

October 18, 2023

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, Head of Corporate Planning Office (TEL:03-5466-2060)

Notice Concerning Establishment of Overseas Subsidiary

At a meeting held on October 18, 2023 the Adastria Co., Ltd. Board of Directors resolved to establish an overseas subsidiary.

1. Reasons for Establishment

The Adastria Co., Ltd. (“Company”) medium-term management plan describes the Company’s overseas 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 new company will be established in the Philippines, which is home to numerous large shopping malls, launched under the Company’s main brand, *niko and ...*. The Company intends to engage in business tailored to the preferences of local customers. To accomplish the rapid development of business, the new subsidiary will be a joint venture with Primer Holdings Inc., which operates more than 300 stores in the Philippines.

In combination with the April 2023 store opening in Thailand, the Company is building a business foundation in Southeast Asia and expanding into neighboring countries.

2. Overview of the Subsidiary

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| (1) Company name | : | Adastria Philippines Co., Ltd. (tentative) |
| (2) Head office | : | Philippines, Manila |
| (3) Representative | : | Daisuke Fujii |
| (4) Business lines | : | Retail business (including e-commerce) in the Philippines; related and associated operations |
| (5) Capital | : | 160 million pesos (approximately 400 million yen) |
| (6) Established | : | November 2023 (tentative) |
| (7) Major shareholders and ownership ratios | : | Adastria Co., Ltd. 75.0%
(including 0.0% owned by related parties)
Primer Holdings Inc. 25.0%
(including 0.0% owned by related parties) |
| (8) Relationship with | : | 1) Equity relationship: Established via a 75.0% equity investment |

Adastria Co., Ltd.

by Adastria Co., Ltd.

* (including 0.0% owned by related parties)

- 2) Personnel relationships: One director and two employees of Adastria Co., Ltd. will serve concurrently as director of the subsidiary in question.
- 3) Business relationship: No business relationship at this time.

3. Impact on Business Performance

The impact of this matter on the consolidated business results of Adastria Co., Ltd. for the current fiscal year will be negligible, and the Company does not intend to revise earnings forecasts. The company will promptly disclose any matters that arise in the future that require disclosure.