TSI HOLDINGS

TSI HOLDINGS CO., LTD.

Financial Results Briefing for the Fiscal Year Ended February 2026

April 13, 2026

Event Summary

[Company Name]	TSI HOLDINGS CO., LTD.
[Company ID]	3608-QCODE
[Event Language]	JPN
[Event Type]	Earnings Announcement
[Event Name]	Financial Results Briefing for the Fiscal Year Ended February 2026
[Fiscal Period]	FY2026 Annual
[Date]	April 13, 2026
[Number of Pages]	32
[Time]	10:00 – 10:59 (Total: 59 minutes, Presentation: 27 minutes, Q&A: 32 minutes)
[Venue]	Webcast
[Venue Size]	
[Participants]	24
[Number of Speakers]	6

Tsuyoshi Shimoji	President and CEO
Masanori Maekawa	Director and COO
Mitsuru Naito	Director and CFO
Masahiro Takahashi	Executive Officer, Manager of TSI Daytona International Business Division
Kazuhiro Yamamoto	Executive Officer, General Manager of Production Management
Tsuyoshi Onoda	Executive Officer, Manager of Digital Business Division

Presentation

Moderator: Now it is time to begin the TSI Holdings, Inc. full-year financial results briefing for the fiscal year ending February 28, 2026.

Thank you very much.

Shimoji: Good morning. Thank you for your continued support. We will now be presenting the financial results for the full fiscal year ending February 28, 2026.

To begin, let us provide a general overview of the fiscal year 2026.

Overall, domestic consumption and employment remained steady. Consumption sentiment stayed firm, in part due to wage hikes and expectations of government economic stimulus measures. However, we recognize that the environment requires continued caution given the impact of Japan-China relations on inbound travel and consumption, as well as uncertainties surrounding the situation in the Middle East. In the apparel market, the weather was relatively stable from fall through winter, and the overall market remained firm.

In this environment, the Company's performance was affected by fluctuations in favorable and unfavorable conditions across channels and brands, but operating income increased significantly due to structural reforms. The consolidation of Daytona International and Waterfront also resulted in an increase in net sales.

FY2026 Full-Year Overview

Performance Highlights

Net sales increased year on year due to the expansion of the consolidation scope, while operating profit rose significantly to approximately 2.6 times the previous year, supported by structural reforms. However, both net sales and operating profit came in below plan, reflecting slower-than-expected progress in existing businesses.

(Unit: JPY billion)

Net Sales	Operating Income	Net Income
Full-Year 167.0 billion	Full-Year 4.3 billion	Full-Year 3.7 billion
vs FY2025 +10.4 billion / 106.7% YoY	vs FY2025 +2.6 billion / 264.4% YoY	vs FY2025 -11.4 billion / 24.9% YoY
vs Revised Forecast* -1.9 billion / 98.8% YoY	vs Revised Forecast* - 1.3 billion / 75.9% YoY	vs Revised Forecast* - 0.4 billion / 90.3% YoY

【Full-Year Highlights】

- Net sales increased, driven by the consolidation of Daytona International and Waterfront. However, performance fell short of plan due to continued weakness in core existing brands and challenges in acquiring new customers throughout the year.
- Operating income increased significantly year on year, supported by structural reforms, but fell short of plan due to weak sales in existing brands.
- Net income declined both year on year and versus plan, mainly due to the absence of one-off gains from real estate sales recorded in the previous year and the recognition of impairment losses in the current year.

*Revised forecast: Full-year consolidated earnings forecast announced on October 14, 2025.

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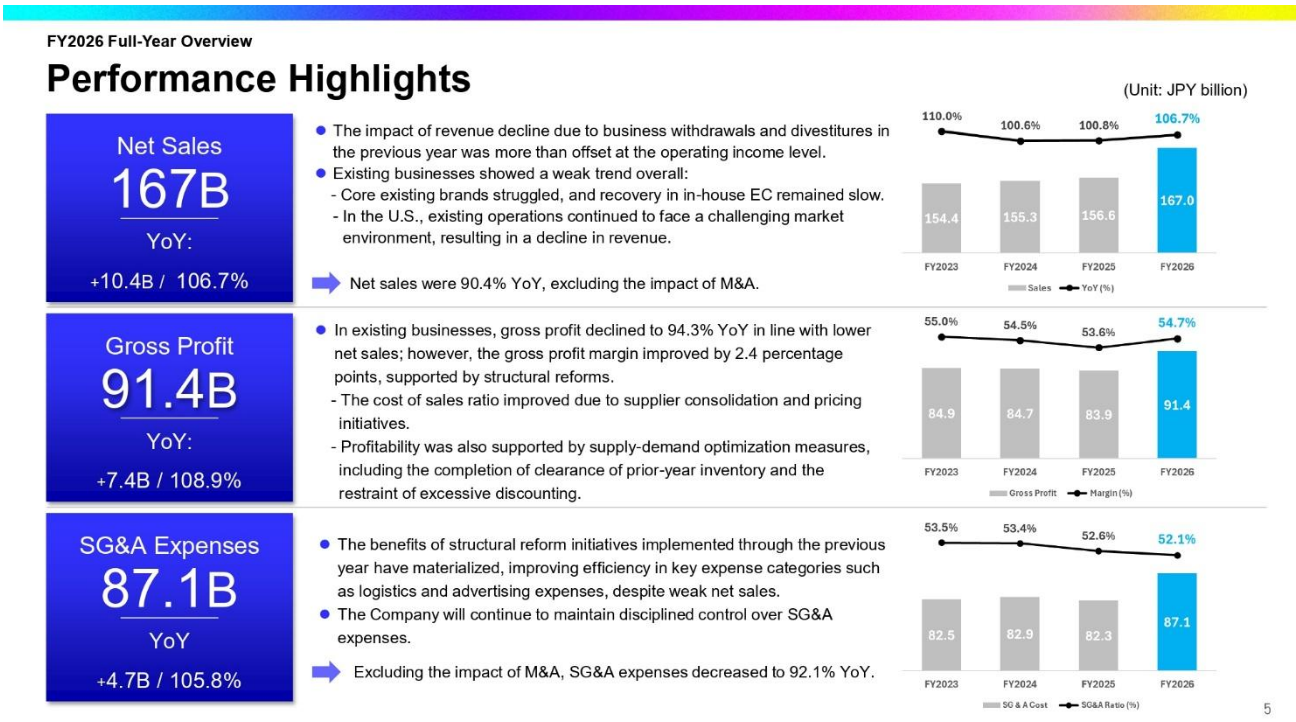
Now, here are the highlights of our performance.

For the full-year accumulation, net sales were JPY167 billion, operating income was JPY4.3 billion, and net income was JPY3.7 billion. Net sales increased from the previous fiscal year due to the expanded scope of consolidation. In addition, operating income increased significantly by approximately 2.6 times from the previous fiscal year because of profit structure reforms.

On the other hand, progress in existing businesses fell short of expectations, and both net sales and operating income missed expectations. Sales increased due to the consolidation of Daytona International and Waterfront, but the momentum of existing core brands was weaker than expected, and new customer acquisition was sluggish. Operating income increased significantly YoY due to structural reforms but was impacted by weak sales of existing brands relative to plan.

Net income was lower than both the previous fiscal year and the plan due to the absence of gains on the sale of real estate in the previous fiscal year, as well as the impact of impairment losses in the current year.



