# and ST HD Co.,Ltd.
# Corporate Materials

December 29, 2025

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and ST HD

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# 1. Our Business

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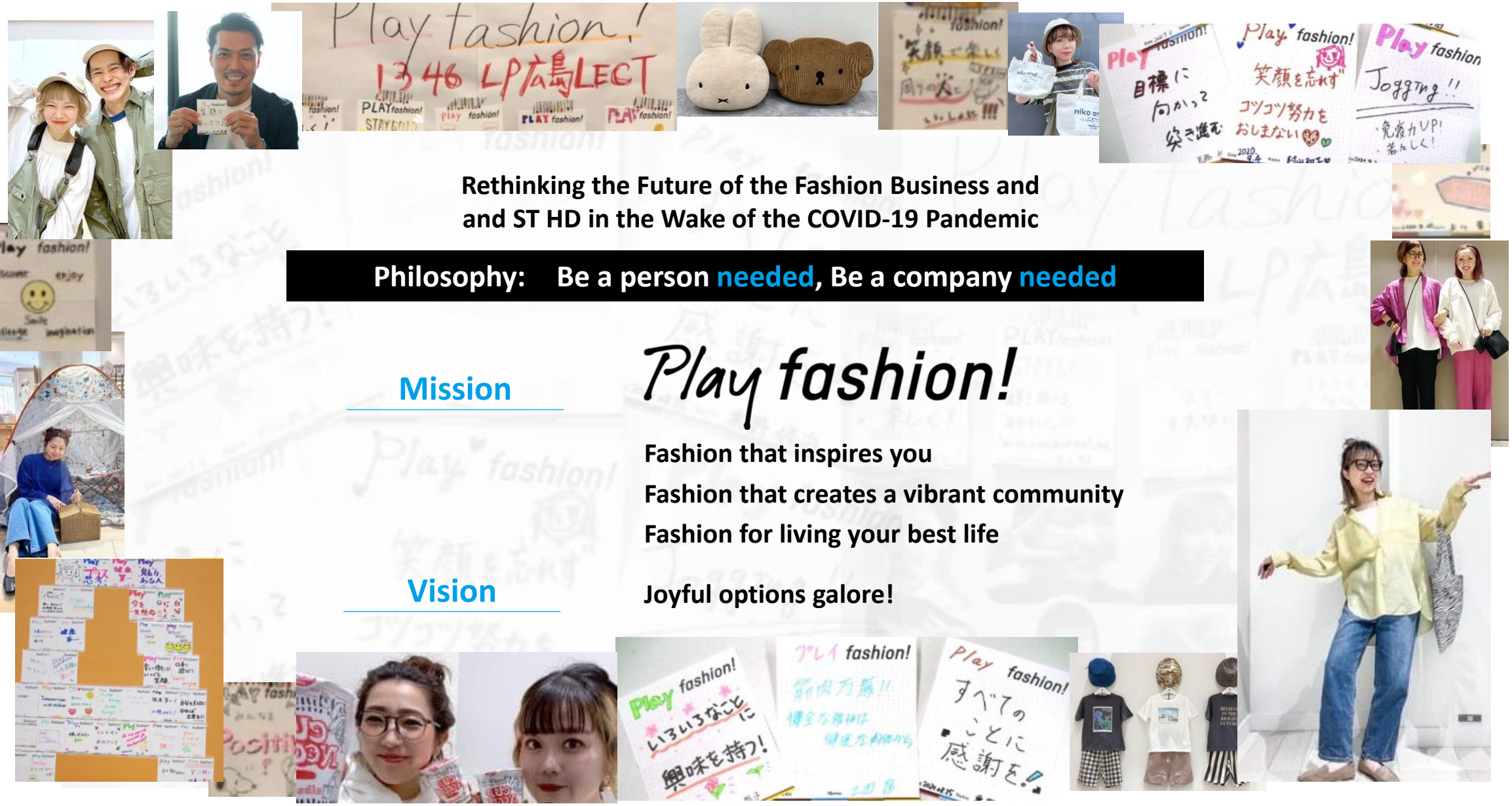


**Rethinking the Future of the Fashion Business and and ST HD in the Wake of the COVID-19 Pandemic**

**Philosophy: Be a person needed, Be a company needed**

## Mission

# *Play fashion!*

**Fashion that inspires you**

**Fashion that creates a vibrant community**

**Fashion for living your best life**

## Vision

**Joyful options galore!**

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# and ST HD in Figures (as of February 2025)

and ST HD

**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

Net sales
¥293.1 billion

- Sundries and Other: ¥72.2 billion, 24.6%
- Men's Apparel: ¥48.0 billion, 16.4%
- Ladies' Apparel: ¥172.8 billion, 59.0%

## ROE

13.1%

## Domestic Online Sales

¥72.8 billion

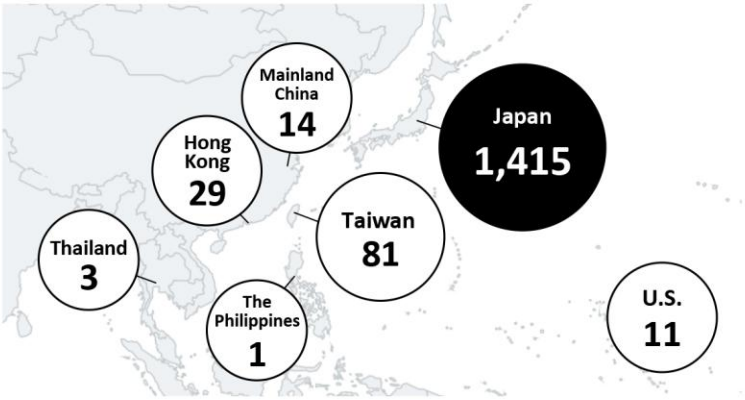
Percentage of Domestic Net Sales: 28.4%

## Number of Stores

1,630

Food and Beverage Business: 76

Online Stores: 141




## Number of Employees

Total Number of Employees: 13,662

- Regular Employees: 6,944
- Term Employees: 6,718

## Number of Brands

Number of Group Brands*: 55

*Group brands with annual sales of ¥100 million or more

Number of External Brands on Platform: 27

## *and ST* Gross Merchandise Value

GMV ¥40.3 billion

## Number of *and ST* members

Total Members: 19.7 million

Number of Active Members: 7.5 million

Retail stores — and ST アンドエスティ — E-commerce site

Joint retail/online membership system

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# 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 began 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**



**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**



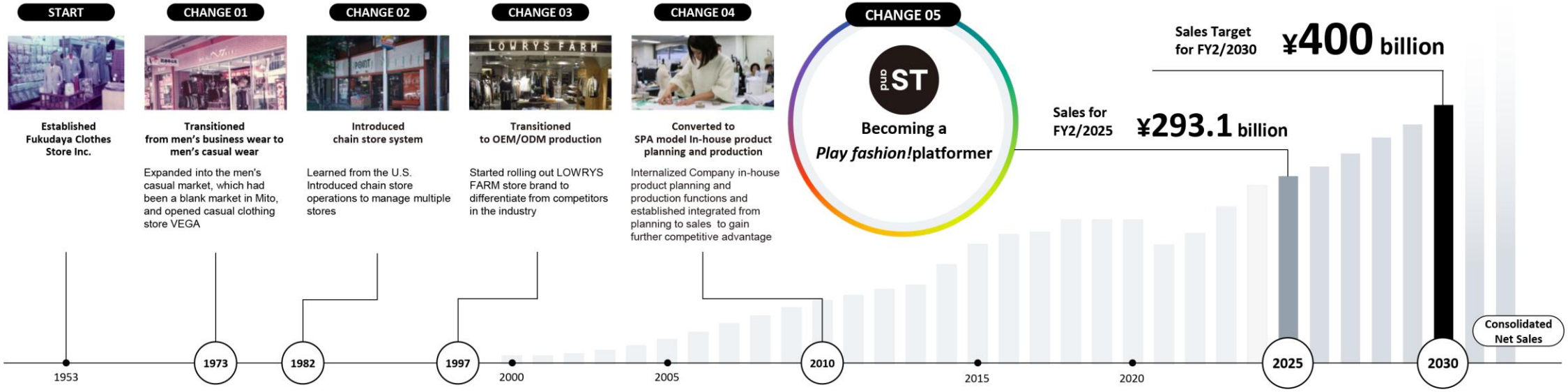
**Converted to SPA model In-house product planning and production**

Internalized Company in-house product planning and production functions and established integrated from planning to sales to gain further competitive advantage

**CHANGE 05**

and ST

**Becoming a *Play fashion!* platformer**




**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 ladies' 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., 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 customers 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 07** Incorporated TODAY'S SPECIAL Co., Ltd. as a group company
**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
**2025 09** **Changed trade name to and ST HD Co., Ltd.**

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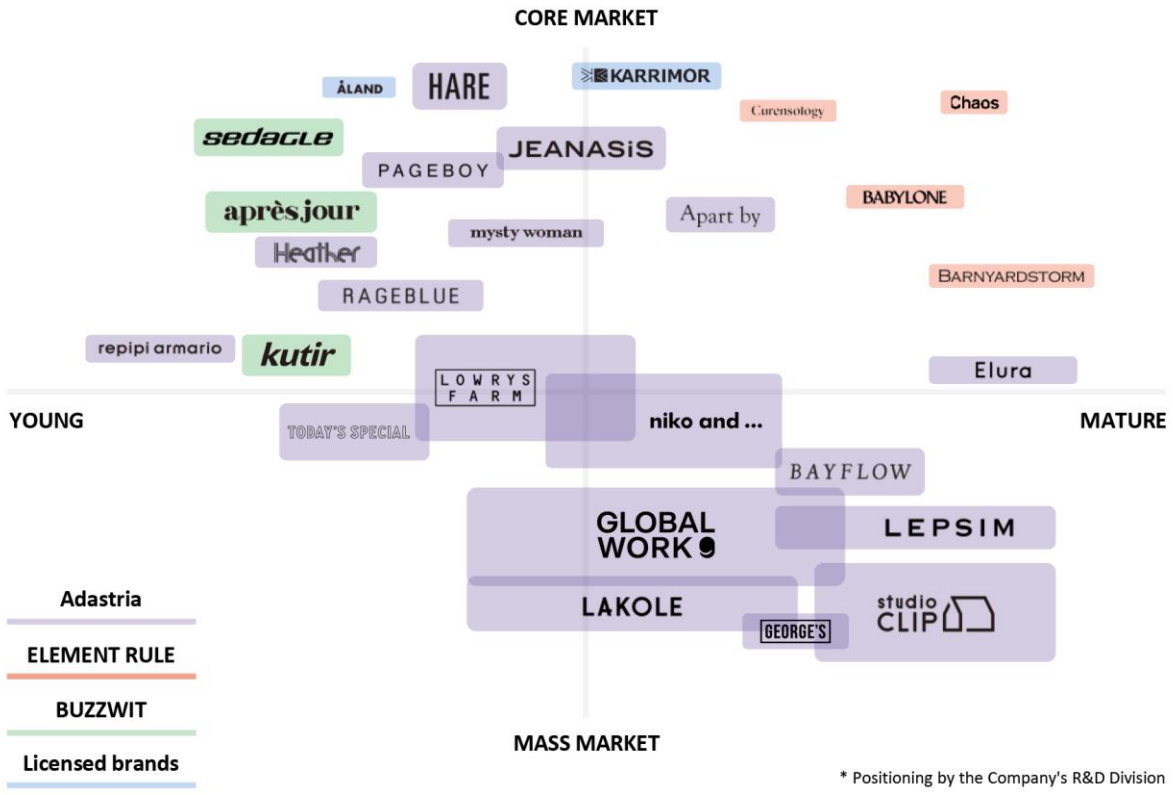
**Customer tastes and lifestyles are particular and not uniform in the field of fashion, making it difficult to cover all customers with just one brand.**
**We have adopted a multi-brand strategy to gain strong support from a wide range of customers through multiple brands that are strongly favored by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

## Brand Portfolio




**Classification of Major Brands by Target Markets and Age**

### Overview of Major Brands

**GLOBAL WORK** — 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, interiors 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 store
- **Categories**
  Women's fashion

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# and ST HD Structure



**Effective September 1, 2025, the Company has changed our name to and ST HD Co., Ltd. and transitioned to a holding company structure.**
**The new entity will oversee group companies with diverse identities, supporting the development of multi-brands and engaging in a multi-company approach.**
**This holding structure will bring more visibility to the attractiveness and profitability of each business, while facilitating quick investment decision-making.**

and ST HD

- and ST Co., Ltd. — *Play fashion!* At the heart of the *Play Fashion!* platform
- Adastria Co., Ltd. — Core of our multi-brand strategy
- Overseas Group Companies
  - Mainland China
  - Hong Kong
  - Taiwan
  - Thailand
  - The Philippines JV
- ELEMENT RULE Co., Ltd. — High-end prices for adults
- BUZZWIT Co., Ltd. — Exclusive e-commerce brands that focus on Gen Z
- zetton inc. M&A — Food and beverage business
- KARRIMOR International Ltd. M&A JV — Licensed brands
- and ST Logistics Co., Ltd. — Logistics and other operations as a platformer
- WeOur Co., Ltd. — Promote the employment of people with disabilities and provide comprehensive operational support
- TODAY'S SPECIAL Co., Ltd. M&A — Expand areas adjacent to the sundries category
  *Merged with Adastria in March 2025

**Accelerating M&A to Establish a Multi-Company Structure**

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# 2. Medium-Term Management Plan Progress

Disclosed on April 4, 2025

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# 5th CHANGE

**and ST HD has changed over the years to meet the needs of our customers and markets.**
**In December 2024, we spun off and ST Co., Ltd. as part of the first phase of the 5th CHANGE.**

1st CHANGE

**1973**

**Transitioned from men's business wear to men's casual wear**

2nd CHANGE

**1982**

**Introduced chain store system**

**Opened *Point*, a retail shop for imported casual wear**

3rd CHANGE

**1997**

**Transitioned to OEM/ODM production**

**Launched LOWRYS FARM store brand**

4th CHANGE

**2010**

**Converted to vertically integrated SPA***

**In-house product planning and production functions**

**2025**

**5th CHANGE**

and ST

**From**
**Multi-Brand x SPA***
**to a**
***Play fashion!***
**platformer**

*SPA: Specialty store retailer of private label apparel

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# Concepts Behind the 5th CHANGE

## What Stays the Same?

*Play fashion!*

Fashion that inspires you.

Fashion that creates a vibrant community.

Fashion for living your best life.

## What Will Change?

### From an SPA to a Platformer

Fashion is woven into every aspect of life.

Shopping will grow beyond simply buying things, becoming a form of entertainment where people savor moments and experiences.

Beloved across the globe, Japanese culture continues to expand from Asia to the world.

and ST HD strives to *connect* with customers and partner companies more than ever before and achieve significant growth worldwide to *expand* the excitement of fashion for all fashion lovers.

# To Expand Customer Excitement

**Driving growth as a *Play Fashion!* platformer by combining our customer base (ID) with lifetime value (LTV).**

When we ***connect*** with more customers,

Play fashion!

excitement ***expands***.

**Connecting with new communities and fostering relationships**

- Global Expansion
- Engaging in Open Platforms

**Broadening categories and content to expand customer choices**

- Multi-Category Development
- Multi-Company Structure

**Platform Transformation**

## Expanding excitement in the daily lives of even more customers

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# External Environment: Why CHANGE?

