Summary of Consolidated Financial Results
for the Third Quarter of the Fiscal Year Ending February 28, 2026

[Japanese GAAP]

December 29, 2025

Company name: and ST HD Co., Ltd. Listing: Tokyo Stock Exchange
Stock code: 2685 URL: https://www.andst-hd.co.jp
Representative: Osamu Kimura, Representative Director and President
Contact: Masatake Hayashi, Group Executive Officer, General Manager of Corporate Planning Office Tel: +81 3 5466 2060

Scheduled date of payment of dividend: —
Preparation of supplementary materials for financial results: Yes
Holding of financial results meeting: Yes (for investors)

(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, 2026 (March 1, 2025 - November 30,2025)

(1) Consolidated results of operations (Percentages shown for net sales and incomes 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 November 30, 2025	227,372	3.3	13,893	(5.9)	13,912	(7.0)	9,557	(3.5)
Nine months ended November 30, 2024	220,089	8.3	14,770	(9.4)	14,967	(10.4)	9,907	(14.2)

Note: Comprehensive income Nine months ended November 30, 2025: 9,788 million yen (up 4.1%)
Nine months ended November 30, 2024: 9,405 million yen (down 24.4%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended November 30, 2025	207.12	–
Nine months ended November 30, 2024	215.71	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of November 30, 2025	157,006	82,128	52.1
As of Feb. 28, 2025	133,108	77,200	57.9

Reference: Shareholders' equity As of November 30, 2025: 81,734 million yen As of Feb. 28, 2025: 77,102 million yen

2. Dividends

	Dividend per share				
	Q1-end	Q2-end	Q3-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Feb. 28, 2025	-	35.00	-	55.00	90.00
Fiscal year ending Feb. 28, 2026	-	45.00	-		
Fiscal year ending Feb. 28, 2026 (forecast)				45.00	90.00

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

3. Consolidated Forecast for the Fiscal Year Ending February 28, 2026 (March 1, 2025 - February 28, 2026)

(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	305,000	4.1	19,000	22.5	19,000	19.0	12,400	29.0	267.86

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

*** Notes**

(1) Significant changes in scope of consolidation during the period: Yes

Newly added: 1 (KARRIMOR International Ltd.)

Excluded: 1 (Velvet,LLC)

(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) For details, refer to *2. Consolidated Financial Statements and Notes (3) Notes to Quarterly Consolidated Financial Statements (Changes in Accounting Policies)* on page 9 of the attached materials.

(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 2025:	48,800,000 shares	As of Feb. 28 2025:	48,800,000 shares

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

As of Nov. 30 2025:	2,671,962 shares	As of Feb. 28 2025:	2,506,369 shares

3) Average number of shares outstanding during the period

Nine months ended Nov. 30, 2025:	46,146,381 shares	Nine months ended Nov. 30, 2024:	45,927,120 shares

Note 1: Review by certified public accountants or an audit firm of the attached quarterly consolidated financial statements: No

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. Overview of Results of Operations (3) Explanation of Consolidated Forecast and Other Forward Looking Statements* on page 4 of the attached materials.

Attachments

1. Overview of Results of Operations
(1) Results of Operations

Consolidated Results (Million yen)

	First nine months of FY2/25 (Mar. 1, 2024 - Nov. 30, 2024)	First nine months of FY2/26 (Mar. 1, 2025 - Nov. 30, 2025)	YoY Change	YoY Change (%)
Net sales	220,089	227,372	7,283	3.3%
Operating profit	14,770	13,893	(877)	(5.9%)
Ordinary profit	14,967	13,912	(1,054)	(7.0%)
Net income attributable to owners of the parent	9,907	9,557	(349)	(3.5%)

The employment and personal income environment in Japan remained stable, supporting a gradual economic recovery through the third quarter of the current consolidated fiscal year. However, personal consumption faces downside risks as the weak yen and labor shortages continue to drive up food, raw materials, and energy costs. The outlook for the global economy as a whole remained uncertain due to U.S. tariff policies and the international landscape.

