Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending February 28, 2027

[Japanese GAAP]

June 30, 2026

Company name:	and ST HD Co., Ltd.	Listing: Tokyo Stock Exchange	
Stock code:	2685	URL: https://www.andst-hd.co.jp	
Representative:	Taiki Fukuda, Representative Director and President		
Contact:	Masatake Hayashi, Director, Executive General Manager of Corporate Planning Division	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 First Quarter of the Fiscal Year Ending February 28, 2027 (March 1, 2026 - May 31, 2026)

(1) Consolidated results of operations (Percentages shown for net sales and income 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	%
Three months ended May 31, 2026	80,318	3.7	7,875	40.5	8,047	48.4	3,908	(10.6)
Three months ended May 31, 2025	77,464	4.7	5,603	(6.8)	5,423	(13.8)	4,374	(0.7)

Note: Comprehensive income Three months ended May 31, 2026: 3,858 million yen (up 0.5%)
Three months ended May 31, 2025: 3,839 million yen (down 19.5%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended May 31, 2026	84.74	-
Three months ended May 31, 2025	94.70	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of May 31, 2026	147,015	83,614	56.6
As of Feb 28, 2026	139,688	81,823	58.3

Reference: Shareholders' equity As of May 31, 2026: 83,224 million yen As of Feb 28, 2026: 81,444 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, 2026	-	45.00	-	45.00	90.00
Fiscal year ending Feb 28, 2027	-				
Fiscal year ending Feb 28, 2027 (forecast)		45.00	-	45.00	90.00

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

3. Consolidated Forecast for the Fiscal Year Ending February 28, 2027 (March 1, 2026 - February 28, 2027)

(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	314,000	3.2	17,200	4.1	17,200	2.2	10,500	10.5	227.63

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

*** Notes**

(1) Significant changes in scope of consolidation during the period: None

Newly added: -

Excluded: -

(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: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of outstanding shares (common stock)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of May 31 2026:	48,800,000 shares	As of Feb 28 2026:	48,800,000 shares

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

As of May 31 2026:	2,659,209 shares	As of Feb 28 2026:	2,672,130 shares

3) Average number of shares outstanding during the period

Three months ended May 31, 2026: 46,130,023 shares   Three months ended May 31, 2025: 46,187,383 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 3 regarding preconditions or other related matters for the forecast shown above.

Attachments

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

Consolidated Results (Millions of yen)

	First three months of FY2/26 (Mar 1, 2025 - May 31, 2025)	First three months of FY2/27 (Mar 1, 2026 - May 31, 2026)	YoY Change	YoY Change (%)
Net sales	77,464	80,318	2,853	3.7
Operating profit	5,603	7,875	2,271	40.5
Ordinary profit	5,423	8,047	2,623	48.4
Net income attributable to owners of the parent	4,374	3,908	(465)	(10.6)

The Japanese economy continued to recover moderately throughout the first quarter of the current consolidated fiscal year, supported by an improved employment and personal income environment. At the same time, however, the ongoing weakening of the yen and labor shortages have resulted in an increasingly uncertain outlook for the global economy due to rising resource prices and fluctuations in the foreign exchange market stemming from the escalating tensions in the Middle East. Given the extended rise in prices resulting from these factors, consumers have become more cost-conscious and cautious, and the stagnation in personal consumption has become a risk factor.

Amid this environment, the and ST HD Group aims to evolve into a Play fashion! platformer through synergies across group companies and collaboration with external partners, as outlined in Medium-Term Management Plan 2030. The strategies for priority areas in the medium-term management plan are as follows.

Platform	By maximizing our connection with the and ST member base, we aim to achieve a gross merchandise value of 100 billion yen. We will develop the and ST e-commerce site into a mall and media platform, hosting products from other companies and expanding ID (customer base) and LTV (lifetime value) through category expansion and other means. At the same time, we will improve profitability through wider user services, as well as production and solution-based services.
Global	As another pillar of our strategy, we intend to accelerate investment in Southeast Asia, where population and economic growth are expected to be high. In parallel with opening physical stores, we plan to expand the territory in which we operate. In Greater China, we will strengthen our multi-brand strategy to achieve stable growth.
Brand Retail	We intend to strengthen brand portfolio management through a multi-company structure. Under this structure, each group company will formulate strategy and manage its business according to its own mission. As the core member of the and ST HD Group, Adastria Co., Ltd. invests in focused brands having significant room for growth. Adastria will improve profitability through more store openings in urban areas and increased store size.

