and ST HD Co.,Ltd.
Corporate Materials

July, 2026

and ST HD

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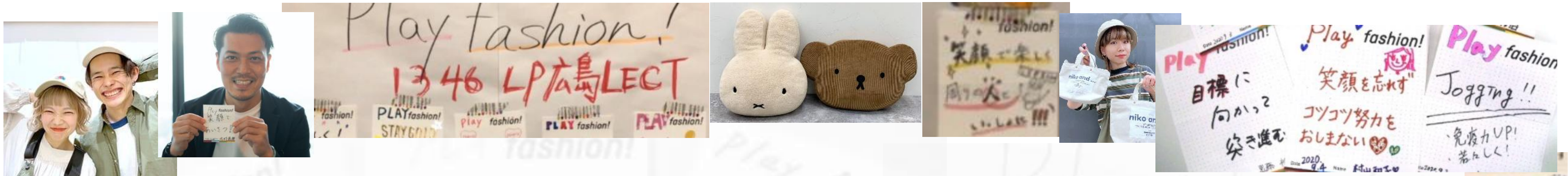
and ST HD

1. Our Business



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!

and ST HD in Figures (as of February 2026)

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 ¥304.3 billion

Sundries and Other	¥77.3 billion	24.4%
Men's Apparel	¥50.6 billion	16.7%
Ladies' Apparel	¥176.3 billion	57.9%

ROE

12.0%

Domestic Online Sales Ratio

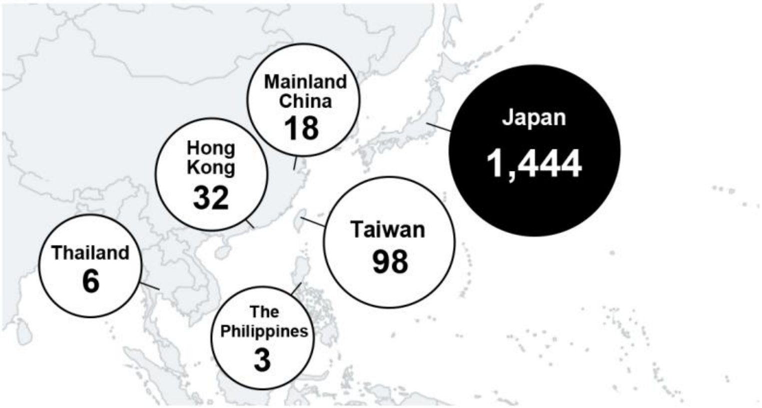
28.8%

Number of Stores

1,674

Food and Beverage Business: 73

Online Stores: 140



Number of Employees

Total Number of Employees: 13,789

Regular Employees	Term Employees
6,936	6,853

Number of Brands

Number of Group Brands*: 56

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

Number of External Brands on Platform: 53

and ST Gross Merchandise Value

GMV ¥46.2 billion

Number of *and ST* members

Total Members: 21.7 million

Number of Active Members: 7.8 million

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

Joint retail/online membership system

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

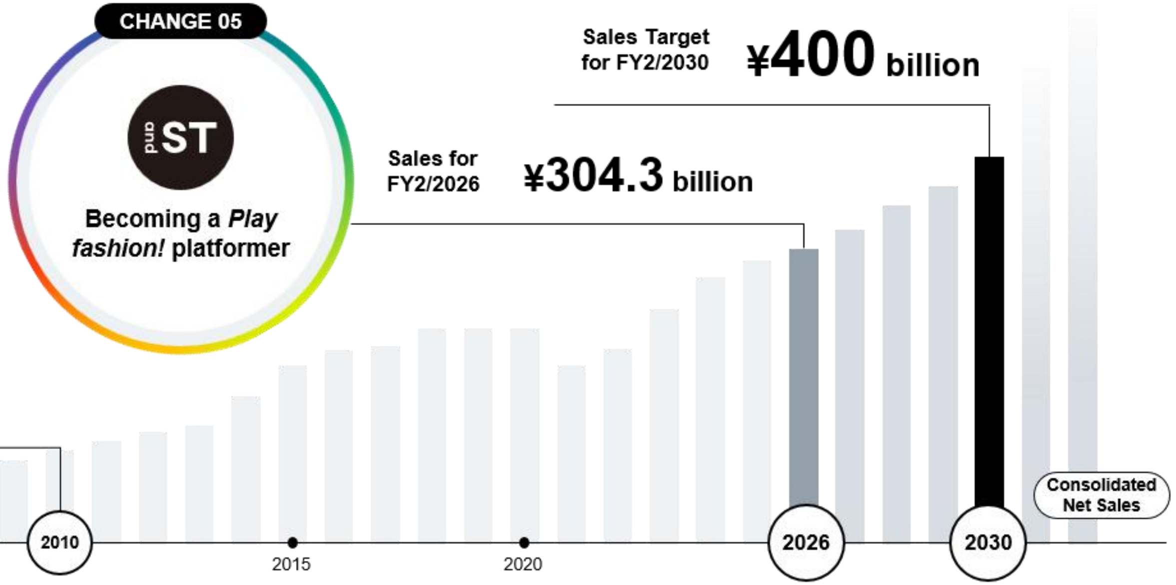
Transitioned to OEM/ODM production

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



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

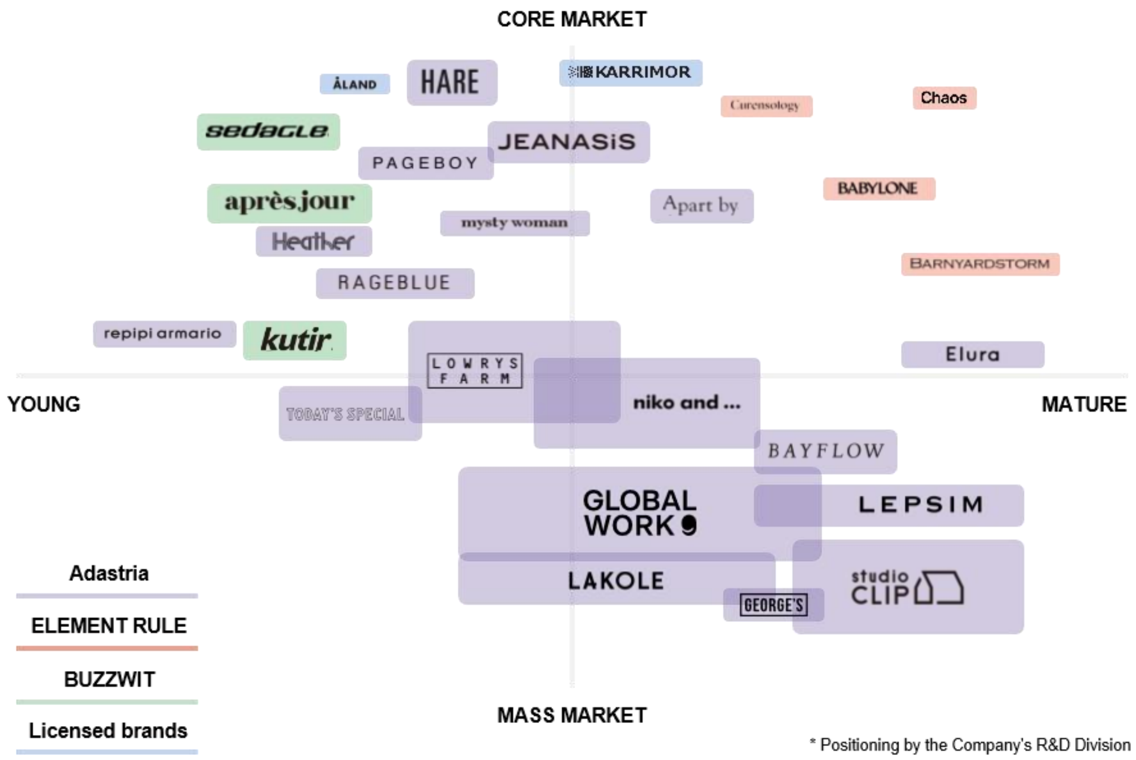
2024 07 Incorporated TODAY'S SPECIAL Co., Ltd. as a group company
2024 10 **Changed official web store name from *dot ST* to *and ST***
2024 12 Opened first store in the Philippines
2025 03 Changed the name of Adastria General Support Co., Ltd. to WeOur Co., Ltd.
Adastria and ITOCHU Corporation jointly 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.**

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



* Positioning by the Company's R&D Division

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

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	At the heart of the *Play Fashion!* platform
Adastria	Core of our multi-brand strategy
ELEMENT RULE	High-end prices
BUZZWIT	Exclusive e-commerce brands that focus on Gen Z
zetton	Food & Beverage Business
Karrimor International	Licensed brands
and ST Logistics	Logistics and other operations as a platformer
WeOur	Promotes the employment of people with disabilities and provides comprehensive operational support
TODAY'S SPECIAL	Expands areas adjacent to the sundries category *Merged with Adastria in March 2025