Against this backdrop, the and ST HD Group aims to position *and ST* as the driving force to generate synergies across group companies, as outlined in Medium-Term Management Plan 2030, announced in April 2025. In doing so, we aim to evolve into a *Play fashion!* platformer that expands our reach through collaboration with customers and external partners. The strategies for priority areas in the medium-term management plan are as follows.

Platform	We aim to achieve a gross merchandise value of 100 billion yen by accelerating new external brand store openings on our e-commerce site, *and ST*, as a mall and media platform, and by expanding ID (customer base) and LTV (lifetime value). We also aim to grow revenue in our production business, which provides brand content to external partners, and our solutions business, which sells systems.
Global	We will accelerate investment in Southeast Asia, open stores, and implement the OMO strategy of our e-commerce platform developed in Japan to capture high economic growth in the region. In Greater China, we will strengthen our multi-brand strategy to achieve stable growth.
Brand Retail	We strengthen our brand portfolio management and give customers more choices by transitioning to a multi-company structure, where each group company operates based on their respective missions.

Consolidated net sales through the cumulative third quarter of the current consolidated fiscal year amounted to 227,372 million yen (up 3.3% year on year), operating profit was 13,893 million yen (down 5.9%), while ordinary profit was 13,912 million yen (down 7.0%) and net income attributable to owners of the parent was 9,557 million yen (down 3.5%).

Demand for casual fashion in the Apparel and Sundries Related Business was affected by unseasonal temperatures in April and September, as well as other factors that slowed the start of seasonal clothing compared to the previous fiscal year; however, demand for casual fashion remained firm. Net sales in Japan increased 3.7% year on year, supported by a diverse product lineup driven by the multi-brand, multi-company strategy, along with promotions including TV commercials and points-reward programs. The net addition of the brands TODAY'S SPECIAL and GEORGE'S, which joined the Group through M&A in July 2024, also contributed to this growth.

Under our platform strategy, we expanded promotional initiatives linking our in-house e-commerce site *and ST* with physical stores, developed collaboration products with popular characters and staff, and increased the number of external brands opening stores on *and ST*. As a result, membership in the shared point system for e-commerce and physical stores grew by 1.5 million from the end of the previous fiscal year to 21.2 million, and the number of active members reached 7.8 million. The number of brands and gross merchandise value also increased in the open-mall model on *and ST*, which allows external companies to list their products.

Overseas net sales (converted to yen) increased 10.8% year on year in mainland China, driven by strong performance in our cross-channel strategy with e-commerce and the rollout of cost-efficient standard-format stores, despite ongoing pressure from the real estate downturn and weak consumer sentiment. In Hong Kong and Taiwan, new store openings and e-commerce under the multi-brand strategy continued to perform well, resulting in year-on-year sales growth of 1.3% and 25.1%, respectively. We completed the equity interest transfer of Velvet, LLC, an operating subsidiary (sub-subsidiary) in the U.S., on July 25, 2025, withdrawing from the business and incurring a 31.1% decrease in U.S. business sales. New store openings in Thailand and the Philippines lead to higher net sales, and the overseas business overall recorded a 0.9% year-on-year increase in net sales.

Sales in Other (food and beverage business) increased 0.7% year on year, despite continued challenges in the food service industry, including rising raw material and utility costs and labor shortages. This result was supported by steady performance at existing stores and a net increase in new stores, including overseas locations, contributing to the increase in sales, despite the impact of the change in fiscal year-end.

Amid lingering effects of the depreciating yen, we endeavored to control inventory and curb discount sales by offering products at the right time, right price, and right volume. We also expanded highly profitable new businesses. On the other hand, full-price sales of spring and summer apparel fell short of expectations, and the gross profit margin of the Apparel and Sundries Related Business deteriorated compared with the same period of the previous year as we prioritized inventory clearance due to the lingering summer heat and associated delay in autumn apparel launch. In Other (food and beverage business), rising procurement costs outpaced our efforts to revise prices and reduce costs, resulting in a lower gross profit margin. As a result, the consolidated gross profit margin declined 0.3 percentage points year on year to 55.5%.

