



FY2026/02 1st Quarter

Financial Results

June 30, 2025



A D A S T R I A
— *Play fashion!*

• Consolidated Income Statement - Summary	2	• Sale of Non-Current Assets and Impact on Current Year Results	15
• Adastria and Subsidiaries	6	• Consolidated Balance Sheet	16
• Adastria(Non-consolidated) • Adastria + and ST(Exclude Company Split impact)	7	• Number of Stores	17
• Platform Business	9	• Changes in the Reporting Scope by Company and Business	18
• Global Business	11	• FY2026/2 Consolidated Forecast (Re-posting)	19
• Brand retail Business	13		

Overview

Sales increased from the previous year, reaching a record high for Q1.
Operating profit declined but remained in line with initial plans.

(Millions of yen)

	FY2025/02 1Q Results		FY2026/02 1Q Results		
		Ratio		Ratio	YoY
Net Sales	74,001	100.0%	77,464	100.0%	104.7%
Gross profit	41,605	56.2%	43,837	56.6%	105.4%
SG&A expense	35,591	48.1%	38,233	49.4%	107.4%
Advertising & promotion	2,060	2.8%	2,775	3.6%	134.7%
Personnel	13,090	17.7%	13,770	17.8%	105.2%
Rent & depreciation *1	12,593	17.0%	13,677	17.7%	108.6%
Others	7,846	10.6%	8,010	10.3%	102.1%
Operating profit	6,014	8.1%	5,603	7.2%	93.2%
Ordinary profit	6,288	8.5%	5,423	7.0%	86.2%
Net income attributable to owners of the parent	4,405	6.0%	4,374	5.6%	99.3%
EBITDA	8,498	11.5%	8,423	10.9%	99.1%
Depreciation and amortization	2,429	3.3%	2,716	3.5%	111.8%
Amortization of goodwill	54	0.1%	103	0.1%	188.3%

*1: Rent & depreciation costs are the sum of Rent expenses, Lease expenses and Depreciation

The Platform, Global, and Brand Retail businesses all progressed according to plan under the new medium-term management plan. Gross profit margin improved on a consolidated basis, driven by the business mix in line with the new medium-term management plan.

Net sales

77.4 billion yen (+4.7% YoY)

- Platform Business
*before elimination

39 billion yen

External brand participation on the and ST e-commerce platform progressed smoothly; wholesale also remained on track with plans.

- Global Business

64 billion yen

All Asian countries and regions progressed in line with plans. The U.S., currently undergoing a divestiture process, fell short of the initial forecast.

- Brand Retail Business
*before elimination

704 billion yen

All companies progressed in line with plans, supported by solid demand ELEMENT RULE performed particularly well.

Gross profit margin

56.6% (+0.4p YoY)

- Consolidated gross profit margin improved due to increased sales from external brands on our e-commerce site and higher sales at subsidiaries with relatively strong margins.
- Apparel retail maintained markup levels despite the weaker yen, but spring markdowns caused a slight year-on-year decline.

Advertising expenses and rent and depreciation, increased due to strategic investments to open flagship stores and raise brand awareness. However, overall SG&A expenses remained below plan. All profit levels declined, but remained in line with our initial plan.

SG&A expense ratio	49.4 % (+1.3p YoY)	
• Advertising expenses	3.6 % (+0.8p YoY) (+71 million yen)	Increased 7 million yen spending on promotions for and ST and GLOBAL WORK.
• Personnel	17.8 % (+0.6p YoY) (+67 million yen)	Higher personnel costs due to improved employee compensation.
• Rent & depreciation	17.7 % (+0.7p YoY) (+108 million yen)	Higher rent and depreciation costs associated with flagship store openings and increased sales.
• Others	10.3 % (-0.3p YoY) (+18 million yen)	The SG&A expense ratio remained under control despite higher credit card fees and small-parcel delivery costs.
Operating profit	5.6 billion yen (-6.8% YoY)	Operating income ratio : 7.2%, EBIDTDA : 10.9%
Ordinary profit	5.4 billion yen (-13.8% YoY)	Non-Operating income Foreign exchange loss of 230million yen
Net income	4.3 billion yen (-0.7% YoY)	Extraordinary losses Impairment of store assets of 50 million yen

Adastria and Subsidiaries Income and Operating profit

- Transferred the and ST e-commerce mall business from Adastria to and ST Co., Ltd. in December 2024, followed by the BtoB business in March 2025.
- Sales at and ST Co., Ltd. generated primarily from e-commerce mall commission fees, BtoB wholesale transactions, and production service fees.
- Lower non-consolidated profit reflects strategic increases in advertising expenses and rent and depreciation, as well as and ST platform usage fees paid.
- Subsidiaries performed well overall, with a roughly 110% year-on-year increase on a same-month basis, despite the change in fiscal year-end of zetton, a food and beverage business.

