

Summary of Consolidated Financial Results
for the First Quarter of the Fiscal Year Ending February 29, 2024
(Three Months Ended May 31, 2023)

[Japanese GAAP]

June 30, 2023

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Stock code: 2685

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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 June 30, 2023 at 15:00 (GMT +9).

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

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending February 29, 2024
(March 1, 2023 – May 31, 2023)

(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 | % |
| Three months ended May 31, 2023 | 68,478 | 18.1 | 6,278 | 37.2 | 6,349 | 28.9 | 4,464 | 34.7 |
| Three months ended May 31, 2022 | 58,006 | 25.0 | 4,574 | 632.1 | 4,926 | 412.5 | 3,313 | - |

Note: Comprehensive income Three months ended May 31, 2023: 4,799 million yen (up 20.3%)

Three months ended May 31, 2022: 3,988 million yen (up 846.2%)

| | Net income per share | Diluted net income per share |
|---------------------------------|----------------------|------------------------------|
| | Yen | Yen |
| Three months ended May 31, 2023 | 98.41 | - |
| Three months ended May 31, 2022 | 73.24 | - |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|---------------------|--------------|-------------|--------------|
| | Million yen | Million yen | % |
| As of May 31, 2023 | 119,070 | 64,213 | 52.8 |
| As of Feb. 28, 2023 | 111,392 | 60,762 | 53.3 |

Reference: Shareholders' equity As of May 31, 2023: 62,891 million yen As of Feb. 28, 2023: 59,407 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, 2023 | - | 25.00 | - | 35.00 | 60.00 |
| Fiscal year ending Feb. 29, 2024 | - | | | | |
| Fiscal year ending Feb. 29, 2024 (forecast) | | 30.00 | - | 35.00 | 65.00 |

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

3. Consolidated Forecast for the Fiscal Year Ending February 29, 2024 (March 1, 2023 – February 29, 2024)

(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 | 260,000 | 7.2 | 14,000 | 21.6 | 14,000 | 16.4 | 9,400 | 24.7 | 207.27 |

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): 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: None

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 8 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 May 31, 2023: | 48,800,000 shares | As of Feb. 28, 2023: | 48,800,000 shares |
|---------------------|-------------------|----------------------|-------------------|

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

| | | | |
|---------------------|------------------|----------------------|------------------|
| As of May 31, 2023: | 3,371,138 shares | As of Feb. 28, 2023: | 3,449,391 shares |
|---------------------|------------------|----------------------|------------------|

3) Average number of shares outstanding during the period

| | | | |
|----------------------------------|-------------------|----------------------------------|-------------------|
| Three months ended May 31, 2023: | 45,363,497 shares | Three months ended May 31, 2022: | 45,244,312 shares |
|----------------------------------|-------------------|----------------------------------|-------------------|

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 3 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 three months of FY2/23 (Mar. 1, 2022 – May 31, 2022) | First three months of FY2/24 (Mar. 1, 2023 – May 31, 2023) | YoY change (Amount) | YoY change (%) | |
| Net sales | 58,006 | 68,478 | 10,471 | 18.1 | |
| Operating profit | 4,574 | 6,278 | 1,703 | 37.2 | |
| Ordinary profit | 4,926 | 6,349 | 1,422 | 28.9 | |
| Net income attributable to owners of the parent | 3,313 | 4,464 | 1,150 | 34.7 | |

Economic and social activity in Japan continued to return to normal during the first quarter (March 1 – May 31, 2023) as most pandemic restrictions ended and foreigners are now allowed to visit Japan. As a result, consumer spending is recovering slowly. The outlook for the economy is still uncertain because of the prolonged Ukraine conflict, high prices of resources and energy, foreign exchange rate volatility, worldwide inflation and other reasons. However, the desire of consumers to buy apparel and other fashion products is 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 18.1% year-on-year to 68,478 million yen, operating profit increased 37.2% to 6,278 million yen, ordinary profit increased 28.9% to 6,349 million yen, and net income attributable to owners of the parent increased 34.7% to 4,464 million yen.