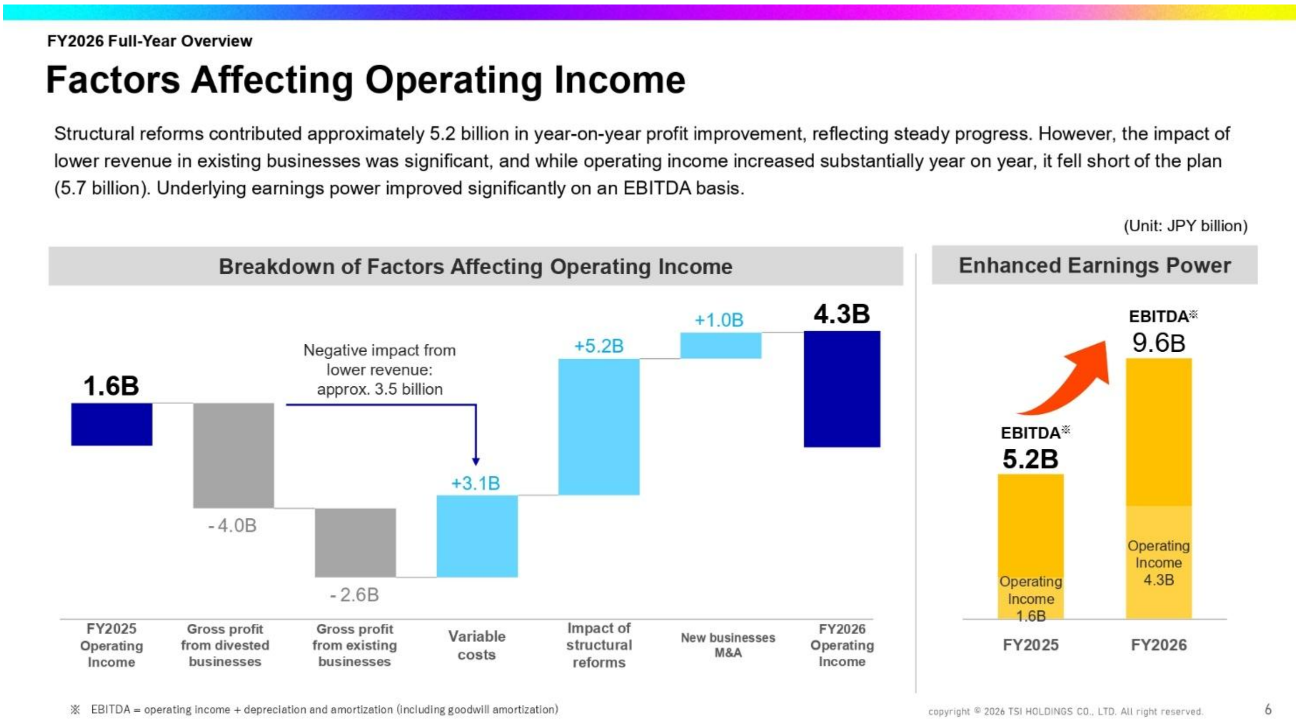
Next, I will provide a more detailed breakdown of our financial performance.

As I mentioned earlier, net sales for the period totaled JPY167 billion. Compared to the previous period, the figure was 106.7%. On the other hand, on a basis excluding M&A, the rate is 90.4%. In the previous fiscal year, the Company withdrew from and sold businesses, and the impact of these sales reductions contributed to the decrease in revenue. This is a positive factor for operating income.

On the other hand, existing businesses were weak overall. This is mainly due to sluggish sales of mainstay brands despite some very strong brands, and a slow recovery in our own e-commerce business. In addition, the existing US business continued to face deteriorating market conditions, resulting in a decline in sales.

Next is gross profit. Gross profit was JPY91.4 billion. Although gross profit decreased from the previous fiscal year due to a decline in sales in existing businesses, the gross profit margin improved by 2.4 percentage points due to structural reforms. Specifically, the purchase cost ratio improved following supplier consolidation and pricing reviews. In addition, the completion of inventory clearance that had been underway in the previous fiscal year and the curbing of excessive discounting contributed to improved profitability.

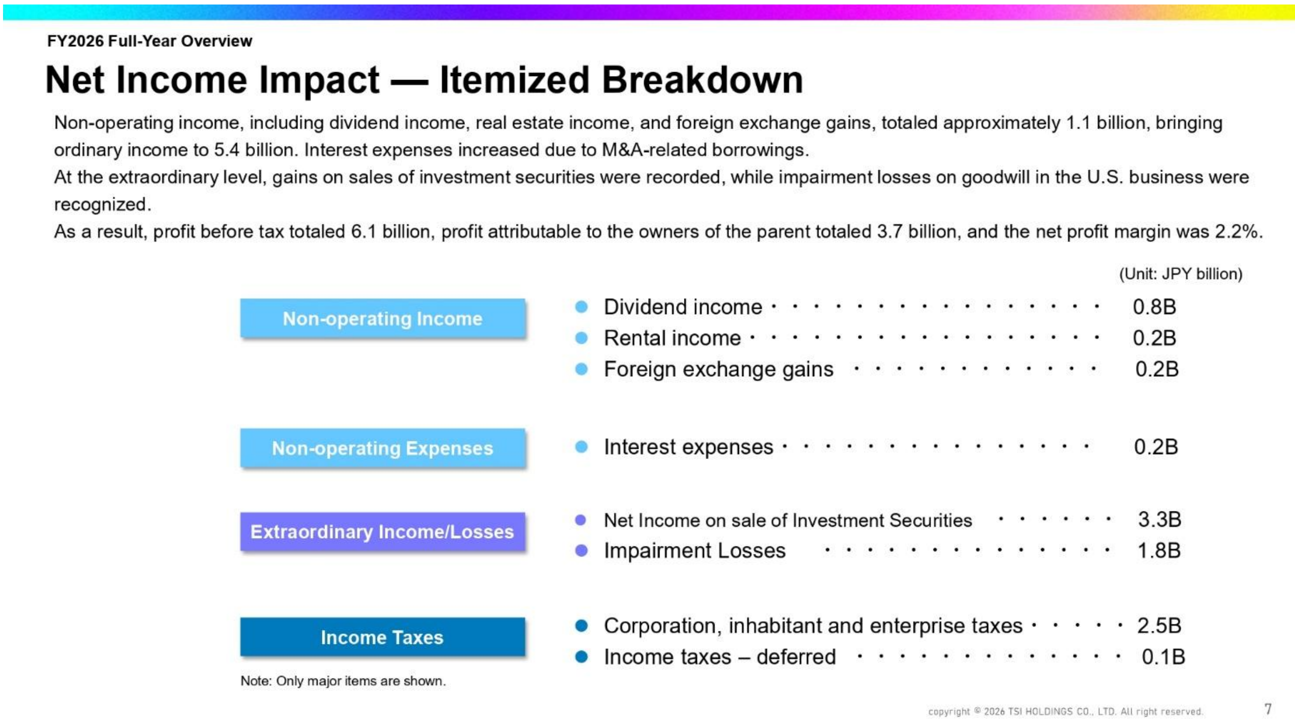
Next is SG&A expenses. SG&A expenses were JPY87.1 billion. The structural reforms that have been implemented up to the previous fiscal year are having an effect, and despite weak sales, efficiency improvements are being seen in key expense categories such as logistics and advertising and sales promotion expenses. We will continue to implement appropriate cost controls. Excluding the impact of M&A, SG&A expenses were 92.1% YoY.



The next is the factors affecting operating income.

Structural reforms contributed approximately JPY5.2 billion to YoY profit improvement, reflecting steady progress. However, due to the significant impact of the decline in revenue from existing businesses, the profit did not reach the planned JPY5.7 billion, although it increased significantly from the previous fiscal year.

On the other hand, as shown in the orange graph on the right, EBITDA, which is operating income plus depreciation and amortization and goodwill amortization, increased from JPY5.2 billion in the previous fiscal year to JPY9.6 billion in the current year, a significant improvement in real earning power.



Next, the factors affecting net income.

Non-operating income and expenses were approximately JPY1.1 billion positive, driven by dividend income, real estate income, and foreign exchange gains. As a result, ordinary income was JPY5.4 billion. Interest expenses increased due to M&A-related borrowing. With extraordinary income, the Company recorded a gain on the sale of shares held for strategic purposes. In addition, an impairment loss on goodwill in the US business was recorded as an extraordinary loss.

As a result, income before taxes was JPY6.1 billion and net income was JPY3.7 billion.

FY2026 Full-Year Overview

Balance Sheet

(Unit: JPY million)

	As of February 28, 2025		As of February 28, 2026			
	Results	Composition Rate (%)	Results	Composition Rate (%)	Y/Y Change	Y/Y (%)
Current Assets	86,273	61.1%	79,682	45.7%	-6,591	92.4%
(of Cash and Deposits)	46,325	32.8%	28,478	16.3%	-17,847	61.5%
(of which, Inventory)	25,909	18.4%	30,841	17.7%	4,932	119.0%
Non-current Assets	54,885	38.9%	94,522	54.3%	39,637	172.2%
(of Investment Securities)	23,490	16.6%	28,628	16.4%	5,138	121.9%
(of Investment Real estate)	2,248	1.6%	2,237	1.3%	-11	99.5%
Total Assets	141,159	100.0%	174,204	100.0%	33,046	123.4%
Current Liabilities	26,864	19.0%	35,190	20.2%	8,326	131.0%
(of Short-term borrowings)	107	0.1%	7,637	4.4%	7,530	7137.4%
(of Current portion of long-term borrowir	1,140	0.8%	5,552	3.2%	4,412	487.0%
Non-current Liabilities	6,063	4.3%	39,693	22.8%	33,630	654.7%
(of Long-term borrowings)	407	0.3%	31,621	18.2%	31,214	7769.3%
Total Liabilities	32,928	23.3%	74,883	43.0%	41,956	227.4%
Total Net Assets	108,230	76.7%	99,321	57.0%	-8,909	91.8%
(of Treasury stock(-))	-6,160	-4.4%	-5,233	-3.0%	927	85.0%
Total Liabilities and Net Assets	141,159	100.0%	174,204	100.0%	33,045	123.4%

Cash and deposits
- Decreased to 61.5% YoY. The previous year-end balance was elevated due to proceeds from real estate sales; however, the balance at the end of the current period returned to a normal level, reflecting proactive investments in growth (including M&A) and shareholder returns.

