

**Summary of Consolidated Financial Results**  
**for the Third Quarter of the Fiscal Year Ending February 28, 2023**  
**(Nine Months Ended November 30, 2022)**

**[Japanese GAAP]**

December 29, 2022

Company name: Adastria Co., Ltd.

Stock code: 2685

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Listing: Tokyo Stock Exchange

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Scheduled date of filing of Quarterly Report: January 13, 2023

Scheduled date of payment of dividend: -

Preparation of supplementary materials for quarterly financial results: Yes

Holding of quarterly financial results meeting: Yes (for investors)

Note: The original disclosure in Japanese was released on December 29, 2022 at 15:30 (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, 2023**  
**(March 1, 2022 – November 30, 2022)**

(1) Consolidated results of operations (cumulative)

(Percentages 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	%
Nine months ended Nov. 30, 2022	177,026	20.6	11,165	149.0	11,805	106.2	7,616	115.5
Nine months ended Nov. 30, 2021	146,731	10.5	4,483	304.6	5,725	83.7	3,534	187.6

Note: Comprehensive income Nine months ended Nov. 30, 2022: 8,419 million yen (up 125.5%)

Nine months ended Nov. 30, 2021: 3,734 million yen (up 297.4%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Nov. 30, 2022	168.09	-
Nine months ended Nov. 30, 2021	78.16	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Nov. 30, 2022	123,853	61,169	48.2
As of Feb. 28, 2022	97,957	54,963	55.1

Reference: Shareholders' equity As of Nov. 30, 2022: 59,749 million yen As of Feb. 28, 2022: 53,963 million yen

Note: At the end of the previous fiscal year, the provisional accounting treatment for the business combination was finalized, and, for the fiscal year ended February 2022, the initial allocation of acquisition costs due to the provisional finalization of accounting treatment was significantly revised. The reported amounts reflect these changes.

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Feb. 28, 2022	-	25.00	-	30.00	55.00
Fiscal year ending Feb. 28, 2023	-	25.00	-	-	-
Fiscal year ending Feb. 28, 2023 (forecast)	-	-	-	35.00	60.00

Note: Revision to the most recently announced dividend forecast: Yes

**3. Consolidated Forecast for the Fiscal Year Ending February 28, 2023 (March 1, 2022 – February 28, 2023)**

(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	240,000	19.1	12,500	90.4	13,000	59.2	8,200	66.8	180.81

Note: Revision to the most recently announced consolidated forecast: Yes

**\* Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

Newly added: -

Excluded: -

(2) Application of special accounting methods for presenting 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: Yes

3) Changes in accounting-based estimates: None

4) Restatements: None

Note: Please refer to the section “2. Quarterly Consolidated Financial Statements and Notes, (3) Notes to Quarterly Consolidated Financial Statements, Changes in Accounting Policies” on page 9 for further information.

(4) Number of outstanding shares (common stock)

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

As of Nov. 30, 2022:	48,800,000 shares	As of Feb. 28, 2022:	48,800,000 shares
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2) Number of treasury shares at the end of the period

As of Nov. 30, 2022:	3,449,059 shares	As of Feb. 28, 2022:	3,552,459 shares
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3) Average number of shares outstanding during the period

Nine months ended Nov. 30, 2022:	45,313,566 shares	Nine months ended Nov. 30, 2021:	45,224,082 shares
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Note 1: The current quarterly financial report is not subject to quarterly review procedures 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. Actual results may differ significantly from these forecasts for a number of factors. Please refer to the section “1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Forecast and Other Forward-looking Statements” on page 4 regarding preconditions or other related matters for the forecast shown above.