**The domestic market outlook looks challenging. However, market share expansion remains possible amid industry consolidation by major corporations and growth in the household goods market, while e-commerce restructuring and overseas market growth serve as tailwinds for the Group. Changing customer values also present and ST HD with opportunities.**

## Domestic Market

- The apparel market remains at ¥8 trillion, below the pre-COVID-19 ¥9 trillion mark.
- Meanwhile, industry consolidation among major players is creating opportunities for market share expansion.
- While wage increases are a positive factor, labor shortages are driving up costs.
- The household goods sector, inbound tourism spending, and other markets with growth potential still present opportunities.

## 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 a foundation for a multi-brand market.

## EC Market

- Fashion e-commerce is undergoing consolidation and restructuring to achieve economies of scale.
- IT talent shortages and other challenges in infrastructure are also affecting competition.
- While growth in apparel e-commerce slowed, significant potential remains in cosmetics, food, and services e-commerce.

## 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.

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# and ST HD Group Strengths: Why We Can CHANGE

**Our ability to change is driven by strong connections with the and ST membership base, cultivated by physical stores and their staff and built on our multi-brand business model.**

## Physical Stores and Staff

- 1,630 stores worldwide
- Staff who love fashion (4,400 STAFF BOARD participants)
- Human resources who are not afraid of change

## *and ST* Membership Base

- Over 19.7 million members
- Omnichannel usage rate of 32%* between physical and online stores

## Mobility

- Speedy management
- Adjustability
- Store-focused corporate culture

## Value Chain and Digital Transformation

- In-house value chain
- Specialized manufacturing and logistics units
- Over 70 digital transformation personnel supporting OMO

## Multi-Brand

- 55 brands that stand out from the competition
- Expertise to launch new brands
- Brand acquisition through M&A (Four deals in the past five years)

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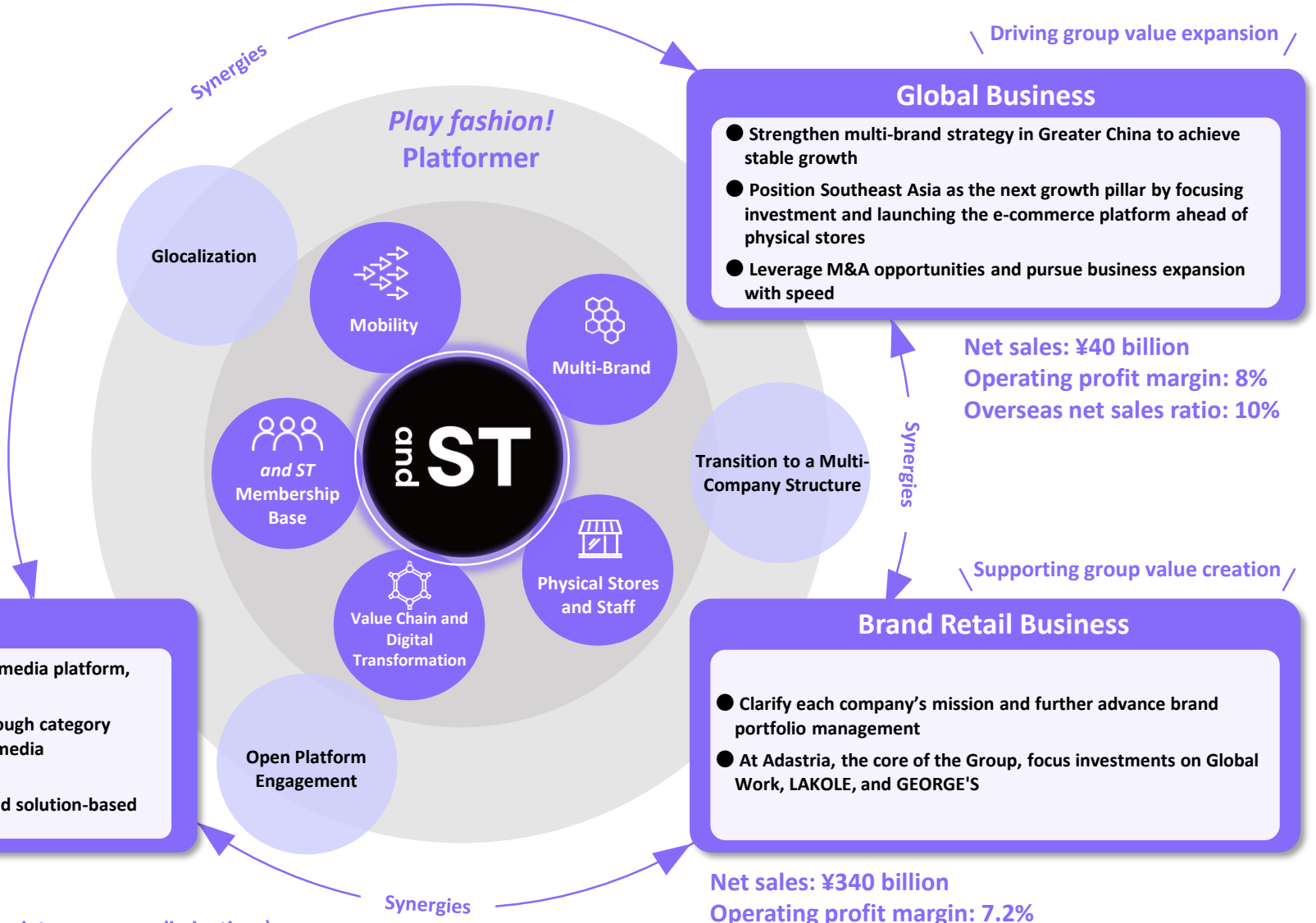
*The omnichannel usage rate is the proportion of active members.

# Target Business Structure for 2030

| | |
|---|---|
| Consolidated Net Sales | ¥400 billion |
| Consolidated Operating Profit Margin | 8% |
| Gross Merchandise Value (GMV) | ¥100 billion |

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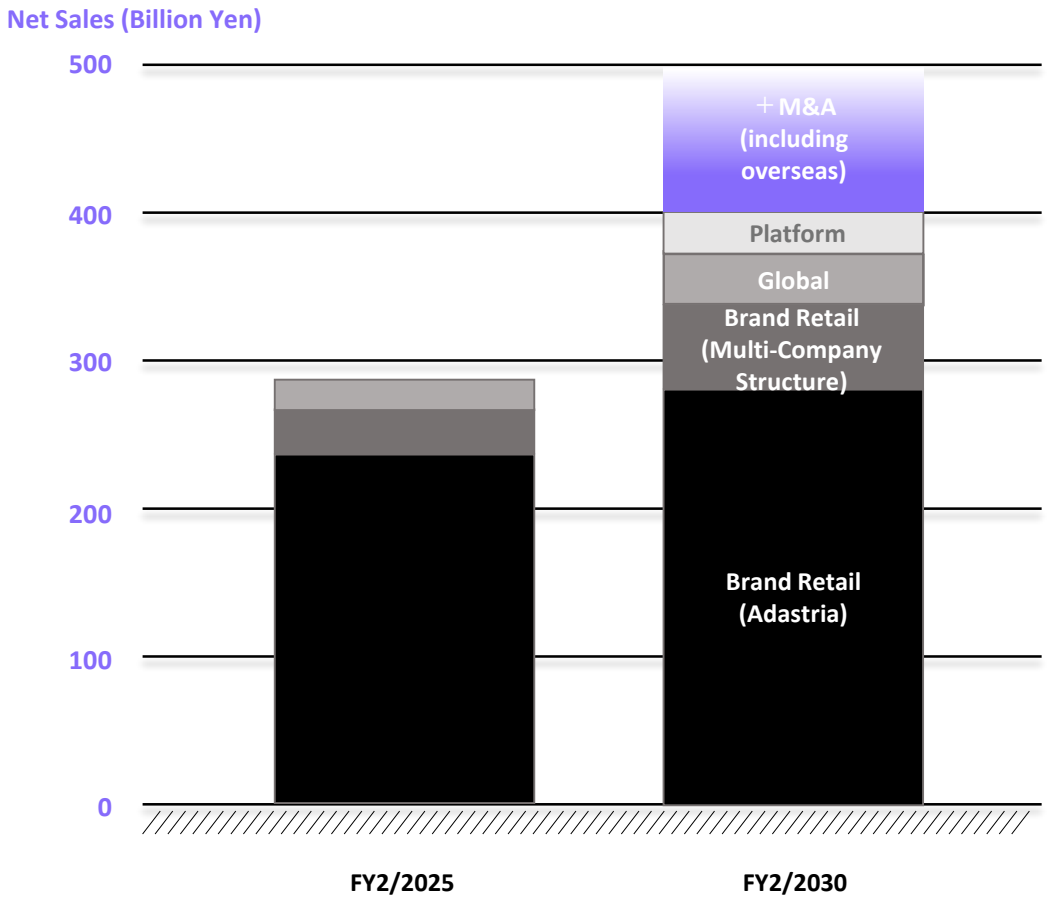
# Net Sales Targets

**Adastria targets ¥400 billion in net sales and aims to achieve inorganic growth through M&A.**




**2030 Net Sales: ¥400 billion CAGR: 6.6%**

- **Platform Business**
  FY2/2030
  **¥34 billion**
  ¥20 billion (after intercompany eliminations)

- **Global Business**
  FY2/2025 → FY2/2030
  **¥17.6 billion → ¥40 billion**
  (excluding U.S. business)

- **Brand Retail Business**
  - **Adastria**
    FY2/2025 → FY2/2030
    **¥233.1 billion → ¥280 billion**
    Focus investment brands: *and ST* store, GLOBAL WORK, LAKOLE, GEORGE'S
  - **Multi-Company Structure**
    FY2/2025 → FY2/2030
    **¥39.5 billion → ¥60 billion**
    ELEMENT RULE, BUZZWIT, zetton

**+ M&A (including overseas) ¥50 billion to ¥100 billion**

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# Cash Allocation

**Balance growth and shareholder returns for high-ROE management of 15% or more.**

**Five-year cumulative operating cash flow ¥140 billion**

**+**

**External borrowing capacity**

**Growth investments**

**Infrastructure investments**

| | |
|---|---|
| Digital transformation | ¥20 billion |
| Global Business | ¥20 billion |
| Domestic stores | ¥40 billion (focused on core brands) |
| Infrastructure (Logistics and production) | ¥10 billion |
| M&A (including overseas) | ¥50 billion to ¥100 billion |

| | | |
|---|---|---|
| Shareholder returns | Dividends | Dividend payout ratio: 30% + DOE: 4.5%<br>Shareholder return target: ¥25 billion |

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# Capital Policy and Stock Price-Oriented Management

**and ST HD is committed to achieving long-term growth in corporate value through the 5th CHANGE.**

## Enhancing Corporate Value

### ROE

**Profitability**

Concentrate on growing brands and platform transformations

**Capital Efficiency**

Expand businesses that have no physical stores or inventory

**Financial Leverage**

Leverage debt for M&A while maintaining financial soundness

### PER

**Cost of Capital Reductions**

Visualize revenue for each business through a holding company structure

**Growth Continuity**

Expand platform business and implement M&A

**Capital Allocation**

Formulate investment plans that balance growth and returns

### Shareholder Returns

**Dividend Payout Ratio**

Maintain EPS growth Dividend Payout Raito with 30% or higher

**DOE**

Maintain a minimum of 4.5%

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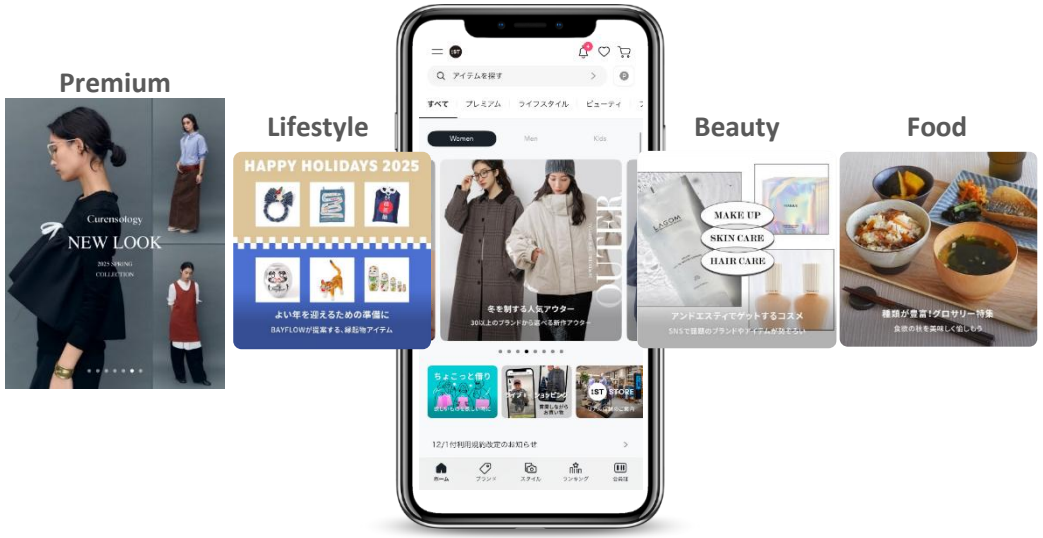
# Transforming In-House E-Commerce Into a Platform

## When people connect, content expands.

dot ST and ST

From *dot ST* to *and ST*.

Enhance content across online and offline channels, creating connections with more customers and corporate partners as the core of our *Play fashion!* platform.

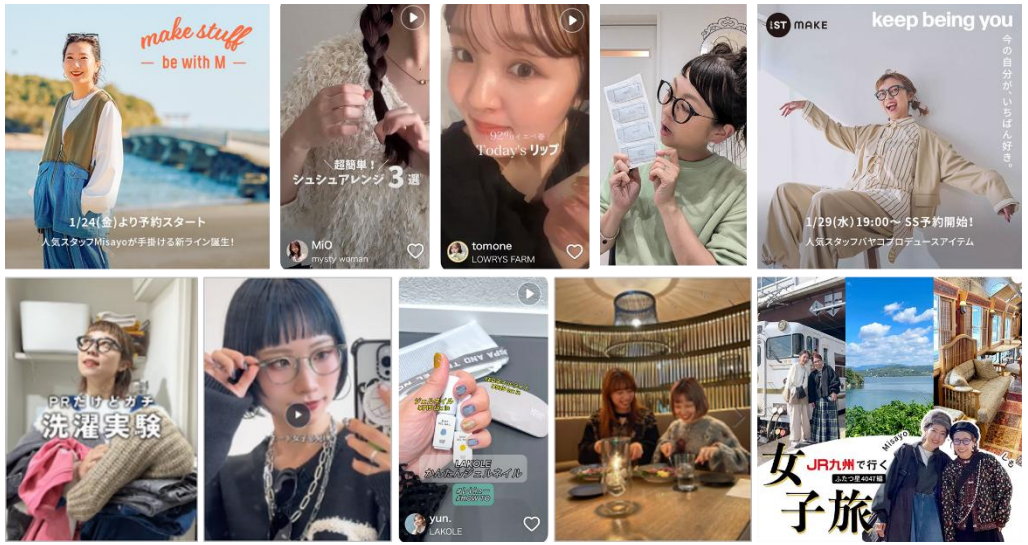



STAFF BOARD

Expand the influence of physical store staff to areas outside simply selling apparel.