Inventories
- 97.8% YoY on an existing business basis.
- Inventory efficiency remains insufficient and will continue to be a focus area.

Investment securities
- Reduced from the previous year-end on a book value basis, reflecting ongoing sales of cross-shareholdings.

Short-term and long-term borrowings
- Increased due to bank borrowings for working capital and M&A.
- "Mizuho Eco Finance," a sustainable finance framework, was adopted.
- The establishment of a commitment line enables more flexible financing.

Treasury stock
- Share buybacks totaling 12.0 billion were executed in July 2025.
- All treasury shares were retired as of the end of January 2026.

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The following is about the balance sheet.

First, cash and deposits. Although the balance increased at the end of the previous period due to the sale of real estate, the balance at the end of the current period is within the normal working capital range as a result of investments in growth, such as M&A and shareholder returns.

Next, inventories. In terms of existing business, the ratio was 97.8% compared to the previous fiscal year. There is still room for improvement in inventory efficiency, which we will continue to strengthen.

Investment securities have been reduced from the end of the previous fiscal year on a book value basis due to the sale of shares held by the Company for policy purposes. Short- and long-term borrowings have increased due to borrowings for working capital and M&A funding. Mizuho Eco Finance, a sustainable finance framework, was utilized for the loan. In addition, the establishment of commitment lines of credit allows the Company to raise funds flexibly.

Finally, treasury stock. The Company repurchased JPY12 billion of its own shares in July 2025 and retired all of them at the end of January 2026.

FY2026 Sales performance by Channel

Sales by Channel

Domestic brick-and-mortar store sales increased by 6.5 billion, or 107.2% YoY, driven by strong performance in non-department store channels, including Daytona International and existing men's casual brands. In contrast, department stores declined to 85.3% YoY due to the impact of divestments and store closures in the previous year. Other domestic businesses also declined to 86.9% YoY, while overseas sales decreased to 70.0% YoY, reflecting continued weakness in the U.S. business and the impact of divestment.

(Unit: JPY billion)

		FY2024	FY2025※3	FY2026※4	YoY
Domestic Retail	Department Store [% of total sales]	19.2B [12.4%]	18.0B [11.5%]	15.4B [9.2%]	85.3%
Domestic Retail	Commercial Facilities ※1 [% of total sales]	70.4B [45.3%]	73.1B [46.7%]	82.3B [49.3%]	112.6%
Domestic Retail	E-commerce [% of total domestic retail sales]	34.7B [27.9%]	33.6B [27.0%]	43.8B [31.0%]	130.1%
Domestic Misc. ※2 [% of total sales]		18.7B [12.0%]	19.7B [12.6%]	17.1B [10.3%]	86.9%
Overseas [% of total sales]		12.3B [7.9%]	12.0B [7.7%]	8.4B [5.0%]	70.0%

※1 Commercial Facilities: Stores located in shopping centers, outlet malls, etc.
※2 Domestic Misc.: Wholesale sales, sales to the employees, and other sales by TSI Group's apparel-related business, as well as non-apparel business
※3 Certain misstatements and consolidation eliminations were partially corrected; no impact on consolidated net sales.
※4 Daytona International Co., Ltd. has been consolidated since September 2025, and Waterfront Co., Ltd. since December 2025.

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Next, sales by channel.

Department store sales were 85.3% YoY due to the impact of divestments and store closures in the previous fiscal year, while non-department store sales were 112.6% YoY, driven by Daytona International and existing men's casualwear brands. As a result, total domestic real store sales increased JPY6.5 billion, or 107.2%, compared to the previous fiscal year. On an existing-store basis, the total number of physical stores in Japan, excluding M&A and divestments, was 99.6%, almost unchanged from the previous year.

Domestic others, which mainly consists of businesses other than wholesale and apparel, was 86.9% YoY due to the impact of divestments in the previous fiscal year, and overseas was 70% YoY due to the continued struggles of the US business and the impact of those divestments.

FY2026 Sales Performance by Channel

E-commerce Sales

Domestic e-commerce (EC) sales increased by 10.1 billion, or 130.1% YoY, driven by strong contributions from Daytona International, which was consolidated from September, across both in-house and third-party EC channels.
In-house EC sales in Japan increased by 1.8 billion to 112.3% YoY, while third-party EC sales rose by 8.3 billion to 143.7% YoY.
Overseas EC sales declined to 52.2% YoY, reflecting the impact of U.S. divestments and weaker performance in existing businesses.

(Unit: JPY billion)

		FY2024	FY2025※2	FY2026※3	YoY
Domestic	In-house [% of total domestic E-comm]	15.8B [45.7%]	14.6B [43.4%]	16.4B [37.5%]	112.3%
Domestic	3rd Party [% of total domestic E-comm]	18.8B [54.3%]	19.0B [56.6%]	27.3B [62.5%]	143.7%
Domestic	Total Domestic [% of total domestic retail sales]	34.7B [27.9%]	33.6B [27.0%]	43.8B [31.0%]	130.1%
Overseas E-Commerce [% of total overseas retail sales]		3.9B [32.0%]	4.1B [34.2%]	2.1B [25.5%]	52.2%
Total E-Commerce Sales [% of total retail sales]※1		38.6B [28.3%]	33.7B [27.6%]	45.9B [30.7%]	121.6%

※1 The e-commerce sales ratio is calculated excluding other domestic sales (such as wholesale and employee sales).
※2 Certain misstatements have been partially corrected (Domestic and Overseas E-commerce, etc.). There is no impact on consolidated net sales.
※3 Daytona International Co., Ltd. has been consolidated since September 2025, and Waterfront Co., Ltd. since December 2025.

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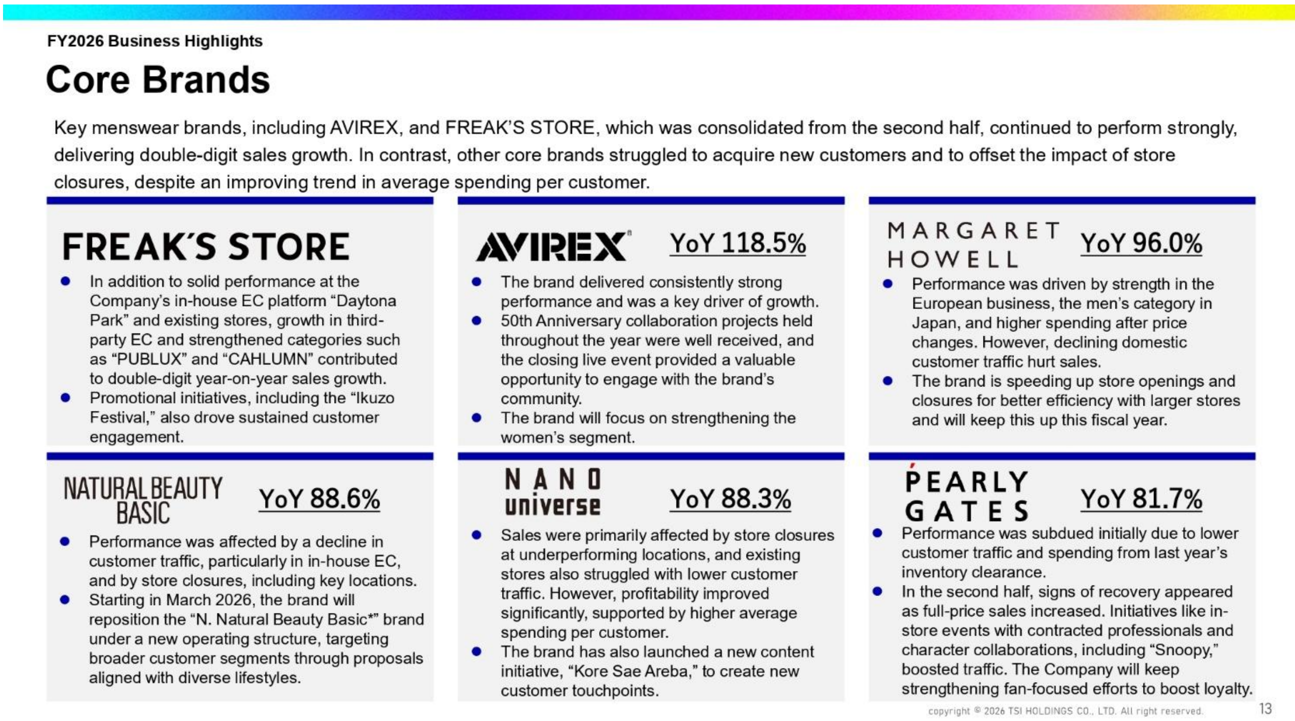
E-commerce sales.