Overseas Subsidiaries

- Mainland China
- Hong Kong
- Taiwan
- Thailand
- The Philippines
- Malaysia

2. Medium-Term Management Plan Progress

Disclosed on April 4, 2025

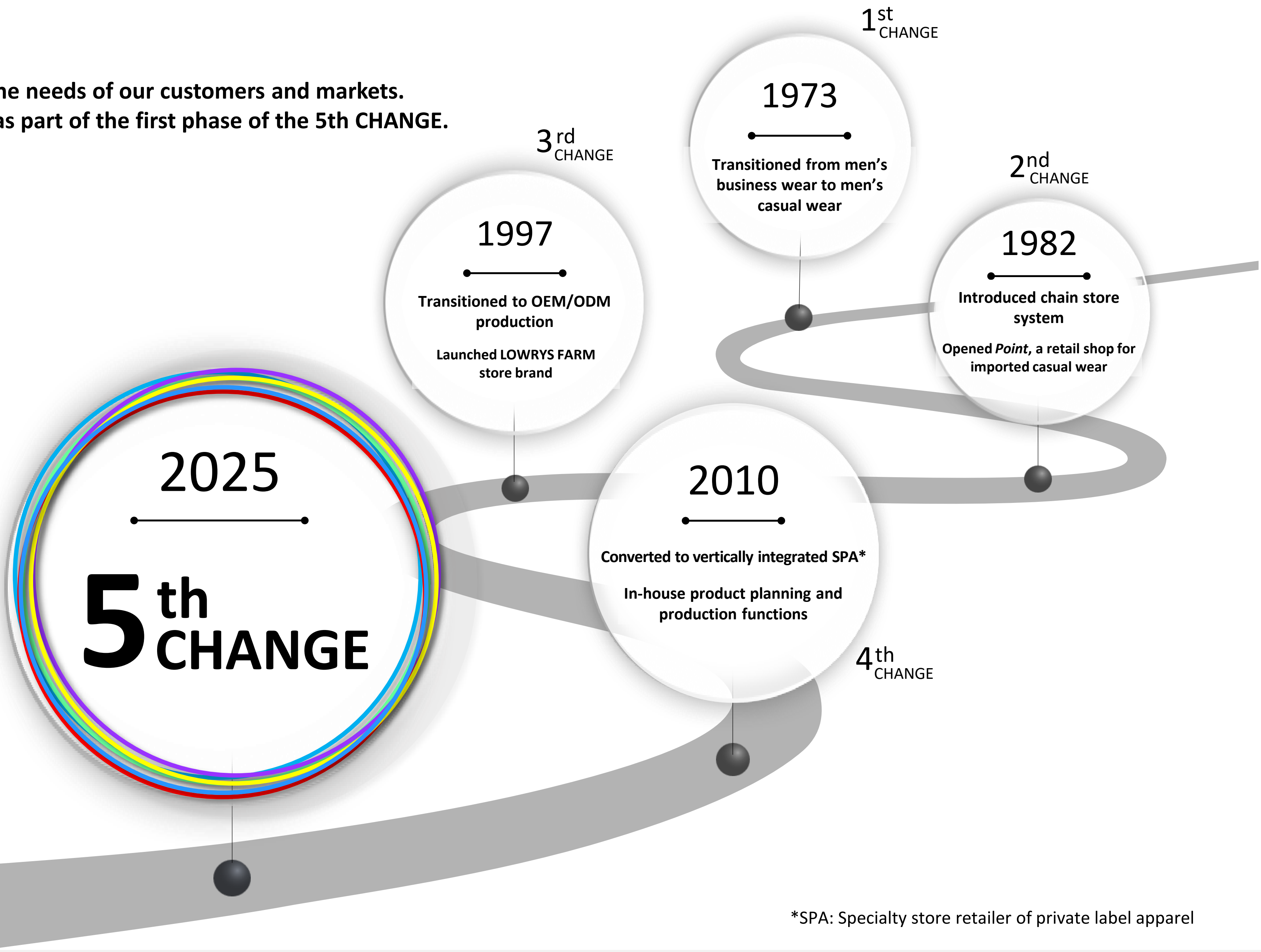
and ST HD

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.

and ST

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



*SPA: Specialty store retailer of private label apparel

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).

ID

When we **connect** with
more customers,

Play fashion!

LTV

excitement **expands**.

Connecting with new communities
and fostering relationships

Broadening categories and content to
expand customer choices

Global Expansion

Engaging in Open Platforms

Multi-Category Development

Multi-Company Structure

Platform Transformation

Expanding excitement in the daily lives of even more customers

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.

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

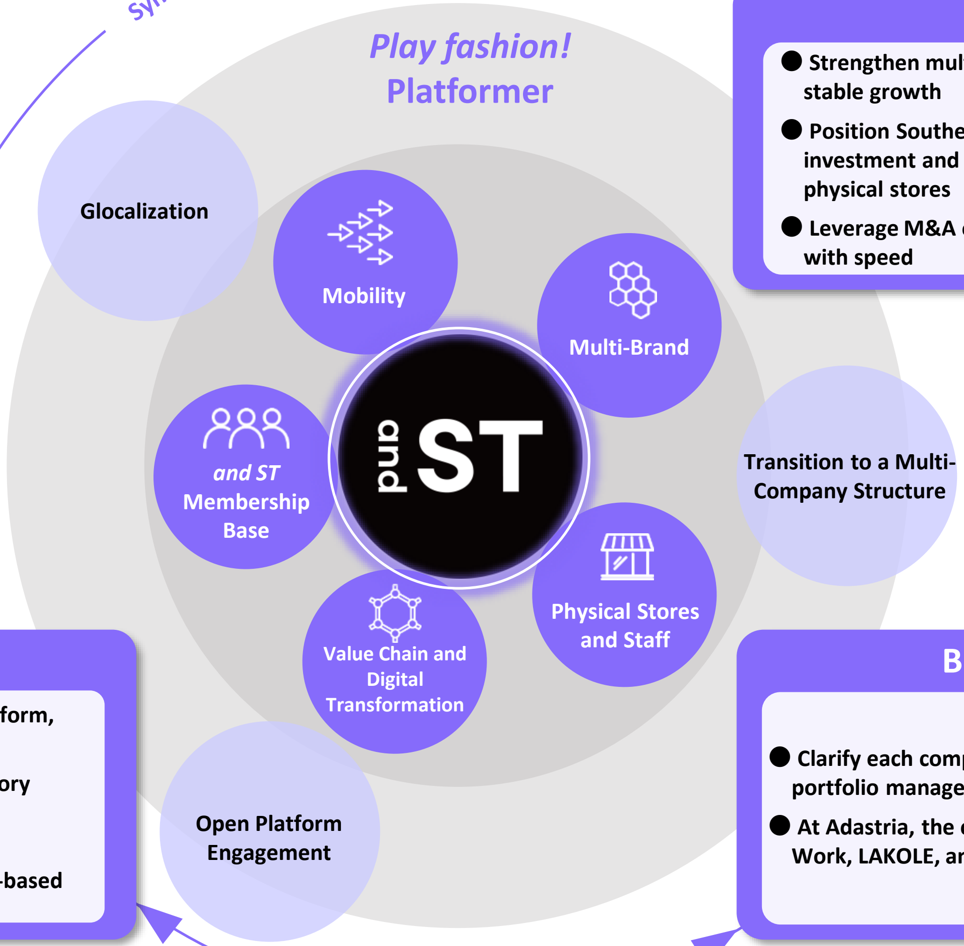
Multi-Brand

- 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）

*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**



Driving group value expansion

Global Business

- Strengthen multi-brand strategy in Greater China to achieve stable growth
- Position Southeast Asia as the next growth pillar by focusing investment and launching the e-commerce platform ahead of physical stores
- Leverage M&A opportunities and pursue business expansion with speed

Net sales: ¥40 billion
Operating profit margin: 8%
Overseas net sales ratio: 10%

Powering group value innovation

Platform Business

- Grow *and ST* into a comprehensive mall and media platform, aiming for ¥100 billion in GMV
- Implement a strategy to align ID and LTV through category expansion, point program partnerships, and media collaboration
- Drive revenue growth through production and solution-based services

GMV: ¥100 billion
Net sales: ¥34 billion (¥20 billion after intercompany eliminations)
Operating profit margin: 31% (22% after intercompany eliminations)

Supporting group value creation

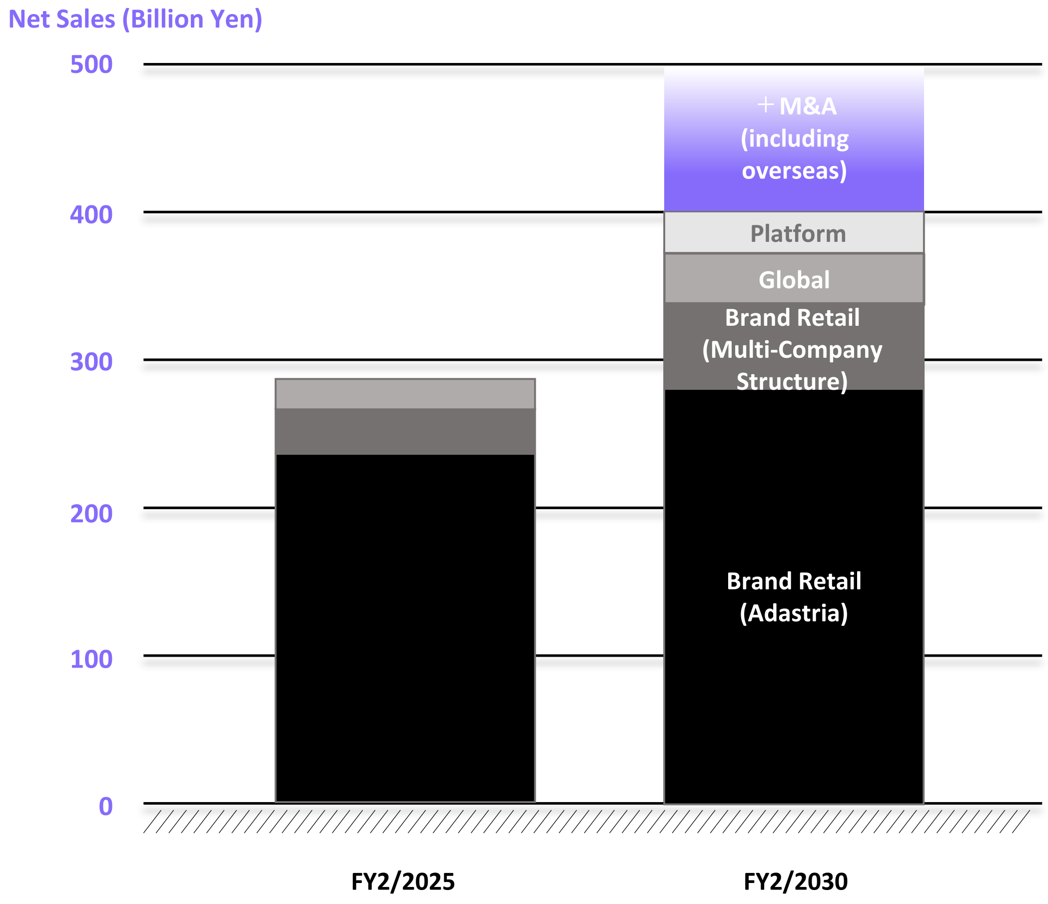
Brand Retail Business

- Clarify each company's mission and further advance brand portfolio management
- At Adastria, the core of the Group, focus investments on Global Work, LAKOLE, and GEORGE'S

Net sales: ¥340 billion
Operating profit margin: 7.2%
(5.8% after intercompany eliminations)

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

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

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% Shareholder return target: ¥25 billion

Capital Policy and Stock Price-Oriented Management

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

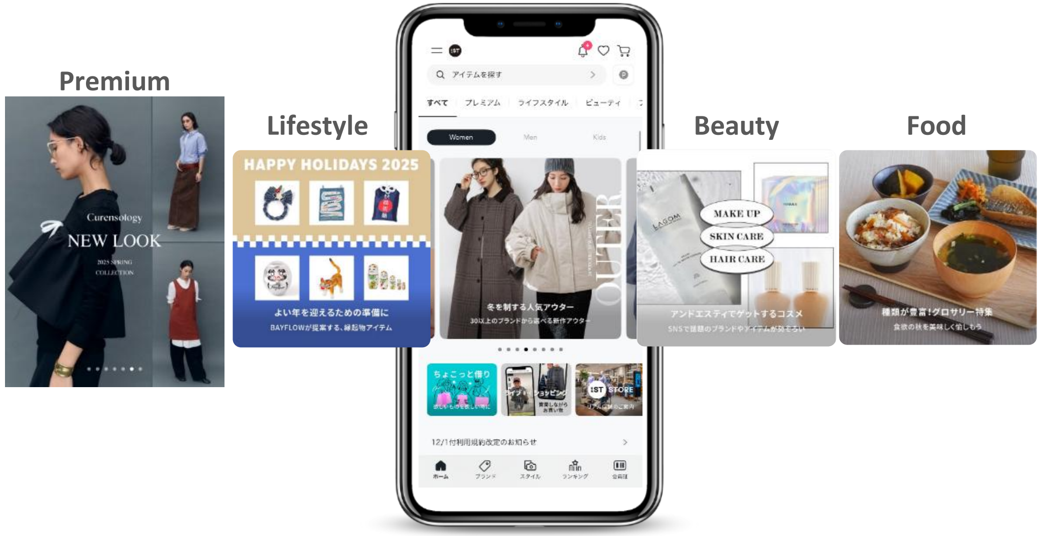
Enhancing Corporate Value

ROE			PER			Shareholder Returns	
Profitability	**Capital Efficiency**	**Financial Leverage**	**Cost of Capital Reductions**	**Growth Continuity**	**Capital Allocation**	**Dividend Payout Ratio**	**DOE**
Concentrate on growing brands and platform transformations	Expand businesses that have no physical stores or inventory	Leverage debt for M&A while maintaining financial soundness	Visualize revenue for each business through a holding company structure	Expand platform business and implement M&A	Formulate investment plans that balance growth and returns	Maintain EPS growth Dividend Payout Raito with 30% or higher	Maintain a minimum of 4.5%