In the Apparel and Sundry Goods-related business, sales in Japan were up 16.9% from one year earlier. Sales benefited from the increasing demand for clothing for outings, warm weather and strong sales of casual apparel. Merchandise that reflects current trends, the successful addition of several hit products, TV commercials and promotional activities such as loyalty points also contributed to sales growth.

As part of our digital strategy, there are many promotional activities that link the Adastria “Dot ST” e-commerce website with physical stores. Activities include adding merchandise of other companies to enlarge the lineup of products. As a result, the number of members of “Dot ST” is now 16 million, 0.5 million more than at the end of the previous fiscal year. E-commerce sales increased 19.6% in part because subsidiary BUZZWIT Co., Ltd., which operates an e-commerce business, acquired OPEN AND NATURAL Inc., a children’s clothing e-commerce company that is now a consolidated subsidiary.

In Mainland China, sales increased 32.3% because of the smaller negative effects of the pandemic compared with the first quarter of the previous fiscal year and sales at stores opened during the previous fiscal year. In Taiwan, sales increased 28.7% because of higher existing store sales and the continuation of store openings that use the multi-brand strategy. In the United States, sales rose 21.7% because of strong wholesale sales. In Hong Kong, sales were up 34.0% from the low level of one year earlier caused by the pandemic. As a result, total overseas sales were up 27.3%. All overseas sales information is based on conversions to yen of sales in local currencies.

In the Other segment (the food and beverage business), the economic climate is challenging because of the high cost of raw materials and utilities, the labor shortage and other adversities. Despite these challenges, sales increased due to a slow recovery in the number of customers.

The yen's depreciation and high cost of raw materials continued to have a negative effect on earnings. There were measures to control inventories by supplying merchandise at the right times, prices and volumes, limit sales of merchandise at discounts, and supply fashions with even more added value. In addition, prices were revised to maintain the proper balance between prices and the value of merchandise. Profitability improved in the overseas business too. Overall, the gross profit margin in the Apparel and Sundry Goods-related business segment was slightly lower than in the first quarter of the previous business. In the Other segment (the food and beverage business), the gross profit margin declined mainly because of the high cost of raw materials. As a result, the gross profit margin decreased 0.3 percentage point from one year earlier to 57.1%.

Selling, general and administrative expenses increased mainly because of higher salaries and other benefits for employees and increases in personnel expenses, store leasing expenses, cargo transport expenses and other items along with sales growth. However, due to the increase in sales, the SG&A to sales ratio improved by 1.6 percentage points from one year earlier to 47.9% and operating profit significantly increased by 37.2%.

Non-operating income includes foreign exchange gains of 61 million yen and there was an extraordinary loss of 35 million yen for the impairment of store assets.

Business segment performance was as follows.

1) Apparel and Sundry Goods-related Business

As a result of the activities in this business explained earlier, sales were 65,812 million yen and segment profit was 6,576 million yen.

We opened 40 stores (including 6 overseas) and closed 6 stores (including 1 overseas), resulting in a total of 1,469 stores (including 100 overseas) at the end of the first quarter of the fiscal year.

2) Other (Food and Beverage Business)

Sales were 2,680 million yen and segment loss was 227 million yen.

The number of stores at the end of the first quarter was 74, a result of opening of 1 store and closing of 1 store.

(2) Explanation of Financial Position

Total assets increased 7,678 million yen from as of February 28, 2023 to 119,070 million yen as of May 31, 2023. There were increases of 438 million yen in cash and deposits, 5,022 million yen in notes and accounts receivable-trade, and 704 million yen in store interior equipment, net.

Liabilities increased 4,228 million yen to 54,857 million yen. There were increases of 2,154 million yen in short-term borrowings and 2,207 million yen in accounts payable-other.

Net assets increased 3,450 million yen to 64,213 million yen. This was mainly due to increases of 2,866 million yen in retained earnings and 354 million yen in deferred gain or losses on hedges.