Co-create and promote products, experiences, and services that staff genuinely recommend.

Create even more solid relationships with customers.

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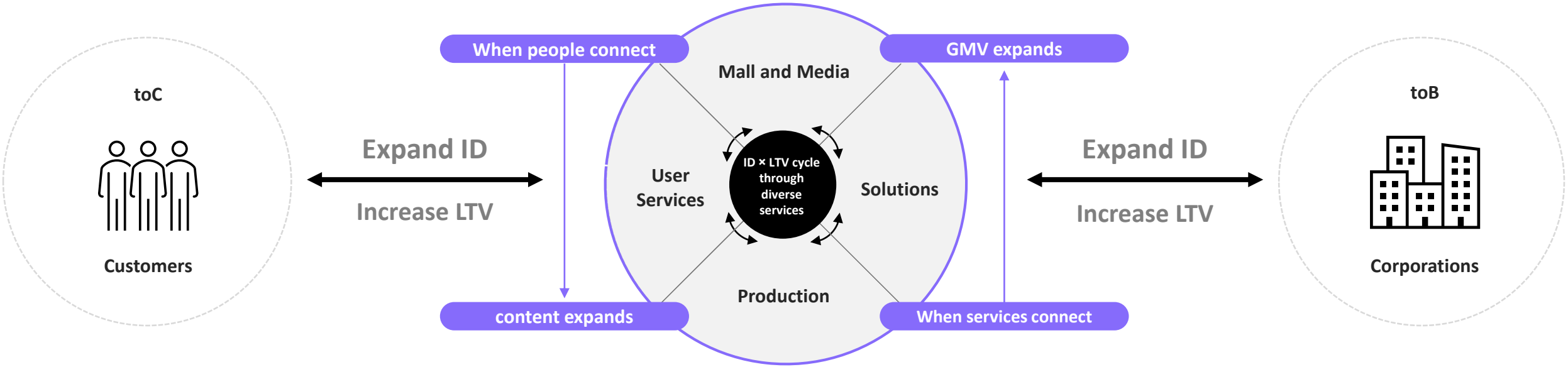
# ID x LTV Growth Strategy and Revenue Model

**Our and ST growth strategy is founded on expanding our customer base (ID) and maximizing lifetime value (LTV). Driven by growth in active members and increased purchase frequency, and ST is evolving into a platform that goes beyond traditional online shopping that delivers a richer, more integrated customer experience in stores and online while supporting a sustainable revenue model.**




| Revenue Model (1) - Mall and Media | Revenue Model (2) - Production | Revenue Model (3) - Solutions | Revenue Model (4) - User Services |
|---|---|---|---|
| Earn commission income from tenant brands operating on the *and ST* mall.<br>Expand GMV through category expansion and launch a new media category.<br>Increase advertising revenue by creating experiences. | Offer wholesale and brand production services.<br>Provide creative and promotional solutions, including uniforms, spatial design, and other intangible brand assets. | Offer external sales of system solution, including STAFF BOARD and STAFF VOICE.<br>Aim for continuous monetization through system expansion. | Offer loyalty services through points issued by *and ST.*<br>Pursue integration with other company IDs and point programs to increase point value and expand LTV. |

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# KPI: E-Commerce Mall GMV Plan and Core Metrics

**We aim to generate ¥100 billion in GMV from our e-commerce mall by FY2/2030 by increasing the number of active members (ID metric) and purchase frequency per user (LTV metric).**

## E-Commerce Mall GMV Plan

**FY2/2025 (Actual)**

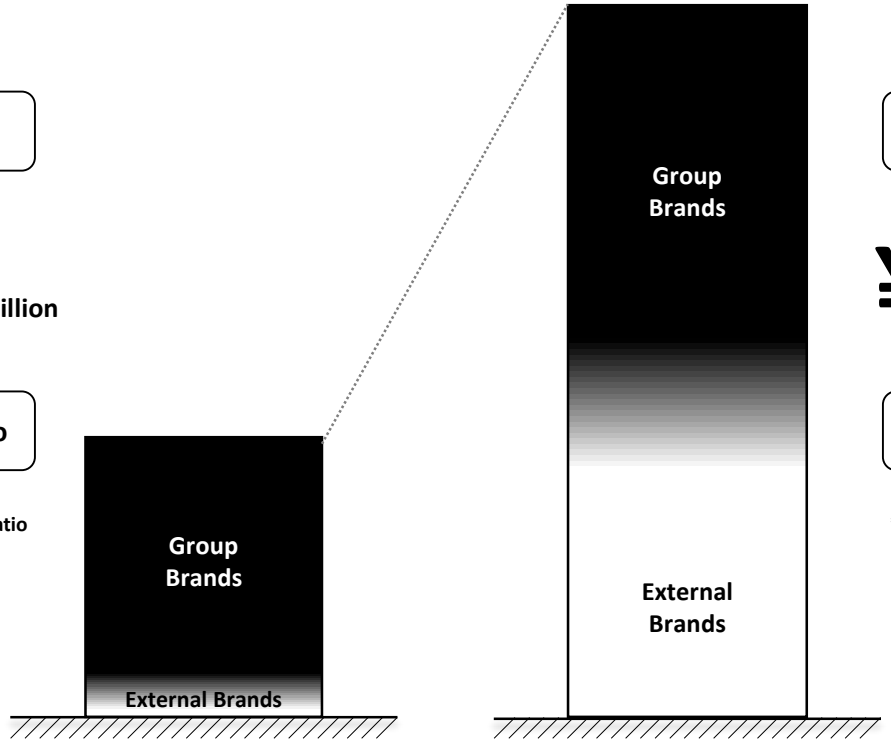
GMV

**¥40.3** billion

External Sales Ratio

*Internal : External Group Ratio

**97:3**




**FY2/2030**

GMV

**¥100** billion

External Sales Ratio

*Internal : External Group Ratio

**60:40**

## Core Metrics

### No. of Active Members

FY2/2025 **7.5** million → FY2/2030 Medium-Term Targets **11** million

### Total members

FY2/2025 **19.7** million → FY2/2030 Medium-Term Targets **26** million

### Average No. of Annual Purchases per User

FY2/2025 **3.0** → FY2/2030 Medium-Term Targets **4.5**

*The GMV above excludes physical store sales and reflects only the *and ST* e-commerce site.

*Number of members includes physical store members

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# Platform Business: and ST Topics

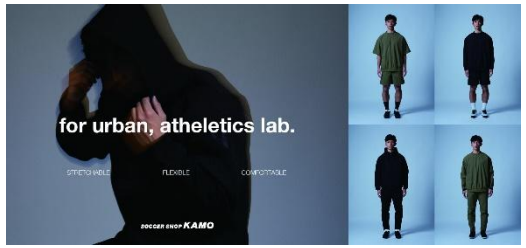
## Actively shift to an open mall model

No. of External shops
*As of November 30, 2025

**51**

BEAUTY & YOUTH UNITED ARROWS
new balance
DEAN & DELUCA
kiu
Cath Kidston LONDON
ADAM ET ROPÉ
Afternoon Tea LIVING
Brighte
FANCL
FILA
MARY QUANT
Kappa
... and more

## Expand track record in production services




PEACH JOHN

**Creative direction and production for the apparel line PEACH JOHN FASHION**

SOCCER SHOP KAMO

**Production and creative development for Soccer Shop KAMO's original apparel label**

## Open and ST TOKYO (flagship store) on April 24, 2025 at Harajuku

and ST TOKYO
アンドエスティ トーキョー

## Integrate with the Rakuten ecosystem from September 2025

Maximize *and ST* member benefits

**Triple Points**

d POINT — and ST — R POINT

***and ST*** **members earn and use points across all three programs, in-store and online**

*First in the industry!

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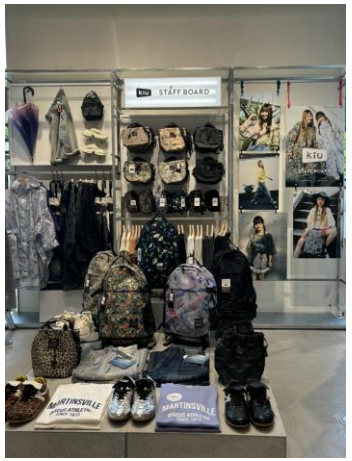
# Platform Business: and ST Topics

## Opened flagship store “and ST TOKYO” near Harajuku Station on April 24, 2025

- The store sells youth-focused Adastria brands, as well as IP collaboration items, products planned by popular staff, and limited-edition items for inbound and tourist customers
- Hosts pop-up events for products from external brands participating in our open e-commerce marketplace
- Visitor numbers exceeded the initial plan, driven by attendance at events featuring popular store staff and IP collaboration characters

Cath Kidston



KiU

and ST TOKYO

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# Global Business Growth Strategy

**Our multi-brand strategy is driving stable growth in Greater China, while our platform model is accelerating growth in Southeast Asia.**

*No. of stores as of August 31, 2025

## Greater China

**Mainland China**
14 stores
Launched *and STORE* in Shanghai

**Hong Kong**
31 stores
Expanding a multi-brand strategy

**Taiwan**
Increased the number of stores to 95 and launched in-house e-commerce operations
Advancing a multi-brand strategy

## Southeast Asia

**Thailand**
Launched niko and ... second store in July 2024
Launched GLOBAL WORK first store in July 2025

**The Philippines**
Launched first store in December 2024

**Other**
Collaborate with local companies (brands), gather information, and explore business opportunities

niko and ...
BANGKOK Flagship Store

niko and ...
SM Mall of Asia

**Focus investment in Southeast Asia**

## U.S.

Strategic withdrawal

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# Global Business Growth Strategy

**Strengthen our multi-brand strategy in the mature market of Greater China.**
**In Southeast Asia, we aim to drive growth through a dual approach of multi-brand and OMO strategies. We are also launching our e-commerce platform ahead of expansion in regions without physical stores, connecting Japan and Southeast Asia through a seamless digital experience.**

## Greater China: Multi-Brand Strategy

Store expansion model leveraging and ST HD's multi-brand strengths

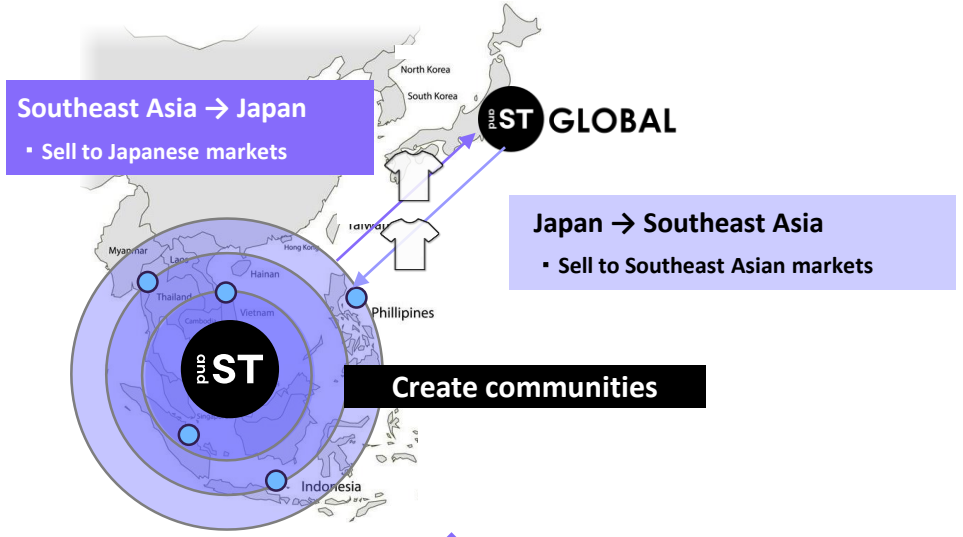
**Mainland China**
- Plan current investments carefully in light of the economic environment
- Identify winning strategies and invest selectively in potential markets
- Expand from and STORE into a multi-brand business

**Hong Kong**
- Expand business in both physical and e-commerce stores through a multi-brand strategy

**Taiwan**
- Advancing a multi-brand strategy
- Create next growth business

## Southeast Asia: OMO Strategy

E-commerce–led entry model connecting Southeast Asia and Japan with the launch of *and ST* in Southeast Asia




## M&A Strategy

Swiftly complement and accelerate the rollout and expansion of our multi-brand and OMO strategies with a targeted M&A approach

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# Global Business: Quantitative Plan and KPIs

**Aim to achieve ¥40 billion in overseas net sales by FY12/2029 through stable growth in Greater China and increased investment in Southeast Asia.**

**FY12/2024 (Actual)**

**Overseas Net Sales**

**¥17.6 billion**

**(Excluding U.S. business)**

**Greater China**

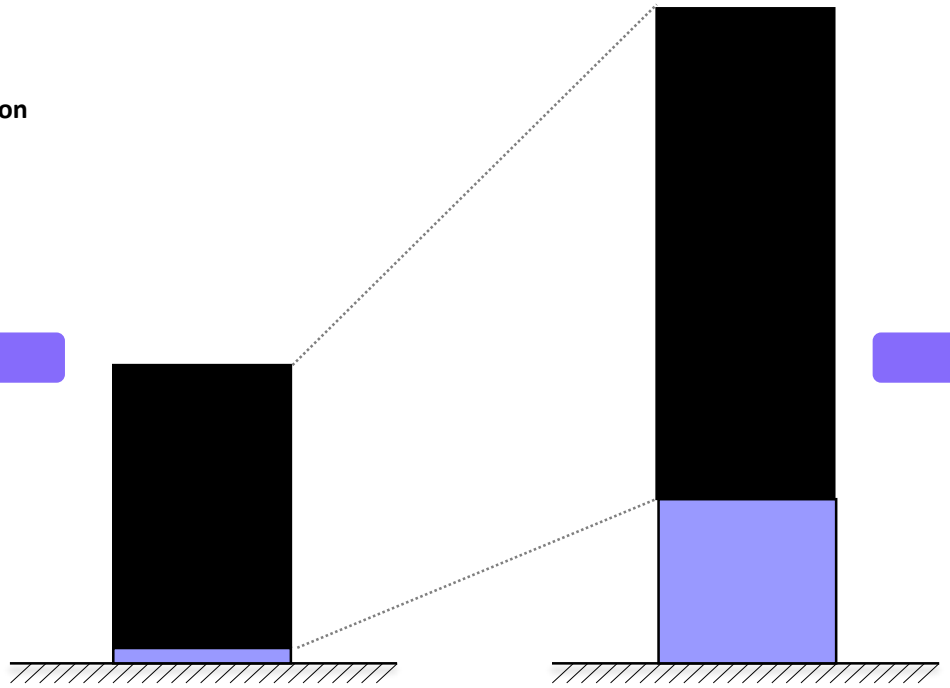
**¥17.2 billion**

**Southeast Asia Sales Ratio**

**2%**

**Southeast Asia**

**¥0.4 billion**



**FY12/2029**

**Greater China**

**¥30 billion**

**Southeast Asia**

**¥10 billion**

**Overseas Net Sales**

**¥40 billion**

**Southeast Asia Sales Ratio**

**25%**

*FY12/2024 corresponds to FY2/2025 (consolidated), and FY12/2029 corresponds to FY2/2030 (consolidated) due to the December year-end of overseas subsidiaries.
*Southeast Asia sales ratio is calculated as a percentage of overseas net sales.
*The overseas net sales target for FY12/2029 excludes the U.S. business.