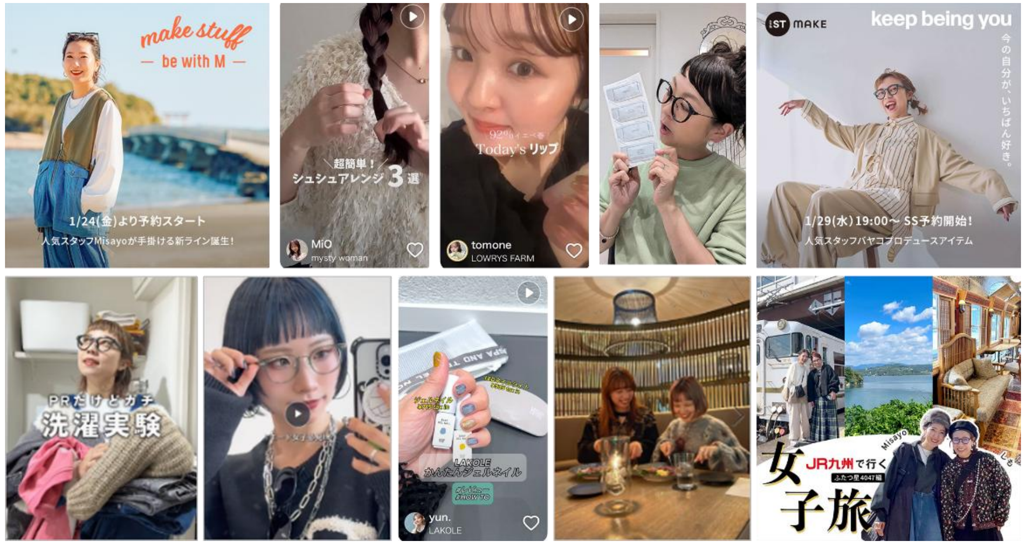
Transforming In-House E-Commerce Into a Platform

When people connect, content expands.

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.

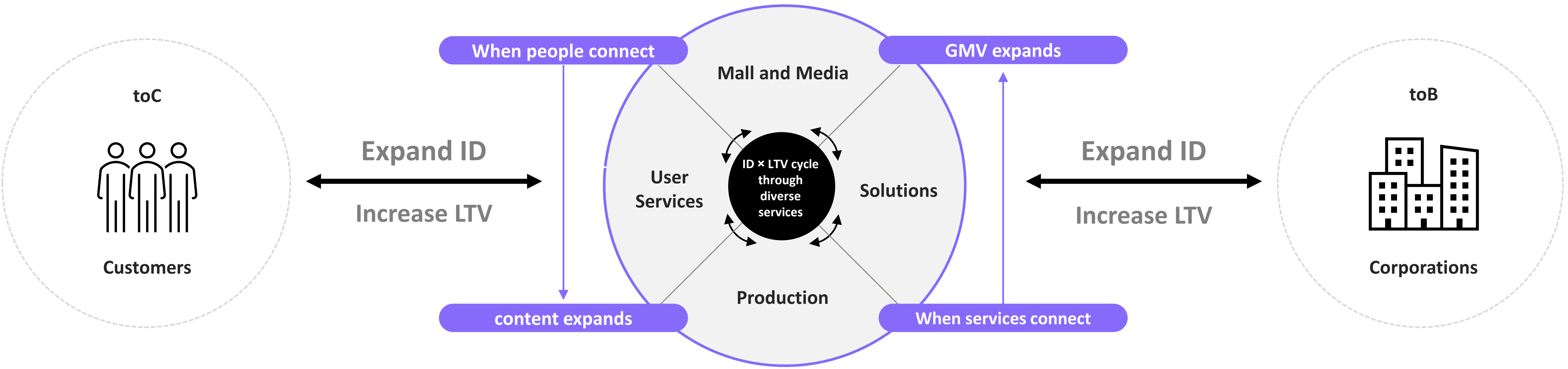


Expand the influence of physical store staff to areas outside simply selling apparel.
Co-create and promote products, experiences, and services that staff genuinely recommend.
Create even more solid relationships with customers.



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. Expand GMV through category expansion and launch a new media category. Increase advertising revenue by creating experiences.	Offer wholesale and brand production services. 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. Aim for continuous monetization through system expansion.	Offer loyalty services through points issued by *and ST.* Pursue integration with other company IDs and point programs to increase point value and expand LTV.

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)

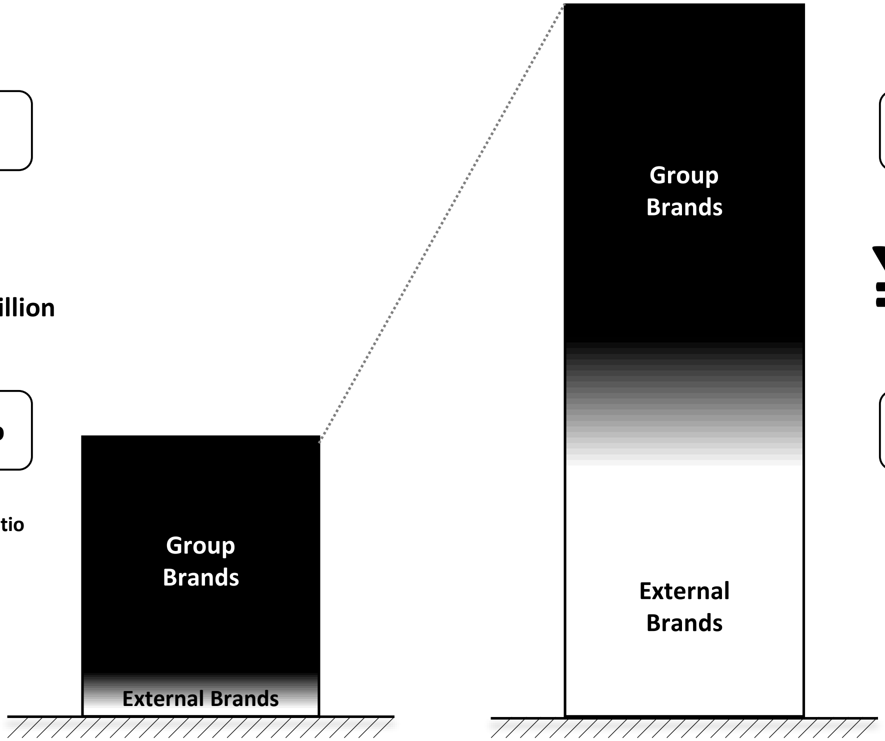
GMV

¥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

Platform Business: and ST Topics

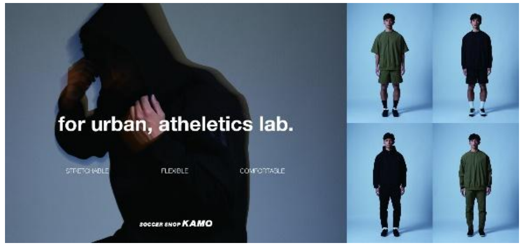
Actively shift to an open mall model

No. of External shops *As of February 28, 2026	53

BEAUTY&YOUTH UNITED ARROWS / new balance / DEAN & DELUCA / kiu / Cath Kidston LONDON / ADAM ET ROPÉ / Afternoon Tea LIVING / Brighte / FANCL / Op / 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!

Global Business Growth Strategy

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

Greater China

Mainland China
- Developed 18 stores
- Launched standard format niko and ... stores

Hong Kong
- Developed 32 stores
- Expand a multi-brand strategy
- Launched first studio CLIP store

Taiwan
- Developed 98 stores
- Launched in-house e-commerce operation
- Advance a multi-brand strategy
- Launched first LAKOLE store

Southeast Asia

Thailand
- Developed six stores
- Launched first GLOBAL WORK store
- New store openings planned for FY2026/02

The Philippines
- Launched first store in December 2024

Malaysia
- Established local subsidiary New store opening planned for FY2027/02

Thailand

niko and ...

niko and ...
BANGKOK

GLOBAL WORK

GLOBAL WORK
The Mall Lifestore
Ngamwongwam

Opened July 2025

The Philippines

niko and ...

niko and ...
SM Mall of Asia

Mainland China

niko and ...

niko and ...
Shanghai
global flagship store

niko and ...

niko and ...
MixC Shenzhen Bay

Opened September 2025

Hong Kong

studio CLIP

studio CLIP
Tsuen Wan Plaza

Opened April 2025

GLOBAL WORK / niko and ... / LOWRYS FARM / Heather / JEANASIS

Taiwan

LAKOLE

LAKOLE
Mitsui LaLaport
Nangang

Opened March 2025

GLOBAL WORK / niko and ... / LOWRYS FARM / studio CLIP / Heather

Focus investment in Southeast Asia

U.S.
Strategic withdrawal

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

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

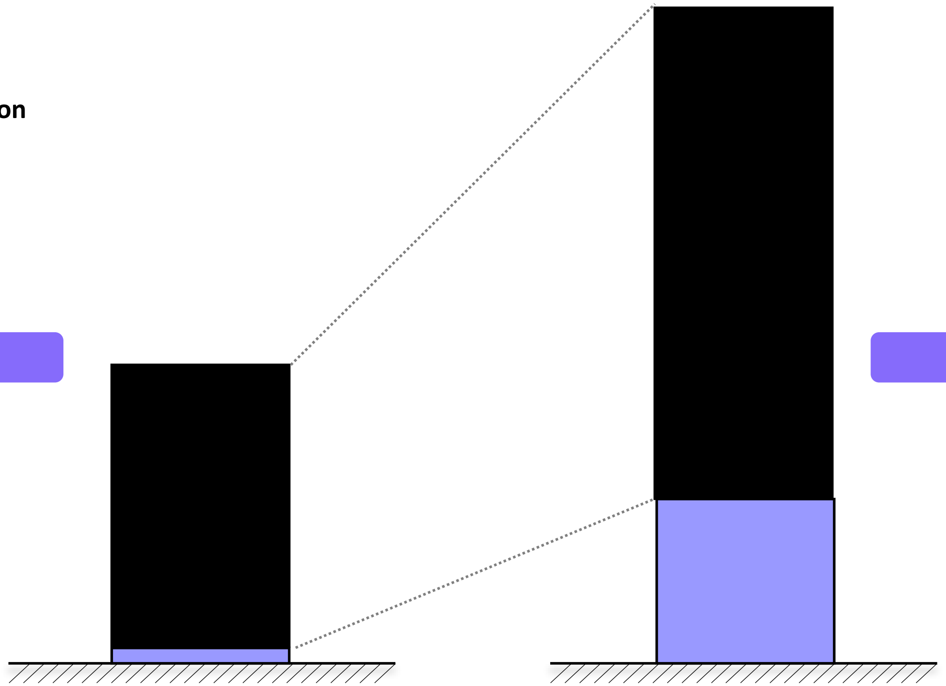
¥17.2 billion

Southeast Asia Sales Ratio

2%

Southeast Asia

¥0.4 billion



FY12/2029

Greater China

¥30 billion

Overseas Net Sales

¥40 billion

Southeast Asia

¥10 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.

