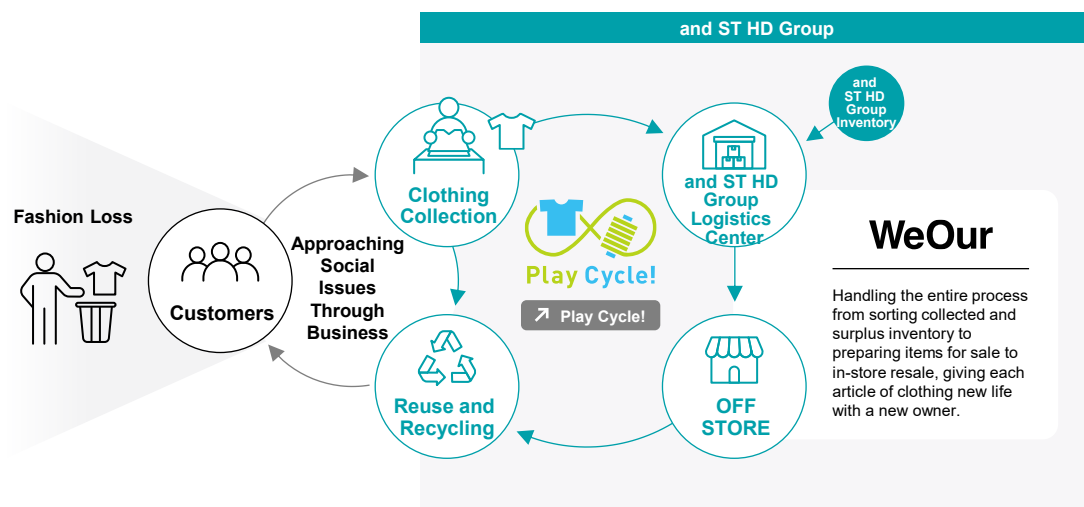
Pursuing a New Circular Model in Collaboration With Partner Companies

The and ST HD Group pursues a circular economy-based model that supports apparel throughout the entire lifecycle of the product. We collect clothing that customers have used with care and transform the articles into new materials or new opportunities for resale. We introduce pioneering models to the market to address fashion loss and other social issues, building a circular system in which anyone can participate easily. This platform fosters co-creation with stakeholders and generates social impact by reducing environmental footprints. This platform is also a driving force for creating new business opportunities and nurturing a society where people and products are connected through fashion.



One Step Closer to a Zero-Waste Society: The Vision of *Play Cycle!*

Play Cycle! is the and ST HD Group clothing collection program. This circular economy initiative collects unwanted clothing from customers and channels the articles into reuse and recycling. The collected clothing is sorted by ECOMMIT Co., Ltd. based on condition and material. We then resell appropriate articles at off-store locations operated by WeOur, a group company responsible for circular economy initiatives, or the articles are sold through ECOMMIT's external network. Materials are also recycled into industrial products, such as recycled fibers and materials for automobiles. We continue to make advancements in fulfilling our social responsibility to reduce fashion loss by bringing together a diverse range of stakeholders across business boundaries.



VOICE

A Collaborative Approach to Creating a Circular Model for the Apparel Industry

Akira Sakano

Senior Executive Officer and Chief Circularity Officer (CCO), ECOMMIT Co., Ltd.

Served as the representative director for NPO Zero Waste Academy, leading the policies in the world-famous and first Zero Waste Town in Japan: Kamikatsu. Co-chair of the 2019 World Economic Forum Annual Meeting in Davos. She founded Zero Waste Japan in 2020 to accelerate zero waste policies all over Japan. In 2021, Ms. Sakano established Green Innovator Academy to develop and connect next innovators who are leading the transition to a decarbonization society. She joined ECOMMIT in 2023.



Building a Circular System to Share Japanese Values With the World

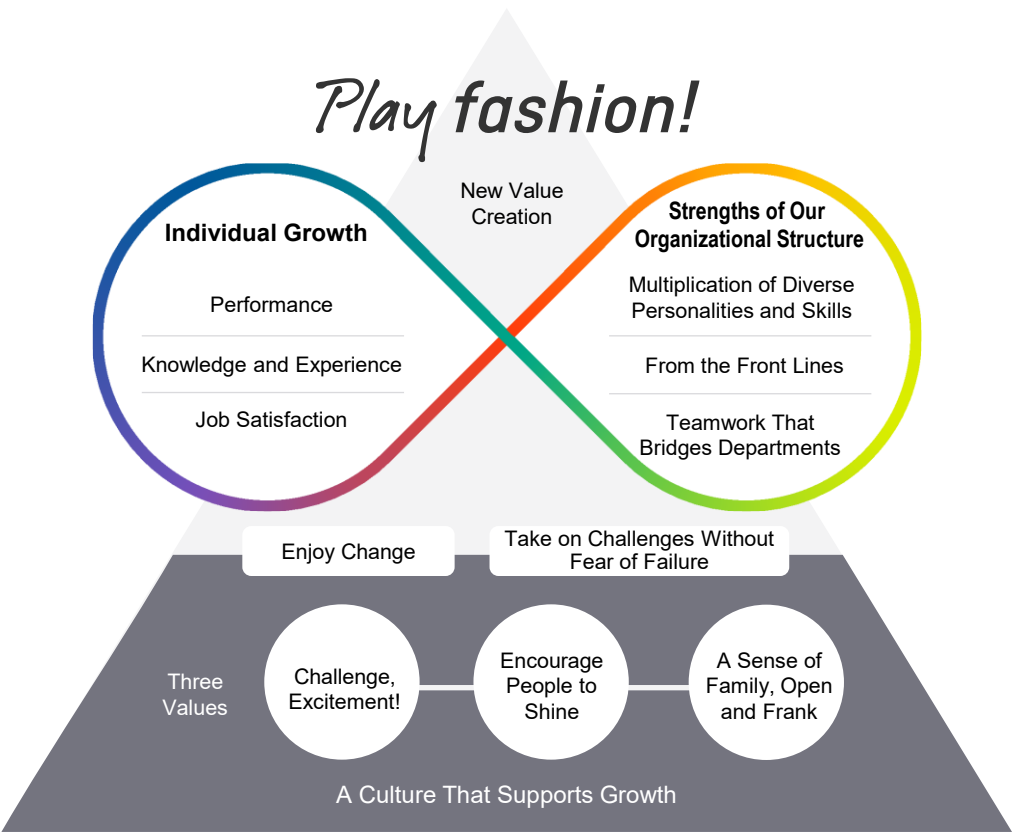
The and ST HD Group is a leader in the apparel industry. We are confident at ECOMMIT that our collaboration will serve as a major breakthrough in structural reform focused on the circular economy, as we work toward achieving the ECOMMIT vision of a loss-free society. The Japanese value the careful use of possessions and have a strong awareness of properly sorting resources for recycling. Our challenge is to take these values beyond the view of cultural phenomena and translate them into a global system replicable in any area, both in Japan and internationally. With an eye toward future expansion into Southeast Asia and other regions, our aim is to establish a seamless system from cross-border clothing collection to ultimate reuse and recycling.

Leveraging Technology to Build a New Circular Model Together

We are pursuing a closer collaboration between the sales capabilities cultivated through manufacturing and retail by the and ST HD Group and the reuse and recycling market operated by ECOMMIT. To this collaboration, we bring our infrastructure development capabilities as a circular trading company to help create social infrastructure that circulates resources throughout the entire supply chain. Furthermore, we hope to enhance the value of the secondary market by leveraging AI and digital transformation for highly accurate supply-and-demand forecasting and data integration. We also hope to conduct a range of pilot initiatives to explore opportunities. Together with the and ST HD Group, we aim to build a system that delivers new value back to the consumer. We will continue to pursue this close collaboration to produce pioneering business models as we set an example for the fashion industry and drive the circular economy forward.

