



(Translation)

To Whom It May Concern

Company	TSI Holdings Co., Ltd.
Representative	Tsuyoshi Shimoji, Representative Director & President
Stock Listing	Tokyo Stock Exchange Prime Market (Code: 3608)
Inquiry	Shunsuke Hasegawa, Public & Investor Relations Office +81 (0)3 5785 6400

Announcement on the Transfer of Shares in a Second-Tier Subsidiary

TSI Holdings (“the Company”) announces that it has entered into an agreement to transfer the shares of Efuego Corp. (“Efuego”), which is owned by its consolidated subsidiary, TSI US Holdings Co., LTD. (“TSI US”), as outlined below.

1. Reason for the Share Transfer

Efuego was established in 1999 as the operator of the e-commerce site “Tactics.com,” which specializes in skateboarding and snowboarding-related products. Since 2020, it has been part of our overseas business structure as a second-tier subsidiary, playing a pivotal role in our international expansion. During the COVID-19 pandemic, the Company thrived under favorable market conditions in the street-casual sector, which contributed to growth in both e-commerce and overseas sales. However, in the aftermath of the pandemic, rapid inflation and changes in consumer behavior in the U.S. have heightened competition in the domestic street-casual market, leading to ongoing challenges.

Under the Medium-Term Management Plan (TSI Innovation Program 2027, TIP27), announced on April 12, 2024, the Company has been focusing on restructuring its revenue model and refining its business strategy. As part of this initiative, it undertook organizational restructuring in the previous fiscal year and reassessed its business portfolio. Consequently, the Company determined that concentrating management resources on its core apparel business and high-growth overseas ventures will enhance its competitiveness and corporate value.

2. Overview of the Subsidiary Subject to Transfer

- (1) **Name:** Efuego Corp.
- (2) **Location:** 375 W. 4th Avenue, Suite 202, Eugene, OR 97401, U.S.A.
- (3) **Representative:** August Klingman, CFO
- (4) **Business:** Retailer of Action Sports Equipment and Wearing Apparel
- (5) **Capital:** USD 1 million
- (6) **Date of Establishment:** January 1, 1999
- (7) **Major Shareholder and Ownership Ratio**
Name of Shareholder: TSI US Holdings Co., Ltd.
Number of Shares: 900,330 shares (100%)
- (8) **Relationship with the Group**
Capital Efuego is a wholly owned consolidated subsidiary of TSI US (a second-tier subsidiary of the Company.) TSI US is wholly owned by the Company.
Personnel Two employees of the Company currently serve on the Board of Directors of Efuego. However, they are scheduled to resign upon the transfer of the shares.
Business There are a few intra-group transactions, but they are not significant.

(9) **Financial Highlights for the Past Three Fiscal Years (in USD)**

Fiscal Year	FY Ended Dec 31, 2022	FY Ended Dec 31, 2023	FY Ended Dec 31, 2024 *
Net Assets	8,764,403.00	5,611,906.00	2,753,592.00
Total Assets	15,559,315.00	11,589,750.00	9,123,009.00
Book Value per Share	9.73	6.23	3.06
Net Sales	22,421,663.00	19,287,238.00	19,128,214.00
Operating Profit (Loss)	(222,375.00)	(2,138,377.00)	(3,002,700.00)
Ordinary Profit (Loss)	(218,017.00)	(2,013,680.00)	(2,841,112.00)
Net Income (Loss)	(230,005.00)	(3,152,497.00)	(2,858,312.00)
Earnings per Share	(0.26)	(3.50)	(3.17)

* The audit review for the fiscal year ended December 2024 has not yet been finalized as of this disclosure.

3. Overview of the Acquiring Party

- (1) **Name:** Inversal Inc.
- (2) **Head Office:** 8 The Green, Suite A, Dover, DE, 19901, USA
- (3) **Representative:** Marc Roca, CEO
- (4) **Business:** A holding company primarily engaged in the e-commerce business
- (5) **Paid-in Capital:** Not disclosed as the company is privately held.
- (6) **Date of Establishment:** January 1, 2017
- (7) **Total net assets:** Not disclosed as the company is privately held.
- (8) **Total liabilities and net assets:** Not disclosed as the company is privately held.
- (9) **Major Shareholder and Ownership Ratio:** Not disclosed as the company is privately held.
- (10) **Relationship Between the Listed Company and the Subsidiary**

Capital	No significant matters to disclose.
Personnel	No significant matters to disclose.
Business	No significant matters to disclose.
Related Parties	No significant matters to disclose.

4. Number of Shares Transferred, Sale Price, and Ownership Status Before and After the Transfer

(1) Number of Shares Owned Before the Transfer:

900,330 shares

Voting rights: 900,330 (Ownership ratio: 100%)

(2) Number of Shares Transferred:

900,330 shares

Voting rights: 900,330 (Ownership ratio: 100%)

(3) Sale Price:

Not disclosed due to a confidentiality agreement with the transferee.

(4) Number of Shares Owned After the Transfer:

0 shares

Voting rights: 0 (Ownership ratio: 0.0%)

5. Schedule of Share Transfer

(1) **Agreement Date:** March 31, 2025

(2) **Transfer Date:** March 31, 2025

6. Future Outlook

The impact of this share transfer on the consolidated financial results for the fiscal year ended February 2025 and the fiscal year ending February 2026 is expected to be minimal.