

**Summary of Consolidated Financial Results
for the Third Quarter of the Fiscal Year Ending February 28, 2014
(Nine Months Ended November 30, 2013)**

[Japanese GAAP]

December 27, 2013

Company name: Adastria Holdings Co., Ltd. Listing: TSE 1st section
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 Scheduled date of filing of Quarterly Report: January 14, 2014
 Scheduled date of payment of dividend: -
 Preparation of supplementary materials for quarterly financial results: Yes
 Holding of quarterly financial results meeting: None

Note: The original disclosure in Japanese was released on December 27, 2013 at 15:00 (GMT +9).

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

**1. Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending February 28, 2014
(March 1, 2013 – November 30, 2013)**

(1) Consolidated results of operations (cumulative) (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Nov. 30, 2013	105,151	23.6	5,369	(26.0)	5,494	(25.9)	2,296	(45.6)
Nine months ended Nov. 30, 2012	85,092	4.2	7,259	(19.7)	7,412	(19.1)	4,222	(23.6)

Note: Comprehensive income
 Nine months ended Nov. 30, 2013: 3,896 million yen (down 16.3%)
 Nine months ended Nov. 30, 2012: 4,658 million yen (down 12.5%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Nov. 30, 2013	102.21	102.19
Nine months ended Nov. 30, 2012	182.26	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Nov. 30, 2013	100,295	52,153	52.0
As of Feb. 28, 2013	63,410	38,598	60.9

Reference: Shareholders' equity As of Nov. 30, 2013: 52,146 million yen As of Feb. 28, 2013: 38,598 million yen

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Feb. 28, 2013	-	50.00	-	70.00	120.00
Fiscal year ending Feb. 28, 2014	-	50.00	-	-	-
Fiscal year ending Feb. 28, 2014 (forecast)	-	-	-	70.00	120.00

Note: Revision to the most recently announced dividend forecast: None

3. Consolidated Forecast for the Fiscal Year Ending February 28, 2014 (March 1, 2013 – February 28, 2014)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	157,900	29.8	10,100	3.9	10,300	3.5	4,900	(11.0)	213.75

Note: Revision to the most recently announced consolidated forecast: None

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

Newly added: 3 (POINT INC., TRINITY ARTS inc., and NATURAL NINE CO., LTD.)

Excluded: -

Note: Please refer to the section “2. Matters Related to Summary Information (Notes), (1) Changes in Significant Subsidiaries during the Period” on page 3 for further information.

(2) Special accounting methods in the preparation of quarterly consolidated financial statements: None

(3) 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: Yes

4) Restatements: None

(4) Number of outstanding shares (common stock)

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

As of Nov. 30, 2013: 24,400,000 shares As of Feb. 28, 2013: 24,400,000 shares

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

As of Nov. 30, 2013: 117,208 shares As of Feb. 28, 2013: 2,657,885 shares

3) Average number of shares outstanding during the period (cumulative)

Nine months ended Nov. 30, 2013: 22,469,575 shares Nine months ended Nov. 30, 2012: 23,169,150 shares

Note 1: Indication of quarterly review procedure implementation status

The current quarterly financial statements are exempted from quarterly review procedures based on the Financial Instruments and Exchange Law. At the time of disclosure, the review procedures for these quarterly financial statements have not been completed.

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. Actual results may differ significantly from these forecasts for a number of factors. Please refer to the section “Qualitative Information Regarding Consolidated Forecast” on page 3 regarding preconditions or other related matters for the forecast shown above.

Reference: Summary of Non-consolidated Forecast

Non-consolidated Forecast for the Fiscal Year Ending February 28, 2014 (March 1, 2013 – February 28, 2014)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	57,500	(50.0)	4,900	(47.0)	5,100	(47.1)	3,100	(43.0)	135.23

Note: Revision to the most recently announced non-consolidated forecast: None

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Qualitative Information Regarding Consolidated Results of Operations

In the first nine months of the fiscal year (March 1, 2013 to November 30, 2013), the Japanese economy continued to recover at a moderate pace. Earnings improved, mainly at large companies, capital expenditures rebounded and there were other improvements due mainly to government economic measures and quantitative easing. Regarding the outlook, demand is expected to increase as consumers rush to make purchases before the upcoming consumption tax hike.