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

There are no revisions to the consolidated forecast for the current fiscal year that was announced on April 4, 2023.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Million yen)

| | FY2/23 (As of Feb. 28, 2023) | First quarter of FY2/24 (As of May 31, 2023) |
|---|---------------------------------|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 16,380 | 16,818 |
| Notes and accounts receivable-trade | 12,171 | 17,194 |
| Inventories | 24,679 | 24,822 |
| Other | 2,622 | 2,827 |
| Allowance for doubtful accounts | (81) | (116) |
| Total current assets | 55,772 | 61,545 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Store interior equipment, net | 6,000 | 6,705 |
| Other, net | 16,064 | 16,389 |
| Total property, plant and equipment | 22,065 | 23,094 |
| Intangible assets | | |
| Goodwill | 1,331 | 1,274 |
| Other | 10,577 | 10,923 |
| Total intangible assets | 11,908 | 12,197 |
| Investments and other assets | | |
| Investment securities | 1,108 | 1,130 |
| Leasehold and guarantee deposits | 13,545 | 13,653 |
| Other | 7,289 | 7,745 |
| Allowance for doubtful accounts | (298) | (298) |
| Total investments and other assets | 21,645 | 22,232 |
| Total non-current assets | 55,619 | 57,524 |
| Total assets | 111,392 | 119,070 |
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 13,280 | 12,140 |
| Electronically recorded obligations-operating | 6,990 | 8,251 |
| Short-term borrowings | 197 | 2,352 |
| Current portion of long-term borrowings | 375 | 371 |
| Accounts payable-other | 12,114 | 14,322 |
| Income taxes payable | 2,970 | 2,799 |
| Provision for bonuses | 2,112 | 1,291 |
| Provision for point card certificates | 160 | 106 |
| Other provisions | 779 | 774 |
| Other | 5,008 | 5,679 |
| Total current liabilities | 43,989 | 48,090 |
| Non-current liabilities | | |
| Long-term borrowings | 554 | 468 |
| Provisions | - | 75 |
| Other | 6,084 | 6,223 |
| Total non-current liabilities | 6,639 | 6,766 |
| Total liabilities | 50,629 | 54,857 |

(Million yen)

| | FY2/23 (As of Feb. 28, 2023) | First quarter of FY2/24 (As of May 31, 2023) |
|---|---------------------------------|---|
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 2,660 | 2,660 |
| Capital surplus | 7,213 | 7,213 |
| Retained earnings | 55,968 | 58,835 |
| Treasury shares | (7,286) | (7,050) |
| Total shareholders' equity | 58,555 | 61,657 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 95 | 108 |
| Deferred gains or losses on hedges | (120) | 233 |
| Foreign currency translation adjustment | 877 | 891 |
| Total accumulated other comprehensive income | 852 | 1,233 |
| Non-controlling interests | 1,355 | 1,321 |
| Total net assets | 60,762 | 64,213 |
| Total liabilities and net assets | 111,392 | 119,070 |

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

(For the Three-month Period)

| | (Million yen) | |
|---|---|---|
| | First three months of FY2/23 (Mar. 1, 2022 – May 31, 2022) | First three months of FY2/24 (Mar. 1, 2023 – May 31, 2023) |
| Net sales | 58,006 | 68,478 |
| Cost of sales | 24,703 | 29,383 |
| Gross profit | 33,303 | 39,094 |
| Selling, general and administrative expenses | 28,729 | 32,816 |
| Operating profit | 4,574 | 6,278 |
| Non-operating income | | |
| Foreign exchange gains | 274 | 61 |
| Subsidy income | 129 | 9 |
| Subsidies for employment adjustment | 50 | - |
| Other | 65 | 78 |
| Total non-operating income | 520 | 149 |
| Non-operating expenses | | |
| Interest expenses | 38 | 55 |
| Loss on valuation of derivatives | 106 | - |
| Other | 24 | 21 |
| Total non-operating expenses | 168 | 77 |
| Ordinary profit | 4,926 | 6,349 |
| Extraordinary losses | | |
| Impairment loss | 3 | 35 |
| Total extraordinary losses | 3 | 35 |
| Net income before income taxes | 4,922 | 6,314 |
| Income taxes-current | 1,701 | 2,465 |
| Income taxes-deferred | (228) | (569) |
| Total income taxes | 1,472 | 1,896 |
| Net income | 3,450 | 4,418 |
| Net income (loss) attributable to non-controlling interests | 136 | (46) |
| Net income attributable to owners of the parent | 3,313 | 4,464 |

Quarterly Consolidated Statement of Comprehensive Income

(For the Three-month Period)

