

Summary of Consolidated Financial Results for the Fiscal Year Ended February 28, 2026

[Japanese GAAP]

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Scheduled date of Annual General Meeting of Shareholders: May 27, 2026
 Scheduled date of payment of dividend: May 11, 2026
 Scheduled date of filing of Annual Securities Report: May 26, 2026
 Preparation of supplementary materials for financial results: Yes
 Holding of financial results meeting: Yes (for investors)

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended February 28, 2026

(March 1, 2025 - February 28, 2026)

(1) Consolidated results of operations (Percentages shown for net sales and incomes represent year on year changes)

	Net sales		Operating profit		Ordinary profit		Net income attributable to owners of the parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Feb. 28, 2026	304,351	3.8	16,524	6.5	16,827	5.4	9,498	(1.2)
Fiscal year ended Feb. 28, 2025	293,110	6.4	15,510	(13.9)	15,964	(13.2)	9,614	(28.9)

Note: Comprehensive income Fiscal year ended Feb. 28, 2026: 9,482 million yen (down 3.2%)
 Fiscal year ended Feb. 28, 2025: 9,799 million yen (down 30.9%)

	Net income per share	Diluted net income per share	ROE	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Feb. 28, 2026	205.86	—	12.0	12.3	5.4
Fiscal year ended Feb. 28, 2025	208.93	—	13.1	12.2	5.3

Reference: Equity in earnings of affiliates Fiscal year ended Feb. 28, 2026: — million yen
 Fiscal year ended Feb. 28, 2025: (26) million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Feb. 28, 2026	139,688	81,823	58.3	1,765.62
As of Feb. 28, 2025	133,108	77,200	57.9	1,665.51

Reference: Shareholders' equity As of Feb. 28, 2026: 81,444 million yen As of Feb. 28, 2025: 77,102 million yen

(3) Consolidated cash flow position

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Feb. 28, 2026	20,566	(9,515)	(7,426)	24,820
Fiscal year ended Feb. 28, 2025	21,373	(16,971)	(7,111)	21,081

2. Dividends

	Dividend per share					Total dividends	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
	Q1-end	Q2-end	Q3-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Feb. 28, 2025	—	35.00	—	55.00	90.00	4,211	43.1	5.6
Fiscal year ended Feb. 28, 2026	—	45.00	—	45.00	90.00	4,210	43.7	5.2
Fiscal year ending Feb. 28, 2027 (forecast)	—	45.00	—	45.00	90.00		39.5	

3. Consolidated Forecast for the Fiscal Year Ending February 28, 2027 (March 1, 2026 - February 28, 2027)

(Percentages represent year on year changes)

	Net sales		Operating profit		Ordinary profit		Net income attributable to owners of the parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	314,000	3.2	17,200	4.1	17,200	2.2	10,500	10.5	227.63

*** Notes**

(1) Significant changes in scope of consolidation during the period: Yes

Newly added: 2 (KARRIMOR International Ltd.; ADASTRIA (MALAYSIA) SDN. BHD.)

Excluded: 1 (Velvet,LLC)

(2) Changes in accounting policies and accounting based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(Note) For details, refer to 3. *Consolidated Financial Statements and Notes (5) Notes to Consolidated Financial Statements (Changes in Accounting Policies)* on page 16 of the attached materials.

(3) Number of outstanding shares (common stock)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Feb. 28, 2026: 48,800,000 shares As of Feb. 28, 2025: 48,800,000 shares

2) Number of treasury shares at the end of the period

As of Feb. 28, 2026: 2,672,130 shares As of Feb. 28, 2025: 2,506,369 shares

3) Average number of shares outstanding during the period

Fiscal year ended Feb. 28, 2026: 46,141,767 shares Fiscal year ended Feb. 28, 2025: 46,018,757 shares

Reference: Summary of Non Consolidated Financial Results

1. Non Consolidated Financial Results for the Fiscal Year Ended February 28, 2026

(March 1, 2025 - February 28, 2026)

(1) Non consolidated results of operations

(Percentages represent year on year changes)

	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Feb. 28, 2026	124,736	(46.0)	7,612	(43.4)	9,818	(34.1)	5,459	(49.4)
Fiscal year ended Feb. 28, 2025	230,983	5.0	13,449	(17.7)	14,888	(8.8)	10,792	23.2

	Net income per share		Diluted net income per share	
	Yen		Yen	
Fiscal year ended Feb. 28, 2026	118.31		—	
Fiscal year ended Feb. 28, 2025	234.52		—	

(2) Non consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
As of Feb. 28, 2026	84,434		67,563		80.0		1,464.69	
As of Feb. 28, 2025	105,313		67,141		63.8		1,450.34	

Reference: Shareholders' equity As of Feb. 28, 2026: 67,563 million yen As of Feb. 28, 2025: 67,141 million yen

(Note) The Company became a holding company via corporate split on September 1, 2025.

For details, refer to 3. *Consolidated Financial Statements and Notes (5) Notes to Consolidated Financial Statements (Changes in Accounting Policies)* on page 16 of the attached materials.

Note 1: The current financial report is not subject to audit by certified public accountants or auditing firms.

Note 2: Cautionary statement with respect to forward looking statements

Forward looking statements in this report are based on currently available information and certain assumptions judged to be reasonable. These statements are not promises by Adastria regarding future performance. Actual results may differ significantly from these forecasts for a number of factors. Please refer to the section "1. Overview of Results of Operations

(4) Outlook" on page 7 regarding preconditions or other related matters for the forecast shown above.

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1. Overview of Results of Operations

(1) Results of Operations

Consolidated Results

		FY2/25 (Mar. 1, 2024 - Feb. 28, 2025)	FY2/26 (Mar. 1, 2025 - Feb. 28, 2026)	YoY Change	YoY Change (%)
Net sales	(Million yen)	293,110	304,351	11,240	3.8%
Operating profit	(Million yen)	15,510	16,524	1,013	6.5%
Ordinary profit	(Million yen)	15,964	16,827	862	5.4%
Net income attributable to owners of the parent	(Million yen)	9,614	9,498	(115)	(1.2%)

The employment and personal income environment in Japan remained stable, supporting a gradual economic recovery throughout the current consolidated fiscal year. However, personal consumption faced downside risks as the ongoing weak yen and labor shortages continued to drive up food, raw materials, and energy costs. The outlook for the global economy as a whole remains uncertain due to U.S. tariff policies and the international landscape.

