



FY2023/02 1H Financial Results & Medium-Term Management Plan

October 7, 2022

A D A S T R I A
— *Play fashion!*

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1. FY2023/02 1st Half Overview



Summary of FY2023/02 1H

- Our first quarter performance exceeded the plan. Even though there were certain impact of Shanghai lockdown and another upturn in COVID-19 cases in Japan, second quarter performance was generally consistent with the initial plan.
- With the end of the pandemic in sight, people who stayed home for years want to resume spending activities that involve going out and being with other people.
- Operations were able to supply merchandise with the right timing, prices and volumes despite challenges created by the yen's depreciation and inflation.
- Steady progress in the medium-term management plan's first year, including value co-creation with external partners.

Major categories	Global	Performance outside Japan is below the plan because of the pandemic
	Digital	Making substantial investments in e-commerce, logistics and other sectors
	Sustainability	Progress with improving disclosure of environmental information and with working style reforms

Key Themes for Increasing Corporate Value

- **Recruiting, training and job assignments**

Consumers today place even more emphasis on where they choose to store. The quality of employees is thus becoming increasingly important. Adastria is upgrading training programs for younger employees while upgrading health management programs, providing pleasant workplaces and taking other steps that benefit all employees. In addition, senior executives visit workplaces throughout Japan to hold discussions with our employees.

- **Increase earnings**

Adastria will leverage its powerful value chain as the weaker yen, high cost of energy and other challenges continue with the goal of selling merchandise with value at the fair prices.

- **Shift in the role of physical stores**

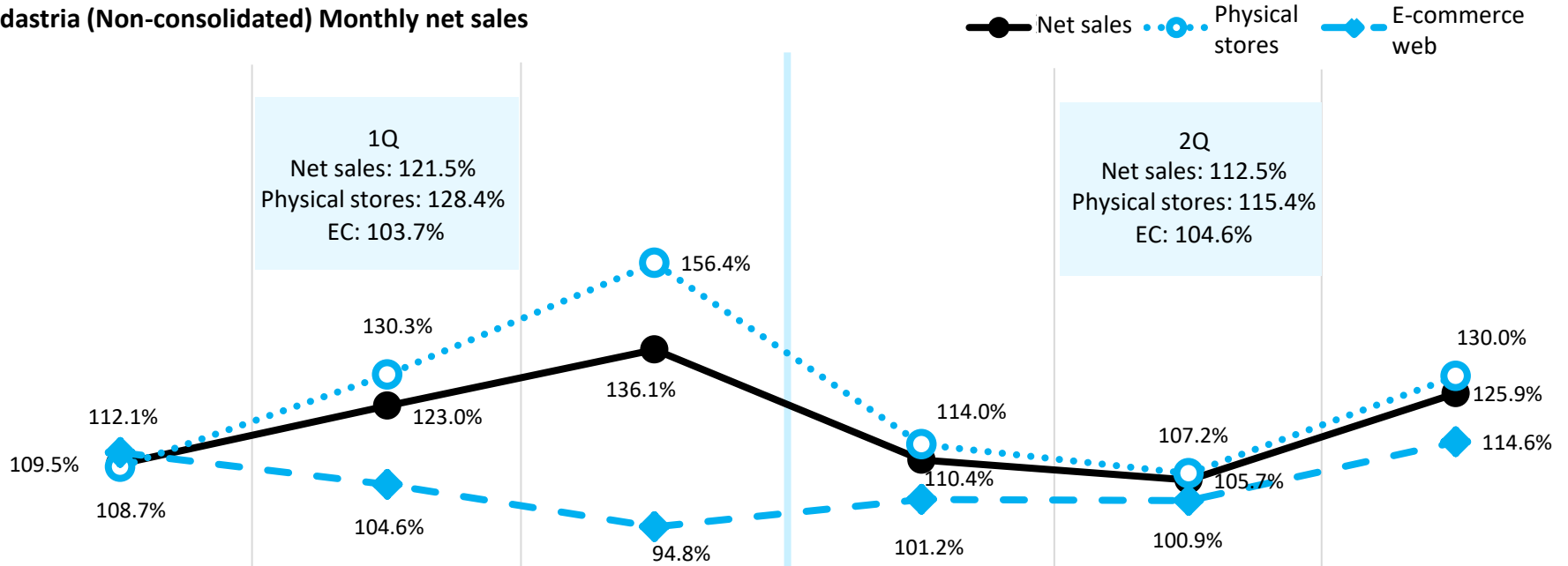
Stores are going beyond simply selling apparel in order to be a source of products and new ideas involving life styles. Adastria is dedicated to building a “good community” for enabling people to use fashion to enrich their lives.

