



# FY2025/02 3rd Quarter Financial Results

December 27, 2024



**A D A S T R I A**  
— *Play fashion!*

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# Consolidated Income Statement

(Millions of yen)

	FY2024/02 3Q				FY2025/02 3Q					
	Nine Months Ended		Three Months Ended		Nine Months Ended			Three Months Ended		
		Ratio		Ratio		Ratio	YoY		Ratio	YoY
<b>Net sales</b>	<b>203,252</b>	<b>100.0%</b>	<b>70,355</b>	<b>100.0%</b>	<b>220,089</b>	<b>100.0%</b>	<b>108.3%</b>	<b>75,886</b>	<b>100.0%</b>	<b>107.9%</b>
Adastria(Non-consolidated)	161,683	79.5%	55,072	78.3%	173,775	79.0%	107.5%	58,764	77.4%	106.7%
Domestic subsidiaries *1	18,422	9.1%	6,930	9.9%	20,486	9.3%	111.2%	8,125	10.7%	117.2%
Overseas subsidiaries *2	16,667	8.2%	5,980	8.5%	18,101	8.2%	108.6%	5,843	7.7%	97.7%
Zetton (Food & Beverage Subsidiary) *3	9,788	4.8%	3,578	5.1%	11,556	5.3%	118.1%	4,614	6.1%	129.0%
<b>Gross profit</b>	<b>115,324</b>	<b>56.7%</b>	<b>40,462</b>	<b>57.5%</b>	<b>122,897</b>	<b>55.8%</b>	<b>- 0.9p</b>	<b>42,577</b>	<b>56.1%</b>	<b>- 1.4p</b>
<b>SG&amp;A expenses</b>	<b>99,017</b>	<b>48.7%</b>	<b>34,467</b>	<b>49.0%</b>	<b>108,127</b>	<b>49.1%</b>	<b>109.2%</b>	<b>37,722</b>	<b>49.7%</b>	<b>109.4%</b>
Advertising & promotion	6,527	3.2%	2,565	3.6%	6,454	2.9%	98.9%	2,495	3.3%	97.3%
Personnel	36,216	17.8%	12,298	17.5%	40,092	18.2%	110.7%	13,756	18.1%	111.9%
Rent & depreciation *4	34,861	17.2%	12,231	17.4%	38,435	17.5%	110.3%	13,539	17.8%	110.7%
Amortization of goodwill	168	0.1%	55	0.1%	274	0.1%	163.3%	112	0.1%	202.6%
Others	21,244	10.5%	7,317	10.4%	22,870	10.4%	107.7%	7,817	10.3%	106.8%
<b>Operating profit</b>	<b>16,306</b>	<b>8.0%</b>	<b>5,994</b>	<b>8.5%</b>	<b>14,770</b>	<b>6.7%</b>	<b>- 1.3p</b>	<b>4,854</b>	<b>6.4%</b>	<b>- 2.1p</b>
Adastria(Non-consolidated)	14,504	7.1%	5,219	7.4%	13,583	6.2%	93.6%	4,219	5.6%	80.8%
Domestic subsidiaries *1	583	0.3%	464	0.7%	1,243	0.6%	213.1%	844	1.1%	181.8%
Overseas subsidiaries *2	790	0.4%	136	0.2%	283	0.1%	35.8%	- 58	- 0.1%	-
Adastria Logistics	77	0.0%	7	0.0%	51	0.0%	66.8%	- 75	- 0.1%	-
Zetton (Food & Beverage Subsidiary) *3	362	0.2%	156	0.2%	- 181	- 0.1%	-	- 8	- 0.0%	-
<b>Ordinary profit</b>	<b>16,708</b>	<b>8.2%</b>	<b>6,068</b>	<b>8.6%</b>	<b>14,967</b>	<b>6.8%</b>	<b>- 1.4p</b>	<b>4,650</b>	<b>6.1%</b>	<b>- 2.5p</b>
<b>Net income attributable to owners of the parent</b>	<b>11,541</b>	<b>5.7%</b>	<b>4,447</b>	<b>6.3%</b>	<b>9,907</b>	<b>4.5%</b>	<b>- 1.2p</b>	<b>2,958</b>	<b>3.9%</b>	<b>- 2.4p</b>
<b>EBITDA</b>	<b>22,970</b>	<b>11.3%</b>	<b>8,381</b>	<b>11.9%</b>	<b>22,881</b>	<b>10.4%</b>	<b>- 0.9p</b>	<b>7,741</b>	<b>10.2%</b>	<b>- 1.7p</b>
Depreciation and amortization	6,495	3.2%	2,331	3.3%	7,836	3.6%	120.6%	2,774	3.7%	119.0%
Amortization of goodwill	168	0.1%	55	0.1%	274	0.1%	163.3%	112	0.1%	202.6%