Against this backdrop, the and ST HD Group aims to position our e-commerce site *and ST*, as the driving force to generate synergies across group companies, as outlined in Medium-Term Management Plan 2030, announced in April 2025. In doing so, we aim to evolve into a *Play fashion!* platformer that expands our reach through collaboration with customers and external partners.

Consolidated net sales amounted to 304,351 million yen (up 3.8% year on year), operating profit was 16,524 million yen (up 6.5%), while ordinary profit was 16,827 million yen (up 5.4%) and net income attributable to owners of the parent was 9,498 million yen (down 1.2%). Pursuing our growth strategy, we expanded brands and categories through M&A, opened our own e-commerce site to products from other companies, and opened physical stores overseas. As a result, sales increased while net income attributable to owners of the parent decreased due to extraordinary losses. Sales and profit performance did not meet our initial forecasts due to challenges in responding to climate change in Japan and overseas, as well as the impact of the performance of major brands.

Net sales for casual fashion in the Apparel and Sundries Related Business in Japan were affected by unseasonal temperatures in April and September, which slowed the start of seasonal clothing; however, demand for casual fashion remained firm. Net sales in Japan increased 4.0% year on year, supported by a diverse product lineup driven by the multi-brand, multi-company strategy, along with promotions including TV commercials and points-reward programs. M&A also contributed to a net increase of four months for two brands, TODAY'S SPECIAL and GEORGE'S, which joined the group in July 2024, and a net increase for KARRIMOR International Ltd., which joined the group in April 2025.

Under our platform strategy, we expanded promotional initiatives linking *and ST* with physical stores, and developed collaboration products with well-known characters and popular staff. As a result, membership in the shared point system for e-commerce and physical stores grew by 2 million from the end of the previous fiscal year to 21.7 million, and the number of active members reached 7.8 million. The number of brands and gross merchandise value also increased under the open-mall model on *and ST*, which allows external brands to list their products.

Overseas net sales (converted to yen) increased 18.6% year on year in mainland China, driven by strong performance in our cross-channel strategy to raise brand recognition through the opening of cost-efficient standard-format stores and to generate earnings through e-commerce, despite ongoing pressure from the real estate downturn and weak consumer sentiment. In Hong Kong and Taiwan, new store openings and e-commerce under the multi-brand strategy continued to perform well, resulting in year-on-year sales growth of 1.3% and 25.2%, respectively. We completed the equity interest transfer of Velvet, LLC, an operating subsidiary (sub-subsidiary) in the U.S., on July 25, 2025, withdrawing from the business. As a result, sales in our U.S. business declined 44.3%. New store openings in Thailand and the Philippines led to higher net sales, while the overseas business overall recorded a 0.3% year-on-year decrease in net sales, impacted by the decrease in sales in the U.S.

Sales in Other (food and beverage business) increased 1.1% year on year, despite continued challenges in the food service industry, including rising raw material and utility costs and labor shortages. This result was supported by steady performance at existing stores and a net increase in new stores, including overseas locations, contributing to the increase in sales, despite the negative impact of the change in fiscal year-end and fewer months included in our results.

Given the upward pressure on costs due to the depreciating yen, we endeavored to control inventory and reduce costs by offering products at the right time, right price, and right volume. We also expanded our highly profitable platform business in line with our growth strategy. At the same time, gross profit margin in the Apparel and Sundries Related Business declined year on year due to lower-than-expected full-price sales due to the year-round impact of the weather. In Other (food and beverage business), rising costs of materials, etc., outpaced our efforts to revise prices and reduce costs, resulting in a lower gross profit margin. As a result, consolidated gross profit margin declined 0.1 percentage points year on year to 54.6%.

Selling, general, and administrative expenses increased due to factors including stepped-up promotions, advertising expenses for new flagship store openings, higher personnel expenses due to improved employee compensation, and an increase in depreciation and amortization in line with new store openings and M&A. However, overall efficiency gains helped us hold SG&A ratio to within 0.3 percentage points at 49.1%.

As a result, operating profit margin rose 0.1 percentage points to 5.4% while operating profit increased 6.5% year on year.

We recorded 2 million yen in foreign exchange gains as non-operating income, 3,446 million yen in gain on sale of non-current assets as extraordinary income in connection with the sale of the Fukuoka Distribution Center, and extraordinary losses that included 2,502 million yen in impairment loss on intangible assets associated with goodwill, 1,137 million yen in impairment loss related to stores, and 695 million yen in loss on sales of shares in subsidiaries and affiliates in connection with the transfer of interest in Velvet, LLC.

Business segment performance was as follows.

1) Apparel and Sundries Related Business

Net sales amounted to 289,770 million yen (up 4.0% year on year) and segment profit was 17,301 million yen (up 3.7%).

We opened 108 new stores (including 35 overseas) and closed 53 locations (including 6 overseas). As a result, the segment operated 1,601 stores (including 157 locations overseas) as of the end of the current consolidated fiscal year.

2) Other (Food and Beverage Business)

Net sales amounted to 14,759 million yen (up 1.0% year on year) and segment loss was 474 million yen (compared with a segment loss of 717 million yen in the previous fiscal year).

The segment operated 73 stores as of the end of the fiscal year. We opened 3 new locations and closed 6.

