

# FY2026/02 Financial Results

April 6, 2026

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# 1. FY2026/02 Overview

Group Executive Officer Masatake Hayashi

## Overview

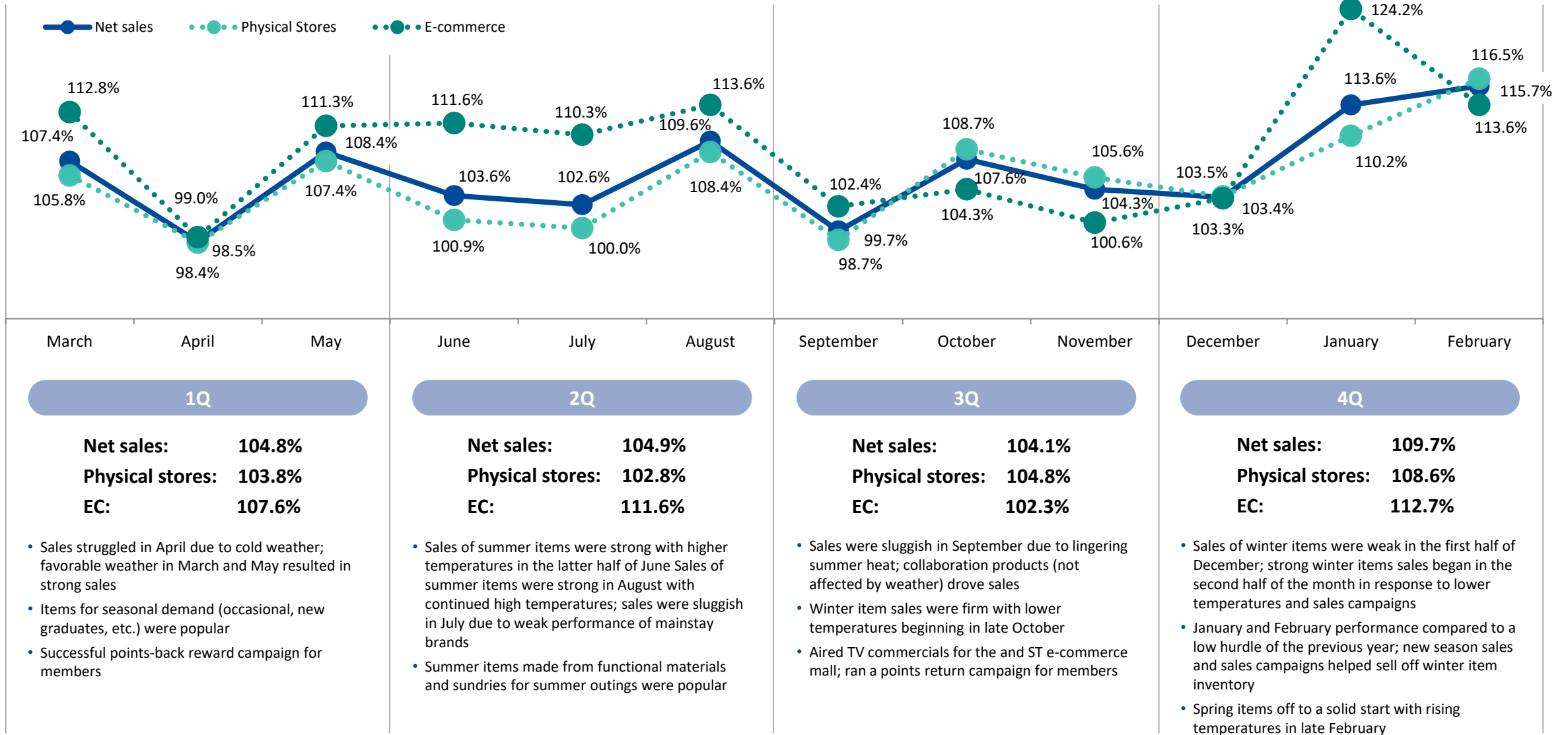
Record net sales and operating income growth due to cost controls, even while facing headwinds from weather and a weakening yen  
 Net sales were largely in line with forecasts; however, profit fell short of expectations

(Millions of yen)

	FY2025/02 Results		FY2026/02 Results		
		Ratio		Ratio	YoY
<b>Net sales</b>	293,110	100.0%	304,351	100.0%	103.8%
<b>Gross profit</b>	160,282	54.7%	166,108	54.6%	103.6%
<b>SG&amp;A expenses</b>	144,771	49.4%	149,583	49.1%	103.3%
Advertising & promotion	8,514	2.9%	9,194	3.0%	108.0%
Personnel	53,003	18.1%	53,529	17.6%	101.0%
Rent & depreciation *	52,027	17.8%	55,682	18.3%	107.0%
Others	31,225	10.7%	31,176	10.2%	99.8%
<b>Operating profit</b>	15,510	5.3%	16,524	5.4%	106.5%
<b>Ordinary profit</b>	15,964	5.4%	16,827	5.5%	105.4%
<b>Net income attributable to owners of the parent</b>	9,614	3.3%	9,498	3.1%	98.8%
<b>EBITDA</b>	26,692	9.1%	28,939	9.5%	108.4%
Depreciation and amortization	10,785	3.7%	11,971	3.9%	111.0%
Amortization of goodwill	395	0.1%	443	0.1%	112.0%

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

## Adastria(Non-consolidated) Monthly sales All Stores YoY



Net sales were generally in line with plan for each business, compensating for struggles among mainstay brands and the termination of certain businesses

Gross profit margin fell short of plan due to inventory discounting, even though mark-ups and the composition ratio of highly profitable businesses improved

## Net Sales

**304.3 billion yen** (+3.8% YoY)

- Platform Business** **14.0 billion yen**  
\*before elimination

External brand participation on and ST increased steadily  
Mainland China and Taiwan performed well; Hong Kong and Southeast Asia saw higher sales
- Global Business** **23.8 billion yen**

Completed withdrawal from the U.S. in July 2025
- Brand Retail Business** **279.8 billion yen**  
\*before elimination

Strong brands drove sales increases, despite weather challenges  
All domestic group companies continued to grow

## Gross profit margin

**54.6%** (-0.1p YoY)

- Positive factors : Improved markups from a cost reduction initiatives;  
higher e-commerce sales through the open platform; downsizing of the wholesale business
- Negative factors: Inventory clearance discounts; increase in points granted;

Efforts to improve efficiency at stores and headquarters led to improved personnel expense ratio; controlled SG&A expenses as a whole to levels below plan; operating income rose, but failed to meet plan

Impairment loss on goodwill, stores, etc., recorded as extraordinary losses

## SG&A expense ratio

**49.1 %** (▲0.3p YoY)

- Advertising expenses**      **3.0 %** (+0.1p YoY) (+680 million yen)      an television advertisements to expand awareness of *and ST*
- Personnel**                      **17.6 %** (▲0.5p YoY) (+520 million yen)      Even after upgrading wages, ratio improved due to better utilization management, etc.
- Rent & depreciation**      **18.3 %** (+0.5p YoY) (+3650 million yen)      New flagship and growth in e-commerce owned by other companies, depreciation of systems, etc
- Others**                              **10.2 %** (▲0.5p YoY) (▲40 million yen)      Decreased numerically and by ratio with the withdrawal from the U.S. and a reallocation of funds to capital expenditures due to increased sales through other e-commerce platforms