(Millions of yen)

	FY2025/02 1Q Results		FY2026/02 1Q Results		
		Ratio		Ratio	YoY
Net Sales	74,001	100.0%	77,464	3,463	104.7%
Adastria(Non-consolidated)*1	59,814	80.8%	59,913	99	100.2%
Adastria(Non-consolidated) + and ST*2	-	0.0%	61,460	1,645	102.8%
Domestic subsidiaries *3	6,353	8.6%	6,670	316	105.0%
Overseas subsidiaries *4	5,900	8.0%	6,498	598	110.1%
zetton (Food & Beverage Subsidiary) *5	2,985	4.0%	3,826	840	128.2%
Operating profit	6,014	8.1%	5,603	▲ 410	93.2%
Adastria(Non-consolidated)*1	5,841	7.9%	3,511	▲ 2,330	60.1%
Adastria(Non-consolidated) + and ST*2	-	0.0%	4,624	▲ 1,217	79.2%
Domestic subsidiaries *3	416	0.6%	713	296	171.2%
Overseas subsidiaries *4	31	0.0%	169	138	542.5%
zetton (Food & Beverage Subsidiary) *5	▲ 305	▲ 0.4%	59	364	-

*1: Figures for December to February in FY2/2026 reflect Adastria's performance after the company split with and ST Co., Ltd.

*2: Figures for December to February in FY2/2026 reflect adjustments for intercompany eliminations between Adastria and and ST Co., Ltd., and are presented on the same basis as FY2/2024

*3: Domestic subsidiaries are the sum of three subsidiaries FY02/2025 : BUZZWIT Co.,Ltd., ELEMENT RULE Co., Ltd., ADOORLINK Co., Ltd. Domestic subsidiaries are the sum of two subsidiaries FY02/2026 : BUZZWIT Co.,Ltd., ELEMENT RULE Co., Ltd.

*4: Overseas subsidiaries (Mainland China, Hong Kong, Taiwan, Thailand, the Philippines, USA), net sales is shown after intercompany eliminations, operating profit is the sum of subsidiaries (Period Jan. to Mar.2025)

*5: Net Sales and operating profit of zetton, inc. is shown after consolidation adjustments. Due to change in financial year, Feb-Apr (FY2025/02) and Mar-May(FY2026/02)

Adastria(Non-consolidated) • Adastria + and ST(Exclude Company Split impact)

