



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.	
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[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

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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.

FY2026 Full-Year Overview

Executive Summary

- ✔ Throughout FY2026, the Japanese economy remained resilient, with steady trends in consumption, prices, and employment. Wage increases and expectations for economic and inflation indicators under the Sanae Takaichi administration have supported sentiment. However, uncertainty persists due to potential impacts on inbound tourism demand stemming from Japan–China relations, as well as geopolitical risks, including developments in the Middle East.
- ✔ In the apparel market, alongside the macroeconomic environment, relatively stable weather conditions during the autumn/winter season supported consumer sentiment, resulting in a solid overall market environment.
- ✔ The Company's performance varied across sales channels and brands throughout the year; however, operating profit increased significantly, reflecting the impact of structural reforms. Net sales also increased, driven by the consolidation of Daytona International Co., Ltd. and Waterfront Co., Ltd.

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3

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.

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2

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)



【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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4

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.

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Performance Highlights

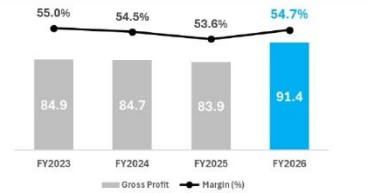


- The impact of revenue decline due to business withdrawals and divestitures in the previous year was more than offset at the operating income level.
- Existing businesses showed a weak trend overall:
 - Core existing brands struggled, and recovery in in-house EC remained slow.
 - In the U.S., existing operations continued to face a challenging market environment, resulting in a decline in revenue.

➔ Net sales were 90.4% YoY, excluding the impact of M&A.

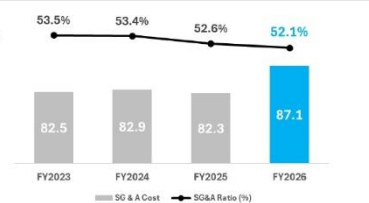


- In existing businesses, gross profit declined to 94.3% YoY in line with lower net sales; however, the gross profit margin improved by 2.4 percentage points, supported by structural reforms.
 - The cost of sales ratio improved due to supplier consolidation and pricing initiatives.
 - Profitability was also supported by supply-demand optimization measures, including the completion of clearance of prior-year inventory and the restraint of excessive discounting.



- The benefits of structural reform initiatives implemented through the previous year have materialized, improving efficiency in key expense categories such as logistics and advertising expenses, despite weak net sales.
- The Company will continue to maintain disciplined control over SG&A expenses.

➔ Excluding the impact of M&A, SG&A expenses decreased to 92.1% YoY.



5

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.

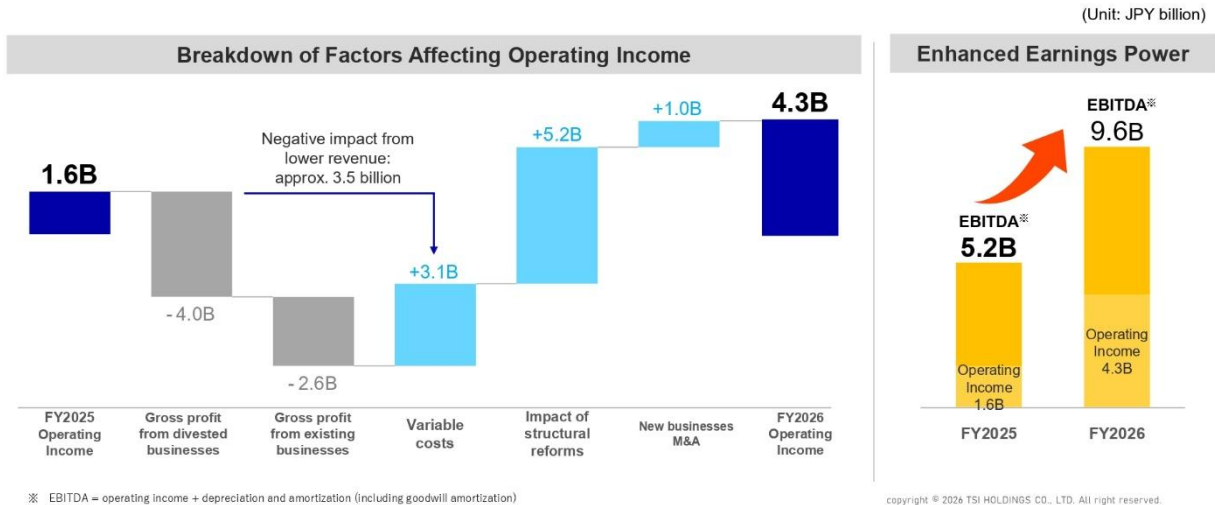
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Factors Affecting Operating Income