2. FY2023/02 1st Half Financial Results



Summary of FY2023/02 1H

Adastria (Non-consolidated) Monthly net sales



March	April	May	June	July	August
<ul style="list-style-type: none"> The number of customers at stores recovered as many pandemic restrictions ended TV commercials for our e-commerce site "Dot ST" and GLOBAL WORK 	<ul style="list-style-type: none"> Strong sales of spring/summer merchandise as more people are going out due to warmer weather and the Japanese holiday "Golden Week" period in May Sales at physical stores recovered 	<ul style="list-style-type: none"> More customers at stores as the number of people going on outings increased during the Japanese holiday "Golden Week" period Strong sales of summer merchandise due to warm weather Sales at physical stores remained strong 	<ul style="list-style-type: none"> Strong sales of summer merchandise during the summer sale in late June Sales per customer improved as inventory controls reduced the need to sell discounted merchandise 	<ul style="list-style-type: none"> Decline in customers at stores due to an increase in COVID-19 and the weather Sales per customer remained steady due to heightened measures to reduce the need to sell discounted merchandise 	<ul style="list-style-type: none"> More customers at stores because many people went on outings during the summer vacation period Brisk initial sales of autumn merchandise due to cooler weather at the end of August

Consolidated Income Statement

The Accounting Standard for The New Revenue Recognition is applied from FY2023/02.

Millions of yen

	FY2022/02 1H		FY2023/02 1H		
	Results		Results		
		Ratio		Ratio	YoY
Net sales	92,611	100.0%	112,578	100.0%	121.6%
Aداستريا(Non-consolidated)	79,803	86.2%	92,337	82.0%	115.7%
Domestic subsidiaries *1*2	8,190	8.8%	9,412	8.4%	114.9%
Overseas subsidiaries *3	6,086	6.6%	7,765	6.9%	127.6%
Zetton (Food & Beverage Subsidiary)	-	-	4,687	4.2%	-
Gross profit	50,777	54.8%	62,780	55.8%	123.6%
SG&A expenses	50,146	54.1%	57,210	50.8%	114.1%
Advertising & promotion	4,019	4.3%	3,727	3.3%	92.7%
Personnel	18,107	19.6%	21,111	18.8%	116.6%
Rent & depreciation *4	17,719	19.1%	20,426	18.1%	115.3%
Amortization of goodwill	29	0.0%	121	0.1%	411.0%
Others	10,270	11.1%	11,823	10.5%	115.1%
Operating profit	631	0.7%	5,570	4.9%	881.6%
Aداستريا(non-consolidated)	196	0.2%	4,596	4.1%	2335.6%
Domestic subsidiaries *1*2	-222	-	190	0.2%	-
Overseas subsidiaries *3	183	0.2%	159	0.1%	87.3%
Aداستريا Logistics	284	0.3%	165	0.1%	58.1%
Zetton (Food & Beverage Subsidiary) *5	-	-	483	0.4%	-
Ordinary profit	1,552	1.7%	6,157	5.5%	396.5%
Net income attributable to owners of the parent	448	0.5%	3,893	3.5%	867.3%
EBITDA	3,664	4.0%	9,408	8.4%	256.7%
Depreciation and amortization	3,003	3.2%	3,716	3.3%	123.8%
Amortization of goodwill	29	0.0%	121	0.1%	411.0%
Capital expenditure	4,527		6,195		

*1 : Domestic subsidiaries are the sum of four domestic subsidiaries: BUZZWIT Co.,Ltd., ELEMENT RULE Co., Ltd., Aداستريا eat Creations Co.,Ltd., ADOORLINK Co., Ltd.(Period Feb. to Jul.)

*2 : Sales of BUZZWIT Co., Ltd. include its consolidated subsidiary OPEN AND NATURAL, Inc.

*3 : Overseas subsidiaries are the sum of overseas subsidiaries: Hong Kong, Mainland China, Taiwan, USA.(Period Jan. to Jun.)

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

*5 : Operating profit of Zetton, Inc. is shown after consolidation adjustments.

Consolidated Income Statement – Summary (1)

■ **Summary:** Sales and earnings higher than planned due to sales recovery and cost controls

■ **Net sales: 112.5 billion yen (+21.6% YoY)**

Parent company:	Up 15.7% as apparel demand for going out recovered during the summer vacation period; promotions also contributed to sales. Strong sales of major products of GLOBAL WORK and of LAKOLE, as more stores were opened, contributed to sales growth.
Domestic subsidiaries:	Up 14.9% YoY. Strong sales of high-end brands raised earnings of ELEMENT RULE. Sales at the EC company BUZZWIT increased due to the consolidation of OPEN AND NATURAL Inc.
Overseas subsidiaries:	Up 27.6%; a new brand was launched in Taiwan; U.S. sales and earnings increased because of strength in the wholesale sector; earnings unchanged in Hong Kong despite the effect of the pandemic; sales and earnings down in Mainland China due to the pandemic.
Food and Beverage Business:	Higher earnings due to the newly consolidated Zetton, Inc.

Effect of the new revenue recognition accounting standard	Consolidated sales: -1,179 million yen (-1.3% YoY)
Increase due to M&A	Consolidated sales: +5,240 million yen (+5.7% YoY)

■ **Gross profit margin: 55.8% (+1.0p YoY)**

Negative effects of foreign exchange rates and the high cost of materials, but the gross profit margin in the apparel and sundry goods-related business was largely unchanged due to supplying the products at the right times, prices and volumes and holding down discount sales.