Consolidated net sales for the first quarter of the consolidated fiscal year amounted to 80,318 million yen (up 3.7% year on year), operating profit was 7,875 million yen (up 40.5%), while ordinary profit was 8,047 million yen (up 48.4%) and net income attributable to owners of the parent was 3,908 million yen (down 10.6%).

Net sales in Japan benefited from demand for casual fashion in the Apparel and Sundries Related Business remaining firm with rising temperatures, while sales of trend-driven products were strong. Accordingly, net sales in Japan increased 5.4% 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. In addition, KARRIMOR International Ltd. joined the group in April 2025 via M&A, contributing to the net increase.

Under our platform strategy, we expanded promotional initiatives linking our *and ST* platform with physical stores, developed collaboration products with popular characters and staff, and increased the number of external companies listing their products on *and ST*. As a result, membership in the shared point system for e-commerce and physical stores grew by 500,000 from the end of the previous fiscal year to 22.20 million, and the number of active members reached 8.1 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 12.2% year on year in mainland China, driven by solid 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 13.2% and 27.0%, respectively. New store openings in Southeast Asia led to higher net sales, while the overseas business overall recorded a 12.6% year-on-year decrease in net sales, impacted by the decrease in sales stemming from the July 2025 withdrawal from the U.S. business.

Sales in Other (food and beverage business) increased 1.6% year on year, despite continued challenges in the food service industry, including rising raw material and utility costs and labor shortages. This result was due to the changed fiscal year-end and solid performance in domestic operations.

Despite the upward pressure on costs due to the depreciating yen and higher manufacturing costs, we endeavored to control inventory and limit discount sales by offering products at the right time, right price, and right volume. Thanks to favorable weather conditions, full-price sales of spring and summer apparel proceeded as expected, and the gross profit margin for the Apparel and Sundries Related Business improved year on year. In Other (food and beverage business), price revisions and cost reductions helped us absorb soaring costs, resulting in an improved gross profit margin. As a result, the consolidated gross profit margin rose 1.3 percentage points year on year to 57.9%.

With respect to selling, general, and administrative expenses, personnel expenses increased due to improved compensation for employees and costs rose overall due to increased rents in connection with higher net sales. However, owing in part to more efficient promotions and other factors, the SG&A ratio increased only 1.3 percentage points to 48.1%.

As a result, operating profit margin improved 2.6 percentage points to 9.8% while operating profit increased 40.5% year on year.

Non-operating income included foreign exchange gains of 98 million yen, while extraordinary losses included special service payment of 1,230 million yen and impairment loss of 71 million yen related to stores.

Business segment performance was as follows.

1) Apparel and Sundries Related Business
Net sales amounted to 76,496 million yen (up 3.9% year on year) and segment profit was 8,122 million yen (up 49.2%).

We opened 24 new stores (including 1 overseas) and closed 5 locations (including 0 overseas). As a result, the segment operated 1,620 stores (including 158 locations overseas) as of the end of the first quarter of the current consolidated fiscal year.

2) Other (Food and Beverage Business)
Net sales amounted to 3,886 million yen (up 1.6% year on year) and segment loss was 74 million yen (compared with a segment loss of 21 million yen in the same period of the previous fiscal year).

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

(2) Financial Position

Total assets as of the end of the first quarter of the current consolidated fiscal year amounted to 147,015 million yen, an increase of 7,327 million yen compared with the end of the previous consolidated fiscal year. This result was mainly due to a 7,407 million yen increase in notes and accounts receivable-trade.

Liabilities amounted to 63,401 million yen, an increase of 5,536 million yen compared with the end of the previous consolidated fiscal year. This result was mainly due to decreases of 2,116 million yen in electronically recorded obligations - operating and 2,158 million yen in income taxes payable, while short-term borrowings and accounts payable-other increased by 6,000 million yen and 4,097 million yen, respectively.

Net assets amounted to 83,614 million yen, an increase of 1,790 million yen compared with the end of the previous consolidated fiscal year. This result was mainly due to a 1,803 million yen increase in retained earnings.