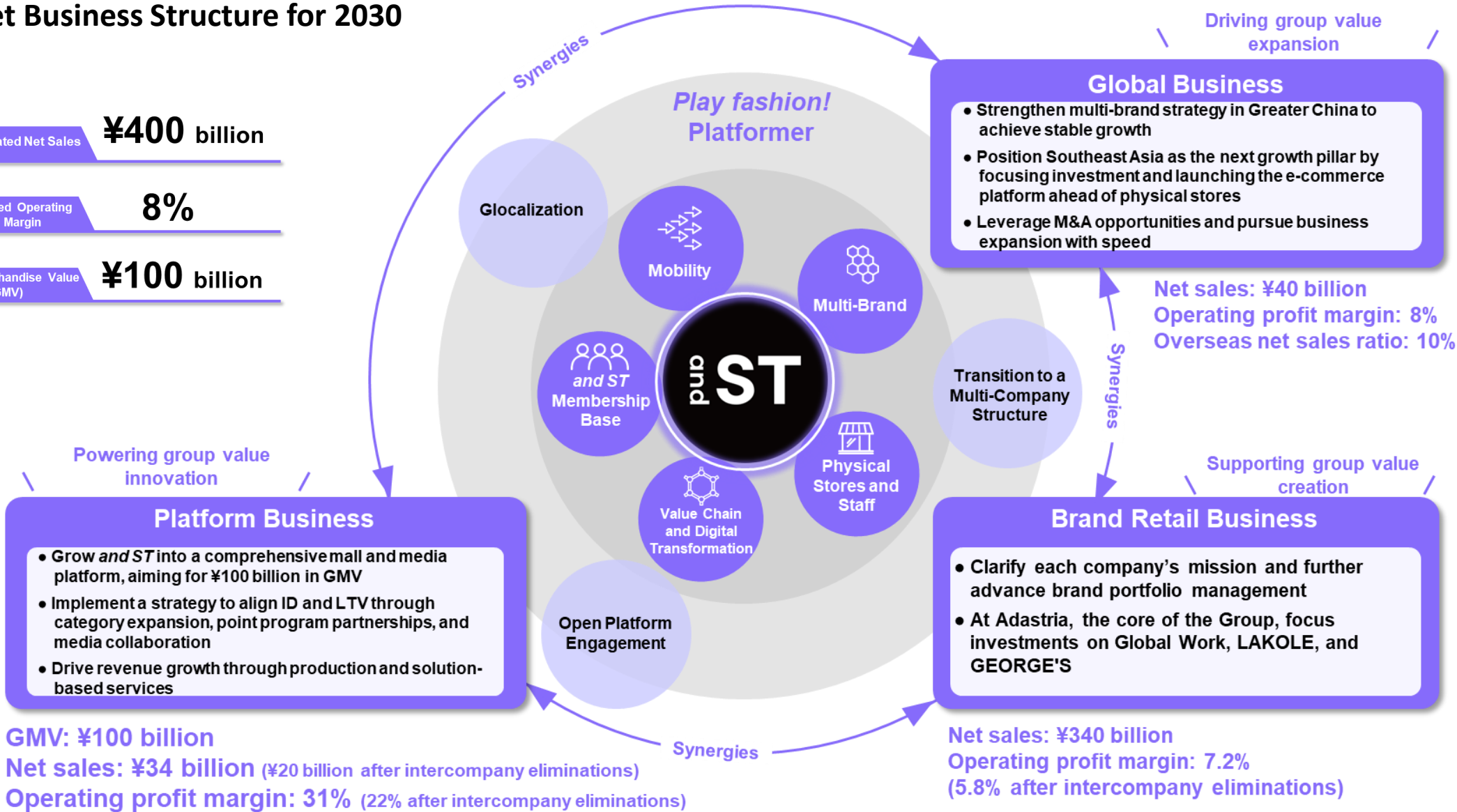
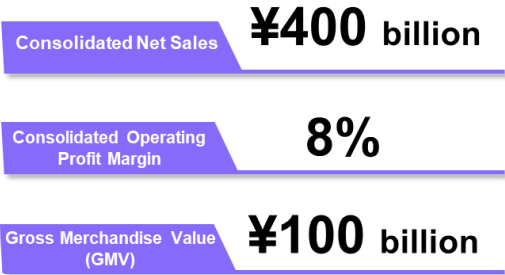
- Sales rose year on year at both existing and total stores. Cooler temperatures in April slowed performance, but March and May saw solid results. The new store count includes two newly acquired brands.
- The non-consolidate gross profit margin declined slightly year on year due to spring markdowns, although we retained markup levels.
- Gross profit margin prior to the company split fell short of plan despite improved due to increased sales from shifting to an open marketplace model and a decrease in the wholesale business, which has relatively low gross profit margin.
- Advertising expenses, as well as flagship store rent and depreciation increased. However, we kept total SG&A expenses below plan. Operating profit progressed as planned.

(Millions of yen)

	FY2025/02 1Q Results	FY2026/02 1Q Results			
		Adastria	YoY	Adastria + and ST	YoY
Net sales	59,814	59,913	100.2%	61,460	102.8%
(Total stores YoYoY w/o Wholesale)*	104.3%	104.8%	-	-	-
(Same stores YoY)*	102.6%	101.1%	-	-	-
Gross profit	33,101	32,953	99.6%	34,089	103.0%
Gross margin	55.3%	55.0%	▲ 0.3p	55.5%	+0.2p
SG&A expenses	27,259	29,442	108.0%	29,464	108.1%
SG&A ratio	45.6%	49.1%	+3.5p	47.9%	+2.3p
Operation profit	5,841	3,511	60.1%	4,624	79.2%
Operating margin	9.8%	5.9%	▲ 3.9p	7.5%	▲ 2.3p
Ordinary profit	6,270	5,118	81.6%	5,828	93.0%
Ordinary margin	10.5%	8.5%	▲ 2.0p	9.5%	▲ 1.0p