Missions and Strategies of Each Group Company

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

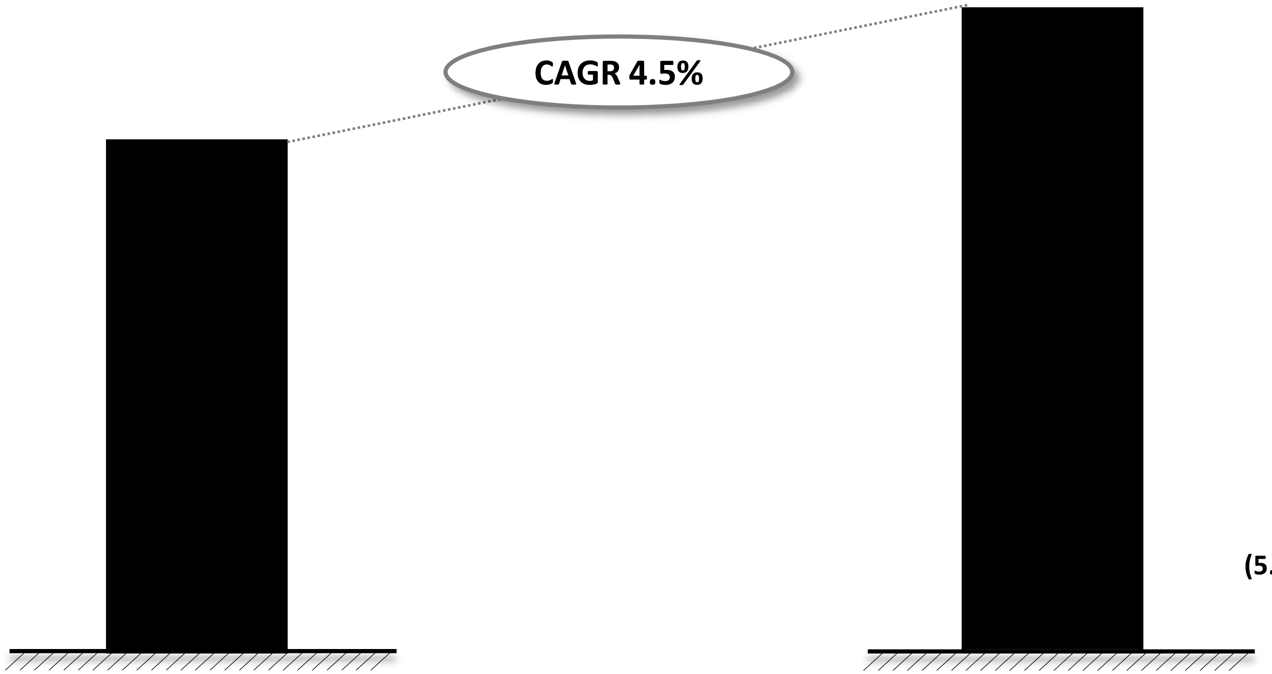
	Adastria	ELEMENT RULE	BUZZWIT	zetton
Group Mission	Enhance profitability and drive sustainable growth as the core group business	Expand into high-end select markets	Create new brands tailored to Gen Z	Expand Food & Beverage business as a space for community and connection
Strategy	● Concentrate investment in GLOBAL WORK and LAKOLE ● Launch stores and relocate to carefully selected areas ● Strengthen branding	● Build a high-end customer base by strengthening customer service and sales promotions ● Increase sales and profit by improving sales per store and selectively opening stores in favorable locations	● Rapidly launch new brands to meet diversified customer needs ● Expand sales channels, including stores on *and ST* ● Expand customer touchpoints, including through pop-up stores	● Leverage group synergies to expand profitable business formats efficiently (e.g., store development capabilities) ● Begin expanding business in Asia, including Taiwan
Net Sales Targets (FY2/2030)	Net Sales: ¥280 billion [FY2/2025: ¥233 billion]	Net Sales: ¥22 billion [FY2/2025: ¥12.6 billion]	Net Sales: ¥20 billion [FY2/2025: ¥12.3 billion]	Net Sales: ¥18 billion [FY2/2025: ¥14.6 billion]

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

Brand Retail Business: Quantitative Plan and KPIs

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

FY2/2025 (Actual) • • • **FY2/2030**



	FY2/2025 (Actual)	FY2/2030
Net Sales	¥272.6 billion	¥340 billion
Operating Profit Margin	5.3% (4.2% after intercompany eliminations*)	7.2% (5.8% after intercompany eliminations*)

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

Toward the Second Year of Our Medium-Term Management Plan

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	Accelerate the opening of our platform	Build a foundation in Southeast Asia	Reinforce physical stores
Measures	• Grow brands and categories • Strengthen sales promotions to obtain more IDs • Reorient content from a place to buy things to a place for entertainment	• Continue to open stores in Thailand and the Philippines • Establish a Malaysian subsidiary • Prepare to expand in Vietnam and other countries • Continue to grow in Greater China	• Leverage GLOBAL WORK • Nurture growth-oriented brands • Strengthen measures and planning to attract store traffic • Improve efficiency of store and headquarters operations • Improve the accuracy of seasonal MD

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) ● Transformed work-styles (Renewed business infrastructure, automated operations, advanced digitalization, and leveraged data) ● Strengthened development competitiveness -Expanded development structure -Collaborated to launch overseas development bases	● Maintained logistics costs as a percentage of net sales ● Restructured logistics networks in Japan and overseas ● Expanded shipping capacity and reduced costs through e-commerce distribution center automation ● Established a logistics company in Shanghai and launched stockpiling logistics	● ASEAN production ratio fell short of the target but still has room for growth ● Expanded materials developed in-house (e.g., WOOLLEYTEC, AIRTHERMAL)
Strategy	**Transform into a *Play fashion!* platformer** ● Evolve the *and ST* platform and expand the *and ST* ecosystem ● Reform work styles by integrating AI ● Establish business infrastructure, including security and controls ● Increase offshore ratios and internalize data analysis and AI development ● Establish R&D functions that drive technology adoption	**Build global value chains** ● Achieve end-to-end value chain optimization through digital transformation and business process review ● Restructure logistics network to accommodate growth of Global Work and LAKOLE ● Enhance productivity and ensure operational capacity through automation investments at distribution centers ● Establish a new e-commerce distribution center to support our position as a platformer ● 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** ● Decentralize production areas ● Fully launch hybrid production between Mainland China and ASEAN ● Consolidate into 100 core factories ● Procure materials locally ● Develop materials in-house based on trend analysis by the R&D department
KPIs	● Increase the offshore ratio of system investments ● Expand in-house SE and engineering team ● 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%

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.

Grow With Local Communities

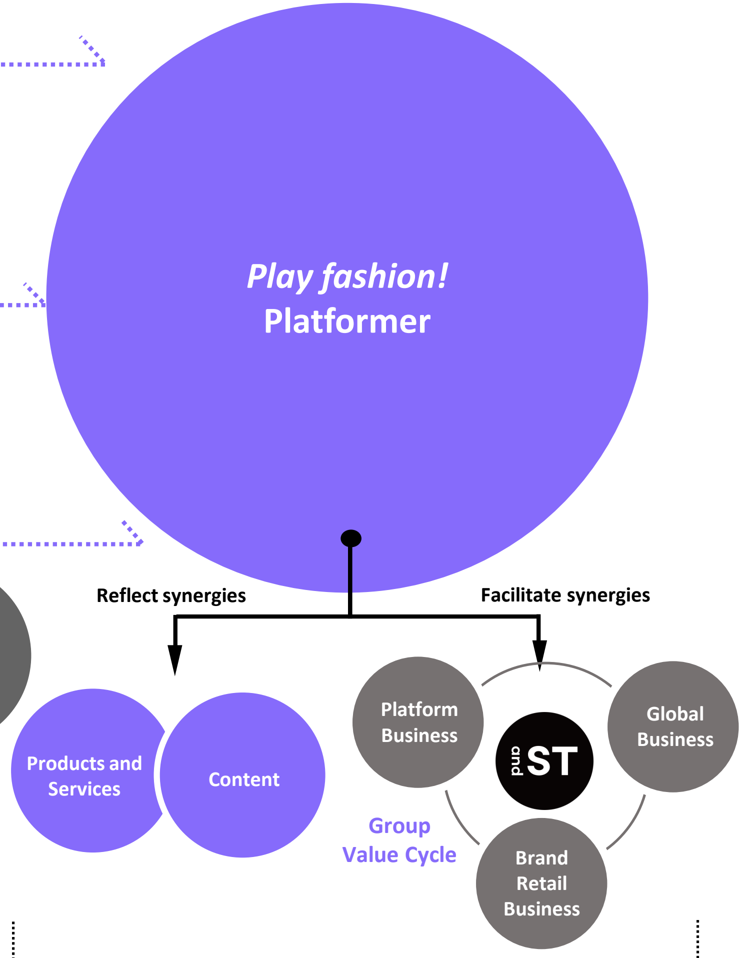
Establish reliable supply chains by fostering community engagement and advancing supply chain traceability

Encourage People to Shine

Drive growth by enhancing employee job satisfaction and creating exciting new customer touch points through experiential value aligned with evolving needs and trends

Protect the Environment

Provide richer experiences to our customers around the world through environmentally positive products and services created with sustainable manufacturing and circular business models



Sustaining value

Enhancing value

Advancing value

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 ● 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 ● Released our first disclosure of CO_2 emissions reduction scenarios and our biodiversity approach ● 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 ● Circulated approximately 80% of remaining clothing inventory within the company by expanding our circular business and means of internal utilization ● 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%* ● Percentage of women in management positions: 37.0%* ● 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 ● 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 ● Disclosed our Suppliers List for the first time (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.