Effect of the new revenue recognition accounting standard	Gross profit margin: -0.4%
Effect of higher Food and Beverage Business sales	Gross profit margin: +1.0%

Consolidated Income Statement – Summary (2)

■ SG&A expense ratio: 50.8% (-3.3p YoY)

Advertising & promotions:	3.3% (-1.0p YoY) (-0.29 billion yen YoY) Decreased due to the application of revenue recognition accounting standard
Personnel:	18.8% (-0.8p YoY) (+3.0 billion yen YoY) Higher salaries and bonuses as stores returned to normal operating
Rent & depreciation:	18.1% (-1.0p YoY) (+2.7 billion yen YoY) Higher rent due to higher sales; includes 0.1 billion yen increase in intangible assets because of Zetton and OPEN AND NATURAL PPA*
Other:	10.5% (-0.6p YoY) (+1.55 billion yen YoY) Higher credit card fees, electricity fees and other expenses

Effect of the new revenue recognition accounting standard	SG&A expenses: -1,119 million yen (SG&A expenses ratio: -0.5%)
Effect of higher Food and Beverage Business sales	SG&A expenses ratio: +0.9%

■ Operating profit: 5.5 billion yen (+4.93 billion yen YoY)

Operating income ratio: 4.9%, EBITDA margin: 8.4%

■ Ordinary profit: 6.1 billion yen (+4.6 billion yen YoY)

Non-operating income: Subsidy income of 182 million yen for shortened operating hours and other measures for safety during the pandemic, employment adjustment subsidy of 37 million yen and foreign exchange gains of 460 million yen

Non-operating expenses: Derivative valuation loss of 106 million yen involving the termination of operations in South Korea

■ Net income: 3.8 billion yen (+3.44 billion yen YoY)

*PPA (Purchase Price Allocation): Purchase price allocation is the allocation of the cost of acquiring a company based on fair values of all assets and liabilities of the acquired company.

Adastria non-consolidated Income Statement

Millions of yen

		FY2022/02 1H	FY2023/02 1H	
		Results	Results	
				YoY
Net sales		79,803	92,337	115.7%
	(Same stores YoY)	114.1%	115.0%	
	GLOBAL WORK	17,109	21,587	126.2%
	niko and...	12,487	14,442	115.7%
	LOWRYS FARM	9,137	10,017	109.6%
	studio CLIP	9,449	9,854	104.3%
	LEPSIM	5,679	6,267	110.3%
	BAYFLOW	4,270	4,845	113.5%
	JEANASIS	4,616	4,707	102.0%
	LAKOLE	1,973	3,541	179.4%
Gross profit		43,555	50,317	115.5%
	Gross margin	54.6%	54.5%	- 0.1p
SG&A expenses		43,358	45,721	105.4%
	SG&A ratio	54.3%	49.5%	- 4.8p
Operating profit		196	4,596	2335.6%
	Operating margin	0.2%	5.0%	+4.8p

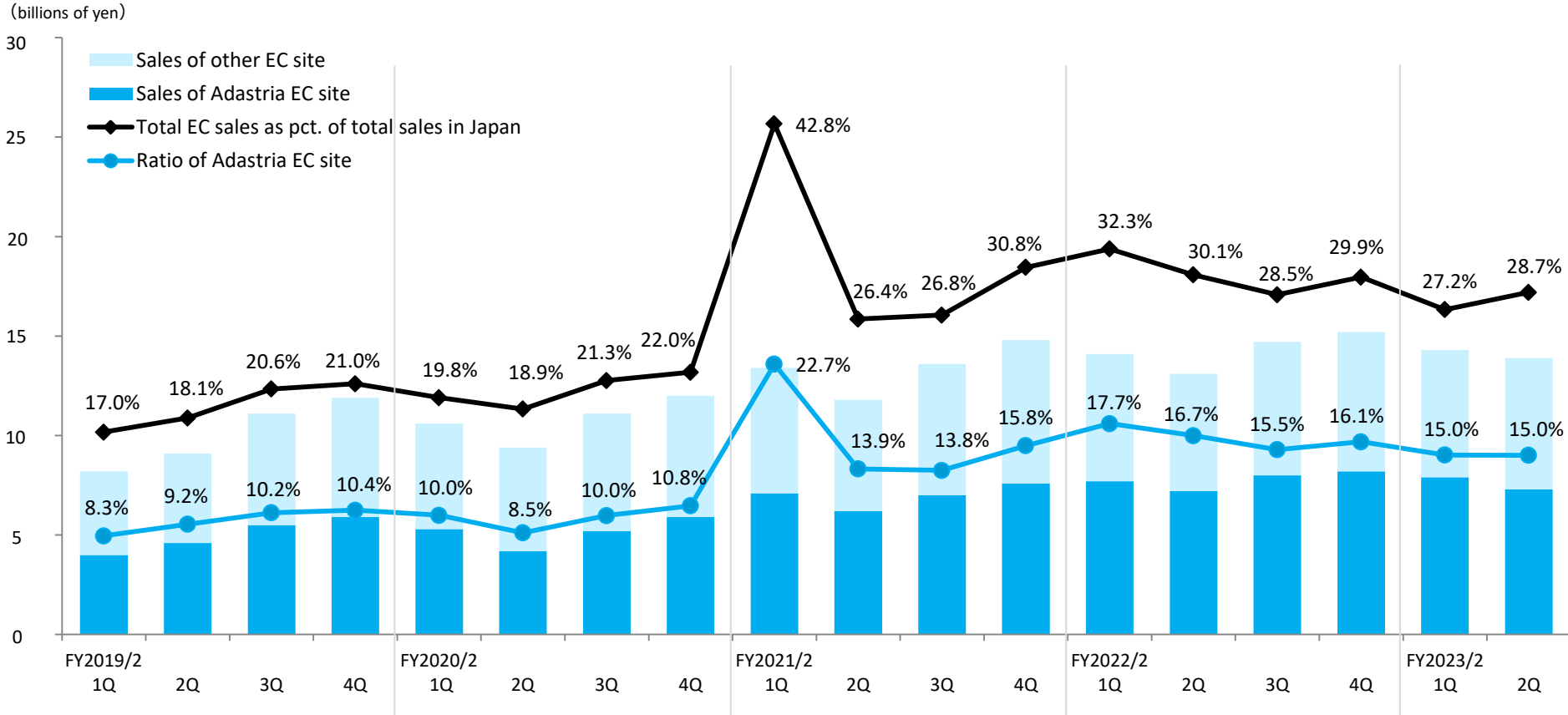
* : Amortization of goodwill for FY2022/02 1H: 29million yen, FY2023/02 1H : 29 million yen.