Basic Policy on Human Capital Management

A diverse workforce that brings together people with distinct individual qualities is our most important management resource for achieving our growth strategy and enhancing corporate value. Every employee working for the and ST HD Group creates new value and drives corporate growth by drawing on individual strengths and qualities. The Group, in turn, supports employees in maximizing individual performance by putting in place HR systems and opportunities to take on challenges. Together, we become the engine that drives the overall Group. As a company needed, we will continue to contribute to richer lives through new products and services in an ever-changing market.



Basic Policy

Every individual who works at the and ST HD Group creates new value based on *Play fashion!*

Human Resources Strategy

Supporting the growth of diverse personalities and making each shine as a person needed

Reaching the next stage of growth requires the and ST HD Group to strengthen the talent and organizations that will drive business model transformation. We have created new value over the years by bringing together diverse individual qualities and skills across departments, guided by the Three Values and our strengths in a front-line-driven approach and teamwork. Now, as the Group grows in scale and expands into a wider range of businesses, we are committed to establishing a foundation that enables diverse individuals to uplift one another and create sustainable value. We also intend to foster environments that support employees in taking on challenges and provide development opportunities that enable personal growth.

Efforts to Support the Potential and Growth of the Next Generation and Put Our Basic Policy Into Practice

The and ST HD Group offers a range of talent development initiatives to bring out and strengthen each employee's individual qualities and capabilities, the source of new value creation, and help each employee lead a richer life. Our programs include basic training for business professionals, opportunities to hone expertise, and opportunities to pursue individual goals. Through these various approaches, we expand individual potential and maximize performance while cultivating talent capable of co-creating *Play fashion!* We aim to maximize individual and organizational capabilities by honing strengths and expertise, bringing together diverse individual qualities, and supporting growth.

In fiscal 2025, the and ST HD Group established AST College (A-College) to create an environment where diverse talent can learn and grow in a self-directed manner. A-College is an in-house university that brings together and systematizes talent development initiatives unique to the Group. The concept of A-College is for employees to design their own future paths through learning opportunities provided by the company, and the curriculum comprises three main pillars.

● Basic Training

Acquire the knowledge and skills needed to adapt to changes in roles and circumstances

We provide training tailored to each career stage, from new employees to managers. Senior executives also attend training sessions in person and create opportunities for direct dialogue, helping carry forward the DNA we have valued since our founding.

● Specialized Training

Hone practical capabilities specific to each department and job function

Employees gain practical knowledge in store operations, merchandising, social media, and other areas to perform effectively in front-line roles and deepen individual expertise.

● Selective and Elective Training

Pursue further growth based on individual motivation and aspirations

Elective training gives employees the flexibility to choose learning based on career stage, while selective training develops leaders who will drive the next generation of management. Together, these programs support self-directed career development and bring out the full potential of every employee, accelerating individual and organizational growth and helping drive the future of the company.

The goal of A-College goes beyond simply improving job skills. We aim to help employees hone individual talents and qualities and grow into professionals who are also sought after by society as *a person needed*. We will then link this individual growth directly to creating new value of the company and to sustainable development across the Group.

Basic Training

Acquire the knowledge and skills required at each career stage while carrying forward the Group's DNA

New Employees

- New employee training

Staff

- Store manager training
- Follow-up training

Managers

- Training for newly appointed managers

General Managers

- Mentoring programs

Mindset and Literacy Training

Specialized Training

Develop practical skills and expertise specific to each department and job function

Sales and Store Operations

- Customer service and social media training
- Store operations skills

Merchandising

- Merchandising training
- Study sessions

By Function and Business

- Specialized training led by each department

Selective and Elective Training

Support individual and organizational growth through selective and elective training

Selective

- My Value Program (external training and e-learning)
- Career training
- Internships
- Internal job postings

Elective

- Skills development training
- Overseas training
- Executive candidate development
- Mentoring programs

Other Growth Support

From Individual Initiative to Group-Wide Empowerment

Employees who use the learning and opportunities provided by the company to step into unfamiliar territory with a self-directed mindset and clear intent are an important force shaping the future of the and ST HD Group. These role models continue to press forward in their growth as they navigate difficulties and learn through trial and error. The examples these individuals set accelerate transformation across the organization and spark new challenges throughout the Group. The and ST HD Group brings together stories of individual initiative and aspiration and shares these stories across the Group to foster a culture of empowerment where employees uplift one another and celebrate growth together.

VOICE

A Foundation for Collaboration Built by Overcoming Communication Barriers: Driving Overseas Expansion Through an Autonomous Organization

Kousuke Noma
Supervisor, International Planning Office, Adastria Co., Ltd.

CAREER

- 2013 Joined Adastria Co., Ltd.
- 2016 Appointed as store manager
- 2024 Participated in overseas training
- 2025 Assigned to Taiwan
Appointed as supervisor



I stepped forward to join the A-College overseas training program to achieve my long-held goal of gaining experience on an overseas assignment and building a career that would allow me to play an active role in Japan and abroad. During the program, I visited Thailand with employees from various departments and developed a plan for a new local business. Communication was not always easy among members with different backgrounds and perspectives, but through repeated dialogue, I learned to consider the intentions and beliefs behind different views and the importance of working toward the best outcome for the team as a whole. The experience I gained through the training program has provided a strong foundation for my current role as sales head for niko and ... in Taiwan, a position that requires coordination with a wide range of departments. Listening to local staff from different backgrounds and working to get my own ideas across has helped us grow into a team united around a common goal. Building on these experiences, I work each day to create new local value by combining successful approaches from Japan with local perspectives and trends, rather than simply replicating the Japanese model. My goal is to build an organization where people can think and act independently. I want to establish a framework that enables the business to continue growing under the leadership of local staff. Further down the road, I hope to play a role in launching new local subsidiaries and contribute to the growth of our overseas business as a whole.



VOICE

A Passion for Taking on Challenges and an Environment That Accelerates Growth Shape the Group's Future

Mayo Yamazaki
General Manager, Ellno Loset Division, BUZZWIT Co., Ltd.

CAREER

- 2017 Joined Adastria Co., Ltd.
- 2019 Transferred to BUZZWIT Co., Ltd. through an internal job posting
- 2021 Launched Ellno Loset
- 2023 Appointed as general manager



I used the internal job posting system to transfer from a store staff position to BUZZWIT, where many young employees play an active role in the company. When I first joined BUZZWIT, everything from PR and photo shoots to planning and social media was a process of trial and error. I learned from other business departments along the way and discovered how rewarding it was to forge my own path. That experience inspired me to create a brand of my own. I entered an internal competition and launched Ellno Loset, the company's first Japanese mode fashion brand. I shared my vision and commitment with my team, and received support from colleagues across business departments. Their support helped us achieve tangible results and gain real traction. Going forward, I will unite the entire team involved and accelerate business growth. My own experience in forging a career path through numerous challenges has led me to focus more on developing the next generation. I also serve as the director of the very in-house competition that gave me my own start, and I find great fulfillment in helping staff turn their dreams into reality. By leveraging the speed of our e-commerce business, I want to create an environment where everyone takes the initiative to speak up and keep taking on challenges. In doing so, I hope to produce future leaders for BUZZWIT and build momentum across the entire and ST HD Group.



BUZZWIT

zetton inc.