Selling, general and administrative (SG&A) expenses increased due to higher personnel expenses from improved employee compensation, increased spending on promotion expenses and flagship store openings, and higher advertising and promotion expenses and store rent from sales growth. As a result, the SG&A ratio declined by 0.3 percentage point year on year to 49.4%.

As a result, operating profit margin fell 0.6 percentage points to 6.1% and operating profit decreased 5.9%.

In addition, we recorded foreign exchange losses of 66 million yen a non-operating expense, an impairment loss of 192 million yen related to physical stores, and a loss on sales of shares in subsidiaries and affiliates of 427 million yen associated with the transfer of interests in Velvet, LLC, recorded under extraordinary losses.

Business segment performance was as follows.

1) Apparel and Sundries Related Business

Net sales amounted to 215,849 million yen (up 3.5% year on year) and segment profit was 13,940 million yen (down 9.4%).

We opened 89 new stores (including 26 overseas) and closed 28 locations (including 4 overseas). As a result, the segment operated 1,607 stores (including 150 locations overseas) as of the end of the third quarter of the current consolidated fiscal year.

2) Other (Food and Beverage Business)

Net sales amounted to 11,631 million yen (up 0.6% year on year) and segment loss was 28 million yen (compared with a segment loss of 415 million yen in the previous fiscal year).

The segment opened two new locations and closed four, resulting in a total of 74 stores in operation as of the end of the third quarter of the current consolidated fiscal year.

(2) Financial Position

Total assets amounted to 157,006 million yen, an increase of 23,897 million yen compared with the end of the previous consolidated fiscal year. This result was mainly due to increases in cash and deposits of 2,746 million yen, 10,772 million yen in notes and accounts payable-trade, 5,784 million yen in inventories, and 1,265 million yen in store interior equipment (net).

Liabilities amounted to 74,877 million yen, an increase of 18,969 million yen compared with the end of the previous consolidated fiscal year. This result was mainly due to an increase of 4,388 million yen in notes and accounts payable-trade, 9,000 million yen in short-term borrowings, and 3,141 million yen in accounts payable-other.

Net assets amounted to 82,128 million yen, an increase of 4,928 million yen compared with the end of the previous consolidated fiscal year. This result was mainly due to a 470 million yen increase in treasury stock (decrease to net assets). At the same time, retained earnings increased 4,878 million yen.

(3) Explanation of Consolidated Forecast and Other Forward Looking Statements

There are no revisions to the consolidated forecast for the current fiscal year announced on April 4 , 2025.

2. Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Million yen)

	FY2/25 (As of Feb. 28, 2025)	Third quarter of FY2/26 (As of November 30, 2025)
Assets		
Current assets		
Cash and deposits	21,143	23,889
Notes and accounts receivable-trade	14,527	25,300
Inventories	29,082	34,867
Other	2,471	4,827
Allowance for doubtful accounts	(52)	(101)
Total current assets	67,173	88,782
Non-current assets		
Property, plant and equipment		
Store interior equipment, net	7,879	9,145
Other, net	18,984	18,172
Total property, plant and equipment	26,864	27,318
Intangible assets		
Goodwill	2,673	2,652
Other	12,009	12,814
Total intangible assets	14,683	15,466
Investments and other assets		
Investment securities	691	766
Leasehold and guarantee deposits	14,330	14,224
Other	9,715	10,814
Allowance for doubtful accounts	(350)	(366)
Total investments and other assets	24,387	25,438
Total non-current assets	65,935	68,223
Total assets	133,108	157,006
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,402	17,791
Electronically recorded obligations - operating	8,909	11,686
Short-term borrowings	-	9,000
Accounts payable-other	13,983	17,124
Income taxes payable	3,136	3,675
Provision for bonuses	2,498	1,646
Provision for point card certificates	85	99
Other provisions	364	268
Other	4,698	5,621
Total current liabilities	47,079	66,914
Non-current liabilities		
Provisions	467	770
Other	8,361	7,192
Total non-current liabilities	8,828	7,962
Total liabilities	55,908	74,877

