TSI HOLDINGS

FY2026
Status of Dialogue with Shareholders

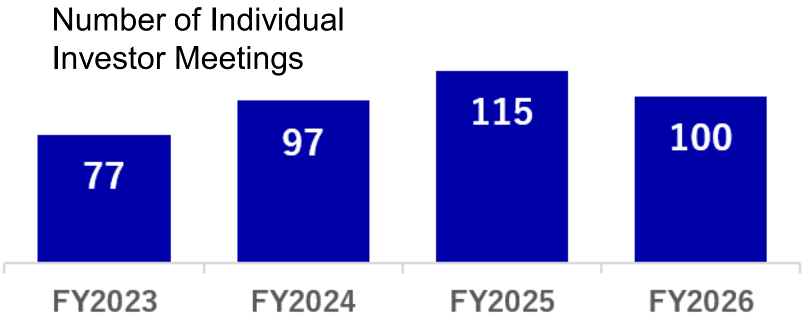
TSI HOLDINGS CO., LTD.

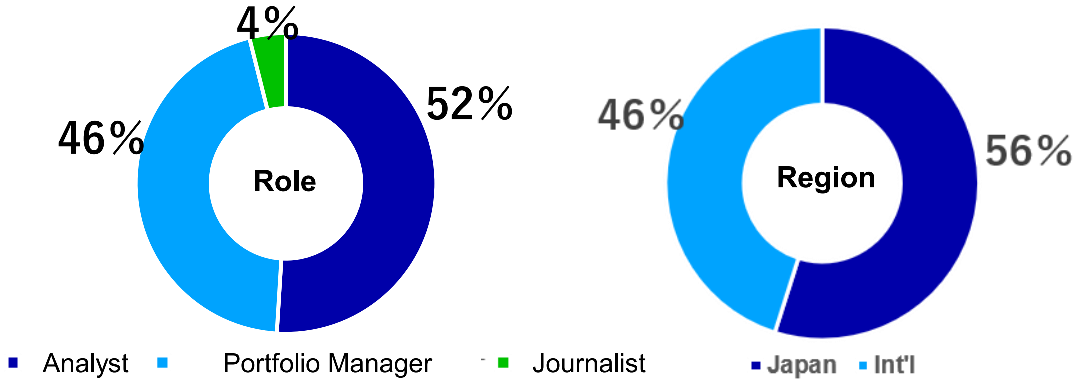
Stock Code：3608 (Tokyo Stock Exchange Prime Market)

August XX, 2026

Overview

The number of meetings with shareholders and investors continues to increase. The Company has also diversified its dialogue channels through CFO-led engagement on topics such as capital policy and sustainability, while continuing to hold presentations for individual investors to foster mutual understanding and deeper engagement.





	Number of Meetings	Lead Participants				Number of Meetings	Lead Participants			
	FY2025	CEO	COO	CFO	Outside Directors	FY2026	CEO	COO	CFO	Outside Directors
Financial results briefing (Online)	4	4	4	4	-	4	4	4	4	-
Individual meetings (In-person/Online)	115	4	1	11	5	100	1	-	3	-
Small Group Meetings (Online)	2	2	-	2	-	-	-	-	-	-
Presentations for Individual Investors (Online)	4	4	-	4	-	3	3	-	3	-
Shareholder Engagement Meetings (In-person / Online)	-	-	-	-	-	15	-	-	15	-

Key Dialogue Topics and Areas of Shareholder Interest

In addition to recent business performance, key topics of discussion included improving capital efficiency and recent M&A transactions. On business performance, shareholders showed particular interest in the likelihood of achieving the Company's targets and progress on structural reforms.

Business and Growth Strategy

Key Topics

- Initiatives to achieve the Medium-Term Management Plan
- Growth strategies for existing brands
- Approach to the future business portfolio

Earnings Outlook and Profitability

Key Topics

- Outlook for achieving the full-year earnings forecast
- Progress on profitability reforms
- Drivers of profit growth
- Impact of the situation in the Middle East on raw material prices
- Impact of the weaker yen on earnings

M&A

Key Topics

- Strategic rationale for acquisitions
- Expected synergies
- Goodwill
- Timing of contributions to earnings and profit
- Progress on Post-Merger Integration (PMI)

Capital Policy and Shareholder Returns

Key Topics

- Approach to shareholder returns
- Acquisition of treasury shares
- Dividend policy
- Cash allocation