\*1: Domestic subsidiaries are the sum of five subsidiaries FY/2024 3Q: BUZZWIT Co.,Ltd., ELEMENT RULE Co., Ltd., ADOORLINK Co., Ltd., Gate Win Co., Ltd.

Domestic subsidiaries are the sum of three subsidiaries FY/2025 3Q : BUZZWIT Co.,Ltd., ELEMENT RULE Co., Ltd., ADOORLINK Co., Ltd., TODAY'S SPECIAL Co., Ltd., and ST Co., Ltd.

\*2: Overseas subsidiaries are the sum of overseas subsidiaries: Hong Kong, Mainland China, Taiwan, Thai, USA.(Period Jan. to Sep.2024)

\*3: Operating profit of zetton inc. is shown after consolidation adjustments. (Period Feb. to Nov. 2024)

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

## Summary

Although there were challenges due to hotter weather in October, sales continued to set new records with our sales and merchandise strategies. Operating profit was declined due to a change in our loyalty point utilization rate, weakness in the food and beverages business and overseas subsidiaries. We are aiming to offset this decline with 4Q earnings.

## Net sales

**75.8 billion yen** (+7.9% YoY)

- Parent company**
  - Sales were up 6.7%, as planned, mainly due to major brands, despite the negative effect of hot weather in October. Earnings were down with our inventory reduction strategies of autumn merchandise and change in loyalty point utilization. However, sales have been well since November.
- Domestic subsidiaries**
  - Sales were up 17.2%. Higher sales and earnings at ELEMENT RULE due to a recovery of last year's weak brands. Higher sales and earnings at BUZZWIT due to an improvement in the gross profit margin following weakness during the first half.
- Overseas subsidiaries**
  - Sales were down 2.3%. Losses in Mainland China were lower than last year, despite weak consumer spending. Sales were flat and earnings were down in Hong Kong and Taiwan, the result of new stores and new brands and the negative impact of slow sales during the summer. U.S. sales and earnings down as weakness in the wholesale business is continuing.
- Food and beverage business**
  - Sales were up 29.0% because the fiscal year end change created a four-month quarter. Sales were up 5.8% using a three-month comparison. Sales increased due to a recovery of the restaurant sector in Japan, but new store expenses and higher personnel expenses reduced earnings.

## Gross profit margin

**56.1%** (-1.4p YoY)

- Although prices of products increased, the gross profit margin was down 0.6 percentage point because of measures to reduce inventories of autumn merchandise, the yen's depreciation, and higher sales in the wholesale business. In addition, the change in the loyalty point utilization rate lowered the gross profit margin by 0.4 percentage point (about 700 million yen).

# Consolidated Income Statement – 3Q Summary 2

SG&A expense ratio

**49.7%** (+0.7p YoY)

**Advertising & promotions** • **3.3%** (-0.3p YoY) (-60 million yen)

Streamlining of promotion expenses

**Personnel** • **18.1%** (+0.6p YoY) (+1,450 million yen)

Higher salaries continue, more recruiting activities and fiscal year end change for the food and beverage business(+400 million yen)

**Rent & depreciation** • **17.8%** (+0.4p YoY) (+1,300 million yen)

Higher depreciation due to new stores and increase of the rent ratio in the food and beverage business.