Supplementary Information

(1) Sales by Brand and Region

Brand / Region		FY2/26		YoY change (%)
		Net sales (million yen)	Composition (%)	
	GLOBAL WORK	53,842	17.7	2.2
	niko and ...	37,850	12.4	5.4
	LOWRYS FARM	24,249	8.0	6.6
	studio CLIP	23,918	7.9	4.5
	LEPSIM	17,230	5.7	15.7
	LAKOLE	14,165	4.7	11.8
	JEANASiS	11,625	3.8	(0.6)
	BAYFLOW	10,998	3.6	(2.6)
	Other (Note 3)	39,681	13.0	(5.6)
Total (Adastria) (Note 4)		233,562	76.8	3.0
BUZZWIT Co., Ltd.		12,562	4.1	2.3
ELEMENT RULE Co., Ltd.		13,781	4.5	9.0
Other consolidated subsidiaries (Note 3)		5,896	1.9	97.8
Total (Japan)		265,803	87.3	4.4
	Mainland China	5,062	1.7	18.6
	Hong Kong	4,820	1.6	1.3
	Taiwan	9,413	3.1	25.2
	Thailand	518	0.2	45.9
	The Philippines	143	0.0	468.3
	USA	3,900	1.3	(44.3)
Total (Overseas)		23,858	7.9	(0.3)
Total (Apparel and Sundry Goods-related Business)		289,661	95.2	4.0
zetton inc. (Note 5)		14,690	4.8	1.1
Other (Food and Beverage) total		14,690	4.8	1.1
Total (Group)		304,351	100.0	3.8

(Notes) 1. Stores grouped by brand operating divisions and geographic regions.

2. Net sales represent sales to external customers and do not include internal sales between consolidated subsidiaries.

3. Effective March 1, 2025, the Company's producing business and other operations are to be transferred to and ST Co., Ltd., through an absorption-type company split. As of this consolidated fiscal year, sales in this business, previously recorded under Other by and ST HD are now recorded under Other consolidated subsidiaries.

4. and ST HD Co., Ltd. results include Adastria Co., Ltd. net sales prior to the absorption-type split conducted on September 1, 2025.

5. Sales of zetton inc. include sales of consolidated subsidiary ZETTON, INC.(U.S.A.)

(2) Sales by Product Category

Category	FY2/26		YoY change (%)
	Net sales (million yen)	Composition (%)	
Men's apparel (bottoms, tops)	50,689	16.7	5.5
Lady's apparel (bottoms, tops)	176,333	57.9	2.0
Other	77,328	25.4	7.1
Total	304,351	100.0	3.8

(Notes) 1. Other includes contract liabilities and an additional provision for point card certificates and other items.

2. Net sales represent sales to external customers and do not include internal sales between consolidated subsidiaries.

(3) Number of Stores

Brand / Region		Number of stores						As of Feb. 28, 2026
		As of Feb. 28, 2025	FY2/26				YoY Change	
			Merged, etc. (Note 3)	Opened	Changed	Closed		
	GLOBAL WORK	216	-	14	-	(4)	10	226
	niko and ...	145	-	2	-	-	2	147
	LOWRYS FARM	125	-	4	-	(1)	3	128
	studio CLIP	187	-	4	-	(3)	1	188
	LEPSIM	115	-	6	-	(2)	4	119
	LAKOLE	91	-	11	-	(2)	9	100
	JEANASiS	69	-	1	-	(2)	(1)	68
	BAYFLOW	62	-	2	-	-	2	64
	Other	270	23	16	-	(26)	13	283
	Total (Adastria) (Note 4)	1,280	23	60	-	(40)	43	1,323
	BUZZWIT Co., Ltd.	28	-	3	-	(3)	-	28
	ELEMENT RULE Co., Ltd.	78	-	6	-	(3)	3	81
	Other consolidated subsidiaries	29	(20)	4	-	(1)	(17)	12
	Total (Japan)	1,415	3	73	-	(47)	29	1,444
	Mainland China	14	-	5	-	(1)	4	18
	Hong Kong	29	-	5	-	(2)	3	32
	Taiwan	81	-	19	-	(2)	17	98
	Thailand	3	-	3	-	-	3	6
	The Philippines	1	-	2	-	-	2	3
	USA	11	(11)	1	-	(1)	(11)	-
	Total (Overseas)	139	(11)	35	-	(6)	18	157
	Total (Apparel and Sundry Goods-related Business)	1,554	(8)	108	-	(53)	47	1,601
	zetton inc. (Note 5)	76	-	3	-	(6)	(3)	73
	Other (Food and Beverage) total	76	-	3	-	(6)	(3)	73
	Total (Group)	1,630	(8)	111	-	(59)	44	1,674

(Notes) 1. Stores grouped by brand operating divisions and geographic regions.

2. Stores include e-commerce websites of other companies and e-commerce websites of and ST HD.

3. The Company conducted an absorption-type merger on March 1, 2025, in which the Company was the surviving company and TODAY'S SPECIAL was the dissolved company. Changes due to this merger are shown in the following table. The Company also conducted an absorption-type company split on March 1, 2025, in which the Company transferred the production business and other operations to and ST Co., Ltd. Changes due to this company split are shown in the following table. The disclosed number of stores increased due to the consolidation of KARRIMOR International, Ltd. during the current consolidated fiscal year. The disclosed number of stores decreased due to the transfer of Velvet, LLC (U.S.) during the current consolidated fiscal year.

4. The number of Adastria Co., Ltd. stores include and ST HD Co., Ltd. results prior to the absorption-type split conducted on September 1, 2025.

5. The number of stores of zetton inc. includes the stores of its consolidated subsidiary ZETTON, INC. (U.S.A).

(2) Financial Position

Assets

Current assets amounted to 77,644 million yen, an increase of 10,471 million yen compared with the end of the previous consolidated fiscal year. This result was mainly due to increases in cash and deposits of 3,769 million yen, 1,444 million yen in notes and accounts payable-trade, 1,443 million yen in inventories, and 3,842 million yen in Other (including other receivables)

Non-current assets amounted to 62,043 million yen, a decrease of 3,891 million yen compared with the end of the previous consolidated fiscal year. This result was mainly due to a 1,888 million yen decrease in right-of-use assets (net) and a 2,107 million yen decrease in goodwill.

Liabilities

Current liabilities amounted to 50,340 million yen, an increase of 3,260 million yen compared with the end of the previous consolidated fiscal year. This result was mainly due to a 1,069 million yen increase in notes and accounts payable-trade and a 2,371 million yen increase in income taxes payable.