* : Net sales are shown before elimination of internal transactions.

Online Business (Domestic)

■ 2023/02 1H domestic e-commerce sales: 28.3 billion yen (+3.3% YoY)

- Domestic online business ratio: 27.9% (of which Own EC site: approx. 15.0%)
- Own EC site "Dot-ST" has about 14,5million members (0.9million from the end of FY2022/02)



*Starting in FY2019/02, non-consolidated sales and sales in BUZZWIT Co., Ltd. and ELEMENT RULE Co., Ltd. were included.

*Starting in FY2022/02, non-consolidated sales and sales in ADOORLINK Co., Ltd. was included.

*Starting in FY2023/02 2Q, sales of BUZZWIT Co., Ltd. include its consolidated subsidiary OPEN AND NATURAL, Inc.

Overseas Business

Millions of yen

	FY2021/12 1H	FY2022/12 1H		
	Results	Results		
			YoY (JPY)	YoY (Local currency)
Net sales	6,086	7,765	127.6%	112.6%
Hong Kong	1,302	1,368	105.1%	92.9%
Mainland China	1,267	1,065	84.1%	74.0%
Taiwan	1,234	1,834	148.6%	132.8%
USA *	2,282	3,497	153.2%	134.3%
Operating profit	183	159	87.3%	77.2%
Hong Kong	91	52	57.8%	51.1%
Mainland China	-49	-498	-	-
Taiwan	106	297	279.7%	250.0%
USA *	42	308	721.4%	632.2%

* Results of Zetton, Inc. are not included.

- Hong Kong: Negative effects of the pandemic but sales increased because of the government's electronic spending coupons and a change in the foreign exchange rate
- Mainland China: Sales and earnings down because of the Shanghai lockdown
- Taiwan: Sales and earnings up because of new stores and the launch of new brands
- USA: Sales and earnings up because of the healthy economy and large volume of orders in the wholesale business

Consolidated Balance Sheet

Millions of yen

	End of 2021/08		End of 2022/02		End of 2022/08			
		Ratio		Ratio		Ratio	Compared with the end of 2021/08	Compared with the end of 2022/02
Current assets	40,663	47.9%	48,169	49.2%	53,534	49.4%	+12,871	+5,364
Cash and deposits	12,062	14.2%	16,976	17.3%	16,671	15.4%	+4,609	-304
Inventories	17,985	21.2%	19,259	19.7%	21,550	19.9%	+3,564	+2,290
Fixed assets	44,178	52.1%	49,787	50.8%	54,916	50.6%	+10,738	+5,129
Property, plant and equipment	14,537	17.1%	16,005	16.3%	21,573	19.9%	+7,036	+5,567
Intangible assets	7,846	9.2%	10,836	11.1%	11,844	10.9%	+3,997	+1,007
Goodwill	83	0.1%	922	0.9%	1,473	1.4%	+1,389	+551
Investments and other assets	21,795	25.7%	22,945	23.4%	21,499	19.8%	-295	-1,446
Total assets	84,841	100.0%	97,957	100.0%	108,451	100.0%	+23,609	+10,493
Liabilities	34,373	40.5%	42,994	43.9%	49,117	45.3%	+14,744	+6,123
Loans payable	-	-	1,447	1.5%	1,201	1.1%	+1,201	-245
Net assets	50,468	59.5%	54,963	56.1%	59,333	54.7%	+8,865	+4,370
Treasury shares	-7,635	-9.0%	-7,636	-7.8%	-7,285	-6.7%	+350	+350

- Inventories: Inventories higher than one year earlier, mainly for EC and outside Japan, but remain at an appropriate level due to sales growth
- Property, plant and equipment: Recognized 2.8 billion yen of right of use assets due to the application of ASC No. 842* in the US business
- Intangible assets: Posted intangible assets of 1.4 billion yen at the end of Feb. 2022 based on the PPA** for the Zetton acquisition
- Goodwill: 790 million yen for Zetton, 650 million yen for OPEN AND NATURAL
- Net assets: Net asset ratio of 54.7%, -4.8p YoY

*ASC No. 842 is a new accounting standard for leases that requires recognition on the balance sheet of right of use assets and lease liabilities for operating leases.