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# Missions and Strategies of Each Group Company

**Define company strategies and KPIs based on individual missions, and operate business accordingly.**

| | Adastria | ELEMENT RULE | BUZZWIT | zetton |
|---|---|---|---|---|
| **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 & Beverage business as a space for community and connection |
| **Strategy** | ● Concentrate investment in GLOBAL WORK and LAKOLE<br>● Launch stores and relocate to carefully selected areas<br>● Strengthen branding | ● Build a high-end customer base by strengthening customer service and sales promotions<br>● 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<br>● Expand sales channels, including stores on *and ST*<br>● Expand customer touchpoints, including through pop-up stores | ● Leverage group synergies to expand profitable business formats efficiently (e.g., store development capabilities)<br>● Begin expanding business in Asia, including Taiwan |
| **Net Sales Targets (FY2/2030)** | Net Sales: ¥280 billion<br>[FY2/2025: ¥233 billion] | Net Sales: ¥22 billion<br>[FY2/2025: ¥12.6 billion] | Net Sales: ¥20 billion<br>[FY2/2025: ¥12.3 billion] | Net Sales: ¥18 billion<br>[FY2/2025: ¥14.6 billion] |

*FY2/2025 net sales for Adastria include net sales from TODAY'S SPECIAL, which was merged in March 2025.

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# Adastria Strategy

**As the core of the Adastria Group, Adastria intends to increase profitability and achieve sustainable growth through prioritized and focused investments.**

## Focused Investment in Priority Brands

**GLOBAL WORK**

- Pursue core product strategy
- Actively open stores, expand floor space, and improve efficiency in domestic stores
- Strengthen the Global Business

**LAKOLE**

- Expand store openings and categories
- Increase awareness
- Expand overseas

**GEORGE'S**

- Acquired in July 2024
- Strengthen branding, increase apparel ratio, and actively open new stores to create a ¥10 billion brand

## Store Expansion Strategy Updates

**Actively launch stores in urban areas**

- Respond to urban population growth

**Expand store size**

- Enable efficient operations and respond to labor shortages and wage increases

**Consolidate into *and ST* stores**

- Consolidate stores, mainly in the suburbs, to achieve high profitability

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# Brand Retail Business: GLOBAL WORK Strategy

**GLOBAL WORK aims for ¥100 billion in net sales (including ¥10 billion overseas) by FY2/2030.**
**To support this goal, the brand will further strengthen its core product strategy and enhance recognition, including in overseas markets.**

## 01 | Core product strategy

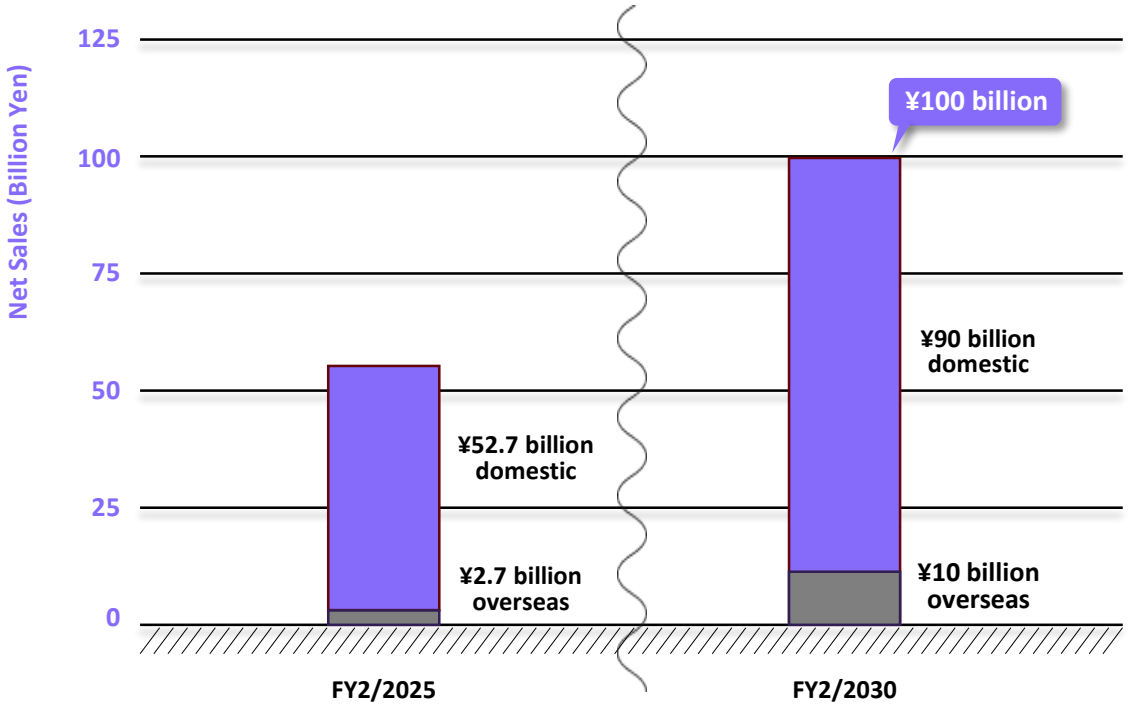
- Develop high value-added products by analyzing data on trends and customer feedback
- Shift production to ASEAN to optimize and streamline value chains
- Continue product promotions and strengthen mass promotions

## 02 | Actively open stores, expand floor space, and improve operational efficiency in Japan

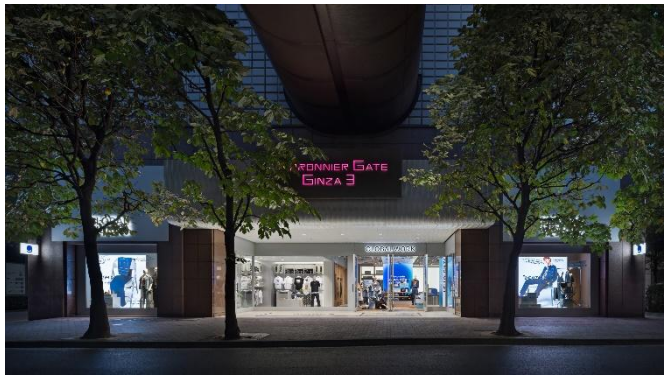
- Actively open new stores in favorable locations in Japan
- Increase sales per store by expanding store sizes
- Cultivate core products and improve floor productivity

## 03 | Strenghten global business

- Focus on Southeast Asia
- Aim for ¥10 billion in overseas net sales by 2030




*Net sales target for FY2/2030 is shown before deducting points and similar adjustments.



GLOBAL WORK GINZA store

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# Brand Retail Business: LAKOLE Strategy

**LAKOLE aims for ¥20 billion in net sales by FY2/2030, with a long-term target of ¥100 billion (including ¥20 billion overseas).**
**The brand will expand store openings by diversifying store formats while enhancing its lineup of lifestyle goods.**

### 01 | Expand store openings and categories

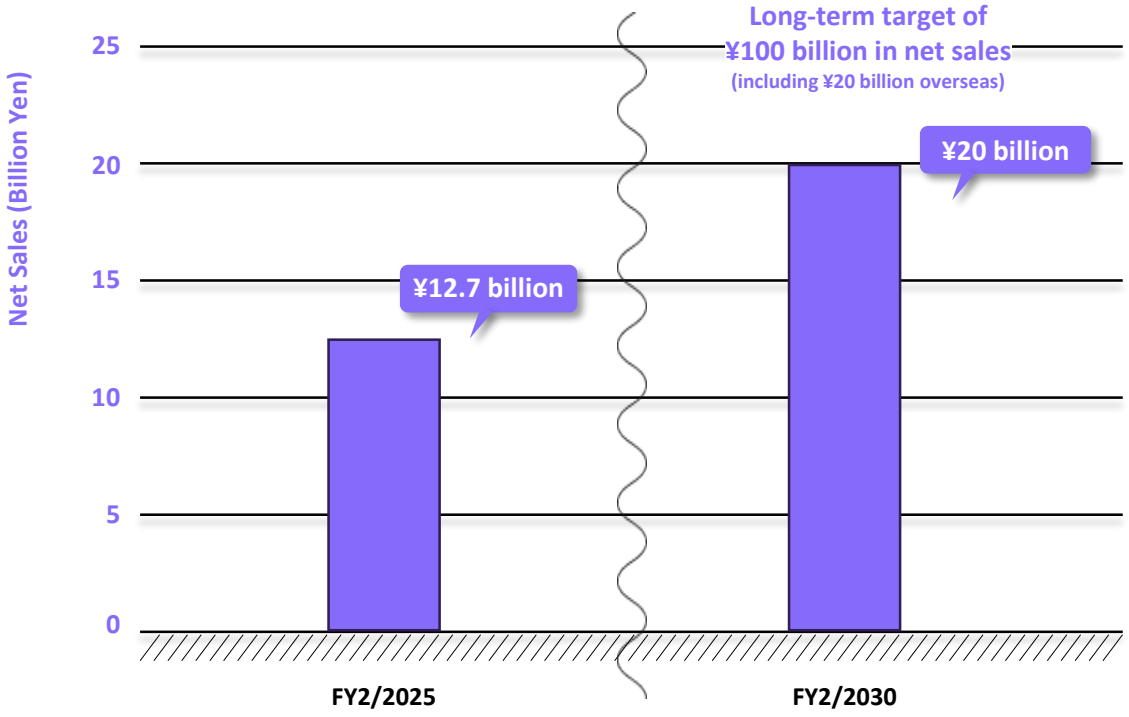
- Execute a multi-channel strategy through a mix of store types, including mega stores
- Expand lifestyle goods, including kids, greenery, pets, and furniture

### 02 | Increase brand recognition

- Execute mass promotional campaigns, including launching the first brand TV commercial

### 03 | Expand overseas

- Begin store expansion in Taiwan with the first store opening
- Expand business in Mainland China and Southeast Asia




*Net sales target for FY2/2030 is shown before deducting points and similar adjustments.

LAKOLE

Lalaport Taipei Nangang Store

Mass promotional campaigns through TV commercials

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# Brand Retail Business: Quantitative Plan and KPIs

**Continue growing the overall Brand Retail business by managing portfolios and improving profitability.**

**FY2/2025 (Actual)**

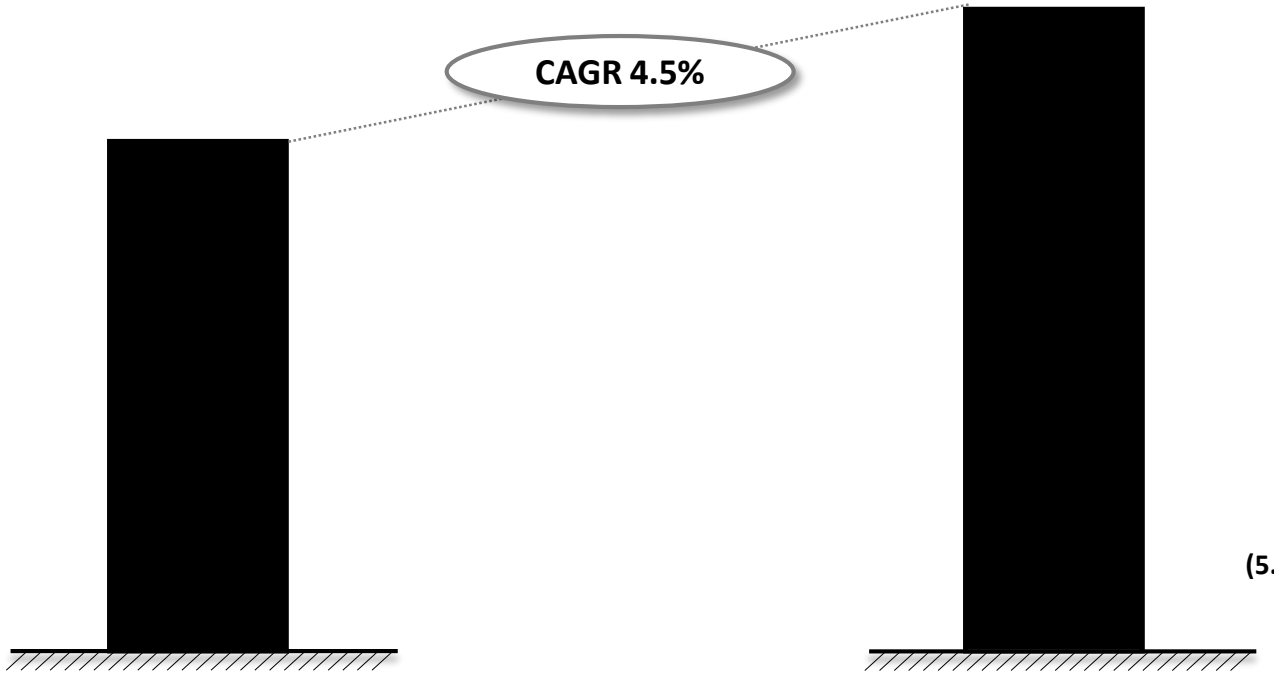
**Net Sales**

**¥272.6 billion**

**Operating Profit Margin**

**5.3%**

**(4.2% after intercompany eliminations*)**




**FY2/2030**

**Net Sales**

**¥340 billion**

**Operating Profit Margin**

**7.2%**

**(5.8% after intercompany eliminations*)**

*Due to intergroup point transactions. FY2/2025 figures are estimates.