(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 6, 2026.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Million yen)

	FY2/26 (As of Feb 28, 2026)	First quarter of FY2/27 (As of May 31, 2026)
Assets		
Current assets		
Cash and deposits	24,912	26,154
Notes and accounts receivable-trade	15,971	23,379
Inventories	30,526	30,144
Other	6,314	4,568
Allowance for doubtful accounts	(80)	(67)
Total current assets	77,644	84,179
Non-current assets		
Property, plant and equipment		
Store interior equipment, net	8,543	8,607
Other, net	16,184	16,865
Total property, plant and equipment	24,727	25,473
Intangible assets		
Goodwill	566	520
Other	12,013	11,752
Total intangible assets	12,579	12,272
Investments and other assets		
Investment securities	463	443
Leasehold and guarantee deposits	14,134	14,095
Other	10,469	10,879
Allowance for doubtful accounts	(331)	(328)
Total investments and other assets	24,736	25,089
Total non-current assets	62,043	62,836
Total assets	139,688	147,015
Liabilities		
Current liabilities		
Notes and accounts payable-trade	13,773	13,862
Electronically recorded obligations-operating	8,690	6,573
Short-term loans payable	―	6,000
Accounts payable-other	15,052	19,149
Income taxes payable	5,508	3,350
Provision for bonuses	2,551	1,610
Provision for point card certificates	155	115
Other provisions	238	749
Other	4,369	5,248
Total current liabilities	50,340	56,660
Non-current liabilities		
Provisions	745	243
Other	6,778	6,497
Total non-current liabilities	7,523	6,740
Total liabilities	57,864	63,401

	FY2/26 (As of Feb 28, 2026)	First quarter of FY2/27 (As of May 31, 2026)
		(Million yen)
Net assets		
Shareholders' equity		
Share capital	2,660	2,660
Capital surplus	6,262	6,262
Retained earnings	76,800	78,604
Treasury shares	(6,098)	(6,061)
Total shareholders' equity	79,624	81,465
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	65	52
Deferred gains or losses on hedges	177	152
Foreign currency translation adjustment	1,577	1,553
Total accumulated other comprehensive income	1,819	1,759
Non-controlling interests	379	389
Total net assets	81,823	83,614
Total liabilities and net assets	139,688	147,015

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

Three Months Ended May 31, 2026

(Million yen)

	First three months of FY2/26 (Mar 1, 2025 – May 31, 2025)	First three months of FY2/27 (Mar 1, 2026 – May 31, 2026)
Net sales	77,464	80,318
Cost of sales	33,627	33,843
Gross profit	43,837	46,474
Selling, general and administrative expenses	38,233	38,598
Operating profit	5,603	7,875
Non-operating income		
Foreign exchange gains	—	98
Other	130	151
Total non-operating income	130	249
Non-operating expenses		
Interest expenses	67	58
Foreign exchange losses	238	—
Other	5	19
Total non-operating expenses	310	78
Ordinary profit	5,423	8,047
Extraordinary losses		
Impairment loss	53	71
Special service payment	—	1,230
Total extraordinary losses	53	1,301
Net income before income taxes	5,370	6,745
Income taxes-current	1,786	3,189
Income taxes-deferred	(785)	(362)
Total income taxes	1,000	2,826
Net income	4,369	3,918
Profit or loss attributable to non-controlling interests	(4)	10
Net income attributable to owners of the parent	4,374	3,908

Quarterly Consolidated Statement of Comprehensive Income

Three Months Ended May 31, 2025

(Million yen)

	First three months of FY2/26 (Mar 1, 2025 – May 31, 2025)	First three months of FY2/27 (Mar 1, 2026 – May 31, 2026)
Net income	4,369	3,918
Other comprehensive income		
Valuation difference on available-for-sale securities	6	(12)
Deferred gains or losses on hedges	(100)	(24)
Foreign currency translation adjustment	(435)	(23)
Total other comprehensive income	(530)	(60)
Comprehensive income	3,839	3,858
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	3,848	3,848
Comprehensive income attributable to noncontrolling interests	(8)	9

(3) Notes to Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable

Significant Changes in Shareholders' Equity

Not applicable

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 developments may impact Group performance it is difficult to estimate the impact at this time.

Notes to Quarterly Consolidated Statements of Cash Flows

Adastria did not prepare a quarterly consolidated statement of cash flows for the first quarter of the current consolidated fiscal year.

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

(Million yen)

	First three months of FY2/26 (Mar 1, 2025 to May 31, 2025)	First three months of FY2/27 (Mar 1, 2026 to May 31, 2026)
Depreciation	2,863	2,967
Amortization of goodwill	103	45

Segment Information, etc.