**Others** • **10.3%** (-0.1p YoY) (+500 million yen)

Increases in credit card fees, store-related expenses and e-commerce cargo transport expenses

Operating profit

**4.8 billion yen** (-19.0% YoY)

Operating income ratio 6.4%, EBITDA margin 10.2%

Ordinary profit

**4.6 billion yen** (-23.4% YoY)

**Non-operating income** • Foreign exchange gains of 240 million yen

Net income  
attributable to  
owners of the parent

**2.9 billion yen** (-33.5% YoY)

**Extraordinary losses** • Loss on sales of investment securities 50 million yen, Impairment of store assets of 20 million yen

# Adastria and Major Domestic Subsidiaries Income Statement

## ● Adastria (Non-consolidated)

(Millions of yen)

	FY2024/02 3Q		FY2025/02 3Q			
	Nine Months Ended	Three Months Ended	Nine Months Ended		Three Months Ended	
				YoY		YoY
<b>Net sales</b>	<b>161,683</b>	<b>55,072</b>	<b>173,775</b>	<b>107.5%</b>	<b>58,764</b>	<b>106.7%</b>
(Total stores YoY w/o Wholesale)	111.0%	105.1%	105.6%	-	105.9%	-
(Same stores YoY)	109.6%	104.2%	103.3%	-	103.3%	-
GLOBAL WORK	38,178	12,947	39,683	103.9%	13,075	101.0%
niko and...	24,671	8,349	26,547	107.6%	8,989	107.7%
studio CLIP	16,670	5,454	17,348	104.1%	5,694	104.4%
LOWRYS FARM	16,667	5,526	17,322	103.9%	5,708	103.3%
LEPSIM	10,114	3,378	11,223	111.0%	3,740	110.7%
LAKOLE	7,886	2,622	9,559	121.2%	3,106	118.4%
JEANASIS	8,994	3,314	8,738	97.1%	3,128	94.4%
BAYFLOW	7,912	2,635	8,449	106.8%	2,820	107.0%
<b>Gross profit</b>	<b>90,140</b>	<b>31,248</b>	<b>94,410</b>	<b>104.7%</b>	<b>31,933</b>	<b>102.2%</b>
Gross margin	55.8%	56.7%	54.3%	- 1.5P	54.3%	- 2.4P
<b>SG&amp;A expenses</b>	<b>75,636</b>	<b>26,028</b>	<b>80,827</b>	<b>106.9%</b>	<b>27,713</b>	<b>106.5%</b>
SG&A ratio	46.8%	47.3%	46.5%	- 0.3P	47.2%	- 0.1P
<b>Operating profit</b>	<b>14,504</b>	<b>5,219</b>	<b>13,583</b>	<b>93.6%</b>	<b>4,219</b>	<b>80.8%</b>
Operating margin	9.0%	9.5%	7.8%	- 1.2P	7.2%	- 2.3P

## ● Major Domestic Subsidiaries

<b>Net sales</b>	BUZZWIT Co., Ltd.	9,166	3,640	9,258	101.0%	3,776	103.7%
	ELEMENT RULE Co., Ltd.	8,322	3,011	9,539	114.6%	3,435	114.1%

\* : Adastria (Non-consolidated) : Amortization of goodwill for FY2024/02 3Q: None, FY2025/02 3Q: None

\* : Adastria (Non-consolidated) : Net sales are shown before elimination of internal transactions.