Structural reforms contributed approximately 5.2 billion in year-on-year profit improvement, reflecting steady progress. However, the impact of lower revenue in existing businesses was significant, and while operating income increased substantially year on year, it fell short of the plan (5.7 billion). Underlying earnings power improved significantly on an EBITDA basis.



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.

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Net Income Impact — Itemized Breakdown

Non-operating income, including dividend income, real estate income, and foreign exchange gains, totaled approximately 1.1 billion, bringing ordinary income to 5.4 billion. Interest expenses increased due to M&A-related borrowings.

At the extraordinary level, gains on sales of investment securities were recorded, while impairment losses on goodwill in the U.S. business were recognized.

As a result, profit before tax totaled 6.1 billion, profit attributable to the owners of the parent totaled 3.7 billion, and the net profit margin was 2.2%.

	(Unit: JPY billion)
Non-operating Income	
● Dividend income	0.8B
● Rental income	0.2B
● Foreign exchange gains	0.2B
Non-operating Expenses	
● Interest expenses	0.2B
Extraordinary Income/Losses	
● Net Income on sale of Investment Securities	3.3B
● Impairment Losses	1.8B
Income Taxes	
● Corporation, inhabitant and enterprise taxes	2.5B
● Income taxes – deferred	0.1B

Note: Only major items are shown.

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7

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.

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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%	33,046	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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8

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.

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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%
	Commercial Facilities ^{※1} [% of total sales]	70.4B [45.3%]	73.1B [46.7%]	82.3B [49.3%]	112.6%
	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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10

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.

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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%
	3rd Party [% of total domestic E-comm]	18.8B [54.3%]	19.0B [56.6%]	27.3B [62.5%]	143.7%
	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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11

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.

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Core Brands

Key menswear brands, including AVIREX, and FREAK'S STORE, which was consolidated from the second half, continued to perform strongly, delivering double-digit sales growth. In contrast, other core brands struggled to acquire new customers and to offset the impact of store closures, despite an improving trend in average spending per customer.

<p>FREAK'S STORE</p> <ul style="list-style-type: none"> In addition to solid performance at the Company's in-house EC platform "Daytona Park" and existing stores, growth in third-party EC and strengthened categories such as "PUBLUX" and "CAHLUMN" contributed to double-digit year-on-year sales growth. Promotional initiatives, including the "Ikuzo Festival," also drove sustained customer engagement. 	<p>AVIREX[®] YoY 118.5%</p> <ul style="list-style-type: none"> The brand delivered consistently strong performance and was a key driver of growth. 50th Anniversary collaboration projects held throughout the year were well received, and the closing live event provided a valuable opportunity to engage with the brand's community. The brand will focus on strengthening the women's segment. 	<p>MARGARET HOWELL YoY 96.0%</p> <ul style="list-style-type: none"> Performance was driven by strength in the European business, the men's category in Japan, and higher spending after price changes. However, declining domestic customer traffic hurt sales. The brand is speeding up store openings and closures for better efficiency with larger stores and will keep this up this fiscal year.
<p>NATURAL BEAUTY BASIC YoY 88.6%</p> <ul style="list-style-type: none"> Performance was affected by a decline in customer traffic, particularly in in-house EC, and by store closures, including key locations. Starting in March 2026, the brand will reposition the "N. Natural Beauty Basic" brand under a new operating structure, targeting broader customer segments through proposals aligned with diverse lifestyles. 	<p>NANO universe YoY 88.3%</p> <ul style="list-style-type: none"> Sales were primarily affected by store closures at underperforming locations, and existing stores also struggled with lower customer traffic. However, profitability improved significantly, supported by higher average spending per customer. The brand has also launched a new content initiative, "Kore Sae Areba," to create new customer touchpoints. 	<p>PEARLY GATES YoY 81.7%</p> <ul style="list-style-type: none"> Performance was subdued initially due to lower customer traffic and spending from last year's inventory clearance. In the second half, signs of recovery appeared as full-price sales increased. Initiatives like in-store events with contracted professionals and character collaborations, including "Snoopy," boosted traffic. The Company will keep strengthening fan-focused efforts to boost loyalty.