*Based on monthly releases

■ Target Business Structure for 2030



■ External brand sales and external brand participation exceed plan under the shift to an open e-commerce marketplace model

and ST GMV

11.7 billions yen

(1st Quarter three months)

(+13.5% YoY)

“and ST” members

20.2 million members

(at 31 May, 2025)

(+0.5million more than at the end of FY2025/02)

Group Brand Sales

10.7 billions yen

(+5.2% YoY)

Active members

7.6 million members

(+0.1million more than at the end of FY2025/02)

Ratio 91.2%

External Brand Sales

1.0 billions yen

(+514.6% YoY)

No. of External shops

33 shops

(at 31 May, 2025)

(+24shops YoY)

Ratio 8.8%

External Brand Participation in Q1

Brighte

DEAN & DELUCA



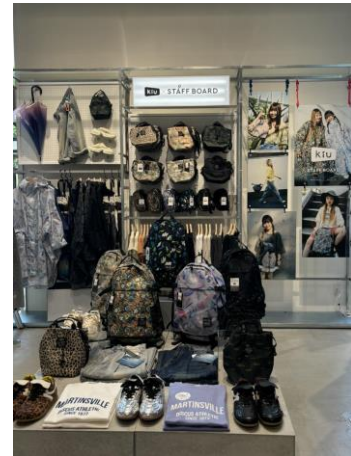
San-ai Resort
northerly

■ Opened flagship store “and ST TOKYO” near Harajuku Station on April 24, 2025

- The store sells youth-focused Adastria brands, as well as IP collaboration items, products planned by popular staff, and limited-edition items for inbound and tourist customers
- Hosts pop-up events for products from external brands participating in our open e-commerce marketplace
- Visitor numbers exceeded the initial plan, driven by attendance at events featuring popular store staff and IP collaboration characters



Cath Kidston



KiU



(Millions of yen)

	FY2024/12 1Q Results	FY2025/12 1Q Results		
			YoY (JPY)	YoY (Local currency)
Net Sales *1	5,900	6,498	110.1%	109.1%
Mainland China	938	1,139	121.4%	119.1%
Hong Kong	1,151	1,210	105.2%	101.9%
Taiwan	1,926	2,232	115.9%	119.3%
Thailand	78	108	138.1%	128.0%
Phillipines	-	35	-	-
USA*2	1,805	1,772	98.1%	95.6%
Operating profit *1	31	169	542.5%	1287.7%
Mainland China	▲ 194	▲ 72	-	-
Hong Kong	46	38	82.5%	79.9%
Taiwan	345	432	125.2%	128.8%
Thailand	▲ 31	▲ 36	-	-
Phillipines	-	▲ 15	-	-
USA*2	▲ 134	▲ 176	-	-

*1 : Mainland China : Net sales are shown after elimination of internal transactions, Operating profit are shown before elimination.
*2 : USA does not include the U.S. business of zetton inc.

- Mainland China**
Sales increased and the operating loss significantly narrowed due to strong e-commerce performance.
- Hong Kong**
Sales increased due to strong winter item sales. Profit declined slightly, but remained in line with the plan.
- Taiwan**
Sales and profit increased, driven by strong performance of winter and spring items, along with continued new store openings and brand launches.
- Thailand**
Opened the second store in Q3 of the previous fiscal year, resulting in a net increase. Opened the third niko and ... store at the end of March, 2025
- The Philippines**
Opened the first store in the previous fiscal year
- USA**
Sales and profit decreased as economic uncertainty continued to weigh on the wholesale business.
Negotiations for the sale of a subsidiary are currently underway.

Opened 10 brand stores in Taiwan, including the first LAKOLE store

- Advanced the multi-brand strategy by opening 10 Adastria brand stores at Mitsui Shopping Park LaLaport TAIPEI NANGANG on March 20, 2025.
- The LAKOLE store marks the first physical overseas store of the lifestyle brand LAKOLE. The grand opening event featured Adastria Taiwan ambassadors



LaLaport TAIPEI NANGANG

〈Brands〉

GLOBAL
WORK

niko and ...