(Million yen)

	FY2/25 (As of Feb. 28, 2025)	Third quarter of FY2/26 (As of November 30, 2025)
Net assets		
Shareholders' equity		
Share capital	2,660	2,660
Capital surplus	6,262	6,262
Retained earnings	71,980	76,859
Treasury shares	(5,627)	(6,098)
Total shareholders' equity	75,275	79,683
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	34	101
Deferred gains or losses on hedges	(81)	514
Foreign currency translation adjustment	1,874	1,435
Total accumulated other comprehensive income	1,827	2,050
Non-controlling interests	97	393
Total net assets	77,200	82,128
Total liabilities and net assets	133,108	157,006

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

(Million yen)

	First nine months of FY2/25 (Mar. 1, 2024 – November 30, 2024)	First nine months of FY2/26 (Mar. 1, 2025 – November 30, 2025)
Net sales	220,089	227,372
Cost of sales	97,191	101,103
Gross profit	122,897	126,268
Selling, general and administrative expenses	108,127	112,375
Operating profit	14,770	13,893
Non-operating income		
Foreign exchange gains	59	-
Other	382	424
Total non-operating income	442	424
Non-operating expenses		
Interest expenses	190	231
Foreign exchange losses	-	66
Other	54	106
Total non-operating expenses	245	405
Ordinary profit	14,967	13,912
Extraordinary income		
Gain on sales of investment securities	-	3
Total extraordinary income	-	3
Extraordinary losses		
Impairment losses	65	192
Loss on sales of investment securities	59	-
Loss on sales of shares of subsidiaries and associates	-	427
Total extraordinary losses	124	620
Net income before income taxes	14,842	13,296
Income taxes - current	5,692	5,111
Income taxes - deferred	(622)	(1,379)
Total income taxes	5,069	3,731
Net income	9,772	9,564
Net income (loss) attributable to non-controlling interests	(134)	6
Net income attributable to owners of the parent	9,907	9,557

Quarterly Consolidated Statement of Comprehensive Income

(Million yen)

	First nine months of FY2/25 (Mar. 1, 2024 – November 30, 2024)	First nine months of FY2/26 (Mar. 1, 2025 – November 30, 2025)
Net income	9,772	9,564
Other comprehensive income		
Valuation difference on available-for-sale securities	3	66
Deferred gains or losses on hedges	(245)	595
Foreign currency translation adjustment	(126)	(438)
Total other comprehensive income	(367)	223
Comprehensive income	9,405	9,788
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	9,546	9,786
Comprehensive income attributable to noncontrolling interests	(140)	1

(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

KARRIMOR International Ltd. became a consolidated subsidiary in the first quarter of the current consolidated fiscal year following the acquisition of shares on March 31, 2025.

In addition, we excluded Velvet, LLC, formerly a consolidated subsidiary of the Company, from the scope of consolidation during the third quarter of the current consolidated fiscal year, as a result of the transfer of all of equity interest in said company.

Changes in Accounting Policies

Application of accounting standards for current income taxes

We adopted the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; "2022 Revised Accounting Standard," below) and related standards from the beginning of the first quarter of the current consolidated fiscal year.

Regarding the amendment to the classification of income taxes (i.e., taxation on other comprehensive income), we follow the transitional treatment stipulated in the proviso to paragraph 20-3 of the 2022 Revised Accounting Standard, as well as the proviso to paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, issued on October 28, 2022;"2022 Revised Guidance," below). These changes in accounting standards have no impact on the quarterly consolidated financial statements of the Company.

We began applying the 2022 Revised Guidance from the beginning of the first quarter of the current consolidated fiscal year with respect to the amendment concerning the accounting treatment in consolidated financial statements of gains or losses arising from the sale of subsidiary shares among consolidated entities, where such gains or losses are deferred for tax purposes. We applied these changes in accounting policy retrospectively and prepared the quarterly and annual consolidated financial statements for the previous quarter and previous fiscal year on a retrospective basis. These changes have no impact on the quarterly consolidated financial statements for the previous fiscal quarter or the consolidated financial statements for the previous fiscal year.