Non-current liabilities amounted to 7,523 million yen, a decrease of 1,304 million yen compared with the end of the previous consolidated fiscal year. This result was mainly due to a decrease of 1,715 million yen in lease liabilities.

Net assets

Net assets as of the end of the current consolidated fiscal year amounted to 81,823 million yen, an increase of 4,623 million yen compared with the end of the previous consolidated fiscal year. This result was mainly due to a 4,819 million yen increase in retained earnings.

(3) Cash Flows

Cash and cash equivalents ("cash") as of the end of the current consolidated fiscal year amounted to 24,820 million yen, an increase of 3,738 million yen compared to the end of the previous consolidated fiscal year.

The following provides a summary of cash flows for each activity for the current consolidated fiscal year.

Net cash provided by (used in) operating activities

Net cash provided by operating activities amounted to 20,566 million yen (a decrease of 807 million yen compared with the year-ago period). This result was mainly due to gain on sale of non-current assets of 3,446 million yen and income taxes paid of 5,227 million yen, offset by profit before income taxes of 15,538 million yen and depreciation and amortization of 12,949 million yen.

Net cash provided by (used in) investing activities

Net cash used in investing activities amounted to 9,515 million yen (a decrease 7,455 million yen compared with the year-ago period). This result was mainly due to sales of property, plant and equipment of 4,716 million yen, offset by purchases of property, plant and equipment of 9,422 million yen and purchases of intangible assets of 4,425 million yen.

Net cash provided by (used in) financing activities

Net cash used in financing activities amounted to 7,426 million yen (an increase of 315 million yen compared with the year-ago period). This result was mainly due to dividend payments of 4,688 million yen and repayments of lease liabilities of 1,863 million yen.

(Reference) Cash Flow Indicators

	FY2/24	FY2/25	FY2/26
Shareholders' equity ratio (%)	54.8	57.9	58.3
Shareholders' equity ratio based on market prices (%)	120.7	100.9	98.9
Interest-bearing debt to cash flow ratio	0.4	0.4	0.3
Interest coverage ratio (times)	89.5	80.9	65.0

(Notes) 1. Shareholders' equity ratio: Shareholders' equity/Total assets

2. Shareholders' equity ratio based on market prices: Market capitalization/Total assets

3. Interest-bearing debt to cash flow ratio: Interest-bearing debt/Operating cash flows

4. Interest coverage ratio: Operating cash flows/Interest payments

*Market capitalization is the product of closing share price at the end of the period and the number of shares outstanding at the end of the period, excluding treasury shares.

*Operating cash flows represent operating cash flows in the consolidated statement of cash flows. Interest-bearing debt includes all liabilities on the consolidated balance sheet that incur interest. Interest payments represent interest expenses paid as shown in the consolidated statement of cash flows.

(4) Outlook

The Japanese economy continues to be firm amid moderately improving wages and personal consumption, solid inbound demand, and ongoing positive sentiment in corporate capital investments. However, concerns about the business environment continue. These concerns include higher raw material and energy costs, rising prices and interest rates, increased labor costs, labor shortages, currency devaluation, and increasing geopolitical risks. With respect to the market served by our apparel business, in the greater market environment, nominal wages are expected to shift into positive territory amid tight labor supply and rising wages. This situation will likely provide a tailwind for consumer spending among the younger generation, which is the main customer base of the and ST HD Group. At the same time, certain changes in lifestyle and customer preferences continue to evolve. We are responding flexibly to these changes, which include market growth for lifestyle goods, the acceptance of more casual business attire, the expansion of the economy and e-commerce markets, and increased purchasing over social media. Our response will ensure that we capture this new demand. Furthermore, analysts expect the Japanese apparel market to continue a gradual contraction structurally over the medium to long term, stemming from a declining birthrate and aging demographics. Meanwhile, while the overseas apparel market should continue to expand amid population growth and rising income levels in emerging economies.

To respond quickly to this changing business environment and transform our business structure, the and ST HD Group formulated a new Medium-Term Management Plan 2030, which will take us through the fiscal year ending February 2030. Medium-Term Management Plan 2030 describes how the and ST HD Group will evolve our e-commerce site, *and ST*, into a Play fashion! platformer. To this end, we intend to leverage the strong connections with the *and ST* membership base cultivated through our staff and physical multi-brand stores. We also plan to create synergies between our three businesses: Platform Business, Global Business, and Brand Retail Business. In conjunction with this change, we changed our corporate name to and ST HD Co., Ltd., shifting to a holding company structure effective September 1, 2025. The strategies for each of these businesses are as follows.

(1) Platform Business (the engine of Group value innovation)

By maximizing our connection with the *and ST* member base, we aim to achieve a gross merchandise value of 100 billion yen. We will develop the *and ST* e-commerce site into a mall and media platform, hosting products from other companies and expanding ID (customer base) and LTV (lifetime value) through category expansion and other means. At the same time, we will improve profitability through wider user services, as well as production and solution-based services.

(2) Global Business (the accelerator of Group value expansion)

As another pillar of our strategy, we intend to accelerate investment in Southeast Asia, where population and economic growth is expected to be high. In parallel with opening physical stores, we plan to expand the territory in which we operate. In Greater China (Mainland China, Hong Kong, and Taiwan), we plan to strengthen our multi-brand strategy for stable growth.

(3) Brand Retail Business (the foundation supporting Group value creation)

We intend to strengthen brand portfolio management through a multi-company structure. Under this structure, each group

company will formulate strategy and manage its business according to its own mission. As the core member of the and ST HD Group, Adastria Co., Ltd. invests in focused brands having significant room for growth. Adastria will improve profitability through more store openings in urban areas and increased store size.

The and ST HD Group will continue to invest in the DX, logistics, production, and other infrastructure that supports this business portfolio, curbing expense ratios through digitalization and logistics efficiency, while reducing cost ratios through means that include revising contract production factories. Given the strategies outlined above, we aim to achieve consolidated net sales of 400,000 million yen, operating profit margin of 8%, and ROE of 15% for the fiscal year ending February 2030.