LOWRYS
FARM

studio
CLIP

LAKOLE JEANASIS HARE

RAGEBLUE Heather repipi armario

- ELEMENT RULE** Sales and profit increased due to stronger branding, with all brands exceeding prior-year sales and improving gross margins.
- BUZZWIT** Sales declined due to inventory control, but core brands performed well, leading to margin improvement and profit growth.
- zetton** Sales increased by 10% year on year on a same-month basis, adjusted for the fiscal year-end change. Profit increased due to controlled personnel costs through workforce management, despite pressure from rising costs.
- Adastria** GLOBAL WORK saw a temporary impact from ending SMILE SEED STORE. Excluding this impact, sales increased by 1% year on year. Spring items underperformed due to cooler weather. Performance for niko and ... and LEPSIM remained strong during the springs and summer, while LAKOLE continued store expansion.
- Online Business (Domestic)** Domestic online business ratio: 28.1% (of which Adastria EC site: approx. 14.4%)

		Net Sales (Millions of yen)			Stores	
		FY2025/02 1Q	FY2026/02 1Q	YoY	End of 2024/05	End of 2025/05
Domestic Subsidiaries	ELLEMENT RULE	3,190	3,714	116.4%	85	82
	BUZZWIT	3,036	3,014	99.3%	30	29
	zetton	2,965	3,804	128.3%	74	77
Adastria	GLOBAL WORK	14,574	14,545	99.8%	216	222
	niko and ...	8,593	9,234	107.5%	142	145
	LOWRYS FARM	6,148	6,237	101.4%	126	126
	studio CLIP	5,625	5,896	104.8%	186	188
	LEPSIM	3,823	4,576	119.7%	116	116
	LAKOLE	3,185	3,538	111.1%	85	94
	JEANASIS	2,942	2,839	96.5%	69	68
	BAYFLOW	2,834	2,836	100.1%	64	62

Brand Retail Business

■ Opened GLOBAL WORK flagship store in Ginza, Tokyo

- Opened GLOBAL WORK GINZA at Marronnier Gate Ginza 3 to accelerate expansion in urban areas
- Store aims to raise brand awareness among inbound customers ahead of full-scale overseas expansion