ADASTRIA



ELEMENT RULE

andST
アンドエスティ

ADASTRIA
PHILIPPINES

andST
HD

ADASTRIA
THAILAND

WeOur

NATURAL NINE TRADING
(SHANGHAI) LTD.

ADASTRIA
SHANGHAI

ADASTRIA
TAIWAN

SECTION 04

andST
Logistics

ADASTRIA
SHANGHAI

SES GLOBAL
LOGISTICS



CORPORATE GOVERNANCE

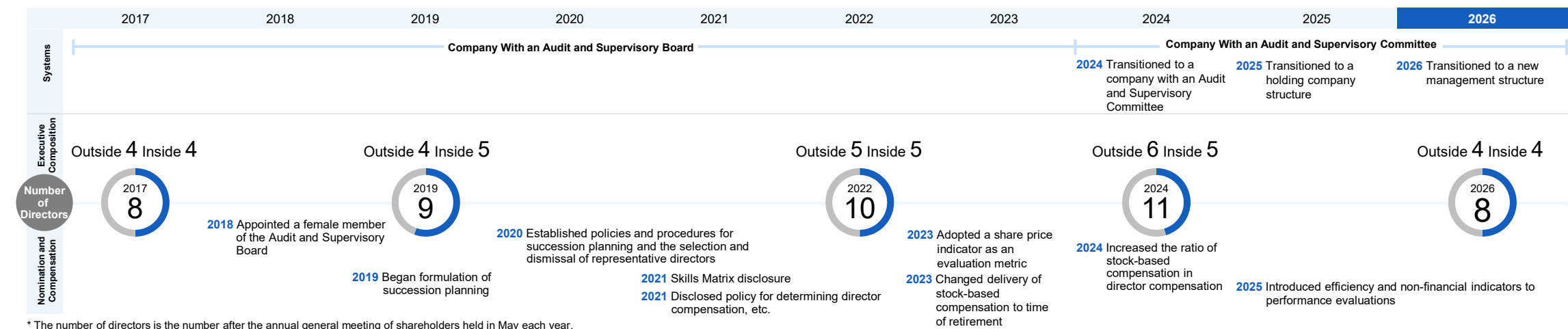
Basic Philosophy

Guided by our corporate philosophy that says, "Be a person needed, Be a company needed," and ST HD Co., Ltd. ("Company" or "and ST HD") pursues the mission of *Play fashion!*, endeavoring to enrich lives and create happiness through fashion. We aim to achieve excellence in corporate governance and enable swift decision-making to respond flexibly to customer needs and changes in the business environment and help people around the world with diverse values lead richer lives.

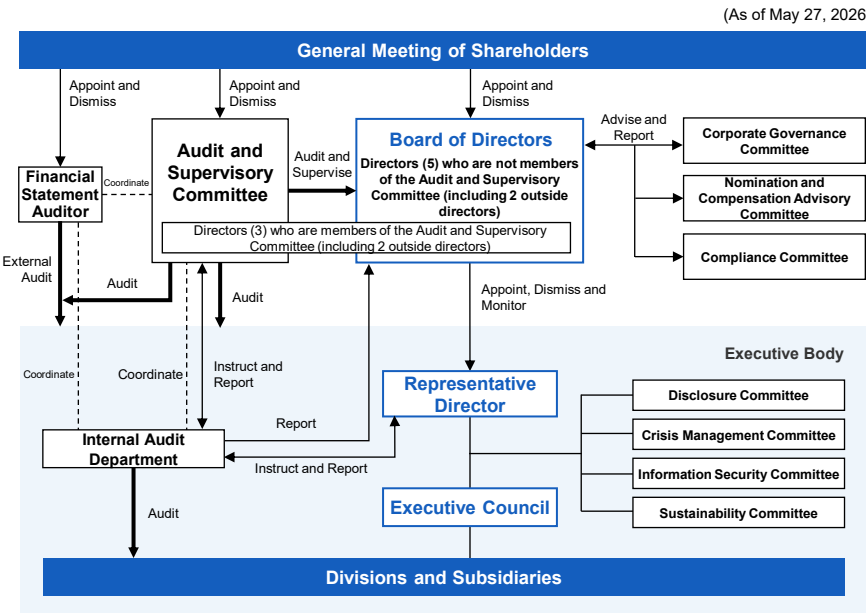
Corporate Governance Structure

The and ST HD Group is working to optimize group governance following the start of Medium-Term Management Plan 2030 and the transition to a holding company structure in September 2025. We aim to define the respective roles of execution and oversight and establish a governance structure that balances sound controls with faster business execution. Under this structure, the Board of Directors will focus on formulating group-wide management strategy and overseeing the business execution of our operating subsidiaries, while maintaining an effective monitoring framework that takes full advantage of outside director expertise. We will also give operating subsidiaries greater authority to make and execute decisions quickly in response to rapidly changing markets. Through these governance initiatives, we will make steady progress in transforming our business structure as we work toward becoming a *Play fashion!* platformer. We will also strive to improve the quality of decision-making and the speed of execution to achieve sustainable growth and enhance corporate value over the medium to long term.

Changes in Corporate Governance



* The number of directors is the number after the annual general meeting of shareholders held in May each year.



Directors (as of September 1, 2026)

								
Position Name	Representative Director and President Taiki Fukuda	Managing Director Yoshiaki Kitamura	Director Masatake Hayashi	Outside Director Tatsuhiro Matsuoka	Outside Director Etsuko Shakespeare	Director (Standing Audit and Supervisory Committee Member) Yoichi Endo	Outside Director (Audit and Supervisory Committee Member) Kazuhiko Ebihara	Outside Director (Audit and Supervisory Committee Member) Kyoko Mogi
Message	We will continue working under the new management structure to be a company needed by helping enrich people's lives through the power of fashion.	We will turn the diversity of our multi-brand portfolio into a strength, create new value, and pursue sustainable growth.	I will leverage my expertise in corporate planning and a broad range of business areas to drive sustainable growth in corporate value and tackle the challenges outlined in the medium-term management plan.	I will help create new customer value by building on AI-driven changes in customer behavior and contribute to sustainable growth in corporate value through governance.	I will support sound governance under the new management structure from an objective perspective and leverage my expertise in digital technologies and global business to support and ST HD in taking on future challenges.	I will work to ensure and strengthen the right balance between new initiatives in response to market changes and sound governance.	I will conduct rigorous audits of business execution across the and ST HD Group and ensure effective governance to enhance corporate value.	I will draw on my legal knowledge and experience to establish a framework that supports each group company in building on distinctive strengths and taking on new challenges.
Career	Joined POINT INC. (currently and ST HD) in April 2005. Appointed executive general manager of the Adastria Holdings (currently and ST HD) International Business Division in March 2014. Named director of Adastria Co., Ltd. (currently and ST HD) in May 2017 and appointed managing director in May 2024. Appointed representative director and president of and ST HD in March 2026 (present).	Joined DROP INC. (currently and ST HD) in February 2007. Appointed director of DROP INC. in May 2014. Held key positions at group companies in Japan and overseas before being appointed director of Adastria Co., Ltd. (currently and ST HD) in May 2019 and managing director in May 2024. Appointed representative director and president of Adastria Co., Ltd. in April 2025 (present) and reappointed managing director of and ST HD in May 2026 (present).	Joined Sanwa Bank, Ltd. (currently MUFG Bank, Ltd.) in April 1991. Joined POINT INC. (currently and ST HD) in August 2006. Held executive general manager positions in accounting, sales, store development, logistics, corporate planning, and other divisions before being appointed director of and ST HD in May 2026 (present).	Outside director at and ST HD since May 2022. After joining Mitsubishi Electric Software Corporation in 1998, he served as senior executive officer at SIGMAXYZ Inc. Appointed representative director and president of Rise Consulting Group, Inc. in May 2025 (present).	Outside director at and ST HD since May 2025. After joining Dentsu Inc. in 1990, she served as CMO at The Walt Disney Company (Japan) Ltd. After serving as an executive officer at Google Japan G.K., she became representative partner of EG Globe Partners LLC (present) and outside director of Daiichi Life Group, Inc. (present).	Director and member of the Audit and Supervisory Committee at and ST HD since May 2024. After joining Fukudaya Clothes Store Inc. (currently and ST HD) in 1985, he served as representative director at POINT INC. (currently and ST HD), managing director at coen Co., Ltd., and senior executive officer at United Arrows Ltd.	Appointed outside corporate auditor of and ST HD in May 2016, and has served as outside director and member of the Audit and Supervisory Committee at and ST HD since May 2024. Joined The Boston Consulting Group K.K. in 1983. Career posts included investment banking work at Goldman Sachs Japan Co., Ltd., JPMorgan Securities Japan Co., Ltd., and other institutions.	Appointed outside corporate auditor of and ST HD in May 2023, and has served as outside director and member of the Audit and Supervisory Committee at and ST HD since May 2024. After registering as an attorney in 2011, she worked at Tokyo Sanno Law Office before joining southgate in 2018. Registered as an Attorney at Law of California in 2022.
Attendance*	Board of Directors	15/15 (100%)	—	—	15/15 (100%)	11/11 (100%)	15/15 (100%)	15/15 (100%)
	Audit and Supervisory Committee	—	—	—	—	—	18/18 (100%)	18/18 (100%)
Knowledge, Experience, Skills	Corporate Management	●	●	●	●		●	
	Business and Marketing		●		●	●		
	Product and SCM		●		●		●	
	Global Business	●	●			●		●
	IT and DX				●	●		
	Legal and Risk Management			●				●
	Finance, Accounting, Banking			●			●	
	ESG	●						