## Operating profit

**16.5 billion yen** (+6.5% YoY)

Operating income ratio : 5.4%      EBITDA : 9.5%

## Ordinary profit

**16.8 billion yen** (+5.4% YoY)

### Non-Operating income

Foreign exchange profit of 200million yen, Interest expenses 310million yen

## Net income

**9.4 billion yen** (-1.2% YoY)

Extraordinary Profit : Sale of Fukuoka distributor center of 3.4 billion yen

Extraordinary Losses : Impairment of goodwill and intangible assets of 2.5 billion yen,  
Impairment of store assets of 1.1 billion yen

- Increased consolidated sales but decreased profit 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 5% (excluding the impact of one company added through M&A and two companies reduced through absorption mergers)
- Overseas group company sales increased 17% (excluding the impact of the U.S. withdrawal)
- The effective increase in sales for zetton (food service) on a 12-month basis (compared to 13 months in the previous year; due to fiscal year change) amounted to 4.0%; company swung to a net profit

(Millions of yen)

	FY2025/02 Results		FY2026/02 Results		
		Ratio		Ratio	YoY
<b>Net sales</b>	293,110	100.0%	304,351	100.0%	103.8%
New Adastria+AST+HD <sup>*1</sup>	231,464	79.0%	242,718	79.7%	104.9%
Domestic subsidiaries <sup>*2</sup>	27,603	9.4%	27,326	9.0%	99.0%
Overseas subsidiaries <sup>*3</sup>	23,920	8.2%	23,858	7.8%	99.7%
zetton (Food & Beverage Subsidiary) <sup>*4</sup>	14,606	5.0%	14,759	4.8%	101.0%
Consolidation adjustment	▲ 4,483	-1.5%	▲ 4,311	-1.4%	96.1%
<b>Operating profit (Excl. HD Impact)</b>	15,510	5.3%	16,524	5.4%	106.5%
New Adastria+AST+HD <sup>*1</sup>	14,306	4.9%	12,951	4.3%	90.5%
Domestic subsidiaries <sup>*2</sup>	1,346	0.5%	2,203	0.7%	163.6%
Overseas subsidiaries <sup>*3</sup>	535	0.2%	1,388	0.5%	259.1%
zetton (Food & Beverage Subsidiary) <sup>*4</sup>	▲ 411	-0.1%	23	0.0%	-
Consolidation adjustment	▲ 265	-0.1%	▲ 42	0.0%	-

\*1: Figures in FY2025/02 reflect adjustments for intercompany eliminations between Adastria and and ST Co., Ltd., and are presented on the same basis as FY2024/02.

Figures in FY2026/02 reflect adjustments for intercompany eliminations between and ST Co., Ltd., Adastria, and and ST HD 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 Dec.2025)

\*4: Net Sales and operating profit of zetton, inc. is shown after consolidation adjustments. Due to change in financial year, Feb-Feb (FY2025/02) and Mar-Feb(FY2026/02)

- Sales increased due to more new store openings, M&A, and platform business; sales at existing stores rose year on year as well
- Sales underperformed plan due to low temperatures in April and lingering heat in September, struggles at GLOBAL WORK, and lower wholesale sales
- Gross profit margin declined year on year due to inventory discounting, despite an improvement in mark-ups
- Controlled SG&A expenses better than plan; however, profit was lower due to higher facility costs, holding company expenses, and goodwill related to a subsidiary that was absorbed

(Millions of yen)

	FY2025/02 Results	FY2026/02 Results	
			YoY
<b>Net sales</b> <sup>*1</sup>	231,464	242,718	104.9%
(Total stores YoY w/o Wholesale) <sup>*2</sup>	104.2%	105.9%	-
(Same stores YoY) <sup>*2</sup>	101.5%	102.1%	-
<b>Gross profit</b>	122,637	128,156	104.5%
Gross margin	53.0%	52.8%	▲ 0.2p
<b>SG&amp;A expenses</b>	108,330	115,204	106.3%
SG&A ratio	46.8%	47.5%	+0.7p
<b>Operation profit</b>	14,306	12,951	90.5%
Operation margin	6.2%	5.3%	▲ 0.9p
<b>Ordinary profit</b>	15,342	14,545	94.8%
Ordinary margin	6.6%	6.0%	▲ 0.6p

\*1: Figures exclude sales eliminated from other group companies arising from the transition to a holding company structure.

\*2: Based on monthly releases

- **Mainland China** Sales increased and the operating loss significantly narrowed due to strong e-commerce performance
- **Hong Kong** Sales increased but profit decreased due to slow sales of summer items caused by weather and voluntary restraints on sales promotions in December due to a large-scale fire

- **Taiwan** Sales and profit increased, along with continued new store openings and brand launches
- **Thailand** Sales increased due to the launch of three 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 Results	FY2025/12 Results			
				YoY (JPY)	YoY (Local currency)
<b>Net sales</b>	23,920	23,858	99.7%	99.9%	
Mainland China <sup>*1</sup>	4,268	5,062	118.6%	120.1%	
Hong Kong	4,756	4,820	101.3%	102.6%	
Taiwan	7,518	9,413	125.2%	122.9%	
Thailand	355	518	145.9%	137.6%	
The Phillipines	25	143	568.3%	574.8%	
USA <sup>*2</sup>	6,995	3,900	55.7%	56.4%	
<b>Operating profit <sup>*1</sup></b>	535	1,388	259.1%	245.3%	
Mainland China*1	▲ 486	▲ 126	-	-	
Hong Kong	444	210	47.3%	47.9%	
Taiwan	1,470	1,816	123.5%	121.3%	
Thailand	▲ 117	▲ 138	-	-	
The Phillipines	▲ 46	▲ 79	-	-	
USA <sup>*2</sup>	▲ 727	▲ 292	-	-	

\*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.

- **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
- **Adastia** GLOBAL WORK trended toward recovery after struggles in the first half; continuing to make adjustments to merchandising  
Performance for niko and ... , LOWRYS FARM, studio CLIP, and LEPSIM remained strong, while LAKOLE continued store expansion
- ◆ **Online Business (Domestic)** Domestic online business ratio: 28.8% (of which and ST EC site: approx. 14.6%)

		Net Sales (Millions of yen)*			Stores	
		FY2025/02 Results	FY2026/02 Results	YoY	End of FY2025/02	End of FY2026/02
Domestic Subsidiaries	ELEMENT RULE	12,641	13,781	109.0%	78	81
	BUZZWIT	12,277	12,562	102.3%	28	28
Adastia	GLOBAL WORK	52,660	53,842	102.2%	216	226
	niko and ...	35,902	37,850	105.4%	145	147
	LOWRYS FARM	22,738	24,249	106.6%	125	128
	studio CLIP	22,883	23,918	104.5%	187	188
	LEPSIM	14,888	17,230	115.7%	115	119
	LAKOLE	12,673	14,165	111.8%	91	100
	JEANASIS	11,695	11,625	99.4%	69	68
	BAYFLOW	11,288	10,998	97.4%	62	64

\*Figures is shown after elimination of internal transactions.