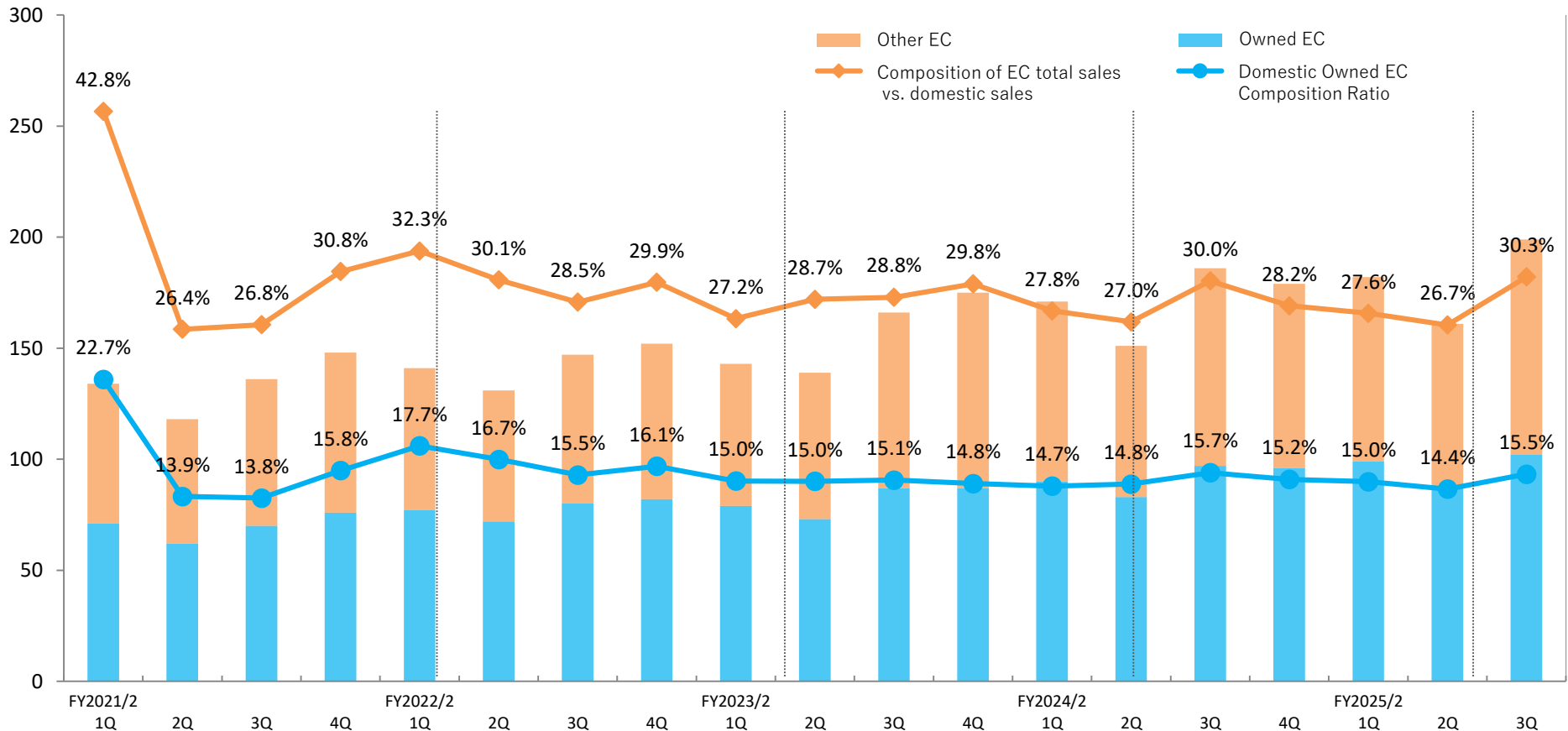
\* : Adastria (Non-consolidated) and Gate Win Co., Ltd. Merge in FY2025/02 1Q

## Domestic net sales from online (nine months)

**54.5 billion yen (+7.2% YoY)**

- Domestic online business ratio: 28.3% (of which Adastria EC site: approx. 15.0%)
- “and ST” has about 19.2 million members (1.7 million more than at the end of FY2024/02)

(100 million yen)



\*FY2021/02 non-consolidated sales and sales in BUZZWIT Co., Ltd. and ELEMENT RULE Co., Ltd. were included.

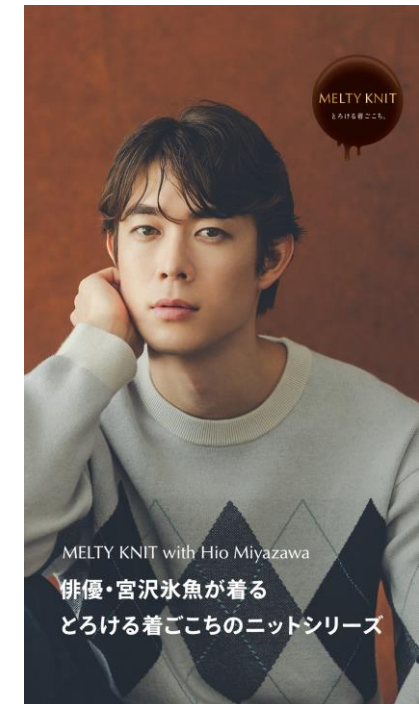
\*Starting in FY2022/02, sales of ADOORLINK Co., Ltd. was included.