**PPA (Purchase Price Allocation): Purchase price allocation is the allocation of the cost of acquiring a company based on fair values of all assets and liabilities of the acquired company.

Number of Stores and Revised plan

■ Revised store openings and closings plan for this fiscal year to reflect the current situation

	End of FY2022	FY2023/02 1H					FY2023/02 Revised Plan				FY2023/02
	Number of stores	Increased	Opened	Changed	Closed	Eng of 1H	Opened	Changed	Closed	End of FY2023/02	Initial Plan End of FY2023/02
GLOBAL WORK	206	-	1	0	-1	206	4	0	-2	208	206
niko and ...	144	-	2	0	-1	145	3	0	-1	146	145
LOWRYS FARM	136	-	1	0	-3	134	2	0	-7	131	137
studio CLIP	184	-	2	0	-6	180	2	0	-6	180	183
LEPSIM	120	-	1	0	-4	117	1	0	-4	117	117
BAYFLOW	60	-	1	0	0	61	3	0	-1	62	64
JEANASIS	73	-	1	0	-2	72	3	0	-4	72	70
LAKOLE	47	-	6	0	0	53	18	0	0	65	68
Others	275	-	6	0	-9	272	16	0	-20	271	265
Adastria non-consolidated total	1,245	-	21	0	-26	1,240	52	0	-45	1,252	1,255
(Online store included)	(66)	-	(0)	(0)	(- 1)	(65)	(0)	(0)	(- 1)	(65)	(66)
Domestic subsidiaries total*1*2	105	7	9	0	-9	112	12	0	-10	114	107
(Online store included)	(42)	(7)	(5)	(0)	(- 7)	(47)	(7)	(0)	(- 7)	(49)	(40)
Japan total	1,350	7	30	0	-35	1,352	64	0	-55	1,366	1,362
(Online store included)	(108)	(7)	(5)	(0)	(- 8)	(112)	(7)	(0)	(- 8)	(114)	(106)
Hong Kong	14	-	1	0	0	15	8	0	0	22	20
Mainland China	6	-	1	0	0	7	7	0	0	13	16
Taiwan	43	-	7	0	-2	48	13	0	-2	54	49
USA	10	-	0	0	-1	9	0	0	-1	9	11
Oversea total	73	-	9	0	-3	79	28	0	-3	98	96
(Online store included)	(12)	-	(4)	(0)	(- 2)	(14)	(8)	(0)	(- 2)	(18)	(14)
Zetton (Food & Beverage subsidiary) *3	-	73	3	0	-3	73	-	-	-	-	-
ADASTRIA eat Creations	5	-	0	0	0	5	0	0	-2	3	6
Consolidated total	1,428	80	42	0	-41	1,509	92	0	-60	1,467	1,464
(Online store included)	(120)	(7)	(9)	(0)	(- 10)	(126)	(15)	(0)	(- 10)	(132)	(120)

FY2023/02 1H 12 remodeled stores in the consolidated group.

*1 Domestic subsidiaries are the sum of four domestic subsidiaries: BUZZWIT Co., Ltd., ELEMENT RULE Co., Ltd., ADOORLINK Co., Ltd.

*2 Stores of BUZZWIT Co., Ltd. include its consolidated subsidiary OPEN AND NATURAL, Inc.

*3 The number of stores of Zetton, Inc. includes its consolidated subsidiary ZETTON, INC (USA Business).

Responses to the Current Business Climate

Rising cost of materials/logistics

Yen's depreciation

Responses

1

Geographic diversity of production, tariff optimization

About **20%** of internal production has been shifted to the ASEAN region
Use of RCEP*

2

New ideas involving materials

Use of the same materials for many brands;
development of **functional materials**
(including use of recycled materials)

Maintained profitability by raising the value of merchandise, selling products at fair prices and reducing the need for discounts

* RCEP (Regional Comprehensive Economic Partnership) Economic partnership providing for tariff reductions and exemptions on industrial products, including textiles, and agricultural, forestry and fisheries products, etc., which entered into force in January 2022.

Examples of using Adastria-developed materials in multiple brands



WOOLLYTEC

- A light yet warm material that stretches easily
- A wool-like sustainable material
- The volume of orders is about **30%** higher than in 2021



AIRTHERMAL

- An easy-care material that is light, warm and soft
- A sustainable material that can be used instead of down feather
- The volume of orders is about **20%** higher than in 2021



FY2023/02 Consolidated Forecast (Re-posting)

- 1H results better than planned, but uncertainty in the external environment remained through the second half of the year and initial forecasts were unchanged.