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# Digital Transformation, Logistics, and Production

| | Digital Transformation | Logistics | Production |
|---|---|---|---|
| **Previous Achievements** | ● Enhanced customer experiences through openness and expanded overseas e-commerce (Mainland China, Hong Kong, and Taiwan)<br>● Transformed work-styles<br>(Renewed business infrastructure, automated operations, advanced digitalization, and leveraged data)<br>● Strengthened development competitiveness<br>-Expanded development structure<br>-Collaborated to launch overseas development bases | ● Maintained logistics costs as a percentage of net sales<br>● Restructured logistics networks in Japan and overseas<br>● Expanded shipping capacity and reduced costs through e-commerce distribution center automation<br>● Established a logistics company in Shanghai and launched stockpiling logistics | ● ASEAN production ratio fell short of the target but still has room for growth<br>● Expanded materials developed in-house (e.g., WOOLLEYTEC, AIRTHERMAL) |
| **Strategy** | Transform into a *Play fashion!* platformer<br>● Evolve the *and ST* platform and expand the *and ST* ecosystem<br>● Reform work styles by integrating AI<br>● Establish business infrastructure, including security and controls<br>● Increase offshore ratios and internalize data analysis and AI development<br>● Establish R&D functions that drive technology adoption | Build global value chains<br>● Achieve end-to-end value chain optimization through digital transformation and business process review<br>● Restructure logistics network to accommodate growth of Global Work and LAKOLE<br>● Enhance productivity and ensure operational capacity through automation investments at distribution centers<br>● Establish a new e-commerce distribution center to support our position as a platformer<br>● Build an optimized, waste-free value chain extending from country of manufacture to destination sales markets | Achieve the right time, quantity, price, product, and place<br>● Decentralize production areas<br>● Fully launch hybrid production between Mainland China and ASEAN<br>● Consolidate into 100 core factories<br>● Procure materials locally<br>● Develop materials in-house based on trend analysis by the R&D department |
| **KPIs** | ● Increase the offshore ratio of system investments<br>● Expand in-house SE and engineering team<br>● Accelerate shift to in-house and offshoring to reduce systems investment as a ratio of consolidated net sales | ● Maintain logistics costs as a percentage of net sales and logistics costs as a percentage of cost of goods sold | ● ASEAN production ratio: 50% |

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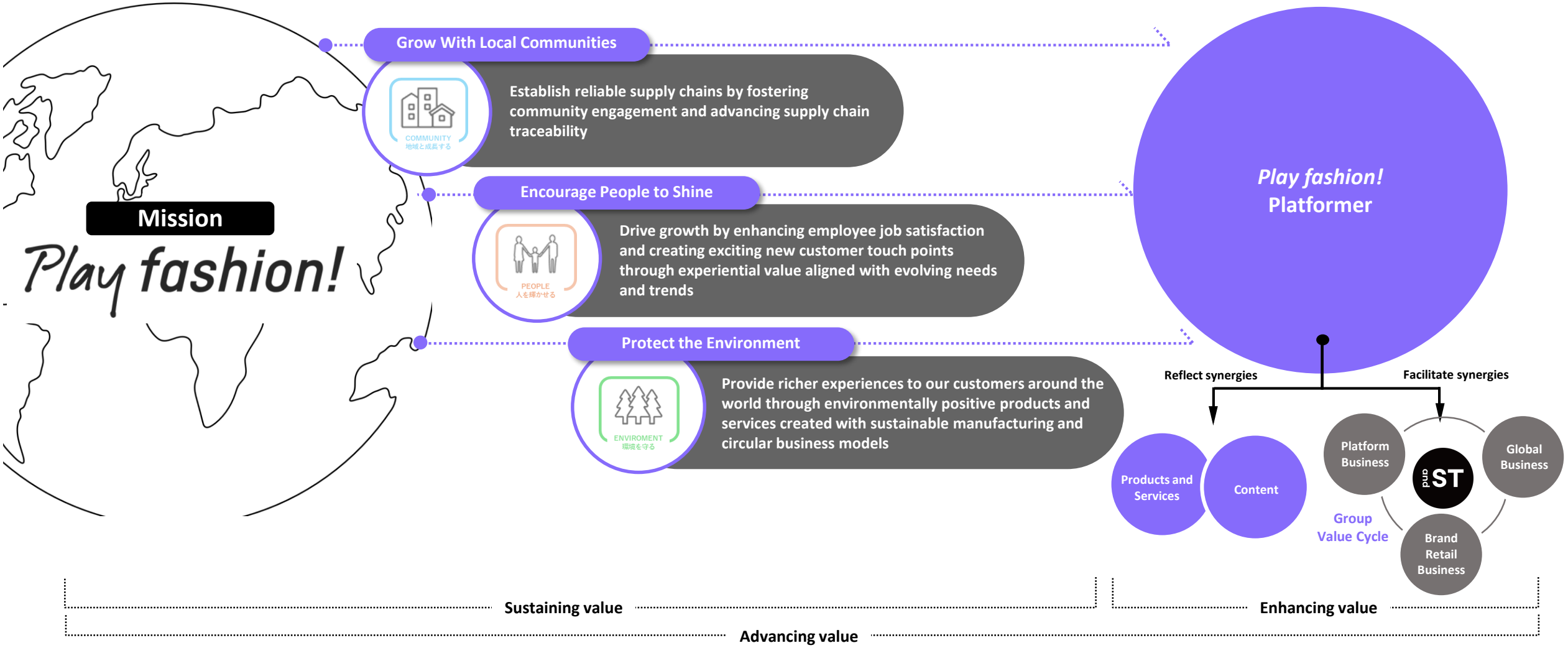
# Sustainability

**and ST HD respects nature and culture. We strive to be a vital presence in society, working together with people and communities to foster co-creation and pass on the excitement of fashion to the next generation.**

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# Group Policies and Key Achievements in Sustainability

**and ST HD delivered industry-leading results by focusing on the environment, people, and communities to pursue sustainability initiatives aligned with our business.**

| | Group Policies | Previous Medium-term Management Plan Achievements |
|---|---|---|
| ENVIROMENT 環境を守る | Switch to sustainable raw materials and processing | ● Sustainability mark labeling rate: 17.9% of all products<br>● Sustainable materials developed in-house: 7 types |
| | Reduce and absorb $CO_2$ emissions | ● Calculated and disclosed GHG emissions for in-house and external operations in Japan and overseas<br>● Released our first disclosure of $CO_2$ emissions reduction scenarios and our biodiversity approach<br>● Received a CDP Score of B for two consecutive years (FY2/2024 and FY2/2025) |
| | Zero clothing incineration | ● Maintained zero direct incineration of apparel inventory<br>● Circulated approximately 80% of remaining clothing inventory within the company by expanding our circular business and means of internal utilization<br>● Secondhand clothes: Total of 186 stores now offer permanent secondhand clothing sales; cumulative 169 tons of secondhand clothing collected |
| PEOPLE 人を輝かせる | Create diverse and rewarding work environments | ● Percentage of women in senior management positions: 20.5%*<br>● Percentage of women in management positions: 37.0%*<br>● Implemented a career development project for store employees and supported paternity leave and other measures to support work-life balance |
| | Foster employee well-being | ● Established the and ST HD Health Insurance Association<br>● Certified as a Health & Productivity Management Outstanding Company for a third consecutive year in FY2/2024 |
| COMMUNITY 地域と成長する | Fair and ethical procurement | ● No. of monitored production factories: 177 total<br>● Disclosed our Suppliers List for the first time<br>(47 companies, covering approximately 80% of in-house production transactions) |

*Percentage of women in senior management and management positions is based on consolidated results for the domestic group, excluding zetton, as of March 1, 2025.

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# Medium- to Long-Term Sustainability Roadmap

| | By 2030 | Medium-Term Targets | | Long-Term Targets (2050) |
|---|---|---|---|---|
| ENVIROMENT 環境を守る | Develop sustainable raw materials and expand target products<br>Reflect and expand sustainability as a value in products and services | Achieve 50% or more sustainable materials and processing | Standardize sustainable materials | Aim for 100% sustainable materials and processing |
| | Implement energy-efficient equipment and energy-saving initiatives, and collaborate with developers and other partners<br>Source environmental value through renewable energy and similar initiatives | Establish interim targets<br>*Under development in accordance with international standards | Adopt evolving technologies | Achieve carbon neutrality |
| | Improve demand forecasting and reduce inventory losses<br>Encourage used clothing collection and collaborate with governments and external partners | Establish resource recycling systems in apparel and sundries | Expand reuse and recycling schemes | Establish resource recycling systems in all businesses |
| PEOPLE 人を輝かせる | Educate and invest in diverse human resources, including initiatives to advance women's careers | Increase the ratio of women in senior management and management positions 30% and 45%, respectively, by FY2/2026<br>*New targets under consideration | Establish training programs tailored to diverse employee personalities and skills | Embed DE&I into our corporate culture, develop and circulate top talent, and produce individuals suited for a platform-based business |
| | Ensure safe work environments, foster health awareness, and invest in employee health | Become a White 500 Certified Health & Productivity Management Outstanding Company | | |
| COMMUNITY 地域と成長する | Advise contract factories on labor conditions and business environments through dialogue<br>Increase visibility of supply chain operations and ensure disclosure transparency | Strengthen partnerships with suppliers and enhance supply chain transparency | | Co-create with business partners to build sustainable and ethical supply chains |

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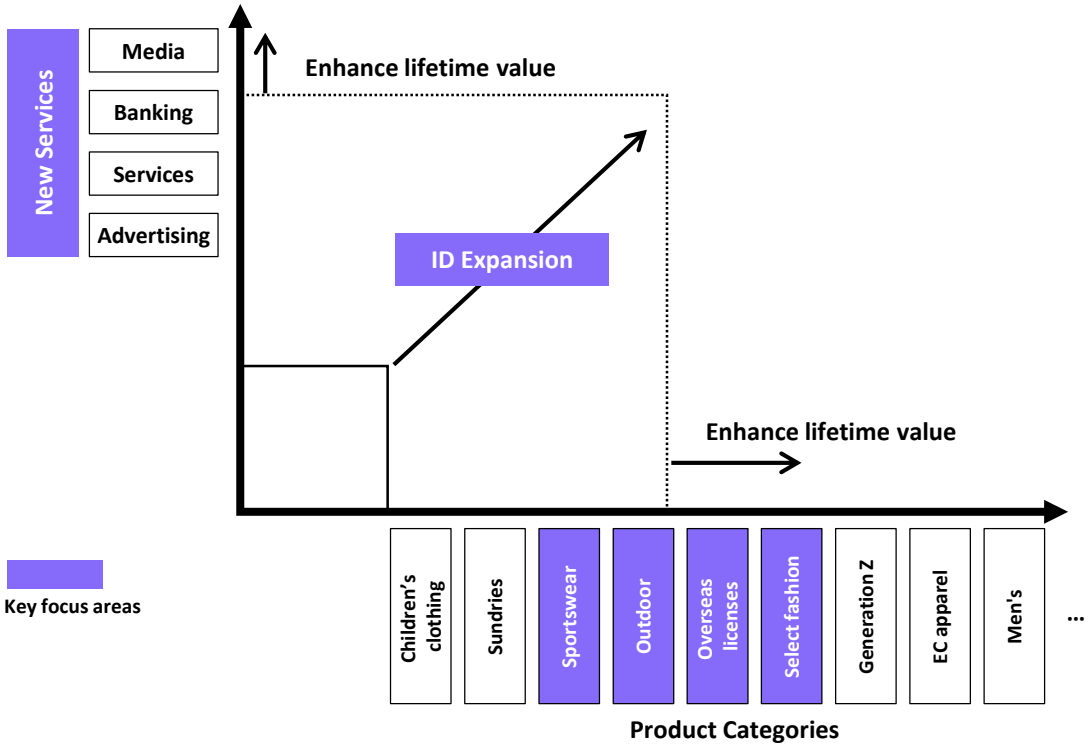
# M&A Strategy

**and ST HD selected key focus areas from our previously announced M&A strategy to prioritize during the new medium-term management plan. We will pursue these areas further as we transition to a holding company.**

**Purpose**

## Enhancing *and ST*

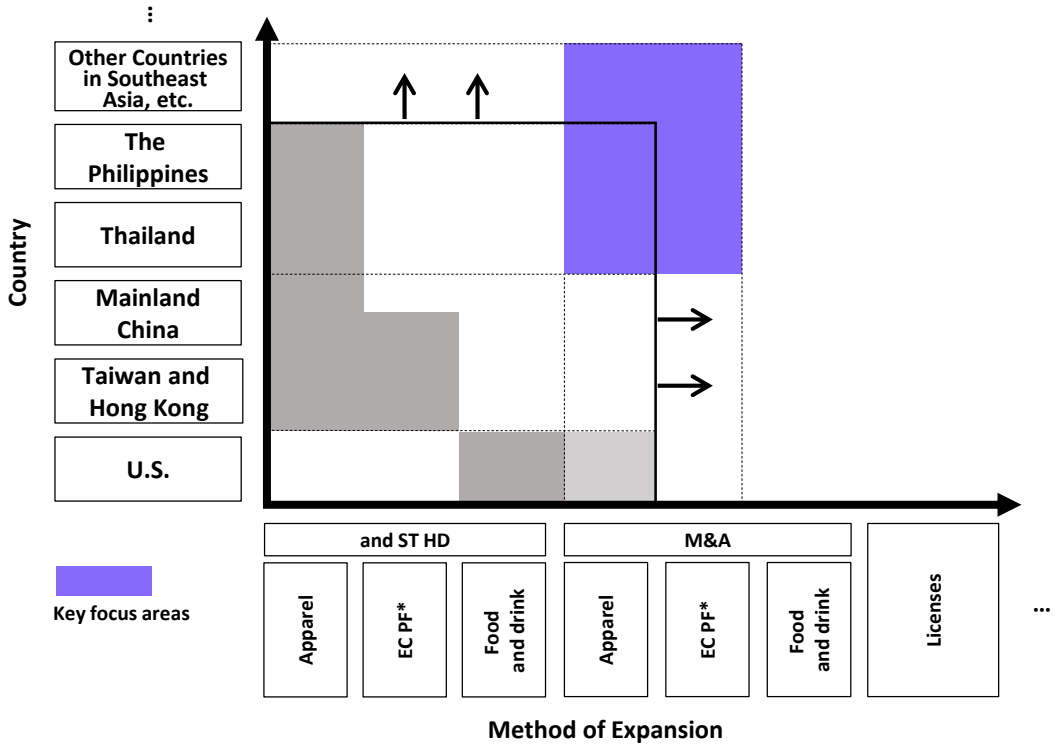
**Expand brand portfolio and business domains through M&A to directly enhance lifetime value and contribute to ID expansion**




*Projects growing into larger-scale initiatives within these categories will be treated as key focus areas.

## Accelerating Overseas Business

**Expand countries of operation, businesses, and business models through M&A**




*EC PF: e-commerce platforms

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# M&A Performance and Highlights

**and ST HD has driven corporate growth through M&A, building expertise in value enhancement.**
**Leveraging this knowledge, we will create synergies in future M&A and establish ourselves as a *Play fashion!* platformer.**

## M&A Deals to Date

- **2009** studio CLIP
- **2012** BABYLONE
- **2013** TRINITY ARTS (Management integration)
  Natural Nine
  (OEM manufacturer and trading company; owner of BARNYARDSTORM)

Net sales grew from ¥2.8 billion to over ¥20 billion

- **2016** ALICIA (PAGEBOY, mysty woman)
- **2017** Velvet

Net sales grew from ¥4 billion* to nearly ¥7 billion

- **2022** zetton
  Open and Natural
- **2024** TODAY'S SPECIAL
- **2025** Karrimor International

Aiming to make GEORGE'S a ¥10 billion brand

*Net sales after closing unprofitable stores, etc.