- **Inventories** Increased 5.0% year on year. Appropriate levels given spring/summer merchandise in domestic businesses, M&A, and overseas business
- **Property, plant and equipment** Decreased due to sale of Fukuoka Distribution Center
- **Intangible assets** Decreased due to goodwill impairment
- **Net assets** Net asset ratio of 58.6%, +0.6p YoY

(Millions of yen)

	End of 2025/02		End of 2026/02			
		Ratio		Ratio	Compared with the end of 2025/02	
Current assets	67,173	50.5%	77,644	55.6%	+10,471	115.6%
Cash and deposits	21,143	15.9%	24,912	17.8%	+3,769	117.8%
Inventories	29,082	21.8%	30,526	21.9%	+1,443	105.0%
Fixed assets	65,935	49.5%	62,043	44.4%	▲ 3,891	94.1%
Property, plant and equipment	26,864	20.2%	24,727	17.7%	▲ 2,136	92.0%
Intangible assets	14,683	11.0%	12,579	9.0%	▲ 2,103	85.7%
Goodwill	2,673	2.0%	566	0.4%	▲ 2,107	21.2%
Investments and other assets	24,387	18.3%	24,736	17.7%	+348	101.4%
Total assets	133,108	100.0%	139,688	100.0%	+6,579	104.9%
Liabilities	55,908	42.0%	57,864	41.4%	+1,956	103.5%
Loans payable	-	-%	-	-%	-	-%
Net assets	77,200	58.0%	81,823	58.6%	+4,623	106.0%
Treasury shares	▲ 5,627	▲ 4.2%	▲ 6,098	▲ 4.4%	▲ 471	-

	FY2025/02		FY2026/02							
	End of FY2025/02		Opened	Changed	Closed	End of FY2026/02				
GLOBAL WORK	216		14	0	▲ 4	226				
niko and ...	145		2	0	0	147				
LOWRYS FARM	125		4	0	▲ 1	128				
studio CLIP	187		4	0	▲ 3	188				
LEPSIM	115		6	0	▲ 2	119				
LAKOLE	91		11	0	▲ 2	100				
JEANASIS	69		1	0	▲ 2	68				
BAYFLOW	62		2	0	0	64				
Others *1	270		16	23	▲ 26	283				
<b>Adastria non-consolidated total (Online store included)</b>	<b>1,280</b>	<b>(65)</b>	<b>60</b>	<b>(0)</b>	<b>23</b>	<b>(3)</b>	<b>▲ 40</b>	<b>(▲ 6)</b>	<b>1,323</b>	<b>(62)</b>
<b>Domestic subsidiaries total *2 (Online store included)</b>	<b>135</b>	<b>(48)</b>	<b>13</b>	<b>(4)</b>	<b>▲ 20</b>	<b>(0)</b>	<b>▲ 7</b>	<b>(▲ 3)</b>	<b>121</b>	<b>(49)</b>
<b>Japan total (Online store included)</b>	<b>1,415</b>	<b>(113)</b>	<b>73</b>	<b>(4)</b>	<b>3</b>	<b>(3)</b>	<b>▲ 47</b>	<b>(▲ 9)</b>	<b>1,444</b>	<b>(111)</b>
Mainland China	14		5	0	▲ 1				18	
Hong Kong	29		5	0	▲ 2				32	
Taiwan	81		19	0	▲ 2				98	
Thailand	3		3	0	0				6	
The Philippines	1		2	0	0				3	
USA *3	11		1	▲ 11	▲ 1				-	
Malaysia	-		-	-	-				-	
<b>Overseas total (Online store included)</b>	<b>139</b>	<b>(28)</b>	<b>35</b>	<b>(4)</b>	<b>▲ 11</b>	<b>(▲ 1)</b>	<b>▲ 6</b>	<b>(▲ 2)</b>	<b>157</b>	<b>(29)</b>
zetton	76		3	0	▲ 6				73	
<b>Consolidated total (Online store included)</b>	<b>1,630</b>	<b>(141)</b>	<b>111</b>	<b>(8)</b>	<b>▲ 8</b>	<b>(2)</b>	<b>▲ 59</b>	<b>(▲ 11)</b>	<b>1,674</b>	<b>(140)</b>

FY2027/02 Plan					
Opened	Closed	End of FY2027/02			
12	▲ 1	237			
5	0	152			
4	0	132			
3	▲ 1	190			
10	▲ 2	127			
10	0	110			
1	▲ 4	65			
5	▲ 2	67			
10	▲ 20	273			
<b>60</b>	<b>(0)</b>	<b>▲ 30</b>	<b>(0)</b>	<b>1,353</b>	<b>(62)</b>
<b>6</b>	<b>(2)</b>	<b>▲ 1</b>	<b>(0)</b>	<b>126</b>	<b>(51)</b>
<b>66</b>	<b>(2)</b>	<b>▲ 31</b>	<b>(0)</b>	<b>1,479</b>	<b>(113)</b>
10	▲ 1	27			
7	0	39			
17	▲ 1	114			
4	0	10			
5	0	8			
-	-	-			
1	0	1			
<b>44</b>	<b>(1)</b>	<b>▲ 2</b>	<b>(0)</b>	<b>199</b>	<b>(30)</b>
5	▲ 4	74			
<b>115</b>	<b>(3)</b>	<b>▲ 37</b>	<b>(0)</b>	<b>1,752</b>	<b>(143)</b>

FY2026/2 40 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.

**FY2026/02 4.7 billion yen****● Impairment of goodwill and intangible fixed assets (¥2.5 billion)**

Posted impairment losses of 2.3 billion yen in goodwill and intangible assets related to TODAY'S SPECIAL, acquired in 2024 (now merged into Adastria).

The two brands under management (TODAY'S SPECIAL and GEORGE'S) continue to show potential. The variance to initial plan at the time of acquisition will be short term due to a delay in the pace of new store openings

**● Impairment of store assets (¥1.1 billion)**

Posted impairment losses on large-scale locations, including impairment losses of 240 million yen for one GLOBAL WORK store and 300 million yen in total for two zetton locations

**● Loss on sales of shares of subsidiaries and affiliates (¥0.69 billion)**

Posted loss on sale of shares of affiliated companies due to transfer of equity interest in Velvet LLC in the U.S

**FY2027/02 1.7 billion yen****● Special service payment to retiring directors (¥1.2 billion)**

We plan to make a special payment to two directors (Mr. Michio Fukuda and Mr. Osamu Kimura), who are scheduled to retire; we will propose the payment at the annual general meeting of shareholders scheduled for May 2026.

Nomination and Compensation Advisory Committee discussed the payment based on the achievements made during the individuals' terms of office.