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## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

Consolidated results			(Million yen)	
	First nine months of FY2/22 (Mar. 1, 2021 – Nov. 30, 2021)	First nine months of FY2/23 (Mar. 1, 2022 – Nov. 30, 2022)	YoY change (Amount)	YoY change (%)
Net sales	146,731	177,026	30,294	20.6
Operating profit	4,483	11,165	6,681	149.0
Ordinary profit	5,725	11,805	6,080	106.2
Net income attributable to owners of the parent	3,534	7,616	4,081	115.5

During the first nine months (March 1 – November 30, 2022) of the current fiscal year, the business climate was better than one year earlier as the end of many pandemic restrictions resulted in a recovery of outings and normalization of personal consumption. Market conditions improved even though lockdowns in Shanghai created supply chain disruptions in May and June and the Omicron variant sparked another wave of the pandemic in July. Sales at all stores and existing stores were higher than one year earlier in every month of the first nine months of the fiscal year. The outlook for the economy remains uncertain because of the yen’s rapid depreciation and the rising cost of resources and energy because of the Ukraine crisis. However, the desire of consumers to buy apparel and other fashion products remains strong.

The Adastria Group announced a medium-term management plan on April 13, 2022 with the following strategies for growth and is taking numerous actions to accomplish these goals.

Growth Strategy I Multi-Brand, Multi-Category	Grouping of brands according to roles for improved profitability and growth
Growth Strategy II Digital Customer Interactions and Services	Accelerate growth of our EC site and create a fun EC community
Growth Strategy III Glocal	Develop models in Mainland China and cultivate Southeast Asia
Growth Strategy IV New Business	Establish a food and beverage business and create new appeal

Consolidated net sales increased 20.6% year-on-year to 177,026 million yen, operating profit increased 149.0% to 11,165 million yen, ordinary profit increased 106.2% to 11,805 million yen, and net income attributable to owners of the parent increased 115.5% to 7,616 million yen.

As a result of Zetton, Inc. becoming a consolidated subsidiary in February 2022, Adastria is reporting the Apparel and Sundry Goods-related Business and Other (Food and Beverage Business) as separate business segments beginning with the current fiscal year.

In the Apparel and Sundry Goods-related business segment, sales in Japan were up 14.3% from one year earlier. The main reasons are the reduction of restrictions on store operations, favorable spring and summer weather, strong sales of apparel to meet the rising demand for clothing for outings, several hit products, and promotional measures such as TV commercials and point redemption .

In the Other segment, sales increased due to the acquisition of Zetton, Inc., which operates a food and beverage business in line with Adastria’s growth strategy.

As part of its digital strategy, Adastria has continued to attract customers through TV commercials and other activities to raise awareness of its “Dot ST” e-commerce website in the third quarter, same as in the first quarter. Activities include adding merchandise of other companies to enlarge the lineup of products. As a result, the number of members of this website is now 15.1 million, 1.5 million more than at the end of the previous fiscal year. Although pace of sales growth was held down because of the recovery of demand at physical stores, e-commerce sales continue to increase with these sales up 6.9% in the first nine months from one year earlier.

In Mainland China, sales were down 2.3% year-on-year because of lockdowns and other measures in response to the emergence of a new COVID-19 variant. Sales increased 15.5% in Hong Kong as a second quarter recovery

and the addition of a new store offset the impact of pandemic restrictions in the first quarter. In Taiwan, sales were up 58.2% due to the success of a new brand. In the United States, sales rose 53.2% because of strong consumer spending, growth of wholesale sales because of quality improvements, and higher e-commerce sales. As a result, total overseas sales were up 35.9% and the overseas business was profitable in the first nine months. All overseas sales information is based on conversions to yen of sales in local currencies.

Despite the negative effects of the yen's depreciation and high prices of raw materials, the gross profit margin of the Apparel and Sundry Goods-related Business was basically unchanged from the same period in the previous fiscal year because we are supplying products at the right times, prices and volumes, holding down discount sales, and increasing the added value of our products. Another reason is revisions of prices of some merchandise to maintain the proper balance with the value of these products. In addition, as the share of the food and beverage business increased due to the acquisition of Zetton, Inc. which is now a consolidated subsidiary, the gross profit margin increased 0.7 percentage point from one year earlier to 56.4%.