*1 Results for FY2/2026. * The above list indicates the particular fields in which we expect company directors to demonstrate expertise. This list is not exhaustive of all expertise possessed by company directors and members of the Audit and Supervisory Committee. * Matters related to personnel and human resources are included in corporate management. * SCM stands for supply chain management.
* Masatake Hayashi was elected as a director who is not a member of the Audit and Supervisory Committee at the 76th Ordinary General Meeting of Shareholders on May 27, 2026, and therefore did not attend any Board of Directors meetings during FY2/2026.
* Yoshiaki Kitamura was elected as a director who is not a member of the Audit and Supervisory Committee pursuant to a resolution of the 75th Ordinary General Meeting of Shareholders held on May 29, 2025. Mr. Kitamura stepped down from office as of August 31, 2025. At the time of retirement, Mr. Kitamura had served as a director for six years and attended all eight Board of Directors meetings held before retirement.
* Etsuko Shakespeare was elected as a director who is not a member of the Audit and Supervisory Committee at the 75th Ordinary General Meeting of Shareholders held on May 29, 2025. The figures provided represent Ms. Shakespeare's attendance at Board of Directors meetings held after her election.

Human Capabilities and Empathy That Stand Out in the Age of AI

The New and ST HD: Embracing Change and Creating New Value

Outside directors share their candid views on the effectiveness of governance, challenges in achieving growth, and the future of the and ST HD Group.

Tatsuhiro Matsuoka  **Etsuko Shakespeare**
Outside Director Outside Director

Launch of the New Management Structure and the Role of the Board of Directors

Leadership passed to a new president and management team this fiscal year following the transition to a holding company structure. What are your thoughts on the initiatives under the new management structure?

Matsuoka If you were to ask me whether the management structure needed to change, I would say without hesitation that change was essential. Whereas the term digital transformation, or DX, took several years to gain widespread acceptance, generative AI saw widespread adoption in the workplace less than a year after emerging. The pace of change today called for a generational shift in leadership that can respond with equal speed, and the timing of the transition in management could not have been better.

The new president, Mr. Taiki Fukuda, symbolizes this younger generation of leadership. I also commend the appointment of executive officers with strong track records on the front lines as presidents of the operating companies and the drive these new leaders are showing to pursue growth beyond traditional boundaries.

Shakespeare The transition to a holding company structure has made the dual nature of the and ST HD Group more apparent, in a positive way. The Group has powerful shared infrastructure on the back end, including production, logistics, and DX, while each group company on

the front end responds flexibly to increasingly diverse customer values, including *oshi* culture. LEADERS' FEST* exemplified this dynamic. The event brought together the presidents of the group companies, each with different strengths, and clearly demonstrated the and ST HD Group's determination to succeed as a team. This sense of unity gave me even greater confidence in the Group's potential for further growth.

The Board of Directors also began operating under a new structure this fiscal year. How would you assess the quality and effectiveness of the Board's discussions?

Matsuoka Board discussions are more active than ever, and every director feels free to express different views rather than leaving the discussion to the same few members. That openness is exactly what a Board should have. On the other hand, challenges still remain. With fewer outside directors, the Board lacks expertise in areas such as global business expansion and successful M&A. The Board as a whole needs to find ways to supplement that expertise.

Shakespeare The annual Board effectiveness evaluation has prompted

candid discussions about how to improve operations, strengthen psychological safety, and encourage more active debate. These discussions have had a very positive impact. However, as Mr. Matsuoka noted, the lack of diversity resulting from the smaller number of outside directors remains a challenge. Bringing in different perspectives and drawing on that expertise will be important.

Medium-Term Management Plan 2030 Implementation and Governance

What advice and oversight do you provide as outside directors to help achieve the Medium-Term Management Plan 2030 (the "Medium-Term Plan") announced last year?

Matsuoka I approach the plan from two main perspectives. The first is balancing shareholder interests with the customer and employee experience. Medium-term management plans can easily become focused on numbers, but the and ST HD Group is an organization built around *Play fashion!* I always look at whether discussions strike the right balance between creating value through the customer experience and enhancing corporate value for shareholders.



*LEADERS' FEST: An annual company-wide conference that brings together leaders from stores and headquarters in Japan and overseas.



The second perspective is appropriate risk control. Taking on challenges is essential to the change set out in the Medium-Term Plan, but I closely scrutinize three areas of risk from an independent perspective: technology, business operations, and human capital.

Shakespeare As an outside director, I believe that not taking on challenges is itself a risk. I try to act as an accelerator with effective brakes, supporting management as they move forward. The advances we are now seeing in AI represent a transformation even greater than the invention of fire or electricity. We are entering an age of not only B-to-C, but B-to-AI-to-C. Part of my role is to anticipate how consumer behavior and attitudes will change and offer ideas about what we can do now to prepare for that future.

How do you view the balance between short-term profits and medium- to long-term investment, as well as the group's standing with the market and investors?

Matsuoka The and ST HD Group must take an earnest stance to meet market expectations for near-term profitability while completing the structural transformation needed for future growth. Specifically, the Group needs to create a framework that goes beyond selling clothing to deliver value through customer experiences, drawing on the and ST membership base of more than 21 million and the strength of a workforce developed over many years. A major challenge over the remaining four years of the Medium-Term Plan is establishing an advanced CRM system that captures customer behavior and preferences, as identified by skilled staff,

and uses those insights to direct customers to the right brands and strengthen coordination to increase wallet share.