Domestic e-commerce sales increased by JPY10.1 billion, 130% YoY, with Daytona International, which was consolidated from September, making a significant contribution to both in-house and 3rd-party platforms. Domestic e-commerce sales increased JPY1.8 billion, 112% YoY. Excluding Daytona and Waterfront, which was consolidated from December, domestic in-house e-commerce was 80% YoY. I would like to talk about mix.tokyo later.

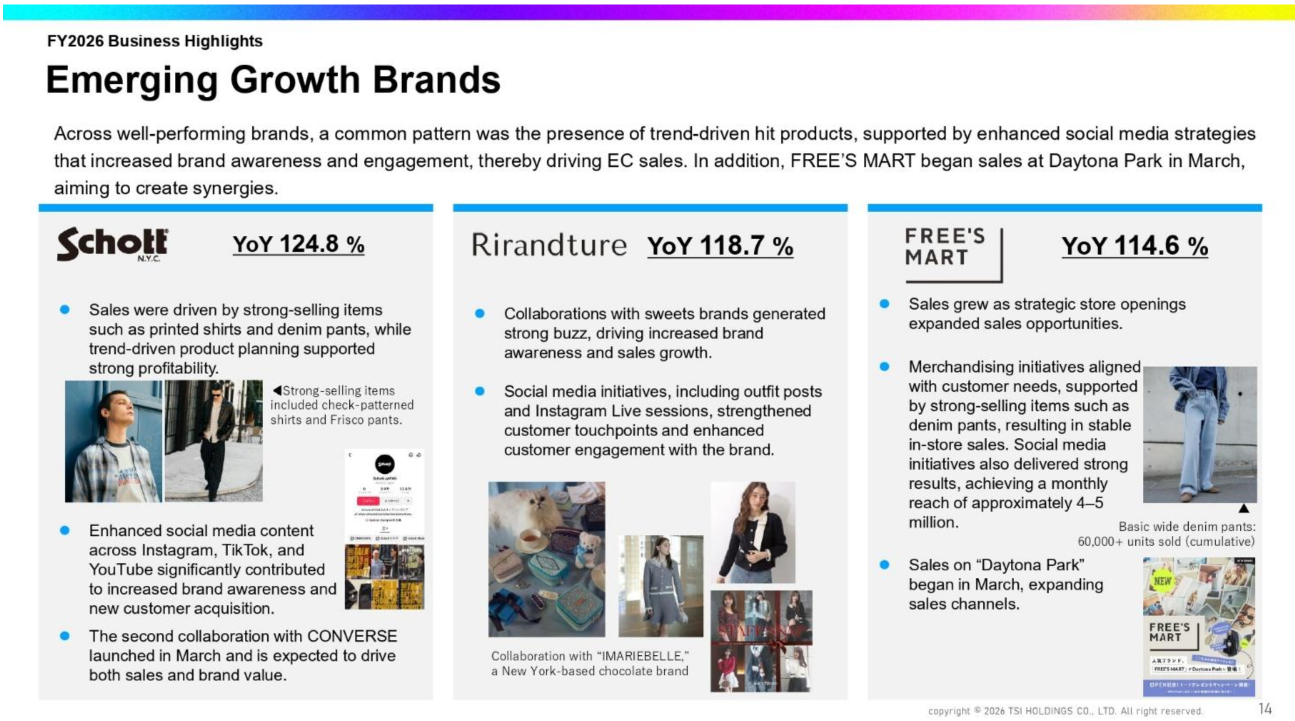
Overseas e-commerce sales were 52% YoY due to the divestment as well as the reduced sales in the existing businesses in the US-based business, which also spread to e-commerce.



Core brands. AVIREX and FREAK'S STORE, consolidated from H2, continued to perform well with double-digit sales growth.

FREAK'S STORE is performing well, with its e-commerce and existing stores both performing well, and its sales promotion measures continuing to attract customers. AVIREX surpassed JPY10 billion in sales for the first time as a stand-alone brand. The brand has grown to become the driving force behind the Group.

Other mainstay brands struggled to attract new customers and exit stores, even though average spend per customer trended upward, leaving some brands with issues to be addressed.



For brands that are performing well, there were trend-driven hit products and a trend toward increased recognition and interest through strengthened social networking sites strategies, leading to e-commerce sales. Schott continued to achieve double-digit growth at existing stores each month compared to the previous fiscal year. Current sales are also going strong, driven by denim pants and highly trendy projects.

FREE'S MART also opened four stores in the previous fiscal year, expanding sales. Existing stores are also performing well, driven by strong-selling products and other factors. In March, Daytona International began handling products through its own e-commerce site, Daytona Park, and although synergies have yet to be created, the Company is working to expand new sales channels.

FY2026 Business Highlights

Reached an agreement for Toyo Enterprise Co., Ltd. to join the TSI Group

Since the announcement of TIP27, the Company has been exploring initiatives to further strengthen its sales capabilities as part of its growth strategy. As a result, the Company has agreed to acquire 100% of the shares of Toyo Enterprise Co., Ltd., which operates brands including “TAILOR TOYO,” “SUGAR CANE,” and “BUZZ RICKSON’S.”

Overview

TOYO ENTERPRISE CO., LTD.

Company:	Toyo Enterprise Co., Ltd.
Head Office:	Sumida, Tokyo
Established:	November, 1965
Representative:	Ryoichi Kobayashi, Representative Director
Group companies:	Lei Lani Co., Ltd. Net Work Inc.
Core Brands:	TAILOR TOYO, SUGAR CANE BUZZ RICKSON’S, SUN SURF, etc.

A long-established apparel manufacturer centered on American casual wear, with origins in supplying souvenir jackets to U.S. military bases. The Company operates directly managed stores and maintains a nationwide wholesale network with specialty retailers, with annual sales of approximately 4.4 billion. As a “custodian of cultural heritage,” the Company is committed to craftsmanship that faithfully reproduces vintage designs, pursuing materials and manufacturing techniques to the highest standards.

Core Competencies

Unparalleled authenticity and mastery of reproduction, rooted in a rich historical heritage

A niche leader with timeless appeal

※ Details of the acquisition, as well as its impact on the Company’s performance for the current fiscal year and its medium-term management plan, will be disclosed promptly after closing.