## ■ Aiming for continued sales and profit growth based on solid sales growth and improved gross profit margin

- **Net sales** Assuming steady demand for fashion, planning for sales growth supported by new store openings in Japan and overseas and the open platforming of *and ST*, which should combine to absorb businesses terminated during the previous fiscal year
- **Gross profit margin** Expecting improvement due to more accurate inventory control and the curbing of discounts by strengthening physical stores to offset yen depreciation in the second half of the previous fiscal year
- **Operating profit** Operating profit margin to improve, despite an increase in SG&A expenses stemming from increased personnel expenses resulting from improved wages
- **Net income** Expecting an increase, despite plans to post an extraordinary loss of 1.2 billion yen in special service payment as a one-time expense

(Millions of yen)

	FY2026/02 Results	FY2027/02	
		Forecast	YoY
Net sales	304,351	314,000	103.2%
Gross profit	166,108	172,850	104.1%
Gross profit margin	54.6%	55.0%	+0.4p
SG&A expenses	149,583	155,650	104.1%
SG&A expenses ratio	49.1%	49.6%	+0.5p
Operating profit	16,524	17,200	104.1%
Operating margin	5.4%	5.5%	+0.1p
Ordinary profit	16,827	17,200	102.2%
Ordinary income margin	5.5%	5.5%	+0.0p
Net income attributable to owners of the parent	9,498	10,500	110.5%
Ratio of net income attributable to owners of the parent	3.1%	3.3%	+0.2p
ROE	12.0%	12.4%	+0.4p
EBITDA	28,939	27,880	96.3%
Depreciation and amortization	11,971	10,500	87.7%
Amortization of goodwill	443	180	40.6%

■ Investing for medium- to long-term growth while assessing return on investment

Investment Category	FY2026/02			FY2027/02	
	Plan	Actual	Review	Plan	Main Uses
Domestic Store Development	7.0 Billion yen	7.1 Billion yen	Progress generally in line with plans	7.0 Billion yen	New stores of ra focused brand
System	3.6 Billion yen	3.3 Billion yen	Even though progress was generally in line with plans, controlled by efficiency improvement	2.8 Billion yen	Strengthen <i>and ST</i> , investments related to data analysis, infrastructure and security
Oversea Store Development	1.9 Billion yen	1.5 Billion yen	Unspent due to postponement of store opening in Taiwan, while other investments were in line with plans	2.2 Billion yen	New stores in Mainland china, Hong Kong, Taiwan and South East Asia
Other	2.1 Billion yen	3.8 Billion yen	Exceeded forecast due to M&A investments, Other was in line with plan	2.2 Billion yen	Mechanization of distribution center, others
Total	14.6 Billion yen	15.7 Billion yen		14.2 Billion yen	

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

FY2026/02 — Dividend of **90 yen**, as forecast

FY2026/02 — Dividend forecast of **90 yen**

	FY2023/02	FY2024/02	FY2025/02	FY2026/02	FY2027/02 (Forecast)
Dividend per share (Yen)	60	85	90	90	<b>90</b>
Interim dividend	(25)	(35)	(35)	(45)	<b>(45)</b>
Total dividend (MM yen)	2,739	3,880	4,211	4,210	<b>4,210</b>
Net profit (consolidated)	7,540	13,513	9,614	9,498	<b>10,500</b>
Dividend payout ratio	36.1%	28.5%	43.1%	43.7%	<b>39.5%</b>
(Excl. One-time extraordinary losses)	-	-	-	(32.7%)	<b>(35.4%)</b>
ROE	13.3%	20.9%	13.1%	12.0%	<b>12.4%</b>
DOE	4.8%	5.9%	5.6%	5.2%	<b>4.9%</b>

\*\*One-time extraordinary losses in FY2026/02 included impairment losses on goodwill and intangible assets and loss on sale of a U.S. subsidiary; FY2027/02 includes special service payment

## 2. New Corporate Structure and Medium-Term Management Plan Progress

Representative Director and President Taiki Fukuda

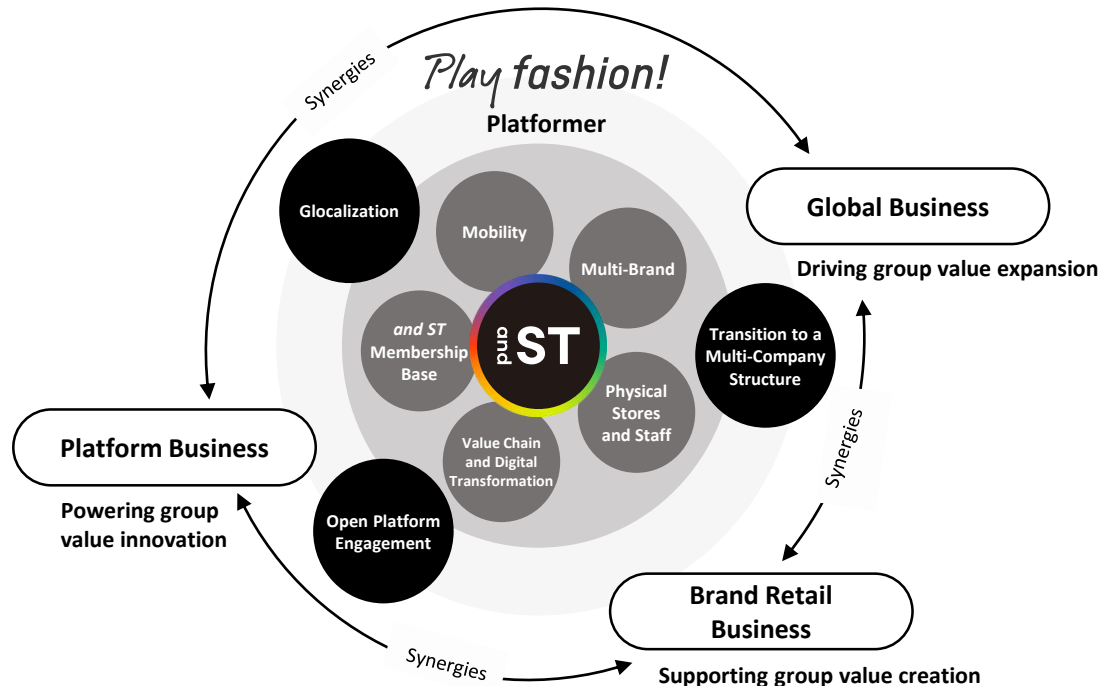
- On September 1, 2025, the Company changed names to and ST HD Co., Ltd., completing the transition to a holding structure
- On March 1, 2026, the Company named a new president and CEO, passing the baton of leadership under the new organization



## ■ Aiming for business structure reform under a new organization to grow as a Play fashion! Platformer built around ID x LTV