(Million yen)

| | First three months of FY2/23 (Mar. 1, 2022 – May 31, 2022) | First three months of FY2/24 (Mar. 1, 2023 – May 31, 2023) |
|--|---|---|
| Net income | 3,450 | 4,418 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 45 | 12 |
| Deferred gains or losses on hedges | 372 | 354 |
| Foreign currency translation adjustment | 120 | 14 |
| Total other comprehensive income | 538 | 381 |
| Comprehensive income | 3,988 | 4,799 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of the parent | 3,819 | 4,840 |
| Comprehensive income attributable to non-controlling interests | 169 | (41) |

(3) Notes to Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Changes in Accounting Policies

Application of the Implementation Guidance on Accounting Standard for Measurement of Fair Value

The Company has applied the Implementation Guidance on Accounting Standard for Measurement of Fair Value (Accounting Standards Board of Japan (ASBJ) Guidance No. 31, June 17, 2021) from the beginning of the first quarter of the current fiscal year, and has applied the new accounting policies set forth by the Implementation Guidance on Accounting Standard for Measurement of Fair Value prospectively in accordance with the transitional treatment in Paragraph 27-2 of the Implementation Guidance on Accounting Standard for Measurement of Fair Value. There is no effect of the application of this guidance on the quarterly consolidated financial statements.

Additional Information

Accounting treatment and disclosure method when the group tax sharing system is used

Beginning with the first quarter of the current fiscal year, Adastria and some of its consolidated subsidiaries in Japan have changed from the single-entity tax system to the group tax sharing system. Due to this change, the accounting treatment and disclosure of corporate income taxes, local corporate income taxes and tax effect accounting are as prescribed in Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System (Practical Issues Task Force (PITF) No. 42, August 12, 2021).

Segment Information

I. First three months of FY2/23 (Mar. 1, 2022 – May 31, 2022)

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

| | 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 | 55,945 | 2,061 | 58,006 | - | 58,006 |
| Inter-segment sales and transfers | 0 | 9 | 9 | (9) | - |
| Total | 55,945 | 2,070 | 58,016 | (9) | 58,006 |
| Segment profit | 4,848 | 78 | 4,926 | - | 4,926 |

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 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

Following the acquisition of shares in OPEN AND NATURAL Inc. through the Company's consolidated subsidiary BUZZWIT Co., Ltd., OPEN AND NATURAL became a consolidated subsidiary (sub-subsidiary) in the first quarter of FY2/23. As a result, the Apparel and Sundry Goods-related Business recorded goodwill of 670 million yen. The amount of goodwill is based on the revised method to reflect reviewed allocation of the acquisition cost arising from finalization of the provisional accounting treatment for business combinations.

Significant gain on bargain purchase

Not applicable.

II. First three months of FY2/24 (Mar. 1, 2023 – May 31, 2023)

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 | 65,812 | 2,666 | 68,478 | - | 68,478 |
| Inter-segment sales and transfers | 0 | 13 | 14 | (14) | - |
| Total | 65,812 | 2,680 | 68,493 | (14) | 68,478 |
| Segment profit (loss) | 6,576 | (227) | 6,349 | - | 6,349 |

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 (loss) is an adjustment to unrealized profit related to inter-segment transactions.

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

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

2. 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.