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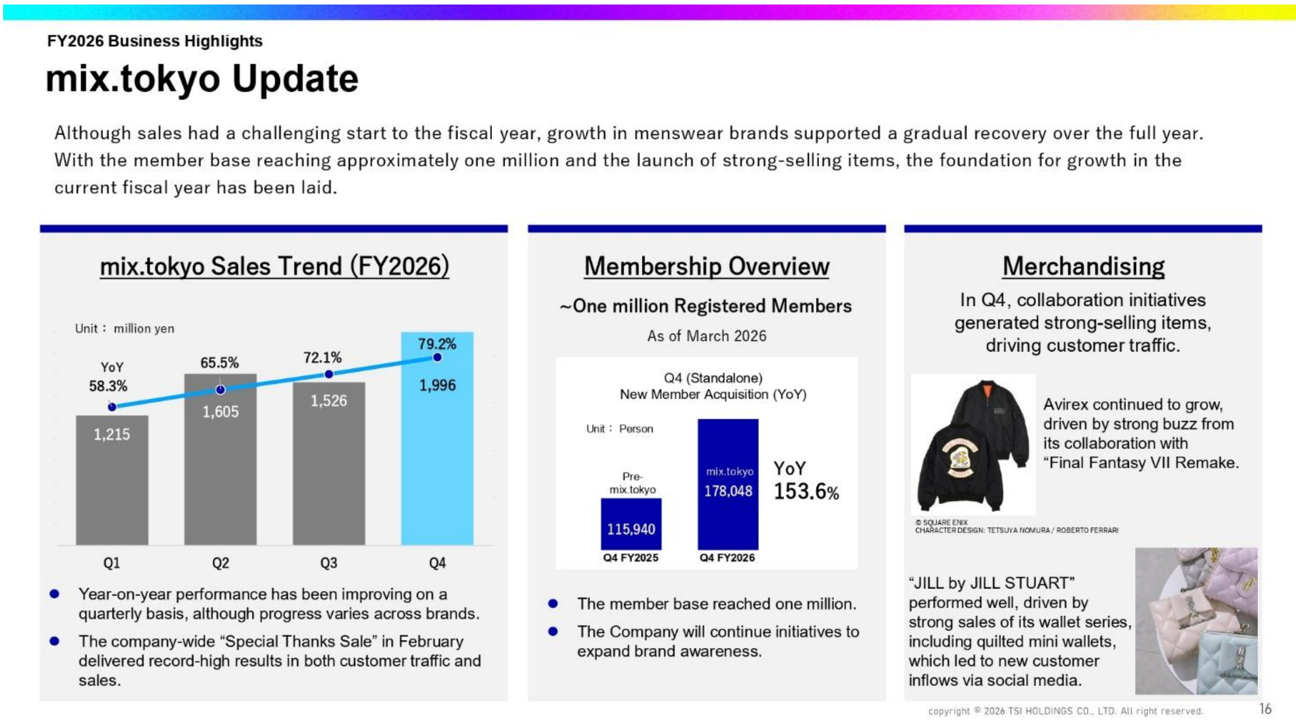
Last year, we announced the M&A of Daytona International and Waterfront, and now we have agreed to add Toyo Enterprise to the Group. The Company has its roots in the Kosho Shokai of the 1940s and has been a pioneer in pursuing authenticity in the souvenir jacket culture.

Craftsmanship of brands such as TAILOR TOYO and BUZZ RICKSON'S, which reproduce vintage materials and cutting to the utmost limit, is the very symbol of Japanese quality.

The synergistic effects expected from this grouping include the combination of TSI's craftsmanship in ultimate restoration and cultural inheritance with TSI's diverse brand portfolio, and the utilization of TSI's unique products and mix.tokyo's foundation, which no other company can imitate, to approach new customer segments in addition to the existing enthusiast segment. The Company also expects to expand its sales channels.

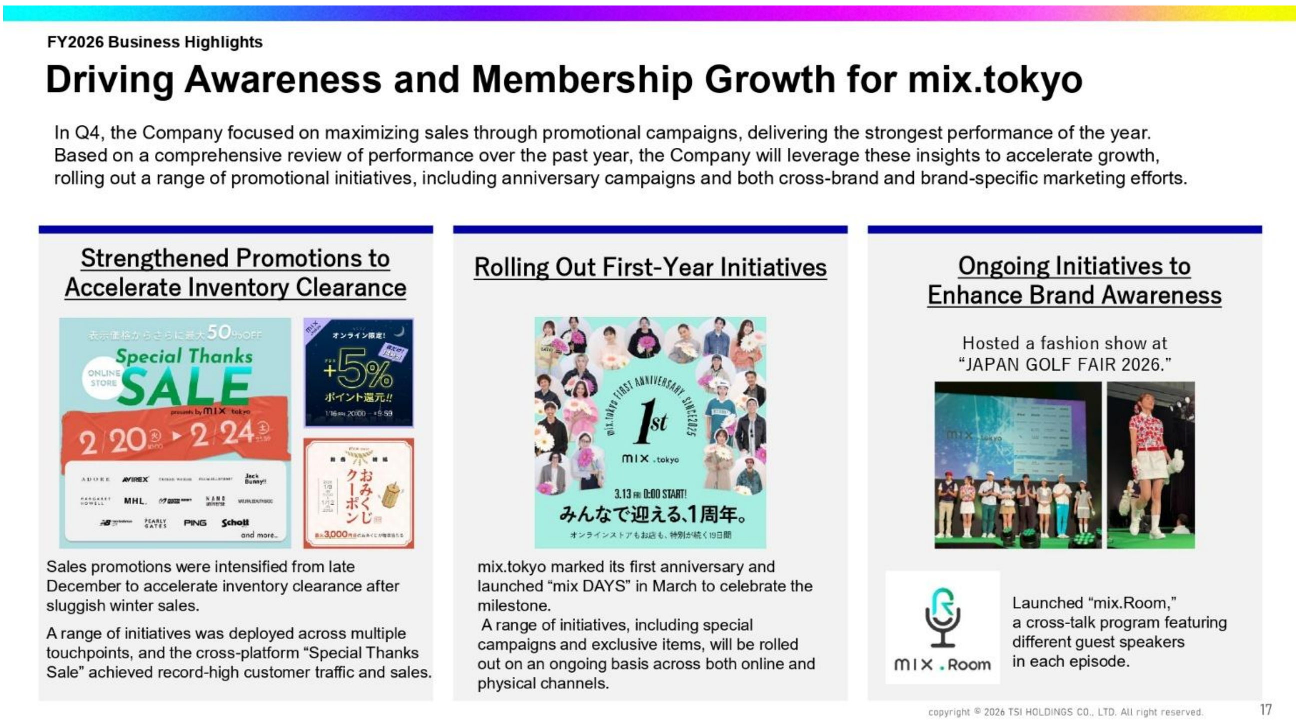
Although they overlap in terms of portfolio, they have a strong affinity with existing mainstay brands such as AVIREX and ALPHA INDUSTRIES, and by working side-by-side with them, we can gain a dominant share of the American casual market and jointly communicate the proud quality of Japanese products to the global market. We believe that this will be a great opportunity for the two companies to work side by side.

Through these multifaceted synergies, we aim to accelerate the growth strategy of the entire group and further enhance corporate value over the medium to long term.

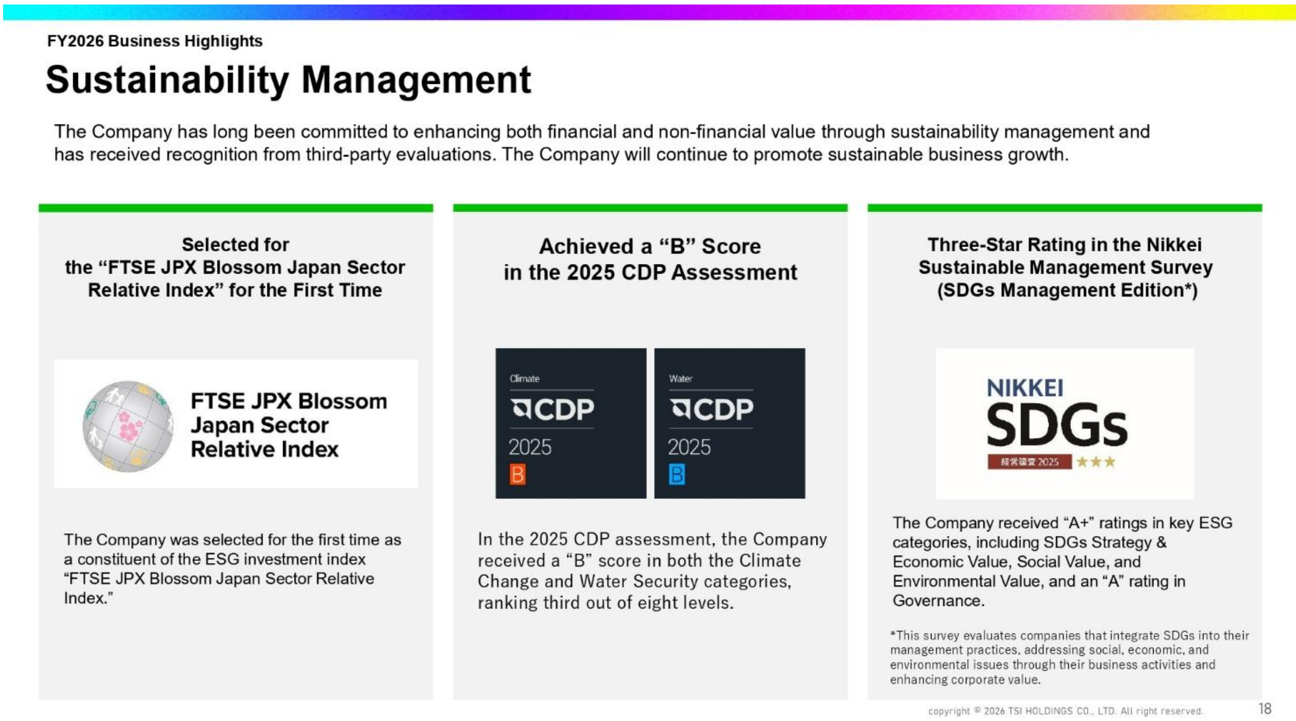


Here are the updates of mix.tokyo. In terms of sales trends, despite a difficult start to the fiscal year, growth in menswear brands contributed to a gradual catch-up in each quarter. Although there are still issues to address, we are currently formulating a regrowth plan, including measures to expand recognition.