Quarterly Consolidated Balance Sheet

Contingent liabilities

The U.S. Small Business Administration is investigating ZETTON, INC. (U.S.A.), a consolidated subsidiary of the Company, regarding the validity of the $8.2 million received in May 2021 as part of the establishment of the Restaurant Revitalization Fund (RRF) under the American Rescue Plan Act of 2021, which was enacted in March 2021.

The Group will continue to defend the legitimacy of this transaction to the administration. While future progressions may impact Group performance it is difficult to estimate the impact at this time.

Notes to Quarterly Consolidated Statements of Cash Flows

The Company did not prepare a quarterly consolidated statement of cash flows for the first nine months of the current consolidated fiscal year.

Depreciation and amortization (including amortization related to intangible assets, excluding goodwill) for the first nine months of the current consolidated fiscal year are as presented below.

(Millions yen)

	First nine months of FY2/25 (Mar. 1, 2024 to Nov. 30, 2024)	First nine months of FY2/26 (Mar. 1, 2025 to Nov. 30, 2025)
Depreciation and amortization	8,274	9,250
Amortization of goodwill	274	329

Segment Information, etc.

[Segment information]

I. First nine months of FY2/25 (Mar. 1, 2024 – November 30, 2024)

1. Net sales and profit (loss) by reportable segment

(Million yen)

	Reportable segment	Other (Note 1)	Total	Adjustments (Note 2)	Amount recorded on quarterly consolidated financial of statements (Note 3)
	Apparel and Sundry Related Business				
Net sales					
Sales to external customers	208,587	11,501	220,089	-	220,089
Intersegment sales and transfers	0	55	55	(55)	-
Total	208,588	11,556	220,145	(55)	220,089
Segment profit (loss)	15,382	(415)	14,967	-	14,967

(Notes) 1. Other refers to business segments not included under reportable segments. Here, this segment indicates the food and beverage business.

2. Adjustments to segment profit (loss) includes the adjustment of unrealized income related to intersegment transactions.

3. Segment profit (loss) is consistent with ordinary profit on the quarterly consolidated statements of income.

4. Segment profit (loss) includes corporate expenses allocated to each reportable segment.

2. Impairment loss on non-current assets and goodwill, etc. by reportable segment

Significant impairment loss on non-current assets

Not applicable

Significant change in the amount of goodwill

Not applicable

Significant gain on bargain purchase

Not applicable

II. First nine months of FY2/26 (Mar. 1, 2025 – November 30, 2025)

1. Net sales and profit (loss) by reportable segment

(Million yen)

	Reportable segment	Other (Note 1)	Total	Adjustments (Note 2)	Amount recorded on quarterly consolidated financial of statements (Note 3)
	Apparel and Sundry Related Business				
Net sales					
Sales to external customers	215,794	11,577	227,372	-	227,372
Intersegment sales and transfers	54	54	108	(108)	-
Total	215,849	11,631	227,481	(108)	227,372
Segment profit (loss)	13,940	(28)	13,912	-	13,912

(Notes) 1. Other refers to business segments not included under reportable segments. Here, this segment indicates the food and beverage business.

2. Adjustments to segment profit (loss) includes the adjustment of unrealized income related to intersegment transactions.

3. Segment profit (loss) is consistent with ordinary profit on the quarterly consolidated statements of income.

4. Segment profit (loss) includes corporate expenses allocated to each reportable segment.

2. Impairment loss on non-current assets and goodwill, etc. by reportable segment

Significant impairment loss on non-current assets

Not applicable

Significant change in the amount of goodwill

Not applicable

Significant gain on bargain purchase

Not applicable

Business Combinations, Etc.

Business Divestments

Change (Equity Interest Transfer) in Specified Subsidiary (Sub-Subsidiary)

At a meeting held July 24, 2025, the and ST HD Co., Ltd. ("Company") Board of Directors approved a resolution to transfer all equity held in Velvet, LLC (California, USA; "Velvet"), a subsidiary of a Company specified subsidiary (sub-subsidiary), Adastria USA, Inc., to PIVOT GROWS LLC (Delaware, USA; "PIVOT"), and said equity was transferred on July 25, 2025.