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13

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.

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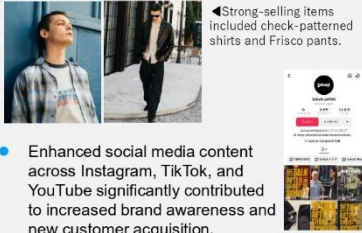
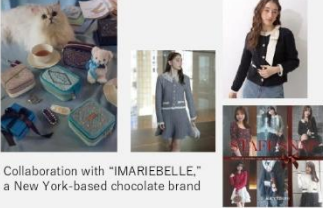

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Emerging Growth Brands

Across well-performing brands, a common pattern was the presence of trend-driven hit products, supported by enhanced social media strategies that increased brand awareness and engagement, thereby driving EC sales. In addition, FREE'S MART began sales at Daytona Park in March, aiming to create synergies.

<p>Schott NYC YoY 124.8 %</p> <ul style="list-style-type: none"> Sales were driven by strong-selling items such as printed shirts and denim pants, while trend-driven product planning supported strong profitability. Enhanced social media content across Instagram, TikTok, and YouTube significantly contributed to increased brand awareness and new customer acquisition. The second collaboration with CONVERSE launched in March and is expected to drive both sales and brand value. <p>Strong-selling items included check-patterned shirts and Frisco pants.</p> 	<p>Rirandture YoY 118.7 %</p> <ul style="list-style-type: none"> Collaborations with sweets brands generated strong buzz, driving increased brand awareness and sales growth. Social media initiatives, including outfit posts and Instagram Live sessions, strengthened customer touchpoints and enhanced customer engagement with the brand. <p>Collaboration with "IMARIEBELLE," a New York-based chocolate brand</p> 	<p>FREE'S MART YoY 114.6 %</p> <ul style="list-style-type: none"> Sales grew as strategic store openings expanded sales opportunities. Merchandising initiatives aligned with customer needs, supported by strong-selling items such as denim pants, resulting in stable in-store sales. Social media initiatives also delivered strong results, achieving a monthly reach of approximately 4-5 million. Sales on "Daytona Park" began in March, expanding sales channels. <p>Basic wide denim pants: 60,000+ units sold (cumulative)</p> 
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14

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.

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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.

※ 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.

Core Competencies

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



A niche leader with timeless appeal



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15

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.

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mix.tokyo Update

Although sales had a challenging start to the fiscal year, growth in menswear brands supported a gradual recovery over the full year. With the member base reaching approximately one million and the launch of strong-selling items, the foundation for growth in the current fiscal year has been laid.

mix.tokyo Sales Trend (FY2026)

Unit : million yen

Quarter	Sales (million yen)	YoY Growth (%)
Q1	1,215	58.3%
Q2	1,605	65.5%
Q3	1,526	72.1%
Q4	1,996	79.2%

- Year-on-year performance has been improving on a quarterly basis, although progress varies across brands.
- The company-wide "Special Thanks Sale" in February delivered record-high results in both customer traffic and sales.

Membership Overview

~One million Registered Members
As of March 2026

Period	Members (Person)	YoY Growth (%)
Q4 FY2025 (Pre-mix.tokyo)	115,940	-
Q4 FY2026 (mix.tokyo)	178,048	153.6%

- The member base reached one million.
- The Company will continue initiatives to expand brand awareness.

Merchandising

In Q4, collaboration initiatives generated strong-selling items, driving customer traffic.

Avirex continued to grow, driven by strong buzz from its collaboration with "Final Fantasy VII Remake."

"JILL by JILL STUART" performed well, driven by strong sales of its wallet series, including quilted mini wallets, which led to new customer inflows via social media.

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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.

Driving Awareness and Membership Growth for mix.tokyo

In Q4, the Company focused on maximizing sales through promotional campaigns, delivering the strongest performance of the year. Based on a comprehensive review of performance over the past year, the Company will leverage these insights to accelerate growth, rolling out a range of promotional initiatives, including anniversary campaigns and both cross-brand and brand-specific marketing efforts.

Strengthened Promotions to Accelerate Inventory Clearance

Sales promotions were intensified from late December to accelerate inventory clearance after sluggish winter sales.

