



TSI HOLDINGS

July 14, 2025

(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

Reintroduction of the Employee Stock Ownership Plan (Trust-Type ESOP)

TSI Holdings Co., Ltd. (the “Company”) hereby announces that, at the Board of Directors meeting held today, it resolved to reintroduce a trust-type employee stock ownership plan (the “Plan”) as an incentive plan designed to enhance the Company’s medium- to long-term corporate value and improve employee welfare by utilizing the employee stock ownership association of the Company and its subsidiaries (collectively, the “Group”).

1. Purpose of the Reintroduction

The Company has resolved to reintroduce the Plan as part of its employee benefits program to revitalize the Employee Stock Ownership Association within the Group. The objectives of the Plan are to support the stable asset formation of employees, foster a greater sense of ownership and participation in corporate management, and provide performance-based incentives that contribute to enhancing the Company’s medium- to long-term corporate value.

The Company previously reintroduced the Plan in April 2020. After a comprehensive assessment of its performance and effectiveness, the Company has resolved to reintroduce the Plan once again.

2. Overview of the Plan

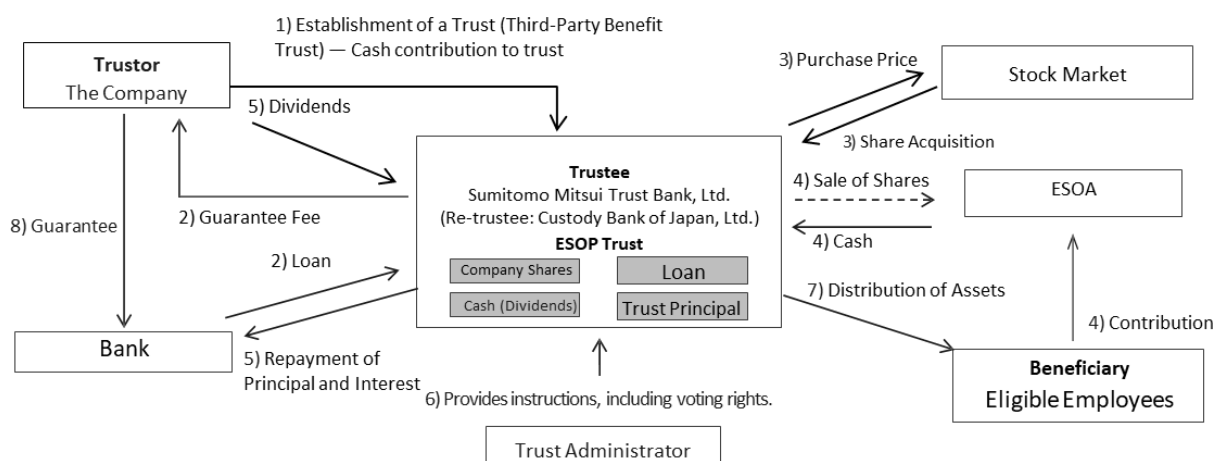
The Company will reintroduce the Plan for employees of the Group who are members of the TSI Employee Stock Ownership Association (the “ESOA”).

Under the Plan, the Company will establish a trust-type employee stock ownership plan (the “ESOP Trust”), under which eligible employees of the Group who are members of the ESOA will be designated as beneficiaries.

The ESOP Trust will acquire, in a single transaction, a number of shares in the Company expected to be purchased by the ESOA over the next five years, using funds procured through a loan. The Company will provide a guarantee for the loan associated with the ESOP Trust.

After implementing the Plan, the Company’s shares will be purchased by the ESOA from the ESOP Trust. If capital gains accumulate within the ESOP Trust from these purchases, they will be distributed to the beneficiary employees upon termination of the ESOP Trust. Conversely, if the share price drops and the Trust is unable to fully repay the loan, the Company will pay the remaining balance to the lending bank. Employees in the ESOA will not be responsible for any such deficit.

3. Structure of the Plan



- 1) The Company will establish the ESOP Trust.
- 2) The ESOP Trust will borrow funds from a financial institution to acquire shares of the Company. In connection with this borrowing, the Company, the ESOP Trust, and the financial institution will enter into a guarantee agreement, under which the Company will compensate the bank for any losses incurred. As consideration for this guarantee, the ESOP Trust will pay a guarantee fee to the Company.
- 3) Using the borrowed funds, the ESOP Trust will acquire, in a single transaction, a number of shares of the Company expected to be purchased by the ESOA during the term of the trust. The shares will be acquired through the stock exchange.
- 4) Throughout the term of the trust, the ESOP Trust will, in principle, sell the shares it holds to the ESOA at fair market value on a fixed monthly date.
- 5) Proceeds from the sale of shares to the ESOA, as well as dividends received on the shares held by the Trust, will be used to repay the principal and interest of the loan from the financial institution.
- 6) A trust administrator, acting to protect the interests of the beneficiaries and supervise the trustee, will provide instructions regarding the management of trust assets, including the exercise of voting rights.
- 7) Upon full repayment of the loan through the sale of Company shares, any remaining assets in the ESOP Trust will be distributed to employees of the Group who meet the beneficiary requirements, in accordance with the proportion of their entitlements as defined in the trust agreement.
- 8) If a loan balance remains after the disposition of the remaining assets in the ESOP Trust, the Company will fulfill its payment obligations for the outstanding debt under the guarantee agreement.

It should be noted that, under the Plan, Sumitomo Mitsui Trust Bank, Ltd., which will serve as the trustee, will entrust the management of the trust assets to Japan Custody Bank, Ltd. through a re-trust arrangement.

4. Overview of the ESOP Trust

(1) Trustor	The Company
(2) Trustee	Sumitomo Mitsui Trust Bank, Ltd. (Re-trust trustee: Japan Custody Bank, Ltd.)
(3) Beneficiaries	Eligible members of the ESOA
(4) Type	Cash trust (third-party beneficiary trust)
(5) Date of Agreement	August 8, 2025 (scheduled)
(6) Term	From August 8, 2025 to the end of August 2030 (scheduled)
(7) Purpose	To ensure a stable and continuous supply of the Company's shares to the ESOA, and to distribute trust assets to beneficiaries as determined through the prescribed beneficiary confirmation procedures

5. Details of Share Acquisition by the ESOP Trust

(1) Type of Shares	Common shares of the Company
(2) Total Amount	Maximum of ¥428,000,000 (scheduled)
(3) Term	August 8, 2025 to September 25, 2025 (scheduled)
(4) Method	Purchase on the stock exchange