Millions of yen

	FY2022/02	FY 2023/02		
	Results	Forecast		
			% to sales	YoY
Net sales	201,582	230,000	100.0%	114.1%
Gross profit	111,012	129,500	56.3%	116.7%
SG&A expenses	104,448	119,500	52.0%	114.4%
Operating profit	6,564	10,000	4.3%	152.3%
Ordinary profit	8,166	10,000	4.3%	122.5%
Net income	4,917	6,300	2.7%	128.1%
ROE	9.4%	11.3%	-	+1.9p
EBITDA	13,302	17,400	7.6%	130.8%
Depreciation and amortization	6,679	6,900	3.0%	103.3%
Amortization of goodwill	58	500	0.2%	862.1%
Capital expenditure	9,974	13,200		
Dividend per share (Yen)	55	55		
Interim dividend	(25)	(25)		

3. Medium-Term Management Plan Progress



Medium-term Management Plan (Re-posting)

Combine Sustainability With Profitability to achieve **280 billion yen** in sales by FY2026/02

Operating income ration **8%** (including **80 billion yen** in EC sales)



Achieve Sustainable Management

Extend value Offerings

GROW Customer Base

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

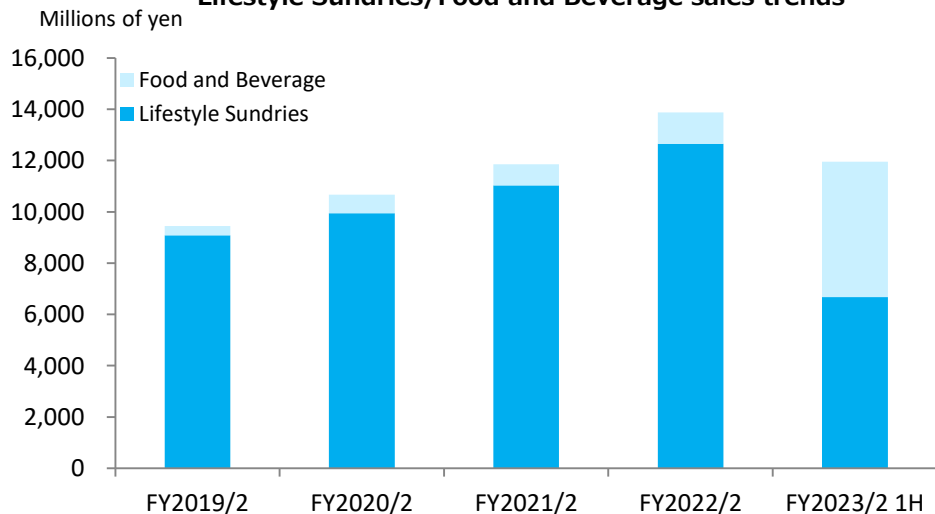
Establish food and beverage business and create new appeal

Growth Strategy I: Multi-Brand, Multi-Category

■ Strengthening multi-category expansion

- Expand the lifestyle sundries categories and strengthen lifestyle proposals.
- Growth with non-apparel sales, including food and beverage.

Lifestyle Sundries/Food and Beverage sales trends



■ Strong sales of major products of the GLOBAL WORK brand

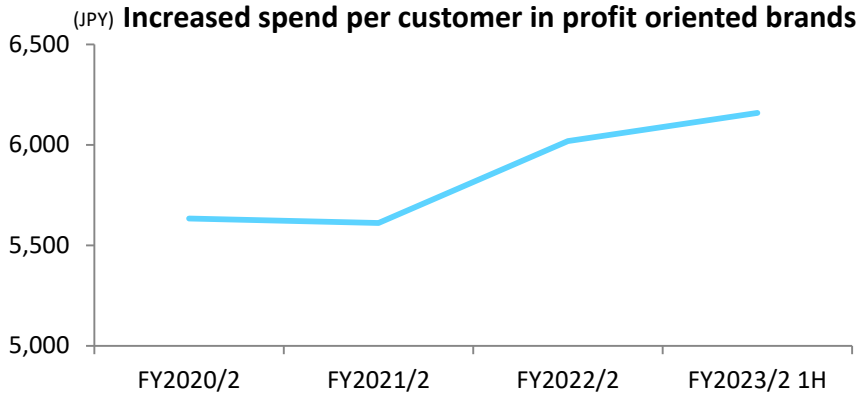
- Promotional activities, including promotions featuring actress Tsubasa Honda, were successful.
- Using data analysis to develop products and raise the accuracy of sales and production plans.
- Large number of repeat sales of major products; cumulative sales volume of Utsuku-Silhouette Trousers, a core product of this brand, surpassed 2.5 million units.