A range of initiatives was deployed across multiple touchpoints, and the cross-platform "Special Thanks Sale" achieved record-high customer traffic and sales.

Rolling Out First-Year Initiatives

mix.tokyo marked its first anniversary and launched "mix DAYS" in March to celebrate the milestone.

A range of initiatives, including special campaigns and exclusive items, will be rolled out on an ongoing basis across both online and physical channels.

Ongoing Initiatives to Enhance Brand Awareness

Hosted a fashion show at "JAPAN GOLF FAIR 2026."

Launched "mix.Room," a cross-talk program featuring different guest speakers in each episode.

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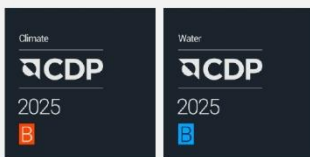

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Expansion strategy. mix.tokyo celebrated its first anniversary and began its anniversary project in March. In-store events were strengthened, including the distribution of original novelties to mark the first anniversary of the store. We will continue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

FY2026 Business Highlights

Sustainability Management

The Company has long been committed to enhancing both financial and non-financial value through sustainability management and has received recognition from third-party evaluations. The Company will continue to promote sustainable business growth.

<p>Selected for the "FTSE JPX Blossom Japan Sector Relative Index" for the First Time</p>  <p>FTSE JPX Blossom Japan Sector Relative Index</p> <p>The Company was selected for the first time as a constituent of the ESG investment index "FTSE JPX Blossom Japan Sector Relative Index."</p>	<p>Achieved a "B" Score in the 2025 CDP Assessment</p>  <p>In the 2025 CDP assessment, the Company received a "B" score in both the Climate Change and Water Security categories, ranking third out of eight levels.</p>	<p>Three-Star Rating in the Nikkei Sustainable Management Survey (SDGs Management Edition*)</p>  <p>The Company received "A+" ratings in key ESG categories, including SDGs Strategy & Economic Value, Social Value, and Environmental Value, and an "A" rating in Governance.</p> <p><small>*This survey evaluates companies that integrate SDGs into their management practices, addressing social, economic, and environmental issues through their business activities and enhancing corporate value.</small></p>
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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.

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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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19

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

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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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Area-based optimization and reform of sales staff allocation 	Approx. 0.9B
E-commerce Platform Integration & System Renewal	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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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21

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 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.

FY2027 Consolidated Earnings Forecast

FY2027 Full-Year Earnings Forecast: TIP27 Progress

The Company expects to achieve its targets for the final year of TIP27 in net sales, net income, ROE, and DOE. However, reflecting the recent decline in sales in existing businesses, the operating income target will be revised.

(Unit: JPY billion)

	FY2024	FY2027 (TIP27 Target)	FY2027 (Current Forecast)
Financial Targets	Net Sales	155.4B	165.0B
	Operating Income	1.7B	10.0B
	Net Income	4.8B (2.8B [※])	7.7B
Key KPIs	Operating Margin	1.1%	6.0%
	ROE	2.9% [※]	8.0%
	DOE	1.3% [※]	4.0%

✓ 200.0B
 - 7.5B
 ✓ 7.7B
 - 3.8%
 ✓ 8.0%
 ✓ 4.0%

[※] Net income calculated on an effective tax rate basis excluding tax effects, and metrics derived therefrom

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24

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.

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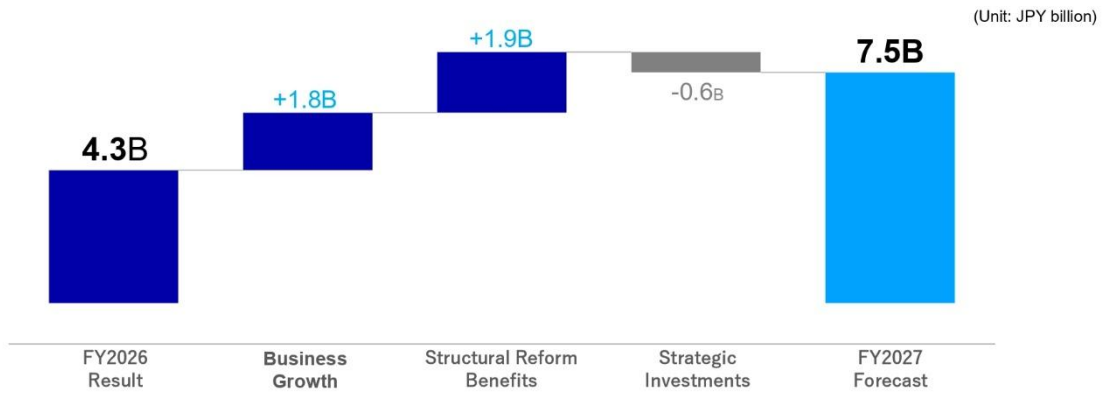
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Operating Income Bridge (FY2027 Forecast)

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.