In the casual wear market where our core brands belong to, the operating environment is favorable overall as consumer spending continues to recover. However, this market has been unstable because of unfavorable weather that included record-setting autumn heat and typhoons.

In this environment, a share exchange was conducted on September 1, 2013 that made TRINITY ARTS inc. a wholly owned subsidiary, with the Company as a solo parent.

At the same time, an absorption-type company split was conducted in which POINT INC. (the new POINT), the Company's wholly owned subsidiary, was spun off as a successor company to conduct the operations of the Company. In addition, the POINT INC. (the new POINT) received rights and obligations for all business activities other than management administration. By taking these actions, the Group established a holding company structure. Furthermore, the company name was changed to Adastria Holdings Co., Ltd. from POINT INC. on the same day.

We have two major retail groups. One is POINT INC. (the new POINT), which is involved mainly in sales of natural fashion style brands. The other is TRINITY ARTS inc., a retailer of lifestyle-proposing brands for apparel, accessories and other consumer products. NATURAL NINE CO., LTD., which became a consolidated subsidiary in the second quarter of the current fiscal year, has outstanding capabilities in textile and product designs along with operations in many Asian countries. The integration of these operations has created a corporate group with a broad customer base and the ability to develop highly distinctive merchandise.

At the same time, a holding company structure was established. The new operating framework creates a foundation for the growth of group companies while preserving the culture of each company. This framework also makes it possible to maximize synergies involving supply chains, information systems, administrative functions and other aspects of operations. In addition, the Group is better positioned to use M&A and other measures to strengthen its brand portfolio and grow outside Japan.

Due to the consolidation of TRINITY ARTS inc., the number of stores now includes the 245 stores (including 3 overseas stores) of this company and its subsidiaries. On the other hand, we continued to aggressively open new stores and close unprofitable ones: we opened 118 new stores (including 17 overseas), and closed 47 (including 21 overseas), resulting in a total network of 1,215 stores (including 75 overseas) at the end of the third quarter of the current fiscal year.

Consolidated sales increased sharply by 23.6% year-on-year, benefiting from the consolidation of TRINITY ARTS inc. Sales of the *GLOBAL WORK*, *LEPSIM LOWRYS FARM*, *niko and...*, and *STUDIO CLIP* brands all posted solid sales.

Selling, general and administrative expenses were 53.0% of sales, 1.4 percentage points higher than the same period of the previous fiscal year. One reason was goodwill amortization associated with TRINITY ARTS inc. and NATURAL NINE CO., LTD. becoming consolidated subsidiaries. Extensive advertising activities by TRINITY ARTS inc. also contributed to the higher expense ratio.

There was an extraordinary gain of 202 million yen in association with the step acquisitions for making NATURAL NINE CO., LTD. a consolidated subsidiary and an extraordinary loss of 113 million yen for impairment losses at stores.

As a result, consolidated net sales in the first nine months of the current fiscal year increased 23.6% year-on-year to 105,151 million yen, operating income decreased 26.0% to 5,369 million yen, ordinary income decreased 25.9% to 5,494 million yen, and net income decreased 45.6% to 2,296 million yen.

(2) Qualitative Information Regarding Consolidated Financial Position

Total assets increased 36,884 million yen from as of February 28, 2013 to 100,295 million yen as of November 30, 2013. This was mainly due to a decrease in short-term investment securities (commercial papers and Treasury Discount Bills) of 6,499 million yen in spite of increases in inventories of 10,189 million yen and goodwill of 15,868 million yen.

Liabilities increased 23,329 million yen to 48,142 million yen. This was mainly due to increases in notes and accounts payable-trade of 6,928 million yen, and short-term loans payable of 10,571 million yen.

Net assets increased 13,554 million yen to 52,153 million yen. This was mainly due to an increase in capital surplus of 4,468 million yen due to the share exchange, and a decrease in treasury stock of 7,783 million yen.