Selling, general, and administrative expenses increased mainly because of higher personnel expenses and store leasing expenses, and an increase in advertising and promotion expenses resulting from numerous promotional activities following the reduction of these activities, due to store closures and shortened business hours in the previous fiscal year. But sales recovered and business operations became more efficient. As a result, the SG&A to sales ratio improved by 2.5 percentage points from one year earlier to 50.1%, and operating profit significantly improved.

Non-operating income includes a subsidy of 212 million yen related to shortened operating hours caused by the pandemic, employment adjustment subsidies of 37 million yen and foreign exchange gains of 459 million yen. A loss on valuation of derivatives of 106 million yen related to shutting down the South Korean business was recorded as a non-operating expense.

Business segment performance was as follows.

#### 1) Apparel and Sundry Goods-related Business

As a result of the above, sales were 169,302 million yen and segment profit was 11,638 million yen.

Seven stores were added to this business because OPEN AND NATURAL Inc. became a consolidated subsidiary in the first quarter. In addition, we opened 82 stores (including 17 overseas) and closed 43 stores (including 3 overseas), resulting in a total of 1,469 stores (including 87 overseas) at the end of the first nine months of the current fiscal year.

#### 2) Other (Food and Beverage Business)

Sales were 7,750 million yen and segment profit was 167 million yen.

The number of stores at the end of the first nine months was 75, a result of the increase of 73 stores due to the acquisition of Zetton, Inc. at the end of the previous fiscal year and opening of 4 stores and closing of 7 stores.

### **(2) Explanation of Financial Position**

Total assets increased 25,895 million yen from as of February 28, 2022 to 123,853 million yen as of November 30, 2022. There were increases of 8,929 million yen in notes and accounts receivable-trade, 9,859 million yen in inventories, and 5,412 million yen in other, net under property, plant and equipment, partly because of right-of-use assets, etc., resulting from the application of the new lease accounting standard (ASC No. 842), etc., by the U.S. subsidiary.

Liabilities increased 19,689 million yen to 62,683 million yen. There were increases of 5,469 million yen in notes and accounts payable-trade, 5,475 million yen in short-term borrowings, 3,942 million yen in accounts payable-other, and 3,326 million yen in other under current liabilities, including contract liabilities arising from the adoption of the revenue recognition accounting standard and lease liabilities resulting from the application of the new lease accounting standard (ASC No. 842) by the U.S. subsidiary, etc.

Net assets increased 6,206 million yen to 61,169 million yen. This was mainly due to a decrease of 350 million yen in treasury shares (increase in net assets), and increases of 4,930 million yen in retained earnings and 702

million yen in foreign currency translation adjustment.

**(3) Explanation of Consolidated Forecast and Other Forward-looking Statements**

As is explained in this earnings report, sales and earnings during the first nine months were strong. Due to the outlook for fiscal year sales and earnings to be higher than in the forecast announced on April 13, 2022, the forecast for the fiscal year ending in February 2023 has been revised. More information is in the December 29, 2022 press release concerning this revision “Notice Concerning Revisions to Consolidated and Non-Consolidated Earnings Forecasts for the Fiscal Year Ended February 2023 and Upward Revision of Dividend Forecast” posted on the corporate website.

**2. Quarterly Consolidated Financial Statements and Notes****(1) Quarterly Consolidated Balance Sheet**

(Million yen)

	FY2/22 (As of Feb. 28, 2022)	Third quarter of FY2/23 (As of Nov. 30, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	16,976	16,441
Notes and accounts receivable-trade	9,878	18,807
Inventories	19,259	29,119
Other	2,126	1,972
Allowance for doubtful accounts	(71)	(129)
Total current assets	48,169	66,211
Non-current assets		
Property, plant and equipment		
Store interior equipment, net	4,404	5,982
Other, net	11,600	17,013
Total property, plant and equipment	16,005	22,996
Intangible assets		
Goodwill	922	1,404
Other	9,914	10,673
Total intangible assets	10,836	12,078
Investments and other assets		
Investment securities	1,003	1,179
Leasehold and guarantee deposits	15,426	14,136
Other	6,866	7,587
Allowance for doubtful accounts	(351)	(336)
Total investments and other assets	22,945	22,566
Total non-current assets	49,787	57,641
Total assets	97,957	123,853
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	11,282	16,752
Electronically recorded obligations-operating	6,620	8,364
Short-term borrowings	95	5,570
Current portion of long-term borrowings	455	379
Accounts payable-other	10,449	14,392
Income taxes payable	3,247	3,188
Provision for bonuses	2,179	1,187
Provision for point card certificates	1,728	136
Other provisions	446	562
Other	1,910	5,237
Total current liabilities	38,416	55,770
Non-current liabilities		
Long-term borrowings	896	618
Provisions	322	-
Other	3,358	6,294
Total non-current liabilities	4,577	6,913
Total liabilities	42,994	62,683