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.

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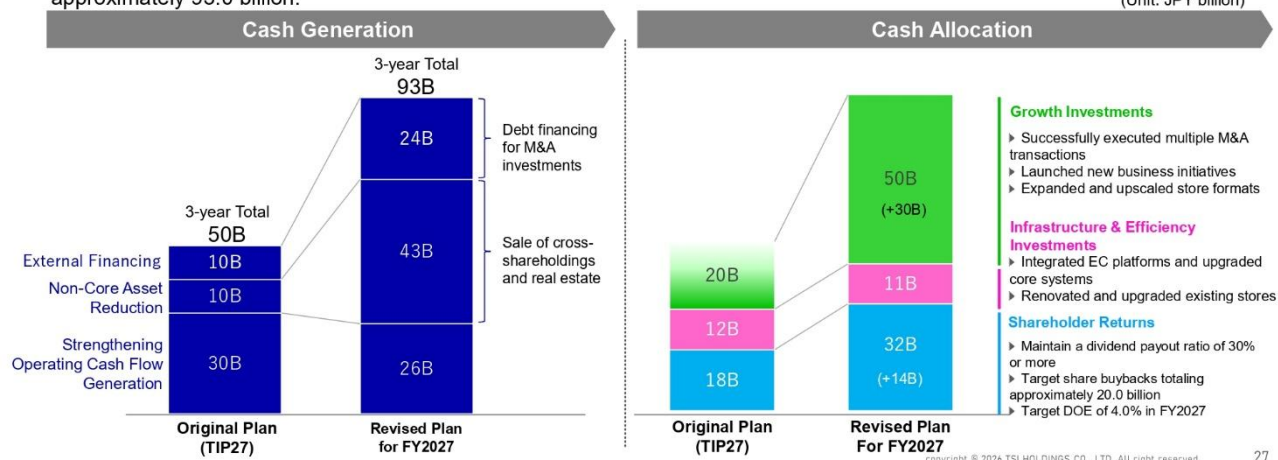
Capital Allocation Update

Over the first two years since the launch of TIP27, cash generation was significantly supported by the sale of non-core assets, including real estate, while external financing for growth investments exceeded the plan.

Capital allocation also exceeded the plan, driven by proactive M&A investments and enhanced shareholder returns.

Including the current fiscal year, cumulative cash generation and allocation over the three-year period are expected to reach approximately 93.0 billion.

(Unit: JPY billion)



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.

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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.



Dividend	¥15	¥65	¥40	¥70
(Special Dividend)		(¥46)	(¥15)	(¥15)
Dividend Payout Ratio	25%	30%	61%	53%

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28

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.

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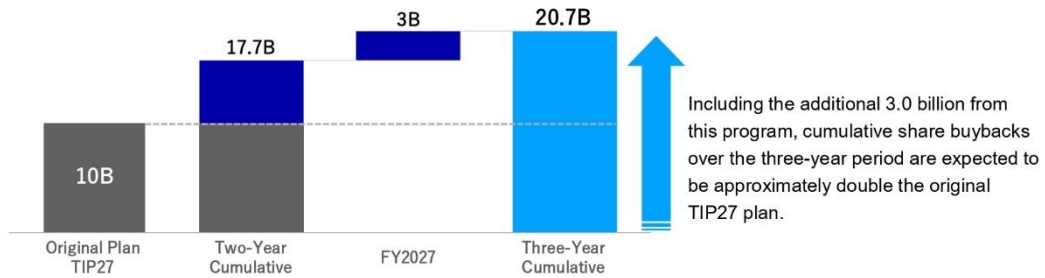
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Shareholder Returns: Share Buybacks