(3) Qualitative Information Regarding Consolidated Forecast

There are no revisions to the consolidated forecast for the current fiscal year that was announced on September 30, 2013.

2. Matters Related to Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Period

On June 4, 2013, the Company acquired 100% of the voting rights of NATURAL NINE HOLDINGS CO., LTD. to make it a wholly owned subsidiary through a share exchange, with the Company as the solo parent. This company and its four subsidiaries (NATURAL NINE CO., LTD., CROSS BORDER CO., LTD. and two other companies) were included in the scope of consolidation in the second quarter of the current fiscal year. On August 31, 2013, NATURAL NINE CO., LTD., which is the surviving company, absorbed NATURAL NINE HOLDINGS CO., LTD. and CROSS BORDER CO., LTD., which were dissolved.

On September 1, 2013, the Company acquired 100% of the voting rights of TRINITY ARTS inc. to make it a wholly owned subsidiary through a share exchange, with the Company as the solo parent. This company and its four subsidiaries were included in the scope of consolidation in the third quarter of the current fiscal year. At the same time, an absorption-type company split was conducted in which POINT INC. (the new POINT), the Company's wholly owned subsidiary which was established as a preparatory company for the company split on April 4, 2013, was spun off as a successor company to conduct the operations of the Company. In addition, POINT INC. (the new POINT) received rights and obligations for all business activities other than management administration. By taking these actions, the Group established a holding company structure. Furthermore, the company name was changed to Adastria Holdings Co., Ltd. on the same day.

(2) Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements

Not applicable.

(3) Changes in Accounting Policies and Accounting-based Estimates, and Restatements

Changes in accounting policies that are difficult to distinguish from changes in accounting-based estimates

Following tax law revisions, from the first quarter of the current fiscal year, the Company and its certain domestic consolidated subsidiaries have changed the method of depreciation of property, plant and equipment (excluding store interior equipment) acquired on or after March 1, 2013 in line with methods prescribed in the revised Corporation Tax Act.

The effect of this change on operating income, ordinary income, and income before income taxes and minority interests in the first nine months of the current fiscal year is insignificant.

3. Quarterly Consolidated Financial Statements**(1) Quarterly Consolidated Balance Sheets**

(Million yen)

	FY2/13 (As of Feb. 28, 2013)	Third quarter of FY2/14 (As of Nov. 30, 2013)
Assets		
Current assets		
Cash and deposits	11,849	12,673
Notes and accounts receivable-trade	4,829	11,523
Short-term investment securities	6,499	-
Inventories	7,749	17,939
Other	2,296	3,019
Allowance for doubtful accounts	(34)	(80)
Total current assets	33,190	45,075
Noncurrent assets		
Property, plant and equipment		
Store interior equipment, net	5,933	9,453
Other, net	5,061	5,363
Total property, plant and equipment	10,994	14,816
Intangible assets		
Goodwill	1,797	17,666
Other	812	1,241
Total intangible assets	2,609	18,908
Investments and other assets		
Lease and guarantee deposits	11,306	14,144
Other	5,513	7,548
Allowance for doubtful accounts	(204)	(197)
Total investments and other assets	16,616	21,494
Total noncurrent assets	30,220	55,220
Total assets	63,410	100,295
Liabilities		
Current liabilities		
Notes and accounts payable-trade	13,909	20,838
Short-term loans payable	508	11,079
Current portion of long-term loans payable	235	275
Accounts payable-other	5,581	9,121
Income taxes payable	2,378	2,020
Provision for bonuses	1,212	1,384
Provision for directors' bonuses	51	58
Other provision	163	286
Other	191	925
Total current liabilities	24,231	45,989

(Million yen)