For the fiscal year ending February 2027, we forecast consolidated net sales of 314,000 million yen (up 3.2% year on year), gross profit of 172,800 million yen (up 4.1%), operating profit of 17,200 million yen (up 4.1%), ordinary profit of 17,200 million yen (up 2.2%), and net income attributable to owners of the parent of 10,500 million yen (up 10.5%).

The impact of soaring crude oil prices, exchange rate fluctuations, and price hikes due to the recent tensions in the Middle East are difficult to reasonably calculate at this time. Accordingly, we have not incorporated these factors into our forecasts.

(5) Basic Policy on Profit Distribution, and Dividend Plans for the Current and Next Fiscal Years

Our aim in profit distribution is to make the investments necessary to achieve our medium-term management plan as we endeavor to maximize the overall satisfaction of our customers, shareholders, business partners and employees. We strive to improve long-term corporate value (shareholder value) and strengthen our management foundation. The basic policy of the company is to pay a consolidated dividend payout ratio of 30% as a means of returning profits to shareholders. In addition, we added a new minimum DOE of 4.5% to this basic policy beginning with the current period.

After making these investments and distributing profits, we will be flexible in returning any surplus funds reserved over the long term to shareholders. Our policy regarding share buybacks is to act appropriately and opportunistically, taking into account trends in stock prices and financial conditions.

Having considered this basic policy on dividends and dividend stability, we plan to pay a year-end dividend of 45 yen per share (resulting in a full-year 90 yen per share dividend) as forecast in our April 4, 2025, announcement.

We expect the full-year dividend for the fiscal year ending February 2027 to be 90 yen per share.

2. Basic Approach to the Selection of Accounting Standards

and ST HD Group prepares consolidated financial statements based on the generally accepted accounting principles in Japan to facilitate comparisons with previous years and with the financial data of other companies.

We plan to address the adoption of International Financial Reporting Standards (IFRS) after considering relevant factors in Japan and other countries.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Million yen)

	FY2/25 (As of Feb. 28, 2025)	FY2/26 (As of Feb. 28, 2026)
Assets		
Current assets		
Cash and deposits	21,143	24,912
Notes and accounts receivable-trade	14,527	15,971
Inventories	29,082	30,526
Other	2,471	6,314
Allowance for doubtful accounts	(52)	(80)
Total current assets	67,173	77,644
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,963	8,807
Accumulated depreciation	(5,032)	(4,514)
Buildings and structures, net	4,931	4,292
Store interior equipment	44,178	48,032
Accumulated depreciation	(36,298)	(39,489)
Store interior equipment, net	7,879	8,543
Land	2,366	1,322
Right-of-use assets	17,422	16,157
Accumulated depreciation	(9,394)	(10,017)
Right-of-use assets, net	8,028	6,140
Construction in progress	1,364	1,159
Other	6,251	7,507
Accumulated depreciation	(3,958)	(4,237)
Other, net	2,293	3,269
Total property, plant and equipment	26,864	24,727
Intangible assets		
Software	7,777	8,466
Goodwill	2,673	566
Other	4,232	3,547
Total intangible assets	14,683	12,579
Investments and other assets		
Investment securities	691	463
Leasehold and guarantee deposits	14,330	14,134
Deferred tax assets	9,373	10,072
Other	342	396
Allowance for doubtful accounts	(350)	(331)
Total investments and other assets	24,387	24,736
Total non-current assets	65,935	62,043
Total assets	133,108	139,688

(Million yen)

	FY2/25 (As of Feb. 28, 2025)	FY2/26 (As of Feb. 28, 2026)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,402	13,773
Electronically recorded obligations - operating	8,909	8,690
Lease liabilities	2,464	2,173
Accounts payable-other	13,983	15,052
Income taxes payable	3,136	5,508
Contract liabilities	1,392	1,373
Provision for bonuses	2,498	2,551
Provision for point card certificates	85	155
Other provisions	364	238
Other	840	823
Total current liabilities	47,079	50,340
Non-current liabilities		
Lease liabilities	6,495	4,780
Provisions	467	745
Other	1,866	1,998
Total non-current liabilities	8,828	7,523
Total liabilities	55,908	57,864
Net assets		
Shareholders' equity		
Share capital	2,660	2,660
Capital surplus	6,262	6,262
Retained earnings	71,980	76,800
Treasury shares	(5,627)	(6,098)
Total shareholders' equity	75,275	79,624
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	34	65
Deferred gains or losses on hedges	(81)	177
Foreign currency translation adjustment	1,874	1,577
Total accumulated other comprehensive income	1,827	1,819
Non-controlling interests	97	379
Total net assets	77,200	81,823
Total liabilities and net assets	133,108	139,688

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Million yen)

	FY2/25 (Mar. 1, 2024 – Feb. 28, 2025)	FY2/26 (Mar. 1, 2025 – Feb. 28, 2026)
Net sales	293,110	304,351
Cost of sales	132,828	138,242
Gross profit	160,282	166,108
Selling, general and administrative expenses		
Advertising expenses	8,514	9,194
Provision of allowance for doubtful accounts	(13)	(12)
Remuneration for directors (and other officers)	664	725
Salaries and bonuses	42,566	42,664
Provision for bonuses	2,480	2,543
Welfare expenses	7,292	7,596
Rents	40,427	42,843
Lease payments	813	868
Depreciation and amortization	10,785	11,971
Amortization of goodwill	395	443
Other	30,843	30,745
Total selling, general and administrative expenses	144,771	149,583
Operating profit	15,510	16,524
Non-operating income		
Interest income	67	108
Dividend income	3	3
Foreign exchange gains	266	200
Income from contribution to facilities	35	34
Subsidy income	74	72
Revenue from electric power sales	33	27
Other	314	354
Total non-operating income	794	800
Non-operating expenses		
Interest expenses	264	316
Other	76	182
Total non-operating expenses	340	498
Ordinary profit	15,964	16,827
Extraordinary income		
Gain on sales of non-current assets	-	3,446
Gain on sales of investment securities	-	3
Total extraordinary income	-	3,450
Extraordinary losses		
Impairment losses	1,249	3,639
Loss on liquidation of business	-	141
Loss on valuation of investment securities	-	261
Loss on sales of investment securities	59	-
Loss on sales of shares of subsidiaries and associates	-	695
Total extraordinary losses	1,309	4,738