Growth Strategy I: Multi-Brand, Multi-Category

Strengthening the business model of profit-oriented brands

- More items with substantial added value by clearly showing the distinctive features of individual brands and developing products that target current market trends.
- Deepen ties with customers and raise profitability by increasing the EC share of sales. (EC share of sales of profit brands in the 1H was 33.2%)



HARE

- Continue growth in the core men's category
- Enlarge the lineup of women's apparel and attract new female customers



The HARE Sapporo Stellar Place store also have a women's apparel sales area

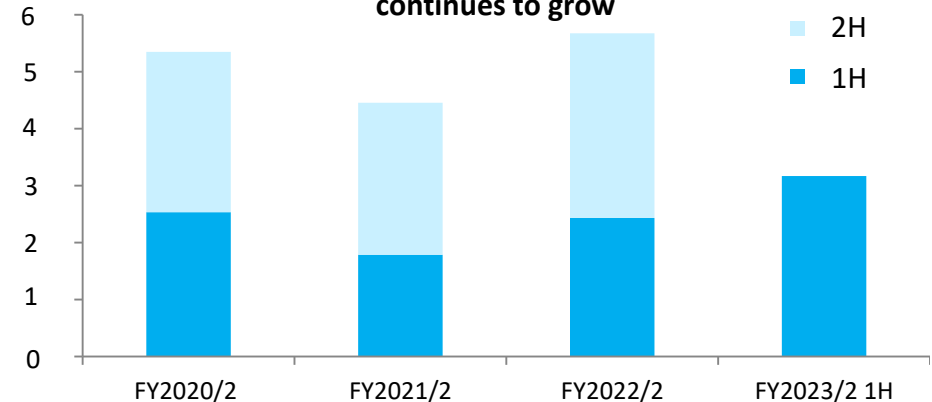
PBLIM

PAGEBOYLIM

- PBLIM is adding new customers by creating genderless apparel in association with the PAGEBOY line



HARE has already surpassed pre-pandemic and continues to grow



Growth Strategy II: Digital Customer Interactions and Services

■ Entry into the metaverse fashion domain

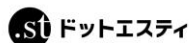
- Avatars and skins (clothes) for fashion in the metaverse space are now available.
- Accumulation of know-how and customer contacts in new areas, such as trial fitting sessions in collaboration with popular creators.



Image of development items

■ Opening the “Dot-ST” EC website to other companies

- The number of participating companies have increased to 5, and the categories handled have been enhanced.
- In July, “Dot-ST” added 10 brands of cosmetics products by handling selected merchandise of Fruit GATHERING



■ Automation of the Ibaraki West EC Distribution Center

- The center has state-of-the-art material handling equipment
- Up to 34,000 shipments per day, 1.8 times more than before.
- Lower shipping expenses by optimizing the composition of shipments



Automated guided vehicles (AGVs) operate in the goods-to-people (GTP) area



Boxes packed by hand are sent to the uni-sorter

Growth Strategy III: Glocal

■ Open stores in Mainland China other than Shanghai

- In July, a store was opened at Nanjing Aqua City, a 1,045m² shopping mall in the city of Nanjing.
- Plan to open stores in two more major Chinese cities other than Shanghai in the second half of FY2023/02 – Chengdu and Chongqing.

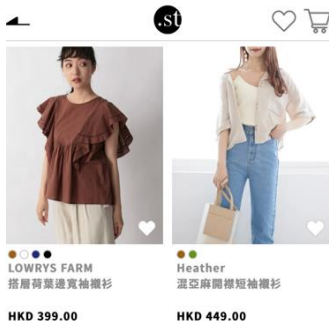


■ Launch of the “Dot-ST” EC website in Hong Kong

- Started by handling four brands after the August start of operations
- Uses an app to provide customers with the latest information about fashion trends in Japan
- The same membership points for physical store and EC purchases



HONG KONG



GLOBAL WORK niko and ...

LOWRYS FARM

Heather



Amazon Style, the first physical apparel store operated by Amazon, sells Adastria “Velvet by Graham & Spencer” brand apparel

■ Speed up multi-brand activities in Taiwan

- Continue adding new brands; there are currently 10.
- Plan to open the first HARE, LEPSIM and PAGEBOY physical stores in Taiwan in the second half of FY2023/02. Stores are already operating on “.st TAIWAN.”



■ Consistently strong U.S. sales and earnings

- Brisk sales in the wholesale business and at directly operated stores because of strong U.S. consumer spending
- Revising Adastria’s EC website and preparing to launch new brands in the second half of FY2023/02

Growth Strategy IV: New Profit-center Business Models

■ The return of FOREVER21 to Japan

- Signed a sub-licensing agreement for Japan and plan to start sales activities in the spring of 2023 using EC and physical stores.
- Plan on raising annual sales to 10 billion yen within 5 years by using synergies created by high brand recognition and Adastria's supply chain.
- Aim to establish a growth model through licensing



FOREVER21 LaLaport Kadoma store, scheduled to open in April 2023.

■ IZUMI CO., LTD.

- Adastria received a contract to remodel the apparel sales area of a general merchandise store, acting as the producer of this space, developer of brands and wholesaler.
- The new SHUCA brand is to be launched on September 15 at 46 locations, including Youme Town Hiroshima.
- A new B-to-B business model



Youme Town Hiroshima store

Progress with Numerical Goals

There is steady progress toward goals for growth and profitability.