[Segment information]

I. First three months of FY2/26 (Mar 1, 2025 – May 31, 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 statements (Note 3)
	Apparel and Sundry Goods-related Business				
Net sales					
Sales to external customers	73,660	3,804	77,464	—	77,464
Intersegment sales and transfers	0	21	21	(21)	—
Total	73,660	3,826	77,486	(21)	77,464
Segment profit (loss)	5,445	(21)	5,423	—	5,423

(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 three months of FY2/27 (Mar 1, 2026 – May 31, 2026)

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 statements (Note 3)
	Apparel and Sundry Goods-related Business				
Net sales					
Sales to external customers	76,451	3,866	80,318	—	80,318
Intersegment sales and transfers	44	20	64	(64)	—
Total	76,496	3,886	80,382	(64)	80,318
Segment Profit (Loss)	8,122	(74)	8,047	—	8,047

(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

Supplementary Information

(1) Sales by Brand and Region

Brand / Region	First three months of FY2/27		YoY change (%)
	Net sales (million yen)	Composition (%)	
GLOBAL WORK	14,887	18.5	2.4
niko and ...	9,985	12.4	8.1
LOWRYS FARM	6,896	8.6	10.6
studio CLIP	6,483	8.1	10.0
LEPSIM	5,421	6.7	18.5
LAKOLE	3,893	4.8	10.0
JEANASIS	2,987	3.7	5.2
BAYFLOW	2,724	3.4	(4.0)
Other	10,145	12.8	3.1
Total (Adastria)	63,424	79.0	6.5
BUZZWIT Co., Ltd.	2,871	3.6	(4.7)
ELEMENT RULE Co., Ltd.	3,563	4.4	(4.1)
Other consolidated subsidiaries	914	1.1	3.2
Total (Japan)	70,773	88.1	5.4
Mainland China	1,277	1.6	12.2
Hong Kong	1,370	1.7	13.2
Taiwan	2,835	3.5	27.0
Thailand	157	0.2	45.9
The Philippines	36	0.1	3.3
Total (Overseas) (Note 3)	5,678	7.1	(12.6)
Total (Apparel and Sundry Goods-related Business)	76,451	95.2	3.8
zetton inc. (Note 4)	3,866	4.8	1.6
Other (Food and Beverage) total	3,866	4.8	1.6
Total (Group)	80,318	100.0	3.7

(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. The calculation of year-on-year change for Total (Overseas) in the Apparel and Sundry Goods-related Business includes net sales from Velvet, LLC from the same period of the previous fiscal year. The Company completed the transfer of equity interest in Velvet, LLC in July 2025.
4. Sales of zetton inc. include sales of consolidated subsidiary ZETTON, INC. (U.S.A.)

(2) Sales by Product Category

Category	First three months of FY2/27		YoY change (%)
	Net sales (million yen)	Composition (%)	
Men’s apparel (bottoms, tops)	12,375	15.4	0.7
Lady’s apparel (bottoms, tops)	47,622	59.3	1.5
Other	20,320	25.3	11.3
Total	80,318	100.0	3.7

(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, 2026	First three months of FY2/27				As of May 31, 2026
		Opened	Changed	Closed	YoY Change	
GLOBAL WORK	226	3	-	-	3	229
niko and ...	147	2	-	-	2	149
LOWRYS FARM	128	3	-	-	3	131
studio CLIP	188	2	-	-	2	190
LEPSIM	119	2	-	-	2	121
LAKOLE	100	2	-	-	2	102
JEANASIS	68	1	-	(1)	-	68
BAYFLOW	64	1	-	-	1	65
Other	283	2	-	(4)	(2)	281
Total (Adastria)	1,323	18	-	(5)	13	1,336
BUZZWIT Co., Ltd.	28	1	-	-	1	29
ELEMENT RULE Co., Ltd.	81	1	-	-	1	82
Other consolidated subsidiaries	12	3	-	-	3	15
Total (Japan)	1,444	23	-	(5)	18	1,462
Mainland China	18	-	-	-	-	18
Hong Kong	32	1	-	-	1	33
Taiwan	98	-	-	-	-	98
Thailand	6	-	-	-	-	6
The Philippines	3	-	-	-	-	3
Total (Overseas)	157	1	-	-	1	158
Total (Apparel and Sundry Goods-related Business)	1,601	24	-	(5)	19	1,620
zetton inc. (Note 3)	73	2	-	(1)	1	74
Other (Food and Beverage) total	73	2	-	(1)	1	74
Total (Group)	1,674	26	-	(6)	20	1,694

(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 and ST HD.
3. The number of stores of zetton inc. includes the stores of its consolidated subsidiary ZETTON, INC.(U.S.A.)