Shakespeare The and ST HD Group has tremendous human capital, particularly the people working across the Group. Front-line employees have strong instincts and an impressive ability to adapt, but many of these capabilities remain tied to individuals. The opportunity for further growth lies in articulating such front-line expertise, the secret sauce, so to speak, and finding ways to standardize and scale such capabilities. I believe it will be important for and ST HD to show investors how front-line expertise translates into a repeatable business model, giving investors greater confidence to invest.

What advice do you provide on the risks associated with overseas expansion and new businesses?

Matsuoka When it comes to overseas expansion, I look closely at whether the business is properly localized for each country and region. What matters most is having clear exit criteria. Building a new business from scratch requires taking appropriate risks, testing new ideas, quickly exiting when something does not work, learning from the outcome, and moving on to the next idea. This cycle is essential, which is why I push for the Group to establish a governance structure that enables quick exit decisions.

Shakespeare I believe clear exit conditions should be set in advance, before sunk costs or emotional attachment can cloud judgment. I emphasize this point in Board discussions as well. What matters most is what a company learns from an exit. Rather than treating an exit simply as a failure, the and ST HD Group needs a stronger framework for turning lessons from each exit into shared assets across the group.

Challenges in Achieving Sustainable Growth and a Message to Stakeholders

How do you view progress in the management evaluation system and the development of next-generation leaders from the perspective of the Nomination and Compensation Advisory Committee?

Matsuoka The compensation system now incorporates total shareholder return (TSR), gross merchandise value (GMV), return on equity (ROE), and other relevant metrics to link compensation not only to short-term profits but also to growth in corporate value. The biggest challenge, however, is building the next-generation talent pipeline.

Expanding the pool of executive officer candidates with the next 5 to 10 years in mind is an urgent priority. I will continue to support efforts to develop and appoint next-generation leaders who can drive digital transformation and global expansion without being constrained by traditional apparel industry boundaries.

Lastly, please share your thoughts on the Group's future potential and your expectations going forward.

Matsuoka Cultural empathy will remain essential to understanding and connecting with people as technology becomes increasingly prevalent throughout society. Without respect for individual tastes and preferences, we risk creating a bland world where everyone dresses the same. The *Play fashion!* culture and the strong customer connections built through a multi-brand portfolio are two powerful advantages that set the and ST HD Group apart from competitors. I am confident that the group can reach new heights by staying closely attuned to what resonates with customers.

Shakespeare I believe times like these truly put the human touch to the test. Combining technology as a tool with the customer service and recommendation skills of front-line staff can create powerful synergies. People are one of the and ST HD Group's greatest assets, and fully harnessing the capabilities of these individuals can drive even greater growth. I hope stakeholders are excited about what the future holds for the new and ST HD.



Board of Directors Diversity

The Board of Directors identified the knowledge, experience, and capabilities necessary to provide effective oversight and make key decisions in support of Medium-Term Management Plan 2030. The Board set these requirements out in a skills matrix and uses the matrix when considering Board composition and director candidates.

Composition of the Board of Directors

- The Board consists of eight directors, including two women, and directors range in age from their 40s to their 60s.
- Directors (5) who are not members of the Audit and Supervisory Committee: 3 inside directors, 2 outside directors
 - Directors (3) who are members of the Audit and Supervisory Committee: 1 full-time internal director, 2 outside directors

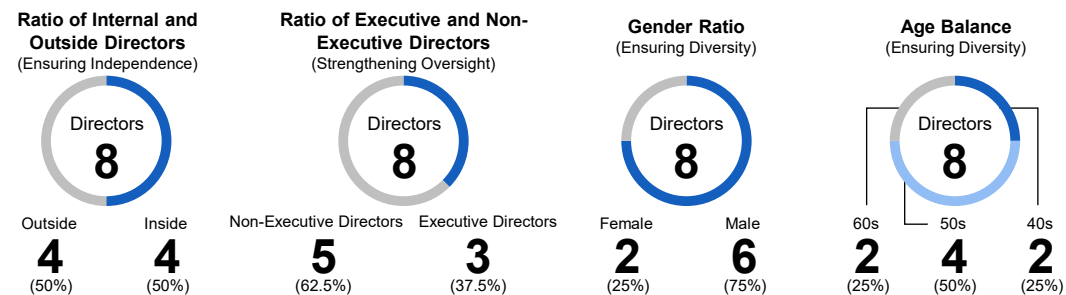
Diversity of Expertise and Backgrounds

The Board of Directors is composed of directors with differing areas of expertise and backgrounds. Members include persons who are familiar with and have a deep understanding of our businesses, persons who have international experience, including experience at global companies and working overseas, and persons who have a wealth of insight as corporate managers. Directors who are members of the Audit and Supervisory Committee are individuals who have advanced knowledge of finance, accounting, and legal affairs, including one member with experience in corporate management, one member with experience in financial institutions, and one member who is an attorney.

Strengthening Independence and Oversight

Outside directors make up at least one-third of the Board of Directors to strengthen monitoring and oversight and ensure a high degree of transparency. We have also created our own criteria for appointing independent directors to ensure the objectivity and independence of outside directors. Looking ahead, we will strive to maintain and enhance diversity, including gender and international diversity, and build a governance structure that supports higher corporate value.

Composition of the Board of Directors



Board of Directors Effectiveness Evaluation

We conduct a self-assessment of the effectiveness of the Board of Directors to identify current issues and improve the function of the Board. This self-assessment is conducted by means of anonymous questionnaires for directors, and the Board of Directors analyzes and evaluates the results. We have outsourced the review of the questionnaire questions and the tabulation and analysis of results to an external organization. This method ensures objectivity and transparency of evaluation results and allows us to utilize information from other companies and knowledge from outside sources.

Effectiveness Evaluation Process

We conducted an anonymous survey of all directors, including outside directors and Audit and Supervisory Committee members in FY2/2026. An external organization compiled and analyzed the responses. Based on these results, the Board of Directors and the Corporate Governance Committee reviewed the current conditions, discussed areas for improvement, and reached a common understanding of the issues.

FY2/2026 Evaluation

The evaluation results confirmed that the Board of Directors remains effective overall, supported in part by a balanced and diverse composition, while also identifying several areas for improvement. Items related to dialogue with stakeholders, including communication with shareholders and the disclosure of sustainability information, received high scores. Meanwhile, key issues identified included the effective oversight of nominations and compensation, as well as the deliberation and oversight by the holding company's Board of Directors.

FY2/2027 Initiatives

Under the new management structure introduced in FY2/2027, we held open discussions after Board of Directors meetings to discuss ongoing Board improvements and ways to strengthen governance. We will address the issues identified and work to improve Board effectiveness, while seeking to balance autonomous decision-making by group companies with effective oversight by the holding company.

Materialities	Initiatives
Ensuring effective oversight of nominations and compensation	The Nomination and Compensation Advisory Committee will discuss the selection process, including CEO succession planning, and the process for determining compensation.
Strengthening deliberation and oversight by the holding company's Board of Directors	The Board of Directors will strengthen deliberations on the medium-term management plan, growth strategies, and other matters aimed at transforming the Group business structure and increasing corporate value. The Board will also strengthen monitoring of operating subsidiaries.
Streamlining and revitalizing Board of Directors operations	We will provide materials earlier, improve advance briefings, and better organize agenda items so the Board can devote sufficient time to important matters and hold more active discussions.

Officer Compensation

Basic Policy for Determining Compensation

- Compensation packages are linked to short-, medium-, and long-term business performance and are commensurate with the creation of corporate value. Given their roles and standpoint of independence, outside directors and directors who are members of the Audit and Supervisory Committee receive only basic compensation (fixed compensation).
- Compensation packages are designed to secure outstanding management personnel and contribute to sustainable development.
- Compensation levels are appropriate in light of other companies in the same industry, other companies of the same size in other industries, and economic and social conditions.