## Key Characteristics of Our M&A Approach

### Value Enhancement Expertise Gained Through M&A

| #1 | #2 | #3 |
|---|---|---|
| Enhanced store openings and e-commerce | Product category expansion leveraging production capabilities | Operational systematization (e.g., through inventory management and digital transformation) |

Synergies

### Expertise, Capabilities, and Business Areas to Be Gained Through Future M&A

| #1 | #2 | #3 |
|---|---|---|
| Expansion of *and ST* service offerings | ID expansion | Overseas business acceleration |

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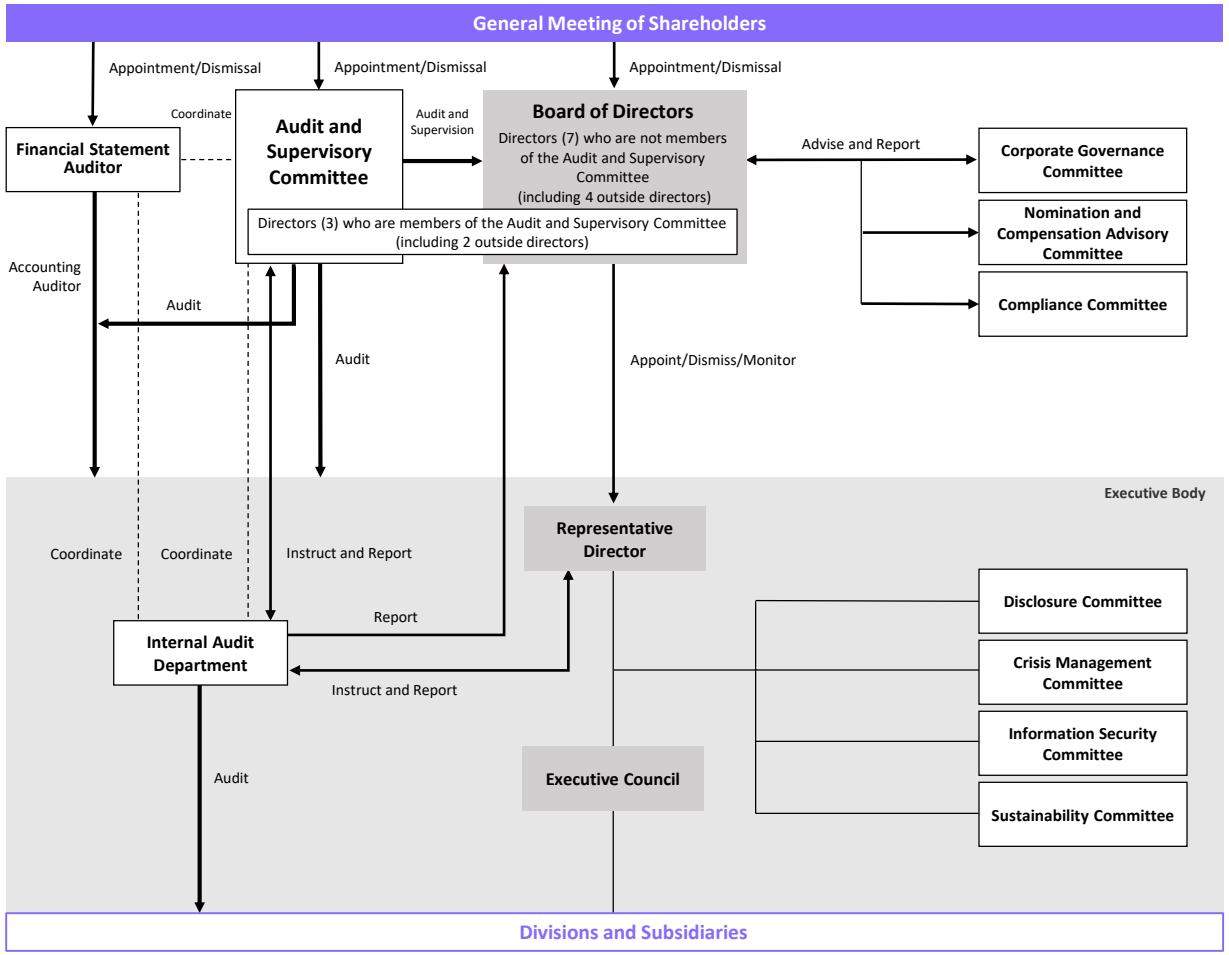
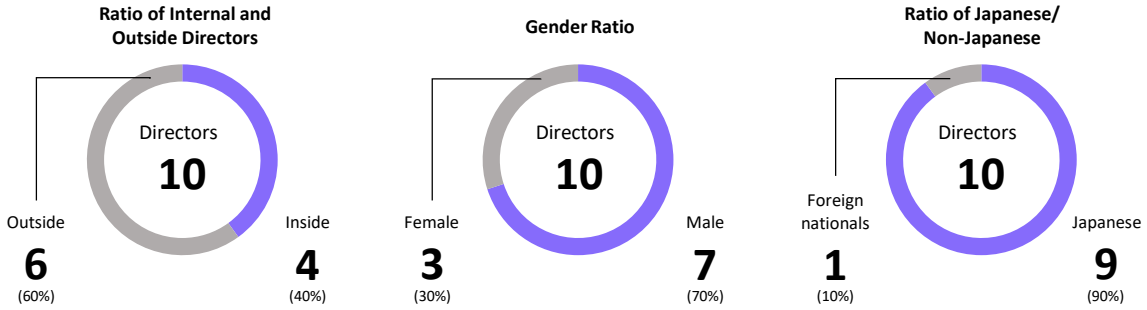
# Corporate Governance

**and ST HD transitioned to a company with an Audit and Supervisory Committee to improve corporate governance further by speeding the pace of decision making and strengthening the supervisory function.**
**We have established an officer compensation plan aimed at further increasing awareness of the need to contribute to the achievement of Medium-Term Management Plan 2030, as well as to medium- to long-term performance improvement and the enhancement of corporate value.**

## Corporate Governance Structure *As of September 1, 2025




## Composition of Directors *As of September 1, 2025




## 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<br>● Based on role and responsibilities | Performance-linked compensation tied to short-term performance<br>● Determined according to role and performance | Short- and medium- to long-term performance-linked compensation<br>● Determined according to role and performance |
| Subject of Payment | ● Directors (excluding outside directors and directors who are members of the Audit and Supervisory Committee)<br>● Outside Directors<br>● 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<br>● Consolidated operating profit before amortization of goodwill | ● Consolidated ROE<br>● GMV (*and ST* e-commerce mall)<br>● Employee satisfaction score<br>● TSR |
| Payment Period | ● Monthly | ● Fiscal year-end | ● Points granted: Fiscal year-end<br>● Delivery of shares, etc.: Upon director retirement (in principle) |

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# Return to Shareholders

**Dividend Policy**

**Basic policy is a consolidated payout ratio of 30% and maintaining balance among dividend stability, investments for growth, and shareholder distributions.**
**Introduced a DOE threshold of at least 4.5%**

**FY 2025/02** — **Dividend of 90 yen, as forecast**

**FY 2026/02** — **Dividend forecast of 90 yen**

(Millions of yen)

| | FY2022/02 | FY2023/02 | FY2024/02 | FY2025/02 | FY2026/02 (Forecast) |
|---|---|---|---|---|---|
| Dividend per share (Yen) | 55 | 60 | 85 | 90 | **90** |
| Interim dividend | (25) | (25) | (35) | (35) | **(45)** |
| Total dividend (MM yen) | 2,510 | 2,739 | 3,880 | 4,211 | **4,211** |
| Net profit (consolidated) | 4,917 | 7,540 | 13,513 | 9,614 | **12,400** |
| Dividend payout ratio | 50.6% | 36.1% | 28.5% | 43.1% | **33.6%** |
| ROE | 9.4% | 13.3% | 20.9% | 13.1% | **15.3%** |
| DOE | 4.8% | 4.8% | 5.9% | 5.6% | **5.1%** |

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# 3. FY2026/2 3rd Quarter Financial Results

Disclosed on December 29, 2025

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## Overview

**Sales and profit increased for the three-month period of 3Q, net sales exceeded the plan and hit a record high**

**Gross profit margin improved, and we controlled ratio to net sales despite strategic SG&A spending**

(Millions of yen)

| | FY2025/02 3Q | | | | FY2026/02 3Q | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Nine Months Ended | | Three Months Ended | | Nine Months Ended | | | Three Months Ended | | |
| | | Ratio | | Ratio | | Ratio | YoY | | Ratio | YoY |
| **Net Sales** | **220,089** | **100.0%** | **75,886** | **100.0%** | **227,372** | **100.0%** | **103.3%** | **78,027** | **100.0%** | **102.8%** |
| **Gross profit** | **122,897** | **55.8%** | **42,577** | **56.1%** | **126,268** | **55.5%** | **102.7%** | **43,896** | **56.3%** | **103.1%** |
| **SG&A expense** | **108,127** | **49.1%** | **37,703** | **49.7%** | **112,375** | **49.4%** | **103.9%** | **37,976** | **48.7%** | **100.7%** |
| Advertising & promotion | 6,454 | 2.9% | 2,495 | 3.3% | 7,192 | 3.2% | 111.4% | 2,527 | 3.2% | 101.3% |
| Personnel | 40,092 | 18.2% | 13,756 | 18.1% | 40,575 | 17.8% | 101.2% | 13,423 | 17.2% | 97.6% |
| Rent & depreciation* | 38,435 | 17.5% | 13,511 | 17.8% | 41,233 | 18.1% | 107.3% | 14,314 | 18.3% | 105.9% |
| Others | 23,144 | 10.5% | 7,939 | 10.5% | 23,374 | 10.3% | 101.0% | 7,711 | 9.9% | 97.1% |
| **Operating profit** | **14,770** | **6.7%** | **4,874** | **6.4%** | **13,893** | **6.1%** | **94.1%** | **5,919** | **7.6%** | **121.4%** |
| **Ordinary profit** | **14,967** | **6.8%** | **4,669** | **6.2%** | **13,912** | **6.1%** | **93.0%** | **6,122** | **7.8%** | **131.1%** |
| **Net income attributable to owners of the parent** | **9,907** | **4.5%** | **2,968** | **3.9%** | **9,557** | **4.2%** | **96.5%** | **3,570** | **4.6%** | **120.3%** |
| **EBITDA** | **22,881** | **10.4%** | **7,741** | **10.2%** | **22,903** | **10.1%** | **100.1%** | **9,103** | **11.7%** | **117.6%** |
| Depreciation and amortization | 7,836 | 3.6% | 2,746 | 3.6% | 8,680 | 3.8% | 110.8% | 3,069 | 3.9% | 111.8% |
| Amortization of goodwill | 274 | 0.1% | 121 | 0.2% | 329 | 0.1% | 120.1% | 113 | 0.1% | 93.3% |

(Note) We finalized the provisional accounting treatment for the business combination at the end of the consolidated third quarter of the previous fiscal year. Accordingly, the figures for the second quarter of the consolidated fiscal year ended February 2025 reflect significant revisions to the initial allocation of acquisition cost resulting from the finalization of the provisional accounting treatment.

*: Rent & depreciation costs are the sum of Rent expenses, Lease expenses and Depreciation

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**Platform Business performed well; Global and Brand Retail businesses progressed largely as planned**

**Gross profit margin exceeded the prior year, offsetting inventory clearance discounts through improved markups and a rebound from one-time expenses in the previous year**

## Net Sales

**78.0 billion yen (+2.8% YoY)**

- **Platform Business** 4.4 billion yen
  *before elimination
  External brand participation on *and ST* increased steadily (through the open e-commerce marketplace model)
- **Global Business** 5.3 billion yen
  Mainland China and Taiwan performed well; business in Hong Kong was strong despite typhoon-related impacts
  Withdrew from U.S. in July
- **Brand Retail Business** 71.9 billion yen
  *before elimination
  Performance struggled due to extended summer heat, but falling temperatures supported solid winter product sales
  All group companies in Japan performed well

## Gross profit margin

**56.3% (+0.2p YoY)**

- Positive factors: Rebound from one-time expenses due to changes in point usage rates in 3Q of the previous year (+0.5 p); higher e-commerce sales through the open platform; improved markups from a stronger yen and cost reduction initiatives; downsizing of the wholesale business
- Negative factors: Inventory clearance discounts for fall products; increase in points granted; negative rebound from the higher gross margin in zetton's prior four-month fiscal period

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and ST HD

**SG&A expenses increased due to strategic spending on advertising and flagship store openings, but ratio to net sales declined within the planned range.**
**Operational efficiencies and cost reductions reduced personnel and other SG&A expenses, driving all profit metrics above the prior year.**

**SG&A expense ratio** **48.7 %** (▲1.0p YoY)

- **Advertising expenses** **3.2 %** (▲0.1p YoY) (+30 million yen) — Ran television advertisements to expand awareness of *and ST*
- **Personnel** **17.2 %** (▲0.9p YoY) (▲330 million yen) — Improvement driven by workforce management; impact of the food and beverage business fiscal year change (–0.4 billion yen)
- **Rent & depreciation** **18.3 %** (+0.5p YoY) (+800 million yen) — Impairment losses related to flagship store opening and system investments
- **Others** **9.9 %** (▲0.6p YoY) (▲220 million yen) — Credit card fees, small-parcel delivery costs, and store expenses increased; however, expenses under Others decreased due to the fiscal-year end change in the food and beverage business and withdrawal from the U.S

**Operating profit** **5.9 billion yen** (+21.4% YoY)

**Operating income ratio : 7.6%** **EBITDA : 11.7%**

**Ordinary profit** **6.1 billion yen** (+31.1% YoY)

**Non-Operating income** **Foreign exchange profit of 160million yen**

**Net income** **3.5 billion yen** (+20.3% YoY)

**Extraordinary losses**
**Loss on sale of U.S. business 420million yen, Impairment of store assets of 50million yen**

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# Net Sales and Operating Profit for New Adastria + and ST + and ST HD and Group Companies

and ST HD

- Transitioned to a holding company structure in September; Adastria renamed and ST HD and spun off New Adastria
- Consolidated sales and profit increased in 3Q for the three companies New Adastria, and ST, and and ST HD (non-consolidated figures for Adastria in the previous year)
- Domestic group company sales increased 8% in 3Q (excluding the impact of one company added through M&A and two companies reduced through absorption mergers)
- Overseas group company sales decreased; however, excluding the impact of the U.S. withdrawal, sales increased 24% in 3Q
- Sales at zetton, our food and beverage business, decreased due to the change in the fiscal-year end, which resulted in a four-month 3Q in the previous fiscal year; however, sales increased 2% when compared on a three month basis

(Millions of yen)

| | FY2025/02 3Q | | FY2026/02 3Q | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Nine Months Ended | Three Months Ended | Nine Months Ended | | | Three Months Ended | | |
| | | | | Ratio | YoY | | Ratio | YoY |
| **Net Sales** | 220,089 | 75,886 | 227,372 | 7,283 | 103.3% | 78,027 | 2,141 | 102.8% |
| New Adastria+AST+HD[*1] | 173,775 | 58,764 | 180,430 | 6,654 | 103.8% | 61,975 | 3,210 | 105.5% |
| Domestic subsidiaries[*2] | 20,486 | 8,125 | 20,826 | 339 | 101.7% | 8,249 | 124 | 101.5% |
| Overseas subsidiaries[*3] | 17,653 | 5,699 | 17,814 | 160 | 100.9% | 5,389 | ▲ 310 | 94.5% |
| zetton (Food & Beverage Subsidiary)[*4] | 11,556 | 4,614 | 11,631 | 75 | 100.6% | 3,673 | ▲ 940 | 79.6% |
| Consolidation adjustment | ▲ 3,383 | ▲ 1,317 | ▲ 3,330 | 52 | - | ▲ 1,259 | 57 | - |
| **Operating profit (Excl. HD Impact)** | 14,770 | 4,874 | 13,893 | ▲ 877 | 94.1% | 5,919 | 1,045 | 121.4% |
| New Adastria+AST+HD[*1] | 13,573 | 4,210 | 10,938 | ▲ 2,635 | 80.6% | 4,682 | 472 | 111.2% |
| Domestic subsidiaries[*2] | 1,253 | 854 | 2,005 | 752 | 160.0% | 1,166 | 312 | 136.6% |
| Overseas subsidiaries[*3] | 283 | ▲ 58 | 658 | 375 | 232.5% | 13 | 72 | - |
| zetton (Food & Beverage Subsidiary)[*4] | ▲ 181 | ▲ 8 | 301 | 483 | - | 65 | 73 | - |
| Consolidation adjustment | ▲ 158 | ▲ 123 | ▲ 10 | 147 | - | ▲ 8 | 114 | - |

