



April 17, 2024

(Translation)

To Whom It May Concern,

Company name	Adastria Co., Ltd.
Representative	Osamu Kimura, Representative Director and President (Securities code: 2685 TSE Prime Market)
Inquiries	Itsuo Iwakoshi, Senior Executive Officer, General Manager of Administration Division (TEL: 03-5466-2060)

Notice Concerning Acquisition of Shares of Company Succeeding to the TODAY'S SPECIAL and GEORGE'S Businesses of WELCOME Co., Ltd. via Absorption-Type Demerger, Converting Said Company to a Subsidiary

At a meeting held today, the Adastria Co., Ltd. (“Adastria”) Board of Directors resolved to acquire all outstanding shares (“Acquisition”) of a company (“Target Company”) scheduled to succeed the TODAY’S SPECIAL and GEORGE’S businesses of WELCOME Co., Ltd. via an absorption-type demerger, making said Target Company a subsidiary of Adastria.

This transaction will be conducted by having TODAY’S SPECIAL Co., Ltd., wholly owned subsidiary of WELCOME Co., Ltd., succeed the TODAY’S SPECIAL and GEORGE’S businesses via absorption-type demerger, with Adastria then acquiring all shares of Target Company.

1. Reasons for Share Acquisition

Pursuing the mission of *Play fashion!*, Adastria endeavors to enrich lives and create happiness through fashion, extending the company's reach by adding new product categories. As one example, the sundries division in the lifestyle brand has grown to account for nearly 25% of sales over the past few years, driven mainly by *niko and ...* and *studio CLIP* brands. Through this transaction, the Company intends to expand business further by enhancing its product lineup in areas adjacent to sundries.

Since its founding, WELCOME Co., Ltd. has developed high-quality lifestyle businesses, creating businesses built around unique brand. Among those brands, TODAY'S SPECIAL and GEORGE'S are core presences that have continued since the very first days of WELCOME, and these brands have the potential for further growth. The acquisition described herein was agreed upon by both companies to expand the potential of these business further by leveraging Adastria infrastructure and development expertise.

Adastria and WELCOME share a common value in building better communities through lifestyle businesses such as fashion, design, and food. Under the new management structure, TODAY'S SPECIAL and GEORGE'S will aim for further growth for the next stage as members of the Adastria Group, which operates more than 30 multi-brands.

2. Overview of the Subsidiary to be Transferred

(1) Name	TODAY’S SPECIAL Co., Ltd.
(2) Location	5-11-11 Himonya, Meguro-ku, Tokyo
(3) Representative Name and Title	Motohiro Nakatsuka, representative director
(4) Business lines	Retail-based lifestyle business
(5) Capital	1 million yen

(6) Established	March 26, 2024	
(7) Major shareholders and ownership ratios	WELCOME Co., Ltd. 100%	
(8) Relationship with Adastria Co., Ltd.	Equity relationship	Not applicable
	Personal relationships	Not applicable
	Business relationships	Not applicable
(9) Most-recent operating results and financial condition of the Target Company	Not applicable, as the Target Company was established for the purpose of the absorption-type demerger of the TODAY'S SPECIAL and GEORGE'S businesses. WELCOME Co., Ltd. does not disclose information related to the most-recent revenues and operating income of the TODAY'S SPECIAL and GEORGE'S businesses. However, Adastria conducted due diligence and determined that the businesses have revenues of approximately 2.9 billion yen.	

3. Overview of the Counterparty to the Acquisition

(1) Name	WELCOME Co., Ltd.	
(2) Location	5-11-11 Himonya, Meguro-ku, Tokyo	
(3) Representative Name and Title	Masanori Yokokawa, representative director	
(4) Business lines	Retail- and restaurant-based lifestyle business Planning and producing projects for urban and community development	
(5) Capital	50 million yen	
(6) Established	July 11, 2002	
(7) Net assets	3,312 million yen	
(8) Total assets	10,674 million yen	
(9) Major shareholders and ownership ratios	Not disclosed at the request of the WELCOME Co., Ltd.	
(10) Relationship with Adastria Co., Ltd.	Equity relationship	Not applicable
	Personal relationships	Not applicable
	Business relationships	Not applicable
	Matters Concerning Related Parties	Not applicable

4. Shares to be Acquired, Acquisition Price, and Status of Shares Owned Before and After Acquisition

(1) Number of shares held before transfer	0 (Number of voting rights: 0) (Ownership percentage of voting rights: 0.0%)
(2) Overview of Shares to be Acquired	100 (Number of voting rights: 100)
(3) Acquisition cost	Not disclosed due to nondisclosure agreement
(4) Number of shares held after transfer	100 (Number of voting rights: 100) (Ownership percentage of voting rights: 100%)

5. Schedule

(1) Date of Board resolution	April 17, 2024
(2) Date of contract execution	April 17, 2024
(3) Effective date of absorption-type demerger and share transfer	July 1, 2024 (tentative)

6. Future Outlook

Adastria does not expect the Acquisition to have a material impact on Adastria Group consolidated financial results for the fiscal year ending February 28, 2025. The company will promptly disclose any matters that arise in the future that require disclosure.

Brand Overview

About TODAY'S SPECIAL

TODAY'S SPECIAL is a food and lifestyle store that offers discoveries that make today special, as well as the joy of giving seasonal gifts. The bustling market-like store is filled with daily necessities, foodstuffs, plants, books, clothing, and more. TODAY'S SPECIAL also offers a variety of seasonal campaigns for people who want to make the most of every day and find ideas for making life more enjoyable or starting something new.

The official TODAY'S SPECIAL website: <https://www.todaysspecial.jp/>

About GEORGE'S

GEORGE'S is a neighborhood general store, offering kitchenware, food, kids' goods, clothing, plants, and furniture to enrich the lives of family and friends. Along with the fun and creative ideas, the store offers suggestions in line with the changing seasons, as well as conversations fostered by the sense that GEORGE'S is part of the community. GEORGE'S aspires to be a place where neighborhood dwellers gather comfortably at any time. In other words, GEORGE'S strives to be a home-away-from-home style of store.

The official GEORGE'S website: <https://www.georges.co.jp/>

TODAY'S SPECIAL



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