



October 1, 2024

(Translation)

TSI HOLDINGS

To Whom It May Concern

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

Regarding the Introduction of Fees for Shopping Bags and the Transition to Plastic-Free Materials

TSI Holdings Co., Ltd. (the Company) has formulated a fundamental policy aimed at minimizing environmental impact. By the conclusion of the fiscal year ending February 28, 2025, the Company will implement charges for existing shopping bags and cease the procurement of plastic shopping bags. This transition will entail a gradual shift to paper bags as the current stock is depleted. The Company hereby communicates this policy in detail.

1. Background

In March 2024, the Ministry of Economy, Trade and Industry published the *Design for Environment Guidelines* for textile products, which calls for measures to reduce packaging materials.

The TSI Holdings Group (the Group), guided by its management philosophy, "We aim to brighten people's hearts through fashion and share joy with society for a brighter future," conducts its business with the purpose, "We create empathy and social value across the world through the power of fashion entertainment." It is committed to realizing sustainable fashion through open dialogue with all stakeholders and continues to challenge itself to create a society where people's happiness endures through its business activities. In line with its sustainability policy, the Group has also set the reduction of paper resource consumption as a key objective in its medium-term business strategy.

Recognizing raw materials as one of the key issues in the global environment domain, it has set a 2050 KGI (Key Goal Indicator) to reduce environmental impact through careful material selection. The Company believes it is essential to minimize environmental impact not only through raw materials used in apparel itself but also by choosing biodegradable options for auxiliary items, such as shopping bags.

Furthermore, the Group acknowledges the finite nature of resources and energy and has prioritized their efficient use as a cornerstone of its environmental policy. In this context, the Company has concluded that implementing a charge for shopping bags, irrespective of necessity, is an effective strategy for minimizing overall waste.

2. Environmental Impact Reduction Goals for Raw Materials

- (1) Implement a fee-based system for existing shopping bags by the end of the fiscal year on February 28, 2025, and gradually phase out plastic shopping bags in favor of paper ones as the current stock depletes.
- (2) Reduce the use of shopping bags by 60% by the fiscal year ending February 28, 2031, compared to the fiscal year ended February 29, 2024.
- (3) Reduce the use of shopping bags by 40% by the fiscal year ending February 28, 2027, compared to the fiscal year ended February 29, 2024, and increase the use of FSC-certified paper to 90% or more.

3. Future Initiatives

Moving forward, although the approach and timeline may differ by brand, the company will advocate for the transition to FSC-certified paper. Furthermore, there are plans to shift towards more environmentally friendly materials for other packaging and auxiliary items.