\*Starting in FY2023/02 2Q, sales of BUZZWIT Co., Ltd. include its consolidated subsidiary OPEN AND NATURAL, Inc. (2 companies merged in July 2023) and from 4Q, sales of Gate Win Co., Ltd. was included.

## ■ Sales of core products of GLOBAL WORK increased

- Promotional activities that tell consumers about the outstanding designs, fabrics, comfort and other features of GLOBAL WORK merchandise, making this apparel ideal for many purposes.
- Progress with firmly establishing key product categories. TV commercials for MELTY KNIT knitwear apparel will air during winter 2024-2025 just as one year earlier.

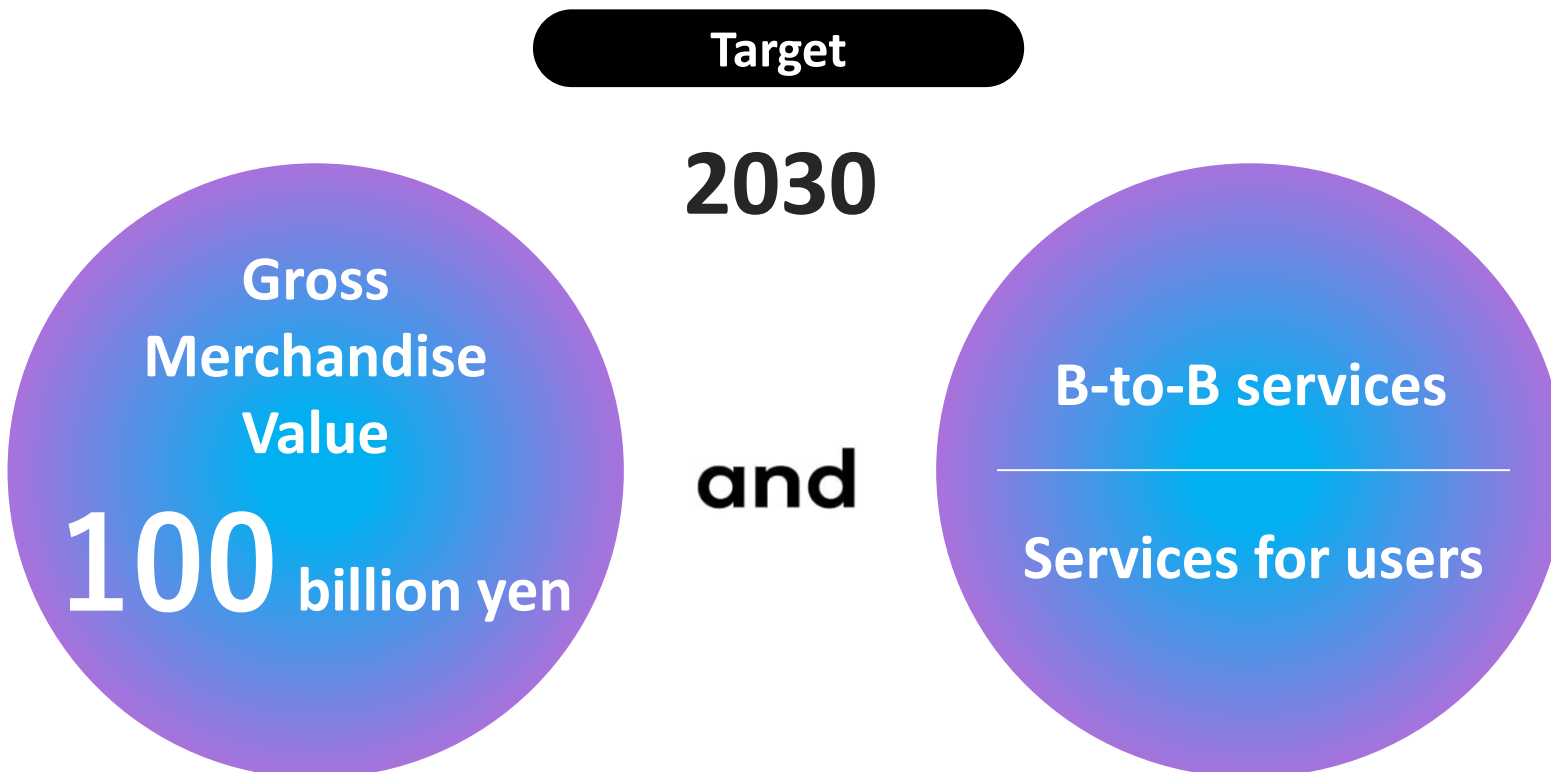
## ■ Plan to open a GLOBAL WORK flagship store in Ginza in spring 2025