Compensation Plan Revisions

We review our executive compensation plans on a regular basis to maintain a compensation structure that supports sustainable growth in corporate value and increases shareholder value. The Nomination and Compensation Advisory Committee, an advisory body to the Board of Directors, deliberates the design of the system and the amount of compensation, reporting details and results to the Board of Directors. The Committee is chaired by an outside director and consists mainly of outside directors. In this way, we ensure fairness, appropriateness, and transparency in decisions related to director compensation. Directors who are members of the Audit and Supervisory Committee participate as observers to ensure the effective right of the Audit and Supervisory Committee to express its opinions.

Officer Compensation Plan Overview

	Basic Compensation	Bonus (Performance-Linked Compensation)	Performance-Linked Stock Compensation
Compensation Type	Monetary compensation	Monetary compensation	Stock compensation
Details	Fixed compensation • Based on role and responsibilities	Performance-linked compensation tied to short-term performance • Determined according to role and performance	Short- and medium- to long-term performance-linked compensation • Determined according to role and performance
Eligible Recipients	• Directors (excluding outside directors and directors who are members of the Audit and Supervisory Committee) • Outside Directors • Directors who are Members of the Audit and Supervisory Committee	• Directors (excluding outside directors and directors who are members of the Audit and Supervisory Committee)	• Directors (excluding outside directors and directors who are members of the Audit and Supervisory Committee)
Evaluation Indicators	—	• Consolidated net sales • Consolidated operating profit before amortization of goodwill	• Consolidated ROE • and ST e-commerce mall GMV • Employee satisfaction score • TSR (total shareholder return)
Payment Period	• Monthly	• Fiscal year-end	• Points granted: Fiscal year-end • Delivery of shares, etc.: Upon director retirement (in principle)

Performance Metrics

We set financial, non-financial, and share price indicators, with the financial indicators comprising quantitative targets linked to Medium-Term Management Plan 2030. The system is designed to strengthen commitment to achieving the plan and enhancing corporate value.

Bonus (Performance-Linked Compensation)	Financial indicators	Consolidated net sales	Sustainable growth
		Consolidated operating profit before amortization of goodwill	Profit growth
Performance-Linked Stock Compensation	Financial indicators	Consolidated ROE	Engaging in management with an awareness of profitability and capital efficiency
		and ST e-commerce mall GMV	and ST e-commerce mall growth
	Non-financial indicator	Employee satisfaction score	Encouraging people to shine (key sustainability theme)
	Share price indicator	TSR (total shareholder return)	Stronger motivation to increase shareholder value

*TSR (total shareholder return) is calculated using a prescribed formula based on a comparison of the Company's TSR for the fiscal year under evaluation with the TOPIX growth rate.
*The employee satisfaction score is based on the overall satisfaction rating from the employee satisfaction survey conducted among domestic group company employees for the fiscal year under evaluation (group-wide average score, out of 5).

Officer Compensation (FY2/2026)

Officer Classification	Total Compensation	Total Amount of Compensation by Type			No. of Eligible Directors
		Basic Compensation	Bonus (Performance-Linked Compensation)	Performance-Linked Stock Compensation	
Directors (excluding outside directors and directors who are members of the Audit and Supervisory Committee)	415 million yen	202 million yen	53 million yen	158 million yen	4
Members of the Audit and Supervisory Committee (excluding outside directors)	23 million yen	23 million yen	—	—	1
Outside Directors	84 million yen	84 million yen	—	—	8

*Bonuses include provision for director bonuses and a reversal of provision for director bonuses recorded in the current fiscal year.
*Stock compensation includes a provision for director stock benefits and a reversal of provision for director stock benefits recorded in the current fiscal year related to the Executive Compensation BIP Trust, which is a performance-linked stock compensation plan.

Appointment of Directors

Appointment Policy for Director Candidates

- The Company appoints a diverse pool of directors with differing backgrounds of expertise and experience, including persons who are familiar with and have deep knowledge of the Company's businesses, persons who have international experience, such as extensive experience in global companies and overseas operations, and persons who have a wealth of insight as corporate managers.
- The Company appoints directors who are members of the Audit and Supervisory Committee who are qualified, independent, and capable of fulfilling the term of office.
- By appointing multiple outside directors, the Company strengthens the supervisory function and accomplishes management transparency by incorporating the viewpoints of people outside the Company who are independent of management.
- The Company shall appoint outside directors who have no material interest in the and ST HD Group and who are capable of maintaining their independence.

Nomination Procedure for Director Candidates

The Company established a voluntary Nomination and Compensation Advisory Committee as an advisory body to the Board of Directors to ensure fairness, appropriateness, and transparency in nominating directors and determining director compensation. The committee is chaired by an outside director and consists mainly of outside directors to ensure independence and objectivity. Directors who are members of the Audit and Supervisory Committee participate as observers to ensure the effective right of the Audit and Supervisory Committee to express opinions on the appointment of directors who are not members of the Audit and Supervisory Committee.

The representative director submits a list of candidates for directors who are not members of the Audit and Supervisory Committee. The Nomination and Compensation Advisory Committee shall deliberate the list, after which the Board of Directors makes decisions on candidates. The representative director also submits a list of candidates for directors who are members of the Audit and Supervisory Committee. The Nomination and Compensation Advisory Committee deliberates the list, after which the Board of Directors makes decisions on candidates with the agreement of the Audit and Supervisory Committee.

The Company created the Criteria for Appointing Independent Directors to set independence standards for outside directors and appoints outside directors from among candidates who meet both the Tokyo Stock Exchange requirements for independent directors and our Criteria for Appointing Independent Directors.

New Representative Director and President and Transition to a New Management Structure

We revamped our management structure in March 2026 after announcing Medium-Term Management Plan 2030 and completing the transition to a holding company structure, which put in place the foundations for autonomous growth at each operating company. The Board of Directors selected the new representative director and president after multiple rounds of review and deliberation by the Nomination and Compensation Advisory Committee.

We will continue to review succession planning for the next generation of management, including the representative director, and oversee the development of potential successors.

Risk Management

Centralized Group Crisis Management

The Group established the Crisis Management Committee, chaired by the director in charge of crisis management, to centrally collect and consolidate timely, comprehensive information on actual and potential risks across Group companies. The General Affairs Department, the responsible department, consolidates information on incidents including violations of laws and rules, quality defects, and accidents, and tracks each case through resolution. The Group promptly escalates significant matters to the Executive Council and Board of Directors for reporting and deliberation. This system enables a rapid, coordinated initial response across the group and ensures effective measures to prevent recurrence and raise awareness throughout the organization.

BCP Evolution

We update and manage an effective business continuity plan (BCP) to minimize disruption to business activities and enable us to quickly restore and continue operations in the event of major natural disasters, including an eruption of Mt. Fuji or a Nankai Trough earthquake, as well as infectious disease outbreaks.

The Crisis Management Committee assesses facility conditions and risks at each site and uses those assessments to review emergency stockpiles based on disaster risk and develop manuals, including the Mt. Fuji Eruption Response Manual. We also conduct regular disaster preparedness drills across all group companies to strengthen on-site emergency response and group-wide business continuity capabilities.

Information Security

We aim to protect the information assets we hold in the course of business and remain an organization trusted by customers and other stakeholders. Accordingly, we established and disclosed our Information Security Policy with the aim of integrating compliance with information security into our code of conduct.

In February 2026, the Digital Transformation Division and Platform Development Department obtained ISO 27001 certification, the international standard for information security management systems. This certification independently confirms that both units have established and operate a robust management framework.