1. Outline of business divestment

(1) Name of company after divestment

PIVOT GROWS LLC

(2) Business lines of divested company

Velvet, LLC apparel business

(3) Major reason for business divestment

The Company resolved to withdraw from business in the U.S. and liquidate Adastria USA, Inc., selecting a transferee for the equity held in Velvet, LLC.

All equity in Velvet, LLC owned by Adastria USA, Inc. was transferred to PIVOT GROWS LLC, a company engaged in global brand strategy, marketing, and license management.

(4) Date of business divestment

July 25, 2025

(5) Other matters concerning the outline of the transaction, including legal form

Transfer of equity interest for which the consideration to be received is cash or other property only

2. Outline of accounting procedures implemented

(1) Amount of gain or loss on transfer

Loss on sales of shares of subsidiaries and affiliates 427 million yen

(2) Appropriate carrying value of assets and liabilities related to the transferred business and main components

	(Million yen)
Current assets	1,414
Non-current assets	1,172
Total assets	2,587
Current liabilities	1,031
Non-current liabilities	455
Total liabilities	1,487

(3) Accounting treatment

The Company recorded the difference between the consolidated carrying value of Velvet, LLC and the transfer price as a loss on sales of shares in subsidiaries and affiliates under extraordinary losses.

3. Reportable segments that included the divested business

Apparel and Sundry Related Business

4. Estimated profit/loss of the divested business recorded in the quarterly consolidated statements of income for the first nine months of the current consolidated fiscal year

	(Million yen)
Net sales	3,846
Operating loss	198

(Transactions under common control, etc.)

Transition to a Holding Company Structure Through Corporate Split

Effective September 1, 2025, we implemented a company split (absorption-type split) with Adastria Co., Ltd., ("New Adastria") our wholly owned subsidiary, as the succeeding company. All rights and obligations related to businesses other than group management and operations were transferred to New Adastria, and the and ST HD Group transitioned to a holding company structure.

1. Overview of the transaction

(1) Name of the combined company and business lines subject to transfer

Name of combined company

Splitting company

Name: Adastria Co., Ltd. (the Company)

(The Company was renamed and ST HD Co., Ltd. as of September 1, 2025.)

Succeeding company

Name: Adastria Co., Ltd. (New Adastria)

Subject business lines

All businesses other than those related to group management and operations of the and ST HD Group

(2) Date of business combination

September 1, 2025

(3) Legal form of business combination

An absorption-type split in which the Company was the splitting company, and the rights and obligations related to the relevant business were transferred to the succeeding company in exchange for shares issued by the succeeding company

(4) Name of company after combination

As of September 1, 2025, the Company was renamed to and ST HD Co., Ltd., while the name Adastria Co., Ltd. was adopted by New Adastria.

(5) Other matters related to the overview of the transaction

This transition to a holding company structure will coordinate group operating companies around the *and ST* platform, while providing greater clarity to missions and roles. This approach lends itself to a multi-company management model that allows group companies to formulate and execute growth strategies independently. At the same time, the and ST HD Group aims to expand categories and services while accelerating overseas expansion, pursuing M&A of companies having special characteristics not currently present within the group.

2. Outline of accounting procedures implemented

The Company accounts for the transaction as a transaction under common control, etc., in accordance with the Accounting Standard for Business Combinations (ASBJ Statement No. 21, January 16, 2019) and the Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, September 13, 2024).

Subsequent Events

Transfer of non-current assets at a subsidiary

At a meeting held June 18, 2025, the Company's Board of Directors resolved to transfer non-current assets held by our consolidated subsidiary, and ST Logistics Co., Ltd. (trade name changed from Adastria Logistics Co., Ltd. on October 1, 2025). Said assets were sold on December 24, 2025.

1. Reason for transfer

The Company resolved to transfer non-current assets owned by our consolidated subsidiary to improve capital investment efficiency and optimize the use of management resources through the consolidation of distribution facilities.