(Million yen)

	FY2/25 (Mar. 1, 2024 – Feb. 28, 2025)	FY2/26 (Mar. 1, 2025 – Feb. 28, 2026)
Net income before income taxes	14,655	15,538
Income taxes - current	5,184	6,924
Income taxes - deferred	(1)	(876)
Total income taxes	5,182	6,048
Net income	9,472	9,489
Loss attributable to non controlling interests	(141)	(8)
Net income attributable to owners of the parent	9,614	9,498

Consolidated Statement of Comprehensive Income

(Million yen)

	FY2/25 (Mar. 1, 2024 – Feb. 28, 2025)	FY2/26 (Mar. 1, 2025 – Feb. 28, 2026)
Net income	9,472	9,489
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	31
Deferred gains or losses on hedges	(315)	258
Foreign currency translation adjustment	642	(297)
Total other comprehensive income	326	(7)
Comprehensive income	9,799	9,482
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	9,941	9,495
Comprehensive income attributable to non-controlling interests	(141)	(12)

(3) Consolidated Statement of Changes in Equity

FY2/25 (Mar. 1, 2024 – Feb. 28, 2025)

(Million yen)

	Shareholders' equity					Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	2,660	7,213	66,286	(7,516)	68,642	34	234	1,231	1,500	1,437	71,581
Changes during period											
Dividends of surplus			(3,920)		(3,920)				-		(3,920)
Net income attributable to owners of the parent			9,614		9,614				-		9,614
Purchase of treasury shares				(1)	(1)				-		(1)
Disposal of treasury shares				0	0				-		0
Increase by share exchanges		1,815		2,303	4,118				-		4,118
Purchase of treasury shares by stock ownership plan trust				(698)	(698)				-		(698)
Disposal of treasury shares by stock ownership plan trust				284	284				-		284
Purchase of shares of consolidated subsidiaries		(2,766)			(2,766)				-		(2,766)
Net changes in items other than shareholders' equity					-	(0)	(315)	642	326	(1,340)	(1,013)
Total changes during period	-	(950)	5,694	1,888	6,632	(0)	(315)	642	326	(1,340)	5,618
Balance at end of period	2,660	6,262	71,980	(5,627)	75,275	34	(81)	1,874	1,827	97	77,200

FY2/26 (Mar. 1, 2025 – Feb. 28, 2026)

(Million yen)

	Shareholders' equity					Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	2,660	6,262	71,980	(5,627)	75,275	34	(81)	1,874	1,827	97	77,200
Changes during period											
Dividends of surplus			(4,678)		(4,678)				-		(4,678)
Net income attributable to owners of the parent			9,498		9,498				-		9,498
Purchase of treasury shares				(1)	(1)				-		(1)
Purchase of treasury shares by stock ownership plan trust				(635)	(635)				-		(635)
Disposal of treasury shares by stock ownership plan trust				165	165				-		165
Net changes in items other than shareholders' equity					-	31	258	(297)	(7)	282	274
Total changes during period	-	-	4,819	(471)	4,348	31	258	(297)	(7)	282	4,623
Balance at end of period	2,660	6,262	76,800	(6,098)	79,624	65	177	1,577	1,819	379	81,823

(4) Consolidated Statement of Cash Flows

(Million yen)

	FY2/25 (Mar. 1, 2024 – Feb. 28, 2025)	FY2/26 (Mar. 1, 2025 – Feb. 28, 2026)
Cash flows from operating activities		
Net income before income taxes	14,655	15,538
Depreciation and amortization	11,093	12,949
Impairment losses	1,249	3,639
Amortization of goodwill	395	443
Interest and dividend income	(70)	(111)
Interest expenses	264	316
Increase (decrease) in allowance for doubtful accounts	(13)	(12)
Increase (decrease) in provision for bonuses	26	45
Increase (decrease) in provision for point card certificates	(90)	69
Loss (gain) on sales of non-current assets	-	(3,446)
Loss on liquidation of business	-	141
Loss (profit) on sales of shares of subsidiaries and associates	-	695
Loss (gain) on sales of investment securities	59	(3)
Loss (gain) on valuation of investment securities	-	261
Decrease (increase) in trade receivables	1,403	(1,198)
Decrease (increase) in inventories	(1,426)	(1,184)
Increase (decrease) in trade payables	(466)	588
Increase (decrease) in accounts payable-other	356	379
Increase (decrease) in accrued consumption taxes	(722)	1,612
Other	594	(4,708)
Subtotal	27,311	26,017
Interest and dividends received	51	92
Interest paid	(264)	(316)
Income taxes paid	(5,725)	(5,227)
Cash flows from operating activities	21,373	20,566
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,521)	(9,422)
Proceeds from sales of property, plant and equipment	-	4,716
Purchase of intangible assets	(3,874)	(4,425)
Purchase of investment securities	(1)	(1)
Proceeds from sale of investment securities	-	16
Payments of leasehold and guarantee deposits	(1,348)	(983)
Proceeds from refund of leasehold and guarantee deposits	479	960
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(4,493)	(334)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	-	119
Other	(210)	(159)
Cash flows from investing activities	(16,971)	(9,515)
Cash flows from financing activities		
Proceeds from long-term borrowings	220	-
Repayments of long-term borrowings	(1,125)	(237)
Dividends paid	(3,917)	(4,688)
Purchase of treasury shares	(699)	(636)
Repayments of lease liabilities	(1,690)	(1,863)
Other	101	-
Cash flows from financing activities	(7,111)	(7,426)
Effect of exchange rate change on cash and cash equivalents	449	115
Net increase (decrease) in cash and cash equivalents	(2,260)	3,738
Cash and cash equivalents at beginning of period	23,341	21,081
Cash and cash equivalents at end of period	21,081	24,820

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable

Changes in the Scope of Consolidation or Application of the Equity Method

Important changes in the scope of consolidation

KARRIMOR International Ltd. became a consolidated subsidiary during the current consolidated fiscal year following the acquisition of shares on March 31, 2025.