	FY2/13 (As of Feb. 28, 2013)	Third quarter of FY2/14 (As of Nov. 30, 2013)
Noncurrent liabilities		
Bonds payable	31	30
Long-term loans payable	261	369
Provision	101	101
Other	187	1,652
Total noncurrent liabilities	581	2,152
Total liabilities	24,812	48,142
Net assets		
Shareholders' equity		
Capital stock	2,660	2,660
Capital surplus	2,517	6,986
Retained earnings	40,826	40,530
Treasury stock	(8,188)	(405)
Total shareholders' equity	37,816	49,771
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	792	2,063
Deferred gains or losses on hedges	7	107
Foreign currency translation adjustment	(17)	203
Total accumulated other comprehensive income	781	2,375
Subscription rights to shares	-	6
Total net assets	38,598	52,153
Total liabilities and net assets	63,410	100,295

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

(For the Nine-month Period)

(Million yen)

	First nine months of FY2/13 (Mar. 1, 2012 – Nov. 30, 2012)	First nine months of FY2/14 (Mar. 1, 2013 – Nov. 30, 2013)
Net sales	85,092	105,151
Cost of sales	33,888	44,056
Gross profit	51,203	61,094
Selling, general and administrative expenses	43,943	55,724
Operating income	7,259	5,369
Non-operating income		
Dividends income	51	60
House rent income	-	53
Insurance premiums refunded cancellation	-	73
Revenue from electric power sales	-	30
Other	126	193
Total non-operating income	178	410
Non-operating expenses		
Interest expenses	2	73
Commitment fee	10	8
Foreign exchange losses	1	101
Commission for purchase of treasury stock	7	20
Other	3	82
Total non-operating expenses	25	285
Ordinary income	7,412	5,494
Extraordinary income		
Gain on sales of noncurrent assets	18	-
Gain on step acquisitions	-	202
Total extraordinary income	18	202
Extraordinary loss		
Impairment loss	78	113
Loss on valuation of investment securities	13	-
Total extraordinary losses	91	113
Income before income taxes and minority interests	7,339	5,583
Income taxes-current	3,674	4,031
Income taxes-deferred	(526)	(744)
Total income taxes	3,148	3,286
Income before minority interests	4,191	2,296
Minority interests in loss	(31)	-
Net income	4,222	2,296

Quarterly Consolidated Statements of Comprehensive Income

(For the Nine-month Period)

(Million yen)

	First nine months of FY2/13 (Mar. 1, 2012 – Nov. 30, 2012)	First nine months of FY2/14 (Mar. 1, 2013 – Nov. 30, 2013)
Income before minority interests	4,191	2,296
Other comprehensive income		
Valuation difference on available-for-sale securities	417	1,271
Deferred gains or losses on hedges	4	100
Foreign currency translation adjustment	45	228
Total other comprehensive income	467	1,600
Comprehensive income	4,658	3,896
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	4,684	3,896
Comprehensive income attributable to minority interests	(25)	-

(3) Going Concern Assumption

Not applicable.

(4) Significant Changes in Shareholders' Equity

Pursuant to the resolution approved at the Board of Directors meeting held on April 4, 2013, the Company conducted a share exchange on June 4, 2013 to make NATURAL NINE HOLDINGS CO., LTD. a wholly owned subsidiary, with the Company as the solo parent. As a result, capital surplus increased by 1,501 million yen and treasury stock decreased by 3,260 million yen in the second quarter of the current fiscal year. Furthermore, treasury stock increased by 4,000 million yen as the Company repurchased its own shares following the resolution approved at the Board of Directors meeting held on May 28, 2013.

Pursuant to the resolution approved at the Board of Directors meeting held on April 4, 2013, the Company conducted a share exchange on September 1, 2013 to make TRINITY ARTS inc. a wholly owned subsidiary, with the Company as the solo parent. As a result, capital surplus increased by 2,958 million yen and treasury stock decreased by 8,499 million yen in the third quarter of the current fiscal year.

Moreover, treasury stock decreased by 36 million yen in the first nine months of the current fiscal year as the part of the stock acquisition rights, which was issued following the resolution approved at the Board of Directors meeting held on May 15, 2013, was exercised.

As a result, capital surplus increased by 4,468 million yen over the end of the previous fiscal year to 6,986 million yen, and treasury stock decreased by 7,783 million yen to 405 million yen as of the end of the third quarter of the current fiscal year.