3. Supplementary Information

(1) Sales for Brands and Regions

| Brand / region | | First three months of FY2/24 | | YoY change (%) |
|----------------|---|------------------------------|-----------------|----------------|
| | | Sales (million yen) | Composition (%) | |
| | GLOBAL WORK | 13,831 | 20.2 | 14.3 |
| | niko and ... | 8,135 | 11.9 | 11.2 |
| | LOWRYS FARM | 5,778 | 8.4 | 6.9 |
| | studio CLIP | 5,423 | 7.9 | 12.9 |
| | LEPSIM | 3,579 | 5.2 | 5.0 |
| | JEANASiS | 2,989 | 4.4 | 23.5 |
| | LAKOLE | 2,674 | 3.9 | 43.3 |
| | BAYFLOW | 2,670 | 3.9 | 7.6 |
| | Others | 9,447 | 13.8 | 16.8 |
| | Total (Adastria) | 54,530 | 79.6 | 13.9 |
| | BUZZWIT Co., Ltd. (Note 3) | 3,212 | 4.7 | 86.9 |
| | ELEMENT RULE Co., Ltd. | 2,888 | 4.2 | 21.6 |
| | Other consolidated subsidiaries | 206 | 0.3 | 318.0 |
| | Total (Japan) | 60,837 | 88.8 | 16.9 |
| | Hong Kong | 822 | 1.2 | 34.0 |
| | Mainland China | 873 | 1.3 | 32.3 |
| | Taiwan | 1,369 | 2.0 | 28.7 |
| | USA | 1,908 | 2.8 | 21.7 |
| | Total (Overseas) | 4,974 | 7.3 | 27.3 |
| | Total (Apparel and Sundry Goods-related Business) | 65,812 | 96.1 | 17.6 |
| | Zetton, Inc. (Note 4) | 2,532 | 3.7 | 30.5 |
| | ADASTRIA eat Creations Co., Ltd. | 134 | 0.2 | 11.3 |
| | Total (Food and Beverage Business) | 2,666 | 3.9 | 29.3 |
| | Total (Group) | 68,478 | 100.0 | 18.1 |

- 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 three months of FY2/24 | | YoY change (%) |
|--------------------------------|------------------------------|-----------------|----------------|
| | Sales (million yen) | Composition (%) | |
| Men's apparel (bottoms, tops) | 10,172 | 14.8 | 13.4 |
| Lady's apparel (bottoms, tops) | 43,197 | 63.1 | 17.7 |
| Others | 15,108 | 22.1 | 22.5 |
| Total | 68,478 | 100.0 | 18.1 |

- 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 May 31, 2023 |
|----------------|---|------------------------|------------------------------|---------|--------|-----------------------|-----------------------|
| | | As of Feb. 28, 2023 | First three months of FY2/24 | | | Increase /decrease | |
| | | | Opened | Changed | Closed | | |
| | GLOBAL WORK | 205 | 6 | - | (1) | 5 | 210 |
| | niko and ... | 141 | 2 | - | (1) | 1 | 142 |
| | LOWRYS FARM | 129 | 2 | - | (2) | - | 129 |
| | studio CLIP | 174 | 6 | - | (1) | 5 | 179 |
| | LEPSIM | 114 | 1 | - | - | 1 | 115 |
| | JEANASiS | 71 | - | - | - | - | 71 |
| | LAKOLE | 63 | 5 | - | - | 5 | 68 |
| | BAYFLOW | 61 | 1 | - | - | 1 | 62 |
| | Others | 264 | 6 | - | - | 6 | 270 |
| | Total (Adastria) | 1,222 | 29 | - | (5) | 24 | 1,246 |
| | BUZZWIT Co., Ltd. (Note 3) | 29 | - | - | - | - | 29 |
| | ELEMENT RULE Co., Ltd. | 81 | 2 | - | - | 2 | 83 |
| | Other consolidated subsidiaries | 8 | 3 | - | - | 3 | 11 |
| | Total (Japan) | 1,340 | 34 | - | (5) | 29 | 1,369 |
| | Hong Kong | 21 | 1 | - | (1) | - | 21 |
| | Mainland China | 13 | 1 | - | - | 1 | 14 |
| | Taiwan | 52 | 3 | - | - | 3 | 55 |
| | USA | 9 | 1 | - | - | 1 | 10 |
| | Total (Overseas) | 95 | 6 | - | (1) | 5 | 100 |
| | Total (Apparel and Sundry Goods-related Business) | 1,435 | 40 | - | (6) | 34 | 1,469 |
| | Zetton, Inc. (Note 4) | 71 | 1 | - | (1) | - | 71 |
| | ADASTRIA eat Creations Co., Ltd. | 3 | - | - | - | - | 3 |
| | Total (Food and Beverage Business) | 74 | 1 | - | (1) | - | 74 |
| | Total (Group) | 1,509 | 41 | - | (7) | 34 | 1,543 |

- 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. The number of stores of BUZZWIT Co., Ltd. includes sales of its consolidated subsidiary OPEN AND NATURAL Inc.
4. 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.