2. Assets to Be transferred

Name and Location of Asset	Asset Details	Current Use
Fukuoka Distribution Center (Fukuoka City, Fukuoka Prefecture)	Land area: 12,000 m^2 Building area: 6,572.91 m^2	Warehouse

*The transfer price was conducted at a fair value that reflects the market price.
*The estimated gain on transfer is approximately ¥3.4 billion, calculated as the transfer price less the book value of the assets and estimated expenses associated with the transfer.

3. Transferee overview

The transferee is an operating company in Japan. No capital, personnel, or business relationships required to be disclosed exist between the transferee and the Company.

4. Transfer schedule

(1) Date of Board resolution June 18, 2025
(2) Date of contract execution June 30, 2025
(3) Property handover date December 24, 2025

Establishment of Subsidiary

At a meeting held on December 17, 2025, the Company's Board of Directors resolved to establish an overseas subsidiary as follows.

1. Reasons for establishment

The and ST HD Co., Ltd. (“Company”) medium-term management plan describes the Company’s global business as a key growth strategy. Southeast Asia is a priority area for the Company, featuring a large young population and an apparel market expected to grow in the future. The Company has established local subsidiaries in Thailand and the Philippines to expand our business into Southeast Asia. The new company will be established in Malaysia, a country with high income levels and stable GDP growth. Starting with the roll-out of the Company’s main brand, niko and ..., the Company intends to engage in business tailored to the preferences of local customers. We are building a business foundation in culturally diverse Malaysia, aiming to expand into surrounding Southeast Asian countries.

2. Overview of the subsidiary

(1) Company name: Adastria (Malaysia) Sdn. Bhd. (tentative)
(2) Head office: Kuala Lumpur, Malaysia
(3) Representative: Kazushi Sekimori
(4) Business lines: Retail business and other related activities in Southeast Asia
(5) Capital: 10 million ringgit (approximately 377 million yen)
(6) Establishment: Early January 2026 (tentative)
(7) Relationship with and ST HD Co., Ltd.:

a. Equity relationship: Wholly owned by and ST HD Co., Ltd.
b. Personnel relationship: One director and two employees of Adastria Co., Ltd. (wholly owned subsidiary of and ST HD Co., Ltd.) are scheduled to serve concurrently as directors of the new subsidiary.
c. Business relationship: No business relationship at this time

3. Supplementary Information

(1) Sales by Brand and Region

Brand / Region	First nine months of FY2/26		YoY change (%)
	Net sales (million yen)	Composition (%)	
GLOBAL WORK	39,819	17.5	0.3
niko and ...	27,802	12.2	4.7
LOWRYS FARM	18,279	8.0	5.5
studio CLIP	18,092	8.0	4.3
LEPSIM	13,036	5.7	16.2
LAKOLE	10,649	4.7	11.4
JEANASiS	8,575	3.8	(1.9)
BAYFLOW	8,243	3.6	(2.4)
Other (Note 3)	29,288	12.9	(7.3)
Total (Adastria) (Note 4)	173,785	76.4	1.9
BUZZWIT Co., Ltd.	9,624	4.2	4.0
ELEMENT RULE Co., Ltd.	10,567	4.6	10.8
Other consolidated subsidiaries (Note 3)	4,003	1.9	140.5
Total (Japan)	197,980	87.1	3.7
Mainland China	3,423	1.5	10.8
Hong Kong	3,538	1.6	1.3
Taiwan	6,549	2.9	25.1
Thailand	337	0.1	45.0
The Philippines	102	0.0	-
U.S.	3,861	1.7	(31.1)
Total (Overseas)	17,814	7.8	0.9
Total (Apparel and Sundry Goods-related Business)	215,794	94.9	3.5
zetton inc. (Note 5)	11,577	5.1	0.7
Other (Food and Beverage) total	11,577	5.1	0.7
Total (Group)	227,372	100.0	3.3

(Notes) 1. Stores grouped by brand operating divisions and geographic regions.
2. Net sales represent sales to external customers and do not include internal sales between consolidated subsidiaries.
3. Effective March 1, 2025, the Company's producing business and other operations are to be transferred to and ST Co., Ltd., through an absorption-type company split. Sales of this production business, previously recorded under Other by Adastria are now recorded under Other consolidated subsidiaries starting from the first quarter.
4. and ST HD Co., Ltd. results include Adastria Co., Ltd. net sales prior to the absorption-type split conducted on September 1, 2025.
5. Sales of zetton inc. include sales of consolidated subsidiary ZETTON, INC. (USA).