■ Opened GEORGE'S in Nagareyama Otakanomori S / C

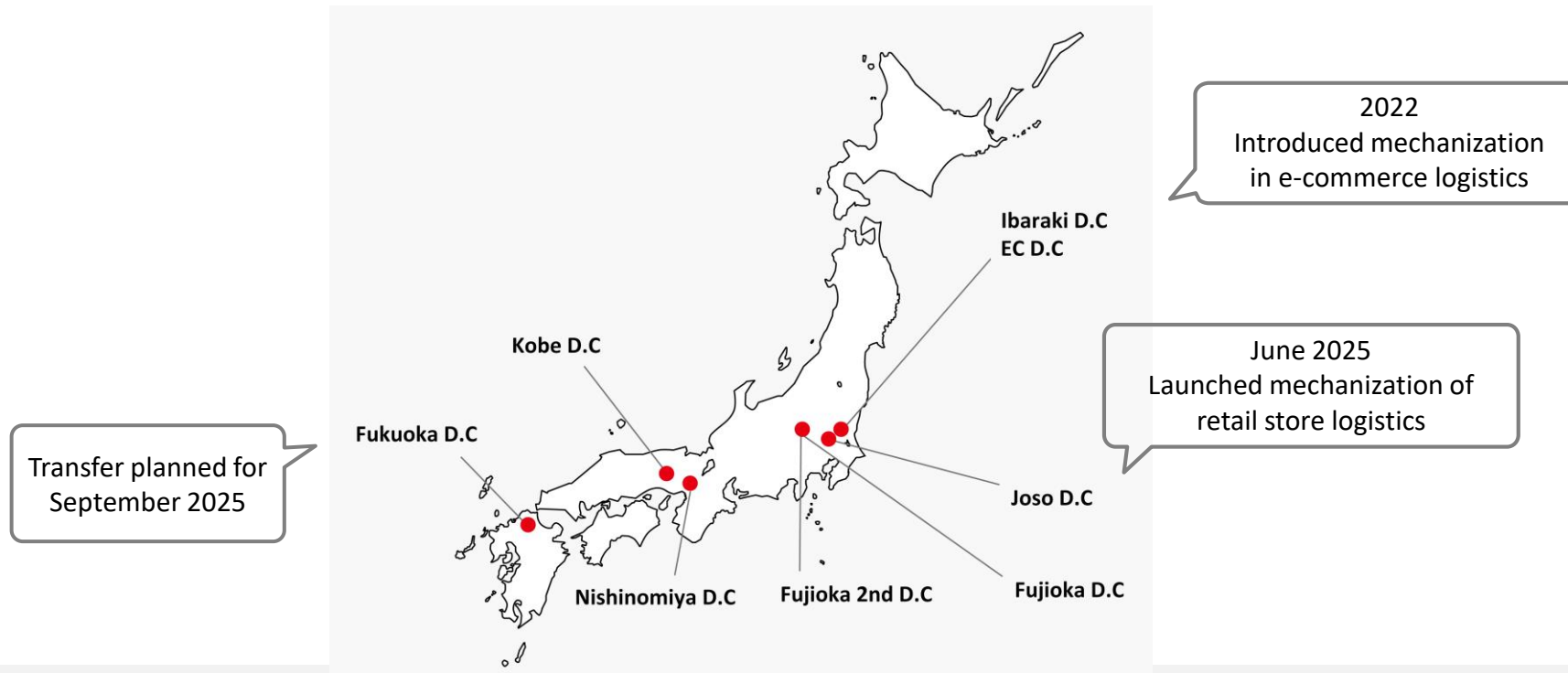
- Opened a new-format GEORGE'S store that strengthens apparel in addition to the mainstay sundries category, following the brand's addition to the Group in July 2024
- Plans to grow sales 30% year on year by actively opening stores, including in large commercial facilities, as a lifestyle brand



Sale of Non-Current Assets and Impact on Current Year Results

■ Sold Fukuoka Distribution Center to improve logistics efficiency and investment efficiency, while advancing the mechanization of other distribution centers

- The new Medium-Term Management Plan 2030 includes investment plans to expand logistics capacity in line with sales growth driven by the shift to an open e-commerce marketplace model. The plan also outlines investment plans to automate and streamline warehouse operations to address future labor shortages.
- Our logistics strategy focuses on consolidating locations and expanding and automating distribution centers to improve investment efficiency.
- Adastria plans to close the Fukuoka Distribution Center due to its small scale and limited potential for automation investment. We plan to sell the facility in September 2025 and expect to generate extraordinary gains of 3.4 billion yen (before tax) in Q3 of the current fiscal year.



Consolidated Balance Sheet

- **Inventories:** Proper level at 11.0% above one year earlier. TODAY'S SPECIAL, GEORGE'S, KARRIMOR resulting in a net increase
- **Property, plant and equipment:** Increased due to the opening of physical stores
- **Intangible assets:** Increased due to growth in good will and intangible assets resulting from M&A
- **Liabilities:** Increased due to temporary loans payable from M&A
- **Net assets:** Net asset ratio of 53.2%, -3.4p YoY.

(Millions of yen)

	End of 2024/05		End of 2025/02		End of 2025/05			
		Ratio		Ratio		Ratio	Compared with the end of 2024/05	Compared with the end of 2025/02
Current assets	69,960	53.3%	67,173	50.5%	78,078	53.1%	+8,117	+10,904
Cash and deposits	20,156	15.4%	21,143	15.9%	23,566	16.0%	+3,410	+2,423
Inventories	26,956	20.6%	29,082	21.8%	29,921	20.4%	+2,964	+838
Fixed assets	61,214	46.7%	65,935	49.5%	68,848	46.9%	+7,633	+2,912
Property, plant and equipment	25,091	19.1%	26,864	20.2%	27,384	18.6%	+2,293	+520
Intangible assets	12,590	9.6%	14,683	11.0%	16,093	11.0%	+3,503	+1,409
Goodwill	1,054	0.8%	2,673	2.0%	2,881	2.0%	+1,827	+208
Investments and other assets	23,532	17.9%	24,387	18.3%	25,369	17.3%	+1,837	+982
Total assets	131,174	100.0%	133,108	100.0%	146,926	100.0%	+15,751	+13,817
Liabilities	56,921	43.4%	55,908	42.0%	68,719	46.8%	+11,798	+12,811
Loans payable	1,216	0.9%	0	0.0%	10,737	7.3%	+9,521	+10,737
Net assets	74,253	56.6%	77,200	58.0%	78,206	53.2%	+3,953	+1,006
Treasury shares	▲ 7,384	▲ 5.6%	▲ 5,627	▲ 4.2%	▲ 6,177	▲ 4.2%	+1,207	▲ 549