4. Supplementary Information

(1) Number of Stores for Formats and Regions

Store format / region	Number of stores						
	As of Feb. 28, 2013	First nine months of FY2/14					As of Nov. 30, 2013
		Increase (Note 5)	Opened, etc.	Rebranded	Closed	Increase /decrease	
LOWRYS FARM	149	-	15	-	(5)	10	159
GLOBAL WORK	172	-	9	-	(7)	2	174
JEANASIS	81	-	3	-	(3)	-	81
LEPSIM LOWRYS FARM	111	-	3	-	(2)	1	112
HEATHER	75	-	4	-	(2)	2	77
RAGEBLUE	62	-	4	-	(2)	2	64
Others	135	-	24	-	(4)	20	155
Total (POINT INC.)	785	-	62	-	(25)	37	822
niko and...	-	94	7	-	-	101	101
STUDIO CLIP	-	104	20	-	-	124	124
Others	-	44	6	-	-	50	50
Total (TRINITY ARTS inc.)	-	242	33	-	-	275	275
BABYLONE INC.	38	-	6	-	(1)	5	43
Total (Japan)	823	242	101	-	(26)	317	1,140
Taiwan	31	-	2	-	(13)	(11)	20
Hong Kong	24	3	5	-	(4)	4	28
China	17	-	6	-	(4)	2	19
Singapore	4	-	4	-	-	4	8
Total (Overseas)	76	3	17	-	(21)	(1)	75
Total (Group)	899	245	118	-	(47)	316	1,215

Notes: 1. The number of stores includes e-commerce websites of other companies and e-commerce websites of the Company.

2. Stores that sell merchandise of two or more brands are categorized as the brand that operates each store.

3. POINT INC. includes figures for Adastria Holdings Co., Ltd.

4. TRINITY ARTS inc. includes figures for its subsidiaries.

5. This table shows the increase in the number of stores resulting from the consolidation of TRINITY ARTS inc.

(2) Sales for Brands and Regions

Brand / region	First nine months of FY2/14		YoY change (%)
	Sales (million yen)	Composition (%)	
LOWRYS FARM	18,253	17.4	4.2
GLOBAL WORK	19,821	18.8	7.6
JEANASIS	7,709	7.3	(4.5)
LEPSIM LOWRYS FARM	9,784	9.3	8.6
HEATHER	6,005	5.7	(7.5)
RAGEBLUE	6,881	6.5	1.3
Others	17,003	16.2	8.5
Total (POINT INC.)	85,460	81.2	4.2
niko and...	4,371	4.2	-
STUDIO CLIP	3,459	3.3	-
Others	1,527	1.5	-
Total (TRINITY ARTS inc.)	9,358	9.0	-
BABYLONE INC.	3,489	3.3	-
Other consolidated subsidiaries	1,473	1.4	-
Total (Japan)	99,781	94.9	21.7
Taiwan	1,028	1.0	14.0
Hong Kong	3,155	3.0	84.6
China	669	0.6	74.4
Singapore	516	0.5	397.5
Total (Overseas)	5,369	5.1	73.3
Total (Group)	105,151	100.0	23.6

Notes: 1. POINT INC. includes figures for Adastria Holdings Co., Ltd.

2. TRINITY ARTS inc. includes figures for its subsidiaries.

3. Other consolidated subsidiaries include figures for NATURAL NINE CO., LTD. and Posic Co., Ltd.

(3) Sales for Merchandise Categories

Category	First nine months of FY2/14		YoY change (%)
	Sales (million yen)	Composition (%)	
Men's apparel (bottoms, tops)	17,712	16.8	8.1
Lady's apparel (bottoms, tops)	65,926	62.7	22.0
Others	21,512	20.5	46.6
Total	105,151	100.0	23.6

Note: The others category includes sales of other consolidated subsidiaries, additions to the provision for point card certificates and other items.

This financial report is solely a translation of the Company's Kessan Tanshin (including attachments) in Japanese, which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.