

Translation



October 19, 2022

To Whom It May Concern,

Company name: Adastria Co., Ltd.
Representative: Osamu Kimura,
Representative Director and President
Stock code: 2685
Listing: TSE Prime Market
Contact: Itsuo Iwakoshi,
Senior Executive Officer,
Head of Corporate Planning Office
TEL: +81-(0) 3 -5466-2060

Notice of Establishment of Subsidiary in Overseas

The Company announced that has established an overseas subsidiary at a meeting of the Board of Directors held October 19, 2022.

1. Reason for the establishment of overseas subsidiary

We have positioned overseas business as one of our key growth strategies in our medium-term management plan. Southeast Asia is a priority area with a large young population and the apparel market is expected to grow in the future. We will establish a new company in Thailand, where fashion consumption is particularly active, and launch our main brand "niko and ..." tailored to local customers. After established a business in Thailand, we will expand our business to countries in and around Southeast Asia.

2. Overview of the subsidiary

- (1) Company name: Adastria(Thailand) Co.,Ltd. (Plan)
- (2) Headquarters: Thailand, Bangkok
- (3) Representative: Hideo Kimura
- (4) Business activities: Retail business and other related activities in Southeast Asia
- (5) Capital: 100 million baht (approx.400 million yen)
- (6) Establishment: Early Jan. 2023 (Plan)
- (7) Relationships between Adastria(Parent company) and Adastria(Thailand):
 1. Capital: Wholly owned by Adastria(Parent company)

2. Personnel: Two Adastria(Parent company) directors and two employees to serve concurrently as director of the Adastria(Thailand).
3. Business: Not applicable at this time

3. Outlook

The impact of this matter on the consolidated results of operations for the current fiscal year is negligible, and there will be no revision to the earnings forecast. An announcement will be made promptly if the disclosure of any further information is needed.