The Company-wide sales held in February attracted a record number of customers and sales. We feel that the foundation for growth is now in place, as we have expanded our membership and have reached the one-million-member mark.



Expansion strategy. mix.tokyo celebrated its first anniversary and began its anniversary project in March. In-store events were strengthened, including the distribution of original novelties to mark the first anniversary of the store. We will continue to strengthen measures to raise brand awareness and plan to launch several limited-edition items and brand-linked projects in the future.



Sustainability management. Here are some of the most recent third-party evaluations we have received.

We were selected for the FTSE's Blossom Japan Index. This index is used by the GPIF, one of the world's largest pension funds, as a benchmark for its investments. In CDP's assessment, we received a B score in water security, as well as in climate change.

In the Nikkei Sustainability Management Survey, we also received a three-star rating in the SDGs Management section. This survey is designed to evaluate the sustainability of our business and its contribution to society from multiple perspectives through our SDGs initiatives.

Together with all stakeholders, we will continue to deepen our sustainable management to build a better society.

FY2026 Business Highlights

Sustainability Management

The Company has formally resolved to establish the "TSI Foundation for Future Fashion," as previously announced on February 18, 2026.

Purpose of Establishment

To continue delivering happiness through fashion, the Company believes it is essential to foster a society and culture where fashion can be enjoyed sustainably.
Accordingly, the Company has decided to establish the TSI Foundation for Future Fashion to address social issues in the fashion industry alongside its corporate activities, with the aim of creating a society where more people can enjoy fashion.
Through highly public-interest-driven initiatives, the Company aims to contribute to the development of a rich cultural environment for fashion while enhancing sustainable corporate value.

Overview of the Foundation

(1)	Name	TSI Foundation for Future Fashion (General Incorporated Foundation)
(2)	Location	Akasaka, Minato-ku, Tokyo
(3)	Representative Director	Tsuyoshi Shimoji (tentative)
(4)	Key Activities	a. Initiatives to support the development of the next generation through scholarships and grants b. Biodiversity Initiatives c. Community Initiatives
(5)	Area of Activity	Japan
(6)	Annual Budget	Approximately ¥40 million (planned)
(7)	Date of Establishment	June 2026 (planned)
(8)	Other	The Foundation's articles of incorporation are expected to stipulate that the voting rights attached to the Company's shares held by the Foundation will not be exercised

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We have decided to establish the TSI Foundation for Future Fashion, which was announced on February 18, 2026. This foundation is established not only for our company but also to address social issues that will shape the future of the fashion industry as a whole. Of course, we will continue to work on social issues on our own, but in the future, we aim to contribute to the industry by working with the foundation on both fronts. For details, please refer to the recently disclosed documents.

The establishment of the Foundation is subject to approval of a special resolution at the general shareholders' meeting scheduled for May 22.

FY2026 Progress of the Structural Reforms

Progress of Structural Reforms

Improvements across structural reform initiatives became evident throughout the year compared with the previous year, contributing approximately 5.2 billion to operating income. In the current fiscal year, the Company will continue to refine these initiatives through ongoing evaluation and adjustments to maximize their impact.

(Unit: JPY billion)

Purpose	Course of Action	Full-Year Improvement (YoY)
Purchase Cost Reductions & Optimized Supply/Demand Management	▸ Company-wide strategy for production and manufacturing e.g.) Supplier and factory consolidation, Relocation of production bases, Optimization of delivery operations, Local settlement of payments ▸ Standardized approach to price analysis and decision-making	Approx. 1.6B
Retail Operation Reform	▸ Area-based optimization and reform of sales staff allocation	Approx. 0.9B
E-commerce Platform Integration & System Renewal	▸ Cost reduction through e-commerce platform consolidation ▸ Improved efficiency through streamlining operations and management systems	Approx. 0.5B
Improve Efficiency of Costs including SG&A	▸ Logistics cost optimization initiatives ▸ Cross-functional cost control (advertising, promotion, and outsourcing) ▸ Workforce optimization implemented in the previous fiscal year	Approx. 2.2B
		Total 5.2B

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Progress on structural reforms. We estimate that the impact of structural reforms will be approximately JPY5.2 billion for the full year, compared with the fiscal year ending February 28, 2025. With an improvement of approximately JPY2.3 billion in the fiscal year ended February 28, 2025, we expect an improvement of approximately JPY7.5 billion over the next two years. In the current fiscal year, we will pursue maximum effectiveness through repeated verification and review.

FY2027 Consolidated Earnings Forecast

FY2027 Full-Year Earnings Forecast

Net sales are projected to reach 200.0 billion (+19.7% YoY), driven by growth in existing businesses and full-year contributions from the two M&A companies. Operating income is expected to increase to 7.5 billion (+73.4% YoY), supported by these factors and the continued realization of structural reform benefits.

Ordinary income is forecast at 7.2 billion (+32.3% YoY), and profit attributable to owners of parent at 7.7 billion.

(Unit: JPY billion)

	FY2025 Results	FY2026 Results	FY2027 Forecast	Change	Change (%)
Net Sales	156.6B (YoY：100.8%)	167.0B (YoY：106.7%)	200.0B (YoY：119.7%)	＋32.9B	＋19.7%
Operating Income	1.6B (Margin：1.0%)	4.3B (Margin：2.5%)	7.5B (Margin：3.7%)	+3.1B	+73.4%
Ordinary Income	2.0B (Margin：1.3%)	5.4B (Margin：3.2%)	7.2B (Margin：3.6%)	+1.7B	+32.3%
Net Income	15.2B (Margin：9.7%)	3.7B (Margin：2.3%)	7.7B (Margin：3.8%)	＋3.9B	＋103.0%

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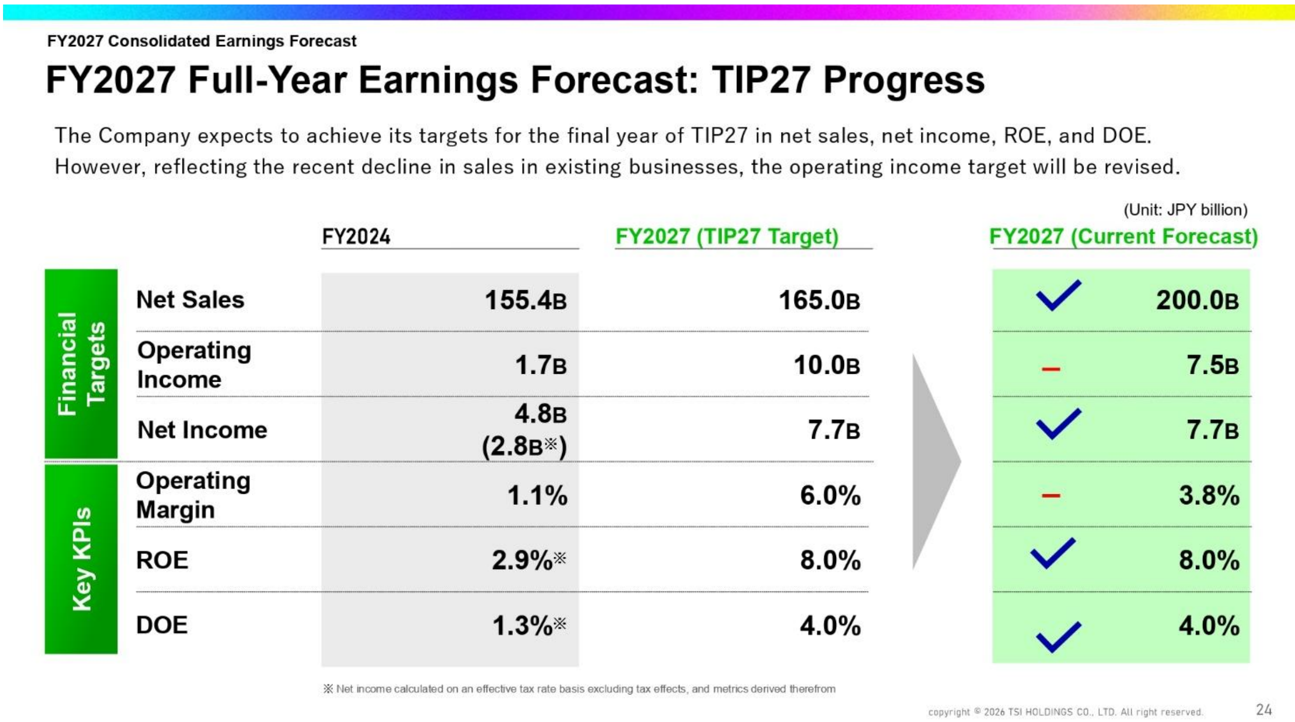
This is the full-year earnings forecast for the current fiscal year. Net sales are expected to be JPY200 billion, or 119% YoY, driven by growth in existing businesses and contributions from two M&A companies. Operating income is expected to be JPY7.5 billion, or 173% YoY, reflecting the full impact of profit structure reforms in addition to the above. Ordinary income and net income are projected to be JPY7.2 billion and JPY7.7 billion, respectively.