(2) Sales by Product Category

Category	First nine months of FY2/26		YoY change (%)
	Net sales (million yen)	Composition (%)	
Men’s apparel (bottoms, tops)	36,820	16.2	4.9
Lady’s apparel (bottoms, tops)	132,640	58.3	1.3
Other	57,912	25.5	7.2
Total	227,372	100.0	3.3

(Notes) 1. Other includes contract liabilities and an additional provision for point card certificates and other items.
2. Net sales represent sales to external customers and do not include internal sales between consolidated subsidiaries.

(3) Number of Stores

Brand / Region	Number of stores						
	As of Feb. 28, 2025	First nine months of FY2/26					As of Nov. 30, 2025
		Merged, etc. (Note 3)	Opened	Changed	Closed	YoY Change	
GLOBAL WORK	216	-	10	-	(1)	9	225
niko and ...	145	-	2	-	-	2	147
LOWRYS FARM	125	-	3	-	(1)	2	127
studio CLIP	187	-	2	-	(1)	1	188
LEPSIM	115	-	6	-	-	6	121
LAKOLE	91	-	9	-	(1)	8	99
JEANASiS	69	-	1	-	(2)	(1)	68
BAYFLOW	62	-	2	-	-	2	64
Other	270	23	15	-	(14)	24	294
Total (Adastria) (Note 4)	1,280	23	50	-	(20)	53	1,333
BUZZWIT Co., Ltd.	28	-	3	-	(3)	-	28
ELEMENT RULE Co., Ltd.	78	-	6	-	(1)	5	83
Other consolidated subsidiaries	29	(20)	4	-	-	(16)	13
Total (Japan)	1,415	3	63	-	(24)	42	1,457
Mainland China	14	-	2	-	(1)	1	15
Hong Kong	29	-	3	-	-	3	32
Taiwan	81	-	18	-	(2)	16	97
Thailand	3	-	2	-	-	2	5
The Philippines	1	-	-	-	-	-	1
U.S.	11	(11)	1	-	(1)	(11)	-
Total (Overseas)	139	(11)	26	-	(4)	11	150
Total (Apparel and Sundry Goods-related Business)	1,554	(8)	89	-	(28)	53	1,607
zetton inc. (Note 5)	76	-	2	-	(4)	(2)	74
Other (Food and Beverage) total	76	-	2	-	(4)	(2)	74
Total (Group)	1,630	(8)	91	-	(32)	51	1,681

(Notes) 1. Stores grouped by brand operating divisions and geographic regions.

2. Stores include e-commerce websites of other companies and e-commerce websites of Adastria.

3. Adastria conducted an absorption-type merger on March 1, 2025, in which Adastria was the surviving company and TODAY'S SPECIAL was the dissolved company. Changes due to this merger are shown in the following table. Adastria also conducted an absorption-type company split on March 1, 2025, in which Adastria transferred the production business and other operations to and ST Co., Ltd. Changes due to this company split are shown in the following table. The disclosed number of stores increased due to the consolidation of KARRIMOR International, Ltd. beginning with the first quarter of the current consolidated fiscal year. The disclosed number of stores decreased due to the transfer of Velvet, LLC (U.S.) in the third quarter of the current consolidated fiscal year.

4. The number of Adastria Co., Ltd. stores include and ST HD Co., Ltd. results prior to the absorption-type split conducted on September 1, 2025.

5. The number of stores of zetton inc. includes the stores of its consolidated subsidiary ZETTON, INC. (USA Business).