*1: Figures in FY2025/02 reflect Adastria's performance. Figures in FY2026/02 reflect adjustments for intercompany eliminations between Adastria and and ST Co., Ltd., and are presented on the same basis as FY2025/02
*2: Domestic subsidiaries are the sum of three subsidiaries FY2025/02 : BUZZWIT Co.,Ltd., ELEMENT RULE Co., Ltd., ADOORLINK Co., Ltd., TODAY'S SPEACIAL CO., Ltd. Domestic subsidiaries are the sum of three subsidiaries FY2026/02 : BUZZWIT Co.,Ltd., ELEMENT RULE Co., Ltd., KARRIMOR International Ltd.,
*3: Overseas subsidiaries (Mainland China, Hong Kong, Taiwan, Thailand, the Philippines, USA), net sales is shown after intercompany eliminations, operating profit is the sum of subsidiaries (Period Jan. to Sep.2025)
*4: Net Sales and operating profit of zetton, inc. is shown after consolidation adjustments. Due to change in financial year, Feb-Nov (FY2025/02) and Mar-Nov(FY2026/02)

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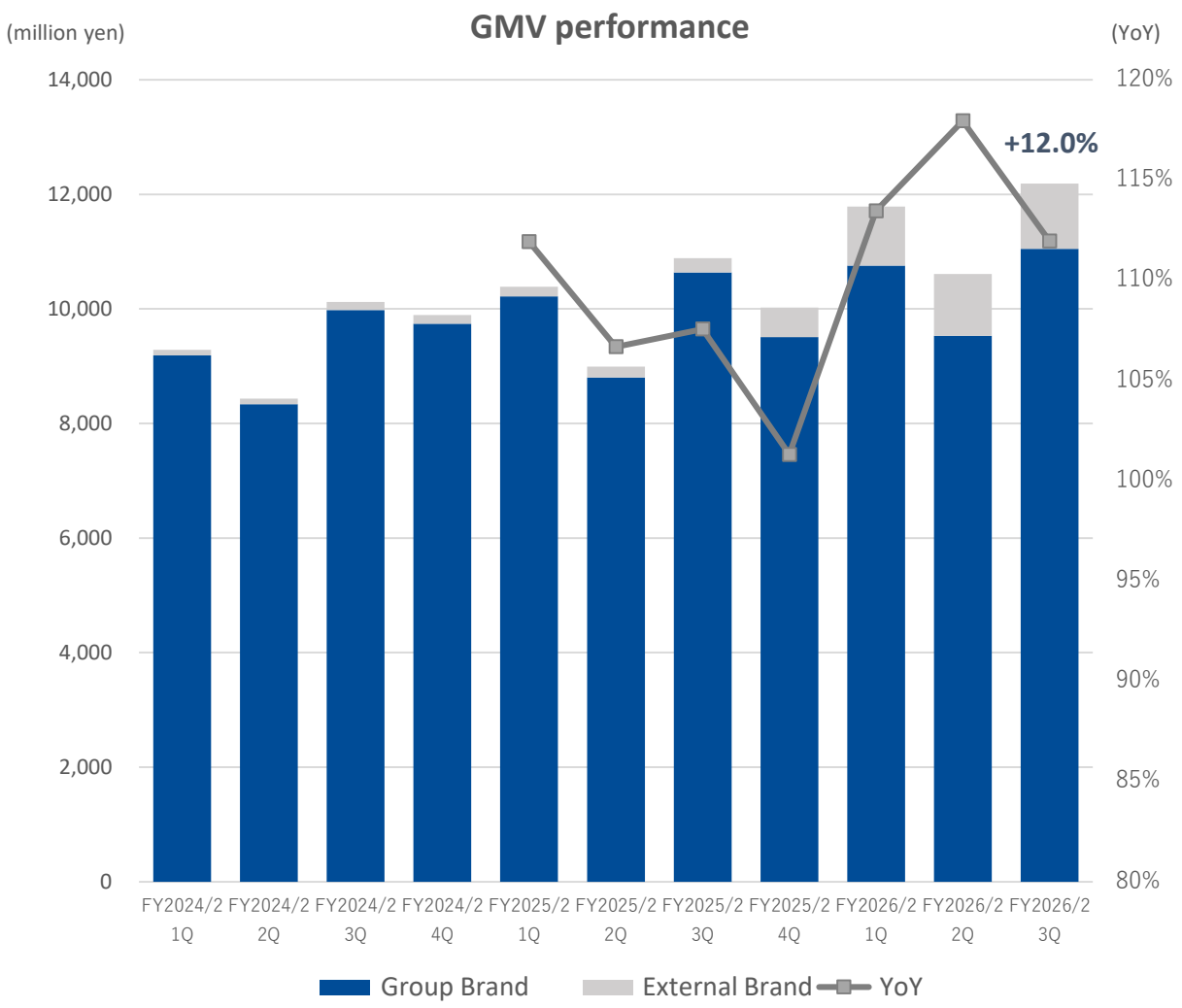
## *and ST* GMV exceeded plan

| | |
|---|---|
| ***and ST* GMV** (3rd Quarter nine months) | **34.5 billions yen** (+14.3% YoY) |
| **Group Brand Sales** | **31.3 billions yen** (+5.6% YoY) |
| **Ratio** | **90.6%** |
| **External Brand Sales** | **3.2 billions yen** (+435.3% YoY) |
| **Ratio** | **9.4%** |
| ***"and ST" members*** (at 30 November, 2025) | **21.2 million members** (+1.5million more than at the end of FY2025/02) |
| **Active members** | **7.8 million members** (+0.3million more than at the end of FY2025/02) |

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## External brand participation exceed plan

**No. of External shops** **51 shops**

（at 30 November, 2025）　（**+29shops YoY**）

## Major brands including new balance, BEUTY & YOUTH UNITED ARROWS, Afternoon Tea LIVING, ADAM ET ROPÉ join *and ST*

new balance　BEAUTY & YOUTH UNITED ARROWS　Afternoon Tea LIVING　ADAM ET ROPÉ　SALON adam et ropé　VIS　ROPÉ PICNIC　ÉPOR

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## TV commercials highlighting the appeal of the new *and ST* to increase awareness of the platform and expand the number of brands participating

- Organic searches on the web increased 29% compared to the previous fiscal year, as we raised interest in *and ST*
- New unique users (UU) and memberships up nearly 10% compared to the previous fiscal year, leading to an increase in membership IDs
- Ran a 20% point rebate campaign on the e-commerce site and at physical stores to coincide with the period of the TV commercial broadcasts

### Promotion Details

| | |
|---|---|
| 1. TV commercial | Broadcast in eight regions in Japan (10/24 to 11/9) |
| 2. 20% point rebate | At and ST and physical stores throughout Japan (10/24 to 11/10) |

### Results During the Period (10/24 to 11/9)

| | | | |
|---|---|---|---|
| **Organic Search** | Up 29% year on year | **New UU** | Up 9% year on year |
| **New Member Registrations** | 170,000 / Up 14% year on year | | |

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- **Mainland China** Sales increased due to strong e-commerce sales
- **Hong Kong** Profit decreased due to typhoon-related impacts and summer product clearance
- **Taiwan** Sales and profit increased due to continued new store openings and brand launches
- **Thailand** Sales increased due to the launch of two new stores during the current fiscal year
- **The Philippines** Opened the first store in 4Q of the previous fiscal year
- **USA** Sale completed in July, narrowing the operating loss

(Millions of yen)

| | FY2024/12 3Q | | FY2025/12 3Q | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Nine Months Ended | | | Three Months Ended | | |
| | Nine Months Ended | Three Months Ended | | YoY (JPY) | YoY (Local currency) | | YoY (JPY) | YoY (Local currency) |
| **Net Sales** | **17,653** | **5,699** | **17,814** | **100.9%** | **102.2%** | **5,389** | **94.5%** | **93.1%** |
| Mainland China*1 | 3,089 | 941 | 3,423 | 110.8% | 113.6% | 1,189 | 126.3% | 127.1% |
| Hong Kong | 3,492 | 1,278 | 3,538 | 101.3% | 103.2% | 1,266 | 99.1% | 100.6% |
| Taiwan | 5,236 | 1,625 | 6,549 | 125.1% | 124.5% | 2,290 | 140.9% | 130.4% |
| Thailand | 233 | 91 | 337 | 145.0% | 137.2% | 124 | 136.4% | 128.7% |
| The Phillipines | - | - | 102 | - | - | 35 | - | - |
| USA*2 | 5,601 | 1,762 | 3,861 | 68.9% | 70.4% | 482 | 27.4% | 27.7% |
| **Operating profit*1** | **283** | **▲ 58** | **658** | **232.5%** | **223.7%** | **13** | **-** | **-** |
| Mainland China | ▲ 369 | ▲ 83 | ▲ 177 | - | - | ▲ 102 | - | - |
| Hong Kong | 257 | 85 | 154 | 60.0% | 61.1% | 17 | 20.2% | 20.5% |
| Taiwan | 910 | 204 | 1,131 | 124.3% | 123.6% | 278 | 136.3% | 121.5% |
| Thailand | ▲ 108 | ▲ 25 | ▲ 112 | - | - | ▲ 48 | - | - |
| The Phillipines | ▲ 16 | ▲ 6 | ▲ 51 | - | - | ▲ 18 | - | - |
| USA*2 | ▲ 389 | ▲ 232 | ▲ 286 | - | - | ▲ 112 | - | - |

*1：Net sales are shown after elimination of internal transactions, Operating profit are shown before elimination.
*2：USA does not include the U.S. business of zetton inc.

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## Mainland China sales strong at 126% compared with the previous fiscal year

- Successful shift to a cross-channel strategy, expanding brand recognition geography through standard format stores and generating revenue through e-commerce
- Opened a first niko and ... store in Shenzhen (South China) in September; e-commerce sales in the area doubled year on year
- Physical stores also performing well amid local projects (use of Key Opinion Leaders, limited edition local products, etc.)

China : niko and ... MixC Shenzhen Bay

Local project: niko and ... CHOICE

## Steadily adding new stores for first-time brands in Hong Kong and Taiwan

- studio CLIP opened its first location in Hong Kong this fiscal year; opened a second store at The Wai in September, supported by strong performance
- Lifestyle brand LAKOLE opened its first overseas location this fiscal year; opened a fourth store in Taichung LaLaport in September after a favorable reception

Hong Kong: studio CLIP The Wai

Taiwan: LAKOLE Mitsui Shopping Park LaLaport Taichung

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# Brand Retail Business：Domestic Subsidiaries, Adastria Major Brand

and ST HD

- **ELEMENT RULE** Sales and profit increased driven by all brands, exceeding prior-year sales and improving gross profit margins
- **BUZZWIT** Mainstay brands recovered and posted improved profitability; higher sales and profit
- **Adastria** GLOBAL WORK shows signs of recovery, with ongoing adjustments to merchandising;
  niko and ... recovered after sluggish performance in 2Q
  Performance for LOWRYS FARM, studio CLIP, and LEPSIM remained strong, while LAKOLE continued store expansion

◆ **Online Business (Domestic)** Domestic online business ratio: 29.5% (of which and ST EC site: approx. 14.4%)

| | | Net Sales (Millions of yen)* | | | | | | Stores | |
|---|---|---|---|---|---|---|---|---|---|
| | | FY2025/02 | | FY2026/02 | | | | FY2025/02 | FY2026/02 |
| | | Nine Months Ended | Three Months Ended | Nine Months Ended | YoY | Three Months Ended | YoY | End of 2025/02 3Q | End of 2026/02 3Q |
| Domestic Subsidiaries | ELLMENT RULE | 9,539 | 3,435 | 10,567 | 110.8% | 3,773 | 109.8% | 83 | 83 |
| | BUZZWIT | 9,258 | 3,776 | 9,624 | 104.0% | 4,078 | 108.0% | 30 | 28 |
| Adastria | GLOBAL WORK | 39,683 | 13,075 | 39,819 | 100.3% | 13,725 | 105.0% | 218 | 225 |
| | niko and ... | 26,547 | 8,989 | 27,802 | 104.7% | 10,016 | 111.4% | 145 | 147 |
| | LOWRYS FARM | 17,322 | 5,708 | 18,279 | 105.5% | 6,155 | 107.8% | 126 | 127 |
| | studio CLIP | 17,348 | 5,694 | 18,092 | 104.3% | 5,922 | 104.0% | 187 | 188 |
| | LEPSIM | 11,223 | 3,740 | 13,036 | 116.2% | 4,316 | 115.4% | 115 | 121 |
| | LAKOLE | 9,559 | 3,106 | 10,649 | 111.4% | 3,368 | 108.4% | 89 | 99 |
| | JEANASIS | 8,738 | 3,128 | 8,575 | 98.1% | 3,112 | 99.5% | 69 | 68 |
| | BAYFLOW | 8,449 | 2,820 | 8,243 | 97.6% | 2,698 | 95.7% | 64 | 64 |

*Figures is shown after elimination of internal transactions.

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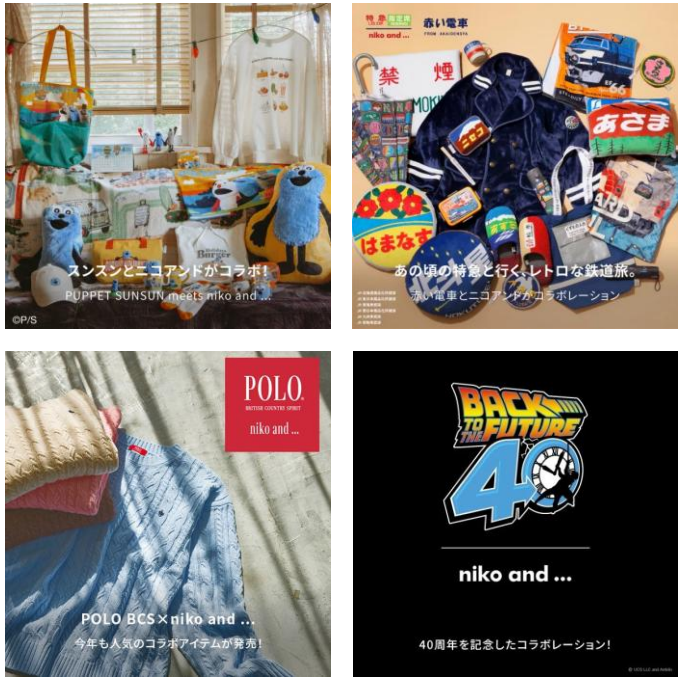
## niko and ... fall/winter products performing well

- Quickly revised skewed merchandising mix (factor behind 2Q slowdown) and optimized mix to approach a wider range of customers (a strength of niko and ...)
- Shared examples of styling across stores for use in in-store displays to improve visual merchandising (in-store marketing) and strengthen sales capabilities
- Leveraging IP collaborations and staff-designed products (introduced as response to long summers) to create buzz and add freshness to physical stores




IP collaboration

Staff travel to stores during promotional sales of staff-designed products

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# Consolidated Balance Sheet

and ST HD

- **Inventories** Increased 6.6% year on year; ensured sufficient inventory for the winter sales season
- **Property, plant and equipment** Increased due to new distribution center operation and store openings
- **Intangible assets** M&A led to an increase in trademarks and software; decreased due to goodwill impairment in the previous year
- **Net assets** Net asset ratio was 52.3%, a decrease of 0.2 pts year on year