Key Areas of Interest and the Company's Views

Key Topics Raised in Dialogue	The Company's Views and Approach
【Capital Policy】 The Company should provide its medium- to long-term view on the cost of capital as part of its initiatives to improve its price-to-book ratio (PBR).	The Company disclosed its cost of capital when TIP27 was announced and continues to review it in light of changes in market conditions, business risks, external financing, and earnings capacity. To improve PBR, the Company will continue to enhance profitability and asset efficiency and strengthen shareholder returns, aiming to achieve capital efficiency above its cost of capital.
【Shareholder Return Policy】 While supportive of a Dividend on Equity (DOE) of 4%, shareholders expressed concerns about the sustainability of excessive shareholder returns.	The planned annual dividend of ¥70 per share includes a ¥15 special dividend. The Company aims to provide sustainable shareholder returns over the medium to long term, with a DOE of 4% serving as a benchmark while balancing financial soundness and investment for growth. The policy for the next fiscal year and beyond has yet to be determined and will be considered based on the earnings outlook, capital efficiency, investment capacity, and shareholder expectations, with a view to avoiding dividend reductions.
【Business Strategy】 The large number of brands may be creating inefficiencies, and the Company should accelerate the restructuring of underperforming businesses.	Reviewing the brand portfolio is a key priority, with decisions based on each brand's growth potential, profitability, and capital efficiency rather than the number of brands itself. The Company is redefining its criteria for retaining or exiting businesses while focusing resources on priority brands. The next Medium-Term Management Plan will further clarify this portfolio strategy to drive sustainable growth and improve profitability.
【Governance】 Potential dilution and voting rights implications of the share contribution to the foundation.	The shares contributed to the foundation represent 0.99% of total shares issued, and the Company also acquired treasury shares to mitigate dilution. The foundation's Articles of Incorporation stipulate that it will not exercise voting rights associated with these shares.

Feedback to the Board of Directors

The Company aims to establish a framework where Outside Directors review reports on shareholder and investor engagement and, where necessary, encourage management to make improvements or provide further clarification.

After Investor Meetings and Presentations

Compile meeting data and key discussion points

Timely Reporting

Promptly report urgent matters to all Board members

Regular Reporting to the Board

Report investor expectations, concerns, and key insights from analyst reports to the Board

Item	Frequency	Reporting Method
Urgent matters	As needed	Direct communication / Email, etc.
Feedback and comments from dialogue	Quarterly	Board of Directors meetings
Shareholder and investor engagement policies and progress	Quarterly	Board of Directors meetings

Initiatives for Individual Investors

The Company is strengthening dialogue and communication with individual investors to ensure fair and timely access to information for all shareholders and investors.

Key Initiatives

1. Presentations for Individual Investors
2. Enhanced Shareholder Communications

Presentations for Individual Investors	Format
June 20, 2024	Online
August 31, 2024	Online
October 26, 2024	Online /In-person
February 5, 2025	Online
June 10, 2025	Online
December 6, 2025	Online /In-person
February 5, 2026	Online
August 25, 2026 (Scheduled)	Online

Presenter for all sessions: Representative Director and CEO

Key Areas of Interest	The Company's Views and Responses
"Does the Company have too many brands, and are there plans to streamline the portfolio?" "How does the Company plan to improve the performance of mix.tokyo?"	The Company regularly reviews its brand portfolio based on profitability and growth potential, rather than the number of brands. Going forward, it will focus resources on priority brands while seeking renewed growth for mix.tokyo through stable operations, loyalty programs, and promotional campaigns.
"Why is the Company's operating margin significantly lower than its peers, and how does it plan to improve profitability?"	The Company recognizes that inefficiencies in its multi-brand structure have weighed on its operating margin. Its structural reforms focus on improving the gross profit margin and reducing the SG&A expense ratio. Gross profit margin: Improve the cost ratio through pricing and procurement initiatives, while reducing inventory valuation losses on older inventory. SG&A expense ratio: Reduce advertising, promotional, and logistics expenses while improving operational efficiency.
"What is the outlook for dividends and the acquisition of treasury shares? Are current shareholder returns sustainable?"	The Company prioritizes shareholder returns and capital efficiency and has actively acquired treasury shares. The current annual dividend is ¥70 per share, with a DOE of 4% serving as a benchmark while balancing the earnings outlook and investment for growth. The Company aims to provide stable and sustainable returns over the long term.

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