Number of Stores

	End of FY2025/02 1Q	End of FY2025/02	Opened	Changed	Closed	End of FY2026/02
GLOBAL WORK	216	216	6	0	0	222
niko and ...	142	145	0	0	0	145
LOWRYS FARM	126	125	2	0	- 1	126
studio CLIP	186	187	1	0	0	188
LEPSIM	116	115	1	0	0	116
LAKOLE	85	91	4	0	- 1	94
JEANASIS	69	69	1	0	- 2	68
BAYFLOW	64	62	0	0	0	62
Others *1	278	270	9	23	- 2	300
Adastria non-consolidated total	1,282	1,280	24	23	- 6	1,321
(Online store included)	(64)	(65)	(0)	(3)	(0)	(68)
Domestic subsidiaries total*2	123	135	8	- 20	0	123
(Online store included)	(54)	(48)	(1)	(0)	(0)	(49)
Japan total	1,405	1,415	32	3	- 6	1,444
(Online store included)	(118)	(113)	(1)	(3)	(0)	(117)

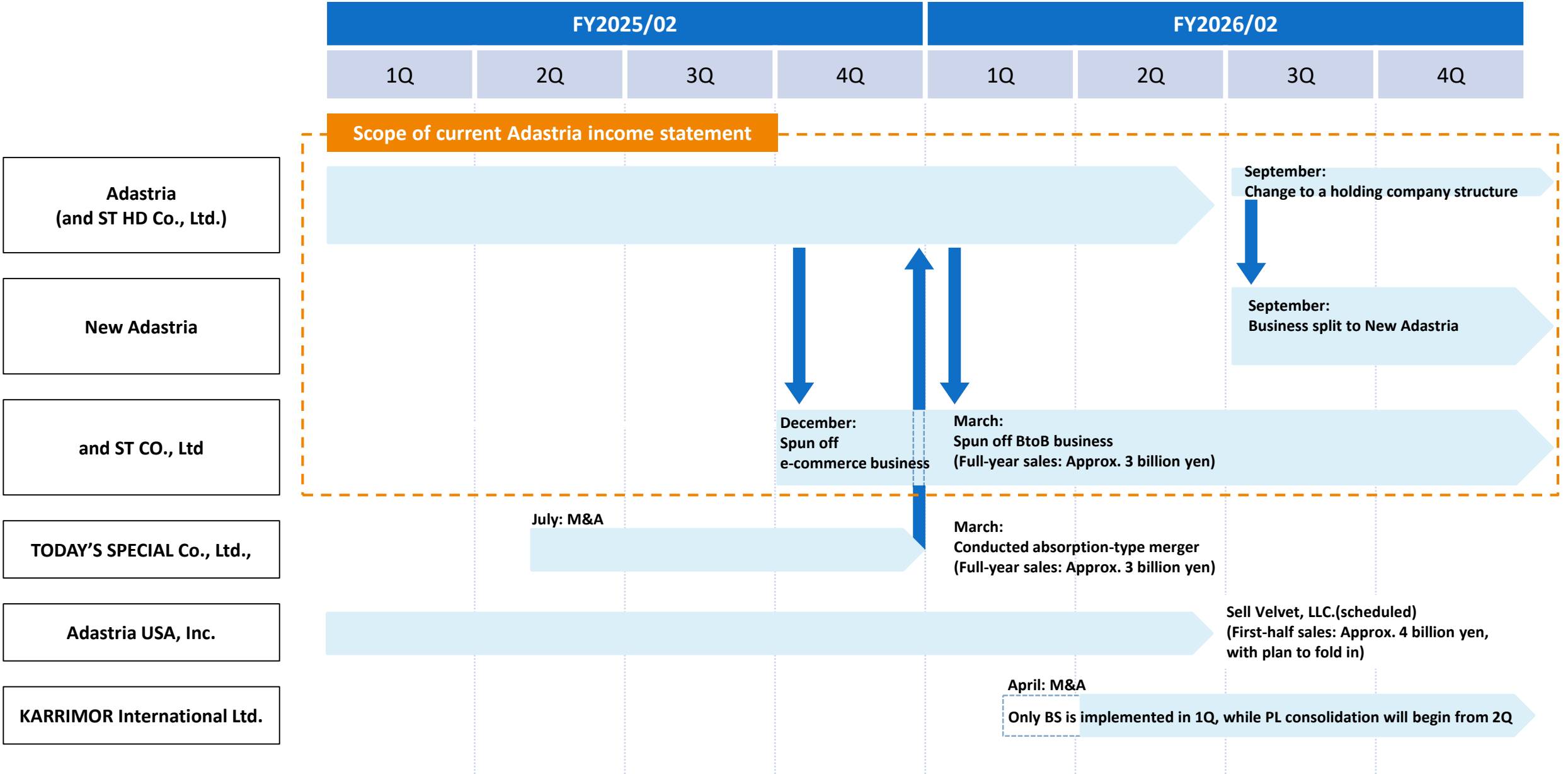
FY2026/2 1Q 15 remodeled stores in the consolidated group.
*1 : Stores of Gate Win Co., Ltd. which had been included in the total of domestic subsidiaries until FY2025/02, will be included in "Others"
*2 : Starting in FY2026/02 1Q, 3 stores of KARRIMOR which was acquired were listed under "Changed"

