

## **Japan's Adastria Co., Ltd. to acquire US contemporary apparel brand Velvet.**

Apr. 3, 2017-- Adastria Co., Ltd. (TSE: 2685) announced today that it has entered into a definitive agreement to acquire 100% of Velvet, LLC, a California based contemporary apparel company known for the brand "Velvet by Graham and Spencer".

One of the largest apparel companies in Japan with revenue of approximately \$1.8 Billion (FY2016/2), Adastria operates 21 brands across Japan and Asia.

Masa Matsushita, Representative Director and Chief Operating Officer, Adastria Co., Ltd. commented:

"Velvet is a distinguished brand in the US contemporary market, and we are delighted to welcome Velvet to the Adastria group. This latest acquisition allows us to establish a strategic presence in North America and in the world of contemporary fashion, as we seek to transform Adastria into a leading global apparel company."

"We have a very successful track record growing brands and businesses by leveraging our strong value-chain management and brand management strategy. We have strong expertise in retail operations with more than 1,400 retail stores and e-commerce operations throughout Japan and Asia. Working together with Velvet's management team, we will accelerate the brand's growth, especially in the direct-to consumer channels as we apply our expertise in retail and value-chain management."

Velvet is the second investment for Adastria in the US market. In April 2016, Adastria acquired a minority interest in Marine Layer, Inc, an upcoming apparel company based in San Francisco, recently named one of the "Hottest Brands of 2016" by Forbes magazine. Added Mr. Matsushita, "Building upon our investments in Velvet and Marine Layer, we aim to strategically enhance our global brand portfolio moving forward."

Velvet by Graham and Spencer is known for its modern, sophisticated apparel with a laid-back California attitude, both for women and men. Headquartered in Los Angeles, Velvet has 8 retail stores in the U.S. and 1 in London, with a strong market presence through premium department stores and high-end specialty stores both in the US and abroad.

Henry Hirschowitz, Co-founder and CEO commented:

"This is a great opportunity for both companies. Velvet will provide a solid platform for Adastria, allowing the company to expand its presence in the North American Market. In addition, Velvet will greatly benefit from Adastria's extensive resources which will enhance our product range and appeal in a greater way to our Velvet customer. Furthermore, with Adastria's knowledge in retail and e-commerce, we feel strongly that further opportunities for Velvet will materialize. We are extremely fortunate and honored to become part of the Adastria Family of Brands. The Velvet team is totally committed to making a meaningful contribution to Adastria Co, Ltd."

### **About Velvet by Graham and Spencer**

Velvet by Graham and Spencer is known for its modern, sophisticated contemporary apparel with a laid-back California attitude, for both women and men. It was founded in 1997 by Henry Hirschowitz and Jenny Graham, who were joined shortly thereafter by Toni Spencer. The brand has attracted trendsetters since its inception. Velvet by Graham and Spencer has 8 retail stores in the US and 1 store in U.K. The collection is distributed to premium department stores and high-end specialty stores both in the US and abroad. Velvet has collaborated in the past with super model Lily Aldridge and will be collaborating this summer with super model Kirsty Hume.

<https://velvet-tees.com/>



### **About Adastria**

Adastria is a Tokyo-based multi-brand apparel company founded in 1953. It operates 1,358 retail stores in Japan and 108 stores overseas. Adastria owns 21 brands including apparel, lifestyle and restaurant businesses. As of FY 2016/2, it has approximately \$1.8 Billion of revenue, and \$146 Million in operating profit. Since becoming a public company in 2000, Adastria has increased revenue for 16 consecutive years, driven by its strong value-chain and brand management expertise.

<http://www.adastria.co.jp/english/>

[adastria-ir@adastria.co.jp](mailto:adastria-ir@adastria.co.jp)

### **Media Contact:**

Kei Liu

Adastria Co., Ltd.

Investor Relations

[adastria-ir@adastria.co.jp](mailto:adastria-ir@adastria.co.jp)