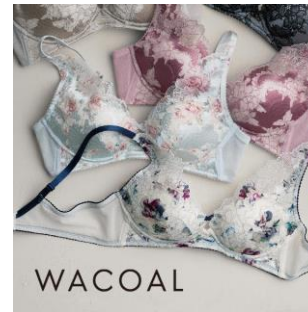
## ■ The goal for “*and ST*” is to raise the Gross Merchandise Value to 100 billion yen by 2030

- E-commerce mall management business and B-to-B business were transferred to newly established and ST CO., Ltd. through company split. It achieves independent operation and accelerate growth of these business.
- Backed by Adastria’s physical stores and store personnel, “*and ST*” can provide customers with an even better shopping experience through the fusion of digital and physical store services. It create new value by transforming an e-commerce website into a total fashion platform.



## ■ Speeding up the opening of Aداستريا EC website to external companies (Establishing a mall business that sells products of other companies)

- The faster addition of stores of new partners selling cosmetics, undergarments and many other products is giving Aداستريا's mall coverage of an increasingly broad range of product categories.
- Live streaming with partner company by employee influencers.



## ■ Activities for third party brands

- PEACH JOHN, which operates a store on "and ST", started selling apparel using its new "PEACH JOHN FASHION" brand on October 30.



- OMO (online-merge-offline) flagship store “and ST [TOKYO]” opening near Harajuku Station in Spring 2025
  - Includes planning for third-party pop-up stores, promotions, use of employee influencers, and other activities.





- **Mainland China :** Sluggish consumer spending lowered sales but the loss was decreased by steady e-commerce sales.
- **Hong Kong/Taiwan :** Activities for adding stores and brands continued but sales were unchanged and earnings were down because of slow sales during the summer.
- **Thailand :** Sales are increasing. The first store opened in the second quarter of the previous fiscal year and the second store opened in the third quarter of the current fiscal year.
- **USA :** Sales and earnings were down as the wholesale business continued to slow down because of the uncertain economic outlook.

(Millions of yen)

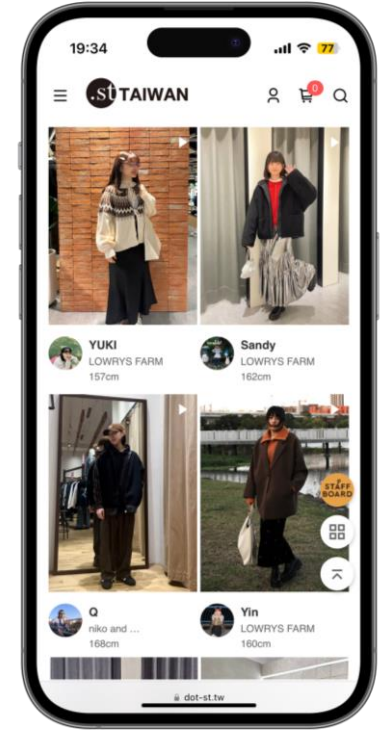
(Simple aggregate of overseas subsidiaries)	FY2023/12 3Q		FY2024/12 3Q					
	Nine Months Ended	Three Months Ended	Nine Months Ended			Three Months Ended		
			YoY (JPY)	YoY (Local currency)	YoY (JPY)	YoY (Local currency)		
<b>Net sales</b>	<b>16,667</b>	<b>5,980</b>	<b>18,101</b>	<b>108.6%</b>	<b>100.6%</b>	<b>5,843</b>	<b>97.7%</b>	<b>95.1%</b>
Mainland China *1	3,416	1,174	3,537	103.6%	96.2%	1,085	92.4%	88.6%
Hong Kong	2,995	1,250	3,492	116.6%	106.2%	1,278	102.2%	97.3%
Taiwan	4,381	1,611	5,236	119.5%	114.0%	1,625	100.9%	101.1%
Thailand	146	63	233	158.9%	150.2%	91	144.0%	137.6%
Philippines	-	-	-	-	-	-	-	-
USA *2	5,727	1,881	5,601	97.8%	89.3%	1,762	93.7%	91.3%
<b>Operating profit</b>	<b>790</b>	<b>136</b>	<b>283</b>	<b>35.8%</b>	<b>33.7%</b>	<b>- 58</b>	<b>-</b>	<b>-</b>
Mainland China	- 488	- 181	- 369	-	-	- 83	-	-
Hong Kong	267	119	257	96.1%	87.5%	85	71.6%	67.8%
Taiwan	813	255	910	111.9%	106.7%	204	79.8%	81.1%
Thailand	- 78	- 27	- 108	-	-	- 25	-	-
Philippines	-	-	- 16	-	-	- 6	-	-
USA	275	- 29	- 389	-	-	- 232	-	-