### Target for FY2030/02

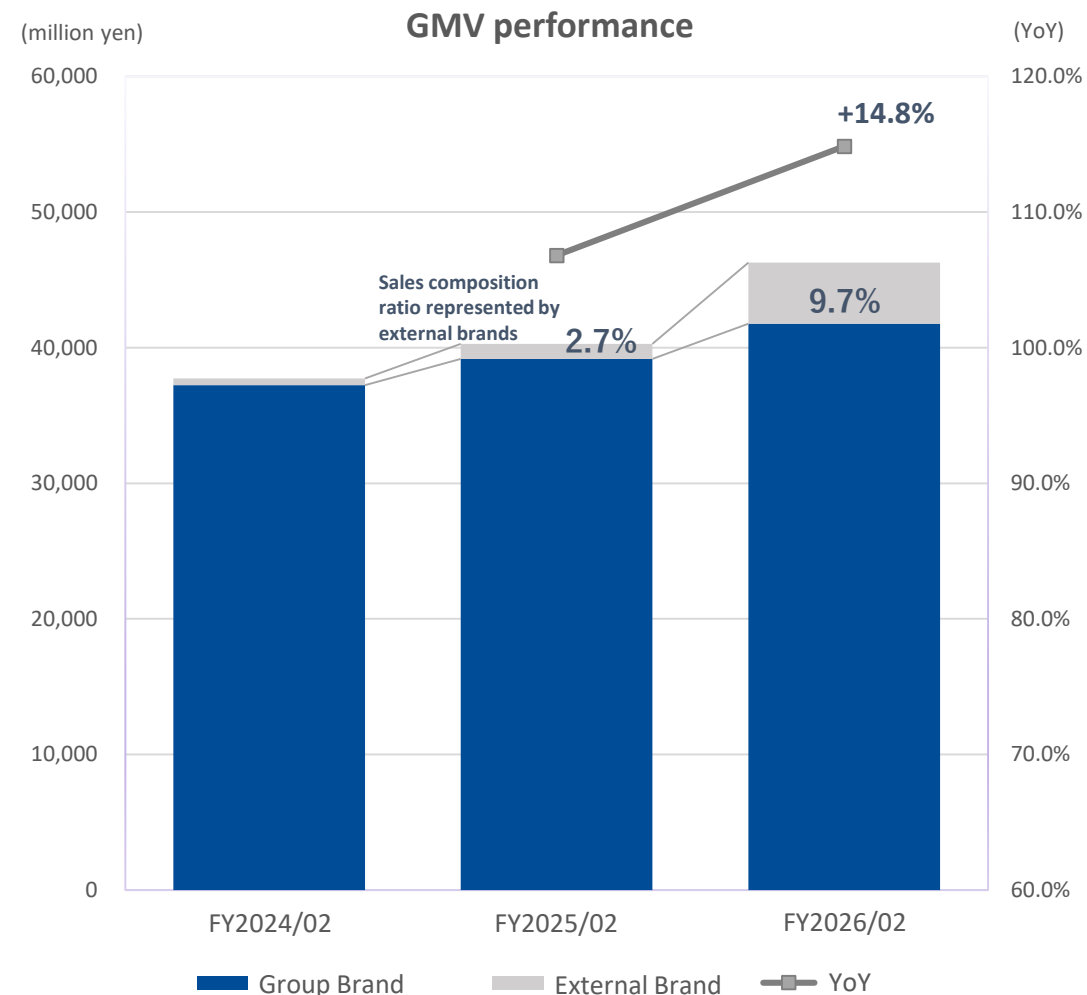
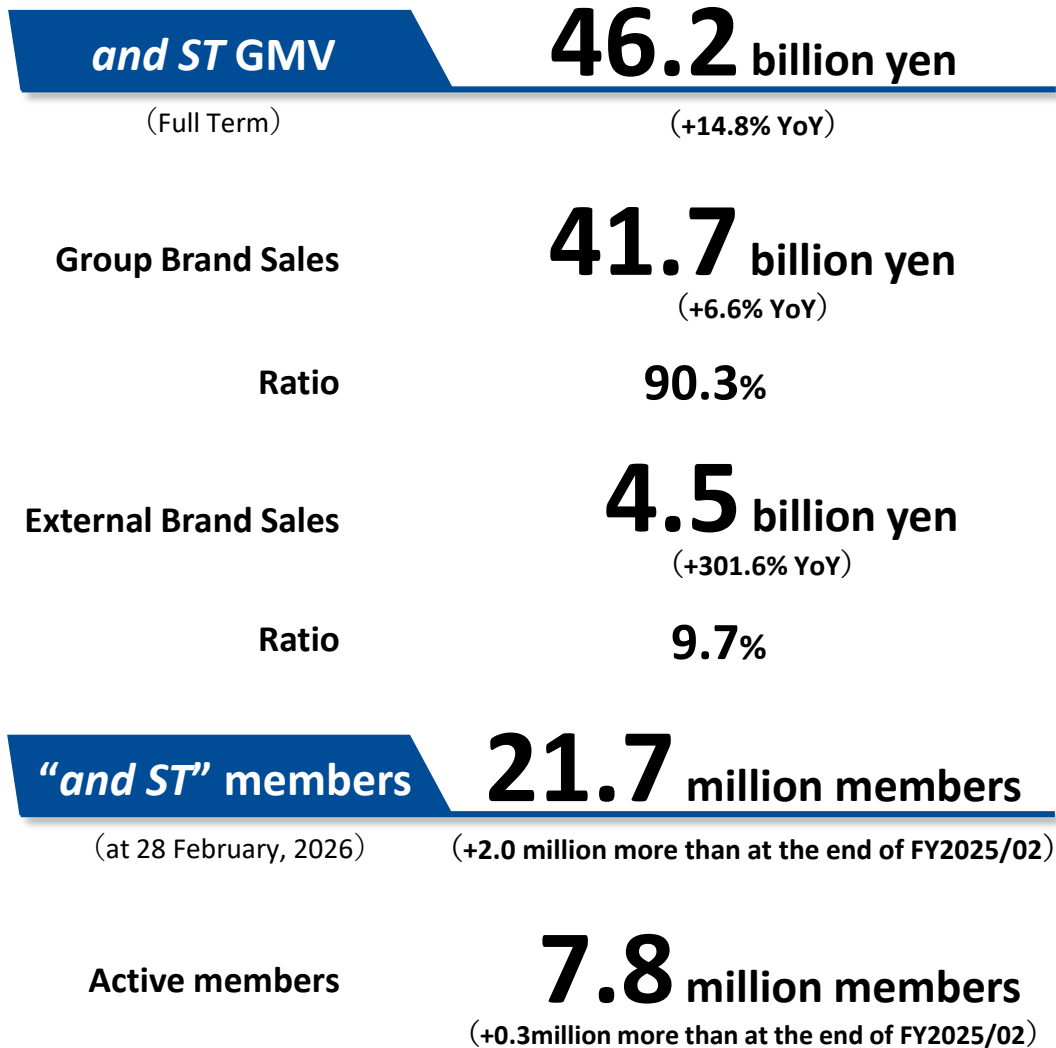
Consolidated Net Sales	GMV (Gross Merchandise Value)	Consolidated Operating Profit Margin
<b>¥400 billion</b>	<b>¥100 billion</b>	<b>8%</b>



### Progress in FY2026/02

<b>Sales · Profit</b>	Sales fell slightly short of plan; profit underperformed plan significantly
<b>Platform Business</b>	<p>The number of participating brands from External Brand increased, and we secured higher results toward all KPIs</p> <ul style="list-style-type: none"> <li>· GMV + 6 billion yen</li> <li>· Members + 1.5 million</li> <li>· Purchase frequency + 0.4 times</li> <li>· Sales composition ratio represented by external brands + 7.0%</li> </ul>
<b>Global Business</b>	Outperformed plan in East Asia, but lagged in opening stores in Southeast Asia
<b>Brand Retail Business</b>	<p>Mainstay brand GLOBAL WORK experienced sluggish growth, but other brands showed signs of growth</p> <ul style="list-style-type: none"> <li>· LEPSIM, HARE posted growth</li> <li>· Focus brands LAKOLE and GEORGE's opened new stores</li> <li>· ELEMENT RULE and BUZZWIT posted steady performance</li> </ul>

■ and ST GMV exceeded plan; targeting 50 billion yen for the current period



- Steady increase in participation from brands outside the Group; more brands expected to join during the current fiscal year

No. of External shops

(at 28 February, 2026)

53 shops

(+26 shops YoY)