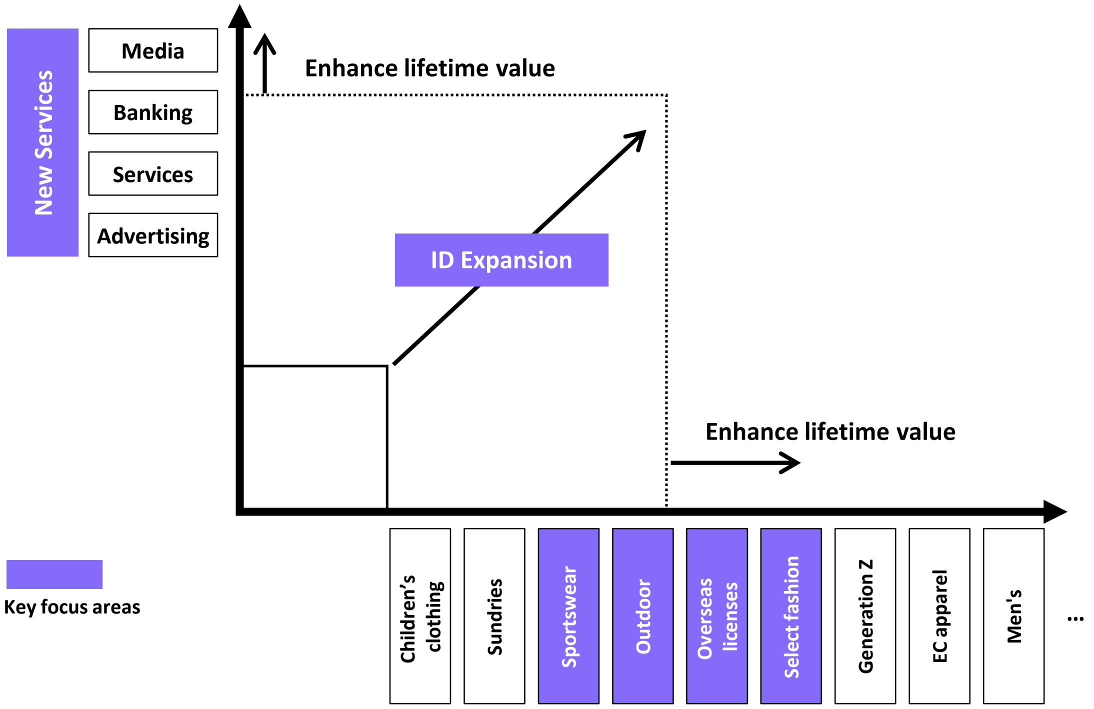
Medium- to Long-Term Sustainability Roadmap

	By 2030	Medium-Term Targets		Long-Term Targets (2050)
ENVIROMENT 環境を守る	Develop sustainable raw materials and expand target products 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 Source environmental value through renewable energy and similar initiatives	Establish interim targets *Under development in accordance with international standards	Adopt evolving technologies	Achieve carbon neutrality
	Improve demand forecasting and reduce inventory losses Encourage used clothing collection and collaborate with governments and external partners	Establish resource recycling systems in apparel and sundries	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 *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 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

M&A Strategy

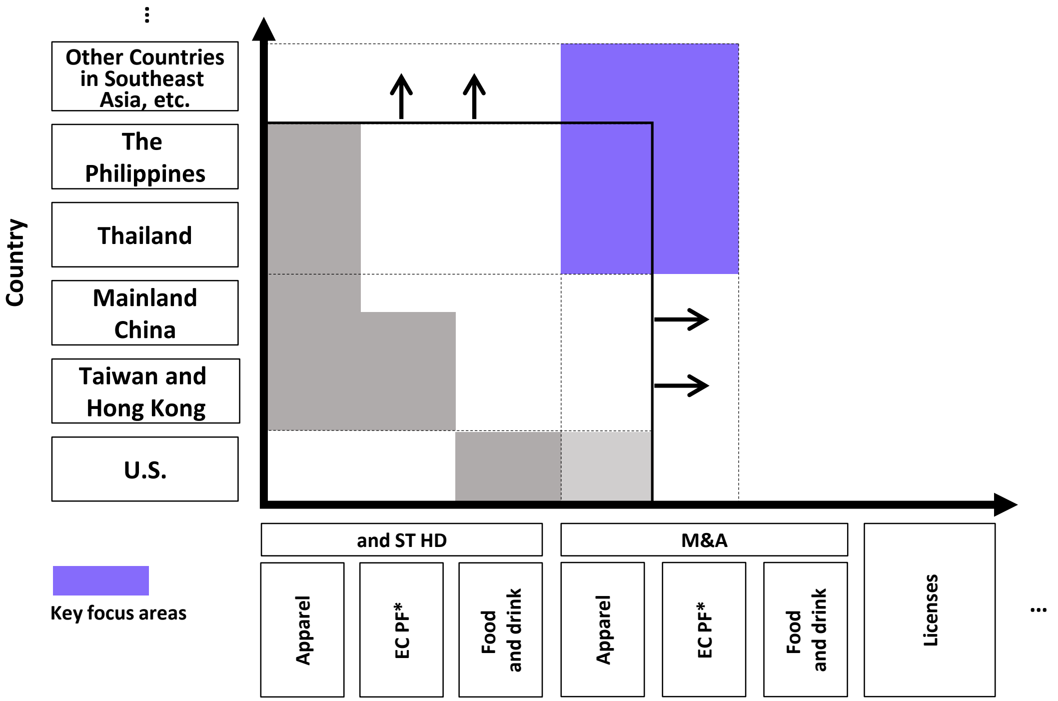
and ST HD selected key focus areas from our previously announced M&A strategy to prioritize during the new medium-term management plan.
We will pursue these areas further as we transition to a holding company.

Purpose	Enhancing *and ST*	Accelerating Overseas Business
M&A Strategy	Expand brand portfolio and business domains through M&A to directly enhance lifetime value and contribute to ID expansion	Expand countries of operation, businesses, and business models through M&A



Product Categories

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



Method of Expansion

*EC PF: e-commerce platforms

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

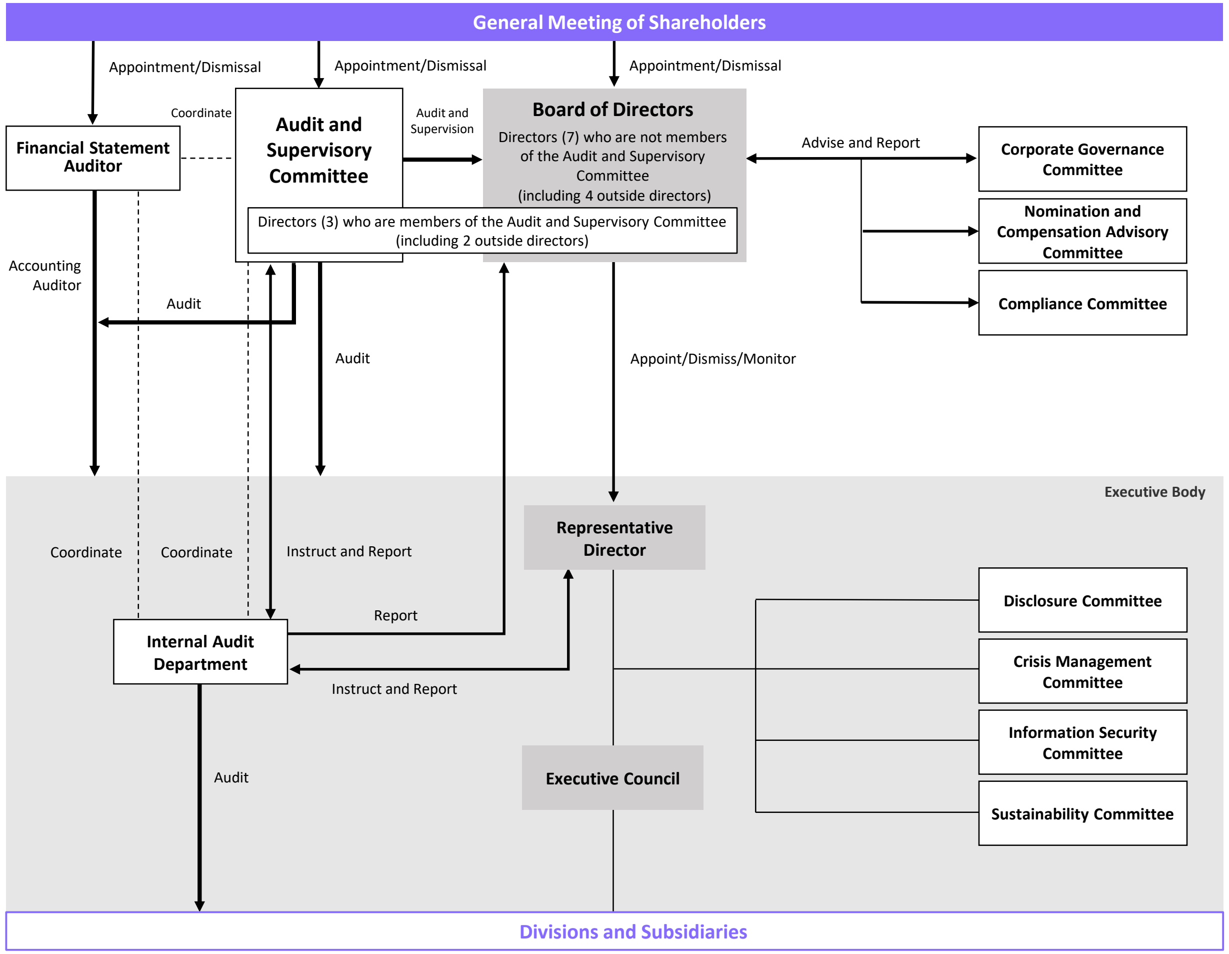
Expertise, Capabilities, and Business Areas to Be Gained Through Future M&A

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

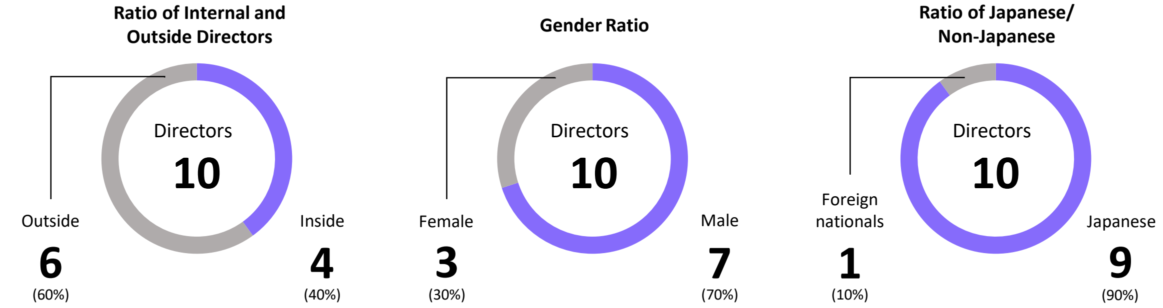
Corporate Governance

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

Return to Shareholders

Dividend Policy

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

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

FY 2027/02 — **Dividend forecast of 90 yen**

（Millions of yen）

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

**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

3. FY2027/02 1st Quarter Overview

Disclosed on June 30, 2026

and ST HD

and ST HD

Overview	Net sales and operating profit were record highs for any first quarter; profit margin improved While net income declined due to one-time expenses, net sales and profits at each measure exceeded initial forecast