I would like to explain the projection against the TIP27 target that was initially set.

Net sales are expected to exceed the initial plan, mainly due to contributions from M&A. However, we have revised our operating income and operating income ratio in light of the current decline in sales of existing businesses.

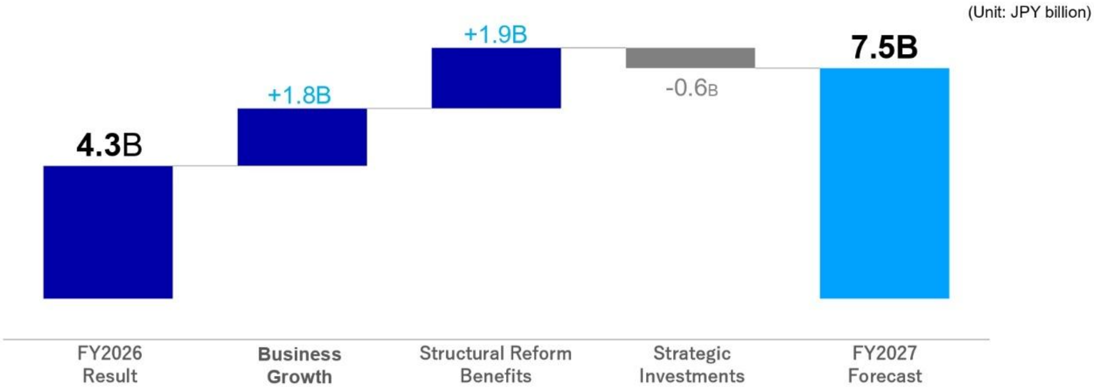
The initial net income target of JPY7.7 billion remains unchanged, but we expect to further reduce cross-shareholdings, which we have been promoting for some time. In addition, as announced on the same day, the Company will purchase treasury stock as part of its shareholder return program and increase the dividend per share, including special dividends, to achieve the initial targets for ROE and DOE as KPI indicators.

As a result of the above, although we did not achieve operating income or operating margin, we plan to meet the other indicators.

FY2027 Consolidated Earnings Forecast

Operating Income Bridge (FY2027 Forecast)

Operating income is set at 7.5 billion (+73.4% YoY), reflecting growth in existing businesses and the further realization of structural reform benefits compared with the FY2026 results.
However, this is below the TIP27 final target of 10.0 billion, due to an approximately 10.0 billion shortfall in existing business sales versus the TIP27 target, with a full recovery not assumed in the FY2027 forecast.
Meanwhile, structural reform benefits are expected to be broadly in line with the TIP27 plan.



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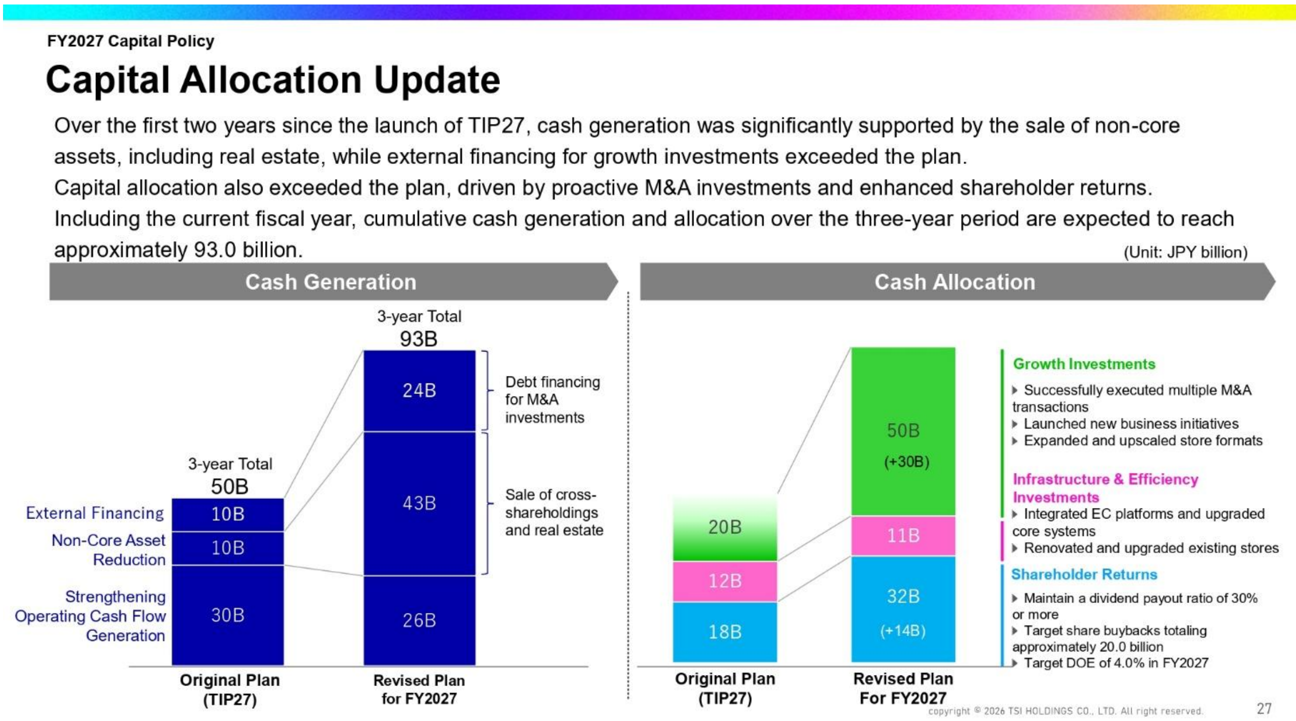
Supplemental explanation regarding operating income.

The operating income forecast for the fiscal year ending February 28, 2026, is JPY7.5 billion, reflecting the growth of existing businesses and the further effects of structural reforms, both of which are expected to increase profits.

One of the reasons for the decrease in profit is that the sales target for existing businesses has fallen about JPY10 billion short of the original plan, and although sales will recover to some extent, they are not expected to reach a sufficient level. As a result, gross profit and operating income have been revised downward. On the other hand, the effects of structural reforms are expected to almost reach the TIP27 plan.



Updated cash generation and capital allocation for the three-year period of TIP27.

In terms of cash generation, the results for the two fiscal years since TIP27 was formulated show a decrease in operating cash flow due to a decline in sales in existing businesses, but a significant increase in sales of investment properties and investment securities. In addition, external borrowings for investment in growth exceeded the plan.

With respect to capital allocation, we are actively promoting M&A as a driver of growth, while strengthening shareholder returns, including share buybacks. In the current fiscal year, we expect to generate and distribute JPY93 billion, bringing the cumulative total to JPY93 billion across the three fiscal years.

FY2027 Capital Policy

Shareholder Returns: Dividend Forecast

Under its policy of maintaining a dividend payout ratio of 30% or more, the Company has supplemented dividends with special payouts during the TIP27 period.
For FY2027, the Company plans to pay a total dividend of 70 yen per share, comprising a base dividend of 55 yen (payout ratio: 41.6%) and a special dividend of 15 yen (payout ratio: 53.0%).
This represents a record-high level and is expected to achieve the 4.0% DOE target set under TIP27.