Brighte

San-ai Resort  
northerly

Op **FILA**

**Kappa**

DEAN & DELUCA

**kiu**

*Cath Kidston*<sup>®</sup>  
LONDON

**MARY QUANT** 

*agete*

+++  
**NOJESS**

**new balance**

**DIDION**

KANSOSAN

Saborino<sup>o</sup>

 **BEAUTY & YOUTH**  
UNITED ARROWS

*Afternoon Tea*  
LIVING

ADAM ET ROPÉ

**SALON**  
adam et ropé

ROPÉ PICNIC

**VIS**

**ÉPOR**



*Gymphlex*  
ENGLAND

tsumori chisato  
CARRY

*Triumph*

  
*Gready Brilliant*

**BREEZE** après  
les  
cours

## ■ Flagship store and ST TOKYO (opened in April 2025) is performing very well

- Pop up events from External brands participating in our open platform were well-received
- 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
- Leveraging our strengths, we have created new customer contact points in real-world and online channels, which have been well-received by participating companies
- Achieved initial goal for customer traffic (1 million visits per year)



Flagship Store “and ST TOKYO”

## ■ Conducted promotions to communicate the presence and attractiveness of the new and ST

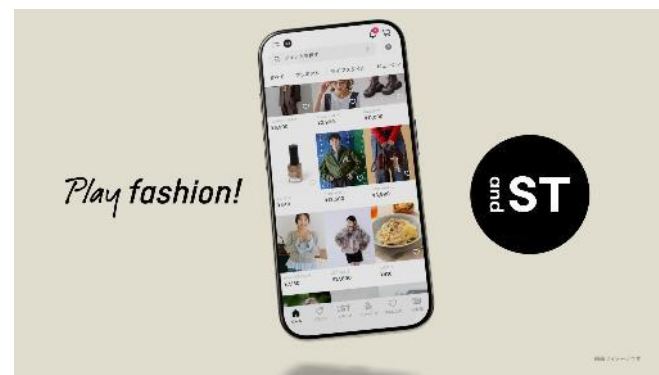
- Launched Aired TV commercials to increase awareness of the platform and accelerate the expansion of brands participating



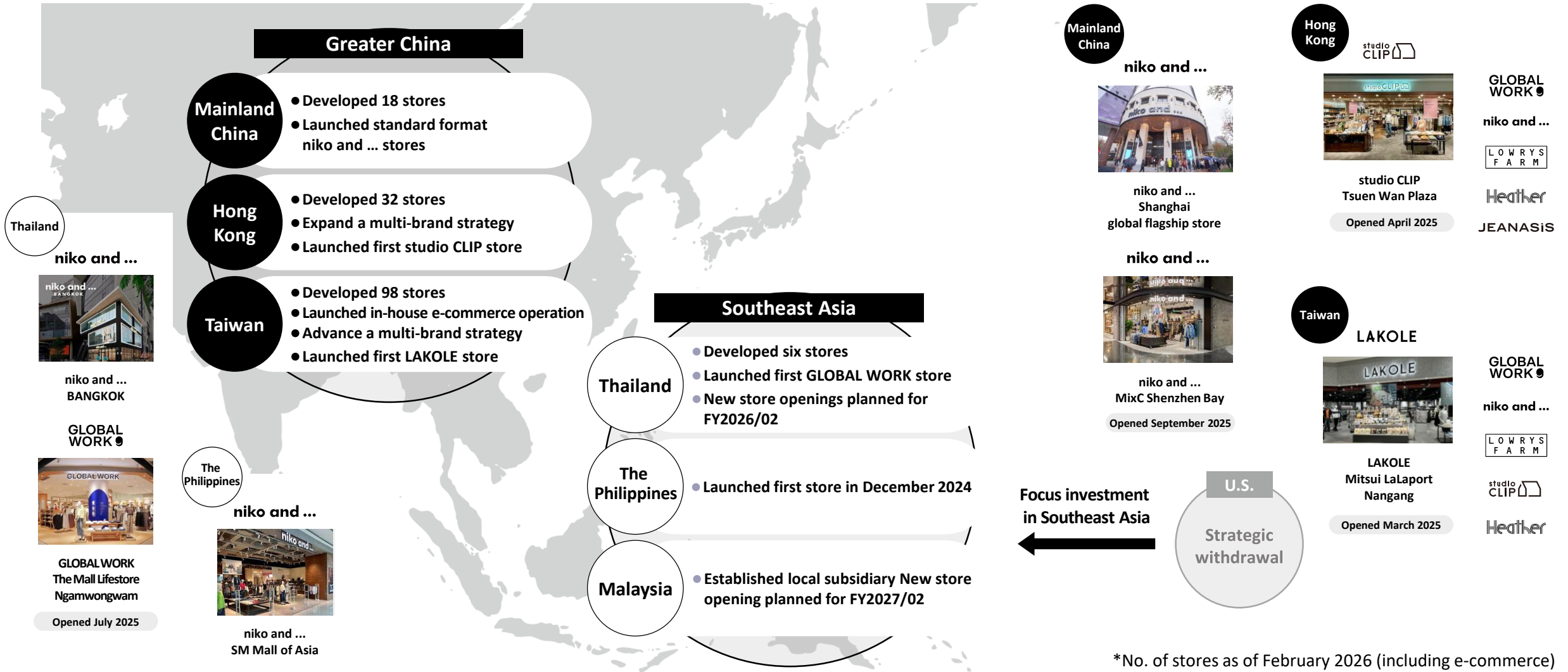
Kappa  
Wellness Club



60%  
Korean brands  
POP UP STORE



Steady growth in Greater China; completed the withdrawal from the U.S. market and now developing markets in Southeast Asia



\*No. of stores as of February 2026 (including e-commerce)

## ■ E-commerce sales grew in mainland China under our cross-channel strategy; planning to swing to a net profit this fiscal year

- Succeeded in our cross-channel strategy to expand awareness to open standard-format stores and link in e-commerce sales; e-commerce sales doubled year on year
- Opened new standard-format stores in Wuhan and Shenzhen in FY2026/02; 15 physical stores in seven areas helping to promote greater brand awareness
- Offering seven brands in China's largest e-commerce mall, T-MALL; considering new areas for expansion

Physical store location area



Brands sold on T-MALL



**GLOBAL WORK**



**niko and ...**



**LOWRYS FARM**



**studio CLIP**



**LAKOLE**



**HARE**



**JEANASIS**

## ■ LEPSIM and HARE performing well; unique strategy has been a success

- LEPSIM continued to grow significantly based on improved purchase frequency from existing customers in response to media posts by popular staff, in addition to product planning that incorporated ongoing trends from the previous period and improved e-commerce strategy; brand staff social media followers increased 1.4 times
- HARE developed products that met season-transition needs, seeing an increase in items purchased Gross profit margin also improved due to strong product performance



LEPSIM: Products produced by popular staff



HARE: Developed products to meet season-transition needs



HARE: Collaboration project with popular manga titles

■ Mainstay brand GLOBAL WORK has been recovering gradually since Q3, and we are addressing issues

- Growth stagnated in the first half of the year due to sluggish progress among core products from the previous year and price hikes in prior years
- Gradual improvement beginning with fall/winter stemming from the introduction of entry-priced products and in-store styling
- Developing new mainstay products that incorporate trends, seeking more collaboration projects, and promoting the use of QR (quick-response production)

季節に合わせた機能で大活躍。  
夏から冬までずっとはける!