	FY2025/02		FY2026/02			
	End of FY2025/02 1Q	End of FY2025/02	Opened	Changed	Closed	End of FY2026/02
Mainland China	14	14	0	0	- 1	13
Hong Kong	28	29	0	0	0	29
Taiwan	73	81	10	0	- 1	90
Thailand	2	3	1	0	0	4
Philippines	-	1	0	0	0	1
USA	10	11	0	0	0	11
Oversea total	127	139	11	0	- 2	148
(Online store included)	(27)	(28)	(0)	(0)	(0)	(28)

Zetton (Food & Beverage subsidiary)	74	76	1	0	0	77
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Consolidated total	1,606	1,630	44	3	- 8	1,669
(Online store included)	(145)	(141)	(1)	(3)	(0)	(145)

Changes in the Reporting Scope by Company and Business



FY2026/02 Consolidated Forecast (Re-posting)

■ No change from the initial forecast announced at April 2025

(Millions of yen)

	FY2024/02 Results	FY2025/02 Forecast	
			YoY
Net sales	293,110	305,000	104.1%
Gross profit	160,282	170,000	106.1%
Gross profit margin	54.7%	55.7%	+1.0p
SG&A expenses	144,771	151,000	104.3%
SG&A expenses ratio	49.4%	49.5%	+0.1p
Operating profit	15,510	19,000	122.5%
Operating margin	5.3%	6.2%	+0.9p
Ordinary profit	15,964	19,000	119.0%
Ordinary income margin	5.4%	6.2%	+0.8p
Net income attributable to owners of the parent	9,614	12,400	129.0%
Ratio of net income attributable to owners of the parent	3.3%	4.1%	+0.8p
ROE	13.1%	15.3%	+2.2p
EBITDA	26,692	30,260	113.4%
Depreciation and amortization	10,785	10,850	100.6%
Amortization of goodwill	395	410	103.8%

Reasons for Changes in the Plan

- Adastria announced the sale of Fukuoka Distribution Center on June 18 to improve logistics efficiency. We expect to generate extraordinary gains of approximately 3.4 billion yen during the current fiscal year (before tax).
- The U.S. business is scheduled for transfer, with six months of results included in the first half. However, some variation remains possible as the sale has not yet been completed.
- We will review our forecasts in the interim financial results, taking into account the impact of the holding company restructuring on non-consolidated results and other recent developments.

Explanation on the appropriate use of performance forecasts

The forward-looking statements in this document, including performance forecasts, are based on information currently available to the Company and certain assumptions that the Company considers reasonable.

Other Notes

Figures in the materials are rounded down to the nearest million yen, and percentages are calculated from the original data.



A D A S T R I A

Play fashion!