We have also established an Information Security Committee to ensure information security and protect information assets. This committee is chaired by a director and deliberates on matters of information security management measures, the assessment of information security status, the development of related rules and systems, and other important matters related to information security. The committee submits proposals or reports to the Board of Directors as necessary.

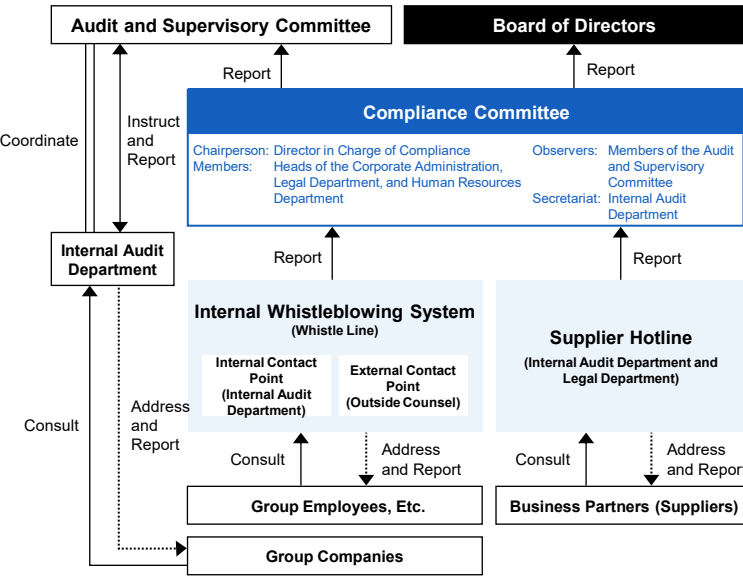
- [Information Security Policy](#)
- [Privacy Policy](#)

Compliance

Under our corporate philosophy of *Be a person needed, Be a company needed*, the and ST HD Group is committed to fulfilling our social responsibilities by conducting fair, equitable, and transparent business. All employees, as members of society, will continue to act with self-discipline and high ethical standards.

Implementation Structure

We established the Compliance Committee to establish and strengthen our compliance framework. The committee reviews, develops, and advances key policies for compliance with laws and regulations, the Articles of Incorporation, internal rules, and the Group's corporate ethics. The director in charge of compliance chairs the committee, whose members include the heads of the Corporate Division, Legal Department, and Human Resources Department, as well as other members appointed by the chair.



Major Initiatives

● Group Code of Ethics

The and ST HD Group Code of Ethics addresses anti-corruption, respect for human rights, and fair and transparent business transactions. This code ensures that our employees, as members of society, behave with self-discipline and high ethical standards at all times. Every year, we ask employees to review and sign the code. The response rate for FY2/2026 was 98.3% in Japan and 100% overseas. We also conduct compliance training for group employees in Japan to prevent incidents, improprieties, and harassment.

● Compliance With Group Procurement Policy and Group Procurement Guidelines

We established the Group Procurement Policy and the Group Procurement Guidelines to grow together with our suppliers and continue to produce products in good partnership. We pursue CSR procurement with these policies that aim to conduct fair and ethical transactions while fulfilling our social responsibilities. For more details, see *From Responsible Production to Responsible Circulation* on P.35.

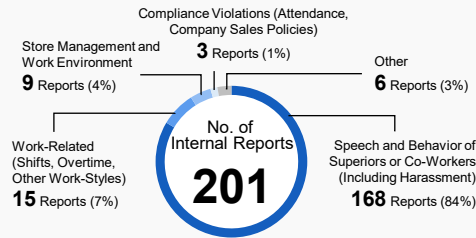
● Establishment of an Internal Reporting Hotline and Supplier Hotline

In the event of acts or indications of acts violating compliance or other violations of propriety, laws, or rules, employees have access to an internal whistle-blowing system to report said acts. Employees may also contact a designated external lawyer, if preferred. This program may be used anonymously by any employee — both in Japan and overseas. The details of reports are kept confidential and we give full consideration to ensure persons making reports are not treated unfairly. In FY2/2026, we received 201 reports. However, no cases were deemed to be serious misconduct, and we believe we handled each case appropriately. We established a Supplier Hotline to ensure fair, equitable, and transparent transactions in our purchasing relationships. Through this mechanism, suppliers may make anonymous inquiries, if necessary, to address cases of abuse of power (power structure) or violations of laws, contracts, terms, or ethics by members of the and ST HD Group. In the event we receive an inquiry from a supplier, we communicate the information to the director in charge. This system assures an appropriate and prompt response.

● Business Partner Questionnaire

We conduct an annual questionnaire of business partners in Japan and overseas to maintain good business relationships. These questionnaires confirm whether we are engaging in fair business practices by ascertaining compliance with various laws and regulations, including the SME Transactions Act, and whether any inappropriate actions have been taken by our employees. We promptly investigate and confirm the facts related to any opinions received, formulating measures to prevent recurrence and conducting internal training to ensure compliance. In March 2026, we sent requests to 2,870 companies and received 1,342 valid responses. We also received 50 comments and suggestions. We are investigating the facts of each submission, formulating measures to prevent recurrence and conducting internal training accordingly.

Number and Details of Whistleblowing Reports (FY2/2026)



Business Partner Questionnaire (March 2026)

Classification	No. of Companies	No. of Responses	No. of Comments and Suggestions
Suppliers in Japan	1,780	808	34
Suppliers overseas	268	117	0
Expense-related suppliers	822	417	16
Total	2,870	1,342	50



SECTION 05

DATA



Financial Highlights

Consolidated Financial Data		FY2/2017	FY2/2018	FY2/2019	FY2/2020	FY2/2021	FY2/2022	FY2/2023	FY2/2024	FY2/2025	FY2/2026
Net sales	(Millions of yen)	203,686	222,787	222,664	222,376	183,870	201,582	242,552	275,596	293,110	304,351
Operating profit	(Millions of yen)	14,916	5,005	7,190	12,885	766	6,564	11,515	18,015	15,510	16,524
Ordinary profit	(Millions of yen)	15,126	5,428	7,345	12,843	2,981	8,166	12,026	18,389	15,964	16,827
Net income attributable to owners of the parent	(Millions of yen)	11,575	863	3,890	6,363	-693	4,917	7,540	13,513	9,614	9,498
EBITDA	(Millions of yen)	23,028	15,141	15,317	20,357	7,766	13,302	19,964	27,763	26,692	28,939
Net asset value	(Millions of yen)	56,035	51,030	52,959	57,041	50,701	54,963	60,762	71,581	77,200	81,823
Total assets	(Millions of yen)	90,389	91,123	91,263	97,924	95,449	97,957	111,392	127,915	133,108	139,688
Cash flows from operating activities	(Millions of yen)	11,928	10,685	9,904	20,850	11,933	3,504	13,460	22,223	21,373	20,566
Cash flows from investing activities	(Millions of yen)	-4,323	-7,404	-8,686	-6,645	-7,366	-7,780	-9,963	-9,920	-16,971	-9,515
Cash flows from financing activities	(Millions of yen)	-6,309	-4,629	-1,890	-6,439	-6,840	-3,251	-4,398	-5,581	-7,111	-7,426
Net assets per share	(Yen)	1,191.16	1,084.84	1,125.29	1,210.55	1,122.71	1,192.62	1,309.96	1,549.13	1,665.51	1,765.62
Earnings per share (EPS)	(Yen)	242.49	18.36	82.67	135.08	-14.88	108.72	166.37	297.75	208.93	205.86
Equity ratio	(%)	62.0	56.0	58.0	58.3	53.1	55.1	53.3	54.8	57.9	58.3
Return on equity (ROE)	(%)	21.2	1.6	7.5	11.6	-1.3	9.4	13.3	20.9	13.1	12.0
Return on assets (ROA)	(%)	12.8	1.0	4.3	6.7	-0.7	5.1	7.2	11.3	7.4	7.0
Price-earnings ratio (PER)	(Times)	12.0	126.7	23.5	13.0	—	17.1	13.0	11.5	13.9	14.6
Dividend Payout Ratio	(%)	30.9	272.3	60.5	37.0	—	50.6	36.1	28.5	43.1	43.7
Total shareholder return (5-year TSR)	(%)	—	—	—	—	—	87.8	114.3	180.9	159.9	169.1
Total shareholder return (1-year TSR)	(%)	101.9	81.7	85.7	92.6	116.3	87.8	131.2	161.3	87.7	106.4
Number of stores at end of term	(Stores)	1,351	1,501	1,427	1,392	1,400	1,428	1,509	1,563	1,630	1,674
Store sales floor area (monthly average)	(㎡)	272,182	302,131	304,529	287,616	296,210	299,676	330,150	347,361	369,848	393,794
Number of full-time employees	(People)	4,914	5,677	5,665	5,715	5,701	5,762	6,356	6,603	6,944	6,936
Average number of temporary employees	(People)	6,163	6,564	6,363	6,167	5,085	5,530	6,061	6,448	6,718	6,853