(Million yen)

	FY2/22 (As of Feb. 28, 2022)	Third quarter of FY2/23 (As of Nov. 30, 2022)
Net assets		
Shareholders' equity		
Share capital	2,660	2,660
Capital surplus	7,213	7,213
Retained earnings	51,114	56,044
Treasury shares	(7,636)	(7,285)
Total shareholders' equity	53,351	58,632
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8	95
Deferred gains or losses on hedges	45	(238)
Foreign currency translation adjustment	558	1,260
Total accumulated other comprehensive income	611	1,117
Non-controlling interests	1,000	1,419
Total net assets	54,963	61,169
Total liabilities and net assets	97,957	123,853



**(2) Quarterly Consolidated Statements of Income and Comprehensive Income****Quarterly Consolidated Statement of Income****(For the Nine-month Period)**

(Million yen)

	First nine months of FY2/22 (Mar. 1, 2021 – Nov. 30, 2021)	First nine months of FY2/23 (Mar. 1, 2022 – Nov. 30, 2022)
Net sales	146,731	177,026
Cost of sales	65,058	77,238
Gross profit	81,673	99,787
Selling, general and administrative expenses	77,189	88,622
Operating profit	4,483	11,165
Non-operating income		
Foreign exchange gains	240	459
Subsidy income	471	212
Subsidies for employment adjustment	486	37
Other	260	229
Total non-operating income	1,459	938
Non-operating expenses		
Interest expenses	109	134
Loss on valuation of derivatives	55	106
Other	52	57
Total non-operating expenses	218	298
Ordinary profit	5,725	11,805
Extraordinary income		
Gain on liquidation of subsidiaries and associates	81	-
Reversal of allowance for doubtful accounts	264	-
Total extraordinary income	346	-
Extraordinary losses		
Impairment loss	321	50
Total extraordinary losses	321	50
Net income before income taxes	5,750	11,754
Income taxes-current	2,526	4,371
Income taxes-deferred	(310)	(530)
Total income taxes	2,216	3,841
Net income	3,534	7,913
Net income (loss) attributable to non-controlling interests	(0)	297
Net income attributable to owners of the parent	3,534	7,616

**Quarterly Consolidated Statement of Comprehensive Income**

**(For the Nine-month Period)**

(Million yen)

	First nine months of FY2/22 (Mar. 1, 2021 – Nov. 30, 2021)	First nine months of FY2/23 (Mar. 1, 2022 – Nov. 30, 2022)
Net income	3,534	7,913
Other comprehensive income		
Valuation difference on available-for-sale securities	(2)	87
Deferred gains or losses on hedges	(4)	(283)
Foreign currency translation adjustment	206	702
Total other comprehensive income	199	505
Comprehensive income	3,734	8,419
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	3,734	8,000
Comprehensive income attributable to non-controlling interests	(0)	419

### **(3) Notes to Quarterly Consolidated Financial Statements**

#### **Going Concern Assumption**

Not applicable.

#### **Significant Changes in Shareholders' Equity**

Not applicable.

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

Important changes in the scope of consolidation

Following the acquisition of shares in OPEN AND NATURAL Inc. through the Company's consolidated subsidiary BUZZWIT Co., Ltd. on March 31, 2022, OPEN AND NATURAL became a consolidated subsidiary (sub-subsidiary) from the first quarter of the current fiscal year. However, only the balance sheet of OPEN AND NATURAL was included in the consolidation as the deemed acquisition date was April 30, 2022 and the period to date of the closure of quarterly consolidated accounts did not exceed three months. The statement of income of this company has been included in the consolidation since the second quarter of the current fiscal year.