(Millions of yen)

| | End of 2024/11 | | End of 2025/02 | | End of 2025/11 | | | |
|---|---|---|---|---|---|---|---|---|
| | | Ratio | | Ratio | | Ratio | Compared with the end of 2024/11 | Compared with the end of 2025/02 |
| Current assets | 79,847 | 54.6% | 67,173 | 50.5% | 88,782 | 56.5% | +8,935 | +21,609 |
| Cash and deposits | 20,673 | 14.1% | 21,143 | 15.9% | 23,889 | 15.2% | +3,215 | +2,746 |
| Inventories | 32,709 | 22.4% | 29,082 | 21.8% | 34,867 | 22.2% | +2,157 | +5,784 |
| Fixed assets | 66,429 | 45.4% | 65,935 | 49.5% | 68,223 | 43.5% | +1,794 | +2,287 |
| Property, plant and equipment | 26,178 | 17.9% | 26,864 | 20.2% | 27,318 | 17.4% | +1,139 | +453 |
| Intangible assets | 15,534 | 10.6% | 14,683 | 11.0% | 15,466 | 9.9% | ▲67 | +782 |
| Goodwill | 3,216 | 2.2% | 2,673 | 2.0% | 2,652 | 1.7% | ▲563 | ▲21 |
| Investments and other assets | 24,716 | 16.9% | 24,387 | 18.3% | 25,438 | 16.2% | +722 | +1,051 |
| Total assets | 146,276 | 100.0% | 133,108 | 100.0% | 157,006 | 100.0% | +10,729 | +23,897 |
| Liabilities | 69,477 | 47.5% | 55,908 | 42.0% | 74,877 | 47.7% | +5,400 | +18,969 |
| Loans payable | 6,000 | 4.1% | - | - | 9,000 | 5.7% | +3,000 | +9,000 |
| Net assets | 76,799 | 52.5% | 77,200 | 58.0% | 82,128 | 52.3% | +5,329 | +4,928 |
| Treasury shares | ▲ 5,627 | ▲3.8% | ▲ 5,627 | ▲4.2% | ▲ 6,098 | ▲3.9% | ▲470 | ▲470 |

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# Number of Stores and Revised plan

and ST HD

| | FY2025/02 | | FY2026/02 3Q | | | | Compared with the end of 2025/02 3Q | FY2026/02 Plan |
|---|---|---|---|---|---|---|---|---|
| | End of FY2025/02 3Q | End of FY2025/02 | Opened | Changed | Closed | End of 3Q | | End of FY2026/02 |
| GLOBAL WORK | 218 | 216 | 10 | 0 | ▲ 1 | 225 | 7 | 228 |
| niko and ... | 145 | 145 | 2 | 0 | 0 | 147 | 2 | 147 |
| LOWRYS FARM | 126 | 125 | 3 | 0 | ▲ 1 | 127 | 1 | 127 |
| studio CLIP | 187 | 187 | 2 | 0 | ▲ 1 | 188 | 1 | 189 |
| LEPSIM | 115 | 115 | 6 | 0 | 0 | 121 | 6 | 119 |
| LAKOLE | 89 | 91 | 9 | 0 | ▲ 1 | 99 | 10 | 99 |
| JEANASIS | 69 | 69 | 1 | 0 | ▲ 2 | 68 | ▲ 1 | 68 |
| BAYFLOW | 64 | 62 | 2 | 0 | 0 | 64 | 0 | 64 |
| Others *1 | 284 | 270 | 15 | 23 | ▲ 14 | 294 | 10 | 286 |
| **Adastria non-consolidated total (Online store included)** | **1,297 (67)** | **1,280 (65)** | **50 (0)** | **23 (3)** | **▲ 20 (▲ 3)** | **1,333 (65)** | **36 (▲ 2)** | **1,327 (65)** |
| **Domestic subsidiaries total *2 (Online store included)** | 150 (62) | 135 (48) | 13 (4) | ▲ 20 (0) | ▲ 4 (▲ 3) | 124 (49) | ▲ 26 (▲ 13) | **125 (49)** |
| **Japan total (Online store included)** | **1,447 (129)** | **1,415 (113)** | **63 (4)** | **3 (3)** | **▲ 24 (▲ 6)** | **1,457 (114)** | **10 (▲ 15)** | **1,452 (114)** |
| Mainland China | 13 | 14 | 2 | 0 | ▲ 1 | 15 | 2 | 17 |
| Hong Kong | 29 | 29 | 3 | 0 | 0 | 32 | 3 | 31 |
| Taiwan | 75 | 81 | 18 | 0 | ▲ 2 | 97 | 22 | 98 |
| Thailand | 3 | 3 | 2 | 0 | 0 | 5 | 2 | 5 |
| The Philippines | - | 1 | 0 | 0 | 0 | 1 | 1 | 1 |
| USA *3 | 10 | 11 | 1 | ▲ 11 | ▲ 1 | - | ▲ 10 | - |
| **Oversea total (Online store included)** | **130 (26)** | **139 (28)** | **26 (0)** | **▲ 11 (▲ 1)** | **▲ 4 (▲ 2)** | **150 (25)** | **20 (▲ 1)** | **152 (25)** |
| zetton | 75 | 76 | 2 | 0 | ▲ 4 | 74 | ▲ 1 | 74 |
| **Consolidated total (Online store included)** | **1,652 (155)** | **1,630 (141)** | **91 (4)** | **▲ 8 (2)** | **▲ 32 (▲ 8)** | **1,681 (139)** | **29 (▲ 16)** | **1,678 (139)** |

FY2026/2 3Q 24 remodeled stores in the consolidated group.

*1： Stores of TODAY'S SPEACIAL CO., Ltd. which had been included in the total of domestic subsidiaries until FY2025/02, will be included in "Others"
*2： Starting in FY2026/02 1Q, 3 stores of KARRIMOR which was acquired were listed under "Changed"
*3： The "Changed " in the revised plan for USA is due to the withdrawal from the USA. business.

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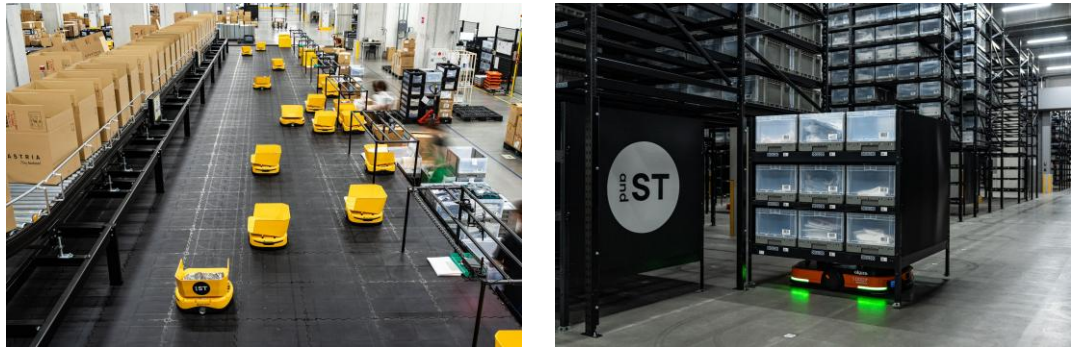
## Establishing a global value chain to achieve Medium-Term Management Plan 2030

- Controlling logistics costs through DX and detailed operations review, from upstream to downstream, to achieve overall value chain optimization.
- Planning to implement reorganization of seven locations in six areas at present as we expand logistics capacity to support scale, including the *and ST* open platform, and mechanize/streamline warehouse operations to address the coming labor shortages.
- Planning to establish new e-commerce distribution center in 2027 to scale logistics capacity for platform business expansion.

  - July 2025 Began mechanization of retail store logistics at the Joso Distribution Center
  - August 2025 New Nishinomiya North DC (mechanization scheduled to be completed in July 2026)
  - FY2026/02 Sale of Fukuoka DC
  - May 2027 New e-commerce distribution center (tentative)




Mechanization at the Joso Distribution Center

Nishinomiya Distribution Center (new)

## Launch of apparel logistics study group, studying potential for joint deliveries

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## Revised sustainability statement, new human rights and environmental policies

- The and ST HD Group declared our corporate stance and intentions regarding sustainability.
- Developed a value chain-wide approach to the environment and human rights in accordance with global standards; now pursuing initiatives to address issues.

## New target for percentage of women in management positions

- Established a new 2030 target the percentage of women in management positions in the and ST HD Group; expanding the scope to include domestic and international group entities; updated to even more aspirational targets

**New Targets for the and ST HD Group in Japan and Overseas**

and ST HD

**By the fiscal year ended February 2030**

Percentage of senior managers **30%**

Percentage in management positions **50%**

URL for viewing the sustainability statement
https://www.andst-hd.co.jp/English/sustainability/

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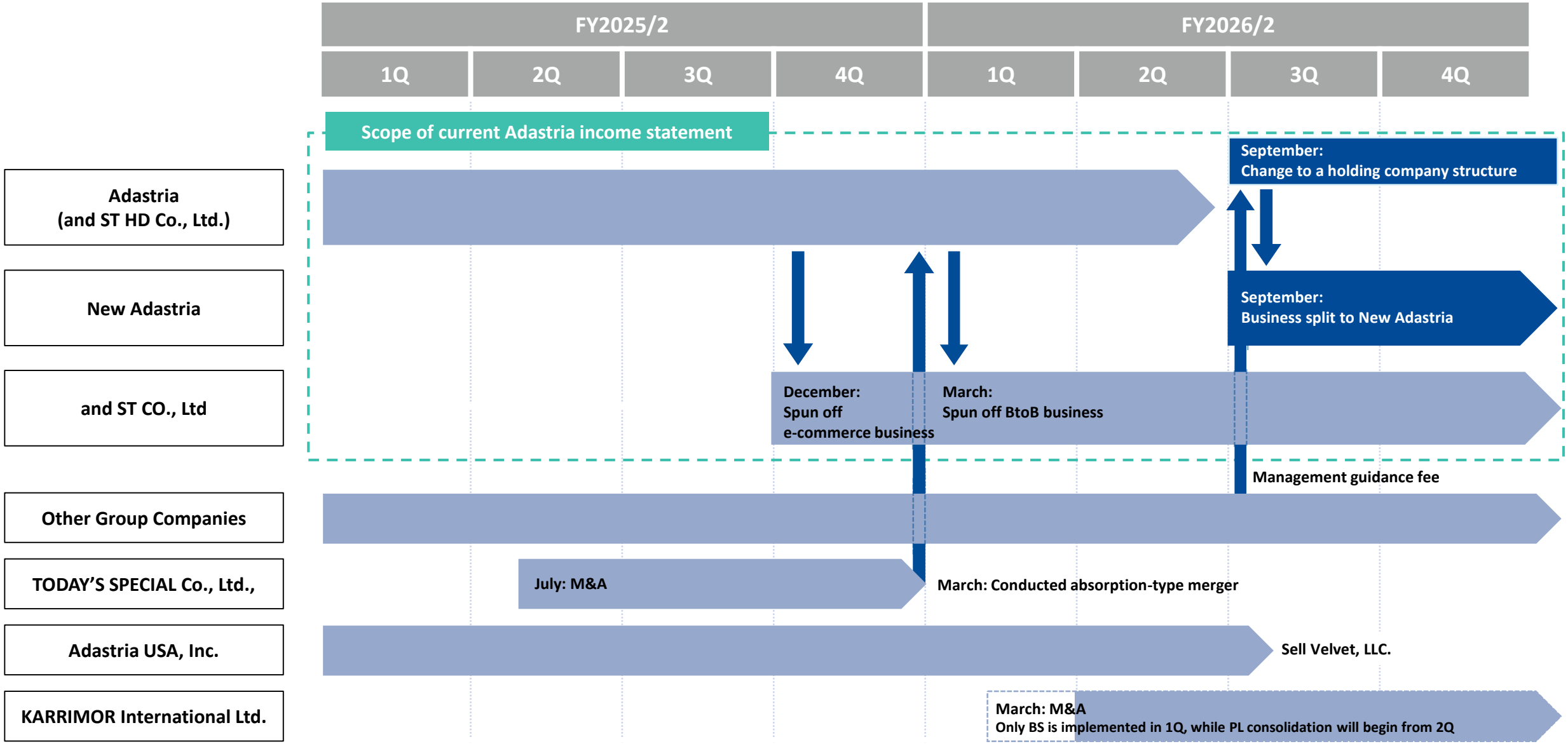
# Changes in the Reporting Scope by Company and Business

and ST HD

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# 4. FY2026/02 Consolidated Forecast

Disclosed on December 29, 2025

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## Initial full-year forecast remains unchanged

- Aiming to gauge 4Q trends despite a more challenging outlook for the full-year forecast
- Expecting to record extraordinary income of approximately 3.4 billion yen following the completion of the sale of the Fukuoka Logistics Center on December 24
- We plan to terminate FOUND GOOD wholesales and the FOREVER 21 business during this fiscal year; impact on business performance should be immaterial

(Millions of yen)

| | FY2025/02 Results | FY2026/02 Forecast | |
|---|---|---|---|
| | | | YoY |
| Net sales | 293,110 | 305,000 | 104.1% |
| Gross profit | 160,282 | 170,000 | 106.1% |
| Gross profit margin | 54.7% | 55.7% | +1.0p |
| SG&A expenses | 144,771 | 151,000 | 104.3% |
| SG&A expenses ratio | 49.4% | 49.5% | +0.1p |
| Operating profit | 15,510 | 19,000 | 122.5% |
| Operating margin | 5.3% | 6.2% | +0.9p |
| Ordinary profit | 15,964 | 19,000 | 119.0% |
| Ordinary income margin | 5.4% | 6.2% | +0.8p |
| Net income attributable to owners of the parent | 9,614 | 12,400 | 129.0% |
| Ratio of net income attributable to owners of the parent | 3.3% | 4.1% | +0.8p |
| ROE | 13.1% | 15.3% | +2.2p |
| EBITDA | 26,692 | 30,260 | 113.4% |
| Depreciation and amortization | 10,785 | 10,850 | 100.6% |
| Amortization of goodwill | 395 | 410 | 103.8% |

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# Investment Plan

and ST HD

| Investment Category | FY2025/02 plan | FY2025/02 actual | FY2025/02 review | FY2026/02 Plan | FY2026/02 Main Uses |
|---|---|---|---|---|---|
| Domestic Store Development | 6.5 billion yen | 6.5 billion yen | Progress generally in line with plans | 7.0 billion yen | new stores for a focused brand and for and Store |
| System | 3.8 billion yen | 3.8 billion yen | Even though progress was generally in line with plans, controlled by efficiency improvement | 3.6 billion yen | Strengthen Adastria EC website, investments related to data analysis, infrastructure and security |
| Oversea Store Development | 1.7 billion yen | 0.8 billion yen | Unspent due to postponement of store opening in Taiwan, while other investments were in line with plans | 1.9 billion yen | New stores in Hong Kong, Taiwan and South East Asia |
| Other | 1.8 billion yen | 1.3 billion yen | Progress generally in line with plans | 2.1 billion yen | Distribution center, offices, etc. |
| Total | 13.8 billion yen | 12.4 billion yen | | 14.6 billion yen | |

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# Play fashion!