* The Company has applied standards such as the Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018) since the beginning of fiscal 2019. Key management indicators for fiscal 2018 are indicators after retroactive application of such accounting standards.

* The Company has applied standards such as the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) since the beginning of fiscal 2022. Key management indicators for fiscal 2022 are indicators after the application of these accounting standards.

Non-Financial Highlights

			FY2/2024	FY2/2025	FY2/2026
1	Stores, offices, and distribution centers electricity consumption	(1,000 kWh)	77,993	81,711	85,462
2	Scope 1 (direct emissions)	(t-CO ₂)	1,480	1,088	1,107
3	Scope 2 (indirect emissions from energy use)	(t-CO ₂)	35,222	35,788	38,632
4*1	Scope 3 (indirect emissions from the value chain)*2		542,686	503,141	510,397
	Category 1 Purchased goods and services		449,125	418,932	422,597
	Category 2 Capital goods		37,365	32,016	40,035
	Category 3 Fuel- and energy-related activities not included in Scope 1 and 2		6,018	6,070	5,763
	Category 4 Upstream transportation and distribution		5,848	5,771	6,997
	Category 5 Waste generated in operations		1,372	1,241	739
	Category 6 Business travel		1,192	1,237	1,148
	Category 7 Employee commuting		2,071	2,264	2,413
	Category 8 Upstream leased assets	(t-CO ₂)	-	-	-
	Category 9 Downstream transportation and distribution		1,042	599	744
	Category 10 Processing of sold products		-	-	-
	Category 11 Use of sold products		-	-	-
	Category 12 End-of-life treatment of sold products		38,653	35,011	29,961
	Category 13 Downstream leased assets		-	-	-
	Category 14 Franchises		-	-	-
	Category 15 Investments		-	-	-
5	Scope 1+2+3	(t-CO ₂)	579,388	540,017	550,135

*1 Emission factors under item 4 were taken from the Ministry of the Environment emission intensity database and IDEAv3.

*2 Scope 3 environmental data does not include a portion of emissions generated outside the Company's domains related to overseas business operations

*3 FY2/2026 figures for items 6–11 are consolidated results for the Group in Japan, excluding KARRIMOR International Ltd.

*4 Figures are as of the end of the annual general meeting of shareholders each year

			FY2/2024	FY2/2025	FY2/2026*3
		Female	16,122	16,337	16,760
6	Number of employees (domestic group consolidated, including temporary employees)	Male (Employees)	4,227	4,113	4,059
		Total	20,349	20,450	20,819
7	Number of foreign employees	(Employees)	117	167	188
8	Employment rate of persons with disabilities (as of June 2026)	(%)	2.69	2.75	2.90
9	Percentage of female full-time employees	(%)	72.3	79.9	73.3
10	Percentage of female officers*4 (and ST HD non-consolidated)	(%)	18.2	27.3	25.0
		Percentage of female managers (excluding officers)	31.6	34.4	35.5
		Percentage of female senior managers	18.7	19.5	20.0
11	Percentage of female employees by rank	Percentage of female general managers and equivalent (%)	22.0	22.0	23.3
		Percentage of female department managers and equivalent	39.9	44.3	45.8
		Percentage of female unit managers and equivalent	65.3	67.0	67.8

Corporate Overview

Name	and ST HD Co., Ltd.
Head Office Address	27F, Shibuya Hikarie, 2-21-1 Shibuya, Shibuya-ku, Tokyo, Japan
Contact Number	03-5466-2010 (Representative)
Establishment	October 22, 1953
Capital	2,660 million yen
Business Lines	Business related to group management and operations
Primary Banking Partners	MUFG Bank, JOYO Bank, Mizuho Bank, Sumitomo Mitsui Banking Corporation
Number of Group Employees	6,936 full-time group employees
Number of Group Stores	Domestic: 1,444 Overseas: 157 Restaurants: 73
*Figures for group employees and group stores are as of February 28, 2026.	

External Evaluations, Inclusion in Indexes



MSCI ESG Ratings
A
(As of March 2026)



FTSE Blossom Japan Sector Relative Index
(Since April 2022)



JPX-NIKKEI 400
JPX-NIKKEI Mid Small
JPX Nikkei Index 400/
JPX-Nikkei Mid and Small Cap Index
(Selected in FY2026)



DX 認定
DX Certification
(Certified in January 2022)



CDP Discloser 2025
CDP B Score
(as of February 2026)



2026 Outstanding Organization of KENKO Investment for Health Program
(Large Enterprise Category)



NADESHIKO BRAND 2021



PRIDE Index Gold 2025



D&I AWARD 2025



Monisu Certification

Status of Shares (as of February 28, 2026)

Total No. of Shares Authorized to Be Issued	150,000,000 shares		
Total No. of Issued Shares	48,800,000 shares (including 2,011,000 treasury shares)		
No. of Shareholders	60,384		
Distribution of Shares by Shareholder	No. of Shareholders	No. of Shares Owned (Thousands of Shares)	Equity Shares (%)
Foreign nationals	285	7,189	14.7
Individuals and others	59,693	15,217	31.2
Financial institutions	16	5,262	10.8
Business firms and other corporations	364	19,964	40.9
Financial services providers	26	1,165	2.4
Total	60,384	48,800	100.0

*Treasury shares are included in the calculation of individuals and others.

Major Shareholders (Top 10)	No. of Shares Owned (Thousands of Shares)	Equity Shares (%)
Fukuzo Co., Ltd.	17,132	36.62
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,137	6.71
Toyoshima Co., Ltd.	2,000	4.27
Custody Bank of Japan, Ltd. (Trust Account)	992	2.12
Michio Fukuda	922	1.97
and ST HD Employee Shareholding Association	587	1.26
STATE STREET BANK AND TRUST COMPANY 505103 (Standing Proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	510	1.09
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	508	1.09
STATE STREET BANK AND TRUST COMPANY 505001 (Standing Proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	499	1.07
STATE STREET BANK AND TRUST COMPANY 505044 (Standing Proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	484	1.03

*Ratios were calculated excluding 2,011,000 treasury shares

Share Price and Volume (Monthly)