(Millions of yen)

	FY2026/02 1Q Results		FY2027/02 1Q Results		
		Ratio		Ratio	YoY
Net sales	77,464	100.0%	80,318	100.0%	103.7%
Gross profit	43,837	56.6%	46,474	57.9%	106.0%
SG&A expense	38,233	49.4%	38,598	48.1%	101.0%
Advertising & promotion	2,775	3.6%	2,221	2.8%	80.0%
Personnel	13,770	17.8%	14,291	17.8%	103.8%
Rent & depreciation *	13,677	17.7%	14,163	17.6%	103.6%
Others	8,010	10.3%	7,922	9.9%	98.9%
Operating profit	5,603	7.2%	7,875	9.8%	140.5%
Ordinary profit	5,423	7.0%	8,047	10.0%	148.4%
Net income attributable to owners of the parent	4,374	5.6%	3,908	4.9%	89.4%
EBITDA	8,423	10.9%	10,702	13.3%	127.1%
Depreciation and amortization	2,716	3.5%	2,781	3.5%	102.4%
Amortization of goodwill	103	0.1%	45	0.1%	44.1%

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

Consolidated Income Statement – Summary 1

Net sales in each business segment were in line with plan; strong performance at Adastria offsetting declines in the wholesale and U.S. business
Gross profit margin improvement outperformed plan, driven by successful efforts to improve markups, measures to curb discounts, and changes in business mix

Net Sales

80.3 billion yen (+3.7% YoY)

- **Platform Business** *before elimination — **3.5** billion yen
  External brand participation on *and ST* proceeding smoothly
  Decline in wholesale
- **Global Business** — **5.6** billion yen
  Sales declined following the withdrawal from the U.S. business in July 2025
  Sales increased across Mainland China, Hong Kong, Taiwan, and all of Southeast Asia
- **Brand Retail Business** *before elimination — **74.5** billion yen
  Driven by strong performance at Adastria
  Domestic Group company sales rose with the net increase from KARRIMOR sales

Gross profit margin

57.9% (+1.3p YoY)

Performance driven by curbed discounts stemming from inventory control, improved mark-ups, increase in open platform e-commerce sales, downsizing of the wholesale business

Significant improvements achieved by streamlining advertising and promotion efforts; increase in other expense categories kept within the rate of sales growth
Operating profit exceeded projections, while the decline in net income was due to one-time factors

SG&A expense ratio — **48.1 %** (▲1.3p YoY)

- **Advertising expenses** — **2.8 %** (▲0.8p YoY) (▲550 million yen) — Reaction stemming from the opening of the flagship store the previous year and efforts to streamline advertising and promotion
- **Personnel** — **17.8 %** (+0.0p YoY) (+520 million yen) — Even while we continue to improve employee compensation, rates remained flat due to sales growth and operating efficiency gains
- **Rent & depreciation** — **17.6 %** (▲0.1p YoY) (+480 million yen) — Despite increase stemming from sales growth, rates improved
- **Others** — **9.9 %** (▲0.4p YoY) (▲80 million yen) — Both total and rates declined due to the U.S. withdrawal

Operating profit — **7.8 billion yen** (+40.5% YoY)

Operating income ratio : 9.8%   **EBITDA : 13.3%**

Ordinary profit — **8.0 billion yen** (+48.4% YoY)

Non-Operating income
Foreign exchange profit of 90 million yen, Interest expenses 50 million yen

Net income — **3.9 billion yen** (-10.6% YoY)

Extraordinary Losses : Special service payment 1.2 billion yen,
Impairment of store assets of 70 million yen

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

- Consolidated sales and profit increased for three companies: New Adastria, and ST, and and ST HD (representing non-consolidated Adastria in the previous year)
- Domestic group companies saw increased sales and profits, driven by a net increase in sales from KARRIMOR, acquired via M&A
- Although overseas subsidiaries saw a decline in sales due to the withdrawal from the U.S., sales from Asian operations (excluding the U.S.) rose to 120% of the same period of the previous year, while profits increased as losses in the U.S. narrowed
- Food and beverage company zetton saw a slight increase in sales owing to strong domestic operations; profit remained flat due in part to new store opening costs

(Millions of yen)

	FY2026/02 1Q Results	FY2027/02 1Q Results		
			YoY Change	YoY
Net sales	77,464	80,318	+2,853	103.7%
New Adastria+AST+HD *1	61,460	64,932	+3,472	105.6%
Domestic subsidiaries *2	6,670	6,915	+245	103.7%
Overseas subsidiaries *3	6,498	5,678	▲819	87.4%
zetton (Food & Beverage Subsidiary) *4	3,826	3,886	+60	101.6%
Consolidation adjustments, etc.	▲ 990	▲ 1,094	▲104	-
Operating profit (Excl. HD Impact)	5,603	7,875	+2,271	140.5%
New Adastria+AST+HD *1	4,624	6,742	+2,117	145.8%
Domestic subsidiaries *2	713	724	+11	101.6%
Overseas subsidiaries *3	169	277	+107	163.4%
zetton (Food & Beverage Subsidiary) *4	59	57	▲1	97.0%
Consolidation adjustments, etc.	37	73	+36	-

*1: Figures in FY2026/02 reflect adjustments for intercompany eliminations between Adastria and and ST Co., Ltd..
Figures in FY2027/02 reflect adjustments for intercompany eliminations between and ST Co., Ltd., Adastria, and and ST HD Co., Ltd..
*2: Domestic subsidiaries are the sum of three subsidiaries FY2026/02 : BUZZWIT Co.,Ltd., ELEMENT RULE Co., Ltd., KARRIMOR International Ltd., Figures for Karrimor cover Feb–Apr; consolidated from the end of April 2025.
*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.

and ST GMV has been trending above plan

and ST GMV 13.1 billion yen

(1st Quarter three months) (+11.8% YoY)

Group Brand Sales 11.3 billion yen (+6.0% YoY)

Ratio 87.0%

External Brand Sales 1.7 billion yen (+72.9% YoY)

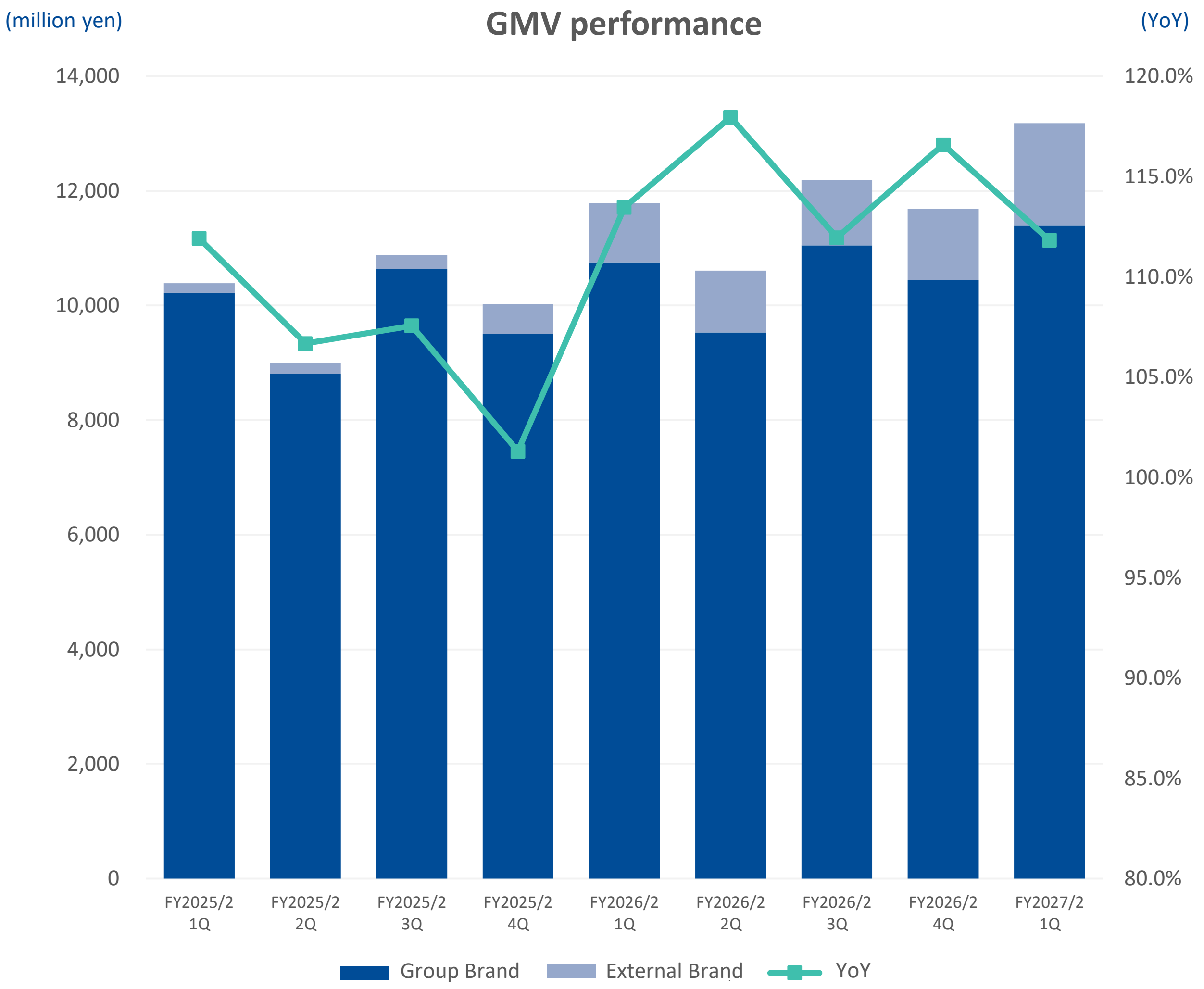
Ratio 13.0%

and ST members 22.2 million members

(as of May 31, 2026) (+0.5 million more than at the end of FY2026/02)

Active members 8.1 million members

(+0.3 million more than at the end of FY2026/02)