We also added the newly created ADASTRIA (MALAYSIA) SDN. BHD. to the scope of consolidation during the current consolidated fiscal year.

In addition, we excluded Velvet, LLC, formerly a consolidated subsidiary of the Company, from the scope of consolidation during the current consolidated fiscal year, as a result of the transfer of all of equity interest in said company.

Changes in Accounting Policies

Application of accounting standards for current income taxes

We adopted the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; “2022 Revised Accounting Standard,” below) and related standards from the beginning of the current consolidated fiscal year.

Regarding the amendment to the classification of income taxes (i.e., taxation on other comprehensive income), we follow the transitional treatment stipulated in the proviso to paragraph 20-3 of the 2022 Revised Accounting Standard, as well as the proviso to paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, issued on October 28, 2022; “2022 Revised Guidance,” below). These changes in accounting standards have had no impact on the consolidated financial statements of the Company.

We began applying the 2022 Revised Guidance during the current consolidated fiscal year with respect to the amendment concerning the accounting treatment in consolidated financial statements of gains or losses arising from the sale of subsidiary shares among consolidated entities, where such gains or losses are deferred for tax purposes. We applied these changes in accounting policy retrospectively and prepared the consolidated financial statements for the previous consolidated fiscal year on a retrospective basis. These changes in accounting standards have had no impact on the consolidated financial statements of the Company for the previous consolidated fiscal year.

Consolidated Balance Sheet

Contingent liabilities

The U.S. Small Business Administration is investigating ZETTON, INC. (U.S.A.), a consolidated subsidiary of the Company, regarding the validity of the \$8.2 million received in May 2021 as part of the establishment of the Restaurant Revitalization Fund (RRF) under the American Rescue Plan Act of 2021, which was enacted in March 2021.

The Group will continue to defend the legitimacy of this transaction to the administration. While future progressions may impact Group performance it is difficult to estimate the impact at this time.

Segment Information, etc.

[Segment information]

1. Overview of reportable segments

The reportable segments of the Group are those business units for which separate financial statements can be obtained and for which the Board of Directors considers the allocation of management resources and evaluates operating performance on a regular basis.

The primary business of the Group includes the planning and sales of apparel and related products. Accordingly, the Group designates the Apparel and Sundry Goods-Related Business as a reportable segment.

2. Calculation methods for net sales, income/loss, assets, and other items by reportable segment

Accounting methods for reported business segments are generally the same as those used to prepare the consolidated financial statements.

Profit by reportable segment is based on ordinary income. Intersegment revenues and transfers are based on prevailing market prices.

3. Net sales, income/loss, assets, and other items and information on details of revenue by reportable segment

FY2/25 (Mar. 1, 2024 – Feb. 28, 2025)

	Reportable segment	Other (Note 1)	Total	Adjustments (Note 2)	Amount recorded on consolidated financial statements (Note 3)
	Apparel and Sundry Related Business				
Net sales					
Sales to external customers	278,574	14,535	293,110	-	293,110
Intersegment sales and transfers	0	70	71	(71)	-
Total	278,575	14,606	293,181	(71)	293,110
Segment profit (loss)	16,682	(717)	15,964	-	15,964
Segment assets	129,477	9,521	138,998	(5,890)	133,108
Other items					
Depreciation and amortization	10,184	908	11,093	-	11,093
Amortization of goodwill	250	144	395	-	395
Increase in tangible fixed assets and intangible assets	15,058	1,770	16,828	-	16,828

(Notes) 1. *Other* refers to business segments not included under reportable segments. Here, this segment indicates the food and beverage business.

2. The adjustments are as follows.

(1) Adjustments to *segment profit (loss)* includes the adjustment of unrealized income related to intersegment transactions.

(2) Adjustments to *segment assets* is the elimination of intersegment transactions.

3. *Segment profit (loss)* is consistent with ordinary income on the consolidated statements of income.

4. *Segment profit (loss)* includes corporate expenses allocated to each reportable segment.

5. Depreciation and amortization and increase in tangible fixed assets and intangible assets include long-term prepaid expenses and amortization.

FY2/26 (Mar. 1, 2025 – Feb. 28, 2026)

(Million yen)

	Reportable segment	Other (Note 1)	Total	Adjustments (Note 2)	Amount recorded on consolidated financial statements (Note 3)
	Apparel and Sundry Related Business				
Net sales					
Sales to external customers	289,661	14,690	304,351	-	304,351
Intersegment sales and transfers	108	69	178	(178)	-
Total	289,770	14,759	304,529	(178)	304,351
Segment profit (loss)	17,301	(474)	16,827	-	16,827
Segment assets	137,031	8,405	145,436	(5,748)	139,688
Other items					
Depreciation and amortization	12,003	946	12,949	-	12,949
Amortization of goodwill	299	143	443	-	443
Increase in tangible fixed assets and intangible assets	14,732	553	15,286	-	15,286

(Notes) 1. *Other* refers to business segments not included under reportable segments. Here, this segment indicates the food and beverage business.

2. The adjustments are as follows.

(1) Adjustments to *segment profit (loss)* includes the adjustment of unrealized income related to intersegment transactions.

(2) Adjustments to *segment assets* is the elimination of intersegment transactions.

3. *Segment profit (loss)* is consistent with ordinary income on the consolidated statements of income.

4. *Segment profit (loss)* includes corporate expenses allocated to each reportable segment.

5. *Depreciation and amortization* and *increase in tangible fixed assets and intangible assets* include long-term prepaid expenses and amortization.

Per share information

	FY2/25 (Mar. 1, 2024 – Feb. 28, 2025)	FY2/26 (Mar. 1, 2025 – Feb. 28, 2026)
Net assets per share	1,665.51 yen	1,765.62 yen
Net income per share	208.93 yen	205.86 yen

(Notes) 1. The Company omitted diluted net income per share as there are no latent shares.

2. Company shares remaining in the trust are recorded as treasury stock in shareholders' equity and are included in treasury stock as a deduction from the average number of shares outstanding during the period for the calculation of net income per share. Company shares are also included in treasury stock as a deduction from the number of shares outstanding at the end of the period for the calculation of net assets per share.