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



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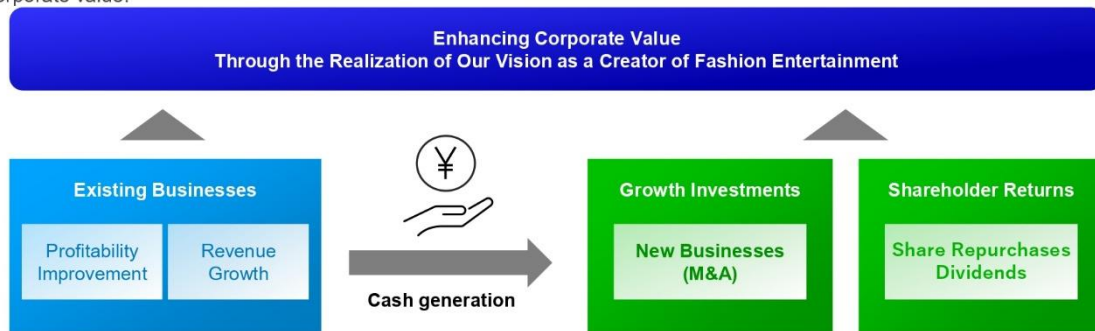
29

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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30

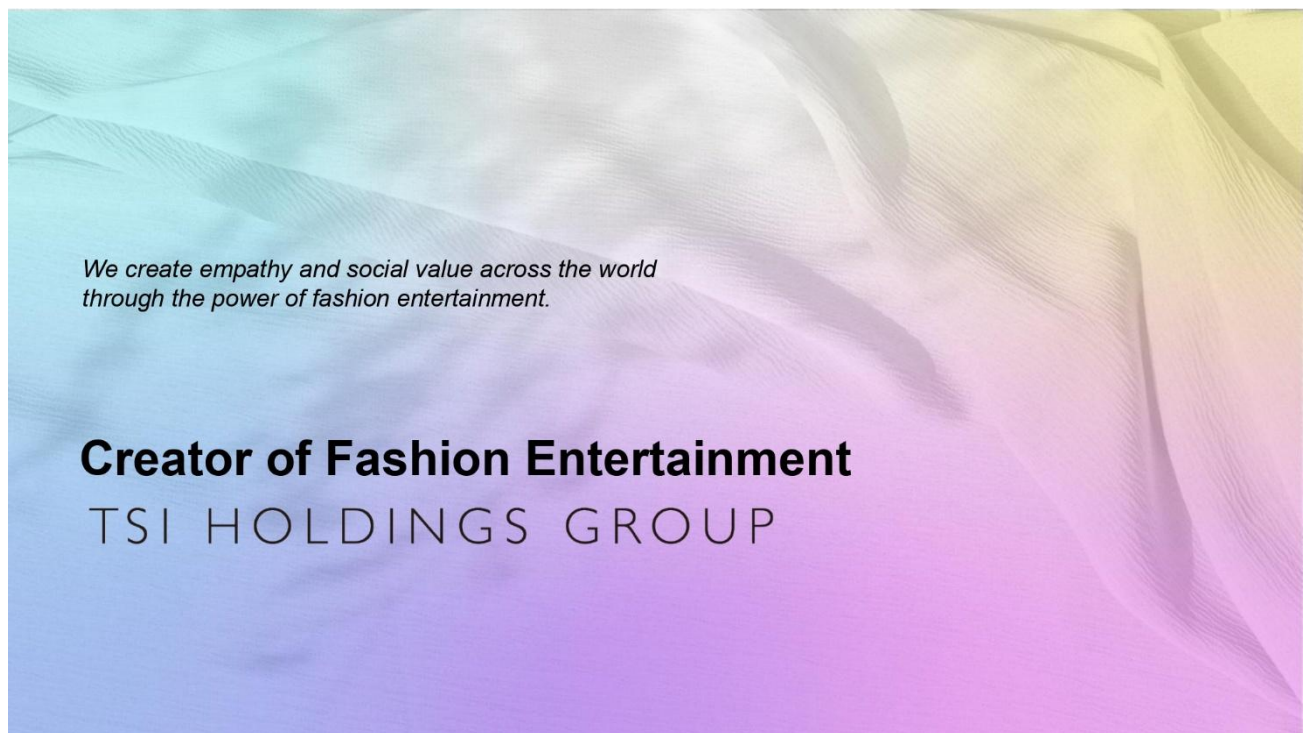
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This is for the current fiscal year.

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.

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