#### **Changes in Accounting Policies**

Application of Accounting Standards for Revenue Recognition

The Company has applied the Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020) and other standards from the beginning of the first quarter of the current fiscal year. Based on these standards, revenue expected to be received in exchange for the provision of goods and services is recognized when the control of the goods and services is transferred to customers. In prior years, to prepare for the redemption of the points granted on sales to customers, the Adastria Group recorded a provision for point card certificates in an amount that reflects the performance of obligation related to the expected redemption of points in the future. The Company has changed to a method that recognizes the points granted as performance obligations, allocates the transaction price, and records it as contract liability.

The application of the Accounting Standard for Revenue Recognition is pursuant to the transitional treatment set forth in the proviso of Paragraph 84 of this standard. The cumulative effect of the retrospective application, assuming the new accounting policy had been applied to periods prior to the beginning of the first quarter of the current fiscal year, was added to or subtracted from retained earnings at the beginning of the first quarter of the current fiscal year, and then the new accounting policy was applied beginning with this amount of retained earnings.

As a result, compared with the previous accounting method, the application of the new standard resulted in reductions of 1,668 million yen in sales, 88 million yen in cost of sales, 1,579 million yen in selling, general and administrative expenses. However, there were no effects on operating profit, ordinary profit and net income attributable to owners of the parent. In addition, the new standard reduced retained earnings at the beginning of the current fiscal year by 114 million yen.

In accordance with the transitional treatment set forth in Paragraph 89 -2 of the Accounting Standard for Revenue Recognition, reclassification based on the new presentation method has not been carried out for the previous fiscal year.

Changes in valuation of inventories

The Company and certain consolidated subsidiaries previously valued its merchandise mainly at cost based on the specific identification method (the amount shown on the balance sheet was calculated by writing down the book value based on a decline in profitability). However, from the first quarter of the current fiscal year, the cost method has been changed to a cost method mainly based on the weighted average method (the value on the balance sheet is calculated by writing down the book value based on a decline in profitability).

The valuation method was changed in view of further globalization of the Group's business and taking the opportunity of upgrade of its backbone IT system.

The effect of this change is insignificant.

Accounting for leases: Application of ASC No. 842 [Leases]

Foreign subsidiaries, that have adopted the U.S. accounting standards, have started applying US GAAP ASC No. 842, Leases (ASC No. 842) standard from the first quarter of the current fiscal year. The cumulative effect of the adoption of ASC No. 842 is recognized at the date of adoption and is an adjustment to retained earnings and lease liabilities related to the right-of-use assets at the beginning of the first quarter of the current fiscal year.

The effect of this change on profit in the first nine months of the current fiscal year is insignificant.

Application of the Accounting Standard for Measurement of Fair Value

The Company has applied the Accounting Standard for Measurement of Fair Value, etc. (ASBJ Statement No. 30, July 4, 2019) from the beginning of the first quarter of the current fiscal year, and has applied the new accounting policies set forth by the Accounting Standard for Measurement of Fair Value, etc. prospectively in accordance with the transitional treatment in Paragraph 19 of the Accounting Standard for Measurement of Fair Value and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). There is no effect of the application of these standards on the quarterly consolidated financial statements.

### Segment Information

I. First nine months of FY2/22 (Mar. 1, 2021 – Nov. 30, 2021)

The Adastria Group has only a single business segment, which is the planning and sales of clothing and related merchandise. There is no others segment because the levels of sales and earnings of other activities are insignificant.