Total of 21 external brands participated in the first quarter

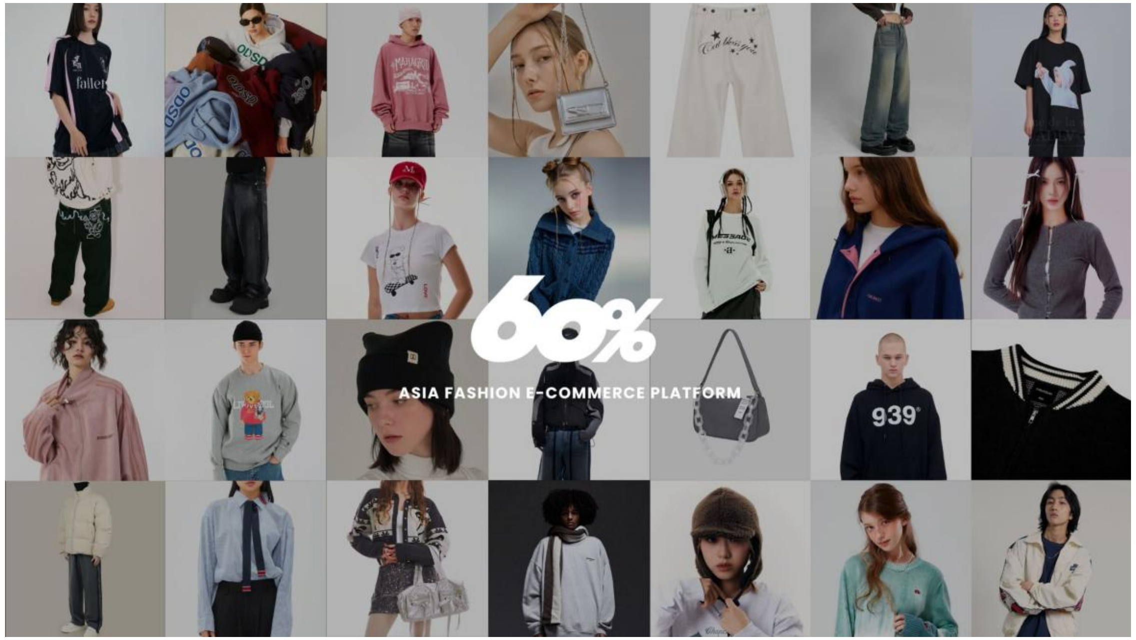
No. of External shops **74 shops**

（as of May 31, 2026） （**+41 shops YoY**）

UNIVERSAL OVERALL CHICAGO
Manhattan Portage
ACE Bags & Luggage
[sn] super.natural
Rokx
Wpc.
BONJOUR SAGAN
ムラサキスポーツ MURASAKI SPORTS RIDE LIFE
FREE'S MART
JILL by JILL STUART
HEART MARKET
human woman
PINKY&DIANNE
ROXY
and Habit
STYLEMIXER
STACCATO

Acquisition of Shares of Cross-Border E-Commerce Platform

- Acquired 68% of the shares of SIXTYPERCENT Inc., which operates a cross-border e-commerce mall for Asian fashion, primarily from South Korea.
- Bringing together over 2,700 brands, centered around up-and-coming street brands
  from various Asian countries, the platform is highly supported by teenagers and young adults in their 20s.
- Strengthening the platform business of and ST HD Co., Ltd. by incorporating cutting-edge Asian fashion and culture.



Aired TV commercials and launched a campaign aimed at expanding awareness of *and ST* and growing membership base

- Aired in 24 regions across Japan between May 13 and May 31; increased scale compared with the previous year and strengthened media exposure
- Focusing primarily on the 20% point rebate available at both online and physical stores, we implemented the and ST WEEK campaign and aired TV commercials tied in to the campaign during the period
- New members acquired during the TV commercial broadcast period rose 7.0% year on year

Broadening the and ST points economic zone through stronger integrations with external partners and payment functionality

- In addition to ongoing integration with d Point and Rakuten Point, we launched a two-way integration in March with JAL Miles.
- Issued the new and ST CARD (credit card) in partnership with Pocket Card Co., Ltd.
  Cumulative transactions roughly doubled initial projection in the first six months;
  and ST CARD members have demonstrated exceptionally high loyalty

Global Business

- **Mainland China** Despite sales growth, net loss widened due to a slump in January seasonal sales stemming from the timing of the Lunar New Year, etc.
- **Hong Kong** Sales rose, but profits fell due to sluggish winter sales at the end of the year; spring and summer sales showing signs of recovery
- **Taiwan** Sales and profit increased due to continued new store openings and brand launches
- **Thailand** Sales increased due to the opening of new stores last fiscal year
- **The Philippines** Sales at the first store in the country remained largely flat
- **USA** Sale completed in July 2025

(Millions of yen)

		FY2025/12 1Q Results	FY2026/12 1Q Results	FY2026/12 YoY (JPY)	FY2026/12 YoY (Local currency)
Net Sales		6,498	5,678	87.4%	83.7%
Net Sales (Excl. USA)		4,726	5,678	120.2%	113.3%
	Mainland China *1	1,139	1,277	112.2%	105.8%
	Hong Kong	1,210	1,370	113.2%	110.6%
	Taiwan	2,232	2,835	127.0%	117.7%
	Thailand	108	157	145.9%	132.1%
	Phillipines	35	36	103.3%	102.6%
	USA *2	1,772	-	-	-
Operating profit (Excl. HD Impact) *1		169	277	163.4%	141.2%
Operating profit (Excl. USA)		346	277	80.2%	74.4%
	Mainland China	▲ 72	▲ 186	-	-
	Hong Kong	38	▲ 3	-	-
	Taiwan	432	546	126.5%	117.2%
	Thailand	▲ 36	▲ 51	-	-
	Phillipines	▲ 15	▲ 27	-	-
	USA *2	▲ 176	-	-	-

*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.

Continued growth trends in East Asia and progress in developing new markets

- Strong trends continued in East Asia, particularly in Taiwan, driving growth in our global business
- New openings proceeded smoothly; opened a first outlet store in Hong Kong
- Continuing preparations to open stores in Southeast Asia as well

Mainland China

niko and ...

杭州恒隆广场

West Lake 66

Hong Kong

and ST

Megabox (Outlet store)

Taiwan

LOWRYS FARM

studio CLIP

JEANASiS

台中漢神Stadium

Hanshin Intercontinental Shopping Plaza

Brand Retail Business：Domestic Subsidiaries, Adastria Major Brand

- **Adastria** — GLOBAL WORK continued gradual recovery; profit improved with cut-backs on advertising and promotions and discounts
  Performance at niko and ..., LOWRYS FARM, studio CLIP, and LEPSIM remained strong, while LAKOLE continued store expansion
- **ELEMENT RULE** — Spring/summer merchandising performed poorly across multiple brands; sales decline due to negative rebound from hit products in the previous fiscal year
- **BUZZWIT** — Sales declined, but profit increased due to controlled sales discounts

◆ **Online Business (Domestic)** — Domestic online business ratio: 26.9% (of which *and ST* EC site: approx. 14.0%)

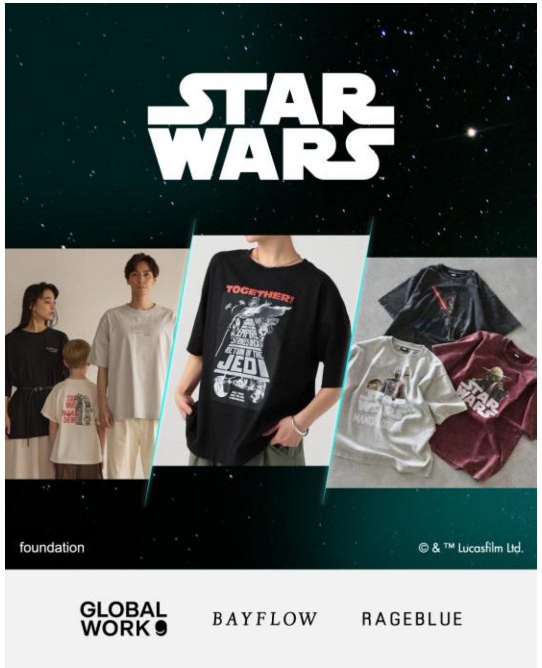
		Net Sales (Millions of yen) *			Stores	
		FY2026/02 1Q Results	FY2027/02 1Q Results	FY2027/02 YoY	End of FY2026/02 1Q	End of FY2027/02 1Q
Domestic Subsidiaries	Adastria	59,547	63,424	106.5%	1,321	1,336
	ELEMENT RULE	3,714	3,563	95.9%	82	82
	BUZZWIT	3,014	2,871	95.3%	29	29
Adastria	GLOBAL WORK	14,545	14,887	102.4%	222	229
	niko and ...	9,234	9,985	108.1%	145	149
	LOWRYS FARM	6,237	6,896	110.6%	126	131
	studio CLIP	5,896	6,483	110.0%	188	190
	LEPSIM	4,576	5,421	118.5%	116	121
	LAKOLE	3,538	3,893	110.0%	94	102
	JEANASIS	2,839	2,987	105.2%	68	68
	BAYFLOW	2,836	2,724	96.0%	62	65

*Figures is shown after elimination of internal transactions.

Evolution in OMO initiatives and delivery of value-added experiences helped physical stores post strong sales with a 6.6% increase year on year

- Digital coupons from the *and ST* e-commerce site now usable at select physical stores, offering better convenience and creating incentives for customers to visit in person
- In-store events linked with popular staff on STAFF BOARD and the sale of IP collaboration products, as well as promotional giveaways exclusive to physical stores
- Attracting core fans to stores and boosting in-store purchase rates

Examples of Collaborations Between Popular IP and Multiple Brands



In-Store Exclusive Giveaways

Number of Stores

and ST HD

	FY2026/02		FY2027/02 1Q		
	End of 1Q	End of FY2026/02	Opened	Closed	End of 1Q
GLOBAL WORK	222	226	3	0	229
niko and ...	145	147	2	0	149
LOWRYS FARM	126	128	3	0	131
studio CLIP	188	188	2	0	190
LEPSIM	116	119	2	0	121
LAKOLE	94	100	2	0	102
JEANASIS	68	68	1	▲ 1	68
BAYFLOW	62	64	1	0	65
Others	300	283	2	▲ 4	281
Adastria non-consolidated total	**1,321**	**1,323**	**18**	**▲ 5**	**1,336**
(Online store included)	(68)	(62)	(0)	(▲ 1)	(61)
Domestic subsidiaries total	**123**	**121**	**5**	**0**	**126**
(Online store included)	(49)	(49)	(1)	(0)	(50)
Japan total	**1,444**	**1,444**	**23**	**▲ 5**	**1,462**
(Online store included)	(117)	(111)	(1)	(▲ 1)	(111)

FY2027/2 Q1 12 remodeled stores in the consolidated group.