この  
実売価格で  
**¥3,990**

\\ うれしい機能つき /  
マリンワッシュアップル イージーケア ストレッチ クエストイーター

**33°C**  
日差しから守る  
UVカット

**25°C**  
汗をかいても安心な  
吸水速乾

**18°C**  
寒くてタイツを忍ばせても  
静電気軽減

ニットなのにスウェットのように楽に扱える!?  
いいところ取りの賢いニット。

01 程よい厚みだから  
1枚で着ても、  
寒くなったら重ね着しても。

\\ うれしい機能つき /  
毛玉になりにくい 静電気軽減  
自宅の洗濯機で洗える

こんなに  
方便的に  
**¥3,990**

02 毛玉になりにくい加工と  
静電気軽減加工を  
施しているため  
ノンストレスに着られる。

ドラえもん

GLOBAL WORK

**GENTLE FUTURE**  
Everyday life, made Sukoshi-Fushigi with Doraemon.

©Fujiko-Pro

## ■ ELEMENT RULE saw sales growth across all five brands

- Sales exceeded plan for all brands; high-priced range Curenology and Chaos performed particularly well
- Strengthened original products, focusing on quality and strengthening branding, leading to price discount control and improved gross profit margins.

## ELEMENT RULE

**Chaos**      BARNYARDSTORM




BABYLONE      Curenology      BRILL

## ■ BUZZWIT posted strong sales for major brands

- Main brand apres jour performing well
- Gross profit margin improved due to tighter inventory control
- While growing as a specialized e-commerce business, BUZZWIT opened its first integrated store, BUZZWIT Harajuku, in Laforet HARAJUKU on March 14, offering products from 10 brands



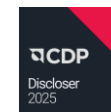
## ■ Progress with activities involving the KPI of Sustainability Initiatives

Materialities	Vision	KPI	Progress
 <p>ENVIRONMENT Protect the Environment</p>	Engage in manufacturing that leads to the future	Incorporate sustainable materials and processing into over 50% of all products by 2030	Percentage of products with our own sustainability mark : 13.1%
	Balance environmental considerations with business activities	Achieve carbon neutrality by 2050	<ul style="list-style-type: none"> <li>Group CO<sub>2</sub> Emissions : -1.4% Y-o-Y (7,671 t-CO<sub>2</sub> reduction)</li> <li>Developed a CO<sub>2</sub> reduction scenario for Scope3</li> <li>Visualization of Product Carbon Footprints</li> </ul>
	Create a world without fashion loss	Eliminate incineration of clothing inventory	<ul style="list-style-type: none"> <li>Continuation of no apparel inventory sent to incinerators</li> <li>Recycle boxes in 193 stores/43 tons of used apparel collected</li> <li>Promote a circular economy through the launch of resale business for collected garments at OFF STORE</li> </ul>
 <p>PEOPLE Encourage People to Shine</p>	Be an organization that is healthy mentally and physically, encouraging employees in their individuality and ability	Ensure 30% of senior management positions are filled by women by 2030, and raise the ratio of women in management positions to 50% or more	<ul style="list-style-type: none"> <li>Percentage of female senior managers : 20.0%</li> <li>Percentage of female managers : 35.5%</li> <li>*as the number of the February 2026, Domestic Group Results(Excluding Karrimor)</li> </ul>
		Become a White 500 Certified Health & Productivity Management Outstanding Company	<ul style="list-style-type: none"> <li>Certificated as 2025 Health &amp; Productivity Management Outstanding Company for the third consecutive year</li> </ul>
 <p>COMMUNITY Grow Together With Communities</p>	Foster sustainable development in production areas	Strengthen partnerships with suppliers and enhance supply chain transparency	<ul style="list-style-type: none"> <li>Expand the scope and items of supplier list publication                             <ul style="list-style-type: none"> <li>- 47 direct trading companies, 60 factories</li> <li>- seven major trading houses, 18 indirect trading partners via trading companies</li> </ul> </li> <li>Number of factories monitored : 31 per year(annually)</li> </ul>

## ■ External recognition of the and ST HD Group ESG activities

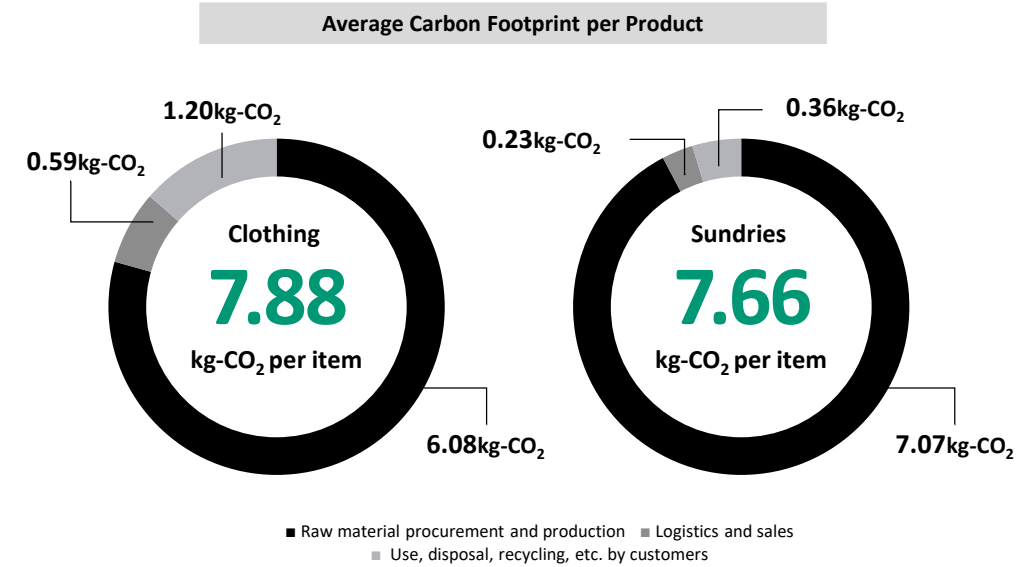


FTSE Blossom Japan Sector Relative Index



## ■ Digging deeper into the potential of reducing CO<sub>2</sub> through the product carbon footprint

- Visualize CO<sub>2</sub> emissions throughout the product life cycle, and drawing up specific strategies with business partners to reduce emissions
- Our help will enable direct suppliers to formulate CO<sub>2</sub> reduction plans for their production processes, which will encourage a shift to more environmentally friendly manufacturing processes



## ■ New target for the percentage of women in management positions and accelerating diversity management

- Expanding the scope to include international group companies; updating to even more aspirational targets. Accelerating efforts to diversify human resources, which will be essential for achieving the new medium-term management plan
- Conducted discussions with managers related to diversity (nine sessions in total)
- We have introduced company-wide initiatives to foster a culture of mutual understanding and improved quality of relationships, in addition to an integrated approach to strategic human resources development and internal advancements for women

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

By the fiscal year ending February 2030



Percentage of senior managers

30%以上



Percentage in management positions

50%以上

■ **While a gap exist between the FY2027/02 performance targets and the second year of the initial medium-term management plan, we are adding measures meet the most immediate challenges**

- We will continue to expand the Platform Business while reinforcing the Brand Retail Business. At the same time, we want to contribute to the revitalization of the fashion market as a whole.