II. First nine months of FY2/23 (Mar. 1, 2022 – Nov. 30, 2022)

1. Information related to net sales and profit or loss for each reportable segment

(Million yen)					
	Reportable segment	Other (Note 1)	Total	Adjustment (Note 2)	Amounts shown on quarterly consolidated statement of income (Note 3)
	Apparel and Sundry Goods-related Business				
Net sales					
External sales	169,301	7,725	177,026	-	177,026
Inter-segment sales and transfers	0	25	26	(26)	-
Total	169,302	7,750	177,053	(26)	177,026
Segment profit	11,638	167	11,805	-	11,805

Notes: 1. "Other" represents the businesses which are not included in the reportable segment and mainly consists of Food and Beverage Business.

2. The amount of adjustment to segment profit is an adjustment to unrealized profit related to inter-segment transactions.

3. The segment profit is consistent with the ordinary profit of the Quarterly Consolidated Statement of Income.

4. The segment profit includes corporate expenses that are allocated to each reportable segment.

2. Information related to revisions for reportable segments

In prior years, there was no segment information because the Adastria Group had only the single reportable segment of planning and sales of clothing and related merchandise. There was no "other" segment because this information was immaterial. Beginning with the first quarter of the fiscal year ending in February 2023, segment information is presented because the importance of the food and beverage business within the Adastria Group has increased.

Segment information for the first nine months of the previous fiscal year that was prepared by using the same

segment classification method used for the first nine months of the current fiscal year is not presented because activities other than the planning and sales of clothing and related merchandise is immaterial.

In the first nine months of the previous fiscal year, the planning and sales of clothing and related material was the only significant segment. As a result, segment information prepared by using the same segment classification method used for the first nine months of the previous fiscal year is not presented.

### 3. Information related to impairment losses on non-current assets, goodwill, etc. for each reportable segment

Impairment losses related to non-current assets

Not applicable.

Significant change in goodwill

Not applicable.

Significant gain on bargain purchase

Not applicable.

### Subsequent Events

Establishment of Subsidiary

The Adastria Board of Directors approved a resolution on October 19, 2022 to establish an overseas subsidiary.

#### 1. Reason for the establishment of an overseas subsidiary

Overseas operations are an important element of the strategies for growth in the current medium-term management plan. Southeast Asia is a key region for growth because of the large population of young people and outlook for more expansion of the apparel market. The new company in Thailand, where there is a large volume of spending on apparel, will use operations involving “niko and ...,” a major Adastria brand, as the starting point for activities that reflect the needs and preferences of customers in Thailand. After Adastria (Thailand) establishes a sound base of operations in Thailand, we plan to use this company to expand operations to more countries in Southeast Asia.

#### 2. Overview of the subsidiary

- (1) Company name: Adastria (Thailand) Co., Ltd. (tentative name)
- (2) Location: Bangkok, Thailand
- (3) Representative: Hideo Kimura
- (4) Business activities: Retail business and other related activities in Southeast Asia
- (5) Capital: 100 million baht (about 390 million yen)
- (6) Establishment: Early January 2023 (tentative)
- (7) Relationships between Adastria and Adastria (Thailand):
  1. Capital: Wholly owned by Adastria
  2. Personnel: Two Adastria directors and Two Adastria employees are to serve concurrently as directors of Adastria (Thailand)
  3. Business: Not applicable at this time

### 3. Supplementary Information

#### (1) Sales for Brands and Regions

Brand / region		First nine months of FY2/23		YoY change (%)
		Sales (million yen)	Composition (%)	
	GLOBAL WORK	33,455	18.9	21.2
	niko and ...	21,930	12.4	10.7
	LOWRYS FARM	15,927	9.0	7.1
	studio CLIP	15,074	8.5	5.0
	LEPSIM	9,453	5.3	7.0
	JEANASiS	8,037	4.5	6.6
	BAYFLOW	7,554	4.3	13.5
	LAKOLE	5,682	3.2	65.3
	Others	25,472	14.4	14.4
Total (Adastria)		142,588	80.5	13.7
BUZZWIT Co., Ltd. (Note 3)		6,855	3.9	33.6
ELEMENT RULE Co., Ltd.		7,482	4.2	9.0
Other consolidated subsidiaries		167	0.1	300.1
Total (Japan)		157,093	88.7	14.3
	Hong Kong	2,307	1.3	15.5
	Mainland China	1,572	0.9	(2.3)
	Taiwan	2,919	1.6	58.2
	USA	5,408	3.1	53.2
Total (Overseas)		12,207	6.9	35.9
Total (Apparel and Sundry Goods-related Business)		169,301	95.6	15.6
Zetton, Inc. (Note 4)		7,299	4.1	-
ADASTRIA eat Creations Co., Ltd.		425	0.3	26.0
Total (Food and Beverage Business)		7,725	4.4	2,188.4
Total (Group)		177,026	100.0	20.6