Themes of the medium-term management plan



Sales growth

8.5% Avg. Annual Growth

Expand the brand portfolio



Gross Profit Ratio Improvement

1.3% improvement

Reduce discounting, add value, optimize cost of production



SG&A Cost Control

3.4% improvement

Use equipment more efficiently
Control indirect expenses



Capital Efficiency Improvement

ROIC of 15% or more

Higher efficiency of investments

First half progress

Independent brands: Promotions for GLOBAL WORK
Growth brands: Growth of LAKOLE sales
Overseas: Growth in Taiwan and the U.S.

Discount rate: Down 2.0% compared to FY2022/2
Profitable Brands: Spending per customer 2.3%
ASEAN production: 22% of internal production at the end of the first half

Sales/Capital expenditure ratio: Down 0.6% to FY2022/2
Sales/Head office expense ratio: Down 0.3% to FY2022/2
Sales/Logistics expense ratio: Down 0.4% to FY2022/2

First half investments were 6.1 billion yen vs. FY plan of 13.2 billion yen.
Slightly restrained due to delays in shop openings, etc.

Sustainability initiatives

Climate change: Calculate CO₂ emissions in Scope 1, 2, 3, and disclose information based on TCFD recommendations.

- Placing climate change as a key sustainability issue and aiming for carbon neutrality by 2050
- Calculated and disclosed CO₂ emissions in Scope 1, 2, and 3 for the first time in our company
- Disclose information on governance, strategy, risk management, indicators and targets in climate change

Information disclosure based on TCFD recommendations:
<https://onl.bz/EQGUxvJ>

< FY2022/2 CO₂ emissions >

Scope	Amount of emission[t-CO ₂]	Ratio	Remarks
Scope 1 (direct emissions)	-	-	Not applicable
Scope 2 (indirect emissions associated with energy)	34,791	6.7%	
Scope 3 (indirect emissions from the value chain)	481,808	93.3%	
Scope 1 + 2 + 3	516,600	100%	

*Scope of coverage: Domestic group companies (excluding ADASTRIA eat Creations and Zetton)

Declaration of health management to create an environment where employees can work with vitality

- Strengthened insurer functions through the Adastria Health Insurance Association established in November 2021, including enhancement of gynecological examinations and expansion of medical institutions eligible for periodic health examinations.
- Adastria Wellness Committee, a health management promotion, has been established and is working on health maintenance and promotion activities that reflect the voices of employees.

Adastria Health Management Declaration:
<https://www.adastria.co.jp/entry-15097/>



Adastria's First Integrated Report

■ The goal is to improve the quality and quantity of information provided to the public

- Directors and executives of Adastria talk about activities concerning Adastria's "Play fashion!" mission and strategies for achieving long-term growth of corporate value.
- Time-line information about non-financial items such as corporate governance and ESG programs is provided and the report has information based on the Task Force on Climate-Related Financial Disclosures (TCFD) framework.
- English version will be published at the end of October 2022.

Mission *Play fashion!*

The value creation process



Interviews with business unit executives

ABOUT US
バリューチェーン

VOICE 01 プランニング部長 山田 元三

多様な人材の登用が
オペレーションを良くする

山田部長のインタビューが掲載されています。山田部長は、多様な人材の登用がオペレーションを良くする重要性について述べています。山田部長は、多様な人材の登用がオペレーションを良くする重要性について述べています。

VOICE 02 本部長 大澤 幸吉

拡大アイテム数に対応できる
生産体制構築の工夫

大澤部長のインタビューが掲載されています。大澤部長は、拡大アイテム数に対応できる生産体制構築の工夫について述べています。大澤部長は、拡大アイテム数に対応できる生産体制構築の工夫について述べています。

A large volume of environmental information

ADASTRIA ESG
ESG情報データ

項目	2021年実績	2020年実績	2019年実績
環境			
1. CO2排出量(当社の直接・間接)	1,130	1,130	1,130
2. CO2排出量(当社の直接・間接+調達)	1,130	1,130	1,130
3. CO2排出量(当社の直接・間接+調達+運用)	1,130	1,130	1,130
4. CO2排出量(当社の直接・間接+調達+運用+廃棄)	1,130	1,130	1,130
5. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送)	1,130	1,130	1,130
6. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行)	1,130	1,130	1,130
7. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議)	1,130	1,130	1,130
8. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張)	1,130	1,130	1,130
9. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
10. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
11. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
12. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
13. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
14. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
15. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
16. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
17. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
18. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
19. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
20. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
21. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
22. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
23. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
24. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
25. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
26. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
27. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
28. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
29. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
30. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
31. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
32. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
33. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
34. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
35. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
36. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
37. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
38. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
39. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
40. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
41. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
42. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
43. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
44. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
45. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
46. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
47. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
48. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
49. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130
50. CO2排出量(当社の直接・間接+調達+運用+廃棄+輸送+旅行+会議+出張+出張)	1,130	1,130	1,130

URL for viewing the Integrated Report:
<https://www.adastria.co.jp/ir/library/entry-15481/>



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