\*1 : Mainland China : Net sales are shown before elimination of internal transactions

\*2 : USA does not include the U.S. business of zetton inc.

## ■ Faster pace of e-commerce strategy and multi-brand strategy activities in Taiwan

- Increased PR activities to attract more e-commerce website members with Taiwanese staff joining our STAFF BOARD providing customer recommendations.
- We have opened our first LAKOLE store on the Taiwan e-commerce website and will open a physical store in the next fiscal year.



## ■ Our first store in the Philippines

- Branded “niko and ...” in SM Mall of Asia in the largest shopping mall in Manila, opened on December 13th.



# Consolidated Balance Sheet

- **Inventories :** Proper level at the end of the 3Q at 5.2% above one year earlier.
- **Property, plant and equipment :** Increased due to the opening of physical stores and other reasons.
- **Intangible assets :** Increased due to growth in goodwill and intangible assets resulting from M&A, an increase in software due to system investments, and other reasons.
- **Net assets :** Net asset ratio of 52.5%, -1.2p YoY.

(Millions of yen)

	End of 2024/02 3Q		End of 2024/02		End of 2025/02 3Q			
		Ratio		Ratio		Ratio	Compared with the end of 2024/02 3Q	Compared with the end of 2024/02
<b>Current assets</b>	<b>71,557</b>	<b>55.0%</b>	<b>68,731</b>	<b>53.7%</b>	<b>79,847</b>	<b>54.6%</b>	<b>+8,290</b>	<b>+11,116</b>
Cash and deposits	17,890	13.7%	23,371	18.3%	20,673	14.1%	+2,783	- 2,697
Inventories	31,092	23.9%	26,839	21.0%	32,709	22.4%	+1,617	+5,870
<b>Fixed assets</b>	<b>58,623</b>	<b>45.0%</b>	<b>59,184</b>	<b>46.3%</b>	<b>66,429</b>	<b>45.4%</b>	<b>+7,805</b>	<b>+7,244</b>
Property, plant and equipment	24,096	18.5%	23,901	18.7%	26,178	17.9%	+2,081	+2,276
Intangible assets	12,283	9.4%	12,376	9.7%	15,534	10.6%	+3,250	+3,158
Goodwill	1,164	0.9%	1,109	0.9%	3,216	2.2%	+2,052	+2,107
Investments and other assets	22,243	17.1%	22,906	17.9%	24,716	16.9%	+2,472	+1,809
<b>Total assets</b>	<b>130,181</b>	<b>100.0%</b>	<b>127,915</b>	<b>100.0%</b>	<b>146,276</b>	<b>100.0%</b>	<b>+16,095</b>	<b>+18,361</b>
<b>Liabilities</b>	<b>60,309</b>	<b>46.3%</b>	<b>56,334</b>	<b>44.0%</b>	<b>69,477</b>	<b>47.5%</b>	<b>+9,167</b>	<b>+13,143</b>
Loans payable	1,827	1.4%	905	0.7%	6,000	4.1%	+4,172	+5,094
<b>Net assets</b>	<b>69,871</b>	<b>53.7%</b>	<b>71,581</b>	<b>56.0%</b>	<b>76,799</b>	<b>52.5%</b>	<b>+6,927</b>	<b>+5,218</b>
Treasury shares	- 7,516	- 5.8%	- 7,516	- 5.9%	- 5,627	- 3.8%	+1,888	+1,889