In the calculation of net income per share, the average number of such treasury stock deducted during the period was 438 thousand shares in the previous consolidated fiscal year and 647 thousand shares in the current consolidated fiscal year.

In the calculation of net assets per share, the number of such treasury stock deducted at the end of the period was 495 thousand shares in the previous consolidated fiscal year and 660 thousand shares in the current consolidated fiscal year.

3. The basis for calculating net income per share is as follows.

	FY2/25 (Mar. 1, 2024 – Feb. 28, 2025)	FY2/26 (Mar. 1, 2025 – Feb. 28, 2026)
Net income attributable to owners of the parent (millions of yen)	9,614	9,498
Amount not attributable to common stockholders (millions of yen)	-	-
Net income attributable to owners of the parent for common stock (millions of yen)	9,614	9,498
Average number of common shares outstanding during the period (thousands of shares)	46,018	46,141

Business Combinations, Etc.

Business Divestments

Change (Equity Interest Transfer) in Specified Subsidiary (Sub-Subsidiary)

At a meeting held July 24, 2025, the and ST HD Co., Ltd. ("Company") Board of Directors approved a resolution to transfer all equity held in Velvet, LLC (California, USA; "Velvet"), a subsidiary of a Company specified subsidiary (sub-subsidiary), Adastria USA, Inc., to PIVOT GROWS LLC (Delaware, USA; "PIVOT"), and said equity was transferred on July 25, 2025.

1. Outline of Business Divestment

(1) Name of company after divestment

PIVOT GROWS LLC

(2) Business lines of divested company

Velvet, LLC apparel business

(3) Major reason for business divestment

The Company resolved to withdraw from business in the U.S. and liquidate Adastria USA, Inc., selecting a transferee for the equity held in Velvet, LLC.

All equity in Velvet, LLC owned by Adastria USA, Inc. was transferred to PIVOT GROWS LLC, a company engaged in global brand strategy, marketing, and license management.

(4) Date of business divestment

July 25, 2025

(5) Other matters concerning the outline of the transaction, including legal form

Transfer of equity interest for which the consideration to be received is cash or other property only

2. Outline of accounting procedures implemented

(1) Amount of gain or loss on transfer

Loss on sales of shares of subsidiaries and affiliates 695 million yen

(2) Appropriate carrying value of assets and liabilities related to the transferred business and main components

	(Million yen)
Current assets	1,414
Non-current assets	1,172
<u>Total assets</u>	<u>2,587</u>
Current liabilities	1,031
Non-current liabilities	455
<u>Total liabilities</u>	<u>1,487</u>

(3) Accounting treatment

The Company recorded the difference between the consolidated carrying value of Velvet, LLC and the transfer price as a loss on sales of shares in subsidiaries and affiliates under extraordinary losses.

3. Reportable segments that included the divested business

Apparel and Sundry Related Business

4. Estimated profit/loss of the divested business recorded in the consolidated statements of income for the current consolidated fiscal year

	(Million yen)
Net sales	3,885
Operating loss	200

(Transactions under common control, etc.)

Transition to a Holding Company Structure Through Corporate Split

Effective September 1, 2025, we implemented a company split (absorption-type split) with Adastria Co., Ltd., ("New Adastria") our wholly owned subsidiary, as the succeeding company. All rights and obligations related to businesses other than group management and operations were transferred to New Adastria, and the Group transitioned to a holding company structure.

1. Overview of the transaction

(1) Name of the combined company and business lines subject to transfer

Name of combined company

Splitting company

Name: Adastria Co., Ltd. (the Company)

(The Company was renamed and ST HD Co., Ltd. as of September 1, 2025.)

Succeeding company

Name: Adastria Co., Ltd. (New Adastria)

Subject business lines

All businesses other than those related to group management and operations of the and ST Group

(2) Date of business combination

September 1, 2025

(3) Legal form of business combination

An absorption-type split in which the Company was the splitting company, and the rights and obligations related to the relevant business were transferred to the succeeding company in exchange for shares issued by the succeeding company

(4) Name of company after combination

As of September 1, 2025, the Company was renamed to and ST HD Co., Ltd., while the name Adastria Co., Ltd. was adopted by New Adastria.

(5) Other matters related to the overview of the transaction

This transition to a holding company structure will coordinate group operating companies around the *and ST* platform, while providing greater clarity to missions and roles. This approach lends itself to a multi-company management model that allows group companies to formulate and execute growth strategies independently. At the same time, the and ST HD Group aims to expand categories and services while accelerating overseas expansion, pursuing M&A of companies having special characteristics not currently present within the group.

2. Outline of accounting procedures implemented

The Company accounts for the transaction as a transaction under common control, etc., in accordance with the Accounting Standard for Business Combinations (ASBJ Statement No. 21, January 16, 2019) and the Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, September 13, 2024).

Subsequent Events

Not applicable

4. Other

(1) Changes in Directors

1. Change of representative director (Date of change: March 1, 2026)

President and CEO	Taiki Fukuda (former Senior Managing Director of the Company)
Chairman	Michio Fukuda (former Chairman and Representative Director)
Director	Osamu Kimura (former President and CEO)

2. Change of other board members (Date of change: May 27, 2026)

(1) Candidates for directors who are not members of the Audit & Supervisory Committee

Senior Managing Director	Yoshiaki Kitamura (current President and CEO of Adastria Co., Ltd.)
Director	Masatake Hayashi (current Group Executive Officer and Chief Managing Officer, Corporate Planning Division)

(Note) Mr. Yoshiaki Kitamura was elected as a director who is not a member of the Audit and Supervisory Committee at the Ordinary General Meeting of Shareholders held on May 29, 2025. Mr. Kitamura resigned his position as of August 31 of the same year. Mr. Kitamura assumed the position of president and CEO of Adastria Co., Ltd., a consolidated subsidiary of the Company, effective September 1, 2025, following the transition of the Company to a holding company structure.

(2) Retiring directors who are not members of the Audit & Supervisory Committee

Chairman	Michio Fukuda
Director	Osamu Kimura
Outside Director	Koichi Mizutome
Outside Director	Liu Xiqiao