	FY2024	FY2025	FY2026	FY2027 Forecast
Dividend (Special Dividend)	¥15	¥65 (¥46)	¥40 (¥15)	¥70 (¥15)
Dividend Payout Ratio	25%	30%	61%	53%

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Shareholder returns and dividend forecasts.

The Company's basic dividend policy is to maintain a dividend payout ratio of 30% or more as an indicator. We also announced that we would pay a special dividend during the TIP 27 period.

For the current fiscal year, we have decided to pay a basic dividend of JPY55, a payout ratio of 41%, and add a special dividend of JPY15 for a total of JPY70 and a payout ratio of 53%.

The basic dividend is increased every fiscal year. It is expected to be the highest level ever and to meet the targeted indicator of 4% DOE.

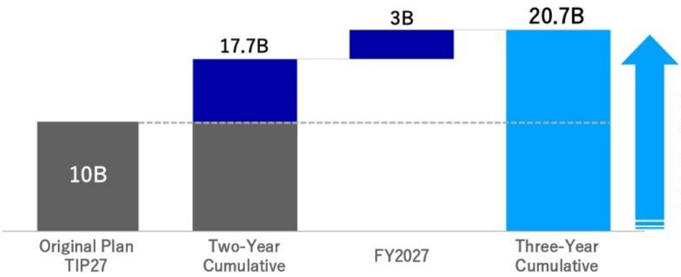
FY2027 Capital Policy

Shareholder Returns: Share Buybacks

The Company has announced a share buyback program of up to 3.0 billion, to be executed by the end of October 2026. While the initial cumulative target under TIP27 was 10.0 billion or more, total share buybacks are expected to exceed 20.0 billion following this program.

In addition, 630,000 shares—representing less than 1% of total shares outstanding (including treasury shares)—will be allocated in connection with the establishment of the TSI Foundation for Future Fashion.

Acquisition Period	April 13 – October 30, 2026
Maximum Number of Shares to Be Acquired	3,300,000 shares



Including the additional 3.0 billion from this program, cumulative share buybacks over the three-year period are expected to be approximately double the original TIP27 plan.

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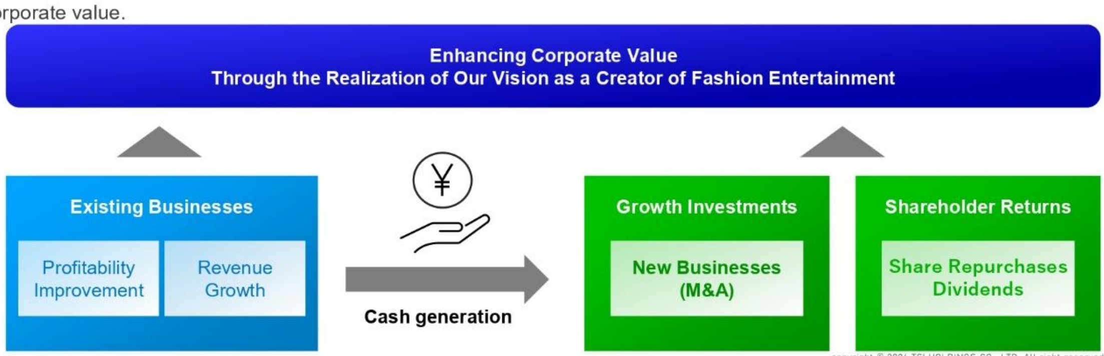
The Company has also announced a share buyback program.

The initial target for the TIP27 period was more than JPY10 billion, but this acquisition brings the total to the JPY20 billion scale over the three-year period. In connection with the establishment of the TSI Fashion Future Foundation, announced separately, 630,000 shares, or 0.99% of the total number of issued shares, will be allocated, and the remaining portion will be canceled in January next year.

Looking Ahead to FY2027

- Amid increasing uncertainty, the Company believes that brands with a clear identity and strong appeal will be chosen, and it will focus on further strengthening these attributes.
- Strengthening sales capabilities will be key to growth. Together with new members of the TSI Group, the Company will refine both product development and sales to pursue its core strength as a retailer.
- The Company aims to remain an employer of choice by strengthening dialogue between management and employees and fostering an environment where employees can take on challenges with confidence and pride.
- The Company will strengthen existing businesses, make growth investments, and return capital to shareholders to enhance corporate value.



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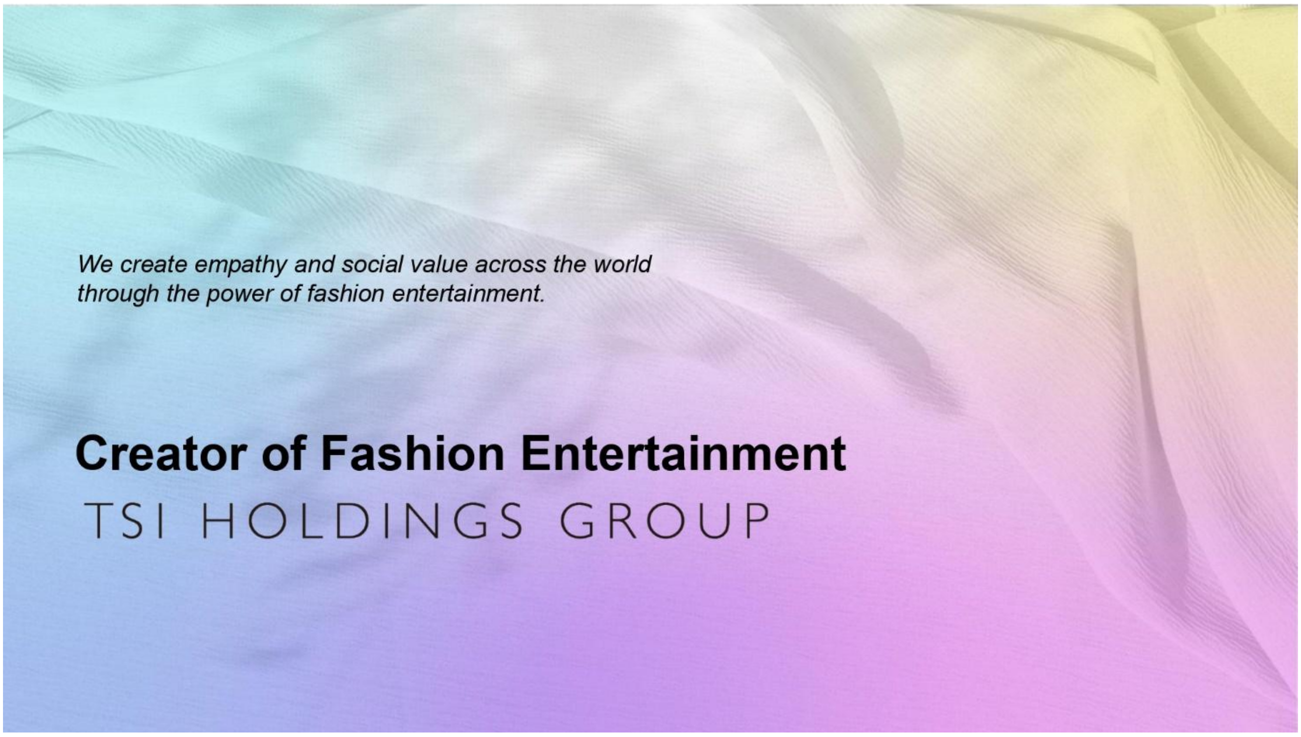
This is for the current fiscal year.

Looking ahead to this fiscal year, uncertainty in the social environment has increased significantly both in Japan and overseas. Under such circumstances, we believe that the brands customers choose are those with a clear identity, a concept, and a sense of excitement. In our business, we will further focus on refining these strengths, and strengthening our selling capabilities will be key to future growth. Together with the new members who have joined the TSI Group, we will continue to enhance both product creation and sales, and pursue our true essence as a retailer. With the aim of becoming a company that continues to be chosen as a place to work, we will create more opportunities for dialogue between management and employees and foster an environment where employees can continue to work with confidence, challenge themselves, and take pride in their work. We will enhance our corporate value by strengthening all of our existing businesses, investing in growth, and delivering shareholder returns.



"We create empathy and social value across the world through the power of fashion entertainment."

TSI Holdings aims to build a solid foundation for sustainable growth by further enhancing corporate value and strengthening customer trust.

Furthermore, as we continue to expand globally, we will strengthen our corporate capabilities and proactively communicate our values to the world. We look forward to your continued support in this fiscal year.

Thank you very much.

Disclaimer