# Number of Stores

	FY2024/02		FY2025/02 3Q (Nine Months Ended)				Compared with the end of 2024/11	End of 2025/02
	End of FY2024/02 3Q	End of FY2024/02	Opened	Changed	Closed	End of 3Q		
GLOBAL WORK	215	214	4	0	0	218	3	218
niko and ...	142	141	6	0	- 2	145	3	146
studio CLIP	179	179	10	0	- 2	187	8	187
LOWRYS FARM	129	126	1	0	- 1	126	-3	126
LEPSIM	115	115	1	0	- 1	115	0	115
LAKOLE	75	78	12	0	- 1	89	14	89
JEANASIS	71	68	1	0	0	69	-2	69
BAYFLOW	62	62	2	0	0	64	2	65
Others *1	268	259	23	6	- 4	284	16	255
Adastria non-consolidated total	1,256	1,242	60	6	- 11	1,297	41	1,270
(Online store included)	(68)	(61)	(5)	(2)	(- 1)	(67)	(- 1)	(65)
Domestic subsidiaries total*2	132	128	7	24	- 9	150	18	150
(Online store included)	(59)	(58)	(3)	(7)	(- 6)	(62)	(3)	(62)
Japan total	1,388	1,370	67	30	- 20	1,447	59	1,420
(Online store included)	(127)	(119)	(8)	(9)	(- 7)	(129)	(2)	(127)
Mainland China	14	15	1	0	- 3	13	-1	17
Hong Kong	23	23	7	0	- 1	29	6	30
Taiwan	71	72	5	0	- 2	75	4	81
Thailand	1	2	1	0	0	3	2	2
Philippines	-	-	0	0	0	0	0	1
USA	10	10	1	0	- 1	10	0	12
Oversea total	119	122	15	0	- 7	130	11	143
(Online store included)	(20)	(22)	(7)	(0)	(- 3)	(26)	(6)	(30)
Zetton (Food & Beverage subsidiary) *3	72	71	7	0	- 3	75	3	75
ADASTRIA eat Creations	-	-	-	-	-	-	-	-
Consolidated total	1,579	1,563	89	30	- 30	1,652	73	1,638
(Online store included)	(147)	(141)	(15)	(9)	(- 10)	(155)	(8)	(157)

FY2025/2 3Q 33 remodeled stores in the consolidated group.

\*1 : Stores of Gate Win Co., Ltd. which had been included in the total of domestic subsidiaries until FY2024/02, will be included in "Others"

\*2 : Domestic subsidiaries are the sum of four subsidiaries FY/2025 1H : BUZZWIT Co.,Ltd., ELEMENT RULE Co., Ltd., ADOORLINK Co., Ltd., TODAY'S SPECIAL CO., Ltd. Starting in FY2025/02 1H, 30 stores of TODAY'S SPECIAL which was acquired were listed under "Changed"

\*3 : The number of stores of zetton inc. includes its consolidated subsidiary ZETTON, INC (USA Business).

# FY2025/02 Consolidated Forecast (Re-posting)

## ■ No change from the initial forecast announced at April 2024

(Millions of yen)

	FY2024/02 Results	FY2025/02 Forecast	
			YoY
Net sales	275,596	290,000	105.2%
Gross profit	152,354	162,300	106.5%
Gross profit margin	55.3%	56.0%	+0.7p
SG&A expenses	134,339	143,300	106.7%
SG&A expenses ratio	48.7%	49.4%	+0.7p
Operating profit	18,015	19,000	105.5%
Operating margin	6.5%	6.6%	+0.1p
Ordinary profit	18,389	19,000	103.3%
Ordinary income margin	6.7%	6.6%	-0.1p
Net income attributable to owners of the parent	13,513	12,700	94.0%
Ratio of net income attributable to owners of the parent	4.9%	4.4%	-0.5p
ROE	20.9%	16.9%	-4.0p
EBITDA	27,763	28,830	103.8%
Depreciation and amortization	9,525	9,600	100.8%
Amortization of goodwill	223	230	103.1%
Capital expenditure	11,807	13,800	



## **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!*