	Platform Business	Global Business	Brand Retail Business
2027 Policy	<b>Accelerate the opening of our platform</b>	<b>Build a foundation in Southeast Asia</b>	<b>Reinforce physical stores</b>
Measures	<ul style="list-style-type: none"> <li>• Grow brands and categories</li> <li>• Strengthen sales promotions to obtain more IDs</li> <li>• Reorient content from a place to buy things to a place for entertainment</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to open stores in Thailand and the Philippines</li> <li>• Establish a Malaysian subsidiary</li> <li>• Prepare to expand in Vietnam and other countries</li> <li>• Continue to grow in Greater China</li> </ul>	<ul style="list-style-type: none"> <li>• Leverage GLOBAL WORK</li> <li>• Nurture growth-oriented brands</li> <li>• Strengthen measures and planning to attract store traffic</li> <li>• Improve efficiency of store and headquarters operations</li> <li>• Improve the accuracy of seasonal MD</li> </ul>

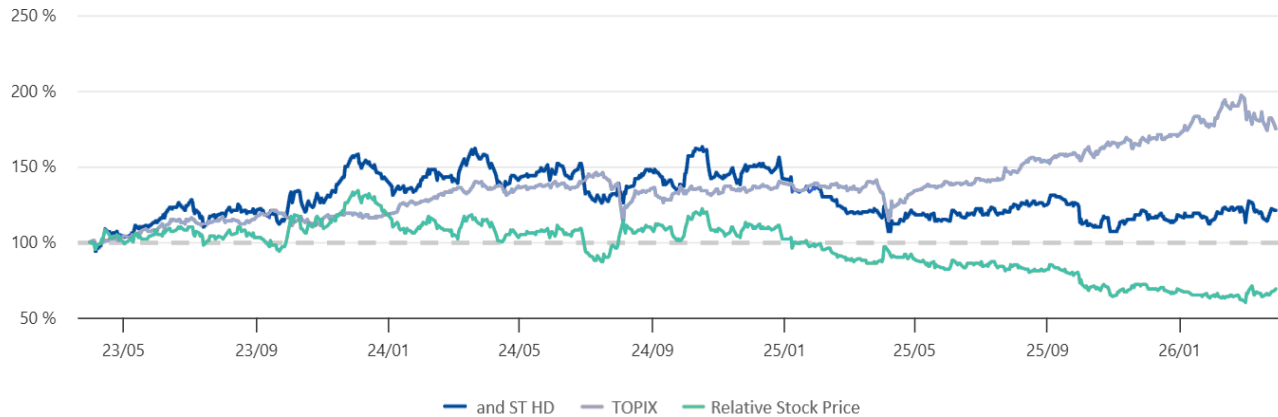
**Current State of Affairs**

- Cost of capital based on CAPM remains low due to a decreased  $\beta$ ; ROE is much higher than cost of capital, and PER is over 1.7x
- However, our share price remained weak throughout the first year of the medium-term management plan, with a P/E ratio of around 11x; we have not met growth expectations
- Our investor relations has not yet convinced the market of our growth story reflected in the medium-term management plan

**Policies and Initiatives**

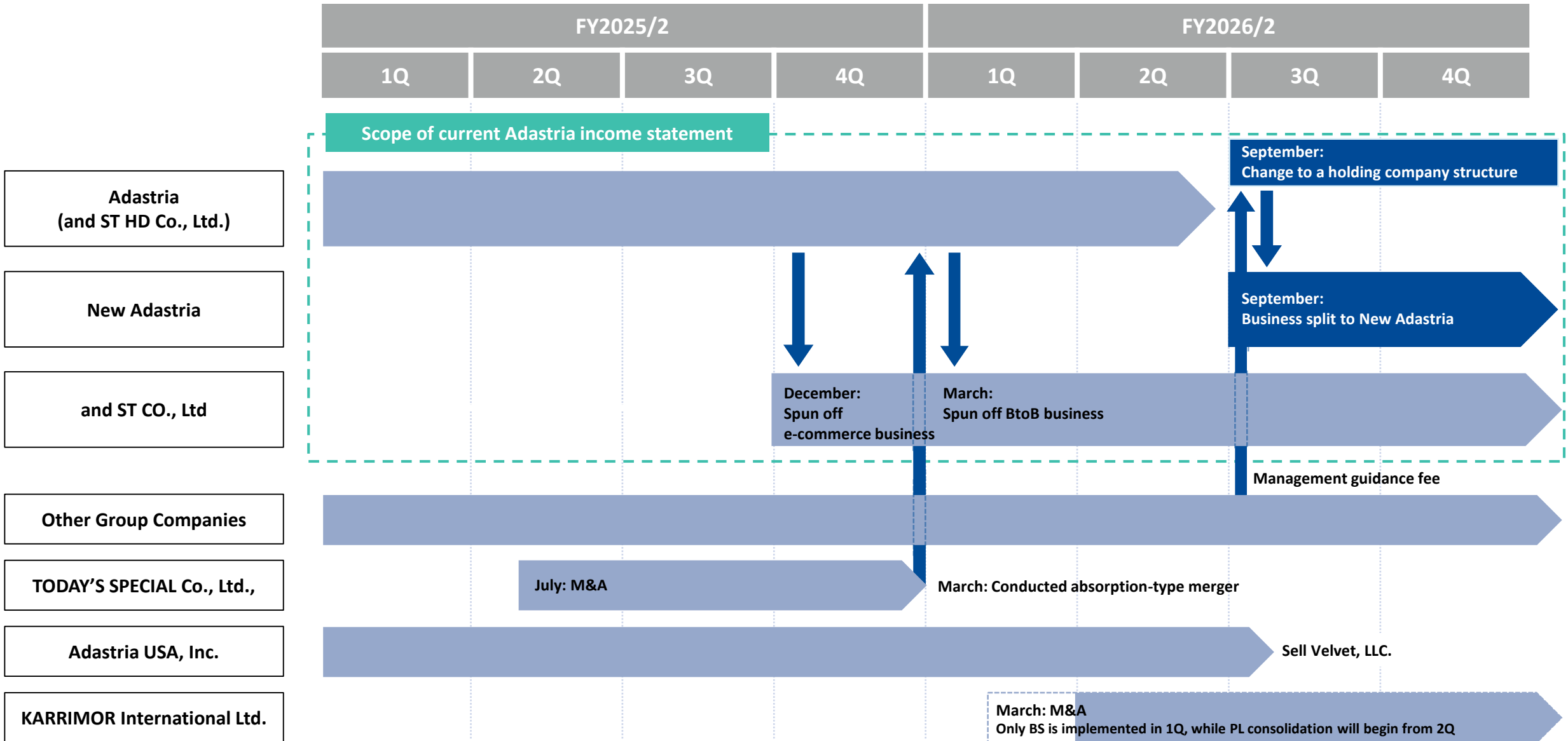
- Under the new management structure, leadership will engage in more active dialogue with the market
- We will continue to base shareholder returns on a DOE of 4.5% and a stable payout ratio of at least 30%, aiming to increase dividends through higher earnings
- We will improve profitability and capital efficiency to achieve our ROE target of 15%

Relative Stock Price (vs. TOPIX)



IR Activities

	FY2022/2	FY2023/2	FY2024/2	FY2025/2	<b>FY2026/2</b>
One-on-One (times)	142	159	218	198	<b>159</b>
Small meetings (times)	13	13	17	28	<b>28</b>
Total no. of institutional investors	208	231	260	288	<b>237</b>
Total no. of people	322	339	460	592	<b>518</b>
Including management attendance (no. of people including small mtgs.)	99	107	138	190	<b>178</b>



## **Explanation on the appropriate use of performance forecasts**

**The forward-looking statements in this document, including performance forecasts, are based on information currently available to the Company and certain assumptions that the Company considers reasonable.**

## **Other Notes**

**Figures in the materials are rounded down to the nearest million yen, and percentages are calculated from the original data.**

*Play fashion!*