- Notes: 1. The number of stores is categorized by using brand operating divisions and geographic regions.  
2. The above figures are sales to external customers and do not include internal sales between consolidated subsidiaries.  
3. Sales of BUZZWIT Co., Ltd. include sales of its consolidated subsidiary OPEN AND NATURAL, Inc.  
4. Sales of Zetton, Inc. include sales of its consolidated subsidiary ZETTON, INC (USA Business).

#### (2) Sales for Merchandise Categories

Category	First nine months of FY2/23		YoY change (%)
	Sales (million yen)	Composition (%)	
Men's apparel (bottoms, tops)	26,833	15.2	22.8
Lady's apparel (bottoms, tops)	108,758	61.4	15.6
Others	41,434	23.4	34.4
Total	177,026	100.0	20.6

- Notes: 1. The others category includes additions to the provision for point card certificates and other items.  
2. The above figures are sales to external customers and do not include internal sales between consolidated subsidiaries.

**(3) Number of Stores**

Brand / region		Number of stores						As of Nov. 30, 2022
		As of Feb. 28, 2022	First nine months of FY2/23				Increase /decrease	
			Increase (Note 3)	Opened	Changed	Closed		
	GLOBAL WORK	206	-	3	-	(2)	1	207
	niko and ...	144	-	4	-	(1)	3	147
	LOWRYS FARM	136	-	2	-	(4)	(2)	134
	studio CLIP	184	-	2	-	(6)	(4)	180
	LEPSIM	120	-	1	-	(4)	(3)	117
	JEANASiS	73	-	3	-	(2)	1	74
	BAYFLOW	60	-	2	-	-	2	62
	LAKOLE	47	-	18	-	-	18	65
	Others	275	-	16	-	(10)	6	281
	Total (Adastria)	1,245	-	51	-	(29)	22	1,267
	BUZZWIT Co., Ltd. (Note 4)	18	7	6	-	(2)	11	29
	ELEMENT RULE Co., Ltd.	84	-	6	-	(9)	(3)	81
	Other consolidated subsidiaries	3	-	2	-	-	2	5
	Total (Japan)	1,350	7	65	-	(40)	32	1,382
	Hong Kong	14	-	6	-	-	6	20
	Mainland China	6	-	3	-	-	3	9
	Taiwan	43	-	8	-	(2)	6	49
	USA	10	-	-	-	(1)	(1)	9
	Total (Overseas)	73	-	17	-	(3)	14	87
	Total (Apparel and Sundry Goods-related Business)	1,423	7	82	-	(43)	46	1,469
	Zetton, Inc. (Note 5)	-	73	4	-	(5)	72	72
	ADASTRIA eat Creations Co., Ltd.	5	-	-	-	(2)	(2)	3
	Total (Food and Beverage Business)	5	73	4	-	(7)	70	75
	Total (Group)	1,428	80	86	-	(50)	116	1,544

- Notes: 1. The number of stores is categorized by using brand operating divisions and geographic regions.  
2. The number of stores includes e-commerce websites of other companies and e-commerce websites of Adastria.  
3. "Increase" represents the increase in the number of stores resulting from the consolidation of Zetton, Inc. at the end of FY2/22 and OPEN AND NATURAL Inc. during the first quarter of FY2/23.  
4. The number of stores of BUZZWIT Co., Ltd. includes sales of its consolidated subsidiary OPEN AND NATURAL Inc.  
5. The number of stores of Zetton, Inc. includes sales of its consolidated subsidiary ZETTON, INC (USA Business).

*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.*