	FY2026/02		FY2027/02 1Q		
	End of 1Q	End of FY2026/02	Opened	Closed	End of 1Q
Mainland China	13	18	0	0	18
Hong Kong	29	32	1	0	33
Taiwan	90	98	0	0	98
Thailand	4	6	0	0	6
The Philippines	1	3	0	0	3
USA	11	0	-	-	-
Oversea total	**148**	**157**	**1**	**0**	**158**
(Online store included)	(28)	(29)	(0)	(0)	(29)

zetton	77	73	2	▲ 1	74

Consolidated total	**1,669**	**1,674**	**26**	**▲ 6**	**1,694**
(Online store included)	(145)	(140)	(1)	(▲ 1)	(140)

Consolidated Balance Sheet

and ST HD

- **Inventories** Inventory at 100.7% compared to the end of the same period in the previous fiscal year; operations proceeding in accordance with initial plan to optimize inventory
- **Property, plant and equipment** Decrease due to the sale of the Fukuoka Distribution Center and U.S. business, etc.
- **Intangible assets** Decrease due to impairment of goodwill, etc.
- **Net assets** Net asset ratio of 56.9%, +3.7p compared with the same period in the previous fiscal year

(Millions of yen)

	End of 2025/05		End of 2026/02		End of 2026/05			
		Ratio		Ratio		Ratio	Compared with the end of 2025/05	Compared with the end of 2026/02
Current assets	78,078	53.1%	77,644	55.6%	84,179	57.3%	+6,101	+6,534
Cash and deposits	23,566	16.0%	24,912	17.8%	26,154	17.8%	+2,587	+1,241
Inventories	29,921	20.4%	30,526	21.9%	30,144	20.5%	+223	▲381
Fixed assets	68,848	46.9%	62,043	44.4%	62,836	42.7%	▲6,012	+792
Property, plant and equipment	27,384	18.6%	24,727	17.7%	25,473	17.3%	▲1,911	+745
Intangible assets	16,093	11.0%	12,579	9.0%	12,272	8.3%	▲3,820	▲306
Goodwill	2,881	2.0%	566	0.4%	520	0.4%	▲2,361	▲45
Investments and other assets	25,369	17.3%	24,736	17.7%	25,089	17.1%	▲280	+353
Total assets	146,926	100.0%	139,688	100.0%	147,015	100.0%	+89	+7,327
Liabilities	68,719	46.8%	57,864	41.4%	63,401	43.1%	▲5,318	+5,536
Loans payable	10,737	7.3%	-	-	6,000	4.1%	▲4,737	+6,000
Net assets	78,206	53.2%	81,823	58.6%	83,614	56.9%	+5,407	+1,790
Treasury shares	▲ 6,177	▲4.2%	▲ 6,098	▲4.4%	▲ 6,061	▲4.1%	+115	+37

and ST HD

No change from the initial forecast

- While results for the first quarter exceeded expectations, the Company will be monitoring exchange rate fluctuations and rising costs closely in the second half of the year; leaving full-year forecasts unchanged

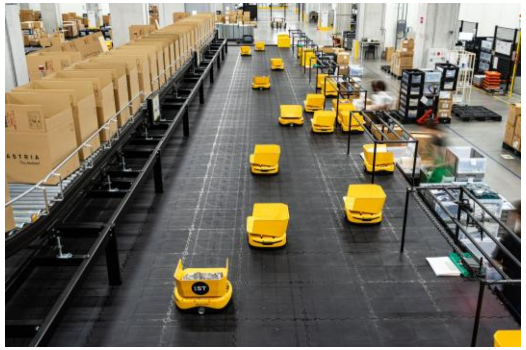
(Millions of yen)

	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%

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

Progress with activities involving the KPI of Sustainability Initiatives

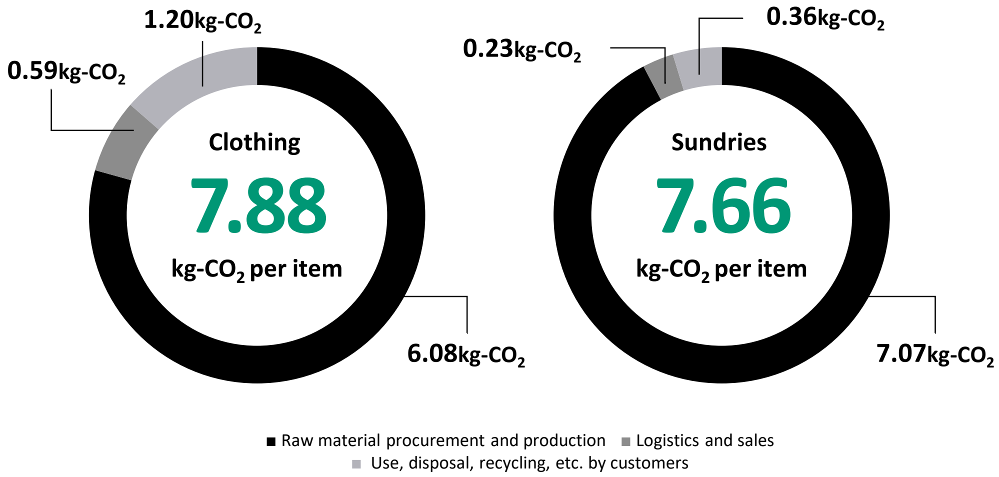
Materialities	Vision	KPI	Progress
Protect the Environment	Engage in manufacturing that leads to the future	Incorporate sustainable materials and processing into over 50% of all products by 2030	Percentage of products with our own sustainability mark : 13.1%
	Balance environmental considerations with business activities	Achieve carbon neutrality by 2050	・Group CO_2 Emissions : -1.4% Y-o-Y (7,671 t-CO_2 reduction) ・Developed a CO_2 reduction scenario for Scope3 ・Visualization of Product Carbon Footprints
	Create a world without fashion loss	Eliminate incineration of clothing inventory	• Continuation of no apparel inventory sent to incinerators • Recycle boxes in 193 stores/43 tons of used apparel collected ・Promote a circular economy through the launch of resale business for collected garments at OFF STORE
Encourage People to Shine	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	・Percentage of female senior managers : 20.0% Percentage of female managers : 35.5% *as the number of the February 2026, Domestic Group Results(Excluding Karrimor)
		Become a White 500 Certified Health & Productivity Management Outstanding Company	・Certificated as 2025 Health & Productivity Management Outstanding Company for the third consecutive year
Grow Together With Communities	Foster sustainable development in production areas	Strengthen partnerships with suppliers and enhance supply chain transparency	・Expand the scope and items of supplier list publication - 47 direct trading companies, 60 factories - seven major trading houses, 18 indirect trading partners via trading companies ・Number of factories monitored : 31 per year(annually)

External recognition of the and ST HD Group ESG activities

Digging deeper into the potential of reducing CO_2 through the product carbon footprint

- Visualize CO_2 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_2 reduction plans for their production processes, which will encourage a shift to more environmentally friendly manufacturing processes

Average Carbon Footprint per Product

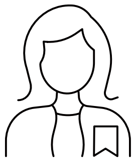


New target for the percentage of women in management positions and accelerating diversity management

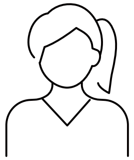
- Expanding the scope to include international group companies; updating to even more aspirational targets. Accelerating efforts to diversify human resources, which will be essential for achieving the new medium-term management plan
- Conducted discussions with managers related to diversity (nine sessions 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

(Appendix) Action to Implement Management Conscious of Cost of Capital and Stock Price

Current State of Affairs

- Cost of capital based on CAPM remains low due to a decreased β; 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%

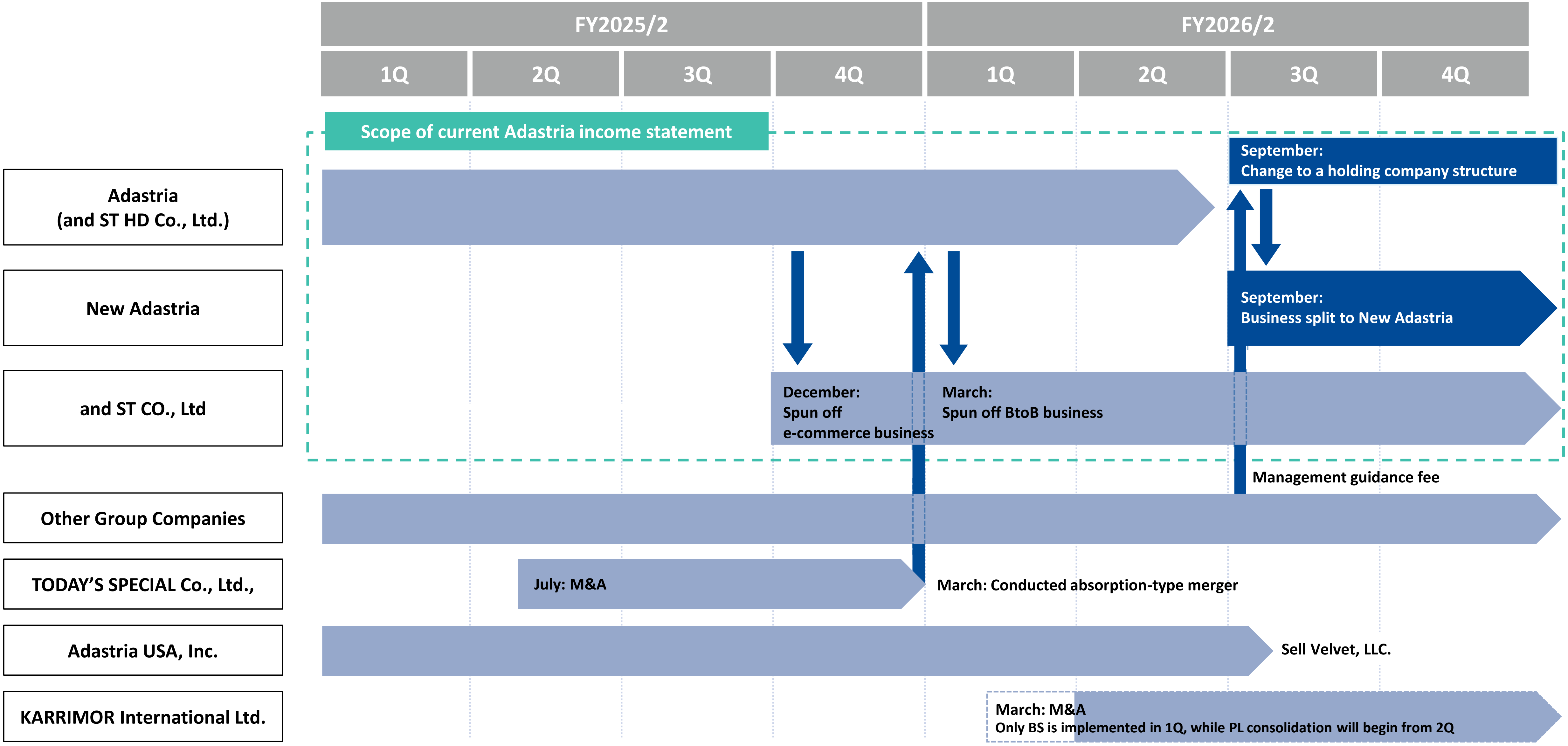
Relative Stock Price (vs. TOPIX)

IR Activities

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

(Appendix) Changes in the Reporting Scope by Company and Business

and ST HD



4. FY2027/02 Consolidated Forecast

Disclosed on April 6, 2026

and ST HD

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
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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

	FY2026/02			FY2027/02	
Investment Category	**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 *and ST*, 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**	

Play fashion!